EXECUTIVE COMPENSATION

Background

1. Santee Cooper engages Towers Perrin to review, on an annual basis, its executive compensation package and to compare it with packages offered by investor owned utilities in the region.

2. Distinctions in executive talent between investor-owned and public power entities are less relevant because the business of generating and distributing power is equally complex regardless of the form of ownership or corporate structure.

3. The current executive pay program was adopted in 1996 and includes

- annual cost/kWh sold relative to a peer group three-year average
- overall customer satisfaction rating must be 95% or greater.

Santee Cooper's Compensation policy

Santee Cooper's executives are paid considerably less than those in comparable investor-owned utilities.

Santee Cooper **targets** total compensation (base salary plus annual incentive award) **at the 25th percentile** (lowest quarter) among a utility peer group selected by Towers Perrin.

Base salary: Based on April 2005 report by Towers Perrin, in past years, Santee Cooper's base pay levels for top executives have remained below the targeted 25th percentile levels.

Annual Incentive Plan: Awards are granted based on performance that meets or exceeds specific, measurable objectives such as cost of power, cost reductions, safety, etc. Target award opportunity (as a percent of base salary) for eligible executives includes:

- A target award of 25% for President and CEO, EVP and COO.
- A target award of 20% for CFO, General Counsel and SVPs.

Supplemental Executive Retirement Plan (SERP):

Santee Cooper provides SERP arrangements for its executives. The plan's objective is to improve competitiveness of total compensation package and to attract and retain highly

EXHIBIT
31
5-24-05
PENGAD 800-631-6989

qualified executives (Towers Perrin, page 8, attached). This is in addition to regular state retirement.

COMPARISON WITH SCE&G

2003 salary received, salary increase and bonus

	salary	% increase	bonus paid
Chairman and CEO	858,219	14.24	1,297,833
President and COO	419,808	11.49	463,295
Senior VP and CFO	419,808	11.83	527,240
Senior VP and General Counsel	360,950	21.48	337,685
Senior VP, Human Resources	275,164	10.08	223,590
Senior VP, Natural Gas	201,050	20.13	131,321

(SOURCE: PSC Staff Data Request No. 50-a in PSC Docket No. 2004-178-E.)

As you can see, in many instances the bonuses awarded to SCE&G's top executives equal their base salary **before** they received substantial increases and, in some cases, exceed base salary.

(NOTE: SCE&G data does not include other forms of compensation, such as stock options and other forms of stock ownership, potential contributions to deferred compensation, etc.)

COMPARISON WITH TOWERS PERRIN PEER GROUP

Attached are three pages from the Towers Perrin Report comparing various aspects of Santee Cooper's compensation plan with the selected peer utility group.

T. Graham Edwards

1. A life insurance policy in effect at the time of termination is provided for life. Coverage in the amount of $120,000 with an annual premium of $468 annually was in effect at the time of termination.

2. Term life insurance in the amount of $284,000 is provided for life.

3. Health and dental insurance is provided including family or spouse until such time that coverage is provided by another employer.

4. In the event of disability, SERP payments will be increased from 60 to 70%.

MEETING OF THE BOARD OF DIRECTORS
OF THE SOUTH CAROLINA PUBLIC SERVICE AUTHORITY
WAMPEE CONFERENCE AND TRAINING CENTER
CONFERENCE ROOM
PINOPOLIS, SOUTH CAROLINA
SUNDAY, FEBRUARY 21, 1999 - 5:30 P.M.

SPECIAL SESSION

Directors Present: Chairman John S. Rainey, Larry L. Bigham, Juanita W. Brown, Frances B. Gilbert, Leon S. Goodall, Lewis L. Harrison, Claude V. Marchbanks, Henry B. Rickenbaker, John D. Trout, Johnnie Mac Walters, and Johnnie Joe Young

Others Present: T. Graham Edwards, President & Chief Executive Officer; John H. Tiencken, Jr., Executive Vice President & Chief Legal Officer; and John S. West, Vice President, Property & Legal Services

Also present were Dwight Drake, George Wolfe, and Kevin Hall with Nelson Mullins Law Firm.

On Friday, February 19, 1999 news media, persons, and organizations requesting notification of all public meetings agendas including the time, date, and location of the meeting were notified by facsimile.

Chairman Rainey called the meeting to order. He presided, and Mr. Edwards kept the minutes.

Director Harrison participated in the meeting via telephone conference call.

Upon motion by Director Trout and seconded by Director Bigham, the Board unanimously voted to enter Executive Session to discuss contractual and personnel matters with Mr. Edwards, Mr. Tiencken, Mr. West, Mr. Drake, Mr. Wolfe, and Mr. Hall attending.

The Board returned to Regular Session. Chairman Rainey reported no action was taken in Executive Session.

Director Harrison ended the telephone connection and withdrew from the meeting.

There was discussion concerning Mr. Edwards, his leadership, and the outstanding competitive position Santee Cooper has obtained. As a result of Mr. Edwards' outstanding leadership and the accomplishments during 1998 and during his tenure as President and CEO; and upon motion by Director Young, seconded by Director Bigham, the Board unanimously approved the following changes to Mr. Edwards' supplemental executive retirement agreement (the "Agreement"):

1. The annual maximum level of benefit is increased from forty-five percent (45%) to sixty percent (60%) of the highest annual earnings as described in the Agreement.

2. Mr. Edwards is eligible for the benefit set forth in Number 1 above after twenty (20) years of service. The previous vesting schedule no longer is applicable.

3. The length of annual benefit after retirement is increased from twenty (20) years to thirty (30) years.

4. The non-compete clause of the Agreement is changed from two (2) years to one (1) year and only applies if Mr. Edwards is directly employed by another South Carolina electric generating utility company.

5. The non-compete clause is also changed to allow Mr. Edwards to begin receiving benefits immediately upon retirement. However, if the one (1) year non-compete clause is violated, then Mr. Edwards must repay any benefits received with appropriate interest.

6. Santee Cooper agrees to pay for and provide Mr. Edwards with comparable and current level of health, dental, and disability insurance coverage for life, unless such coverage is provided by another employer.

7. Santee Cooper agrees to pay for and provide Mr. Edwards with his current level of life insurance coverage now available to him from all company and state retirement system sources for life.

There being no further business and upon motion by Director Brown, seconded by Director Walters, the meeting was adjourned.

Respectfully submitted,

Graham Edwards

T. Graham Edwards
President and CEO

APPROVED:

John S. Rainey

John S. Rainey
Chairman
Board of Directors

dms

STATE OF SOUTH CAROLINA)
) AGREEMENT
COUNTY OF BERKELEY)

THIS AGREEMENT (this "Agreement"), made this 22nd day of February, 1999, by and between South Carolina Public Service Authority (the "Authority") and T. Graham Edwards (the "Employee").

WITNESSETH:

WHEREAS, the Board of Directors of the Authority has determined as a matter of policy that dependable and reliable service to the Authority's customers and the operation and management of the Authority requires a staff of highly qualified and experienced personnel; and

WHEREAS, in order to be competitive with other industry and attract, hold and motivate highly qualified and experienced personnel, the Board of Directors of the Authority has determined that it is in the Authority's best interest to provide additional compensation in the form of life insurance coverage, pre-retirement death benefits, long-term disability benefits and deferred compensation payments upon retirement for certain of its employees; and

WHEREAS, the Authority and Employee have entered into an agreement, dated as of October 21, 1996 (the "Prior Agreement"); and

WHEREAS, the Authority and Employee desire to amend and restate the Prior Agreement in its entirety pursuant to this Agreement.

NOW, THEREFORE, in consideration of the faithful, satisfactory and punctual performance of the duties and responsibilities required of the Employee, the Authority hereby agrees with the Employee as follows:

Section 1. Definitions.

In addition to the other defined terms and phrases in this Agreement, the following capitalized terms or phrases shall have the meaning set forth in this section, unless the context clearly requires otherwise:

- "Age Sixty" shall mean the earlier of:
  - The date on which the Employee actually attains age 60; or
  - June 30 of the calendar year in which the Employee would attain age 60.
- "Agreement" shall mean this Agreement.
- "Authority" shall mean the South Carolina Public Service Authority.

- "Board of Directors" shall mean the Board of Directors of the Authority serving at a given time.

- "Code" shall mean the Internal Revenue Code of 1986, as amended, and all successor-laws thereto.

- "Compensation" shall mean, for a given consecutive 12 month period, all salary, bonuses, commissions, overtime, and all other benefits and payments subject to tax under Code section 3101(a) (excluding, however, benefits under this Agreement which are subject to tax under such Code section), and all salary deferral or reduction contributions by the Employee under a plan relating to the Authority and intended to qualify under Code section 125, 401(k), 403(b), or 457(a); provided, however, no Compensation for any such 12 month period in excess of the applicable Compensation Limit shall be taken into account under this Agreement.

- "Compensation Limit" shall mean, for any consecutive 12 month period, Three Hundred Forty Seven Thousand Nine Hundred Twenty Eight and No/100 Dollars ($347,928.00) and such limitation shall be adjusted each Year (beginning with the first year after the Year which includes the date first above-written) by a percentage which is equal to the percentage that the Consumer Price Index has increased or decreased (as the case may be) for such applicable Year of adjustment relative to the preceding year. Adjustments to the "Compensation Limit" will be made as soon as Consumer Price Index data is available for the end of each Year. Upon termination no further adjustments to the Compensation limit shall be made.

- "Corporate Secretary" shall mean the corporate secretary of the Authority serving at a given time.

- "Creditable Service" shall have the same meaning as provided under the South Carolina Retirement System. For purposes of this Agreement, the term "Creditable Service" shall include time actually spent in the employ of the Authority, plus any other time credited by the South Carolina Retirement System for employment by an entity other than the Authority.

- "Disability" shall mean that the Employee is or would be unable to engage in any substantial, gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued or indefinite duration.

- "Disability Benefit" shall mean the benefit provided under Section 5 of this Agreement.

- "Employee" shall mean T. Graham Edwards.

- "Highest Compensation" shall mean the Employee's highest Compensation for any consecutive 12 month period.

- "Ineligible Plan Benefit" shall mean any portion of a benefit provided the Employee under this Agreement that is subject to taxation pursuant to Code Section 457(f), and shall not include any benefit that is subject to taxation pursuant to Code Section 457(a) and any benefit to which Code Section 457 does not apply by reason of section 6064(d)(3) of the Technical and Miscellaneous Revenue Act of 1988.

- "Involuntary Termination for Cause" shall mean any one or more of the Employee's willful material misconduct, willful material violation of any law, rule, regulation (other than minor offenses), or material breach of fiduciary duty involving personal profit to the Employee, the Employee's family or any other party who is related to the Employee; provided, however, (I) no act, or failure to act, on the Employee's part shall be considered "willful" unless done, or omitted to be done, by the Employee not in good faith and without a reasonable belief that the Employee's action or omission was in the best interest of the Authority; and (II) any act or omission to act by the Employee in reliance upon an opinion of counsel to the Authority or counsel to the Employee shall be deemed not to be "willful."

- "Noncompete Requirement" shall mean that, for a period of one (1) year after Termination, the Employee shall not directly be employed by a South Carolina generating electric utility company. Notwithstanding anything in this Agreement to the contrary, the Employee's violation of the Noncompete Requirement shall have the sole effect of disqualifying the Employee from receiving deferred compensation payments as provided in this Agreement.

- "Normal Deferred Compensation Benefit" shall mean the benefit provided under Section 3 of this Agreement.

- "Prior Agreement" shall mean that certain agreement, dated October 21, 1996, by and between the Authority and Employee.

- "Retirement" shall mean the Employee's Termination:

    - With twenty (20) Years of Creditable Service;

    - Otherwise, except for Involuntary Termination for Cause.

- "Termination" shall mean the termination of the Employee's employment with the Authority, voluntarily, involuntarily or otherwise.

- "Year" shall mean each 12-month period commencing January 1 and ending on the next December 31.

Section 2. Agreement Amends and Restates Prior Agreement. This Agreement amends and restates the Prior Agreement in its entirety, such that all the terms and conditions of the Prior Agreement shall be substituted in their entirety for and by this Agreement, and such that the Prior Agreement is replaced completely by this Agreement.

Section 3. Normal Deferred Compensation Benefit. The Authority shall pay the Employee deferred compensation payments (constituting the "Normal Deferred Compensation Benefit"), annually for thirty (30) years, each in the amount of sixty (60%) percent of the Employee's Highest Compensation.

Provided, further, in the event the Employee incurs an Involuntary Termination for Cause no such deferred compensation payments shall be made to the Employee. The Deferred Compensation Benefit shall be in lieu of the Disability Benefit and Death Benefit, except as otherwise provided in Section 5.

In addition, if Employee requests deferred compensation payments, either annual or single-sum as set forth under Section 4.B., payment(s) can be made to Employee immediately upon Retirement. Provided, however, if Employee does not comply with the Non-Compete provision of this agreement, the Employee shall repay the Authority the full amount Employee has received to date plus interest. Such interest shall be at the Authority's average interest cost of its outstanding debt.

Section 4. Certain Benefit Payment Elections. To the extent the Employee is entitled to receive payment of a Normal Deferred Compensation Benefit and/or Disability Benefit, the Employee shall be entitled as follows:

A. The Employee shall have the option to defer any and all payments relating to such applicable benefit upon notice in writing to and filed with the Corporate Secretary.

B. The Employee shall be entitled to obtain a single-sum distribution of all payments relating to such applicable benefit based upon a present value computation. The interest rate applicable to such computation, to be determined as of the date of the employee's termination, shall be equal to an average of (1) the Authority's most recent annual cost of debt capital and (2) the Authority's then current anticipated average annual cost of tax-exempt debt capital over a thirty (30) year period (determined in conjunction with the Authority's financial advisor). In order to obtain such single-sum distribution, the employee shall provide written notice a minimum of 90 days prior to receiving the single-sum in respect thereof which shall be filed with the Corporate Secretary.

C. The Employee shall be entitled to designate, in writing to and filed with the Corporate Secretary, the individual or entity to whom the Employee desires such payments relating to such applicable benefit to be made.

Section 5. Disability Benefit. In the event the employee shall be subject to a Disability at the time of Termination, the Authority shall pay long term disability payments (constituting the "Disability Benefit") equal to seventy percent (70%) of the Employee's Compensation at the time of such Termination while subject to Disability, for so long as the Employee is subject to Disability. Subject to the preceding sentence, such Disability Benefit payments shall continue until the age of sixty-five (65) if the employee becomes disabled prior to his sixtieth (60th) birthday, or until the age of seventy (70) years or for five (5) years, whichever is less, in the case the Employee becomes disabled on or after his sixtieth (60th) birthday. The amount of long-term Disability Benefit payments shall be inclusive of all other long-term disability benefits provided by Social Security, Authority group long-term disability insurance, and disability benefits from the South Carolina State Retirement System. The maximum Compensation for determining this benefit shall not exceed the applicable Compensation Limit.

Upon expiration of long-term Disability Benefit payments as set forth above, the Employee shall be eligible to receive Normal Deferred Compensation Benefit payments (and to the extent provided in Section 3 above) with Compensation being computed on the basis of the Employee's Highest Compensation during any 12 month period until the time disability payments under Section 5 begin. Employee, if subject to a Disability and eligible for Normal Deferred Compensation Benefit payments, has the option of beginning to receive Normal Deferred Compensation Benefit payments at the time of expiration of his long term Disability Benefit payments or at the age of seventy (70) years.

Section 6. Death Benefit. In the event the Employee shall die prior to Retirement, prior to incurring an Involuntary Termination for Cause, and prior to the satisfaction of all requirements relating to the entitlement to receive payment of the Normal Deferred Compensation Benefit, and in lieu of the Disability Benefit, the Authority shall pay to the individual or entity designated in writing to and filed with the Corporate Secretary by the Employee, or, in the absence of any such designation by the Employee, to the Employee's estate, each year for thirty (30) years, an amount equal to sixty (60%) percent of the Employee's Highest Compensation. Each such annual payment shall be made in twelve (12) monthly installments, beginning with the first day of the month immediately following the month of the Employee's death; provided, however, the maximum number of such monthly payments shall be three hundred sixty (360). In addition, the individual or entity as designated may request in writing to receive a single-sum benefit in lieu of monthly installments. This amount shall be calculated in the same manner as set forth in Section 4.B.

Section 7. Life Insurance. The Authority shall pay thirty nine dollars per month ($39.00), an annual amount of four hundred and sixty eight dollars ($468.00) towards the premium on a life insurance policy other than term life insurance. These payments for premiums shall cease upon Termination. The Authority shall provide Employee group life insurance coverage in the amount of five thousand dollars ($5,000.00) upon Retirement.

Section 8. Death of Employee. In the event of the death of the Employee prior to the completion of the payment of Normal Deferred Compensation Benefits, the remaining benefits shall be paid when due to the Employee's designee (as set forth in writing to and filed with the Corporate Secretary), and, if such designee dies prior to, or contemporaneously or in a common disaster with, the Employee, to the Employee's alternate designee (as set forth in writing to and filed with the Corporate Secretary), and, if such designee dies prior to, or contemporaneously or in a common disaster with, the Employee, to the Employee's estate.

Section 9. Other Insurance Provisions.

(A) Health and Dental Insurance: Santee Cooper will provide current level of coverage for life, unless coverage is provided by other party.

(B) Disability Insurance: Santee Cooper will provide current level of coverage until normal retirement, unless coverage is provided by other party.

(C) Life Insurance: Santee Cooper will provide current level of coverage for life.

Section 10. No Cost To Employee. All benefits and insurance coverage provided to the Employee under this Agreement shall be at no cost to the Employee (except applicable taxes), and shall be in addition to and separate from any and all other retirement and/or insurance benefits which the Authority may provide or Employee may receive; provided, however, that nothing contained in this sentence shall modify the requirements which the Employee must meet in order to obtain such benefits and life insurance coverage.

Section 11. Certain Ineligible Plan Benefit Tax Matters. This Section shall apply in the event that the Employee, or Employee's designee, alternate designee or estate, as the case may be, shall be required to include in gross income for any taxable year an amount attributable to any portion of the Employee's Disability Benefit or Normal Deferred Compensation Benefit, and shall apply only to the extent such applicable benefit is an Ineligible Plan Benefit. If the gross income of an Employee, Employee's designee, alternate designee or estate, as the case may be, for a given taxable year increases due to the inclusion in gross income of such an Ineligible Plan Benefit pursuant to this Agreement, without a distribution of such benefit payment under this Agreement sufficient to pay the increased income and other tax attributable to such Ineligible Plan Benefit, then (except as otherwise provided in this Agreement) the Authority shall pay the Employee, or Employee's designee, alternate designee or estate, as the case may be, a single sum amount, on or before the last day of such taxable year, equal to the amount required to satisfy such tax liability for such taxable year relating to such Ineligible Plan Benefit, including any tax liability relating to such single sum amount. Provided, however, no such single sum amount shall exceed the present value of all future benefit payments to which the Employee, or Employee's designee, alternate designee or estate, as the case may be, may be entitled to receive, and which (as of such time) has not yet been paid under this Agreement. Notwithstanding anything in this Agreement to the contrary, (I) such single sum amount shall be offset against all future payments that are otherwise required to be paid under this Agreement, so as to ratably reduce such applicable future payments to be paid to the Employee, or the Employee's designee, alternate designee or estate, as the case may be, under this Agreement; and (II) if the Authority pays one or more such single sum amounts, and applicable future benefits payments under this Agreement are forfeited or otherwise not payable, then the person for whose benefit such single sum amount was paid shall be (and is hereby) required to pay to the Authority such single sum amount, with interest (and the Authority may require such applicable person to sign an appropriate agreement to this effect prior to the Authority's payment of each, any or all such single sum amounts).

Section 12. Certain Tax Withholding. Notwithstanding anything in this Agreement to the contrary, (I) to the extent the Authority is required to withhold for tax or other purposes an amount relating to any benefit or payment under this Agreement, the Authority shall be entitled to withhold such applicable amount and pay such amount to the applicable governmental body or other person to whom such withholding obligation is owed, and (II) single-sum amounts relating to certain tax matters described in Section "10" of this Agreement which represent tax payments with respect to which such withholding obligation upon the Authority is applicable shall not be paid to the Employee, or Employee's designee, alternate designee or estate, as the case may be, and, instead, shall be paid to the applicable governmental body to whom such withholding obligation is owed.

Section 13. Certain Acceleration/Assignment Prohibited. Neither the Employee, nor any other person (except the Authority) shall have the right or authority to encumber, commute, borrow against, dispose of, assign, or otherwise transfer or accelerate payment of, any and all benefits under this Agreement prior to actual receipt thereof by the applicable person who, under this Agreement, has a right to such receipt, except as otherwise specifically provided in this Agreement.

Section 14. Benefits Subject to Authority's General Creditors. Notwithstanding anything in this Agreement to the contrary, all benefits under this Agreement, and any and all funds of the Authority which may be used or applied to pay such benefits shall at all times remain the exclusive property of the Authority, and shall remain subject to the claims of the general creditors of the Authority until actually paid to the applicable person who, under this Agreement, has a right to receive such payment.

Section 15. Miscellaneous.

A. Nothing contained in this Agreement shall (I) give or be deemed to give the Employee or any other person the right to remain in the employ of the Authority or any other person, or (II) interfere or be deemed to interfere with the right to be retained in the employ of the Authority or any other person.

B. All pronouns used in this Agreement shall be deemed to refer to the masculine, feminine or neuter gender as may be applicable or appropriate in a given context. For purposes of this Agreement, the term "person" shall be deemed to include, without limitation, individuals, firms, corporations, limited liability companies, partnerships, trusts, estates, governments, governmental subdivisions, governmental agencies, and any other entity or entities as may be applicable or appropriate in a given context.

C. This Agreement, which constitutes the entire agreement of the Authority and Employee with respect to the matters set forth in this Agreement, may be amended, from time to time, and/or terminated, only by a writing which is signed by the Authority and Employee.

D. If any provision of this Agreement (or portion thereof) shall be held to be unenforceable by a court of competent jurisdiction, the remaining provisions (or portions thereof) shall continue and remain in full force and effect.

E. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of South Carolina, without regard to conflicts of laws principles.

F. The section and other headings in this Agreement are for convenience only, and do not form any term of, or a part of, this Agreement; and shall not be used in construing this Agreement.

IN WITNESS WHEREOF, the Authority, by its duly authorized officer, and the Employee, have executed this Agreement as of the date first above-written.

ATTEST:

Wm. Glen Brown, Jr.
Corporate Secretary

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

(SEAL)

John S. Rainey
Chairman
Board of Directors

T. Graham Edwards
President and
Chief Executive Officer

T. GRAHAM EDWARDS
BENEFITS STATUS AFTER JUNE 30, 2000 TERMINATION

Benefits Category	Duration	Cost/Payment Details	Contact Information	Comments
Life Insurance	Provided For Life.			
Equitable (Current Carrier) $120,000 death benefit		Currently premium is $468 annually. Invoice will be mailed to Ruth Wall for payment.	Whiteside & Associates Coumbia, SC 803 254 4499	Policy reviewed to maintain $120,000 death benefit. May be changed to a different carrier.
Term Life Insurance in the amount of annual salary plus $10,000 ($284,000 total)		5 year term policy with premiums approximately $368.08 per year (subject to change after application and medical review). Annual invoice will be sent to Ruth Wall.	Carroll Clevenger Suite 27C, 601 St. Andrews Blvd. Columbia, SC 29210 803 750 8262 or Bill Brooks Jr. Brokerage Service of the Carolina's, Inc. 1406 Barnwell St., PO Box 5697 Columbia, SC 29210 803 254 2215	Review annually by May 1 to determine if term insurance should be renewed. Review by April 1, 2005 to determine if the term insurance should be renewed, converted to Universal Life or if Santee Cooper should self insure. Files will be maintained Ruth Wall and reviews will be initiated by her.
General Agency Accidental Death	Not provided by Santee Cooper.			Can convert to an individual plan. General Agency will contact Graham re conversion.
Dependent Term Life Insurance	Not provided by Santee Cooper			Can convert to whole life. Shambria Goodman, ext. 5149, can provide details.
Health Plan	Provided until such time that coverage is provided by another party.	Santee Cooper will pay for full family premiums until status changes.	Ruth Wall, 761 4026	Premiums for COBRA coverage will be paid by Santee Cooper. Invoices will be sent to Graham Edwards who should forward them to Ruth Wall for payment. At the end of COBRA coverage Santee Cooper will provide an individual plan of equal coverage. The process for purchase-

				ing an individual plan should begin by September 1, 2001. Ruth Wall will initiate this process. Should coverage be provided by another party, the Santee Cooper coverage will cease. The Santee Cooper coverage will be reinstated if the other party coverage ceases.
Dental Plan	Same as Health Plan	Same as Health Plan	Same as Health Plan	Coverage will continue with the Santee Cooper carrier and any premiums will be paid by Santee Cooper. Third party coverage will be treated the same as for the health plan. Ruth Wall will administer this coverage.
Disability				In the event of disability SERP payments will be increased from 60% to 70%.

This document has been discussed with and reviewed by T. Graham Edwards, John H. Tiencken, and Ronald H. Holmes.

Ronald H. Holmes
Vice President, HRM
Date: 8/7/00

John H. Tiencken
President & CEO
Date: 9/7/2000

T. Graham Edwards
Date: 10/2/00

From: Lonnie Carter
To: Board
Date: 4/26/04 3:18PM
Subject: Research of Towers Perrin Report

Gentlemen:

As requested Ron has researched the original report from Towers Perrin which sets forth the criteria for the executive compensation plan adopted by the Board. The report contains the following statement:

"The Board of Directors reserves the right to exercise "negative discretion" in reducing the calculated award of any Participant. Negative discretion would provide the Board the opportunity to decrease an individual's award amount based on extraordinary factors. However, the Board would not have the opportunity to increase the award amount beyond calculated levels."

We believe this clearly gives the Board the right to exercise discretion to modify incentive pay outs. We are proceeding as authorized by the Board with the modified plan payout.

Please let me know if you have any questions.

Lonnie

CC: Holmes, Ron

Santee Cooper

P.O. Box 2946101, Moncks Corner, South Carolina 29461-2901 843/761-4022

Facsimile Communication

DATE: April 27, 2004

TO: Board of Directors

FROM: Wm. Glen Brown, Jr., Corporate Secretary

SUBJ: Human Resources Committee

Telephone Number 843/761-7022
Fax Number 843/761-7037

SENDING: __3__ Pages (including cover)

Attached is information I was asked to forward from Cal Land, Chairman, Human Resources Committee.

WGB/dgg

cc: Lonnie Carter

Santee Cooper.

J. Calhoun Land, IV
Board of Directors

P.O. Box 138
Manning, SC 29102
(803) 435-8894
FAX: (803) 435-8352

April 27, 2004

Mr. Glenn Brown
Santee Cooper
P.O. Box 2946101
Moncks Corner, South Carolina 29461

Dear Glenn:

Please find a letter which deals with some carry over matters from last Friday's Board meeting. Would you please disseminate this to all Board members? Please keep this matter confidential in its dissemination and filing.

Please call me with any questions.

With warm regards, I am,

Sincerely,

J. Calhoun Land, IV

CL/dge
Enclosure

Santee-Cooper.

J. Calhoun Land, IV
Board of Directors

P.O. Box 138
Manning, SC 29102
(803) 435-8894
FAX: (803) 435-3362

April 27, 2004

Mr. Graham Edwards
Board Members
Santee Cooper
P.O. Box 2946101
Moncks Corners, south Carolina 29461

VIA FACSIMILE: 843-761-7037

RE: Corporate Incentives Adjustment

Dear Chairman Edwards and Members of the Board:

An examination of the Corporate Incentives Plan governing executive staff reveals that the Board of Directors reserves negative discretion to reduce incentive payments as a result of extraordinary factors.

As a result and pursuant to Board action a 25% reduction will be made to the corporate incentive bonus pay of John Tiencken, Former Chief Executive Officer; Bill McCall, Chief Operating Officer; and John West, Chief Legal Officer.

If anyone has any questions or comments, please let me know.

With warm regards, I am,

Sincerely,

J. Calhoun Land, IV

CL/dge

September 8, 2004

Mr. Jim DuPlessis
Business Reporter
The State
1401 Shop Road
Columbia, SC 29201

Re: FOIA Request

Dear Jim:

This letter is Santee Cooper's response to your e-mail dated August 26, 2004. You asked for certain compensation related information regarding current President and CEO Lonnie Carter and former President and CEO John Tiencken.

I have numbered each of your bullets. Our response follows.

LONNIE N. CARTER

1. Last employment agreement.

   Response: There is no written employment agreement.

2. Base salary, yearly.

   Response: $275,000.00

3. Bonuses (formula and conditions).

   Response: There is a pay-at-risk component of annual compensation. The target award opportunity is 25% of base salary and performance must meet or exceed specific measurable objectives. This annual incentive plan includes two major performance measures, operational cost and customer satisfaction.

   Operational Cost
   - This measurement is weighted and represents 75% of the total award.
   - The Santee Cooper operational cost per kilowatt hour is compared to the difference in cost of an electric utility peer group three year average.

Mr. Jim DuPlessis
September 8, 2004
Page Two

- No award will be granted unless the Santee Cooper cost is at least 0.0296 cents per kilowatt hour below the peer group.
- There are three levels of operational cost awards, as follows:

Award Level	Performance	% of Target Award
Threshold	-0.0296/kWh	75%
Target	-0.0311/kWh	100%
Maximum	-0.0327/kWh	150%

Customer Service

- This measurement is weighted and represents 25% of the total award.
- A customer service survey of retail, wholesale, and industrial customers will be conducted by an independent corporation.
- An overall average satisfaction survey rating of 95% or higher must be achieved across all customer segments for an award to be granted.

4. Deferred compensation (formula and conditions).

Response: 6% of base salary plus $10,000.00 annually payable at end of employment.

5. Matching contributions to 403(b) plans (formula and conditions).

Response: None

6. Any other form of compensation, including non-cash such as cars, etc.

Response:
A. (2004 – date) automobile allowance and medical examination - $4,881.65.

B. Santee Cooper provides a Supplemental Executive Retirement Plan (SERP). Its key features are: 45% of highest year salary for 20 years. SERP is payable upon retirement with 30 years service or age 60 with 15 years service. If involuntarily terminated for other than cause, 80% of the benefit would be paid with 20-24 years of service or 90% of the benefit would be paid with 25-29 years of service. A one year non-compete provision applies and funds are at risk of forfeiture. Also, a life insurance policy is provided and a premium of $468 is paid annually.

Mr. Jim DuPlessis
September 8, 2004
Page Three

JOHN H. TIENCKEN, JR.

1. Last employment agreement.

   Response: There was no written employment agreement.

2. Base salary, yearly (last three full years actual).

   Response: (2001) $250,290.00
   (2002) $290,530.00
   (2003) $323,693.00

3. Bonuses (formula and conditions, actual)

   Response: There was a pay-at-risk component of annual compensation. The target award opportunities for 2001 were 20%, for 2002 were 20%, and for 2003 were 25%. Performance in each of the three years must have met or exceeded specific measurable objectives. These annual incentives included two major performance measures, operational cost and customer satisfaction.

   Operational Cost

   - This measurement was weighted and represented 75% of the total award in each of the three years.
   - The Santee Cooper operational cost per kilowatt hour was compared to the difference in cost of an electric utility peer group three year average.
   - No awards would be granted unless the Santee Cooper cost was at least 0.0256 cents per kilowatt hour below the peer group in 2001, 0.0268 cents per kilowatt hour below the peer group in 2002, and 0.0281 cents per kilowatt hour below the peer group in 2003.
     There were three levels of operation cost awards for each of the three years, as follows:

2001

Award Level	Performance	% of Target Award
Threshold	-0.0256	50%
Target	-0.0269	100%
Maximum	-0.0282	150%

2002

Threshold	-0.0268	75%
Target	-0.0282	100%
Maximum	-0.0297	150%

Mr. Jim DuPlessis
September 8, 2004
Page Four

2003		
Threshold	-0.0281	75%
Target	-0.0282	100%
Maximum	-0.0311	150%

Customer Service

- This measurement was weighted and represented 25% of the total award.
- A customer service survey was conducted in each of the three years by an independent corporation.
- An overall average satisfaction rating of 95% or higher in 2001 and 2002, and 97% or greater in 2003 must have been achieved for an award to be granted.

Actual performance compensation:

(2001)	$71,076.61
(2002)	$48,890.00
(2003)	$90,703.21

4. Deferred compensation (formula and conditions).

Response: 6% of base salary plus $10,000.00 annually; payable at end of employment.

5. Matching contributions to 403(b) plan (formula and conditions).

Response: None

6. Any other form of compensation, including non-cash.

Response: Automobile allowance and annual medical examination.

A.	(2001)	$5,539.97
	(2002)	$4,727.33
	(2003)	$6,410.35

B. Santee Cooper provided a Supplemental Executive Retirement Plan (SERP). Its key features were: 45% of highest year compensation for 20 years. SERP was payable upon retirement with 30 years service or age 60 with 15 years service. If terminated for other than cause, 70% of the benefit would be paid with 15-19 years of service, 80% with 20-24 years of service, or 90% with 25-29 years of service. A one year non-compete provision applied and funds were subject to risk of forfeiture.

7. How much deferred pay or "golden parachute" money has been received?

   <u>Response</u>: See #4 above. Actual payment: $165,535.80.

8. Is there any remaining balance which he is entitled to? Is there any balance that he would be entitled to if he complies with the conditions of the plan?

   <u>Response</u>: Annual pre-tax SERP payment of $138,771.99 for 20 years. See 6B above.

As you can see, this represents detailed information in response to your questions, and we appreciate your patience as we worked to accurately gather this material for you. It is important for us to be transparent and thorough, and we have provided this executive compensation in the spirit of openness and cooperation. Should you have any further questions, please contact me directly at (843) 761-4133.

Sincerely yours,

Laura G. Varn

LGV:kays

From: "Jim Duplessis" <jduplessis@thestate.com>
To: <CSPilgri@santeecooper.com>, <LGVarn@santeecooper.com>
Date: 8/26/04 5:29PM
Subject: Need info for exec pay story

To: Laura Varn, Santee Cooper
From: Jim DuPlessis, business reporter, The State newspaper

I'm working on a story comparing executive compensation among state agencies. Please send me information about compensation for your new president, Lonnie Carter, and for former president, John W. Tienken.

Information I need includes:

* Last employment agreements with Carter and Tienken
* Base salary, yearly (rate for Carter, last three full years of actual payments for Tienken)
* Bonuses (formula and conditions for Carter, formula and conditions and last three full years actual for Tienken)
* Deferred compensation (formula and conditions for Carter, formula and conditions and last three full years actual payments and year-end balances for Tienken)
* Matching contributions to 403(b) plans (formula and conditions for Carter, formula and conditions and last three full years of actual payments for Tienken)
* Any other form of compensation, including non-cash such as cars, etc..

With Tienken, how much deferred pay or "golden parachute" money has he received? Is there any remaining balance which he is entitleed to? Is there any balance that he would be entitled to if he complies with conditions of the plan?

Jim DuPlessis
Business Reporter
The State newspaper
1401 Shop Road
Columbia, SC 29201

w. (803) 771-6305
cell: (803) 669-0055
email: wiltonians@msn.com; jduplessis@thestate.com;

Santee Cooper

P.O. Box 2946101, Moncks Corner, South Carolina 29461-2901 843/761-7007

Facsimile Communication

DATE:	April 28, 2005
TO:	**Mike Couick** **803/212-6600**
FROM:	James E. Brogdon, Jr., Senior Vice President and General Counsel Phone: 843/761-7007 Fax Number: 843/761-7037
SENDING:	23 Pages (including cover)

If, after reviewing you have any questions, please give me a call. We will be sending the complete set of documents you requested by Federal Express today.

Jim

JEBjr:kays

Attachments

SUPPLEMENTAL RETIREMENT PLAN (SERP)

Name	Job Titles	Benefit Percent	Annual Benefit	Benefit Period	Year Benefit Ends
William C. Mescher	President & CEO	40%	$90,000.04	Life	Upon Death
Robert V. Tanner	Executive VP & COO	25%	$43,749.94	15 years	2010
Joseph P. Thomas	Vice President	20%	$25,000.04	15 years	2008
Jack Z. Matthews	Manager	10%	$10,000.12	15 years	2006
Clarence B. Jeffcoat	Manager	15%	$14,999.92	15 years	2015
Charles H. Meglothlin, Jr	General Counsel	20%	$19,794.84	15 years	2010
James G. Edwards	Project Supervisor	10%	$9,989.20	15 years	2006
Thomas J. Gunter	Manager	15%	$14,999.92	15 years	2013
Robert F. Petracca	Vice President	20%	$25,000.04	15 years	2010
Curtis L. Williamson, Jr.	Vice President	20%	$25,000.04	15 years	2008
Leonard F. Volf, Jr.*	Vice President	20%	$19,582.16	15 years	2015
William R. Sutton*	Vice President	20%	$21,146.32	15 years	2018
Raymond B. Hancock	Manager	10%	$10,000.12	15 years	2015
Charles H. Rhodes*	Manager	10%	$6,346.86	15 years	2014
Marvin B. Inabinette	Manager	15%	$14,999.92	15 years	2014
Douglas M. Williams, Jr.*	Manager	10%	$8,609.20	15 years	2017
Clyde J. Warren	Procurement Manager	15%	$14,999.92	15 years	2005
Thomas G. Edwards*	President & CEO	60%	$155,674.22	30 years	2030
Richard W. Lemay	Project Manager	15%	$13,557.70	15 years	2007
Patrick D. Quinn*	Staff Engineer	15%	$14,727.70	15 years	2019
Kenneth R. Ford*	President & CEO	30%	$59,657.78	15 years	2009
Robert E. Rainear	Executive VP	25%	$43,749.94	15 years	2011
John H. Tiencken, Jr.**	President & CEO	31.5%	$138,771.88	20 years	2024
John S. West**	Executive VP & CLO	27%	$91,498.16	15 years	2020
Samuel P. Pillard*	Manager	15%	$14,675.18	15 years	2019

* Net taxes. Benefit advanced for lump sum taxes and payments reduced over the benefit period. Lump sum taxes on the present value of the gross benefit are required. Taxes are paid annually on the difference between the gross amount and the present value amount.

**Lump sum taxes will be due for tax year 2005.

Sixteen executives have previously received benefits and all payments have been made.

All benefits are at risk of forfeiture

4/26/2005

SERP Participants (Future Retirees)

Job Title	Benefit Percent	Duration
President & CEO	45%	20 years
EVP & COO	34%	15 years
EVP & CFO	30%	15 years
Sr. VP & General Counsel	20%	15 years
Sr. VP, Corp. Services	20%	15 years
Sr. Vice President, Generation	20%	15 years
Sr. Vice President, Power Delivery	20%	15 years
Vice President, Eng. & Constr. Services	20%	15 years
Vice President, Human Resource Mgnt.	20%	15 years
Vice President, Retail Operations	20%	15 years
Controller	20%	15 years
Treasurer	20%	15 years
Vice President, Planning & Power Supply	15%	15 years
Manager, Generating Station	15%	15 years
Manager, Generating Station	15%	15 years
Associate General Counsel-Rates & Reg. Affairs	15%	15 years
Manager, Design Engineering	15%	15 years
Vice President, Corp. Pln. & Blk Power	15%	15 years

April 26, 2005

SERP Participants (Future Retirees)

Job Title	Benefit Percent	Duration
Asst to Vice President	15%	15 years
Vice President, Fossil & Hydro Generation	10%	15 years
Manager, District Services	10%	15 years
Manager, Generating Station	10%	15 years
Manager, Generating Station	10%	15 years
Manager, Perform & Environ Services	10%	15 years
Associate General Counsel-Litigation & Environmental Affairs	10%	15 years
Manager, Business Services	10%	15 years
Manager, Generating Station	10%	15 years
Manager, Transmission Operations	10%	15 years
Director, Gov. Relations	10%	15 years
Manager, MIS	10%	15 years
General Auditor	10%	15 years
Manager, Corp. Analysis & Pricing	10%	15 years
Nuclear Coordinator	10%	15 years
Project Manager	10%	15 years
Dir., Law Enforcement & Security	10%	15 years

SERP Participants (Future Retirees)

Job Title	Benefit Percent	Duration
Corp. Secretary & Mgr., Comm. Relations	10%	15 years
Manager, Berkeley Operations	10%	15 years
Manager, FERC Relicensing	10%	15 years
Manager, Property Management	10%	15 years
Manager, Capital Projects	10%	15 years

All benefits are subject to risk of forfeiture.

Current participants qualify for:

1. $39 per month insurance premium.
2. 35% pre-retirement death benefit for 15 years.
3. Long term disability of 70% rather than 62.5%.

STATE OF SOUTH CAROLINA)
) AGREEMENT
COUNTY OF BERKELEY)

THIS AGREEMENT (this "Agreement"), made this 13th day of November, 2002, by and between South Carolina Public Service Authority (the "Authority") and John H. Tiencken, Jr. (the "Employee").

WITNESSETH:

WHEREAS, the Board of Directors of the Authority has determined as a matter of policy that dependable and reliable service to the Authority's customers and the operation and management of the Authority requires a staff of highly qualified and experienced personnel; and

WHEREAS, in order to be competitive with other industry and attract, hold and motivate highly qualified and experienced personnel, the Board of Directors of the Authority has determined that it is in the Authority's best interest to provide additional compensation in the form of life insurance coverage, pre-retirement death benefits, long-term disability benefits and deferred compensation payments upon retirement for certain of its employees; and

WHEREAS, the Authority and Employee have entered into an agreement, dated as of the 27th day of March, 2000, (the "Prior Agreement"); and

WHEREAS, the Authority and Employee desire to amend and restate the Prior Agreement in its entirety pursuant to this Agreement.

NOW, THEREFORE, in consideration of the faithful, satisfactory and punctual performance of the duties and responsibilities required of the Employee, the Authority hereby agrees with the Employee as follows:

Section 1. Definitions.

In addition to the other defined terms and phrases in this Agreement, the following capitalized terms or phrases shall have the meaning set forth in this section, unless the context clearly requires otherwise:

- "Age Sixty" shall mean the earlier of:
  - The date on which the Employee actually attains age 60; or

- June 30 of the calendar year in which the Employee would attain age 60.

- "Agreement" shall mean this Agreement.

- "Authority" shall mean the South Carolina Public Service Authority.

- "Board of Directors" shall mean the Board of Directors of the Authority serving at a given time.

- "Code" shall mean the Internal Revenue Code of 1986, as amended, and all successor-laws thereto.

- "Compensation" shall mean, for a given consecutive 12 month period, all salary, bonuses, commissions, overtime, and all other benefits and payments subject to tax under Code section 3101(a) (excluding, however, benefits under this Agreement which are subject to tax under such Code section), and all salary deferral or reduction contributions by the Employee under a plan relating to the Authority and intended to qualify under Code section 125, 401(k), 403(b), or 457(a); provided, however, no Compensation for any such 12 month period in excess of the applicable Compensation Limit shall be taken into account under this Agreement.

- "Compensation Limit" shall mean, for any consecutive 12 month period, Four Hundred Twenty Five Thousand Five Hundred Twenty Four and No/100 Dollars ($425,524) and such limitation shall be adjusted each Year (beginning with the first Year after the Year which includes the date first above-written) by a percentage which is equal to the percentage that the Consumer Price Index has increased or decreased (as the case may be) for such applicable Year of adjustment relative to the preceding Year. Adjustments to the "Compensation Limit" will be made as soon as Consumer Price Index data is available for the end of each Year. Upon termination no further adjustments to the compensation limit shall be made.

- "Corporate Secretary" shall mean the corporate secretary of the Authority serving at a given time.

- "Creditable Service" shall have the same meaning as provided under the South Carolina Retirement System. For purposes of this Agreement, the term "Creditable Service" shall include time actually spent in the employ of the Authority, plus any other time credited by the South Carolina Retirement System for employment by an entity other than the Authority.

- "Normal Deferred Compensation Benefit" shall mean the benefit provided under Section 3 of this Agreement.

- "Prior Agreement" shall mean that certain agreement, dated as of the 27th day of March, 2000, and between the Authority and Employee.

- "Retirement" shall mean the Employee's Termination:

  - With thirty (30) Years of Creditable Service; or

  - After attaining Age Sixty with at least fifteen (15) Years of Creditable Service; or

  - Otherwise, except for Involuntary Termination for Cause.

- "Termination" shall mean the termination of the Employee's employment with the Authority, voluntarily, involuntarily or otherwise.

- "Year" shall mean each 12-month period commencing January 1 and ending on the next December 31.

Section 2. <u>Agreement Amends and Restates Prior Agreement</u>. This Agreement amends and restates the Prior Agreement in its entirety, such that all the terms and conditions of the Prior Agreement shall be substituted in their entirety for and by this Agreement, and such that the Prior Agreement is replaced completely by this Agreement.

Section 3. <u>Normal Deferred Compensation Benefit</u>. The Authority shall pay the Employee deferred compensation payments (constituting the "Normal Deferred Compensation Benefit"), annually for twenty (20) Years, each in the amount of forty-five (45%) percent of the Employee's Highest Compensation. Provided, however, in the event the Employee's Termination for any reason other than Involuntary Termination for Cause shall occur prior to the earlier of (I) the date on which the Employee attains thirty (30) Years of Creditable Service, or (II) the date on which the Employee attains Age Sixty with at least fifteen (15) Years of Creditable Service, each such annual deferred compensation payment shall be multiplied by the "Percentage of Payment" (as set forth below), based upon the "Years of Creditable Service" attained by the Employee (as set forth below, and corresponding to such applicable "Percentage of Payment"):

YEARS OF CREDITABLE SERVICE	PERCENTAGE OF PAYMENT
Less than 5	0%
5-9	50%
10-14	60%

15-19	70%
20-24	80%
25-29	90%
30 and over	100%

Provided, further, in the event the Employee incurs an Involuntary Termination for Cause prior to completing thirty (30) Years of Creditable Service, or attaining Age Sixty with at least fifteen (15) Years of Creditable Service, no such deferred compensation payments shall be made to the Employee. The Normal Deferred Compensation Benefit shall be in lieu of the Disability Benefit and Death Benefit, except as otherwise expressly provided in this agreement.

In addition, if Employee requests annual deferred compensation payment, such payment can be made to Employee immediately upon Retirement. Provided, however, if Employee does not comply with the Non-Compete provision of this agreement, the Employee shall repay the Authority the full amount Employee has received to date plus interest. Such interest shall be at the Authority's average interest cost of its outstanding debt.

Section 4. Certain Benefit Payment Elections. To the extent the Employee is entitled to receive payment of a Normal Deferred Compensation Benefit and/or Disability Benefit, the Employee shall be entitled as follows:

A. The Employee shall have the option to defer any and all payments relating to such applicable benefit upon notice in writing to and filed with the Corporate Secretary.

B. The Employee shall be entitled to designate, in writing to and filed with the Corporate Secretary, the individual or entity to whom the Employee desires such payments relating to such applicable benefit to be made.

Section 5. Disability Benefit. In the event the employee shall be subject to a Disability at the time of Termination, the Authority shall pay long term disability payments equal to seventy percent (70%) of the Employee's Compensation at the time of such Termination while subject to Disability, for so long as the Employee is subject to Disability. Subject to the preceding sentence, such Disability Benefit payments shall continue until the age of sixty-five (65) if the employee becomes disabled prior to his sixtieth (60th) birthday, or until the age of seventy (70) years or for five (5) years, whichever is less, in the case the Employee becomes disabled on or after his sixtieth (60th) birthday. The amount of long-term disability benefits shall be inclusive of all other long-term disability benefits provided by Social Security, Authority group long-term disability insurance, and disability benefits from the South Carolina State Retirement System. The maximum Compensation for determining this benefit shall not exceed the applicable Compensation Limit.

Upon expiration of long-term Disability Benefit payments as set forth above the Employee shall be eligible to receive Normal Deferred Compensation payments (and to the extent provided in Section 3 above) with Compensation being computed on the basis of the Employee's Highest Compensation during any 12 month period until the time disability payments under Section 5 begin. Employee, if subject to a Disability and eligible for Normal Deferred Compensation Benefit payments, has the option of beginning to receive Normal Deferred Compensation Benefit payments at the time of expiration of his long term Disability Benefits payments or at the age of seventy (70) years.

Section 6. Death Benefit. In the event the Employee shall die prior to Retirement, prior to incurring an Involuntary Termination for Cause, and prior to the satisfaction of all requirements relating to the entitlement to receive payment of the Normal Deferred Compensation Benefit, and in lieu of the Disability Benefit, the Authority shall pay to the individual or entity designated in writing to and filed with the Corporate Secretary by the Employee, or, in the absence of any such designation by the Employee, to the Employee's estate, each year for twenty (20) Years, an amount equal to forty-five (45%) percent of the Employee's Highest Compensation. Each such annual payment shall be made in twelve (12) monthly installments, beginning with the first day of the month immediately following the month of the Employee's death; provided, however, the maximum number of such monthly payments shall be two hundred and forty (240).

Section 7. Life Insurance. The Authority shall pay thirty nine dollars per month ($39.00), an annual amount or four hundred and sixty eight dollars ($468.00) towards the premium on a life insurance policy other than term life insurance. These premium payments shall cease upon Termination. The Authority shall provide Employee Group life insurance coverage in the amount of five thousand dollars ($5,000) upon retirement.

Section 8. Death of Employee. In the event of the death of the Employee prior to the completion of the payment of Normal Deferred Compensation Benefits, the remaining benefits shall be paid when due to the Employee's designee (as set forth in writing to and filed with the Corporate Secretary), and, if such designee dies prior to, or contemporaneously or in a common disaster with, the Employee, to the Employee's alternate designee (as set forth in writing to and filed with the Corporate Secretary), and, if such designee dies prior to, or contemporaneously or in a common disaster with, the Employee, to the Employee's estate.

Section 9. No Cost To Employee. All benefits and insurance coverage provided to the Employee under this Agreement shall be at no cost to the Employee (except applicable taxes), and shall be in addition to and separate from any and all other retirement and/or insurance benefits which the Authority may provide or Employee may receive; provided, however, that nothing contained in this sentence shall modify the requirements which the Employee must meet in order to obtain such benefits and life insurance coverage.

Section 10. Certain Ineligible Plan Benefit Tax Matters. This Section shall apply in the event that the Employee, or Employee's designee, alternate designee or estate, as the case may be, shall be required to include in gross income for any taxable year an amount attributable to any portion of the Employee's Disability Benefit or Normal Deferred Compensation Benefit, and shall apply only to the extent such applicable benefit is an Ineligible Plan Benefit. If the gross income of an Employee, Employee's designee, alternate designee or estate, as the case may be, for a given taxable year increases due to the inclusion in gross income of such an Ineligible Plan Benefit pursuant to this Agreement, without a distribution of such benefit payment under this Agreement sufficient to pay the increased income and other tax attributable to such Ineligible Plan Benefit, then (except as otherwise provided in this Agreement) the Authority shall pay the Employee, or Employee's designee, alternate designee or estate, as the case may be, a single sum amount, on or before the last day of such taxable year, equal to the amount required to satisfy such tax liability for such taxable year relating to such Ineligible Plan Benefit, including any tax liability relating to such single sum amount. Provided, however, no such single sum amount shall exceed the present value of all future benefit payments to which the Employee, or Employee's designee, alternate designee or estate, as the case may be, may be entitled to receive, and which (as of such time) has not yet been paid under this Agreement. Notwithstanding anything in this Agreement to the contrary, (I) such single sum amount shall be offset against all future payments that are otherwise required to be paid under this Agreement, so as to ratably reduce such applicable future payments to be paid to the Employee, or the Employee's designee, alternate designee or estate, as the case may be, under this Agreement; and (II) if the Authority pays one or more such single sum amounts, and applicable future benefits payments under this Agreement are forfeited or otherwise not payable, then the person for whose benefit such single sum amount was paid shall be (and is hereby) required to pay to the Authority such single sum amount, with interest (and the Authority may require such applicable person to sign an appropriate agreement to this effect prior to the Authority's payment of each, any or all such single sum amounts).

Section 11. Certain Tax Withholding. Notwithstanding anything in this Agreement to the contrary, (I) to the extent the Authority is required to withhold for tax or other purposes an amount relating to any benefit or payment under this Agreement, the Authority shall be entitled to withhold such applicable amount and pay such amount to the applicable governmental body or other person to whom such withholding obligation is owed, and (II) single-sum amounts relating to certain tax matters described in Section "10" of this Agreement which represent tax payments with respect to which such withholding obligation upon the Authority is applicable shall not be paid to the Employee, or Employee's designee, alternate designee or estate, as the case may be, and, instead, shall be paid to the applicable governmental body to whom such withholding obligation is owed.

Section 12. Certain Acceleration/Assignment Prohibited. Neither the Employee, nor any other person (except the Authority) shall have the right or authority to encumber, commute, borrow against, dispose of, assign, or otherwise transfer or accelerate payment of, any and all benefits under this Agreement prior to actual receipt thereof by the applicable person who, under this Agreement, has a right to such receipt, except as otherwise specifically provided in this Agreement.

Section 13. Benefits Subject to Authority's General Creditors. Notwithstanding anything in this Agreement to the contrary, all benefits under this Agreement, and any and all funds of the Authority which may be used or applied to pay such benefits shall at all times remain the exclusive property of the Authority, and shall remain subject to the claims of the general creditors of the Authority until actually paid to the applicable person who, under this Agreement, has a right to receive such payment.

Section 14. Miscellaneous.

A. Nothing contained in this Agreement shall (I) give or be deemed to give the Employee or any other person the right to remain in the employ of the Authority or any other person, or (II) interfere or be deemed to interfere with the right to be retained in the employ of the Authority or any other person.

B. All pronouns used in this Agreement shall be deemed to refer to the masculine, feminine or neuter gender as may be applicable or appropriate in a given context. For purposes of this Agreement, the term "person" shall be deemed to include, without limitation, individuals, firms, corporations, limited liability companies, partnerships, trusts, estates, governments, governmental subdivisions, governmental agencies, and any other entity or entities as may be applicable or appropriate in a given context.

C. This Agreement, which constitutes the entire agreement of the Authority and Employee with respect to the matters set forth in this Agreement, may be amended, from time to time, and/or terminated, only by a writing which is signed by the Authority and Employee.

D. If any provision of this Agreement (or portion thereof) shall be held to be unenforceable by a court of competent jurisdiction, the remaining provisions (or portions thereof) shall continue and remain in full force and effect.

E. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of South Carolina, without regard to conflicts of laws principles.

F The section and other headings in this Agreement are for convenience only, and do not form any term of, or a part of, this Agreement; and shall not be used in construing this Agreement.

IN WITNESS WHEREOF, the Authority, by its duly authorized officer, and the Employee, have executed this Agreement as of the date first above-written.

ATTEST:

Wm. Glen Brown, Jr.
Corporate Secretary

SOUTH CAROLINA PUBLIC
SERVICE AUTHORITY

(SEAL)

H. Donald McElveen
Chairman

John H. Tiencken, Jr.
President & CEO

STATE OF SOUTH CAROLINA)
) AGREEMENT
COUNTY OF BERKELEY)

THIS AGREEMENT (this "Agreement"), made this 13th day of November, 2002, by and between South Carolina Public Service Authority (the "Authority") and John S. West (the "Employee").

WITNESSETH:

WHEREAS, the Board of Directors of the Authority has determined as a matter of policy that dependable and reliable service to the Authority's customers and the operation and management of the Authority requires a staff of highly qualified and experienced personnel; and

WHEREAS, in order to be competitive with other industry and attract, hold, and motivate highly qualified and experienced personnel, the Board of Directors of the Authority has determined that it is in the Authority's best interest to provide additional compensation in the form of life insurance coverage, pre-retirement death benefits, long-term disability benefits and deferred compensation payments upon retirement for certain of its employees; and

WHEREAS, the Authority and Employee have entered into an agreement, dated as of the 27th day of March, 2000, (the "Prior Agreement"); and

WHEREAS, the Authority and Employee desire to amend and restate the Prior Agreement in its entirety pursuant to this Agreement.

NOW, THEREFORE, in consideration of the faithful, satisfactory and punctual performance of the duties and responsibilities required of the Employee, the Authority hereby agrees with the Employee as follows:

Section 1. Definitions.

In addition to the other defined terms and phrases in this Agreement, the following capitalized terms or phrases shall have the meaning set forth in this section, unless the context clearly requires otherwise:

- "Age Sixty" shall mean the earlier of:
  - The date on which the Employee actually attains age 60; or

- June 30 of the calendar year in which the Employee would attain age 60.

- "Agreement" shall mean this Agreement.

- "Authority" shall mean the South Carolina Public Service Authority.

- "Board of Directors" shall mean the Board of Directors of the Authority serving at a given time.

- "Code" shall mean the Internal Revenue Code of 1986, as amended, and all successor-laws thereto.

- "Compensation" shall mean, for a given consecutive 12 month period, all salary, bonuses, commissions, overtime, and all other benefits and payments subject to tax under Code section 3101(a) (excluding, however, benefits under this Agreement which are subject to tax under such Code section), and all salary deferral or reduction contributions by the Employee under a plan relating to the Authority and intended to qualify under Code section 125, 401(k), 403(b), or 457(a); provided, however, no Compensation for any such 12 month period in excess of the applicable Compensation Limit shall be taken into account under this Agreement.

- "Compensation Limit" shall mean, for any consecutive 12 month period, Three Hundred Twenty Seven Thousand, Three Hundred Twenty Six, and No/100 Dollars ($327,326) and such limitation shall be adjusted each Year (beginning with the first Year after the Year which includes the date first above-written) by a percentage which is equal to the percentage that the Consumer Price Index has increased or decreased (as the case may be) for such applicable Year of adjustment relative to the preceding Year. Adjustments to the "Compensation Limit" will be made as soon as Consumer Price Index data is available for the end of each Year. Upon termination no further adjustments to the compensation limit shall be made.

- "Corporate Secretary" shall mean the corporate secretary of the Authority serving at a given time.

- "Creditable Service" shall have the same meaning as provided under the South Carolina Retirement System. For purposes of this Agreement, the term "Creditable Service" shall include time actually spent in the employ of the Authority, plus any other time credited by the South Carolina Retirement System for employment by an entity other than the Authority.

physical or mental impairment which can be expected to result in death or to be of long-continued or indefinite duration.

- "Disability Benefit" shall mean the benefit provided under Section 5 of this Agreement.

- "Employee" shall mean John S. West.

- "Highest Compensation" shall mean the Employee's highest Compensation for any consecutive 12 month period.

- "Ineligible Plan Benefit" shall mean any portion of a benefit provided the Employee under this Agreement that is subject to taxation pursuant to Code Section 457(f), and shall not include any benefit that is subject to taxation pursuant to Code Section 457(a) and any benefit to which Code Section 457 does not apply by reason of section 6064(d)(3) of the Technical and Miscellaneous Revenue Act of 1988.

- "Involuntary Termination for Cause" shall mean any one or more of the Employee's willful material misconduct, willful material violation of any law, rule, regulation (other than minor offenses), or material breach of fiduciary duty involving personal profit to the Employee, the Employee's family or any other party who is related to the Employee; provided, however, (I) no act, or failure to act, on the Employee's part shall be considered "willful" unless done, or omitted to be done, by the Employee not in good faith and without a reasonable belief that the Employee's action or omission was in the best interest of the Authority; and (II) any act or omission to act by the Employee in reliance upon an opinion of counsel to the Authority or counsel to the Employee shall be deemed not to be "willful."

- "Noncompete Requirement" shall mean that, for a period of one (1) year after Termination, the Employee shall not directly be employed in any capacity by an electric generation, transmission or distribution utility company which operates, at the time such employment commences, in the Region in material competition with the Employer. Notwithstanding anything in this Agreement to the contrary, the Employee's violation of the Noncompete Requirement shall have the sole effect of disqualifying the Employee from receiving deferred compensation payments as provided in this Agreement. For purposes of this definition, "Region" shall mean the following states which are presently part of the Southeastern Electric Reliability Council (SERC) - South Carolina, North Carolina, Virginia, and Georgia.

- "Normal Deferred Compensation Benefit" shall mean the benefit provided under Section 3 of this Agreement.

- "Prior Agreement" shall mean that certain agreement, dated as of the 27th day of March, 2000, and between the Authority and Employee.

- "Retirement" shall mean the Employee's Termination:

  - With thirty (30) Years of Creditable Service; or

  - After attaining Age Sixty with at least fifteen (15) Years of Creditable Service; or

  - Otherwise, except for Involuntary Termination for Cause.

- "Termination" shall mean the termination of the Employee's employment with the Authority, voluntarily, involuntarily or otherwise.

- "Year" shall mean each 12-month period commencing January 1 and ending on the next December 31.

Section 2. Agreement Amends and Restates Prior Agreement. This Agreement amends and restates the Prior Agreement in its entirety, such that all the terms and conditions of the Prior Agreement shall be substituted in their entirety for and by this Agreement, and such that the Prior Agreement is replaced completely by this Agreement.

Section 3. Normal Deferred Compensation Benefit. The Authority shall pay the Employee deferred compensation payments (constituting the "Normal Deferred Compensation Benefit"), annually for Fifteen (15) Years, each in the amount of thirty (30%) percent of the Employee's Highest Compensation. Provided, however, in the event the Employee's Termination for any reason other than Involuntary Termination for Cause shall occur prior to the earlier of (I) the date on which the Employee attains thirty (30) Years of Creditable Service, or (II) the date on which the Employee attains Age Sixty with at least fifteen (15) Years of Creditable Service, each such annual deferred compensation payment shall be multiplied by the "Percentage of Payment" (as set forth below), based upon the "Years of Creditable Service" attained by the Employee (as set forth below and corresponding to such applicable "Percentage of Payment"):

YEARS OF CREDITABLE SERVICE	PERCENTAGE OF PAYMENT
Less than 5	0%
5-9	50%
10-14	60%

15-19	70%
20-24	80%
25-29	90%
30 and over	100%

Provided, further, in the event the Employee incurs an Involuntary Termination for Cause prior to completing thirty (30) Years of Creditable Service, or attaining Age Sixty with at least fifteen (15) Years of Creditable Service, no such deferred compensation payments shall be made to the Employee. The Normal Deferred Compensation Benefit shall be in lieu of the Disability Benefit and Death Benefit, except as otherwise expressly provided in this agreement.

In addition, if Employee requests annual deferred compensation payment, such payment can be made to Employee immediately upon Retirement. Provided, however, if Employee does not comply with the Non-Compete provision of this agreement, the Employee shall repay the Authority the full amount Employee has received to date plus interest. Such interest shall be at the Authority's average interest cost of its outstanding debt.

Section 4. Certain Benefit Payment Elections. To the extent the Employee is entitled to receive payment of a Normal Deferred Compensation Benefit and/or Disability Benefit, the Employee shall be entitled as follows:

A. The Employee shall have the option to defer any and all payments relating to such applicable benefit upon notice in writing to and filed with the Corporate Secretary.

B. The Employee shall be entitled to designate, in writing to and filed with the Corporate Secretary, the individual or entity to whom the Employee desires such payments relating to such applicable benefit to be made.

Section 5. Disability Benefit. In the event the employee shall be subject to a Disability at the time of Termination, the Authority shall pay long term disability payments equal to seventy percent (70%) of the Employee's Compensation at the time of such Termination while subject to Disability, for so long as the Employee is subject to Disability. Subject to the preceding sentence, such Disability Benefit payments shall continue until the age of sixty-five (65) if the employee becomes disabled prior to his sixtieth (60th) birthday, or until the age of seventy (70) years or for five (5) years, whichever is less, in the case the Employee becomes disabled on or after his sixtieth (60th) birthday. The amount of long-term disability benefits shall be inclusive of all other long-term disability benefits provided by Social Security, Authority group long-term disability insurance, and disability benefits from the South Carolina State Retirement System. The maximum Compensation for determining this benefit shall not exceed the applicable Compensation Limit.

Upon expiration of long-term Disability Benefit payments as set forth above the Employee shall be eligible to receive Normal Deferred Compensation payments (and to the extent provided in Section 3 above) with Compensation being computed on the basis of the Employee's Highest Compensation during any 12 month period until the time disability payments under Section 5 begin. Employee, if subject to a Disability and eligible for Normal Deferred Compensation Benefit payments, has the option of beginning to receive Normal Deferred Compensation Benefit payments at the time of expiration of his long term Disability Benefits payments or at the age of seventy (70) years.

Section 6. Death Benefit. In the event the Employee shall die prior to Retirement, prior to incurring an Involuntary Termination for Cause, and prior to the satisfaction of all requirements relating to the entitlement to receive payment of the Normal Deferred Compensation Benefit, and in lieu of the Disability Benefit, the Authority shall pay to the individual or entity designated in writing to and filed with the Corporate Secretary by the Employee, or, in the absence of any such designation by the Employee, to the Employee's estate, each year for fifteen (15) Years, an amount equal to thirty-five (35%) percent of the Employee's Highest Compensation. Each such annual payment shall be made in twelve (12) monthly installments, beginning with the first day of the month immediately following the month of the Employee's death; provided, however, the maximum number of such monthly payments shall be one hundred eighty (180).

Section 7. Life Insurance. The Authority shall pay thirty nine dollars per month ($39.00), an annual amount or four hundred and sixty eight dollars ($468.00) towards the premium on a life insurance policy other than term life insurance. These premium payments shall cease upon Termination. The Authority shall provide Employee Group life insurance coverage in the amount of five thousand dollars ($5,000) upon retirement.

Section 8. Death of Employee. In the event of the death of the Employee prior to the completion of the payment of Normal Deferred Compensation Benefits, the remaining benefits shall be paid when due to the Employee's designee (as set forth in writing to and filed with the Corporate Secretary), and, if such designee dies prior to, or contemporaneously or in a common disaster with, the Employee, to the Employee's alternate designee (as set forth in writing to and filed with the Corporate Secretary), and, if such designee dies prior to, or contemporaneously or in a common disaster with, the Employee, to the Employee's estate.

Section 9. No Cost To Employee. All benefits and insurance coverage provided to the Employee under this Agreement shall be at no cost to the Employee (except applicable taxes), and shall be in addition to and separate from any and all other retirement and/or insurance benefits which the Authority may provide or Employee may receive; provided, however, that nothing contained in this sentence shall modify the requirements which the Employee must meet in order to obtain such benefits and life insurance coverage.

Section 10. Certain Ineligible Plan Benefit Tax Matters. This Section shall apply in the event that the Employee, or Employee's designee, alternate designee or estate, as the case may be, shall be required to include in gross income for any taxable year an amount attributable to any portion of the Employee's Disability Benefit or Normal Deferred Compensation Benefit, and shall apply only to the extent such applicable benefit is an Ineligible Plan Benefit. If the gross income of an Employee, Employee's designee, alternate designee or estate, as the case may be, for a given taxable year increases due to the inclusion in gross income of such an Ineligible Plan Benefit pursuant to this Agreement, without a distribution of such benefit payment under this Agreement sufficient to pay the increased income and other tax attributable to such Ineligible Plan Benefit, then (except as otherwise provided in this Agreement) the Authority shall pay the Employee, or Employee's designee, alternate designee or estate, as the case may be, a single sum amount, on or before the last day of such taxable year, equal to the amount required to satisfy such tax liability for such taxable year relating to such Ineligible Plan Benefit, including any tax liability relating to such single sum amount. Provided, however, no such single sum amount shall exceed the present value of all future benefit payments to which the Employee, or Employee's designee, alternate designee or estate, as the case may be, may be entitled to receive, and which (as of such time) has not yet been paid under this Agreement. Notwithstanding anything in this Agreement to the contrary, (I) such single sum amount shall be offset against all future payments that are otherwise required to be paid under this Agreement, so as to ratably reduce such applicable future payments to be paid to the Employee, or the Employee's designee, alternate designee or estate, as the case may be, under this Agreement; and (II) if the Authority pays one or more such single sum amounts, and applicable future benefits payments under this Agreement are forfeited or otherwise not payable, then the person for whose benefit such single sum amount was paid shall be (and is hereby) required to pay to the Authority such single sum amount, with interest (and the Authority may require such applicable person to sign an appropriate agreement to this effect prior to the Authority's payment of each, any or all such single sum amounts).

Section 11. Certain Tax Withholding. Notwithstanding anything in this Agreement to the contrary, (I) to the extent the Authority is required to withhold for tax or other purposes an amount relating to any benefit or payment under this Agreement, the Authority shall be entitled to withhold such applicable amount and pay such amount to the applicable governmental body or other person to whom such withholding obligation is owed, and (II) single-sum amounts relating to certain tax matters described in Section "10" of this Agreement which represent tax payments with respect to which such withholding obligation upon the Authority is applicable shall not be paid to the Employee, or Employee's designee, alternate designee or estate, as the case may be, and, instead, shall be paid to the applicable governmental body to whom such withholding obligation is owed.

Section 12. Certain Acceleration/Assignment Prohibited. Neither the Employee, nor any other person (except the Authority) shall have the right or authority to encumber, commute, borrow against, dispose of, assign, or otherwise transfer or accelerate payment of, any and all benefits under this Agreement prior to actual receipt thereof by the applicable person who, under this Agreement, has a right to such receipt, except as otherwise specifically provided in this Agreement.

Section 13. Benefits Subject to Authority's General Creditors. Notwithstanding anything in this Agreement to the contrary, all benefits under this Agreement, and any and all funds of the Authority which may be used or applied to pay such benefits shall at all times remain the exclusive property of the Authority, and shall remain subject to the claims of the general creditors of the Authority until actually paid to the applicable person who, under this Agreement, has a right to receive such payment.

Section 14. Miscellaneous.

A. Nothing contained in this Agreement shall (I) give or be deemed to give the Employee or any other person the right to remain in the employ of the Authority or any other person, or (II) interfere or be deemed to interfere with the right to be retained in the employ of the Authority or any other person.

B. All pronouns used in this Agreement shall be deemed to refer to the masculine, feminine or neuter gender as may be applicable or appropriate in a given context. For purposes of this Agreement, the term "person" shall be deemed to include, without limitation, individuals, firms, corporations, limited liability companies, partnerships, trusts, estates, governments, governmental subdivisions, governmental agencies, and any other entity or entities as may be applicable or appropriate in a given context.

C. This Agreement, which constitutes the entire agreement of the Authority and Employee with respect to the matters set forth in this Agreement, may be amended, from time to time, and/or terminated, only by a writing which is signed by the Authority and Employee.

D. If any provision of this Agreement (or portion thereof) shall be held to be unenforceable by a court of competent jurisdiction, the remaining provisions (or portions thereof) shall continue and remain in full force and effect.

E. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of South Carolina, without regard to conflicts of laws principles.

be used in construing this Agreement.

IN WITNESS WHEREOF, the Authority, by its duly authorized officer, and the Employee, have executed this Agreement as of the date first above-written.

ATTEST:

Wm. Glen Brown, Jr.
Corporate Secretary

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

(SEAL)

John H. Tiencken
President & CEO

John S. West
Executive Vice President

Overall Plan Design

Supplemental Executive Retirement Plans (SERP)

- Santee Cooper provides two SERP arrangements for its executives:
  - Deferred compensation
  - Non-qualified supplemental plan
- SERP plan objectives include:
  - Improving competitiveness of total compensation package
  - Attracting and retaining highly qualified executives
- These two plans include the following parameters

Santee Cooper Position	SERP Annual Earnings	SERP Term	Deferred Compensation (annual amount)
President and Chief Executive Officer[1]	45%	20 years	$10,000 and 6% of salary
EVP and Chief Operating Officer[2]	34%	15 years	6% of salary
EVP and Chief Financial Officer[1]	30%	15 years	6% of salary
SVP and General Counsel[3]	20%	15 years	6% of salary
SVP Corporate Services[3]	20%	15 years	6% of salary

Years of Service	Percent of Benefit
< 5	0%
5 - 9	50%
10 - 14	60%
15 - 19	70%
20 - 24	80%
25 - 29	90%
30 +	100%

[1] The Years of Service chart does not apply except in cases of involuntary termination without cause. In other situations before 30 years of service (i.e., voluntary termination or termination with cause), all benefits are forfeited.

[2] ~~The Years of Service~~ chart does not apply for this position because the incumbent has over 30 years of service.

[3] The Years of Service chart does not apply for this position.

- "Normal Deferred Compensation Benefit" shall mean the benefit provided under Section 3 of this Agreement.

- "Prior Agreement" shall mean that certain agreement, dated as of the 27th day of March, 2000, and between the Authority and Employee.

- "Retirement" shall mean the Employee's Termination:

  - With thirty (30) Years of Creditable Service; or

  - After attaining Age Sixty with at least fifteen (15) Years of Creditable Service; or

  - Otherwise, except for Involuntary Termination for Cause.

- "Termination" shall mean the termination of the Employee's employment with the Authority, voluntarily, involuntarily or otherwise.

- "Year" shall mean each 12-month period commencing January 1 and ending on the next December 31.

Section 2. Agreement Amends and Restates Prior Agreement. This Agreement amends and restates the Prior Agreement in its entirety, such that all the terms and conditions of the Prior Agreement shall be substituted in their entirety for and by this Agreement, and such that the Prior Agreement is replaced completely by this Agreement.

Section 3. Normal Deferred Compensation Benefit. The Authority shall pay the Employee deferred compensation payments (constituting the "Normal Deferred Compensation Benefit"), annually for twenty (20) Years, each in the amount of forty-five (45%) percent of the Employee's Highest Compensation. Provided, however, in the event the Employee's Termination for any reason other than Involuntary Termination for Cause shall occur prior to the earlier of (I) the date on which the Employee attains thirty (30) Years of Creditable Service, or (II) the date on which the Employee attains Age Sixty with at least fifteen (15) Years of Creditable Service, each such annual deferred compensation payment shall be multiplied by the "Percentage of Payment" (as set forth below), based upon the "Years of Creditable Service" attained by the Employee (as set forth below, and corresponding to such applicable "Percentage of Payment"):

YEARS OF CREDITABLE SERVICE	PERCENTAGE OF PAYMENT
Less than 5	0%
5-9	50%
10-14	60%

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15-19	70%
20-24	80%
25-29	90%
30 and over	100%

Provided, further, in the event the Employee incurs an Involuntary Termination for Cause prior to completing thirty (30) Years of Creditable Service, or attaining Age Sixty with at least fifteen (15) Years of Creditable Service, no such deferred compensation payments shall be made to the Employee. The Normal Deferred Compensation Benefit shall be in lieu of the Disability Benefit and Death Benefit, except as otherwise expressly provided in this agreement.

In addition, if Employee requests annual deferred compensation payment, such payment can be made to Employee immediately upon Retirement. Provided, however, if Employee does not comply with the Non-Compete provision of this agreement, the Employee shall repay the Authority the full amount Employee has received to date plus interest. Such interest shall be at the Authority's average interest cost of its outstanding debt.

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B. The Employee shall be entitled to designate, in writing to and filed with the Corporate Secretary, the individual or entity to whom the Employee desires such payments relating to such applicable benefit to be made.

Section 5. Disability Benefit. In the event the employee shall be subject to a Disability at the time of Termination, the Authority shall pay long term disability payments equal to seventy percent (70%) of the Employee's Compensation at the time of such Termination while subject to Disability, for so long as the Employee is subject to Disability. Subject to the preceding sentence, such Disability Benefit payments shall continue until the age of sixty-five (65) if the employee becomes disabled prior to his sixtieth (60th) birthday, or until the age of seventy (70) years or for five (5) years, whichever is less, in the case the Employee becomes disabled on or after his sixtieth (60th) birthday. The amount of long-term disability benefits shall be inclusive of all other long-term disability benefits provided by Social Security, Authority group long-term disability insurance, and disability benefits from the South Carolina State Retirement System. The maximum Compensation for determining this benefit shall not exceed the applicable Compensation Limit.

Competitive Market Practices

- After reviewing the scope of responsibility for Santee Cooper positions, Towers Perrin matched them to the following survey benchmark positions

Santee Cooper Position	Survey Benchmark
President and Chief Executive Officer	Chief Executive Officer
EVP and Chief Operating Officer	Chief Operating Officer
EVP and Chief Financial Officer	Top Financial Executive
SVP and General Counsel	Top Legal Executive
SVP Corporate Services	Non-Benchmark *

* A comparable match was not available using published survey sources.

- All market data for this analysis were updated with an effective date of April 2005 at an annual update factor of 4%

Competitive Market Practices

- The following table compares Santee Cooper current base salaries and total cash compensation (2005 base salary plus calculated bonus for 2004 performance) with market practices at the 25th percentile

Santee Cooper Position	Santee Cooper Current Practice		Market Practices 25th %ile [2]		Santee Cooper as % of Market 25th %ile	
	Base	TCC [1]	Base	TCC	Base	TCC
President and Chief Executive Officer	$300,000	$403,125	$500,000	$690,000	60%	58%
EVP and Chief Operating Officer	$310,019	$406,900	$325,000	$420,000	95%	97%
EVP and Chief Financial Officer	$216,399	$270,499	$255,000	$305,000	85%	89%
SVP and General Counsel [3]	$205,000	$205,000	$225,000	$270,000	91%	76%
SVP Corporate Services [4,5]	$174,097	$195,861	$225,000	$270,000	77%	73%

[1] TCC represents the 2004 base salary plus the calculated bonus based on 2004 performance.

[2] Market data is rounded to the nearest $5,000.

[3] The current incumbent was not in this role during the 2004 plan year and is not eligible for a 2004 incentive payout.

[4] Incumbent is eligible for only 50% of the incentive payout because he is new to this role.

[5] Per President and CEO, market proxy data for SVP Corporate Services uses that of the SVP and General Counsel because it is the perspective that the internal relationship between both roles is comparable.

Competitive Market Practices

- In addition to collecting actual base salary and total cash compensation, we looked at competitive *target* incentives for executives in the utility industry
- The table compares Santee Cooper's current bonus target with market practices (using 25th percentile base pay information)

Santee Cooper Position	Santee Cooper Target Bonus	25th %ile Target Bonus as a % of Base	Absolute Difference to the Market 25th %ile
President and Chief Executive Officer	25%	53%	-28%
EVP and Chief Operating Officer	25%	33%	-8%
EVP and Chief Financial Officer	20%	25%	-5%
SVP and General Counsel	20%	22%	-2%
SVP Corporate Services	20%	22%	-2%

Data from 2004 Towers Perrin Energy Services Industry Executive Compensation Database
Target Bonus Trendline Table, Participant Company Revenues of $1 billion to $3 billion

Competitive Market Practices

- Towers Perrin also provided competitive practice total direct compensation data (base salary plus annual incentives plus the expected value of long-term incentives)
  - While long-term incentives are not typically part of an executive pay package among public power agencies, it is prevalent among investor-owned utilities
  - We have provided this analysis because it illustrates the competitive market Santee Cooper faces to attract and retain high caliber executives, and further magnifies the competitive differences between Santee Cooper and market levels

Santee Cooper Position	Market Practices 25th %ile TDC
President and Chief Executive Officer	$1,330,000
EVP and Chief Operating Officer	$750,000
EVP and Chief Financial Officer	$515,000
SVP and General Counsel	$420,000
SVP Corporate Services	$420,000

SOUTH CAROLINA ELECTRIC AND GAS COMPANY
PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
INFORMATION DATA REQUEST NO. 1
DOCKET NO. 2004-178-E
ANSWER NO. 50-a.

2003 Salary Received, Salary Increase and Bonus

Name	Title	Salary	% Increase	Bonus Paid
William B. Timmerman	Chairman and CEO	858,219	14.24%	1,297,833
Neville O. Lorick	President and COO	419,808	11.49%	463,295
Kevin B. Marsh	Senior VP and CFO	419,808	11.83%	527,240
H. Thomas Arthur	Senior VP and General Counsel	360,950	21.48%	337,685
Duane C. Harris	Senior VP, Human Resources	275,164	10.08%	223,590
Sarena D. Burch	Senior VP, Natural Gas Asset Management & Procurement	201,050	20.13%	131,321
Lynn M. Williams	Secretary	140,241	0.96%	93,530
Cathy Y. Kirven	Treasurer	80,600	-6.44%	37,980
Mark R. Cannon	Risk Management Officer	178,442	6.55%	116,279
James P. Hudson	Corporate Compliance and Internal Auditing	157,692	9.37%	98,483
W. Keller Kissam	VP, Electric Operations, SCE&G	161,963	-1.09%	103,303
Stephen A. Byrne	Senior VP, Nuclear Operations	323,351	3.31%	337,684
Samuel L. Dozier	VP, Large Industrial Customers	148,731	3.56%	106,068
James M. Landreth	VP, Fossil Hydro Operations	186,528	-0.57%	93,984
James E. Swan	Controller	170,385	30.12%	51,562
Jimmy E. Addison	VP, Finance	212,385	5.72%	163,509
Martin K. Phalen	VP, Gas Operations, SCE&G	143,534	-	39,057
Randal M. Senn (1)	Chief Information Officer	146,618	-	75,225
Sharon K. Jenkins (1)	Senior VP, Marketing and Communications	213,673	-	0
Charles B. McFadden (1)	Senior VP, Governmental Affairs	226,884	-	163,509
George J. Bullwinkel (1)	President and COO	346,411	13.45%	322,973
		5,372,437		~~4784110~~ 4,784,110

(1) Indicates a shared Officer

Santee Cooper Annual Turnover Rate

Year	# Emps	# Terms	Turnover Rate
2005	1744	17	0.97%
2004	1740	75	4.31%
2003	1717	71	4.14%
2002	1707	75	4.39%
2001	1693	89	5.26%
2000	1625	114	7.02%
1999	1617	90	5.57%
1998	1637	112	6.84%
1997	1662	122	7.34%
1996	1739	76	4.37%
1995	1783	77	4.32%

SANTEE COOPER RETIREES

1995 - April 2005

Year	Executive Level	Mgt/Supv Level	Professional Level	All Others	Total Retirees
1995	3	9	1	6	19
1996	1	12	3	8	24
1997	0	12	3	8	23
1998	0	14	4	10	28
1999	1	8	3	5	17
2000	1	18	6	19	44
2001	1	6	2	19	28
2002	0	7	6	12	25
2003	2	7	2	14	25
2004	2	7	7	6	22
2005	0	2	0	1	3

Excludes
- Part time employees
- Board members
- Active TERI Participants
- Disability Retirees

ACTIVE SANTEE COOPER TERI PARTICIPANTION

1995 - April 2005

Year	Executive Level	Mgt/Supv Level	Professional Level	All Others	Total Retirees
2001	4	20	5	10	39
2002	0	11	7	6	24
2003	1	15	8	13	37
2004	1	12	8	18	39
2005	0	5	3	3	11

Excludes Part time employees
Board members

SANTEE COOPER TERI TERMINATED PARTICIPANTS

1995 - April 2005

YEAR ENTERED TERI	Executive Level	Mgt/Supv Level	Professional Level	All Others	Total Retirees
2001	1	11	2	10	24
2002	0	6	1	4	11
2003	0	3	0	5	8
2004	1	1	0	0	2
2005	0	0	0	0	0

Excludes Part time employees

Board members