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MEMORANDUM

TO: The Honorable Jeff Gossett, South Carolina Senate

FROM: Senator Thomas C. Alexander, Chairman

DATE: April 14, 2014

RE: Screening of Candidates for Appointment to the South Carolina Public Service Authority Board of Directors

On or around February 20, 2014, the Governor submitted the names of the candidates shown below for the Senate's consideration for appointment to the Board of Directors of the South Carolina Public Service Authority (hereinafter referred to as "Santee Cooper"). The appointments were referred to the Judiciary Committee on or around February 20, 2014.

Second Congressional District Seat and Cooperative Experience:	Jack F. Wolfe, Jr. (Initial Appointment)
Third Congressional District Seat:	Kristofer D. Clark (Reappointment)
Sixth Congressional District Seat:	John C. "Cal" Land, IV (Reappointment)
Seventh Congressional District Seat and Cooperative Experience:	Merrell W. Floyd (Initial Appointment)
Georgetown County Seat:	Danny "Dan" Joe Ray (Initial Appointment)
At-Large Seat:	Catherine E. Heigel (Initial Appointment)

Pursuant to Section 58-3-530(14), the State Regulation of Public Utilities Review Committee (Review Committee) is charged with the duty “to review candidates for appointment to the South Carolina Public Service Authority Board of Directors as submitted by the Governor to determine whether the candidates meet the qualifications set forth in Section 58-31-20.”

Section 58-31-20(C) provides that Santee Cooper directors “must possess abilities and experience that are generally found among directors of energy utilities serving this State and that allow him to make valuable contributions to the conduct of the authority’s business.” These abilities include:

- (1) general knowledge of the history, purpose, and operations of the Public Service Authority and the responsibilities of being a director of the authority;
- (2) the ability to interpret legal and financial documents and information so as to further the activities and affairs of the Public Service Authority;
- (3) with the assistance of counsel, the ability to understand and apply federal and state laws, rules, and regulations including, but not limited to, Chapter 4, Title 30 as they relate to the activities and affairs of the Public Service Authority; and
- (4) with the assistance of counsel, the ability to understand and apply judicial decisions as they relate to the activities and affairs of the Public Service Authority.

Additionally, pursuant to Section 58-31-20, directors representing the counties of Berkeley, Georgetown, and Horry must reside in those counties and be customers of Santee Cooper.

Section 58-31-55 requires that a Santee Cooper director must discharge his duties in good faith, with the care of an ordinarily prudent person and in a manner he reasonably believes to be in the best interests of Santee Cooper (“best interests” are determined by balancing three factors: customer interest, economic development of service area, and preservation of financial integrity of Santee Cooper). Directors are subject to personal liability for violating Section 58-31-55, and wholesale and retail customers of Santee Cooper (including indirect customers of Santee Cooper through electric cooperatives) are authorized to bring suit against any director alleging a breach of fiduciary duties.

A Board of Directors has a general duty to act in the best interests of a corporation. Such fiduciary duties include the duty of loyalty and the duty of care.¹ The duty of loyalty provides that directors and officers must remain loyal to the corporation, acting at all times in the best interests of the corporation and its shareholders whose interests must take precedence over any self-interest of the director, officer, or controlling shareholder that is not shared by the stockholders generally. The duty of loyalty includes the duty to avoid conflicts of interest and

¹ In the typical corporate setting, these duties extend to the shareholders, as owners of the corporation. Santee Cooper, as a public utility, is a quasi-state agency; thus, the board owes duties not to shareholders, but to its customers and bondholders, as well as to the people of South Carolina by way of the people’s elected representatives in the General Assembly and the Governor.

prohibit faithlessness and self-dealing. The duty of care requires a director to act in good faith and with the level of care of an ordinarily prudent person in similar circumstances.

The Santee Cooper Screening Subcommittee of the Review Committee sent the candidates submitted for initial appointment a set of questions to elicit information with respect to their knowledge of the operations of Santee Cooper, their knowledge of best practices for boards of directors, and their knowledge of the Freedom of Information Act (FOIA). The Subcommittee sent Mr. Clark and Mr. Land, candidates for reappointment, a set of questions tailored to a candidate who is a sitting director. The candidates' responses are attached to this report. The candidates appeared before the Subcommittee on March 25, 2014, and answered further questions from the Subcommittee on those issues and others. The transcript of the hearing is appended to this report by reference.

The Review Committee met on April 9, 2014, to consider the Subcommittee's report and to make a determination regarding the candidates' qualifications.

JACK F. WOLFE, JR.
SANTEE COOPER BOARD OF DIRECTORS
SEAT: SECOND CONGRESSIONAL DISTRICT AND COOPERATIVE EXPERIENCE
TERM: MAY 19, 2008 THROUGH MAY 19, 2015

Review Committee's Findings: Qualified

1) Constitutional and Statutory Qualifications

Mr. Wolfe meets the general qualifications prescribed by law for service as a Director for Santee Cooper. Mr. Wolfe is a resident of Chapin, South Carolina. He has been a resident of South Carolina for at least the immediate past five years and is a qualified elector of this State. Mr. Wolfe also has substantial experience on an electric cooperative board, as well as substantial experience on the board of a transmission cooperative.

2) Educational Background

Mr. Wolfe attended Clemson University from 1961 to 1963. While attending Clemson, he was offered a "very good job" and decided to further his education by taking night classes.

3) Ethical Fitness, Character, and Reputation

The Review Committee's investigation did not reveal any evidence of unethical conduct by Mr. Wolfe and did not reveal evidence of any convictions or criminal allegations made against him. Mr. Wolfe has good standing in his community as well as a personal history of sound business affairs.

4) Professional Experience and Training

Mr. Wolfe retired in 2013 as President and CEO of Mid-Carolina Electric Cooperative, Inc., a position in which he had served in since 1975. He served as Manager of Office Services with Mid-Carolina Electric Cooperative from 1972-1975. From 1964-1972, he was the Manager of Office Services with the Gaffney Board of Public Works.

Mr. Wolfe served on the board of trustees for The Electric Cooperatives of South Carolina (1975-2013) and Central Electric Power Cooperative (1977-2013). He also served on the National Rural Electric Cooperative Association from 2002-2010 as a board member and in the positions of secretary-treasurer (2005), vice-president (2006), and president (2007). Additionally, he served as board member on the Cooperative Finance Corporation from 2007-2010.

Governor Sanford named Mr. Wolfe a South Carolina Ambassador for Economic Development in 2007.

5) Statutory Requirements

Pursuant to Section 58-31-20(C), the Review Committee is required to determine if Mr. Wolfe has:

- a) working knowledge of the activities and affairs of Santee Cooper;
- b) the ability to interpret legal and financial documents and information;
- c) with the assistance of counsel, the ability to understand and apply federal and state laws, rules, and regulations as they relate to Santee Cooper, including the Freedom of Information Act; and
- d) with the assistance of counsel, the ability to understand and apply judicial decisions as they relate to the activities and affairs of Santee Cooper.

Mr. Wolfe's responses to written and oral questions reflect he has working knowledge of the operations and activities of Santee Cooper. His service with Mid-Carolina Electric Cooperative, as well as his participation on various boards for electric cooperatives, indicate that not only does he meet the statutory qualifications to serve, but also his commitment to serve on the board.

6) Knowledge of Current Energy Issues

Mr. Wolfe understands and appreciates the challenges faced by Santee Cooper resulting from the effect of the economy and its impact on generation costs, and demand for electricity, the shift from traditional coal powered generation and the difficulties these present for long-term planning. He discussed the issues facing Santee Cooper in regards to its aging base load units, coal plants, its energy efficiency programs and the possible role of renewable energy for the future. *See Generally Tr. pgs. 138-146*

7) Knowledge of Santee Cooper's Other Roles

Mr. Wolfe is knowledgeable about Santee Cooper's various roles, including economic development, recent government agency decisions, and the inner workings of wholesale energy cooperatives. He stated:

Public power is a valuable asset and Santee Cooper is a very valuable asset for the state and it can play many roles. It was created to be able to do hydroelectricity, improve navigation along the Cooper and Santee Rivers, and to improve the economy and help the citizens of that area. It's been expanded now to provide electricity all over the state with its contracts with electric cooperatives. So Santee Cooper is the largest generator of electricity in the state...I think they should play a role of attracting, finding good customers and bring them into our state co-ops.

Tr., p. 145 l. 6-22

8) Independence

Mr. Wolfe stated in response to preliminary question #C 10 that he did not believe a director's ideological or political beliefs should play a role in making a decision.

Findings as to Overall Qualification

Mr. Wolfe has been nominated to be appointed as a director representing the Second Congressional District, and with cooperative experience, on the Board of Directors of Santee Cooper. The Review Committee believes Mr. Wolfe possesses the depth of experience to enable him to be a successful member of the Santee Cooper Board of Directors and finds him qualified.

KRISTOFER D. CLARK
SANTEE COOPER BOARD OF DIRECTORS
SEAT: THIRD CONGRESSIONAL DISTRICT
TERM: MAY 19, 2012 THROUGH MAY 19, 2019

Review Committee's Findings: Qualified

1) Constitutional and Statutory Qualifications

Mr. Clark meets the general qualifications prescribed by law for service as a Director for Santee Cooper. Mr. Clark is a resident of Easley, South Carolina. He has been a resident of South Carolina for at least the immediate past five years and is a qualified elector of this State.

2) Educational Background

Mr. Clark received a degree in Business Administration from the Citadel in 2001 and has been enrolled in the MBA program at Clemson since 2010. Mr. Clark has the following professional licenses: SC residential builders license, SC real estate sales license, SC and NC real estate brokers license.

3) Ethical Fitness, Character, and Reputation

The Review Committee's investigation did not reveal any evidence of unethical conduct by Mr. Clark and did not reveal evidence of any convictions or criminal allegations made against him. Mr. Clark has good standing in his community as well as a personal history of sound business affairs.

4) Professional Experience and Training

Mr. Clark is currently a Partner with Patewood Partners, LLC, a real estate development and management company in the upstate of South Carolina. He is also currently the Owner of Pristine Properties, LLC, a residential construction business, and K. Clark & Associates, LLC, a real estate business. He is also working in a management role with Easlan Capital. From 2001-2012, Mr. Clark was employed by The Cliffs Management Services, LLC. During his employment with The Cliffs, he served as Senior Director of Operations (2008-2012), Director of Community Services (2006 to 2008), Manager of Property Owner Services (2003-2006), and Residential Construction Coordinator (2001-2003).

5) Statutory Requirements

Pursuant to Section 58-31-20(C), the Review Committee is required to determine if Mr. Clark has:

- a) working knowledge of the activities and affairs of Santee Cooper;
- b) the ability to interpret legal and financial documents and information;
- c) with the assistance of counsel, the ability to understand and apply federal and state laws, rules, and regulations as they relate to Santee Cooper, including the Freedom of Information Act; and
- d) with the assistance of counsel, the ability to understand and apply judicial decisions as they relate to the activities and affairs of Santee Cooper.

Mr. Clark's responses to written and oral questions reflect he has working knowledge of the operations and activities of Santee Cooper. In addition, his participation on the Board indicates that not only does he meet the statutory qualifications to serve, but also his commitment to serve on the board.

6) Knowledge of Current Energy Issues

Mr. Clark understands and appreciates the challenges faced by Santee Cooper in the future that result from the effects of the economy and its impact on generation costs, demand for electricity, the shift from traditional coal powered generation to other means of energy production and the difficulties these present for long-term planning. He also discussed the issues facing Santee Cooper, including its rates, bond rating and future plans to diversify its energy portfolio. *See Tr. pages 6-13.*

7) Knowledge of Santee Cooper's Other Roles

Mr. Clark is knowledgeable about Santee Cooper's various roles, including economic development. He stated:

That's one of my goals, is to look at new ways and new programs for economic development. We've done a tremendous amount of work in economic development. We have our economic development staff. At Santee Cooper we've partnered with the South Carolina Power Team and we've lent money to the different rural areas to build spec product to encourage industry to come into our state...We're going to have to be creative and look for additional opportunities to bring business to South Carolina.

Tr., p. 13, beginning l. 16

Mr. Clark also stated that Santee Cooper needs to focus on renewables, but needs to "do it in a smart way . . . we do it in a way that's fair to all our customers, and we do it in a way that's safe for our employees and our customers and is reliable."

Tr., p 21, l. 4-8.

8) Independence

Mr. Clark stated he did not believe a director's ideological or political beliefs should play a role in making a decision for Santee Cooper. In his response to preliminary question # 4, he stated: "Directors must remain loyal to the corporation, acting at all times in the best interest of the corporation and its owners, whose interests must take precedence over any self-interest of the director..."

Findings as to Overall Qualification

Mr. Clark has been nominated to be reappointed as a director representing the Third Congressional District on the Board of Directors of Santee Cooper. The Review Committee believes Mr. Clark possesses the depth of experience to enable him to be a successful member of the Santee Cooper Board of Directors and finds him qualified.

JOHN C. “CAL” LAND, IV
SANTEE COOPER BOARD OF DIRECTORS
SEAT: SIXTH CONGRESSIONAL DISTRICT
TERM: MAY 19, 2013 THROUGH MAY 19, 2020

Review Committee’s Findings: Qualified

1) Constitutional and Statutory Qualifications

Mr. Land meets the general qualifications prescribed by law for service as a Director for Santee Cooper. Mr. Land is a resident of Manning, South Carolina. He has been a resident of South Carolina for at least the immediate past five years and is a qualified elector of this State.

2) Educational Background

Mr. Land received a Bachelor of Arts degree from the Citadel in 1990 and received a Juris Doctor from the University of South Carolina School of Law in 1993. He is admitted to practice in South Carolina State Courts; the U.S. District Court, District of South Carolina; and the Fourth Circuit of the U.S. Court of Appeals.

3) Ethical Fitness, Character, and Reputation

The Review Committee’s investigation did not reveal any evidence of unethical conduct by Mr. Land and did not reveal evidence of any convictions or criminal allegations made against him. Mr. Land has good standing in his community as well as a personal history of sound business affairs.

4) Professional Experience and Training

Mr. Land has been an attorney with Land, Parker & Welch, P.A. since 1994. He was a judicial clerk for the South Carolina Judicial Department from 1993-1994.

Mr. Land has served on the Public Service Authority Board of Directors since 1999.

5) Statutory Requirements

Pursuant to Section 58-31-20(C), the Review Committee is required to determine if Mr. Land has:

- a) working knowledge of the activities and affairs of Santee Cooper;
- b) the ability to interpret legal and financial documents and information;

- c) with the assistance of counsel, the ability to understand and apply federal and state laws, rules, and regulations as they relate to Santee Cooper, including the Freedom of Information Act; and
- d) with the assistance of counsel, the ability to understand and apply judicial decisions as they relate to the activities and affairs of Santee Cooper.

Mr. Land's responses to written and oral questions reflect he has working knowledge of the operations and activities of Santee Cooper. His participation on the Board since 1999 indicates that not only does he meet the statutory qualifications to serve, but also his commitment to serve on the board.

6) Knowledge of Current Energy Issues

Mr. Land understands and appreciates the challenges faced by Santee Cooper resulting from the effect of the economy and its impact on generation costs (i.e. bond and capital requirements), and demand for electricity, the shift from traditional coal powered generation and the difficulties these present for long-term planning. He discussed the issues facing Santee Cooper in regards to its credit rating, coal plants, construction of the nuclear units at V.C. Summer, its renewable energy portfolio, and ways the Board should make long-term plans during a period of change. *See Generally Tr. pages 77-112*

7) Knowledge of Santee Cooper's Other Roles

Mr. Land is knowledgeable about Santee Cooper's various roles, including economic development, regional industry trends, and federal regulations. This knowledge stems from his service on the Santee Cooper board. As the longest serving member on the board, he stated:

I've seen some good things happen from a board standpoint. I guess it helped me understand what influence a board cohesively can have on the place... I think I bring a good bit of knowledge and to the extent I can claim wisdom from the standpoint of how a board functions and how they can make mistakes, and then the opposite of that, how we can really work to do good things down there at Santee Cooper.

Tr. p. 77-78, l. 17-20, 2-7

As for Santee Cooper's role in economic development, he stated:

I just think we've tried to be responsive, be there for the existing and potential industrial developments or economic developments. I think we've been there for them and we're accommodating to them once they get here.

Tr. p. 93, l. 19-23

8) Independence

Mr. Land indicated that a director's ideological or political beliefs should not play a role in making a decision for Santee Cooper. In his response to preliminary question #4, he stated, in part, “A Santee Cooper Director has been charged with the trust and confidence of the appointing authority as well as the confirming authority to ably conduct themselves as a Director using the highest degree of care, prudence and integrity in carrying out the duties of the appointment.”

Findings as to Overall Qualification

Mr. Land has been nominated to be reappointed as a director representing the Sixth Congressional District on the Board of Directors of Santee Cooper. The Review Committee believes Mr. Land possesses the depth of experience to enable him to be a successful member of the Santee Cooper Board of Directors and finds him qualified.

MERRELL W. FLOYD
SANTEE COOPER BOARD OF DIRECTORS
SEAT: SEVENTH CONGRESSIONAL DISTRICT AND COOPERATIVE EXPERIENCE
TERM: MAY 19, 2012 THROUGH MAY 19, 2019

Review Committee's Findings: Qualified

1) Constitutional and Statutory Qualifications

Mr. Floyd meets the general qualifications prescribed by law for service as a Director for Santee Cooper. Mr. Floyd is a resident of Conway, South Carolina. He has been a resident of South Carolina for at least the immediate past five years and is a qualified elector of this State.

2) Educational Background

Mr. Floyd received a Bachelor of Sciences degree in Industrial Management from Clemson University in 1966.

3) Ethical Fitness, Character, and Reputation

The Review Committee's investigation did not reveal any evidence of unethical conduct by Mr. Floyd and did not reveal evidence of any convictions or criminal allegations made against him. Mr. Floyd has good standing in his community as well as a personal history of sound business affairs.

4) Professional Experience and Training

Mr. Floyd retired from Horry Electric Cooperative, Inc., (Horry Electric) as the Staff Coordinator in 2005. Mr. Floyd began working for Horry Electric in 1980. From 1972 to 1980, Mr. Floyd worked for S.D. Cox Surveying Co., as a manager of three survey crews. In 1972 he worked as a salesman for Proctor and Gamble Co. From 1970 to 1972 he worked for Deering Milliken Co, as a shift supervisor. From 1967-1970, he was employed with General Electric Co. in its industrial sales department.

5) Statutory Requirements

Pursuant to Section 58-31-20(C), the Review Committee is required to determine if Mr. Floyd has:

- a) working knowledge of the activities and affairs of Santee Cooper;
- b) the ability to interpret legal and financial documents and information;

- c) with the assistance of counsel, the ability to understand and apply federal and state laws, rules, and regulations as they relate to Santee Cooper, including the Freedom of Information Act; and
- d) with the assistance of counsel, the ability to understand and apply judicial decisions as they relate to the activities and affairs of Santee Cooper.

Mr. Floyd's responses to written and oral questions reflect he has working knowledge of the operations and activities of Santee Cooper. Mr. Floyd also has substantial experience within an electric cooperative.

6) Knowledge of Current Energy Issues

Mr. Floyd understands and appreciates the challenges faced by Santee Cooper resulting from the effects of the economy, an aging base load fleet and its impact on generation costs, and the overall demand for electricity. Mr. Floyd has a good understanding of the shift from traditional coal powered generation and the difficulties these present for long-term planning. He discussed the issues facing Santee Cooper in regards to its aging coal plants, how to handle the sale of excess generation, its energy efficiency programs, and ways a utility should make long-term plans during a time of uncertainty for future requirements.

See Generally Tr. pages 26-41

7) Knowledge of Santee Cooper's Other Roles

Mr. Floyd is knowledgeable about Santee Cooper's various roles, including economic development. He stated:

I think the board needs to be aggressive in economic development. That is one of the reasons that it was originally established, was to promote economic development, but keeping in mind that the only -- you need to be concerned about the rates as many have invested in pursuing economic development.

Tr., p. 33, l. 8-14

He also stated that Santee Cooper, in its role as a lessor, should make facilities open to a diverse public .

See Tr. p. 33, l. 15-22.

8) Independence

Mr. Floyd stated in his response to preliminary question #C10 that a director's ideological or political beliefs should not play a role in making a decision.

Findings as to Overall Qualification

Mr. Floyd has been nominated to be appointed as a director representing the Seventh Congressional District, with cooperative experience, on the Board of Directors of Santee Cooper. The Review Committee believes Mr. Floyd possesses the depth of experience to enable him to be a successful member of the Santee Cooper Board of Directors and finds him qualified.

DANNY “DAN” JOE RAY
SANTEE COOPER BOARD OF DIRECTORS
SEAT: GEORGETOWN COUNTY
TERM: MAY 19, 2008 THROUGH MAY 19, 2015

Review Committee’s Findings: Qualified

1) Constitutional and Statutory Qualifications

Mr. Ray meets the general qualifications prescribed by law for service as a Director for Santee Cooper. Mr. Ray is a resident of Pawley's Island, South Carolina, and is a customer of Santee Cooper. He has been a resident of South Carolina for at least the immediate past five years and is a qualified elector of this State.

2) Educational Background

Mr. Ray obtained his Bachelor of Sciences degree in 1984 in Business Administration from Winthrop University. In 1993, he received his Masters in Economics from Colorado School of Mines.

3) Ethical Fitness, Character, and Reputation

The Review Committee’s investigation did not reveal any evidence of unethical conduct by Mr. Ray and did not reveal evidence of any convictions or criminal allegations made against him. Mr. Ray has good standing in his community as well as a personal history of sound business affairs.

4) Professional Experience and Training

Mr. Ray is currently a Managing Director and the Global Head of Project Finance for Jefferies LLC, a position he has held since 2009. He and wife are also the owners of Annandale Plantation, LCD, LLC (owns real property assets of Lowcountry Preparatory School), and SC Landings (apartments units). From 2006 to 2009 he served as a Managing Director and Head of Global Project Finance for Capmark Finance. From 1999 to 2006, he worked for GMAC Commercial Mortgage as a Managing Director and as the Head of Global Project Finance. He was an investment banker with Piper Jaffray from 1993-1996.

Mr. Ray holds securities licenses for General Securities Representative, Uniformed Securities Agent State Law, and General Securities Principal. He is registered in two states and with 15 self-regulatory organizations.

Mr. Ray served in the South Carolina Army National Guard from 1980 to 1984 and achieved the rank of Second Lieutenant. From 1984 to 1993, he served in the Army

achieving the rank of Captain. From 1993 to 1998, he served as a Major in the United States Army Reserve.

5) Statutory Requirements

Pursuant to Section 58-31-20(C), the Review Committee is required to determine if Mr. Ray has:

- a) working knowledge of the activities and affairs of Santee Cooper;
- b) the ability to interpret legal and financial documents and information;
- c) with the assistance of counsel, the ability to understand and apply federal and state laws, rules, and regulations as they relate to Santee Cooper, including the Freedom of Information Act; and
- d) with the assistance of counsel, the ability to understand and apply judicial decisions as they relate to the activities and affairs of Santee Cooper.

Mr. Ray's responses to written and oral questions reflect he has working knowledge of the operations and activities of Santee Cooper.

6) Knowledge of Current Energy Issues

Mr. Ray understands and appreciates the challenges faced by Santee Cooper resulting from increased generation costs, and demand for electricity, the shift from traditional coal powered generation to more efficient resources, and the difficulties these issues present for long-term planning. He discussed the issues facing Santee Cooper in regards to its coal plants, construction of the nuclear units at V.C. Summer and their ability to produce excess energy that could be sold to neighboring states, and how a consortium approach to generation would be beneficial to broadly allocate risk.

See generally Tr. pgs. 115-135

7) Knowledge of Santee Cooper's Other Roles

Mr. Ray is knowledgeable about Santee Cooper's various roles, including economic development. He stated:

[I]t's important for South Carolina to continue to grow and we need to attract businesses that provide jobs and to the extent Santee Cooper can play a role in that, I think they should.

Tr., p. 122. l. 14-18

8) Independence

Mr. Ray stated in his response to preliminary question #C10 that a director's ideological or political beliefs should not play a role in making a decision.

Findings as to Overall Qualification

Mr. Ray has been nominated to be appointed as a director representing the Georgetown County Seat on the Board of Directors of Santee Cooper. The Review Committee believes Mr. Ray possesses the depth of experience to enable him to be a successful member of the Santee Cooper Board of Directors and finds him qualified.

CATHERINE E. HEIGEL
SANTEE COOPER BOARD OF DIRECTORS
SEAT: AT-LARGE
TERM: MAY 19, 2012 THROUGH MAY 19, 2019

Review Committee's Findings: Qualified

1) Constitutional and Statutory Qualifications

Ms. Heigel meets the general qualifications prescribed by law for service as a Director for Santee Cooper. Ms. Heigel is a resident of Greenville, South Carolina. She has been a resident of South Carolina since June 2013. She lived in Wisconsin for a year in 2012, but resided in South Carolina prior to moving to Wisconsin. She is a qualified elector of this State.

2) Educational Background

Ms. Heigel received a Bachelor of Arts degree from the University of South Carolina in 1992. She received her Juris Doctorate from The Ohio State University School of Law in 1995. While employed by Duke Energy, she graduated from the Duke Energy Leadership Program at The University of North Carolina's Kenan-Flagler Business School and the Advanced Management Program at the Wharton School.

Ms. Heigel currently holds licenses to practice law in South Carolina, North Carolina, Georgia (inactive), Ohio (inactive), and New York.

3) Ethical Fitness, Character, and Reputation

The Review Committee's investigation did not reveal any evidence of unethical conduct by Ms. Heigel and did not reveal evidence of any convictions or criminal allegations made against her. Ms. Heigel has good standing in her community as well as a personal history of sound business affairs.

4) Professional Experience and Training

Ms. Heigel has been employed as a Corporate Strategies Officer for Elliot Davis, LLC since August 2013. From June 2012 - July 2013, she was the Executive Vice President, General Counsel, and Corporate Secretary for American Transmission Company. She held these positions from 2012 to 2013. From 1997 to 2012, she was employed by Duke Energy in the following capacities: President (2010-2012); Special Advisor to the Chairman (2010); Associate General Counsel, State Regulatory Group (2006-2010); and Senior Counsel, Commercial Transactions Group (1997-2002). From 2003 to 2006, Ms. Heigel worked for the Law Firm of Kocher and Gillum, where she focused her law practice on general commercial transactions. She was a staff attorney with the South

Carolina Department of Consumer Affairs from 1995-1996.

5) Statutory Requirements

Pursuant to Section 58-31-20(C), the Review Committee is required to determine if Ms. Heigel has:

- a) working knowledge of the activities and affairs of Santee Cooper;
- b) the ability to interpret legal and financial documents and information;
- c) with the assistance of counsel, the ability to understand and apply federal and state laws, rules, and regulations as they relate to Santee Cooper, including the Freedom of Information Act; and
- d) with the assistance of counsel, the ability to understand and apply judicial decisions as they relate to the activities and affairs of Santee Cooper.

Ms. Heigel's responses to written and oral questions reflect she has working knowledge of the operations and activities of Santee Cooper.

6) Knowledge of Current Energy Issues

Ms. Heigel understands and appreciates the challenges faced by Santee Cooper resulting from the effect of the economy and its impact on generation costs, fuel commodity uncertainty, increased demand for electricity, the shift from traditional coal powered generation, and the difficulties these issues present for long-term planning. She discussed the issues facing Santee Cooper in regards to its aging coal plants, its energy efficiency programs, regulatory uncertainties, ways a utility should make long-term plans during a period of change, and the need for a consortium approach to generation. She discussed her prior utility employment and how they have translated into her understanding of the energy issues that cooperatives face in South Carolina.

See Generally Tr. pages 41-75

7) Knowledge of Santee Cooper's Other Roles

Ms. Heigel is knowledgeable about Santee Cooper's various roles, including economic development, energy efficiency through renewable energy resources, providing cost-effective energy to customers, and Santee Cooper's role as a public energy provider within the Southeast. She believes that:

[P]ublic power has a very unique and specific role that it fills in providing low-cost power to areas that at one time, not necessarily today, were not deemed attractive to serve by investor-owned utilities. Public power has the benefit of managing its capital structure in a way that can benefit customers

through lower overall costs. Being more leveraged, having more debt can, within reason, benefit customers because debt is cheaper than equity... public power continues to serve the mission of economic development. Ultimately, that's what Santee Cooper's mission is, is to improve the lives of South Carolina citizens and it does that through providing low-cost, affordable power. Which I think it continues to meet that mission.

See Tr., pgs. 56 and 57, l. 20-5 and 11-17

8) Independence

Ms. Heigel stated in her response to preliminary question #C10 that a director's ideological or political beliefs should not play a role in making a decision.

Findings as to Overall Qualification

Ms. Heigel has been nominated to be appointed as a director representing the At-Large Seat on the Board of Directors of Santee Cooper. The Review Committee believes Ms. Heigel possesses the depth of experience to enable her to be a successful member of the Santee Cooper Board of Directors and finds her qualified.