Preliminary Questions
Responses of John Calhoun Land, IV

PENGAD 800-631-6989
EXHIBIT NDZ
8
3/25/14

TO: SANTEE COOPER SCREENING SUBCOMMITTE AND PUBLIC UTILITIES REVIEW COMMITTEE

FROM: J. Calhoun Land, IV

Ladies and Gentlemen of the Committee:

I hereby provide answers to the preliminary questions presented:

1. **How has your service on the Board impacted Santee Cooper?**

ANSWER: My service has had a positive impact on Santee Cooper. I feel I have assisted the agency in accomplishing its mission to be the state's leading resource for improving the quality of life for the people of South Carolina. Additionally, I believe I have had a beneficial and definite impact on Santee Cooper maintaining its goals which include: being the lowest cost-producer and distributor of reliable energy, water and other essential services; providing excellent customer service; maintaining a quality work force; operating according to the highest ethical standards; protecting our environment and being a leader in economic development.

A notable example of how my service on the Board positively impacts Santee Cooper is connected with the unique prospectives gained from 14 years of service. These continuous years of service benefited the Board of Directors and the management of Santee Cooper. Over this period of time, I have seen and worked on many challenging issues and concerns. The resulting experience, knowledge, and relationships I developed has had a positive impact on Santee Cooper.

Other examples where my service has provided a positive impact to Santee Cooper can be found in the characteristics of my working relationship with Santee Cooper's executive staff. I feel that throughout the years I have worked well with Santee Cooper's executive staff and this has come to be a valuable asset as issues which require a large amount of Board

involvement appear. I recall several times over the years when interacting with our large wholesale and industrial customers where I feel, my presence, participation and influence assisted in achieving a favorable outcome to both Santee Cooper and its customers.

2. On which subcommittees did you serve?

ANSWER: For the period of 2000-2014, I have served on the following committees:

Central Santee Cooper Executive Committee;

Executive Corporate Planning Committee;

Finance Committee;

Human Resources Committee (past Chairman);

Legal Affairs Committee (current Chairman);

Property Committee;

Nuclear Oversight Committee;

Contributions Committee;

Palmetto Economic Development Corporation Board of Trustees;

I also was honored by my fellow Board members with being elected to serve as First Vice Chairman of the Board of Directors holding this position in 2002 and 2003.

3. What are the major challenges facing Santee Cooper today?

ANSWER: Santee Cooper has faced and dispensed with a number of very complex and difficult challenges over the last number of years. These include the construction of new generation, the management of the existing generation fleet, important debt related financial transactions, customer rate, and revenue related issues. The renegotiation and consummation of a long-term wholesale power agreement with Santee Cooper's largest customer is a great

example of positive progress on issues of tremendous importance to Santee Cooper and its stakeholders.

Even with past success, challenging issues remain for Santee Cooper. Current major challenges include the ongoing construction of the expansion to the V.C. Summer Nuclear Facility, the management of Santee Cooper's Electric & Water Systems growth, the need for Santee Cooper to have a positive impact on the economic health of existing commerce and industry, as well as a continued push to nurture growth of existing and new commerce and industry in the State of South Carolina.

Newer challenges for Santee Cooper can be seen in the evolving world of renewable energy to include solar, biomass and wind sourced and how to effectively, fairly and efficiently integrate these potential and existing sources of energy into South Carolina's power grid. Lastly, the scope, predictability and expense of government regulation on a number of fronts important to Santee Cooper continues to present a challenge.

My goal as a Board member is for Santee Cooper to continue to meet these challenges in a way which addresses the immediate pressing items while keeping in focus and in proper perspective the long-term stability and competitiveness of Santee Cooper as a power and water provider in the State of South Carolina.

4. Describe the duty of loyalty and duty of care you owe to Santee Cooper?

ANSWER: I believe that in assuming a seat on the Santee Cooper Board a Director is charged with the duty to provide to the South Carolina Public Service Authority the highest level of loyalty. 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. The stake holders of Santee Cooper, including those who hold Santee Cooper debt, customers of Santee Cooper, employees of Santee Cooper, and citizenry of South Carolina expect and deserve a director who will act in the best interest of the agency to which they have been appointed to serve.

5. Do you have any relationship with any of the charities that Santee Cooper has supported in the last five years? If so, please provide the name and charity and describe the relationship.

ANSWER: I do not have a direct relationship with any charities that Santee Cooper has supported in the last five years.

6. Do you or any of your immediate family members (as defined in S.C. Code Ann. §8-13-100) have a business, financial, or other relationship with Progress Energy, Duke Power, SCE&G, or an electric cooperative? Do you or any of your immediate family members have a business, financial or other relationship with any other investor-owned utility or an electric cooperative that operates outside of South Carolina? Please include any stock that you or an immediate family member own in these companies and/or any mutual funds that you or an immediate family member own that invests in these companies.

ANSWER: **A.** I am a customer of Santee Electric Cooperative at my residence and Duke Energy at my place of business. This would represent the extent of any known business, financial or other relationship with Progress Energy, Duke Power, SCE&G or any electric cooperative.

B. I am not aware of any business, financial or other relationship with any other investor owned utility or electric cooperative that operates outside of South Carolina.

C. I am not aware of any stock that I or an immediate family member own in any of the listed companies. I do own interest in mutual funds in a broker managed account with Abacus Planning Group. Historically, I exercise no direct ability to pick or choose the stocks and/or mutual funds in this managed account. The managed account with Abacus Planning Group indicates the following mutual funds with minority ownership in Duke Power and other electric industry related companies: American Growth Funds of America; Calamos Market Neutral; DFA US Large Company; DFA US Micro Cap; DFA US Small Cap Value; and T. Roe Price Equity Income.

7. What were your top three goals to achieve as a member of the Board? Did you accomplish those goals?

ANSWER: When initially taking my seat on the Santee Cooper Board the following were top goals:

1. To educate myself in a way which would allow me to learn the large amount of information required to be an effective Board member. This included sitting down with executive management and employees of Santee Cooper to learn all that I could about its function and mission. I learned a tremendous amount regarding the operation, financing, human resources and customer base of the agency and how these components of the agency had been successfully managed in the past.

2. The next goal I set was to have a positive, consistent and wide-ranging presence as a

member of the Santee Cooper Board of Directors. I believe in my 14 years as a member of the Board I have only missed two meetings. I have attended many, many dedications and customer or employee related events in order to show my appreciation for Santee Cooper employees and customers. I have taken an interest in the operations of Santee Cooper to the extent that I observed a winter demand peak at 5:00 a.m. in the Santee Cooper Energy Control Center in Moncks Corner, taken many customer groups on facility tours, and rode a CSX coal train pulling a load of Santee Cooper coal from Columbia down to Santee Cooper's Cross Generating Station. I have accomplished this goal and have found all of these interactions to be both enjoyable and highly educational. This has allowed me to be a better Board member.

3. My third goal was to establish myself as a trustworthy and highly capable member of the South Carolina Board of Directors of the South Carolina Public Service Authority. I feel I have met this goal.

8. What are your goals for your continued service on the Board?

ANSWER: The goal for my continued service on the Santee Cooper Board is to assist the Santee Cooper Board of Directors and staff as we responsibly undertake the tremendous task of insuring Santee Cooper navigates and meets the challenges of today and tomorrow in a way that will allow it to continue to provide benefit to our state and promote the continued success this state agency has had over the last 75 years. Santee Cooper supplying its customers in the most efficient and reliable manner possible is the best expression of this goal.

Respectfully submitted,

J. Calhoun Land, IV