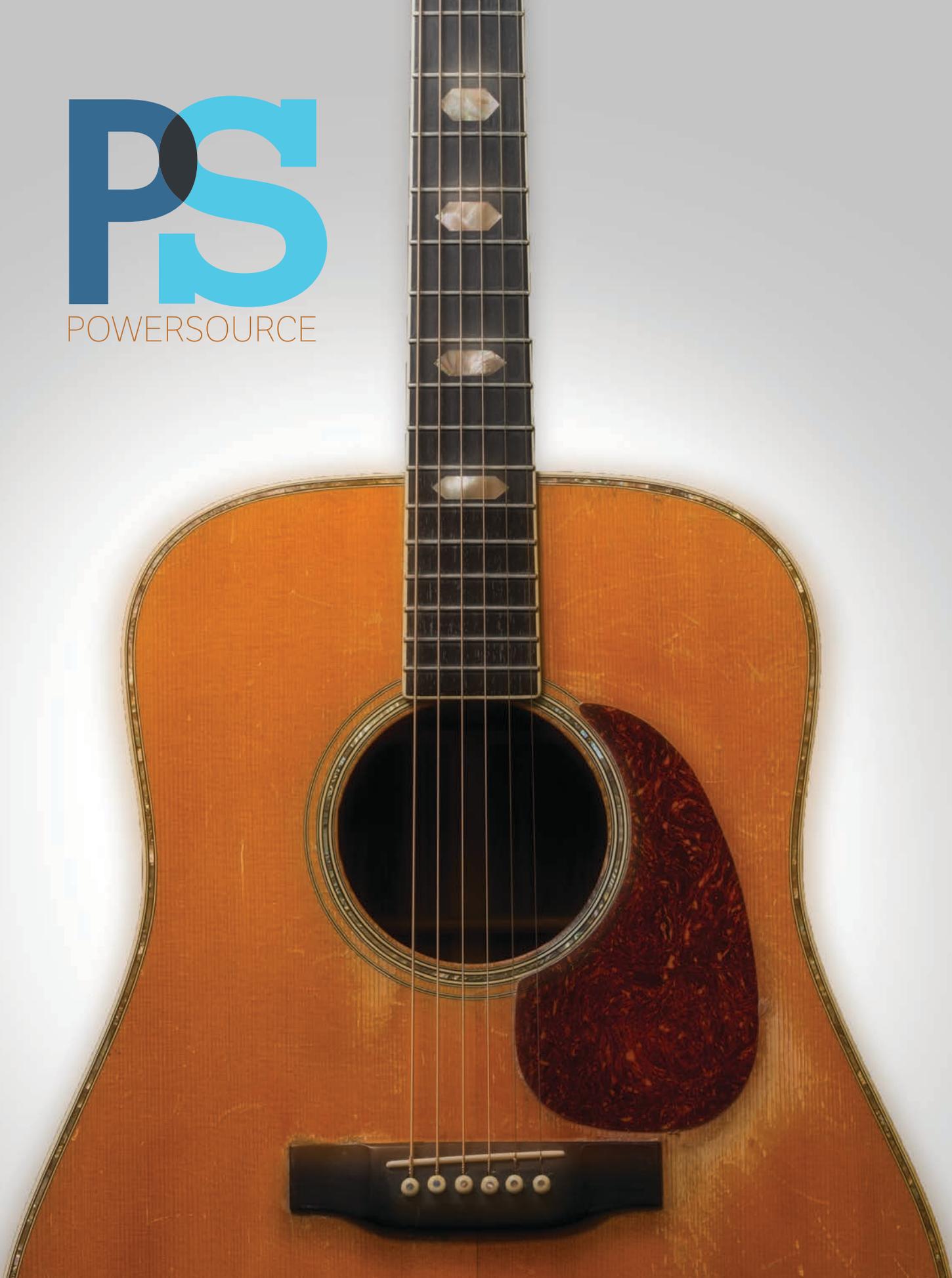


PS

POWERSOURCE



WINTER '15

OUTSMARTING FRAUDSTERS

SANDY ISLAND

BLUEGRASS

PMPA

from the CEO

Our customers have spoken, more than 36,000 of them and counting.

As I noted last issue, the U.S. Environmental Protection Agency has proposed a landmark CO₂ emissions rule that would reduce emissions 30 percent nationwide by 2030. Unfortunately, the draft rule punishes South Carolina for proactively working to reduce emissions ahead of time, because it assigns our state the largest emissions reduction target in the country.

I asked Santee Cooper customers in October to share their feelings with EPA by postcard, and the response was overwhelming, to the tune of more than 36,000 responses. Santee Cooper has bundled and delivered those postcards to EPA prior to the Dec. 1 comment deadline. Santee Cooper offered our own comments too, as an individual utility and in collaboration with other industry partners. The common thread: Give South Carolina proper credit for emissions reductions we are already working on, especially new nuclear power units.

Over the past decade, Santee Cooper has significantly increased renewable generation, opened a large natural gas station, launched an aggressive energy efficiency campaign for customers and closed older coal units. Now, we are partners in building two new nuclear units, a roughly \$10 billion project that will bring 2,200 megawatts of reliable, emissions-free electricity to the state's grid. Together these initiatives will reduce our CO₂ emissions 44 percent by 2029, well ahead of the 30 percent reduction EPA seeks. We need to convince EPA to give us full credit for the role the nuclear units play in this reduction.

If the proposed rule stands, it will significantly increase every South Carolinian's electric bill, and it could threaten our state's continued ability to recruit



and retain industry that sustains our economy, our families and our quality of life. But proper treatment of nuclear could reduce costs associated with this rule by as much as half, and so Santee Cooper will keep working all avenues to influence EPA to do the right thing.

Stay informed throughout this process at www.santeecooper.com/energymatters, and to all of you who filed your comments on this important rule, I say thank you.

A handwritten signature in black ink that reads "Lonnie N. Carter". The signature is fluid and cursive, written over a white background.

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Treasured by many, this decades-old rugged C.F. Martin & Co. guitar, owned by Richard "Chip" Chipman of Low Country Music and Bluegrass Academy in Moncks Corner, exemplifies the humility of bluegrass music and its ability to captivate many walks of life.

L D H O U T L 3 B

W I L S M A R O N

OUTSMARTING

1 0 0 R T I L E ?

FRAUDSTERS

J I L N G F L K A

By Nicole A. Aiello

T I E R A U R I L

Photography by Jim Huff

E Y T D S T H O M

A S P 3 R S 3 A R

“

I

realized it was a scam because Santee Cooper wouldn't have asked for my credit card number. They would have told me that my funds were short and to come by and take care of it in person.”

That was one of the many clues Suzie Jackson picked up on when her business, Copper's Restaurant in Conway, was targeted by scammers. Another was the fact that the callers, who claimed to be employees with Santee Cooper, were unyielding to the point of forceful about receiving payment immediately. They even threatened to turn off the power to her restaurant just a few hours before the evening rush.

“It was in the afternoon and of course I panicked, knowing in a restaurant you can't have the electricity turned off,” Jackson said.

Jackson took a deep breath, considered her options and then made a smart move. She called Santee Cooper directly, and the customer service representative she talked to assured her that her account was not in default.

Jackson said, “It was just a matter of calming down and thinking it through. And then, after I talked to Santee Cooper, I knew everything was going to be all right.”

Jackson was lucky. She kept her wits about her and listened to her gut, which was telling her something was wrong. After calling Santee Cooper directly to ask about the charges and verifying her account's status, she was told she wasn't the first customer to call about these types of disturbing calls.

Disturbing may be an understatement, especially when faced with the prospect of not only losing hundreds of dollars, but also losing customers and revenue.

Tom Jordan with Pine Lakes Tavern in Myrtle Beach is another small business owner recently targeted by scammers.

“I was a little panicked at first, but I didn't think my power would get cut off. But they were pretty adamant about it and he was pretty demanding on the phone: I need to get to CVS and get the money order and send it out to get the power on,” Jordan said. “I just kept questioning him. Why did I have to go to CVS, why I needed to go to Western Union, and why couldn't I pay it online and why couldn't I pay it over the phone?”



The scammer stayed cool and collected, seemingly in charge. Jackson said the scammer had excuses for every question. “The system was down.” “There was no one in the office at the moment.”

“It set alarm bells off for me,” Jordan said. “The whole thing was pressure, pressure, pressure. It didn’t seem like how Santee Cooper does their business, how I interact with Santee Cooper.

“My biggest concern was simply the fact that I didn’t want to fall for the scam,” he said.

According to Jordan, falling for the scam would have meant losing the requested \$972 to someone trying to defraud him.

“For my business, that would have been devastating,” he said.



Jordan and Jackson both stayed levelheaded and heeded the warning signs. They were both correct in knowing Santee Cooper does not use pressure or scare tactics, like threatening to cut off their livelihood without immediate payment. Santee Cooper also will never ask a customer to go to Western Union or purchase a prepaid card at a local store and ask the customer to read the card numbers over the phone.

“At Santee Cooper, we work hard to gain our customers’ trust. When someone impersonates one of our employees, we take it seriously,” said Bryan Lewis, Santee Cooper’s manager of retail services. “This is why we’re trying to educate our customers, through social media, newsletters and bill inserts, on the scams that are taking place and how they can protect themselves.”

Top: Bryan Lewis, Santee Cooper’s manager of retail services, explains that Santee Cooper will not pressure customers by using scare tactics.

Suzie Jackson, owner of Copper’s Restaurant in Conway, foiled fraudsters by calling Santee Cooper to verify whether the utility was trying to contact her.

Scams where people impersonate utility employees aren’t new. However, they seem to be gaining in popularity and sophistication, targeting trusting utility customers around the state and nationwide.

SANTEE COOPER WILL NEVER:

- Request banking information over the telephone unless you initiated the conversation.
- Ask for credit card information unless a security deposit is required for a new service account.
- Call you and demand payment of any type over the telephone.
- Email or text you demanding a payment.
- Make any forceful demands for immediate payment and threaten to terminate your service.
- Leave a message threatening termination of service if you do not immediately return our call.
- Specifically ask you to pay your account balance with a prepaid credit or debit card.
- Threaten to appear at your business or residence to demand immediate payment.

Some scammers have even recorded utility phone messages, and when the customer calls the number left with them, they hear what they believe is the utility's business recording.

Customers who have been targeted aren't naïve or gullible, but scare tactics like those used on Jackson and Jordan have been utilized by fraudsters to cause uncertainty, concern and panic. Scammers are betting on that panicked feeling to help coerce money from their victims.

"We don't have a practice in place of calling our customers and demanding immediate payment," said Lewis. "That doesn't mean we don't contact our customers at all. We do have some processes in place where customers will be notified if they have unpaid bills. These customers will get a bill insert explaining their payment is overdue or a phone call indicating the same. Then they're given instructions on how they can pay their bills, including going to a Santee Cooper office or santeecooper.com."

Lewis recommends that customers never give personal information, like bank account and credit card numbers, over the phone unless they initiated the call and feel comfortable with whom they are speaking. In addition, Lewis said those who do receive suspicious calls should hang up and call Santee Cooper at a published number. Santee Cooper's main numbers are 800-804-7424, 843-347-3399 and 843-761-8000. Customers can also visit or call one of Santee Cooper's retail offices. All locations and phone numbers are listed at santeecooper.com, and more information on how to protect yourself from scams is available at santeecooper.com/fraud.

The image is a screenshot of a web browser displaying a blog post from Santee Cooper. At the top, there is a navigation bar with links for 'Business to Business', 'Education and Safety', 'Contact Us', 'Careers', and 'Storms and Outages'. Below the navigation bar is the Santee Cooper logo and a header with three tabs: 'RESIDENTIAL', 'BUSINESS', and 'COMMITTED to SOUTH CAROLINA'. The main content area shows the blog post title 'Don't fall for a fraud call' in green, dated 'November 20, 2014' and written 'By Nicole Aiello in Customer Care'. The post features a large graphic with the text 'DON'T FALL FOR FRAUD CALLS' and a green call-to-action box that reads 'Do NOT give out personal information over the phone unless YOU initiated the call.' Below the graphic, there is a short paragraph of text: 'The holidays can be stressful enough without having to worry about scams. This week is Fraud Awareness Week and at Santee Cooper, we're teaming up with the South Carolina Attorney General, the S.C. Department of Consumer Affairs, The Electric Cooperatives of South Carolina and other utilities to warn customers of potential scams.'

Customers can visit santeecooper.com/fraud for more information on how to protect themselves from scammers.

Sandy



Island.

Not just another small community



*By Susan Mungo
Photography by Jim Huff*

Stepping off the boat onto the island, it feels like any small, American community. It is a beautiful sunny day and longtime resident Beulah Pyatt, owner of the Sandy Island General Store, and her husband Sam make their way to Horry Georgetown Technical College for a computer class. When she returns, Pyatt will open the store, allowing residents and guests of the island a chance to grab a soft drink, snack or souvenir. Her son, Rommey, offers tours of the Island.

Sarah Deas, a lifetime resident of the island, waves as she passes by on her way to the doctor for a checkup. And John Young hangs out shooting the breeze with Charles Alston, talking about work, their dogs and everyday life.

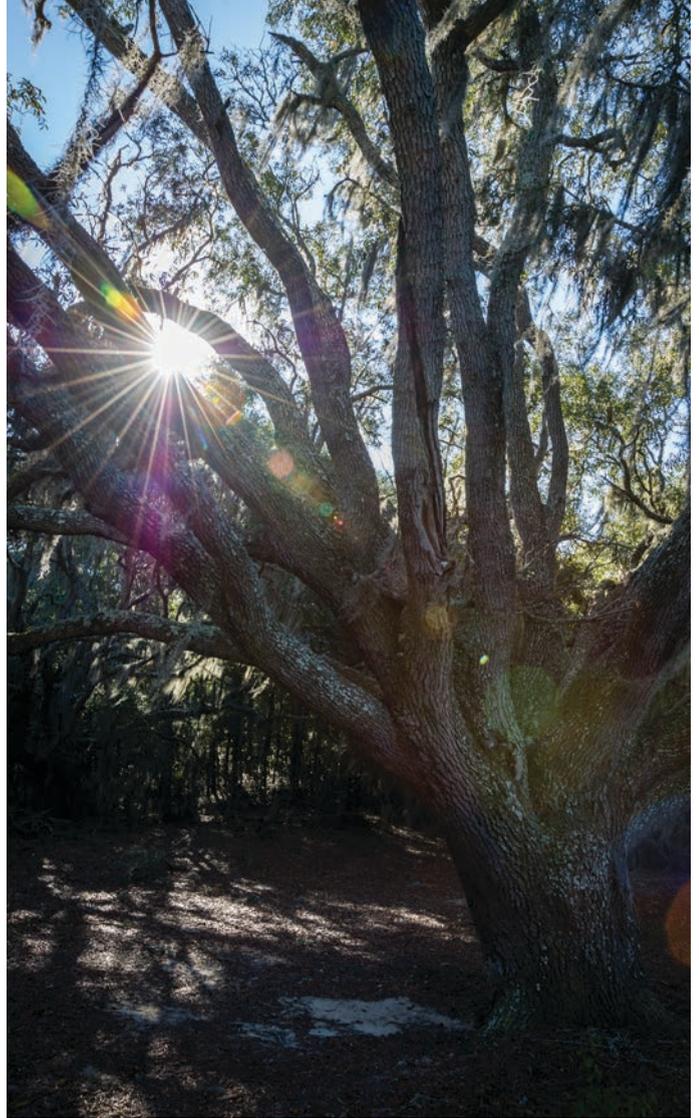
The atmosphere is family-like, and those living here seem to have a code of their own with faith, family, accountability and dependability as its core elements.

It is here, on Sandy Island in Georgetown County, that you can look at the easy interaction among those who live here and realize it is more than just another small community.

Nestled between the black waters of the Waccamaw and Pee Dee rivers is Sandy Island, a 9,000 acre island that was once a prehistoric sand dune. Today, it is part of the Waccamaw National Wildlife Refuge, which is owned and managed by the South Carolina Nature Conservancy, an ownership that will protect the way of life for the endangered red-cockaded woodpeckers, eagles, osprey, bear, deer, turkey, wild hogs and even a rumored panther that call the island home. It will also help ensure a peaceful culture that is a way of life for some Georgetown County residents who have for centuries called this island home.

Every morning as others race down highways in cars, islanders make their way to the landing and settle into a motorboat, leaving Sandy Island for work somewhere along the mainland of the Grand Strand.

Adults leave to make a living, but children are not exempt from the island's isolation. They ride the only school boat in the state, the Prince Washington, named for the great-grandson of



Top: One of the beautiful oaks on Sandy Island allows the sun to stream through its limbs.

The Sandy Island Cultural Center has playgrounds outside for children to play on after school.

the freed slave who founded this community. The boat takes students to the mainland where they finish their commute to Georgetown County schools on a typical yellow school bus.

The fact that living on the island means boating to and from a landing for work, school or even a trip to the mall may be a deal breaker for others. For those who live there, it has simply always been a way of life.

John Young, a resident of Sandy Island, has learned how to access the island without even owning his own boat. Young regularly catches a ride to and from the mainland. He has not always lived on the island, but he says he loves the peaceful way of life enough to deal with the complexity of getting there.

“There is usually always someone willing to give me a ride,” Young said, explaining he doesn’t usually have a problem crossing to the mainland.

Although it may be easy to find someone willing to shuttle him, crossing the rivers — a ride about 10 minutes each way — can be treacherous if the weather doesn’t cooperate.

Top: Santee Cooper keeps a truck on the island to assist in line patrols and other distribution line work that may need to be completed.

The school boat, named the Prince Washington, and other boats are moored to the dock at Sandy Island Landing, where most islanders depart for the mainland.





Alston, who was born and reared on Sandy Island and is employed at Santee Cooper’s Winyah Generating Station, understands those risks.

“Having to boat to and from the landing in tough weather conditions is the most difficult part of living on this island,” he said.

Those tough conditions do not seem to slow Alston down, nor have they deterred his desire to live on the island.

“I know it will be a challenge to find someone who is willing to deal with the difficult access to the island, but this is my home,” he said. “I feel a sense of peace when I step off onto this island, and this is where I want to be.”

Although Alston currently lives with his nephew in a family-owned home, he is so certain he will continue to live on the island that he has plans to build his own home there next year.

The access problem may not deter Alston, but many fear the hazards of boating in what are, at times, fast moving waters. Those fears were realized and multiplied in 2009 when a stormy night in February claimed the lives of three residents trying to make their way home. Since then, the residents have fought for a ferry to make travel safer.

In 2013, South Carolina legislators approved a resolution urging the federal Department of Transportation to speed along efforts for a ferry; however, funds for the project seem to have stalled and there has been little to no progress on the project lately.

That lack of safe access to the island seems to have taken a toll on the number of year-round residents. An island that centuries ago had hundreds of residents now has somewhere between 50 and 60 permanent residents.

Along with safety getting to the island, safety on the island is an important aspect of living there. The island is dotted with small, red fire hydrants. There is even a fire station, and Alston is one of the volunteer Georgetown County firefighters who offers assistance. In true Sandy Island fashion, Alston said he is happy to help serve and protect this natural resource he calls home.

In addition to having volunteer firefighters, the island is regularly visited by Santee Cooper employees servicing equipment. Regular



Top: John Young looks over the water from the deck of the general store as he awaits a boat ride to the mainland.

Middle: Leonard Nelson is planning to be a part-time resident of the island after he remodels the home his grandmother lived in.

Bottom: Charles Alston takes a break at the fire station where he is a volunteer firefighter.

Opposite: The New Bethel Baptist Church stands sentry over the Sandy Island community.



NEW BETHEL BAPTIST CHURCH



maintenance checks by Santee Cooper help keep outages on the island at a minimum. According to Billy McCall, crew supervisor for Santee Cooper Distribution Operations in the Garden City Beach area, work on the island takes a lot of pre-planning, but is worth the effort.

“A day working on the island normally makes for a quiet, peaceful day at work,” McCall said.

Although the full-time population on Sandy Island has dwindled, the quiet and peacefulness of the area has lured some part-time residents, many of whom spend lazy summer weekends on the “fingers” area, a section named for the way channels were dug out leaving strips of land that have anywhere from two to six houses located on each “finger.” But these part-time islanders are few and far between when the leaves turn and the winds blow cold across the water.

Along with part timers, guests are also welcome. Sandy Island offers its very own full-service bed and breakfast, a place

Many part-time residents pull their boats up to private docks while enjoying their visit to Sandy Island.

Right: Sand has been the building blocks upon which the island was built. The beach itself is a favorite hot spot when the weekends turn warm and a place of tranquility during colder months.

“A day working on the island normally makes for a quiet, peaceful day at work.”

known as Wilma's Cottage. Here, visitors can come for a short stay and get a taste of what life on a remote island is all about.

While visiting, guests can travel to the beach to enjoy a day by the water or take a hike along one of the island trails. There's even an old schoolhouse built in 1932 by Archer Huntington, which has been remodeled and made into the Sandy Island Cultural Center, complete with activities, events and a playground area for children. Huntington, a New York philanthropist who died in 1955, is more widely known in the area for founding Brookgreen Gardens in 1931 with his wife Anna Hyatt.

And while somewhat rare, visitors will see a vehicle or two, although portions of the roads they travel on may be easier to spot than others. A sandy base, single lane allows travel between the different villages or sections of the island like Mount Rena, the Georgia Hills and the Annie.

On any given Sunday, that same sandy loam road guides islanders and mainlanders to the New Bethel Baptist Church where, as Alston emphasized, "Everyone is welcome, whether islander or mainlander."



Dredging project deepens Diversion Canal

By Willard Strong

Photography by Jim Huff



By March 1, Santee Cooper is projected to complete a dredging project at the mouth of the Diversion Canal that will enhance navigation on the 7½ mile-long waterway that separates lakes Marion and Moultrie.

“Santee Cooper is required by the Federal Energy Regulatory Commission to maintain navigational channels to standards set by the U.S. Army Corps of Engineers,” said Shea McMakin, Santee Cooper’s supervisor of civil projects. “We routinely take soundings in the vicinity of areas historically know to shoal and accumulate sediment.”

McMakin said data indicated that the 12-foot minimum depth for commercial vessels (using an elevation above sea level of 70 feet) was not present. In order to be in compliance for a 12-foot draft,

a dredging project by a North Charleston contractor began Oct. 31 after getting the go-ahead from the U.S. Army Corps of Engineers.

The \$1.5 million project entails removing approximately 100,000-cubic yards of sediment from a portion of the waterway between navigation markers 30 and 32. The length is a little over eight football fields and the sediment removed represented about 6½ feet from the 200-foot wide canal bottom. It was last dredged in 1989.

The dredging involves the placement of high-density polyethylene pipe in the canal. At 2½ miles long, the 12-inch pipe transports the sediment to a spoil site near Santee Cooper’s Cross Generating Station, a coal-fired facility. The sediment, primarily comprised of a coarse-grained sand, will be put to use as a filtering mechanism



This dredge at the mouth of the Diversion Canal will ultimately remove about 100,000-cubic yards of sediment to achieve a 12-foot minimum depth.

This hydraulic rotating cutterhead begins the process of transporting sediment to the spoil site 2½ miles away.

Sediment emerges from this pipe at the spoil site, located at Cross Generating Station. The sediment will be utilized as a filtering mechanism for a fly ash landfill being built at Cross Station.



for a fly ash landfill now under construction at Cross Station. It is projected to enter operation next year. Re-utilizing the dredge material in this way is not only environmentally friendly, it is saving Santee Cooper about \$1 million in landfill construction costs.

The mouth of the Diversion Canal is a “choke point” along this inland waterway that remains a part of the Santee Cooper Hydroelectric and Navigation Project, or the “Santee Cooper project.” Constructed from 1939 to 1942, the project included a 70-foot single-lift navigation lock imbedded in the five-unit, 128-megawatt Jefferies Hydroelectric Station.

It was envisioned there would be a demand for commercial barge traffic to and from Charleston Harbor and Columbia. This involves navigating the Cooper River, Tailrace Canal, Pinopolis Lock, Lake Moultrie, Diversion Canal, Lake Marion, Santee River and Congaree River. The journey is 162 miles.

While this dream of a busy commercial waterway did not materialize, heavy equipment is occasionally shipped by barge from Charleston when economically feasible. Maintenance work, such as dredging, benefits commercial and recreational boating interests alike, and ensures that the Santee Cooper Lakes and their connected rivers will continue to be utilized and enjoyed by the public.

Bluegrass





A Great Denominator

By Kevin F. Langston

Photography by Jim Huff

*"It's got a hard drive to it. It's Scottish bagpipes and old-time fiddlin'. It's Methodist and Holiness and Baptist. It's blues and jazz, and it has a high lonesome sound. It's plain music that tells a good story. It's played from my heart to your heart, and it will touch you."
- Bill Monroe*

Berkeley County might be South Carolina's fastest growing county, but it's still pretty easy to find yourself in the middle of nowhere on an unpaved road deep in the Francis Marion National Forest on a Saturday night. Out here, some of the modern conveniences of the 21st century are nullified. There's no light pollution, and cellphones strain for a signal.

It's at the end of such a road in the unincorporated community of Bethera near Cordesville where you'll find Guy and Tina's Bluegrass Pickin' Parlor, which has welcomed bluegrass bands to its confines since 1977.

Guy Faulk and his wife, Tina, are recipients of the 2006 Jean Laney Harris Folk Heritage Award from the South Carolina Arts Commission. Guy was born and reared no more than a stone's throw from the shed-cum-music-hall that bears his and his wife's names. Stepping inside Guy and Tina's, newcomers are asked to

sign a guest book. Donations are accepted for the potluck of food, but there is never an admission fee. Wood furnaces keep the room toasty, and hand-me-down sofas and chairs provide the seating.

"This all started in the house, but it got too crowded," Guy said, "so I built this place here."

At Guy and Tina's, the music officially gets started around 7 p.m., but he says people usually start showing up around 5:30 p.m. to "warm up." Even after the first band gets started inside, you can find pockets of pickers gathered outside under the picnic shelters and around the wood stoves. In this place, the music comes at you from all directions and is occasionally punctuated by the howl of a hound dog or the blare of a train whistle.

"I always liked the music," Guy said, "and my wife played the guitar and sung."

Opposite: Guy and Tina's Bluegrass Pickin' Parlor has been welcoming musicians of all stripes to the Bethera community in Berkeley County since 1977.







Talking to Will, you get a sense of the pressure he feels to preserve this local musical legacy but also the honor in becoming a part of it. He recalls only one weekend in his life when they didn't have music at the parlor, and that was to mourn the passing of his grandmother, Tina's mom.

"I'm going to do the best that I can to keep it going," he said. "This place means a lot to me and my family. It's been a special place for a long time for a lot of people."

When Will isn't driving trucks and operating heavy equipment for Santee Cooper, you can find him most Saturday nights playing guitar and singing at Guy and Tina's.

"I learned guitar from my mom. I grew up playing Merle Haggard, Hank Williams and Willie Nelson," he said. "Sometimes I can sneak one of their songs into our set, so long as it still sounds like bluegrass."

Will is still playing that guitar he learned on, his mother's Yamaha. He gets teased because it's not a Martin or a Gibson, but he doesn't give it much thought.

"What matters is the sound that comes from the instrument, what that player can do with it," he said. "This was my mom's guitar, and that means more to me than any brand name."

Guy admits attendance has fallen off in recent years.

"There's so many things competing for your time these days, and people can get on the computer and get all kinds of music," he said. "But this is live. What you see here is what you get. And they don't get paid to come here. They just play for the fun of it, and that's the way it's always been. I give them a place to play."

While bluegrass music isn't always in vogue with consumer culture, a strong undercurrent endures thanks in part to places like Guy and Tina's and families like the Faulks.

Though its roots reach back to the folk songs of early Scottish and Irish settlers, traditional bluegrass as we know it coalesced in the 1940s with Bill Monroe. Monroe grew up playing mandolin on his family's farm near Rosine,

One summer, Guy took the family camper to a bluegrass festival at the Rocks Pond campground near Eutawville. He parked along the side of the road leading to the campground and said the musicians just started gathering.

"All it took is for one person to start playing outside the camper, and you'd see the players come from all over," he said. "A lot of them didn't even make it to the festival. I thought if they'll do it here, they'll do it anywhere."

There is no pretense at Guy and Tina's, and the vernacular is carried by the instruments (all acoustic, of course). Guy said there wasn't a tradition of bluegrass in his family before he and his wife started the pickin' parlor, but he hopes he's got one now.

"I'm gradually turning things over to my youngest son, Will," Guy said. Emphysema keeps Tina from leaving the house, and at 80, Guy said it's tougher for him to make it to the 11 p.m. closing time.

"This place means a lot to me and my family. It's been a special place for a long time for a lot of people."

Opposite, top: Guy Faulk stands with his framed Jean Laney Harris Folk Heritage Award from the South Carolina Arts Commission. According to the commission, the award "recognizes individuals and groups that have worked to further traditional culture in the state" and who have provided services that help to sustain and promote South Carolina traditions. Guy and his wife, Tina, were given the award in 2006.

Opposite, bottom: Musicians huddle beneath a picnic shelter outside of Guy and Tina's Bluegrass Pickin' Parlor for an impromptu and unrehearsed performance of bluegrass songs culled from the recognized canon of standards.





Even as a group performs inside Guy and Tina's, pockets of pickers can be found outside scattered about the grounds creating a buoyant cacophony of bluegrass music that fills the evening's cool, country air.

Kentucky, and was influenced by the fiddle music of his Scottish heritage as well as the black and white musical traditions of the Appalachian region.

It was Monroe's Blue Grass Boys that would create the traditional bluegrass template. Named after his home state, the Blue Grass Boys lasted 58 years and saw over 150 musicians pass through its ranks. But it was the lineup that formed in 1948 — including Monroe on mandolin, Earl Scruggs on banjo, Lester Flatt on guitar, Cedric Rainwater (née Howard Watts) on bass, and Chubby Wise on fiddle — that defined the classic bluegrass quintet.

"Before the Blue Grass Boys, the fiddle played the melody, which was carried over from the Scotch-Irish tradition," said Pat Ahrens, bluegrass historian and advocate, and 1996 recipient of the Jean Laney Harris Folk Heritage Award. "Monroe allowed his musicians to take a break kind of like in jazz, which hadn't been done in string bands before. Never before had these other instruments taken the break as the fiddle had traditionally done."

Early in his career, Monroe and brother Charlie performed as The Monroe Brothers and recorded for RCA Victor's Bluebird

record label in the 1930s. According to Ahrens, the Monroes were frequent performers for radio stations like WIS in Columbia and WFBC in Greenville.

Around this time, historian Neil Rosenberg said Monroe was living in a travel trailer in Greenville and practicing in an unused grease house behind a nearby service station. Ahrens said this was also when Monroe was introduced to banjoist DeWitt "Snuffy" Jenkins and his unconventional rolling, three-finger style of playing that was later popularized by Scruggs in the Blue Grass Boys.

Jenkins and fiddler Homer "Pappy" Sherill had become radio regulars in the 1930s and '40s, even dubbing their band The WIS Hillbillies. They were frequent performers of "the kerosene circuit," which predated rural electricity and traditionally took place at schoolhouses, house parties, and other community events like tobacco curings and corn shuckings. When WIS broadcasted its first television signal in November 1953, Jenkins and Sherill appeared on the very first day as The Hired Hands.

The Hired Hands would go on to play places like Carnegie Hall, the American Folklife Festival, and the 1982 World's

Fair. Ahrens said when the South Carolina State Museum opened in 1988, the music of The Hired Hands greeted the first visitors. Jenkins and Sherill are part of a rich bluegrass tradition in South Carolina, which includes the Lucas family, Charlie Moore, Bill Haney, Bill Wells, Ashley Carder, Danny Harlow, Bobby Thompson and Don Reno.

Another South Carolina bluegrass legend is Richard "Chip" Chipman, a 2008 recipient of the Jean Laney Harris Folk Heritage Award and also the Order of the Silver Crescent. A native of Kentucky, Chipman moved to Moncks Corner in 1985 and has owned and operated Low Country Music and Bluegrass Academy since 1987. Chipman even gave Guy and Tina's Bluegrass Pickin' Parlor its first sound system.

"Seeing that place for the first time really took me back," he said with an irrepressible grin. "I come from Kentucky where we were used to that kind of stuff: no light bulbs, no running water, no power."

Chipman grew up farming and said Saturday nights were reserved for square dances.

"Farmers would come from all around, and we'd have a little hoedown and a boxing match before the night was over with," he said. "We used to see Bill Monroe and these guys. They used to come through town working their way to the next show. You'd fill up their gas tank, and they'd play a 30-minute show for you right there at the gas station."



Opposite: Chip Chipman sits surrounded by students (left to right) Jazz Myers, Lou Miller, Katie Connor and Kennedy Yonce. Chipman has owned and operated Low Country Music and Bluegrass Academy since 1987 and has taught countless students the “high lonesome sound” of bluegrass music.

Chipman is proficient in the five traditional bluegrass instruments but started out playing the mandolin.

“My brother was the guitar player, but in 1958 he got drafted and went to Germany. He left me his old Gibson J-45 guitar, and when he got back two years later it had three strings left on it. But I knew how to play them.”

Growing up, Chipman admits it was difficult for bluegrass to always hold his attention.

“Bluegrass really started coming along in the early ‘50s and the mid ‘50s. Jim and Jesse McReynolds, Bill Monroe, Jimmy Martin, Lester Flatt and Earl Scruggs: They were really starting to hit. And then Elvis Presley came along, and that was it,” he said.

Fifteen years later, Chipman rediscovered bluegrass and hasn’t looked back.

“In 1971, the year I got out of the service, I went to Sunset Park, Pennsylvania, to see George Jones. He was my idol, but Bobby and Sonny Osborne were his opening act,” he said. “After I heard them, I got back home and didn’t go to work Monday morning. I went to the music store in Elkton, Maryland, and bought me a Gibson Mastertone [RB-250] banjo.”

Chipman said he worked on that banjo for a year, building up his confidence, and thought he’d ply his progress at a bluegrass festival in Glasgow, Delaware.

“I thought I was pretty good,” he said. “I got to that festival and ran back to the car and hid that thing. I didn’t have what it

took, and there were kids up there smoking me. I told myself I’ll have to settle for being the guitar player.”

For nearly the past 30 years, Chipman has been teaching students to play bluegrass music. His shop on West Main Street in Moncks Corner is adorned with pictures and newspaper clippings of his students hung beside his Order of the Silver Crescent, and autographed photos of bluegrass heroes like Ralph Stanley, Jimmy Martin and Bill Monroe.

Chipman bursts with energy and enthusiasm when he talks about bluegrass music, but he positively beams when talks about his students. He brags on them as though they were his own children, showing off their photos and reciting their academic and professional accomplishments. He reminisces of students keeping their science projects in his refrigerator or working on their valedictorian and salutatorian speeches in between practice sessions.

Through bluegrass, Chipman watched his students grow into confident and high-achieving adults.

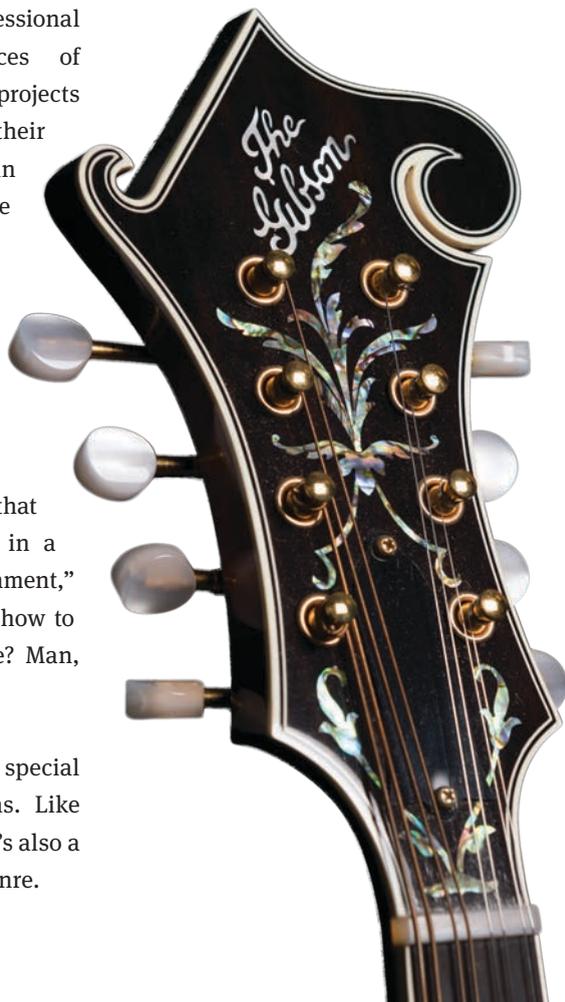
“When you put an instrument in that kid’s hands, and you put them in a competitive but nurturing environment,” he said, “And you teach that kid how to make that instrument come alive? Man, you can’t buy that.”

Bluegrass does seem to hold a special place among American art forms. Like jazz, it’s uniquely American. But it’s also a very communal and democratic genre.

“It cuts across,” Ahrens said. “You get dentists, doctors, teachers, electricians, pig farmers. It doesn’t matter. It’s a great denominator.”

It’s also set apart by the repertoire of standards that has been passed down like an oral tradition. It’s a common musical language that spans time and place.

“You could take five strangers who are familiar with those instruments and who know the repertoire of bluegrass, and they could play together,” Ahrens said. “It just does something to my heart. I’ve loved music of all types my whole life, but bluegrass is so special to me. I love the passion. And you can’t fake that with these instruments. It’s genuine.”





P M P A : •



**a public
power
partnership
that helps
electrify 10
municipal
utilities in
the Upstate**

by Willard Strong

Photography by Jim Huff

PMPA General Manager Coleman Smoak

PMPA'S MEMBER CITIES

Member Cities	No. of Customers	Year Established
Abbeville Public Utilities	3,500	1905
City of Clinton	4,000	1905
Easley Combined Utilities	13,605	1914
Gaffney Board of Public Works	7,200	1907
Greer Commission of Public Works	18,000	1913
Laurens Commission of Public Works	5,500	1922
City of Newberry	5,000	1896
City of Rock Hill	33,520	1910
City of Union	7,000	1898
City of Westminster	1,565	1919

A little over four years ago, Santee Cooper concluded negotiations with a public-power provider in the Upstate, resulting in a long-term agreement that ideally, as such arrangements go, is mutually beneficial to both parties.

This is definitely the case with the Piedmont Municipal Power Agency, known as PMPA, with offices in Greer. In December 2010, the Santee Cooper Board of Directors voted to begin providing power to PMPA in January 2014. PMPA's board also approved the measure.

PMPA's primary role is to provide wholesale electric services to 10 members, which are municipally owned electric utilities in South Carolina, from the northern midlands to the shadows of the Blue Ridge mountains.

"This PMPA contract helps Santee Cooper operate more efficiently by more fully utilizing our generating resources, and it lets us broaden our customer base at the same time," is how Santee Cooper President and CEO Lonnie Carter characterized the arrangement. Equally optimistic was Coleman Smoak, PMPA's general manager, whose governing body had also approved the measure.

"We believe that working with Santee Cooper will be a great asset as we look to the future needs of our member-cities," Smoak said. PMPA's peak summer load is approximately 500 megawatts, an amount of power that would nearly consume the entire generating capability of Unit 2 at Santee Cooper's Cross Generating Station.

The contract provides that PMPA purchase capacity from Santee Cooper to help meet that 500 MW, beyond the amount already

served by PMPA's 25 percent ownership of the Catawba Nuclear Station's Unit 2.

Located in York County, the Catawba plant is operated by Duke Energy Carolinas. Ownership in Catawba is divided among North Carolina Municipal Power Agency No. 1, the North Carolina Electric Membership Corporation, Duke and PMPA. PMPA and Duke have had a long-standing relationship, and the investor-owned utility has a major presence in the upstate. It serves such cities as Greenville, Spartanburg and Anderson.

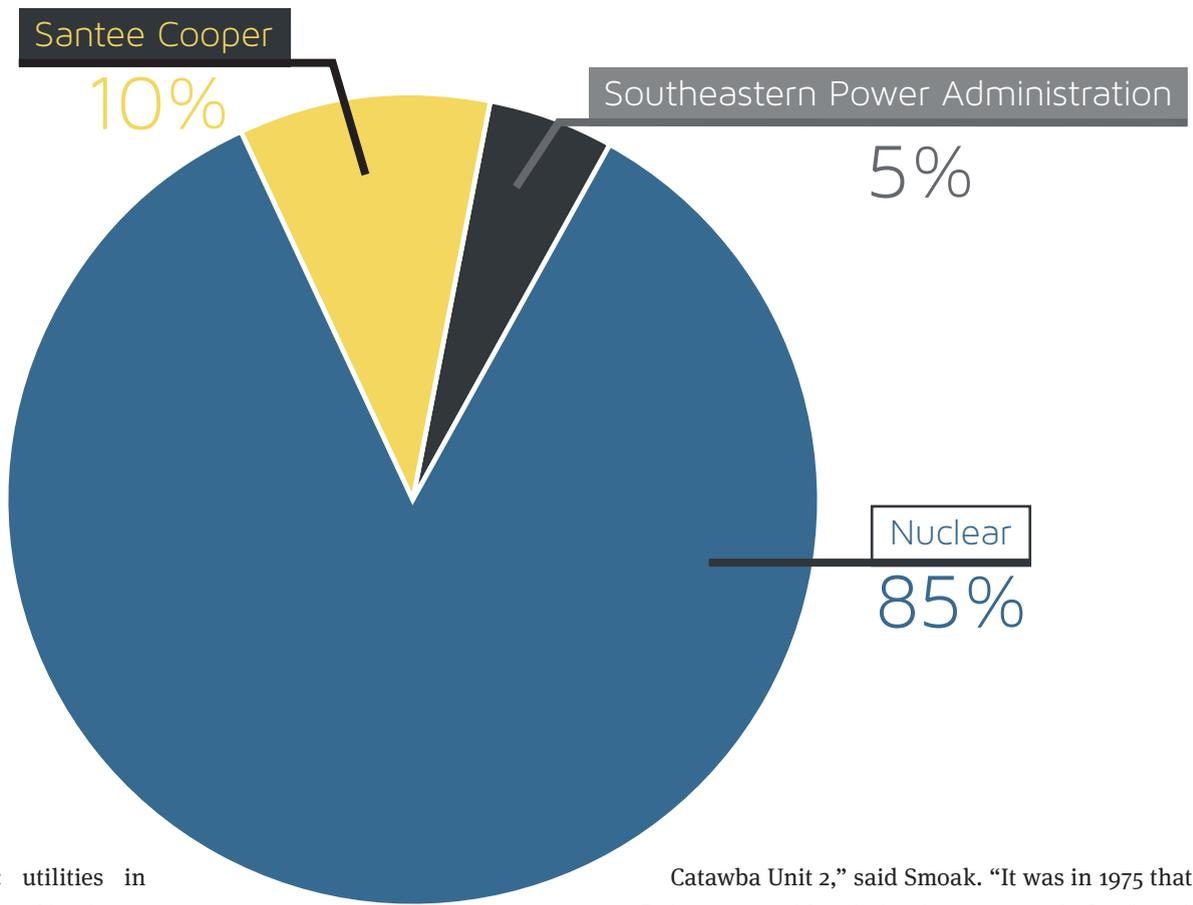
PMPA's share of Catawba Unit 2 represents 277 MW. PMPA also schedules the member-cities' hydropower allocations of electricity from the Southeastern Power Administration, and some of the member-cities' load is met by individual generating resources owned by PMPA participants.

To get Santee Cooper power to PMPA, existing transmission systems are being utilized. Santee Cooper has 5,047 miles of transmission lines that are interconnected with Duke Energy and PMPA members are served by the Duke transmission system.

Two of PMPA's members, the Greer Commission of Public Works and Easley Combined Utilities, celebrated their centennials in 2014.

It's evident that public power has a long and rich history in the Palmetto State — and the municipal electric utilities formed the bedrock of that legacy.

For example, the cities of Newberry and Greenwood began providing their citizens power in 1896 and are the oldest



municipal electric utilities in South Carolina. Statewide, there are 21 “munis,” as they’re commonly called in utility jargon.

In fact, Santee Cooper is the longtime source of power for two munis: the city of Georgetown, with about a 32-megawatt summer peaking load for its approximate 5,000 customers; and the Bamberg Board of Public Works, with a 12 MW demand for its nearly 2,000 customers.

Just what is a “joint action agency?”

According to the “2104 UDI Directory of Electric Power Producers and Distributors,” a joint action agency or “JTACT,” is “a regional organization formed by individual utilities to jointly pool resources to build or finance generation and/or transmission systems, and/or to share or jointly finance other services to its members.”

While PMPA is the only electric joint action agency in South Carolina, there are 85 such organizations operating in the United States today. In the Southeast, for example, there are two JTACTs in North Carolina and one in Georgia. So how did PMPA come to exist?

“As a way to obtain a reliable source of power for its 10 member utilities, PMPA was formed in 1979 to buy an ownership interest in

Catawba Unit 2,” said Smoak. “It was in 1975 that Duke contacted its wholesale customers in South and North Carolina to explore the possibility of them assisting Duke in the financing of Catawba.”

Nationwide, this was a time of the hard-hitting “energy crisis” that began with the Arab oil embargo in late 1973. By early 1974, South Carolinians, as well as all Americans, were getting in pre-dawn lines to purchase gasoline. Many gas stations ran dry. The crisis passed after a few months, but its repercussions reverberated throughout the nation’s energy sector, including the generation of electric power. Production costs and demand were skyrocketing, severely felt by ratepayers.

Said Smoak, “Our region was experiencing significant growth during this timeframe. All projections indicated that there was not sufficient generation to meet the near term demand for power, much less what was projected in load forecasts. On top of all this, electric rates rapidly rose due to the exponential increase in prices of fuel, such as coal, oil and gas. This was a big challenge for municipal utilities.”

It was against this backdrop that PMPA was created by an act of the General Assembly. A bill was introduced in 1976, three years prior to its formation, to enable joint action agencies to be formed and exist as a public body. The bill was finally enacted in 1978, the culmination of years of work.

This was breaking new electricity ground in South Carolina and it is not atypical to take several years for a bill to be passed. It often takes time to iron out the details. Smoak relates three main goals in PMPA's formation:

"One, to have a reliable supply of wholesale power. Two, to have more control over wholesale costs and three, to share the risks."

A public body, publicly governed

A board of directors governs PMPA, and it is a public body. As such, its meetings are open to the public. One director and one alternate are appointed from each member by the elected city councils or utility commissions governing the local utilities. This group is the governing body for PMPA, and as the governing body, it approves all budgets, sets rates, oversees rate designs, and develops services to be offered to each participating utility.

"I think that, due to the fact the utilities in all of our 10 member-cities have management on a local level, customers of the utilities have access to the decision makers in their town or city," Smoak said. "That is a good thing all around."

PMPA today

Smoak has been PMPA's general manager since June 2006. Prior to coming on board, he served as general manager of Laurens Commission of Public Works and was instrumental in PMPA's creation, holding the position of board chairman from 1989 to 1994.

He presides over a workforce of 14 employees engaged in managing the organization in the fields of finance, engineering and power supply, administration, accounting, and legislative affairs. With electric revenue at \$204.52 million, PMPA's members serve approximately 100,000 electric meters.

"We're growing at about 2 percent per year, so we've seen some steady growth," Smoak said. "Our main promotion is demand-side management, the control of air conditioning systems and water heaters."

Santee Cooper's supplemental power contract has amounted to approximately 10 percent of the energy PMPA provided to its members since the contract began in 2014. And how has the state-owned utility performed so far in the GM's view?

"I have been extremely impressed with the ease of doing business with Santee Cooper," said Smoak. "They're just easy to do business with, and PMPA had been pursuing this relationship since the late 1990s."

Prior to the commencement of service to PMPA, Santee Cooper was already investing in the city of Greer and its electric department. In August 2013, the Santee Cooper board approved an economic development measure whereby it loaned the city and the Greer Commission of Public Works \$3.5 million, one of 23 such loans Santee Cooper has made to projects served by its municipal, cooperative and wholesale customers.

The money went to design and construct a substation to provide electric power to the Inland Port project, part of a project spearheaded by the S.C. State Ports Authority in Charleston. The substation will also let Greer CPW provide capacity to serve additional industrial customers that would locate in and around the port.

"I have been extremely impressed with the ease of doing business with Santee Cooper...PMPA had been pursuing this relationship since the late 1990s."

—Coleman Smoak

It's this synergy of public power, Smoak said, that serves as an example of advancement of economic development and jobs right in his own backyard.

Smoak says about 85 percent of the electricity PMPA is furnishing comes from nuclear generation, which positions PMPA well for the long term. The Catawba facility's operating license has been extended to 2043, well beyond the original 2025.

Smoak is a big advocate of nuclear power. Smoak said, with more than a tinge of pride, "If you truly want no CO₂, you can't get this dependability from anything else except nuclear. We've looked at renewables and in the proper context support them, but right now the cost and reliability are big factors for us."

On the wall behind Smoak's desk, there is a plaque that sums up his job at PMPA: "It's the Rates, Stupid!" By keeping an eye on that ball, PMPA's future will continue to be bright.

STARTEK opens for business in Myrtle Beach

October 13 marked the official ribbon cutting at STARTEK Inc., a customer support center that is one of Myrtle Beach's newest large employers. Myrtle Beach Regional Economic Development Corp. (MBREDC) leaders hosted the ceremony. Governor Nikki Haley, Horry County representatives, and Santee Cooper's Vice President of Customer Service Marc Tye, among others, formally welcomed STARTEK to the area.

STARTEK's opening is the result of a collaborative effort among many representatives at the local, regional and state levels including Santee Cooper, MBREDC, the South Carolina Department of Commerce, Horry County Council, the TCP Capital LLC Team, Horry Telephone Company, Horry Georgetown Technical College, the North Eastern Strategic Alliance and ReadySC.

STARTEK is served by Santee Cooper and is expected to create 615 jobs and an annual economic impact of more than \$45 million.

Sigmatex plans facility near Orangeburg

Sigmatex, a world leader in the manufacturing of carbon fiber textiles, on January 14 broke ground on a new facility for the global company at the John W. Matthews Industrial Park in Orangeburg County. The company will invest \$12 million initially and create 50 jobs over the next five years. The new 75,000 square foot facility is funded in part by a \$4 million economic development loan from Santee Cooper to Orangeburg County.

Sigmatex's investment in Orangeburg County is one of the largest capital investment projects the company has undertaken. The facility is scheduled to be in operation by mid-2015 to begin supplying its North American customers. It is served by Tri-County Electric Cooperative.

Rock Hill Economic Development Corp. and Calhoun County set to construct new spec buildings

In mid-November, the Rock Hill Economic Development Corp. broke ground on a 40,000 square foot spec building in Waterford Business Park, which is already home to 3D Systems, Chicago Pneumatic Tool Co. and others.

Rock Hill EDC received a \$1.8 million loan through Santee Cooper's economic development fund earlier in the year to help finance the building. This loan falls under a program previously approved for municipal customers by the Santee Cooper Board of Directors.

Greg Rutherford, chairman of the Rock Hill EDC and president of York Technical College, said the building will grow corporate investment opportunities and career opportunities, and represents an improvement in the quality of life for community members.

Also in mid-November, Calhoun County Council took another step forward toward the construction of a new spec building by hiring and authorizing law firm Howell Linkous & Nettles to work with Santee Cooper to obtain a low-interest loan for the building's construction.

The \$2 million loan, which was approved by the Santee Cooper Board of Directors in August, will help finance the construction of the 50,000 square foot industrial building in the I-26 Industrial Park. The park currently is home to the Starbucks Sandy Run Roasting Plant and is served by Tri-County Electric Cooperative.

Wyman-Gordon chooses Dillon County

Gov. Hailey joined Wyman-Gordon, a manufacturer of large titanium and super alloy forgings for the aerospace and power generation markets, for a December 9 groundbreaking on its newest facility in Dillon County.

Wyman-Gordon's customer base and South Carolina's growing aerospace industry were key factors in the selection process, according to the company. The investment is expected to create more than 400 new jobs over the next five years. The facility is funded in part by a \$2.2 million economic development loan from Santee Cooper to Marlboro Electric Cooperative, which will be the electric provider to the project.

The plant is expected to serve customers in the aerospace and power generation end markets in the United States, Europe and Asia. Wyman-Gordon will coordinate activities with ReadySC for the hiring and training of the Dillon workforce.



At the Wyman-Gordon groundbreaking event Dec. 9 are (left to right) William Fleming Jr., president and CEO of Marlboro Electric Cooperative, Gov. Nikki Haley, Leighton Lord III, chairman of the Santee Cooper Board of Directors and Greg Paolini, vice president of Wyman-Gordon Structural Forgings.

(Photo provided.)

Santee Cooper Board approves 2015 Budget

The Santee Cooper Board of Directors approved a \$2.9 billion budget for 2015 at its December meeting. The board also approved the 2016 and 2017 budgets for planning purposes.

The 2015 budget includes \$2.1 billion for the electric system, \$8.1 million for the water systems and \$807.7 million for capital expenditures. Approximately 50 percent of the \$2.1 billion electric system budget is allocated for fuel and purchased power.

“This 2015 budget holds the line on overall costs from 2014, and that reflects hard work by every department at Santee Cooper,” said Lonnie Carter, president and CEO. “Although we have had costs increase in some operating areas, our employees overall are focused on efficient, innovative work that has saved money in other areas. The bottom line is positive for customers, in terms of the reliable, affordable and environmentally protective electricity and water we provide them.”

The \$807.7 million for construction and capital equipment expenditures includes:

- \$509.6 million for construction of new nuclear generating units
- \$80.5 million for renewable generation and environmental control improvements
- \$217.6 million for the transmission and distribution systems and system-wide improvements

Santee Cooper board approved bond sales

In October, the Santee Cooper Board of Directors approved the sale of \$736 million in revenue obligation bonds, with proceeds designated to refinance a portion of the utility’s existing debt.

The issue included \$704 million in tax-exempt refunding Series C bonds and \$32 million in taxable refunding Series D bonds. The all-in true interest rate is 3.78 percent, and maturities for the 2014CD issue range from 2020 through 2046. The term “tax exempt” means exempt from federal and South Carolina income taxes for South Carolina residents under current law.

The issue drew ratings of AA- from Standard & Poor’s, A1 from Moody’s and A+ from Fitch. All three agencies reaffirmed existing ratings and a stable outlook for long-term debt.

The Final Official Statement for these bonds is available by contacting Santee Cooper Bondholder Relations at 877-246-3338 or by visiting santeecooper.com/investorrelations.

Santee Cooper gave customers 30,000 energy-efficient LED bulbs

Santee Cooper gave away 30,000 highly efficient LED bulbs to residential customers on a first-come, first served basis as a way to promote energy efficiency and celebrate Public Power Week and Customer Service Week.

“The LED giveaways were one way we helped customers reduce their use of electricity in 2014. Using LEDs, especially in high traffic and commonly-used areas, can save energy and money,” said Marc Tye, senior vice president of customer service. “The giveaway only lasted a few days, but the savings can last for years.”

The giveaway was promoted to customers on social media, through bill inserts, in offices and in Santee Cooper’s e-newsletter Current. To sign up for Current, visit santeecooper.com





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