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Annual Report

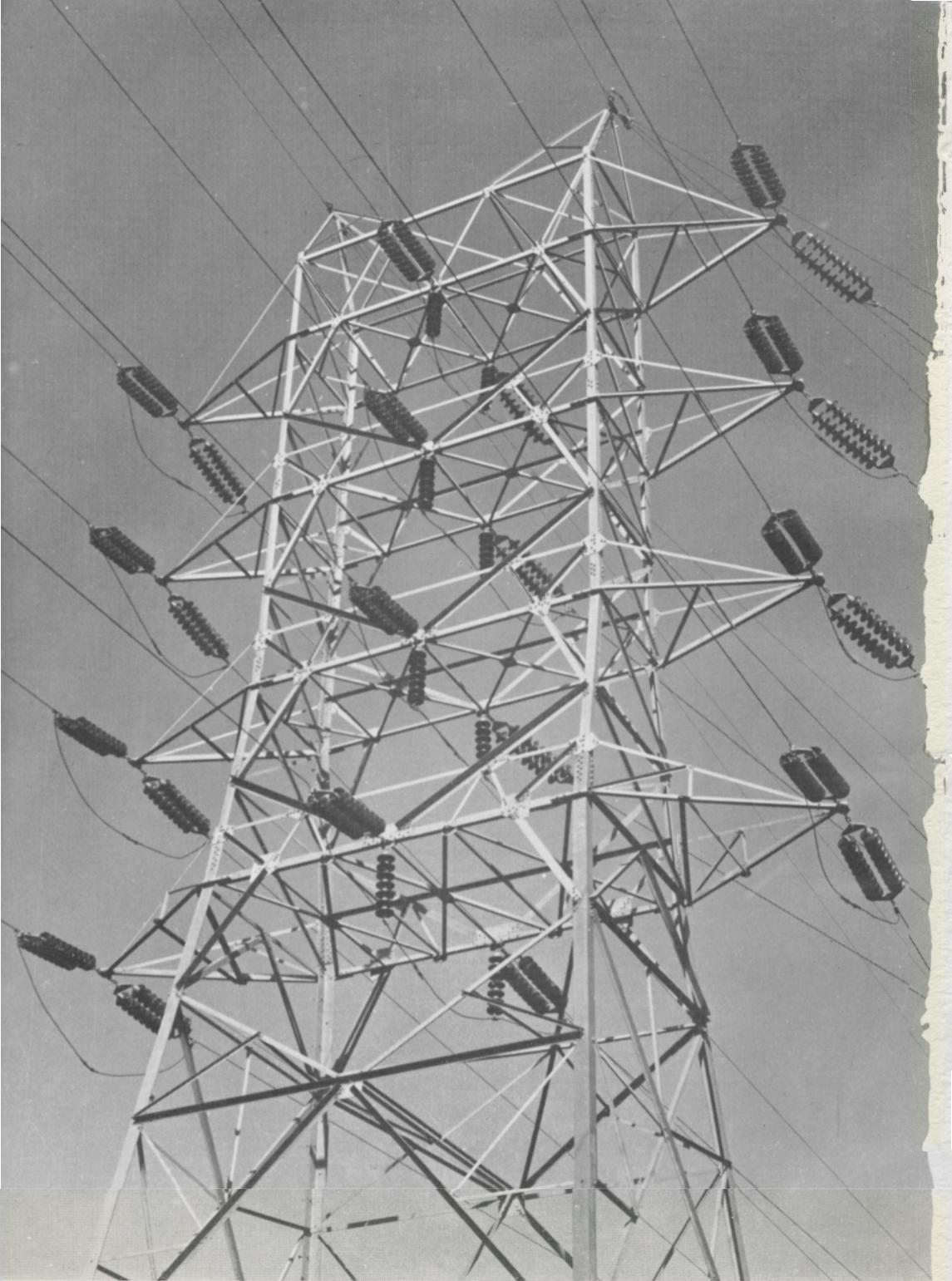
FOR THE FISCAL YEAR ENDED
JUNE 30-1959



1959

**SOUTH CAROLINA PUBLIC
SERVICE AUTHORITY**

MAIN OFFICE
MONCK'S CORNER,
SOUTH CAROLINA



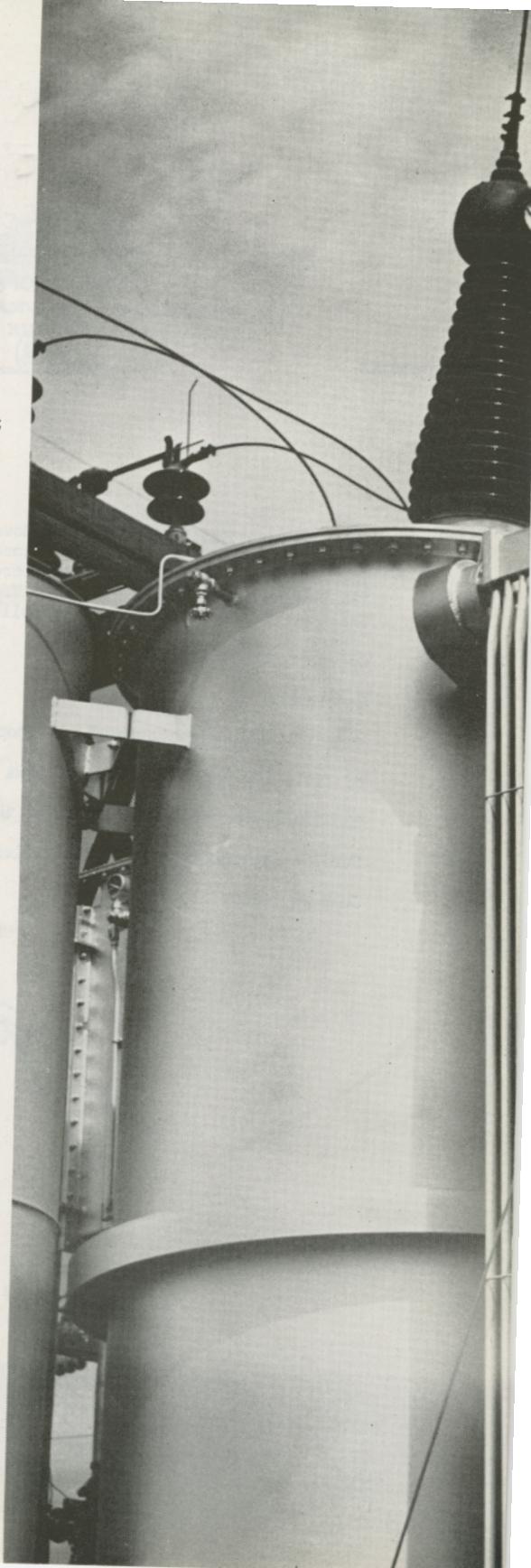
Steel Tower near North Charleston 115 KV Substation

ANNUAL REPORT

FOR THE FISCAL YEAR
ENDED JUNE 30, 1959

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SOUTH CAROLINA PUBLIC SERVICE AUTHORITY
Santee Cooper
HYDRO-ELECTRIC AND NAVIGATION SYSTEM
MONCKS CORNER, SOUTH CAROLINA



PRINCIPAL OFFICE

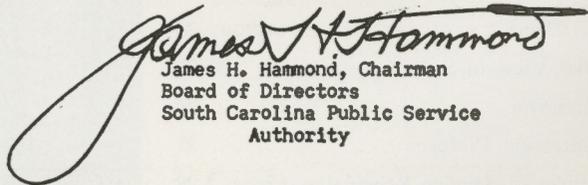
The Honorable Ernest F. Hollings, Governor-Chairman
The Honorable Daniel R. McLeod, Attorney General
The Honorable O. Frank Thornton, Secretary of State
The Honorable Jeff B. Bates, State Treasurer
The Honorable E. C. Rhodes, Comptroller General

Columbia, South Carolina

Gentlemen:

Submitted herewith, in compliance with the provisions of Title 59, Section 2, Code of Laws of South Carolina, 1952, is the Twenty-fourth Annual Report of the South Carolina Public Service Authority covering activities of the fiscal year ended June 30, 1959.

Respectfully submitted,


James H. Hammond, Chairman
Board of Directors
South Carolina Public Service
Authority

ADVISORY BOARD



GOVERNOR ERNEST F. HOLLINGS
Chairman



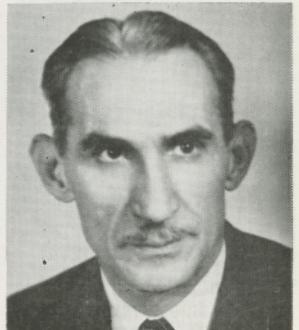
O. FRANK THORNTON
Secretary of State



DANIEL R. McLEOD
Attorney General

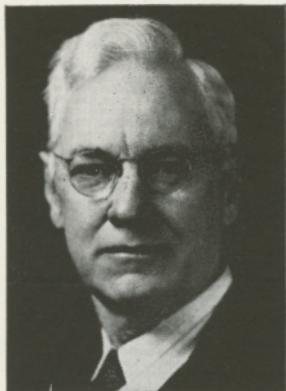


JEFF B. BATES
State Treasurer



E. C. RHODES
Comptroller General

BOARD OF DIRECTORS



JAMES H. HAMMOND
Chairman
Columbia, S. C.



ROBT. S. LAFAYE
First Vice-Chairman
Columbia, S. C.



E. LEE SKIPPER
Second Vice-Chairman
Lancaster, S. C.

The Seven Directors are Appointed by the Governor, one from each Congressional District and one (the Chairman) from State-at-Large. They serve for Seven-Year Terms.



CARL L. BUSBEE
Conway, S. C.



R. CARTER HENRY
Greenville, S. C.



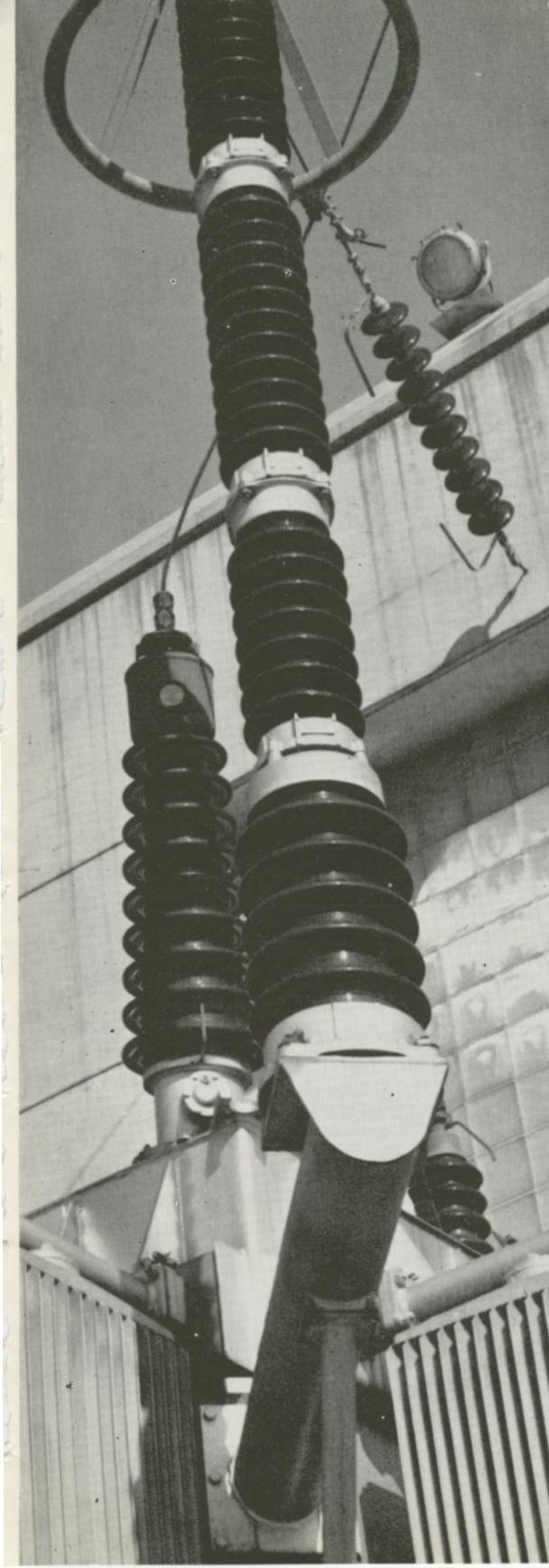
R. M. JEFFERIES
General Manager



MARVIN E. ABRAMS
Whitmire, S. C.



LUCAS C. PADGETT
Walterboro, S. C.



HIGH LIGHTS 1958—1959

ELECTRIC REVENUE:

Electric Operating Revenues were \$8,920,522.87.

OPERATING EXPENSES:

Operating Expenses were \$4,659,470.30, an increase of \$895,757.75.

NET REVENUE:

Net Revenue Available to Meet Indenture Requirements was \$1,744,290.39.

USE OF NET REVENUE:

Net Revenue Available to Meet Indenture Requirements was used for Retirement of Long Term Debt; to increase Debt Service Reserve Fund, Contingency Fund and Operating Fund as required by Indenture; and for Capital Improvements.

OPERATING FUND:

Operating Fund increased by \$370,000 to comply with the Indenture.

ELECTRIC GENERATION:

Total generation was 1,032,486,000 Kwh, an all time high.

CAPITAL IMPROVEMENTS:

Authority spent \$1,525,054.99 for new facilities, replacements and extensions to the system.

VALUE OF SPORT FISHERY:

Fishermen spent an estimated \$3,500,000 fishing at Santee-Cooper.

RURAL ELECTRIFICATION:

Through seventeen rural electric cooperatives and through its own facilities, the Authority served more than 98,000 rural customers.

BALANCE SHEET

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

BALANCE SHEET, JUNE 30, 1959

ASSETS

| | | |
|--|--------------|--------------|
| Fixed Assets: | | |
| Electric Plant (Net) | \$88,352,946 | |
| Other Physical Property | 237,260 | |
| | | \$88,590,206 |
| Impounded Reserve Funds: | | |
| Invested in U. S. Government Securities | \$ 4,872,578 | |
| Cash held by Trustee | 468,329 | |
| | | 5,340,907 |
| Notes Receivable (Secured) | | 3,289 |
| Current Assets | | |
| Funds held by Trustee and Miscellaneous | | |
| Funds | \$ 972,669 | |
| Other Current Assets, Accounts Receivable, Inventories, etc. | 1,821,490 | |
| | | 2,794,159 |
| Deferred Debits | | 152,188 |
| Total | | \$96,880,749 |

LIABILITIES

| | | |
|---|--------------|--------------|
| Long Term Debt: | | |
| S. C. P. S. A. 2½% Electric Revenue Bonds .. | \$25,344,000 | |
| S. C. P. S. A. Series 1950 Bonds | 14,645,000 | |
| Contract Obligation Central Electric Power Cooperative, Inc. | 8,401,121 | |
| | | \$48,390,121 |
| Current Liabilities: | | |
| Accounts Payable | \$ 332,106 | |
| Customer Surety Deposits | 187,362 | |
| Other Current Liabilities | 38,279 | |
| | | 557,747 |
| Accrual for Future Rental Payments on "C" System Central Electric Power Cooperative, Inc. | | 351,492 |
| Contributions in Aid of Construction: | | |
| Customers' Contributions for Construction ... | \$ 30,946 | |
| U. S. Government Grants | 34,438,264 | |
| | | 34,469,210 |
| Accumulated Net Revenues: | | |
| Applied to Retire Long-Term Debt | \$ 5,371,419 | |
| Additions to Reserves and Funds as required by Indenture and Enabling Act | 6,340,907 | |
| Applied to additions, betterments and exten- sions and other purposes as provided by the Enabling Act and Indenture | 806,485 | |
| Unapplied (Revenue Fund and other items in process of collection—net) | 593,368 | |
| | | 13,112,179 |
| Total | | \$96,880,749 |

REVENUES

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY STATEMENT OF NET REVENUE AND APPLICATION THEREOF, YEAR ENDED JUNE 30, 1959

| | |
|--|--------------|
| Electric Operating Revenue: | |
| Sales of Electricity | \$ 8,826,218 |
| Other Electric Revenue | 94,305 |
| Total Electric Operating Revenue | \$ 8,920,523 |
| Electric Operating Revenue Deductions: | |
| Operating Expenses: | |
| Purchased and Interchanged Power (Net) \$ | 970,282 |
| Fuel for Steam Generating Station | 1,644,160 |
| Ice Storm Damage Conway and Myrtle Beach Districts | 26,000 |
| Operating Salaries and Wages | 1,308,466 |
| Materials and Other Expenses | 710,563 |
| Provision for Depreciation | 1,393,356 |
| Taxes and Sums in Lieu of Taxes | 34,716 |
| Total Elec. Operating Revenue Deductions | 6,087,543 |
| Operating Revenue | \$ 2,832,980 |
| Other Revenue (Interest on Invested Funds, etc.) | 147,653 |
| Total | \$ 2,980,633 |
| Revenue Deductions: | |
| Interest on Long-Term Debt | \$ 1,204,153 |
| Other Revenue Deductions | 32,190 |
| Total Revenue Deductions | 1,236,343 |
| Net Revenue | \$ 1,744,290 |
| Deduct: | |
| Applied to Retire Long-Term Debt | \$ 960,860 |
| Additions to Funds as Required by the Enabling Act and Indenture | 773,849 |
| Less, Excess of Depreciation over Additions, Betterments and Extensions to the System and Other Items as Provided by the Enabling Act and Indenture | (199,453) |
| | 1,535,256 |
| Increase in Accumulated Net Revenues—Unapplied | \$ 209,034 |

STATEMENT OF RECEIPTS AND DISBURSEMENTS FOR THE FISCAL YEAR TO JUNE 30, 1959

Fiscal Year Ended
June 30, 1959

Receipts:

| | |
|---|-----------------|
| Sales of Electricity—Wholesale | \$ 6,313,421.51 |
| Sales of Electricity—Retail | 2,448,570.87 |
| Rentals | 55,829.40 |
| Insurance Claims | 20,843.71 |
| Sales of Surplus Lands, Equipment, etc. . . | 51,656.15 |
| Interest on Invested Funds | 164,208.56 |
| Miscellaneous | 29,924.53 |
| | \$ 9,084,454.73 |

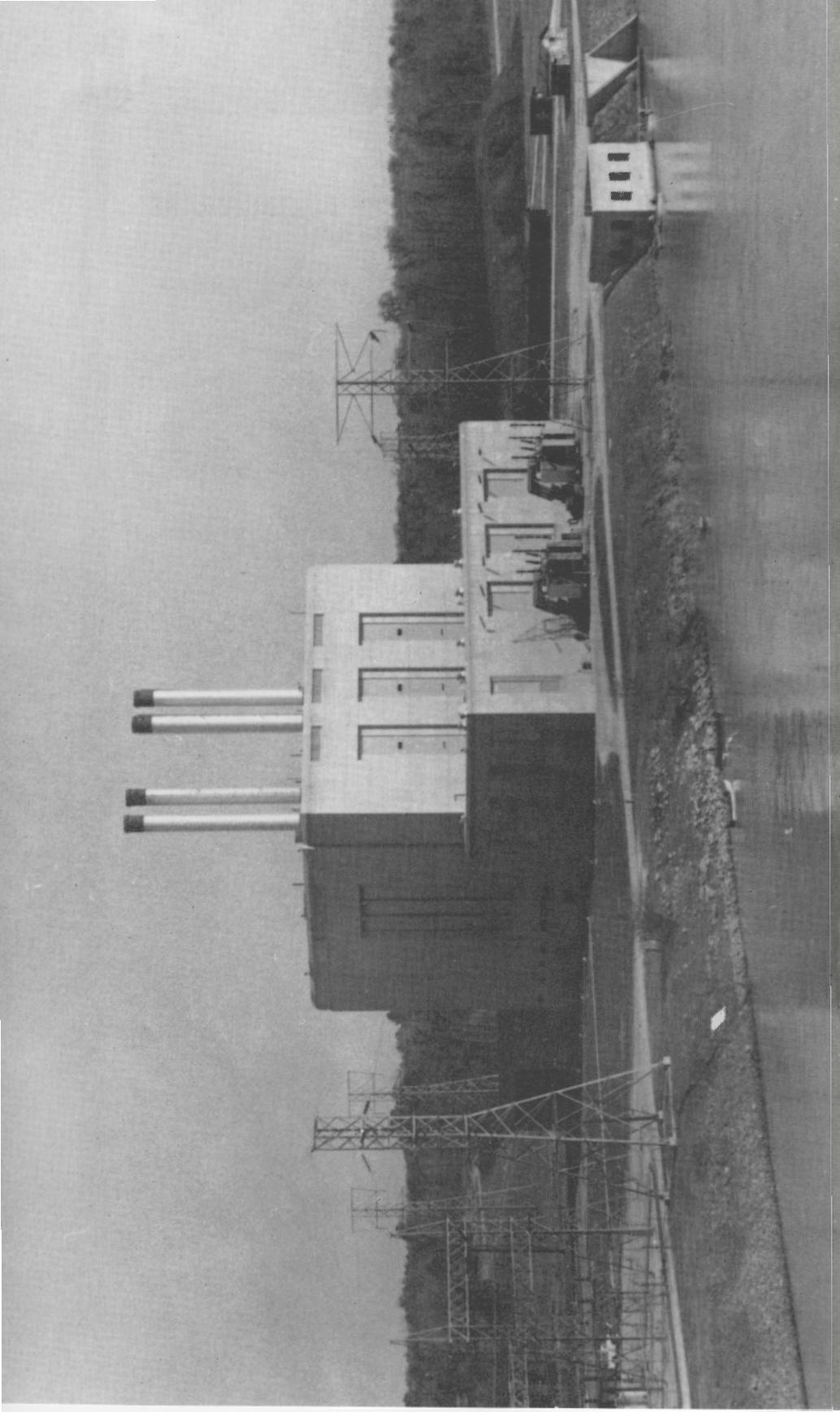
Disbursements:

| | |
|---|-----------------|
| Purchased Power | \$ 838,492.00 |
| Fuel, Coal and Freight | 1,636,703.85 |
| Fuel Oil—Delivered | 174,587.72 |
| Salaries and Wages | 1,805,424.17 |
| Travel Expenses | 25,400.83 |
| Insurance Premiums | 47,559.83 |
| Materials, Supplies, Equipment, etc. | 1,424,771.97 |
| Sums in Lieu of Taxes | 40,401.05 |
| Land and Land Rights | 98,067.45 |
| Accrued Interest and Costs on Bonds Pur- chased for Investment | 38,592.04 |
| Interest on Bonds | 1,040,828.75 |
| Rental on "C" Loan System | 116,986.25 |
| Bond Retirement and Payments on Con- tract Obligation | 1,123,690.64 |
| Debt Service Reserve Fund Requirements | 381,614.76 |
| Contingency Fund Requirements | 36,000.00 |
| | \$ 8,829,121.31 |

| | |
|--|---------------|
| Excess of Receipts Over Disbursements—Held to Meet Indenture Requirements | \$ 255,333.42 |
|--|---------------|

MAJOR PAYMENTS DURING THE FISCAL YEARS 1957-1958 and 1958-1959

| | 1957-1958 | 1958-1959 |
|---|------------------------|------------------------|
| Debt Service Payments: | | |
| Interest on Funded Debt: | | |
| F. W. A. Bonds | \$ 661,475.00 | \$ 647,725.00 |
| Steam Plant Bonds | 396,141.25 | 393,103.75 |
| Central Transmission System "A-B" Loan | 143,584.08 | 163,324.64 |
| Total Interest Payments | \$ 1,201,200.33 | \$ 1,204,153.39 |
| Payments on Principal: | | |
| F. W. A. Bonds | \$ 550,000.00 | \$ 565,000.00 |
| Steam Plant Bonds | 135,000.00 | 135,000.00 |
| Central Transmission System "A-B" Loan | 256,190.01 | 260,859.72 |
| Total Principal Payments | \$ 941,190.01 | \$ 960,859.72 |
| Reserve Fund Mandatory Requirements: | | |
| Debt Service Reserve Fund | \$ 379,240.00 | \$ 381,614.76 |
| Contingency Fund | 36,376.22 | 36,464.23 |
| Total Debt Service | \$ 2,558,006.56 | \$ 2,583,092.10 |
| Fuel for Steam Generating Station | 1,053,964.94 | 1,636,703.85 |
| Purchased Power | 1,045,951.50 | 838,492.00 |
| Rental Payments on "C" Transmission System | 59,272.68 | 116,986.25 |
| Salaries and Wages | 1,624,877.49 | 1,805,424.17 |
| Necessary Additions, Betterments and Major Connections to the System | 1,073,009.53 | 1,450,800.92 |



Pinopolis Steam Plant Seen Across Tail Race Canal

The Financial Statement of the South Carolina Public Service Authority for the year ended June 30, 1959 reveals another successful year of operations.

Cash Receipts from all sources was \$9,084,454.73. Out of these funds, the Authority discounted all bills, retired \$700,000 of its Electric Revenue Bonds, met interest payments of \$1,040,828.75 on those Bonds, made interest and principal payments of \$423,690.64 on the Central Electric Power Cooperative "A-B" loans, paid \$116,986.25 rental on the Central "C" system, paid all bills on a current basis through June 30th, spent \$1,636,703.85 for fuel oil, coal and freight, and paid \$838,492.00 for purchased power.

Electric Revenue. Electric Operating Revenue for the fiscal year was \$8,920,522.87, an increase of \$649,884.19 over the previous year and is the highest in our history.

Operating Expenses. Operating Expenses for the fiscal year amounted to \$4,659,470.30, an increase of \$895,757.75, the increase being broken down as follows: Fuel for Steam Plant, \$679,645.95; Purchased and Interchanged Power (Net), \$109,603.37; Salaries and Wages, \$43,255.45; Materials and Other Expenses, \$37,252.98; Ice Storm Damage, \$26,000.

Net Revenue Available to Meet Indenture Requirements. The Net Revenue available to Meet Indenture Requirements was \$1,744,290.39.

Indenture Fund Requirements. In accordance with the terms of the Indenture, the Debt Service Reserve Fund was increased by \$381,614.76, the Contingency Fund by \$36,464.23, and the Operating Fund by \$370,000; all as required by the Indenture.

Construction. Construction work during the year amounted to \$1,525,054.99, representing new facilities and replacements and extensions to the system, leaving a balance in the Capital Improvement Fund of \$375,868.61 for work to be completed in the next fiscal year.

Power Supply. On November 24, 1958, Dr. Carl L. Busbee of Conway, representing the Sixth District as a Director of the Authority, announced in behalf of the Board that a site of approximately 800 acres had been acquired on the Waccamaw River near Conway for the purpose of erecting a steam-electric generating station at some time in the future.

The plans now indicate that the proposed plant may have a nominal rating of 120,000 kilowatts and a maximum gross capacity of about 150,000 kilowatts. The plant may consist of two units, each having a nominal rating of 60,000 kilowatts, but the plans will be carefully developed before construction starts to assure that the new station will meet the Authority needs for new generation.

In addition to the steam-electric generating stations, the Authority will need additional transmission lines connecting the new plant with the remainder of its transmission system and its existing plants at Pinopolis.

For making the economic studies for the new plant, the nationally recognized firm of Chas. T. Main, Inc. of Boston was employed by the Authority. Its report recommends that the plant should be built in the fast growing load area in the northeast part of the system.

The actual construction will not begin immediately, but will await completion of financial arrangements for the building of the plant and necessary transmission.

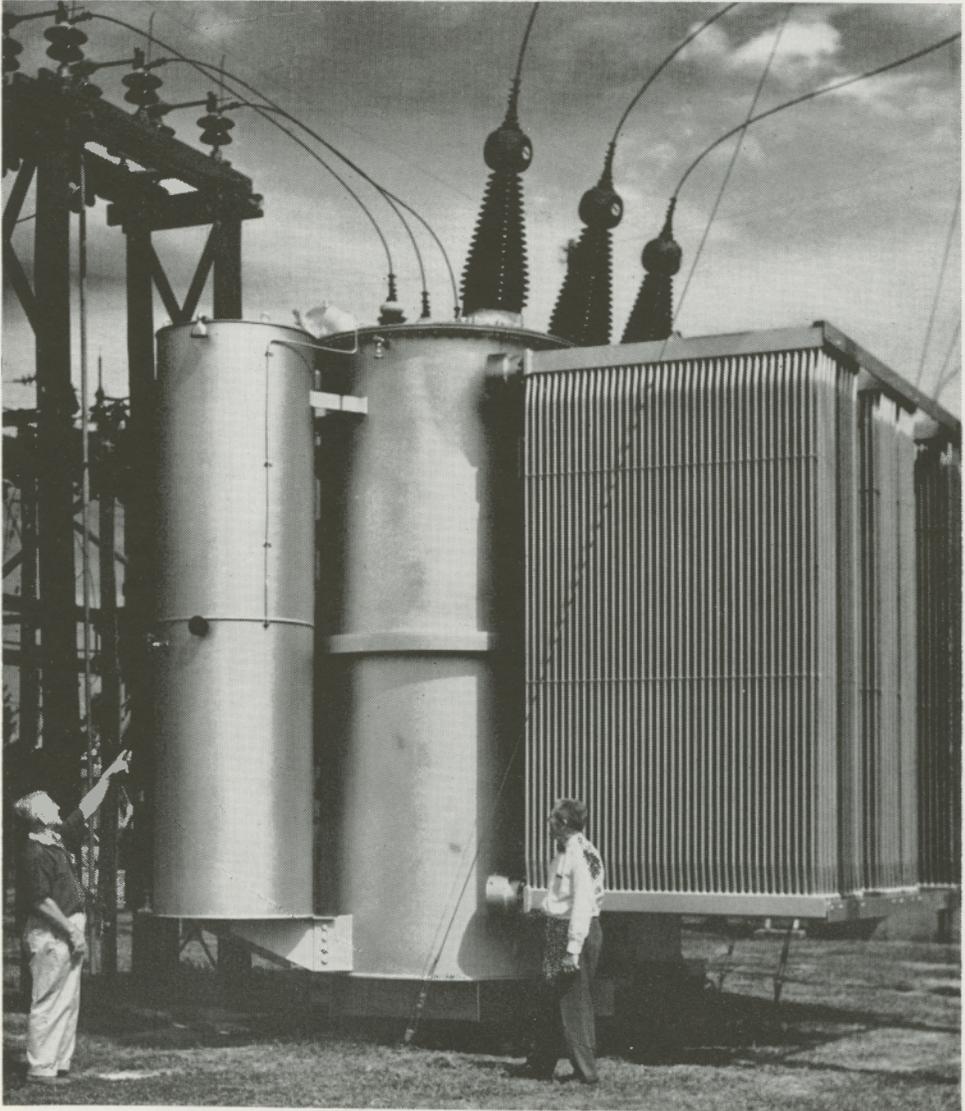
On March 27, 1959, the Authority entered into a contract with Southeastern Power Administration for the purchase of additional power and energy from the Clark Hill project for a period of fourteen years in amounts ranging upward from 60,000 kilowatts in 1959 to 77,000 kilowatts by 1965.

Also on March 27, 1959, the Authority entered into agreements with the South Carolina Electric & Gas Company providing for the purchase of power by the Authority for the fiscal years 1961-1962 and 1962-1963, and providing for a five-year Interconnected Operating Agreement with provisions for emergency support, coordination of maintenance of generating facilities and the interchanging of power. Plans are included for interconnection of the two systems at Clark Hill and Columbia in addition to the present interconnections at St. George and Charleston. This arrangement strengthens the Authority's connections with the transmission grid serving the Southeast.

The execution of these agreements is a result of our planning ahead to insure an adequate supply of power to meet the demands of our customers pending completion of new generating facilities, and for the use of the Authority's facilities to best serve cooperatively the regional needs for electricity.

RETAIL DIVISIONS

In May, 1941, the Authority acquired the electric systems of Conway and Myrtle Beach, and in February, 1942 acquired the facilities at St. Stephen, Moncks Corner and Pinopolis. In 1943 these plants had 3,923 customers using an annual average of 2,056 Kwh at an average rate of \$0.0356 per Kwh. In 1959 these plants had increased to 16,930 customers using an annual average of 6,482 Kwh at an annual rate of \$0.022 per Kwh.



15,000 KVA Transformer at Conway 115 KV Substation



Authority Float in Sun-Fun Festival Parade at Myrtle Beach

The great increase in the number of customers in our Retail Divisions and the great increase in average use per customer has compelled the Authority to spend since acquisition a total of \$8,728,983.77 for capital improvements to these systems. The sum of \$7,747,339.96 of this money has been spent in the Conway and Myrtle Beach Districts.

Several factors have contributed to the phenomenal growth of the retail business. Myrtle Beach is rapidly becoming one of the most popular resorts in the country, with an estimated 50,000 summer residents, ranging up to as much as 75,000 on weekends. Tourist trade has grown along the coastal highways.

Since Hurricane Hazel, Surfside, Garden City and Retreat Beaches have rebuilt and are enjoying phenomenal growth. The reactivation of Myrtle Beach Air Force Base in 1956 has resulted in a large increase in population and increased business activity. The Capehart Housing Project of 800 units is nearing completion at a cost of approximately \$12,000,000.

New businesses of the most modern construction, numerous restaurants, hotels and motels, many of them possessing elaborate facilities, and new and improved highways have made the beach areas more attractive than ever to vacationers.

The retail areas around Conway, Moncks Corner and St. Stephen have enjoyed a steady, if less spectacular growth, and constantly require new extensions and additional equipment to maintain and provide abundant electric power for these rapidly growing areas.



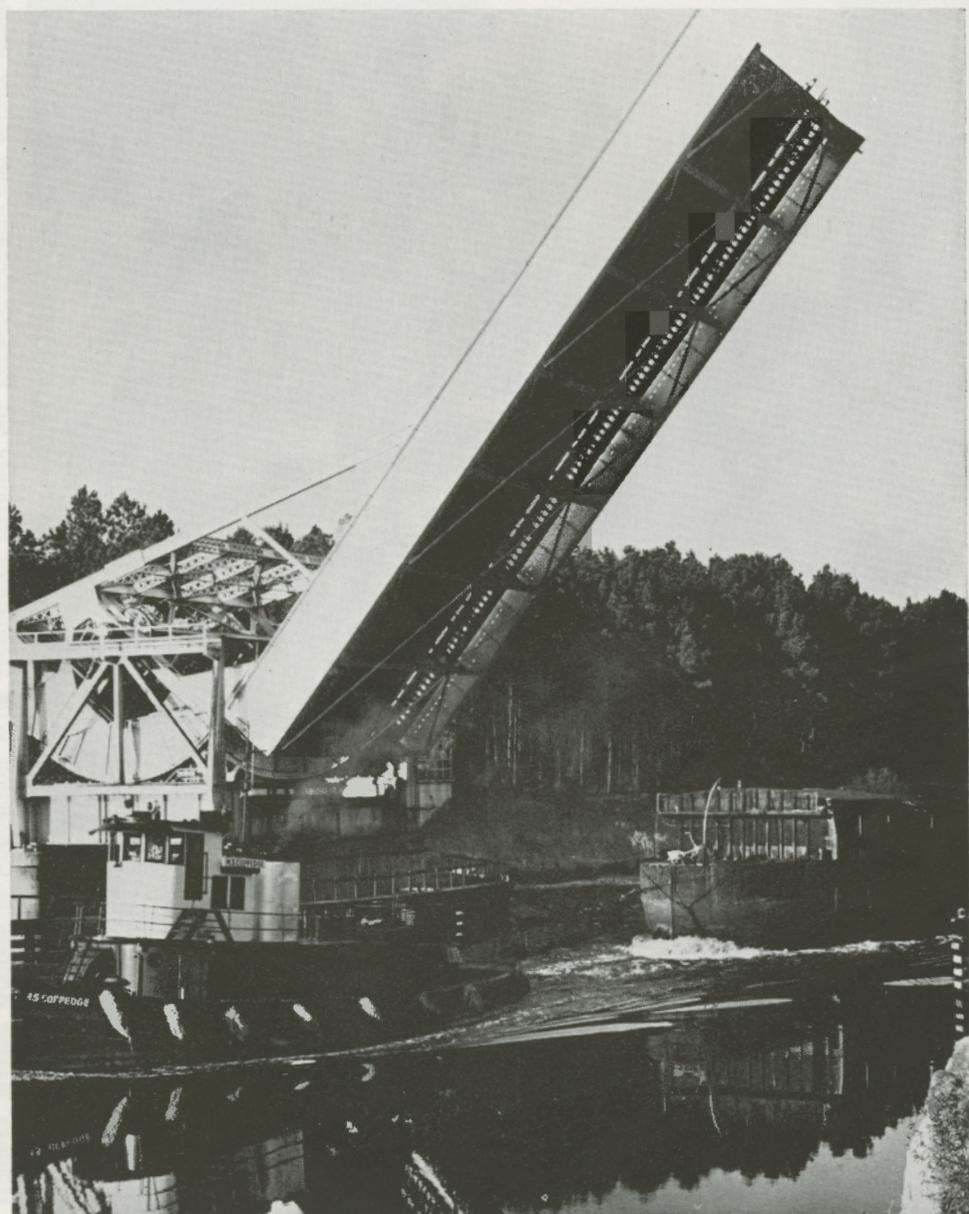
The Season's Largest Coastal Fishing Catch (Photo Courtesy of Claude Dunnagan)



ABOVE: This Modern Theatre is Typical of the Large Number of Modern Buildings Being Erected in Myrtle Beach.

BELOW: New Ocean View Memorial Hospital in Myrtle Beach.





Tugboat Pulling Barge Under Drawbridge on Highway 501 on Inland Waterway,
Between Conway and Myrtle Beach



Governor Hollings Making Address in Connection With Opening of Highway 501 Between Conway and Myrtle Beach



Improved Highway U. S. 501 Between Conway and Myrtle Beach Officially Dedicated at New Waccamaw Bridge on June 5, 1959 With State and Local Dignitaries Participating

SAFETY

Directed by H. L. Chaplin, Jr., Director of Safety, with full cooperation of the Board of Directors and Management, the Authority's 1958 Safety Program showed a marked improvement over that of the previous year.

The Accident Frequency Rate of 7.3 per million man-hours was less than half that of the preceding year. The number of lost time accidents decreased sharply, from 15 to 7. The Severity Rate of 92.6 is below the national average for electrical utilities.

A Safety Incentive Program was established whereby every employee not having a lost time accident during the year received a Christmas turkey from the Authority. This program contributed materially to reducing the number of accidents.

The photograph below shows Mr. Chaplin addressing the Safety gathering at Wampee on April 20, 1959. On the opposite page are views of the large crowd of guests and employees at the luncheon on the grounds held immediately after the Safety Meeting.





For the fourth consecutive year the Authority sold more than a billion kilowatt hours of electricity. This power was supplied to ten large industrial customers, three large military customers, two municipalities, seventeen rural electric cooperatives and to 16,930 retail customers in Berkeley, Georgetown and Horry Counties.

Generation. Total generation during the year was 1,032,486,000 Kwh, an all time record for the Authority. Hydro generation was 562,868,000 Kwh and steam generation was 469,618,000 Kwh. 138,-071,000 Kwh were purchased.

Sales. The Authority sold 1,107,260,883 Kwh wholesale, of which a portion went into its distribution systems, and after accounting for distribution losses, there resulted a net sale to ultimate consumers of 1,092,745,251 Kwh.

The increased usage of power last year by all classes of customers reflected two things: First, a normal, healthy growth and secondly, a healthy recovery from the serious recession of the past year. Almost all of the Authority's customers increased their usage during the year. Those who did not showed only slight decreases in power usage.

The power demand of our rural electric cooperative customers continued to grow. Seventeen rural electric cooperatives bought more than a third of a billion kilowatt-hours of electricity from Santee-Cooper to supply the needs of their 92,000 members.

Our Retail Divisions in Berkeley, Georgetown and Horry Counties added 980 customers during the year. Average annual usage per customer increased by 257 kilowatt-hours, and yet the average rate per Kwh dropped from \$.0224 to \$.0222. The popularity of Myrtle Beach as a great resort, the reactivation of the Myrtle Beach Air Force Base, new and improved roads which draw more visitors and tourists into the area, the rebuilding of beaches along the Grand Strand after Hurricane Hazel, the availability of modern stores and shops and excellent hotels, motels and restaurants all are factors in the growth of our retail business.

Capital Improvements. The latest type Load Frequency Control equipment for regulating power flows on the Authority's interconnections with adjacent utilities was installed during the year at a cost of approximately \$68,000. Power exchanges at three interconnected points are telemetered into the Load Dispatcher's office from which

point signals are sent to the steam and hydro generating units. This equipment provides an automatically regulated power source to the Authority's customers, holds the System frequency at 60 cycles during either interconnected or independent operation, and maintains interconnected schedules.

In order to handle the increasing power demands of the Grand Strand, the Authority completed and energized during the year two heavy transmission circuits totalling 12 miles in length, and completed and energized two new substations near Dunes' Club and Ocean Drive and a new switching station in Myrtle Beach. To improve power factor and voltage regulation in the Conway District, the Authority installed a large capacitor bank in the Conway 115 Kv Substation and installed additional capacitor banks at various points on the Conway and Loris distribution circuits.

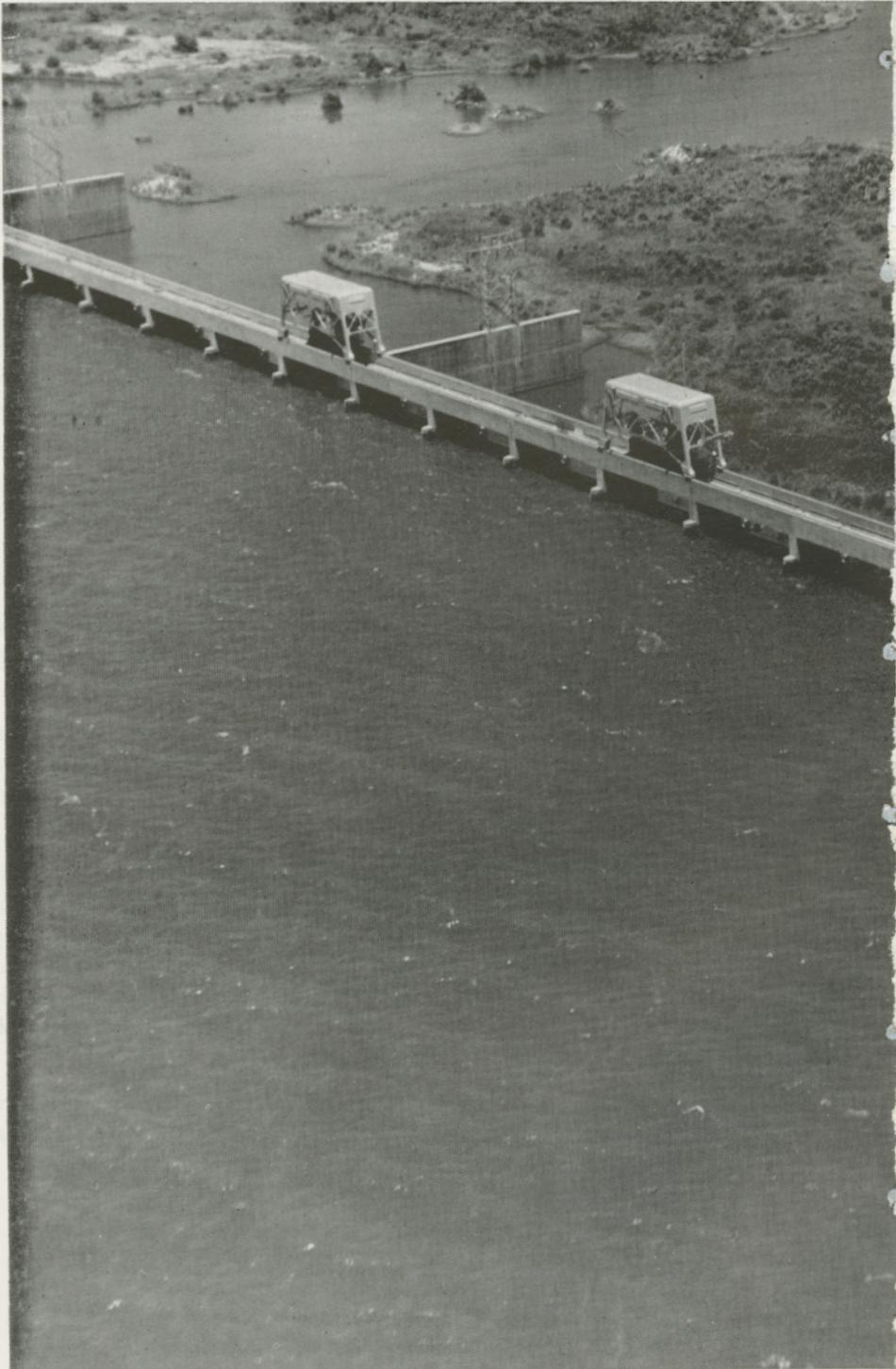
More than 50,000 Kva of transformer capacity was placed in service on the Authority's transmission and distribution systems during the year.

It was found necessary to improve the generator shaft design on Hydro Units Nos. 2 and 4 to improve bearing performance. Work was commenced on shaft replacement for Hydro Unit No. 4 in April and was nearing completion at the end of the fiscal year.

General Maintenance. The extensive programs of Malaria Control, Reforestation, Alligator Weed Control, Deferred Clearing and Maintenance of Dams and Dikes were carried out by the General Maintenance Department during the year.

Maintenance of Plants and Equipment. The maintenance of plants, substations, transmission and distribution lines is accomplished on a prescribed maintenance schedule. Both the Hydro and Steam Plants were generally in excellent condition and maintenance of substations and lines and reclearing of rights-of-way were on a current schedule at the end of the year. Our standards of maintenance are in keeping with the best practice of the Industry.

Rate Study. A comprehensive study of the Authority's rate structure was made by H. Zinder & Associates, a nationally recognized authority on rates. Recommendations of the Zinder Report will be placed in effect during the coming year.



Part of Santee Spillway and Lake Marion, and



Spillway Generating Station, Looking Downstream

Santee-Cooper is recognized as one of the best fresh water fishing spots in the nation. During the past fiscal year, such nationally read publications as *Outdoor Life*, *Sports Illustrated* and *Salt Water Sports* carried excellent Santee-Cooper fishing articles.

A fine story appeared in *The Baltimore Sun*. Excellent stories appeared in *The Sumter Daily Item* and other South Carolina newspapers.

The two large reservoirs of 160,500 acres with 415 miles of shoreline are ideally suited for fishing, boating, swimming and all other fresh water recreational activities.

For those interested in these activities, the Authority has 16 recreational subdivisions where lots may be rented or bought, and has several more subdivisions planned for opening in the near future. Inquiries concerning land should be addressed to Mr. David L. Richardson, Land Agent, South Carolina Public Service Authority, Moncks Corner, South Carolina.



Thirteen Striped Bass Weighing More Than 125 Pounds (Photo by Everett W. Saggus, Courtesy of the Anderson Independent)



These Photographs Show Development of Authority's Frierson and Church Branch Recreational Subdivisions



Scenes of Recreational Activities at Short Stay and Hodge Podge Lodge, Naval and Air Force Recreation Areas on Overton Peninsula in Lake Moultrie

SPORT FISHING IN SANTEE-COOPER

By **ROBERT E. STEVENS**, Fish Biologist
S. C. Wildlife Resources Department

August 30, 1959 will end the fifth consecutive creel census year on the Santee-Cooper Reservoir. During this period, the striped bass population has doubled and redoubled until it has become probably the biggest wildlife story since the successful introduction of the Ringneck Pheasant into the northern states before the turn of the century.

The creel census, maintained at six locations around the reservoir, is estimated to represent ten per cent of the total catch. On this basis, the last five years have produced a catch of 1,100,000 striped bass, averaging almost 5½ pounds each, for fishermen using the Santee-Cooper Reservoir and tributary streams.

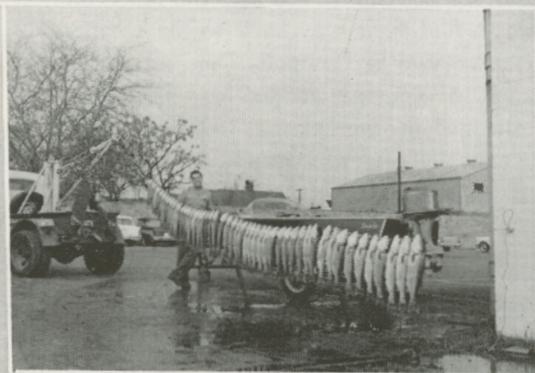
Several years ago California determined that each striped bass caught in that state cost the fisherman \$13.65 or \$3.00 per pound. If striped bass in South Carolina were worth \$3.00 per pound, the total catch in the last five years would be worth \$18,150,000.

The catch of striped bass during the current year is the best ever. It will reach an estimated 400,000 by August 30. This is almost double the catch last year and 141 per cent of the catch of 1957, the best previous year.

Striped bass were taken in every month of the year using three methods, namely, trolling, school fishing and bait fishing.

Contributing directly to the record catch this year is the fact that the lock was opened to permit herring to enter the reservoir during the spring months. These adult sea-herring moved into the reservoir for spawning and were unable to find their way back to the Cooper River and the ocean. They congregated at Pinopolis Dam attracting large numbers of striped bass and subsequently striped bass fishermen. These fishermen dipped and snagged up the herring, using them for bait with great success. The young herring which were spawned will later cause the striped bass to school, again attracting fishermen to catch them.

This striped bass population is unique in that it is the only large, landlocked population. This peculiarity in no way reduces its status, because from the standpoint of year-round fishing and catch per trip, it is equal to or surpasses the best to be offered by the Chesapeake Bay, California or elsewhere.



Excellent Catches of Striped Bass (Photo on Bottom Left Courtesy of Charleston Evening Post)

Fishing for other species is excellent in the reservoir. Each year about 250,000 fishermen catch over 1,000,000 fish including striped bass, largemouth bass, white bass, bream, crappie, jackfish and catfish. In doing so they spend an estimated \$3,500,000 annually.

The catch of other species fluctuates due to weather and water conditions, but each year more bream, bass and crappie fishermen turn to striped bass fishing. Consequently, over 50 per cent of last year's fishermen caught striped bass, 19 per cent caught crappie, 15 per cent caught largemouth bass and 13 per cent caught bream.

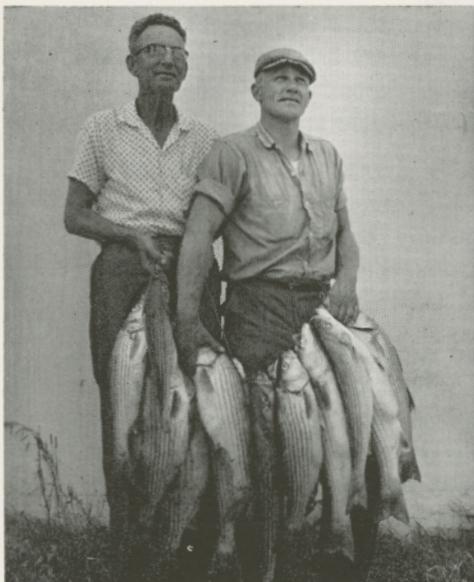
Crappie. Last year was a poor year for crappie fishing due to cold, windy weather and high water. In normal years, however, crappie fishing in Santee-Cooper can be the best there is. In 1957 a 5.0 pound black crappie was caught in Lake Moultrie and accepted as the world record. The average crappie caught here weighs 0.8 pound, exceeding by far the average of any other reservoir that has published information concerning this species.

Bream. This fishing is limited to the summer months, but is very good at this time, especially when the May flies are hatching.

Largemouth Bass. It takes a good fisherman to consistently catch this species, a spring and early fall fish. The largest to date, reportedly weighting 16.0 pounds, was taken in Lake Marion.

Catfish. For several years there has been a controversy among prominent ichthyologists concerning the proper identification of the large catfish found here. The best opinion now, from Smithsonian Institute and the University of Michigan, identifies them as channel catfish rather than white catfish.

The largest channel catfish taken to date weighed 78 pounds. This fish was weighed, photographed and removed from the area before proper steps could be taken to submit it for world recognition. This was unfortunate because the record is only 55 pounds.



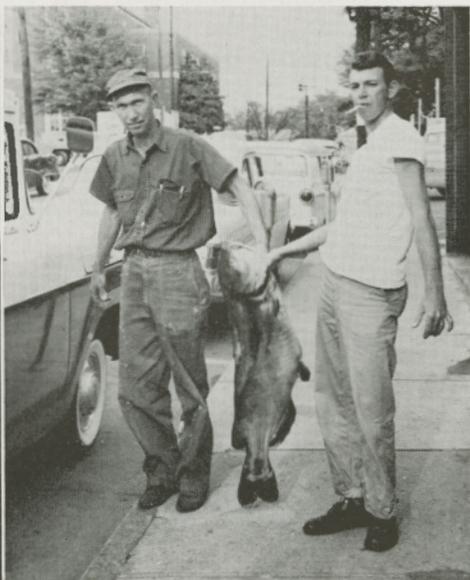
TOP LEFT: These Railroad Men Caught the Limit. (Photo Courtesy of the Columbia State.)



TOP RIGHT: This 21-Pounder is All She can Hold.

BOTTOM LEFT: A Job He Doesn't Mind Doing.

BOTTOM RIGHT: Where Else but at Santee-Cooper Could These Gentlemen Have Caught This Monster 51½ Pound Catfish? (Two Bottom Photos Courtesy the Anderson Independent.)





ABOVE: These Seneca Gentlemen Caught 219 Pounds of Striped Bass. (Photo Courtesy the Greenville News.)

BELOW: This 578 Pound Catch Caught Near Moncks Corner in May. (Photo Courtesy J. A. Burney.)



EMPLOYEE RELATIONS

Authority employees have three Santee-Cooper Employees' Associations—at Moncks Corner, Myrtle Beach and Conway. The purpose of these associations is to promote employee welfare, recreational and social activities.

The employees have established a credit union for the purpose of encouraging thrift among the employees and to make loans to them for the purchase of appliances and for other worthy purposes.

Supported by their membership dues, the Associations sponsor parties, dances and Christmas parties for the employees and their families. The Authority itself is an honorary member of the Association and pays dues equivalent to the amount of dues paid by member employees.

The Authority, in cooperation with the Employees' Association, administers a group insurance plan for the employees. The Authority is a member of the South Carolina Retirement System, and all retiring employees are eligible for State retirement benefits as well as Social Security benefits. Liberal sick leave and vacation benefits are provided.

The Authority maintains a comprehensive, full time Safety Program for the protection of the employees. As a safety incentive award, each employee who does not have an accident within a one-year period from December 1 through November 30 receives a Christmas turkey from the Authority.

The Authority's workmen's compensation coverage is carried by the State Workmen's Compensation Fund of the South Carolina Industrial Commission.

The Authority has set aside Somerset Point on Pinopolis Peninsula as a recreational area for employees where they, their families and guests may enjoy swimming, boating, skiing, picnicking and other recreational activities. The employees themselves have improved the site, with assistance from the Authority in the form of materials and mechanical equipment.

Recreational scenes at Somerset Point and other recreational spots in the Moncks Corner area are shown on page 35 of this report.



Recreational Scenes From Lions Beach, Somerset Point and Locklair's Landing,
All Near Moncks Corner, S. C.

NAVIGATION

During the last session of the General Assembly, it adopted a resolution by Representative Ryan C. Shealy of Lexington appointing a committee to study the feasibility of making the Congaree River from Charleston to Columbia navigable. Another resolution to appoint a Committee to investigate the navigability of the Wateree River was adopted.

W. Carl Walsh of the Authority was appointed by Governor Hollings as a member of the committee studying the navigability of the Congaree.

The two committees held a joint meeting on May 30 with Congressmen John J. Riley and Robert W. Hemphill at which it was announced that \$30,000 had been appropriated by Congress to begin a study of navigation on the Wateree and Congaree Rivers, and that further sums would be requested over a two-year period.

The Congaree River was a vital trade lane in the nineteenth century. Certainly, as late as 1913, it continued to have importance until overshadowed by the railroads.



This Colorful River Scene Shows Navigation on the Congaree River Near

Shipping on the old waterway was resumed in 1947 when 430,000 tons of stone riprap for Santee-Cooper's dams was moved from Columbia between May, 1947 and March, 1949.

Recent improvements to the Savannah River have made that river navigable as far up as Augusta. The availability of water transportation has reduced freight rates and given Augusta a rate advantage over Columbia.

On June 25-26 members of the two legislative committees, a representative of the Corps of Engineers, distinguished guests and newspapermen, traveled from Columbia to Pinopolis on an Authority craft, and some members proceeded on to Charleston.

To make the Congaree River again navigable from Columbia to Charleston, only 47 miles of the river from Granby Landing to the confluence of the Congaree and Wateree Rivers would have to be improved. Because of the presence of Santee-Cooper, originally designed for navigation, with its existing navigation channels and large lock, no further improvements to the waterway would be necessary.

After improvements from Granby Landing to the confluence of the two rivers there would be a channel 8 feet deep and 150 feet wide to the confluence, a 10 foot deep channel from the confluence to U. S. Highway 15 bridge at Santee, and a 12 foot deep channel from there

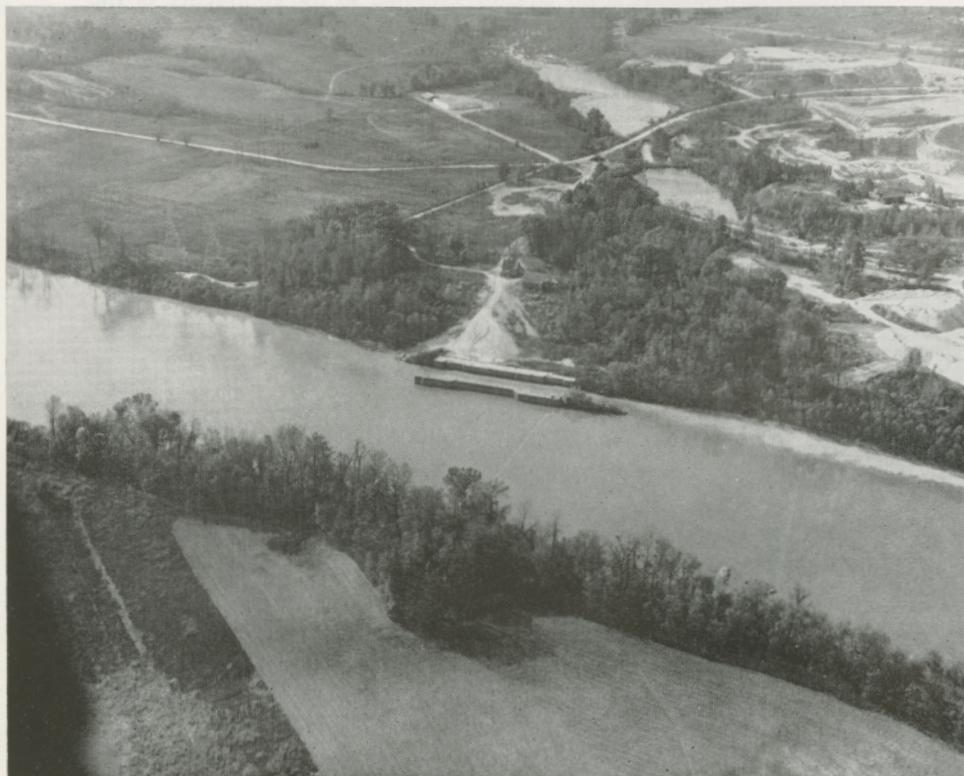


Columbia Around the Year 1913 (Photo Courtesy The Columbia Record)

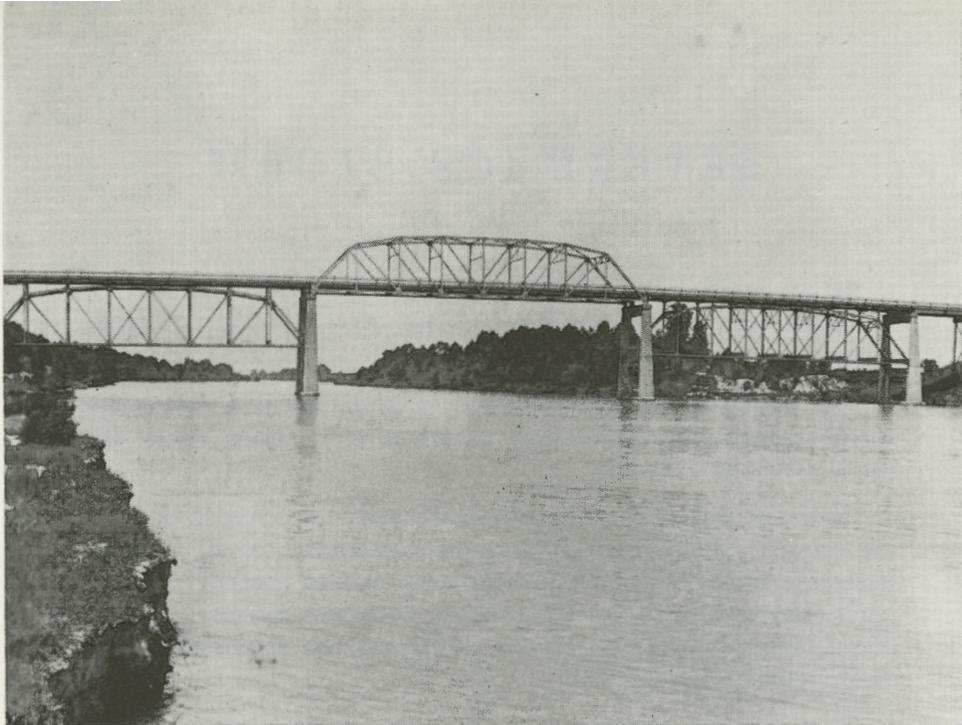
to Charleston. All overhead bridges have a vertical clearance of at least 50 feet, and only the railroad trestle at Strawberry Landing on the Cooper River, with a swing span having a horizontal clearance of only 33 feet, would present a problem.

The availability of potential cargo for the restored waterway is certain. Building materials, brick, timber, pulpwood, cotton, stone and gravel could go downstream, with petroleum products, fertilizers, steel and other dead freight being shipped upstream.

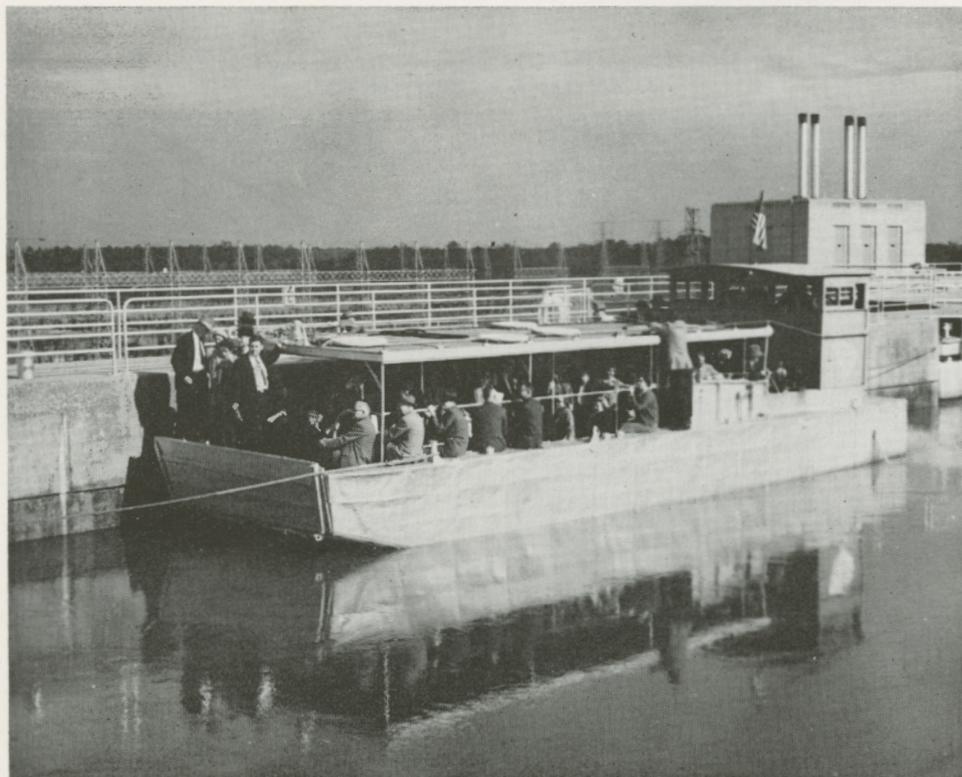
The restoration of water transportation from Columbia to Charleston would give great impetus to the development of the Midlands. Its availability would reduce freight rates in the area, making them competitive with rates now existing in other states, thereby enhancing the attractiveness of the Midlands for new industry.



**Air View of Granby Locks in the Congaree River About One Mile South of Cayce
(Photo by Taylor, Courtesy The Columbia Record)**



Bridge Across Diversion Canal on S. C. Highway 45



**Mayors and Town Officials of S. C. Municipal Association Enjoying Trip
Through Navigation Lock**

SEVERE ICE STORM

An ice storm of unprecedented severity struck Horry County on December 11, 1958, knocking out electric service in Myrtle Beach, Conway, Loris and many rural areas.

The weight of the accumulation of freezing rains and sleet broke countless limbs and toppled trees into power lines, playing havoc with the distribution of power.

Authority personnel and outside help, under the direction of John T. Duckett and Clarence S. Gramling, Supervisors of the Conway and Myrtle Beach Districts, respectively, worked around the clock under miserable weather circumstances to restore service. Costs to the Authority of restoring service, cleaning up and repairing damage was approximately \$26,000.

Many long-time residents of Horry County said that the storm was the worst disaster to power facilities ever seen in many localities, including Hurricane Hazel.

**BELOW: Mr. J. P. Wingo Ruefully Observes Ice Damage on Cool Springs
33 KV Tap Line Near Conway**





Woods Adjacent to Albany Felt 12 KV Line Showing Heavy Ice Formations
December 12, 1958

View of Homewood 33/12 KV Substation Showing Ice Formations on Substation
Structures and Adjacent Undergrowth



REFORESTATION

The Authority's reforestation program was begun in 1943 and has seen the planting of 6,700,000 slash and loblolly pine seedlings on marginal lands and lands unsuitable for other purposes.

Our program includes prescribed burning of 500 to 1,000 acres per year, as conditions permit, to kill underbrush and to dispose of fire

The Photographs Below and on Opposite Page Show W. Carl Walsh, Manager of General Maintenance, Observing the Operation of the New Whitfield Planter Which Can Plant Up to 20,000 Seedlings Per Day.



hazards. Undesirable hardwoods are killed by girdling or by injection of chemicals. Adequate fire lanes are laid out before planting or established in natural stands.

A program of thinning and selective cutting of forested lands will result in a substantial income from the sale of pulpwood and timber to interests in our project area and will provide additional employment for local people.



RURAL ELECTRIFICATION

In 1935, less than three per cent of the rural homes of the State had electric service. Now, more than a quarter of a million rural electric customers in South Carolina receive central station service. Practically every rural home which desires it can receive electric service.

By 1958, the rural electric cooperatives of South Carolina were operating 32,000 miles of rural electric distribution lines, serving 131,000 customers whose average monthly usage of 250 Kwh compared very favorably with the national average of 265 Kwh.

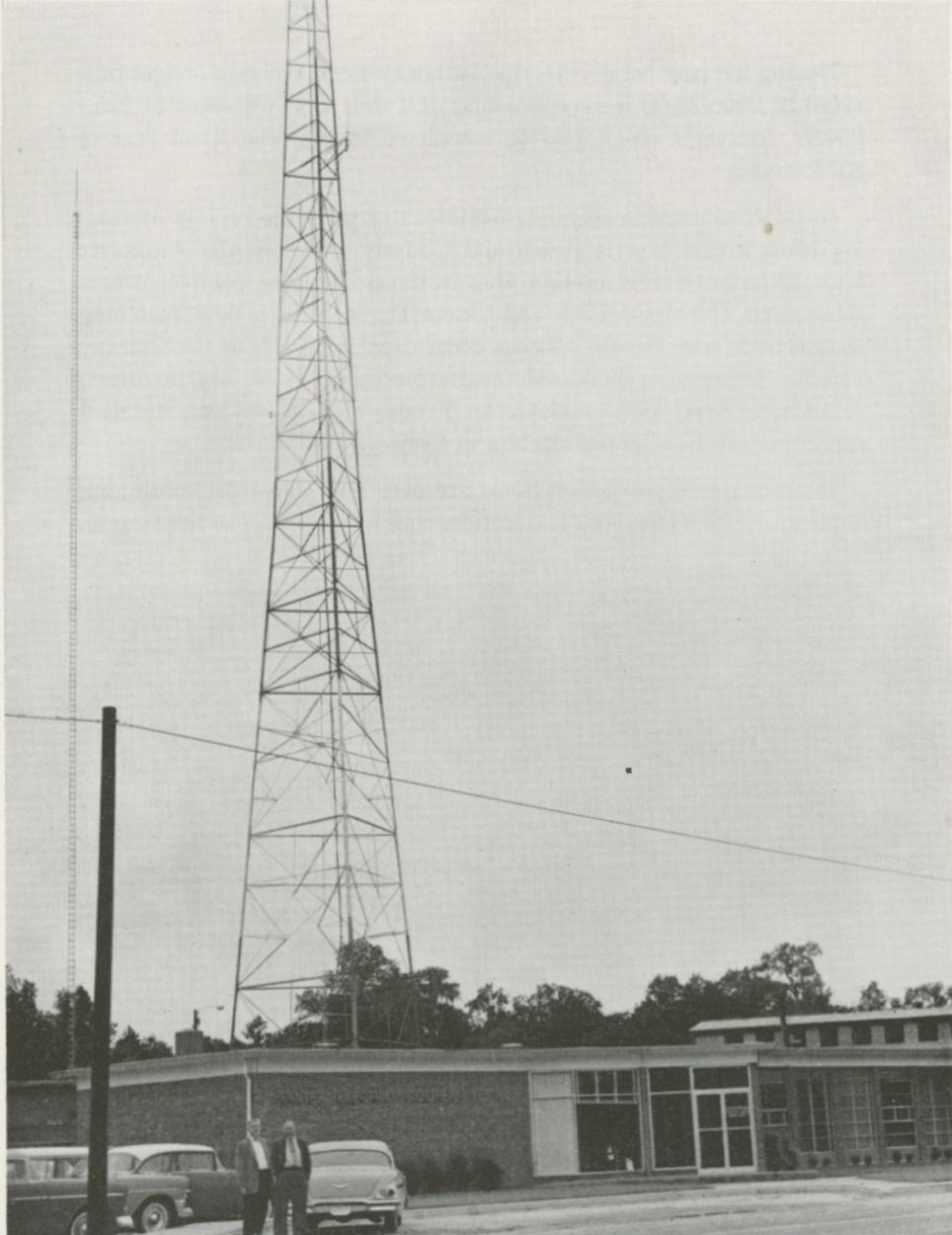
The rural electric cooperatives have revolutionized the rural life of our State and have raised rural standards of living to an undreamed of high. Their excellent record of service and loan repayment represent the highest type of cooperative endeavor on the part of rural people in improving their way of life.

In 1950, the Authority entered into the first of two contracts with Central Electric Power Cooperative, Inc. for the construction of a transmission system to serve the sixteen member cooperatives of Central. The system, completed in 1956 at a cost of \$12,887,150, comprises 1,100 miles of transmission lines serving an area of 32 counties and transmitting Santee-Cooper power to the load centers of sixteen cooperatives with more than 87,000 members.

Through the Central system, through Berkeley Electric Cooperative and through its own rural facilities, Santee-Cooper is now serving more than 98,000 rural users of electricity with adequate and dependable power at a reasonable cost. These customers used more than a third of a billion Kwh of Santee-Cooper power during the fiscal year just ended.

A great remaining task of rural electrification is to increase the capacity of lines now existing to take care of increased loads brought about by greater use of electricity.

CONSTRUCTION



Office Building and Communications Tower of Santee Electric Cooperative at Kingstree Which Serves 14,000 Rural Customers. Basil M. Ward (Right) is the Cooperative's Manager.

CONSTRUCTION

During the past fiscal year, the Authority's construction budget provided \$1,900,923.60 for construction. Of this sum, we spent \$1,525,054.99, leaving a balance to be completed in the next fiscal year of \$375,868.61.

In order to provide adequate facilities to supply the rapidly increasing loads in the Myrtle Beach and Conway Districts, the Authority built 12 miles of transmission lines in those Districts, completed new substations at Dunes' Club and Ocean Drive, built a new switching station in Myrtle Beach, added a large capacitor bank at the Conway 115 Kv Substation, increased transformer capacity at Myrtle Beach Air Force Base, Loris and Ocean Forest Substations and installed capacitors on distribution circuits in Conway and Loris.

These major construction items are over and above the continuing expenditures for customer connections and maintenance of the system.





Authority's Construction Crew Raises a Pole on New 33 KV Line From Myrtle Beach
115 KV Substation to Dunes' Club Substation

REPORT OF BOARD OF ENGINEERS

In accordance with the provisions of the Indenture, a Board of Engineers was appointed on October 31, 1958 to review the operation of the Authority for the three-year period ended June 30, 1958. The Board consisted of Louis T. Klauder of Philadelphia, Pennsylvania, a partner in the firm of Louis T. Klauder and Associates, as the representative of the Trustee; Robert T. Colburn of Boston, Massachusetts, Vice-President of the engineering firm of Chas. T. Main, Inc., as the representative of the Authority; and Louis S. LeTellier of Charleston, South Carolina, retired, formerly Acting President of The Citadel, selected by the first two as an independent engineer.

There follows a summary of the report as given by the Board of Engineers.

May 12, 1959

Mr. C. L. Hair, Jr., Trust Officer
The South Carolina National Bank, Trustee
Charleston, South Carolina

Mr. James H. Hammond, Chairman
South Carolina Public Service Authority
Moncks Corner, South Carolina

Gentlemen:

In conformity with the provisions of the Indenture of July 1, 1949, and the enlarged scope of our investigations as agreed upon by the Trustee and the Authority, the Board of Engineers submits its report on the operation of the Authority for the fiscal years beginning July 1, 1955, and ending June 30, 1958.

During the period under review, the 7-year drought was finally broken and during the year 1957-58 the Authority had its second best record of hydro generation with a total of 710,000,000 Kwh. During this period sales of electricity increased to an all-time high of over \$8,000,000. During this period it met all of its operating expenses and was able to provide cash for capital additions of \$3,321,000.

The Authority has made all payments required by the Indenture and has maintained all reserve funds at their required levels except for the Operating Fund which by agreement with the Trustee has not been up to its Indenture requirement for the past several years because of lack of cash. However, it should be noted that during the period under review this fund has been built up from \$200,000 to \$630,000. As of the date of this report this fund meets the Indenture

requirements. During the 3-year period the hydro plant bonds were reduced by \$1,610,000; steam plant bonds were reduced by \$395,000; the Central debt was reduced by \$290,000; and debt service and contingency reserves were increased by \$1,262,000.

In order to avoid confusion and to more clearly present a picture of its operations, the Authority has adopted a new method of financial reporting. This method, which is in use by many public authorities, combines the normal income and expense statements with a statement showing the application of the net operating revenues to the Indenture requirements. On this basis the results of the Authority's operations for the past three years are as follows:

| | 1955-56 | 1956-57 | 1957-58 |
|---|-------------|-------------|-------------|
| Revenue | \$7,565,539 | \$8,105,614 | \$8,359,131 |
| Expenses | 4,428,327 | 4,511,941 | 3,985,834 |
| Interest and Amortization..... | 1,942,614 | 1,935,005 | 2,172,918 |
| Indenture Requirements..... | 374,374 | 421,466 | 841,425 |
| Capital Improvements | 928,700 | 1,184,590 | 1,207,398 |
| | | | |
| Excess of Revenue over Requirements (\$ | 108,476) | \$ 52,612 | \$ 151,556 |

Based on 500,000,000 Kwh of hydro generation, the Authority will have sufficient funds each year to meet its full cash requirements during the next 3 years including normal plant additions and customer connections. If another drought develops, plant additions will have to be postponed or financed by loans.

We have reviewed the report which H. Zinder & Associates prepared for the Authority in connection with the Authority's rates and concur in the recommendations contained in this report. These recommendations should be followed by the Authority as soon as possible.

We have reviewed the report prepared by Chas. T. Main, Inc., in connection with the need for additional generation capacity and concur in this report. We are of the opinion that the Authority must secure additional capacity either in the form of new generating equipment or additional contracts for purchased power by July, 1963. Our analysis indicates that Central's rate should be increased. The 6-mill rate is inadequate for financing the generating plant additions as now foreseen. Therefore, we recommend that this matter be finally determined as quickly as possible.

In our inspection of the properties and review of operations, we are of the opinion that the service and maintenance have been in keeping with the best practice in the industry, and we believe that the administrative reorganization of the Authority has been effective

and that the esprit de corps of the Authority is very high. The Authority has followed all the recommendations of the previous Board of Engineers and followed the budgets set by that board as closely as practicable.

As required by the Indenture, we have established operating budgets for the next 3 years of \$4,862,000; \$5,718,000; and \$6,455,000. Fuel requirements will vary greatly depending on stream flow; hence, fuel costs and purchased power costs may be expected to increase or decrease by as much as \$800,000 per year. A detailed discussion of the subjects covered in this letter of transmittal are presented in the attached report.

Respectfully Submitted,

LOUIS T. KLAUDER, *for the Trustee,*

ROBERT T. COLBURN, *for the Authority,*

LOUIS S. LETELLIER, *Independent Engineer.*

ANNUAL AUDIT

The following Letter of Transmission, Balance Sheet (with Notes), Statement of Accumulated Net Revenues and Statement of Revenues and Expenses are taken from the Audit Report of J. W. HUNT AND COMPANY, *Certified Public Accountants*, appointed by The Advisory Board.

J. W. HUNT AND COMPANY

Certified Public Accountants

August 7, 1959

*The Advisory Board,
South Carolina Public Service Authority,
Columbia, South Carolina.*

Gentlemen:

We have examined the balance sheet of the South Carolina Public Service Authority as at June 30, 1959, and the related statements of net revenue and application thereof and accumulated net revenues for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. Our report, prepared as the result of such examination, is presented herewith and consists of eight (8) exhibits and fourteen (14) schedules, as indexed.

In our opinion, the accompanying balance sheet and the statements of net revenue and application thereof and accumulated net revenues present fairly the financial position of the South Carolina Public Service Authority as of June 30, 1959, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with prior years.

Respectfully submitted,

J. W. HUNT AND COMPANY.

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

INDEX, June 30, 1959

EXHIBITS:

- A Balance Sheet
- B Statement of Accumulated Net Revenues
- C Statement of Net Revenue and Application Thereof

EXHIBIT A
SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

Balance Sheet, June 30, 1959

ASSETS

Electric Plant—Note 1:

Electric Plant in Service.

| | | |
|---|------------------|--|
| Santee—Schedule 1 | \$ 82,944,214.92 | |
| Horry—Schedule 2 | 5,586,803.10 | |
| Berkeley—Schedule 3 | 759,015.22 | |
| Central Electric Power Cooperative—Schedule 4 | 9,878,984.87 | |

| | | |
|-------------|------------------|--|
| Total | \$ 99,169,018.11 | |
|-------------|------------------|--|

Deduct, Reserves:

| | | |
|-------------------------------|------------------|---------------|
| Depreciation—Schedule 5 | \$ 11,920,176.15 | |
| Deferred Clearing | 17,100.63 | 11,937,276.78 |

| | | |
|--|--|------------------|
| | | \$ 87,231,741.33 |
| | | 924,697.77 |

| | | |
|---|---------------|------------|
| Construction Work in Progress—Schedule 6 | | |
| Electric Plant Held for Future Use—Schedule 7 | \$ 226,795.99 | |
| Deduct, Reserve for Depreciation—Schedule 5 | 30,289.03 | 196,506.96 |

| | | |
|----------------------------|--|------------------|
| Total Electric Plant | | \$ 88,352,946.06 |
|----------------------------|--|------------------|

| | | |
|---|--|--------------|
| Impounded Reserve Funds—Schedule 8—See Note 2 | | 5,340,907.19 |
|---|--|--------------|

| | | |
|---|---------------|--|
| Other Physical Property—Schedule 9 | \$ 241,839.00 | |
| Less, Reserve for Depreciation—Schedule 5 | 4,579.42 | |

| | | |
|--|--|------------|
| | | 237,259.58 |
|--|--|------------|

EXHIBIT A—Continued
Balance Sheet, June 30, 1959

| | | | |
|---|----|------------|------------------|
| Notes Receivable—Schedule 10 | | | 3,289.46 |
| Current Assets: | | | |
| Funds Held by Trustee—Schedule 8 | \$ | 598,781.80 | |
| Miscellaneous Funds—Schedule 11 | | 373,887.27 | |
| Accounts Receivable (Less \$27,398.61 Reserve for Uncollectible accounts) | | 820,546.44 | |
| U. S. Treasury Securities—Schedule 11 | | 39,874.45 | |
| Accrued Interest Receivable | | 23,313.17 | |
| Materials and Supplies—Schedule 12 | | 859,368.19 | |
| Prepayments (Insurance, Etc.) | | 78,387.38 | |
| | | | 2,794,158.70 |
| Deferred Debits: | | | |
| Preliminary Survey and Investigation Charges | \$ | 125,223.70 | |
| Other | | 26,964.21 | 152,187.91 |
| | | | |
| Total | | | \$ 96,880,748.90 |

54

LIABILITIES

| | | | |
|---|----|---------------|------------------|
| Long-Term Debt—See Note 4: | | | |
| Electric Revenue Bonds, 2½%, Due Serially July 1, 1960–1939 | \$ | 25,344,000.00 | |
| Electric Revenue Bonds, 2¾%–2.70%, Due Serially July 1, 1960–1993 | | 14,645,000.00 | |
| Contract Obligation | | 8,401,121.20 | |
| | | | \$ 48,390,121.20 |
| Current Liabilities (Exclusive of Monthly Payments to Trustee for Debt Service Requirements—See Note 4): | | | |
| Accounts Payable | \$ | 332,106.16 | |
| Customers' Security Deposits | | 187,361.85 | |

| | | |
|--|-----------------|--------------------------------|
| Accrued Interest on Customers' Security Deposits | 8,518.44 | |
| Accrued Sums in Lieu of Taxes | 17,317.97 | |
| Contract retentions | 5,963.11 | |
| Reserve for F. P. C. Charges | 3,067.53 | |
| Accrued Use Tax | 3,411.54 | |
| | | \$ 557,746.60 |
| Long-Term Lease Commitments—See Note 5—Reserve for Future Rental Payments . . . | | 351,491.59 |
| Contributions in Aid of Construction: | | |
| Customers' Contributions for Construction | \$ 30,946.40 | |
| Capital Contribution—U. S. Government Grants | 34,438,263.79 | |
| | | 34,469,210.19 |
| Accumulated Net Revenues: | | |
| Applied to Retirement of Long-Term Debt | \$ 5,371,419.40 | |
| Addition to Funds as Required by the Enabling Act and Indenture: | | |
| Impounded Reserve Funds: | | |
| Debt Service Reserve Fund | 4,137,783.53 | |
| Contingency Fund | 846,464.23 | |
| Capital Improvement Fund | 356,659.43 | |
| Operating Fund | 1,000,000.00 | |
| Applied to Additions, Betterments and Extensions to The System and Other Purposes as Provided by the Enabling Act and Indenture | 806,484.83 | |
| Unapplied (Revenue Fund and Other Items in Process of Collection—Net) | 593,367.90 | 13,112,179.32 |
| | | <u>\$ 96,880,748.90</u> |
| Total | | <u>\$ 96,880,748.90</u> |

The notes set forth in the following sheets of this Exhibit are an integral part of this Balance Sheet.

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

Notes to Financial Statements, June 30, 1959

Note 1—Electric Plant:

In order to effect an estimated reduction of \$9,450,000.00 in the initial expenditures for construction and to accelerate the completion of the project, the Santee Reservoir was flooded without making a complete clearing of the reservoir. The estimated direct cost of completing the clearing of this reservoir by removing floating timber in the amount of \$1,864,566.00 has been charged to the electric plant. Of this amount, \$1,847,465.37 has been expended through June 30, 1959, and the remainder provided by a deferred credit of \$17,100.63.

In accordance with generally accepted accounting practice, the Authority has capitalized interest as follows:

- (1) Interest during the initial construction period of the project.
- (2) Interest on the \$15,300,000.00 bond issue during the period of construction of the steam generation plant.
- (3) Interest on the "A-B" loans from the Central Electric Power Cooperative during the period of construction of the Central "A-B" System.

It has not been the policy of the Authority to capitalize interest on other construction. Such interest is relatively immaterial.

The Central "A-B" System is being acquired through an installment purchase contract (see Note 4), and the Authority is to receive title to Central. \$8,967,540.60 of the cost represents the charge by Central Electric Power Cooperative, Inc., for funds expended by them for construction of the System and interest on the "A-B" loans during the construction period.

Note 2—Impounded Reserve Funds:

The Impounded Reserve Funds are maintained and their use restricted in accordance with a Trust Indenture dated as of July 1, 1949, a Second Supplement Trust Indenture dated as of July 1, 1950, and the Enabling Act included in the South Carolina law. Generally, such funds may be used only for construction or capital improvements and to meet interest payments or bond maturities, in accordance with specific requirements covering each fund as contained in the Trust Indentures.

Note 3—Surplus Distributions:

The South Carolina law provides that "The South Carolina Public Service Authority is a corporation, completely owned by and to be

operated for the benefit of the people of South Carolina and any and all net earnings thereof not necessary or desirable for the prudent conduct and operation of its business or to pay the principal of and interest on its bonds, notes or other evidences of indebtedness or other obligations or to fulfill the terms and provisions of any agreements made with the purchasers or holders thereof or others shall be paid over—semi-annually to the State Treasurer for the general funds of the State and shall be used to reduce the tax burdens on the people of this State.” Under the terms of the trust indentures, no earnings were payable to the State Treasurer during the year ended June 30, 1959.

Note 4—Long-Term Debt:

Bonds:

| | | | |
|--|------------------|--|------------------|
| Electric Revenue Bonds, 2½% Due Serially | | | |
| July 1, 1960-1989 | \$ 25,344,000.00 | | |
| Electric Revenue Bonds, 2.25%-2.70% Due | | | |
| Serially July 1, 1960-1993 | 14,645,000.00 | | |
| | | | \$ 39,989,000.00 |

Contract Obligation (on a Parity with Above Bonds):

| | | | |
|---|-----------------|------------|-------------------------|
| Principal (Funds Expended for Construction) | \$ 7,989,509.76 | | |
| Accumulated Interest During Period of Construction..... | \$493,894.23 | | |
| Less, Payments Made..... | 82,282.79 | 411,611.44 | 8,401,121.20 |
| | | | <u>\$ 48,390,121.20</u> |
| Total | | | <u>\$ 48,390,121.20</u> |

The Contract Obligation arose through an agreement to purchase certain transmission lines (generally known as the A-B System) from Central Electric Power Cooperative, Inc. Interest at 2% per annum is payable semi-annually on remaining principal balances—no interest is payable on the accumulated interest. Payments on the principal and accumulated interest during construction are due in semi-annual installments which commenced January 1, 1958 and extend over a period of twenty-six (26) additional years.

The Authority is required to make monthly payments to the South Carolina National Bank of Charleston, as Trustee, for debt service as set forth in the related trust indentures. See Exhibit H for full details of payments for debt service during the fiscal year ended June 30, 1959. Monthly payments to be made during the fiscal year July 1, 1959 through June 30, 1960 are approximately as follows:

| | |
|--|---------------------|
| Interest and Bond Fund Requirements..... | \$180,572.90 |
| Debt Service Reserve Fund Requirements | 19,244.85 |
| Contingency Fund Requirements (\$18,000.00 Due July 5, 1959 and \$4,000.00 due January 5, 1960) | 1,833.33 |
| | <hr/> |
| Total | <u>\$201,651.08</u> |

Note 5—Long-Term Lease Commitments:

The Authority has an additional contract with Central Electric Power Cooperative, Inc., to lease certain transmission lines (generally known as the C System) constructed by Central at a cost not in excess of \$4,618,000.00. The rental is to be a sum equal to the interest on and principal of Central's indebtedness to the Government for funds borrowed to construct the C System. Rental payments are due quarterly.

The Authority has an option to purchase the C System at any time during the period of the lease agreement for a sum equal to the amount of Central's indebtedness remaining outstanding at the time the option is exercised.

Note 6—Contingent Liabilities:

At June 30, 1959, two actions were pending on court calendars in which the Authority was the defendant. The total recovery sought in these actions is \$32,175.00, none of which is covered by insurance. The Authority is defending the pending actions.

Note 7—General:

Requests had already been issued by the Authority at June 30, 1959 to the Trustee to transmit appropriate funds to the fiscal agents to meet interest payments and bond maturities due July 1, 1959. Such payments have been treated on the books and in this report as having been made as of June 30, 1959.

EXHIBIT B

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

Statement of Accumulated Net Revenues, June 30, 1959

| Detail | Balance June 30, 1958 | Net Revenue Exhibit C | Miscellaneous Debit | Balance June 30, 1959 |
|---|-----------------------------|----------------------------|--------------------------|-----------------------------|
| Applied to Retirement of Long-Term Debt..... | \$ 4,410,559.68 | \$ 960,859.72 | \$..... | \$ 5,371,419.40 |
| Addition to Funds as Required by the Enabling Act and Indenture: | | | | |
| Impounded Reserve Funds: | | | | |
| Debt Service Reserve Fund..... | 3,730,500.01 | 407,283.52 | ..... | 4,137,783.53 |
| Contingency Fund | 810,000.00 | 36,464.23 | ..... | 846,464.23 |
| Capital Improvement Fund | 396,557.37 | (39,897.94) | ..... | 356,659.43 |
| Operating Fund | 630,000.00 | 370,000.00 | ..... | 1,000,000.00 |
| Applied to Additions, Betterments and Extensions to the System and Other Purposes as Provided by the Enabling Act and Indenture | 1,543,493.68 | (199,452.85) | 537,556.00* | 806,484.83 |
| Unapplied (Revenue Fund and Other Items in Process of Collection—Net) | 384,334.19 | 209,033.71 | ..... | 593,367.90 |
| Total | <u>\$ 11,905,444.93</u> | <u>\$ 1,744,290.39</u> | <u>\$ 537,556.00</u> | <u>\$ 13,112,179.32</u> |

* Unamortized portion of debt expense written off.

EXHIBIT C

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

Statement of Net Revenue and Application Thereof, Year Ended June 30, 1959

| Detail | Santee | Horry | Berkeley | Total |
|---|------------------------|------------------------|---------------------|------------------------|
| Electric Operating Revenue: | | | | |
| Sales of Electric Current: | | | | |
| Residential or Domestic | \$ | \$ 747,302.00 | \$119,564.35 | \$ 866,866.35 |
| Rural ..... | ..... | 373,079.61 | 5,120.85 | 378,200.46 |
| Commercial and Industrial | 3,122,915.41 | 994,104.46 | 135,711.87 | 4,252,731.74 |
| Public Street Lighting ..... | ..... | 29,778.25 | 5,392.65 | 35,170.90 |
| Other Sales to Public Authorities | 757,788.30 | 24,714.44 | 3,564.26 | 786,067.00 |
| Other Electric Utilities | 2,507,181.30 | ..... | ..... | 2,507,181.30 |
| Total | \$ 6,387,885.01 | \$ 2,168,978.76 | \$269,353.98 | \$ 8,826,217.75 |
| Interdivisional Sales of Electricity (Contra) | 1,056,113.95 | ..... | ..... | 1,056,113.95 |
| Total Sales of Electric Current | \$ 7,443,998.96 | \$ 2,168,978.76 | \$269,353.98 | \$ 9,882,331.70 |
| Other Electric Revenue: | | | | |
| Customers' Forfeited Discounts ..... | ..... | 30,330.18 | 2,881.12 | 33,211.30 |
| Rent from Electric Property | 52,505.92 | ..... | ..... | 52,505.92 |
| Miscellaneous | 1,992.40 | 6,240.50 | 355.00 | 8,587.90 |
| Total Other Electric Revenue | \$ 54,498.32 | \$ 36,570.68 | \$ 3,236.12 | \$ 94,305.12 |
| Total Electric Operating Revenue | \$ 7,498,497.28 | \$ 2,205,549.44 | \$272,590.10 | \$ 9,976,636.82 |

Electric Operating Revenue Deductions:

| | | | | |
|---|-----------------|-----------------|---------------|-----------------|
| Interdivisional Purchase of Power..... | \$..... | \$ 939,870.51 | \$116,243.44 | \$ 1,056,113.95 |
| Operating Expenses: | | | | |
| Production—Exhibit D | 3,277,335.28 | ..... | ..... | 3,277,335.28 |
| Transmission—Exhibit E | 595,059.03 | ..... | ..... | 595,059.03 |
| Distribution—Exhibit F | | 182,851.26 | 30,747.84 | 213,599.10 |
| Other—Exhibit G | 313,606.46 | 225,584.47 | 34,285.96 | 573,476.89 |
| Depreciation | 1,209,150.72 | 155,905.14 | 28,300.32 | 1,393,356.18 |
| Taxes or Sums in Lieu of Taxes | 26,220.94 | 8,403.10 | 91.90 | 34,715.94 |
| | | <hr/> | <hr/> | <hr/> |
| Total Electric Operating Revenue Deductions.. | \$ 5,421,372.43 | \$ 1,512,614.48 | \$ 209,669.46 | \$ 7,143,656.37 |

Other Revenue:

| | | | | |
|--|-----------------|---------------|--------------|-----------------|
| Interest Income | \$ 158,536.41 | \$ 1,112.40 | \$ 137.52 | \$ 159,786.33 |
| Miscellaneous Non-Operating Revenue Deductions—Net.. | (12,133.54) | ..... | ..... | (12,133.54) |
| | | <hr/> | <hr/> | <hr/> |
| Total Other Revenue | \$ 146,402.87 | \$ 1,112.40 | \$ 137.52 | \$ 147,652.79 |
| | | <hr/> | <hr/> | <hr/> |
| Total | \$ 2,223,527.72 | \$ 694,047.36 | \$ 63,058.16 | \$ 2,980,633.24 |

Revenue Deductions:

| | | | | |
|---|-----------------|--------------|-------------|-----------------|
| Interest on Long-Term Debt | \$ 1,173,386.47 | \$ 27,528.36 | \$ 3,238.56 | \$ 1,204,153.39 |
| Amortization of Debt Discount and Expense | 24,955.18 | ..... | ..... | 24,955.18 |
| Other Interest Charges | | 6,811.90 | 422.38 | 7,234.28 |
| | | <hr/> | <hr/> | <hr/> |
| Total Revenue Deductions | \$ 1,198,341.65 | \$ 34,340.26 | \$ 3,660.94 | \$ 1,236,342.85 |

| | | | | |
|-------------------|-----------------|---------------|--------------|-----------------|
| Net Revenue | \$ 1,025,186.07 | \$ 659,707.10 | \$ 59,397.22 | \$ 1,744,290.39 |
|-------------------|-----------------|---------------|--------------|-----------------|

EXHIBIT C—Continued

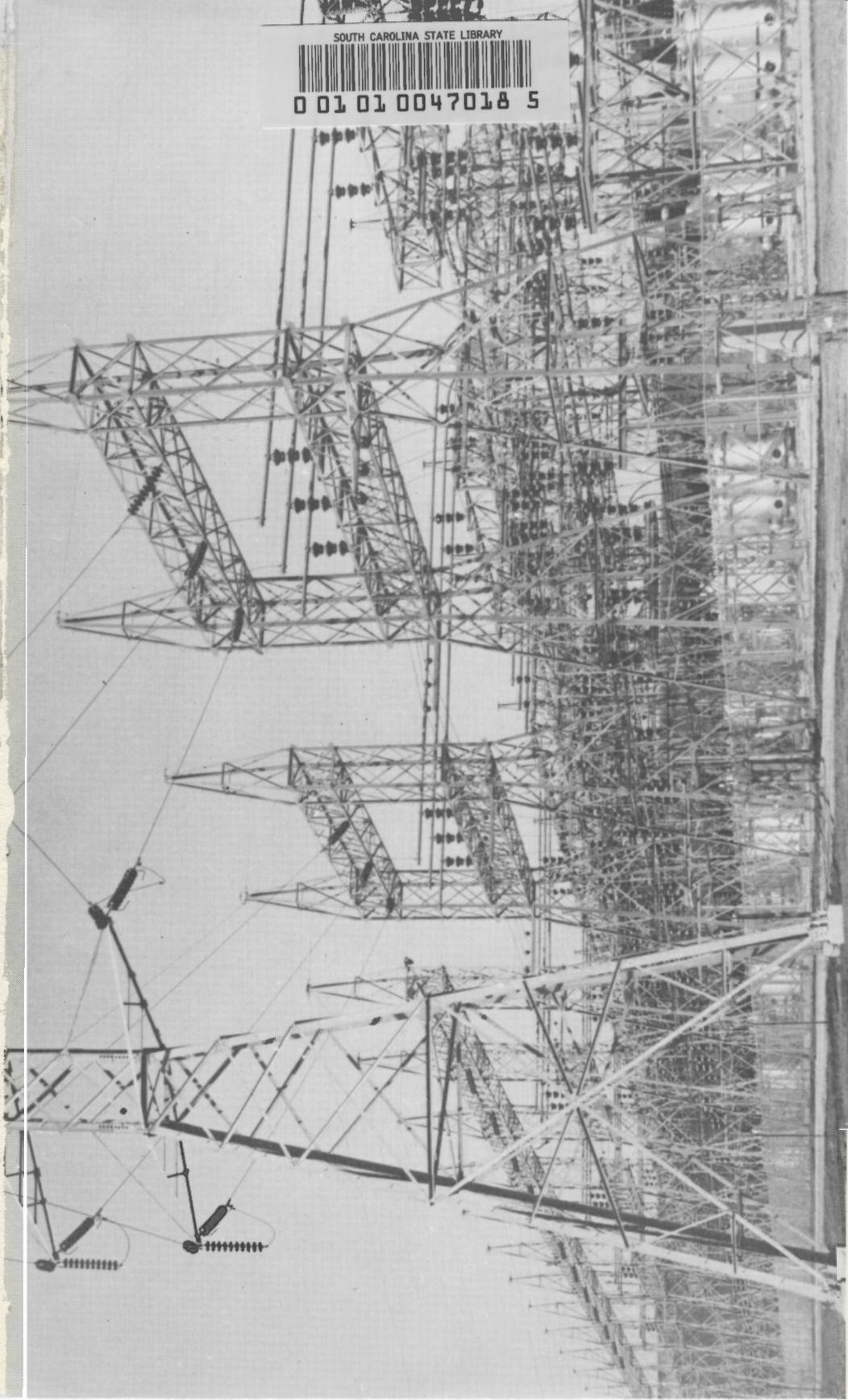
Statement of Net Revenue and Application Thereof, Year Ended June 30, 1959

| Detail | Santee | Horry | Berkeley | Total |
|--|--------|-------|--------------|----------------------|
| Deduct: | | | | |
| Applied to Retirement of Long-Term Debt | | | \$960,859.72 | |
| Additions to Funds as Required by the Enabling Act and Indenture: | | | | |
| Impounded Reserve Funds: | | | | |
| Debt Service Reserve Fund | | | 407,283.52 | |
| Contingency Fund | | | 36,464.23 | |
| Capital Improvement Fund | | | (39,897.94) | |
| Operating Fund | | | 370,000.00 | |
| Less, Excess of Depreciation Over Additions, Betterments and Extensions to the System and Other Items as Provided by the Enabling Act and Indenture | | | (199,452.85) | 1,535,256.68 |
| Increase in Accumulated Net Revenues—Unapplied | | | | \$ 209,033.71 |

SOUTH CAROLINA STATE LIBRARY



0 01 01 0047018 5



Pinopolis Switch Yard With Steel Tower in Foreground



MONCKS CORNER

COLUMBIA

MYRTLE BEACH

CONWAY

OCEAN DRIVE

ST. STEPHEN

LORIS