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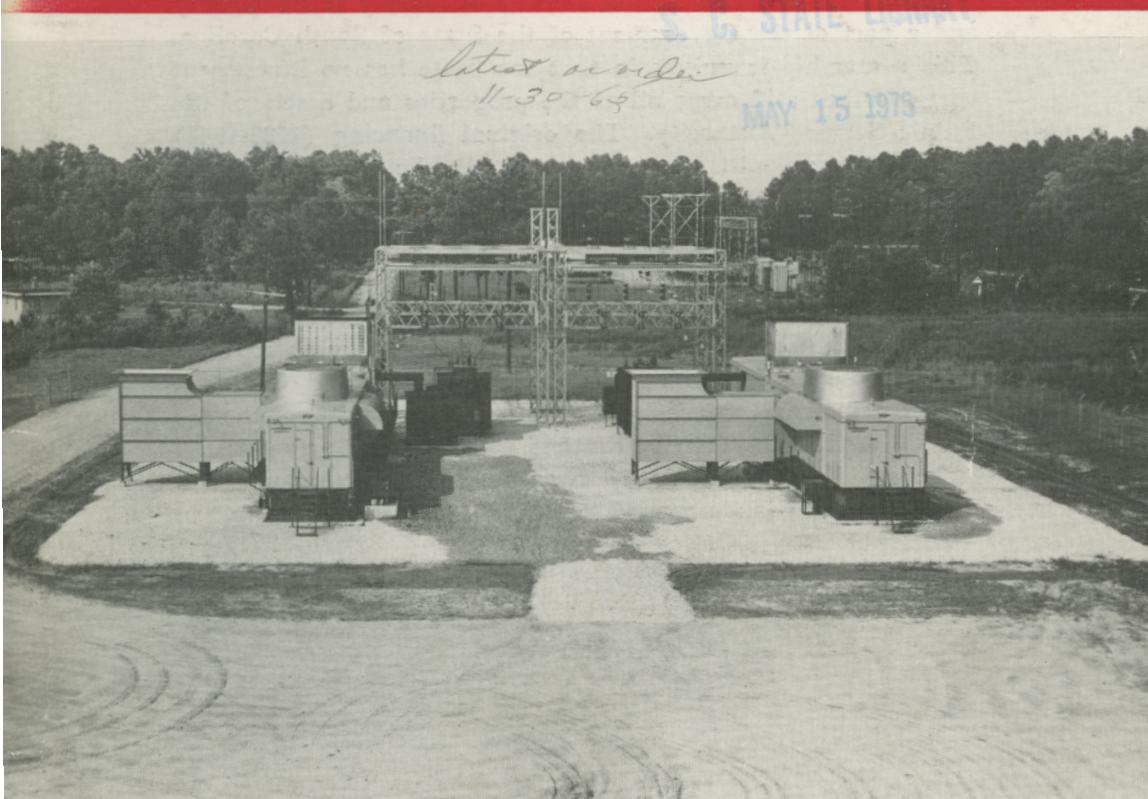
State reports

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28th Annual Report

For the Fiscal Year ended June 30th

1963



Myrtle Beach Gas Turbine Generators—Capacity 22,500 Kw

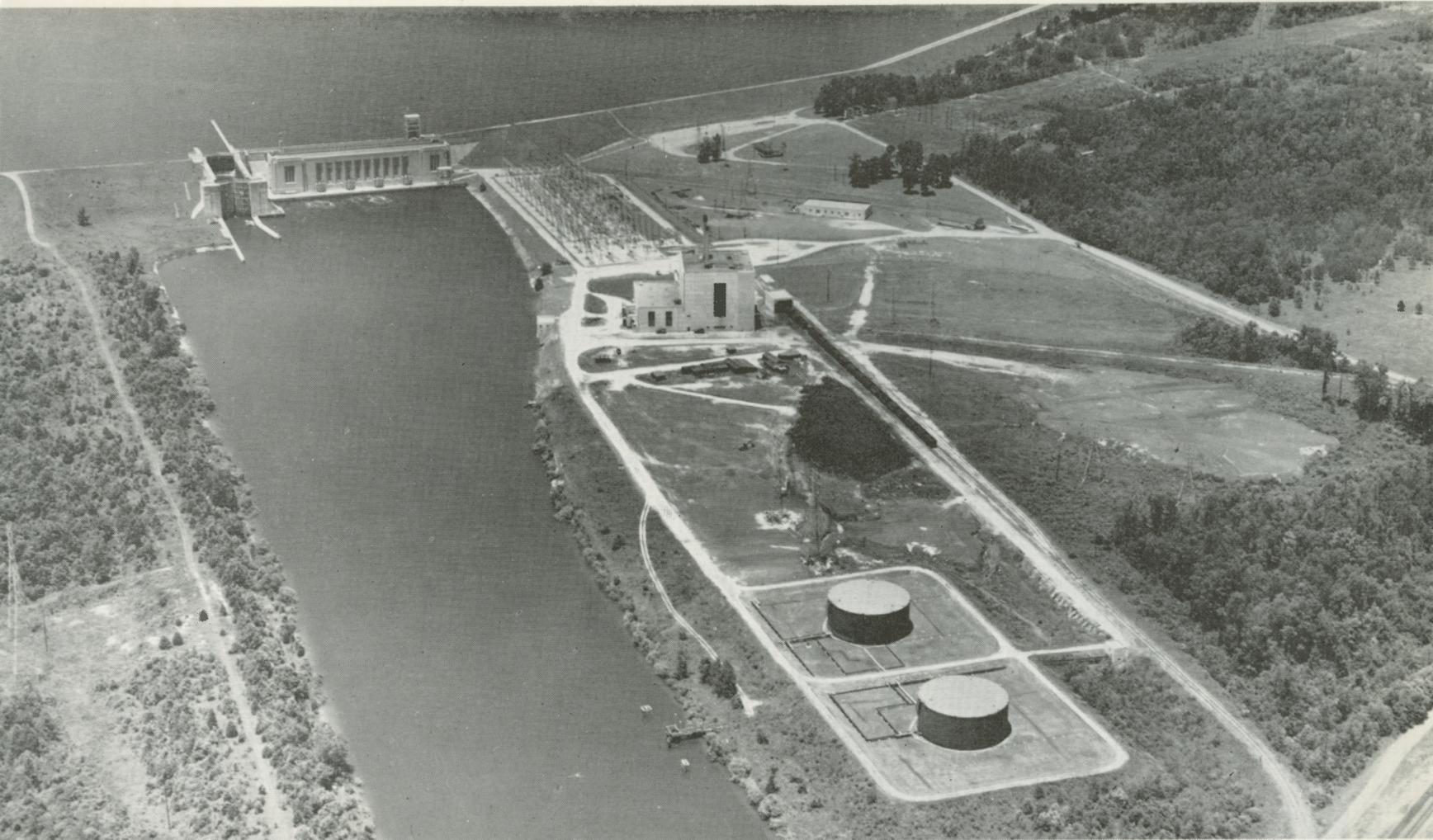
South Carolina Public Service Authority

MAIN OFFICE: *Moncks Corner, S. C.*

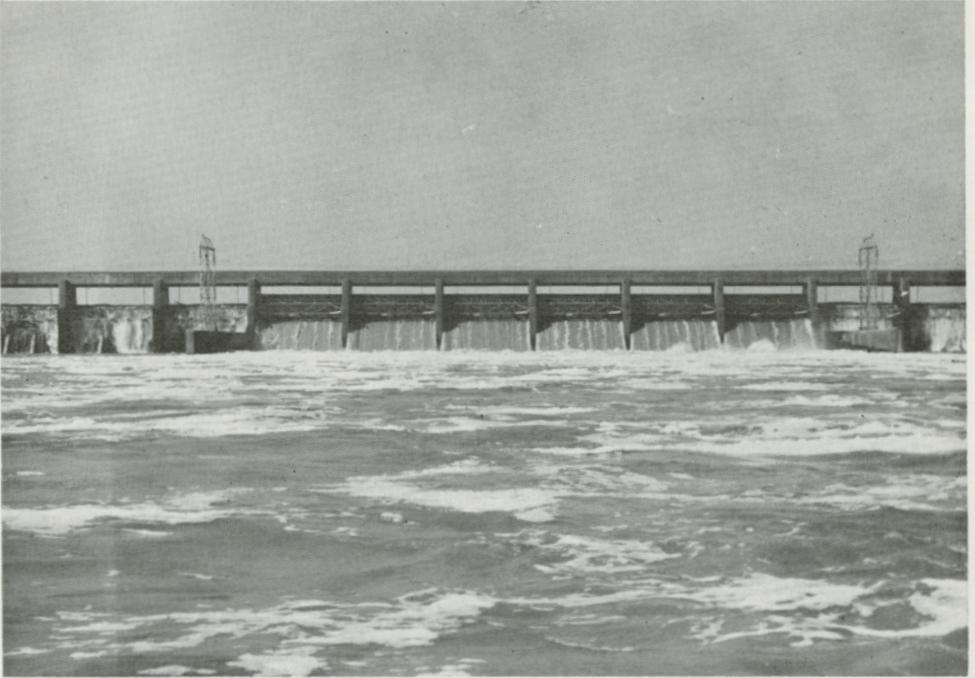
SANTEE-COOPER STATE OWNED

The South Carolina Public Service Authority is an Agency and a part of the Government of the State of South Carolina. This ownership is unique in that the State has no investment whatever but still owns all of the properties and assets of the Public Service Authority. The original financing (1938-1942) was by the United States through the Public Works Administration, later Federal Works Agency, by loan and grant. In 1950 the Authority sold bonds in the private market for the construction of a steam-electric generating station.

The Authority was established by Act No. 887 of the Acts of the General Assembly of South Carolina for the year 1934 for the purpose of developing the Cooper, Santee and Congaree Rivers as instrumentalities of interstate and intrastate commerce; for the production, distribution and sale of electric power; the reclamation and drainage of swampy and flooded land; and reforestation of lands around its lakes.



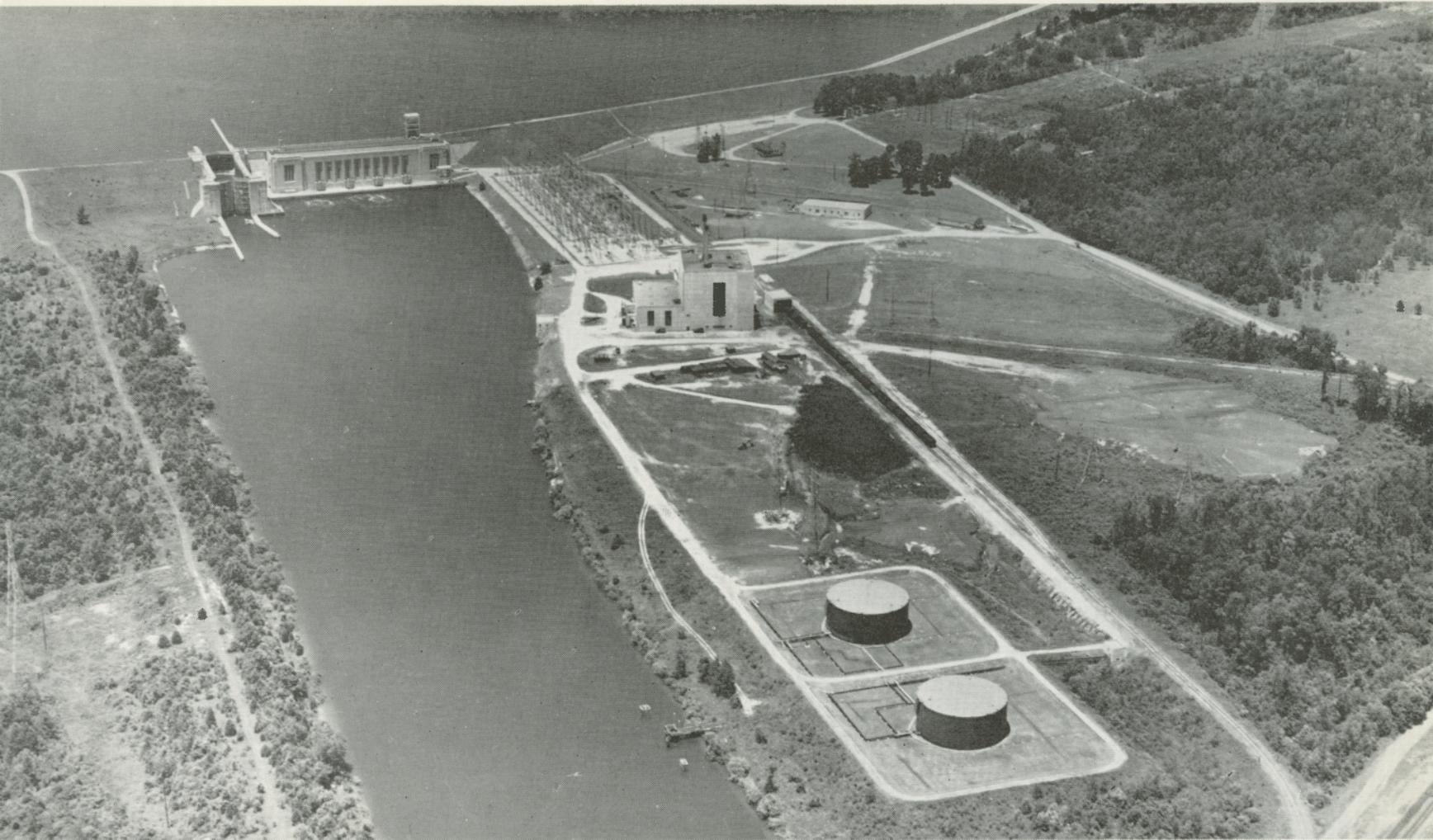
Aerial Photo of Authority's Generating Plants



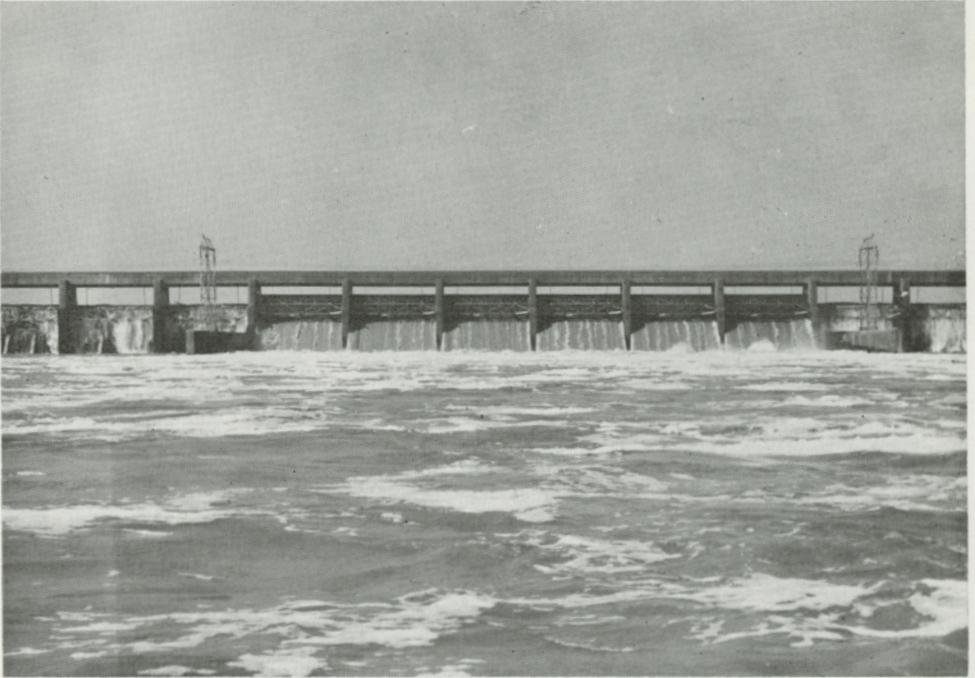
Spilling Operations Discharge Approximately 30,000 Cubic Feet of Water Per Second at the Authority's Spillway

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Aerial Photo of Authority's Generating Plants



Spilling Operations Discharge Approximately 30,000 Cubic Feet of Water Per Second at the Authority's Spillway

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**SOUTH CAROLINA PUBLIC SERVICE AUTHORITY
SANTEE-COOPER**

**ELECTRIC AND NAVIGATION SYSTEM
MONCK'S CORNER, SOUTH CAROLINA**

**P. O. BOX 398
TELEPHONE 825-2731**

PRINCIPAL OFFICE

The Honorable Donald S. Russell, 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, 1962, is the Twenty-eighth Annual Report of the South Carolina Public Service Authority covering activities of the fiscal year ended June 30, 1963.

Respectfully submitted,

E. Lee Skipper, Chairman
Board of Directors
South Carolina Public Service
Authority

ADVISORY BOARD



GOVERNOR DONALD S. RUSSELL
Chairman



JEFF B. BATES
State Treasurer



E. C. RHODES
Comptroller General



DANIEL R. McLEOD
Attorney General



O. FRANK THORNTON
Secretary of State

BOARD OF DIRECTORS



Left to Right:

HARRY L. CLINE
Director
Gaffney, S. C.

E. LEE SKIPPER
Chairman
Lancaster, S. C.

R. CARTER HENRY
Second Vice-Chairman
Greenville, S. C.

D. W. GREEN, JR.
Director
Conway, S. C.

MARVIN E. ABRAMS
Director
Whitmire, S. C.

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

R. M. JEFFERIES
General Manager
Walterboro, S. C.

LUCAS C. PADGETT
Director
Walterboro, S. C.

CHAIRMAN HAMMOND RETIRES

On October 22, 1962, the Board of Directors met with the employees in the Authority's Main Office for the purpose of honoring former Chairman James H. Hammond who retired after serving as Chairman of the Board since January 1943.

During Mr. Hammond's Chairmanship the Authority enjoyed a steady and healthy growth both physically and financially. Its total assets more than doubled, from less than 46 million dollars in 1943 to more than 100 million dollars in 1962, and its revenues increased from \$1,789,987 for the fiscal year 1942-1943 to \$10,776,022 for the fiscal year ending June 30, 1962.

In the picture below Director D. W. Green, Jr., is shown presenting former Chairman Hammond with a framed copy of a resolution offered by all members of the Board expressing the Board's appreciation for his long and faithful services and regret at his retirement from the Board.

Also appearing in the picture, seated, left to right, are Director R. Carter Henry, General Manager R. M. Jefferies, Chairman E. Lee Skipper, and Director Harry L. Cline.



OUR NEW CHAIRMAN

Edwin Lee Skipper of Lancaster, S. C., prior to being appointed Chairman, had served as a member of the Authority's Board of Directors since April 11, 1954.

Chairman Skipper graduated from The Citadel in 1910 and attended M. I. T., Boston, Mass., where he majored in cotton textile machinery. He saw service as an air pilot in France during World War I and began his career with the Springs Cotton Mills as a sweeper in the Lancaster Cotton Mill. From this beginner's position he worked his way up to Vice-President and General Manager of all the Springs Cotton Mills, serving in this capacity until his retirement in 1948. He is presently a Director of the Springs Cotton Mills and a member of the New Orleans Cotton Exchange.

In the picture below Director R. Carter Henry is shown presenting the gavel to Chairman Skipper at the meeting in the Authority's Main Office on October 22, 1963. From left to right (standing): Director Henry, General Manager R. M. Jefferies, Mrs. Harry L. Cline, Chairman Skipper, Mrs. Marvin E. Abrams (behind Chairman Skipper), Mrs. R. Carter Henry, Director Harry L. Cline, and Director D. W. Green, Jr. (Seated): Former Chairman Hammond, Director R. S. Lafaye, Director Marvin E. Abrams, and Director Lucas C. Padgett.



INTRODUCING OUR NEW DIRECTOR



Harry L. Cline

Harry Louis Cline of Gaffney was appointed by the Governor as a member of the Board of Directors of the South Carolina Public Service Authority on September 18, 1962.

Our new Director, the son of Mr. J. M. and the late Mrs. Leila (Thacker) Cline, was born September 5, 1921 at Royce City, Texas.

Mr. Cline is a graduate of Gaffney High School and received his law degree from the University of South Carolina in 1950. In August 1942, he entered the United States Navy, serving as an Aviation Cadet, Ensign and Lieutenant, junior grade, until April, 1946. He saw service in the Pacific Theater as a Naval Aviator with Air Group 40 based on the Carrier USS Swanee.

Mr. Cline married the former Miss Olive Clary Tate of Gaffney on June 15, 1951 and they have two children, Olive Clary Cline, 11, and Christopher Harry Cline, 4.

Mr. Cline is engaged in the general practice of law at Gaffney, S. C. and has been County Attorney for Cherokee County since 1957. He is Attorney for the Broad River Electric Cooperative, Inc., and a member of the Lawyers Committee of the National Rural Electric Cooperative Association. During 1951-1952 he served as a member of the S. C. House of Representatives from Cherokee County.

Mr. Cline is a member of the Cherokee County Bar Association, Kappa Sigma, Phi Alpha Delta, Pi Gamma Mu, Granard Lodge No. 186 A.F.M., S. C. Plaintiffs' Attorney Association, and National Association of Claimants' Counsel of America (NACCA). A member of the First Baptist Church, he is presently serving as Church Clerk and as Young Peoples' Sunday School Teacher.

His appointment as a member of the Authority's Board of Directors is in keeping with the high standards set by all Governors of the State for appointment of outstanding members to this important Board.

1962-1963 STAFF EMPLOYEES



Left to Right (Seated): T. M. Watson, Manager of Distribution; W. C. Walsh, Manager of General Maintenance; J. H. Tiencken, Comptroller; Mrs. E. G. Ficken, Administrative Assistant; R. M. Jefferies, General Manager; J. B. Thomason, Assistant to the General Manager; H. N. Cyrus, Manager of Engineering; H. L. Chaplin, Manager of Transmission; D. A. Springs, Industrial Engineer.

Left to Right (Standing): L. H. Harrell, Supervisor of Hydro Plant; W. D. Simpson, Legal Counsel; C. S. Gramling, Myrtle Beach District Supervisor; J. T. Duckett, Conway District Supervisor; W. L. Gill, Purchasing Agent; Z. C. Daniel, Buildings Engineer; L. P. Dorman, Secretary-Treasurer; C. P. Handte, Berkeley District Supervisor; W. G. Hurst, Manager of Production; E. D. Guy, Planning Engineer; D. L. Richardson, Land Agent; Henderson Guerry, Jr., Power Use Engineer; W. W. Scott, Assistant Manager of Production; and W. C. Wolfe, Assistant Comptroller.

1962-1963 DEVELOPMENTS

GENERATION—Total generation during the past fiscal year was 1,069,764,000 Kwh.

SALES—Net sales to customers of 1,383,155,540 Kwh was an all-time high for the Authority.

ELECTRIC REVENUE—Electric Operating Revenue of \$11,597,664.31 was also a new high.

OPERATING EXPENSE—Operating Expense for the year amounted to \$7,182,990.12.

NET REVENUE—Net Revenue available to meet Indenture requirements was \$1,913,359.41.

PAYMENT TO STATE—A payment of \$227,212.70 was made to the State of South Carolina on January 24, 1963.

AVERAGE RESIDENTIAL USE IN KWH—Average annual use of electricity per retail residential customer was 5,076 Kwh, 19% above the national average.

AVERAGE COST PER KWH—Average cost of electricity to retail residential customers was 1.80¢ per Kwh, or 25% less than the national average.

GAS TURBINE GENERATORS—Two package units with a total generating capacity of 22,500 Kw were installed near Myrtle Beach.

MOBILE SUBSTATIONS—Two mobile substations with capacities of 9,000 Kva and 25,000 Kva were purchased during the year.

THE YEAR IN REVIEW

On June 30, 1963 the Authority completed its 21st successful year of operations. For the eighth consecutive year it sold more than a billion kilowatt-hours of electricity.

Generation. Our total generation was 1,069,764,000 Kwh.

Sales. Net sales to customers of 1,383,155,540 Kwh was an all-time high exceeding last year by 25,649,020 Kwh.

Electric Operating Revenue for the year was \$11,597,664.31, also a new high for the Authority.

Retail Residential Rates. The Authority had 15,303 retail residential customers as of June 30, 1963. The average annual Kwh usage per residential customer was 5,076 Kwh as compared with the national average of 4,254 Kwh. The average cost per Kwh to these customers was 1.80¢ contrasting with the national average of 2.41¢ per Kwh.

Debt Service Requirements were met in full. As of June 30, 1963 the Authority had retired a total of \$9,574,966.05 of long-term debts and set aside for future payments in the Debt Service Reserve Fund, as required by the Indenture, a further sum of \$4,403,871.48 or a total of actual retirements and reserves for future retirements of \$13,978,837.53.

Payment to the State. A payment of \$227,212.70 was made to the State of South Carolina on January 24, 1963 by the South Carolina Public Service Authority through the South Carolina National Bank as Trustee, in accordance with Indenture provisions. Payments to the State now amount to \$2,309,679.96.

Maintenance of generating plants, substations and transmission and distribution lines was carried out on a prescribed maintenance schedule by the departments affected. Established programs of malaria control, reforestation, deferred clearing and maintenance of spillway, dams and dikes were continued during the year by the General Maintenance Department.

In cooperation with the South Carolina Department of Agriculture and the United States Corps of Engineers, the Authority continued to successfully control the growth of alligator weed and other obnoxious aquatic plants.

Flood Control. Spilling operations, which extended from March 13, 1963 through March 26, 1963, saw an average of 18,334 c.f.s. of

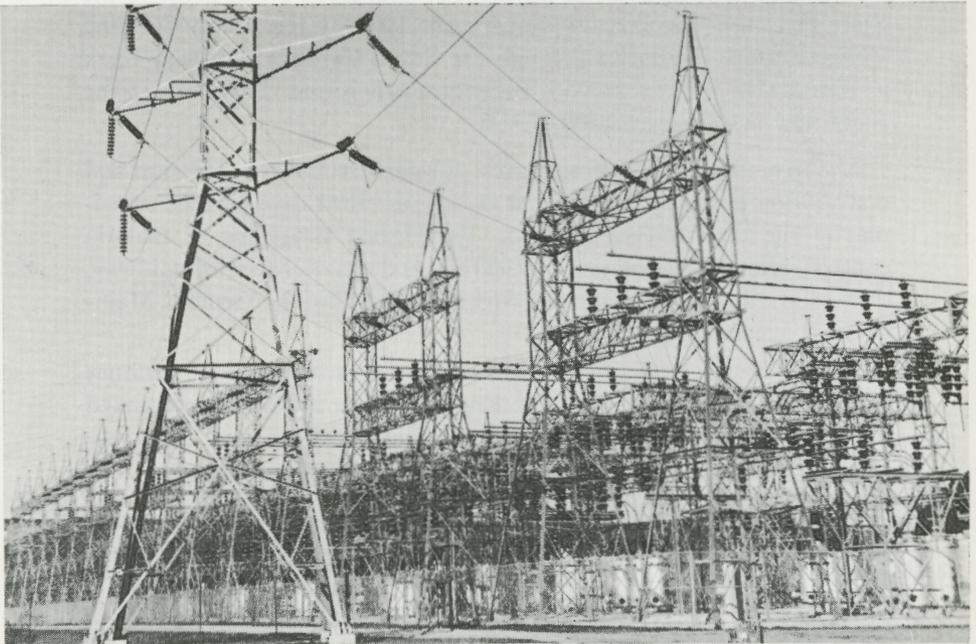
water spilled during the 14-day period. The maximum 24-hour inflow measured at Camden and Columbia was 105,200 c.f.s. on March 15, 1963. The maximum spilling was 46,800 c.f.s. on March 18, 1963, constituting a reduction of 58,400 c.f.s. below the maximum inflow.

Construction. Construction expenditures during the year amounted to \$1,730,517.37, representing new facilities, replacements and extensions to the System.

System Improvements. The new gas turbine generators located near Myrtle Beach were placed in service during the year. This facility, consisting of two package units with a total generating capacity of 22,500 kilowatts, is used to maintain voltage stability during high peak loads in the Myrtle Beach area. Also, they are expected to be of great value during emergencies arising from storms or transmission difficulties.

During the past year the Authority purchased two mobile substations of 9,000 Kva and 25,000 Kva capacities which are to be used during emergencies and while major maintenance is being performed in our permanent substations.

Several new substations were erected and placed in service during the year and the capacity of several existing substations was substantially increased. Voltage regulators, capacitors and larger conductors were added throughout our distribution system in order to insure a dependable supply of electric power to all of our customers.



View of Pinopolis Switchyard with a Steel Tower in the left Foreground

FINANCIAL

The South Carolina Public Service Authority's Financial Statement for the fiscal year ended June 30, 1963 reveals another year of successful operations.

Cash Receipts from all sources totaled \$11,814,388.50. Out of these funds the Authority met its Debt Service Requirements in full; paid \$250,455.57 rental for the Central Electric Cooperative "C" System; paid all bills on a current basis, taking advantage of all discounts allowed; paid \$2,384,877.50 for purchased power; and paid \$1,739,913.88 for fuel and freight for use in its generating stations.

Electric Operating Revenue for the fiscal year was \$11,597,664.31, an increase of \$821,641.99 over the previous fiscal year, and is the highest on record.

Other Revenue, consisting principally of interest on invested funds, amounted to \$219,932.79, an increase of \$32,419.78 over the last fiscal year and the highest on record.

Operating Expenses amounted to \$7,182,990.12, an increase of \$1,469,492.35 over the previous fiscal year, consisting primarily of increased purchases of power and fuel for generation.

Net Revenue available to meet Indenture requirements totaled \$1,913,359.41.

Debt Service Requirements were met in full during the fiscal year. This included the payment of Interest on Bonds in the amount of \$968,535.00, retirement of Bonds aggregating \$775,000.00 payments on the Central Electric Power Cooperative, Inc. A-B Loans of \$431,043.98 and \$17,000.00 was added to the Contingency Fund in accordance with the provisions of the Indenture. The total paid and set aside in the various funds during the year totaled \$2,191,578.98.

Payment to the State. The Authority delivered to the State Treasurer on January 24, 1963 a check of The South Carolina National Bank, as Trustee, in the amount of \$227,212.70 representing the amount to be paid to the State during the year ended June 30, 1963 in accordance with Section 5.10 of the Indenture between the Authority and the Trustee under which the Authority bonds were issued.

BALANCE SHEET

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

BALANCE SHEET—JUNE 30, 1963

ASSETS

Fixed Assets:

Electric Plant (Net)	\$ 91,510,064.10	
Other Physical Property (Net)	269,249.09	
		\$ 91,779,313.19

Impounded Reserve Funds:

Invested in U. S. Government Securities \$	6,348,902.45	
Cash Held by Trustee	972,157.21	
		7,321,059.66

Current Assets:

Funds Held by Trustee and Misc. Funds \$	1,498,283.33	
Other Current Assets, Accounts Receivable, Inventories, Etc.	2,644,608.00	
		4,142,891.33

Deferred Debits

92,930.80

Total \$ 103,336,194.98

LIABILITIES

Long-Term Debt:

Parity Obligations:

Electric Revenue Bonds, 2½%	\$ 22,954,000.00	
Electric Revenue Bonds, Series of 1950	14,040,000.00	
Contract Obligation Central Electric Power Cooperative, Inc.	7,500,720.59	
		\$ 44,494,720.59

Junior Obligation (for Two Gas Turbine
Package Power Plants) 1,575,000.00

Current Liabilities:

Accounts Payable	\$ 684,996.33	
Consumer Security Deposits	220,400.04	
Other Current Liabilities	85,309.81	
		990,706.18

Accrual for Future Rental Payments

288,997.16

Contributions in Aid of Construction:

Customers' Contribution for Construction \$	43,256.29	
U. S. Government Grants	34,438,263.79	
		34,481,520.08

Accumulated Net Revenues:

Applied to Retire Long-Term Debt.	\$ 9,574,966.05	
Reserves and Other Funds Established Under Requirements of Indenture and Enabling Act	8,572,036.51	
Applied to Additions, Betterments and Extensions of the System, Etc.	2,675,812.53	
Unapplied (Revenue and Other Items in Process of Collection—[Net])	682,435.88	21,505,250.97

Total \$ 103,336,194.98

REVENUES

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY STATEMENT OF NET REVENUE AND APPLICATION THEREOF FOR THE FISCAL YEAR ENDED JUNE 30, 1963

Electric Operating Revenue:	
Sales of Electricity	\$ 11,450,933.92
Other Electric Revenue	146,730.39
	<u>\$ 11,597,664.31</u>
Electric Operating Revenue Deductions:	
Operating Expenses:	
Purchased and Interchanged Power ...	\$ 2,425,721.17
Fuel for Generating Stations	1,738,606.37
Operating Salaries and Wages	1,772,551.58
Accrual for "C" Loan Rental	236,191.58
Materials and Other Expenses	1,009,919.42
Provision for Depreciation	1,544,024.10
Sums in Lieu of Taxes	42,156.92
	<u>8,769,171.14</u>
Total Elec. Operating Rev. Deduct.	
	<u>\$ 2,828,493.17</u>
Operating Revenue	
Other Revenue	219,932.79
	<u>\$ 3,048,425.96</u>
Total	
Revenue Deductions:	
Interest on Long-Term Debt	\$ 1,126,546.68
Interest on Customer Deposits	8,519.87
	<u>1,135,066.55</u>
Total Revenue Deductions	
Net Revenue	<u>\$ 1,913,359.41</u>
Application of Net Revenues:	
To Retire Long-Term Debt	\$ 1,165,632.30
Additions to Funds as Required by the Enabling Act and Indenture	682,916.30
Payment to the State of South Carolina ..	227,212.70
Applied to Additions, Betterments and Extensions to the System, Etc.	13,098.74
	<u>\$ 2,088,860.04</u>
Total Applied	
Less: Allocated from Previously Accumulated Net Revenues	175,500.63
	<u>\$ 1,913,359.41</u>
Net Revenues Applied	

MAJOR PAYMENTS

MAJOR PAYMENTS DURING THE FISCAL YEARS 1961-1962 and 1962-1963

Debt Service Payments:	1961-1962	1962-1963
Parity Obligations:		
Interest on Funded Debt:		
F. W. A. Bonds	\$ 604,475.00	\$ 589,350.00
Steam Plant Bonds	383,060.00	379,185.00
Central Transmission System A-B Loan	149,703.87	145,411.68
Interest Payments	\$ 1,137,238.87	\$ 1,113,946.68
Payments on Principal:		
F. W. A. Bonds	\$ 605,000.00	\$ 620,000.00
Steam Plant Bonds	155,000.00	155,000.00
Central Transmission System A-B Loan	281,340.11	285,632.30
Principal Payments	\$ 1,041,340.11	\$ 1,060,632.30
Reserve Funds Mandatory Requirements:		
Contingency Fund	\$ 11,000.00	\$ 17,000.00
Junior Obligation:		
For Two Gas Turbine Pkg. Power Plants:		
Principal	\$	\$ 281,000.00
Interest .....	.....	25,200.00
Total Debt Service	\$ 2,189,578.98	\$ 2,497,778.98
Fuel for Generating Stations	\$ 1,424,491.75	\$ 1,739,913.88
Purchased Power	\$ 1,944,729.50	\$ 2,384,877.50
Rental Payments on "C" Trans. System	\$ 207,981.76	\$ 250,455.57
Salaries and Wages	\$ 2,046,154.57	\$ 2,186,187.49
Necessary New Construction	\$ 3,247,936.89	\$ 1,730,517.37
Payment to the State of South Carolina	\$ 217,384.69	\$ 227,212.70

GENERATION AND SALES

Our hydro-electric plant and steam generating plant near Moncks Corner, together with our small hydro plant at the spillway and the gas turbine generators at Myrtle Beach, have a total generating capacity of 245,035 Kw.

Our total generation during the fiscal year ended June 30, 1963 was 1,069,764,000 Kwh.

Hydro generation of 557,839,000 Kwh was more than 200 million Kwh below that of the previous year due to less inflow into our reservoirs. Steam generation was 511,472,000 Kwh compared with 392,477,000 the previous year. The Authority purchased 427,027,000 Kwh of power during the year.

The Authority sold 1,402,758,314 Kwh of electricity wholesale of which a portion went into its distribution systems and after accounting for station use, transmission and distribution losses, there resulted a net sale to ultimate consumers of 1,383,155,540 Kwh, a new record for sales during any fiscal year.

This power was sold to eleven large industrial customers, several small industries, three large military customers, seventeen rural electric cooperatives, two municipalities, and to retail customers in Berkeley, Georgetown and Horry Counties.

The power demand of our rural electric cooperative customers continued to increase. Seventeen rural electric cooperatives bought 506,361,045 Kwh of electricity from the Authority to serve the requirements of their more than 100,000 consumers.

Our retail customers used 155,743,310 Kwh during the year for a total retail revenue to the Authority of \$2,955,066.86. Annual average usage per customer was 8,038 Kwh.

All classes of customers, with the exception of wholesale industrial customers, continued to increase their consumption of electricity during the past fiscal year.

VISITORS

The Authority is host to thousands of visitors annually. Individuals, families and groups visit Santee-Cooper to see the powerhouse, stem-electric generating plant, navigation lock and spillway.

Many groups of college, high school and junior high students are taken on conducted tours of the project by their instructors as a practical part of their study assignments.

Several hundred more visitors pass through the navigation lock in pleasure craft each year. Many boating clubs pass through the lock on regular trips to and from Charleston. During the past year our lock was operated 250 times for the passage of pleasure craft.

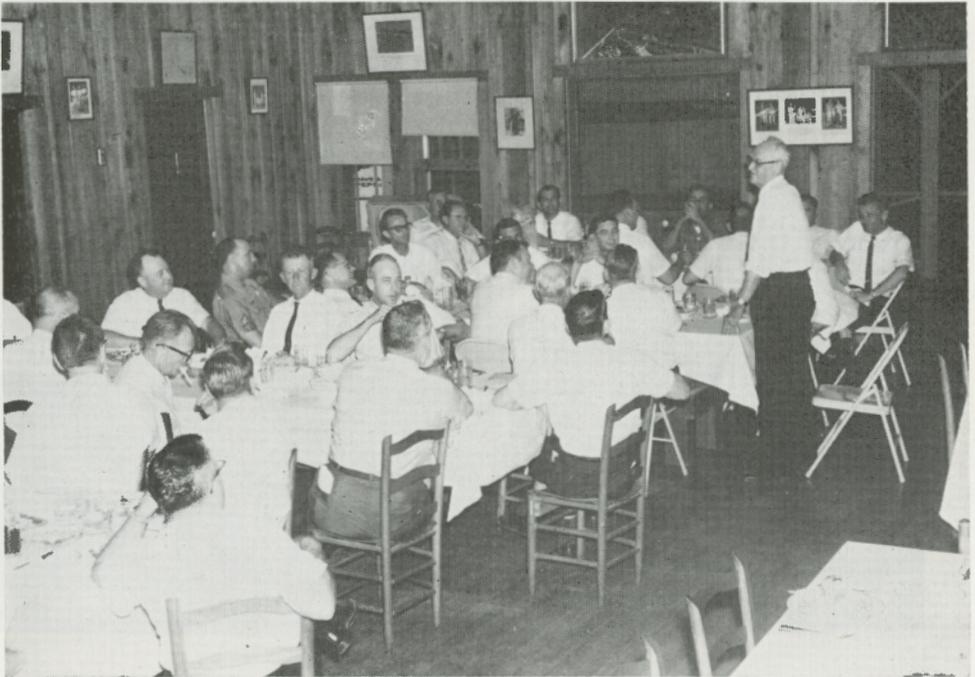
Below and on the next page are pictures of three of the groups that visited the Authority during the past fiscal year.



Displaying Fish Caught During April, 1963 Visit are, left to right: F. C. Belen, Assistant Postmaster General; Freddy Belen, Ross Anderson, Senator Olin D. Johnston, Jimmy Day, J. W. Webb, Director, S. C. Wildlife Resources Department; J. Edward Day, former Postmaster General; W. C. Johnston, E. L. Griffin, Phillip Wirtz, and W. Willard Wirtz, Secretary of Labor.



Visiting Citadel Cadets Inspect the Hydro Plant, December, 1962



General Manager R. M. Jefferies Welcomes Group Making Tour of the State's Internal Industries, May 9, 1963

OUR COASTAL SERVICE AREAS

HORRY COUNTY

The Authority's retail area includes the whole coast line from Little River to Pawley's Island, serving Little River, Cherry Grove Beach, Ocean Drive Beach, Crescent Beach, Atlantic Beach, Windy Hill Beach, Myrtle Beach, Surfside Beach, Garden City, Murrells Inlet, Litchfield Beach and Pawleys Island. These localities comprise South Carolina's famous Grand Strand and boast of fifty miles of clean, safe waterfront providing unexcelled salt-water recreational facilities.

The Grand Strand is one of the most popular resort areas in the nation with wonderful vacation attractions, including fine beaches, excellent golf courses, amusement parks, pier and deep-sea fishing facilities, summer stock theater, free city parks, stock car races and camping and picnic accommodations. Total population of the Grand Strand, including Myrtle Beach, is now estimated at 25,000 but the area's summer population ranges from 50,000 to more than 100,000 on busy weekends.

There are approximately 35 miles of free public beaches within the Grand Strand area and the absence of rivers, shipping and pollution means the cleanest water on the Atlantic coast. The strand is about one-eighth mile wide at low tide and, with the Gulf Stream only 35 miles away, swimming can be enjoyed almost year-round.

Myrtle Beach is the center and largest city of the Grand Strand. First developed as a resort in 1926, Myrtle Beach was incorporated March 12, 1938 and is named for the native myrtle bushes that abound there. Myrtle Beach has rapidly grown within a few years from a small agricultural center to one of the nation's outstanding seashore





Above: Aerial View of Myrtle Beach with Pavilion in the Center of the Picture

resorts. It possesses the most modern stores, hotels, guest houses and apartments for summer residents and provides numerous modern restaurants and motels for tourists. All along the Grand Strand are similar facilities. The Greater Myrtle Beach Chamber of Commerce vigorously promotes the development of the entire Grand Strand.

The annual Sun Fun Festival, produced by the Myrtle Beach Junior Chamber of Commerce and the Greater Myrtle Beach Chamber of Commerce, has become a nationally recognized summer attraction.

Below: The Authority's Myrtle Beach District Office, Headquarters of Our Grand Strand Operations



It is the high spot of the season and draws crowds estimated at more than 100,000 annually.

The Grand Strand is famous for its fishing—surf, pier, inlet and deep-sea. The fishing enthusiasts may choose from twelve piers, many boats or almost any spot in the surf in order to try his luck at catching one or more of over seventy-five varieties of fish which are caught in the area. The Grand Strand Fishing Rodeo is an annual fishing event sponsored by the Greater Myrtle Beach Chamber of Commerce. This event begins on May 1 and continues through Thanksgiving Day and attracts thousands of fishermen each year. This year prizes totaling \$10,000.00 in cash and 3,000 certificates will be awarded to the top fishermen in this entry-free rodeo.

Located twelve miles south of Myrtle Beach on U. S. Highway No. 17, Murrells Inlet is one of the oldest and most popular fishing spots on the Grand Strand.

Rube Allyn of St. Petersburg, Florida, President of the Great Outdoors Association, stated recently, "It is unusual to note that Murrells Inlet now holds more world records than any other fishing resort in the world, on record."

Since 1960, Murrells Inlet world records certified by the Great Outdoors Association are common pompano, 6 pounds 11 ounces caught by Harry Taylor, Conway, S. C.; orange filefish, 19 inches, caught by Julien Salley, Columbia, S. C.; threadfish, 7½ inches, 5½ ounces, caught by John Ehrlich, Columbia, S. C.; radiated shanny, 14 inches, caught by Tom Hussey, Myrtle Beach, S. C.; speckled moray eel, 19½ inches, caught by Bill Cope and a slime eel caught by David Braswell, both of Murrells Inlet. The most recent world record certified by the Association is a 4-pound, 2 ounce sailors choice caught by Emmet Baker of Laurinburg, North Carolina. Mr. Baker caught his record fish off Murrells Inlet on June 9, 1963.

The above list of world record catches is indicative of the great variety of fish inhabiting the inlet area. In addition to the more well-know species for which Murrells Inlet has long been famous, catches of tarpon and king mackerel have recently begun to make this vicinity even more attractive to fishermen from far and near.

Grand Strand pier fishing is for all members of the family—men, women and children—young and old. When the fish are biting, the unskilled fisherman will have success with spots, whiting and other pier favorites. The experienced sportsman can go after the big tarpon, king mackerel and other game fish. Admission rates for the piers are reasonable and the fishermen may furnish his own equipment or rent tackle at any of the piers.



Authority's Float in 1963 Sun-Fun Parade



A Portion of the Huge Crowd that Witnessed the Parade

There is fine surf fishing along the beaches and inlets throughout the 50-mile Grand Strand and inlet fishing from small boats is enjoyed during all seasons. Small boats, outboard motors and tackle are available for rent at several locations and for those who bring their own boats, there are a number of public and private landings for boat-launching. Larger boats are available for trolling, deep-sea, Gulf Stream and charter fishing trips.

Located immediately south of Myrtle Beach is Springmaid Beach. This fine privately owned beach was built in 1949 under the leadership of Colonel Elliott White Springs, President of The Springs Cotton Mills for a quarter of a century until his death in 1959. It is owned and operated by Leroy Springs and Company, primarily for the benefit of the residents of Lancaster County, Fort Mill Township in York County and Chester Township in Chester County.

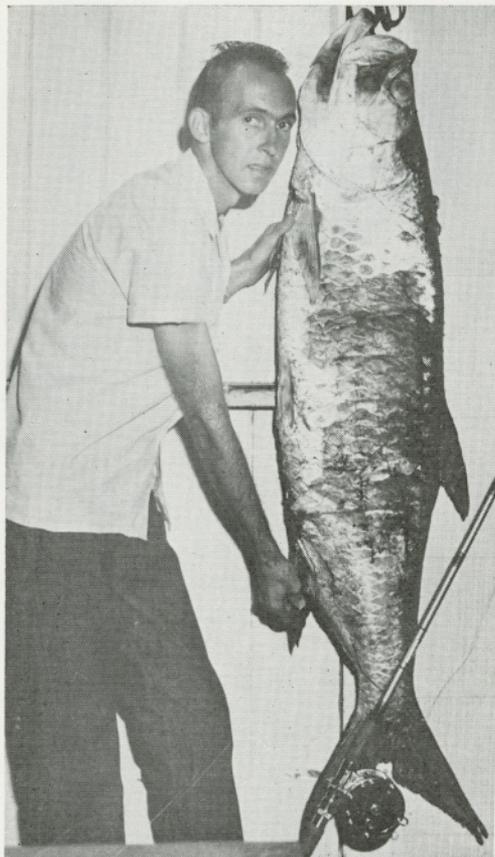
This popular beach resort can accommodate 288 persons at one time and during a normal three-month summer season it has a total of about 25,000 guests.

Springmaid Beach has two-room suites, individual rooms, a large hexagonal wading pool, a playground for children, shuffleboard courts and 1,000 feet of beach frontage.

Also near Myrtle Beach the large Myrtle Beach Air Force Base with its Capehart Housing Development has resulted in increased population and enlarged business activity.

Brookgreen Gardens, located 17 miles south of Myrtle Beach, has on display the world's largest collection of outdoor American statuary and its gardens feature many native South Carolina plants and flowers, a zoo and a picnic area. This magnificent property containing hundreds of acres of gardens and woodland has been given to the State by its former owners, Mr. and Mrs. A. M. Huntington, people of wealth and famous as sculptors. Some of the statuary pieces in the garden were the work of the Huntingtons. Open daily except Monday throughout the year and free to all visitors, Brookgreen Gardens has long been one of the Grand Strand's most popular attractions.

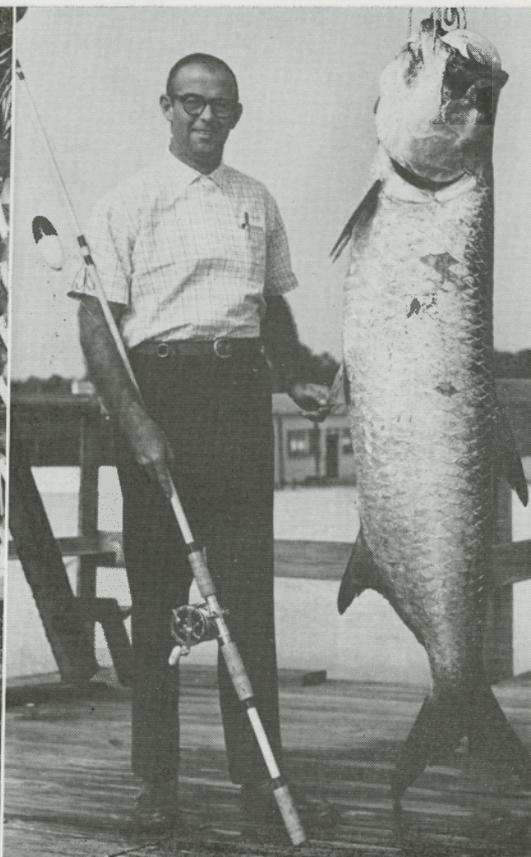
During the summer season tours of Lower Waverly Plantation are available to visitors to the Grand Strand. Lower Waverly is located 25 miles south of Myrtle Beach near Pawleys Island. Here visitors may capture some of the spirit of romance and splendor that was once the glorious rice age of the South Carolina Low Country. From a bluff covered with moss-hung live oaks and banks of camellias and azaleas, spectators can view the old marsh-covered rice fields and river in the distance. Originally established in 1750, Lower Waverly was secured partly through grant from the King of England and



Walter Norris of Whiteville, N. C., caught this prize winning 64-pound tarpon while he fished from a pier.



F. B. Fowler, Grundy, Va., displays 49-pound 7' 4" sailfish he landed after a 45-minute battle while trolling from a boat.



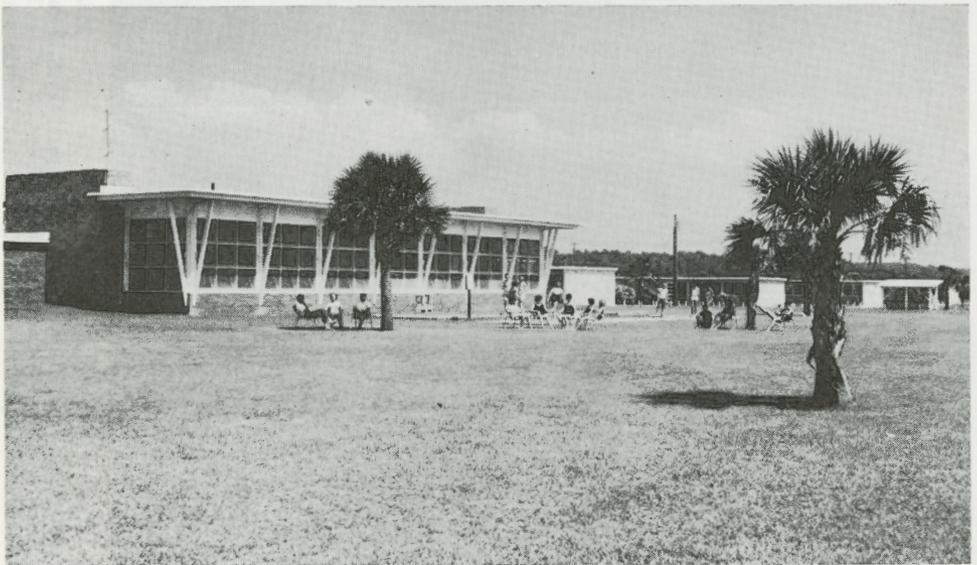
George Singleton, Myrtle Beach, shows a 128-pound tarpon believed to be a world's record for a pier catch of this species.



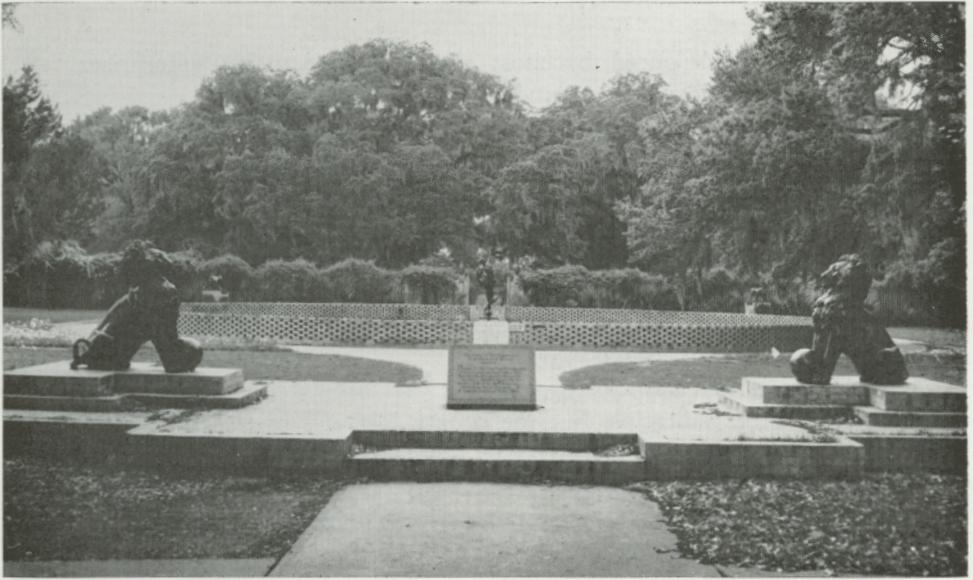
Long a Grand Strand Landmark, the Newly Renovated Ocean Forest Hotel is One of the Many Fine Accommodations Available to Tourists and Conventions

partly through purchase by John Allston, one of two brothers who settled in this region.

Located only 14 miles from South Carolina's Grand Strand is the fast growing city of Conway. This fine city derives its growth from business connected with agriculture, lumber and other industry. A fine tribute to the cooperation and untiring efforts of the people of this area is the Coastal Carolina Junior College located near Conway



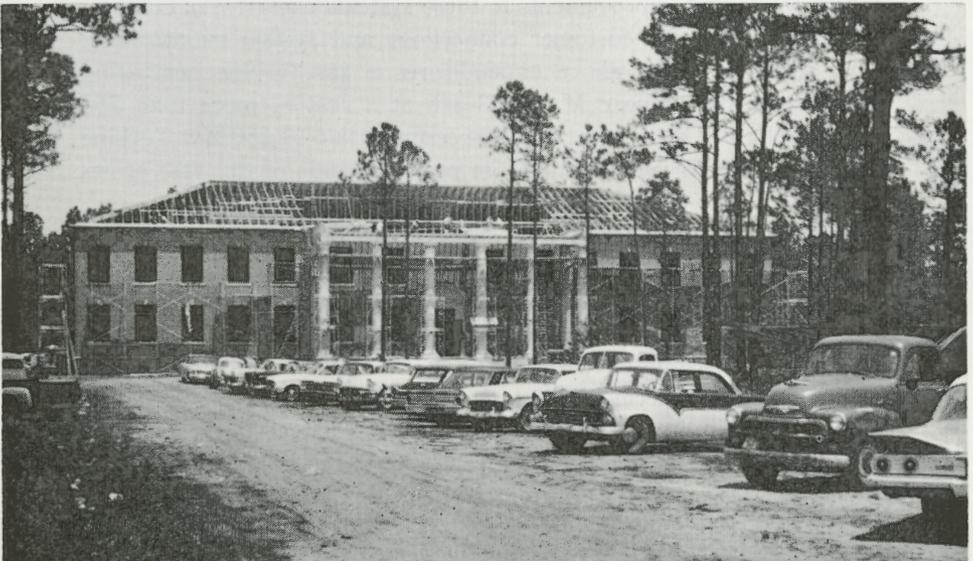
A Relaxing Scene at Springmaid Beach



Photograph Taken in Beautiful Brookgreen Gardens

just off the Myrtle Beach highway. The initial stage of construction is nearing completion and classes are scheduled to begin this fall.

Among the many outstanding progressive communities of the great County of Horry is the fine town of Loris, located in one of the best agricultural sections of the nation and inhabited by progressive people. During the past year much industrial expansion has taken place in Loris and its strong agricultural economy, based to a large extent on tobacco and several new crops for the area, such as strawberries,



Building at Coastal Carolina College Nearing Completion

will soon be balanced by most useful manufacturing enterprises furnishing employment to hundreds of people.

Horry County is justifiably famous for its resorts on the Atlantic Ocean and the tourist business that the Grand Strand attracts, but another less publicized business is just as important to the County's economic well being. Agriculture is big business in Horry County. In 1961 Horry headed the list of the top ten agricultural counties in South Carolina according to Federal Crop Reporting statistics. It was also in first place in highest cash receipts from farm marketing of crops during the same year.

Although final statistics run about a year behind actual production, there is little indication that the county lost any of its agricultural prestige during 1962. Farmers in Horry County produce approximately one-fourth of South Carolina's \$100 million plus tobacco crop. The county has two tobacco markets located in Conway and Loris, a sweet potato market at Loris, and the Horry County Farmers' Market sells the bulk of the county's truck crop harvest each summer. Other major crops planted by Horry farmers include corn, sweet potatoes, soybeans, strawberries and cotton.

The rural sections of Horry County are served with Santee-Cooper power through the facilities of the Horry Electric Cooperative which has more than 7,500 customers and buys all of its power from the Authority.

The main factor in the growth of the Authority's retail business has been the rapid development of Horry County and the Grand Strand. Since acquisition of the electric systems of Conway and Myrtle Beach in 1941, the Authority has spent more than 10 million dollars for capital improvements to these systems exclusive of continuing expenditures for customer connections and system maintenance.

In addition to the above expenditures a gas turbine generating plant was installed near Myrtle Beach at a cost of more than 2¼ million dollars. This generating plant contains two 11,250 Kw Turbine Generators and is used to meet the peak demands of this fast growing area.

Plans are well advanced for the construction of a new steam-electric generating station near Conway to be built by Central Electric Power Cooperative, Inc., and operated on a lease-purchase agreement by the Authority. The new plant is to be a 150,000 Kilowatt steam generating station, consisting of two 75,000 Kw units and immediately related facilities, and is expected to cost, \$27,620,000.

The Authority is pleased with the part it has played in the development of Horry County during the past decade and is looking forward to being of service in the future growth of this fine county.

HILTON HEAD ISLAND

Located in the extreme southeastern corner of South Carolina, on the Atlantic Ocean midway between Beaufort, S. C. and Savannah, Georgia, Hilton Head Island is one of the most recent of America's resort developments and is served with Santee-Cooper power through the distribution facilities of the Palmetto Electric Cooperative.

It is believed that Indian hunters roamed the Island 8,000 to 10,000 years ago and that permanent Indian settlements were established as much as 4,000 years ago. Radioactive carbon dating of material found in two of their great ceremonial shell rings indicate that they were built approximately 3,800 years ago.

During the sixteenth century the Island was claimed and occupied alternately by Spain and France. Apparently abandoned during the early 1600's, it was sighted from the sea by Captain William Hilton, an Englishman who gave it his name. Under English control from 1698 until the Revolutionary War the Island became the home of several prosperous plantations producing indigo and the famous Sea Island cotton.

In 1861 the north gained control of Hilton Head Island and for the next three and one-half years the Island was occupied by northern troops. The war ended the plantation way of life and for almost a century the Island, with the exception of some small farms, was uncultivated and allowed to be reclaimed by the forces of nature.

In 1950 the major portion of the Island was acquired by two development companies and within a few years Hilton Head was transformed into a beautiful vacation and retirement haven.

Made easily accessible by the construction of a bridge in 1956, the



Aerial View of a Portion of Hilton Head Island



**Patio and Pool of Luxurious Ocean Front Hotel at Hilton Head
(Photo by Frank J. Miller)**

Island now attracts thousands of visitors annually and is becoming the permanent residence of an ever increasing number of people.

Residents and visitors alike find the history and legend of the Island intriguing. Sketchy history of early Indian, Spanish, French and English occupation combine with legendary stories of sea pirates and buried treasure to stir the imagination regarding Hilton Head's past.

Still existing is some tangible evidence of the Island's history. One may explore the remains of the Civil War fortifications on the northern beaches, visit the stone bordered "Spanish well" at the southern tip of the Island, or view the ruins of Baynard Hall, once the site of a great plantation. The foundation of America's only "steam gun" is located on the northern end of the Island. This rifled cannon, one of the most unusual ever devised, utilized steam pressure to propel a dynamite charged projectile toward its target. United States Army Ordnance reports indicate that, contrary to legend, the gun performed very well.

Sharply contrasting with the Hilton Head Island of a decade ago, today the Island offers modern, comfortable accommodations to the visitor and beautiful home sites for vacation or permanent residents. Today the Island's guest facilities include a luxurious hotel named for Captain William Hilton, a modern motel named for his ship, *The Adventurer*, from which he first saw the Island, a beautiful eighteen-hole championship golf course, two marinas, and a beach arcade and amusement center.

BERKELEY DISTRICT

The Berkeley District, comprising the electric systems of St. Stephen, Moncks Corner and Pinopolis, has enjoyed a steady growth since being acquired by the Authority in 1943. Since acquisition the number of customers in the Berkeley District has more than tripled, increasing from 641 customers in 1943 to 2,002 customers in 1963, and has required the expenditure of \$1,219,095.00 for capital improvements to its system.

In the picture below Mr. and Mrs. F. H. Bennett are shown receiving a certificate designating their new home in St. Stephen as a Gold Medallion Home. In making the award, Mr. T. M. Watson, Manager of Distribution, congratulated Mr. and Mrs. Bennett on the electrical excellence of their home and predicted an increasing acceptance of Gold Medallion standards by other discriminating homeowners throughout the Authority's retail service areas.

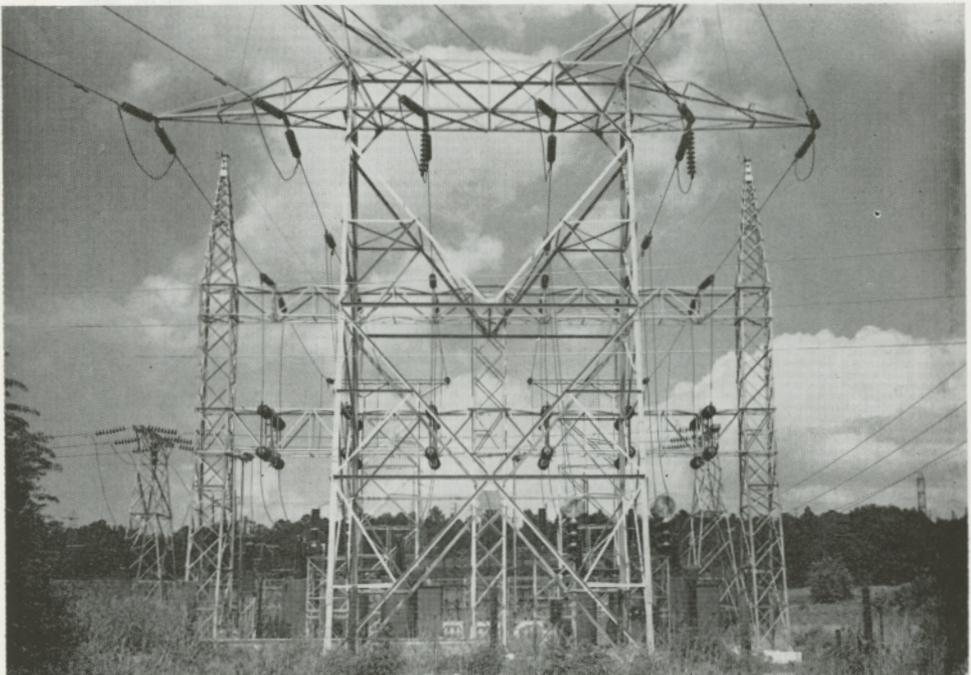


TRANSMISSION SYSTEM

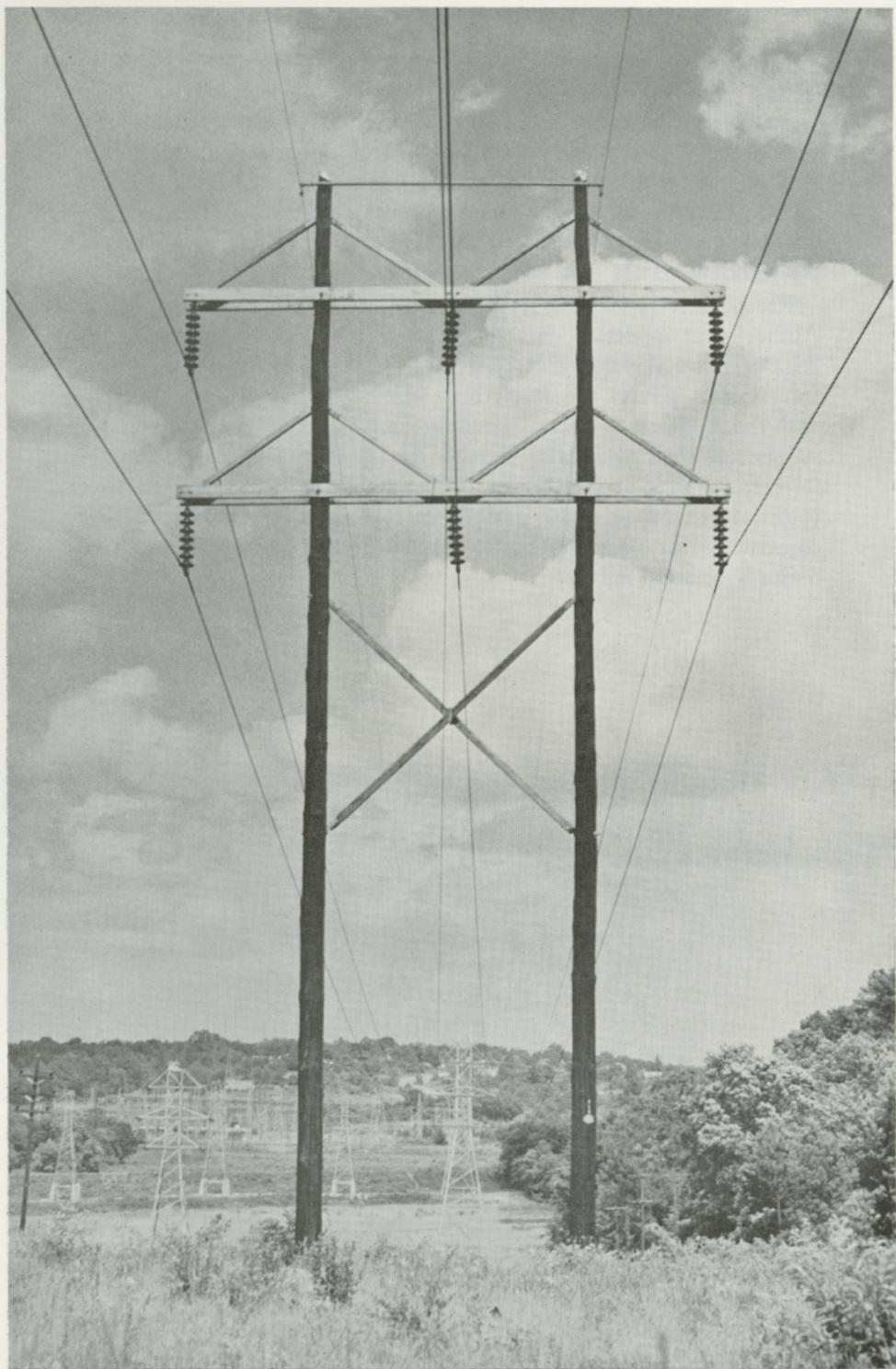
Approximately 1,689 miles of high voltage electric transmission lines are operated and maintained by the Authority. Portions of this transmission system were built by Central Electric Power Cooperative, Inc., and are leased by the Authority.

This transmission system distributes power from Santee-Cooper's generating plants near Moncks Corner to the major retail areas in Horry and Georgetown Counties, to seventeen rural electric cooperatives, the large industrial loads in the Charleston area, municipal systems at Georgetown and Bamberg and other major industries in the service area, including woolen mills and the world's largest Kraft mill in Georgetown. The Charleston Air Force Base, the Myrtle Beach Air Force Base and the Charleston Naval Shipyard are also served.

Interconnections with the South Carolina Electric and Gas Company's system are made at Charleston, St. George and Columbia. In addition, a major interconnection with the South Carolina Electric and Gas Company, Southeastern Power Administration and Greenwood County Electric Power Commission is made at Clark Hill.



Double Circuit Dead-End Tower at Interconnection With South Carolina Electric & Gas Company With Lyles Substation in Background

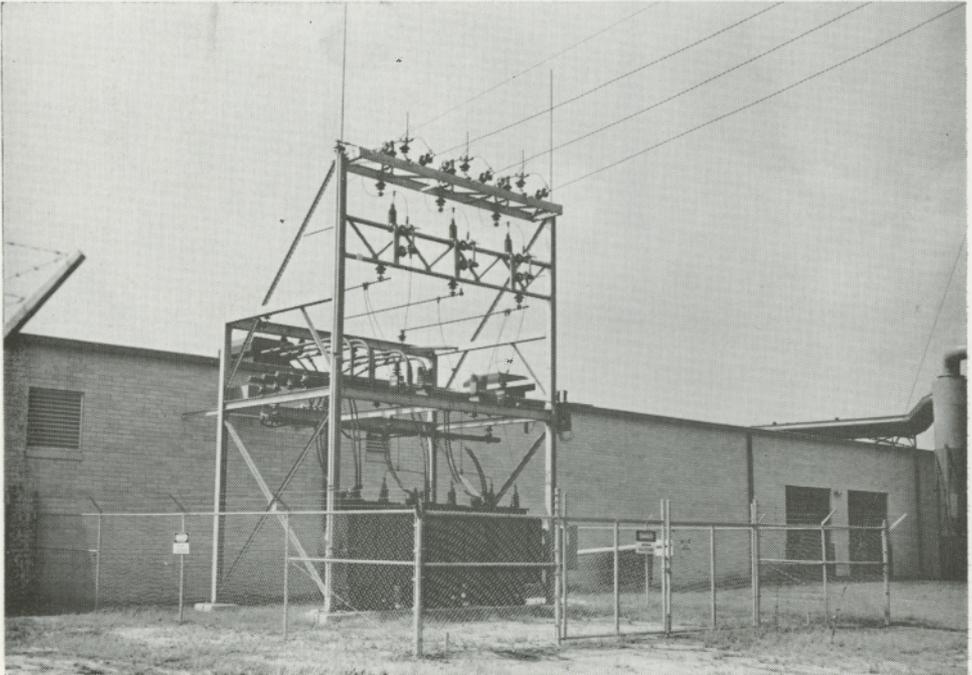


Double-Circuit Structure on Authority's 115 Kv Line to South Carolina Electric & Gas Company's Lyles Substation

Most of the system is operated on a loop basis, which increases service reliability and efficiency.

Authority line crews at Moncks Corner, Orangeburg, Batesburg, Darlington, Conway and Winnsboro patrol and maintain this transmission system which consists of 606 miles of 115 Kv, 825 miles of 69 Kv, 61 miles of 44 Kv and 197 miles of 34.5 Kv. Most of the maintenance is performed with the line energized and reclearing of the rights-of-way is on a scheduled basis.

Recent developments in power transformer design have enabled the Authority at moderate cost to purchase two mobile substations of 25,000 Kva and 9,000 Kva capacities. While Central station power transformer failures are rare, these units were purchased consistent with the Authority's policy of endeavoring to render the best possible service and their availability reduces the number of fixed spare transformers required at substations. These mobile units are used as spare transformers or as space substations for temporary service during construction or maintenance, or for emergency use in the event of major substation failure.



New Substation Serving Franklin Brass Company, Conway, S. C.



Authority's 9,000 Kva Mobile Substation



25,000 Kva Mobile Substation in Service at Authority's Hemingway Substation While Station Transformers Were Being Changed

SAFETY



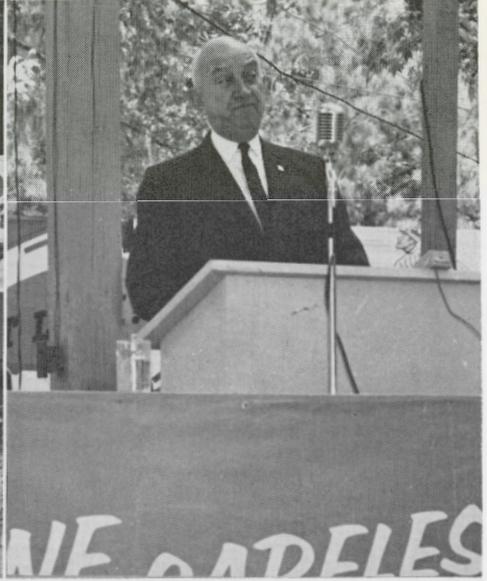
In 1962 the Authority established the best safety record in its history.

The National Safety Council, after reviewing our safety record for 1962, found our 1962 safety program and record sufficiently outstanding to warrant the "Award of Merit." This is the second highest safety award made by the National Safety Council.

To earn this award Authority employees during the calendar year of 1962 worked well over a million man-hours incurring only one lost time accident of four days' duration for an accident frequency rate of 0.99 and an accident severity rate of 4.01.

During the fiscal year, July 1, 1962 through June 30, 1963, the Authority employees worked over a million man-hours without a lost time accident.

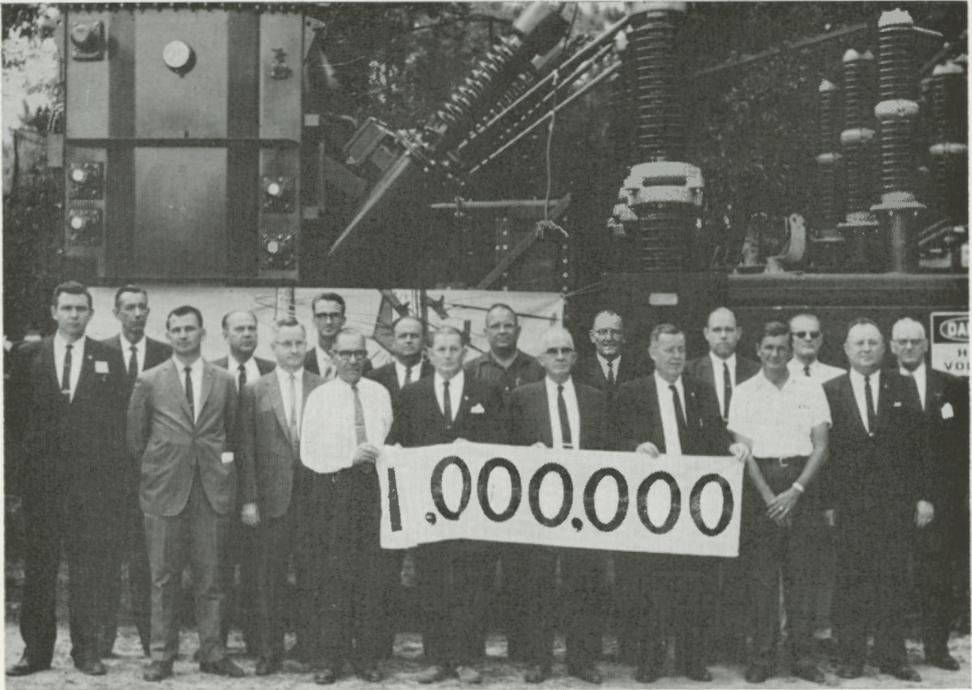
The Authority's safety program is headed by Mr. H. L. Chaplin, Jr., Director of Safety. He and the Safety Council, composed of a representative from each department of the Authority, have the responsibility of maintaining a complete safety program.



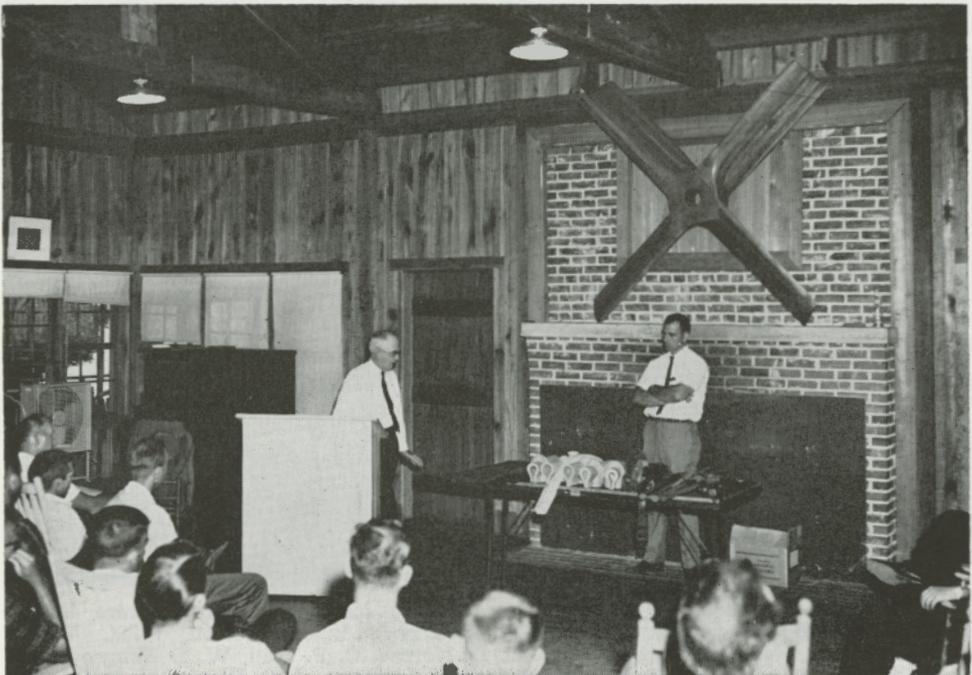
Above, left: Chairman Skipper opens the 1963 Safety Meeting. At right, Mr. Edmund H. Harding, "North Carolina's Ambassador of Good Will," delivers the principal address.



Employees receiving awards for twenty or more years of safe driving were, left to right: R. M. Jefferies, Leland Moore, A. B. Moore, L. H. Harrell, W. C. Walsh, J. L. Sheppard, S. O. Drake, S. C. Kay, C. D. Nettles, C. P. Hall, W. D Simpson, Guy Hill, Mrs. Edith G. Ficken, H. L. Chaplin, George Langston, J. C. Bishop, R. A. Douglas and A. E. Power.



Safety Council, left to right: H. L. Chaplin, Director of Safety; L. P. Dorman, C. S. Gramling, J. H. Tiencken, J. B. Thomason, D. A. Springs, A. E. Power, D. L. Richardson, C. P. Hall, Paul Gaston, J. L. Sheppard, B. F. Rogerson, W. D. Simpson, H. N. Cyrus, C. D. Nettles, W. L. Gill, W. C. Walsh and R. M. Jefferies.



Safety Demonstration by J. L. Sheppard and C. S. Gramling

RECREATION

The Santee-Cooper Reservoirs are nationally recognized as one of the best fresh water fisheries in the country.

The lakes offer a great variety of species for year-round fishing and harbor the first landlocked population of striped bass or rockfish.

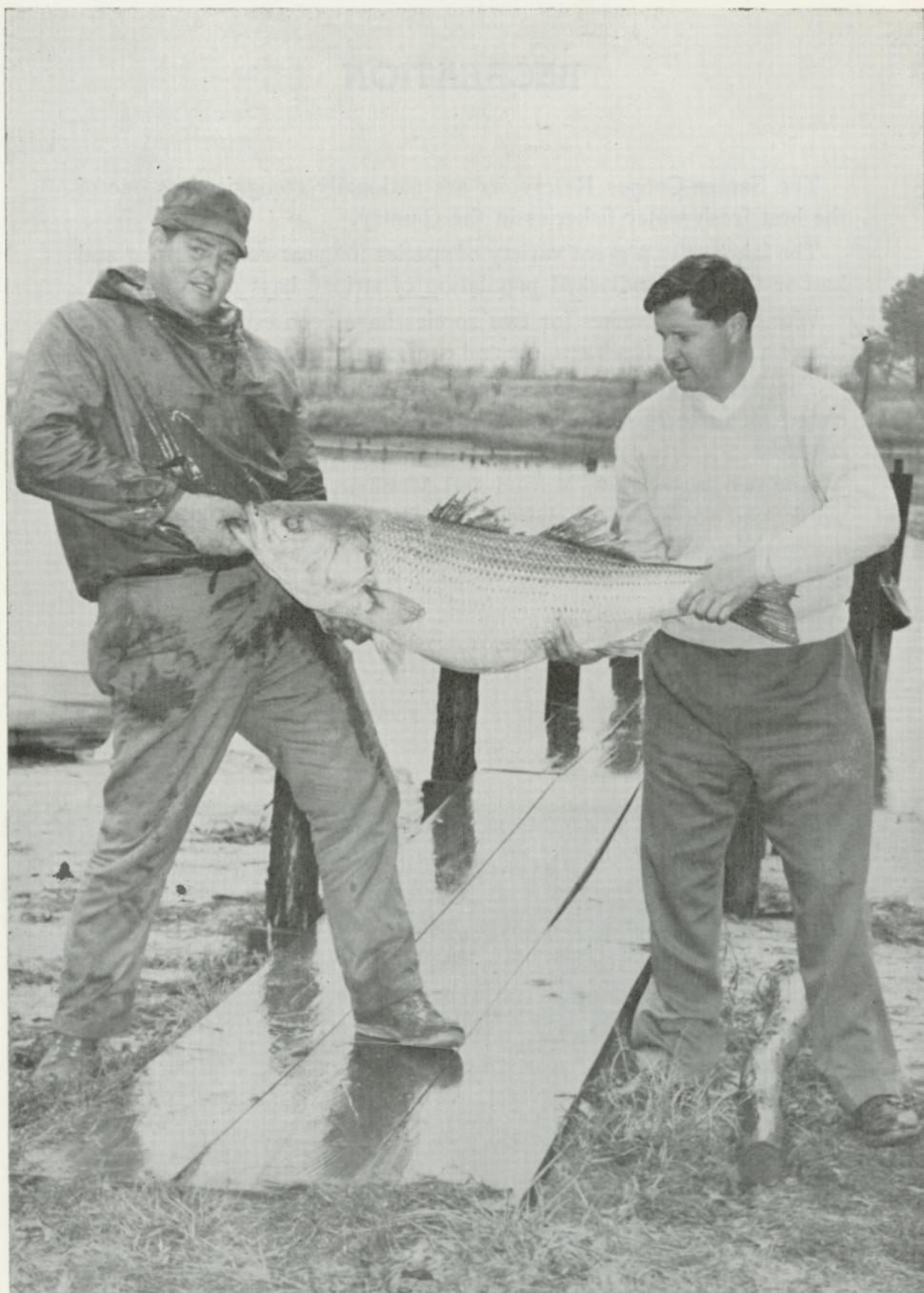
World record catches for two species have been established in our lakes; a 5-pound black crappie and a 57-pound channel catfish.

The record rockfish for Santee-Cooper waters is a 55-pounder caught in Lake Moultrie by Tiny Lund of Cross, S. C., on January 29, 1963.

Our two large lakes, Marion and Moultrie, with 160,500 acres of water, and 450 miles of shoreline, easily accessible by highway, are a tremendous attraction to the fishing, swimming, boating and skiing enthusiasts.



A Relaxing Scene at Lions' Beach Near Moncks Corner



SANTEE-COOPER RECORD ROCKFISH

Tiny Lund and Robert E. Stevens, Fish Biologist, display huge Rockfish caught by Mr. Lund in Lake Moultrie on January 29, 1963. Statistics certified to by Mr. Stevens: **WEIGHT—55 pounds, LENGTH—46½ inches, GIRTH—30⅝ inches, AGE—18 years.**

SANTEE-COOPER

By ROBERT E. STEVENS, Fish Biologist
South Carolina Wildlife Resources Department

You have to think big when you think of Santee-Cooper. One hundred sixty thousand acres of water is a lot of water but when it is fresh, clean water, full of game fish, it becomes even more remarkable. Santee-Cooper is one of the largest man-made reservoirs in the world. It receives one of the largest flows of fresh water of any reservoir in America. It produces big fish including a 55-pound striped bass, a 57-pound channel catfish (world record), a 5-pound black crappie (world record), a 16-pound largemouth bass. More important than these record fish is the unusual average size of the game fish and the numbers in which they abound. If a striped bass fisherman takes his limit of ten, in Santee-Cooper he can reasonably expect to take home 40-60 pounds of fish. If he hits the big fish he might take home 200 pounds of fish. A limit of 25 crappie or ten



W. H. Cox shows string of largemouth bass taken in March, 1963. (Post-Courier Photo by Evans.)



Charles Davis and Jim Hayden with 24 lb. rockfish caught by Mr. Davis in the Congaree River. (Photo—The State.)



HAPPY FISHERMEN

Buck Johnson, Bob McMakin and James Taylor are pleased with this fine catch taken by them and Bill Stevenson from Lake Marion. (Photo Courtesy The Greenville News.)

largemouth bass in Santee-Cooper represents 20 to 50 pounds of fish. In many southern reservoirs, on the other hand, bream and crappie can be caught as quickly as the hook can be baited but many are not large enough to eat. For this reason quantity alone does not represent quality in sport fishing. A large average size in a game fish population does mean quality sport fishing and Santee-Cooper, without a doubt, produces some of the best sport fishing in America.

The striped bass picture has brightened since last year. Several strong year-classes of young fish are present and if the shad population can support these fish, the catch of striped bass should improve for the next two or three years.



RICE FIELD ROCKS

Jake Jones hefts a fine string of striped bass caught by him and Warren Koon in the rice fields at Rice Hope Plantation near Moncks Corner. (Post-Courier Sports Photo by Jordan.)



A 25 $\frac{3}{4}$ -POUNDER

**Jacob Varner Displays Large Rockfish He Caught at Bushy Park
(Photo Courtesy The Charleston Evening Post)**

The Moncks Corner Striped Bass Hatchery

The South Carolina Wildlife Resources Department has been attempting to establish striped bass in all the other large reservoirs of South Carolina since 1954. Striped bass ranging from fry to 25 pounders have been stocked repeatedly through the years but little or no results have been attained to date. There is little doubt that the failure of the stripers to establish themselves is due to their spawning habits. Striped bass spawn in a current and the eggs must remain in the current until hatching or they will settle to the bottom and suffocate. Hatching time requires 36 to 72 hours depending upon the water temperature at the time of spawning. In order for the eggs to remain suspended for this length of time, many miles of stream above the reservoir is required. Evidently, only Santee-Cooper satisfies this spawning requirement.

In order to overcome the failure of the striped bass to reproduce in these other reservoirs, a striped bass hatchery was constructed in 1961. It was hoped that eggs from ripe female striped bass could be

hatched in the hatchery and the fry could then be stocked as a substitute for natural reproduction. Unfortunately, no ripe females could be found and it was concluded that the eggs within the female ripen very gradually and are quickly spawned when ripe making it difficult to find one in just the right stage of development.

In 1962, a holding pond was constructed in which the females were held and injected with hormones in order to induce them to spawn. Just before spawning, the females were taken into the hatchery where the eggs were removed surgically, fertilized with ripe males and placed in hatching jars until hatching occurred. During 1962, 2,640,000 fry were hatched and stocked in all the other reservoirs of the state. As a result of our preliminary successes it was decided to renovate and expand the hatchery in 1963.

Unfortunately, the expected funds were not available in time and the hatchery was operated this year without the benefit of the improvements. Production was increased to 12 million fry and much was learned concerning the capture, handling and treatment of striped bass. Money is now available for the needed improvements and it is anticipated that fry production will increase greatly during the 1964 season.

The problems of artificially inducing female striped bass to spawn are many and complex and it will take several years to completely work out the several remaining major problems which limit production. The striped bass is a strong, robust species in nature but is very susceptible to the shock of capture, handling and the injection of drugs.



DUCK HUNTERS CATCH FISH

Lee Ambrosini, Edward Owens, Frank Walta, Ricky Walta, John Bernardin, Jr. and Aldo Borghi of Columbia had better luck fishing Lake Marion than hunting ducks. (Photo Courtesy The State, Columbia, S. C.)

It is very important to select females which are naturally near spawning and yet it is very difficult to distinguish with accuracy the riper fish.

Several hormones have proven effective in inducing the fish to spawn but dose levels, techniques of injection, estimation of the time of spawning, proper water temperatures and hatching techniques are all problems which can be solved only by tedious trial and error methods.

Finally, problems arise in transporting the fry and in attempting to raise them to a size of two or three inches.

It is hoped that, with continued experimentation, several hundred million fry can be produced yearly at the hatchery and that these fry will result in improved fishing throughout South Carolina.



FIVE FISH—117 POUNDS

**Sonny Branyon and Ed McCoy With Part of a 320-Pound Santee-Cooper Catch
(Photo—Graves Photo Service, Due West, S. C.)**

LANDS

Long famous for their superb fresh water fishing, the Authority's two great reservoirs have in recent years become increasingly popular for swimming, boating and skiing. This has led to an ever-growing demand for recreational lots located on or near the water.

In order to meet this demand the Authority now has thirty-two recreational and commercial subdivisions in Calhoun, Clarendon, Orangeburg and Berkeley Counties. Lots may be leased at reasonable prices for periods up to forty years. The Authority's Land Department is continually investigating possible new sites on which to activate additional subdivisions.

New subdivisions are proposed in the vicinities of Bonneau Beach in Berkeley County, Eutawville in Orangeburg County, Lone Star in Calhoun County, and on White Oak Creek near Camp Bob Cooper in Clarendon County.

All inquiries concerning the rental of land should be addressed to Mr. David L. Richardson, Land Agent, South Carolina Public Service Authority, Moncks Corner, S. C.



A Busy Scene at the Myrtle Beach Pavilion



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

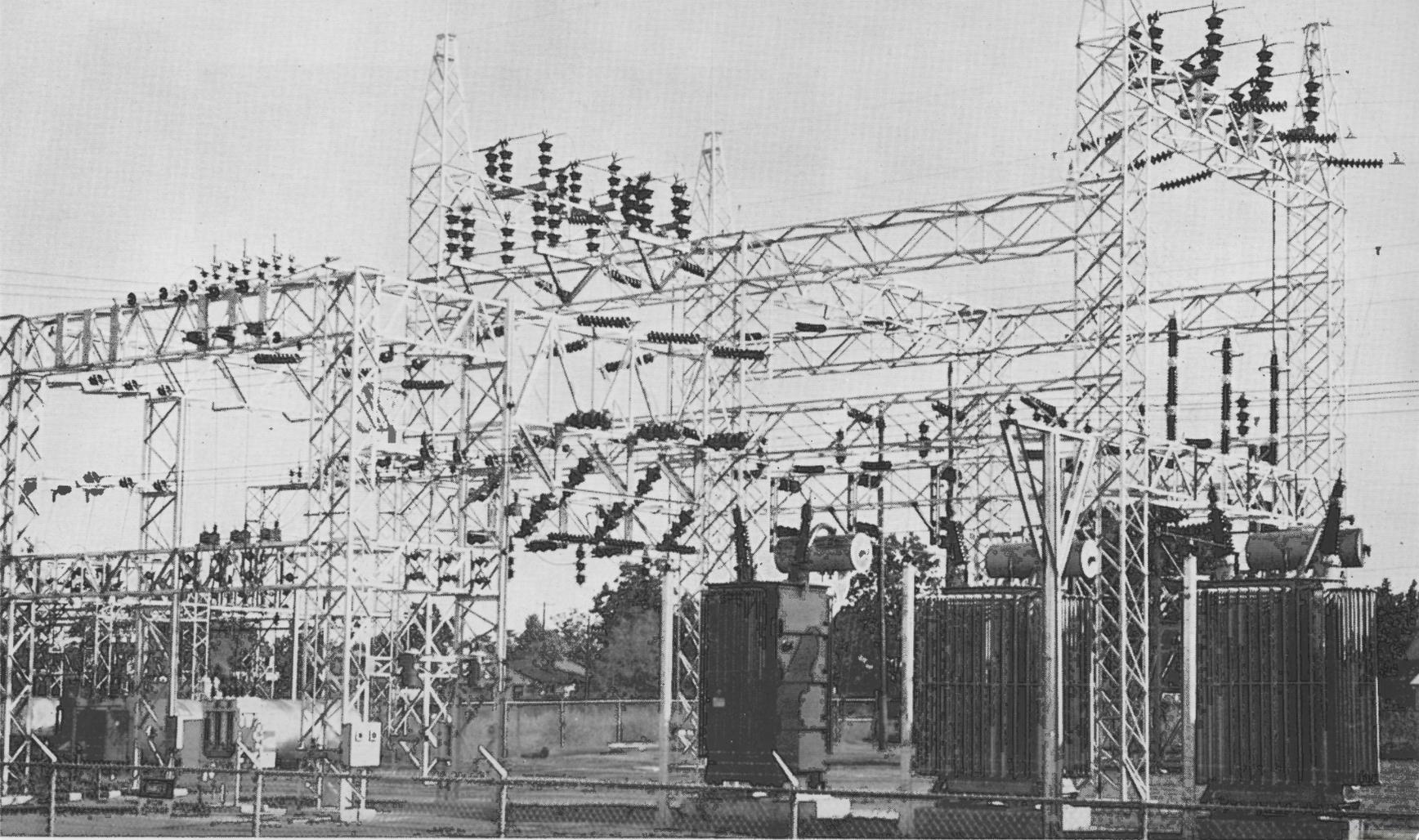
REFORESTATION

The Authority's reforestation program includes the planting of pine seedlings on lands around its lakes, the construction and maintenance of adequate fire breaks for the protection of all Authority lands from wild fires, and in addition to the planted areas, the protection and management of approximately 18,000 acres of natural reforestation of pine and hardwood.

Since the Authority's reforestation program began in 1943, more than seven million slash and loblolly pine seedlings have been planted on marginal lands and lands unsuitable for other purposes.

The photograph below shows the Whitfield Planter in operation. This machine, operated by a three-man crew, is capable of planting up to 20,000 seedlings in a day.





Portion of Georgetown 115 Kv Substation

ANNUAL AUDIT

By Certified Public Accountants appointed by the Advisory Board consisting of the Governor, Attorney General, Secretary of State, State Treasurer and Comptroller General.

J. W. HUNT AND COMPANY

Certified Public Accountants

July 31, 1963

*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, 1963, 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 six (6) exhibits and two (2) 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, 1963, 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, 1963

EXHIBITS :

- A Balance Sheet
- B Statement of Accumulated Net Revenues
- C Statement of Net Revenue and Application Thereof
- D Statement of Operation and Maintenance Expenses
- E Condensed Summary of Receipts and Disbursements
- F Notes to Financial Statements

SCHEDULES :

- 1 Statement of Funds Held by Trustee for Specific Purposes
- 2 Statement of Miscellaneous Funds

EXHIBIT A

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

Balance Sheet, June 30, 1963

ASSETS

Electric Plant, at Original Cost—Note 1:		
Electric Plant in Service	\$ 108,424,391.75	
Less, Reserve for Depreciation	17,553,747.77	
	<hr/>	\$ 90,870,643.98
Construction Work in Progress		325,796.65
Electric Plant Held for Future Use	360,152.39	
Less, Reserve for Depreciation	46,528.92	313,623.47
	<hr/>	<hr/>
Total Electric Plant		\$ 91,510,064.10
Impounded Reserve Funds—Schedule 1—Note 2		7,321,059.66
Other Physical Property:	\$ 292,510.19	
Less, Reserve for Depreciation	23,261.10	
	<hr/>	269,249.09

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EXHIBIT A - Continued

EXHIBIT A—Continued
Balance Sheet, June 30, 1963

Current Assets:

Funds Held by Trustee—Schedule 1	\$	923,835.08	
Miscellaneous Funds—Schedule 2		574,448.25	
Notes Receivable		4,516.66	
Accounts Receivable, Less Reserve for Doubtful Accounts		1,117,693.75	
U. S. Treasury Securities—Schedule 2		79,601.50	
Accrued Interest Receivable		29,620.39	
Materials and Supplies, at Average Cost		1,347,483.53	
Prepayments (Insurance, Etc.)		65,692.17	
			4,142,891.33

Deferred Charges:

Preliminary Survey and Investigation Charges	\$	40,915.13	
Other		52,015.67	92,930.80

Total		\$ 103,336,194.98
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LIABILITIES

Long-Term Debt—Note 4:

Parity Obligations:

Electric Revenue Bonds, 2½%, Due Serially July 1, 1964–1989	\$	22,954,000.00	
Electric Revenue Bonds, 2.5–2.7%, Due Serially July 1, 1964–1993		14,040,000.00	
Total Bonds	\$	36,994,000.00	
Contract Obligation		7,500,720.59	
	\$		44,494,720.59

Junior Obligation:

(For Two Gas Turbine Package Power Plants).....	1,575,000.00	
	<u>1,575,000.00</u>	\$ 46,069,720.59

Current Liabilities (Exclusive of Monthly Payments to Trustee for Debt Service Requirements—Note 4):

Accounts Payable	\$ 684,996.33	
Customers' Deposits	220,400.04	
Accrued Interest on Customers' Deposits.....	35,260.78	
Other Current and Accrued Liabilities.....	50,049.03	
	<u>990,706.18</u>	990,706.18

Long-Term Lease Commitments—Note 5—Accumulated Reserve for Future Rental Payments

288,997.16

Contributions in Aid of Construction:

Customers' Contributions for Construction.....	\$ 43,256.29	
Capital Contributions—U. S. Government Grants	34,438,263.79	
	<u>34,481,520.08</u>	34,481,520.08

Accumulated Net Revenues:

Applied to Retirement of Long-Term Debt.....	\$ 9,574,966.05	
Additions to Funds as Required by the Enabling Act and Indenture	8,572,036.51	
Applied to Additions, Betterments and Extension of the System and Other Purposes as Provided by the Enabling Act and Indenture.....	2,675,812.53	
Unapplied (Revenue Fund and Other Items in Process of Collection—Net)	682,435.88	21,505,250.97
	<u>21,505,250.97</u>	

Total \$ 103,336,194.98

See Accompanying Notes to Financial Statements.

EXHIBIT B

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

Statement of Accumulated Net Revenues, April 7, 1934 through June 30, 1963

Detail	Balance June 30, 1962	Changes During Year		Balance June 30, 1963
		Net Revenue— Exhibit C	Payment to State of S. C.	
Applied to Retirement of Long-Term Debt.....	\$ 8,409,333.75	\$ 1,165,632.30	\$	\$ 9,574,966.05
Addition to Funds as Required by Enabling Act and Indenture:				
Impounded Reserve Funds:				
Debt Service Reserve Fund	\$ 4,406,658.02	(\$ 2,786.54)	\$	\$ 4,403,871.48
Contingency Fund	887,466.14	16,533.86	.....	904,000.00
Capital Improvement Fund	1,571,231.89	441,956.29	.....	2,013,188.18
Total	\$ 6,865,356.05	\$ 455,703.61	\$	\$ 7,321,059.66
Operating Fund	1,000,000.00	.....	.....	1,000,000.00
Special Reserve Fund	23,764.16	227,212.69	.....	250,976.85
Paid to the Treasurer of the State of South Carolina		227,212.70	227,212.70	.....
Total	\$ 7,889,120.21	\$ 910,129.00	\$227,212.70	\$ 8,572,036.31
Applied to Additions, Betterments and Extensions to the System and Other Purposes as Provided by the Enabling Act and Indenture	\$ 2,662,713.79	\$ 13,098.74	\$	\$ 2,675,812.53
Unapplied (Revenue Fund and Other Items in Process of Collection—Net)	\$ 857,936.51	(\$ 175,500.63)	\$	\$ 682,435.88
Total	\$ 19,819,104.26	\$ 1,913,359.41	\$227,212.70	\$ 21,505,250.97

See Accompanying Notes to Financial Statements.

EXHIBIT C
SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

Statement of Net Revenues and Application Thereof, Year Ended June 30, 1963

Detail Electric Operating Revenue:	Santee	Conway and Myrtle Beach	Berkeley	Total
Sales of Electricity:				
Residential Sales	\$	\$ 1,216,330.14	\$ 149,962.47	\$ 1,366,292.61
Commercial Sales		1,052,786.28	105,412.44	1,158,198.72
Industrial Sales	3,412,626.93	284,538.45	20,437.24	3,717,602.62
Public Street and Highway Lighting		42,669.76	8,967.99	51,637.75
Other Sales to Public Authorities	1,207,465.90			1,207,465.90
Sales to Other Utilities	3,922,107.60			3,922,107.60
Interdepartmental Sales	1,490,441.76			1,490,441.76
Other Sales		29,437.59	3,849.94	33,287.53
Total Sales of Electricity	\$ 10,032,642.19	\$ 2,625,762.22	\$ 288,630.08	\$ 12,947,034.49
Less, Energy Produced During Period of Installation and Testing of Gas Turbines		5,658.81		5,658.81
Balance	\$ 10,032,642.19	\$ 2,620,103.41	\$ 288,630.08	\$ 12,941,375.68
Other Operating Revenue:				
Forfeited Discounts	\$	\$ 33,105.21	\$ 3,327.95	\$ 36,433.16
Rent from Electric Property	100,040.39			100,040.39
Miscellaneous Revenue	356.63	9,449.21	451.00	10,256.84
Total Other Operating Revenue	\$ 100,397.02	\$ 42,554.42	\$ 3,778.95	\$ 146,730.39
Total Electric Operating Revenue	\$ 10,133,039.21	\$ 2,662,657.83	\$ 292,409.03	\$ 13,088,106.07

EXHIBIT C—Continued
Statement of Net Revenues and Application Thereof, Year Ended June 30, 1963

Detail	Santee	Conway and Myrtle Beach	Berkeley	Total
Electric Operating Expenses:				
Operation and Maintenance Expenses—Exhibit D:				
Power Production Expenses	\$ 4,982,291.43	\$ 1,350,273.74	\$ 142,205.67	\$ 6,474,770.84
Transmission Expenses	812,350.17	.....	.....	812,350.17
Distribution Expenses .....	.....	218,002.52	49,847.56	267,850.08
Customer Accounts Expenses	323,538.28	139,161.88	20,858.92	483,559.08
Sales Expenses	22,003.77	39,136.78	1,641.23	62,781.78
Administrative and General Expenses.....	381,183.18	161,164.34	29,772.41	572,119.93
	<hr/>	<hr/>	<hr/>	<hr/>
Total Operation and Maintenance Expenses.....	\$ 6,521,366.83	\$ 1,907,739.26	\$ 244,325.79	\$ 8,673,431.88
Depreciation Expenses	1,271,200.80	243,198.36	29,624.94	1,544,024.10
Sums in Lieu of Taxes.....	26,396.00	14,847.84	913.08	42,156.92
	<hr/>	<hr/>	<hr/>	<hr/>
Total Electric Operating Expenses.....	\$ 7,818,963.63	\$ 2,165,785.46	\$ 274,863.81	\$ 10,259,612.90
	<hr/>	<hr/>	<hr/>	<hr/>
Other Income:				
Interest Income	\$ 232,197.09	\$ 2,879.58	\$ 179.40	\$ 235,256.07
Less, Reforestation Expenses, Etc.	(15,323.28)	.....	.....	(15,323.28)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Income	\$ 216,873.81	\$ 2,879.58	\$ 179.40	\$ 219,932.79
	<hr/>	<hr/>	<hr/>	<hr/>
Total	\$ 2,530,949.39	\$ 499,751.95	\$ 17,724.62	\$ 3,048,425.96
	<hr/>	<hr/>	<hr/>	<hr/>

Interest Charges:

Interest on Long-Term Debt	\$ 1,117,452.60	\$ 25,047.36	\$ 2,946.72	\$ 1,145,446.68
Interest Charged to Construction—Note 1	(18,900.00)	.....	.....	(18,900.00)
Other Interest Expense .....	.....	8,035.39	484.48	8,519.87
	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>
Total Interest Charges	\$ 1,098,552.60	\$ 33,082.75	\$ 3,431.20	\$ 1,135,066.55
	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>
Net Revenue	<u>\$ 1,432,396.79</u>	<u>\$ 466,669.20</u>	<u>\$ 14,293.42</u>	<u>\$ 1,913,359.41</u>

Deduct:

Applied to Retirement of Long-Term Debt .....	.....		\$ 1,165,632.30	
Additions to Funds as Required by the Enabling Act and Indenture:				
Impounded Reserve Funds	\$ 455,703.61			
Special Reserve Fund	227,212.69			
Paid to the Treasurer of the State of South Carolina	227,212.70			
	<u>.....</u>		910,129.00	
Additions, Betterments and Extensions to the System and Other Items as Provided by Enabling Act and Indenture .....	.....		13,098.74	\$ 2,088,860.41
			<u>.....</u>	<u>.....</u>
Decrease in Accumulated Net Revenues—Unapplied (Revenue Funds and Other Items in Process of Collection—Net)				<u>\$ 175,500.63</u>

See Accompanying Notes to Financial Statements.

EXHIBIT D

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

Statement of Operation and Maintenance Expenses, Year Ended June 30, 1963

Detail	Santee	Conway and Myrtle Beach	Berkeley	Total
Power Production Expenses:				
Electric Generation—Steam Power:				
Operation:				
Supervision and Engineering	\$ 22,055.51	\$	\$	\$ 22,055.51
Fuel: Oil	4,807.78	.....	.....	4,807.78
Coal	1,733,142.19	.....	.....	1,733,142.19
Steam Expenses	108,772.10	.....	.....	108,772.10
Electric Expenses	76,592.62	.....	.....	76,592.62
Miscellaneous	43,765.97	.....	.....	43,765.97
Total Operation	\$ 1,989,136.17	\$	\$	\$ 1,989,136.17
Maintenance:				
Supervision and Engineering	\$ 10,267.51	\$	\$	\$ 10,267.51
Structures	654.01	.....	.....	654.01
Boiler Plant	50,515.78	.....	.....	50,515.78
Electric Plant	48,341.91	.....	.....	48,341.91
Miscellaneous	15,423.00	.....	.....	15,423.00
Total Maintenance	\$ 125,202.21	\$	\$	\$ 125,202.21
Total Power Production Exp.—Steam Power ...	\$ 2,114,338.38	\$	\$	\$ 2,114,338.38

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Electric Generation—Hydraulic Power:

Operation:

Supervision and Engineering	\$ 33,873.57	\$	\$	\$ 33,873.57
Hydraulic Expenses	178,664.02	.....	.....	178,664.02
Electric Expenses	58,093.71	.....	.....	58,093.71
Miscellaneous	48,524.40	.....	.....	48,524.40
	<hr/>	<hr/>	<hr/>	<hr/>
Total Operation	\$ 319,155.70	\$	\$	\$ 319,155.70

Maintenance:

Supervision and Engineering	\$ 12,669.25	\$	\$	\$ 12,669.25
Structures	15,435.96	.....	.....	15,435.96
Reservoirs, Dams and Waterways	59,587.49	.....	.....	59,587.49
Electric Plant	14,590.29	.....	.....	14,590.29
Miscellaneous	19,009.00	.....	.....	19,009.00
	<hr/>	<hr/>	<hr/>	<hr/>
Total Maintenance	\$ 121,291.99	\$	\$	\$ 121,291.99
	<hr/>	<hr/>	<hr/>	<hr/>
Total Power Production Exp.—Hydraulic Power	\$ 440,447.69	\$	\$	\$ 440,447.69

Electric Generation—Myrtle Beach Gas Turbine Plant:

Operation	\$	\$ 1,283.95	\$	\$ 1,283.95
Maintenance .....	.....	753.70	.....	753.70
	<hr/>	<hr/>	<hr/>	<hr/>
Total Power Produc. Exp.—Gas Turbine Genera.	\$	\$ 2,037.65	\$	\$ 2,037.65

EXHIBIT D—Continued

Statement of Operation and Maintenance Expenses, Year Ended June 30, 1963

Detail	Santee	Conway and Myrtle Beach	Berkeley	Total
Other Power Supply Expenses:				
Purchased Power	\$ 2,425,721.17	\$ 1,348,236.09	\$ 142,205.67	\$ 3,916,162.93
Other Expenses	1,784.19	.....	.....	1,784.19
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Power Supply Expenses	\$ 2,427,505.36	\$ 1,348,236.09	\$ 142,205.67	\$ 3,917,947.12
	<hr/>	<hr/>	<hr/>	<hr/>
Total Power Production Expenses	\$ 4,982,291.43	\$ 1,350,273.74	\$ 142,205.67	\$ 6,474,770.84
	<hr/>	<hr/>	<hr/>	<hr/>
Transmission Expenses:				
Operation:				
Supervision and Engineering	\$ 45,778.03	\$	\$	\$ 45,778.03
Load Dispatching	53,588.79	.....	.....	53,588.79
Station Expenses	91,007.07	.....	.....	91,007.07
Overhead Line Expenses	82,419.24	.....	.....	82,419.24
Miscellaneous	8,620.42	.....	.....	8,620.42
Rental "C" Loan System	236,178.58	.....	.....	236,178.58
Rents—Other	113.00	.....	.....	113.00
	<hr/>	<hr/>	<hr/>	<hr/>
Total Operation	\$ 517,705.13	.....	.....	\$ 517,705.13
	<hr/>	<hr/>	<hr/>	<hr/>

Maintenance:

Supervision and Engineering	\$ 13,103.12	\$	\$	\$ 13,103.12
Structures	66.58	.....	.....	66.58
Station Equipment	64,142.94	.....	.....	64,142.94
Overhead Lines	216,446.89	.....	.....	216,446.89
Miscellaneous Transmission Plant	885.51	.....	.....	885.51
	<hr/>	<hr/>	<hr/>	<hr/>
Total Maintenance	\$ 294,645.04	\$	\$	\$ 294,645.04
	<hr/>	<hr/>	<hr/>	<hr/>
Total Transmission Expenses	\$ 812,350.17	\$	\$	\$ 812,350.17
	<hr/>	<hr/>	<hr/>	<hr/>

Distribution Expenses:

Operation:

Supervision and Engineering	\$	\$ 36,733.77	\$ 13,907.52	\$ 50,641.29
Load Dispatching .....	.....	3,026.99	.....	3,026.99
Station Expenses .....	.....	19,643.18	1,405.53	21,048.71
Overhead Line Expenses .....	.....	13,627.02	5,278.25	18,905.27
Street Lighting and Signal System Expenses .....	.....	3,144.88	1,307.04	4,451.92
Meter Expenses .....	.....	44,324.91	3,394.52	47,719.43
Customer Installation Expenses .....	.....	1,540.72	535.79	2,076.51
Miscellaneous Distribution Expenses .....	.....	18,810.48	1,420.30	20,230.78
Rents .....	.....	1,670.00	605.00	2,275.00
	<hr/>	<hr/>	<hr/>	<hr/>
Total Operation	\$	\$ 142,521.95	\$ 27,853.95	\$ 170,375.90
	<hr/>	<hr/>	<hr/>	<hr/>

EXHIBIT D—Continued

Statement of Operation and Maintenance Expenses, Year Ended June 30, 1963

Detail	Santee	Conway and Myrtle Beach	Berkeley	Total
Maintenance:				
Supervision and Engineering	\$	\$ 525.51	\$ 1,100.43	\$ 1,625.94
Station Equipment		7,892.80	3,953.12	11,845.92
Overhead Lines		37,114.81	12,742.66	49,857.47
Line Transformers		11,028.24	3,051.62	14,079.86
Street Lighting and Signal System		4,523.80	408.63	4,932.43
Meters		13,646.04	702.58	14,348.62
Miscellaneous Distribution Plant		749.37	34.57	783.94
	<hr/>	<hr/>	<hr/>	<hr/>
Total Maintenance	\$	\$ 75,480.57	\$ 21,993.61	\$ 97,474.18
	<hr/>	<hr/>	<hr/>	<hr/>
Total Distribution Expenses	\$	\$ 218,002.52	\$ 49,847.56	\$ 267,850.08
	<hr/>	<hr/>	<hr/>	<hr/>
Customer Accounts Expenses:				
Operation:				
Supervision	\$ 104.93	\$ 5,643.80	\$ 432.22	\$ 6,180.95
Meter Reading Expenses	7,402.95	28,213.13	3,688.26	39,304.34
Customer Records and Collection Expenses	10,936.50	89,387.09	14,976.65	115,300.24
Uncollectible Accounts	305,046.57	13,521.78	1,487.73	320,056.08
Miscellaneous	47.33	2,396.08	274.06	2,717.47
	<hr/>	<hr/>	<hr/>	<hr/>
Total Customer Accounts Expenses	\$ 323,538.28	\$ 139,161.88	\$ 20,858.92	\$ 483,559.08
	<hr/>	<hr/>	<hr/>	<hr/>

Sales Expenses:

Operation:

Supervision	\$ 6,747.95	\$ 8,598.49	\$ 982.22	\$ 16,328.66
Demonstrating and Selling Expenses	4,836.18	7,275.46	2.50	12,114.14
Advertising Expenses	2,905.72	20,896.56	568.60	24,370.88
Miscellaneous	7,513.92	2,366.27	87.91	9,968.10
Total Sales Expenses	<u>\$ 22,003.77</u>	<u>\$ 39,136.78</u>	<u>\$ 1,641.23</u>	<u>\$ 62,781.78</u>

Administrative and General Expenses:

Operation:

Administrative and General Salaries	\$ 206,477.12	\$	\$	\$ 206,477.12
Office Supplies and Expenses	36,820.43	.....	.....	36,820.43
Administrative Expenses Transferred	(180,379.05)	150,967.19	29,411.86	.....
Outside Services Employed	13,659.68	.....	.....	13,659.68
Property Insurance	83,448.50	.....	.....	83,448.50
Injuries and Damages	40,223.34	652.75	.....	40,876.09
Regulatory Commission Expenses	5,804.85	.....	.....	5,804.85
Miscellaneous General Expenses	71,817.47	4,303.84	129.44	76,250.75
Expenses of Land Rental Program	38,458.94	.....	.....	38,458.94
Total Operation	<u>\$ 316,331.28</u>	<u>\$ 155,923.78</u>	<u>\$ 29,541.30</u>	<u>\$ 501,796.36</u>

Maintenance:

Maintenance of General Plant	64,851.90	5,240.56	231.11	70,323.57
Total Administrative and General Expenses	<u>\$ 381,183.18</u>	<u>\$ 161,164.34</u>	<u>\$ 29,772.41</u>	<u>\$ 572,119.93</u>
Total Operation and Maintenance Expenses	<u>\$ 6,521,366.83</u>	<u>\$ 1,907,739.26</u>	<u>\$ 244,325.79</u>	<u>\$ 8,673,431.88</u>

See Accompanying Notes to Financial Statements.

EXHIBIT E

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

**Condensed Summary of Receipts and Disbursements
Year Ended June 30, 1963**

REVENUE FUND

SOURCE—All revenue received by the Authority and derived from the ownership or operation of the System or any part thereof.

USE—For transfer to the various funds as set forth in the bond indenture.

Summary of Activity During Year:

Balance, June 30, 1962	\$	697,219.15
Receipts, Revenue and Related Collections		11,814,388.50
		11,814,388.50
Total		\$ 12,511,607.65

Disbursements:

Transfers to Other Funds:

Operating Fund	\$	7,089,033.41
Interest Fund		968,535.00
Bond Fund		1,206,043.98
Contingency Fund		17,000.00
Capital Improvement Fund		2,103,711.64
Special Reserve Fund		227,212.69

Total

	\$	11,611,536.72
Payment to State of South Carolina.....		227,212.70
		\$ 11,838,749.42

Balance, June 30, 1963 (for use as indicated above).....	\$	672,858.23
--	----	------------

OPERATING FUND

SOURCE—Transfers from Revenue Fund.

USE—Reasonable and proper costs of operation and maintenance of the System.

Summary of Activity During Year:

Balance, June 30, 1962	\$	554,635.06
Receipts—Transfers from Revenue Fund		7,089,033.41
		7,089,033.41
Total		\$ 7,643,668.47

Disbursements:

Power Purchased	\$	2,384,877.50
Payrolls		1,926,472.14
Other		2,872,208.37
		7,183,558.01

Balance, June 30, 1963 (for use as indicated above).....	\$	460,110.46
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EXHIBIT E—Continued

**Condensed Summary of Receipts and Disbursements
Year Ended June 30, 1963**

INTEREST FUND

SOURCE—Transfers from Revenue Fund (monthly transfer of 1/6 of the semi-annual interest payment next to become due).

USE—Payment of interest on bonds.

Summary of Activity During Year:

Balance, June 30, 1962	\$	—
Receipts—Transfer from Revenue Fund		968,535.00
		<hr/>
Total	\$	968,535.00
Disbursements—Payment of Interest on Bonds:		
Original Electric Revenue Bonds.....	\$	589,350.00
Electric Revenue Bonds, Series of 1950..		379,185.00
		<hr/>
Balance, June 30, 1963	\$	<hr/> <hr/>

BOND FUND

SOURCE—Transfers from Revenue Fund (monthly transfers of 1/12 of the amount of bonds to be retired at the next July 1).

USE—Payment of the principal of the bonds.

Summary of Activity During Year:

Balance, June 30, 1962	\$	—
Receipts—Transfers from Revenue Fund.....		1,206,043.98
		<hr/>
Total	\$	1,206,043.98
Disbursements:		
Payments on Contractual Obligation to Central Elec. Power Cooperative, Inc.:		
Current Interest	\$	145,411.68
Principal		269,033.70
On Accumulated Interest		16,598.60
	\$	<hr/> 431,043.98
Retirement of Bonds:		
Original Elec. Rev. Bonds	\$	620,000.00
Elec. Rev. Bonds, Series '50		775,000.00
		<hr/> 1,206,043.98
Balance, June 30, 1963	\$	<hr/> <hr/>

EXHIBIT E—Continued

Condensed Summary of Receipts and Disbursements
Year Ended June 30, 1963

DEBT SERVICE RESERVE FUND

SOURCE—\$2,425,000.00 originally set aside to cover requirements of the Interest Fund and the Bond Fund on the original bonds for twenty-four months. Additional transfers from the Revenue Fund are also required by the supplemental indenture covering the issuance of the additional bonds and also the contract obligation with the Central Electric Power Cooperative, Inc.

USE—To make good any differences in the Interest Fund or the Bond Fund.

Summary of Activity During Year:

Balance, June 30, 1962	\$ 4,406,658.02
Receipts—Refund of Bond Premiums Purchased	528.13
	<hr/>
Total	\$ 4,407,186.15
Amortization of Premium on Investments	3,314.67
	<hr/>
Balance, June 30, 1963	\$ 4,403,871.48

CONTINGENCY FUND

SOURCE—\$650,000.00 original transfer from Revenue Fund and additional transfers required by the various trust indentures.

USE—To make good any differences in amounts required to be set aside from the Revenue Fund into the Debt Service Reserve Fund and may be used for paying the cost of extraordinary maintenance, repairs and replacements of the System and to make good any deficiencies in the Interest Fund or the Bond Fund.

Summary of Activity During Year:

Balance, June 30, 1962	\$ 887,466.14
Receipts:	
Transfers from Revenue Fund	\$ 17,000.00
Refund of Bond Premiums Purchased...	37.50
	<hr/>
Total	\$ 904,503.64
Amortization of Premium on Investments	503.64
	<hr/>
Balance, June 30, 1963	\$ 904,000.00

EXHIBIT E—Continued

Condensed Summary of Receipts and Disbursements
Year Ended June 30, 1963

CAPITAL IMPROVEMENT FUND

SOURCE—Transfers from Revenue Fund (as provided in Article V, Section 5.09 of the Trust Indenture).

USE—To make good any deficiencies in the Debt Service Reserve Fund and the Contingency Fund and thereafter for other purposes as set forth in Section 5.09 of the Trust Indenture and as a replacement reserve for the Central "C" System.

Summary of Activity During Year:

Balance, June 30, 1962	\$ 1,571,231.89
Receipts—Transfers from Revenue Fund.....	2,103,711.64
Total	<u>\$ 3,674,943.53</u>
Disbursements—Transfers to Capital Improvement	
Disbursing Account	1,661,755.35
Balance, June 30, 1963 (for use as indicated above).....	<u><u>\$ 2,013,188.18</u></u>

CAPITAL IMPROVEMENT DISBURSING ACCOUNT

Summary of Activity During Year:

Balance, June 30, 1962	\$ 116,700.16
Receipts—Transfers from Capital Improvement Fund.....	1,661,755.35
Total	<u>\$ 1,778,455.51</u>
Disbursements:	
Payrolls	\$ 259,715.35
Payments on Two Gas Turbine Package	
Power Plants and Installation Costs..	374,075.23
Other Capital Additions	1,096,150.83
	<u>1,729,941.41</u>
Balance, June 30, 1963	<u><u>\$ 48,514.10</u></u>

EXHIBIT E—Continued

**Condensed Summary of Receipts and Disbursements
Year Ended June 30, 1963**

SPECIAL RESERVE FUND

SOURCE—One-half of any monies remaining in the Revenue Fund on January 1 and July 1 of each year after meeting all requirements of the Operating Fund, the Interest Fund, the Bond Fund, the Debt Service Reserve Fund, the Contingency Fund and the Capital Improvement Fund as set forth in Section 5.10 of the Trust Indenture.

USE—For redemption of the Authority's bonds, construction or acquisition of improvements, extensions or betterments to the System or for any other lawful purpose of the Authority as the Authority may determine.

Summary of Activity During Year:

Balance, June 30, 1962	\$ 23,764.16
Receipts—Transfers from Revenue Fund.....	227,212.69
	<hr/>
Balance, June 30, 1963 (for use as indicated above).....	\$ 250,976.85
	<hr/> <hr/>

EXHIBIT F

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

Notes to Financial Statements, June 30, 1963

Note 1—Electric Plant:

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.
- (4) Interest on the two gas turbine package power plants during the period of installation and testing.

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 the property upon payment of the full amount of the contract obligation 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 Supplemental Trust Indenture dated as of July 1, 1950, and the Enabling Act included in the South Carolina law. Generally, such funds may be used to meet interest payments or bond maturities with a portion for construction of capital improvements, in accordance with specific requirements covering each fund as contained in the Trust Indentures.

Note 3—Payment to the State:

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

EXHIBIT F—Continued

Notes to Financial Statements, June 30, 1963

conduct and operation of its business or to pay the principal of and the 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 of the people of this State." Under the terms of the Trust Indentures, \$227,212.70 was paid to the State Treasurer during the year ended June 30, 1963.

Note 4—Long-Term Debt Outstanding:

Parity Obligations:

Bonds:

Electric Revenue Bonds, 2½%, Due Serially July 1, 1964-1989	\$ 22,954,000.00	
Electric Revenue Bonds, 2.5-2.7%, Due Serially July 1, 1964-1993	14,040,000.00	
	<u> </u>	\$ 36,994,000.00

Contract Obligation:

Principal (Funds Expended for Const.)	7,154,135.36	
Accum. Interest During Period of Construction	346,585.23	7,500,720.59
	<u> </u>	<u> </u>
		\$ 44,494,720.59

Junior Obligation:

(Conditional Purchase Agreement for Two Gas Turbine Package Power Plants)	1,575,000.00
Total	<u><u>\$ 46,069,720.59</u></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 Junior Obligation arose through the purchase, under a conditional sales agreement, of two gas turbine package power plants.

EXHIBIT F—Continued

Notes to Financial Statements, June 30, 1963

The unpaid balance is payable \$210,000.00 annually with interest at 3% per annum for approximately half of the term and at 6% per annum on the unpaid balance for the remainder of the term.

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 E, for full details of payments for debt service during the fiscal year ended June 30, 1963. Monthly payments to be made during the fiscal year, July 1, 1963 through June 30, 1964, are approximately as follows:

Interest and Bond Fund Requirements	\$181,266.99
Contingency Fund Requirements (\$11,000.00 Due July 5, 1963 and \$10,000.00 Due January 5, 1964)	1,750.00
Total	<u>\$183,016.99</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). 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 or to return the properties at the termination of the lease.

The Authority has also contracted to lease from Central Electric Power Cooperative, Inc., a steam-electric generating plant and certain transmission facilities (generally known as the D System) to be constructed by Central. Construction is to be financed by a loan to Central by the Rural Electrification Administration and the Authority's rental payments are to commence not later than five (5) years following the date of the first advance of funds by REA. Rental and purchase option provisions are similar to the C System contract.

Note 6—Contingent Liabilities:

At June 30, 1963, one action was pending on court calendars in which monetary judgment was sought against the Authority. The total recovery sought in this action is \$2,175.00, none of which is

EXHIBIT F—Continued

Notes to Financial Statements, June 30, 1963

covered by insurance. The Authority has denied all liability and is defending this action.

Note 7—General:

Requests had already been issued by the Authority at June 30, 1963, to the Trustee to transmit appropriate funds to the fiscal agents to meet interest payments and bond maturities due July 1, 1963. Such payments have been treated on the books and in this report as having been made as of June 30, 1963.

SCHEDULE 1

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

**Statement of Funds Held by Trustee for Specific Purposes
June 30, 1963**

Detail	Securities— See Below	Cash	Total
Impounded Reserve Funds:			
Debt Service Reserve Fund:			
Transferred to and Held by			
Trustee under Provisions of			
the Enabling Act and			
Indenture	\$ 4,403,492.38	\$ 379.10	\$ 4,403,871.48
Contingency Fund:			
Transferred to and Held by			
Trustee under Provisions of			
the Enabling Act and			
Indenture	903,686.57	313.43	904,000.00
Capital Improvement Fund:			
Transferred to and Held by			
Trustee under Provisions of			
the Enabling Act and			
Indenture	1,041,723.50	971,464.68	2,013,188.18
Total	\$ 6,348,902.45	\$ 972,157.21	\$ 7,321,059.66
Other Funds:			
Revenue Fund:			
Held by Trustee to Meet			
Indenture Requirements	\$	\$ 672,858.23	\$ 672,858.23
Special Reserve Fund:			
Transferred to and Held by			
Trustee in Accordance with			
Provisions of the Indenture			
		250,976.85	250,976.85
Total	\$	\$ 923,835.08	\$ 923,835.08

SCHEDULE 1—Continued

Statement of Funds Held by Trustee for Specific Purposes, June 30, 1963

U. S. Treasury Securities:

Debt Service Reserve Fund:	Par Value	Cost
4 $\frac{7}{8}$ %—Nov. 15, 1963	\$ 58,000.00	\$ 58,016.50
2 $\frac{1}{2}$ %—Dec. 15, 1968-63	140,000.00	137,518.76
4 $\frac{3}{4}$ %—May 15, 1964	134,000.00	134,082.67
4 $\frac{7}{8}$ %—Nov. 15, 1964	29,000.00	29,257.42
4 $\frac{5}{8}$ %—May 15, 1965	58,000.00	58,892.60
2 $\frac{1}{2}$ %—June 15, 1972-67	1,725,000.00	1,725,000.00
3 $\frac{5}{8}$ %—Nov. 15, 1967	110,000.00	103,056.25
4%—Oct. 1, 1969	775,000.00	789,617.17
3 $\frac{7}{8}$ %—Nov. 15, 1974	577,000.00	568,660.63
3 $\frac{1}{4}$ %—June 15, 1983-78	172,000.00	170,193.76
3 $\frac{1}{4}$ %—May 15, 1985	75,000.00	69,140.63
3 $\frac{1}{2}$ %—Nov. 15, 1980	30,000.00	30,000.00
4%—Aug. 15, 1972	100,000.00	100,000.00
4%—Aug. 15, 1971	65,000.00	65,512.24
3 $\frac{7}{8}$ %—Nov. 15, 1971	100,000.00	98,593.75
4%—Feb. 15, 1980	270,000.00	265,950.00
Total	<u>\$ 4,418,000.00</u>	<u>\$ 4,403,492.38</u>

Contingency Fund:

4 $\frac{7}{8}$ %—Nov. 15, 1963	\$ 9,000.00	\$ 9,000.00
2 $\frac{1}{2}$ %—Dec. 15, 1968-63	41,000.00	40,128.13
4 $\frac{3}{4}$ %—May 15, 1964	20,000.00	20,000.00
2 $\frac{1}{2}$ %—June 15, 1972-67	505,000.00	504,879.38
4%—Oct. 1, 1969	36,000.00	36,000.00
3 $\frac{1}{2}$ %—Nov. 15, 1980	152,000.00	139,386.25
3 $\frac{1}{4}$ %—June 15, 1983-78	18,000.00	18,000.00
3 $\frac{7}{8}$ %—Nov. 15, 1974	52,000.00	51,145.00
4%—Aug. 15, 1972	28,000.00	28,000.00
3 $\frac{7}{8}$ %—Nov. 15, 1971	19,000.00	18,732.81
4%—Feb. 15, 1980	39,000.00	38,415.00
Total	<u>\$ 919,000.00</u>	<u>\$ 903,686.57</u>

Capital Improvement Fund:

Bills Due Jan. 15, 1964	\$ 600,000.00	\$ 586,250.00
Bills Due Oct. 31, 1963	200,000.00	197,733.33
Bills Due Sep. 26, 1963	260,000.00	257,740.17
Total	<u>\$ 1,060,000.00</u>	<u>\$ 1,041,723.50</u>

SCHEDULE 2

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

Statement of Miscellaneous Funds, June 30, 1963

Petty Cash Funds		\$ 7,975.00
Operating Fund (Use Restricted Under Indenture Provisions to Reasonable and Proper Costs of Operation and Maintenance of the System)		
The South Carolina National Bank, Charleston, S. C.		460,110.46
Capital Improvement Disbursing Account (Use Restricted Under Indenture Provisions)		
The South Carolina National Bank, Charleston, S. C.		48,514.10
Customers' Security Deposit Accounts:		
The S. C. National Bank, Charleston, S. C.	\$ 10,160.80	
The S. C. National Bank, Myrtle Beach, S. C. ...	29,857.48	
Peoples National Bank, Conway, S. C.	15,476.99	
Bank of Berkeley, Moncks Corner, S. C.	2,353.42	57,848.69
Total		\$574,448.25

U. S. Treasury Securities Owned—Customers' Security Deposit Accounts:

	Par Value	Cost
4 $\frac{7}{8}$ %—Nov. 15, 1964.....	\$ 20,000.00	\$ 20,000.00
3 $\frac{5}{8}$ %—Nov. 15, 1967.....	40,000.00	39,775.00
4%—Aug. 15, 1972.....	20,000.00	19,826.50
Total	\$ 80,000.00	\$ 79,601.50



View of Control Room in Steam-Electric Generating Plant

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SOUTH CAROLINA STATE LIBRARY

