

Robert G. Sweet
Manager, Nuclear Licensing
803.345-4080



June 1, 2006
RC-06-0110

Document Control Desk
U. S. Nuclear Regulatory Commission
Washington, DC 20555

Dear Sir / Madam:

Subject VIRGIL C. SUMMER NUCLEAR STATION
DOCKET NO. 50/395
OPERATING LICENSE NO. NPF-12
2005 ANNUAL FINANCIAL REPORTS

Pursuant to 10CFR50.71(b), enclosed are one (1) copy each of South Carolina Electric & Gas Company's 2005 Annual Financial Report and South Carolina Public Service Authority's 2005 Annual Financial Report.

Please contact Ms. Donna Railey at (803) 345-4107 for additional copies.

Very truly yours,

Robert G. Sweet





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Enclosures

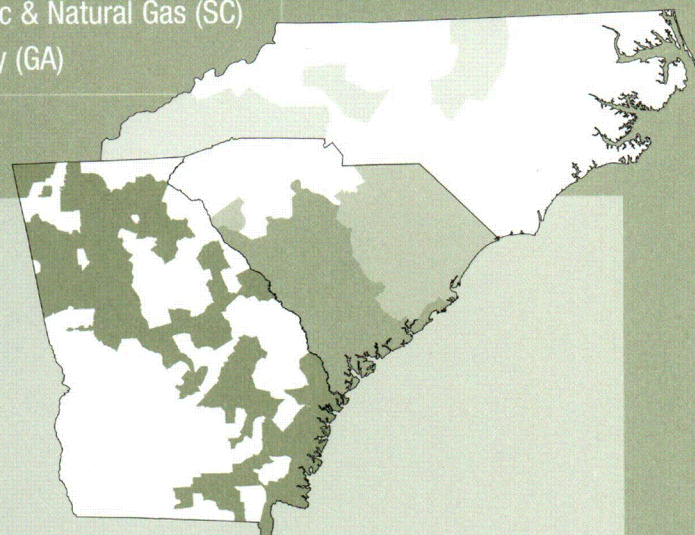
c: (without enclosures unless noted)
K. B. Marsh
S. A. Byrne
N. S. Carns
J. H. Hamilton
R. J. White
W. D. Travers (with Enclosure)
R. E. Martin
NRC Resident Inspector (with Enclosure)
K. M. Sutton
Glenda Willoughby, INPO (with Enclosure)
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SCANA Corporation
2005 Annual Report

You know us...

-  PSNC Energy (NC)
-  SCE&G Natural Gas only (SC)
-  SCE&G Electric & Natural Gas (SC)
-  SCANA Energy (GA)



Headquartered in Columbia, SC, SCANA Corporation is a \$9 billion Fortune 500 energy-based holding company principally engaged, through subsidiaries, in electric and natural gas utility operations and other energy-related businesses.

SCANA's key subsidiaries

South Carolina Electric & Gas | A regulated public utility based in Columbia, SC and engaged in the generation, transmission, distribution and sale of electricity to nearly 610,000 retail and wholesale customers in a service area covering more than 17,000 square miles in the central, southern and southwestern portions of South Carolina. The company is also engaged in the purchase and sale of natural gas, primarily at retail, to approximately 292,000 customers in a service area covering more than 22,000 square miles in central and southern South Carolina.

PSNC Energy | A regulated public utility based in Gastonia, NC. The company distributes natural gas to approximately 425,000 residential and business customers throughout a 28-county service area in north central and western North Carolina.

SCANA Energy | Based in Atlanta, GA, SCANA Energy is the second-largest marketer of natural gas in Georgia, serving more than 475,000 customers. The company has a regulated unit, SCANA Energy Regulated Division, selected by the Georgia Public Service Commission to serve as the state's only regulated natural gas provider.

Detailed information about SCANA and its businesses is available on the Company's Web site at www.scana.com.

For more than 150 years our customers have depended on us to light their way and keep them warm. We add comfort and convenience to the lives of our customers — at home, in business and in everyday life.

We're SCANA Corporation — a group of Southeastern-focused companies with knowledge and experience in the energy industry.

Our shareholders count on us to achieve profitable growth. **We deliver long-term value by operating efficiently and cost effectively, and by meeting customer needs reliably and safely.** We execute a simple, achievable business plan with an unwavering commitment to personal and corporate integrity.

Our success is fueled by the passion and professionalism of our employees. They are the heart and soul of our Company. All of us at SCANA embrace a set of values that guide the way we live and work every day: Serve our community. Achieve. Communicate openly and honestly. Respect diversity and care for each other. Excel in customer service and safety. And most importantly, do what is right.

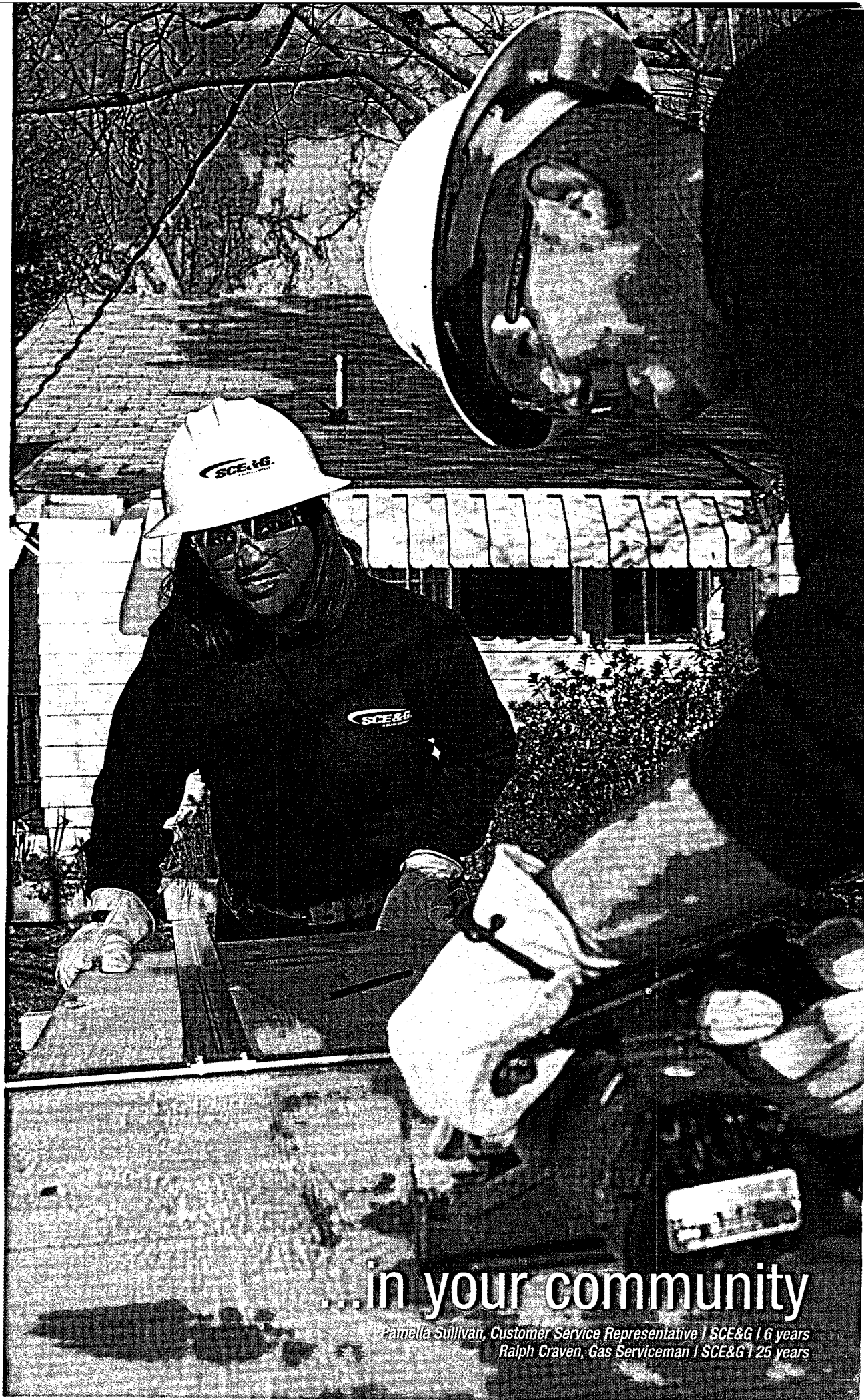
We strive to make a difference in the lives of our customers and in the communities that we serve.

SCANA's subsidiaries serve nearly 1.6 million customers in South Carolina, North Carolina and Georgia. Our 5,500 employees live and work in the communities we serve, as do more than half of the shareholders who invest their trust and hard-earned dollars in SCANA. In fact, many of our investors work, or have worked, for SCANA or one of its subsidiaries. More than 12 percent of our stock is held by current or past employees of the Company.

We're committed to helping our communities grow. SCANA's Community Development Grant program exemplifies that commitment. Since 1989, SCANA has awarded more than \$10 million in economic development grants that, along with state and federal funding, have been used by communities to create approximately 31,000 new jobs.

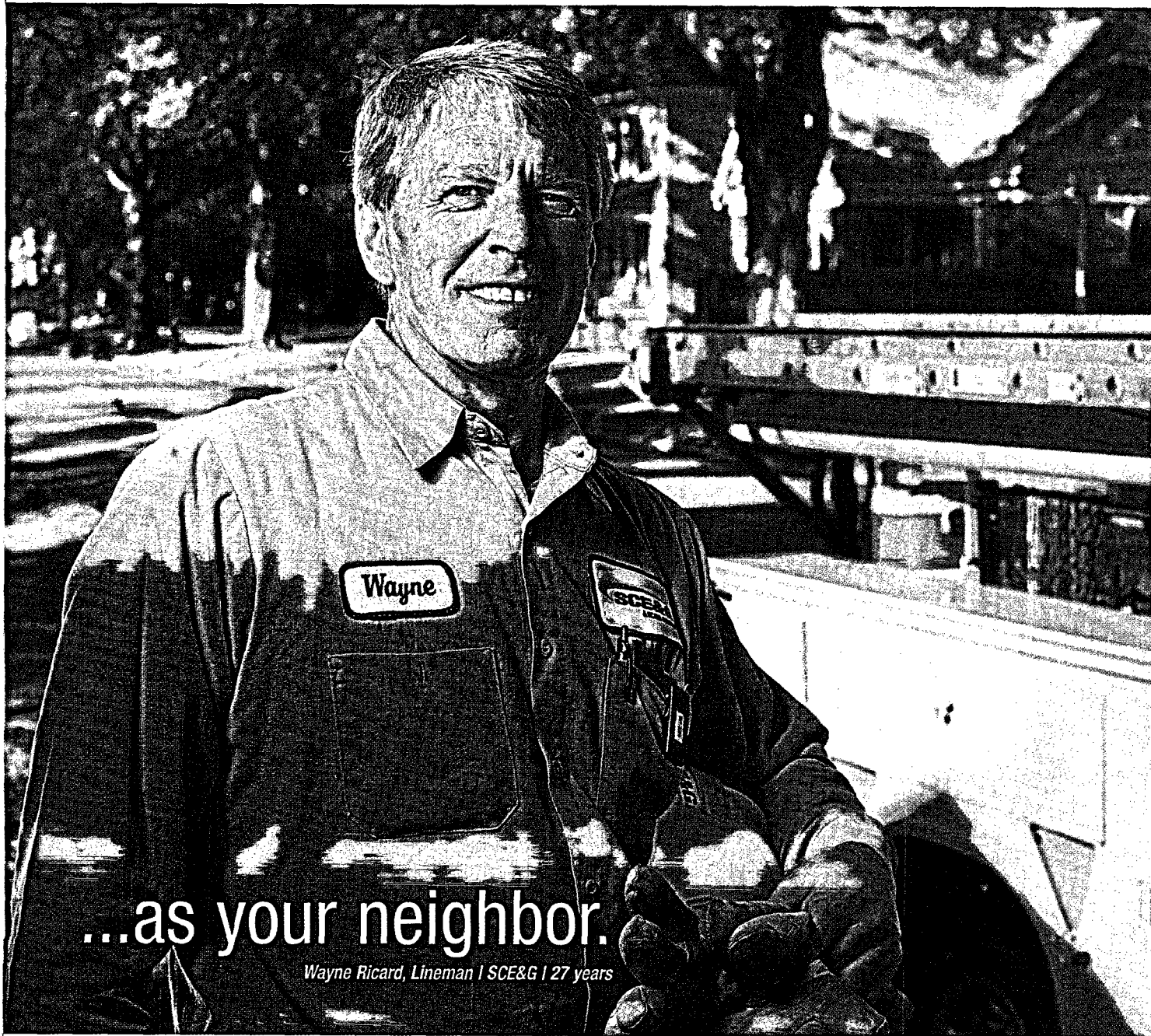
Through an energetic spirit of volunteerism and charitable giving, we focus our support on initiatives that are meaningful — that reflect the views of our customers and stakeholders. Areas of emphasis include education, health care and the environment.

As part of SCE&G's annual "Housewarming Blitz," nearly 100 employees volunteered their time and energy to help weatherize the homes of low-income customers throughout South Carolina. Their efforts included caulking, weather-stripping, painting, insulating and replacing windows and doors in homes in Aiken, Camden, Charleston, Columbia and Lake City — all with the goal of improving energy efficiency and helping reduce monthly heating bills. With a \$150,000 contribution from SCE&G, and in collaboration with the Governor's Office (Office of Economic Opportunity), local community action agencies would go on to weatherize almost 150 homes throughout the state.



...in your community

*Pamella Sullivan, Customer Service Representative | SCE&G | 6 years
Ralph Craven, Gas Serviceman | SCE&G | 25 years*



...as your neighbor.

Wayne Ricard, Lineman | SCE&G | 27 years

We are always planning and preparing to meet the energy needs of our customers — today and in the future.

Past planning and the development of new generation enabled SCE&G to meet the record high demand for power that occurred in late July when an intense heat wave gripped South Carolina. While setting new high marks for peak demand on its system and overall usage of electricity by its customers, SCE&G was able to stay true to its philosophy of **providing local power for local people.**

By maintaining a diversified fuel mix in its electric generation plants, SCE&G was prepared to maintain operation of those facilities when hurricanes Katrina and Rita crippled the natural gas supply infrastructure in the Gulf of Mexico.

With the completion of an expansion project in spring 2005, PSNC Energy put itself in position to offer natural gas service to all counties within its service territory. The company continues to experience strong customer growth, growing by slightly more than four percent in 2005.

With South Carolina's energy needs continuing to grow, SCE&G and Santee Cooper, South Carolina's state-owned electric and water utility, announced jointly in August 2005, that they would consider extending their present nuclear generation joint ownership arrangement to study constructing a new nuclear generation facility to meet projected electric generation needs beginning in the year 2015.

Generation planning is an ongoing process at SCE&G. As the state's primary regulated electric utility, the company has an obligation to provide its customers today and in the future with safe, reliable service while also being good stewards of the environment. Recognizing that the process to permit and build a major base load generation facility can take eight to 10 years, SCE&G understood the importance of beginning the planning process now.

We take care of business so that your investment can take care of the things that matter most to you.

For some, it's about funding a child's education. For others, it's about ensuring a comfortable life when you retire. For many, it's a balance in your portfolio on the other end of risk — one that's consistent and safe.

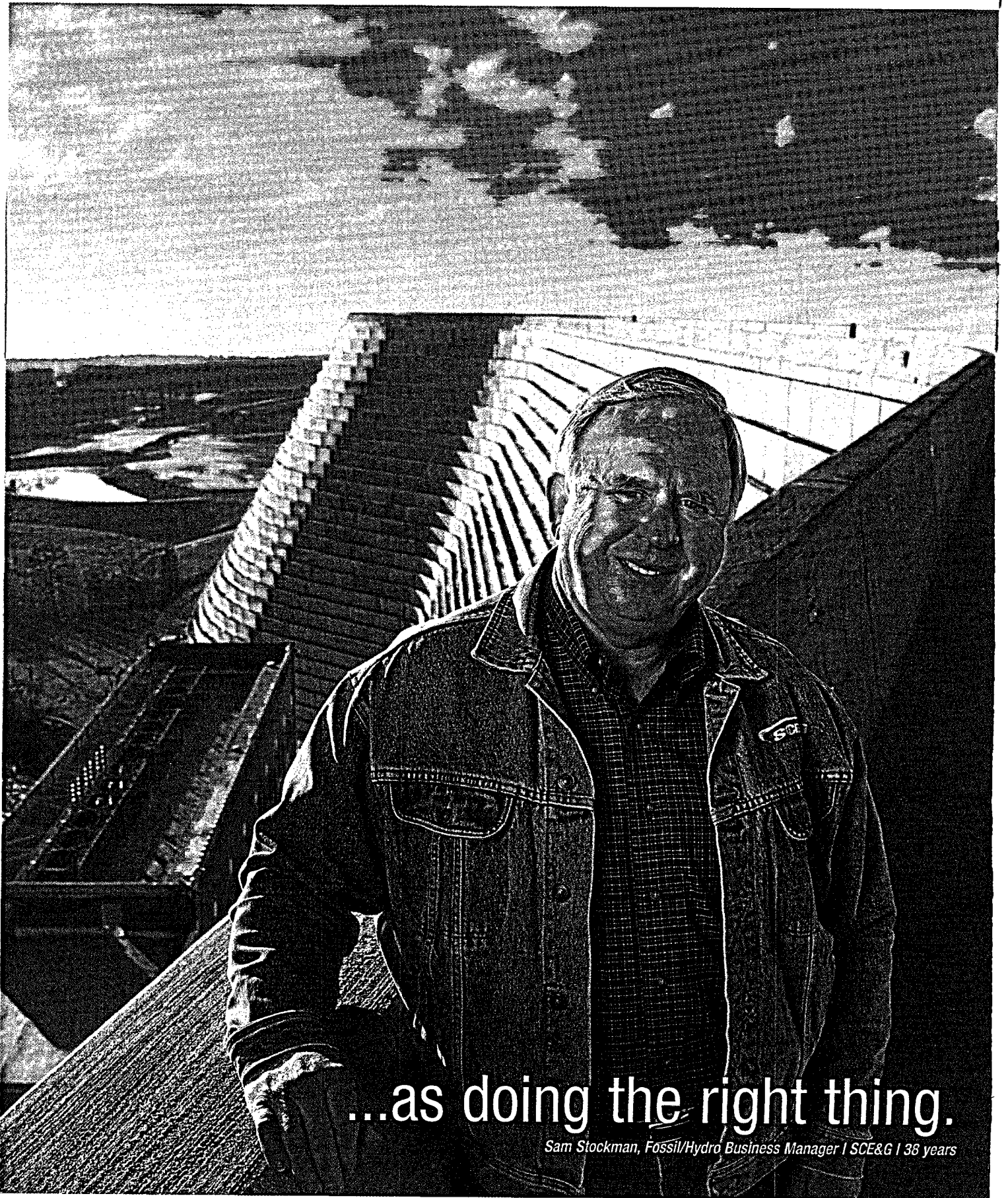
Many of you see us as a reflection of you as an investor or on you as a provider. You've been conscientious about planning for your family's needs. You've monitored our growth and development. You go through the proxy statement line by line. **While some may look at our stock on a purely functional level, as an investment, for you it means so much more.**

SCANA was named one of the best large companies in America for 2005 by Forbes magazine. SCANA ranked 275 in Forbes' annual "Platinum 400" survey (also known as "America's Best Big Companies") published in December 2005. The ranking is based on SCANA's financial performance against its industry peers over the last five years, as well as sales and earnings growth, stock market returns and debt to total capital. Forbes reported that the "Platinum 400" outperformed the stock market over the 12 months following publication of the list in six of the past seven years.



...as a smart investment.

Lynn Williams, Corporate Secretary / SCANA / 30 years



Sam Stockman, Fossil/Hydro Business Manager | SCE&G | 38 years

We care about the safety and well-being of our customers and our employees.

Through a company-wide emphasis on safety in 2005, SCANA and its subsidiaries collectively reduced their accident frequency rate more than 25 percent from the prior year and more than 53 percent over the past three years.

We care about the thoughts and opinions of those who live and work in the communities we serve. When SCE&G filed a notice of intent with the Federal Energy Regulatory Commission in April to seek a new license for the Saluda Hydroelectric Project, which includes Lake Murray, we committed to working to build a consensus among state and federal resource agencies, homeowners, and environmental and recreational groups. SCE&G is hosting public meetings to ensure all groups have the opportunity to actively participate in information sharing during the relicensing process.

We care about doing what is right. SCANA Energy was awarded the 2005 Torch Award for Marketplace Ethics by the Better Business Bureau of Central Georgia, Inc. The Torch Award is designed to promote not only the importance of ethical business practices, but the willingness and efforts made by outstanding businesses to ensure the marketplace remains fair and honorable for all.

In June 2005, SCE&G celebrated the on-budget and on-schedule completion of one of the largest construction projects in South Carolina history — the backup dam at Lake Murray.

This \$275 million project was undertaken to ensure the safety of the people living in communities downstream from the dam in the event of a major earthquake. SCE&G did not want its customers to foot the bill, so the Company worked with South Carolina's Public Service Commission to find an innovative way to finance the project. The PSC approved SCE&G's request that the Company be allowed to use federal Synfuel Tax Credits to offset the cost of the project.

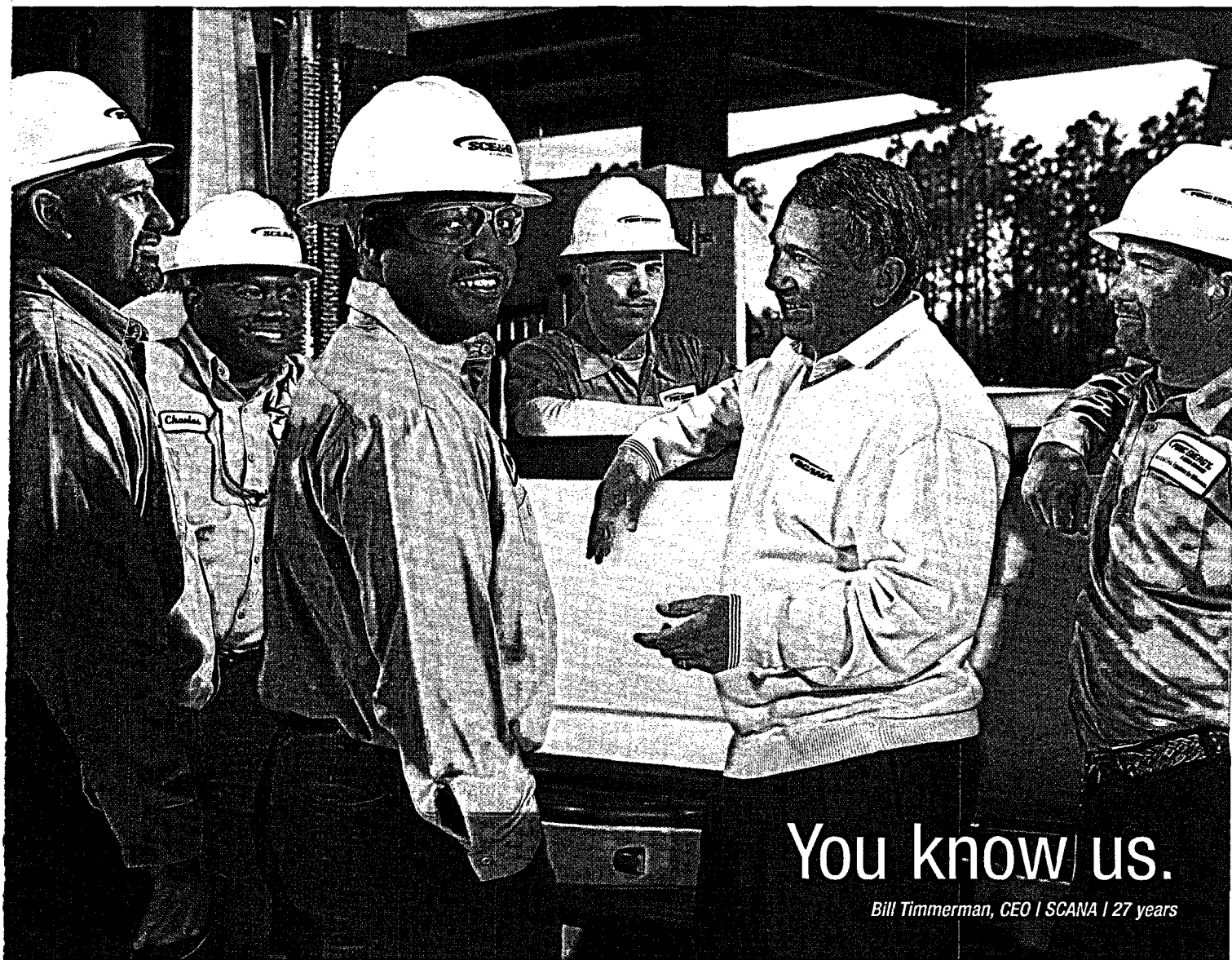
We're your company. Whether you're a customer, a shareholder or an employee, you know us as the company that meets some of your most important needs.

Our customers know us as the company that has provided them with safe, reliable power for generations.

Our shareholders know us as the company that acts with integrity and consistently delivers value.

Our employees know us as the company that treats them with respect and trusts them to live and work by our corporate values.

We're SCANA. We remain committed to serving those needs — today, tomorrow and in the years ahead.



You know us.

Bill Timmerman, CEO | SCANA | 27 years

SCE&G Line Crew: Mark Koon, 18 years; Charles Riley, 19 years; Kirk Chappell, 15 years. PSNC Energy Gas Crew: Jason Overcash, 6 years; Mark Craft, 16 years.

Letter To Shareholders

Fellow Shareholders:

I hope you enjoy reading this year's Annual Report for SCANA Corporation. It was a difficult year for our industry, yet a rewarding year for our Company as we overcame a number of challenges and stayed focused during a period of much uncertainty in the wake of historic hurricane damage.

I'm pleased to report that for the past year, the Company earned \$2.81 per common share, up 22 percent from the prior year GAAP reported results and up 4 percent when compared to 2004 GAAP Adjusted Net Earnings from operations. You can obtain more information about the Company's operations in other sections of the report. I think the most salient point for the future is the level of financial discipline, cost control and operational excellence that our employees displayed during the year, allowing the growth in customers and their usage to increase net income.

In February 2006, we raised the annual dividend to \$1.68 per common share, an increase of 12 cents, or 7.7 percent, reflecting the underlying strength of our continuing operations. At this level, and in accordance with our stated policy, we are paying to shareholders in the form of cash dividends between 55 percent and 60 percent of the annual earnings of the Company. This payout ratio is somewhat more conservative than our peers in the industry. I believe, however, this conservatism is warranted as we approach an extended period of capital expansion necessitated by the growing demand for our services and additional environmental controls required for our existing electric generating stations.

To that end, we have begun the process that would allow us to site, build and operate a new nuclear plant on the site of our existing V.C. Summer Nuclear Station. We recently announced an arrangement whereby we can continue our existing joint-ownership relationship with Santee-Cooper. We notified the Nuclear Regulatory Commission of our intention to continue work toward submitting a joint application for a combined construction and operating license for a new nuclear facility to help meet both companies' future electric generation needs. As we currently do with Summer Station, SCE&G would operate the new plant, and the companies would share the ownership and output of the new facility. We have announced the Westinghouse AP-1000 as our preferred reactor design technology due to our good experience with its predecessor technology and the fact that the amount of future power to be generated from the new unit, about 1,100 megawatts, nicely matches the joint generation requirements of SCE&G and Santee-Cooper. While a final decision to build a nuclear generating plant could yet be several years away and could be influenced by a number of factors, including numerous required regulatory approvals, this project could conceivably come on line around 2015. This generation expansion would permit us to meet our forecasted customer needs while avoiding the emissions and environmental costs inherent with a plant fueled with fossil fuels. Our current economic models show that nuclear power is less expensive than any other fuel source for base-load generation over the long term. This is an exciting project and one that our team is approaching with great enthusiasm.

A most difficult part of this year was the major concern for our Company and our customers related to the cost of natural gas supplies in the aftermath of hurricanes Katrina and Rita. As you well know,


following their impact on the natural gas producing areas of the U.S. Gulf Coast in 2005, prices soared, along with the cost of a barrel of oil. Since then, prices have been slowly receding. Fortunately, we have experienced an abnormally mild winter and the national inventory of stored natural gas was not significantly depleted. Both factors helped to force down prices during significant parts of this past winter season, which was a blessing. Additionally, we reached out to support our community by making substantial contributions to help lower income customers cope with the appreciably higher bills. Our Company also worked closely with the various state regulatory agencies to adapt our historical purchasing practices to aggressively capture declining gas prices for the benefit of our customers.

To date, we have not seen any significant erosion of our natural gas markets despite higher prices. I expect, however, that we will continue to experience fluctuating natural gas prices through next winter. We will continue to be concerned about the aggregate demand level for retail natural gas sales for the next few years until new supplies of natural gas find their way to the marketplace and prices return to more normal levels for our customers.

As I look ahead over the next several years, a number of strong trends appear that will affect our Company's operations. Forecasted economic activity for the national economy appears to be moderate, but positive. The South is continuing to emerge as a retirement location of choice for the 'baby boomer' generation. The level of federal regulatory intervention into historically state-regulated utility operations seems likely to continue, which will necessitate some changed business practices. Homes and appliances should continue to become more energy efficient. Fortunately, these are all trends that we have experienced for a number of years and they provide us with opportunities to prove our strengths. We have successfully grown the Company through this period, and I invite you to review the total shareholder return chart on page 14.

Our very clear focus on customer satisfaction and operating reliability, in conjunction with a very conservative financial position and strong internal cash flows from operations, provide us sound reasons to be optimistic as we anticipate a period of expansion for our Company. Our employees, who collectively own slightly more than 12 percent of the Company's outstanding common shares, have a long record of accomplishment on your behalf. That combination of factors promises to deliver the type of performance for which you've come to know us.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W.B. Timmerman', with a stylized, flowing script.

W.B. Timmerman
Chairman, President and CEO
February 22, 2006

We're focused on maintaining financial strength through steady growth.



Comparative **Total Return** Analysis

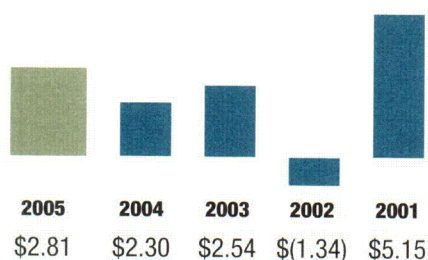
Change in stock price plus dividend for periods ended December 31, 2005

In South Carolina, SCE&G's customer base has increased by **2.9 percent** since year-end 2004. North Carolina-based PSNC Energy has grown its customer base by **4.2 percent** in the past 12 months. And seven years after entering the Georgia market, SCANA Energy remains the second largest natural gas marketer in that state, with more than a **30 percent** market share.

Across all of SCANA's subsidiaries, we continue to build on our demonstrated strengths in operational effectiveness and customer service to consistently deliver real value to our shareholders.

By leveraging our core competencies to maximize efficiencies and earn our allowed return, we have built a record of strong financial performance. Our policy is to pay out **55–60 percent** of annual earnings to shareholders each year in the form of cash dividends.

Our focus is providing reliable products and services as well as a fair return to our shareholders.



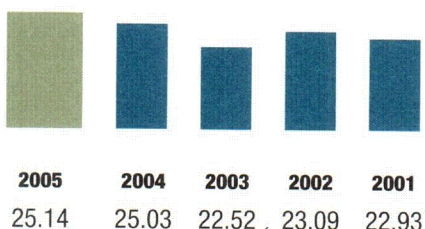
\$2.81

2005 GAAP Earnings (Loss) Per Share



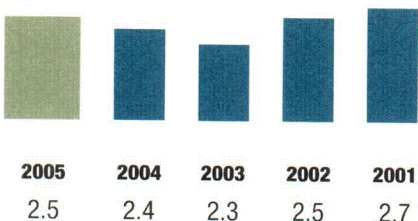
\$2.78

2005 GAAP-Adjusted Net Earnings from Operations Per Share



25.14

2005 Total Electricity Sales [Billions of Kilowatt Hours]



2.5

2005 Total Gas Sales [Billions of Therms]

Financial Highlights

For years ended December 31

For the Years Ended December 31,

[millions of dollars, except per share amounts]

Income Statement Data

	2005	2004	2003	2002	2001
Operating Revenues	\$ 4,777	\$ 3,885	\$ 3,416	\$ 2,954	\$ 3,451
Operating Income	436	596	551	514	528
Other Income (Expense)	(162)	(219)	(138)	(397)	309
Income Before Cumulative Effect of Accounting Change	320	257	282	88	539
Net Income (Loss)	\$ 320	\$ 257	\$ 282	\$ (142)	\$ 539

Per Share Data

Weighted Average Shares Outstanding [Millions]	113.8	111.6	110.8	106.0	104.7
Net Earnings Per Share Derived from					
Operations (GAAP-Adjusted)	\$ 2.78	\$ 2.67	\$ 2.50	\$ 2.38	\$ 2.15
Gain (Loss)	.03	(.14)	.35	.24	3.42
Investment Impairments	—	(.13)	(.31)	(1.79)	(.42)
Charge Related to Pending Litigation	—	(.10)	—	—	—
Cumulative Effect of Accounting Change	—	—	—	(2.17)	—
Basic and Diluted Earnings (Loss)					
Per Share (GAAP)	\$ 2.81	\$ 2.30	\$ 2.54	\$ (1.34)	\$ 5.15
Dividends Declared Per Share of Common Stock	\$ 1.56	\$ 1.46	\$ 1.38	\$ 1.30	\$ 1.20

Balance Sheet Data

Utility Plant, Net	\$ 6,734	\$ 6,762	\$ 6,417	\$ 5,474	\$ 5,263
Total Assets	9,519	9,006	8,458	8,074	7,822
Capitalization:					
Common Equity	2,677	2,451	2,306	2,177	2,194
Preferred Stock	114	115	115	165	166
Long-term Debt, Net	2,948	3,186	3,225	2,834	2,646
Total Capitalization	\$ 5,739	\$ 5,752	\$ 5,646	\$ 5,176	\$ 5,006

Other Statistics

Electric:					
Customers [Year-end]	609,971	585,264	570,940	560,224	547,388
Total Sales [Million KWH]	25,141	25,031	22,516	23,085	22,928
Generating Capability—Net MW [Year-end]	5,808	5,817	4,880	4,866	4,520
Territorial Peak Demand—Net MW	4,820	4,574	4,474	4,404	4,196
Regulated Gas:					
Customers [Year-end]	714,794	693,172	672,849	657,950	647,988
Sales, Excluding Transportation [Thousand Therms]	1,106,526	1,124,555	1,205,730	1,354,400	1,183,463
Retail Gas Marketing:					
Retail Customers [Year-end]	479,382	472,468	415,573	374,872	385,581
Firm Customer Deliveries [Thousand Therms]	379,913	379,712	356,256	337,858	359,602
Non-regulated Interruptible Gas Deliveries [Thousand Therms]	1,010,066	917,875	735,902	852,608	1,119,719

Selected Financial and Other Statistical Data

For the Years Ended December 31,

[millions of dollars]

Assets

Utility Plant, Net

Non-utility Property, Net

Assets Held in Trust, Net—Nuclear Decommissioning

Investments

Utility and Non-utility Property and Investments, Net

Current Assets

Cash and Temporary Investments

Receivables, Net

Inventories

Prepayments and Other

Deferred Income Taxes

Total Current Assets

Regulatory Assets and Deferred Debits

Total Assets**Capitalization and Liabilities**

Common Equity

Preferred Stock [Not subject to purchase or sinking funds]

Total Shareholders' Investment

Preferred Stock, Net [Subject to purchase or sinking funds]

Long-term Debt, Net

Total Capitalization**Current Liabilities**

Short-term Borrowings

Current Portion of Long-term Debt

Accounts Payable and Accrued Liabilities

Total Current Liabilities

Regulatory Liabilities and Deferred Credits

Commitments and Contingencies

Total Capitalization and Liabilities**2005****2004**

\$ 6,734

\$ 6,762

108

104

52

49

87

83

6,981

6,998

62

119

905

731

417

270

54

52

26

10

1,464

1,182

1,074

826

\$ 9,519

\$ 9,006

\$ 2,677

\$ 2,451

106

106

2,783

2,557

8

9

2,948

3,186

5,739

5,752

427

211

188

204

885

769

1,500

1,184

2,280

2,070

—

—

\$ 9,519

\$ 9,006

Condensed Consolidated Balance Sheets

For the Years Ended December 31,

[millions of dollars]

Operating Revenues

Electric

Gas – Regulated

Gas – Non-regulated

Total Operating Revenues

Operating Expenses

Fuel Used in Electric Generation

Purchased Power

Gas Purchased for Resale

Other Operation and Maintenance

Depreciation and Amortization

Other Taxes

Total Operating Expenses

Operating Income

Other Income (Expense):

Other Revenues

Other Expenses

Gain (Loss) on Sale of Assets and Investments

Impairment of Investments

Preferred Stock Dividends

Allowance for Equity Funds Used During Construction

Interest Charges, Net of Allowance for Borrowed Funds

Total Other Income (Expense)

Income Before Income Taxes and Earnings (Losses) from Equity Method Investments

Income Tax Expense (Benefit)

Income Before Earnings (Losses) from Equity Method Investments

Earnings (Losses) from Equity Method Investments

Net Income

Basic and Diluted Earnings Per Share

Weighted Average Shares Outstanding

2005**2004****2003**

\$ 1,909 \$ 1,688 \$ 1,466

1,405 1,126 1,086

1,463 1,071 864

4,777 3,885 3,416

618 467 334

37 51 64

2,399 1,753 1,532

632 608 558

510 265 238

145 145 139

4,341 3,289 2,865

436 596 551

248 181 167

(200) (160) (123)

9 (20) 61

– (27) (53)

(7) (7) (9)

– 16 19

(212) (202) (200)

(162) (219) (138)

274 377 413

(118) 123 135

392 254 278

(72) 3 4

\$ 320 \$ 257 \$ 282

\$ 2.81 \$ 2.30 \$ 2.54

113.8 111.6 110.8

Condensed Consolidated Income Statements

For the Years Ended December 31,

(millions of dollars)

Operating Activities

Net Income

2005	2004	2003
\$ 320	\$ 257	\$ 282

Adjustments to Reconcile Net Income to Net Cash Provided from Operating Activities:

Losses (Earnings) from Equity Method Investments

72	(3)	(4)
----	-----	-----

Depreciation and Amortization

518	274	249
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Amortization of Nuclear Fuel

18	22	21
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(Gain) Loss on Sale of Assets and Investments

(9)	20	(61)
-----	----	------

Impairment of Investments

—	27	53
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Other

(452)	(18)	2
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Net Cash Provided from Operating Activities

467	579	542
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Investing Activities

Utility Property Additions and Construction Expenditures, Net of AFC

(366)	(478)	(668)
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Other Investing Activities

(27)	25	43
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Net Cash Used in Investing Activities

(393)	(453)	(625)
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Financing Activities

Proceeds from Common Stock Issuance

84	65	6
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Proceeds from Debt Issuances

221	136	978
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Debt Repayments and Stock Repurchases

(471)	(173)	(917)
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Dividends

(181)	(168)	(158)
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Short-term Borrowings, Net

216	16	(14)
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Net Cash Used in Financing Activities

(131)	(124)	(105)
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Net Increase (Decrease) in Cash and Temporary Investments

(57)	2	(188)
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Cash and Temporary Investments, January 1

119	117	305
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Cash and Temporary Investments, December 31

\$ 62	\$ 119	\$ 117
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Condensed Consolidated Statements of Cash Flow

Financial Summary

This Annual Report is a summary. Complete financial statements and an extensive review of SCANA's financial condition and results of operations are provided to shareholders of record as of March 10, 2006 as part of SCANA's proxy statement. They are also included in the 2005 Form 10-K filed with the Securities and Exchange Commission.

GAAP-adjusted net earnings from operations per share increased by \$.11 in 2005, from \$2.67 to \$2.78, primarily as a result of improved margins on sales of electricity and natural gas. These improvements were partially offset by increased operations and maintenance expenses, depreciation and the dilutive effect of additional shares outstanding. In 2005, the Company recorded a gain of \$.03 per share upon the receipt of additional proceeds related to the 2003 sale of its investment in ITC Holding. In 2004, the Company recorded losses of \$(.14) per share from the sale of its investments in Knology and ITC^DeltaCom, an impairment charge of \$(.13) per share related to its investment in Knology and a charge of \$(.10) per share related to pending litigation associated with the 1999 sale of the Company's propane assets.

Electric Operations. Sales margins increased in 2005 primarily due to an increase in retail electric rates, an increase in off-system sales and customer growth.

Gas Distribution. Sales margins increased in 2005 primarily due to customer growth and increased retail gas base rates in South Carolina.

Gas Transmission. Sales margins in 2005 decreased slightly primarily due to higher gas prices.

Retail Gas Marketing. Net income decreased due to higher administrative, marketing and customer service expenses, which offset higher sales margins.

Other Operating Expenses. Other operating expenses increased in 2005 primarily as a result of increased operating costs, primarily associated with generating plants. Depreciation expense increased due to accelerated depreciation of the

backup dam at Lake Murray pursuant to a 2005 electric rate order (see discussion below) and other normal property additions.

Other Income (Expense). Interest expense increased, with the effect of lower debt outstanding being more than offset by reduced allowance for funds used during construction (AFC) resulting from lower construction activity and by higher interest on variable rate debt. In 2004, the Company recorded losses on the sale of the Company's investments in Knology and ITC^DeltaCom, an impairment charge related to its investment in Knology and a charge related to pending litigation associated with the 1999 sale of the Company's propane assets.

Depreciation, Income Tax Benefit and Losses from Equity Method Investments.

In January 2005, the South Carolina Public Service Commission approved an accounting methodology which allows the Company to recover the cost of the Lake Murray backup dam project through the application of net synthetic fuel tax credits generated from its synthetic fuel partnerships. Under this methodology, beginning January 1, 2005, the Company recognized its accumulated synthetic fuel tax credits to offset an equal amount of accelerated depreciation on the dam project, net of partnership losses and income tax benefits. While these entries resulted in a reduction in operating income for 2005 and significant impacts on individual line items in the income statement, there was no impact on net income. The impact of these entries is shown below:

Synthetic fuel tax credits recognized	\$ 179
Partnership losses recognized	(76)
Tax benefit of depreciation and partnership losses	111
Accelerated depreciation recognized	(214)
Impact to Net Income	<u>\$ 0</u>

Cash Flows. In 2005, cash was provided from operations and from the issuance of debt and equity securities. Cash was used to pay dividends, to repay debt and to fund construction of utility assets.

In Memorium



William B. Bookhart Jr.

William B. "Billy" Bookhart Jr. was elected to our Company's Board of Directors on April 25, 1979 and continued to be re-elected by our shareholders until his untimely death on November 21, 2005. Mr. Bookhart was a successful businessman and prominent civic leader who had been appointed to a number of roles in the government of South Carolina and at Clemson University. He served SCANA and its shareholders with honor and distinction. He will be missed by all.

Board of Directors



Bill L. Amick
Chairman
Amick Farms, Inc.
Batesburg, SC



D. Maybank Hagood
President and CEO
William M. Bird & Co., Inc.
Charleston, SC



Harold C. Stowe
Retired
Pawleys Island, SC



James A. Bennett
Executive Vice President
First Citizens Bank
Columbia, SC



W. Hayne Hipp
Private Investor
Greenville, SC



William B. Timmerman
Chairman, President and CEO
SCANA Corporation
Columbia, SC



William C. Burkhardt
Chairman and CEO
Titan Holdings, LLC
Raleigh, NC



Lynne M. Miller
Senior Business Consultant
Quanta Capital Holdings, Inc.
Reston, VA



G. Smedes York
President and Treasurer
York Properties, Inc.
Raleigh, NC



Sharon Allred Decker
Founder and Principal
The Tapestry Group LLC
Rutherfordton, NC



Maceo K. Sloan
Chairman, President and CEO
Sloan Financial Group, Inc.
Chairman and CEO
NCM Capital Mgt. Group, Inc.
Durham, NC

Directors Emeriti

William T. Cassels Jr.; Hugh M. Chapman; James B. Edwards; Elaine T. Freeman; Lawrence M. Gressette Jr.; Benjamin A. Hagood; F. Creighton McMaster; Henry Ponder; John A. Warren

Senior Officers



Joe Bouknight
Human Resources



Paul Fant
Electric & Natural
Gas Transmission



Charles McFadden
Governmental Affairs



George Bullwinkel
Natural Gas Operations (NC & GA)
& Telecommunications



Sharon Jenkins
Marketing & Communications



Frank Mood
Legal



Sarena Burch
Natural Gas/Coal Procurement &
Pipeline Capacity



Neville Lorick
Electric & Natural Gas
Operations (SC)



Steve Byrne
Generation



Kevin Marsh
Finance

Investor Information

Corporate Headquarters

SCANA Corporation, 1426 Main Street, Columbia, SC 29201

Telephone: (803) 217-9000

Internet Access

Information about the Company, including stock quotes, financial reports, press releases and information on the Company's products and services, is available on SCANA's home page on the Internet at www.scana.com. Registered shareholders may also access a variety of information about their stock accounts 24 hours a day, seven days a week on the Company's Web site. From the Company's home page, click on Investor Information, then select Shareholder Online.

Annual Meeting

SCANA Corporation's 2006 Annual Meeting of Shareholders will be held at 9 a.m. Eastern Daylight Time on Thursday, April 27, at Leaside, 100 East Exchange Place, Columbia, South Carolina.

Common Stock

SCANA Corporation's common stock is listed and traded on the New York Stock Exchange (NYSE). The ticker symbol is SCG. Quotes may be obtained in daily newspapers under the listing of SCANA. Current and historical stock price information is also available on the Company's Web site at www.scana.com.

Dividends

Dividends on SCANA's common stock and SCE&G's cumulative preferred stock are declared quarterly by the Company's board of directors, and are normally payable on the first day of January, April, July and October to shareholders of record on or about the 10th day of the preceding month.

SCANA Investor Plus Plan

The Plan provides investors a convenient and economical means of acquiring, holding and transferring shares of SCANA's common stock. Participants may purchase additional shares of common stock through automatic reinvestment of all or a portion of their cash dividends on SCANA's common stock and SCE&G's cumulative preferred stock, and/or by making optional cash investments of up to \$100,000 per calendar year.

The Plan also features a direct purchase provision through which investors can acquire their first shares of SCANA's common stock directly from the Company. A variety of other services, including direct deposit of dividends and safekeeping of share certificates, are also available. To receive a Plan prospectus and enrollment form, contact Shareholder Services.

Transfer Agent and Registrar

SCANA Corporation maintains shareholder records, issues dividend checks and acts as Transfer Agent and Registrar for the Company's common stock and SCE&G's cumulative preferred stock. Shareholders may send stock certificates directly to the Company's Shareholder Services Department for transfer. There is no charge for this service. The Company recommends that certificates be mailed by registered or certified mail. Signatures required for transfer must be guaranteed by an official of a financial institution that is an approved member of a Medallion Signature Guarantee Program.

Shareholder Services Questions

Questions concerning SCANA's Investor Plus Plan, stock transfer requirements, replacement of lost or stolen stock certificates or dividend checks, address changes, direct deposit of dividends, elimination of duplicate mailings, or other account services should be directed to the Shareholder Services Department:

SCANA Corporation

Attention: Shareholder Services (054)

Columbia, SC 29218-0001

(800) 763-5891 (24-hour toll-free Investor Line)

(803) 217-7817 (Columbia)

(Note: A Shareholder Services representative is available between 9 a.m. and 4 p.m. Eastern Time, Monday through Friday)

E-mail: shareholder@scana.com

Fax: (803) 217-7389

The Company's Annual Report on Form 10-K, quarterly reports on Form 10-Q and other reports filed with the Securities and Exchange Commission are available free of charge on the Company's Web site at www.scana.com as soon as reasonably practical after the reports are filed. Copies of these reports may also be obtained without charge upon receipt of a written request. Requests for these reports should be directed to Shareholder Services as listed on the previous page.

Auditors

Deloitte & Touche LLP
Independent Registered Public Accountants
1426 Main Street, Suite 820
Columbia, SC 29201-0001
Telephone: (803) 255-7000

Investor Relations Contact

H. John Winn III
Director — Investor Relations &
Shareholder Services
Telephone: (803) 217-9240
Fax: (803) 217-7344
E-mail: jwinn@scana.com

Investors' Association

For information about this organization's activities, write to:
Assoc. of SCANA Corp. Investors
PO Box 2173
Lexington, SC 29071

Trustee and Payment Agents

Questions concerning replacement of interest checks, tax information, transfers and other account information related to the following securities should be directed to the appropriate Trustee and Paying Agent:

SCE&G First & Refunding Mortgage Bonds

JPMorgan Chase Bank, NA
Corporate Trust Dept — 15th Floor
4 New York Plaza
New York, NY 10004
Telephone: (800) 275-2048

SCE&G First Mortgage Bonds

The Bank of New York, NA
101 Barclay Street, NY 10286
Telephone: (800) 254-2826

Statements included in this summary annual report which are not statements of historical fact are intended to be, and are hereby identified as, "forward-looking statements" for purposes of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Readers are cautioned that any such forward-looking statements are not guarantees of future performance and involve a number of risks and uncertainties, and that actual results could differ materially from those indicated by such forward-looking statements. Important factors that could cause actual results to differ materially from those indicated by such forward-looking statements include, but are not limited to, the following: [1] that the information is of a preliminary nature and may be subject to further and/or continuing review and adjustment; [2] regulatory actions or changes in the utility and nonutility regulatory environment;

[3] current and future litigation; [4] changes in the economy, especially in areas served by SCANA's subsidiaries; [5] the impact of competition from other energy suppliers, including competition from alternate fuels in industrial interruptible markets; [6] growth opportunities for SCANA's regulated and diversified subsidiaries; [7] the results of financing efforts; [8] changes in SCANA's accounting policies; [9] weather conditions, especially in areas served by the Company's subsidiaries; [10] performance of SCANA's pension plan assets; [11] inflation; [12] changes in environmental regulations; [13] volatility in commodity natural gas markets; and [14] the other risks and uncertainties described from time to time in the Company's periodic reports filed with the United States Securities and Exchange Commission. SCANA disclaims any obligation to update any forward-looking statements.

You know us.

