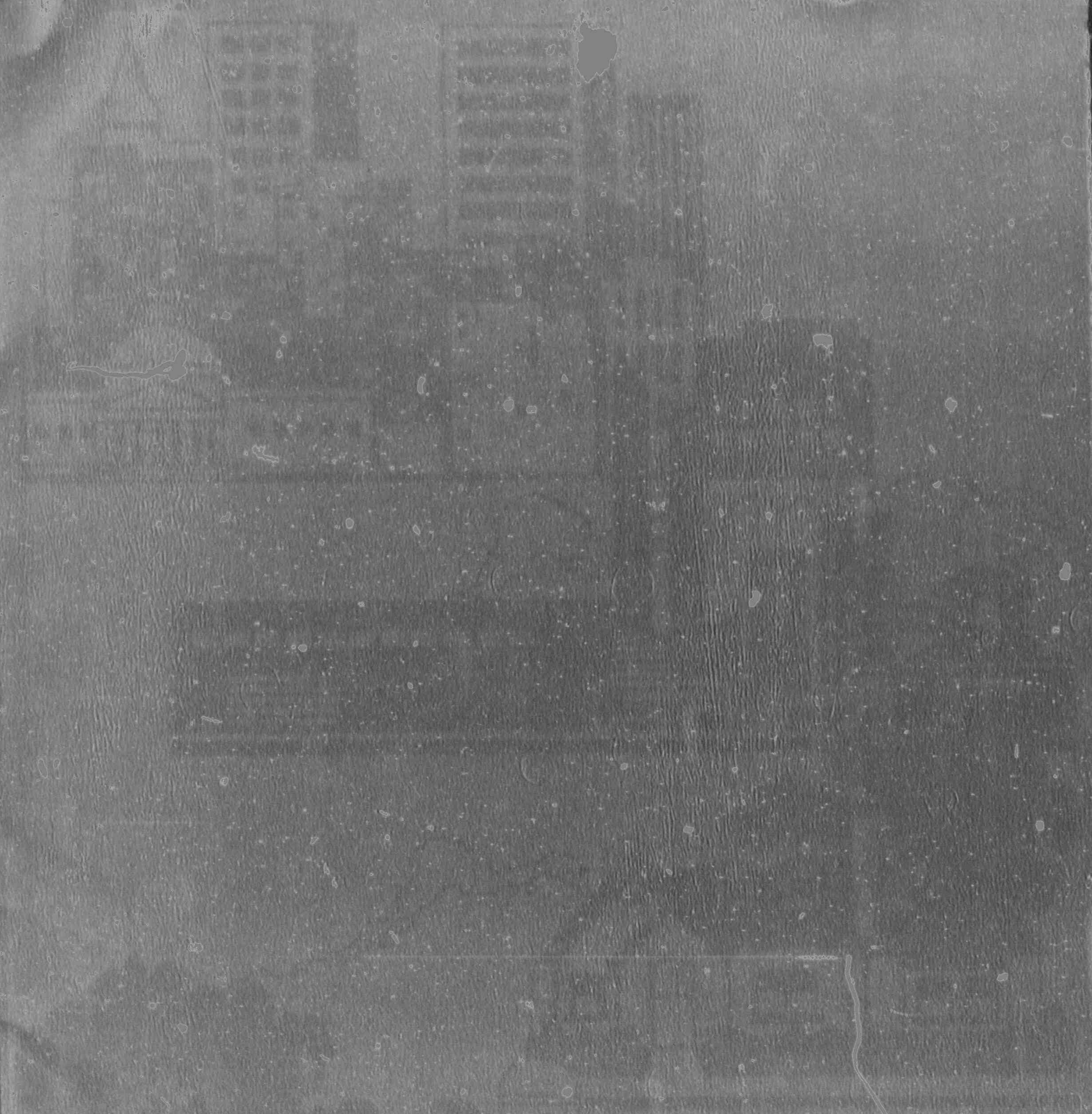
90 SCANA Corporation Annual Report



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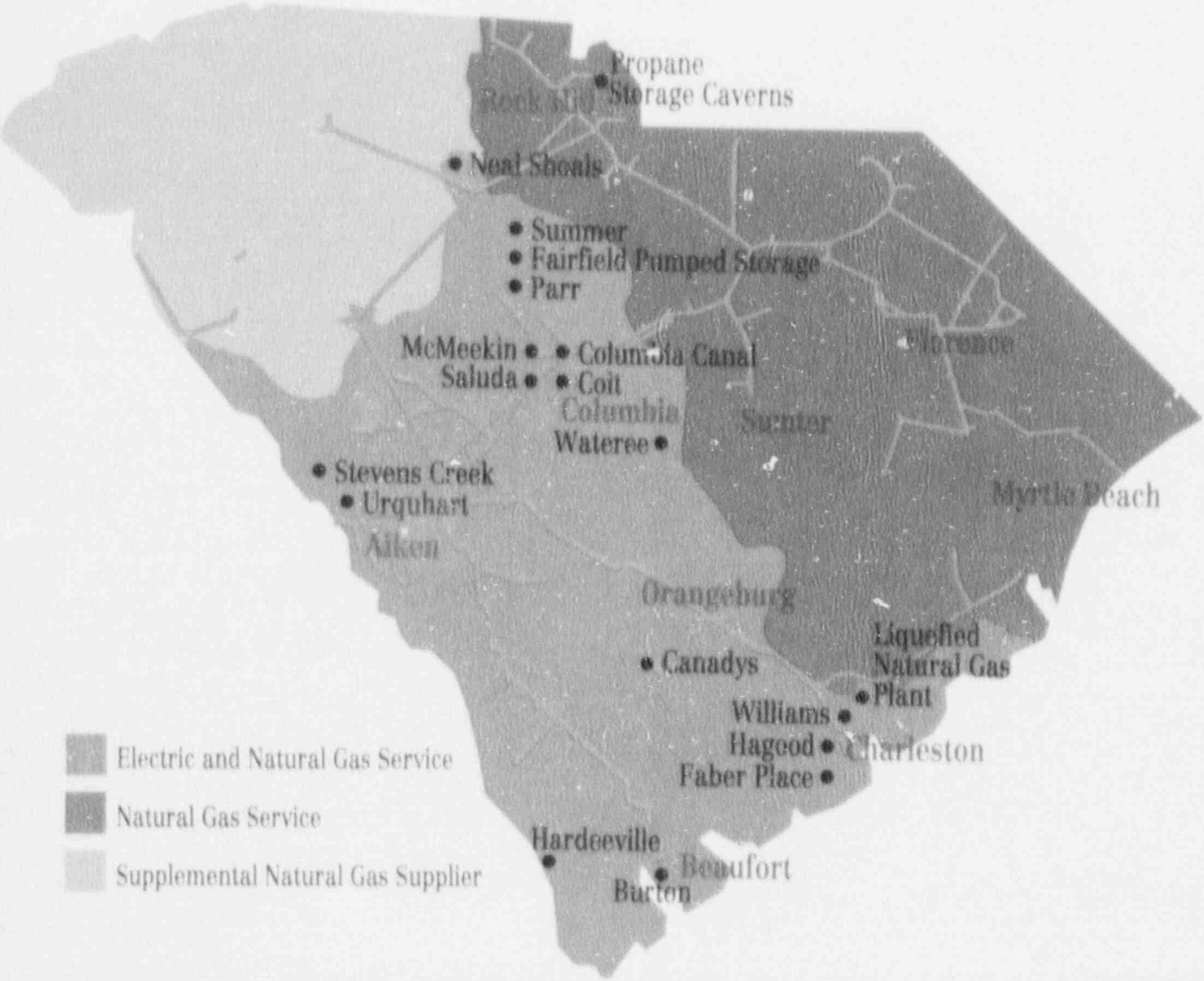


Steam Generation:	Hydro Generation:	Internal Combustion Generation:	Nuclear Generation:
Canadys	Columbia Canal	Burton	Summer
Hagood	Fairfield Pumped Storage	Canadys	
McMeekin	Neal Shoals	Coit	
Urquhart	Parr	Faber Place	
Wateree	Saluda	Hardeeville	
Williams	Stevens Creek	Parr	
		Urquhart	
		Williams	

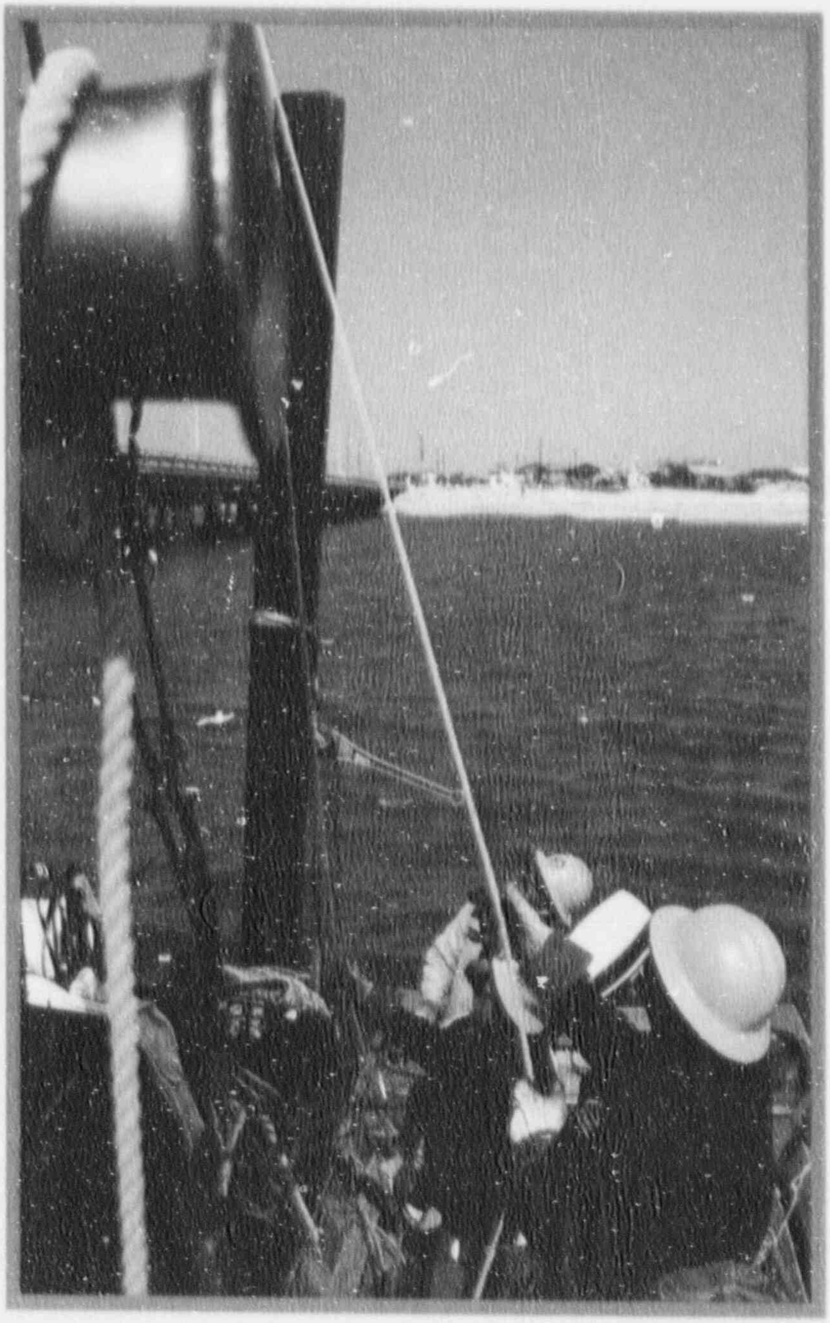
Gas transmission lines are represented in grey.

Utility Service Area

Headquartered in Columbia, SC, SCANA Corporation is a holding company engaged in a variety of regulated electric and gas utility and nonregulated diversified businesses.

SCANA's principal subsidiary, South Carolina Electric & Gas Company (SCE&G), provides electric service to more than 446,000 customers in a 15,000-square-mile service area in the central, southern and southwestern portions of the state that extends into 24 of South Carolina's 46 counties. SCE&G and South Carolina Pipeline Corporation, SCANA's gas transmission subsidiary, provide natural gas availability throughout the state on a direct service or supplemental basis. The total population of SCANA's combined utility service area is approximately three million. SCE&G also provides transit service in the metropolitan areas of Columbia and Charleston. Other regulated utility subsidiaries are engaged in electric generation and fossil and nuclear fuel financing.

The predominant manufacturing industries in SCANA's utility service area include synthetic fibers and various textile products; chemical and allied products; fiberglass and fiberglass products; paper and wood products; metal fabrication; and stone, clay and sand mining and processing.



Major nonregulated businesses operating primarily throughout the Southeast include fiber optic-based telecommunications; real estate development and property management; commercial construction, maintenance and power plant management services; retail propane distribution; and natural gas production properties.

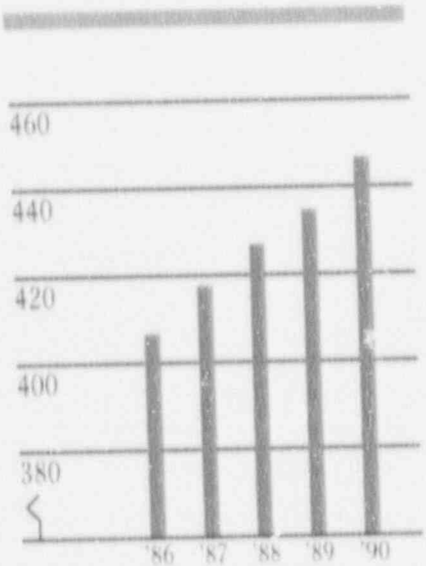
SCANA and its subsidiaries had approximately 4,600 employees at year-end.

Customer Profile

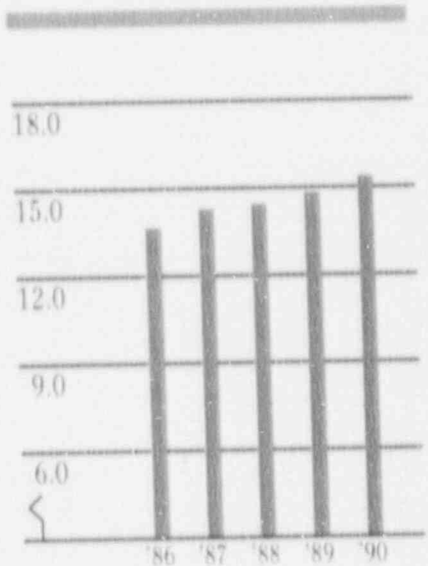
Electric

System-wide electric sales grew by 3.4 percent in 1990 to 15.4 billion kilowatt hours (KWH). Residential and commercial sales accounted for the increase. The electric customer base grew by 2.6 percent to 446,514 at year-end. The number of residential customers increased 2.5 percent, while commercial customer growth was up 3.4 percent. Over the last four years, total electric customers and KWH sales increased at average annual rates of 2.4 and 3.0 percent, respectively.

Electric Customers
(thousands; year-end)



Electric Sales
(billions of KWH)

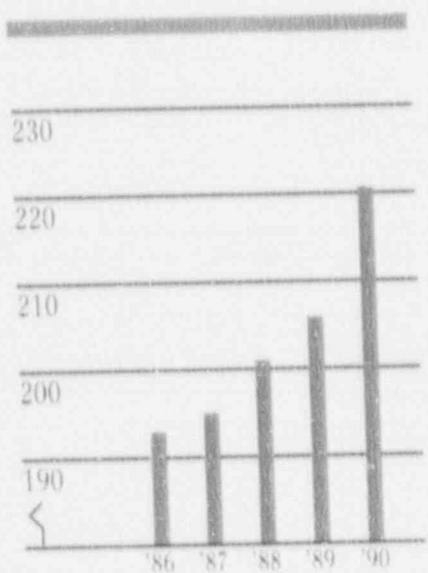


	Residential	Commercial	Industrial	Wholesale/ Other	Total
Customers	386,004	57,356	724	2,430	446,514
% of Total KWH Sales	33.0	28.5	29.5	9.0	100.0

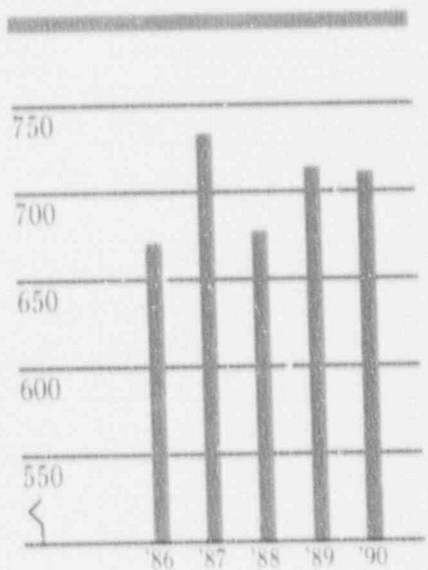
Natural Gas

System-wide natural gas sales in 1990 totaled 712 million therms, down 0.4 percent from 1989, primarily the result of an unseasonably mild winter. The Company had 220,817 customers at year-end 1990, up 7.4 percent over 1989. The acquisition of Peoples Natural Gas Company of South Carolina in October was the principal factor. An aggressive residential water heater sales program also contributed to this increase. Over the last four years, consolidated natural gas customers and therm sales increased at average annual rates of 3.5 and 1.7 percent, respectively.

Natural Gas Customers
(thousands; year-end)



Natural Gas Sales
(millions of therms)



	Residential	Commercial	Industrial	Wholesale	Total
Customers	199,713	20,450	630	24	220,817
% of Total Therm Sales	13.6	12.8	45.6	28.0	100.0

Financial & Operating Highlights

	1990	1989	% Increase (Decrease)
	(Millions of Dollars except statistics and per share amounts)		
Financial			
Total Operating Revenues	$ 1,133.2	$ 1,123.3	0.9
Total Operating Expenses	$ 907.3	$ 910.1	(0.3)
Net Income	$ 181.6	$ 122.6	48.1
Earnings Per Share of Common Stock	$ 4.44	$ 3.04	46.1
Dividends Declared Per Share of Common Stock	$ 2.52	$ 2.46	2.4
Book Value Per Share of Common Stock (Year-End)	$ 24.56	$ 22.79	7.8
Market Price Per Share of Common Stock (Year-End)	$ 34.63	$ 35.75	(3.1)
Common Stockholders' Equity (Year-End)	$ 1,003.9	$ 918.2	9.3
Common Stock Outstanding (Thousands; Year-End)	40,882	40,296	1.5
Property Additions and Construction Expenditures	$ 229.7	$ 181.5	26.6
Utility Plant, Net	$ 2,549.8	$ 2,444.3	4.3
Electric Operations			
Electric Operating Revenues	$ 836.8	$ 822.1	1.8
Electric Operating Income	$ 201.5	$ 193.8	4.0
Sales (Million KWH)	15,385	14,885	3.4
Customers (Year-End)	446,514	435,001	2.6
Generating Capability — Net MW (Year-End)	3,891	3,891	—
Territorial Peak Demand — Net MW	3,222	3,144	2.5
Gas Operations			
Gas Operating Revenues	$ 292.4	$ 297.1	(1.6)
Gas Operating Income	$ 29.1	$ 24.4	19.3
Sales (Thousand Therms)	711,821	714,585	(0.4)
Customers (Year-End)	220,817	205,657	7.4
Transit Operations			
Transit Operating Revenues	$ 4.0	$ 4.1	(2.4)
Transit Operating Income (Loss)	$ (4.7)	$ (5.1)	(7.8)
Revenue Passengers Carried (Thousands)	6,788	6,430	5.6

About the cover— For small farms and giant industries, bustling suburbs and growing cities, SCANA companies provide energy and related services that serve as a basis for economic growth and a better way of life.

This report is printed on recycled paper.

Chairman's Letter

Fellow Stockholders:
I am pleased to provide you with the 1990 Annual Report of SCANA Corporation, which details the significant achievements of the past year. The following table summarizes earnings per share which resulted from regular operations and the special gain on the sale of the Company's investment in Telecom*USA common stock.

Earnings per share attributable to:	1990	1989
Ongoing operations	$3.31	$3.04
Sale of investment in Telecom*USA	1.13	—
Total earnings per share	$4.44	$3.04

These operating results were achieved despite a very mild winter. For a complete discussion of the highlights of the current and prior years' operating results, please read "Management's Discussion & Analysis of Financial Condition & Results of Operation" beginning on page 35.

In April 1990 the Board of Directors increased the annual cash dividend on the Company's common stock from $2.46 to $2.52 per share. This increase was consistent with our policy of raising the dividend to the extent of growth in our fundamental businesses.

Three significant challenges continue to confront the Company in its core electric business for the next decade. First is the potential deregulation or restructuring of the industry. We have continued to emphasize cost containment and effective use of technology to improve our competitiveness. As a result, our electric rates today are 10.3 percent below those in effect in March 1984 and remain extremely competitive with surrounding investor-owned utilities and electric cooperatives. We have a commitment to be the low-cost producer in our region and to provide our customers with the best price/value relationship in their electric supply. We believe these objectives will minimize any adverse impact on our customers and stockholders from structural change in the industry.

Our second challenge is to supply the energy required to meet customer growth in our service territory. On August 29, 1990 we experienced a new peak demand of 3,222 megawatts, a 2.5 percent increase over the previous summer peak. At that time, the electric system had a generation reserve margin of 21 percent, which is close to our minimum reserve requirement. During 1991 the Company will complete installation of a 93-megawatt combustion turbine to meet the expected increase in peak demand. Our forecasts indicate that several more of these units will be required during the remainder of the decade. More importantly, our total electric sales increased 3.4 percent in 1990, reflecting the continued economic development and population growth in our service territory. We currently are evaluating several options to meet the ever-

increasing load. These options include purchasing power on a firm basis from third-party suppliers or construction of a coal-fired base load generating station. A decision is imminent and will be made on the basis of the long-range best interests of our customers and stockholders.

Environmental issues are our third major challenge. SCANA Corporation and its predecessor companies have always demonstrated great respect for the environment and have an excellent record of compliance with environmental matters. We adopted and published a formal environmental policy which commits the Company to continue and improve upon its prior performance. Late last year Congress enacted the Clean Air Act Amendments of 1990 which set significant limitations on power plant emissions. Please refer to page 6 for a detailed review of our approach to meeting these requirements and an estimate of their cost.

Our long-standing strategy of diversifying the operations of SCANA produced positive results in 1990. Our investment in Telecom*USA was purchased in August 1990 by MCI Communications Corporation. We are using a part of the net proceeds from this sale to acquire natural gas reserves. Because of the present uncertainties of the domestic economy and the reduction of available credit from the financial system, we can purchase these reserves at reasonable prices. We intend to sell this natural gas to markets outside South Carolina, thereby broadening our customer base. For over 30 years, we have sold natural gas to industrial customers through direct negotiation in competition with alternate fuels and alternate gas suppliers. Entry into this sector of the energy business is a natural extension of prior success and better focuses our operations.

During 1990 death claimed Arthur M. Williams, Jr., retired chairman, chief executive officer and director of SCE&G. His wise counsel will be greatly missed. On October 31, 1990 Thomas C. Nichols, Jr. retired as president of SCE&G. During his nearly 38 years of service, he was a significant factor in the growth of our excellent energy company. In October 1990 Bruce D. Kenyon was elected president. Mr. Kenyon, formerly senior vice president of Pennsylvania Power & Light Company, has over 20 years experience in the electric utility industry, including a significant background in nuclear power operations.

It is too easy to get involved in the consideration of long-term strategies which meet the increasingly complex pressures we face and forget that our current success comes from the performance of nearly 4,600 employees who do their work superbly every day of the year. In 1990 SCE&G's employees won the coveted Edison Award for their service during Hurricane Hugo. To me, this award recognizes the training, skills, attitude and commitment they bring to the workplace. Our employees, active and retired, own in excess of 12 percent of the common stock of SCANA. They are the foundation for those strategies we are following, and they will be the foundation of whatever success we enjoy.

In closing, we face real challenges during the next few years. The potential impact of events in the Persian Gulf, the ultimate depth and length of the current recession and weaknesses in the nation's financial system make it difficult to predict the demand for our products in the near-term. We intend to maintain maximum flexibility in selecting our options, to focus diligently on customer satisfaction and to keep a long-term view toward opportunities for growth. The result should be the maximum return for us as stockholders.

Respectfully submitted,

Lawrence M. Gressette, Jr.

Lawrence M. Gressette, Jr.
Chairman of the Board, President
and Chief Executive Officer

Year In Review

Reliable and affordable energy and related services have been provided by SCANA Corporation and its corporate predecessors for more than 140 years. During our evolution from a small gas light company founded in 1846 to a diversified holding company today, SCANA has always provided a cornerstone for economic growth in the areas it serves. The same characteristics that have helped us successfully capitalize on opportunities in the past – commitment, expertise and insight – are still at work today.

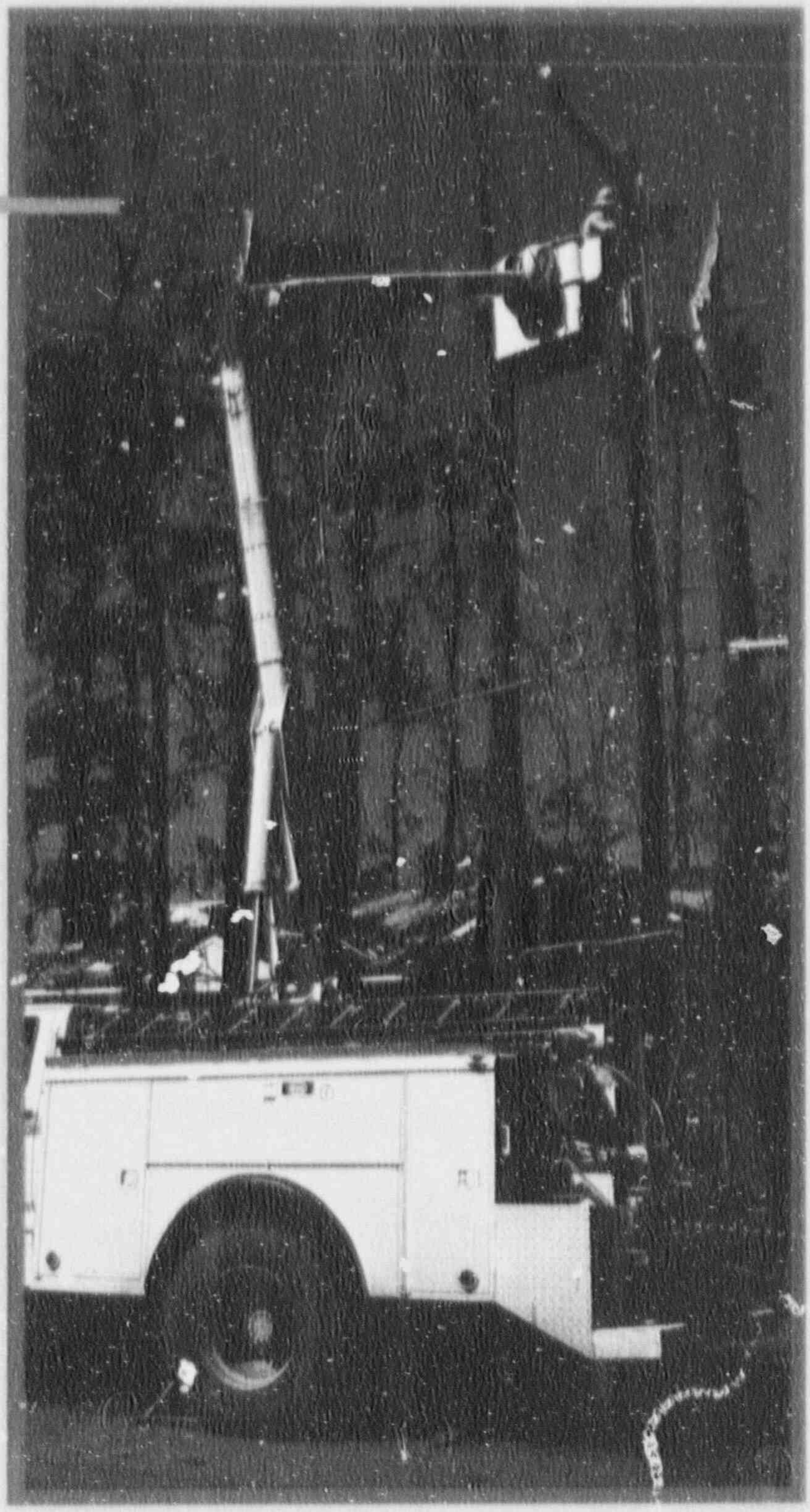
SCANA's companies produce and distribute electric power, bring natural gas to homes, businesses and industries, provide communications services, manage natural resources, develop sites for new industry, operate power plants, construct buildings and hospitals, and produce natural gas.

All of our businesses adhere to a set of fundamental principles. We believe in customer satisfaction. Our electric rates are among the lowest in the Southeast and our level of customer service continues to improve. We believe in a clean environment. Our operational commitment is to meet or exceed the requirements of all pertinent laws and regulations. We believe in contributing to a better way of life. Our economic development investments stimulate matching grants that spur critical water and sewer plant construction in small towns across our service area. We believe in quality education. Our scholarship program helps more than 90 outstanding high school students attend college each year. And finally we believe in providing a sound return on our stockholders' investment. Our history of operating existing businesses successfully while making sound investment decisions has provided significant returns to our stockholders as SCANA develops as a growing energy company.

The following brief review of our activities during 1990 is intended to highlight current accomplishments as part of the achievements of our longer-term strategies.

Employees Earn Industry's Highest Honor

South Carolina Electric & Gas Company (SCE&G) and its employees were honored in June with Edison Electric Institute's nationally acclaimed Edison Award in recognition of "humanitarian concern for its customers and dedication to the restoration of service" following 1989's Hurricane Hugo. The Edison Award is the highest honor awarded by the utility industry.



Environmental Policy Put In Writing

SCE&G took several steps in 1990 to strengthen its commitment to conduct business in a way that exhibits ecological concern and produces results.

We adopted a written environmental policy which formally documents our beliefs, intentions and commitments toward the environment. SCE&G pledges to continue to meet or exceed the requirements of all local, state and federal environmental laws and regulations, and to investigate and encourage new technologies whose ultimate benefit is a cleaner environment. We will aggressively oversee all of our activities to ensure continued compliance with these pledges.

We continued to show concern for the environment during 1990 through reforesting an ash storage area, recycling more than 75 percent of the ash from our generating plants, searching for additional ways to recycle waste products and using more recycled products. This annual report is printed on recycled paper.

Clean Air Strategies Under Development

The five coal plants supplying power to SCE&G's system are not immediately affected by the Clean Air Act Amendments of 1990 adopted by Congress. These five plants, which were built for the most part over 25 years ago and provide more than 70 percent of our customers' electric needs, have a system average sulfur dioxide emission rate that is well below limits imposed by the Act for operations through 1999.

However, to comply with limits required after that date, we anticipate capital outlays of $200 - $400 million in the second half of this decade. Associated operating and maintenance costs are expected to increase by $55 million annually. SCE&G's electric rates have declined by about 10 percent since 1984, but the capital spending and additional operating expenses associated with the Clean Air Act alone could increase electric rates as much as 15 percent over the next ten years.

In November SCE&G announced plans to upgrade environmental control equipment at its McMeekin generating station. This $35 million project will improve air quality at the 32-year-old plant by reducing fly ash emissions and improving the dispersal of sulfur dioxide emissions. Even though McMeekin's air emissions are below existing permitted limits, SCANA's Board of Directors felt the project was necessary for SCE&G to achieve its environmental goals and get a head start on the new emission standards for the year 2000.

Recycling Christmas trees is just one of the ways SCE&G demonstrated its concern for the environment. In cooperation with Keep America Beautiful, SCE&G provided sites and equipment for grinding trees into free mulch for the public.


GRINDING

Peak Demand Shrinking Reserve Margin

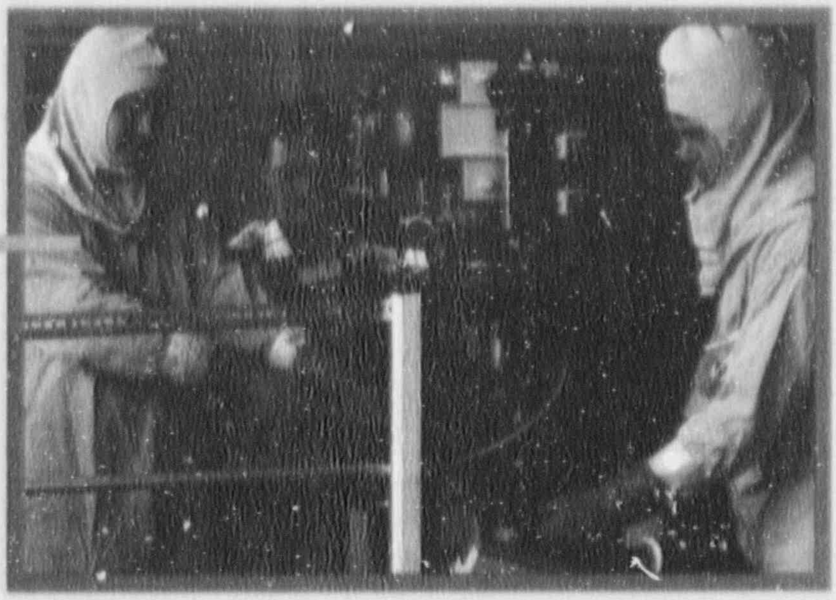
During the past five years SCE&G's electric sales grew 18 percent while our peak load demand increased by 19 percent. We have installed no new generating capacity since the V.C. Summer Nuclear Station came on line in 1984. Since that time we have met customer demand by utilizing our reserve margin. The reserve margin stood at 21 percent at 1990's summer peak, indicating that additional generation is needed to meet our customers' service requirements in the coming decade.

In May construction began on a 93-megawatt combustion turbine that will help meet immediate peak load demand. It is expected to begin commercial operation in 1991. Adding peak generating units such as combustion turbines, however, is only part of the solution. We are studying the possible construction of a coal-fired generating plant that could begin commercial operation in the mid-to-late 1990s. Our last coal-fired generating plant came on line in 1973.

Additionally we have been working to delay the need for new generating capacity with electric marketing programs that reduce peak load demands. These programs include promoting the design and construction of new homes that maximize energy efficiency, offering special rates for off-peak electric usage, and encouraging the use of high-efficiency heating and cooling systems by our residential and large commercial and industrial customers.

Electric marketing's standby generator program, in which customers receive a monthly fee to accept standby status during periods of peak demand, is an important part of SCE&G's strategy to delay the need for new generating facilities.

Nuclear Operations Remain Outstanding



The V.C. Summer Nuclear Station continued its outstanding operating performance during 1990. For the year, which included a 62-day scheduled refueling outage, the unit's capacity factor was 79 percent, compared to a national industry average of 66 percent. Eliminating the refueling outage, Summer Station's capacity factor was 95 percent.

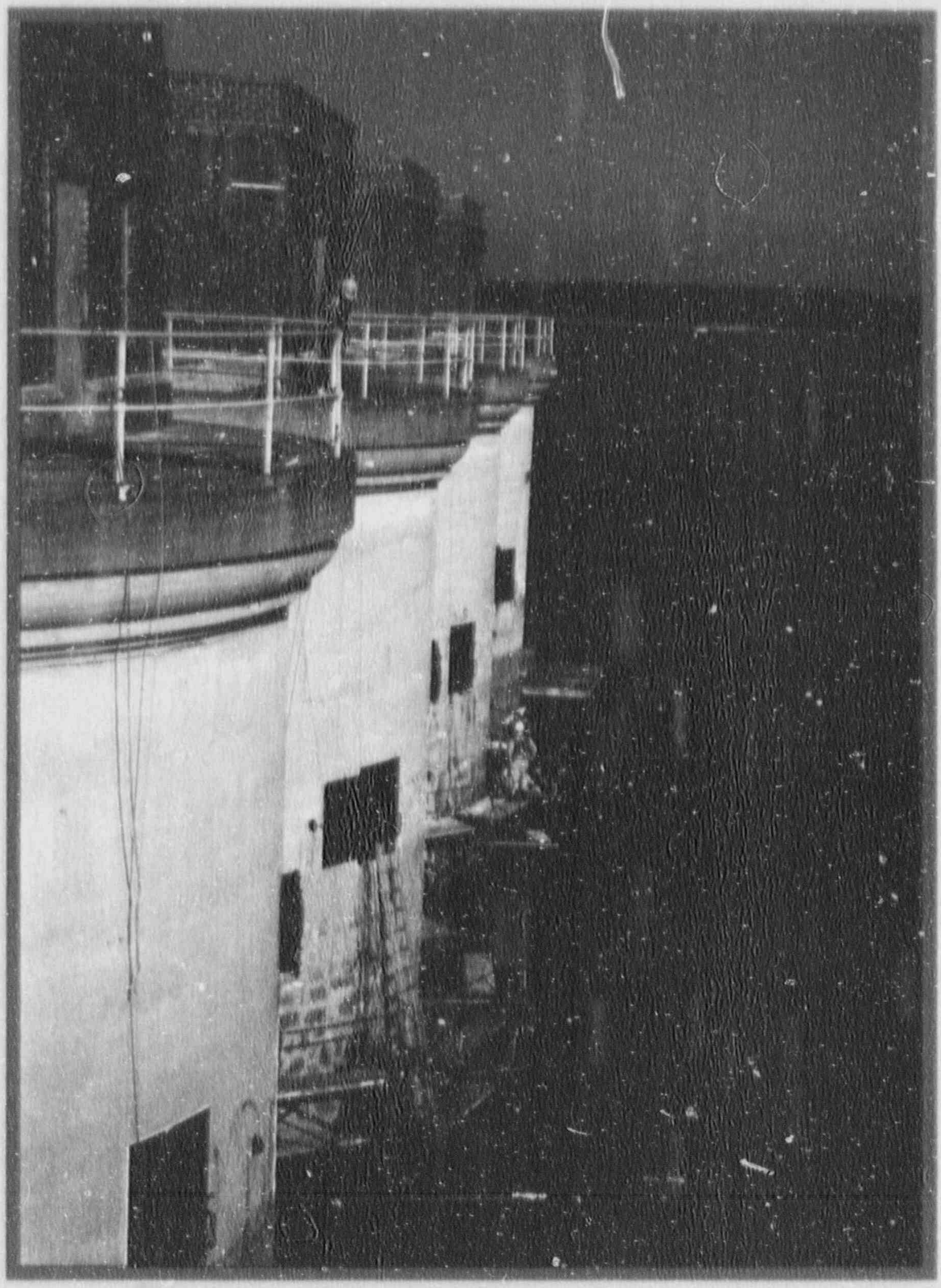
The refueling outage was completed in May ahead of schedule and under budget. Based on the plant's 18-month fuel cycle, the next refueling outage will take place in the fall of 1991.

SCE&G has an outstanding success rate for initial licensing of control room operators. Considerable effort was expended during 1990 to meet and exceed evolving Nuclear Regulatory Commission (NRC) requirements for the training, qualifying and requalifying for operators' licenses. The control room simulator is being upgraded to provide an even more realistic training vehicle, and each operator will be scheduled to spend a greater amount of time on the simulator.

In June SCE&G received excellent marks from the NRC in the agency's Systematic Assessment of Licensee Performance (SALP) report. The report was based on operations at the plant for the 18-month period ending April 30, 1990. SCE&G received the highest Category 1 rating in four of the seven areas evaluated and a Category 2 rating in the other three areas. The NRC's overall finding was "superior performance in the majority of assessment areas."

Maintaining the operating safety, reliability and efficiency of Summer Station is a key component of SCE&G's corporate strategy to remain a high-quality, low-cost provider of energy. There is no substitute for operational excellence at Summer Station.

Shown above—
Employee training at Summer Station has been expanding each year. SCE&G has been recognized by the Nuclear Regulatory Commission for its investment in and development of superior practical training aids. Plant employees have been instrumental in the creation of these training tools.



Preventive maintenance completed in 1990 on the intake towers at Saluda Hydro will allow the plant to continue providing reliable and economical power for years to come.

Increasing Focus On The Customer

One key element of our strategy to increase customer satisfaction is low rates, and SCE&G's customers enjoy some of the lowest electric rates in the country. Our residential rates are 3 percent below the Southeast average and 7 percent below the national average. Our commercial and industrial rates are 7 and 9 percent, respectively, below the regional average and 15 percent below the national average. We continuously strive to maintain our competitive position.

Encouraging Two-Way Communication

The other key determinant of customer satisfaction is superior service. During 1990 we asked our customers their opinion about the quality of service that they received. While the response was favorable, we plan to do an even better job. We developed a comprehensive training program that will be offered to all employees during 1991. Our officers continued to make regular visits to our larger commercial and industrial customers. We formed citizens' advisory committees in a pilot program to develop direct access to community leaders. These activities will provide us with comments about our quality of service so that appropriate action can be taken. As a result we are providing our customers with more personalized services and a greater array of choices.

We recognize that SCE&G must maintain the highest level of customer satisfaction possible to be successful as an energy provider in the 90s.

Shown above— For the eighth straight year, SCE&G employee volunteers helped make the cold weather more comfortable for elderly and needy customers by caulking windows, weatherstripping doors and installing plastic over windows as part of SCE&G's Weatherization Program.

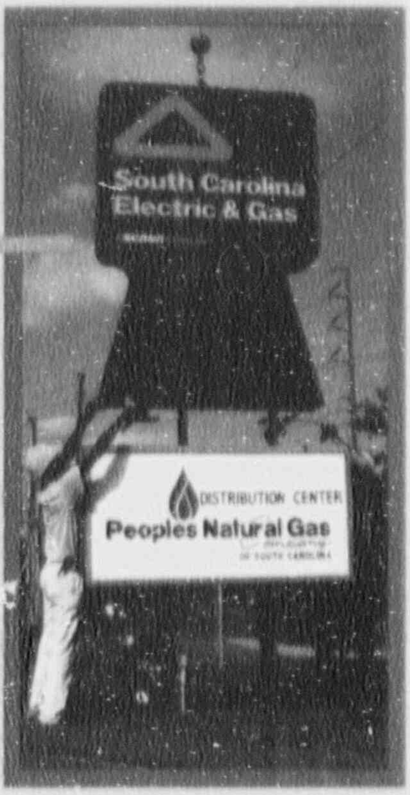
Natural Gas Operations

Acquisitions Key To Strategic Expansion

SCANA continued expansion of its natural gas distribution and propane businesses during 1990 with several strategic acquisitions.

In October SCANA completed the merger with Peoples Natural Gas Company of South Carolina, a regulated public utility with 10,300 natural gas customers and 2,800 propane customers.

In August Carotane, SCANA's retail prcpane subsidiary, purchased the assets of Southern Gas Company in Aiken, one of the fastest growing regions in our state. With the addition of Southern's 1,400 propane customers and People's 2,800 propane customers, Carotane doubled its size in 1990 and enhanced its position as one of the major propane suppliers in the state.



SCE&G continues to emphasize the sale of gas water heaters as a part of its business expansion. During 1990 we added 9,150 new water heating customers. Gas was the fuel of choice to heat 91 percent of the new homes and apartments in our service area where gas is available.

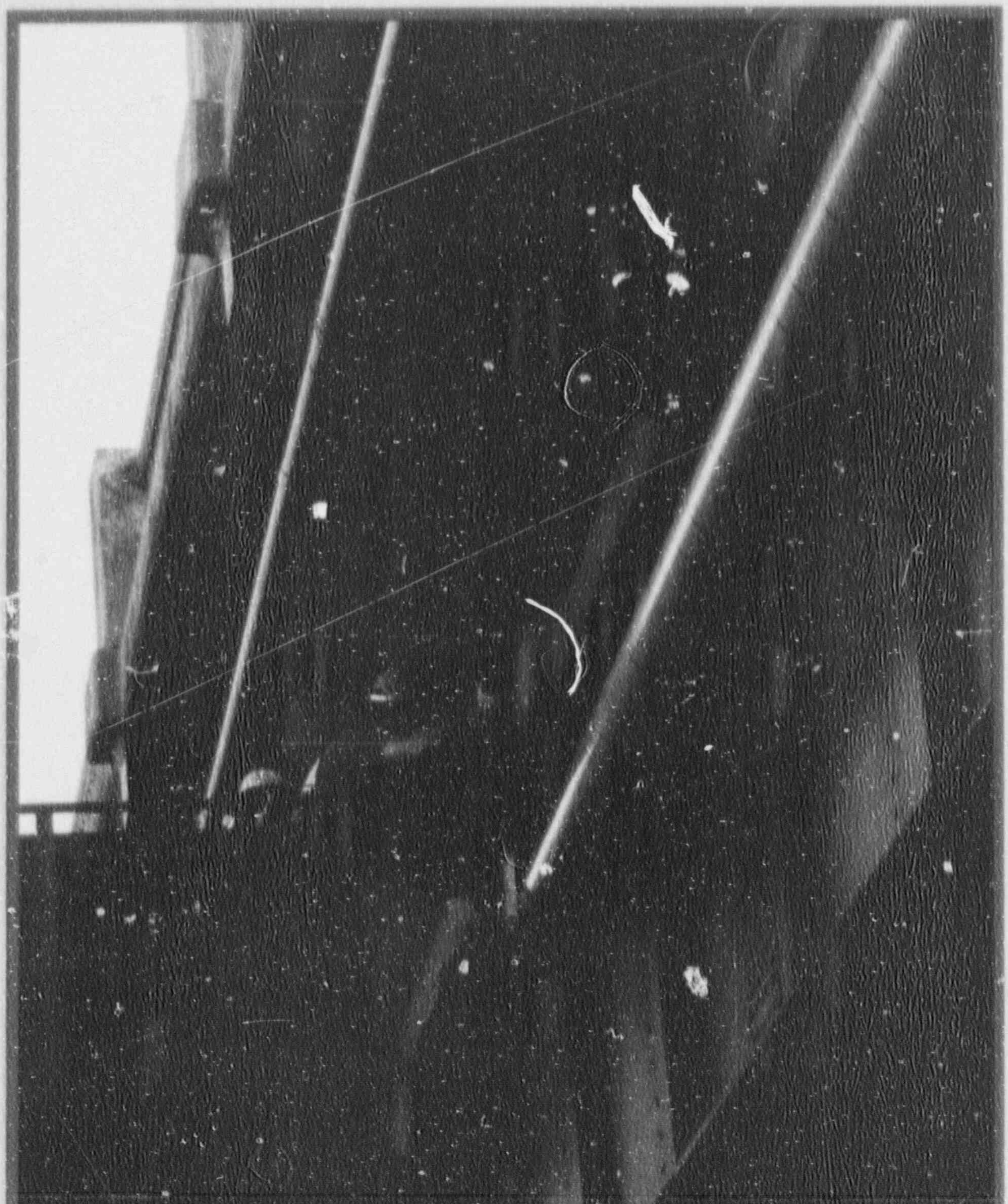
Shown above—
The merger of SCANA and Peoples Natural Gas Company of South Carolina in October opened new markets in the eastern portion of the state and continued SCANA's expansion of its natural gas distribution and propane businesses.

Pipeline Corporation Achieves Record Throughput

Total throughput on South Carolina Pipeline Corporation's system in 1990 was a record 87.5 million MCF, a 5.3 percent increase over 1989. Better than expected industrial sales and greater transportation volumes for end users offset reduced sales to resale customers. Pipeline Corporation continued purchasing on the spot market so that it could compete effectively with alternative fuels.

In 1990 Pipeline Corporation also renegotiated its supply contracts for natural gas, lowering the cost of gas to its resale customers, one of which is SCE&G.

A high-pressure tie-in was completed between the natural gas systems serving Columbia and West Columbia as part of a multi-million dollar natural gas main replacement project. By year-end, 661 of 700 miles of main had been replaced. Originally estimated as a 20-year project, work will be completed by the end of 1991, ten years ahead of schedule.



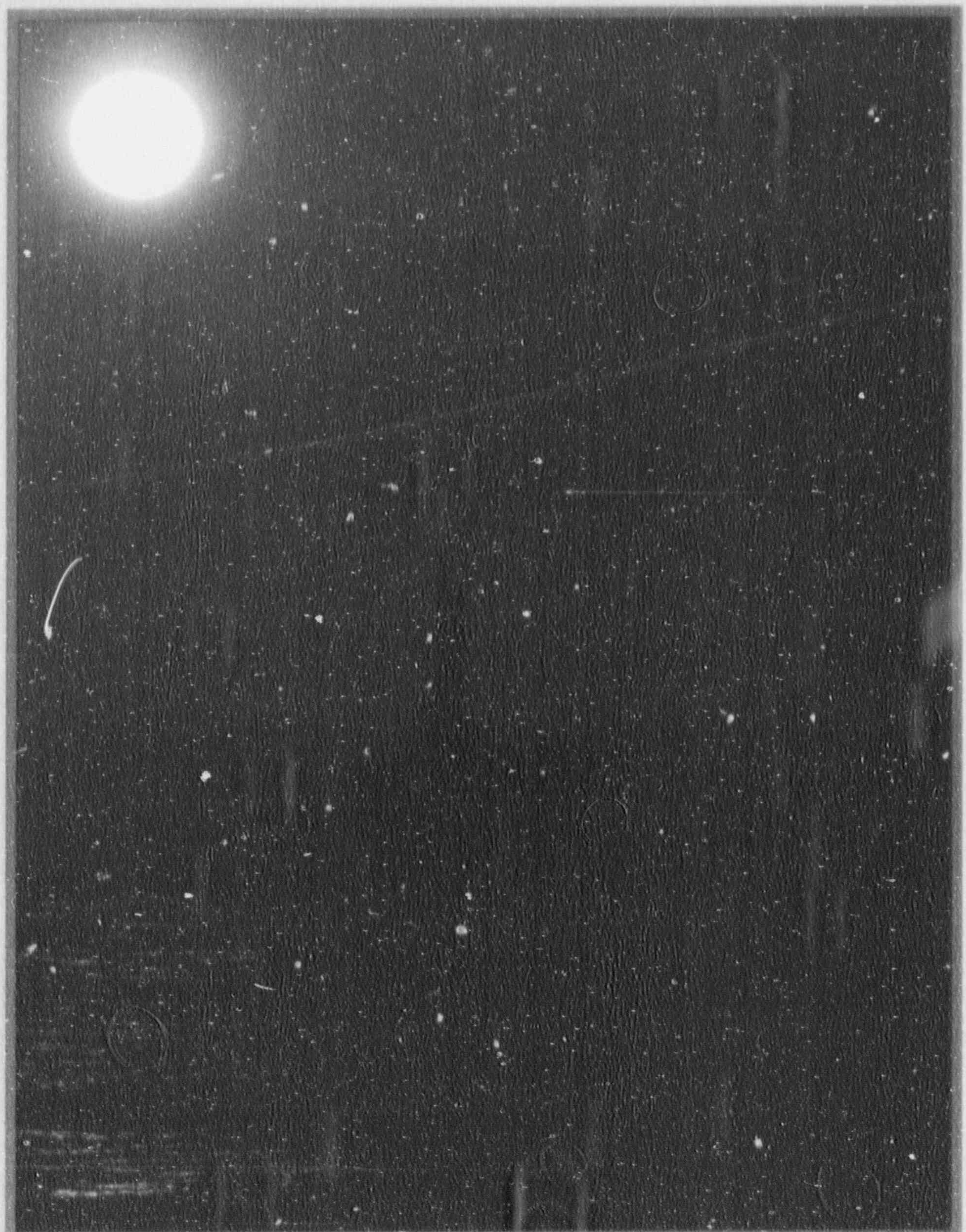
Telecommunications Investment Sold

As a result of the August 1990 merger between Telecom•USA and MCI Communications Corporation, SCANA sold its 12 percent interest in Telecom•USA for $140 million, resulting in a one-time, after-tax gain of $46 million, or $1.13 per share. Our remaining fiber optic facilities, with a total investment of $19 million, continued to operate successfully.

A portion of our net proceeds from the sale of Telecom•USA is being used for the acquisition of producing natural gas reserves. Two acquisitions, representing production of 21 million cubic feet per day, were closed in 1990.

These investments broaden significantly our natural gas business and are closely aligned with our energy expertise. Through additional development of these reserves and other acquisitions, we intend to increase our position in the natural gas production areas.

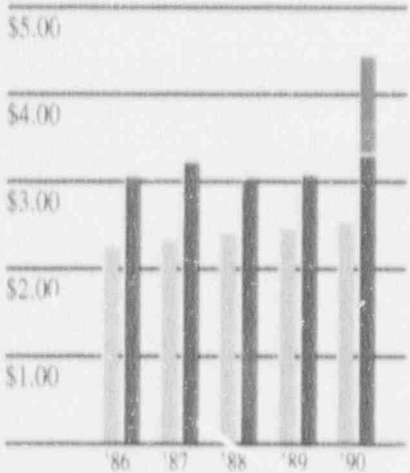
SCANA significantly broadened its natural gas business with the purchase of producing natural gas reserves in Texas and Louisiana.



Financial & Operating Charts

Earnings and Dividends Per Common Share

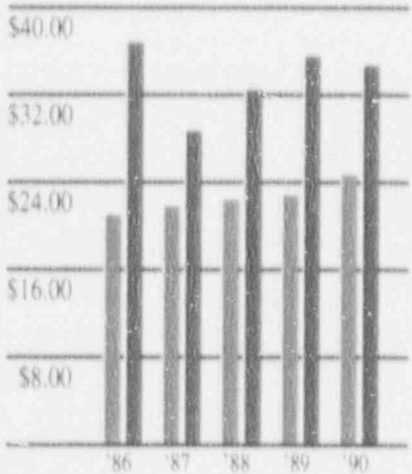
Dividends Declared
Earnings from Ongoing Operations
One-Time Gain on Sale of Telecom•USA Investment



Earnings in 1990 included a one-time gain of $1.13 per share on sale of SCANA's investment in Telecom•USA.

Market Price and Book Value Per Common Share
(year-end)

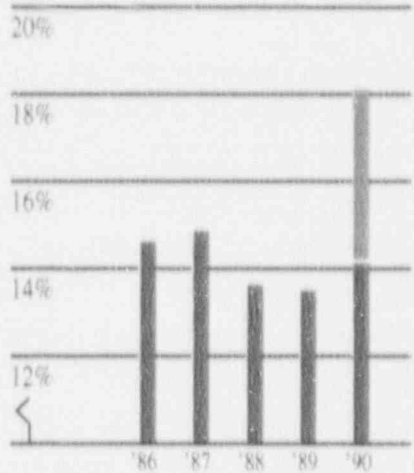
Market Price
Book Value



The market-to-book ratio was 141% at year-end 1990.

Return on Common Equity
(year-end)

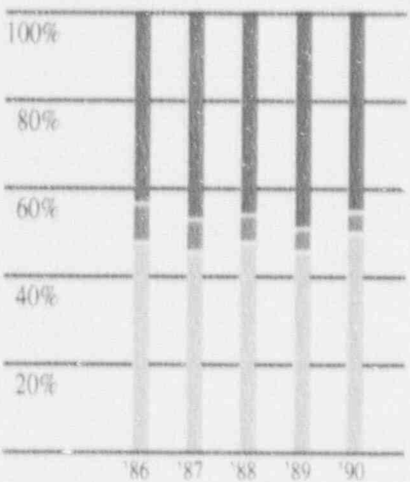
From Ongoing Operations
Including One-Time Gain on Sale of Telecom•USA Investment



Earnings from ongoing operations continue to provide a consistent return for stockholders.

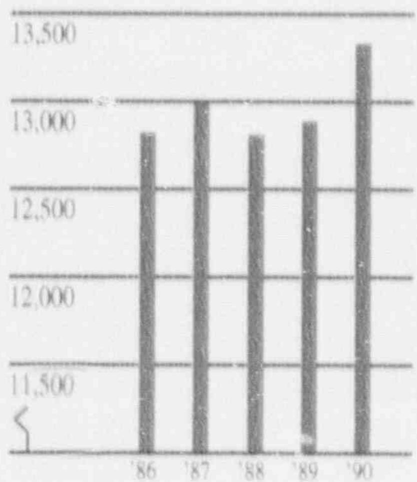
Capital Structure

Long-Term Debt, Net
Preferred Stock
Common Equity



Maintaining a well-balanced capital structure is a key financial goal.

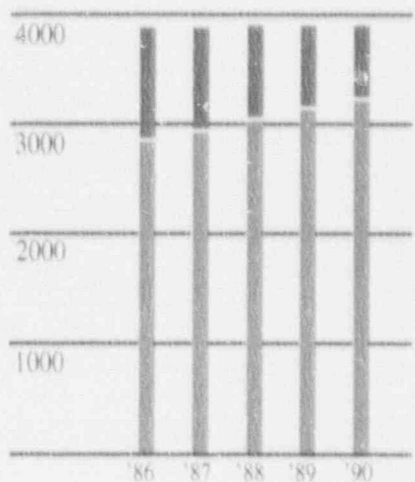
Average Annual Use Per Residential Electric Customer
(kilowatt-hours)



Average annual KWH use per residential customer has grown 2.1% annually over the past five years.

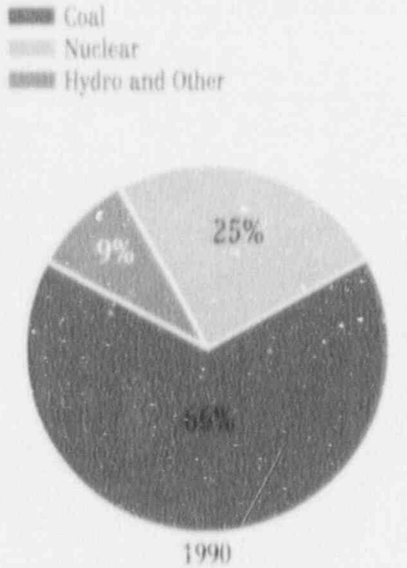
Electric Generating Capability and Peak Demand
(megawatts)

Generating Capability
Territorial Peak Demand



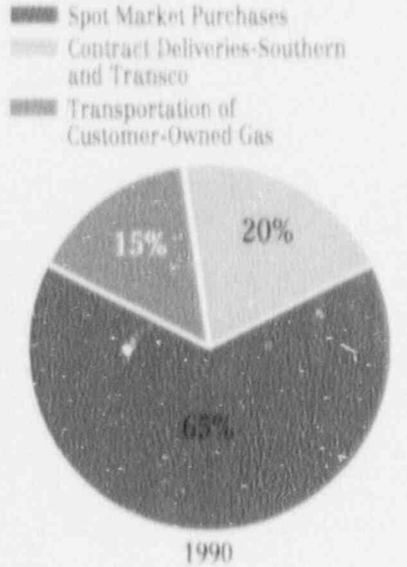
Providing customers with reliable service at a competitive price requires an integrated plan that addresses both the demand for electricity and sources of supply.

Generation Fuel Mix
(includes GENCO)



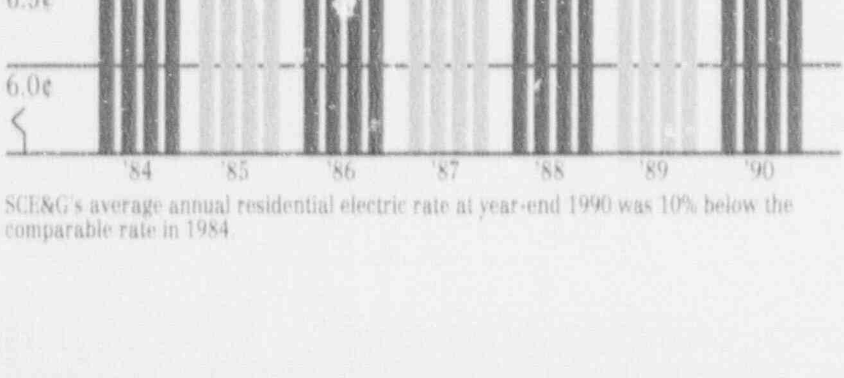
Customer electricity needs are met through a balanced mix of fossil, nuclear and hydro generation.

Total Gas System Supply-SC Pipeline Corporation



About 15% of the record 1990 throughput volume represented customer-owned gas transported on Pipeline's system.

Average Residential Electric Rates
(annual cost in cents per KWH)



SCE&G's average annual residential electric rate at year-end 1990 was 10% below the comparable rate in 1984.

Directors & Officers

Directors

B. L. Amick [2, 4]
Chairman of the Board and
Chief Executive Officer
Amick Farms
Batesburg, South Carolina

W. B. Bookhart, Jr. [2, 4]
Partner
W. B. Bookhart Farms
Elloree, South Carolina

W. T. Cassels, Jr. [2, 3]
Chairman of the Board
Southeastern Freight Lines
Columbia, South Carolina

H. M. Chapman [1, 3]
Vice Chairman
C&S/Sovran Corporation
Atlanta, Georgia

J. B. Edwards, DMD [1, 4]
President
Medical University of
South Carolina
Charleston, South Carolina

L. M. Gressette, Jr. [1]
Chairman of the Board,
President and
Chief Executive Officer
SCANA Corporation
Columbia, South Carolina

B. A. Hagood [2, 3]
President
Wm. M. Bird and Co., Inc.
Charleston, South Carolina

J. F. Hassell, Jr. [2, 4]
Retired Chairman and
Chief Executive Officer
Pre-Stress Concrete
Company, Inc.
Charleston, South Carolina

W. H. Hipp [1, 3]
President and
Chief Executive Officer
The Liberty Corporation
Greenville, South Carolina

F. C. McMaster [1, 4]
President
Winnsboro Petroleum
Company
Winnsboro, South Carolina

Henry Ponder, Ph.D. [2, 3]
President
Fisk University
Nashville, Tennessee

J. B. Rhodes [2, 3]
Chief Executive Officer
Rhodes Oil Company, Inc.
Walterboro, South Carolina

E. C. Wall, Jr. [1, 3]
President
Canal Industries, Inc.
Conway, South Carolina

John A. Warren [4, 5]
Chairman of the Board
Emeritus
SCANA Corporation
Columbia, South Carolina

1 Member of Executive Committee
2 Member of Audit Committee
3 Member of Investment, Compensation & Management Development and Corporate Performance & Strategic Planning Committee
4 Member of Nuclear Oversight Committee
5 Chairman of the Executive Committee

Directors Emeriti

J. K. Addy
W. R. Bruce
K. W. French
J. B. Guess, III
F. M. Hipp
J. H. Lumpkin
A. C. Mustard
E. W. Pike, Jr.
V. C. Summer

Officers

SCANA Corporation

L. M. Gressette, Jr.
Chairman of the Board,
President and
Chief Executive Officer

Cathy B. Novinger
Senior Vice President
Administration and
Governmental Affairs

W. B. Timmerman
Senior Vice President and
Controller
Chief Financial Officer

R. L. Cohen
Vice President
Corporate Development

B. T. Horton, Jr.
Treasurer

Barbara D. Blair
Secretary

E. C. Roberts
General Counsel and
Assistant Secretary

Principal Subsidiaries

South Carolina Electric & Gas Company

B. D. Kenyon
President and
Chief Operating Officer

O. W. Dixon, Jr.
Executive Vice President
Operations

R. W. Stedman
Senior Vice President
Administration

J. H. Young, Jr.
Senior Vice President
Customer Relations

G. J. Bullwinkel, Jr.
Vice President
Customer Relations-
Southern Division

W. A. Darby
Vice President
Gas Operations

R. D. Hazel
Vice President
Administration-
Southern Division

B. T. Horton, Jr.
Vice President and
Treasurer

Johnny Kinloch
Vice President
Transit and
Fleet Maintenance

C. B. McFadden
Vice President
Human Resources and
Corporate Communications

S. C. McMeekin, Jr.
Vice President
Customer Relations-
Northern Division

D. C. McNamara
Vice President
Electric Marketing/Sales

K. B. Marsh
Vice President and
Controller

W. E. Moore, Jr.
Vice President
Fossil and Hydro Operations

E. C. Roberts
Vice President and
General Counsel and
Assistant Secretary

J. L. Skolds
Vice President
Nuclear Operations

Patricia T. Smith
Vice President
Rates, Purchasing and
Regulatory Affairs

J. G. Black, II
Assistant Treasurer

South Carolina Pipeline
Corporation

Max Earwood
President and Treasurer

H. T. Arthur
Vice President and
General Counsel

R. M. Kightlinger
Vice President
Supply and Engineering

B. J. MacInnis
Vice President
Operations

R. A. Steinacker
Vice President
Contract Administration

George Fasano, Jr.
Controller

SCANA Petroleum
Resources, Inc.

Max Earwood
President and Treasurer

G. J. Wilson, Jr.
Executive Vice President and
General Manager

W. B. Timmerman
Senior Vice President

C. A. Rampey, Jr.
Vice President

George Fasano, Jr.
Controller

H. T. Arthur
Assistant Secretary

SCANA Hydrocarbons, Inc.

Max Earwood
President and Treasurer

C. A. Rampey, Jr.
Executive Vice President and
General Manager

B. J. MacInnis
Vice President

George Fasano, Jr.
Controller

Primesouth, Inc.

J. M. Woods, III
President and Treasurer

J. C. Chapman
Senior Vice President and
Assistant Secretary

J. A. Schinderle
Controller

South Carolina Real Estate
Development Company, Inc.

A. H. Gibbes
President and Treasurer

Judith H. Battle
Controller

MPX Systems, Inc.

L. M. Gressette, Jr.
President

W. B. Timmerman
Senior Vice President

J. H. Young, Jr.
Senior Vice President

Carotane, Inc.

W. B. Timmerman
President

J. M. Clark
Vice President and
General Manager

K. B. Marsh
Controller

Financial Review

We have continued to emphasize cost containment and effective use of technology to improve our competitiveness. As a result, our electric rates today are 10.3 percent below those in effect in March 1984 and remain extremely competitive with surrounding investor-owned utilities and electric cooperatives.

We intend to maintain maximum flexibility in selecting our options, to focus diligently on customer satisfaction and to keep a long-term view toward opportunities for growth. The result should be the maximum return for us as stockholders.

Lawrence H. Gwaltney Jr.

Management Report

The Management of SCANA Corporation (Company) is responsible for the preparation and integrity of the financial data included in the accompanying Consolidated Financial Statements. These statements have been prepared in conformity with generally accepted accounting principles, as applicable. In situations that prevent exact accounting measurements, management has used informed judgments and estimates. Financial information presented elsewhere in this Annual Report is consistent with these financial statements.

The Company maintains and relies upon a system of internal accounting controls designed to provide reasonable assurance that all transactions are properly recorded in the books and records and that assets are protected against loss or unauthorized use. The degree of internal accounting control is based upon the determination of the optimum balance between the cost incurred in maintaining a system of internal controls and the benefits to be derived. The system of internal accounting controls is supported by written policies and guidelines and is complemented by the selection, training and development of professional financial managers and by a staff of internal auditors who conduct comprehensive internal audits.

The Board of Directors provides oversight for the preparation of the financial statements through its Audit Committee, which is composed entirely of nonemployee directors. The Audit Committee meets periodically with management and internal auditors to review their activities and responsibilities. The Audit Committee also meets periodically with the Company's independent auditors, Deloitte & Touche. The internal and independent auditors have free access to the Audit Committee to discuss internal accounting controls, auditing and financial reporting matters.

WBTim

W. B. Timmerman
Senior Vice President
Chief Financial Officer

Report of Independent Public Accountants

SCANA CORPORATION:

We have audited the Consolidated Balance Sheets and Consolidated Statements of Capitalization of SCANA Corporation and subsidiaries (Company) as of December 31, 1990 and 1989 and the related Consolidated Statements of Income and Retained Earnings and of Cash Flows for each of the three years in the period ended December 31, 1990. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Company at December 31, 1990 and 1989, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 1990, in conformity with generally accepted accounting principles.

Deloitte & Touche

Columbia, South Carolina
February 11, 1991

Consolidated Balance Sheets

December 31,	1990	1989
ASSETS	*(Thousands of Dollars)*	
Utility Plant (Notes 1, 4 and 5):		
Electric	$2,888,919	$2,794,405
Gas	369,715	333,640
Transit	3,835	4,034
Common	53,403	49,074
Total	3,315,872	3,181,153
Less accumulated depreciation and amortization	1,037,125	956,137
Total	2,278,747	2,225,016
Construction work in progress	196,464	129,287
Nuclear fuel, net of accumulated amortization	43,394	57,821
Acquisition adjustment-gas, net of accumulated amortization	31,158	32,154
Utility Plant, Net	2,549,763	2,444,278
Other Property and Investments:		
Nonutility property (substantially at cost, net of accumulated depreciation)	129,548	67,542
Investments (Notes 1 and 3)	8,304	68,673
Total Other Property and Investments	137,852	136,215
Current Assets:		
Cash and temporary cash investments	45,609	10,465
Receivables	124,577	133,190
Inventories (at average cost):		
Fuel (Notes 4 and 5)	61,858	48,200
Materials and supplies	44,565	43,838
Prepayments	19,854	18,661
Total Current Assets	296,463	254,354
Deferred Debits:		
Unamortized debt expense	6,469	6,901
Accumulated deferred income taxes (Notes 1 and 8)	33,438	22,038
Unamortized deferred return on plant investment (Notes 1 and 2)	27,598	31,844
Nuclear plant decommissioning fund (Note 1)	14,683	12,016
Other (Note 1)	78,670	76,861
Total Deferred Debits	160,858	149,660
Total	$3,144,936	$2,984,507

December 31,	1990	1989
CAPITALIZATION AND LIABILITIES	*(Thousands of Dollars)*	
Stockholders' Investment (Note 6):		
Common Equity	$1,0[illegible],877	$ 918,235
Preferred Stock (Not Subject to Purchase or Sinking Funds)	26,027	26,027
Total Stockholders' Investment	1,029,904	944,262
Preferred Stock (Subject to Purchase or Sinking Funds) (Note 7)	64,460	68,038
Long-Term Debt, Net (Note 4)	938,933	1,003,972
Total Capitalization	2,033,297	2,016,272
Current Liabilities:		
Short-term borrowings (Note 9)	134,070	37,587
Current portion of long-term debt (Note 4)	67,168	33,687
Accounts payable	87,786	104,002
Customer deposits	14,190	13,412
Taxes accrued	54,218	40,377
Interest accrued	24,222	25,493
Dividends declared	27,506	26,544
Other	9,128	11,273
Total Current Liabilities	418,288	292,375
Deferred Credits:		
Accumulated deferred income taxes (Notes 1 and 8)	507,667	489,144
Accumulated deferred investment tax credits (Notes 1 and 8)	105,952	109,351
Accumulated reserve for nuclear plant decommissioning (Note 1)	14,683	12,016
Other (Note 1)	65,049	65,349
Total Deferred Credits	693,351	675,860
Commitments and Contingencies (Note 10)	—	—
Total	$3,144,936	$2,984,507

See Notes to Consolidated Financial Statements.

Consolidated Statements of Income and Retained Earnings

For the Years Ended December 31,	1990	1989	1988
		(Thousands of Dollars except per share amounts)	
Operating Revenues (Notes 1 and 2):			
Electric	$ 836,809	$ 822,112	$ 787,956
Gas	292,380	297,069	291,308
Transit	4,033	4,102	4,060
Total Operating Revenues	1,133,222	1,123,283	1,083,324
Operating Expenses:			
Fuel used in electric generation	208,595	224,035	224,278
Purchased and interchange power, net	1,040	(2,024)	(6,412)
Gas purchased for resale	191,526	212,112	209,344
Other operation (Note 1)	198,801	180,126	174,758
Maintenance (Note 1)	67,499	69,338	54,050
Depreciation and amortization (Note 1)	97,801	102,296	97,389
Income taxes (Notes 1 and 8)	77,392	65,535	69,030
Other taxes	64,611	58,681	56,217
Total Operating Expenses	907,265	910,099	878,654
Operating Income	225,957	213,184	204,670
Other Income (Note 1):			
Allowance for equity funds used during construction	1,630	2,194	1,821
Gain on sale of investment, net of income taxes (Note 3)	46,150	—	—
Other income, net of income taxes	7,094	4,931	2,326
Total Other Income	54,874	7,125	4,147
Income Before Interest Charges and Preferred Stock Dividends	280,831	220,309	208,817
Interest Charges (Credits):			
Interest on long-term debt, net	85,244	86,178	75,075
Other interest expense	10,552	8,244	9,352
Allowance for borrowed funds used during construction (Note 1)	(3,479)	(4,001)	(4,370)
Total Interest Charges, Net	92,317	90,421	80,057
Preferred Stock Cash Dividends of Subsidiary (At stated rates)	6,911	7,263	8,014
Net Income	181,603	122,625	120,746
Retained Earnings at Beginning of Year	344,652	321,155	297,120
Common Stock Cash Dividends Declared (Note 6)	(101,916)	(99,128)	(96,711)
Other	4,287	—	—
Retained Earnings at End of Year	$ 428,626	$ 344,652	$ 321,155
Net Income	$ 181,603	$ 122,625	$ 120,746
Common Shares Outstanding (Thousands)	40,882	40,296	40,296
Earnings Per Share of Common Stock	$4.44	$3.04	$3.00

See Notes to Consolidated Financial Statements.

Consolidated Statements of Cash Flows

For the Years Ended December 31,	1990	1989	1988
		(Thousands of Dollars)	
Cash Flows From Operating Activities:			
Net income	$ 181,603	$ 122,625	$ 120,746
Adjustments to reconcile net income to net cash provided from operating activities:			
Gain on sale of investment, net of income taxes	(46,150)	—	—
Depreciation and amortization	97,801	102,296	97,389
Amortization of nuclear fuel	22,585	19,584	14,732
Deferred income taxes, net	7,120	34,759	32,246
Deferred investment tax credits, net	(3,399)	(4,282)	(3,544)
Dividends declared on preferred stock of subsidiary	6,911	7,263	8,014
Allowance for funds used during construction	(5,109)	(6,195)	(6,191)
Application of deferred credits to storm costs (Note 2)	—	(13,783)	—
Nuclear refueling accrual	(2,671)	8,863	(4,002)
Equity earnings in investees (Note 1)	(1,062)	(357)	(1,140)
Changes in certain current assets and liabilities:			
(Increase) decrease in receivables	8,613	(9,292)	(18,857)
(Increase) decrease in inventories	(14,385)	(7,805)	1,333
Increase (decrease) in accounts payable	(16,216)	3,969	17,244
Increase (decrease) in customer deposits	778	(3,298)	1,450
Increase (decrease) in taxes accrued	(18,241)	4,401	(424)
Increase (decrease) in interest accrued	(1,271)	7,555	1,254
Other, net	3,416	26,270	(1,450)
Net Cash Provided From Operating Activities	220,323	292,573	258,800
Cash Flows From Investing Activities:			
Property additions and construction expenditures	(229,682)	(181,545)	(182,890)
Sale of investment	139,789	—	—
Other property and investments	(56,182)	(24,210)	(40,643)
Principal noncash item:			
Allowance for funds used during construction	5,109	6,195	6,191
Net Cash Used For Investing Activities	(140,966)	(199,560)	(217,342)
Cash Flows From Financing Activities:			
Bank notes sold	3,164	153,000	—
Note sold	—	34,000	—
Increase (decrease) in short-term borrowings, net	96,483	(61,264)	77,286
Decrease in fuel financings, net	(10,458)	(6,158)	(778)
Reduction of long-term debt	(21,907)	(92,231)	(19,794)
Retirement of preferred stock	(3,578)	(9,208)	(7,388)
Payment of dividends on preferred stock of subsidiary	(6,975)	(7,441)	(8,163)
Payment of dividends on common stock	(100,942)	(98,524)	(96,144)
Net Cash Used For Financing Activities	(44,213)	(87,826)	(54,981)
Net Increase (Decrease) in Cash and Temporary Cash Investments	35,144	5,187	(13,523)
Cash and Temporary Cash Investments, January 1	10,465	5,278	18,801
Cash and Temporary Cash Investments, December 31	$ 45,609	$ 10,465	$ 5,278
Supplemental Cash Information:			
Cash paid for — Interest	$ 96,387	$ 86,155	$ 83,173
— Income taxes	94,800	22,836	47,218
Noncash Financing Activities:			
Direct billing obligations under supplier take-or-pay arrangements (Note 2)	—	—	$ 50,036

See Notes to Consolidated Financial Statements.

Consolidated Statements of Capitalization

December 31,	1990		1989	
Common Equity (Note 6):	(Thousands of Dollars)			
Common stock, no par value, authorized 75,000,000 shares; issued and outstanding, 1990 — 40,882,176 shares and 1989 — 40,296,147 shares	$ 575,251		$573,583	
Retained earnings	428,626		344,652	
Total Common Equity	1,003,877	50%	918,235	46%

South Carolina Electric & Gas Company:
Cumulative Preferred Stock (Not Subject to Purchase or Sinking Funds) (Note 6):

$100 Par Value - Authorized 200,000 shares
$50 Par Value - Authorized 125,209 shares

		Shares Outstanding		Redemption Price						
	Series	1990	1989	Current	Through	Eventual Minimum				
$100 Par	8.40%	197,668	197,668	104.70	11-30-91	101.00	19,767		19,767	
$50 Par	5.00%	125,209	125,209	52.50	—	52.50	6,260		6,260	
Total Preferred Stock (Not Subject to Purchase or Sinking Funds)							26,027	1%	26,027	1%

South Carolina Electric & Gas Company:
Cumulative Preferred Stock (Subject to Purchase or Sinking Funds) (Note 7):

$100 Par Value - Authorized 1,550,000 shares

	Shares Outstanding		Redemption Price				
Series	1990	1989	Current	Through	Eventual Minimum		
7.70%	98,270	103,683	101.00	—	101.00	9,827	10,368
8.12%	140,721	145,221	102.03	—	102.03	14,072	14,522
	238,991	248,904					

$50 Par Value - Authorized 1,677,986 shares

	Shares Outstanding		Redemption Price				
Series	1990	1989	Current	Through	Eventual Minimum		
4.50%	25,600	27,200	51.00	—	51.00	1,280	1,360
4.60%	8,334	9,834	50.50	—	50.50	417	492
4.60% (A)	36,052	38,052	51.00	—	51.00	1,803	1,903
4.60% (B)	91,800	95,200	50.50	—	50.50	4,590	4,760
5.125%	77,000	78,000	51.00	—	51.00	3,850	3,900
6.00%	99,200	102,400	50.50	—	50.50	4,960	5,120
8.72%	255,717	288,000	52.00	12-31-93	50.00	12,786	14,400
9.40%	217,507	224,269	51.175	—	51.175	10,875	11,213
	811,210	862,955					

$25 Par Value - Authorized 2,000,000 shares; None outstanding in 1990 and 1989

	1990		1989	
Total Preferred Stock (Subject to Purchase or Sinking Funds)	64,460	3%	68,038	3%

December 31,		1990		1989	
Long-Term Debt (Notes 4 and 5):		*(Thousands of Dollars)*			
South Carolina Electric & Gas Company:					
First and Refunding Mortgage Bonds:					
Series	Year of Maturity				
10 1/2%	1990	—		6,600	
5%	1990	—		10,000	
5%	1991	8,000		8,000	
4 7/8%	1995	16,000		16,000	
5.45%	1996	15,000		15,000	
6%	1997	15,000		15,000	
6 1/2%	1998	20,000		20,000	
8%	1999	35,000		35,000	
9 1/8%	1999	15,000		15,000	
8%	2001	35,000		35,000	
7 1/4%	2002	30,000		30,000	
9 1/8%	2006	[illegible]		50,000	
8.40%	2006	50,000		50,000	
8 3/8%	2007	30,000		30,000	
8.90%	2008	30,000		30,000	
10 1/8%	2009	35,000		35,000	
9 7/8%	2009	50,000		50,000	
12.15%	2010	35,890		35,890	
8 3/4%	2017	100,000		100,000	
Pollution Control Facilities Revenue Bonds:					
5.95% Series, due 2003		7,030		7,105	
Fairfield County Series 1984, due 2014 (variable rate — 6.20% through 8/31/91)		57,000		57,000	
Richland County, due 2014 (variable rate — 6.20% through 8/31/91)		5,210		5,210	
Fairfield County Series 1986, due 2014 (variable rate — 6.20% through 8/31/91)		1,100		1,100	
Colleton and Dorchester Counties Series 1987, due 2014 (variable rate — 6.20% through 8/31/91)		4,365		4,365	
Capitalized Lease Obligations, due 1991-1997 (various rates between 5 3/4% and 10%)		5,439		7,909	
Bank Loans, due 1992 (variable rate — 8.24% at 12/31/90)		75,000		75,000	
South Carolina Generating Company, Inc.:					
Berkeley County Pollution Control Facilities Revenue Bonds, due 2014 (variable rate — 6.40% through 9/20/91)		35,850		35,850	
Term Loan, due 1992 (variable rate — 8.13% at 12/31/90)		66,500		69,500	
South Carolina Fuel Company, Inc.:					
Nuclear fuel liability		43,017		60,522	
Fossil fuel liability		23,601		16,554	
South Carolina Pipeline Corporation:					
Note, 9.27%, due 1990-1994		32,000		34,000	
South Carolina Real Estate Development Company, Inc.:					
Notes, due 1990-1991 (at various rates)		456		487	
Bank Loan, due 1991 (variable rate — 10.0% at 12/31/90)		1,206		—	
Bank Loan, due 1992 (variable rate — 10.0% at 12/31/90)		3,022		3,159	
Bank Loan, due 1992 (variable rate — 10.0% at 12/31/90)		4,798		4,841	
Note, 9.13%, due 2004		1,037		—	
Primesouth, Inc.:					
Term Loan, 10.35%, due 1995		920		—	
Capitalized Lease Obligation, due 1994 (variable rate — 10.0% at 12/31/90)		31		—	
SCANA Corporation:					
Bank Notes, due 1992 (variable rate — 8.52% at 12/31/90)		70,000		70,000	
Total		1,007,463		1,039,092	
Less — Long-term debt maturities, including sinking fund requirements		67,168		33,687	
Unamortized discount		1,362		1,433	
Total Long-Term Debt, Net		938,933	46%	1,003,972	50%
Total Capitalization		$2,033,297	100%	$2,016,272	100%

See Notes to Consolidated Financial Statements.

Notes to Consolidated Financial Statements

1. Summary of Significant Accounting Policies:

A. Organization and Principles of Consolidation

SCANA Corporation (Company), a South Carolina corporation, is a public utility holding company within the meaning of the Public Utility Holding Company Act of 1935, but is exempt from registration under such Act.

The accompanying Consolidated Financial Statements reflect the consolidation of the accounts of the Company and its wholly owned subsidiaries:

Regulated utilities

- South Carolina Electric & Gas Company (SCE&G)
- South Carolina Generating Company, Inc. (GENCO)
- South Carolina Fuel Company, Inc.
- South Carolina Pipeline Corporation (Pipeline Corporation) which wholly owns Carolina Exploration Corporation

Nonregulated businesses

- Carotane, Inc.
- MPX Systems, Inc.
- Primesouth, Inc.
- SCANA Capital Resources, Inc.
- South Carolina Real Estate Development Company, Inc.
- SCANA Hydrocarbons, Inc.
- Supertane Gas Company
- SCANA Petroleum Resources, Inc.

In October 1990 the Company acquired Peoples Natural Gas Company of South Carolina (Peoples), a distributor of natural gas in northeastern South Carolina, through an exchange of stock. The transaction was accounted for as a pooling of interests and had no significant effect on financial position or results of operations. Peoples was merged into SCANA and its assets are operated by SCE&G. A subsidiary of Peoples, Supertane Gas Company, a propane supplier, was acquired in the transaction and is a subsidiary of the Company.

Investments in joint ventures in real estate are reported using the equity method of accounting. Significant intercompany balances and transactions have been eliminated in consolidation.

B. System of Accounts

The accounting records of the Company's regulated subsidiaries are maintained in accordance with the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission (FERC) and as adopted by The Public Service Commission of South Carolina (PSC).

C. Utility Plant

Utility plant is stated substantially at original cost. The costs of additions, renewals and betterments to utility plant, including direct labor, material and indirect charges for engineering, supervision and an allowance for funds used during construction, are added to utility plant accounts. The original cost of utility property retired or otherwise disposed of is removed from utility plant accounts and generally charged, along with the cost of removal, less salvage, to accumulated depreciation. The costs of repairs, replacements and renewals of items of property determined to be less than a unit of property are charged to maintenance expense.

SCE&G, operator of the V. C. Summer Nuclear Station (Summer Station) and the South Carolina Public Service Authority (a body corporate and politic of the State of South Carolina) are joint owners of Summer Station in the proportions of two-thirds and one-third, respectively. The parties share the operating costs and energy output of the plant in these proportions. Each party, however, provides its own financing. Plant in service related to SCE&G's portion of Summer Station was approximately $907 million and $901 million at December 31, 1990 and 1989, respectively. Accumulated depreciation associated with SCE&G's share of Summer Station was approximately $223.4 million and $198.? million as of December 31, 1990 and 1989, respectively. SCE&G's share of the direct expenses associated with operating Summer Station is included in the Company's "Other operation" and "Maintenance" expenses.

D. Allowance for Funds Used During Construction

Allowance for funds used during construction (AFC), a noncash item, reflects the period cost of capital devoted to plant under construction. This accounting practice results in the inclusion, as a component of construction cost (construction work in progress), of the costs of debt and equity capital dedicated to construction investment. AFC will ultimately be included in rate base investment and depreciated as a component of plant cost in establishing rates for utility services. The Company's regulated subsidiaries calculated AFC using composite rates of 9.5%, 8.8% and 7.8% for 1990, 1989 and 1988, respectively. These rates do not exceed the maximum allowable rate as calculated under FERC Order No. 561. Interest on nuclear fuel in process is capitalized at the actual interest amount.

E. Deferred Return on Plant Investment

Commencing July 1, 1987, as approved by a PSC order on that date, SCE&G ceased the deferral of carrying costs associated with 400 MW of electric generating capacity previously removed from rate base and began amortizing the accumulated deferred carrying costs on a straight-line basis over a ten-year period (see Note 2H). Amortization of deferred carrying costs, included in "Depreciation and amortization," was approximately $4.2 million for 1990, 1989 and 1988.

F. Depreciation and Amortization

Provisions for depreciation are recorded using the straight-line method for financial reporting purposes and are based on the estimated service lives of the various classes of property (see Note 2B). The composite weighted-average depreciation rates were as follows:

	1990	1989	1988
SCE&G	2.97%	3.32%	3.29%
GENCO	2.68%	2.65%	2.65%
Pipeline Corporation	2.56%	2.64%	2.65%
Aggregate of Above	2.93%	3.25%	3.23%

Nuclear fuel amortization, which is included in "Fuel used in electric generation" and is recovered through the fuel cost component of SCE&G's rates, is recorded using the units-of-production method. Provisions for amortization of nuclear fuel include amounts necessary to satisfy obligations to the United States Department of Energy under a contract for disposal of spent nuclear fuel.

The acquisition adjustment relating to the purchase of certain gas properties in 1982 is being amortized over a 40-year period using the straight-line method.

G. Nuclear Decommissioning

On January 3, 1990 the Nuclear Regulatory Commission (NRC) approved SCE&G's request for an extension of its operating license for Summer Station. Decommissioning of Summer Station is presently projected to commence in the year 2022. The expenditures (on a before-tax basis) related to SCE&G's share of decommissioning activities are currently estimated to be approximately $337 million (in 2022 dollars, assuming a 5% annual rate of inflation). SCE&G is providing for estimated decommissioning costs of its share of Summer Station over the life of Summer Station and has established a reserve for this purpose. SCE&G is presently funding the reserve with amounts collected through electric rates (approximately $1.1 million annually for 1990, 1989 and 1988, net of taxes), and intends for the fund, including earnings, to provide for all eventual decommissioning expenditures on an after-tax basis.

The NRC has published final regulations on decommissioning of nuclear facilities. These regulations address decommissioning planning needs, timing, funding methods, and environmental review requirements and required licensed electric utilities to submit a decommissioning plan by July 1990 certifying financial assurance for decommissioning costs. In 1990 SCE&G established a trust fund which is maintained by an independent trustee and complies with the financial assurance requirements of the NRC rule. The assets of the trust fund were approximately $5.2 million at December 31, 1990 and were recorded in "Nuclear plant decommissioning fund" in "Deferred Debits."

H. Income Taxes

The Company and its subsidiaries file consolidated Federal and State income tax returns. Income taxes are allocated to all subsidiaries based on their contributions to consolidated taxable income.

Because tax laws and financial accounting standards differ in their recognition and measurement of economic events, differences arise between (1) the amount of taxable income and reported pretax financial income for a year and (2) the tax bases of assets or liabilities and their reported amounts in the financial statements. Accordingly, the Company provides deferred income taxes for substantially all timing differences, principally accelerated tax depreciation, except for certain basis differences arising prior to 1982. Deferred income tax provisions are included in income currently with corresponding credits or charges to accumulated deferred income taxes.

Investment tax credits were generally deferred and are being amortized over the depreciable lives of the respective assets.

In December 1987 the Financial Accounting Standards Board (FASB) issued Statement No. 96 "Accounting for Income Taxes." This Statement requires the use of the "liability method" whereby a deferred tax liability or asset would be recognized for deferred tax consequences of all temporary differences. The Statement (1) requires that a deferred tax liability or asset be adjusted for the effect of a change in tax law or rates, (2) prohibits net-of-tax accounting and reporting, and (3) requires recognition of a deferred tax liability for tax benefits that are flowed through to customers when temporary differences originate and for the equity component of AFC. The Company does not anticipate that application of this Statement will have a significant impact on results of operations. The balance sheet will require certain reclassifications to comply with the provisions of this Statement. The requirements of the Statement must be adopted by the Company no later than January 1, 1992. The FASB is currently considering changes that could include a delay in the Statement's effective date.

I. Pension Expense

The Company has a noncontributory defined benefit pension plan covering substantially all employees. Benefits are based on years of accredited service and the employee's average annual base earnings received during the last three years of employment. The Company's policy has been to fund pension costs accrued to the extent permitted by the applicable Federal income tax regulations as determined by an independent actuary.

Net periodic pension cost, as determined by an independent actuary, for the years ended December 31, 1990, 1989 and 1988 included the following components:

Year Ended December 31,	1990	1989	1988
	(Thousands of Dollars)		
Service cost-benefits earned during the period	$ 5,656	$ 5,233	$ 5,027
Interest cost on projected benefit obligation	17,239	16,347	14,920
Adjustments:			
Return on plan assets	(3,117)	(41,284)	(21,463)
Net amortization and deferral	(12,717)	29,851	10,654
Net periodic pension cost	$ 7,061	$ 10,147	$ 9,138

The following table sets forth the funded status of the plan, as determined by an independent actuary, at December 31, 1990 and 1989.

Year Ended December 31,	1990	1989
	(Thousands of Dollars)	
Actuarial Present Value of Benefit Obligations:		
Vested benefit obligation	$178,987	$169,472
Nonvested benefit obligation	[illegible]	3,777
Accumulated benefit obligation	182,379	173,249
Projected benefit obligation	228,433	213,790
Plan assets at fair value	227,798	226,306
Plan assets greater than (less than) projected benefit obligation	(635)	12,516
Unrecognized net transition liability	15,458	17,542
Unrecognized prior service costs	12,985	10,646
Unrecognized net gain	(28,383)	(44,686)
Pension liability recognized in Consolidated Balance Sheets	$ (575)	$ (3,982)

The accumulated benefit obligation is based on the plan's benefit formulas without considering expected future salary increases. The following table sets forth the assumptions used in the amounts shown above.

	1990	1989	1988
Annual discount rate used to determine benefit obligations	8.0%	8.0%	8.0%
Expected long-term rate of return on plan assets	8.0%	8.0%	8.0%
Discount rate used in determining pension cost	8.0%	8.0%	8.0%
Assumed annual rate of future salary increases for projected benefit obligation	5.5%	5.5%	5.5%

In 1989 the Company completed an early retirement incentive program which increased pension liability by $5.8 million. This amount is being amortized over eight years, the average remaining service life of the employees participating in the program.

In addition to pension benefits, the Company provides certain health care, supplemental retirement and life insurance benefits to active and retired employees. Currently, such benefits are generally charged to expense when claims and premiums are paid. The annual costs of providing such benefits to retired employees are not significant.

In December 1990 the FASB issued Statement No. 106 "Employer's Accounting for Postretirement Benefits Other Than Pensions." The Statement requires that the cost of postretirement benefits other than pensions be accrued during the years the employees render the service necessary to be eligible for the applicable benefits. Although the Company has not yet determined the impact of this Statement, it could result in significantly greater expense being recognized for provision of these benefits. The Company expects that the increased benefits expense will either be recovered currently through rates or that a regulatory asset will be recorded to reflect amounts to be recovered through rates in the future as the costs are paid; therefore, this Statement should not have a significant impact on the Company's financial position or results of operations. The requirements will be effective for fiscal years beginning after December 15, 1992.

J. Revenue Recognition

Customers' meters are read and bills are rendered on a monthly cycle basis. Base revenue is recorded during the accounting period in which the meters are read.

Fuel costs for electric generation are collected through the fuel component in retail electric rates. The fuel component contained in electric rates is established by the PSC during semiannual fuel cost hear-

ings. Any difference between actual fuel cost and that contained in the fuel component is deferred and included when determining the fuel cost component during the next semiannual fuel cost hearing. At December 31, 1990 SCE&G had overcollected, through the electric fuel clause component, approximately $6.7 million, which is included in "Deferred Credits-Other." At December 31, 1989 SCE&G had undercollected approximately $9.0 million which is included in "Deferred Debits-Other."

Customers subject to the gas cost adjustment clause are billed based on a fixed cost of gas determined by the PSC during semiannual gas cost recovery hearings. Any difference between actual gas cost and that contained in the rates is deferred and included when establishing gas costs during the next semiannual gas cost recovery hearing. At December 31, 1990 and 1989, SCE&G had undercollected approximately $1.5 million and $6.3 million, respectively, through the gas cost recovery procedure, which are included in "Deferred Debits-Other."

K. Debt Premium, Discount and Expense

Long-term debt premium, discount and expense are being amortized as components of "Interest on long-term debt, net" over the terms of the respective debt issues.

L. Statements of Cash Flows

The Company considers temporary cash investments having original maturities of three months or less to be cash equivalents. Temporary cash investments are generally in the form of commercial paper, certificates of deposit, and repurchase agreements.

M. Reclassifications

Certain amounts from prior years have been reclassified to conform with the 1990 presentation.

2. *Rate Matters:*

A. The Company sustained significant damage to its electric transmission, distribution and other facilities as a result of Hurricane Hugo on September 21-22, 1989. Total costs attributed to the replacement and repair of damaged plant were approximately $56 million. Of this amount $13.4 million is being recovered through insurance and an additional $19.3 million associated with capital expenditures was included in "Utility Plant" in 1989. For electric costs not capitalized or covered by insurance ($22 million), SCE&G received an order from the PSC on February 6, 1990 approving the offset in the 1989 Consolidated Statement of Income of $13.8 million of storm-related costs, after income tax benefits of $8.2 million, through the application of credits carried on its books as a result of a 1980 settlement of certain litigation. The remaining nonelectric storm costs of $1.3 million were included in 1989 operating expenses. The treatment prescribed by the PSC did not require any rate increase for SCE&G's customers.

B. On July 3, 1989 the PSC granted SCE&G approximately $21.9 million of a requested $27.2 million annual increase in retail electric revenues. The PSC order granted an allowed return on common equity of 13.25%. On January 3, 1990 the NRC extended Summer Station's operating license from March 21, 2013 to August 6, 2022 (see Note 1G), and in compliance with the July 3, 1989 PSC order, SCE&G subsequently reduced its retail electric rates by approximately $7.7 million to reflect lower depreciation expense resulting from the extension of the plant's license. The effect of such reduction is to decrease the additional annual revenues allowed in the July 3, 1989 order from $21.9 million to $14.2 million, or an annual increase of 1.9%. Consequently, there will be no effect on future net income as a result of the January adjustments. The Consumer Advocate has appealed the electric rate order to the South Carolina Circuit Court (Circuit Court). While the outcome of this matter is uncertain, the Company believes that any significant change in the rate order is unlikely.

C. Effective July 3, 1989 the FERC approved an $893,000, or 2.9%, annual increase in SCE&G's wholesale electric rate. On January 5, 1990 SCE&G filed with the FERC for approval to reduce its wholesale electric rate to correspond with the retail electric rate reduction pursuant to the July 3, 1989 PSC order. (See Note 2B.) An intervenor, however, protested the method of this reduction, although not the amount. In May 1990 the FERC denied the intervenor's petition. In August 1990 the intervenor appealed its case to the U.S. Court of Appeals, where it is currently awaiting action.

D. On November 28, 1989 the PSC granted SCE&G an increase in firm retail natural gas rates that are designed to increase annual revenues by $10.1 million. This represents approximately 89.5% of SCE&G's request for an increase of approximately $11.3 million. In its order the PSC authorized a 12.75% return on common equity. The new rates became effective on November 30, 1989. On January 8, 1990 the PSC denied the Consumer Advocate's petition for reconsideration and rehearing of the gas rate order. On February 12, 1990 the Consumer Advocate appealed the decision to the Circuit Court. The case is still pending action by the Circuit Court. While the outcome of this matter is uncertain, the Company believes the probability of any significant change in the rate order is unlikely.

E. On August 8, 1990 the PSC issued an order approving changes in Pipeline Corporation's gas rate design for sales for resale service, effective November 1, 1990. Pipeline Corporation requested the changes in compliance with a settlement agreement with the Consumer Advocate in prior rate proceedings. The order upheld the "value-of-service" method of regulation for its direct industrial service and gave final approval for the annual reduction in rate revenues of $300,000 for wholesale customers. The rate reduction had been temporarily enacted in late spring pending final PSC approval.

F. In May 1989 the PSC approved a volumetric and direct billing method for Pipeline Corporation to recover take-or-pay costs incurred from its interstate pipeline suppliers pursuant to FERC approved final and nonappealable settlements. At December 31, 1990 and 1989 approximately $26.3 million and $27.4 million, respectively, of accrued interest and direct billings to Pipeline Corporation from its suppliers remain to be recovered from Pipeline Corporation's customers and are included in "Deferred Debits-Other." The Consumer Advocate and two other intervenors appealed to the Circuit Court the PSC's order regarding the pass-through of these costs. A stay of parts of the PSC order was requested until the appeals are heard. On February 22, 1990 the Circuit Court granted the stay, and Pipeline Corporation ceased collecting take-or-pay amounts from its customers pending a final decision on the matter. The appeals of the Consumer Advocate and the two other intervenors have been consolidated and the hearing is expected to be held in the first quarter of 1991. The Company believes that any change in the PSC order as a result of these appeals would only affect the timing of the recovery by Pipeline Corporation of the costs.

SCE&G, as a customer of Pipeline Corporation, has been billed for its proportionate share of take-or-pay costs and is recovering such costs from its customers through purchased gas adjustment provisions in its rates.

G. As a result of a Petition Requesting Investigation filed by intervenors during the 1989 electric rate case (see Note 2B), the PSC issued an Order Granting Investigation on April 12, 1989. The investigation relates to the propriety of financial relationships between SCE&G and its affiliates. The Company believes that the outcome of this investigation will have no material effect on its operations.

H. In an order dated July 1, 1987, the PSC approved SCE&G's January 30, 1987 request to restore to its rate base, effective July 1, 1987, the net production investment (approximately $102.5 million at July 1, 1987) associated with 400 MW of electric generating capacity previously removed by the PSC in its order dated March 2, 1984. The 1987 order also approved SCE&G's proposal to include in rate base the associated accumulated deferred carrying costs (approximately $42.5

million at July 1, 1987) and to begin amortizing these costs over a ten-year period commencing July 1, 1987. The July 1, 1987 order was appealed by the Consumer Advocate to the South Carolina Supreme Court, which heard the case in March 1989. On May 30, 1989 the South Carolina Supreme Court issued an order remanding the case to the PSC for factual finding on the prudence of the derating of 69 MW of SCE&G's total production capacity and the effect, if any, of the deratings on depreciation and carrying cost issues. Pursuant to the South Carolina Supreme Court's directive on remand, the PSC issued an order reaffirming its decision and stating its findings and conclusions concerning the 69 MW rerating issue. The Consumer Advocate has appealed the order to the Circuit Court and the appeal has been consolidated with the appeal of the electric rate order described in Note 2B above. The case is still pending action by the Circuit Court. While the outcome of this matter is uncertain, the Company believes that any significant change in the PSC's order issued on remand is unlikely.

3. Gain on Sale of Investment:

On August 14, 1990 MCI Communications Corporation acquired all outstanding shares of Telecom•USA common stock for cash of $42 per share. Through its investment in Telecom Partners, MPX Systems, Inc. (a wholly owned subsidiary of the Company) owned approximately 3.3 million shares of Telecom•USA common stock at the date of acquisition. The gain from the sale of the stock, net of income taxes, is approximately $46.1 million, or $1.13 per share of SCANA common stock and was reported in the third quarter of 1990.

4. Long-Term Debt:

SCE&G's annual tender Pollution Control Facilities Revenue Bonds (which do not include the 5.95% Series, due 2003) are secured by like principal amounts of its First and Refunding Mortgage Bonds.

GENCO's annual tender Pollution Control Facilities Revenue Bonds are secured by an irrevocable letter of credit expiring in 1991.

These annual tender Bonds bear interest at a rate, not to exceed 15% per annum, (1) set between 80% and 120% of an index rate based on one-year yield evaluations of comparable tax-exempt obligations, or (2) equal to 65% of one-year yield evaluations of U. S. Treasury Bonds at par. The interest rate is adjusted annually but may become fixed until maturity. These Bonds also provide that the holders may require the Bonds to be purchased at par upon each annual adjustment of the interest rate or at the time the interest rate becomes fixed until maturity. If the Bonds are tendered by the holders, the Company intends to reoffer the Bonds to the public. Due to the provisions of the Bond Indentures, which permit the Company to purchase the Bonds in lieu of redemption and resell them and to substitute other security arrangements, the SCE&G Bonds are classified as long-term debt.

The annual amounts of long-term debt maturities, including the amounts due under nuclear and fossil fuel agreements (see Note 5), and sinking fund requirements for the years 1991 through 1995 are summarized as follows:

Year	Amount	Year	Amount
	(Thousands of Dollars)		
1991	$ 67,168	1994	$18,263
1992	234,844	1995	11,280
1993	84,896		

Approximately $9.4 million of the current portion of long-term debt for 1991 may be satisfied by either deposit and cancellation of bonds issued upon the basis of property additions or bond retirement credits, or by deposit of cash with the Trustee.

Subsequent to December 31, 1990, SCE&G arranged for bank loans due January 14, 1992 and February 4, 1992 in the principal amounts of $70 million and $75 million, respectively. The interest rates on the loans are determined periodically and are based upon the LIBOR rate for the term selected by SCE&G plus 30 basis points. The loans are secured by the pledge of like amounts of SCE&G's First and Refunding Mortgage Bonds, 20% Series due January 14, 1992 and February 4, 1992, respectively. Proceeds of the bank loans totaling $70 million were used to reduce short-term debt and for general corporate purposes. The proceeds of the bank loans totaling $75 million were used to refund a $75 million loan due February 1, 1991 and accordingly, such amount is included in long-term debt.

In January 1991 the Company issued bank notes totaling $80 million due January 15, 1992. The interest rate is determined quarterly and is based upon the three-month LIBOR rate plus 35 basis points. The proceeds of the bank notes were used to refund $70 million in bank notes due January 15, 1991 and for general corporate purposes and accordingly, $70 million is included in long-term debt.

Substantially all utility plant and fuel inventories are pledged as collateral in connection with long-term debt.

5. Fuel Financings:

Nuclear and fossil fuel inventories are financed through the issuance of short-term commercial paper. These short-term borrowings are supported by irrevocable bank lines of credit which expire in 1993. Accordingly, the amounts outstanding have been included in long-term debt. The bank lines provide for maximum amounts ($75 million related to nuclear fuel and $25 million related to fossil fuel) that may be outstanding at any time.

At December 31, 1990 the amount outstanding for nuclear fuel was approximately $43.0 million at a weighted average interest rate of 8.08% and the amount outstanding for fossil fuel was approximately $23.6 million at a weighted average interest rate of 8.05%. At December 31, 1989 the amount outstanding for nuclear fuel was approximately $60.5 million at a weighted average interest rate of 8.54% and the amount outstanding for fossil fuel was approximately $16.6 million at a weighted average interest rate of 8.59%.

6. Stockholders' Investment (Including Preferred Stock Not Subject to Purchase or Sinking Funds):

The changes in "Common Stock," without par value, during 1990, 1989 and 1988 are summarized as follows:

	Number of Shares	Thousands of Dollars
Balance January 1, 1988	40,296,147	$574,500
Other		72
Balance December 31, 1988	40,296,147	574,572
Other		(989)
Balance December 31, 1989	40,296,147	573,583
Immaterial acquisition	586,029	611
Other		1,057
Balance December 31, 1990	40,882,176	$575,251

The Company's employee stock benefit plans' trustee and agent for its Dividend Reinvestment and Stock Purchase Plan purchase previously issued and outstanding shares of the Company's common stock in the open market.

The Restated Articles of Incorporation of the Company do not limit the dividends that may be payable on its common stock. However, the Restated Articles of Incorporation of SCE&G and the Indenture underlying certain of its bond issues contain provisions that may limit the payment of cash dividends on common stock. In addition, with respect to hydroelectric projects, the Federal Power Act may require the appropriation of a portion of the earnings therefrom. At December 31, 1990 approximately $7.2 million of retained earnings were restricted as to payment of cash dividends on common stock.

Cash dividends on common stock were declared at an annual rate per share of $2.52, $2.46 and $2.40 for 1990, 1989 and 1988, respectively.

7. *Preferred Stock (Subject to Purchase or Sinking Funds):*

The call premium of the respective series of preferred stock in no case exceeds the amount of the annual dividend. Retirements under sinking fund requirements are at par values.

At any time when dividends have not been paid in full or declared and set apart for payment on all series of preferred stock, SCE&G may not redeem any shares of preferred stock (unless all shares of preferred stock then outstanding are redeemed) or purchase or otherwise acquire for value any shares of preferred stock except in accordance with an offer made to all holders of preferred stock. SCE&G may not redeem any shares of preferred stock (unless all shares of preferred stock then outstanding are redeemed) or purchase or otherwise acquire for value any shares of preferred stock (except out of monies set aside as purchase funds or sinking funds for one or more series of preferred stock) at any time when it is in default under the provisions of the purchase fund or sinking fund for any series of preferred stock.

The aggregate annual amounts of purchase fund or sinking fund requirements for preferred stock for the years 1991 through 1995 are summarized as follows:

Year	Amount	Year	Amount
	(Thousands of Dollars)		
1991	$1,756	1994	$2,515
1992	2,434	1995	2,515
1993	2,515		

The changes in "Preferred Stock (Subject to Purchase or Sinking Funds)" during 1990, 1989 and 1988 are summarized as follows:

	Number of Shares	Thousands of Dollars
Balance January 1, 1988	1,430,653	$84,632
Shares Redeemed:		
$100 par value	(7,390)	(739)
$50 par value	(132,980)	(6,649)
Balance December 31, 1988	1,290,283	77,244
Shares Redeemed:		
$100 par value	(5,692)	(569)
$50 par value	(172,732)	(8,637)
Balance December 31, 1989	1,111,859	68,038
Shares Redeemed:		
$100 par value	(9,913)	(991)
$50 par value	(51,745)	(2,587)
Balance December 31, 1990	1,050,201	$64,460

8. *Income Taxes:*

Total income tax expense for 1990, 1989 and 1988 is as follows:

	1990	1989	1988
		(Thousands of Dollars)	
Current income taxes:			
Federal	$ 92,608	$21,810	$33,630
State	13,356	2,034	5,297
Total current taxes	105,964	23,844	38,927
Deferred taxes, net:			
Federal	4,482	28,595	26,829
State	1,520	6,164	5,417
Total deferred taxes	6,002	34,759	32,246
Investment tax credits:			
Deferred	—	405	1,675
Amortization of amounts deferred (credit)	(3,764)	(4,686)	(5,220)
Other	—	—	—
Total investment tax credits	(3,764)	(4,281)	(3,545)
Total income tax expense	$108,202	$54,322	$67,628

Current income taxes for 1989 noted above reflects approximately $8.2 million of income tax benefits related to storm damage costs which are included as a reduction in maintenance expense in the Consolidated Statements of Income (see Note 2A).

Total income taxes differ from amounts computed by applying the statutory Federal income tax rate of 34% to pretax income as follows:

	1990	1989	1988
		(Thousands of Dollars)	
Net income	$181,603	$122,625	$120,746
Total income tax expense:			
Charged to operating expenses	77,392	65,535	69,030
Charged to other income	30,810	(3,013)	(1,402)
Tax benefit of storm damage costs	—	(8,200)	—
Preferred stock dividends	6,911	7,263	8,014
Total pretax income	$296,716	$184,210	$196,388
Income taxes on above at statutory Federal income tax rate	$100,883	$ 62,631	$ 66,772
Increases (decreases) attributable to:			
Allowance for funds used during construction (excluding nuclear fuel)	(555)	(746)	(619)
Deferred return on plant investment, net of amortization	1,444	1,444	1,444
Depreciation differences	2,370	(859)	2,028
Amortization of investment tax credits	(3,764)	(4,686)	(5,220)
Amortization of litigation settlement-related credits	257	(4,686)	—
State income taxes (less Federal income tax effect)	9,851	5,411	7,071
Deferred income tax flowback at higher rates than statutory	(3,043)	(3,353)	(2,387)
Other differences, net	759	(834)	(1,461)
Total income tax expense	$108,202	$ 54,322	$ 67,628

"Total deferred taxes" results from timing differences in recognition of the following items:

	1990	1989	1988
		(Thousands of Dollars)	
Charged to expenses:			
Accelerated depreciation and amortization	$26,763	$23,802	$30,384
Deferred fuel accounting	(7,674)	4,387	3,950
Property taxes	(5,310)	1,401	(239)
Cycle billing	(6,023)	(3,060)	(5,177)
Take-or-pay contracts	(1,817)	8,024	—
Nuclear steam system maintenance	(42)	(1,089)	4,409
Other, net	105	1,294	(1,081)
Total deferred taxes	$ 6,002	$34,759	$32,246

At December 31, 1990 the cumulative net amount of income tax timing differences on which deferred taxes have not been provided totaled approximately $70 million (see Note 1H).

The Internal Revenue Service has examined and closed consolidated Federal income tax returns of the Company through 1986 and is currently conducting an examination of the 1987 and 1988 returns. The issues contained in the preliminary Revenue Agent's Report are not expected to have a significant impact on the earnings or financial position of the Company.

9. *Short-Term Borrowings:*

The Company pays fees to banks as compensation for its lines of credit. Commercial paper borrowings are for 270 days or less. Details of lines of credit and short-term borrowings at December 31, 1990, 1989 and 1988 and for the years then ended are as follows:

	1990	1989	1988
	(Dollars in Millions)		
Lines of credit at year-end	$137.5	$ 90.3	$90.2
Short-term borrowings (including commercial paper) during the year:			
Maximum outstanding	$154.3	$113.3	$98.8
Average outstanding	$101.2	$ 44.6	$55.6
Weighted average daily interest rates:			
Bank loans	[illegible].44%	9.48%	7.45%
Commercial paper	8.12%	9.18%	7.73%
Unsecured promissory note	—	8.89%	8.89%
Short-term borrowings outstanding at year-end:			
Bank loans	$ 23.6	—	$ 2.25
Weighted average interest rate	8.60%	—	8.55%
Commercial paper	$110.4	$ 37.6	$66.5
Weighted average interest rate	7.99%	8.73%	9.40%
Unsecured promissory note	—	—	$30.0
Weighted average interest rate	—	—	8.89%

10. *Commitments and Contingencies:*

A. Nuclear Insurance

The Price-Anderson Indemnification Act, which deals with SCE&G's public liability for a nuclear incident, currently establishes the liability limit for third-party claims associated with any nuclear incident at $7.8 billion. Each reactor licensee is currently liable for up to $66.2 million per reactor owned for each nuclear incident occurring at any reactor in the United States, provided that not more than $10 million of the liability per reactor would be assessed per year. SCE&G's maximum assessment, based on its two-thirds ownership of Summer Station, would be approximately $44 million per incident, but not more than $6.7 million per year.

SCE&G currently maintains policies (for itself and on behalf of the PSA) with Nuclear Electric Insurance Limited (NEIL) and American Nuclear Insurers (ANI) providing combined property and decontamination insurance coverage of $1.125 billion for any losses in excess of $500 million pursuant to existing primary coverages (with ANI) on Summer Station. SCE&G pays annual premiums and, in addition, could be assessed a retroactive premium not to exceed 7 1/2 times its annual premium in the event of property damage loss to any nuclear generating facilities covered by NEIL. Based on the current annual premium, this retroactive premium would be approximately $5.1 million.

To the extent that insurable claims for property damage, decontamination, repair and replacement and other costs and expenses arising from a nuclear incident at Summer Station exceed the policy limits of insurance, or to the extent such insurance becomes unavailable in the future, and to the extent that SCE&G's rates would not recover the cost of any purchased replacement power, SCE&G will retain the risk of loss as a self-insurer. SCE&G has no reason to anticipate a serious nuclear incident at Summer Station. If such an incident were to occur, it could have a materially adverse impact on the Company's financial position.

B. Litigation

SCE&G, acting for itself and The South Carolina Public Service Authority (as co-owners of the 885 MW Summer Station), filed an action against Westinghouse Electric Corporation (Westinghouse) on March 22, 1990 in the U.S. District Court for South Carolina seeking damages for negligence, breach of contract, fraud, unfair trade practices and claims under civil RICO for the Nuclear Steam Supply System's Model D-3 steam generators supplied by Westinghouse to Summer Station that were defective in design, workmanship and materials. The complaint alleges, among other things, that at the time the contract for the Nuclear Steam Supply System was negotiated and signed in the early 1970s, and at times thereafter, Westinghouse knew, or recklessly disregarded information in its possession, that the steam generators would be susceptible to corrosion and cracking that would cause deterioration and degradation and prevent the steam generators from reaching their intended 40-year design life. SCE&G seeks a judgment that Westinghouse is obligated to correct the defects in the steam generators at no cost to SCE&G, and for actual and punitive damages and treble damages in an amount to be determined.

11. *Segment of Business Information:*

Segment information at December 31, 1990, 1989 and 1988 and for the years then ended is as follows:

	1990			
	Electric	Gas	Transit	Total
	(Thousands of Dollars)			
Operating revenues	$ 836,809	$292,380	$ 4,033	$1,133,222
Operating expenses, excluding depreciation and amortization	550,718	250,246	8,500	809,464
Depreciation and amortization	84,587	12,9[illegible]1	223	97,801
Total operating expenses	635,305	263,237	8,723	907,265
Operating income (loss)	$ 201,504	$ 29,143	$(4,690)	225,957
Add - Other income, net				54,874
Less - Interest charges				92,317
- Preferred stock dividends				6,911
Net income				$ 181,603
Capital expenditures: Identifiable	$ 185,041	$ 39,736	$ 81	$ 224,858
Utilized for overall Company operations				4,824
Total				$ 229,6[illegible]2
Identifiable assets at December 31, 1990:				
Utility plant, net	$2,234,7[illegible]	$270,213	$ 1,207	$2,506,209
Inventories	93,307	8,942	498	102,747
Total	$2,328,096	$279,155	$ 1,705	2,608,956
Assets utilized for overall Company operations				535,980
Total assets				$3,144,936

1989	Electric	Gas	Transit	Total
	(Thousands of Dollars)			
Operating revenues	$ 822,112	$297,069	$ 4,102	$1,123,283
Operating expenses, excluding depreciation and amortization	538,002	260,974	8,827	807,803
Depreciation and amortization	90,286	11,655	355	102,296
Total operating expenses	628,288	272,629	9,182	910,099
Operating income (loss)	$ 193,824	$ 24,440	$ (5,080)	213,184
Add - Other income, net				7,125
Less - Interest charges				90,421
- Preferred stock dividends				7,263
Net income				$ 122,625
Capital expenditures: Identifiable	$ 154,356	$ 22,012	$ 142	$ 176,510
Utilized for overall Company operations				5,035
Total				$ 181,545
Identifiable assets at December 31, 1989:				
Utility plant, net	$2,149,226	$249,062	$ 1,421	$2,399,709
Inventories	77,353	7,182	450	84,985
Total	$2,226,579	$256,244	$ 1,871	2,484,694
Assets utilized for overall Company operations				499,813
Total assets				$2,984,507

1988	Electric	Gas	Transit	Total
	(Thousands of Dollars)			
Operating revenues	$ 787,956	$291,308	$ 4,060	$1,083,324
Operating expenses, excluding depreciation and amortization	515,081	257,500	8,684	781,265
Depreciation and amortization	86,162	10,843	384	97,389
Total operating expenses	601,243	268,343	9,068	878,654
Operating income (loss)	$ 186,713	$ 22,965	$ (5,008)	204,670
Add - Other income, net				4,147
Less - Interest charges				80,057
- Preferred stock dividends				8,014
Net income				$ 120,746
Capital expenditures: Identifiable	$ 148,599	$ 26,027	$ 230	$ 174,856
Utilized for overall Company operations				8,034
Total				$ 182,890
Identifiable assets at December 31, 1988:				
Utility plant, net	$2,098,361	$239,861	$ 1,631	$2,339,853
Inventories	73,629	7,285	440	81,354
Total	$2,171,990	$247,146	$ 2,071	2,421,207
Assets utilized for overall Company operations				466,072
Total assets				$2,887,279

12. *Quarterly Financial Data (Unaudited):*

1990	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Annual
Total operating revenues (000)	$287,438	$260,555	$308,025	$277,204	$1,133,222
Operating income (000)	56,508	49,134	79,113	41,202	225,957
Net income (000)	33,782	26,930	100,915(1)	19,976	181,603
Earnings per share of common stock as reported(2)	.84	.67	2.50(1)	0.43	4.44

(1) Includes gain on sale of investment, net of income taxes, of approximately $46.1 million, or $1.13 per share (see Note 3).

(2) Dilution related to the acquisition of Peoples (see Note 1) is reflected in entirety in the fourth quarter.

1989	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Annual
Total operating revenues (000)	$285,814	$252,549	$300,319	$284,601	$1,123,283
Operating income (000)	55,064	44,023	69,076	45,021	213,184
Net income (000)	33,909	21,004	45,430	22,282	122,625
Earnings per share of common stock as reported	.84	.52	1.13	.55	3.04

Management's Discussion & Analysis of Financial Condition & Results of Operations

Liquidity And Capital Resources

The capital needs of the Company arise primarily from the capital requirements of SCE&G's operations and construction program. Because rates for regulated services are based on historical cost amounts, to the extent inflation occurs and rates are not appropriately adjusted on a timely basis, the Company's regulated subsidiaries may not recover the costs of providing services. Therefore, the Company's future financial position and results of operations could be impacted by future inflationary trends.

As a result of continuing customer growth, the Company believes added electric generating capacity will be necessary during the next five years. Although the source of this additional generating capacity has not been determined, the current strategy is to install gas turbines to meet increases in peak loads. In 1991 a 93-megawatt gas- and oil-fired turbine is expected to become operational. These units have the lowest capital cost to install and will support customer needs while the Company assesses the sources and timing of additional capacity including base load generation.

The ability of the Company's regulated subsidiaries to replace existing plant investment, as well as to expand to meet future demand, will depend upon their ability to attract the necessary financial capital on reasonable terms. The ability to attract such capital will, in turn, depend upon the regulated subsidiaries' ability to obtain adequate and timely rate relief.

On August 14, 1990 MCI Communications Corporation (MCI) acquired all outstanding shares of Telecom•USA common stock for cash of $42 per share. Through its investment in Telecom Partners, MPX Systems, Inc. (a wholly owned subsidiary of the Company) owned approximately 3.3 million shares of Telecom•USA common stock at the date of acquisition. Cash received from the sale, net of income taxes, was approximately $107.7 million, of which approximately $45.5 million has been invested in natural gas properties.

The estimated primary cash requirements for 1991, excluding requirements for fuel liabilities and short-term borrowings, and the actual primary cash requirements for 1990 are as follows:

	1991	1990
	(Thousands of Dollars)	
Property additions and construction expenditures, excluding allowance for funds used during construction (AFC)	$224,542	$217,276
Nuclear fuel expenditures	17,439	7,297
Maturing obligations, redemptions and sinking and purchase fund requirements	59,566	35,943
Total	$301,547	$260,516

Approximately 84.8% of total cash requirements (including dividends) was provided from internal sources in 1990 as compared to 59.7% in 1989. To supplement internally generated funds the Company incurred additional short-term indebtedness.

Subsequent to December 31, 1990, SCE&G arranged for bank loans due January 14, 1992 and February 4, 1992 in the principal amounts of $70 million and $75 million, respectively. The interest rates on the loans are determined periodically and are based upon the LIBOR rate for the term selected by SCE&G plus 30 basis points. The loans are secured by the pledge of like amounts of SCE&G's First and Refunding Mortgage Bonds, 20% Series due January 14, 1992 and February 4, 1992, respectively. Proceeds of the bank loans totaling $70 million were used to reduce short-term debt and for general corporate purposes. The proceeds of the bank loans totaling $75 million were used to refund a $75 million loan due February 1, 1991.

In January 1991 the Company issued bank notes totaling $80 million due January 15, 1992. The interest rate is determined quarterly and is based upon the three-month LIBOR rate plus 35 basis points. The proceeds of the bank notes were used to refund $70 million in bank notes due January 15, 1991 and for general corporate purposes.

The Company has in effect a shelf registration for the issuance from time to time of an aggregate $200 million in unsecured medium-term debt securities. If any sales of these securities are consummated, the proceeds may be used to fund additional business activities in non-utility subsidiaries, to reduce short-term debt incurred in connection therewith or for general corporate purposes. In addition, SCE&G has in effect a shelf registration statement under which it can issue $300 million of First and Refunding Mortgage Bonds which may be used to refund debt or for other corporate purposes.

SCE&G's first mortgage bond indenture contains provisions prohibiting the issuance of additional bonds unless net earnings (as therein defined) for 12 consecutive months out of the 15 months prior to the month of issuance is at least twice the annual interest requirements on all bonds to be outstanding ("Bond Ratio"). The issuance of additional bonds is further restricted to an additional principal amount ($344 million at June 1, 1990) equal to 60% of unfunded net property additions, bonds issued on the basis of cash on deposit with the Trustee and bonds issued on the basis of retirements of bonds. For the 12 months ended December 31, 1990 the Bond Ratio was 3.66. The pro forma bond ratio for such period after giving effect to the issuance of a $70 million promissory note in January 1991, the refunding of a $75 million promissory note in February 1991 and the potential issuance (for purposes other than refunding) of $300 million of bonds pursuant to an effective shelf registration statement, at an assumed interest rate of 10%, is 2.30. SCE&G's Restated Articles of Incorporation prohibit issuance of additional shares of preferred stock without consent of the preferred stockholders unless net earnings (as defined therein) for the 12 consecutive months immediately preceding the month of issuance is at least one and one-half times the aggregate of all interest charges and preferred stock dividend requirements ("Preferred Stock Ratio"). For the 12 months ended December 31, 1990 the Preferred Stock Ratio was 2.80. After giving effect to the issuance of $70 million and refunding of the $75 million to the promissory notes referred to above and the issuance of $50 million in preferred stock expected to be registered in 1991 at an assumed dividend rate of 10%, the Preferred Stock Ratio is 2.47.

Without the consent of at least a majority of the total voting power of SCE&G's preferred stock, SCE&G may not issue or assume any unsecured indebtedness if, after such issue or assumption, the total principal amount of all such unsecured indebtedness would exceed 10% of the aggregate principal amount of all of SCE&G's secured indebtedness and capital and surplus; provided, however, that no such consent shall be required to enter into agreements for payment of principal, interest and premium for securities issued for pollution control purposes.

Pursuant to Section 204 of the Federal Power Act, SCE&G and GENCO must file an application with the FERC for the authority to issue short-term indebtedness in amounts exceeding 5% of the par value of each of their outstanding securities. The FERC has authorized SCE&G to issue up to $160 million of unsecured promissory notes or commercial paper with maturity dates of 12 months or less but not later than December 31, 1993. GENCO has not filed an application.

The Company and its subsidiaries have available to them funds from unused lines of credit of $137.5 million.

The Company anticipates that its 1991 cash requirements will be met primarily through internally generated funds, funds available through the sale of commercial paper and the sales of additional securities and the incurrence of additional short-term and long-term indebtedness. Whether additional securities will be sold and the timing and amount of such sales will depend upon market conditions and other factors. Actual 1991 construction and nuclear fuel expenditures may vary from the estimates set forth above due to factors such as inflation and economic conditions, regulation and legislation, rates of load growth, environmental protection standards and the cost and availability of capital.

The Clean Air Act Amendments of 1990 require electric utilities to substantially reduce emissions of sulfur dioxide and nitrogen oxide by the year 2000. These requirements are being phased in over two peri-

ods. The first phase has a compliance date of January 1, 1995 and the second, January 1, 2000. The Company meets all requirements of Phase I and therefore will not have to implement changes until compliance with Phase II requirements is necessary. The Company may reduce sulfur dioxide emissions through the burning of gas or lower sulfur coal, the addition of scrubbers to coal-fired generating units and the installation of in-duct chemical injection. Low nitrogen oxide burners will be installed to reduce nitrogen oxide emissions. The Company will be working on a detailed compliance plan that must be filed with and approved by the Environmental Protection Agency by 1995. The Company currently estimates that the implementation of Phase II would require capital expenditures of $200 million to $400 million and annual operation and maintenance expenses of $55 million.

The steam generator tubes at V. C. Summer Nuclear Station (Summer Station) supplied by Westinghouse Electric Corporation (Westinghouse) have experienced primary side stress corrosion cracking (SCC), which causes deterioration and degradation of the tubes. Although SCE&G has taken steps to mitigate SCC, SCE&G has not been able to arrest SCC in the tubes and the decline of Summer Station's rated steam pressure from its original rating due to tube plugging and tube sleeving. In order to maintain the economic output of Summer Station, SCE&G will be required to replace the steam generators at the scheduled refueling outage in 1996, substantially prior to the end of their intended 40-year service life. SCE&G estimates that it could cost as much as approximately $100 million, including AFC and replacement power costs, to replace SCE&G's two-thirds share of the steam generators.

SCE&G, acting for itself and The South Carolina Public Service Authority, as co-owners of Summer Station, filed an action against Westinghouse on March 22, 1990 in the U. S. District Court for South Carolina seeking damages for negligence, breach of contract, fraud, unfair trade practices, and claims under civil RICO for the Nuclear Steam Supply System's Model D-3 steam generators supplied by Westinghouse to Summer Station that were defective in design, workmanship and materials. The complaint alleges, among other things, that at the time the contract for the Nuclear Steam Supply System was negotiated and signed in the early 1970s, and at times thereafter, Westinghouse knew, or recklessly disregarded information in its possession, that the steam generators would be susceptible to SCC that would cause deterioration and degradation and prevent the steam generators from reaching their intended 40-year design life. SCE&G seeks a judgment that Westinghouse is obligated to correct the defects in the steam generators at no cost to SCE&G, and for actual and punitive damages and treble damages in an amount to be determined.

In December 1990 the FASB issued Statement No. 106 "Employer's Accounting for Postretirement Benefits Other Than Pensions." This Statement requires that the cost of postretirement benefits other than pensions be accrued during the years the employees render the service necessary to be eligible for the applicable benefits. Although the Company has not yet determined the impact of this Statement, it could result in significantly greater expense being recognized for provision of these benefits. The Company expects that the increased benefits expense will either be recovered currently through rates or that a regulatory asset will be recorded to reflect amounts to be recovered through rates in the future as the costs are paid; therefore, this Statement should not have a significant impact on the Company's financial position or results of operations. The requirements will be effective for fiscal years beginning after December 15, 1992.

The Company expects that it has or can obtain adequate sources of financing to meet its cash requirements in the long term.

Results Of Operations

Earnings and Dividends

Earnings per share of common stock, the percent increase (decrease) from the previous year and the rate of return earned on common equity for the years 1988 through 1990 were as follows:

	1990	1989	1988
Earnings per share	$4.44	$3.04	$3.00
Percent increase (decrease) in earnings per share	46.1%	1.3%	(6.3%)
Return earned on common equity (year-end)	18.1%	13.4%	13.5%

Earnings per share and return on common equity increased in 1990 from 1989 primarily as a result of the sale of the Company's investment in Telecom•USA to MCI on August 14, 1990 (see Liquidity and Capital Resources for related discussion). The gain, net of tax, from the sale of the stock owned by MPX Systems, Inc. was approximately $46.1 million, or $1.13 per share of SCANA common stock. The 1990 increases were also due to increases in electric and gas margins, the effects of which more than offset increases in other operating expenses. Earnings per share and return on common equity increased in 1989 from 1988 primarily as a result of increased electric and gas margins which were partially offset by higher other operation and maintenance expenses and interest charges.

Allowance for funds used during construction (AFC) is a utility accounting practice whereby a portion of the cost of both equity and borrowed funds used to finance construction (which is shown on the balance sheet as construction work in progress) is capitalized. Both the equity and the debt portions of AFC are noncash items of nonoperating income which have the effect of increasing reported net income. AFC represented approximately 3% of net income in 1990 and 5% in 1989 and 1988.

In 1990 the Company's Board of Directors raised the quarterly cash dividend on common stock to 63.0 cents per share from 61.5 cents per share. The increase, effective with the dividend payable on April 1, 1990, raised the indicated annual dividend rate to $2.52 per share from $2.46. The Company has increased the dividend rate on its common stock in 37 of the last 38 years.

Operating Margins

Electric margins for 1990, 1989 and 1988 were as follows:

	1990	1989	1988
	(Millions of Dollars)		
Electric revenues	$836.8	$822.1	$788.0
Less: Fuel used in electric generation	208.6	224.0	224.3
Purchased and interchange power, net	1.0	(2.0)	(6.4)
Margin	$627.2	$600.1	$570.1

The 1990 electric margin increased from 1989 due to the retail electric rate increase placed into effect July 3, 1989 (See Note 2B of Notes to Consolidated Financial Statements) and residential and commercial kilowatt-hour (KWH) sales increases resulting from customer growth and from increased customer usage due to warmer weather during 1990. The 1989 electric margin increased from 1988 primarily due to higher retail electric rates placed into effect on July 3, 1989, increased KWH sales as a result of the increase in the number of electric customers and increased average customer usage due to warmer summer weather.

Increases (decreases) in electric customers and megawatt-hour (MWH) sales volume by classes of customers are presented in the following table:

	Increase (Decrease) From Prior Year			
	Customers		Volume (MWH)	
Classification	1990	1989	1990	1989
Residential	9,545	6,487	264,857	128,866
Commercial	1,891	1,404	245,827	202,831
Industrial	9	(2)	(76,901)	38,722
Sale for Resale	-	-	49,737	41,159
Other	68	23	16,720	16,378
Total	11,513	7,912	500,240	427,956

Summer weather combined with an increase in the number of electric customers resulted in an all-time peak demand record of 3,222 MW on August 29, 1990. The previous year's record of 3,144 MW was set on July 11, 1989.

Gas margins for 1990, 1989 and 1988 were as follows:

	1990	1989	1988
	(Millions of Dollars)		
Gas revenues	$292.4	$297.1	$291.3
Less: Gas purchased for resale	191.5	212.1	209.3
Margin	$100.9	$ 85.0	$ 82.0

The 1990 gas margin increased from 1989 primarily due to the firm retail gas rate increase placed into effect November 30, 1989 (see Note 2D of Notes to Consolidated Financial Statements), increased margins on industrial interruptible sales as a result of higher costs for alternative fuels and a decline in natural gas unit costs, and increased revenues resulting from increased volumes of gas transported for others. The effects of these changes offset a decline in customer usage, resulting from unusually mild weather during the winter months. The gas margin for 1989 increased from 1988 primarily due to an increase in the number of customers and higher average use per industrial customer. Residential and commercial classes had lower dekatherm sales despite increases in numbers of customers because of warmer weather in the first quarter of 1989. Changes in customers and dekatherm (DT) sales of na.ural gas are presented in the following table:

	Increase (Decrease) From Prior Year			
	Customers		Volume (DT)	
Classification	1990	1989	1990	1989
Residential	13,194	3,770	(829,530)	(457,807)
Commercial	1,894	496	(182,828)	(1,162,972)
Industrial	77	(8)	4,818,612	3,398,221
Sale for Resale	(5)	-	(4,082,677)	1,923,030
Total	15,160		(276,423)	3,700,472

Other Operating Expenses

The increase in 1990 from 1989 in other operation and maintenance expenses is primarily a result of distribution system maintenance and increases in demand-side management program costs. Other operation and maintenance expenses increased in 1989 primarily due to costs related to damages caused by Hurricane Hugo and severe summer storms and increased expenses related to Summer Station outages. The depreciation and amortization decrease for 1990 reflects the Nuclear Regulatory Commission's extension on January 3, 1990 of Summer Station's operating license from March 21, 2013 to August 6, 2022. While there is no effect on net income (see Note 2B of Notes to Consolidated Financial Statements), the license extension requires that the Company lengthen the period over which the plant is depreciated, thus lowering the depreciation amounts for each period. The increase in depreciation and amortization expense for 1989 reflects additions to plant in service. The increase in income taxes for 1990 is associated with higher income. Income tax expense decreased for 1989 as a result of the tax impacts of offsetting storm damage costs with litigation settlement-related credits as approved by the PSC (see Note 2A of Notes to Consolidated Financial Statements). Other taxes increased for 1990 and 1989 primarily due to higher property taxes caused by increased millage rates and property additions.

Interest Charges

Interest on long-term debt remained relatively unchanged for 1990 compared to 1989 and increased approximately $11.1 million in 1989 compared to 1988. The increase in 1989 was due primarily to SCE&G's $75 million bank loan obtained in January 1989, the Company's $70 million bank note sold in January 1989 and higher interest rates.

Other interest expense increased $2.3 million in 1990 primarily due to increased sales of commercial paper partially offset by a decrease in related interest rates. Other interest expense decreased $1.1 million in 1989 compared to 1988 primarily as a result of lower short-term borrowings and a decrease in interest expense related to refunds to wholesale customers.

Common Stock Information

	1990				1989			
	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.
Price Range: (a)								
High	35 5/8	33 3/4	33 3/4	35 3/4	35 3/4	35 1/2	33 7/8	31 3/4
Low	30 3/4	30 1/4	31 1/4	31 5/8	32 1/4	32 3/4	30	29 5/8

Dividends Per Share:

1990	Amount	Date Declared	Date Paid
First Quarter	$.63	February 28, 1990	April 1, 1990
Second Quarter	.63	April 25, 1990	July 1, 1990
Third Quarter	.63	August 22, 1990	October 1, 1990
Fourth Quarter	.63	October 24, 1990	January 1, 1991
1989	**Amount**	**Date Declared**	**Date Paid**
First Quarter	$.615	February 22, 1989	April 1, 1989
Second Quarter	.615	April 26, 1989	July 1, 1989
Third Quarter	.615	August 23, 1989	October 1, 1989
Fourth Quarter	.615	October 25, 1989	January 1, 1990

	December 31,	
	1990	1989
Number of common shares outstanding	40,882,176	40,296,147
Number of common stockholders of record	44,104	45,650

The principal market for SCANA common stock is the New York Stock Exchange. The ticker symbol used is SCG. The corporate name SCANA is used in newspaper stock listings.

(a) As reported on the New York Stock Exchange Composite Listing.

Selected Financial Data

For the Years Ended December 31,	1990	1989	1988	1987	1986	1985	1980
Statement of Income Data	*(Thousands of Dollars except statistics and per share amounts)*						
Operating Revenues:							
Electric	$ 836,809	$ 822,112	$ 787,956	$ 806,826	$ 809,488	$ 787,796	$470,765
Gas	292,380	297,069	291,308	305,934	289,429	318,856	157,643
Transit	4,033	4,102	4,060	3,212	3,119	3,689	2,338
Total Operating Revenues	1,133,222	1,123,283	1,083,324	1,115,972	1,102,036	1,110,341	630,746
Operating Expenses:							
Fuel used in electric generation	208,595	224,035	224,278	227,877	216,076	229,249	204,948
Gas purchased for resale	191,526	212,112	209,344	222,319	215,928	246,760	121,642
Other operation and maintenance	267,340	247,440	222,396	214,865	209,629	195,031	101,130
Depreciation and amortization	97,801	102,296	97,389	92,583	90,627	86,899	36,822
Taxes	142,003	124,216	125,247	153,943	171,060	154,804	73,356
Total Operating Expenses	907,265	910,099	878,654	911,587	903,320	912,743	537,898
Operating income	225,957	213,184	204,670	204,385	198,716	197,598	92,848
Total Other Income	54,874	7,125	4,147	6,395	9,825	15,721	18,898
Income Before Interest Charges and Preferred Stock Dividends	280,831	220,309	208,817	210,786	208,541	213,319	111,746
Total Interest Charges, Net	92,317	90,421	80,057	71,478	71,934	83,218	48,046
Preferred Stock Cash Dividends of Subsidiary	6,911	7,263	8,014	10,437	14,443	16,541	12,949
Net income	$ 181,603	$ 122,625	$ 120,746	$ 128,865	$ 122,164	$ 113,560	$ 50,751
Weighted Average Number of Common Shares Outstanding (Thousands)	40,882	40,296	40,296	40,296	40,296	40,296	25,148
Earnings Per Share of Common Stock	$4.44	$3.04	$3.00	$3.20	$3.03	$2.82	$2.02
Dividends Declared Per Share of Common Stock	$2.52	$2.46	$2.40	$2.32	$2.24	$2.16	$1.74
Percent of Operating Income (Loss) Before Income Taxes:							
Electric	89	91	90	91	93	92	95
Gas	14	12	13	12	9	10	8
Transit	(3)	(3)	(3)	(3)	(2)	(2)	(3)

December 31,	1990	1989	1988	1987	1986	1985	1980
Balance Sheet Data	*(Thousands of Dollars except statistics and per share amounts)*						
Utility Plant, Net	$2,549,763	$2,444,278	$2,384,633	$2,313,996	$2,248,657	$2,221,070	$1,597,793
Total Assets	$3,144,936	$2,984,507	$2,887,279	$2,714,257	$2,587,491	$2,550,627	$1,810,888
Common Equity	$1,003,877	$ 918,235	$ 895,727	$ 871,620	$ 836,913	$ 806,155	$ 486,158
Preferred Stock Subject to Purchase or Sinking Fund Requirements	64,460	68,038	77,244	84,632	117,542	152,514	144,649
Preferred Stock Not Subject to Purchase or Sinking Fund Requirements	26,027	26,027	26,029	26,029	26,029	26,262	26,262
Long-Term Debt, Net	938,933	1,003,972	885,679	896,963	757,340	791,539	739,245
Total Capitalization	$2,033,297	$2,016,272	$1,884,679	1,879,244	1,737,824	$1,776,470	$1,396,314
Common Shares Outstanding (Year-End) (Thousands)	40,882	40,296	40,296	40,296	40,296	40,296	26,261
Book Value Per Share of Common Stock (Year-End)	$24.56	$22.79	$22.23	$21.63	$20.77	$20.01	$18.51
Other Statistics							
Electric:							
Customers (Year-End)	446,514	435,001	427,089	417,778	406,511	393,810	344,588
Sales (Million KWH)	15,385	14,885	14,457	14,314	13,704	13,041	11,809
Residential:							
Average annual use per customer (KWH)	13,330	12,891	12,805	12,988	12,821	11,992	12,580
Average annual rate per KWH	$.0707	$.0699	$.0691	$.0724	$.0759	$.0774	$.0499
Generating Capability - Net MW (Year-End)	3,891	3,891	3,891	3,890	3,890	3,959	3,359
Territorial Peak Demand - Net MW	3,222	3,144	3,021	2,943	2,853	2,703	2,289
Gas:							
Customers (Year-End)	220,817	205,657	201,399	195,338	192,941	191,002	166,470
Sales (Thousand Therms)	711,821	714,585	677,580	734,145	671,881	647,215	506,528
Residential:							
Average annual use per customer (Therms)	496	575	617	627	548	524	682
Average annual rate per therm	$.77	$.69	$.70	$.68	$.68	$.67	$.44
Transit:							
Number of Coaches	109	113	139	140	153	175	135
Revenue Passengers Carried (Thousands)	6,788	6,430	6,723	8,668	8,699	9,032	10,357

Investor Information

Notice of Annual Meeting

The 1991 Annual Meeting of Stockholders of SCANA Corporation will be held in Columbia, SC on Wednesday, April 24. The meeting will convene at 10^{00} a.m. in the Ballroom of the Columbia Marriott Hotel, 1200 Hampton Street. Proxies will be mailed to stockholders in March. Stockholders who are unable to attend the Annual Meeting should return their proxies promptly by mail.

Corporate Headquarters

Palmetto Center
1426 Main Street
Columbia, SC 29201
Telephone: (803) 748-3000

Mailing Address

SCANA Corporation
Columbia, SC 29218

Common and Preferred Stock Listings

The common stock of SCANA Corporation is listed and traded on the New York Stock Exchange and has unlisted trading privileges on the Boston, Cincinnati, Midwest, Pacific and Philadelphia exchanges. The trading symbol is **SCG**. The corporate name **SCANA** is used in newspaper stock listings. The 5% series cumulative preferred stock of South Carolina Electric & Gas Company (SCE&G), SCANA's principal subsidiary, is also listed and traded on the New York Stock Exchange. The trading symbol is **SAC Pr**; the newspaper listing is **SCrE pf**. SCE&G's other preferred stock series are not actively traded and market prices are not published.

Dividend Payment Dates

Quarterly dividends on SCANA's common stock are normally payable on the first day of January, April, July and October to stockholders of record on the 10th day of the month preceding the payment date. Dividends on SCE&G's preferred stock are paid quarterly on the same dates as the common stock dividends.

Dividend Reinvestment Plan

Through the Plan, SCANA offers its common stockholders of record a convenient and economical method for purchasing additional shares of the Company's common stock. A brochure describing the Plan and enrollment information may be obtained by writing the Secretarial and Shareholder Services Department (054) at the Company's mailing address.

Stockholder Inquiries

Communications concerning stock transfer requirements, replacement of lost or stolen stock certificates, dividend payments (including replacement of lost or stolen dividend checks), direct deposit of dividends, changes of address, elimination of duplicate mailings, or other questions about your stock account should be directed in writing to the Secretarial and Shareholder Services Department (054) at the Company's mailing address.

Auditors

Deloitte & Touche
Certified Public Accountants
1426 Main Street - Suite 820
Columbia, SC 29201

Recordkeeping and Paying Agents

Common Stock:
SCANA Corporation
Secretarial and
Shareholder Services Department (054)
Columbia, SC 29218

SCE&G Preferred Stock:
South Carolina National Bank
Securities Transfer Services - Room 101
101 Greystone Boulevard
Columbia, SC 29226

Transfer Agents

Common Stock:
South Carolina National Bank
Securities Transfer Services - Room 101
101 Greystone Boulevard
Columbia, SC 29226

Manufacturers Hanover Trust Company
Stock Transfer Department - 15th Floor
450 West 33rd Street
New York, NY 10001

SCE&G Preferred Stock:
South Carolina National Bank
Securities Transfer Services - Room 101
101 Greystone Boulevard
Columbia, SC 29226

The Chase Manhattan Bank, N.A.
Stock Transfer Department
P.O. Box 469, Washington Bridge Station
New York, NY 10033

Bond Trustee and Paying Agent

SCE&G First and Refunding Mortgage Bonds:
Manufacturers Hanover Trust Company
Corporate Trust Department - 15th Floor
450 West 33rd Street
New York, NY 10001

Investor Communications

Interim reports providing summary financial statements and Company news are sent to stockholders following the close of the first, second and third quarters. A copy of SCANA's Annual Report on Form 10-K (as filed with the Securities and Exchange Commission) and the Statistical Supplement to the 1990 Annual Report are available without charge. Inquiries concerning activities of SCANA Corporation and its subsidiaries and requests for publications should be addressed to the Investor Relations Department (054) at the Company's mailing address.

Investor Contact

H. John Winn, III
Manager-Investor Relations
Telephone: (803) 748-3240

Investors' Association

For information about this organization's activities, write to:
Association of SCANA Investors
c/o Mr. Paul Quattlebaum, Jr.
22 Broughton Road
Charleston, SC 29407

SCANA

Columbia, SC 29218