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From its origins in Charleston to its technology of today, SCANA's 1995 annual report chronicles the Company's past and present accomplishments as well as future expectations in celebration of our 150th anniversary in 1996.

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Gas Streetlight, Circa 1848
Electric Trolley on Columbia's Main Street - 1897
Columbia Canal Hydroelectric Facility - 1894

Front cover:

Collage of 1995 Corporate Events
Hurricane Hugo - Artist Bill Thompson
© News and Courier - 1989

Inside panel:

V.C. Summer Nuclear Station - 1984
Cope Electric Generating Station - 1996



This annual report was printed on recycled paper.

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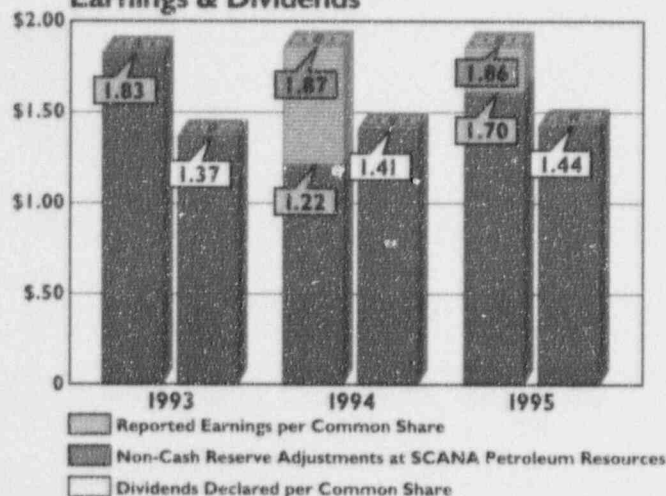
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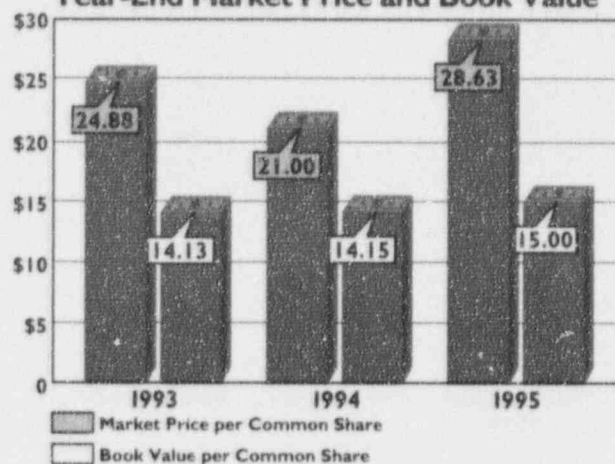
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Earnings & Dividends



Year-End Market Price and Book Value



SCANA PROFILE



SCANA Corporation, headquartered in Columbia, SC, is a \$4.5 billion energy-based holding company with 12 direct wholly owned subsidiaries engaged in electric and natural gas utility operations and other energy-related businesses.

South Carolina Electric & Gas Company (SCE&G), SCANA's principal subsidiary, is a regulated public utility engaged in the generation, transmission, distribution and sale of electricity and in the purchase and sale, primarily at retail, of natural gas in South Carolina. SCE&G provides electric service to approximately 484,000 customers in a service area that extends

into 24 of South Carolina's 46 counties and covers more than 15,000 square miles in the central, southern and southwestern portions of the state. Natural gas service is provided to approximately 244,000 customers over a 20,000 square-mile service area in 30 counties. Through the combined operations of SCE&G and South Carolina Pipeline Corporation, SCANA's gas transmission subsidiary, natural gas services are provided throughout the state on a direct or supplemental basis. SCE&G also provides urban bus service in the metropolitan areas of Columbia and Charleston, South Carolina.

SCANA's nonregulated diversified operations extend into 27 states and include exploring for and developing oil and gas producing properties; marketing natural gas and light hydrocarbons; purchasing, storing, distributing and selling propane; providing fiber optic telecommunications, video conferencing, specialized mobile radio services, and wireless personal communications services; power plant management and maintenance services; and appliance maintenance and repair services. At year-end 1995, the Company and its subsidiaries had 4,347 employees.

SCANA PROFILE

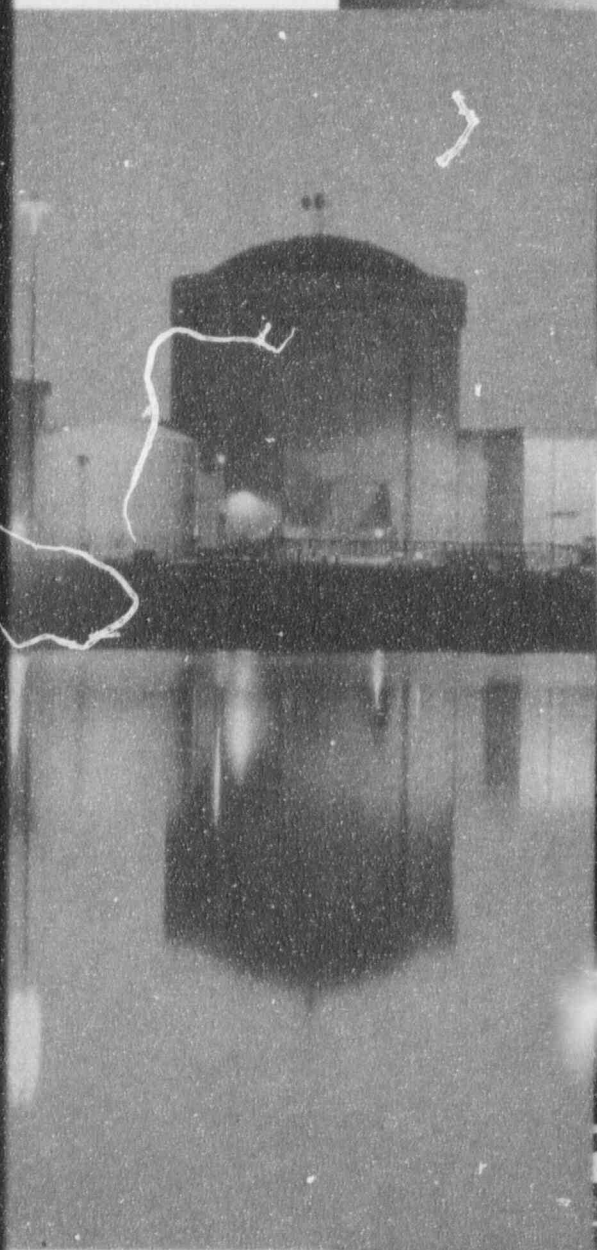
The TNA logo is displayed in a stylized, bold font within a rectangular box.A large graphic celebrating 150 years, featuring the number '150' in a large, elegant serif font, with the word 'Years' written in a smaller, similar font below it. The entire graphic is set against a dark background.

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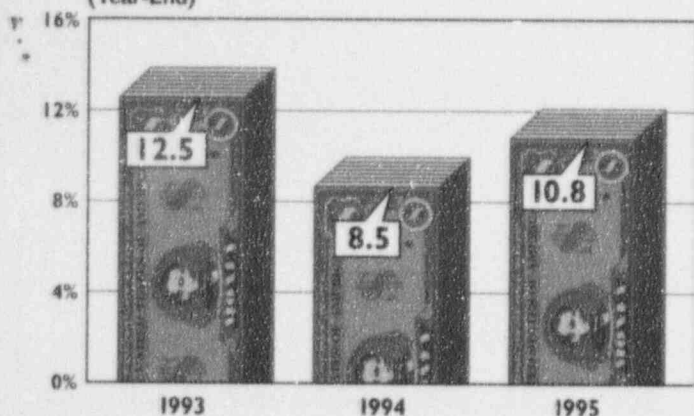


FINANCIAL AND OPERATING HIGHLIGHTS

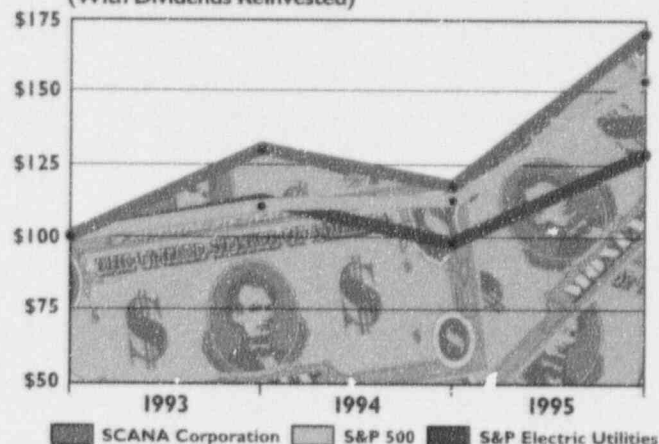
	1995	1994*	% Increase (Decrease)
	(Millions of dollars except statistics and per share amounts)		
Common Stock Data			
Earnings Per Weighted Average Share of Common Stock	\$ 1.70	\$ 1.22	39.3
Dividends Declared Per Share of Common Stock	\$ 1.44	\$ 1.41	2.1
Book Value Per Share of Common Stock (Year-End)	\$ 15.00	\$ 14.15	6.0
Market Price Per Share of Common Stock (Year-End)	\$ 28.625	\$ 21.00	36.3
Common Stockholders' Equity (Year-End)	\$ 1,554.7	\$ 1,359.1	14.4
Common Stock Outstanding:			
Weighted Average (Thousands)	99,044	94,762	4.5
Year-End (Thousands)	103,624	96,035	7.9
Total Company			
Total Operating Revenues	\$ 1,353.0	\$ 1,322.1	2.3
Total Operating Expenses	\$ 1,065.5	\$ 1,062.5	0.3
Net Income	\$ 168.3	\$ 115.5	45.7
Property Additions and Construction Expenditures	\$ 324.1	\$ 552.0	(41.3)
Utility Plant, Net	\$ 3,469.0	\$ 3,293.7	5.3
Electric Operations			
Electric Operating Revenues	\$ 1,006.4	\$ 975.4	3.2
Electric Operating Income	\$ 257.1	\$ 232.2	10.7
Territorial Sales (Million KWH)	17,583	16,838	4.4
Customers (Year-End)	484,354	476,412	1.7
Generating Capability - Net MW (Year-End)	4,282	3,876	10.5
Territorial Peak Demand - Net MW	3,683	3,444	6.9
Gas Utility Operations			
Gas Operating Revenues	\$ 342.7	\$ 342.7	—
Gas Operating Income	\$ 38.0	\$ 34.1	11.4
Sales (Thousand Therms)	882,511	781,109	13.0
Customers (Year-End)	243,523	238,614	2.1

* Prior year information has been restated for the effects of a two-for-one stock split in May 1995 and of a change in accounting principle in the second quarter of 1995 from the successful efforts method of accounting to the full cost method of accounting for the Company's oil and natural gas operations.

Return on Common Equity
(Year-End)



Three Year Cumulative Total Return*
(With Dividends Reinvested)





Fellow Shareholders:

It is with great pleasure that we provide you SCANA Corporation's 1995 Annual Report, which highlights our Company's accomplishments over the past year and celebrates the 150th anniversary of our founding in 1846. A brief history of SCANA since its inception begins on page 4. We hope you will enjoy learning about the Company's development from its single-product origins to a diversified energy-based holding company. Our story is one of dedication, leadership in technology, economic development, outstanding public service and innovation that is still true of SCANA and all our employees today.

W. B. Timmerman (left)
Lawrence M. Gressette, Jr.

SCANA's financial performance in 1995 was gratifying for several reasons. First, reported earnings rebounded from \$1.22 per share in 1994 to \$1.70 per share in 1995. Excluding the effects of the accounting restatement associated with the turnaround in our natural gas exploration subsidiary, earnings from ongoing operations were essentially level with 1994 despite significant capital investments made in 1995 to create future growth.

The principal capital expansion project during 1995 was the completion of the Cope Electric Generating Station, which went into commercial operation on January 15, 1996. This coal-fired electric generating plant was completed several months ahead of schedule and significantly under budget. A rate proceeding before the Public Service Commission of South Carolina to include the Cope investment in rates has been successfully completed. The resulting \$67.5 million overall increase in retail electric rates included the entire investment in the Cope plant as well as its operating expenses.

Another significant capital investment occurred early in 1995, when a partnership in which SCANA had invested \$53 million successfully bid for three PCS (Personal Communications Services) licenses auctioned by the Federal Communications Commission. This new business, further described on page 12, will provide state-of-the-art, digital wireless communications services to an area of 122,000 square miles with a population of nine million. In February 1996, the partnership merged with InterCel, Inc., a successful cellular telecommunications company with operations in Georgia, Alabama and Maine, and the combined entity sold \$115 million of new common equity together with \$200 million of debt. SCANA now owns 17 percent of the combined entity. These transactions provide all of the capital necessary to construct the system and provide start-up expenses for the initial build-out of the PCS system.

LETTER TO SHAREHOLDERS

Underpinning these expansions, our core businesses had an excellent year in 1995. Electric sales increased 4.4 percent in 1995 due to continued customer growth and somewhat more extreme weather than in 1994. Natural gas sales increased 13 percent, driven



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primarily by a 19 percent increase in sales to industrial customers due to the very low price of natural gas during most of the year. As you will note in the financial statements, control over our operating and maintenance expenses was excellent as well, with those expense categories seeing an actual decline of 1 percent when compared to 1993 and 2 percent when compared to 1994. The V.C. Summer Nuclear Station remained an industry leader in the past year, again receiving a superior rating from the Nuclear Regulatory Commission, and also receiving the highest possible overall rating from the Institute of Nuclear Power Operators in its latest assessment. The fossil generating plants achieved availability factors well above industry averages. In summary, the core electric and gas businesses performed extremely well, as they have done for many years, providing a solid base for future growth.

Our electric operations are the most significant segment of our business, representing 69 percent of our total assets at year-end 1995. The electric industry continues to face significant changes in the regulatory structure that has traditionally governed its operations. At the national level, major industrial customers are pressing for retail wheeling that would allow them to choose their electric supplier. Conservative members of Congress see the need to deregulate the industry in order to provide market-based competition throughout the nation. The Federal Energy Regulatory Commission is attempting to accomplish the same goal through its regulatory oversight of wholesale transactions. As might be expected, the industry is very divided over the pace of change and the desired outcome.

SCANA is engaged in the debate over deregulation at many levels. Our principal concerns are to ensure the fair treatment of our shareholders and residential and commercial customers, while continuing to provide competitive pricing to our industrial customers. We believe that our very competitive electric rates and the excellence of our operating record, together with the absence of any significant amount of regulatory assets, mitigate a great deal of the financial risk to the Company. In addition, the Company has always shown an ability to adapt and prosper during its 150-year history. We continue to aggressively prepare for the changes to come.

As previously mentioned, 1995 was a turnaround year for our natural gas exploration subsidiary, SCANA Petroleum Resources (SPR). Prices for natural gas were extremely low during most of the year as measured by historical standards. The last two months of 1995, and the first months of 1996, have seen extraordinarily high prices due to the very harsh winter. Against this backdrop of volatile price swings, SPR has focused on drilling for low-cost reserves, active divestiture of wells with high operating costs, and adjusting production rates based on prices and individual well profitability. As a result, SPR returned to profitability in the third quarter, and has been able to

take advantage of the increased prices for natural gas. The forward sale of gas reserves entered into last year in order to protect profitability was managed appropriately as prices began to rise late in the year and had a minimal negative impact on earnings.

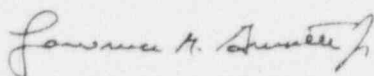
While recent natural gas prices have been at historically high levels, we expect a return to more normal levels, and our operating strategy is based on these more normal price ranges. We are proceeding with the exploration and development of the acreage in south Louisiana that we are jointly exploring with American Petrofina. Substantial seismic data on these properties should become available in the second quarter of 1996, with drilling beginning around the start of the fourth quarter. We are very optimistic that this project, in combination with the changes we have already put into place, will result in good profitability.

In January 1996 we realigned all of our natural gas and propane businesses into an overall line-of-business group. This functional grouping will result in improved marketing focus and profitability through a more cooperative and supportive approach. Asbury H. Gibbes has been chosen to lead this group after successful assignments as SCANA's General Counsel and prior to that as the president of SCANA Development Corporation.

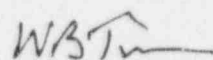
At the December meeting of the Board of Directors, W. B. Timmerman was elected President of the Company. Bill brings 17 years of sound leadership to this position, and his experience in all phases of the energy industry will help to successfully move the Company into the next century. I congratulate Bill on his election and look forward to continuing with him to build value for our shareholders.

In closing, we would be remiss not to mention the contributions of SCANA's 4,300 employees. These active employees, together with their retired predecessors, collectively own and vote 11 percent of the Company's outstanding common stock. While images on the historical diorama in this report reflect society's technological advances, the diligent and excellent work of our employees transformed these technologies into valued services for our customers. By almost any objective measure, SCANA's businesses are at the forefront due to the efforts of our employees. It is the quality of our people that will determine our success in the coming years.

Respectfully submitted,



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



W. B. Timmerman
President

February 20, 1996

1846

Charleston Gas Light Co.
is incorporated.

1852

Columbia Gas Light Co.
is incorporated.

1886

Charleston Electric Light Co.
is incorporated.

1924

Broad River Power Co. is
organized as a subsidiary of
General Gas & Electric Corp.

1887

Congaree Gas & Electric Co. is
chartered to generate and distribute
electricity in Columbia.

150 Years

Of Enriching Lives



The response to Hurricane Hugo, perhaps more than any other single event, best exemplifies SCANA's story during its first 150 years. On the night of September 21, 1989, the eye of this Category 4 storm came ashore at Charleston, South Carolina, where SCANA began in 1846. With winds approaching 150 miles an hour, Hugo destroyed in just hours an electric delivery system that took a hundred years to build.

It was a time of disaster, but not of despair. It was, in retrospect, a shining moment in SCANA's history. Employees took the initiative. They were empowered to find new and better ways to succeed, and they did. All 300,000 customers left without power had it back within 17 days. But that accomplishment is just one of the many challenges our employees have met successfully in the Company's first century and a half of existence.

The history of SCANA is a story of firsts, from hand-lit gas streetlights to multi-state, fiber optic networks and personal communications services. It is a story of innovation, of people with the ingenuity, as demonstrated following Hugo, to overcome seemingly insurmountable problems. It is a story of developing communities, of leadership and shared success. It is the story of SCANA Corporation.

SCANA's

earliest corporate ancestors provided manufactured

gas and electricity and provided streetcar services. Their evolution generally paralleled each other in the developing cities of Charleston, Columbia and Aiken in mid-19th century South Carolina.

It all began in 1846 when local business leaders came together to form the Charleston Gas Light Company. Their business was the manufacture of gas from coal, oil and resins. In the spring of 1848, the first gas streetlights appeared. And by the end of the year, 485 customers were taking advantage of this newest luxury. Six years later and a hundred miles to the

1926

South Carolina Power Co. is organized through consolidations.



1937

Broad River Power Co. changes its name to South Carolina Electric & Gas Co.



1930

Lake Murray is created by completion of the Saluda Dam.

1950

SCE&G and South Carolina Power Co. merge under the name South Carolina Electric & Gas Co.

north, the Columbia Gas Light Company was formed. By the end of 1888, there were gas mains on every principal street in the capital city.

Thomas Edison's invention of the incandescent

light bulb in 1879 was a pivotal moment in the utility industry. New companies began to appear, competing to be the first to bring this new invention to the public. The first electric lights appeared in Charleston in 1882. But it was not until the formation of the Charleston Electric Light Company in 1886 that electric lighting proved successful in Charleston. In 1887, the Congaree Gas & Electric Company formed to generate and distribute electricity in Columbia.

Also during this time the first railway companies emerged: Charleston City Railway Company in 1861 and Columbia Street Railway Company in 1882. By 1893, electric streetcars were rolling in Columbia. They made their debut in Charleston in 1897.

Electric trolley lines were the chief source of income for these early companies. The utilities created and promoted different entertainment events to increase ridership. Patrons could choose oceanside concerts on the Isle of Palms, or weekly vaudeville performances at a casino in North Columbia.

By the turn of the century, mergers meant

fewer but larger utility companies. Demand for electricity was growing, and SCANA's early ancestors continued to make their mark with first-time achievements. In 1894, Columbia Water Power Company's powerhouse on the Columbia Canal supplied the power for the world's first electrically powered textile mill.

Mergers accelerated in the early '20s. In 1924, the Broad River Power Company organized as a subsidiary of General Gas & Electric Corporation. The next year it bought the electric and gas properties of Columbia Railway, Gas & Electric Company. The new company immediately set out on a construction program to add electric generating capacity.

South Carolina Power Company formed in 1926 when several smaller utility companies consolidated in Charleston. Two years later, Commonwealth & Southern Corporation purchased controlling interest in South Carolina Power Company. It then merged with the Augusta-Aiken Railway & Electric Company, Georgia-Carolina Power Company and the Edisto Public Service Corporation, bringing 13 new counties into the Charleston company's service territory.

While the gas and electric industries continued to grow, the streetcars reached their zenith during World War I, carrying thousands of soldiers on their way to and away



1963

The Parr prototype reactor becomes the first electricity-producing nuclear plant in the Southeast.

1984

V. C. Summer Nuclear Station begins commercial operation.

1982

SCE&G acquires Carolina Energies, Inc.

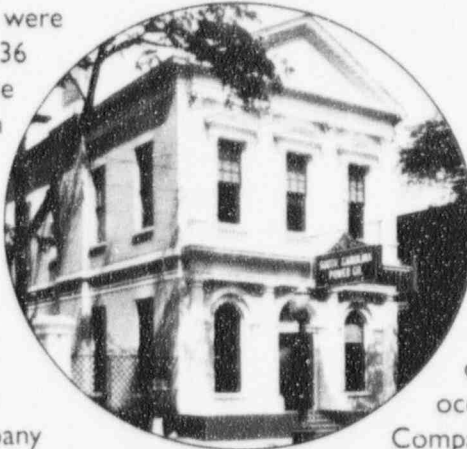
1984

SCANA Corporation is formed as a holding company effective December 31.

1975

SCE&G reaches \$1 billion in assets.

from the war theater. But the streetcars were abandoned as obsolete in Columbia in 1936 and in Charleston in 1938. The rails lay idle until World War II, when they were taken up and used as scrap metal in the nation's war effort.



During the next two decades,

the growth of both companies helped fuel expansion of the state's economy. In 1927, the Lexington Water Power Company received a license to build a dam on the Saluda River northwest of Columbia. Saluda Dam, which would create the 50,000-acre Lake Murray, was the largest man-made barrier built for power production in the world when completed in 1930. In addition, the project provided desperately needed jobs in the lean years leading up to and beyond the stock market crash of 1929 and the beginning of the Great Depression.

In 1937, the Broad River Power Company changed its name to South Carolina Electric & Gas Company, SCANA's principal subsidiary still today. Five years later, Lexington Water Power Company merged with SCE&G.

Throughout the difficult economic times of the 1930s and early '40s, SCE&G and other private utility companies fought unsuccessfully to prevent the creation of public power companies, a source of continuing debate in modern times. With the outbreak of World War II, SCE&G and South Carolina Power Company shifted their focus to the energy demands of the war effort. Bus systems in Charleston and Columbia set records for passengers carried during the war years.

The year 1946 brought profound

changes that continue to shape SCANA on its 150th anniversary. As a result of the Public Utility Holding Company Act of 1935, which mandated the streamlining of holding companies, General Public Utilities Corporation divested its ownership of SCE&G through a stock distribution. A similar divestiture was occurring with South Carolina Power Company and Commonwealth & Southern Corporation.

On November 15, 1946, SCE&G became an independent entity. That same year it became the first South Carolina corporation to be listed on the New York Stock Exchange. Moving aggressively, the company also launched plans to purchase South Carolina Power Company and consolidate the companies' neighboring service territories.

SCE&G's initial stock offering was issued successfully in May of 1948. The company acquired South Carolina Power Company that same month. This met with fierce resistance from the South Carolina Public Service Authority, the state-owned public power agency that SCE&G's predecessors had so vigorously opposed a decade earlier. Approval from all required regulatory bodies in hand, the companies merged under the name of South Carolina Electric & Gas Company in April 1950.

The merger ushered in two decades of general

economic stability and growth. There were virtually no electric or gas rate cases in the 1950s and '60s, even though SCE&G continued to expand with the construction of three major generating plants: Urquhart Station in 1953; McMeekin Station in 1958; and Canadys Station in 1962.

1989

Hurricane Hugo
knocks out power to
300,000 customers.

1996

SCANA celebrates its
150th Anniversary.

1985

SCE&G
is named Utility of the Year
by Electric Light & Power magazine.

1990

SCE&G receives
Edison Award for its response
following Hurricane Hugo.

A new subsidiary, South Carolina Generating Company, was formed in 1951 to build Urquhart Station. South Carolina Natural Gas Company was established as a subsidiary the following year to build lines to distribute natural gas. And from 1955-65, the efficiency of SCE&G's electric generating plants improved by 19 percent through a company-wide commitment to lower costs of service, a philosophy still embraced today.

Following in the tradition of its predecessor companies, in 1959 SCE&G took part in another first: The company joined three neighboring utilities to build the first electricity-producing nuclear power plant in the Southeast. The small, 17-megawatt reactor was a prototype model used for research and was built at Parr, where one of the company's first hydroelectric plants opened in 1914.

The Parr prototype reactor first generated

electricity on December 16, 1963. It was taken out of service in 1967 after providing extensive research data that laid the foundation for a much larger commercial nuclear reactor the following decade.

In June 1971, SCE&G began the licensing process to build a nuclear plant two miles from the prototype reactor site. And in yet another first, SCE&G took on as a financial partner its long-standing rival, the South Carolina Public Service Authority. The public-private partnership made the project financially feasible. And despite the accident at Three Mile Island in 1979 that led to substantial regulatory delays and subsequent cost increases, the V.C. Summer Nuclear Station's \$1.3 billion price tag was 24 percent less than the average of 13 other nuclear generating facilities constructed over the same period during the 1970s and early '80s.



Inflation in the 1970s plagued all areas of SCE&G's operations. SCE&G's slowing growth rate and pressures from increasing capital costs associated with the construction of Williams Station near Charleston and the nuclear plant meant a decade of rate increases. However, the company's commitment to cost reduction gradually lowered rates during the late 1980s.

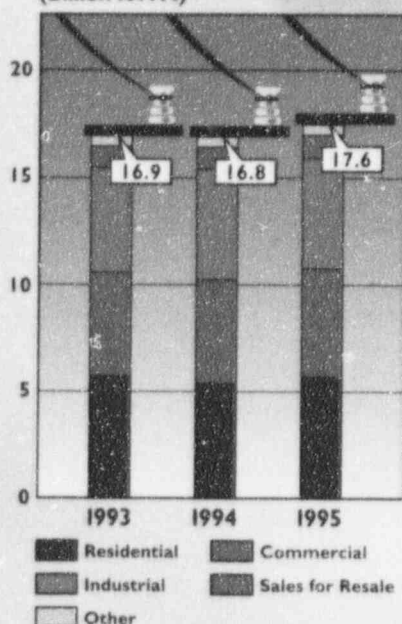
The union that would lead directly to the formation of SCANA Corporation occurred in January 1982. SCE&G and Carolina Energies, Inc. (CEI) announced jointly that they would merge under the name South Carolina Electric & Gas Company. The merger with CEI, a holding company with six subsidiaries of its own involved in the sale and transmission of natural gas and propane, made SCE&G the largest natural gas supplier in South Carolina.

SCANA Corporation, the diversified holding company as it is known today, was formed on December 31, 1984. That restructuring allowed the corporation to segment its various businesses and diversify into other energy-related enterprises. Ventures into telecommunications and personal communications services, power plant management, natural gas exploration and production, natural gas brokering, propane sales and home appliance service contracts opened new markets. Meanwhile, SCANA maintains its foundation in the traditional electric and natural gas utility fields.

As we head into our 16th decade of doing business, SCANA remains committed to one tenet above all else: Relying on the ingenuity, innovation and determination of our employees as the keys to continued success.

South Carolina Electric & Gas Company's fossil plants posted an exceptional system-wide

Electric Territorial Sales
(Billion KWH)



performance in 1995. In a survey of 117 member plants by the Electric Utilities Cost Group, four of SCE&G's five steam plants placed within the top 10 most efficient, while the fifth plant placed 32nd. With one of the most efficient generating systems in the nation, SCE&G continues to strengthen its position as a low-cost, highly competitive electricity provider.

SCE&G also supplemented its electric generating capability with the completion and commercial operation in January 1996 of a new 385-megawatt plant near the town of Cope in central South Carolina. The plant was completed four months ahead of schedule and millions of dollars under budget. The addition of this facility elevates the company's total generating capability to 4,282 megawatts.

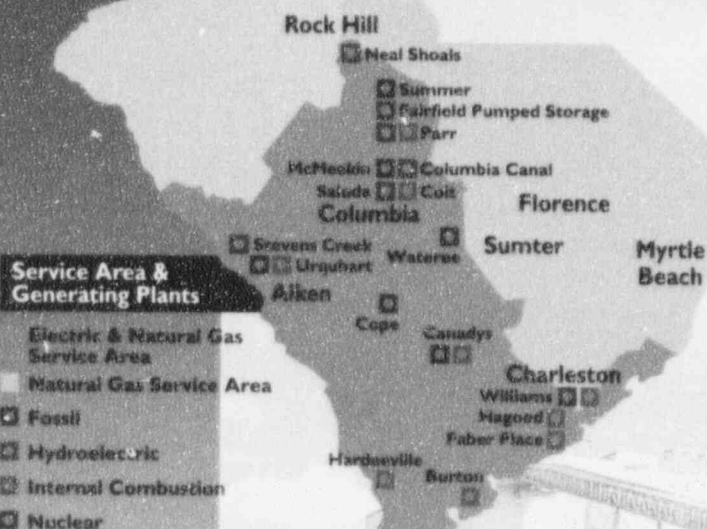
The need for additional generating capacity was demonstrated on August 14, 1995, when SCE&G customers set a new record for peak electric usage of 3,683 megawatts. A new record for electric usage over a single 24-hour period was also established on the same day.

In August, SCE&G entered a new business venture with its largest electric customer - the U.S. Department of Energy's Savannah River Site (SRS). The two signed an agreement to privatize SRS's power and steam generation and transmission facilities. Under the agreement, SRS is buying all of its electrical and a majority of its steam needs from SCE&G. In return, SCE&G is leasing and operating SRS's power plant and transmission facilities. The contract has an estimated annual value of \$30 million, more than double the amount of revenue that SCE&G had been receiving from DOE.

SCE&G continues its efforts to increase efficiency through the use of new technologies. During 1995, the company began a pilot program to test a first-of-its-kind, two-way radio meter-reading system for electric and natural gas customers. This real-time access, wireless meter-reading system will allow the company to offer its customers faster and more accurate information. The system provides cost-saving advantages as well as the potential to offer customers new services that go far beyond traditional monthly billing information. SCE&G will expand this system in 1996 and beyond.

SCE&G's natural gas operations made a significant contribution to the economy of South Carolina's Lowcountry with a 16-mile natural gas pipeline extension into southern Beaufort and Jasper counties. The extension marked SCE&G's first gas presence in the area and was built primarily to serve Del Webb's Sun City Hilton Head, a retirement community that will eventually become home to more than 16,000 new residents.

Successful economic development activities continued in 1995. Approximately 22 companies announced they would locate new or expanded facilities within SCE&G's electric and natural gas service areas. Together, these projects are expected to provide 3,200 new jobs and generate at least \$4.3 million in new revenues annually.



SUBSIDIARY HIGHLIGHTS



South Carolina Pipeline Corporation

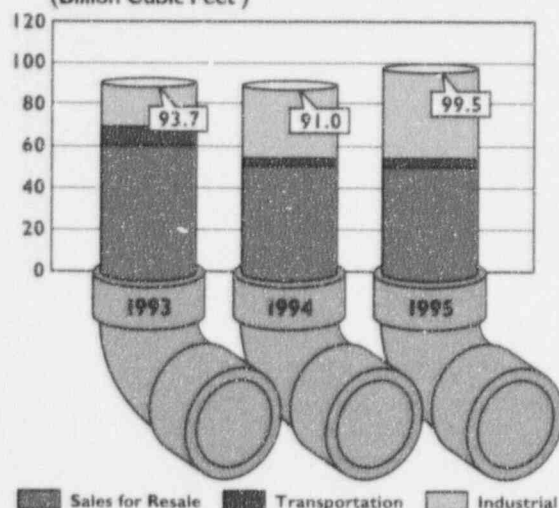
posted record throughput on its intrastate natural

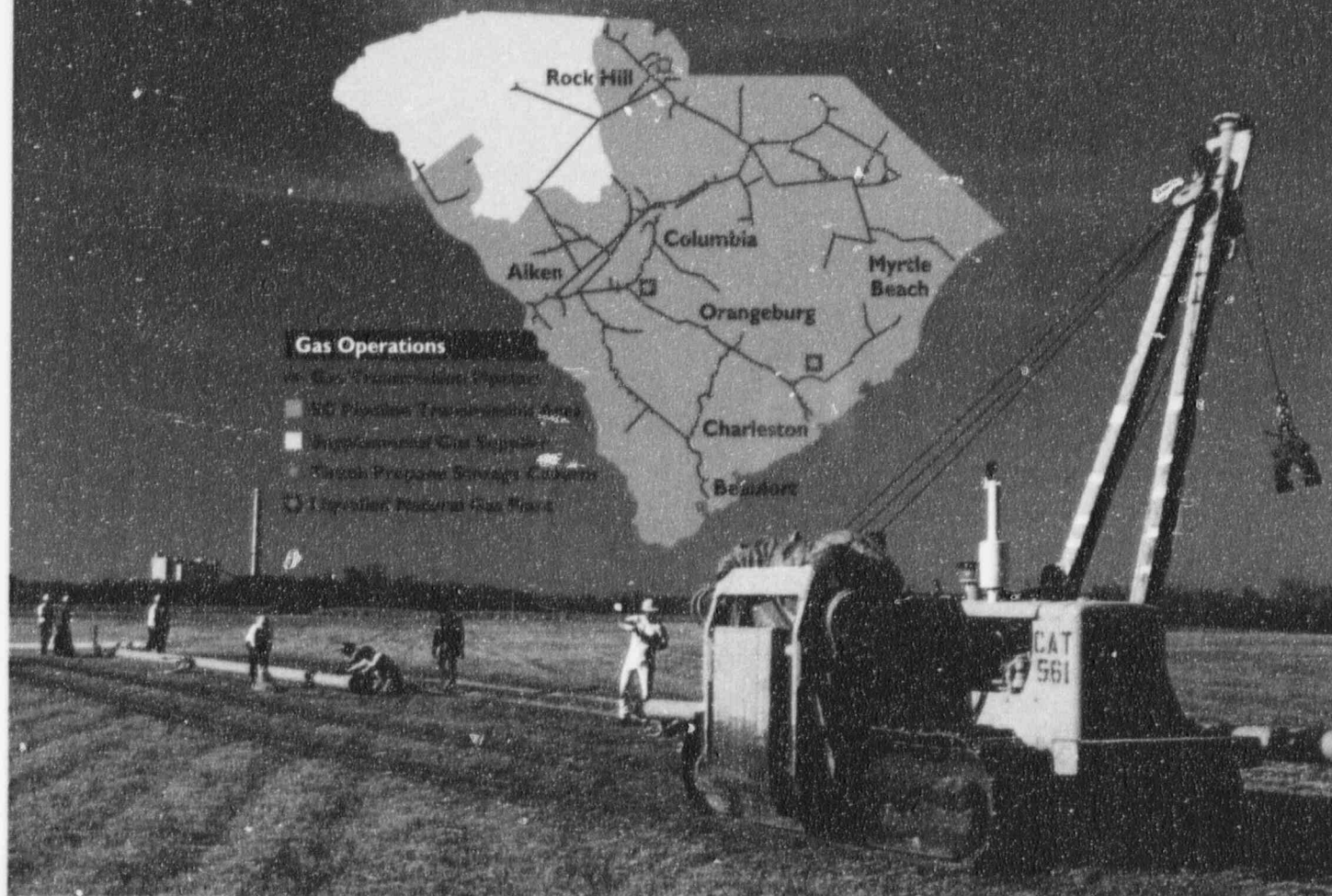
gas system in 1995. Warmer than normal winter weather lowered natural gas prices, while world-wide demand drove the price of competing fuel oil higher. Hot summer weather led to strong gas sales for peak electric generation. SCPC also benefited from a new focus of marketing gas directly to its industrial customers by reducing the volume of third-party transportation on its system.

A strong economy also contributed. Many of SCPC's industrial customers posted record production. SCPC's history of reinvesting in its system to continuously improve service levels paid off as well. Existing customers undertook expansions, and major industrial prospects chose South Carolina as the location for new facilities.

SCPC's history of reinvestment is ongoing with a new expansion project in the Piedmont and Pee Dee sections of the state that will allow more gas to flow into these growing areas. SCPC continues to focus on development projects such as this to encourage future growth as a strategic partner for economic progress in South Carolina.

SCPC Total System Throughput
(Billion Cubic Feet)





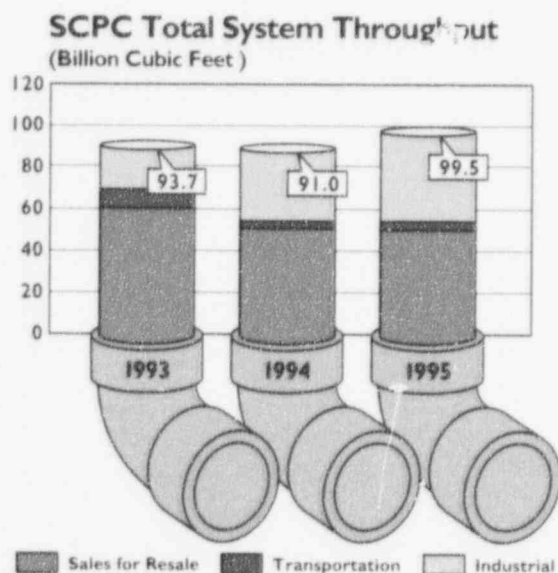
South Carolina Pipeline Corporation

posted record throughput on its intrastate natural

gas system in 1995. Warmer than normal winter weather lowered natural gas prices, while world-wide demand drove the price of competing fuel oil higher. Hot summer weather led to strong gas sales for peak electric generation. SCPC also benefited from a new focus of marketing gas directly to its industrial customers by reducing the volume of third-party transportation on its system.

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SCANA Petroleum Resources, Inc.

SCANA's oil and natural gas exploration and development affiliate experienced a year of transition in 1995. A warmer than normal winter led to declining prices, higher per-unit costs and losses in the first two quarters of the year.

Management responded to these trends by maximizing product margin instead of expanding production volumes. Also, a shift was made from acquiring reserves to growing reserves through increased exploration and development drilling. This move was highlighted in March with the signing of a five-year joint exploration and development agreement with Fina Oil and Chemical Company covering 400,000 acres in south Louisiana. The agreement provides SPR with 50 percent interest in one of the largest onshore, 3-D seismic projects in the United States.

Consistent with its new strategy, SPR gauged its production levels around prices that offered the greatest margin. Emphasis also was placed on reducing costs and selling non-strategic properties. These steps, coupled with higher gas prices, allowed SPR to post a substantial rebound in net income in the fourth quarter of 1995. Entering 1996, SPR increased gas volumes in response to higher prices while keeping production costs down.

SPR's 3-D seismic prospect acquisition and drilling program resulted in two successful exploration wells in

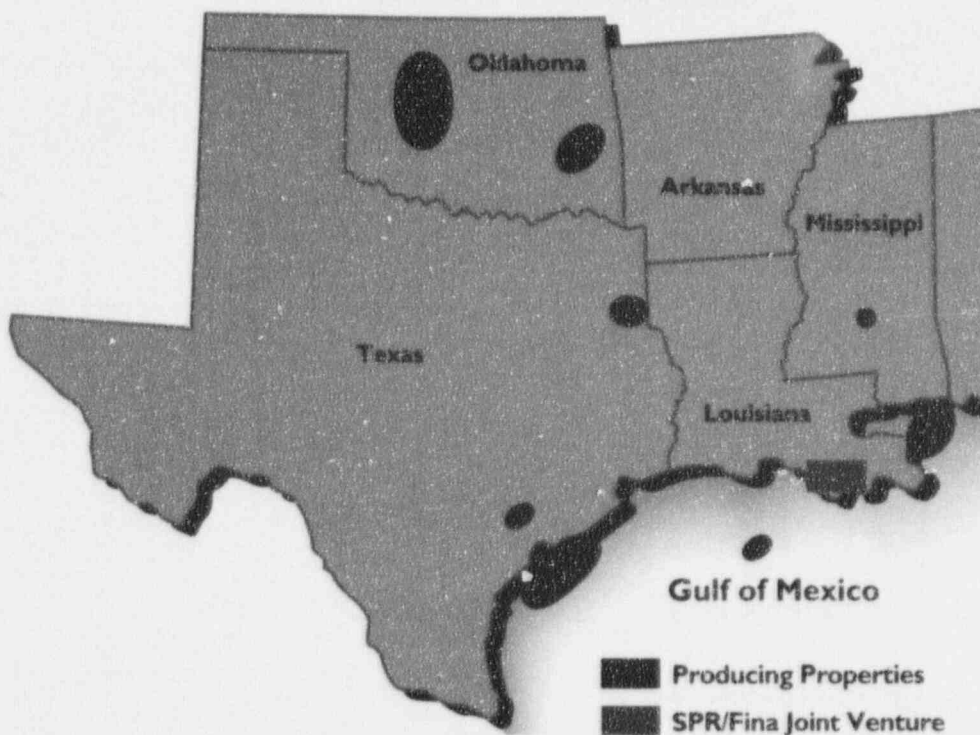
south Texas that produced a combined 18 million cubic feet of gas a day during testing and generated leads for several other prospects in the area. In addition, several joint venture and development prospects were being negotiated.

Regardless of the current increase in gas prices, SPR remains committed to low-cost operations and the economic growth of its reserves through diligent exploration and development drilling utilizing the latest in technology.

1995 SPR Natural Gas Production Volumes and Market Prices



SPR Production



SCANA Energy Marketing, Inc.

Previously known as SCANA Hydrocarbons, Inc., this subsidiary's name was changed in 1995 to better define the diversified group of products and services it provides now and in the future.

SCANA Energy Marketing buys and sells natural gas and other light hydrocarbons and provides transportation and bulk storage of propane. The company markets gas produced by third-party suppliers and all of SCANA Petroleum Resources' production. SPR gas accounted for about 52 percent of total sales volume in 1995. The company also owns several gas-gathering systems and provides energy-related risk management services to producers and consumers alike.

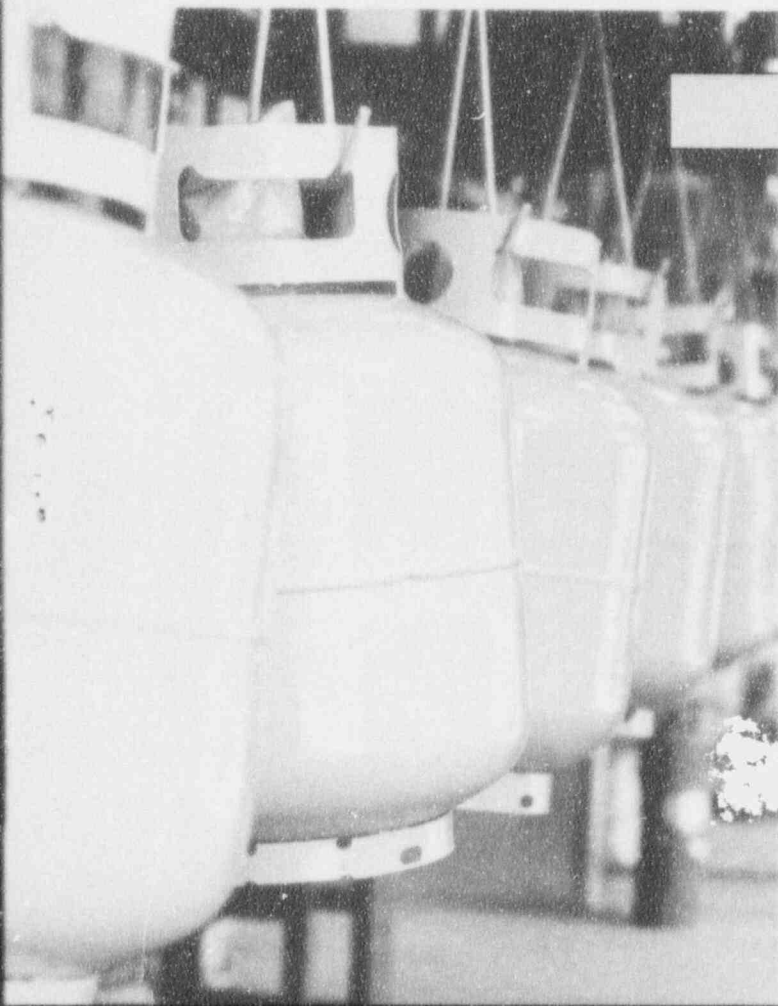
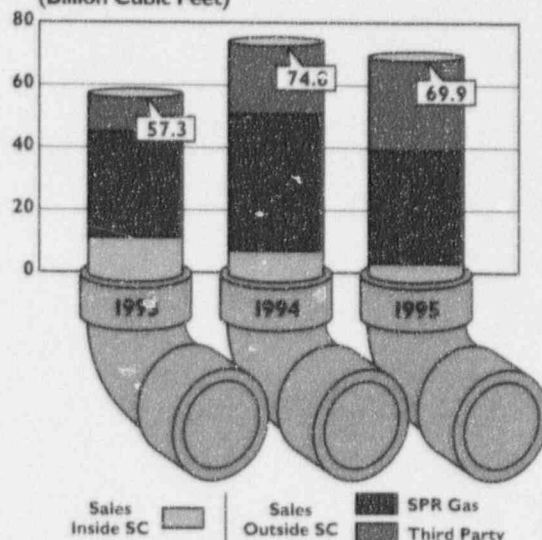
By streamlining supply purchases and capitalizing on capacity release programs, SCANA Energy Marketing continued its growth in the Southeast and Mid-Continent areas of the U.S. Sales outside South Carolina accounted for 96 percent of total sales volume.

Business opportunities for the company's propane storage facility continued to improve as well. For the second consecutive year, the cavern was fully leased and reached 100 percent of its inventory level. Demand remains strong, with throughput up 11.8 percent over 1994. The company

will continue to market this facility to create turnover in the inventory and increase throughput.

With the deregulation of the electric utility industry, SCANA Energy Marketing is in position to take advantage of new markets as they develop by continuing to build on its reputation as a high-quality marketing company.

SCANA Energy Marketing
(Billion Cubic Feet)



Suburban Propane Group, Inc.

Aggressive sales and marketing characterized Suburban Propane Group's focus during 1995 as its customer base grew by 3.5 percent. Suburban now serves approximately 34,000 customers, primarily in South Carolina, and sells in excess of 27 million gallons of propane annually.

Suburban achieved this growth through greater emphasis on merchandising and service through 17 retail stores across the state.

Suburban continues to add year-round industrial customers who rely entirely on propane gas for their operations.

Suburban's automated processing plant is capable of washing, painting and filling cylinders used in its propane cylinder exchange business. USA Cylinder Exchange, a subsidiary of Suburban, provides refurbished cylinders in exchange for customers' old ones. USA's racks are located at many convenience stores throughout North and South Carolina.

MPX Systems, Inc.

SCANA's telecommunications subsidiary provides an array of telephone, fiber optic and wireless communications services.

MPX was a principal partner in Powertel PCS Partners, which in the spring of 1995 was awarded licenses to provide Personal Communications Services (PCS) to three major trading areas with a population of nine million in the Birmingham, Jacksonville and Memphis areas. Effective February 7, 1996, Powertel was combined with InterCel, Inc. and MPX's interest therein exchanged for InterCel common stock. The value of MPX's investment in InterCel has grown nearly 40 percent since MPX's initial investment in Powertel.

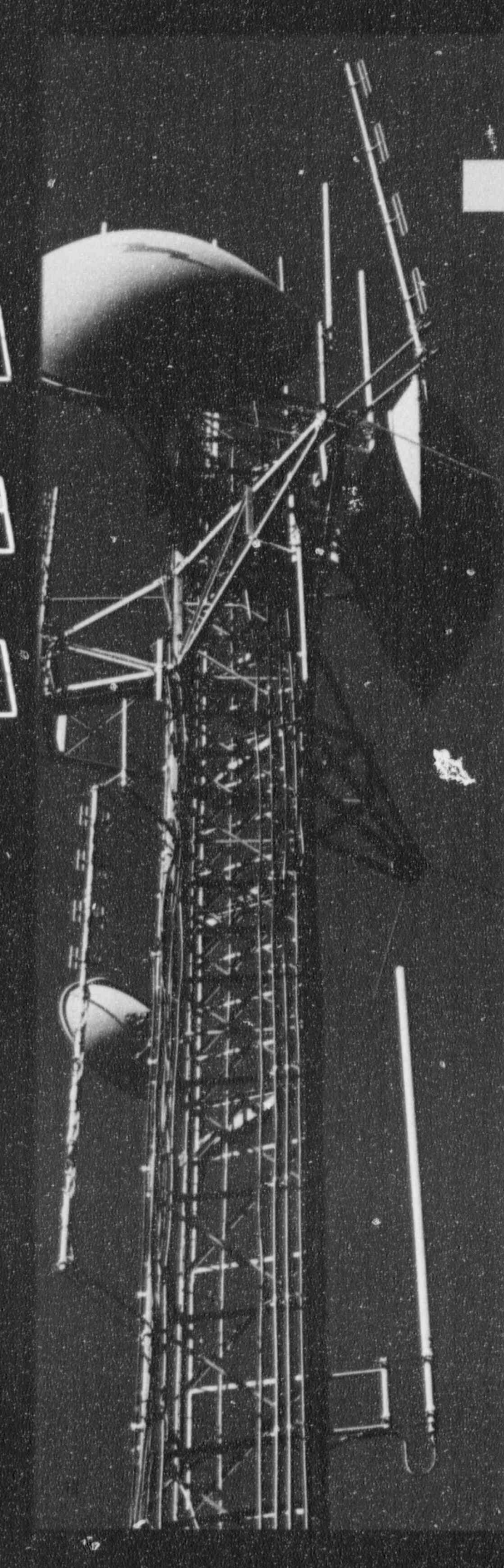
MPX also has an interest in ITC Holding Company, Inc., a privately owned venture with six businesses providing local and long distance telephone services, telephone conferencing services and full service networks for cable television.

In addition, MPX owns or manages 2,500 miles of fiber optic lines stretching from the Carolinas to east Texas and plans to substantially expand the network over the next several years. MPX also developed and markets a state-of-the-art, two-way mobile radio system to government agencies and other utilities that vastly improves communications during crisis situations. This system is targeted to have statewide coverage over South Carolina within the next two years.

MPX/InterCel PCS Markets



Through MPX and its various services, SCANA is one of the largest non-telephone businesses in the telecommunications industry.



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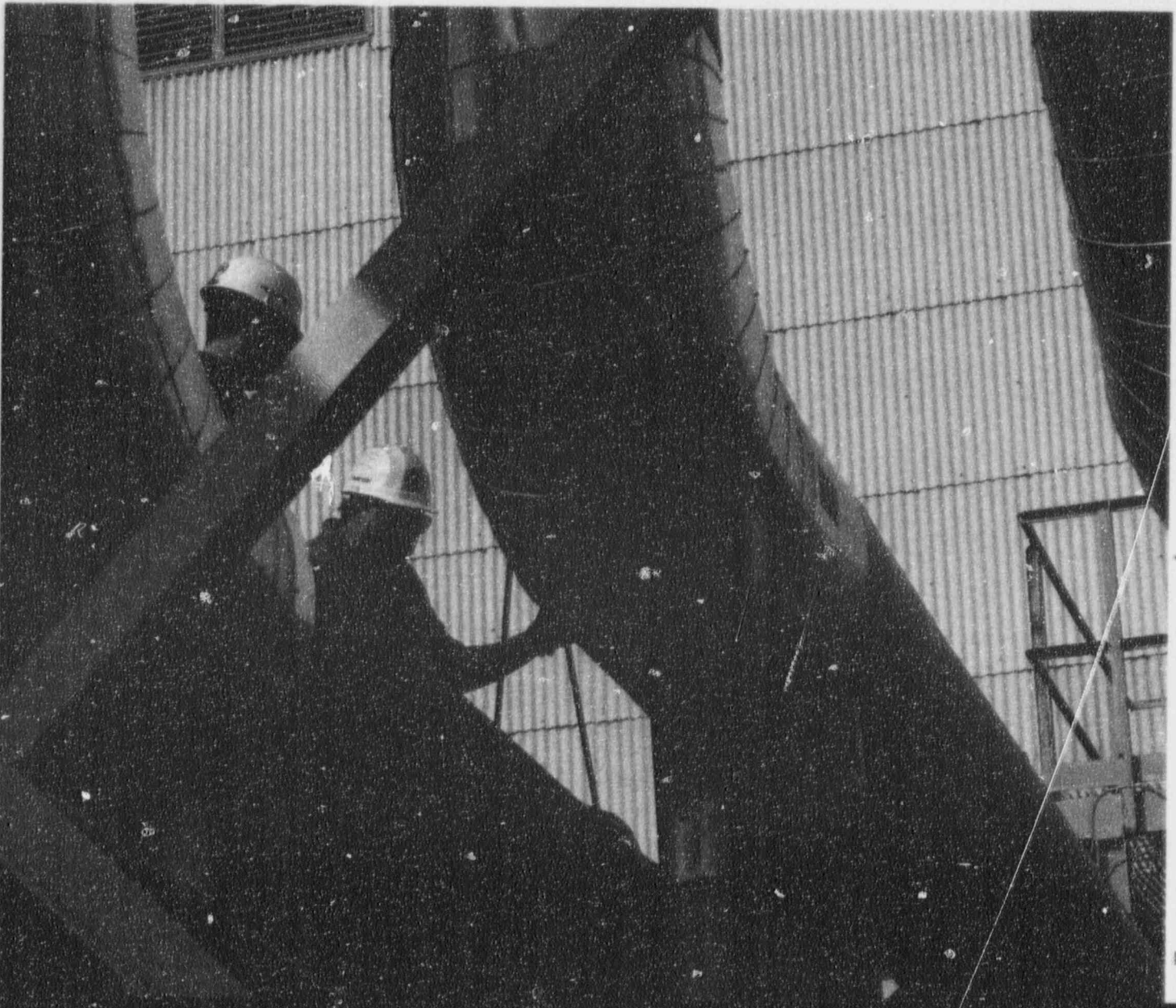
ServiceCare, Inc. provides energy-related products and services

beyond the meter, principally through service contracts on home appliances. More than 37,000 South Carolinians are members of ServiceCare, with 65 percent of those joining in 1995. Plans are to expand the ServiceCare program to other areas of North America through franchising agreements, with one such agreement already signed in 1996.

Primesouth, Inc. is a power plant operation and maintenance

contractor. In October 1995, Primesouth took over the operation and maintenance of the electric generating facility at the U.S. Department of Energy's Savannah River Site. Primesouth contracted the agreement with SCE&G, which assumed control of the facility as part of the government's privatization efforts. Overall, Primesouth operates and maintains seven projects in five states that produce more than 450 megawatts of electric generation.

The Savannah River Site's powerhouse is the latest project to come under Primesouth's management.



FINANCIAL REVIEW

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Common Stock Information

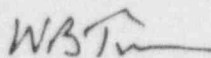
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Company Report On Financial Statements

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, informed judgments and estimates have been used. Financial information presented elsewhere in this Annual Report is consistent with these financial statements.

The Company maintains and relies upon internal accounting controls intended to provide reasonable assurance that 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 appropriate balance between the cost incurred in maintaining internal controls and the benefits to be derived. Internal accounting controls are supported by written policies and guidelines and are complemented by the selection, training and development of professional financial managers and by a staff of internal auditors who conduct 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 LLP. The internal and independent auditors have free access to the Audit Committee to discuss internal accounting controls, auditing and financial reporting matters.



W. B. Timmerman
President, Chief Financial
Officer and Controller
February 7, 1996

Independent Auditors' Report

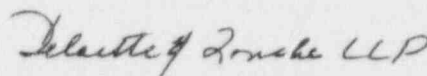
SCANA CORPORATION:

We have audited the Consolidated Balance Sheets and Consolidated Statements of Capitalization of SCANA Corporation and subsidiaries (Company) as of December 31, 1995 and 1994 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, 1995. 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 audit 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 consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 1995 and 1994, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 1995 in conformity with generally accepted accounting principles.

As discussed in Note 1B, the financial statements have been restated to reflect the change from the successful efforts method to the full cost method of accounting for the Company's oil and gas operations.



DELOITTE & TOUCHE LLP
Columbia, South Carolina
February 7, 1996

CONSOLIDATED BALANCE SHEETS

December 31,

1995

1994

ASSETS

(Thousands of Dollars)

Utility Plant (Notes 1, 3 and 4):

Electric.....	\$3,539,068	\$3,424,951
Gas	484,752	467,576
Transit.....	3,768	3,785
Common.....	91,616	77,327
Total	4,119,204	3,973,639
Less accumulated depreciation and amortization.....	1,367,541	1,333,360
Total	2,751,663	2,640,279
Construction work in progress.....	644,661	582,628
Nuclear fuel, net of accumulated amortization	46,492	43,591
Acquisition adjustment-gas, net of accumulated amortization	26,172	27,169
Utility Plant, Net.....	3,468,988	3,293,667

Nonutility Property and Investments (Net of accumulated depreciation and depletion)(Note 1)

314,207 317,309

Current Assets:

Cash and temporary cash investments (Note 8).....	16,082	12,938
Receivables	211,173	183,180
Inventories (At average cost):		
Fuel (Notes 3 and 4)	61,499	60,273
Materials and supplies	47,674	47,463
Prepayments.....	15,870	19,853
Accumulated deferred income taxes.....	20,186	18,629
Total Current Assets	372,484	342,336

Deferred Debits:

Emission allowances	28,514	19,409
Unamortized debt expense.....	13,432	13,488
Unamortized deferred return on plant investment (Note 1).....	6,369	10,614
Nuclear plant decommissioning fund (Note 1)	36,070	30,383
Other (Notes 1 and 10).....	294,362	289,306
Total Deferred Debits.....	378,747	363,200

Total **\$4,534,426** **\$4,316,512**

December 31,

1995

1994

CAPITALIZATION AND LIABILITIES

(Thousands of Dollars)

Stockholders' Investment:

Common equity (Note 5)	\$1,554,680	\$1,359,141
Preferred stock (Not subject to purchase or sinking funds)	26,027	26,027
Total Stockholders' Investment	1,580,707	1,385,168
Preferred Stock, Net (Subject to purchase or sinking funds)(Notes 6 and 8)	46,243	49,528
Long-Term Debt, Net (Notes 3, 4 and 8)	1,588,879	1,548,824
Total Capitalization	3,215,829	2,983,520

Current Liabilities:

Short-term borrowings (Notes 8 and 9)	112,524	171,827
Current portion of long-term debt (Note 3)	40,983	38,055
Current portion of preferred stock (Note 6)	2,439	2,418
Accounts payable	138,778	119,963
Customer deposits	13,643	13,768
Taxes accrued	66,914	46,670
Interest accrued	25,884	25,226
Dividends declared	39,056	35,530
Other	14,625	17,220
Total Current Liabilities	454,846	470,677

Deferred Credits:

Accumulated deferred income taxes (Notes 1 and 7)	542,022	561,703
Accumulated deferred investment tax credits (Notes 1 and 7)	87,719	91,349
Accumulated reserve for nuclear plant decommissioning (Note 1)	36,070	30,383
Other (Note 1)	197,940	178,880
Total Deferred Credits	863,751	862,315

Commitments and Contingencies (Note 10)

	—	—
Total	\$4,534,426	\$4,316,512

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS

For the Years Ended December 31,

1995

1994

1993

(Thousands of Dollars
except per share amounts)

Operating Revenues (Notes 1 and 2):

Electric.....	\$1,006,420	\$ 975,388	\$ 940,121
Gas.....	342,662	342,672	320,195
Transit.....	3,889	4,002	3,851
Total Operating Revenues.....	1,352,971	1,322,062	1,264,167

Operating Expenses:

Fuel used in electric generation.....	227,405	235,136	229,736
Purchased power.....	14,704	20,104	13,057
Gas purchased for resale.....	212,427	220,923	208,695
Other operation (Note 1).....	228,682	229,996	223,239
Maintenance (Note 1).....	58,432	63,725	67,652
Depreciation and amortization (Note 1).....	129,888	119,177	112,844
Income taxes (Notes 1 and 7).....	109,949	94,510	90,007
Other taxes.....	83,970	78,938	73,626
Total Operating Expenses.....	1,065,457	1,062,509	1,018,856

Operating Income.....	287,514	259,553	245,311
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Other Income (Note 1):

Other income (loss), net of income taxes.....	(1,915)	(37,925)	18,406
Allowance for equity funds used during construction.....	9,975	8,176	8,929
Total Other Income.....	8,060	(29,749)	27,335

Income Before Interest Charges and Preferred Stock Dividends

.....	295,574	229,804	272,646
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Interest Charges (Credits):

Interest on long-term debt, net.....	116,368	108,804	98,695
Other interest expense.....	17,102	6,749	8,672
Allowance for borrowed funds used during construction (Note 1).....	(11,922)	(7,156)	(6,178)
Total Interest Charges, Net.....	121,548	108,397	101,189

Income Before Preferred Stock Cash Dividends of Subsidiary.....	174,026	121,407	171,457
Preferred Stock Cash Dividends of Subsidiary (At stated rates) ..	(5,687)	(5,955)	(6,217)

Net Income.....	168,339	115,452	165,240
Retained Earnings at Beginning of Year, as previously reported	523,668	506,380	462,893
Adjustments for the Cumulative Effect on Prior Years of Applying Retroactively the Full Cost Method of Accounting for Oil and Gas (Note 1).....	(51,297)	(15,550)	(12,809)
Retained Earnings at Beginning of Year, as adjusted.....	472,371	490,830	450,084
Common Stock Cash Dividends Declared (Note 5).....	(142,719)	(133,911)	(124,494)
Retained Earnings at End of Year.....	\$ 497,991	\$ 472,371	\$ 490,830

Net Income.....	\$ 168,339	\$ 115,452	\$ 165,240
Weighted Average Number of Common Shares Outstanding (Thousands).....	99,044	94,762	90,407
Earnings Per Weighted Average Share of Common stock.....	\$1.70	\$1.22	\$1.83

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31,

	1995	1994	1993
	(Thousands of Dollars)		
Cash Flows From Operating Activities:			
Net income.....	\$ 168,339	\$ 115,452	\$ 165,240
Adjustments to reconcile net income to net cash provided from operating activities:			
Depreciation, depletion and amortization.....	197,735	272,106	163,263
Amortization of nuclear fuel.....	20,017	13,487	18,156
Deferred income taxes, net.....	(21,969)	(9,282)	63,729
Deferred investment tax credits, net.....	(3,630)	(3,632)	(3,658)
Net regulatory asset - adoption of SFAS No. 109.....	10,797	(1,951)	(31,531)
Dividends declared on preferred stock of subsidiary.....	5,687	5,955	6,217
Allowance for funds used during construction.....	(21,897)	(15,332)	(15,107)
Unamortized loss on reacquired debt.....	(3,313)	(60)	(17,063)
Nuclear refueling accrual.....	6,957	(4,881)	(6,086)
Equity in (earnings) losses of investees.....	666	(230)	(319)
Over (under) collections, fuel adjustment clauses.....	18,986	(16,966)	(14,308)
Early retirements.....	(24,823)	(7,086)	(11,840)
Emission allowances.....	(9,105)	(19,409)	—
Changes in certain current assets and liabilities:			
(Increase) decrease in receivables.....	(27,993)	(9,059)	(35,244)
(Increase) decrease in inventories.....	(1,437)	2,131	(10,995)
(Increase) decrease in prepayments.....	3,983	1,973	802
Increase (decrease) in accounts payable.....	18,815	(19,331)	33,165
Increase (decrease) in estimated rate refunds and related interest.....	—	(2,509)	(15,302)
Increase (decrease) in taxes accrued.....	20,244	(3,393)	(14,941)
Increase (decrease) in interest accrued.....	658	3,442	(7,511)
Other, net.....	5,515	(5,517)	22,109
Net Cash Provided From Operating Activities.....	364,232	295,909	288,776
Cash Flows From Investing Activities:			
Utility property additions and construction expenditures, net of AFC.....	(298,480)	(389,268)	(307,274)
(Increase) decrease in nonutility property and investments:			
Acquisition of oil and gas producing properties.....	—	(47,189)	(122,621)
Nonutility property.....	(25,646)	(115,541)	(82,066)
Investments.....	(62,750)	(19,006)	(4,066)
Sale of real estate assets.....	18,528	79,439	—
Net Cash Used For Investing Activities.....	(368,348)	(471,565)	(516,027)
Cash Flows From Financing Activities:			
Proceeds:			
Issuance of mortgage bonds.....	99,583	99,207	592,884
Issuance of common stock.....	172,036	63,317	129,066
Issuance of notes and loans.....	62,542	60,000	148,059
Issuance of pollution control bonds.....	—	30,000	—
Other long-term debt.....	—	—	3,005
Repayments:			
Mortgage bonds.....	(64,779)	—	(430,000)
Notes.....	(69,444)	(75,545)	(72,040)
Other long-term debt.....	(11,300)	(230)	(1,195)
Preferred stock.....	(3,264)	(3,398)	(3,295)
Dividend payments:			
Common stock.....	(139,297)	(131,925)	(122,129)
Preferred stock.....	(5,750)	(6,048)	(6,247)
Short-term borrowings, net.....	(59,303)	128,808	1,863
Fuel and emission allowances financings, net.....	26,236	13,844	(18,948)
Net Cash Provided By Financing Activities.....	7,260	178,030	221,023
Net Increase (Decrease) in Cash and Temporary Cash Investments.....	3,144	(17,627)	(6,228)
Cash and Temporary Cash Investments, January 1.....	12,938	30,565	36,793
Cash and Temporary Cash Investments, December 31.....	\$ 16,082	\$ 12,938	\$ 30,565
Supplemental Cash Flows Information:			
Cash paid for - Interest.....	\$ 130,495	\$ 110,347	\$ 113,010
- Income taxes.....	99,050	90,012	93,337
Noncash Financing Activities:			
Department of Energy decontamination and decommissioning obligation.....	—	—	4,965

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CAPITALIZATION

December 31,

1995

1994

Common Equity (Note 5):

(Thousands of Dollars)

Common stock, without par value, authorized 150,000,000 shares; issued and outstanding, 1995 - 103,623,863 shares and 1994 - 96,035,020 shares	\$1,056,689		\$	886,770	
Retained earnings	497,991			472,371	
Total Common Equity	1,554,680	48%		1,359,141	46%

South Carolina Electric & Gas Company:

Cumulative Preferred Stock (Not subject to purchase or sinking funds):

\$100 Par Value - Authorized 200,000 shares

\$50 Par Value - Authorized 125,209 shares

	Series	Shares Outstanding		Redemption Price				
		1995	1994	Current	Through	Eventual Minimum		
\$100 Par	8.40%	197,668	197,668	102.80	11-30-96	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)(Notes 6 and 3):

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

Series	Shares Outstanding		Redemption Price				
	1995	1994	Current	Through	Eventual Minimum		
7.70%	86,965	89,984	101.00	—	101.00	8,696	8,998
8.12%	123,045	126,835	102.03	—	102.03	12,305	12,684
	210,010	216,819					

\$50 Par Value - Authorized 1,614,405 shares

Series	Shares Outstanding		Redemption Price				
	1995	1994	Current	Through	Eventual Minimum		
4.50%	17,519	19,088	51.00	—	51.00	876	954
4.60%	834	2,334	50.50	—	50.50	42	117
4.60%(A)	26,052	28,052	51.00	—	51.00	1,303	1,403
4.60%(B)	74,800	78,200	50.50	—	50.50	3,740	3,910
5.125%	72,000	73,000	51.00	—	51.00	3,600	3,650
6.00%	83,200	86,400	50.50	—	50.50	4,160	4,320
8.72%	95,985	127,956	51.00	12-31-98	50.00	4,799	6,398
9.40%	183,219	190,245	51.175	—	51.175	9,161	9,512
	553,609	605,275					

\$25 Par Value - Authorized 2,000,000 shares; None outstanding in 1995 and 1994

Total Preferred Stock (Subject to purchase or sinking funds)	48,682			51,946	
Less: Current portion, including sinking fund requirements	2,439			2,418	
Total Preferred Stock, Net (Subject to purchase or sinking funds)	46,243	1%		49,528	2%

December 31,		1995	1994
Long-Term Debt (Notes 3, 4 and 8):		(Thousands of Dollars)	
SCANA Corporation:			
Bank Notes, due 1997 (Various rates between 5.684% and 5.730%, reset quarterly)		60,000	60,000
Medium-Term Notes:			
Series	Year of Maturity		
5.76%	1998	20,000	20,000
7.17%	1999	42,400	42,400
6.60%	1999	30,000	30,000
6.15%	2000	20,000	20,000
6.51%	2003	20,000	20,000
South Carolina Electric & Gas Company:			
First Mortgage Bonds:			
Series	Year of Maturity		
6%	2000	100,000	100,000
6 1/4%	2003	100,000	100,000
7.70%	2004	100,000	100,000
7 1/8%	2013	150,000	150,000
7 1/2%	2023	150,000	150,000
7 5/8%	2023	100,000	100,000
7 5/8%	2025	100,000	—
First and Refunding Mortgage Bonds:			
Series	Year of Maturity		
4 7/8%	1995	—	16,000
5.45%	1996	15,000	15,000
6%	1997	15,000	15,000
6 1/2%	1998	20,000	20,000
7 1/4%	2002	30,000	30,000
9%	2006	130,771	145,000
8 7/8%	2021	120,450	155,000
Pollution Control Facilities Revenue Bonds:			
5.95% Series, due 2003		6,560	6,660
Fairfield County Series 1984, due 2014 (6.50%)		56,820	56,820
Richland County Series 1985, due 2014 (6.50%)		5,210	5,210
Fairfield County Series 1986, due 2014 (6.50%)		1,090	1,090
Colleton and Dorchester Counties Series 1987, due 2014 (6.60%)		4,365	4,365
Orangeburg County Series 1994, due 2024 (Daily adjusted rate)		30,000	30,000
Department of Energy Decontamination and Decommissioning Obligation		3,560	3,922
Commercial Paper		—	11,200
Other		3,993	3,294
South Carolina Generating Company, Inc.:			
Berkeley County Pollution Control Facilities Revenue Bonds, due 2014 (6.50%)		35,850	35,850
Note, 7.78%, due 2011		63,700	67,400
South Carolina Fuel Company, Inc.:			
Commercial Paper		76,830	50,594
South Carolina Pipeline Corporation:			
Notes, 6.72%, due 2013		22,500	23,750
SCANA Development Corporation:			
Bank Loans		—	3,246
Total Long-Term Debt		1,634,099	1,591,801
Less - Current maturities, including sinking fund requirements		40,983	38,055
- Unamortized discount		4,237	4,922
Total Long-Term Debt, Net		1,588,879	1,548,824
		50%	51%
Total Capitalization		\$3,215,829	\$2,983,520
		100%	100%

See Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

I. 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 Company, through wholly owned subsidiaries, is predominately engaged in the generation and sale of electricity to wholesale and retail customers in South Carolina and in the purchase, sale and transportation of natural gas to wholesale and retail customers in South Carolina. The Company is also engaged in other energy-related businesses, such as owning and operating interests in oil and gas properties and natural gas marketing. The Company also provides, in the South and Southeast, fiber optic communications and, through joint ventures, is developing personal communication services for wireless communications.

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 Fuel Company, Inc.
- South Carolina Generating Company, Inc. (GENCO)
- South Carolina Pipeline Corporation (Pipeline Corporation)

Nonregulated businesses

- SCANA Petroleum Resources, Inc. (Petroleum Resources)
- SCANA Energy Marketing, Inc.
- Suburban Propane Group, Inc.
- MPX Systems, Inc. (MPX)
- Primesouth, Inc.
- ServiceCare, Inc.
- SCANA Resources, Inc.
- SCANA Development Corporation (in liquidation)

Certain investments are reported using the equity method of accounting. Significant intercompany balances and transactions have been eliminated in consolidation in compliance with Statement of Financial Accounting Standards No. 71 "Accounting for the Effects of Certain Types of Regulation" which provides that profit on intercompany sales to regulated affiliates are not eliminated if the sales price is reasonable and the future recovery of the sales price through the rate-making process is probable.

B. Stock Split and Change in Accounting Principle

On April 27, 1995 the Company's Board of Directors approved a two-for-one split of the Company's common stock effective at the close of business May 11, 1995. The weighted average number of common shares outstanding, earnings per weighted average share of common stock and cash dividends declared per share of common stock have been restated to reflect the stock split for all periods reported.

During the second quarter of 1995, Petroleum Resources changed from the successful efforts method to the full cost method of accounting for its oil and gas operations. The Company believes the full cost method provides a better matching of revenues and expenses given the change in Petroleum Resources' primary focus from a purchaser of interests in producing oil and gas properties to a developer of reserves on its own and others' properties. The financial statements have been restated to apply the new method retroactively. The effects of the accounting change on the income statements for the years ended December 31, 1995, 1994 and 1993, respectively, are as follows:

Effect on—	Increase (Decrease) Year Ended December		
	1995	1994	1993
(Thousands, except per share amounts)			
Other income, net of income taxes	\$(349)	\$(35,747)	\$(2,741)
Net income	(349)	(35,747)	(2,741)
Earnings Per Weighted Average Share of Common Stock	\$ —	\$ (.38)	\$ (.03)

The balances of retained earnings as of December 31, 1995, 1994 and 1993 have been reduced for the effect (net of income taxes) of applying retroactively the new method of accounting.

C. Basis of Accounting

The Company prepares its financial statements in accordance with the provisions of Statement of Financial Accounting Standards No. 71 (SFAS 71), "Accounting for the Effects of Certain Types of Regulations." The accounting standard allows cost-based rate-regulated utilities, such as the Company, to recognize in their financial statements revenues and expenses in different time periods than do enterprises that are not rate-regulated. As a result the Company has recorded, as of December 31, 1995, approximately \$116 million and \$4 million of regulatory assets and liabilities, respectively, excluding net accumulated deferred income tax assets of approximately \$27 million. As discussed in Note 2A, the Public Service Commission of South Carolina (PSC) has approved accelerated recovery of substantially all of SCE&G's electric regulatory assets (approximately \$84.8 million). In the future, as a result of deregulation or other changes in the regulatory environment, the Company may no longer meet the criteria for continued application of SFAS 71 and would be required to write off its regulatory assets and liabilities. Such an event could have a material adverse effect on the Company's results of operations in the period the write-off is recorded.

D. 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 PSC.

E. 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 (PSA) 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 \$925.1 million and \$923.1 million as of December 31, 1995 and 1994, respectively. Accumulated depreciation associated with SCE&G's share of Summer Station was approximately \$261.0 million and \$257.9 million as of December 31, 1995 and 1994, respectively. (See Note 2A.) SCE&G's share of the direct expenses associated with operating Summer Station is included in "Other operation" and "Maintenance" expenses.

F. 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 of, as a component of construction cost, the costs of debt and equity capital dedicated to construction investment. AFC is 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 8.6%, 8.5% and 9.3% for 1995, 1994 and 1993, respectively. These rates do not exceed the maximum allowable rate as calculated under FERC Order No. 561. Interest on nuclear fuel in process and sulfur dioxide emission allowances is capitalized at the actual interest amount.

G. 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. Amortization of deferred carrying costs, included in "Depreciation and amortization," was approximately \$4.2 million for each of 1995, 1994 and 1993.

H. 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 cost component in retail electric rates. The fuel cost component contained in electric rates is established by the PSC during semiannual fuel cost hearings. Any difference between actual fuel costs and that contained in the fuel cost component is deferred and included when determining the fuel cost component during the next semiannual fuel cost hearing. SCE&G had overcollected through the electric fuel cost component approximately \$3.8 million at December 31, 1995 and undercollected approximately \$3.5 million at December 31, 1994 which are included in "Deferred Credits - Other" and "Deferred Debits - Other," respectively.

Customers subject to the gas cost adjustment clause are billed based on a fixed cost of gas determined by the PSC during annual gas cost recovery hearings. Any difference between actual gas cost and that contained in rates is deferred and included when establishing gas costs during the next annual gas cost recovery hearing. At December 31, 1995 and 1994 the Company had undercollected through the gas cost recovery procedure approximately \$4.6 million and \$16.3 million, respectively, which are included in "Deferred Debits - Other."

SCE&G's gas rate schedules for residential, small commercial and small industrial customers include a weather normalization adjustment, which minimizes fluctuations in gas revenues due to abnormal weather conditions.

I. Depreciation, Depletion 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. The composite weighted average depreciation rates were as follows:

	1995	1994	1993
SCE&G	3.02%	3.01%	2.97%
GENCO	2.67%	2.70%	2.64%
Pipeline Corporation	2.78%	2.79%	2.62%
Aggregate of Above	2.98%	2.98%	2.92%

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.

Depreciation, depletion and amortization of the capitalized costs of oil and gas producing properties is provided for on the units-of-production basis. Units-of-production rates are based on estimated proved reserves.

J. Nuclear Decommissioning

Decommissioning of Summer Station is presently projected to commence in the year 2022 when the operating license expires. Based on a 1991 study, the expenditures (on a before-tax basis) related to SCE&G's share of decommissioning activities are estimated, in 2022 dollars assuming a 4.5% annual rate of inflation, to be \$545.3 million including partial reclamation costs. SCE&G is providing for its share of estimated decommissioning costs of Summer Station over the life of Summer Station. SCE&G's method of funding decommissioning costs is referred to as COMReP (Cost of Money Reduction Plan). Under this plan, funds collected through rates (\$3.2 million in each of 1995 and 1994) are used to purchase insurance policies on the lives of certain Company personnel. Through the purchase of insurance contracts, SCE&G is able to take advantage of income tax benefits and accrue earnings on the fund on a tax-deferred basis at a rate higher than can be achieved using more traditional funding approaches. Amounts for decommissioning collected through electric rates, insurance proceeds, and interest on proceeds less expenses are transferred by SCE&G to an external trust fund in compliance with the financial assurance requirements of the Nuclear Regulatory Commission. Management intends for the fund, including earnings thereon, to provide for all eventual decommissioning expenditures on an after-tax basis. The trust's sources of decommissioning funds under the COMReP program include investment components of life insurance policy proceeds, return on investments and the cash transfers from SCE&G described above. SCE&G records its liability for decommissioning costs in deferred credits.

The staff of the Securities and Exchange Commission has questioned certain of the current accounting practices of the electric utility industry regarding the recognition, measurement and classification of decommissioning costs for financial statements of electric utilities with nuclear generating facilities. In response to these questions, the Financial Accounting Standards Board has agreed to review the accounting for removal costs, including decommissioning. If the current electric utility industry accounting practices for such decommissioning are changed: (1) annual provisions for decommissioning could increase, and (2) trust fund income from the external decommissioning trusts could be reported as investment income rather than as a reduction of decommissioning expense.

Pursuant to the National Energy Policy Act passed by Congress in 1992, SCE&G has recorded a liability for its estimated share of amounts required by the U.S. Department of Energy for its decommissioning fund. The liability, approximately \$3.6 million at December 31, 1995, has been included in "Long-Term Debt, Net." SCE&G will recover the costs associated with this liability through the fuel cost component of its rates; accordingly, this amount has been deferred and is included in "Deferred Debits-Other."

K. Income Taxes

The Company and its subsidiaries file a consolidated Federal income tax return. Income taxes are allocated to individual companies based on their contributions to the consolidated total.

As required by Statement of Financial Accounting Standards No. 109, deferred tax assets and liabilities are recorded for the tax effects of temporary differences between the book basis and tax basis of assets and liabilities at currently enacted tax rates. Deferred tax assets and liabilities are adjusted for changes in such rates through charges or credits to regulatory assets or liabilities if they are expected to be recovered from, or passed through to, customers of the Company's regulated subsidiaries; otherwise, they are charged or credited to income tax expense.

L. Pension Expense

The Company has a noncontributory defined benefit pension plan covering substantially all permanent 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 for the years ended December 31, 1995, 1994 and 1993 included the following components:

	1995	1994	1993
	(Thousands of Dollars)		
Service cost—benefits earned during the period	\$ 5,187	\$ 8,684	\$ 7,629
Interest cost on projected benefit obligation	19,473	21,711	20,413
Adjustments:			
Return on plan assets	(103,874)	2,365	(50,389)
Net amortization and deferral	74,769	(29,760)	25,936
Net periodic pension (income) expense	\$ (4,445)	\$ 3,000	\$ 3,589

The determination of net periodic pension cost is based upon the following assumptions:

	1995	1994	1993
Annual discount rate	8.0%	7.25%	8.0%
Expected long-term rate of return on plan assets	8.0%	8.0%	8.0%
Annual rate of salary increases	2.5%	4.75%	5.5%

The following table sets forth the funded status of the plan at December 31, 1995 and 1994:

	1995	1994
	(Thousands of Dollars)	
Actuarial present value of benefit obligations:		
Vested benefit obligation	\$ 228,434	\$ 205,364
Nonvested benefit obligation	15,540	13,966
Accumulated benefit obligation	\$ 243,974	\$ 219,330
Plan assets at fair value (invested primarily in equity and debt securities)	447,760	347,702
Projected benefit obligation	\$ 284,145	\$ 246,318
Plan assets greater than projected benefit obligation	163,615	101,384
Unrecognized net transition liability	9,022	11,307
Unrecognized prior service costs	9,660	9,374
Unrecognized net gain	(146,943)	(102,284)
Pension asset recognized in Consolidated Balance Sheets	\$ 35,354	\$ 19,781

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 for the years 1995 and 1994.

	1995	1994
Annual discount rate used to determine benefit obligations	7.5%	8.0%
Assumed annual rate of future salary increases for projected benefit obligation	3.0%	2.5%

The change in the annual discount rate used to determine benefit obligations from 8.0% to 7.5% and the change in the expected salary increase rate from 2.5% to 3.0% as of December 31, 1995 increased the projected benefit obligation and decreased the unrecognized net gain by approximately \$28.6 million.

In addition to pension benefits, the Company provides certain health care and life insurance benefits to active and retired employees. The costs of postretirement benefits other than pensions are accrued during the years the employees render the service necessary to be eligible for

the applicable benefits. Prior to 1993 the Company expensed these benefits, which are primarily health care, as claims were incurred. In its June 1993 electric rate order, the PSC approved the inclusion in rates of the portion of increased expenses related to electric operations. The Company expensed approximately \$8.5 million and \$8.6 million, net of payments to current retirees, for the years ended December 31, 1995 and 1994, respectively. The PSC has authorized accelerated amortization of SCE&G's remaining transition obligation for postretirement benefits other than pensions related to electric operations. (See Note 2A.)

Net periodic postretirement benefit cost for the years ended December 31, 1995, 1994 and 1993, included the following components:

	1995	1994	1993
	(Thousands of Dollars)		
Service cost—benefits earned during the period	\$ 2,076	\$ 2,417	\$ 1,908
Interest cost on accumulated postretirement benefit obligation	7,253	6,644	5,502
Adjustments:			
Return on plan assets	—	—	—
Amortization of unrecognized transition obligation	3,344	3,344	3,344
Other net amortization and deferral	661	860	—
Net periodic postretirement benefit cost	\$13,334	\$13,265	\$10,754

The determination of net periodic postretirement benefit cost is based upon the following assumptions:

	1995	1994	1993
Annual discount rate	8.0%	7.25%	8.0%
Health care cost trend rate	11.0%	11.25%	13.0%
Ultimate health care cost trend rate (to be achieved in 2004)	6.0%	5.25%	6.0%

The following table sets forth the funded status of the plan at December 31, 1995 and 1994:

	1995	1994
	(Thousands of Dollars)	
Accumulated postretirement benefit obligations for:		
Retirees	\$ 64,989	\$ 59,174
Other fully eligible participants	6,685	4,995
Other active participants	27,076	24,889
Accumulated postretirement benefit obligation	98,750	89,058
Plan assets at fair value	—	—
Plan assets less accumulated postretirement benefit obligation	(98,750)	(89,058)
Unrecognized net transition liability	58,237	61,581
Unrecognized prior service costs	5,320	3,453
Unrecognized net loss	13,840	11,156
Postretirement benefit liability recognized in Consolidated Balance Sheets	\$ (21,353)	\$ (12,868)

The accumulated postretirement benefit obligation is based upon the plan's benefit provisions and the following assumptions:

	1995	1994
Assumed health care cost trend rate used to measure expected costs	10.5%	12.0%
Ultimate health care cost trend rate (to be achieved in 2004)	5.5%	6.0%
Annual discount rate	7.5%	8.0%
Annual rate of salary increases	3.0%	2.5%

The effect of a one percentage-point increase in the assumed health care cost trend rate for each future year on the aggregate of the service and interest cost components of net periodic postretirement benefit cost for the year ended December 31, 1995 and the accumulated postretirement benefit obligation as of December 31, 1995 would be to increase such amounts by \$203,000 and \$3.4 million, respectively.

M. Debt Premium, Discount and Expense, Unamortized Loss on Reacquired Debt

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. Gains or losses on reacquired debt that is refinanced are deferred and amortized over the term of the replacement debt.

N. Environmental

The Company has an environmental assessment program to identify and assess current and former operations sites that could require environmental cleanup. As site assessments are initiated an estimate is made of the amount of expenditures, if any, necessary to investigate and clean up each site. These estimates are refined as additional information becomes available; therefore, actual expenditures could differ significantly from the original estimates. Amounts estimated and accrued to date for site assessments and cleanup relate primarily to regulated operations; such amounts are deferred and are being amortized and recovered through rates over a ten-year period for electric operations and an eight-year period for gas operations. Such deferred amounts totaled \$18.0 million and \$20.2 million at December 31, 1995 and 1994, respectively, and are included in "Deferred Debits-Other."

O. Oil and Gas

The Company follows the full cost method of accounting for its oil and gas operations and, accordingly, capitalizes all costs it incurs in the acquisition, exploration and development of interests in oil and gas properties. The Company amortizes capitalized costs on the units-of-production method, based on total estimated proved recoverable reserves. The Company accounts for normal dispositions of interests in oil and gas properties as adjustments to capitalized costs and does not recognize any gain or loss.

In addition, the capitalized costs are subject to a "ceiling test," which limits such costs to the aggregate of the estimated present value of future net cash flows from proved oil and gas reserves, plus the lower of cost or fair market value of unproved properties. Non-cash write-downs resulting from the application of the ceiling test were \$118.2 million and \$94.1 million in the years ended December 31, 1995 and 1994, respectively.

The valuation estimates of interests in oil and natural gas properties are significantly influenced by oil and natural gas market prices and the results of recurring reserve studies of such properties. Net income of the Company may be materially adversely affected by a decline in oil and natural gas prices or reserve estimates.

P. Temporary Cash Investments

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.

Q. Recently Issued Accounting Standards

The Financial Accounting Standards Board has issued Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of." The provisions of the Statement, which will be implemented by the Company for the fiscal year beginning January 1, 1996, require the recognition of a loss in the income statement and related disclosures whenever events or changes in circumstances indicate that the carrying amount of a long-lived asset may not be recoverable. The Company does not believe that adoption of the provisions of the Statement will have a material impact on its results of operations or financial position.

The Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation," which will be implemented by the Company on

January 1, 1996. The Company does not believe that adoption of the provisions of the Statement will have a material impact on its results of operations or financial position.

R. Reclassifications

Certain amounts from prior periods have been reclassified to conform with the 1995 presentation.

S. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. RATE MATTERS:

A. On July 10, 1995, SCE&G filed an application with the PSC for an increase in retail electric rates. On January 9, 1996 the PSC issued an order granting SCE&G an increase of 7.34% which will produce additional revenues of approximately \$67.5 million annually. The increase will be implemented in two phases. The first phase, an increase in revenues of approximately \$59.5 million annually based on a test year, or 6.47%, commenced on January 15, 1996. The second phase will be implemented in January 1997 and will produce additional revenues of approximately \$8.0 million annually, or .87% more than current rates. The PSC authorized a return on common equity of 12.0%. The PSC also approved establishment of a Storm Damage Reserve Account capped at \$50 million and collected through rates over a ten-year period. Additionally, the PSC approved accelerated recovery of substantially all of SCE&G's electric regulatory assets (excluding accumulated deferred income taxes) and the transition obligation for postretirement benefits other than pensions, changing the amortization periods to allow recovery by the end of the year 2000. SCE&G's request to shift approximately \$257 million of depreciation reserves from transmission and distribution assets to nuclear production assets was also approved.

B. On October 27, 1994 the PSC issued an order approving the Company's request to recover through a billing surcharge to its gas customers the costs of environmental cleanup at the sites of former manufactured gas plants. The billing surcharge, which was effective with the first billing cycle in November 1994 and is subject to annual review, provides for the recovery of approximately \$16.2 million representing substantially all site assessment and cleanup costs for the Company's gas operations that had previously been deferred. In October 1995, as a result of the ongoing annual review, the PSC approved the continued use of the billing surcharge. The balance remaining to be recovered amounts to approximately \$14.5 million.

C. In September 1992 the PSC issued an order granting the Company a \$.25 increase in transit fares from \$.50 to \$.75 in both Columbia and Charleston, South Carolina; however, the PSC also required \$.40 fares for low-income customers and denied the Company's request to reduce the number of routes and frequency of service. The new rates were placed into effect in October 1992. The Company appealed the PSC's order to the Circuit Court, which on May 23, 1995, ordered the case back to the PSC for reconsideration of several issues, including the low-income rider program, routing changes, and the \$.75 fare. The South Carolina Supreme Court declined to review an appeal of the Circuit Court decision and dismissed the case. Another Petition for Reconsideration was filed by the PSC and other intervenors, which was denied by the Circuit Court. Procedural matters in this case are yet to be resolved in the court.

3. LONG-TERM DEBT:

The annual amounts of long-term debt maturities, including the amounts due under the nuclear and fossil fuel agreement (see Note 4), and sinking fund requirements for the years 1996 through 2000 are summarized as follows:

Year	Amount	Year	Amount
(Thousands of Dollars)			
1996	\$ 40,983	1999	\$ 95,013
1997	98,202	2000	142,618
1998	139,433		

Approximately \$17.3 million of the portion of long-term debt payable in 1996 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.

On January 12, 1996 the Company arranged for unsecured bank loans totaling \$60 million, due January 10, 1997 at initial interest rates between 5.684% and 5.730%, subject to reset quarterly at LIBOR plus a spread of nine to fifteen basis points. Proceeds from the loans were used to repay a bank loan of \$60 million due January 12, 1996; accordingly, the loan is included in long-term debt at December 31, 1995.

SCE&G has three-year revolving lines of credit totaling \$100 million, in addition to other lines of credit, that provide liquidity for issuance of commercial paper. The three-year lines of credit provide back-up liquidity when commercial paper outstanding is in excess of \$100 million. The long-term nature of the lines of credit allow commercial paper in excess of \$100 million to be classified as long-term debt. SCE&G had outstanding commercial paper of \$111.2 million at December 31, 1994, of which \$11.2 million was reclassified to long-term debt.

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

4. FUEL FINANCINGS:

Nuclear and fossil fuel inventories and sulfur dioxide emission allowances are financed through the issuance by Fuel Company of short-term commercial paper. These short-term borrowings are supported by an irrevocable revolving credit agreement which expires July 31, 1998. Accordingly, the amounts outstanding have been included in long-term debt. The credit agreement provides for a maximum amount of \$125 million that may be outstanding at any time.

Commercial paper outstanding totaled \$76.8 million and \$50.6 million at December 31, 1995 and 1994 at weighted average interest rates of 5.76% and 6.06%, respectively.

5. COMMON EQUITY:

The changes in "Common Stock," without par value, during 1995, 1994 and 1993 are summarized as follows:

	Number of Shares	Thousands of Dollars
Balance December 31, 1992	87,821,262	\$ 699,003
Issuance of common stock	5,417,652	127,662
Balance December 31, 1993	93,238,914	826,665
Issuance of common stock	2,796,106	60,105
Balance December 31, 1994	96,035,020	886,770
Issuance of common stock	7,588,843	169,919
Balance December 31, 1995	103,623,863	\$1,056,689

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 its First and Refunding Mortgage Bonds contain provisions that, under certain circumstances, could limit the payment of cash dividends on its common stock. In addition, with respect to hydroelectric projects, the Federal Power Act requires the appropriation of a portion of certain earnings therefrom. At December 31, 1995 approximately \$14.5 million of retained earnings were restricted by this requirement as to payment of cash dividends on SCE&G's common stock.

Cash dividends on common stock were declared at an annual rate per share of \$1.44, \$1.41 and \$1.37 for 1995, 1994 and 1993, respectively.

6. 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.

The aggregate annual amounts of purchase fund or sinking fund requirements for preferred stock for the years 1996 through 2000 are summarized as follows:

Year	Amount	Year	Amount
(Thousands of Dollars)			
1996	\$2,439	1999	\$2,440
1997	2,440	2000	2,440
1998	2,440		

The changes in "Total Preferred Stock (Subject to purchase or sinking funds)" during 1995, 1994 and 1993 are summarized as follows:

	Number of Shares	Thousands of Dollars
Balance December 31, 1992	940,529	\$58,639
Shares Redeemed:		
\$100 par value	(7,374)	(737)
\$50 par value	(51,187)	(2,558)
Balance December 31, 1993	881,968	55,344
Shares Redeemed:		
\$100 par value	(8,072)	(807)
\$50 par value	(51,802)	(2,591)
Balance December 31, 1994	822,094	51,946
Shares Redeemed:		
\$100 par value	(6,809)	(681)
\$50 par value	(51,666)	(2,583)
Balance December 31, 1995	763,619	\$48,682

7. INCOME TAXES:

Total income tax expense for 1995, 1994 and 1993 is as follows:

	1995	1994	1993
(Thousands of Dollars)			
Current taxes:			
Federal	\$101,656	\$62,033	\$59,590
State	16,193	13,178	6,409
Total current taxes	117,849	75,211	65,999
Deferred taxes, net:			
Federal	(13,878)	10,242	23,219
State	(1,224)	(86)	6,003
Total deferred taxes	(15,102)	10,156	29,222
Investment tax credits:			
Amortization of amounts deferred (credit)	(3,630)	(3,631)	(3,659)
Total income tax expense	\$ 99,117	\$81,736	\$91,562

The difference in actual income taxes and the income taxes calculated from the application of the statutory Federal income tax rate (35% for 1995, 1994 and 1993) to pretax income is reconciled as follows:

	1995	1994	1993
	(Thousands of Dollars)		
Net income	\$168,339	\$115,452	\$165,240
Total income tax expense:			
Charged to operating expenses	109,949	94,510	90,007
Charged (credited) to other income	(10,832)	(32,022)	79
Preferred stock dividends	5,687	5,955	6,217
Total pretax income	\$273,143	\$183,895	\$261,543
Income taxes on above at statutory Federal income tax rate	\$ 95,600	\$ 64,363	\$ 91,540
Increases (decreases) attributable to:			
Allowance for equity funds used during construction	(3,491)	(2,862)	(3,125)
Amortization of deferred return on plant investment	1,486	1,486	1,486
Depreciation differences	3,086	2,860	2,794
Amortization of investment tax credits	(3,630)	(3,631)	(3,659)
State income taxes (less Federal income tax effect)	9,730	8,510	8,068
Deferred income tax flowback at higher than statutory rates	(3,941)	(4,327)	(4,411)
Alternate fuel production tax credit	(850)	(1,274)	(1,373)
Other differences, net	1,127	(2,637)	(1,234)
Total income tax expense	\$ 99,117	\$ 62,488	\$ 90,086

The tax effects of significant temporary differences comprising the Company's net deferred tax liability of \$521.8 million at December 31, 1995 and \$543.1 million at December 31, 1994 determined in accordance with Statement No. 109 (see Note 1K) are as follows:

	1995	1994
	(Thousands of Dollars)	
Deferred tax assets:		
Unamortized investment tax credits	\$ 54,342	\$ 56,588
Cycle billing	19,143	17,521
Nuclear operations expenses	3,755	206
Oil and gas properties	9,738	—
Deferred compensation	5,647	5,513
Other postretirement benefits	6,371	3,187
Other	7,599	8,392
Total deferred tax assets	106,595	91,407
Deferred tax liabilities:		
Property, plant and equipment	592,160	598,313
Pension expense	14,191	9,022
Reacquired debt	6,680	7,146
Research and experimentation	6,196	2,276
Other	9,203	17,724
Total deferred tax liabilities	628,430	634,481
Net deferred tax liability	\$521,835	\$543,074

The Internal Revenue Service has examined and closed consolidated Federal income tax returns of the Company through 1989 and is currently examining the 1990, 1991 and 1992 Federal income tax returns. Adjustments are currently proposed by the examining agent. The Company does not anticipate that any adjustments which might result from this examination will have a significant impact on the earnings or financial position of the Company.

8. FINANCIAL INSTRUMENTS:

The carrying amounts and estimated fair values of the Company's financial instruments at December 31, 1995 and 1994 are as follows:

	1995		1994	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
	(Thousands of Dollars)			
Assets:				
Cash and temporary cash investments	\$ 16,082	\$ 16,082	\$ 12,932	\$ 12,938
Investments	90,380	105,280	24,658	40,299
Liabilities:				
Short-term borrowings	112,524	112,524	111,827	171,827
Long-term debt	1,629,862	1,737,686	1,586,879	1,502,052
Preferred stock (subject to purchase or sinking funds)	48,682	46,603	51,946	49,348

The information presented herein is based on pertinent information available to the Company as of December 31, 1995 and 1994. Although the Company is not aware of any factors that would significantly affect the estimated fair value amounts, such financial instruments have not been comprehensively revalued since December 31, 1995, and the current estimated fair value may differ significantly from the estimated fair value at that date.

The following methods and assumptions were used to estimate the fair value of the above classes of financial instruments:

Cash and temporary cash investments, including commercial paper, repurchase agreements, treasury bills and notes are valued at their carrying amount.

Fair values of investments and long-term debt are based on quoted market prices of the instruments or similar instruments, or for those instruments for which there are no quoted market prices available, fair values are based on net present value calculations. Investments which are not considered to be financial instruments (goodwill) have been excluded from the carrying amount and estimated fair value. Settlement of long-term debt may not be possible or may not be a prudent management decision.

Short-term borrowings are valued at their carrying amount.

The fair value of preferred stock (subject to purchase or sinking funds) is estimated on the basis of market prices.

Potential taxes and other expenses that would be incurred in an actual sale or settlement have not been taken into consideration.

9. SHORT-TERM BORROWINGS:

The Company pays fees to banks as compensation for its committed lines of credit. Commercial paper borrowings are for 270 days or less. Details of lines of credit and short-term borrowings, excluding amounts classified as long-term (Notes 3 and 4), at December 31, 1995, 1994 and 1993 and for the years then ended are as follows:

	1995	1994	1993
	(Millions of Dollars)		
Authorized lines of credit at year-end	\$477.1	\$379.1	\$335.0
Unused lines of credit at year-end	\$470.0	\$355.1	\$308.0
Short-term borrowings outstanding at year-end:			
Bank loans	\$ 32.0	\$ 71.8	\$ 42.0
Weighted average interest rate	6.21%	6.38%	3.71%
Commercial paper	\$ 80.5	\$100.0	\$ 1.0
Weighted average interest rate	5.83%	6.04%	3.35%

10. COMMITMENTS AND CONTINGENCIES:

A. Construction

SCE&G entered into a contract with Duke/Fluor Daniel in 1991 to design, engineer and build a 385 MW coal-fired electric generating plant near Cope, South Carolina. Construction of the plant started in November 1992. Commercial operation began in January 1996. The cost of the Cope plant, excluding AFC, is \$410.9 million. In addition, the transmission lines for interconnection with SCE&G's system cost \$22.5 million.

Under the Duke/Fluor Daniel contract the aggregate amount of required minimum payments remaining at December 31, 1995 is \$4.2 million due in 1996. Through December 31, 1995 SCE&G had paid \$378.7 million under the contract.

B. Nuclear Insurance

The Price-Anderson Indemnification Act, which deals with public liability for a nuclear incident, currently establishes the liability limit for third-party claims associated with any nuclear incident at \$8.9 billion. Each reactor licensee is currently liable for up to \$79.3 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 \$52.9 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 \$1.9 billion for any losses at 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 under the NEIL program. Based on the current annual premium, this retroactive premium would not exceed \$8.2 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 material adverse impact on the Company's financial position and results of operations.

C. Environmental

As described in Note 1N of Notes to Consolidated Financial Statements, the Company has an environmental assessment program to identify and assess current and former operations sites that could require environmental cleanup. As site assessments are initiated, estimates are made of the cost, if any, to investigate and clean up each site. These estimates are refined as additional information becomes available; therefore, actual expenditures could differ significantly from original estimates. Amounts estimated and accrued to date for site assessments and cleanup relate primarily to regulated operations; such amounts are deferred and are being amortized and recovered through rates over a ten-year period for electric operations and an eight-year period for gas operations. Such deferred amounts totaled \$18.0 million and \$20.2 million at December 31, 1995 and 1994, respectively. Estimates to date include, among other items, the costs estimated to be associated with the matters discussed in the following paragraphs.

SCE&G, the Company's principal subsidiary, owns four decommissioned manufactured gas plant sites which contain residues of by-product chemicals. SCE&G maintains an active review of the sites to monitor the nature and extent of the residual contamination.

In September 1992 the Environmental Protection Agency (EPA) notified SCE&G, the City of Charleston and the Charleston Housing Authority of their potential liability for the investigation and cleanup of the Calhoun Park Area Site in Charleston, South Carolina. This site originally encompassed approximately eighteen acres and included properties which were the locations for industrial operations, including a wood preserving (creosote) plant and one of SCE&G's decommissioned manufactured gas plants. The original scope of this investigation has been expanded to approximately 30 acres, including adjacent properties owned by the National Park Service and the City of Charleston, and private properties. The site has not been placed on the National Priority List, but may be added before cleanup is initiated. The potentially responsible parties (PRP) have agreed with the EPA to participate in an innovative approach to site investigation and cleanup called "Superfund Accelerated Cleanup Model," allowing the pre-cleanup site investigation process to be compressed significantly. The PRPs have negotiated an administrative order by consent for the conduct of a Remedial Investigation/Feasibility Study (RI/FS) and a corresponding Scope of Work. Field work began in November 1993. SCE&G is also working with the City of Charleston to investigate potential contamination from the manufactured gas plant which may have migrated to the city's aquarium site. In 1994 the City of Charleston notified SCE&G that it considers SCE&G to be responsible for a \$43.5 million increase in costs of the aquarium project attributable to delays resulting from contamination of the Calhoun Park Area Site. SCE&G believes it has meritorious defenses against this claim and does not expect its resolution to have a material impact on its financial position or results of operations.

D. Oil and Gas Forward Contracts

In an effort to limit exposure to changing natural gas prices, in January 1995 the Company entered into a series of forward contracts relating to natural gas production. These forward contracts have the effect of stabilizing the price that the Company receives on approximately sixty percent of its forecasted natural gas production for the years 1996-2001. The forward contracts are at an average price of \$1.92 per dekatherm.

E. MPX Guarantee

A percentage of the projected annual revenues for the years 1996-2003 of certain fiber optic routes of a joint venture between MPX and a subsidiary of ITC Holding Company, Inc., a Georgia-based telecommunications holding company, has been guaranteed by MPX. The aggregate maximum amount of such guarantee over the eight-year period is approximately \$46.2 million, prior to reduction for revenue contracts obtained by the joint venture.

F. Claims and Litigation

The Company is engaged in various claims and litigation incidental to its business operations which management anticipates will be resolved without loss to the Company. No estimate of the range of loss from these matters can currently be determined.

11. SEGMENT OF BUSINESS INFORMATION:

Segment information at December 31, 1995, 1994 and 1993 and for the years then ended is as follows:

1995				
	Electric	Gas	Transit	Total
(Thousands of Dollars)				
Operating revenues	\$1,006,420	\$342,662	\$ 3,889	\$1,352,971
Operating expenses, excluding depreciation and amortization	636,480	286,660	10,429	935,569
Depreciation and amortization	110,865	18,016	1,007	129,888
Total operating expenses	749,345	304,676	11,436	1,065,457
Operating income (loss)	\$ 257,075	\$ 37,986	\$ (7,547)	\$ 287,514
Add - Other income, net				8,060
Less - Interest charges				121,548
- Preferred stock dividends				5,687
Net income				\$ 168,339
Capital expenditures:				
Identifiable	\$ 253,577	\$ 38,718	\$ 265	\$ 292,560
Utilized for overall Company operations				27,816
Total				\$ 320,376
Identifiable assets at December 31, 1995:				
Utility plant, net	\$3,033,887	\$337,939	\$ 1,878	\$3,373,704
Inventories	87,143	15,714	561	103,418
Total	\$3,121,030	\$353,653	\$ 2,439	\$ 3,477,122
Other assets				1,057,304
Total assets				\$4,534,426

1994				
	Electric	Gas	Transit	Total
(Thousands of Dollars)				
Operating revenues	\$ 975,388	\$342,672	\$ 4,002	\$1,322,062
Operating expenses, excluding depreciation and amortization	640,528	292,227	10,577	943,332
Depreciation and amortization	102,647	16,304	226	119,177
Total operating expenses	743,175	308,531	10,803	1,062,509
Operating income (loss)	\$ 232,213	\$ 34,141	\$ (6,801)	\$ 259,553
Add - Other income, net				(29,749)
Less - Interest charges				108,397
- Preferred stock dividends				5,955
Net income				\$ 115,452
Capital expenditures:				
Identifiable	\$ 364,007	\$ 20,079	\$ 347	\$ 384,433
Utilized for overall Company operations				20,167
Total				\$ 404,600
Identifiable assets at December 31, 1994:				
Utility plant, net	\$2,897,954	\$315,746	\$ 1,791	\$3,215,491
Inventories	79,260	17,026	495	96,781
Total	\$2,977,214	\$332,772	\$ 2,286	\$ 3,312,272
Other assets				1,004,240
Total assets				\$4,316,512

1993				
	Electric	Gas	Transit	Total
(Thousands of Dollars)				
Operating revenues	\$ 940,121	\$320,195	\$ 3,851	\$1,264,167
Operating expenses, excluding depreciation and amortization	621,339	274,936	9,737	906,012
Depreciation and amortization	97,849	14,820	175	112,844
Total operating expenses	719,188	289,756	9,912	1,018,856
Operating income (loss)	\$ 220,933	\$ 30,439	\$ (6,061)	\$ 245,311
Add - Other income, net				27,335
Less - Interest charges				101,189
- Preferred stock dividends				6,217
Net income				\$ 165,240
Capital expenditures:				
Identifiable	\$ 279,082	\$ 28,761	\$ 604	\$ 308,447
Utilized for overall Company operations				13,934
Total				\$ 322,381
Identifiable assets at December 31, 1993:				
Utility plant, net	\$2,628,374	\$312,437	\$ 1,673	\$2,942,484
Inventories	77,805	22,019	463	100,287
Total	\$2,706,179	\$334,456	\$ 2,136	\$ 3,042,771
Other assets				983,930
Total assets				\$4,026,701

12. QUARTERLY FINANCIAL DATA (Unaudited):

1995					
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Annual
Total operating revenues (000)	\$344,760	\$311,136	\$373,476	\$323,599	\$1,352,971
Operating income (000)	75,046	61,012	95,438	56,018	287,514
Net income (000)	51,265	15,586	68,029	33,459	168,339
Earnings per weighted average share of common stock as reported	.53	.16	.69	.32	1.70
1994					
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Annual
Total operating revenues (000)	\$347,309	\$296,046	\$361,329	\$317,378	\$1,322,062
Operating income (000)	69,398	50,048	86,708	53,399	259,553
Net income (000)	51,442	30,254	16,701	17,055	115,452
Earnings per weighted average share of common stock as reported	.55	.32	.18	.17	1.22

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

COMPETITION

The electric utility industry has begun a major transition that could lead to expanded market competition and less regulatory protection. Future deregulation of electric wholesale and retail markets will create opportunities to compete for new and existing customers and markets. As a result, profit margins and asset values of some utilities could be adversely affected. The pace of deregulation, future prices of electricity, and the regulatory actions which may be taken by the Public Service Commission of South Carolina (PSC) in response to the changing environment cannot be predicted. However, the Company is aggressively pursuing actions to position itself strategically for the transformed environment. To enhance its flexibility and responsiveness to change, the Company's electric and gas utility, SCE&G, operates Strategic Business Units. Maintaining a competitive cost structure is of paramount importance in the utility's strategic plan. SCE&G has undertaken a variety of initiatives, including reductions in operation and maintenance costs and in staffing levels. In January 1996 the PSC approved (as discussed under "Liquidity and Capital Resources") the accelerated recovery of SCE&G's electric regulatory assets and the shift of depreciation reserves from transmission and distribution assets to nuclear production assets. SCE&G believes that these actions as well as numerous others that have been and will be taken demonstrate its ability and commitment to succeed in the new operating environment to come.

Regulated public utilities are allowed to record as assets some costs that would be expensed by other enterprises. If deregulation or other changes in the regulatory environment occur, the Company may no longer be eligible to apply this accounting treatment and may be required to eliminate such regulatory assets from its balance sheet. Such an event could have a material adverse effect on the Company's results of operations in the period the write-off is recorded. The Company reported approximately \$16 million and \$4 million of regulatory assets and liabilities, respectively, excluding amounts related to net accumulated deferred income tax assets of approximately \$27 million, on its balance sheet at December 31, 1995.

LIQUIDITY AND CAPITAL RESOURCES

The cash requirements of the Company arise primarily from SCE&G's operational needs, the Company's construction program and the need to fund the activities or investments of the Company's nonregulated subsidiaries. The ability of the Company's regulated subsidiaries to replace existing plant investment, as well as to expand to meet future demand for electricity and gas, will depend upon their ability to attract the necessary financial capital on reasonable terms. The Company's regulated subsidiaries recover the costs of providing services through rates charged to customers. Rates for regulated services are generally based on historical costs. As customer growth and inflation occur and the regulated subsidiaries expand their construction programs, it is necessary to seek increases in rates. As a result, the Company's future financial position and results of operations will be affected by the regulated subsidiaries' ability to obtain adequate and timely rate and other regulatory relief.

Due to continuing customer growth, SCE&G entered into a contract with Duke/Fluor Daniel in 1991 to design, engineer and build a 385 MW coal-fired electric generating plant near Cope, South Carolina. Construction of the plant started in November 1992. Commercial operation began in January 1996. The estimated cost of the Cope plant, excluding allowance for funds used during construction (AFC), is \$410.9 million. In addition, the transmission lines for interconnection with SCE&G's system cost \$22.5 million.

On July 10, 1995 SCE&G filed an application with the PSC for an increase in retail electric rates. On January 9, 1996 the PSC issued an order granting SCE&G an increase of 7.34% which will produce

additional revenues of approximately \$67.5 million annually. The increase will be implemented in two phases. The first phase, an increase in revenues of approximately \$59.5 million annually based on a test year, or 6.47%, commenced on January 15, 1996. The second phase will be implemented in January 1997 and will produce additional revenues of approximately \$8.0 million annually, or .87% more than current rates. The PSC authorized a return on common equity of 12.0%. The PSC also approved establishment of a Storm Damage Reserve Account capped at \$50 million and collected through rates over a ten-year period. Additionally, the PSC approved accelerated recovery of substantially all of SCE&G's electric regulatory assets (excluding accumulated deferred income taxes) and the remaining transition obligation for postretirement benefits other than pensions, changing the amortization periods to allow recovery by the end of the year 2000. SCE&G's request to shift approximately \$257 million of depreciation reserves from transmission and distribution assets to nuclear production assets was also approved.

The estimated primary cash requirements for 1996, excluding requirements for fuel liabilities and short-term borrowings, and the actual primary cash requirements for 1995 are as follows:

	1996	1995
	(Thousands of Dollars)	
Property additions and construction expenditures, net of allowance for funds used during construction	\$276,280	\$303,081
Nuclear fuel expenditures	21,147	21,045
Maturing obligations, redemptions and sinking and purchase fund requirements	26,147	24,008
Total	\$323,574	\$348,134

Approximately 56% of total cash requirements (after payment of dividends) was provided from internal sources in 1995 as compared to 31% in 1994.

The Company has in effect a medium-term note program for the issuance from time to time of unsecured medium-term debt securities. The proceeds from the sales of these securities may be used to fund additional business activities in nonutility subsidiaries, to reduce short-term debt incurred in connection therewith or for general corporate purposes. At December 31, 1995 the Company had \$317.6 million available for issuance.

SCE&G's First and Refunding Mortgage Bond Indenture, dated April 1, 1945 (Old Mortgage), contains provisions prohibiting the issuance of additional bonds thereunder (Class A Bonds) unless net earnings (as therein defined) for twelve consecutive months out of the fifteen months prior to the month of issuance are at least twice the annual interest requirements on all Class A Bonds to be outstanding (Bond Ratio). For the year ended December 31, 1995 the Bond Ratio was 3.97. The issuance of additional Class A Bonds also is restricted to an additional principal amount equal to (i) 60% of unfunded net property additions (which unfunded net property additions totaled approximately \$162.3 million at December 31, 1995), (ii) retirements of Class A Bonds (which retirement credits totaled \$64.8 million at December 31, 1995), and (iii) cash on deposit with the Trustee.

SCE&G has a new indenture (New Mortgage) dated April 1, 1993 covering substantially all of its electric properties under which its future mortgage-backed debt (New Bonds) will be issued. New Bonds are issued under the New Mortgage on the basis of a like principal amount of Class A Bonds issued under the Old Mortgage which have been deposited with the Trustee of the New Mortgage (of which \$185 million were available for such purpose as of December 31, 1995), until such time as all presently outstanding Class A Bonds are retired. Thereafter, New Bonds will be issuable on the basis of property additions in a

principal amount equal to 70% of the original cost of electric and common plant properties (compared to 60% of value for Class A Bonds under the Old Mortgage), cash deposited with the Trustee, and retirement of New Bonds. New Bonds will be issuable under the New Mortgage only if adjusted net earnings (as therein defined) for twelve consecutive months out of the eighteen months immediately preceding the month of issuance are at least twice the annual interest requirements on all outstanding bonds (including Class A Bonds) and New Bonds to be outstanding (New Bond Ratio). For the year ended December 31, 1995 the New Bond Ratio was 5.31.

The following additional financing transactions have occurred since December 31, 1994:

- On January 13, 1995 SCANA closed a \$60 million unsecured bank loan due January 12, 1996, and used the proceeds to pay off loans in a like total amount. On January 12, 1996 SCANA refinanced the loan with unsecured bank loans totaling \$60 million due January 10, 1997 at initial interest rates between 5.684% and 5.730%, subject to reset quarterly at LIBOR plus a spread of nine to fifteen basis points.
- On April 12, 1995 SCE&G issued \$100 million of First Mortgage Bonds, 7 5/8% series due April 1, 2025 to repay short-term borrowings.
- On September 25, 1995 SCANA sold 4,500,000 shares of its common stock. Net proceeds were used for the reduction of short-term indebtedness incurred by the Company for investment in utility plant and nonregulated subsidiaries, and for general corporate purposes.

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 obtain FERC authority to issue short-term indebtedness. The FERC has authorized SCE&G to issue up to \$200 million of unsecured promissory notes or commercial paper with maturity dates of twelve months or less, but not later than December 31, 1997. GENCO has not sought such authorization.

SCE&G had \$165 million authorized and unused lines of credit at December 31, 1995. In addition, Fuel Company has a credit agreement for a maximum of \$125 million with the full amount available at December 31, 1995. The credit agreement supports the issuance of short-term commercial paper for the financing of nuclear and fossil fuels and sulfur dioxide emission allowances. Fuel Company commercial paper outstanding at December 31, 1995 was \$76.8 million.

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 twelve consecutive months immediately preceding the month of issuance are at least one and one-half times the aggregate of all interest charges and preferred stock dividend requirements (Preferred Stock Ratio). For the year ended December 31, 1995 the Preferred Stock Ratio was 2.58.

During 1995 SCANA issued 1,434,664 shares of the Company's common stock under its Investor Plus Plan. In addition, SCANA issued 1,630,993 shares of its common stock pursuant to its Stock Purchase-Savings Plan (SPSP). At December 31, 1995 SCANA has authorized and reserved for issuance, and registered under effective registration statements, 1,506,108 and 2,551,139 shares of common stock pursuant to the Investor Plus Plan and the SPSP, respectively.

The Company anticipates that its 1996 cash requirements of \$323.6 million will be met through internally generated funds (approximately 75%, excluding dividends), the sales of additional equity securities and the incurrence of additional short-term and long-term indebtedness. The timing and amount of such financing will depend upon market conditions and other factors. Actual 1996 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 Company expects that it has or can obtain adequate sources of financing to meet its projected cash requirements for the next twelve months and for the foreseeable future.

Environmental Matters

The Clean Air Act requires electric utilities to reduce substantially emissions of sulfur dioxide and nitrogen oxide by the year 2000. These requirements are being phased in over two periods. The first phase had a compliance date of January 1, 1995 and the second, January 1, 2000. The Company's facilities did not require modifications to meet the requirements of Phase I. The Company will most likely meet the Phase II requirements through the burning of natural gas and/or lower sulfur coal in its generating units and the purchase and use of sulfur dioxide emission allowances. Low nitrogen oxide burners are being installed to reduce nitrogen oxide emissions to the levels required by Phase II. Air toxicity regulations for the electric generating industry are likely to be promulgated around the year 2000.

The Company filed compliance plans related to Phase II requirements with the South Carolina Department of Health and Environmental Control (DHEC) by December 31, 1995. The Company currently estimates that air emissions control equipment will require capital expenditures of \$122 million over the 1996-2000 period to retrofit existing facilities, with increased operation and maintenance costs of approximately \$1 million per year. To meet compliance requirements through the year 2005, the Company anticipates total capital expenditures of \$159 million.

The Federal Clean Water Act, as amended, provides for the imposition of effluent limitations that require various levels of treatment for each wastewater discharge. Under this Act, compliance with applicable limitations is achieved under a national permit program. Discharge permits have been issued for all and renewed for nearly all of SCE&G's and GENCO's generating units. Concurrent with renewal of these permits, the permitting agency has implemented a more rigorous control program. The Company has been developing compliance plans for this program. Amendments to the Clean Water Act proposed in Congress include several provisions which, if passed, could prove costly to SCE&G. These include limitations to mixing zones and the implementation of technology-based standards.

The South Carolina Solid Waste Policy and Management Act of 1991 directed DHEC to promulgate regulations for the disposal of industrial solid waste. DHEC has promulgated a proposed regulation, which if adopted as a final regulation in its present form, would significantly increase SCE&G's and GENCO's costs of construction and operation of existing and future ash management facilities.

The Company has an environmental assessment program to identify and assess current and former operations sites that could require environmental cleanup. As site assessments are initiated, estimates are made of the cost, if any, to investigate and clean up each site. These estimates are refined as additional information becomes available; therefore, actual expenditures could differ significantly from original estimates. Amounts estimated and accrued to date for site assessments and cleanup relate primarily to regulated operations; such amounts are deferred and are being amortized and recovered through rates over a ten-year period for electric operations and an eight-year period for gas operations. Deferred amounts totaled \$18.0 million and \$20.2 million at December 31, 1995 and 1994, respectively. Estimates include, among other items, the costs associated with the matters discussed in the following paragraphs.

SCE&G, the Company's principal subsidiary, owns four decommissioned manufactured gas plant sites which contain residues of by-product chemicals. SCE&G maintains an active review of the sites to monitor the nature and extent of the residual contamination.

In September 1992 the EPA notified SCE&G, the City of Charleston and the Charleston Housing Authority of their potential liability for the investigation and cleanup of the Calhoun Park Area Site in Charleston, South Carolina. This site originally encompassed approximately eighteen acres and included properties which were the locations for industrial operations, including a wood preserving (creosote) plant and one of SCE&G's decommissioned manufactured gas plants. The original scope of

this investigation has been expanded to approximately 30 acres, including adjacent properties owned by the National Park Service and the City of Charleston, and private properties. The site has not been placed on the National Priority List, but may be added before cleanup is initiated. The potentially responsible parties (PRP) have agreed with the EPA to participate in an innovative approach to site investigation and cleanup called "Superfund Accelerated Cleanup Model," allowing the pre-cleanup site investigation process to be compressed significantly. The PRPs have negotiated an administrative order by consent for the conduct of a Remedial Investigation/Feasibility Study (RI/FS) and a corresponding Scope of Work. Field work began in November 1993. SCE&G is also working with the City of Charleston to investigate potential contamination from the manufactured gas plant which may have migrated to the city's aquarium site. In 1994 the City of Charleston notified SCE&G that it considers SCE&G to be responsible for a \$43.5 million increase in costs of the aquarium project attributable to delays resulting from contamination of the Calhoun Park Area Site. SCE&G believes it has meritorious defenses against this claim and does not expect its resolution to have a material impact on its financial position or results of operations.

Regulatory Matters

SCE&G filed for electric rate relief in 1995 to encompass primarily the remaining costs of completing the Cope Generating Station. As discussed under "Liquidity and Capital Resources," the PSC issued an order on January 9, 1996 increasing electric retail rates.

The Company's regulated business operations are likely to be impacted by the NEPA and FERC Order No. 636. NEPA is designed to create a more competitive wholesale power supply market by creating "exempt wholesale generators" and by potentially requiring utilities owning transmission facilities to provide transmission access to wholesalers. Order No. 636 is intended to deregulate the markets for interstate sales of natural gas by requiring that pipelines provide transportation services that are equal in quality for all gas suppliers whether the customer purchases gas from the pipeline or another supplier. In the opinion of the Company, it will be able to meet successfully the challenges of these altered business climates and does not anticipate there to be any material adverse impact on the results of its operations, its financial position or its business prospects.

Other

MPX, a wholly owned subsidiary of SCANA, through a joint venture with subsidiaries of ITC Holding Company, Inc. (ITC), a Georgia-based telecommunications holding company, is constructing a fiber optic network through Texas, Louisiana, Mississippi, Alabama and Georgia. The network, which will consist of more than 900 miles of fiber optic lines, has been substantially completed and will cost approximately \$73.5 million. MPX has signed a seven-year contract with the State of South Carolina for the build-out of the 800 MHz radio system which will allow emergency agencies to establish statewide communications during a disaster. Powertel PCS Partners, L.P. (Powertel), a limited partnership that included MPX, successfully bid for three personal communications service licenses in the Southeast offered by the Federal Communications Commission for the development of a new generation of wireless communications. Powertel had winning bids totaling \$124.5 million in the FCC's auction for radio airspace in three Major Trading Areas (MTA) that cover parts of six states. The areas are the Jacksonville MTA, a 50-county area of northern Florida and southern Georgia; the Memphis MTA, a 93-county area that includes southwest Tennessee, northern and middle Mississippi and parts of eastern Arkansas; and the Birmingham MTA, a 53-county area of Alabama. MPX held the largest partnership interest, approximately 40%, of Powertel. Powertel signed and consummated a business combination agreement with InterCel, Inc., a publicly traded cellular telephone company providing services in Georgia, Alabama and Maine. MPX's interest in the combined entity, after giving effect to public offerings of common stock of the combined entity consummated February 7, 1996, is approximately 17%. All new ventures currently capitalize on fiber infrastructure in place and provide for expansion of the network.

A percentage of the projected annual revenues for the years 1996-2003 of certain fiber optic routes of a joint venture between MPX and a

subsidiary of ITC has been guaranteed by MPX. The aggregate maximum amount of such guarantee over the eight-year period is approximately \$46.2 million, prior to reduction for revenue contracts obtained by the joint venture.

The Company's net investment in oil and gas properties is subject to a quarterly ceiling test calculation that limits capitalized costs to the aggregate of the estimated present value of future net cash flows from proved oil and gas reserves plus the lower of cost or fair market value of unproved properties. Carrying values of proved reserves in excess of the ceiling limitation are expensed currently.

In an effort to limit exposure to changing natural gas prices, in January 1995 the Company entered into a series of forward contracts relating to natural gas production. These forward contracts have the effect of stabilizing the price that the Company receives on approximately sixty percent of its forecasted natural gas production for the years 1996-2001. The forward contracts are at an average price of \$1.92 per dekatherm. The Company remains exposed to price risk for any production that is not subject to such forward contracts.

Petroleum Resources and Fina Oil and Chemical Company (Fina) have entered into a joint exploration and development agreement providing for the exclusive oil and gas development rights on approximately 183,000 acres of onshore lands owned by Fina in Terrebonne and LaFourche Parishes in southern Louisiana. Petroleum Resources and Fina are continuing an extensive 3-D seismic acquisition program on the property. Fina is the operator of the multi-million dollar seismic program which is financed and owned on a 50-50 basis between the companies. Petroleum Resources' participation in the seismic and drilling activity is financed primarily with internal cash flows from the existing Petroleum Resources operations.

Petroleum Resources' change to the full cost method of accounting during the second quarter of 1995 provides a better matching of revenues and expenses given the primary focus of Petroleum Resources on developing reserves on its own or others' properties. In connection with the change, additional reserve adjustments were recorded in the current and restated prior periods. All reserve adjustments were non-cash and had no impact on the liquidity of Petroleum Resources.

Statements of Financial Accounting Standards To Be Adopted

The Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of." The provisions of the Statement, which will be implemented by the Company for the fiscal year beginning January 1, 1996, require the recognition of a loss in the income statement and related disclosures whenever events or changes in circumstances indicate that the carrying amount of a long-lived asset may not be recoverable. The Company does not believe that adoption of the provisions of the Statement will have a material impact on its results of operations or financial position.

The Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation," which will be implemented by the Company on January 1, 1996. The Company does not believe that adoption of the provisions of the Statement will have a material impact on its results of operations or financial position.

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 1993 through 1995 were as follows:

	1995	1994	1993
Earnings per weighted average share	\$1.70	\$1.22	\$1.83
Percent increase (decrease) in earnings per share	39.3%	(33.3%)	28.9%
Return earned on common equity (year-end)	10.8%	8.5%	12.5%



One Riverwood Drive
Moncks Corner
South Carolina 29461-2901

•**1995** Earnings per share and return on common equity increased primarily as a result of improved results of operations at Petroleum Resources, which recorded net losses of \$16.7 million in 1995 and \$54.9 million in 1994. Higher electric and gas margins and lower operation and maintenance costs, which more than offset the negative impact of higher fixed costs, also contributed to the favorable earnings performance in 1995.

•**1994** Earnings per share and return on common equity decreased primarily due to operations at Petroleum Resources, which reported a net loss of \$54.9 million for 1994 as compared to net income of \$8.4 million for 1993. The change results primarily from charges recorded from application of the ceiling test (Note 10).

The Company's financial statements include AFC. 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. An equity portion of AFC is included in nonoperating income and a debt portion of AFC is included in interest charges (credits) as noncash items both of which have the effect of increasing reported net income. AFC represented approximately 8% of income before income taxes in 1995, 8.3% in 1994 and 5.8% in 1993.

In 1995 SCANA's Board of Directors raised the quarterly cash dividend on common stock to 36 cents per share from 35 1/4 cents per share. The increase, effective with the dividend payable on April 1, 1995, raised the indicated annual dividend rate to \$1.44 per share from \$1.41. SCANA has increased the dividend rate on its common stock in 42 of the last 43 years.

Electric Operations

Electric sales margins for 1995, 1994 and 1993 were as follows:

	1995	1994	1993
	(Millions of Dollars)		
Electric operating revenues	\$1,006.4	\$975.4	\$940.1
Less: Fuel used in electric generation	227.4	235.1	229.7
Purchased power	14.7	20.1	13.1
Margin	\$ 764.3	\$720.2	\$697.3

•**1995** The electric sales margin increased primarily as a result of the combined impact of warmer weather in the third quarter of 1995, colder weather in the fourth quarter of 1995 and the base rate increase received by the Company in mid-1994. These factors more than offset the negative impact of milder weather experienced during the first half of 1995. An increase of 7,942 electric customers to 484,354 total customers contributed to an all-time peak demand record of 3,683 MW set on August 14, 1995.

•**1994** The increase in the electric sales margin is primarily the result of an increase in retail electric rates phased in over a two-year period beginning June 1993 and an increase in industrial sales, which more than offset the negative impact of a six percent decrease in residential sales of electricity due to milder weather in 1994.

Increases (decreases) in megawatt hour (MWH) sales volume by classes are presented in the following table:

Classification	1995	1994
Residential	415,676	(339,620)
Commercial	229,472	11,262
Industrial	48,651	274,467
Sale for Resale (excluding interchange)	38,688	18,408
Other	12,776	(6,907)
Total territorial	745,263	(42,390)
Interchange	24,545	(27,013)
Total	769,808	(69,403)

Gas Operations

Gas sales margins for 1995, 1994 and 1993 were as follows:

	1995	1994	1993
	(Millions of Dollars)		
Gas operating revenues	\$342.7	\$342.7	\$320.2
Less: Gas purchased for resale	212.4	220.9	208.7
Margin	\$130.3	\$121.8	\$111.5

•**1995** The gas sales margin increased primarily as a result of lower gas costs which allowed Pipeline Corporation to compete successfully with alternate fuel suppliers in industrial markets. A shifting of transportation customers to the industrial class and an increase in interruptible gas sales also contributed to the improved margin.

•**1994** The gas sales margin increased primarily as a result of lower gas costs which allowed Pipeline Corporation to compete successfully with alternate fuel suppliers in industrial markets. Higher oil prices and a stronger economy had a positive impact on industrial sales which increased for both SCE&G and Pipeline Corporation.

Increases (decreases) in dekatherm (DT) sales volume by classes, including transportation gas, are presented in the following table:

Classification	1995	1994
Residential	802,211	(1,119,442)
Commercial	632,959	275,066
Industrial	7,960,434	11,178,821
Sale for resale	744,663	(3,965,310)
Transportation gas	(8,089,043)	(13,475,511)
Total	2,051,224	(7,106,376)

Other Operating Expenses

•**1995** Other operation and maintenance expenses decreased \$6.6 million primarily as a result of lower pension costs and lower costs at electric generating stations. The increase of \$10.7 million in depreciation and amortization expenses is primarily attributable to additions to plant-in-service and the write off of certain software costs. The \$15.4 million increase in income tax expense corresponds to the increase in operating income. The increase in other taxes of \$5.0 million reflects higher property taxes resulting from higher millages and assessments partially offset by lower payroll taxes resulting from early retirements of employees.

•**1994** Other operation and maintenance expenses increased \$2.8 million primarily due to an increase in the costs of postretirement benefits other than pensions which are accrued in accordance with Financial Accounting Standards Board Statement No. 106. (See Note 11 of Notes to Consolidated Financial Statements.) The \$6.3 million increase in depreciation and amortization expenses is attributable to property additions and to increases in depreciation rates. The increase in other taxes of \$5.3 million reflects an increase in SCE&G's property taxes.

Other Income

Other income, net of taxes, increased approximately \$36 million in 1995 primarily due to the improved earnings performance of Petroleum Resources as discussed under "Earnings and Dividends."

Interest Expense

•**1995** The \$17.9 million increase in interest expense, excluding the debt component of AFC, is due primarily to the issuance of additional debt, including commercial paper, during the latter part of 1994 and early 1995.

•**1994** The \$8.2 million increase in interest expense, excluding the debt component of AFC, is primarily attributable to the issuance of \$100 million of First Mortgage Bonds in July and \$30 million of Pollution Control Facilities Revenue Bonds in November, both to finance utility construction, and to the issuance of long-term debt during 1993.

OFFICERS

SCANA Corporation

Lawrence M. Gressette, Jr.
Chairman of the Board and
Chief Executive Officer (1)

William B. Timmerman
President

Cathy B. Novinger
Senior Vice President
Administration,
Governmental and Public Affairs

H. Thomas Arthur, II
Vice President and General Counsel,
Assistant Secretary

Kevin B. Marsh
Vice President - Finance,
Chief Financial Officer and Controller (2)

Belton T. Zeigler
Vice President (3)

Lynn M. Williams
Secretary (4)

Mark R. Cannon
Treasurer (5)

(1) Also Chairman and Chief Executive
Officer of all subsidiaries

(2) Also Chief Financial Officer of all subsidiaries

(3) Also General Counsel of SCE&G

(4) Also Secretary of all subsidiaries

(5) Also Treasurer of SCE&G and MPX

Warren A. Darby
Senior Vice President
Gas Operations - SCANA Gas Group

W. Kellier Kissam
Vice President
Gas Operations - SCANA Gas Group

Fred N. Hanna
Vice President
Customer Service

Johnny Kinloch
Vice President
Transit and Fleet Maintenance
and Community Affairs

Neville O. Lorick
Vice President
Fossil and Hydro Operations

Charles B. McFadden
Vice President
Electric Service

S. C. McMeekin, Jr.
Vice President
Customer Relations

Martin K. Phalen
Vice President
Human Resources

Gary J. Taylor
Vice President
Nuclear

Mitchell S. Tibshirany
Vice President
Power Delivery

South Carolina Pipeline Corporation

Max Earwood
Vice Chairman

Asbury H. Gibbes
President
Group Executive - SCANA Gas Group

George Fasano, Jr.
Vice President and Controller

B. J. MacInnis
Vice President

SCANA Petroleum Resources, Inc.

Max Earwood
Vice Chairman

Jim N. Cantwell
President

Charles C. Morgan
Controller and Assistant Secretary

SCANA Energy Marketing, Inc.

Max Earwood
Vice Chairman

Charles A. Rampey, Jr.
President

Jim N. Cantwell
Vice President

B. J. MacInnis
Vice President

Suburban Propane Group, Inc.

Dabney L. Sharp
President

James M. Clark, Jr.
Vice President

MPX Systems, Inc.

William B. Timmerman
President

Michael D. Blackwell
Executive Vice President
and General Manager

ServiceCare, Inc.

Warren A. Darby
President

Judith H. Battle
Vice President - Finance and Controller

Richard E. Batton
Vice President

Primesouth, Inc.

Jeff C. Chapman
President and Treasurer

Leslie Withycombe
Controller

SCANA Resources, Inc.

Bruce D. Kenyon
President

Principal Subsidiaries

South Carolina Electric & Gas Company

Bruce D. Kenyon
President and Chief Operating Officer

George J. Bullwinkel, Jr.
Senior Vice President
Retail Electric

John L. Skolds
Senior Vice President
Generation

James H. Young, Jr.
Senior Vice President
Business Development

Jimmy E. Addison
Vice President and Controller

Kristin L. Aebersold
Vice President
Marketing and Economic Development

BOARD OF DIRECTORS



Bill L. Amick



William B. Bookhart, Jr.



William T. Cassels, Jr.

Bill L. Amick

Chairman of the Board and Chief Executive Officer
Amick Farms, Inc. Batesburg, SC
(a vertically integrated broiler operation)

William B. Bookhart, Jr.

Partner
Bookhart Farms Elloree, SC
(a general farming business)

William T. Cassels, Jr.

Chairman of the Board
Southeastern Freight Lines, Inc. Columbia, SC
(a trucking business)

Hugh M. Chapman

Chairman
NationsBank South Atlanta, GA

James B. Edwards, D.M.D.

President
Medical University of South Carolina Charleston, SC

Elaine T. Freeman

Executive Director
ETV Endowment of South Carolina, Inc. Spartanburg, SC
(a non-profit organization)

Lawrence M. Gressette, Jr.

Chairman of the Board and Chief Executive Officer
SCANA Corporation Columbia, SC

Benjamin A. Hagood

Chairman of the Board
William M. Bird and Company, Inc. Charleston, SC
(a wholesale distributor of floor covering materials)

W. Hayne Hipp

President and Chief Executive Officer
The Liberty Corporation Greenville, SC
(an insurance and broadcasting holding company)

Bruce D. Kenyon

President and Chief Operating Officer
South Carolina Electric & Gas Company Columbia, SC

F. Creighton McMaster

President and Manager
Winnsboro Petroleum Company Winnsboro, SC
(a wholesale distributor of petroleum products)

Henry Ponder, Ph.D.

President
Fisk University Nashville, TN

John B. Rhodes

Chairman and Chief Executive Officer
Rhodes Oil Company, Inc. Walterboro, SC
(a distributor of petroleum products)

William B. Timmerman

President
SCANA Corporation Columbia, SC

E. Craig Wall, Jr.

President
Canal Industries, Inc. Conway, SC
(a forest products industry)



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(a general farming business)

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SELECTED FINANCIAL DATA

For the Years Ended December 31,

1995

1994*

1993*

1992*

1991*

(Thousands of dollars except statistics and per share amounts)

Statement of Income Data

Operating Revenues	\$1,352,971	\$1,322,062	\$1,264,167	\$1,138,375	\$1,147,826
Operating Income	287,514	259,553	245,311	209,780	222,360
Other Income	8,060	(29,749)	27,335	11,960	(1,231)
Net Income	168,339	115,452	165,240	117,667	122,965

Balance Sheet Data

Utility Plant, Net	\$3,468,988	\$3,293,667	\$3,004,075	\$2,810,279	\$2,664,651
Total Assets	4,534,426	4,316,512	4,026,701	3,543,057	3,290,668

Capitalization:

Common Equity	1,554,680	1,359,141	1,317,495	1,149,087	1,016,104
Preferred Stock (Not subject to purchase or sinking fund)	26,027	26,027	26,027	26,027	26,027
Preferred Stock, Net (Subject to purchase or sinking fund)	46,243	49,528	52,840	56,154	59,469
Long-Term Debt, Net	1,588,879	1,548,824	1,424,399	1,204,754	1,122,396

Total Capitalization	\$3,215,829	\$2,983,520	\$2,820,761	\$2,436,022	\$2,223,996
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Common Stock Data

Weighted Average Number of Common Shares

Outstanding (Thousands)	99,044	94,762	90,407	82,950	80,722
Earnings Per Weighted Average Share of Common Stock	\$1.70	\$1.22	\$1.83	\$1.42	\$1.52
Dividends Declared Per Share of Common Stock	\$1.44	\$1.41	\$1.37	\$1.34	\$1.31
Common Shares Outstanding (Year-End) (Thousands)	103,624	96,035	93,239	87,821	81,569
Book Value Per Share of Common Stock (Year-End)	\$15.00	\$14.15	\$14.13	\$13.08	\$12.46
Number of Common Shareholders of Record	38,231	39,516	41,564	42,937	42,811

Other Statistics

Electric:

Customers (Year-End)	484,354	476,412	468,874	461,900	453,660
Territorial Sales (Million KWH)	17,583	16,838	16,880	15,794	15,695

Residential:

Average annual use per customer (KWH)	13,859	13,048	14,077	13,037	13,246
Average annual rate per KWH	\$0.747	\$0.743	\$0.707	\$0.695	\$0.700
Generating Capability - Net MW (Year-End)	4,282	3,876	3,864	3,912	3,912
Territorial Peak Demand - Net MW	3,683	3,444	3,557	3,380	3,300

Gas:

Customers (Year-End)	243,523	238,614	234,736	231,153	225,819
Sales (Thousand Therms)	882,511	781,109	717,417	761,721	694,801
Residential:					
Average annual use per customer (Therms)	570	543	605	577	521
Average annual rate per therm	\$8.82	\$8.84	\$7.76	\$7.74	\$7.77

* Prior year information has been retroactively restated for the effects of a two-for-one stock split in May 1995 and of a change in accounting principle in the second quarter of 1995 from the successful efforts method of accounting to the full cost method of accounting for the Company's oil and natural gas operations.

COMMON STOCK INFORMATION

	1995				1994			
	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.
Price Range: (a)								
High	28 5/8	24 1/4	23 3/8	22 1/2	22 1/4	23	23 1/4	25
Low	24 1/8	21 1/8	20 3/4	20 1/2	20 1/2	21 3/8	21	22 3/8

(a) As reported on the New York Stock Exchange Composite Listing. Information prior to the two-for-one stock split effective in May 1995 has been restated.

INVESTOR INFORMATION

Annual Meeting

The 1996 Annual Meeting of SCANA Corporation shareholders is scheduled for 10:00 am Thursday, April 25 at the Hibernian Society Hall, 105 Meeting Street in Charleston, SC. A notice of the meeting, proxy statement and proxy will be mailed to shareholders in March.

Corporate Offices

SCANA Corporation
1426 Main Street
Columbia, SC 29201-2845 (803) 748-3000

Stock Exchange Listings

SCANA Corporation's common stock is listed on the New York Stock Exchange. The trading symbol is SCG. The newspaper listing is SCANA.

The 5% Series cumulative preferred stock of South Carolina Electric & Gas Company is also listed on the New York Stock Exchange. The trading symbol is SAC Pr. The newspaper listing is SCrE pf. SCE&G's other series of preferred stock are not listed and market prices are not published.

SCANA Investor Plus Plan

The Plan provides investors a convenient and economical means of acquiring, holding and transferring shares of SCANA's common stock. Participants may purchase additional common shares through automatic reinvestment of all or a portion of their cash dividends on common and preferred stock and/or by making optional cash payments of up to \$100,000 per year. The Plan also features a direct purchase provision through which investors can acquire their first shares of SCANA common stock directly from the Company without brokerage fees. A variety of other services, including direct deposit of dividends and safekeeping of share certificates, are also available. A Prospectus describing the Plan and enrollment information are available upon request.

Shareholder Inquiries

Questions concerning the SCANA Investor Plus Plan, stock transfer requirements, replacement of lost or stolen stock certificates or dividend checks, address

changes, direct deposit of dividends, elimination of duplicate mailings, or other account services should be directed to the Company's Shareholder Services Department:

By writing:
SCANA Corporation
Attention: Shareholder Services (054)
Columbia, SC 29218

By Calling:
(800) 763-5891 (toll free)
(803) 733-6817 (in Columbia)
(803) 343-2344 (fax)

Transfer Agent and Registrar

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

Bond Trustee and Paying Agent

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

SCE&G First Mortgage Bonds
Bank of New York
Debt Processing Group
101 Barclay Street - 7E
New York, NY 10286 (800) 254-2826

SCE&G First and Refunding Mortgage Bonds

Chemical Bank
Corporate Trust Department - 15th Floor
450 West 33rd Street
New York, NY 10001 (800) 648-8380

Auditors

Deloitte & Touche LLP
Certified Public Accountants
1426 Main Street
Columbia, SC 29201

Additional Information

Publications: The Company provides an Interim Report to shareholders for the first, second and third quarters. A copy of SCANA's 1995 Annual Report on Form 10-K (as filed with the Securities and Exchange Commission) and the Statistical Supplement to the 1995 Annual Report are available without charge. Requests for these publications should be directed to the Investor Relations Department.

Internet: A variety of information about the Company, including financial reports, press releases, and descriptions of customer products and services, is also available on the World Wide Web through a personal computer connected to the Internet. SCANA's Internet (Home Page) address is <http://www.scana.com>

Investor Relations Contact:

H. John Winn, III
Manager - Investor Relations and
Shareholder Services (054)
(803) 748-3240 (803) 343-2344 (fax)

Investors' Association:

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

Expected 1996 Common Stock Dividend Dates

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Declaration	February 20	April 25	August 21	October 22
Ex-Dividend	March 6	June 6	September 6	December 6
Record	March 8	June 10	September 10	December 10
Payment	April 1	July 1	October 1	January 1, 1997
Note: Dividend declaration, record and payment dates are subject to the discretion of the Board of Directors. Dates shown are based on the assumption that past patterns will prevail. Dividends on SCE&G's preferred stock issues are paid quarterly on the same dates as the common stock dividends.				

SCANA Corporation
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