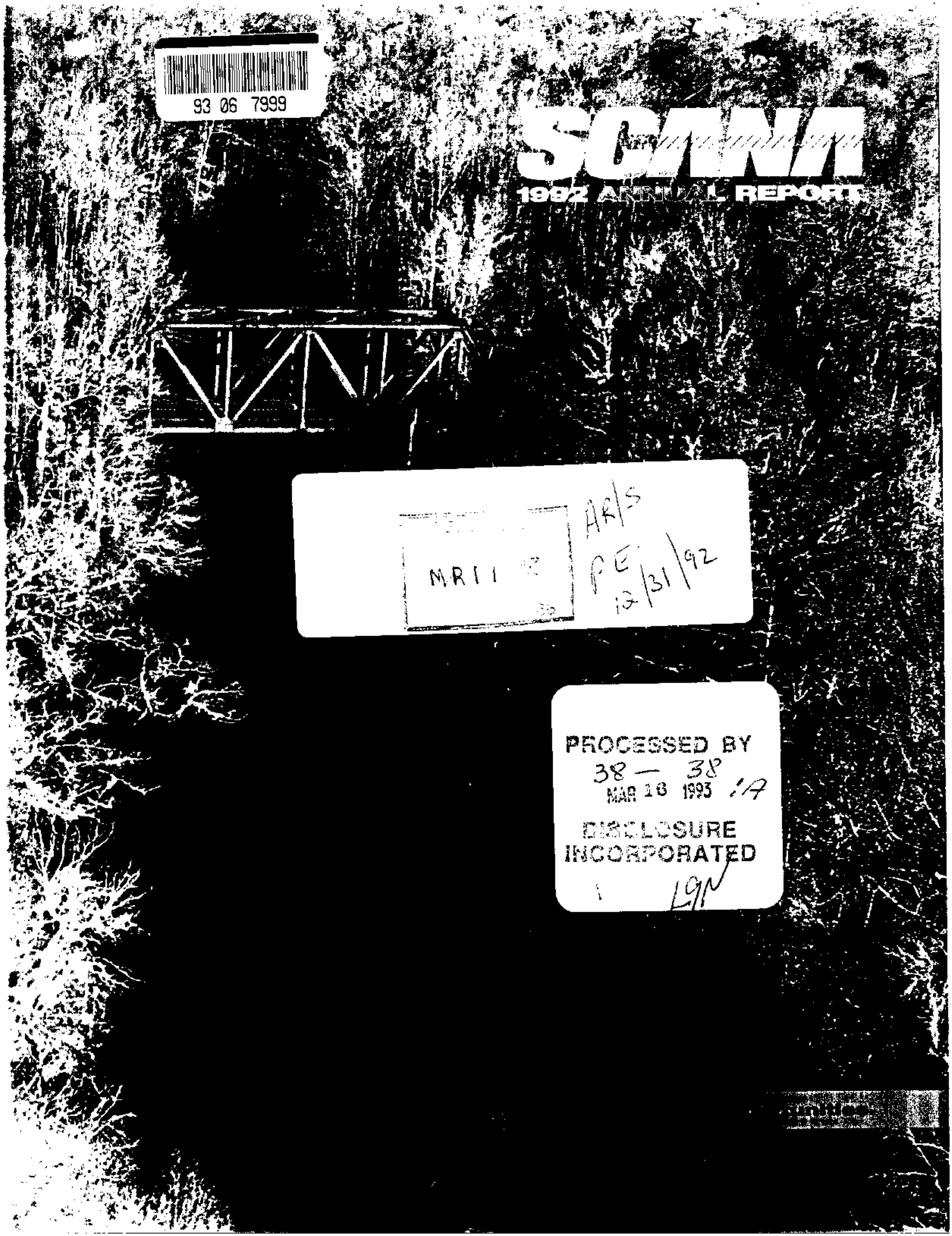
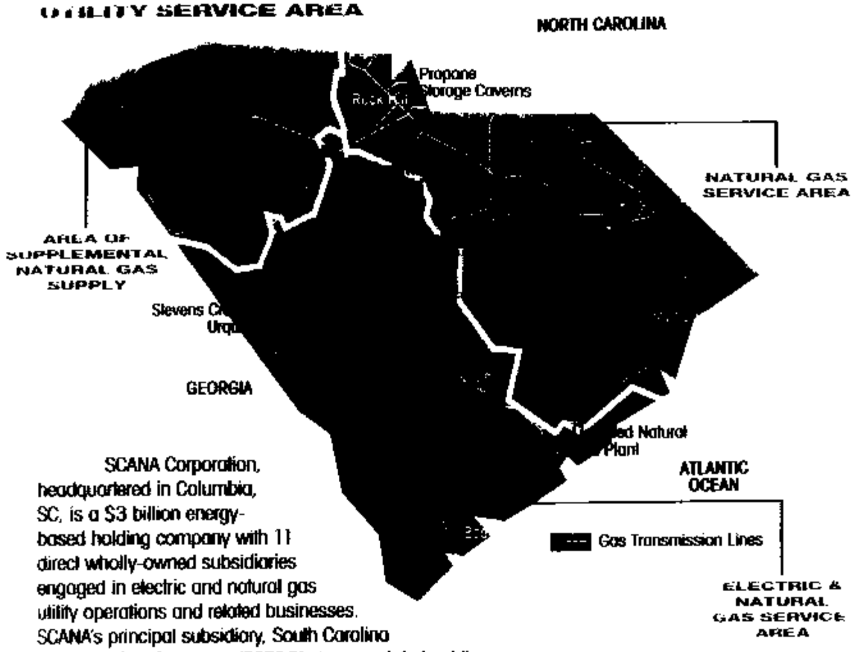
SCANA

1992 ANNUAL REPORT



UTILITY SERVICE AREA



SCANA Corporation, headquartered in Columbia, SC, is a $3 billion energy-based holding company with 11 direct wholly-owned subsidiaries engaged in electric and natural gas utility operations and related businesses. SCANA's principal subsidiary, South Carolina Electric & Gas Company (SCE&G), is a regulated public utility serving approximately 462,000 electric customers in a 15,000 square-mile territory in the central, southern and southwestern portions of South Carolina.

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. The total population of SCANA's utility service areas is approximately three million. SCE&G also provides transit services in the metropolitan areas of Columbia and Charleston. Other regulated utility subsidiaries own an electric generating plant near Charleston and provide financing for SCE&G's coal and nuclear fuel inventories.

SCANA's nonregulated diversified operations extend beyond South Carolina and include oil and natural gas production, purchase, delivery and sale of propane, marketing of natural gas and other light hydrocarbons, fiber-optic based telecommunications, real estate development and property management, and power plant management services. At year-end 1992, SCANA and its subsidiaries had 4,849 employees.

STEAM GENERATION
Canadys
McMeekin
Urquhart
Wateree
Williams

HYDRO GENERATION
Columbia Canal
Fairfield Pumped Storage
Neal Shoals
Parr
Saluda
Stevens Creek

INTERNAL COMBUSTION GENERATION
Burton
Canadys
Coit
Faber Place
Hagood
Hardeeville
Parr
Urquhart
Williams

NUCLEAR GENERATION
Summer Station

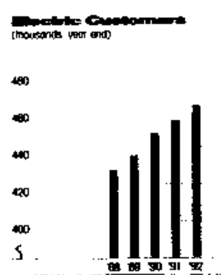
UTILITY CUSTOMER PROFILE

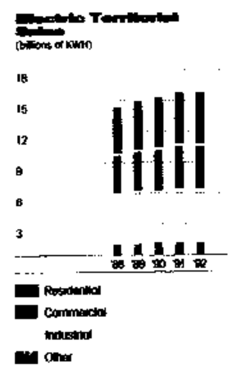
ELECTRIC

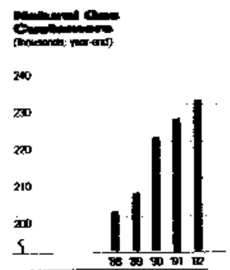
During 1992 we added 8,240 net new customers, raising the total electric customer base by 1.8% to 461,900 at year-end. Territorial sales of electricity in 1992 totaled 15.8 billion kilowatt-hours (KWH), a 0.6% increase from 1991. Sales to ultimate consumers represented 94% of KWH sales in 1992, while sales to wholesale customers accounted for 6%.

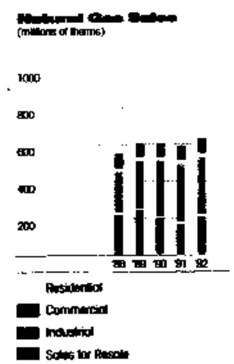
NATURAL GAS

During 1992 we added 5,334 net new customers, bringing the consolidated natural gas customer base to 231,153 at year-end, a 2.4% increase over 1991. Residential customers comprise 90% of the consolidated natural gas customer base. Consolidated sales of natural gas totaled 762 million therms in 1992, a 9.6% increase from 1991. Approximately 72% of consolidated therms sales in 1992 were to ultimate consumers while sales to wholesale customers accounted for 28%.









SCE&G fleets already use natural gas to power various types of vehicles. It is nearly impossible to differentiate between the operation of natural gas and gasoline. In fact the same vehicle can carry both fuels. The National Energy Policy Act of 1992 mandated the use of alternatively fueled vehicles in fleets for federal and state government, as well as alternative fuel providers such as SCE&G, beginning in the mid-1990s.

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As part of our continuing efforts to exercise respect for the environment, this annual report is printed entirely on recycled paper.

FINANCIAL AND OPERATING HIGHLIGHTS

	1992	1991	% Increase (Decrease)
	(Millions of dollars except statistics and per share amounts)		
COMMON STOCK DATA			
Earnings Per Weighted Average Share of Common Stock	$ 2.84	$ 3.37	(15.7)
Dividends Declared Per Share of Common Stock	$ 2.68	$ 2.62	2.3
Book Value Per Share of Common Stock (Year-End)	$ 26.46	$ 25.23	4.9
Market Price Per Share of Common Stock (Year-End)	$ 40.50	$ 44.25	(8.5)
Common Stockholders' Equity (Year-End)	$ 1,161.9	$ 1,029.0	12.9
Common Stock Outstanding:			
Average (Thousands)	41,475	40,361	2.8
Year-End (Thousands)	43,911	40,784	7.7
TOTAL COMPANY			
Total Operating Revenues	$ 1,138.4	$ 1,147.8	(0.8)
Total Operating Expenses	$ 928.6	$ 925.5	0.3
Net Income	$ 117.6	$ 135.9	(13.5)
Property Additions and Construction Expenditures	$ 387.9	$ 288.6	34.4
Utility Plant, Net	$ 2,810.3	$ 2,664.7	5.5
ELECTRIC OPERATIONS			
Electric Operating Revenues	$ 829.5	$ 867.2	(4.3)
Electric Operating Income	$ 180.6	$ 198.2	(8.9)
Territorial Sales (Million KWH)	15,794	15,695	0.6
Customers (Year-End)	461,900	453,660	1.8
Generating Capability - Net MW (Year-End)	3,912	3,912	—
Territorial Peak Demand - Net MW	3,380	3,300	2.4
GAS OPERATIONS			
Gas Operating Revenues	$ 305.3	$ 276.7	10.3
Gas Operating Income	$ 34.9	$ 29.5	18.3
Sales (Thousand Therms)	761,721	694,801	9.6
Customers (Year-End)	231,153	225,819	2.4
TRANSIT OPERATIONS			
Transit Operating Revenues	$ 3.6	$ 3.9	(7.7)
Transit Operating Loss	$ (5.7)	$ (5.3)	(7.5)
Revenue Passengers Carried (Thousands)	5,837	6,395	(8.7)

ABOUT THE COVER

The site of the new 385-MW Cope Electric Generating Station is located on a plateau of flat farmland encircled by low-lying wetlands. As part of our heightened environmental sensitivity, construction for the plant will only impact one-half acre of the wetlands on the 3000-acre tract. In addition, the closed-cycle plant will use less water from the river than traditional plants because water circulates through the plant, is cooled and then used again. The plant will blend with the environment, being painted in neutral earthtones, and will be surrounded by a buffer zone of vegetation.

SCANA devotes a considerable portion of its philanthropic resources to education. Here SCANA Chairman of the Board, President and Chief Executive Officer Lawrence M. Gressette, Jr. enjoys a book with a group of kindergarten students. In addition to sponsoring programs which support primary, middle and high schools in the state, SCANA's commitment extends to many colleges and universities.

CHAIRMAN'S LETTER

Fellow Stockholders:

1992 was a poor year financially for SCANA Corporation. We did, however, make important progress in many areas that I will discuss later in this letter.

Earnings declined 16% to $2.84 per common share for several reasons. First, the Supreme Court of South Carolina ruled that there was not sufficient evidence for the Public Service Commission of South Carolina to have established retail electric rates on the basis of a 13.25% cost of equity in our 1989 retail electric rate case. The Court did find sufficient evidence to support a 13.0% return on equity. The resulting refund covering three years reduced earnings $.27 per share, and is nonrecurring. Second, very temperate weather and continuing effects of the recession resulted in flat sales volume and margins in our regulated businesses, despite customer growth at near historic levels. Third, fixed and variable operating expenses increased 4%, but were well within budgeted expectations. While the financial results are not pleasing, the fundamental operating performance was quite good.

The recent slowdown of the economy in the beginning of this decade shows signs of ending, and I believe we will see a new period of growth for the electric operations of the company. Our customer growth has continued despite the poor economy of the past year, and we see no reason for this to change. Our industrial growth recently has shown signs of returning to former levels. With the addition of the Cope Electric Generating Station, now under construction, we will be positioned to meet our customers' future electric energy needs and to assure ample energy for continued economic development in our service area. In December we filed with the Public Service Commission for an increase in electric rates, and expect an order from the Commission in June 1993. This ruling seeks to increase rates approximately 11.4% in two phases. If the entire increase is allowed, electric rates will remain at approximately 1984 levels. An increase in revenues will allow us to pay for construction costs associated with the Cope generating plant and to offset increased taxes, depreciation and operating expenses.

The cash dividend will be increased effective April 1, 1993 to $2.74 per common share. While the increase is not as great as I would like, it does reflect the positive growth in customers in the past year, the current capital needs for construction and the disappointing financial results in 1992. This increase is the 18th year in a row that the dividend has increased, and the 40th time in the last 41 years.

In late 1992, the National Energy Policy Act was signed into law by President Bush. This Act essentially provides for restructuring of the electric industry in this country. Several years ago we began to reorganize and structure our electric operations to adapt to the new competitive and regulatory realities, and they are outlined on page 6 . I am confident that we are moving decisively and quickly to address the challenges and capture the opportunities presented by this new law.

The natural gas business has experienced significant change in the past 10 years in response to the partial deregulation of that industry. In 1992 the Federal Energy Regulatory Commission issued Order 636, intended to be the final step in this process. Our natural gas operations have done an excellent job in profiting from the opportunities presented by this restructuring, while minimizing losses from the less positive aspects of the change. In the past few years, we have expanded our natural gas operations to encompass the exploration, production and direct marketing segments of the industry. We now own 151 billion cubic feet equivalent (Bcfe) of proved natural gas reserves, at a total investment of $124.8 million. Last year we sold 17.7 Bcf of gas outside our traditional markets in South Carolina, and expect to increase those sales by 50% in 1993.

We continue to evaluate each of our business segments and to narrow our focus to energy related activities. As a result, in 1992 we ceased operations in the construction division of Primesouth, but we will continue to operate and maintain power plants for independent power producers in other states.

Our employees continue to perform at extremely high levels despite the uncertainties caused by corporate restructuring. They won numerous awards for the outstanding performance of the nuclear plant, extended service in the restoration after Hurricane Andrew in Florida, community involvement and other industry recognition. Our employees, active and retired, continue to own 12% of the outstanding stock of the company. They are the foundation of our future success, and I look forward to working with them to continue our progress in the future.

Respectfully submitted,

Lawrence M. Gressette, Jr.
Chairman of the Board, President and Chief Executive Officer
February 8, 1993

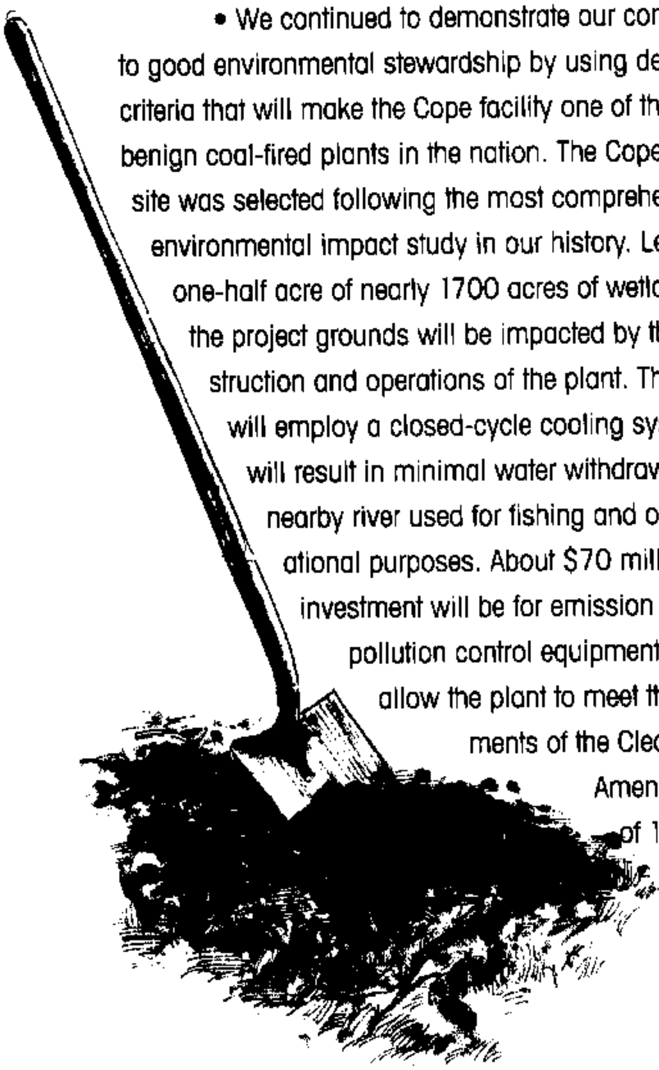
TOP ACHIEVEMENTS OF 1992

SOUTH CAROLINA ELECTRIC & GAS COMPANY

COPE PROJECT

• We began work in November on our first major electric construction project since 1984. The 385-megawatt generating station near Cope, South Carolina will be the sixth coal-fired, baseload plant on our system and will satisfy customers' increasing demand for electric power. All major permits needed to date have been secured, and the project is within budget and on schedule. Construction is expected to be completed by the spring of 1996. The cost of the plant is approximately $450 million, most of which is covered by a fixed-price contract.

• We continued to demonstrate our commitment to good environmental stewardship by using design criteria that will make the Cope facility one of the most benign coal-fired plants in the nation. The Cope plant site was selected following the most comprehensive environmental impact study in our history. Less than one-half acre of nearly 1700 acres of wetlands on the project grounds will be impacted by the construction and operations of the plant. The facility will employ a closed-cycle cooling system that will result in minimal water withdrawal from a nearby river used for fishing and other recreational purposes. About $70 million of the investment will be for emission and pollution control equipment that will allow the plant to meet the requirements of the Clean Air Act Amendments of 1990.



NUCLEAR AND FOSSIL PLANT OPERATIONS

• The nuclear operations group posted another outstanding year in 1992. Twice the V.C. Summer Nuclear Station was recognized as one of the top nuclear plants in the country by the Nuclear Regulatory Commission (NRC). The top performer designation is one of the industry's highest honors and is based on a semiannual review that identifies those plants demonstrating a level of safety deserving of formal NRC recognition. In addition, Summer Station received another top Category 1 rating from the Institute of Nuclear Power Operations (INPO), an industry oversight group which promotes overall excellence in the nuclear utility industry. Only about 20 of the 71 nuclear facilities in the United States evaluated by INPO carry this rating. Summer Station has received INPO's highest rating in three of its last four evaluations.

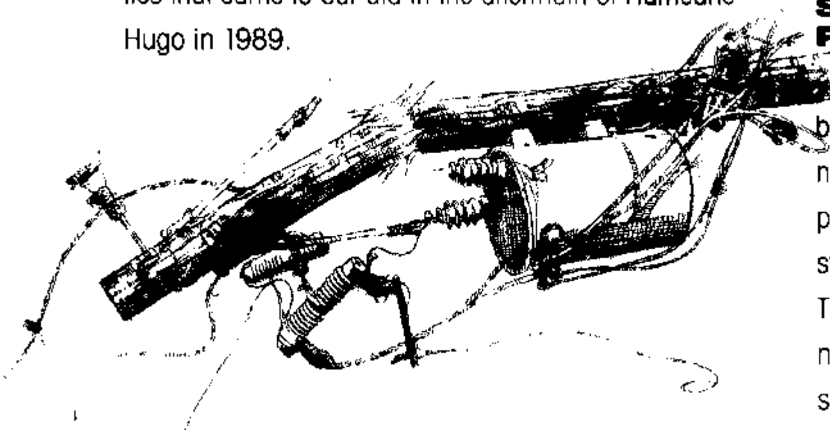
• Summer Station also recorded impressive operational results in 1992. For the 12 months ended December 31, the unit availability factor was 97.1% while the capacity factor was 96.7%. A 65-day refueling and maintenance outage – the plant's seventh – is scheduled to begin in March.

• The record of our fossil plants was also outstanding. We recorded the highest availability factor in our history, 88.1%, with a forced outage rate of 1.8%. Both of these measures are considerably better than national averages.

...one of the top nuclear plants in the country...

HURRICANE ANDREW RELIEF

• Repaying a favor from three years earlier, we sent line crews to South Florida to help in the recovery from Hurricane Andrew. We rotated four 55-member line crews along with transmission crews and support personnel while helping to restore power to customers of Florida Power & Light. FP&L was one of dozens of utilities that came to our aid in the aftermath of Hurricane Hugo in 1989.



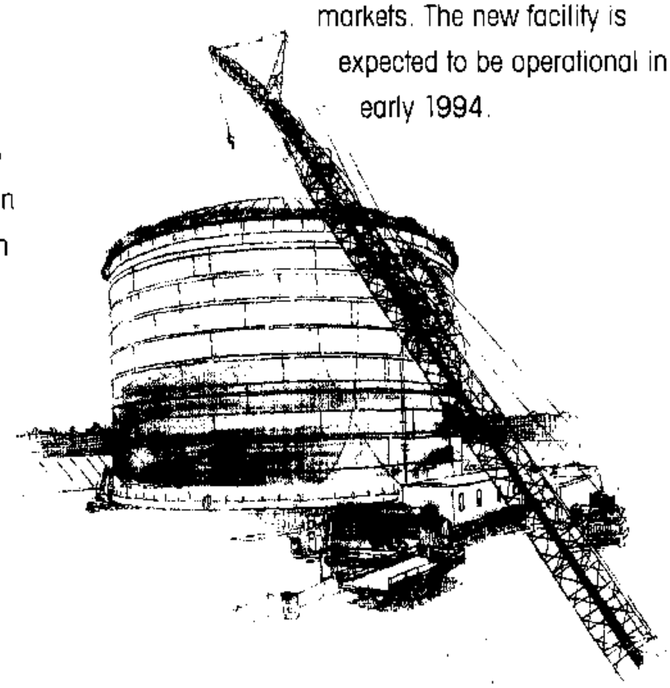
REGULATORY ACTIVITIES

• In December we filed an application with the Public Service Commission of South Carolina (PSC) for the first general increase in retail electric base rates in nearly four years. The filing proposes a two-phase increase. The phase one request is for 8.9% in additional revenues, or $72.9 million annually, expected to take effect in June 1993. In phase two, we requested an additional 2.5% increase in revenues or $20.2 million annually, which would take effect in June 1994. The PSC is expected to issue an order by June 1993. If the full amount is granted by the PSC, our residential customers will be paying in 1994 approximately the same price for electricity as they did in 1984.

• In September the PSC approved continued operation of a Weather Normalization Adjustment (WNA) for retail natural gas customers for one year. The implementation of the WNA provided significant stability to our retail natural gas operations during the past year's mild winter.

SOUTH CAROLINA PIPELINE CORPORATION

• Our intrastate natural gas pipeline subsidiary began construction in March on a $24 million liquefied natural gas satellite facility. The new facility will increase peak day deliverability and reliability, provide additional storage capacity and reduce the cost of gas supplies. The facility will store up to 900,000 Mcf of liquefied natural gas that can be converted back to a gaseous state and used at times of peak winter demand. The new plant is being built on a centrally located 200-acre site which will allow us to supplement all of our transmission lines that supply gas to major metropolitan markets. The new facility is expected to be operational in early 1994.



SCANA PETROLEUM RESOURCES, INC.

• Two significant acquisitions highlighted our oil and natural gas development and production activities during 1992. In September we purchased a producing field in Mississippi with 51.6 billion cubic feet equivalent (Bcfe) of proven natural gas reserves. Earlier in the year, we purchased offshore properties in the Gulf of Mexico with 44.5 Bcfe of proven reserves. Since 1990 we have made eight acquisitions and now own approximately 151 Bcfe of reserves. These acquisitions bring our total investment to $124.8 million. We expect to make additional acquisitions and to develop additional reserves in these properties. Despite widely fluctuating gas prices, these operations were profitable during 1992.

MPX SYSTEMS, INC.

• During 1992 we completed a 130-mile fiber optic line from Atlanta to Columbus, Georgia. Another 30-mile line under construction in Alabama should be completed in early 1993. With these additions, we will have approximately 625 miles of fiber optic lines in operation in three Southeastern states. In addition, we unveiled a new wide area Specialized Mobile Radio Network for the State of South Carolina that is the first of its kind in the nation. This system enables law enforcement, public safety and other users of two-way radio communications to talk directly on one channel instead of individual frequencies that must be patched together. We will build and manage the network utilizing our existing fiber optic and microwave communications systems.

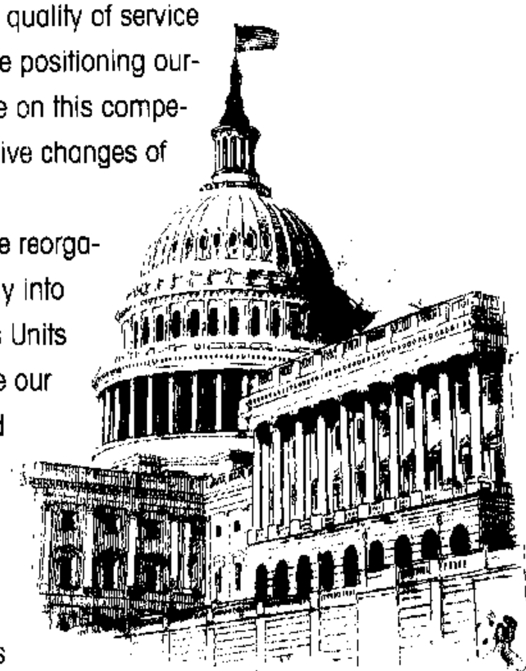
NATIONAL ENERGY STRATEGY

• Deregulation is the most significant issue facing the electric utility industry. The National Energy Policy Act passed by Congress in 1992 created new and pervasive competition in the generation of electricity. Additionally, it removed many of the traditional barriers to competition for the sale of electricity to wholesale customers, commonly referred to as wholesale access.

• While wholesale access is significant, we believe it is only a prelude to customer choice at the retail level, a fundamental change that will reshape the electric utility industry. In passing the National Energy Policy Act, Congress left the question of retail access in the hands of state regulators. Debate is underway in a number of states. The question is not *if,* but *when,* retail access arrives.

• We realize that to prosper in an era of customer choice, we must be competitive in the price of our product and in the quality of service we provide. We are positioning ourselves to capitalize on this competition with aggressive changes of our own.

• We have reorganized our company into Strategic Business Units (SBUs) to improve our accountability and flexibility. SBUs will align our businesses with those specialized industry segments



...wholesale access is only a prelude to customer choice...

created by deregulation and allow us to measure accountability on a business-by-business basis. In addition, the competitiveness of in-house service organizations that support the SBUs will be evaluated against outside service providers. We have eliminated nonessential levels of management by reviewing our organizational structures. And, we have embraced a customer-focused continuous improvement philosophy that constantly drives us to be cost-effective, efficient and quick to respond to customer needs.

NATURAL GAS INDUSTRY RESTRUCTURING

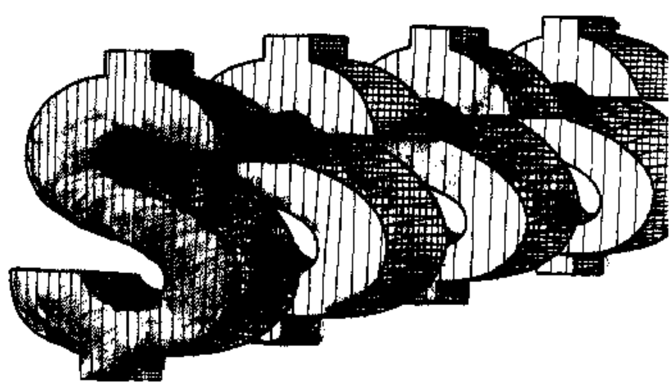
• On April 8, 1992 the Federal Energy Regulatory Commission (FERC) issued Order 636, which significantly changed the structure of interstate natural gas pipeline service. These changes will have a substantial effect on our natural gas operations. The traditional interstate pipeline sales service is a bundled service that includes gas supply, firm transportation and underground storage at a single rolled-in price. Order 636 requires the unbundling and separate pricing of these services by all interstate pipelines. Unbundling will allow us the opportunity to purchase the level of each service needed to best serve our customers' requirements.

• Order 636 also requires pipelines to provide transportation service that is equal in quality for all gas suppliers whether the customer purchases the gas from the pipeline or another supplier. That equal access, along with unbundling, is designed to complete the transition to a competitive natural gas industry. During 1992 we saw wide gas price variations resulting in part from the industry's dealing with unregulated gas markets. Prices should stabilize as the natural gas industry gains experience in the fully competitive world.

• This latest change, and the ones which preceded it, have created new opportunities for us. By forming our own marketing company to sell natural gas directly to end-users, we are unbundling our pipeline transmission and supply businesses. This company is now selling substantial volumes of natural gas in South Carolina and equal amounts outside the state. Because of our long history of directly negotiating sales contracts with industrial customers and others, we believe our natural gas businesses will be able to operate successfully and profitably in this new environment.

FINANCIAL REQUIREMENTS

• For the next few years, capital expenditures associated with new electric generation, the continued growth of our retail customer base, the resolve to comply with environmental requirements and the acquisition of natural gas reserves will require capital investment which, in total, will exceed funds generated from operations. In anticipation of the need for significant external financing, we strengthened our position by substantial additions to common equity in 1992. The timing and nature of the external financing will depend on the condition of the financial markets, the pace of capital spending and the results of operations.



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SCANA Corporation

B. L. Amick [2,4,5]
Chairman of the Board and
Chief Executive Officer
Amick Farms
Batesburg, South Carolina

W. B. Bookhart, Jr. [2,4,5]
Partner
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Elloree, South Carolina

W. T. Cassels, Jr. [2,3,5]
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Columbia, South Carolina

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NationsBank South
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Medical University of
South Carolina
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Elaine T. Freeman [2,4,5]
Executive Director
ETV Endowment of South Carolina
Spartanburg, South Carolina

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Chairman of the Board, President
and Chief Executive Officer
SCANA Corporation
Columbia, South Carolina

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Chairman of the Board
Wm. M. Bird and Co., Inc.
Charleston, South Carolina

W. H. Hipp [1,3,5]
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Chief Executive Officer
The Liberty Corporation
Greenville, South Carolina

B. D. Kenyon
President and
Chief Operating Officer
South Carolina
Electric & Gas Company
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J. B. Rhodes [2,3,5]
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W. B. Timmerman
Senior Vice President, Controller
and Chief Financial Officer
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Columbia, South Carolina

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Conway, South Carolina

John A. Warren [4,5,6]
Chairman of the Board Emeritus
SCANA Corporation
Columbia, South Carolina

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2 Member of Audit Committee
3 Member of Management Development and Corporate Performance Committee
4 Member of Nuclear Oversight Committee
5 Member of Long-Term Compensation Committee
6 Chairman of the Executive Committee

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

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SCANA Corporation

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and Chief Executive Officer (1)

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Senior Vice President
Administration and
Governmental Affairs

W. B. Timmerman
Senior Vice President, Controller and
Chief Financial Officer (2)

R. D. Hazel
Vice President
Public Affairs

K. B. Marsh
Vice President
Finance, Treasurer and Secretary (3)

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

(1) Also Chairman and Chief Executive Officer of all subsidiaries
(2) Also Chief Financial Officer of all subsidiaries
(3) Also Secretary of all subsidiaries

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O. W. Dixon
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Special Projects

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Senior Vice President
Fossil and Hydro Production

R. W. Stedman
Senior Vice President
Administrative Support Group

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

J. E. Addison
Vice President and Controller

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Marketing and
Economic Development

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Johnny Kinloch
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Transit and Fleet Maintenance and Community Affairs

C. B. McFadden
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Customer Relations-Southern Division

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Customer Relations-Northern Division

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Vice President and General Counsel

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Vice President
Power Delivery

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Assistant Secretary

J. G. Black, II
Assistant Treasurer

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Vice President and General Counsel

R. M. Kightlinger
Vice President

B. J. MacInnis
Vice President

George Fasano, Jr.
Controller

Sarah A. Davis
Assistant Secretary

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Executive Vice President and General Manager

R. L. Easterwood
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Dan Hallmark
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H. E. Dickard
Assistant Secretary

E. C. Roberts
Assistant Secretary

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Executive Vice President and General Manager

T. Paul Bulmahn
Vice President

B. J. MacInnis
Vice President

George Fasano, Jr.
Controller

H. T. Arthur, II
Assistant Secretary

Primesouth, Inc.

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President and Treasurer

J. C. Chapman
Senior Vice President and Assistant Secretary

J. A. Schinderle
Controller

E. C. Roberts
Assistant Secretary

South Carolina Real Estate Development Company, Inc.

A. H. Gibbes
President and Treasurer

Judith H. Battle
Vice President - Finance and Accounting, Controller and Assistant Secretary

M. L. Holmes, Sr.
Vice President
Commercial Operations

B. S. Samuel
Vice President
Residential Development

E. C. Roberts
Assistant Secretary

MPX Systems, Inc.

L. M. Gressette, Jr.
President

M. D. Blackwell
Executive Vice President and General Manager

W. B. Timmerman
Senior Vice President

J. H. Young, Jr.
Senior Vice President

Judith H. Battle
Controller

B. T. Horton, Jr.
Treasurer

E. C. Roberts
Assistant Secretary

Suburban Propane Group, Inc.

W. B. Timmerman
President

D. L. Sharp
Executive Vice President and General Manager

J. M. Clark, Jr.
Vice President

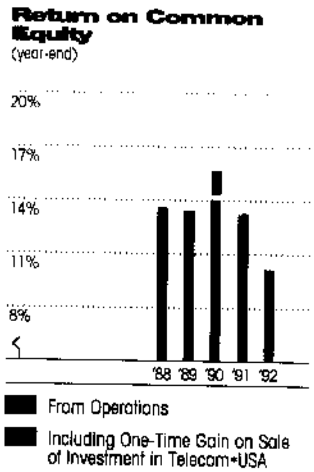
H. N. Harrell
Treasurer and Controller

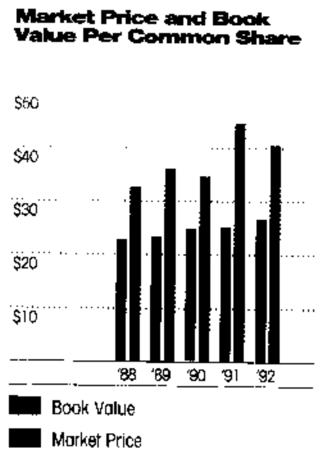
E. C. Roberts
Assistant Secretary

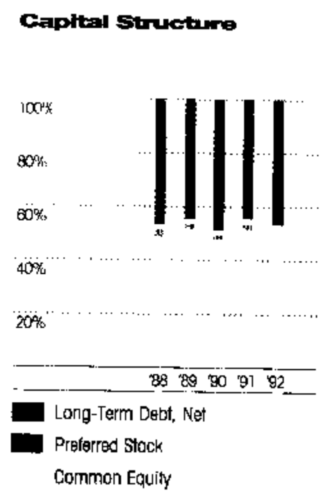
Marie B. Burns
Assistant Secretary

J. C. Eldridge
Assistant Treasurer

FINANCIAL REVIEW







Our financial position has strengthened significantly.

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MANAGEMENT REPORT

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

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

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

WBT

W. B. TIMMERMAN
Senior Vice President, Controller
and Chief Financial Officer

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, 1992 and 1991 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, 1992. 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 financial statements present fairly, in all material respects, the financial position of the Company at December 31, 1992 and 1991, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 1992 in conformity with generally accepted accounting principles.

Deloitte & Touche

DELOITTE & TOUCHE
Columbia, South Carolina
February 8, 1993

CONSOLIDATED BALANCE SHEETS

DECEMBER 31,	1992	1991
ASSETS	*(Thousands of Dollars)*	
Utility Plant (Notes 1, 4 and 5):		
Electric	$3,203,849	$3,068,542
Gas	411,584	390,131
Transit	3,287	3,626
Common	65,124	59,209
Total	3,683,844	3,521,508
Less accumulated depreciation and amortization	1,192,873	1,124,296
Total	2,490,971	2,397,212
Construction work in progress	250,229	195,571
Nuclear fuel, net of accumulated amortization	39,916	41,708
Acquisition adjustment-gas, net of accumulated amortization	29,163	30,160
Utility Plant, Net	2,810,279	2,664,651
Nonutility Property and Investments (net of accumulated depreciation) (Note 10)	250,084	162,133
Current Assets:		
Cash and temporary cash investments (Note 10)	32,050	68,175
Receivables	138,684	127,083
Inventories (at average cost):		
Fuel (Notes 4 and 5)	52,598	51,984
Materials and supplies	46,274	46,654
Prepayments	22,628	36,310
Total Current Assets	292,234	330,206
Deferred Debits:		
Unamortized debt expense	10,104	9,033
Accumulated deferred income taxes (Notes 1 and 8)	45,599	27,253
Unamortized deferred return on plant investment (Notes 1 and 2)	19,106	23,352
Nuclear plant decommissioning fund (Note 1)	20,841	17,602
Other (Notes 1 and 10)	109,474	71,632
Total Deferred Debits	205,124	148,872
Total	$3,557,721	$3,305,862

December 31,	1992	1991
CAPITALIZATION AND LIABILITIES	*(Thousands of Dollars)*	
Stockholders' Investment (Note 6):		
Common equity	$1,161,896	$1,028,990
Preferred stock (Not subject to purchase or sinking funds)	26,027	26,027
Total Stockholders' Investment	1,187,923	1,055,017
Preferred Stock, Net (Subject to purchase or sinking funds)(Notes 7 and 10)	56,154	59,469
Long-Term Debt, Net (Notes 4 and 10)	1,204,754	1,122,396
Total Capitalization	2,448,831	2,236,882
Current Liabilities:		
Short-term borrowings (Notes 9 and 10)	41,156	20,766
Current portion of long-term debt (Note 4)	24,704	92,290
Current portion of preferred stock (Note 7)	2,485	2,369
Accounts payable	101,785	94,764
Estimated rate refunds and related interest (Note 2)	17,811	—
Customer deposits	14,102	14,300
Taxes accrued	65,004	63,313
Interest accrued	29,295	28,632
Dividends declared	31,302	28,616
Other	8,438	11,457
Total Current Liabilities	336,082	356,507
Deferred Credits:		
Accumulated deferred income taxes (Notes 1 and 8)	539,439	532,135
Accumulated deferred investment tax credits (Notes 1 and 8)	98,639	102,306
Accumulated reserve for nuclear plant decommissioning (Note 1)	20,841	17,602
Other (Note 1)	113,889	60,430
Total Deferred Credits	772,808	712,473
Commitments and Contingencies (Note 11)	—	—
Total	$3,557,721	$3,305,862

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS

For the Years Ended December 31,	1992	1991	1990
		(Thousands of dollars except per share amounts)	
Operating Revenues (Notes 1 and 2):			
Electric	$ 829,477	$ 867,215	$ 851,146
Gas	305,275	276,742	292,380
Transit	3,623	3,869	4,033
Total Operating Revenues	1,138,375	1,147,826	1,147,559
Operating Expenses:			
Fuel used in electric generation	206,151	224,867	208,595
Purchased power	7,323	9,816	15,377
Gas purchased for resale	191,577	171,869	191,939
Other operation (Note 1)	215,800	208,614	198,388
Maintenance (Note 1)	65,442	61,599	67,499
Depreciation and amortization (Note 1)	108,315	102,669	97,801
Income taxes (Notes 1 and 8)	60,947	77,562	77,392
Other taxes	73,040	68,470	64,611
Total Operating Expenses	928,595	925,466	921,602
Operating Income	209,780	222,360	225,957
Other Income (Note 1):			
Allowance for equity funds used during construction	5,495	3,454	1,630
Gain on sale of investment, net of income taxes (Note 3)	...	—	46,150
Other income, net of income taxes	6,388	8,201	7,094
Total Other Income	11,883	11,655	54,874
Income Before Interest Charges and Preferred Stock Dividends	221,663	234,015	280,831
Interest Charges (Credits):			
Interest on long-term debt, net	93,052	88,690	85,244
Other interest expense	8,819	7,648	10,552
Allowance for borrowed funds used during construction (Note 1)	(4,271	(4,880)	(3,479)
Total Interest Charges, Net	97,600	91,458	92,317
Income Before Preferred Stock Cash Dividends of Subsidiary	124,063	142,557	188,514
Preferred Stock Cash Dividends of Subsidiary (At stated rates)	6,473	6,706	6,911
Net Income	117,590	135,851	181,603
Retained Earnings at Beginning of Year	457,393	428,626	344,652
Common Stock Cash Dividends Declared (Note 6)	(112,090)	(105,868)	(101,916)
Other	-	(1,216)	4,287
Retained Earnings at End of Year	$ 462,893	$ 457,393	$ 428,626
Net Income	$ 117,590	$ 135,851	$ 181,603
Weighted Average Number of Common Shares Outstanding (Thousands)	41,475	40,361	40,882
Earnings Per Weighted Average Share of Common Stock	$2.84	$3.37	$4.44

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31,	1992	1991	1990
		(Thousands of Dollars)	
Cash Flows From Operating Activities:			
Net income	$117,590	$135,851	$181,603
Adjustments to reconcile net income to net cash provided from operating activities:			
Gain on sale of investment, net of income taxes	—	—	(46,150)
Depreciation and amortization	126,695	117,402	117,977
Amortization of nuclear fuel	23,190	18,384	22,585
Deferred income taxes, net	(10,783)	30,199	7,120
Deferred investment tax credits, net	(3,667)	(3,646)	(3,399)
Dividends declared on preferred stock of subsidiary	6,473	6,706	6,911
Allowance for funds used during construction	(9,766)	(8,334)	(5,109)
Nuclear refueling accrual	11,862	(6,192)	(2,671)
Equity in (earnings) losses of investees	652	412	(1,062)
Over (under) collections, fuel adjustment clause	7,482	(1,207)	20,574
Changes in certain current assets and liabilities:			
(Increase) decrease in receivables	(8,918)	(2,506)	8,613
(Increase) decrease in inventories	(234)	7,785	(14,385)
Increase (decrease) in accounts payable	7,282	6,978	(16,216)
Increase (decrease) in estimated rate refunds and related interest	17,811	—	—
Increase (decrease) in customer deposits	(198)	110	778
Increase (decrease) in taxes accrued	1,691	9,095	(18,241)
Increase (decrease) in interest accrued	663	4,410	(1,271)
Other, net	12,471	3,628	(4,804)
Net Cash Provided From Operating Activities	300,296	319,075	252,853
Cash Flows From Investing Activities:			
Utility property additions and construction expenditures	(277,636)	(239,140)	(229,682)
Nonutility property additions and construction expenditures	(110,228)	(23,917)	(94,536)
Repurchase/reissuance of common stock for immaterial acquisition, net of cash acquired	—	(25,514)	—
Sale of investment	—	—	139,789
Investments	(2,591)	4,895	5,824
Principal noncash item:			
Allowance for funds used during construction	9,766	8,334	5,109
Net Cash Used For Investing Activities	(380,689)	(275,342)	(173,496)
Cash Flows From Financing Activities:			
Proceeds:			
Issuance of notes	150,900	—	—
Issuance of common stock	126,809	—	—
Issuance of bank loans	3,354	80,000	3,164
Issuance of First and Refunding Mortgage Bonds	—	300,000	—
Repayments:			
Notes	(95,217)	(81,016)	(5,000)
First and Refunding Mortgage Bonds	(35,890)	(8,000)	(16,600)
Other long-term debt	(310)	(76,649)	(307)
Repurchase of common stock	—	(3,856)	—
Preferred stock	(3,199)	(2,622)	(3,578)
Dividend payments:			
Common stock	(109,383)	(104,910)	(100,942)
Preferred stock	(6,558)	(6,718)	(6,975)
Short-term borrowings, net	20,390	(113,304)	96,483
Fuel financings, net	(6,628)	(4,292)	(10,458)
Net Cash Provided By (Used For) Financing Activities	44,268	(21,167)	(44,213)
Net Increase (Decrease) in Cash and Temporary Cash Investments	(36,125)	22,566	35,144
Cash and Temporary Cash Investments, January 1	68,175	45,609	10,465
Cash and Temporary Cash Investments, December 31	$ 32,050	$ 68,175	$ 45,609
Supplemental Cash Information:			
Cash paid for - Interest	$100,340	$ 90,623	$ 96,387
Income taxes	81,819	45,357	94,800
Noncash Financing Activities:			
Capital lease obligations recorded	—	2,864	—

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CAPITALIZATION

December 31,	1992		1991	
	(Thousands of Dollars)			
Common Equity (Note 6):				
Common stock, without par value, authorized 75,000,000 shares; issued and outstanding, 1992 - 43,910,631 shares and 1991 - 40,784,327 shares	$ 699,003		$ 571,597	
Retained earnings	462,893		457,393	
Total Common Equity	1,161,896	48%	1,028,990	46%

South Carolina Electric & Gas Company:
Cumulative Preferred Stock (Not subject to purchase or sinking funds)(Note 6):

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

		Shares Outstanding		Redemption Price						
	Series	1992	1991	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)(Note 7):

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

	Shares Outstanding		Redemption Price				
Series	1992	1991	Current	Through	Eventual Minimum		
7.70%	96,000	98,081	101.00	—	101.00	9,600	9,808
8.12%	136,265	140,282	102.03	—	102.03	13,626	14,028
	232,265	238,363					

$50 Par Value - Authorized 1,652,586 shares

	Shares Outstanding		Redemption Price				
Series	1992	1991	Current	Through	Eventual Minimum		
4.50%	22,400	24,000	51.00	—	51.00	1,120	1,200
4.60%	5,334	6,834	50.50	—	50.50	267	342
4.60%(A)	32,052	34,052	51.00	—	51.00	1,602	1,702
4.60%(B)	85,000	88,400	50.50	—	50.50	4,250	4,420
5.125%	75,000	76,000	51.00	—	51.00	3,750	3,800
6.00%	92,800	96,000	50.50	—	50.50	4,640	4,800
8.72%	192,000	224,000	52.00	12-31-93	50.00	9,600	11,200
9.40%	203,678	210,755	51.175	—	51.175	10,184	10,538
	708,264	760,041					

$25 Par Value - Authorized 2,000,000 shares; None outstanding in 1992 and 1991

	1992		1991	
Total Preferred Stock (Subject to purchase or sinking funds)	58,639		61,838	
Less: Current portion, including sinking fund requirements	2,485		2,369	
Total Preferred Stock, Net (Subject to purchase or sinking funds)	56,154	2%	59,469	3%

December 31,			1992		1991	
Long-Term Debt (Notes 4 and 5):			*(Thousands of Dollars)*			
South Carolina Electric & Gas Company:						
First and Refunding Mortgage Bonds:						
	Series	Year of Maturity				
	4 7/8%	1995	16,000		16,000	
	5.45%	1996	15,000		15,000	
	6%	1997	15,000		15,000	
	6 1/2%	1998	20,000		20,000	
	8%	1999	35,000		35,000	
	9 1/8%	1999	15,000		15,000	
	8%	2001	35,000		35,000	
	7 1/4%	2002	30,000		30,000	
	9%	2006	145,000		145,000	
	9 1/8%	2006	50,000		50,000	
	8.40%	2006	50,000		50,000	
	8 3/8%	2007	30,000		30,000	
	8.90%	2008	30,000		30,000	
	10 1/8%	2009	35,000		35,000	
	9 7/8%	2009	50,000		50,000	
	12.15%	2010	—		35,890	
	8 3/4%	2017	100,000		100,000	
	8 7/8%	2021	155,000		155,000	
Pollution Control Facilities Revenue Bonds:						
5.95% Series, due 2003			6,855		6,945	
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		1,100	
Colleton and Dorchester Counties Series 1987, due 2014 (6.60%)			4,365		4,365	
Capitalized Lease Obligations, due 1991-1997 (various rates between 5 3/4% and 10%)			4,875		6,511	
South Carolina Generating Company, Inc.:						
Berkeley County Pollution Control Facilities Revenue Bonds, due 2014 (6.50%)			35,850		35,850	
Term Loan, due 1992			—		63,500	
Note, 7.78%, due 2011			74,800		—	
South Carolina Fuel Company, Inc.:						
Nuclear fuel liability			36,886		41,679	
Fossil fuel liability			18,812		20,647	
South Carolina Pipeline Corporation:						
Note, 9.27%, due 1991-1994			16,000		24,000	
South Carolina Real Estate Development Company, Inc.:						
Note, 8.5%, due 2002			395		423	
Bank Loan, 5.50% due 1994			2,900		2,974	
Bank Loan, 5.50% due 1994			4,698		4,751	
Bank Loan, 6.00% due 1997			3,354		—	
Note, 9.125%, due 2004			989		1,015	
Primesouth:						
Term Loan, 10.0%, due 1995			887		904	
Capitalized Lease Obligation, due 1994 (variable rate - 10.0% at 12/31/92)			15		24	
SCANA Corporation:						
Bank Notes, due 1994 (variable rate - 3.79% at 12/31/92)			60,000		80,000	
Medium-term notes, 7.17%, due 1999			42,400		—	
Medium-term notes, 6.60%, due 1999			30,000		—	
Total Long-Term Debt			1,233,201		1,218,608	
Less - Long-term debt maturities, including sinking fund requirements			24,704		92,290	
Unamortized discount			3,743		3,922	
Total Long-Term Debt, Net			1,204,754	49%	1,122,396	50%
Total Capitalization			$2,448,831	100%	$2,236,882	100%

See Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Organization and Principles of Consolidation

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

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

Regulated utilities
South Carolina Electric & Gas Company (SCE&G)
South Carolina Fuel Company, Inc.
South Carolina Generating Company, Inc. (GENCO)
South Carolina Pipeline Corporation (Pipeline Corporation)

Nonregulated businesses
MPX Systems, Inc.
Primesouth, Inc.
SCANA Capital Resources, Inc.
SCANA Hydrocarbons, Inc.
SCANA Petroleum Resources, Inc.
South Carolina Real Estate Development Company, Inc.
Suburban Propane Group, Inc.

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

B. System of Accounts

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

C. Utility Plant

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

SCE&G, operator of the V. C. Summer Nuclear Station (Summer Station), and the South Carolina Public Service Authority (PSA), a body corporate and politic of the State of South Carolina, are joint owners of Summer Station in the proportions of two-thirds and one-third, respectively. The parties share the operating costs and energy output of the plant in these proportions. Each party, however, provides its own financing. Plant in service related to SCE&G's portion of Summer Station was approximately $916.0 million at December 31, 1992 and 1991. Accumulated depreciation associated with SCE&G's share of Summer Station was approximately $262.2 million and $247.6 million as of December 31, 1992 and 1991, respectively. SCE&G's share of the direct expenses associated with operating Summer Station is included in the Company's "Other operation" and "Maintenance" expenses.

D. Allowance for Funds Used During Construction

Allowance for funds used during construction (AFC), a noncash item, reflects the period cost of capital devoted to plant under construction. This accounting practice results in the inclusion, as a component of construction cost (construction work in progress), of the costs of debt and equity capital dedicated to construction investment. AFC will ultimately be included in rate base investment and depreciated as a component of plant cost in establishing rates for utility services. The Company's regulated subsidiaries calculated AFC using composite rates of 9.6%, 9.7% and 9.5% for 1992, 1991 and 1990, respectively. These rates do not exceed the maximum allowable rate as calculated under FERC Order No. 561. Interest on nuclear fuel in process is capitalized at the actual interest amount.

E. Deferred Return on Plant Investment

Commencing July 1, 1987, as approved by a PSC order on that date, SCE&G ceased the deferral of carrying costs associated with 400 MW of electric generating capacity previously removed from rate base and began amortizing the accumulated deferred carrying costs on a straight-line basis over a ten-year period (see Note 2I). Amortization of deferred carrying costs, included in "Depreciation and amortization," was approximately $4.2 million for 1992, 1991 and 1990.

F. Revenue Recognition

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

Fuel costs for electric generation are collected through the fuel component in retail electric rates. The fuel component contained in electric rates is established by the PSC during semiannual fuel cost hearings. Any difference between actual fuel cost and that contained in the fuel component is deferred and included when determining the fuel cost component during the next semiannual fuel cost hearing. At December 31, 1992 and 1991 SCE&G had overcollected through the electric fuel clause component approximately $17.7 million and $4.1 million, respectively, which are included in "Deferred Credits-Other."

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 the rates is deferred and included when establishing gas costs during the next annual gas cost recovery hearing. At December 31, 1992 and 1991 the Company had undercollected through the gas cost recovery procedure approximately $6.2 million and $0.1 million, respectively, which are included in "Deferred Debits-Other."

In November 1991, the PSC adopted a weather normalization adjustment (WNA) for SCE&G's and the Company's directly owned gas distribution systems as part of their firm gas rate schedules for residential, small commercial and small industrial customers (see Note 2C).

G. Depreciation and Amortization

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

	1992	1991	1990
SCE&G	3.00%	2.97%	2.97%
GENCO	2.63%	2.59%	2.68%
Pipeline Corporation	2.62%	2.62%	2.56%
Aggregate of Above	2.96%	2.94%	2.93%

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.

H. Nuclear Decommissioning

Decommissioning of Summer Station is presently projected to commence in the year 2022 when the operating license expires. The expenditures (on a before-tax basis) related to SCE&G's share of decommissioning activities are currently estimated (in 2022 dollars, assuming a 4.5% annual rate of inflation) to be approximately $545.3 million including partial reclamation costs. SCE&G is providing for estimated decommissioning costs of its share of Summer Station over the life of Summer Station. SCE&G currently collects through rates $1.6 million annually and deposits amounts collected in an external trust fund in compliance with the financial assurance requirements of the NRC. Management intends for the fund, including earnings, to provide for all eventual decommissioning expenditures on an after-tax basis.

In addition, 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 the study of nuclear waste disposal. SCE&G will recover these payments, totalling $7.1 million at December 31, 1992, through the fuel cost component of its rates; accordingly, these amounts have been deferred and are included in "Deferred Debits - Other" and "Deferred Credits - Other."

I. Income Taxes

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

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

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

In February 1992 the Financial Accounting Standards Board (FASB) issued Statement No. 109 "Accounting for Income Taxes." This Statement requires the use of the "liability method" whereby a deferred tax liability or asset would be recognized for deferred tax consequences of all temporary differences. The Statement (1) requires that a deferred tax liability or asset be adjusted for the effect of a change in tax law or rates, (2) prohibits net-of-tax accounting and reporting, and (3) requires recognition of a deferred tax liability for tax benefits that are flowed through to customers when temporary differences originate and for the equity component of AFC. Statement No. 109 is effective for fiscal years beginning after December 15, 1992. The Company does not anticipate that application of this Statement will have a significant impact on results of operations or financial position.

J. 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, as determined by an independent actuary, for the years ended December 31, 1992, 1991 and 1990 included the following components:

Year Ended December 31,	1992	1991	1990
	(Thousands of Dollars)		
Service cost-benefits earned during the period	$ 7,174	$ 6,367	$ 5,656
Interest cost on projected benefit obligation	19,628	18,334	17,239
Adjustments: Return on plan assets	(28,607)	(51,440)	(3,117)
Net amortization and deferral	8,096	36,263	(12,717)
Net periodic pension cost	$ 6,291	$ 9,524	$ 7,061

The following table sets forth the funded status of the plan, as determined by an independent actuary, at December 31, 1992 and 1991:

Year Ended December 31,	1992	1991
	(Thousands of Dollars)	
Actuarial present value of benefit obligations:		
Vested benefit obligation	$177,930	$183,966
Nonvested benefit obligation	17,110	3,506
Accumulated benefit obligation	$195,040	$187,472
Projected benefit obligation	$258,440	$241,179
Plan assets at fair value	304,114	276,464
Plan assets greater than projected benefit obligation	45,674	35,285
Unrecognized net transition liability	11,555	13,654
Unrecognized prior service costs	10,563	11,829
Unrecognized net gain	(63,633)	(62,196)
Pension asset (liability) recognized in Consolidated Balance Sheets	$ 4,159	$ (1,428)

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 1992, 1991 and 1990.

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

In addition to pension benefits, the Company provides certain health care and life insurance benefits to active and retired employees. Currently, such benefits are generally charged to expense when claims and premiums are paid. The annual cost of providing such benefits to retired employees is approximately $3.0 million.

In December 1990 the FASB issued Statement No. 106 "Employer's Accounting for Postretirement Benefits Other Than Pensions." The Statement, which will be effective for calendar year 1993, requires that the cost of postretirement benefits other than pensions be accrued during the years the employees render the service necessary to be eligible for the applicable benefits. The Company has estimated that its accumulated obligation for these benefits at December 31, 1992 is approximately $64 million (transition liability) and the annualized increase in expenses (net of payments to current retirees), including the amortization of the transition liability provided for by the Statement, is approximately $4.7 million. The Company expects either that most of the increased costs attributable to regulated operations will be recovered currently through rates or that they will be recorded as a regulatory asset to be recovered through rates in the future as the costs are paid. In addition, the PSC or the FERC may require the Company to fund the liability resulting from implementation of Statement No. 106. The PSC, in other utility rate decisions, has accepted adoption of Statement No. 106 in setting rates. On December 10, 1992 the PSC issued an accounting order allowing SCE&G to defer the increased expenses resulting from adoption of Statement No. 106 through May 31, 1993 awaiting consideration of their recovery in SCE&G's pending electric rate case (see Note 2A) and in a future gas rate proceeding. Therefore, the Company believes this Statement will not have a significant impact on the Company's financial position or results of operations. However, there can be no assurance that such recovery will be granted.

K. Debt Premium, Discount and Expense

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

L. 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 significantly differ from the original estimates. Amounts estimated to date for site assessments and cleanup relate primarily to regulated operations and have been accrued and deferred pursuant to an accounting order from the PSC pending consideration of their recovery in future rate proceedings. However, there can be no assurance that such recovery will be granted. Such amounts totalled $18.3 million at December 31, 1992 and are included in "Deferred Debits - Other."

M. Gas Futures Contracts

The Company's gas production subsidiary, SCANA Petroleum Resources, Inc. (SPR), sells gas futures contracts in order to hedge price risks for a portion of SPR's production. Gains and losses on such contracts, which are not material, are recognized concurrently with the revenue from the associated gas sales.

N. Statements of Cash Flows

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

O. Reclassifications

Certain amounts from prior periods have been reclassified to conform with the 1992 presentation.

2. RATE MATTERS:

A. On December 7, 1992 SCE&G filed an application with the PSC for an increase in retail electric rates. The request proposes a two phase increase: phase one, expected to commence June 1, 1993, would produce additional revenues of approximately 8.9%, or $72.9 million annually; and phase two (based on additional construction expenditures for the Cope plant), expected to commence June 1, 1994, would produce additional revenues of approximately 2.5%, or $20.2 million annually. No assurance can be given as to the adequacy or timing of such rate relief. A hearing is scheduled to begin in March 1993.

B. On September 14, 1992 the PSC issued an order granting SCE&G 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 SCE&G's request to reduce the number of routes and frequency of service. The new rates were placed into effect on October 5, 1992. SCE&G has appealed the PSC's order to the Circuit Court.

C. Since November 1, 1991 SCE&G's gas rate schedules for its residential, small commercial and small industrial customers have included a weather normalization adjustment. The WNA minimizes fluctuations in gas revenues due to abnormal weather conditions and has been approved through November 1994 subject to an annual review by the PSC. The PSC order was based on a return on common equity of 12.25% (see Note 2G). The PSC also approved the WNA for the Company's directly owned natural gas distribution system acquired in 1990. The new rates became effective the first billing cycle in December 1991. As part of the 1992 annual review the PSC issued an order in September 1992 which made certain modifications in the WNA but did not affect the overall intent.

D. In May 1989 the PSC approved a volumetric and direct billing method for Pipeline Corporation to recover take-or-pay costs incurred from its interstate pipeline suppliers pursuant to FERC-approved final and non-appealable settlements. In December 1992 the South Carolina Supreme Court (Supreme Court) approved Pipeline Corporation's full recovery of the take-or-pay charges imposed by its suppliers and treatment of these charges as a cost of gas. However, the Supreme Court declared the PSC-approved "purchase deficiency" methodology for recovery of these costs to be unlawful retroactive ratemaking and remanded the docket to the PSC to reconsider its recovery methodology. The petitions by the PSC, the Company and the Consumer Advocate to the Supreme Court for rehearing were denied. The Company believes that the elimination of the purchase deficiency method of recovery will affect the timing for recovery of take-or-pay charges and shift the allocations among Pipeline Corporation's customers (including SCE&G) but that all such charges should be ultimately recovered.

E. On August 8, 1990 the PSC issued an order, effective November 1, 1990, approving changes in Pipeline Corporation's gas rate design for sales for resale service and upholding the "value-of-service" method of regulation for its direct industrial service. Direct industrial customers seeking "cost-of-service" based rates initiated two separate appeals to the Circuit Court, which reversed and remanded to the PSC its August 8, 1990 order. Pipeline Corporation has appealed that decision to the Supreme Court. Although Pipeline Corporation believes that the decision of the PSC lies within the discretion granted it by the laws of South Carolina, the outcome is uncertain.

F. On July 3, 1989 the PSC granted SCE&G approximately $21.9 million of a requested $27.2 million annual increase in retail electric revenues based upon an allowed return on common equity of 13.25%. The Consumer Advocate appealed the decision to the Supreme Court (see Note 2I) which, on August 31, 1992, found that the evidence in the record of that case did not support a return on common equity higher than 13.0% and remanded to the PSC a portion of its July 1989 order for a determination of the proper return on common equity consistent with the Supreme Court's opinion. On January 19, 1993 the PSC issued an order allowing a return on common equity of 13.0%, approving a refund based on the difference in rates created by the difference between the 13.0% and the 13.25% return on common equity and making other non-material adjustments to the calculation of cost-of-service. SCE&G has petitioned the PSC for rehearing and reconsideration of the new adjustments to cost of service. The annual effect on electric revenues of the decrease in rate of return is approximately $3.7 million. The estimated amount of accumulated refund through December 31, 1992, before interest and income taxes, is approximately $14.6 million, and has been charged against 1992 "Electric Revenues." The refund plus interest will be made during 1993.

G. On November 28, 1989 the PSC granted SCE&G an increase in firm retail natural gas rates, effective November 30, 1989, designed to increase annual revenues by $10.1 million, or 89.5% out of the requested increase of approximately $11.3 million. In its order the PSC authorized a 12.75% return on common equity. The Consumer Advocate appealed to the Supreme Court which on August 31, 1992 remanded the order to the PSC for redetermination of the proper amount of litigation expenses to include in the test period. In January 1993 the PSC reduced the amount of litigation expense and ordered a refund which SCE&G estimates will be approximately $163,000.

H. The PSC has completed its investigation of the financial relationships between SCE&G and its affiliates. On November 13, 1992 the PSC issued a final order establishing certain reporting requirements for SCE&G and its regulated affiliates, including the Company, and changing the method of allocating SCANA overhead charges to its subsidiaries. The Company does not believe the new reporting obligations or allocations will have a material effect on its financial position or results of operations.

I. In the Consumer Advocate's appeal to the Supreme Court of the PSC order dated July 1, 1987, concerning restoration to SCE&G's rate base of the net production investment associated with 400 MW of electric generating capacity previously removed by the PSC in its order dated March 2, 1984, the Supreme Court upheld restoration of the 400 MW to rate base. The Supreme Court also remanded the case to the PSC for factual finding on the prudence of the derating of 69 MW of SCE&G's total production capacity and the effect, if any, of the deratings on depreciation and carrying cost issues affecting its rate base and cost of service. The PSC issued an order reaffirming its decision and stating in its findings and conclusions that the 69 MW rerating had no effect on rate base and cost of service. The Consumer Advocate then appealed this order to the Circuit Court which consolidated this appeal with the appeal of the electric rate order described in Note 2F above and affirmed the PSC order. The Consumer Advocate appealed the decision to the Supreme Court which, in an opinion dated August 31, 1992, affirmed the order of the PSC.

3. GAIN ON SALE OF INVESTMENT:

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

4. LONG-TERM DEBT:

The annual amounts of long-term debt maturities, including the amounts due under nuclear and fossil fuel agreements (see Note 5), and sinking fund requirements for the years 1993 through 1997 are summarized as follows:

Year	Amount	Year	Amount
	(Thousands of Dollars)		
1993	$ 24,704	1996	$15,313
1994	110,701	1997	17,890
1995	53,491		

Approximately $10.9 million of the current portion of long-term debt for 1993 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 July 13, 1992 the Company issued $42.4 million of medium-term notes, 7.17%, due July 15, 1999. On October 8, 1992 the Company issued $30.0 million of medium-term notes, 6.60%, due October 8, 1999. The proceeds from the sales of these securities, which are unsecured, were used in the funding of nonutility subsidiary activities.

On August 21, 1992 GENCO issued a $78.5 million, 7.78% note, due December 31, 2011. The proceeds from the issuance were used to refund a $63.5 million loan due December 31, 1992, to repay advances from the parent and for construction expenditures.

SCE&G's Pollution Control Bonds (which do not include the 5.95% Series, due 2003) are secured by like principal amounts of its First and Refunding Mortgage Bonds. On September 1, 1992 SCE&G completed a Fixed Rate Conversion and Reoffering of $63.1 million and $4.4 million of such Pollution Control Bonds to bear interest at the rate of 6.50% and 6.60%, respectively. The bonds mature September 1, 2014.

On October 1, 1992 GENCO converted Pollution Control Bonds of $35.85 million to a fixed interest rate of 6.50%. The bonds, which are joint obligations of SCE&G and GENCO, are unsecured and mature in 2014.

In January 1993 the Company arranged for an unsecured bank loan in the principal amount of $60 million, due January 14, 1994. The interest rate is the three month LIBOR rate plus 30 basis points and is reset quarterly. Proceeds from the loan were used to repay $60 million in bank notes due January 15, 1993; accordingly, such notes are included in long-term debt at December 31, 1992.

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

5. FUEL FINANCINGS:

Nuclear and fossil fuel inventories are financed through the issuance of short-term commercial paper. These short-term borrowings are supported by irrevocable revolving credit agreements which expire July 31, 1995 (nuclear) and July 31, 1994 (fossil). Accordingly, the amounts outstanding have been included in long-term debt. The credit agreements provide for maximum amounts ($75 million related to nuclear fuel and $25 million related to fossil fuel) that may be outstanding at any time.

Commercial paper outstanding and weighted average interest rates at December 31, 1992 and 1991 are as follows:

	1992	1991
	(Millions of Dollars)	
Nuclear Fuel		
Amount outstanding	$36.9	$41.7
Weighted average interest rate	3.74%	4.88%
Fossil Fuel		
Amount outstanding	$18.8	$20.6
Weighted average interest rate	3.83%	5.10%

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

The changes in "Common Stock," without par value, during 1992, 1991 and 1990 are summarized as follows:

	Number of Shares	Thousands of Dollars
Balance December 31, 1989	40,296,147	$573,583
Acquisition of gas distribution properties	586,029	611
Other		1,057
Balance December 31, 1990	40,882,176	575,251
Repurchase of common stock	(1,000,000)	(37,425)
Acquisition of propane operations	902,311	33,769
Other	(160)	2
Balance December 31, 1991	40,784,327	571 597
Issuance of common stock	3,126,304	127 406
Balance December 31, 1992	43,910,631	$699 003

In 1991 the Company registered 2,000,000 shares of Common Stock to be issued under its Stock Purchase-Savings Plan and 1,000,000 shares of Common Stock to be issued under the terms of its Dividend Reinvestment and Stock Purchase Plan. During 1992 422,082 and 404,222 shares totalling $17.7 million and $16.9 million were issued pursuant to these plans, respectively.

On November 18, 1992 the Company issued 2,300,000 shares of common stock with net proceeds totalling $89.9 million. The proceeds have been contributed by the Company to the common stock equity of SCE&G and used by SCE&G for general corporate purposes, including the financing of its construction program and the reduction of short-term indebtedness incurred for such purposes.

The Restated Articles of Incorporation of the Company do not limit the dividends that may be payable on its common stock. However, the Restated Articles of Incorporation of SCE&G and the Indenture underlying certain of its bond issues contain provisions that may limit the payment of cash dividends on common stock. In addition, with respect to hydroelectric projects, the Federal Power Act may require the appropriation of a portion of the earnings therefrom. At December 31, 1992 approximately $10.2 million of retained earnings were restricted as to payment of cash dividends on common stock.

Cash dividends on common stock were declared at an annual rate per share of $2.68, $2.62 and $2.52 for 1992, 1991 and 1990, respectively.

7. PREFERRED STOCK (Subject to Purchase or Sinking Funds):

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

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

The aggregate annual amounts of purchase fund or sinking fund requirements for preferred stock for the years 1993 through 1997 are summarized as follows:

Year	Amount	Year	Amount
	(Thousands of Dollars)		
1993	$2,485	1996	$2,515
1994	2,515	1997	2,515
1995	2,515		

The changes in "Total Preferred Stock (Subject to purchase or sinking funds)" during 1992, 1991 and 1990 are summarized as follows:

	Number of Shares	Thousands of Dollars
Balance December 31, 1989	1,111,859	$68,038
Shares Redeemed:		
$100 par value	(9,913)	(991)
50 par value	(51,745)	(2,587)
Balance December 31, 1990	1,050,201	64,460
Shares Redeemed:		
$100 par value	(628)	(63)
50 par value	(51,169)	(2,559)
Balance December 31, 1991	998,404	61,838
Shares Redeemed:		
$100 par value	(6,098)	(610)
50 par value	(51,777)	(2,589)
Balance December 31, 1992	940,529	$58,639

8. INCOME TAXES:

Total income tax expense for 1992, 1991 and 1990 is as follows:

	1992	1991	1990
	(Thousands of Dollars)		
Current taxes:			
Federal	$67,240	$43,485	$ 92,608
State	8,146	5,284	13,356
Total current taxes	75,386	48,769	105,964
Deferred taxes, net:			
Federal	(11,888)	25,548	4,482
State	413	4,653	1,520
Total deferred taxes	(11,475)	30,201	6,002
Investment tax credits:			
Amortization of amounts deferred (credit)	(3,659)	(3,645)	(3,764)
Total income tax expense	$60,252	$75,325	$108,202

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

	1992	1991	1990
	(Thousands of Dollars)		
Net income	$117,590	$135,861	$181,603
Total income tax expense:			
Charged to operating expenses	60,947	77,562	77,392
Charged (credited) to other income	(695)	(2,237)	30,810
Preferred stock dividends	6,473	6,706	6,911
Total pretax income	$184,315	$217,882	$296,716
Income taxes on above at statutory Federal income tax rate	$ 62,667	$ 74,080	$100,883
Increases (decreases) attributable to:			
Allowance for funds used during construction(excluding nuclear fuel)	(1,868)	(1,174)	(555)
Deferred return on plant investment, net of amortization	1,444	1,444	1,444
Depreciation differences	2,129	1,613	1,427
Amortization of investment tax credits	(3,659)	(3,645)	(3,764)
State income taxes (less Federal income tax effect)	5,649	6,559	9,851
Deferred income tax flowback at higher than statutory rates	(5,565)	(3,226)	(3,043)
Other differences, net	(545)	(326)	1,959
Total income tax expense	$ 60,252	$ 75,325	$108,202

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

	1992	1991	1990
	(Thousands of Dollars)		
Charged (credited) to expenses:			
Accelerated depreciation and amortization	$ 2,313	$23,900	$26,763
Deferred fuel accounting	(2,958)	461	(7,674)
Property taxes	562	1,692	(5,310)
Cycle billing	(1,321)	3,608	(6,023)
Take-or-pay contracts	(1,118)	(1,099)	(1,817)
Intangible drilling costs	5,122	276	—
Nuclear refueling accrual	(4,430)	2,052	(168)
Electric rate refund	(6,571)	—	—
Injuries and damages	(1,377)	—	—
Other, net	(1,697)	(689)	231
Total deferred taxes	$(11,475)	$30,201	$ 6,002

At December 31, 1992 the cumulative net amount of income tax timing differences on which deferred taxes have not been provided totaled approximately $56 million (see Note 11).

The Internal Revenue Service has examined and closed consolidated Federal income tax returns of the Company through 1986 and has completed an examination of the 1987, 1988 and 1989 returns. The preliminary Revenue Agent's Report, with which the Company has tentatively agreed, will not have a significant impact on the earnings or financial position of the Company.

9. SHORT-TERM BORROWINGS:

The Company pays fees to banks as compensation for its lines of credit. Commercial paper borrowings are for 270 days or less. Details of lines of credit and short-term borrowings at December 31, 1992, 1991 and 1990 and for the years then ended are as follows:

	1992	1991	1990
	(Millions of Dollars)		
Available lines of credit at year-end	$127.8	$141.6	$137.5
Short-term borrowings (including commercial paper) during the year:			
Maximum outstanding	$143.0	$134.0	$154.3
Average outstanding	$ 75.3	$ 74.3	$101.2
Weighted average daily interest rates:			
Bank loans	4.47%	6.32%	8.44%
Commercial paper	3.69%	6.31%	8.12%
Short-term borrowings outstanding at year-end:			
Bank loans	$ 41.1	$ 20.7	$ 23.6
Weighted average interest rate	4.49%	5.89%	8.60%
Commercial paper	—	—	$110.4
Weighted average interest rate	—	—	7.99%

10. FINANCIAL INSTRUMENTS:

The carrying amounts and estimated fair values of the Company's financial instruments at December 31, 1992 are as follows:

	CARRYING AMOUNT	ESTIMATED FAIR VALUE
	(Thousands of Dollars)	
Cash and temporary cash investments	$32,050	$32,050
Investments	5,066	10,195
Short-term borrowings	41,156	41,156
Total Long-term debt	1,233,201	1,272,922
Total Preferred stock (subject to purchase or sinking funds)	58,639	53,771
Gas futures contracts	338	5,527

The information presented herein is based on pertinent information available to the Company as of December 31, 1992. 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, 1992, 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 for 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) and gas futures contracts is estimated based on quoted market prices.

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

11. COMMITMENTS AND CONTINGENCIES:

A. Construction

SCE&G has entered into a contract with Duke/Fluor Daniel to design, engineer and build a 385 MW coal-fired electric generating plant near Cope, South Carolina in Orangeburg County. Construction of the plant began on November 12, 1992 with commercial operation expected in the spring of 1996. The estimated price of the Cope plant, excluding financing costs and AFC but including an allowance for escalation, is $450 million. In addition, the transmission lines for interconnection with the Company's system are expected to cost $26 million. On April 7, 1992 the PSC approved a Certificate of Environmental Compatibility and Public Convenience and Necessity regarding the plant construction.

Under the Duke/Fluor Daniel contract SCE&G must make specified monthly minimum payments. These minimum payments do not include amounts for inflation on a certain portion of the contract which is subject to escalation (approximately 34% of the total contract amount). The aggregate amount of such required minimum payments remaining at December 31, 1992 is as follows (in thousands):

1993	$107,920
1994	168,045
1995	59,766
1996	5,603
Total	$341,334

SCE&G paid $35,798,857 under the contract in 1992.

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 $7.8 billion. Each reactor licensee is currently liable for up to $66.2 million per reactor owned for each nuclear incident occurring at any reactor in the United States, provided that not more than $10 million of the liability per reactor would be assessed per year. SCE&G's maximum assessment, based on its two-thirds ownership of Summer Station, would be approximately $44.1 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 $1.325 billion for any losses in excess of $500 million pursuant to existing primary coverages (with ANI) on Summer Station. SCE&G pays annual premiums and, in addition, could be assessed a retroactive premium not to exceed 7 1/2 times its annual premium in the event of property damage loss to any nuclear generating facilities covered by NEIL. Based on the current annual premium, this retroactive premium would not exceed $3.9 million.

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

C. Litigation

SCE&G, acting for itself and the PSA (as co-owners of the 885 MW Summer Station), filed an action against Westinghouse Electric Corporation (Westinghouse) on March 22, 1990 in the U.S. District Court for South Carolina. SCE&G is seeking a judgment that Westinghouse is obligated to correct the defects in the steam generators supplied by Westinghouse to Summer Station that are defective in design, workmanship and materials at no cost to SCE&G, and for actual and punitive damages and treble damages in an amount to be determined.

D. Environmental

As described in Note 1L, 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 significantly differ from the original estimates. Amounts estimated to date for site assessments and cleanup relate primarily to regulated operations and have been accrued and deferred pursuant to an accounting order from the PSC pending consideration of their recovery in future rate proceedings. However, there can be no assurance that such recovery will be granted.

12. SEGMENT OF BUSINESS INFORMATION:

Segment information at December 31, 1992, 1991 and 1990 and for the years then ended is as follows:

1992	Electric	Gas	Transit	Total
		(Thousands of Dollars)		
Operating revenues	$ 829,477	$305,275	$ 3,623	$1,138,376
Operating expenses, excluding depreciation and amortization	554,897	256,178	9,206	820,280
Depreciation and amortization	93,978	14,174	163	108,315
Total operating expenses	648,875	270,352	9,368	928,595
Operating income (loss)	$ 180,602	$ 34,923	$(5,745)	209,780
Add - Other income, net				11,883
Less - Interest charges				97,600
- Preferred stock dividends				6,473
Net income				$ 117,590
Capital expenditures: Identifiable	$ 234,918	$ 33,495	$ 346	$ 268,759
Utilized for overall Company operations				8,877
Total				$ 277,636
Identifiable assets at December 31, 1992:				
Utility plant, net	$2,456,691	$299,591	$ 1,240	$2,757,522
Inventories	82,717	8,155	481	91,353
Total	$2,539,408	$307,746	$ 1,721	2,848,875
Assets utilized for overall Company operations				708,846
Total assets				$3,557,721

1991	Electric	Gas	Transit	Total
		(Thousands of Dollars)		
Operating revenues	$ 867,215	$ 276,742	$ 3,869	$1,147,826
Operating expenses, excluding depreciation and amortization	580,265	233,509	9,023	822,797
Depreciation and amortization	88,803	13,720	146	102,669
Total operating expenses	669,068	247,229	9,169	925,466
Operating income (loss)	$ 198,147	$ 29,513	$(5,300)	222,360
Add - Other income, net				11,655
Less - Interest charges				91,458
- Preferred stock dividends				6,706
Net income				$ 135,851
Capital expenditures: Identifiable	$ 205,704	$ 25,380	$ 89	$ 231,173
Utilized for overall Company operations				7,967
Total				$ 239,140
Identifiable assets at December 31, 1991:				
Utility plant, net	$2,333,877	$ 280,805	$ 1,073	$2,615,755
Inventories	83,637	7,242	476	91,355
Total	$2,417,514	$ 288,047	$ 1,549	2,707,110
Assets utilized for overall Company operations				598,752
Total assets				$3,305,862

1990	Electric	Gas	Transit	Total
		(Thousands of Dollars)		
Operating revenues	$ 851,146	$292,380	$ 4,033	$1,147,559
Operating expenses; excluding depreciation and amortization	565,055	250,246	8,500	823,801
Depreciation and amortization	84,587	12,991	223	97,801
Total operating expenses	649,642	263,237	8,723	921,602
Operating income (loss)	$ 201,504	$ 29,143	$(4,690)	225,957
Add - Other income, net				54,874
Less - Interest charges				92,317
- Preferred stock dividends				6,911
Net income				$ 181,603
Capital expenditures: Identifiable	$ 185,041	$ 39,736	$ 81	$ 224,858
Utilized for overall Company operations				4,824
Total				$ 229,682
Identifiable assets at December 31, 1990:				
Utility plant, net	$2,234,789	$270,213	$ 1,207	$2,506,209
Inventories	93,307	8,942	498	102,747
Total	$2,328,096	$279,155	$ 1,705	2,608,956
Assets utilized for overall Company operations				535,980
Total assets				$3,144,936

13. QUARTERLY FINANCIAL DATA (UNAUDITED):

1992	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Annual
Total operating revenues (000)	$297,414	$255,343	$305,594	$280,024	$1,138,376
Operating income (000)	56,978	40,203	64,486	48,113	209,780
Net income (000)	34,132	16,753	39,643	27,062	117,590
Earnings per weighted average share of common stock as reported	.83	.41	.96	.64	2.84

1991	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Annual
Total operating revenues (000)	$297,993	$256,212	$309,837	$283,784	$1,147,826
Operating income (000)	59,749	45,864	73,328	43,419	222,360
Net income (000)	38,573	24,352	49,705	23,221	135,851
Earnings per weighted average share of common stock as reported	.94	.60	1.25	.58	3.37

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

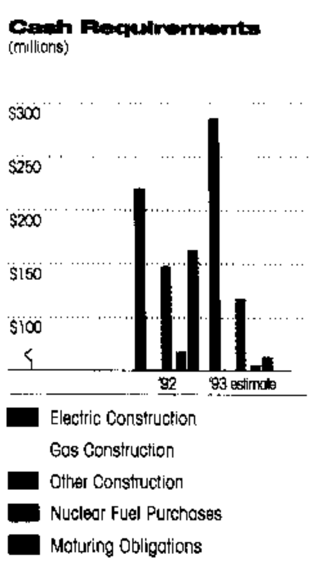
LIQUIDITY AND CAPITAL RESOURCES

The cash requirements of the Company arise primarily from SCE&G's operational needs and its construction program. The Company also raises external capital as required to fund the activities or investments of its non-regulated 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 based on historical costs. As inflation occurs and SCE&G expands its construction program it is necessary to seek increases in rates. As discussed in Note 2A of Notes to Consolidated Financial Statements, on December 7, 1992 SCE&G filed a formal application with the Public Service Commission of South Carolina (PSC) to increase electric rates. SCE&G had not filed a request for an increase in electric rates since 1989. The Company's future financial position and results of operations will be affected by the regulated subsidiaries' ability to obtain adequate and timely rate relief.

As a result of continuing customer growth, SCE&G has entered into a contract with Duke/Fluor Daniel to design, engineer and build a 385 MW coal-fired electric generating plant near Cope, South Carolina in Orangeburg County. Construction of the plant began on November 12, 1992 with commercial operation expected in the spring of 1996. The estimated price of the Cope plant, excluding financing costs and allowance for funds used during construction (AFC) but including an allowance for escalation, is $450 million. In addition, the transmission lines for interconnection with the Company's system are expected to cost $26 million. Until the completion of the new plant, SCE&G plans to purchase power, as necessary, to maintain its reserve margins.

Approximately 48.4% of total cash requirements (including dividends) was provided from internal sources in 1992 as compared to 47.5% in 1991.

In January 1992 the Company renewed for one year unsecured bank loans totalling $80 million. On July 15, 1992 $20 million was repaid using proceeds from the issuance of medium-term notes. In January 1993 the Company arranged for an unsecured bank loan in the principal amount of $60 million, due January 14, 1994, to refinance the $60 million balance. The interest rate is the three month LIBOR plus 30 basis points and is reset quarterly.



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. In 1992 the Company issued $72.4 million of such medium-term notes. The proceeds from the sales of these securities were used for the funding of nonutility subsidiary activities. At December 31, 1992 the Company has available for issuance $127.6 million under this program.

On August 21, 1992 GENCO issued a $78.5 million, 7.78% note due December 31, 2011. The proceeds from the issuance of the note were used to refund a $63.5 million loan due December 31, 1992, to repay advances from the parent and for construction expenditures.

During 1992, SCE&G and GENCO converted $67.5 million and $35.85 million respectively, of Pollution Control Bonds to fixed rates.

SCE&G's first mortgage bond indenture contains provisions prohibiting the issuance of additional bonds unless net earnings (as therein defined) for 12 consecutive months out of the 15 months prior to the month of issuance is at least twice the annual interest requirements on all bonds to be outstanding (Bond Ratio). For the year ended December 31, 1992 the Bond Ratio was 2.98. The issuance of additional bonds is restricted also to an additional principal amount equal to 60% of unfunded net property additions (which unfunded property additions totalled approximately $481.7 million at March 31, 1992), bonds issued on the basis of retirements of bonds (which retirement credits totalled $10.9 million at December 31, 1992) and bonds issued on the basis of cash on deposit with the Trustee. SCE&G's Restated Articles of Incorporation prohibit issuance of additional shares of preferred stock without consent of the preferred stockholders unless net earnings (as defined therein) for the 12 consecutive months immediately preceding the month of issuance is at least one and one-half times the aggregate of all interest charges and preferred stock dividend requirements (Preferred Stock Ratio). For the year ended December 31, 1992 the Preferred Stock Ratio was 2.09.

SCE&G has authorized a Collateral Trust Mortgage (New Mortgage) under which its future mortgage-backed debt will be issued. New Bonds are expected to be issued under the New Mortgage on the basis of a like principal amount of bonds (Class A Bonds) issued under the existing SCE&G First Mortgage Bond Indenture, dated April 1, 1945 (1945 Indenture), which have been deposited with the trustee of the New Mortgage, until such time as all presently outstanding Class A Bonds are retired. Thereafter, New Bonds will be issuable on the basis of property additions to be limited to 70% of the original cost of electric and common plant properties (compared to 60% of value for Class A Bonds under the 1945 Indenture), 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 defined) for 12 consecutive months out of an 18 month period 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). SCE&G has authorized issuance of up to $300 million of New Bonds and issuance and deposit of a like amount of Class A Bonds. The pro forma New Bond Ratio was 2.30 for the year ended December 31, 1992. SCE&G expects to place the New Mortgage in effect by early spring 1993 to be able to issue and sell New Bonds.

Prior to placing the New Mortgage into effect, SCE&G could issue up to an additional $300 million of Class A Bonds to finance its construction program.

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.

On November 18, 1992 the Company issued 2,300,000 shares of common stock with net proceeds totalling $89.9 million. The proceeds have been contributed by the Company to the common stock equity of SCE&G and used by SCE&G for general corporate purposes, including the financing of its construction program and the reduction of short-term indebtedness incurred for such purposes.

During 1992 the Company issued 404,222 shares of the Company's common stock under the Company's Dividend Reinvestment and Stock Purchase Plan (DRP). Effective for 1993 and subsequent years, the Company has amended the DRP to allow direct purchases of shares by nonstockholders and to increase amounts of stock purchasable to $36,000 in any twelve month period. In addition, the Company issued 422,082 shares of its common stock pursuant to its Stock Purchase-Savings Plan (SPSP). The Company has authorized and reserved for issuance 595,778 and 1,577,918 shares of common stock pursuant to the DRP and the SPSP, respectively.

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 12 months or less but not later than December 31, 1995. GENCO has not sought such authorization.

The Company has $153.9 million authorized lines of credit and has unused lines of credit of $127.8 million at December 31, 1992.

The Company anticipates that its 1993 cash requirements will be met through internally generated funds (approximately 50%, subject to rate relief), 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, the adequacy and timing of rate relief, and other factors. Actual 1993 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.

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 has a compliance date of January 1, 1995 and the second, January 1, 2000. The Company meets all requirements of Phase I and therefore will not have to implement changes until compliance with Phase II requirements is necessary. The Company then may reduce sulfur dioxide emissions through the burning of gas or lower sulfur coal and the addition of scrubbers to coal-fired generating units. Low nitrogen oxide burners may be installed to reduce nitrogen oxide emissions.

The Company is working on a detailed compliance plan that must be filed with and approved by the Environmental Protection Agency by 1995. The Company currently estimates that the implementation of Phase II would require capital expenditures of $144.0 million over the 1993-1997 period (excluding dollars for new construction) and an increased operation and maintenance cost of $14.4 million per year (in 1992 dollars). To meet compliance requirements beyond the year 2000, the Company anticipates total capital expenditures of $198.5 million (in 1992 dollars).

As described in Note 1L 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, 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 significantly differ from the original estimates. Amounts estimated to date ($18.3 million) for site assessments and cleanup relate primarily to regulated operations and have been accrued and deferred pursuant to an accounting order from the PSC pending consideration of their recovery in future rate proceedings. However, there can be no assurance that such recovery will be granted. Estimates to date include, among other things, the matters discussed in the following paragraphs.

The Company and its principal subsidiary, SCE&G, each own two decommissioned manufactured gas plant sites which contain residues of by-product chemicals. The Company and SCE&G have each maintained an active review of their respective sites to monitor the nature and extent of the residual contamination.

In September 1992 the U. S. 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 (Site) in Charleston, South Carolina. The Site encompasses approximately 18 acres and includes properties which were the locations for one of SCE&G's decommissioned manufactured gas plants, a wood preserving (creosote) plant, and other industrial companies. 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 EPA to participate in an innovative approach to Site investigation and cleanup called "Superfund Accelerated Cleanup Model," allowing the pre-cleanup site investigations process to be compressed significantly. The PRPs have negotiated an administrative order by consent for the conduct of a Remedial Investigation/Feasibility Study and a corresponding Scope of Work. Final site investigation and cleanup costs have yet to be determined by the EPA and no allocation of costs among the PRPs has been made.

In December 1989 SCE&G consented to become a PRP under the Superfund Act for cleanup of residue removed from one of its manufactured gas plant sites and taken by a salvage company to the Macon-Dockery waste disposal site near Rockingham, North Carolina. In February 1990 SCE&G paid $125,000 to the EPA for its share of past response costs. On January 9, 1992 the EPA notified SCE&G and the other PRPs of its selected cleanup alternative for the Macon-Dockery site. Agreements with the EPA set SCE&G's share of costs at approximately $1,115,000 over a 30 year period.

In order to gain protection against potential litigation by other PRPs, in January 1992 SCE&G made a good faith offer to pay $16,136 to the EPA to participate as a *de minimis* PRP in financing a Remedial Design/Remedial Action (RD/RA) for the Yellow Water Road Superfund Site near Jacksonville, Florida, on the condition that EPA and the other necessary PRPs reach an agreement on a consent degree for the conduct of the RD/RA. SCE&G does not believe it has any responsibility for this site.

SCE&G has been listed as a PRP, for which no accruals have been made, in proceedings for two other waste disposal sites as detailed below. SCE&G does not believe that its involvement at these sites will have a material impact on its financial position or results of operations.

In 1988 SCE&G was listed as a PRP under the Superfund Act for investigation and cleanup at Elliott's Auto Parts, formerly Saline County Salvage Site, located in Benton, Arkansas. In 1988, SCE&G informed EPA that SCE&G had no information it had ever done business with any of the site owners, operators or transporters. On December 28, 1992, SCE&G reiterated its position to the PRP Steering Committee.

In 1991 SCE&G was listed as a PRP under the Superfund Act for cleanup at a landfill owned by Lexington County in South Carolina. The county has stated that it will assume responsibility for any cleanup. Accordingly, SCE&G believes that it will have no financial responsibility for the site; however it will participate in proceedings to determine the precise status of the landfill. The county has not yet estimated the total costs of cleanup of the site.

Litigation

The steam generator tubes at the 885 MW V. C. Summer Nuclear Station (Summer Station) were supplied by Westinghouse Electric Corporation (Westinghouse) and have experienced stress corrosion cracking, which causes deterioration and degradation of the tubes and reduces the station's capacity. SCE&G has decided to replace the steam generators at the scheduled refueling outage in 1994, significantly prior to the end of their intended 40-year service life. SCE&G estimates the outage to replace the steam generators will take approximately 100 days and its two-thirds share of the replacement cost could be as much as $80 million, excluding AFC and replacement power costs.

SCE&G, acting for itself and The South Carolina Public Service Authority, as co-owners of Summer Station, has filed an action against Westinghouse in the U. S. District Court for South Carolina seeking a judgment that Westinghouse is obligated to correct the defects in the steam generators at no cost to SCE&G, and for actual and punitive damages and treble damages in an amount to be determined.

Regulatory Matters

On December 7, 1992 SCE&G filed an application with the PSC for an increase in retail electric rates. The request proposes a two phase increase: phase one, expected to commence June 1, 1993, 8.9% in additional revenues, or $72.9 million annually; and phase two (based on additional construction expenditures for the Cope plant), expected to commence June 1, 1994, 2.5% in additional revenues, or $20.2 million annually. No assurance can be given as to the adequacy or timing of such rate relief. A hearing is scheduled to begin in March 1993.

In December 1990 the FASB issued Statement No. 106 "Employer's Accounting for Postretirement Benefits Other Than Pensions." The Statement, which will be effective for calendar year 1993, requires that the cost of postretirement benefits other than pensions be accrued during the years the employees render the service necessary to be eligible for the applicable benefits. The Company has estimated that its accumulated obligation for these benefits at December 31, 1992 is approximately $64 million (transition liability) and the annualized increase in expenses (net of payments to current retirees of approximately $3.0 million), including the amortization of the transition liability provided for by the Statement, is approximately $4.7 million. The Company expects either that most of the increased costs attributable to regulated operations will be recovered currently through rates or that they will be recorded as a regulatory asset to be recovered through rates in the future as the costs are paid. The PSC, in other utility rate decisions, has accepted adoption of Statement No. 106 in setting rates. In addition, the PSC or the FERC may require the Company to fund the liability resulting from implementation of Statement No. 106. On December 10, 1992 the PSC issued an accounting order allowing SCE&G to defer the increased expenses resulting from adoption of Statement No. 106 through May 31, 1993 awaiting consideration of their recovery in SCE&G's pending electric rate case (see Note 2A of Notes to Consolidated Financial Statements) and in a future gas rate case. Therefore, the Company believes this Statement will not have a significant impact on the Company's financial position or results of operations. However, there can be no assurance that such recovery will be granted.

The Company's regulated business operations are likely to be impacted by the National Energy Policy Act and FERC Order No. 636. However, in the opinion of the Company, it will be able to successfully meet the challenges of these altered business climates.

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 1990 through 1992 were as follows:

	1992	1991	1990
Earnings per share	$2.84	$3.37	$4.44
Percent increase (decrease) in earnings per share	(15.7%)	(24.1%)	46.1%
Return earned on common equity (year-end)	10.1%	13.2%	18.1%

• **1992** In 1992 earnings per share and return on common equity decreased primarily due to the recording of a $11.1 million (after interest and income taxes) reserve against earnings related to the August 31, 1992 retail electric rate ruling from the South Carolina Supreme Court (see Note 2F of Notes to the Consolidated Financial Statements) and increases in other operating and interest expenses.

• **1991** Earnings per share and return on common equity decreased in 1991 from 1990 primarily as a result of the sale of the Company's investment in Telecom*USA to MCI on August 14, 1990. The gain, net of tax, from the sale of the stock owned by MPX Systems, Inc. was approximately $46.1 million, or $1.13 per share of the Company's common stock. The effects of increases in the electric and gas margins for 1991 were more than offset by higher other operating expenses.

AFC is a utility accounting practice whereby a portion of the cost of both equity and borrowed funds used to finance construction (which is shown on the balance sheet as construction work in progress) is capitalized. Both the equity and the debt portions of AFC are noncash items of nonoperating income which have the effect of increasing reported net income. AFC represented approximately 8% of net income in 1992, 6% in 1991 and 3% in 1990.

In 1992 the Company's Board of Directors raised the quarterly cash dividend on common stock to 67 cents per share from 65.5 cents per share. The increase, effective with the dividend payable on April 1, 1992, raised the indicated annual dividend rate to $2.68 per share from $2.62. The Company has increased the dividend rate on its common stock in 39 of the last 40 years.

Electric Operations

• **1992** The 1992 electric margin decreased from 1991 due to the recording of a $14.6 million reserve, before interest and income taxes, related to the August 31, 1992 ruling from the South Carolina Supreme Court (see Note 2F of Notes to Consolidated Financial Statements) and a $1.9 million billing-related litigation settlement included in 1991 electric operating revenues.

• **1991** The electric margin increase from 1990 to 1991 is primarily due to increased KWH residential and commercial sales as a result of residential and commercial customer growth and due to the recording of the billing-related litigation settlement mentioned above.

An increase in the number of electric customers of 8,240 resulted in an all-time peak demand record of 3,380 MW on July 13, 1992. The previous years' record of 3,300 MW was set on July 23, 1991.

Gas Operations

• **1992** The gas margin for 1992 increased from 1991 as a result of recoveries of $4.2 million allowed under a weather normalization adjustment which became effective the first billing cycle in December 1991, increases in residential usage due to cooler weather during 1992 and increased transportation volumes.

• **1991** The increase in the 1991 gas margin is primarily due to increased transportation volumes and increased natural gas sales to higher margin residential and commercial customers as a result of residential and commercial customer growth.

Dekatherm sales increased 66,921 from 1991 to 1992 due to an increase of 5,334 customers and periods of cooler weather.

Other Operating Expenses

Other operation and maintenance expenses increased for 1992 primarily due to increases in administrative and general expenses, increases in nuclear regulatory fees, and nuclear and transmission systems maintenance. The increase in 1991 in other operation and maintenance expenses is primarily due to increases in employee-related expenses and an increase in uncollectible customer accounts. The increase in depreciation and amortization expense for 1992 and 1991 reflects additions to plant in service. Income taxes for 1992 decreased primarily due to the tax impact of the rate refund (see Note 2F of Notes to Consolidated Financial Statements) and to other decreases in income. Income taxes for 1991 remained relatively unchanged from 1990. Other taxes increased for 1992 and 1991 primarily from higher property taxes caused by property additions and increased millage rates. In addition to the above, other taxes for 1992 increased due to state license fees.

Interest On Long-Term Debt

• **1992** Interest on long-term debt increased approximately $4.4 million in 1992 compared to 1991 due to the issuances of the $145 million and $155 million of First and Refunding Mortgage Bonds on July 24, 1991 and August 29, 1991, respectively, which more than offset the decreases in interest expense resulting from the repayment of debt and lower interest rates on remaining debt.

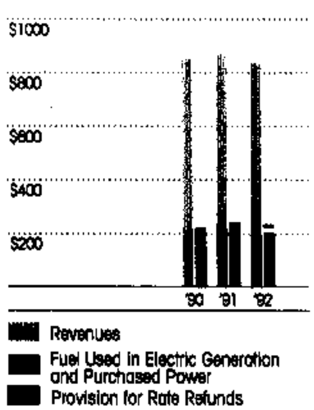
• **1991** Interest on long-term debt increased approximately $3.4 million in 1991 compared to 1990. The increase for 1991 resulted primarily from five months of interest related to the above mentioned bond issuances, which more than offset the elimination of interest expense on the debt repaid from the proceeds.

Other Interest Expense

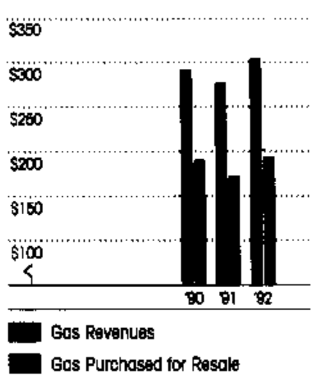
• **1992** Other interest expense increased from 1991 to 1992 primarily as a result of interest accrued on the provision for rate refunds (see Note 2F of Notes to Consolidated Financial Statements) which was partially offset by decreases in sales of commercial paper.

• **1991** Other interest expense decreased $2.9 million in 1991 compared to 1990 primarily as a result of decreases in sales of commercial paper and in interest rates.

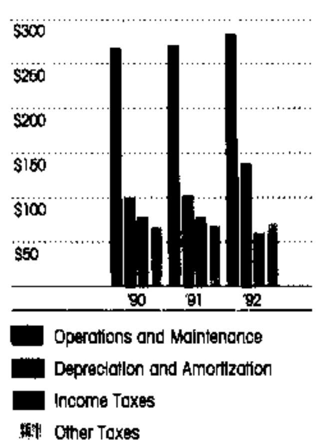
Electric Margin
(millions)



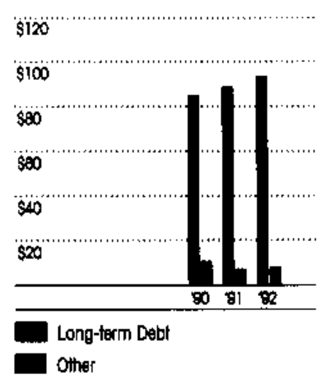
Gas Margin
(millions)



Other Operating Expenses
(millions)



Interest Expense
(millions; excluding AFC)



SELECTED FINANCIAL DATA

For the Years Ended December 31,	1992	1991	1990	1989	1988	1982
Statement of Income Data	*(Thousands of dollars except statistics and per share amounts)*					
Operating Revenues:						
Electric	$ 829,477	$ 867,215	$ 851,146	$ 841,453	$ 803,727	$577,172
Gas	305,275	276,742	292,380	297,069	291,308	266,389
Transit	3,623	3,869	4,033	4,102	4,060	2,603
Total Operating Revenues	1,138,375	1,147,826	1,147,559	1,142,624	1,099,095	846,164
Operating Expenses:						
Fuel used in electric generation and purchased power	213,474	234,683	223,972	241,352	233,637	250,177
Gas purchased for resale	191,577	171,869	191,939	212,112	209,344	220,502
Other operation and maintenance	281,242	270,213	265,887	249,464	228,808	115,339
Depreciation and amortization	108,315	102,669	97,801	102,296	97,389	43,406
Taxes	133,987	146,032	142,003	124,216	125,247	77,033
Total Operating Expenses	928,595	925,466	921,602	929,440	894,425	706,457
Operating Income	209,780	222,360	225,957	213,184	204,670	139,707
Total Other Income	11,883	11,655	54,874	7,125	4,147	5,230
Income Before Interest Charges and Preferred Stock Dividends	221,663	234,015	280,831	220,309	208,817	144,937
Total Interest Charges, Net	97,600	91,458	92,317	90,421	80,057	57,121
Preferred Stock Cash Dividends of Subsidiary	6,473	6,706	6,911	7,263	8,014	16,371
Net Income	$ 117,590	$ 135,851	$ 181,603	$ 122,625	$ 120,746	$ 71,445
Percent of Operating Income (Loss) Before Income Taxes:						
Electric	85	89	89	91	90	98
Gas	18	14	14	12	13	5
Transit	(3)	(3)	(3)	(3)	(3)	(3)
Common Stock Data:						
Weighted Average Number of Common Shares Outstanding (Thousands)	41,475	40,361	40,882	40,296	40,296	34,387
Earnings Per Weighted Average Share of Common Stock	$2.84	$3.37	$4.44	$3.04	$3.00	$2.08
Dividends Declared Per Share of Common Stock	$2.68	$2.62	$2.52	$2.46	$2.40	$1.92
Common Shares Outstanding (Year-End) (Thousands)	43,911	40,784	40,882	40,296	40,296	36,526
Book Value Per Share of Common Stock (Year-End)	$26.46	$25.23	$24.56	$22.79	$22.23	$18.05

December 31,	1992	1991	1990	1989	1988	1982
Balance Sheet Data	*(Thousands of dollars except statistics and per share amounts)*					
Utility Plant, Net	$2,810,279	$2,664,651	$2,549,763	$2,444,278	$2,384,633	$1,960,016
Total Assets	$3,557,721	$3,305,862	$3,144,936	$2,984,507	$2,887,279	$2,210,709
Common Equity	$1,161,896	$1,028,990	$1,003,877	$ 918,235	$ 895,727	$ 659,135
Preferred Stock (Not Subject to Purchase or Sinking Fund Requirements)	26,027	26,027	26,027	26,027	26,029	26,262
Preferred Stock, Net (Subject to Purchase or Sinking Fund Requirements)	56,154	59,469	62,704	66,099	69,329	160,604
Long-Term Debt, Net	1,204,754	1,122,396	938,933	1,003,972	885,679	862,487
Total Capitalization	$2,448,831	$2,236,882	$2,031,541	$2,014,333	$1,876,764	$1,708,488
Other Statistics						
Electric:						
Customers (Year-End)	461,900	453,660	446,516	435,004	427,092	356,711
Territorial Sales (Million KWH)	15,794	15,695	15,385	14,885	14,457	11,490
Residential:						
Average annual use per customer (KWH)	13,037	13,246	13,330	12,891	12,806	11,712
Average annual rate per KWH	$.0695	$.0700	$.0707	$.0699	$.0691	$.0637
Generating Capability - Net MW (Year-End)	3,912	3,912	3,891	3,891	3,891	3,359
Territorial Peak Demand - Net MW	3,380	3,300	3,222	3,144	3,021	2,463
Gas:						
Customers (Year-End)	231,153	225,819	220,817	205,657	201,399	186,320
Sales (Thousand Therms)	761,721	694,801	711,821	714,585	677,580	590,257
Residential:						
Average annual use per customer (Therms)	577	521	497	575	617	570
Average annual rate per therm	$.74	$.77	$.77	$.69	$.70	$.56
Transit:						
Number of Coaches	95	102	109	84	114	104
Revenue Passengers Carried (Thousands)	5,837	6,395	6,788	6,430	6,723	10,720

COMMON STOCK INFORMATION

	1992				1991			
	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.
Price Range: (a)								
High	43 1/8	44 3/4	41 3/4	44 3/8	44 1/4	40 1/2	38	37
Low	39 3/8	40 1/2	38 5/8	38 5/8	40	37 1/8	35 3/4	33 1/2

Dividends Per Share:

1992	Amount	Date Declared	Date Paid
First Quarter	$.67	February 18, 1992	April 1, 1992
Second Quarter	.67	April 22, 1992	July 1, 1992
Third Quarter	.67	August 26, 1992	October 1, 1992
Fourth Quarter	.67	October 20, 1992	January 1, 1993

1991	Amount	Date Declared	Date Paid
First Quarter	$.655	February 27, 1991	April 1, 1991
Second Quarter	.655	April 24, 1991	July 1, 1991
Third Quarter	.655	August 28, 1991	October 1, 1991
Fourth Quarter	.655	October 23, 1991	January 1, 1992

	December 31,	
	1992	1991
Number of common shares outstanding	43,910,631	40,784,327
Number of common stockholders of record	42,937	42,811

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

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

SECURITIES RATINGS (As of December 31, 1992)

	SCANA CORPORATION	SOUTH CAROLINA ELECTRIC & GAS COMPANY		
Rating Agency	Medium-Term Notes	First and Refunding Mortgage Bonds	Preferred Stock	Commercial Paper
Duff & Phelps	NR	A+	A	NR
Moody's	A3	A1	a1	P-1
Standard & Poor's	A-	A	A-	A-1

NR - Not Rated

INVESTOR INFORMATION

NOTICE OF ANNUAL MEETING

SCANA Corporation's 1993 Annual Meeting of Stockholders will be held in Charleston, SC on Thursday, April 29. The meeting will begin at 10:00 a.m. at The Omni Hotel at Charleston Place, 130 Market Street. A formal notice of the meeting and a proxy statement will be mailed to all stockholders in March. Stockholders who are unable to attend the Annual Meeting should return their proxies promptly by mail.

MAILING ADDRESS

SCANA Corporation, Columbia, SC 29218

CORPORATE HEADQUARTERS

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

COMMON AND PREFERRED STOCK LISTINGS

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

PROPOSED 1993 COMMON STOCK DIVIDEND DATES

Declaration Dates	Ex-Dividend Dates	Dividend Record Dates	Dividend Payment Dates
Feb. 16	Mar. 4	Mar. 10	Apr 1
Apr. 29	Jun. 4	Jun. 10	Jul. 1
Aug. 25	Sep. 3	Sep. 10	Oct. 1
Oct. 19	Dec. 6	Dec. 10	Jan. 1(94)

Note: Dividend declaration dates, record dates and payment dates are subject to the discretion of the Board of Directors of SCANA Corporation. Dates shown are based on the assumption that past patterns will prevail. Dividends on SCE&G's issues of preferred stock are paid quarterly on the same dates as the common stock dividends.

STOCKHOLDER INQUIRIES

Stockholders with questions about stock transfer requirements, replacement of lost or stolen stock certificates, dividend payments (including replacement of lost or stolen dividend checks), direct deposit of dividends, changes of address, elimination of duplicate mailings or other stock ownership matters may write the Shareholder Services Department (Mail Code 054) at the Company's mailing address, or call toll-free 1-800-763-5891. Calls received outside of normal business hours (8:00 a.m. to 5:00 p.m., Monday through Friday) will be recorded and handled the next business day.

DIVIDEND REINVESTMENT PLAN

The Plan provides current and prospective stockholders with a convenient and economical method of purchasing shares of SCANA's common stock without brokerage commissions or service charges. Current stockholders may purchase shares through automatic reinvestment of cash dividends and/or by making optional cash payments of up to $36,000 during a calendar year.

Prospective stockholders may join the Plan by making an initial cash investment of at least $250 but not more than $36,000. A Prospectus describing the Plan and enrollment information are available upon request.

AUDITORS

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

RECORDKEEPING AND PAYING AGENTS

Common Stock and SCE&G Preferred Stock:
SCANA Corporation
Shareholder Services Department (054), Columbia, SC 29218

TRANSFER AGENTS

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

Chemical Bank
Stock Transfer Department - 10th Floor
450 West 33rd Street, New York, NY 10001

SCE&G Preferred Stock:
SCANA Corporation
Shareholder Services Department (054), Columbia, SC 29218

Mellon Securities Trust Company, Securities Transfer Services
85 Challenger Rd., Overpeck Centre, Ridgefield Park, NJ 07660

BOND TRUSTEE AND PAYING AGENT

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

INVESTOR COMMUNICATIONS

Interim reports providing summary financial statements and Company news are mailed to stockholders following the close of the first, second and third quarters. A copy of SCANA's Annual Report on Form 10-K (as filed with the Securities and Exchange Commission) and the Statistical Supplement to the 1992 Annual Report are available without charge. Inquiries concerning activities of SCANA Corporation and its subsidiaries and requests for corporate publications should be addressed to the Investor Relations Department (Mail Code 054) at the Company's mailing address.

INVESTOR CONTACT

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

INVESTORS' ASSOCIATION

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