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SC PIPELINE®
A SCANA COMPANY

S. C. PUBLIC SERVICE COMMISSION
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November 1, 2005

Mr. Charles Terreni
Chief Clerk & Administrator
Public Service Commission of SC
Post Office Drawer 11649
Columbia, SC 29211

Dear Mr. Terreni:

In compliance with PSC Order 2004-510 in Docket No. 2004-6-G, enclosed please find the report on South Carolina Pipeline Corporation's hedging activities for the period 5/27/05 - 6/28/05.

If you have any questions concerning this report, please do not hesitate to call.

Sincerely,

George Fasano

George Fasano, Jr.

Enclosures as indicated

N:Word/Hedge Activities PSC

Mark to Market Results
For the Hedging of July 2005 Volumes
5/27 - 6/28
Mark to Market vs. Average Market Price

Contract Settle 6.976

| | | Sales | | | Purchases | | | |
|---|---|---|---|---|---|---|---|---|
| | Date | Contracts | Price | Mark to Market | Contracts | Price | Mark to Market | Daily Settle |
| 1 | 05/27/05 | - | - | $0 | - | - | $0 | 6.370 |
| 2 | 05/31/05 | - | - | $0 | - | - | $0 | 6.379 |
| 3 | 06/01/05 | - | - | $0 | - | - | $0 | 6.789 |
| 4 | 06/02/05 | - | - | $0 | - | - | $0 | 6.819 |
| 5 | 06/03/05 | - | - | $0 | - | - | $0 | 6.880 |
| 6 | 06/06/05 | - | - | $0 | - | - | $0 | 7.122 |
| 7 | 06/07/05 | - | - | $0 | - | - | $0 | 7.127 |
| 8 | 06/08/05 | - | - | $0 | - | - | $0 | 7.000 |
| 9 | 06/09/05 | - | - | $0 | - | - | $0 | 7.045 |
| 10 | 06/10/05 | - | - | $0 | - | - | $0 | 6.932 |
| 11 | 06/13/05 | - | - | $0 | - | - | $0 | 7.260 |
| 12 | 06/14/05 | - | - | $0 | - | - | $0 | 7.228 |
| 13 | 06/15/05 | - | - | $0 | - | - | $0 | 7.441 |
| 14 | 06/16/05 | - | - | $0 | - | - | $0 | 7.613 |
| 15 | 06/17/05 | - | - | $0 | - | - | $0 | 7.690 |
| 16 | 06/20/05 | - | - | $0 | - | - | $0 | 7.670 |
| 17 | 06/21/05 | - | - | $0 | - | - | $0 | 7.474 |
| 18 | 06/22/05 | - | - | $0 | - | - | $0 | 7.442 |
| 19 | 06/23/05 | - | - | $0 | - | - | $0 | 7.473 |
| | | 0 | | $ - | 0 | | $ - | |

| | |
|---|---|
| Gain/(Loss) from futures transactions | $ - |
| Gain/(Loss) from option transactions | $ (209,600) ** |
| Gain/(Loss) from financial transactions | $ (209,600) |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 20 | 06/24/05 | 0 | 0.000 | $0 | 0 | 0.000 | $0 | 7.360 |
| 21 | 06/27/05 | 0 | 0.000 | $0 | 0 | 0.000 | $0 | 7.138 |
| 22 | 06/28/05 | 0 | 0.000 | $0 | 0 | 0.000 | $0 | 6.976 |
| | | 0 | | $0 | 0 | | $0 | 7.1467 |

Program Results

| | |
|---|---|
| NYMEX Average Market Price | $ 7.1467 |
| Purchase Price Achieved per Normal Scenario | - |
| Difference | 7.1467 |
| Ratio of Contract in Normal Scenario to Total Contracts in Plan | - |
| Price Gain (Loss) per Normal Scenario | - |
| Adjustment for Contracts Purchased per Low-Price Scenario | - |
| Adjustment for Contracts Purchased per High-Price Scenario | (0.3405) |
| Total Price Gain (Loss) | (0.3405) |
| Contracts In Plan | 41 |
| Gain (Loss) vs Average Market Price | $ (139,602) |

** - Options purchased as a result of high price-scenario

| | |
|---|---|
| Purchased 23 call options x .590 premium x 10,000 mmbtu/contract = | $ (135,700) |
| Purchased 18 call options x .545 premium x 10,000 mmbtu/contract = | $ (98,100) |
| Proceeds received from exercise of calls | $ 24,200 |
| Net gain/(loss) from options transactions | $ (209,600) |

**South Carolina Pipeline Corporation**
**Risk Management Program Adjustments**
**Through June 2005**

| | 2005 | | | | | | Total |
|---|---|---|---|---|---|---|---|
| | January | February | March | April | May | June | 2005 |
| **Commissions** | $ - | $ 2,096 | $ 1,714 | $ 2,184 | $ 2,427 | $ 1,136 | $ 9,557 |
| **Software** | 3,863 | 2,433 | 4,441 | 5,467 | 6,881 | 5,641 | 28,746 |
| **Subscriptions** | 4,500 | 4,500 | 4,500 | - | 9,000 | - | 22,500 |
| **Data Feed** | 1,457 | 3,288 | 1,465 | - | 1,470 | - | 7,680 |
| **Non Hedging Addition to Cost of Gas** | 9,820 | 12,317 | 12,120 | 7,671 | 19,778 | 6,777 | 68,483 |
| **Hedging Additions\(Subtractions)** | - | 1,704,650 | 1,677,700 | 1,800 | 453,800 | 730,400 | 4,568,350 |
| **Total Risk Management Program Adj.** | **$ 9,820** | **$ 1,716,967** | **$ 1,689,820** | **$ 9,471** | **$ 473,578** | **$ 737,177** | **$ 4,636,833** |

**Results since inception of program**

| | Aug-Dec 1995 | Total 1996 | Total 1997 | Total 1998 | Total 1999 | Total 2000 | Total 2001 | Total 2002 | Total 2003 | Total 2004 | Total 2005 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Commissions** | $ 3,924 | $ 53,121 | $ 83,496 | $ 59,112 | $ 56,199 | $ 50,197 | $ 38,459 | $ 49,415 | $ 42,907 | $ 12,488 | $ 9,557 | $ 458,855 |
| **Software** | 4,215 | 9,547 | 8,847 | 8,412 | 8,412 | 17,063 | 29,176 | 21,782 | 12,082 | 25,549 | 28,746 | 173,831 |
| **Subscriptions** | 9,582 | 23,038 | 25,676 | 31,277 | 31,188 | 34,387 | 31,240 | 31,188 | 51,054 | 54,000 | 22,500 | 345,130 |
| **Data Feed** | 2,061 | 5,296 | 6,429 | 5,305 | 3,575 | 4,200 | 4,235 | 4,413 | 5,568 | 6,104 | 7,680 | 54,866 |
| **Non Hedging Addition to Cost of Gas** | 19,782 | 91,002 | 124,448 | 104,106 | 99,374 | 105,847 | 103,110 | 106,798 | 111,610 | 98,121 | 68,483 | 1,032,682 |
| **Hedging Additions\(Subtractions)** | (284,600) | (3,722,050) | 27,450 | 3,410,260 | (838,620) | (4,136,410) | 12,684,200 | 11,012,500 | (14,781,610) | 2,315,013 | 4,568,350 | 10,254,483 |
| **Total Risk Management Program Adj.** | **$ (264,818)** | **$ (3,631,048)** | **$ 151,898** | **$ 3,514,366** | **$ (739,246)** | **$ (4,030,563)** | **$ 12,787,310** | **$ 11,119,298** | **$ (14,670,000)** | **$ 2,413,134** | **$ 4,636,833** | **$ 11,287,165** |

**South Carolina Pipeline Corporation**
**Futures Transactions and Additional Costs Effect on Cost of Gas**
**Through June 2005**

| Month | Yr | Cost of Gas Without Futures | Cost of Gas With Futures & Additional Costs | Addition to/ (Subtraction from) Cost of Gas |
|---|---|---|---|---|
| 1995 Total | | 26,240,595 | 25,975,777 | (264,818) |
| 1996 Total | | 113,461,568 | 109,830,520 | (3,631,048) |
| 1997 Total | | 132,211,553 | 132,363,451 | 151,898 |
| 1998 Total | | 81,397,552 | 84,911,918 | 3,514,366 |
| 1999 Total | | 96,671,309 | 95,932,063 | (739,246) |
| 2000 Total | | 177,625,268 | 173,594,705 | (4,030,563) |
| 2001 Total | | 203,284,081 | 216,071,391 | 12,787,310 |
| 2002 Total | | 143,116,542 | 154,235,840 | 11,119,298 |
| 2003 Total | | 208,851,322 | 194,181,322 | (14,670,000) |
| 2004 Total | | 214,449,674 | 216,862,809 | 2,413,134 |
| January | 05 | 31,376,227 | 31,386,047 | 9,820 |
| February | 05 | 31,647,818 | 33,364,785 | 1,716,967 |
| March | 05 | 21,587,016 | 23,276,836 | 1,689,820 |
| April | 05 | 11,514,840 | 11,524,311 | 9,471 |
| May | 05 | 7,597,756 | 8,071,334 | 473,578 |
| June | 05 | 5,495,508 | 6,232,685 | 737,177 |
| Total | | $1,506,528,629 | $1,517,815,795 | $ 11,287,165 |

**South Carolina Pipeline Corporation**
**Program Results**
**Through July 2005**

| | 2005 | | | | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | January | February | March | April | May | June | June | 2005 |
| NYMEX Average Market Price | $ 6.9664 | $ 6.1858 | $ 6.1464 | $ 6.9695 | $ 7.2353 | $ 6.5176 | $ 7.1467 | $ - |
| Purchase Price Achieved per Normal Scenario | - | - | - | - | - | - | - | - |
| Difference | 6.9664 | 6.1858 | 6.1464 | 6.9695 | 7.2353 | 6.5176 | 7.1467 | - |
| Ratio of Contracts in Normal Scenario to Total Contracts in I | - | - | - | - | - | - | - | |
| Price Gain (Loss) - Normal Scenario | - | - | - | - | - | - | - | |
| Adjustment for Contracts Purchased per Low-Price Scenari | - | - | - | - | - | - | - | |
| Adjustment for Contracts Purchased per High-Price Scenar | - | (0.8245) | (1.0529) | (0.3527) | (0.0169) | (0.2530) | (0.3405) | |
| Total Price Gain (Loss) | - | (0.8245) | (1.0529) | (0.3527) | (0.0169) | (0.2530) | (0.3405) | - |
| Contracts in Plan | - | 236 | 193 | 81 | 90 | 128 | 41 | 769 |
| Gain (Loss) vs Average Market Price | $ - | $ (1,945,620) | $ (2,032,046) | $ (286,706) | $ (15,243) | $ (323,848) | $ (139,602) | $ (4,742,265) |

| | Results since inception of program | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Aug-Dec 1995 | Total 1996 | Total 1997 | Total 1998 | Total 1999 | Total 2000 | Total 2001 | Total 2002 | Total 2003 | Total 2004 | Total 2005 | Total |
| NYMEX Average Market Price | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Purchase Price Achieved per Normal Scenario | - | - | - | - | - | - | - | - | - | - | - | - |
| Difference | - | - | - | - | - | - | - | - | - | - | - | - |
| Ratio of Contracts in Normal Scenario to Total Contracts in Plan | | | | | | | | - | - | - | - | - |
| Price Gain (Loss) - Normal Scenario | | | | | | | | - | - | - | - | - |
| Adjustment for Contracts Purchased per Low-Price Scenario | | | | | | | | - | - | - | - | - |
| Adjustment for Contracts Purchased per High-Price Scenario | | | | | | | | - | - | - | - | - |
| Total Price Gain (Loss) | | | | | | | | | - | - | - | - |
| Contracts in Plan | 212 | 1,359 | 2,074 | 2,431 | 2,327 | 2,206 | 2,307 | 2,266 | 855 | 731 | 769 | 17,537 |
| Gain (Loss) vs Average Market Price | $ 49,354 | $ 1,324,047 | $ (131,938) | $ (1,672,780) | $ 1,772,963 | $ 1,294,957 | $ (11,388,358) | $ (12,400,430) | $ 10,379,773 | $ (1,518,924) | $ (4,742,265) | $ (17,033,801) |

South Carolina Pipeline Corporation
Contracts Purchased in Advance of Spot Month
Updated Through June 28, 2005

| Contract Month | Type of Security | Date Purchased | Sales: Number of Contracts | Sales: Price | Sales: Total Dollars | Purchases: Number of Contracts | Purchases: Price | Purchases: Total Dollars |
|---|---|---|---|---|---|---|---|---|
| August 2005 | Call Options | 02/25/05 | - | | $ - | 25 | 0.635 | $ 158,750 |
| | | 03/03/05 | - | | $ - | 19 | 0.610 | $ 115,900 |
| | | 06/02/05 | - | | $ - | 8 | 0.385 | $ 30,800 |
| | | 06/07/05 | - | | $ - | 6 | 0.420 | $ 25,200 |
| | | | - | | $ - | - | | $ - |
| | | | - | | - | 58 | | $ 330,650 |

| | Per Contract | Total Dollars |
|---|---|---|
| Purchase price of call options | $ 0.5701 | $ (330,650) |
| Mark to market of outstanding call options | $ 0.3514 | $ 203,840 |
| Funds received on sale of call options | $ - | $ - |
| Total deferred gain/(loss) | $ (0.2186) | $ (126,810) |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| September 2005 | Call Options | 05/05/05 | - | | $ - | 5 | 0.560 | $ 28,000 |
| | | 06/02/05 | - | | $ - | 7 | 0.500 | $ 35,000 |
| | | 06/07/05 | - | | $ - | 5 | 0.545 | $ 27,250 |
| | | | - | | $ - | - | | $ - |
| | | | - | | - | 17 | | $ 90,250 |

| | Per Contract | Total Dollars |
|---|---|---|
| Purchase price of call options | $ 0.5309 | $ (90,250) |
| Mark to market of outstanding call options | $ 0.4787 | $ 81,380 |
| Funds received on sale of call options | $ - | $ - |
| Total deferred gain/(loss) | $ (0.0522) | $ (8,870) |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| October 2005 | Call Options | 05/05/05 | - | | $ - | 8 | 0.680 | $ 54,400 |
| | | 06/02/05 | - | | $ - | 10 | 0.645 | $ 64,500 |
| | | 06/07/05 | - | | $ - | 8 | 0.680 | $ 54,400 |
| | | | - | | $ - | - | | $ - |
| | | | - | | - | 26 | | $ 173,300 |

| | Per Contract | Total Dollars |
|---|---|---|
| Purchase price of call options | $ 0.6665 | $ (173,300) |
| Mark to market of outstanding call options | $ 0.6255 | $ 162,620 |
| Funds received on sale of call options | $ - | $ - |
| Total deferred gain/(loss) | $ (0.0411) | $ (10,680) |

South Carolina Pipeline Corporation
Contracts Purchased in Advance of Spot Month
Updated Through June 28, 2005

| Contract Month | Type of Security | Date Purchased | Sales: Number of Contracts | Sales: Price | Sales: Total Dollars | Purchases: Number of Contracts | Purchases: Price | Purchases: Total Dollars |
|---|---|---|---|---|---|---|---|---|
| November 2005 | Call Options | 05/05/05 | - | | $ - | 13 | 0.770 | $ 100,100 |
| | | 06/02/05 | - | | $ - | 18 | 0.720 | $ 129,600 |
| | | 06/07/05 | - | | $ - | 13 | 0.770 | $ 100,100 |
| | | | - | | $ - | - | | $ - |
| | | | - | | - | 44 | | $ 329,800 |

| | Per Contract | Total Dollars |
|---|---|---|
| Purchase price of call options | $ 0.7495 | $ (329,800) |
| Mark to market of outstanding call options | $ 0.7540 | $ 331,780 |
| Funds received on sale of call options | $ - | $ - |
| Total deferred gain/(loss) | $ 0.0045 | $ 1,980 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| December 2005 | Call Options | 05/05/05 | - | | $ - | 28 | 0.878 | $ 245,840 |
| | | 06/02/05 | - | | $ - | 38 | 0.870 | $ 330,600 |
| | | 06/07/05 | | | $ - | 28 | 0.905 | $ 253,400 |
| | | | - | | $ - | - | | $ - |
| | | | - | | - | 94 | | $ 829,840 |

| | Per Contract | Total Dollars |
|---|---|---|
| Purchase price of call options | $ 0.8828 | $ (829,840) |
| Mark to market of outstanding call options | $ 0.9352 | $ 879,120 |
| Funds received on sale of call options | $ - | $ - |
| Total deferred gain/(loss) | $ 0.0524 | $ 49,280 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| January 2006 | Call Options | 06/02/05 | - | | $ - | 31 | 1.075 | $ 333,250 |
| | | 06/07/05 | - | | $ - | 23 | 1.060 | $ 243,800 |
| | | | - | | $ - | - | | $ - |
| | | | - | | - | 54 | | $ 577,050 |

| | Per Contract | Total Dollars |
|---|---|---|
| Purchase price of call options | $ 1.0686 | $ (577,050) |
| Mark to market of outstanding call options | $ 1.0526 | $ 568,420 |
| Funds received on sale of call options | $ - | $ - |
| Total deferred gain/(loss) | $ (0.0160) | $ (8,630) |