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December 4, 2006

Mr. Charles Terreni
Chief Clerk and Administrator
Public Service Commission
of South Carolina
Post Office Box 11649
Columbia, SC 29211

Mr. Dan Arnett
Chief of Staff
Office of Regulatory Staff
of South Carolina
Post Office Box 11263
Columbia, SC 29211

Dear Mr. Terreni and Mr. Arnett:

In compliance with PSC Order 2005-365 in Docket No. 2005-6-G, enclosed please find the report on South Carolina Pipeline Corporations' hedging activities for the period 3/30/06 to 4/26/06.

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

Sincerely,

George Fasano Jr

George Fasano, Jr.

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Attachments:
- Market to Market Results – Hedging of prior month
- Risk Management Program Adjustments
- Futures Transactions and Additional Cost Effect on Cost of Gas
- Program Results
- Contracts Purchased in Advance of Spot Month

GF/ccs

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Mark to Market Results
For the Hedging of May 2006 Volumes
3/30 - 4/26
Mark to Market vs. Average Market Price

Contract Settle 7.198

		Sales			Purchases			
	Date	Contracts	Price	Mark to Market	Contracts	Price	Mark to Market	Daily Settle
1	03/30/06	-	-	$0	-	-	$0	7.487
2	03/31/06	-	-	$0	-	-	$0	7.210
3	04/03/06	-	-	$0	-	-	$0	7.244
4	04/04/06	-	-	$0	-	-	$0	7.065
5	04/05/06	-	-	$0	-	-	$0	7.069
6	04/06/06	-	-	$0	-	-	$0	6.972
7	04/07/06	-	-	$0	-	-	$0	6.743
8	04/10/06	-	-	$0	-	-	$0	6.882
9	04/11/06	-	-	$0	-	-	$0	6.908
10	04/12/06	-	-	$0	-	-	$0	6.808
11	04/13/06	-	-	$0	-	-	$0	7.135
12	04/17/06	-	-	$0	-	-	$0	7.577
13	04/18/06	-	-	$0	-	-	$0	8.008
14	04/19/06	-	-	$0	-	-	$0	8.192
15	04/20/06	-	-	$0	-	-	$0	8.064
16	04/21/06	-	-	$0	-	-	$0	7.981
		0		$ -	0		$ -	

Gain/(Loss) from futures transactions	$ -
Gain/(Loss) from option transactions	$ - **
Gain/(Loss) from financial transactions	$ -

17	04/24/06	0	0.000	$0	0	0.000	$0	7.558
18	04/25/06	0	0.000	$0	0	0.000	$0	7.254
19	04/26/06	0	0.000	$0	0	0.000	$0	7.198
		0		$0	0		$0	7.3345

Program Results

NYMEX Average Market Price	$ 7.3345
Purchase Price Achieved per Normal Scenario	-
Difference	7.3345
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	-
Total Price Gain (Loss)	-
Contracts In Plan	-
Gain (Loss) vs Average Market Price	$ -

South Carolina Pipeline Corporation
Risk Management Program Adjustments
Through April 2006

	2006									Total
	January	February	March	April	May	June	July	August	September	2006
Commissions	$ 1,456	$ 3,062	$ 1,612	$ -						$ 6,130
Software	2,073	2,093	2,054	1,885						8,105
Subscriptions	4,500	4,500	4,500	4,500						18,000
Data Feed	288	290	290	290						1,158
Non Hedging Addition to Cost of Gas	8,317	9,945	8,456	6,675	-	-	-	-	-	33,393
Hedging Additions\(Subtractions)	(1,015,950)	1,005,450	700,900	-						690,400
Total Risk Management Program Adj.	**$ (1,007,633)**	**$ 1,015,395**	**$ 709,356**	**$ 6,675**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 723,793**

	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 2006	Total
Commissions	$ 3,924	$ 53,121	$ 83,496	$ 59,112	$ 56,199	$ 50,197	$ 38,459	$ 49,415	$ 42,907	$ 12,468	$ 17,127	$ 6,130	$ 472,555
Software	4,215	9,547	8,847	8,412	8,412	17,063	29,176	21,782	12,082	25,549	63,482	8,105	216,672
Subscriptions	9,582	23,038	25,676	31,277	31,188	34,387	31,240	31,188	51,054	54,000	54,000	18,000	394,630
Data Feed	2,061	5,296	6,429	5,305	3,575	4,200	4,235	4,413	5,568	6,104	6,569	1,158	54,913
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	141,178	33,393	1,138,770
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	(1,999,310)	690,400	4,377,223
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**	**$ (1,858,132)**	**$ 723,793**	**$ 5,515,993**

South Carolina Pipeline Corporation
Futures Transactions and Additional Costs Effect on Cost of Gas
Through April 2006

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
July	**05**	6,170,920	6,396,572	225,652
August	**05**	6,710,804	6,652,645	(58,159)
September	**05**	9,046,551	8,502,469	(544,082)
October	**05**	39,957,076	38,363,561	(1,593,515)
November	**05**	52,200,827	49,792,717	(2,408,110)
December	**05**	78,864,161	76,747,410	(2,116,751)
January	**06**	68,436,085	67,428,452	(1,007,633)
February	**06**	32,171,593	33,186,988	1,015,395
March	**06**	21,318,456	22,027,812	709,356
April	**06**	8,631,309	8,637,984	6,675
Total		**$1,830,036,411**	**$1,835,552,405**	**$ 5,515,993**

South Carolina Pipeline Corporation
Contracts Purchased in Advance of Spot Month
Updated Through April 26, 2006

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
June 2006	Futures	02/13/06	-		$ -	6	7.850	$ 471,000
		02/15/06	-		$ -	6	7.670	$ 460,200
		02/28/06	-		$ -	6	7.035	$ 422,100
			-		$ -	-		$ -
			-		-	18		$ 1,353,300
						Per Contract		Total Dollars
			Purchase price of futures			$ 7.5183		$ (1,353,300)
			Mark to market of outstanding futures			$ 7.2710		$ 1,308,780
			Total deferred gain/(loss)			$ (0.2473)		$ (44,520)
	Options	04/19/06	-		$ -	2	0.620	$ 12,400
			-		$ -	-		$ -
			-		-	2		$ 12,400
						Per Contract		Total Dollars
			Purchase price of call options			$ 0.6200		$ (12,400)
			Mark to market of outstanding calls			$ 0.1740		$ 3,480
			Total deferred gain/(loss)			$ (0.4460)		$ (8,920)
July 2006	Futures	02/13/06	-		$ -	3	7.970	$ 239,100
		02/15/06	-		$ -	3	7.830	$ 234,900
		02/28/06	-		$ -	3	7.230	$ 216,900
			-		$ -	-		$ -
			-		-	9		$ 690,900
						Per Contract		Total Dollars
			Purchase price of futures			$ 7.6767		$ (690,900)
			Mark to market of outstanding futures			$ 7.5210		$ 676,890
			Total deferred gain/(loss)			$ (0.1557)		$ (14,010)
	Options	04/19/06	-		$ -	2	0.840	$ 16,800
			-		$ -	-		$ -
			-		-	2		$ 16,800
						Per Contract		Total Dollars
			Purchase price of call options			$ 0.8400		$ (16,800)
			Mark to market of outstanding calls			$ 0.3440		$ 6,880
			Total deferred gain/(loss)			$ (0.4960)		$ (9,920)
August 2006	Futures	02/13/06	-		$ -	4	8.040	$ 321,600
		02/15/06	-		$ -	4	7.900	$ 316,000
		02/28/06	-		$ -	4	7.350	$ 294,000
			-		$ -	-		$ -
			-		-	12		$ 931,600
						Per Contract		Total Dollars
			Purchase price of call options			$ 7.7633		$ (931,600)
			Mark to market of outstanding futures			$ 7.7710		$ 932,520
			Total deferred gain/(loss)			$ 0.0077		$ 920
September 2006	Futures	02/13/06	-		$ -	3	8.100	$ 243,000
		02/15/06	-		$ -	3	7.950	$ 238,500
		02/28/06	-		$ -	3	7.440	$ 223,200
			-		$ -	-		$ -
			-		-	9		$ 704,700
						Per Contract		Total Dollars
			Purchase price of call options			$ 7.8300		$ (704,700)
			Mark to market of outstanding futures			$ 7.9940		$ 719,460
			Total deferred gain/(loss)			$ 0.1640		$ 14,760