

Petition of South Carolina Electric & Gas Company
for an order authorizing the withdrawal of certain
funds from its Storm Damage Reserve Fund to offset
those costs incurred in connection with its tree
trimming and vegetation management programs for
its electric transmission and distribution systems

COVER SHEET

DOCKET
NUMBER: 2008 - 416 - E

(Please type or print)

Submitted by: K. Chad Burgess
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NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

- Emergency Relief demanded in petition Request for item to be placed on Commission's Agenda expeditiously
- Other: _____

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)		
<input checked="" type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input checked="" type="checkbox"/> Letter	<input type="checkbox"/> Request
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certificatio
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigator
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other:
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest	
<input type="checkbox"/> Other:	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit	
	<input type="checkbox"/> Late-Filed Exhibit	<input checked="" type="checkbox"/> Report	



K. Chad Burgess
Associate General Counsel

chad.burgess@scana.com

August 15, 2011

VIA ELECTRONIC FILING

The Honorable Jocelyn G. Boyd
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

RE: Petition of South Carolina Electric & Gas Company for an order authorizing the withdrawal of certain funds from its Storm Damage Reserve Fund to offset those costs incurred in connection with its tree trimming and vegetation management programs for its electric transmission and distribution systems
Docket No. 2008-416-E

Dear Ms. Boyd:

By Order No. 2011-126, dated February 15, 2011, issued in the above-referenced docket, the Public Service Commission of South Carolina ("Commission") authorized South Carolina Electric & Gas Company ("SCE&G" or "Company") to withdraw certain amounts from its Storm Damage Reserve Fund to offset incremental expenses incurred in connection with the Company's distribution and transmission tree trimming and vegetation management programs. As part of its Order, the Commission required SCE&G to file a mid-year report concerning its tree trimming and vegetation management programs. In compliance with Order No. 2011-126, please find enclosed for filing SCE&G's mid-year report.

By copy of this letter, we are serving the South Carolina Office of Regulatory Staff with a copy of the mid-year report and enclose a certificate of service to that effect.

If you have any questions or concerns, please do not hesitate to contact us.

Very truly yours,

K. Chad Burgess

KCB/kms

Enclosure

cc: John W. Flitter

Jeffrey M. Nelson, Esquire

(both via electronic and U.S. First Class Mail w/enclosure)

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2008-416-E

IN RE:

Petition of South Carolina Electric & Gas)
for an order authorizing the withdrawal of)
certain funds from its Storm Damage)
Reserve Fund to offset those costs incurred)
in connection with its tree trimming and)
vegetation management programs for its)
electric transmission and distribution)
systems)
_____)

**CERTIFICATE
OF SERVICE**

This is the certify that I have caused to be served this day one (1) copy of South Carolina Electric & Gas Company's **Mid-Year Report** via First Class U.S. Mail and electronic mail to the persons named below at the addresses set forth:

Jeffrey M. Nelson, Esquire
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jflitter@regstaff.sc.gov



Karen M. Scruggs

Columbia, South Carolina
This 15th day of August 2011

**Mid-Year Report to the
Public Service Commission of South Carolina
Submitted by South Carolina Electric & Gas Company
Pursuant to Public Service Commission Order No. 2011-126**

I. Background

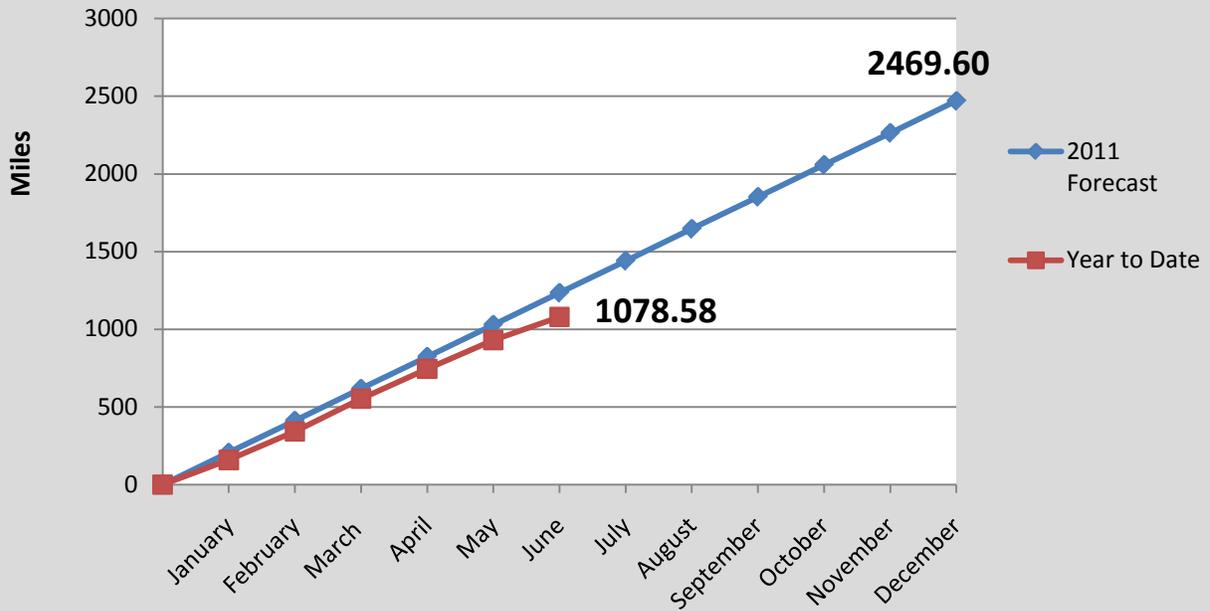
On February 15, 2011, the Public Service Commission of South Carolina (“Commission”) issued Commission Order No. 2011-126 (“Order”) authorizing South Carolina Electric & Gas Company (“SCE&G” or “Company”) to withdraw up to a maximum of \$1,800,000 during the calendar year 2011 from its Storm Damage Reserve Fund to offset incremental costs, defined as annual costs in excess of the level currently provided for in base rates (approximately \$13.2 million), incurred in connection with the Company’s distribution and transmission tree trimming and vegetation management programs. In its Order, the Commission required SCE&G to file a mid-year report no later than August 15, 2011 showing:

1. SCE&G’s progress through June 30, 2011.
2. SCE&G’s vegetation management plan.
3. Circuits that have been cleared.
4. Cost per circuit cleared.
5. Before and after pictures.
6. Before and after data of outages.

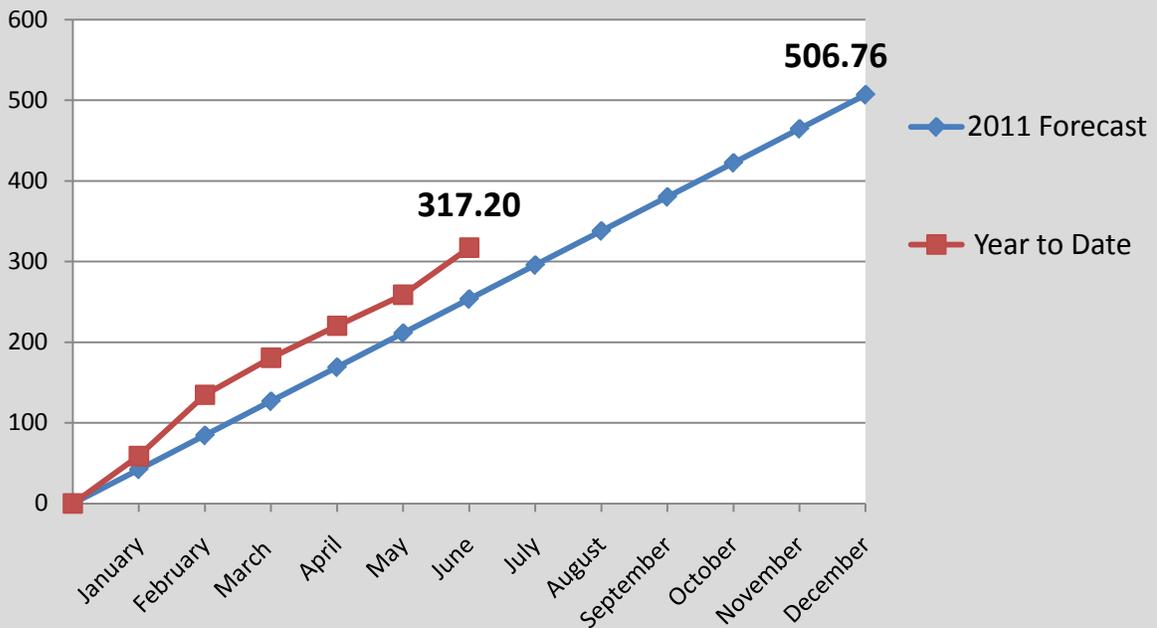
II. Progress through June 30, 2011

In an effort to improve reliability across SCE&G’s system and improve tolerance to weather related events such as ice storms, severe thunderstorms, tropical storms and hurricanes, SCE&G anticipates completing tree trimming and vegetation management activities along approximately 2,470 miles of distribution line and approximately 507 miles of transmission line in the calendar year 2011. As of June 30, 2011, the Company has completed approximately 1,079 miles or 44% of its planned tree trimming and vegetation management activities along its distribution lines. Further, the Company has completed approximately 317 miles or 63% of its planned tree trimming and vegetation management activities along its transmission lines as of June 30, 2011. The graphs below show the Company’s actual progress in miles versus its planned activities.

2011 Distribution Line Clearing Plan



2011 Transmission Line Clearing Plan



III. Vegetation Management Plan

SCE&G continues to maintain both a transmission and distribution vegetation management plan. In 2006, the North American Reliability Council (“NERC”) issued Reliability Standard FAC-003-1 requiring electric utilities to maintain a formal transmission vegetation management program. At the time the Company filed its 2009 Mid-Year Report it provided the Commission and the South Carolina Office of Regulatory Staff with a copy of SCE&G’s formal transmission vegetation management program. As of June 30, 2011, the Company has not made any changes to this program.

With regard to its distribution vegetation management program (“DVMP”) which is modeled after its formal transmission vegetation management program, the Company continues to include within the DVMP the following basic criteria:

- Circuit Reliability
- Last Trim Date of Circuit
- Critical Customers on Circuit – *i.e.*, hospitals, lift stations.
- Management Input/Condition of Circuit

More specifically, the Company (i) assigns each circuit a reliability index, (ii) identifies each circuit’s most recent tree trimming and vegetation management cycle, (iii) identifies critical customers (*i.e.*, hospitals) using electric power on each circuit, and (iv) discusses vegetation management practices with the Company’s local operating managers who are responsible for overseeing the management of each circuit. Each circuit is evaluated and prioritized according to the line clearing criteria stated above.

In order to implement its DVMP, the Company issues requests for proposals offering vegetation management contractors the opportunity to submit bids on the tree trimming/vegetation management activities that SCE&G seeks to perform. After evaluating the bids, SCE&G selects various contractors to perform the necessary tree trimming/vegetation management activities. The Company then assigns these contractors to specific geographical areas within each circuit and dispatches them to perform the necessary work. SCE&G assigns local operating personnel from the Company to monitor the activities of the contractors to ensure strict adherence to the DVMP. As work is performed under the DVMP, the management of SCE&G’s electric operations reviews the program’s results and expenses on a monthly basis.

Approximately one year after conducting the initial tree trimming and vegetation management on various circuits under the DVMP, SCE&G returns to the areas previously maintained and applies foliar herbicide which suppresses the sprouting of unwanted vegetation such as volunteer gum, oak, and pine while simultaneously promoting the growth of native grasses on the Company’s rights-of-way. As of June 30, 2011, SCE&G has not made any changes to its DVMP.

IV. Circuits that Have Been Cleared and Cost per Circuit

Below are tables which contain updated information identifying the distribution and transmission circuits that SCE&G has cleared as of June 30, 2011. In addition, these tables show the total cost to clear the circuit and the cost per mile for each circuit. Note that these tables only include circuits that have been cleared in their entirety, whereas the graphs in section II of this report include all clearing activity, including circuits where clearing activities are still in progress.

A. Distribution

Columbia District

Project - Circuit	Cost	Miles	Cost per Mile
2012-8	\$ 882,686.00	90.07	\$ 9,800.00
Lyles - 02202-15711			
Lyles - 02202-15912			
Arrowwood - 00605-14902			
Arrowwood - 00605-14702			
Arrowwood - 00605-14802			
Kingswood - 00432-86012			
Kingswood - 00432-85012			
Whitehall - 00392-62912			
2012-9	\$ 102,809.47	9.87	\$ 10,416.36
Lyles - 02202-16032			
2012-11	\$ 93,930.00	10.10	\$ 9,300.00
Kal-Kan - 00558-12812			
Kendrick - 02211-18522			
2012-12	\$ 556,217.12	65.73	\$ 8,462.15
Northpoint - 00821-45012			
Northpoint - 00821-45112			
Blythewood - 00517-10222			
Blythewood - 00517-11102			
Rader - 02208-16512			
	\$ 1,635,642.59	175.77	\$ 9,305.58

Charleston District

Project - Circuit	Cost	Miles	Cost per Mile
2012-16	\$ 277,790.12	51.02	\$ 5,444.73
Rantowles - 00806-92032			
2012-17	\$ 227,232.35	25.88	\$ 8,780.23
Stono Park - 00416-92272			
Meeting St - 00067-04552			
Meeting St - 00067-04532			
Meeting St - 00067-04562			
Meeting St - 00067-04572			
	\$ 505,022.47	76.90	\$ 6,567.26

Low Country District

Project - Circuit	Cost	Miles	Cost per Mile
2012-15	\$ 994,380.16	158.24	\$ 6,284.00
Huron - 00776-02632			
St Matthews - 00417-20022			
Gaston - 00507-50072			
	\$ 994,380.16	158.24	\$ 6,284.00

Southern District

Project - Circuit	Cost	Miles	Cost per Mile
2011-21	\$ 189,634.00	35.78	\$ 5,300.00
Beaufort Central - 00014-60322			
Frogmore - 00310-60262			
	\$ 189,634.00	35.78	\$ 5,300.00

Western District

Project - Circuit	Cost	Miles	Cost per Mile
2011-3	\$ 40,943.20	9.76	\$ 4,195.00
South Side - 00375-35022			
2011-4	\$ 443,495.40	105.72	\$ 4,195.00
SRS 3 Rivers - 05182-00400			
Jackson - 00247-02692			
Silver Bluff - 00539-30312			
2011-5	\$ 57,375.50	16.90	\$ 3,395.00
Schofield - 00174-01618			
	\$ 541,814.10	132.38	\$ 4,092.87

B. Transmission

Project - Line Name	Cost	Miles	Cost per Mile
2011-23	\$ 122,266.54	34.21	\$ 3,574.00
Batesburg - Catlin Farish Tap			
Batesburg - Leesville Line			
Batesburg - Trenton Line			
Batesburg City Tap			
Consolidated Yarn (Trenton) Line			
Edgefield Water Works Tap			
J. B. Martin (Leesville) Tap			
J. B. Martin Tap #1			
J. B. Martin Tap #2			
Johnston Tap			
Leesville Tap			
Miliken Tap			
Ridge Springs Tap			
Riegal Textile (Johnston) Tap			
Trenton - Trenton Distribution Line			
Trenton Transmission Tap			
Ward - Trenton Line			

Project - Line Name	Cost	Miles	Cost per Mile
2011-25	\$ 349,968.00	50.72	\$ 6,900.00
Bacons Bridge Tap			
Boonehill - Old Fort Line			
Boonehill Tap			
Church Creek - Queensboro Line			
Enjay (Summerville) Tap			
Fort Johnson Road Tap			
G. E. (Ladson) Tap #1			
James Prioleau Tap			
Ladson - Old Fort Line			
Ladson Tap			
Riverland Terrace Tap			
Saint Andrews - James Island Line			
Saint George - Williams Line #1			
Summerville - Enjay Tap Line			
Summerville - Ashley Phosphate Line			
Summerville - Boonehill Line			
Summerville Industrial Park Tap			
Summerville Plaza Tap			
White Gables Tap			
Williams - Faber Place Line #1			
Williams - Faber Place Line #2			
2011-26	\$ 85,351.89	34.71	\$ 2,459.00
Saint George - Denmark Line			
2011-27	\$ 129,992.66	21.50	\$ 6,046.17
Calhoun Tap			
Cope - Orangeburg Line			
Dunbar Road - Orangeburg Line			
Gaston Tap			
Nassau Tap			
Orangeburg - Calhoun County 115 kV			
Orangeburg - Eastover Line			
Orangeburg East - Orangeburg #1 Tie			
Orangeburg East - Orangeburg #2 Tie			
Saint George - Orangeburg Line			
Tee Pak Tap			
Wateree - Orangeburg Line			
2011-4	\$ 9,493.46	4.14	\$ 2,293.11
Frogmore-St/ Helena 115 KV			
Stevens Creek - Jackson 46KV			
2011-5	\$ 23,442.22	6.90	\$ 3,397.42
Barnwell-Blackville 46KV			
System Total	\$ 720,514.77	152.18	\$ 4,734.62

V. Before and After Pictures

Below are photographs of portions of circuits that have been cleared. These photographs show the positive results of SCE&G's tree trimming and vegetation management activities.

**Columbia – Blythewood
ckt 11102**



Before



After

**Columbia- Arrowwood
ckt 14902**



Before



After

LowCountry – Gaston
ckt 50082



Before



After

Southern – Frogmore
ckt 60262



Before



After

Summerville 115kV



Before



After

Edenwood- 230 kV



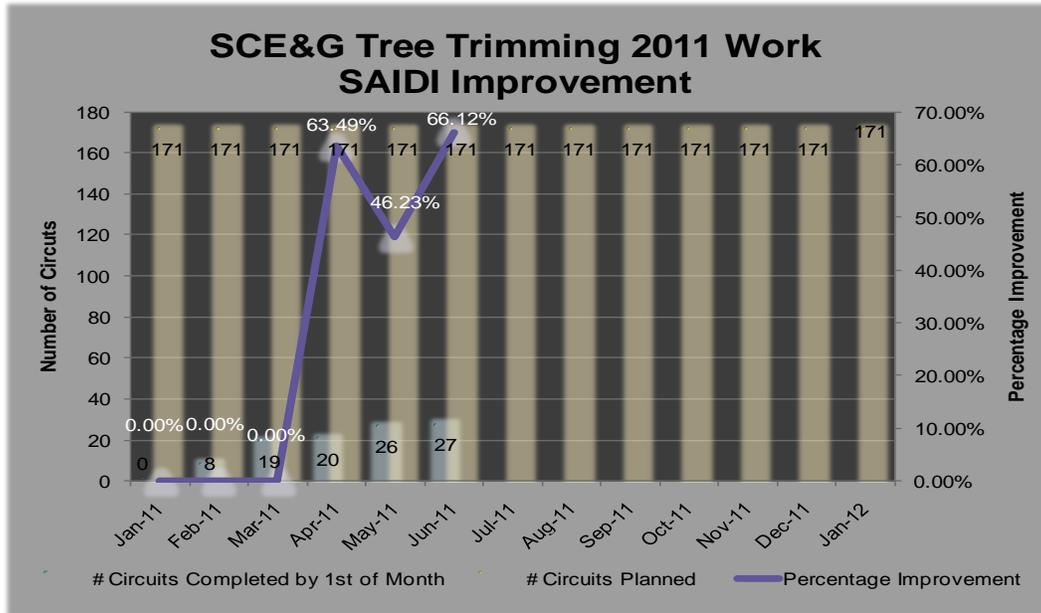
Before



After

VI. Before and After Data of Outages

SCE&G uses the System Average Interruption Duration Index (“SAIDI”) to measure its frequency and duration of outages. The graph below depicts the percentage SAIDI improvement (66.12%) in vegetative related outages for circuits completely trimmed (27) through June 30, 2011, compared to the past twelve months of outage minutes for the same circuits prior to trimming.



VII. Conclusion

Vegetation management is one of the many critical components required to ensure that SCE&G provides safe and reliable electric service to its customers. As demonstrated above, SCE&G’s vegetation management plan is contributing to the improved reliability of the Company’s system and increasing the system’s tolerance to weather related events which is beneficial to SCE&G and its customers.