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South Carolina Electric & Gas Company Elects Fixed Price Option and Requests Update to Construction and Capital Cost Schedules for New Nuclear Units

Cayce, S.C., May 26, 2016... SCANA Corporation (NYSE:SCG, the Company) subsidiary South Carolina Electric & Gas Company (SCE&G), today filed a petition with the Public Service Commission of South Carolina (SCPSC) seeking approval to update the capital cost schedule as well as the construction milestone schedule for V.C. Summer Units 2 and 3, the two Westinghouse AP1000 nuclear plants being constructed at the V.C. Summer Station in Jenkinsville, S.C. (Project). Within this petition, SCE&G has informed the SCPSC that it has notified Westinghouse that it will elect the Fixed Price Option under the October 2015 Amended Engineering, Procurement, and Construction (EPC) Contract, subject to formal concurrence by Santee Cooper and the approval of the SCPSC. Once this exclusive and irrevocable option becomes effective, it will amend the EPC Contract to fix, as of June 30, 2015, substantially all of the costs to be paid for the remaining scope of the Project.

The construction schedule reflected in the petition indicates a guaranteed substantial completion date for Unit 2 of August 2019 and a guaranteed substantial completion date for Unit 3 of August 2020. These dates were established by Westinghouse in the October 2015 Amended EPC Contract. Subsequent to the signing of this Amended EPC Contract, Westinghouse hired Fluor as the subcontracted construction manager for the project. This petition reflects an increase in SCE&G's total Project costs of approximately \$852 million (a reconciliation of these additional costs can be found below) over the \$6.827 billion approved by the SCPSC in Order No. 2015-661. This increase includes approximately \$505 million that is directly related to the fixed price option. The total project cost is now estimated at approximately \$7.679 billion including owner's cost, transmission, escalation and allowance for funds used during construction.

"Construction of the two new nuclear units continues to progress," said SCANA Chairman and CEO Kevin Marsh. "Fluor has proven to be an asset to the Project team and the vast majority of the major components and equipment have been received onsite. Completing these plants is imperative to bring clean, safe, and reliable electricity to meet the long-term energy needs of South Carolina. The Fixed Price Option provides substantial value to our customers, investors, and the Company by limiting the risk of future cost increases."

Based upon today's filing, and statutory requirements, SCE&G anticipates receiving an order no later than November 28, 2016. The interim dates for parties' testimony and the hearing on the petition will be established by the Commission. The petition will be available on the Company's website, www.scana.com, as well as the SCPSC's website.

PROFILE

SCANA Corporation, headquartered in Cayce, S.C., is an energy-based holding company principally engaged, through subsidiaries, in electric and natural gas utility operations and other energy-related businesses. The Company serves approximately 702,000 electric customers in South Carolina and approximately 1.3 million natural gas customers in South Carolina, North Carolina and Georgia. Information about SCANA and its businesses is available on the Company's website at www.scana.com.

Reconciliation of Petition to Order No. 2015-661 (SCE&G's 55%):

	(\$ millions)
Costs to Exercise the Fixed Price Option	
<u>EPC Contract Costs</u>	
Amended EPC Costs	\$ 137
Reversal of Previously Considered Liquidated Damages	86
Fixed Price Option Costs	505
Change Orders	<u>53</u>
Subtotal of EPC Contract Costs	\$ 781
Owner's Costs	21
Transmission Costs	<u>4</u>
Total Increase in Costs to Exercise the Fixed Price Option	\$806
Escalation	3
AFUDC	<u>43</u>
Total Increase in Project Costs	\$852

SAFE HARBOR STATEMENT

Statements included in this press release which are not statements of historical fact are intended to be, and are hereby identified as, “forward-looking statements” for purposes of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include, but are not limited to, statements concerning key earnings drivers, customer growth, environmental regulations and expenditures, leverage ratio, projections for pension fund contributions, financing activities, access to sources of capital, impacts of the adoption of new accounting rules and estimated construction and other expenditures. In some cases, forward-looking statements can be identified by terminology such as “may,” “will,” “could,” “should,” “expects,” “forecasts,” “plans,” “anticipates,” “believes,” “estimates,” “projects,” “predicts,” “potential” or “continue” or the negative of these terms or other similar terminology. Readers are cautioned that any such forward-looking statements are not guarantees of future performance and involve a number of risks and uncertainties, and that actual results could differ materially from those indicated by such forward-looking statements. Important factors that could cause actual results to differ materially from those indicated by such forward-looking statements include, but are not limited to, the following: (1) the information is of a preliminary nature and may be subject to further and/or continuing review and adjustment; (2) legislative and regulatory actions, particularly changes in electric and gas services, rate regulation, regulations governing electric grid reliability and pipeline integrity, environmental regulations, and actions affecting the construction of new nuclear units; (3) current and future litigation; (4) changes in the economy, especially in areas served by subsidiaries of SCANA; (5) the impact of competition from other energy suppliers, including competition from alternate fuels in industrial markets; (6) the impact of conservation and demand side management efforts and/or technological advances on customer usage; (7) the loss of sales to distributed generation, such as solar photovoltaic systems; (8) growth opportunities for SCANA’s regulated and other subsidiaries; (9) the results of short- and long-term financing efforts, including prospects for obtaining access to capital markets and other sources of liquidity; (10) the effects of weather, especially in areas where the generation and transmission facilities of SCANA and its subsidiaries (the Company) are located and in areas served by SCANA’s subsidiaries; (11) changes in SCANA’s or its subsidiaries’ accounting rules and accounting policies; (12) payment and performance by counterparties and customers as contracted and when due; (13) the results of efforts to license, site, construct and finance facilities for electric generation and transmission, including nuclear generating facilities; (14) the results of efforts to operate the Company’s electric and gas systems and assets in accordance with acceptable performance standards, including the impact of additional distributed generation and nuclear generation; (15) maintaining creditworthy joint owners for SCE&G’s new nuclear generation project; (16) the ability of suppliers, both domestic and international, to timely provide the labor, secure processes, components, parts, tools, equipment and other supplies needed, at agreed upon quality and prices, for our construction program, operations and maintenance; (17) the results of efforts to ensure the physical and cyber security of key assets and processes; (18) the availability of fuels such as coal, natural gas and enriched uranium used to produce electricity; the availability of purchased power and natural gas for distribution; the level and volatility of future market prices for such fuels and purchased power; and the ability to recover the costs for such fuels and purchased power; (19) the availability of skilled, licensed, and experienced human resources to properly manage, operate, and grow the Company’s businesses; (20) labor disputes; (21) performance of SCANA’s pension plan assets; (22) changes in tax laws and realization of tax benefits and credits, including production tax credits for new nuclear units; (23) inflation or deflation; (24) compliance with regulations; (25) natural disasters and man-made mishaps that directly affect our operations or the regulations governing them; and (26) the other risks and uncertainties described from time to time in the reports filed by SCANA or SCE&G with the SEC.

SCANA and SCE&G disclaim any obligation to update any forward-looking statements.