

ARW

1997 Short-Term Action Plan



SCE&G

A **SCANA** Company

I. INTRODUCTION

This Short-Term Action Plan (STAP) is the second status report describing the implementation of the Company's 1995 Integrated Resource Plan (IRP) which was approved by the Commission in Order No. 96-194 issued under Docket No. 95-863-E. The filing of this STAP is required by the South Carolina Public Service Commission (PSC) in Order No. 91-1001 issued under Docket No. 87-223-E. The STAP is responsive to this order as well as to Order No. 93-845 issued under the same docket which modified the IRP stipulations and to Order No. 93-205 issued under Docket No. 92-245-E in which the Commission approved the Company's 1992 IRP and listed certain issues to be addressed in future STAPS and IRPs. The filing also satisfies the annual reporting requirements of Section 58-33-430 of the Utility Facility Siting Act of the South Carolina Code.

The STAP discusses the Company's planning process which is a continuous activity producing plans subject to change as necessary in response to new information. In the fall of each year, the Company formally develops new forecasts, budgets and long-term plans. The information contained in this report is based, for the most part, on the results of this latest planning cycle. The IRP represents the integration of three primary planning activities: the forecast, demand-side management, and supply-side planning. This document provides updated information on these three components of the 1995 IRP.

II. FORECAST

The Company's current projections of energy sales and peak demands are presented in the following table. They reflect updated econometric and statistical forecasting models, new projections of economic activity in the service territory, including updated information on large customers and the latest projection of DSM program impacts. The tables below highlight the change in energy sales and peak demand.

Energy (GWH)	1997	2010	Compound Annual Growth
1995 IRP	19,300	24,205	1.8%
1997 STAP	19,231	24,958	2.0%
Percent Change	(0.3%)	3.1%	

Peak Demand (MW)	1997	2010	Compound Annual Growth
1995 IRP	3,656	4,397	1.4%
1997 STAP	3,688	4,611	1.7%
Percent Change	0.7%	4.9%	

III. DEMAND-SIDE MANAGEMENT

South Carolina Electric & Gas Company (SCE&G) made numerous changes to its demand-side management (DSM) portfolio in 1995 in order to achieve an efficient allocation of resources while simultaneously minimizing any negative impact on ratepayers. These changes were reported in the 1995 IRP and the 1996 Short-Term Action Plan. The following Demand Side Management Programs are currently active:

Residential Value Visit - A program to provide energy audits to residential customers. The Company changed the rebate structure and added a small service call fee that is credited back to the customer if he or she makes any of the recommended improvements.

Residential Energy Saver/Conservation Program (Rate 6) - provides a rate discount to residential customers who meet the specified energy efficiency requirements.

Residential Replacement Water Heater Program - promotes electric water heaters in the replacement market by providing an incentive to the installer and offering to finance the purchase and installation of an electric water heater without interest (0%) for up to five years.

Residential High Efficiency Heat Pump Program - offers dealers an incentive to sell high efficiency electric heat pumps, and offers financing to qualifying customers for the purchase and installation of such units. Customers can finance duct system improvements as part of the unit's installation cost.

Residential Rate 2, Low Use - provides a lower electricity price to any residential customer who meets specified low usage restrictions.

Residential Rate 5, Time-Of-Use (TOU) - is a voluntary time-of-use rate for residential service.

Commercial HVAC - offered commercial customers incentives for choosing high efficiency heat pumps and air conditioners up to 65,000 BTUH. Since high efficiency has become affordable even without utility rebates, SCE&G changed this program to an education-only activity.

Commercial High Efficiency Chillers - offered an incentive per deferred kW associated with the installation of a high efficiency chiller. Thanks to evolving technology, the customer now has significant financial incentive to choose high efficiency even without a rebate. SCE&G changed this program to an education-only activity.

Commercial Thermal Storage - offers customers an incentive per kW deferred by thermal storage. SCE&G modified the rebate structure to provide incentives that differ by project size and assure that the program is beneficial to ratepayers as well as participants.

Commercial/Industrial Standby Generator - pays customers who have an emergency generator with at least 200 kW connected load to self-generate when SCE&G needs extra capacity.

Commercial/Industrial Rates 11, 16, 21, 24, Time-Of-Use (TOU) - time-of-use rates for the agricultural, commercial, and industrial sectors.

Commercial/Industrial Rider To Rates 23 & 24, Interruptible - provides a rate incentive to customers who are willing to be interrupted.

The following chart summarizes available data on participation, impacts and costs for active demand-side management programs in 1996.

1996 Active DSM Programs	# Of Units Added	Type Of Unit	Program Costs
Commercial HVAC	2,209	kW	\$ 7,108
Commercial Chillers	4,923	kW	\$ 280,679
Comm/Ind Thermal Storage	4,236	kW	\$ 407,230
Residential Value Visit	50	Visits	\$ 37,566
Residential Heat Pump Retrofit	2,666	Appliances	\$ 248,582
Residential Electric Water Heater	3,601	WH	\$ 67,115
Residential Conservation Rate	1,037	Homes	\$ 110,170
Comm/Ind Standby Generator	232	kW	\$ 538,273
Industrial Interruptible	2,187	kW	\$ 852
TOTAL			1,697,575

SCE&G has sought a balanced approach, weighing what is best for society and ratepayers. In 1996, the Company will continue to have some programs such as Value Visit and Residential Conservation rate (Rate 6) which have a negative impact on ratepayers. However, the changes SCE&G has made should dramatically lower the negative impact of the portfolio on ratepayers.

IV. SUPPLY-SIDE PLANNING

The Cope Electric Generating Station went into commercial operation on January 15, 1996. It was completed several months ahead of schedule and significantly under budget. It has added 385MW to the Company's generating capability. Another significant addition to generating capability results from installing new rotors in the low-pressure turbine at V. C. Summer Nuclear Station. The capacity of the plant during summer peaking conditions has increased by 51 megawatts with two-thirds or 34 megawatts available to SCE&G customers. In 1997 the Company plans to sign a long-term agreement with the South Carolina Public Service Authority to purchase 25 megawatts of firm capacity. Finally, the Company has committed to supply 50 megawatts of capacity this summer to the Municipal Electric Authority of Georgia (MEAG). The following table shows the Company's long-term supply plan and the projected firm peak demand for the service territory. It should be kept in mind that this is only a plan and is subject to change.

Supply Side of the 1997 Expansion Plan

Year	Peak (MW)	Capacity Changes		Description	Capacity (MW)	(MW) Reserve	(% Reserve
		One Year (MW)	Long Term (MW)				
1997	3,681		25	SCPSA			
		(50)		MEAG Sale	4,346	665	18.1%
1998	3,783				4,396	613	16.2%
1999	3,893		111	Canadys (20 MW), Westvaco (91 MW)	4,507	614	15.8%
2000	3,959				4,507	548	13.8%
2001	4,013				4,507	494	12.3%
2002	4,083		150	ICT	4,657	574	14.1%
2003	4,162				4,657	495	11.9%
2004	4,225		150	ICT	4,807	582	13.8%
2005	4,290				4,807	517	12.1%
2006	4,361		150	ICT	4,957	596	13.7%
2007	4,432				4,957	525	11.8%