



## For Immediate Release

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### South Carolina Electric and Gas Company Files for Increase to Electric Rates

**Cayce, SC, January 15, 2010...**South Carolina Electric & Gas Company (SCE&G), principal subsidiary of SCANA Corporation (NYSE:SCG), today filed an application with the Public Service Commission of South Carolina (PSC) requesting a 9.52 percent overall increase in retail electric base rates. A public hearing on SCE&G's application is expected to be held by the PSC in May or early June.

"Recognizing the financial challenge that this increase will represent for many of our customers, we've asked the Commission to phase in this increase in three stages over the next 18 months," said SCE&G President Kevin Marsh. "We believe the phase-in approach balances the impact on our customers with the company's need to recover its costs."

If approved, customer rates would increase as follows:

	<u>July 15, 2010</u>	<u>Jan. 1, 2011</u>	<u>July 1, 2011</u>
<b>Overall increase compared to current rates</b>	<b>3.19%</b>	<b>3.06%</b>	<b>3.27%</b>
• Residential customers:	3.24%	3.11%	3.33%
• Small commercial customers:	3.19%	3.07%	3.28%
• Medium commercial customers:	3.09%	2.97%	3.18%
• Large commercial/industrial customers:	3.08%	2.96%	3.16%

The monthly bill of a residential customer using 1,000 kilowatt hours of electricity would increase \$3.91 in phase 1, \$3.77 in phase 2 and \$4.01 in phase 3.

Marsh said the company's base rate filing – its first since June 2007 – is primarily driven by the costs associated with complying with governmental regulations – particularly those related to protecting the environment.

"We are committed to conducting business in an environmentally sensitive manner," said Marsh. "However, ensuring compliance with ever-increasing governmental regulations comes with a price tag, and it's getting steeper all the time. This rate increase request is a concrete example of that fact. Our rate application reflects the recovery of expenditures of more than \$700 million on federally mandated environmental and safety initiatives."

Marsh said environmental upgrades since SCE&G's last retail electric rate filing include installation of flue gas desulfurization equipment, commonly called scrubbers, to reduce sulfur dioxide (SO<sub>2</sub>) emissions at the company's two largest coal-fired plants, Wateree Station in Eastover, and Williams Station in Charleston. Marsh said the scrubbers – installed at a cost of more than \$500 million – will eliminate more than 95 percent of SO<sub>2</sub> from the two plants and an estimated 60-90 percent of mercury emissions.

He said the company also recently installed selective catalytic reduction (SCR) equipment at its Cope Station plant near Orangeburg. The equipment is expected to reduce nitrogen oxide (NO<sub>x</sub>) emissions from the plant by more than 70 percent, at a cost of more than \$70 million. NO<sub>x</sub> emissions indirectly contribute to the formation of smog.

Also reflected in the rate filing is recovery of the remaining balance associated with construction of the federally-mandated Lake Murray back-up dam. The project was completed in 2005 at a total cost of nearly \$329 million. To help defray the project's financial impact on customers, SCE&G elected to use synthetic fuel tax credits to help pay for construction of the backup dam. "We were able to save our customers more than \$254 million by utilizing the tax credits we'd earned through investments made outside of our regulated business," said Marsh. Through today's filing, the company is seeking to recover the remaining balance of about \$74.2 million.

Marsh said SCE&G's employees have remained focused on controlling costs in the face of economic upheaval. "We are cost-conscious in everything we do as we work to serve our customers safely, reliably and as efficiently as possible," he said. "Our plants consistently rank among the most efficient in the U.S."

Even as rates continue to rise, Marsh said electricity remains a good value. "If you're an SCE&G customer using 1,000 kilowatt hours a month, right now you can heat your home, refrigerate your food, run your washer and dryer, take a hot shower, watch TV, work on your computer, turn on your lights, cook your meals, and on and on -- all for around \$4 a day. That's an incredible value by any measure."

## PROFILE

South Carolina Electric & Gas Company is a regulated public utility engaged in the generation, transmission, distribution and sale of electricity to approximately 654,000 customers in 26 counties in the central, southern and southwestern portions of South Carolina. The company also provides natural gas service to approximately 306,000 customers in 34 counties in the state. Information about SCE&G is available on the company's web site at [www.sceg.com](http://www.sceg.com).

SCANA Corporation, a Fortune 500 company headquartered in Cayce, South Carolina, is an energy-based holding company principally engaged, through subsidiaries, in electric and natural gas utility operations and other energy-related businesses in South Carolina, North Carolina and Georgia. Information about SCANA Corporation and its businesses is available on the Company's web site at [www.scana.com](http://www.scana.com).



Components of Requested Electric Revenue Increase (millions):

Environmental Projects	\$105.9
Normal Plant Additions	34.9
Reliability Related O&M	17.0
Taxes Other Than Income Taxes	16.5
Other	<u>23.3</u>
Total Requested Increase	\$197.6

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, estimated construction and other expenditures. In some cases, forward-looking statements can be identified by terminology such as “may,” “will,” “could,” “should,” “expects,” “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) regulatory actions, particularly changes in rate regulation and environmental regulations; (3) current and future litigation; (4) changes in the economy, especially in areas served by subsidiaries of SCANA Corporation (SCANA); (5) the impact of competition from other energy suppliers, including competition from alternate fuels in industrial interruptible markets; (6) growth opportunities for SCANA’s regulated and diversified subsidiaries; (7) the results of short- and long-term financing efforts, including future prospects for obtaining access to capital markets and other sources of liquidity; (8) changes in SCANA’s or its subsidiaries’ accounting rules and accounting policies; (9) the effects of weather, including drought, especially in areas where the Company’s generation and transmission facilities are located and in areas served by SCANA’s subsidiaries; (10) payment by counterparties as and when due; (11) the results of efforts to license, site, construct and finance facilities for baseload electric generation; (12) 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; (13) performance of SCANA’s pension plan assets; (14) inflation; (15) compliance with regulations; and (16) the other risks and uncertainties described from time to time in the periodic reports filed by SCANA or South Carolina Electric & Gas Company (SCE&G) with the United States Securities and Exchange Commission (SEC). The Company disclaims any obligation to update any forward-looking statements.

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