



## For Immediate Release

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### SCANA Reports Financial Results for First Quarter 2003

**Columbia, SC, April 25, 2003**...SCANA Corporation (NYSE: SCG) announced today that reported earnings for the three months ended March 31, 2003 were \$84 million, or 75 cents per share, compared to a reported loss of \$302 million, or \$2.88 per share, for the same period in 2002. Reported earnings or loss are prepared in accordance with Generally Accepted Accounting Principles (GAAP).

The reported loss for the first quarter of 2002 included a non-cash, after-tax impairment charge of \$230 million, or \$2.20 per share, related to goodwill associated with the Company's acquisition of Public Service Company of North Carolina (PSNC Energy) in 2000. That charge, which was included in the Company's 2002 results announced on February 12, 2003, was recorded as a cumulative effect of accounting change effective January 1, 2002 in accordance with the accounting standard SFAS No. 142. The reported loss for the first quarter of 2002 also included a non-cash, after-tax write-down of \$159 million, or \$1.52 per share, and an after-tax gain of \$10 million, or 10 cents per share, both of which were related to the Company's investment in Deutsche Telekom.

SCANA's net earnings from operations (previously referred to as earnings from ongoing operations), which was calculated by excluding from reported earnings or loss the cumulative effects of mandated changes in accounting principles and the effects of sales and impairment charges related to telecommunications investments, was \$84 million, or 75 cents per share in the first quarter of 2003, compared to \$77 million, or 74 cents per share in the same quarter of 2002. SCANA's management believes that, in addition to reported earnings or loss under GAAP, net earnings or loss from operations is a relevant measure in assessing the Company's fundamental earnings power and improving comparability of period-over-period performance.

A reconciliation of reported earnings or loss per share to net earnings per share from operations for the first quarter of 2003 and 2002 is provided in the following table:

	1 <sup>st</sup> Quarter <u>2003</u>	1 <sup>st</sup> Quarter <u>2002</u>
Reported Earnings (Loss) per Share	\$ .75	\$(2.88)
Cumulative Effect of Accounting Change re: Goodwill	--	(2.20)
Impairment of Deutsche Telekom Investment	--	(1.52)
Gain on Sale of Deutsche Telekom Stock	--	.10
Net Earnings Per Share From Operations	\$ .75	\$ .74

“We are pleased with our first quarter financial performance, particularly given the volatility we saw in natural gas prices and the continued slowdown in our service area economy,” said Kevin Marsh, senior vice president and chief financial officer.

Marsh noted that net earnings per share from operations in the first quarter of 2003 were favorably impacted by higher margins on sales of electricity and natural gas compared to the same quarter in 2002. The increase in the electric margin (13 cents per share) reflected a 3.9 percent increase in retail kilowatt-hour sales of electricity driven by colder weather and customer growth, and an increase in retail electric base rates that was effective February 1, 2003. The higher natural gas margin (12 cents per share) was due in part to a 3.9 percent increase in retail therm sales of natural gas, reflecting the impact of colder weather across the Company’s three-state natural gas service area. The Company also recorded improved margins on competitive sales of natural gas in industrial markets compared to the first quarter of 2002. Offsetting the higher electric and natural gas sales margins were increases in operating and maintenance expenses (7 cents per share), lower pension income (3 cents per share), increased depreciation expense (4 cents per share), higher property taxes (2 cents per share) and an increase in other expenses (3 cents per share). Net earnings per share from operations in the first quarter of 2003 were also reduced by 5 cents per share compared to the same period in 2002 due to an increase in the number of common shares outstanding.

“These first quarter results keep us on track to achieve our guidance for 2003 net earnings from operations of \$2.50 to \$2.60 per share,” said Marsh.

## REGULATED OPERATIONS:

### South Carolina Electric & Gas Company

Reported earnings in the first quarter of 2003 at South Carolina Electric & Gas Company (SCE&G), SCANA’s principal subsidiary, were \$47 million, or 42 cents per share, compared to \$52 million, or 49 cents per share, in the same quarter last year. That decline was due mainly to increases in operating and maintenance expenses, depreciation expense, interest expense and property taxes. These negative factors more than offset the favorable impact of higher electric and natural gas sales margins.

Total retail sales of electricity in the first quarter of 2003 were up 3.9 percent compared to the same quarter last year. Residential sales were up 3.6 percent, commercial sales were up 4.8 percent and industrial sales rose 3.1 percent. Wholesale, or off-system, sales were down 19 percent, reflecting the weak economy and increased demand from SCE&G’s native load customers. Total kilowatt-hour sales of electricity were up 1.2 percent compared to the first quarter of 2002.

“The increase in retail electricity sales reflects the impact of solid customer growth and colder weather compared to the same quarter last year,” said Marsh. Average temperatures across SCE&G’s electric service area during the quarter, as measured by heating degree days, were about 12 percent colder than the first quarter of last year and 6 percent colder than normal. SCE&G’s electric customer base grew by about 2.3 percent over the past year to approximately 564,000 at March 31, 2003.

“We are also encouraged by the increase in commercial and industrial sales,” said Marsh. “While the state’s overall economy has been relatively weak through the first three months of the year, we believe that the economy is positioned to begin a rebound later this year, and we are confident that the underlying strength of the state’s economy will support that recovery.”

Marsh noted that most of the colder weather for the quarter occurred in January, prior to the retail electric rate increase that went into effect on February 1, 2003. "Of the 13 cents per share increase in the electric margin for the quarter, 5 cents was attributable to the rate increase, 3 cents to colder weather and 5 cents to customer growth" said Marsh.

## South Carolina Pipeline Corporation

South Carolina Pipeline had reported earnings of \$3 million, or 3 cents per share, in the first quarter of 2003 compared to a reported loss of \$5 million, or 5 cents per share in the first quarter of 2002. That year-over-year improvement reflects higher margins on competitive sales of natural gas to industrial interruptible customers and gas used for electric generation. Pipeline's unfavorable 2002 first quarter results reflected intense price competition from alternative fuels in industrial markets.

## PSNC Energy

PSNC Energy had reported earnings of \$24 million, or 21 cents per share, in the first quarter of 2003 compared to a reported loss of \$209 million, or \$2.00 per share, in the first quarter of 2002. Results for the prior year's quarter include the previously discussed goodwill impairment charge of \$230 million, or \$2.20 per share. Excluding that charge, PSNC Energy's net earnings from operations in the first quarter of 2002 were \$21 million, or 20 cents per share. The quarterly improvement in PSNC Energy's net earnings from operations was due primarily to colder weather and customer growth. At March 31, 2003 the company was serving approximately 386,000 customers, an increase of 3.5 percent over the past year.

## NON-REGULATED OPERATIONS:

### SCANA Energy – Georgia

In the first quarter of 2003, SCANA Energy had reported earnings of \$13 million, or 12 cents per share, compared to \$14 million, or 13 cents per share, in the first quarter of 2002. Slightly higher sales margins resulting from colder weather during the quarter were offset by higher operating and customer service expenses.

At March 31, 2003, SCANA Energy was serving approximately 386,000 customers, maintaining its position as the second largest marketer in Georgia with about a 25 percent market share. Included in that total customer number were about 20,000 low income and credit challenged customers who were being served by SCANA Energy in its role as Georgia's regulated natural gas provider.

### Corporate and Other Non-Regulated

SCANA's other non-regulated businesses had a combined reported loss of \$3 million, or 3 cents per share in the first quarter of 2003, essentially unchanged compared to the same quarter of 2002 after excluding the impact on last year's results of the charges associated with the Company's telecom investments, which totaled \$149 million, or \$1.42 per share.

## 2003 Outlook

For 2003, the Company reaffirms its guidance that net earnings from operations will be in the range of \$2.50 - \$2.60 per share. As previously disclosed, the Company's goal is to achieve a 6 – 8% average annual growth in net earnings per share from operations over the next 3-5 years. The 2003 guidance reflects the impact of a 5.8 percent increase in retail electric base

rates approved by the South Carolina Public Service Commission in an order dated January 31, 2003 and placed into effect on February 1, 2003. The guidance also assumes normal weather in the Company's electric and natural gas service areas and excludes any potential gains or losses from investing activities or sales of assets.

## Profile

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

## Conference Call Notice

SCANA will host a conference call for financial analysts and other interested people at 10:00 a.m. Eastern Time today. The call-in number for the conference call is 1-800-374-2396. Participants should call in 5 to 10 minutes prior to the scheduled start time. A tape recording of the conference call will be available approximately 2 hours after conclusion of the call through May 9, 2003. The domestic replay call-in number is 1-800-642-1687 and the international replay call-in number is 1-706-645-9291. The conference I.D. number is 9586066. A live, listen-only webcast of the conference call will be available online at [www.scana.com](http://www.scana.com) or at [www.videonewswire.com/SCG/042503](http://www.videonewswire.com/SCG/042503). Participants should go to either of these web sites at least 10 minutes prior to the call start time and follow the instructions. A replay of the conference call will be available approximately 2 hours after conclusion of the call through May 9, 2003 on either of these web sites.

## Safe Harbor Statement

This press release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Those statements include statements regarding the intent, belief or current expectations of the Company and its management. Although SCANA Corporation believes that its expectations are based on reasonable assumptions, it can give no assurance that its goals will be achieved. 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) that the information is of a preliminary nature and may be subject to further and/or continuing review and adjustment, (2) changes in the utility and non-utility regulatory environment, (3) changes in the economy, especially in areas served by the Company's subsidiaries, (4) the impact of competition from other energy suppliers, (5) growth opportunities for the Company's regulated and diversified subsidiaries, (6) the results of financing efforts, (7) changes in the Company's accounting policies, (8) weather conditions, especially in areas served by the Company's subsidiaries, (9) performance of and marketability of the Company's investments in telecommunications companies, (10) performance of the Company's pension plan assets, (11) inflation, (12) changes in environmental regulations, (13) volatility in commodity natural gas markets and (14) the other risks and uncertainties described from time to time in the Company's periodic reports filed with the Securities and Exchange Commission. The Company disclaims any obligation to update any forward-looking statements.

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## FINANCIAL AND OPERATING INFORMATION

### Consolidated Statements of Income

(Millions, except per share amounts) (Unaudited)

	Three Months Ended	
	March 31,	
	2003	2002
Operating Revenues:		
Electric	\$336	\$302
Gas-Regulated	427	296
Gas-Non-regulated	306	224
Total Operating Revenues	1,069	822
Operating Expenses:		
Fuel and purchased power	91	79
Gas purchased for resale	571	378
Other operation and maintenance	144	127
Depreciation and amortization	60	54
Other taxes	35	31
Total Operating Expenses	901	669
Operating Income	168	153
Other Income (Expense), Net	16	(210)
Interest Charges, Net	51	51
Income Tax Expense (Benefit)	46	(39)
Preferred Dividend Requirement of SCE&G - Mandatorily Redeemable Preferred Securities	(1)	(1)
Preferred Stock Cash Dividends of Subsidiary	(2)	(2)
Net Income (Loss) Before Cumulative Effect of Accounting Change	84	(72)
Cumulative Effect of Accounting Change, Net of Taxes	-	(230)
Net Income (Loss)	\$84	\$(302)
Common Stock Data:		
Net Earnings (Loss) Per Share Before Cumulative Effect of Accounting Change	\$.75	\$ (.68)
Cumulative Effect of Accounting Change	-	(2.20)
Reported Earnings (Loss) Per Share	\$.75	\$(2.88)
Wtg. Avg. Common Shares Outstanding	110.8	104.7

### Consolidated Condensed Balance Sheets

(Millions) (Unaudited)

	March 31, 2003	December 31, 2002
ASSETS		
Utility Plant, Net	\$5,616	\$5,474
Other Property and Investments	328	326
Current Assets	1,107	1,160
Deferred Debits	792	794
Total Assets	\$7,843	\$7,754

## CAPITALIZATION AND LIABILITIES

### Capitalization:

Common Equity	\$2,220	\$2,177
Preferred Stock	115	115
SCE&G Obligated Mandatorily Redeemable Preferred Stock	50	50
Long-term Debt, Net	2,885	2,834
Total Capitalization	5,270	5,176
Current Liabilities:		
Short-Term Borrowings	114	209
Current Portion of Long-Term Debt	503	413
Other Current Liabilities	600	617
Total Current Liabilities	1,217	1,239
Deferred Credits	1,356	1,339
Total Capitalization and Liabilities	\$7,843	\$7,754

## Reported Earnings (Loss) per Share by Company (GAAP Basis)

(unaudited)

	Three Months Ended March 31,	
	2003	2002
SC Electric & Gas	\$ .42	\$ .49
SC Pipeline	.03	(.05)
PSNC Energy	.21	(2.00)
SCANA Energy-Georgia (1)	.12	.13
Corporate and Other Non-regulated, Net (1)	(.03)	(1.45)
Reported Earnings (Loss) per Share	\$ .75	\$(2.88)

## Net Earnings (Loss) per Share From Operations by Company

(unaudited)

	Three Months Ended March 31,	
	2003	2002
SC Electric & Gas	\$ .42	\$ .49
SC Pipeline	.03	(.05)
PSNC Energy	.21	.20
SCANA Energy-Georgia (1)	.12	.13
Corporate and Other Non-regulated, Net (1)	(.03)	(.03)
Net Earnings per Share from Operations	\$ .75	\$ .74

(1) Current and prior period results reflect a reclassification of certain interruptible operations from SCANA Energy-Georgia to SCANA Energy Marketing

## Reported Earnings (Loss) per Share Variances

(unaudited)

	<u>1<sup>st</sup> Quarter</u>
2002 Reported Earnings (Loss) Per Share	\$(2.88)
Variances:	
Electric Margin	.13
Gas Margin	.12
O&M Expense	(.10)
Depreciation Expense	(.04)
Property Taxes	(.02)
Interest Expense (net of AFDC)	--

Additional Shares Outstanding	(.05)
Other, Net	(.03)
Variance in Net Earnings per Share From Operations	.01
Cumulative Effect of Accounting Change re: Goodwill	2.20
Impairment of Deutsche Telekom Investment	1.52
Gain on Sale of Deutsche Telekom Stock	(.10)
Total Variance	3.63
2003 Reported Earnings Per Share	\$ .75

## Consolidated Operating Statistics

	Three Months Ended March 31,		
	2003	2002	% Change
<b>Electric Operations:</b>			
Sales (Million KWH):			
Residential	1,708	1,648	3.6
Commercial	1,475	1,408	4.8
Industrial	1,580	1,532	3.1
Other	129	120	7.5
Total Retail	4,892	4,708	3.9
Wholesale	521	640	(18.5)
Total Sales	5,413	5,348	1.2
Customers (Period-End)	563,566	550,627	2.3

## Natural Gas Operations:

Sales (Million Therms):			
Residential	326	284	14.8
Commercial	155	130	19.2
Industrial	286	324	(11.7)
Total Retail	767	738	3.9
Sales for Resale	74	79	(6.3)
Transportation Volumes	77	84	(8.3)
Total Sales	918	901	1.9
Customers (Period-End) (2)	1,046,702	1,008,853	3.8

(2) Current and prior period-end natural gas customers reflects a reclassification of customers at PSNC Energy implemented during 2002.

## Weather Data – Electric Service Territory

	Three Months Ended March 31,		
	Actual 2003	Percent Change	
		vs 2002	vs Normal
Heating Degree Days	1,284.5	12.5	6.4
Cooling Degree Days	27.5	(57.0)	(29.5)

## Security Credit Ratings (as of 04/25/03)

	Standard & Poor's		Moody's	
	Rating	Outlook	Rating	Outlook
SCANA Senior Unsecured	BBB+	Stable	A3	Stable
South Carolina Electric & Gas Senior Secured Commercial Paper	A- A-1	Stable Stable	A1 P-1	Stable Stable
PSNC Energy Senior Unsecured Commercial Paper	A- A-1	Stable Stable	A2 P-1	Stable Stable