



## For Immediate Release

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### SCANA Reports Results for Fourth Quarter and Full Year 2002

**Columbia, SC, February 12, 2003...**SCANA Corporation (NYSE: SCG) today reported that consolidated net income from ongoing operations in 2002 was \$253 million, or \$2.38 per share compared to \$225 million, or \$2.15 per share, in 2001. In accordance with generally accepted accounting principles (GAAP), the Company reported a consolidated net loss for 2002 of \$142 million, or \$1.34 per share, compared to consolidated net income under GAAP of \$539 million, or \$5.15 per share, in 2001.

The Company has traditionally provided a reconciliation of GAAP earnings to earnings from ongoing operations for use by investors and others in the financial community to assist them in analyzing the Company's financial results. Included in 2002 GAAP net income was a non-cash, cumulative effect of a change in the Company's accounting for goodwill in accordance with the Company's adoption of SFAS No. 142 on January 1, 2002. Transition to SFAS No.142 resulted in a goodwill impairment charge of \$230 million, or \$2.17 per share, which is required to be reflected as of January 1, 2002. Also included in 2002 GAAP results were non-cash write-downs related to the Company's telecommunications investments totaling \$189 million, or \$1.79 per share. These negative items were partially offset by gains totaling \$25 million, or \$.24 per share, from asset sales. GAAP net income reported for 2001 included a non-cash gain related to the Company's investment in Deutsche Telekom of \$354 million, or \$3.38 per share and a gain from an asset sale of \$5 million, or \$.04 per share. In addition, the Company recorded write-downs in 2001 related to the Company's telecommunications and other investments totaling \$45 million, or \$.42 per share.

A reconciliation of earnings per share from ongoing operations and GAAP earnings (loss) per share for the three months and twelve months ended December 31, 2002 and 2001 is provided in the following table:

	3 Months Ended December 31,		12 Months Ended December 31,	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Earnings Per Share From Ongoing Operations	\$ .54	\$ .54	\$2.38	\$2.15
Other Items:				
Cumulative Effect of Accounting Change re. Goodwill	—	—	(2.17)	—
Gain on Sale of Powertel Investment	—	—	—	3.38
Impairment of Deutsche Telekom Investment	(.21)	—	(1.72)	—
Gain on Sale of Deutsche Telekom Stock	.05	—	.15	—
Impairment of ITC^DeltaCom Investment	—	(.34)	(.07)	(.34)
Gain on Sale of Radio Network	—	—	.09	—
Gain on Sale of SCANA Security	—	—	—	.04
Write-down of Solo Energy Investment	—	(.04)	—	(.04)
Write-down of Palmetto Lime Investment	—	(.04)	—	(.04)
GAAP Earnings (Loss) Per Share	\$ .38	\$ .12	\$(1.34)	\$5.15

"Earnings per share from the Company's ongoing operations in 2002 were in line with the guidance we provided for the year," said Kevin Marsh, senior vice president and chief financial officer. "That solid performance was driven primarily by higher electric sales margins due to more favorable weather and continued customer growth, lower interest expense, the elimination of goodwill amortization expense and improved results in our non-regulated businesses. These positive factors more than offset the negative impact of higher operating and maintenance expenses, lower pension income, higher property taxes, lower natural gas sales margins, and a small amount of dilution resulting from the public sale of 6 million new shares of common stock in October 2002."

Kilowatt-hour sales of electricity to retail customers in 2002 were up 6.4 percent over 2001, reflecting more favorable weather and a 2.3 percent increase in customers. Residential sales increased 11 percent, commercial sales were up 5.9 percent and industrial sales rose 2.5 percent. Total kilowatt-hour sales of electricity, which include sales to other utilities, were up about 1 percent. Consolidated retail therm sales of natural gas in 2002 were up 6.3 percent. Residential sales increased 3.0 percent, commercial sales rose 5.9 percent, and industrial sales were up 8.0 percent. Total therm sales of natural gas were down 3.1 percent for the year, reflecting a 48 percent decline in sales for resale resulting primarily from the closing of the Company's natural gas marketing operations outside of the Southeast in 2001.

Marsh noted that, despite unprecedented industry change and turmoil and tough economic conditions in 2002, the Company maintained its strategic focus on growing its core businesses, strengthening its balance sheet, increasing dividends to shareholders, providing reliable service to customers and continuing to follow the highest corporate governance practices in all its businesses.

"For our shareholders, we raised the annual cash dividend on our common stock by 8.3 percent and provided a total return for the year well above both the broad market and utility indices," said Marsh. "We also enhanced our strong financial condition by selling six million additional shares of common stock at a price well above book value. We were also pleased that the major credit rating agencies recognized our financial strength by assigning strong investment grade ratings on our securities in 2002."

Marsh added that during 2002, the Company completed the sale of its Deutsche Telekom stock. "That investment dates back to 1996 when the Company invested approximately \$231 million in Powertel, a wireless personal communications services provider in the southeastern US that was subsequently acquired by Deutsche Telekom in May of 2001," said Marsh. "With the sale of all of our Deutsche Telekom shares in 2002, the Company realized total after-tax cash proceeds of approximately \$433 million on this investment. These proceeds have been and will be used to pay down debt at the holding company."

"In 2003, we remain committed to providing solid results to our shareholders and customers," said Marsh.

For the fourth quarter of 2002, SCANA reported consolidated net income from ongoing operations of \$60 million, or \$.54 per share, compared to \$57 million, or \$.54 per share, in the fourth quarter of 2001. The fourth quarter 2002 earnings from ongoing operations exclude a non-cash write-down of \$23 million, or \$.21 per share, and a gain of \$5 million, or \$.05 per share, both of which are related to the Company's investment in Deutsche Telekom. Earnings from ongoing operations for the fourth quarter of 2001 excluded non-cash write-downs totaling \$45 million, or \$.42 per share, related to the Company's telecommunications and other investments. Including these special items, consolidated net income reported for 2002 was \$42 million, or \$.38 per share, compared to \$12 million, or \$.12 per share in the fourth quarter of 2001.

“Our fourth quarter earnings per share from ongoing operations were unchanged compared to the same quarter last year,” said Marsh. “Higher electric margins driven by colder weather, which increased fourth quarter earnings by \$.10 per share, and improved results in our non-regulated businesses were offset by higher operating and maintenance expenses, lower pension income, increased property taxes and share dilution.”

Driven by more favorable weather, total retail kilowatt-hour sales of electricity were up 13 percent over the same quarter in 2001. Residential sales increased nearly 34 percent, commercial sales were up 6.6 percent and industrial sales were 3.0 percent higher. Total retail therm sales of natural gas were up 19 percent, led by a 41 percent increase in residential sales.

## REGULATED OPERATIONS:

### South Carolina Electric & Gas Company

For 2002, SCE&G recorded net income of \$218 million, or \$2.05 per share, compared to \$220 million, or \$2.10 per share, in 2001. That decline was driven by increases in operating and maintenance expenses, lower pension income, increases in depreciation expense, property taxes and interest expense and share dilution. These factors more than offset the favorable impact of higher electric sales margins resulting from more favorable weather and customer growth.

For the fourth quarter of 2002, SCE&G recorded net income of \$42 million, or \$.37 per share, compared to \$45 million, or \$.43 per share, in the same quarter last year. Increases in operating and maintenance expenses, depreciation expense and property taxes, lower pension income and share dilution offset the positive impact on earnings of higher electric margins due to colder weather and customer growth.

### South Carolina Pipeline Corporation

In 2002, SCANA's regulated natural gas transmission business, recorded net income of \$4 million, or \$.04 per share, compared to net income of \$7 million, or \$.06 per share, in 2001. For the fourth quarter of 2002, South Carolina Pipeline had net income of \$2 million, or \$.02 per share, compared to net income of \$3 million, or \$.03 per share in the fourth quarter of 2001. Lower sales margins and higher operating and maintenance expenses contributed to the earnings decline in both periods.

### PSNC Energy

The Company's North Carolina-based regulated natural gas distribution subsidiary recorded 2002 net income from ongoing operations (exclusive of the goodwill impairment charge previously discussed) of \$23 million, or \$.21 per share, compared to net income of \$15 million, or \$.14 per share, in 2001. That improvement was primarily attributable to the elimination of goodwill amortization expense in connection with the adoption of SFAS No. 142 on January 1, 2002.

For the fourth quarter of 2002, PSNC Energy had net income from ongoing operations of \$9 million, or \$.09 per share, both unchanged compared to the fourth quarter of 2001. The favorable impact of lower goodwill amortization expense was offset by higher operating and maintenance expenses and lower sales margins, primarily reflecting the weak economy.

## NON-REGULATED OPERATIONS:

### SCANA Energy – Georgia

The Company's retail natural gas business in Georgia recorded 2002 net income of \$14 million, or \$.13 per share, compared to net income of \$7 million, or \$.06 per share, in 2001. In the fourth quarter of 2002, SCANA Energy had net income of \$4 million, or \$.04 per share, compared to net income of \$3 million, or \$.03 per share, in the same quarter in 2001. The improvement in both periods was due primarily to reduced operating costs, principally lower bad debt expense.

At year-end 2002, SCANA Energy was serving approximately 374,000 customers, making it the second largest marketer in Georgia. Included in that number were about 11,000 low income and credit challenged customers who were being served by SCANA Energy in its new role as Georgia's regulated natural gas provider. The establishment of a regulated provider was mandated by the Natural Gas Consumer's Relief Act of 2002, which was passed by the Georgia legislature in April 2002, in part to broaden access to natural gas for all citizens. Following a competitive bidding process, the Georgia Public Service Commission selected SCANA Energy to be the regulated provider for a period of two years beginning September 1, 2002.

### Corporate and Other Non-Regulated

In 2002, SCANA's other non-regulated businesses recorded a combined net loss of \$5 million, or \$.05 per share, compared to a net loss of \$23 million, or \$.21 per share, in 2001. For the fourth quarter, these businesses recorded combined net income of \$2 million, or \$.02 per share, compared to a net loss of \$4 million, or \$.04 per share in the fourth quarter of 2001. The improvement for both periods was driven by lower interest expense at the holding company and by improved results at PrimeSouth, SCANA's wholly owned subsidiary that provides power plant management and maintenance services and operates a synfuel production facility for a third party.

### Goodwill Impairment

As previously disclosed, on January 1, 2002, SCANA adopted Statement of Financial Accounting Standards No. 142, the accounting standard that addresses goodwill and other intangible assets recorded on a company's balance sheet. The standard requires that goodwill no longer be amortized, but instead be tested for impairment at least annually. In accordance with SFAS No.142, and as noted above, SCANA discontinued recording amortization expense related to goodwill associated with the Company's January 2000 acquisition of Public Service Company of North Carolina, Inc., a natural gas distribution company headquartered in Gastonia, North Carolina. This company is currently a wholly owned subsidiary of SCANA doing business as PSNC Energy. Based on the results of an evaluation completed during the fourth quarter of 2002, the Company determined that the goodwill associated with this transaction that is recorded on the Company's books was impaired as defined in the statement, and accordingly, the Company recorded, effective January 1, 2002, a non-cash impairment of \$230 million, or \$2.17 per share. This impairment is shown on the Company's financial statements as a cumulative effect of an accounting change.

### Impairment of Telecommunications Investment

During the fourth quarter of 2002, SCANA Communications Holdings, Inc., a wholly -owned, indirect subsidiary of SCANA Corporation, sold all of its remaining 18.3 million ordinary shares

of Deutsche Telekom AG (NYSE: DT; FSE: DTE) through a series of market transactions at a weighted average price of approximately \$12.62 (US) per share. The transactions provided after-tax cash proceeds of approximately \$188 million, which will be used to reduce outstanding debt associated with non-regulated activities at the holding company. Based on the market price per Deutsche Telekom ordinary share, these transactions resulted in a non-cash impairment write-down of \$23 million, or \$.21 per share, in the fourth quarter of 2002, offset by a gain of \$5 million, or \$.05 per share, related to the sale of the shares.

## Earnings Outlook

For 2003, the Company reaffirms its guidance for earnings from ongoing operations of \$2.50 - \$2.60 per share. As previously disclosed, the Company's goal is to achieve a 6 – 8% average annual growth in earnings per share from ongoing operations over the next 3 –5 years. The 2003 earnings 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. Other factors which may impact future earnings from ongoing operations include changes in interest rates, the performance of the Company's pension plan assets, and the state of the economy in the Company's electric and natural gas utility service territories.

## 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 at 10:00 a.m. EST 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 February 26, 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 7566462. A live, listen-only webcast of the conference call will also be available online at [www.scana.com](http://www.scana.com) or at [www.videonewswire.com/SCG/021203](http://www.videonewswire.com/SCG/021203). 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 February 26, 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 December 31,		Twelve Months Ended December 31,	
	2002	2001	2002	2001
Operating Revenues:				
Electric	\$ 304	\$ 272	\$ 1,380	\$1,369
Gas-Regulated	291	240	878	1,015
Gas-Non-regulated	193	170	696	1,067
Total Operating Revenues	788	682	2,954	3,451
Operating Expenses:				
Fuel and purchased power	72	69	372	421
Gas purchased for resale	371	299	1,199	1,681
Other operation and maintenance	138	113	522	482
Depreciation and amortization	56	56	220	224
Other taxes	32	27	127	115
Total Operating Expenses	669	564	2,440	2,923
Operating Income	119	118	514	528
Other Income (Expense), Net	(10)	(49)	(180)	550
Interest Charges, Net	48	50	199	223
Income Taxes	16	4	36	305
Preferred Dividend Requirement of SCE&G - Mandatorily Redeemable Preferred Securities	1	1	4	4
Preferred Stock Cash Dividends of Subsidiary	2	2	7	7
Net Income Before Cumulative Effect of Accounting Change	42	12	88	539
Cumulative Effect of Accounting Change, Net of Taxes	-	-	(230)	-
Net Income (Loss)	\$42	\$12	\$(142)	\$539
Common Stock Data:				
Earnings Per Share Before Cumulative Effect of Accounting Change	\$ .38	\$ .12	\$ .83	\$5.15
Cumulative Effect of Accounting Change	-	-	\$(2.17)	-
Earnings (Loss) Per Share	\$ .38	\$ .12	\$(1.34)	\$5.15
Wtg. Avg. Common Shares Outstanding	109.8	104.7	106.0	104.7

Consolidated Condensed Balance Sheets  
(Millions) (Unaudited)

	December 31,	
	2002	2001
<b>ASSETS</b>		
Utility Plant, Net	\$5,474	\$5,263
Other Property and Investments	326	287
Current Assets	1,160	1,557
Deferred Assets	794	715
Total Assets	\$7,754	\$7,822
<b>CAPITALIZATION AND LIABILITIES</b>		
Capitalization:		
Common Equity	\$2,177	\$2,194
Preferred Stock	115	116
SCE&G Obligated Mandatorily Redeemable Preferred Stock	50	50
Long-term Debt, Net	2,834	2,646
Total Capitalization	5,176	5,006
Current Liabilities:		
Short-Term Borrowings	209	165
Current Portion of Long-Term Debt	413	739
Other Current Liabilities	617	657
Total Current Liabilities	1,239	1,561
Deferred Credits	1,339	1,255
Total Capitalization and Liabilities	\$7,754	\$7,822

Summary of EPS by Company  
(unaudited)

	3 Months Ended December 31,	
	2002	2001
SC Electric & Gas	\$.37	\$.43
SC Pipeline	.02	.03
PSNC Energy	.09	.09
SCANA Energy-Georgia (1)	.04	.03
Corporate and Other Non-regulated, Net (1)	.02	(.04)
EPS from Ongoing Operations	.54	.54
Other Items	(.16)	(.42)
GAAP EPS	\$.38	\$.12

	12 Months Ended December 31,	
	2002	2001
SC Electric & Gas	\$2.05	\$2.10
SC Pipeline	.04	.06
PSNC Energy	.21	.14
SCANA Energy-Georgia (1)	.13	.06
Corporate and Other Non-regulated, Net (1)	(.05)	(.21)
EPS from Ongoing Operations	2.38	2.15
Other Items	(1.55)	3.00
Cumulative Effect of Accounting Change re. Goodwill	(2.17)	-
GAAP EPS	\$(1.34)	\$5.15

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

## Summary of EPS Variances

(unaudited)

	4th Quarter	YTD
2001 GAAP Earnings Per Share	\$ .12	\$5.15
Variances:		
Electric Margin	.17	.36
Gas Margin	.01	(.15)
O&M Expense	(.15)	(.24)
Depreciation Expense	-	.02
Property Taxes	(.03)	(.07)
Interest Expense (net of AFDC)	.01	.14
Additional Shares Outstanding	(.03)	(.03)
Other, Net	.02	.20
EPS From Ongoing Operations	-	.23
Other Items:		
Gain on Sale of SCANA Security	-	(.04)
Gain on Sale of Powertel Investment	-	(3.38)
Impairment of Deutsche Telekom Investment	(.21)	(1.72)
Gain on Sale of Deutsche Telekom Stock	.05	.15
Gain on Sale of Radio Network	-	.09
Impairment of ITC^DeltaCom Investment	.34	.27
Impairment of SOLO Investment	.04	.04
Impairment of Palmetto Lime Investment	.04	.04
Cumulative Effect of Accounting Change re. Goodwill	-	(2.17)
Total Variance	.26	(6.49)
2002 GAAP Earnings (Loss) Per Share	\$ .38	\$(1.34)

## Consolidated Operating Statistics

Electric Operations	Three Months Ended December 31, Twelve Months Ended December 31,					
	2002	2001	% Change	2002	2001	% Change
Sales (Million KWH):						
Residential	1,732	1,295	33.7	7,230	6,494	11.3
Commercial	1,577	1,480	6.6	6,659	6,288	5.9
Industrial	1,595	1,549	3.0	6,505	6,347	2.5
Other	121	129	(6.2)	535	534	0.2
Total Retail	5,025	4,453	12.8	20,929	19,663	6.4
Wholesale	457	335	36.4	2,156	3,265	(34.0)
Total Sales	5,482	4,788	14.5	23,085	22,928	0.7
Customers (Period-End)				560,224	547,388	2.3
Natural Gas Operations						
Sales (Million Therms):						
Residential	233	165	41.2	612	594	3.0
Commercial	127	95	33.7	361	341	5.9
Industrial	300	297	1.0	1,296	1,200	8.0
Total Retail	660	557	18.5	2,269	2,135	6.3
Sales for Resale	60	66	(9.1)	276	528	(47.7)
Transportation Volumes	80	83	(3.6)	315	287	9.8
Total Sales	800	706	13.3	2,860	2,950	(3.1)
Customers (Period-End) (2)				1,030,993	1,021,981	0.9

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

## Weather Data

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	Actual 2002	Percent Change vs 2001	vs Normal	Actual 2002	Percent Change vs 2001	vs Normal
Heating Degree Days	937.0	49.0	13.8	2,152.5	7.6	(0.1)
Cooling Degree Days	180.0	22.0	19.1	2,517.0	14.9	7.9

## Security Credit Ratings (as of 2/12/03)

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