



**FOR IMMEDIATE RELEASE**

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**PSNC Energy Files for Rate Increase to Recover Operation and Expansion Costs**

**Gastonia, N.C., March 31, 2008** – PSNC Energy, a wholly owned subsidiary of SCANA Corporation (NYSE: SCG), filed an application today with the North Carolina Utilities Commission requesting a general increase of approximately \$20.4 million, or 2.99 percent, in annual revenue. If the request is approved, the average year-round residential customer would see a monthly increase of approximately \$2.98.

The rate increase request is the direct result of the company's need to recover costs related to operating and expanding its pipeline system. Since its last rate case filing in 2006, PSNC Energy has spent more than \$188 million to upgrade and extend its gas delivery system. The company has installed more than 900 miles of transmission and distribution mains and added nearly 32,000 customers to its system.

"We serve one of the faster growing service territories in the country, and we are continuing to invest in our system to meet the needs of our customers," said PSNC Energy President and Chief Operating Officer Rusty Harris. "We must be able to recover costs associated with maintaining and growing our infrastructure. Doing so is essential to our ability to continue providing safe and reliable natural gas service to our customers."

In its rate case application, PSNC Energy is also requesting to implement a customer usage tracker (CUT), a rate decoupling mechanism that breaks the link between revenues and the amount of natural gas sold. If approved, the CUT would apply to residential and commercial customers and would allow the company to periodically adjust its base rates based on customer consumption.

**-more-**

Finally, PSNC Energy is proposing several conservation initiatives and asking the Commission to approve recovery of costs associated with them. The company's proposed initiatives include an in-home energy audit and weatherization program, a rebate program for customers who replace existing natural gas appliances with more efficient natural gas equipment, and discount rates for homes and businesses that meet certain energy efficient standards.

"Our customers have demonstrated their interest in conservation measures, and we want to support their efforts," said Harris.

PSNC Energy does not expect the Commission to rule on its request until this fall.

## **PROFILE**

PSNC Energy, headquartered in Gastonia, N.C., is franchised to serve a 28-county service area in North Carolina. The utility distributes natural gas to approximately 460,000 customers in 96 cities and communities, including the Raleigh, Durham, and Chapel Hill areas in the north central part of the state; the Concord, Statesville, Gastonia, and Forest City areas in the Piedmont; and the Asheville, Hendersonville, Brevard, and Sylva areas in the western part of the state. More information about PSNC Energy is available through the company's Web site at [www.psnenergy.com](http://www.psnenergy.com).

SCANA Corporation, a Fortune 500 company headquartered in Columbia, South Carolina, 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 639,000 electric customers in South Carolina and more than 1.2 million natural gas customers in South Carolina, North Carolina and Georgia. Information about SCANA and its businesses is available on the company's Web site at [www.scana.com](http://www.scana.com).

## **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 and factors affecting the availability of synthetic fuel tax credits. 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 financing efforts; (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 and construct 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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**Public Service Company of North Carolina, Inc.  
(d/b/a PSNC Energy)**

**Application for Retail Natural Gas Rate Increase  
To The  
North Carolina Utilities Commission**

**Highlights**

Timeline:

|                          |                   |
|--------------------------|-------------------|
| Letter of Intent Filed:  | February 27, 2008 |
| Application Filed        | March 31, 2008    |
| Docket Number            | G-5, Sub 495      |
| Public Hearing           | Summer 2008       |
| Requested Effective Date | November 1, 2008  |

Test Period Data:

|                              |                                            |
|------------------------------|--------------------------------------------|
| Test Period                  | 12 Months Ended Dec. 31, 2007, As Adjusted |
| Retail Natural Gas Rate Base | \$720 Million                              |
| Return on Rate Base          | 7.65%                                      |
| Return on Common Equity      | 8.82%                                      |

Requested in Application:

|                               | <u>Millions of \$</u> | <u>%</u> |
|-------------------------------|-----------------------|----------|
| Total Annual Revenue Increase | \$20.4                | 2.99%    |
| Return on Rate Base           | 9.36%                 |          |
| Return on Common Equity       | 12.00%                |          |
| Total Capitalization          | \$732 Million         |          |

Capital Structure and Cost of Capital:

Requested March 31, 2008:

|                 | <u>Utility Capital<br/>Structure</u> | <u>Rate</u> | <u>Cost</u> | <u>Weighted<br/>Cost</u> |
|-----------------|--------------------------------------|-------------|-------------|--------------------------|
| Long-Term Debt  | 35.89%                               |             | 7.07%       | 2.54%                    |
| Common Equity   | 53.75%                               |             | 12.00%      | 6.45%                    |
| Short-Term Debt | <u>10.36%</u>                        |             | 3.55%       | <u>0.37%</u>             |
| Total           | 100.00%                              |             |             | 9.36%                    |

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