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Media Contact - Gastonia/Asheville

Jodie Roberts-Smith
(704) 834-6427
jroberts-smith@scana.com

Media Contact - Raleigh/Durham

Angie Townsend
(919) 836-2321
adtownsend@scana.com

Investor Contact

Bryan Hatchell
(803) 217-7458
bhatchell@scana.com

SCANA Subsidiary Reaches Settlement Agreement in North Carolina Natural Gas Rate Case

Columbia, SC, August 14, 2008 ... PSNC Energy, a subsidiary of SCANA Corporation (NYSE: SCG) that distributes natural gas in North Carolina, announced today that it has entered into a stipulation, or settlement agreement with the Public Staff of the North Carolina Utilities Commission and the Carolina Utility Customers Association relating to the company's pending application for an increase in retail natural gas base rates. The settlement agreement will be submitted to the North Carolina Utilities Commission (NCUC) during a public hearing scheduled for August 26, 2008 in Raleigh. If approved by the NCUC, the settlement agreement would become effective on November 1, 2008.

The settlement agreement provides for an increase in PSNC Energy's annual natural gas margin revenues of approximately \$9.1 million, or 1.32 percent, which is about 45 percent of the \$20.4 million, or 2.99 percent, increase initially requested by the company. The settlement agreement also includes a reduction in PSNC Energy's fixed gas costs, which represents a pass-through for the company, of approximately \$8.4 million. This results in a net annual increase in rates and charges to customers of approximately \$0.7 million or 0.11 percent. The settlement agreement establishes an allowed return on common equity of 10.6 percent.

"While we were prepared to demonstrate our need for the full amount of our initial request, we believe we can operate our system reliably and efficiently based upon this increase in our base rates," said Rusty Harris, PSNC Energy's president and chief operating officer. "It's always in the best interest of all involved to reach a settlement agreement, and we hope the Commission will approve the stipulation as submitted."

In the agreement, the stipulating parties agreed that it was appropriate for PSNC Energy to implement the customer usage tracker (CUT), a rate decoupling mechanism that breaks the link between revenues and the

amount of natural gas sold. The CUT will apply to residential and commercial customers and will allow the company to periodically adjust its base rates based on customer consumption.

Finally, the stipulating parties also agreed that PSNC Energy should be allowed to recover \$750 thousand of conservation program expenditures incurred for its proposed conservation initiatives. 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.

The test period for this rate case is the twelve months ended December 31, 2007, adjusted for certain changes through June 30, 2008. The rates proposed in the settlement agreement are based on an original cost rate base of approximately \$710 million and an overall rate of return on rate base of 8.54 percent, which reflects a capital structure consisting of long-term and short-term debt and common equity.

PSNC Energy's application filed on March 31, 2008, and the stipulation agreement filed on August 13, 2008, are available on the Commission's Web site at www.ncuc.net. To access either of these filings, click on "Docket Search" under the heading "Docket Information" and enter Docket No.G-5, Sub 495.

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 454,000 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.

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 646,000 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.

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
Stipulation Filed	August 13, 2008
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	\$710 Million
Return on Rate Base	8.47%

Reflected in Stipulation:

	<u>Millions of \$</u>	<u>%</u>
Annual Margin Revenue Increase	\$9.1	1.32%
Total Annual Revenue Increase	\$0.7	0.11%

Capital Structure and Cost of Capital:

	<u>Utility Capital Structure</u>	<u>Cost Rate</u>	<u>Weighted Cost</u>
Long-Term Debt	35.50%	6.96%	2.47%
Common Equity	54.00%	10.60%	5.73%
Short-Term Debt	<u>10.50%</u>	3.25%	<u>0.34%</u>
Total	100.00%		8.54%