STATE OF SOUTH CAROLINA

South Carolina Electric & Gas Company - Application for Increase in Rates and Charges

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

DOCKET NUMBER: 2009 - 489 - E

(Please type or print)
Submitted by: K. Chad Burgess
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NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition ☐ Request for item to be placed on Commission's Agenda expeditiously

☐ Other:

INDUSTRY (Check one) [ ] Electric [ ] Electric/Water/Telecom.
[ ] Electric/Water/Sewer [ ] Gas [ ] Railroad [ ] Sewer
[ ] Telecommunications [ ] Transportation [ ] Water
[ ] Water/Sewer [ ] Administrative Matter [ ] Other:

NATURE OF ACTION (Check all that apply)

[ ] Certificate [ ] Comments [ ] Complaint [ ] Consent Order [ ] Discovery [ ] Exhibit
[ ] Expedited Consideration [ ] Interconnection Agreement [ ] Interconnection Amendment [ ] Late-Filed Exhibit

☐ Letter [ ] Memorandum [ ] Motion [ ] Objection [ ] Petition [ ] Petition for Reconsideration
[ ] Petition for Rulemaking [ ] Petition for Rule to Show Cause [ ] Petition to Intervene [ ] Petition to Intervene Out of Time
[ ] Petition to Intervene [ ] Prefiled Testimony [ ] Proposed Order [ ] Protest
[ ] Request [ ] Request for Certification [ ] Request for Investigation [ ] Resale Agreement [ ] Resale Amendment
[ ] Reservation Letter [ ] Response [ ] Response to Discovery [ ] Return to Petition [ ] Stipulation
[ ] Subpoena [ ] Tariff [ ] Other:

RECEIVED
MAR 10 2010
PSC SC CLERK'S OFFICE
March 9, 2010

VIA HAND DELIVERY

The Honorable Jocelyn G. Boyd
Interim Chief Clerk/Administrator
South Carolina Public Service Commission
101 Executive Center Drive (29210)
Post Office Drawer 11649
Columbia, South Carolina 29211

RE: South Carolina Electric & Gas Company - Application for Increase in Rates and Charges
Docket No. 2009-489-E

Dear Ms. Boyd:

By letter dated January 28, 2010, the Docketing Department of the Public Service Commission of South Carolina transmitted the Notice of Filing and Hearing ("Notice") in the above-referenced docket to South Carolina Electric & Gas Company ("SCE&G") and instructed SCE&G to furnish the Notice to each affected customer on or before March 8, 2010. In compliance with the Docketing Department's instructions contained within the January 28 letter, please find enclosed for filing an affidavit certifying that the Notice has been provided to SCE&G's affected customers.

Please acknowledge your receipt of these documents by file stamping the extra copy of this letter and returning it to us via our courier.

By copy of this letter, we are providing all other parties of record with a copy of the enclosed documents.

(Continued.....)
If you have any questions, please advise.

Very truly yours,

K. Chad Burgess

KCB/kms
Enclosures

cc: Nanette S. Edwards, Esquire
    Shannon Bowyer Hudson, Esquire
    Alan R. Jenkins, Esquire
    Thomas L. Moses, Esquire
    Scott Elliott, Esquire
    Frank Knapp, Jr.
    (all via First Class U.S. mail w/enclosures)
BEFORE

THE PUBLIC SERVICE COMMISSION

OF SOUTH CAROLINA

DOCKET NO. 2009-489-E

IN RE:

South Carolina Electric & Gas Company’s Application for Increase in Rates and Charges.

AFFIDAVIT

PERSONALLY APPEARED before me, John R. Hendrix, who being first duly sworn, deposes and says that he is Manager of the Electric Pricing and Rate Administration Department for SCANA Services; that at his direction and under his supervision the Notice of Filing and Hearing attached hereto as Exhibit A and incorporated herein ("Notice") has been furnished either by U.S. Mail or electronically to customers who have agreed to receive the Notice electronically, to all applicable customers of South Carolina Electric & Gas Company on or before March 8, 2010.

FURTHER AFFIANT SAYETH NOT.

[Signature]
John R. Hendrix

Sworn to and subscribed before me this 8th day of March, 2010

[Signature]
Notary Public for South Carolina
My Commission Expires: 09-13-2011
SOUTH CAROLINA ELECTRIC & GAS COMPANY—APPLICATION FOR INCREASE IN RATES AND CHARGES

On January 15, 2010, South Carolina Electric & Gas Company ("SCE&G" or "Company") filed an application with the Public Service Commission of South Carolina ("Commission") requesting authority to adjust and increase its retail electric rates, charges, and tariffs. The Application was filed pursuant to S.C. Code Ann. Sections 58-27-620 and 58-27-870 (1976, as amended) and 26 S.C. Code Ann.Regs. 103-823 (1976, as amended).

SCE&G states in its Application that it has made significant investments to comply with increasingly stringent environmental and safety laws and regulations promulgated by the Federal government and to continue to provide reliable electric service to its customers. The Application states that SCE&G has recently invested approximately $708.5 million in environmental and safety related projects which are not currently reflected in rates. These investments include: (i) new flue gas desulfurization facilities at the Williams Station, located at Bushy Park, South Carolina, and the Wateree Station in Richland County, South Carolina to reduce sulfur dioxide emissions; (ii) a selective catalytic reactor at Cope Station in Orangeburg County, South Carolina to reduce nitrogen oxide emissions; (iii) the completion of construction of a back up dam at the site of the Saluda Hydro Project at Lake Murray in Lexington County, South Carolina; and (iv) other environmental projects. The Application states that the Company was able to defray approximately $254.4 million of the $328.6 million in its system construction costs for the Saluda back up dam using synthetic fuel tax credits. Thus, the net unrecovered capital cost to SCE&G's electric system of this $328.6 million improvement in the safety of its facilities is approximately $74.2 million. The Application also states that SCE&G has experienced increased costs in continuing to provide safe and reliable service to its customers. The Application further states that, despite the Company's measures to hold down operation and maintenance expenses, to improve efficiencies and constant efforts to lower and control costs, the current rates and charges are not sufficient to allow the Company a reasonable opportunity to earn an adequate rate of return on its investment.

SCE&G requests that the proposed increases be approved but implementation of the increases be delayed in part and implemented in three stages. The initial phase would be effective July 15, 2010 and represent an incremental rate increase of approximately 3.19% compared to current rates. The second phase would be effective January 1, 2011 and represent an incremental rate increase of 3.06% compared to current rates. The final phase would implement the remainder of the total rate increase, effective July 1, 2011, and would represent an incremental rate increase of 3.27% compared to current rates. The proposed rates and charges represent a total increase of approximately 9.52%.

A copy of the Company's complete Application, as well as the proposed rates, charges and tariffs may be obtained from the Commission at the following address: Public Service Commission of South Carolina,
Docketing Department, 101 Executive Center Drive, Columbia, South Carolina 29210. Additionally, the Application is available on the Commission’s website at www.psc.sc.gov and is available from the corporate office of South Carolina Electric & Gas Company at MC C222, 220 Operation Way, Cayce, South Carolina, 29033.

In order for testimony and evidence to be received from all interested parties, a public hearing will be held in the Commission’s Hearing Room, Synergy Business Park, Saluda Building, 101 Executive Center Drive, Columbia, South Carolina 29210 beginning on Monday, May 24, 2010, at 10:30 a.m. and continuing through Thursday, May 27, 2010, if necessary.

Any person who wishes to participate in this matter, as a party of record with the right of cross-examination should file a Petition to Intervene in accordance with the Commission’s Rules of Practice and Procedure on or before March 22, 2010, and indicate the amount of time required for his presentation. Please include an email address for receipt of future Commission correspondence in the Petition to Intervene. Please refer to Docket No. 2009-489-E and mail a copy to all other parties listed for this docket. The list of other parties may be found by conducting a “docket search” on the Commission’s website at www.psc.sc.gov.

Any person who wishes to testify and present evidence at the hearing should notify the Docketing Department, in writing, at the address below; the South Carolina Office of Regulatory Staff, Suite 900, Columbia, South Carolina 29201; and K. Chad Burgess, Assistant General Counsel, South Carolina Electric & Gas Company, Mall Code C222, 220 Operation Way, Cayce, South Carolina, 29033, on or before March 22, 2010, and indicate the amount of time required for his presentation. Please refer to Docket No. 2009-489-E.

Any person who wishes to request that the Commission hold a public hearing in his or her county of residence in order to hear comments from the utility’s customers should notify in writing, the Docketing Department at the address below; the South Carolina Office of Regulatory Staff, at 1401 Main Street, Suite 900, Columbia, South Carolina 29201 and K. Chad Burgess, Assistant General Counsel, South Carolina Electric & Gas Company, Mall Code C222, 220 Operation Way, Cayce, South Carolina, 29033 on or before March 18, 2010. Please refer to Docket No. 2009-489-E.

Any person who wishes to be notified of the hearing, but does not wish to present testimony or be a party of record, may do so by notifying the Docketing Department; in writing, at the address below on or before March 22, 2010. Please refer to Docket No. 2009-489-E.

PLEASE TAKE NOTICE: Any person who wishes to have his or her comments considered as part of the official record of the proceeding MUST present such comments, in person, to the Commission during the hearing.

Persons seeking information about the Commission’s Rules of Practice and Procedure should contact the Commission in Columbia at 803-734-6100.

Public Service Commission of South Carolina
Attn: Docketing Department
Post Office Drawer 11649
Columbia, SC 29211
www.sceg.com