

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

South Carolina Electric & Gas Company Annual Update on
Demand Side Management Programs and Petition to
Update Rate Rider and for Approval of New Demand Side
Management Program

COVER SHEET

DOCKET
NUMBER: 2013 - ____ - E

(Please type or print)

Submitted by: K. Chad Burgess
Address: SCANA Corp.
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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)	NATURE OF ACTION (Check all that apply)		
<input checked="" type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input type="checkbox"/> Letter	<input checked="" type="checkbox"/> Request
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certificatio
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigator
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input checked="" type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input checked="" type="checkbox"/> Tariff
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input checked="" type="checkbox"/> Other:
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest	Proposed Notice of
<input type="checkbox"/> Other:	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit	Filing
	<input type="checkbox"/> Late-Filed Exhibit	<input checked="" type="checkbox"/> Report	



K. Chad Burgess
Associate General Counsel

chad.burgess@scana.com

January 31, 2013

VIA ELECTRONIC FILING

The Honorable Jocelyn G. Boyd
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

RE: South Carolina Electric & Gas Company
Annual Update on Demand Side Management Programs and Petition to Update
Rate Rider and for Approval of New Demand Side Management Program
Docket No. 2013-____-E

Dear Ms. Boyd:

On behalf of South Carolina Electric & Gas Company ("SCE&G"), please find enclosed for filing one (1) copy of SCE&G's Annual Update on Demand Side Management Programs and Petition to Update Rate Rider and for Approval of New Demand Side Management Program ("Petition"). As part of its Petition, SCE&G is requesting that the Rate Rider be effective for bills rendered on and after the first billing cycle of May 2013. Also enclosed for filing is a Proposed Notice of Filing.

By copy of this letter, we are providing the South Carolina Office of Regulatory Staff with a copy of the Petition and Proposed Notice of Filing and enclose a certificate of service to that effect.

If you have any questions, please do not hesitate to contact us.

Very truly yours,

A handwritten signature in blue ink that reads "K. Chad Burgess".

K. Chad Burgess

KCB/kms
Enclosures

cc: John W. Flitter
Jeffrey M. Nelson, Esquire
(all via electronic mail and U.S. First Class Mail)

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2013-__-E

IN RE:

South Carolina Electric & Gas Company)	
Annual Update on Demand Side)	
Management Programs and Petition)	CERTIFICATE
to Update Rate Rider and for)	OF SERVICE
Approval of New Demand Side)	
Management Program.)	
_____)	

This is the certify that I have caused to be served this day one (1) copy of South Carolina Electric & Gas Company's **Annual Update on Demand Side Management Programs and Petition to Update Rate Rider and for Approval of New Demand Side Management Program and Proposed Notice of Filing** to the persons named below via electronic mail and U.S. First Class Mail at the addresses set forth below:

Jeffrey M. Nelson, Esquire
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1401 Main Street Suite 900
Columbia, SC 29201
jnelson@regstaff.sc.gov

John W. Flitter
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Karen M. Scruggs

Cayce, South Carolina
This 31st day of January 2013

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA
DOCKET NO. 2013-__-E

IN RE:

)	<u>ANNUAL UPDATE ON DEMAND</u>
South Carolina Electric & Gas)	<u>SIDE MANAGEMENT</u>
Company Annual Update on Demand)	<u>PROGRAMS AND PETITION TO</u>
Side Management Programs and)	<u>UPDATE RATE RIDER AND FOR</u>
Petition to Update Rate Rider and for)	<u>APPROVAL OF NEW DEMAND</u>
Approval of New Demand Side)	<u>SIDE MANAGEMENT PROGRAM</u>
Management Program.)	

Introduction

Pursuant to S.C. Code Ann. § 58-37-20 (Supp. 2012) and 26 S.C. Code Ann. Regs. 103-819 and 103-825 (1976, as amended), and in compliance with Public Service Commission of South Carolina (“Commission”) Order No. 2010-472 issued in Docket No. 2009-261-E, South Carolina Electric & Gas Company (“SCE&G” or “Company”) hereby (i) submits to the Commission for review information concerning the current status of SCE&G’s demand reduction and energy efficiency (“Demand Side Management” or “DSM”) programs; (ii) petitions the Commission for authorization to update its “Rider to Retail Rates – Demand Side Management Component” to provide for the recovery of SCE&G’s costs and net lost revenues associated with its DSM programs along with the Commission-approved shared savings incentive for investing in such programs, effective for bills rendered on and

after the first billing cycle of May 2013; and (iii) petitions the Commission for approval of a new DSM program.

In support of this petition, SCE&G would respectfully show to the Commission the following key facts and would request and petition the Commission for the following relief:

1. This matter comes before the Commission pursuant to Commission Order No. 2010-472 and S.C. Code Ann. § 58-37-20 (Supp. 2012). In Order No. 2010-472, the Commission approved SCE&G's suite of DSM programs and authorized the Company to establish a "Rider to Retail Rates – Demand Side Management Component" ("DSM Rate Rider"). In accordance with S.C. Code Ann. § 58-37-20 and as described more fully below, the DSM Rate Rider is designed to allow SCE&G to recover the costs and net lost revenues associated with its DSM programs along with a shared savings incentive equal to six percent (6%) of the net benefits derived from the Company's DSM programs.

2. In Order No. 2010-472, the Commission also ordered SCE&G to initiate an annual filing with the Commission updating the Company's DSM Rate Rider beginning in January 2011 and in each subsequent January through the life of the DSM programs.

3. In accordance with Order No. 2010-472, the annual filing must set forth the programs, net lost revenues, program costs, incentive, net program benefits, and other items as appropriate. Moreover, the annual filing must

encompass the twelve-month period beginning December 1 and ending November 30.

4. For this annual filing, the prior review period is October 1, 2010, to November 30, 2011 (“Program Year 1”); the current review period is December 1, 2011, to November 30, 2012 (“Program Year 2”); and the forecasted period is December 1, 2012, to November 30, 2013 (“Program Year 3”).¹

Update on DSM Programs

5. In Order No. 2010-472, the Commission approved a suite of nine (9) DSM programs for development and implementation. Exhibit 1 sets out the most significant aspects of program development and implementation status for each of the approved programs as well as other pertinent information that occurred in Program Year 2 or will occur in Program Year 3. Exhibit 1 also provides program information in ten (10) columns. For the purposes of tracking, and as reported to the Commission in Docket Nos. 2011-49-E and 2012-55-E, the approved program entitled “Residential Energy Check-up and Home Performance Audit” has been divided into two separate columns, namely, “Home Energy Check-Up” and “Home Performance with ENERGY STAR.”

6. SCE&G did not implement any new DSM programs during Program Year 2. Likewise, the Company did not terminate any DSM programs during

¹ Program Year 1 consists of fourteen months because SCE&G launched its first DSM program on October 1, 2010. Additionally, in accordance with Order No. 2010-472 and no later than May 31, 2013, SCE&G will make a separate filing with the Commission that will address the Company’s DSM programs beyond Program Year 3.

Program Year 2 and has no plans to terminate any DSM programs during Program Year 3.

Evaluation, Measurement, and Verification

7. As indicated in Exhibit 1, all of SCE&G's DSM programs were made available to SCE&G's customers by the close of Program Year 1. Pursuant to Commission Order No. 2010-472, Evaluation, Measurement, and Verification ("EM&V") results are due no later than six months after the end of a program year.

8. On May 31, 2012, in Docket No. 2012-55-E, SCE&G filed with the Commission its EM&V Report for Program Year 1 ("Program Year 1 EM&V Report"). In summary, SCE&G's DSM programs for Program Year 1 achieved net energy savings of 57,332 MWH and net demand savings of 9.87 megawatts with most of these savings resulting from SCE&G's ENERGY Star Lighting Program. Attached hereto as Exhibit 2 is a table summarizing the DSM portfolio net savings, program costs and participation levels for Program Year 1.

9. The Program Year 1 EM&V Report serves as the basis for the trued-up amounts reflected in SCE&G's net lost revenues amounts and shared savings incentive amounts set forth herein.

10. SCE&G anticipates that its EM&V report for Program Year 2 will be completed in May 2013. Since no EM&V results have yet been generated for Program Year 2, the net lost revenues calculation and the shared savings incentive calculation set forth herein are based on forecasted amounts. All forecasted amounts for Program Year 2 will be trued-up in the January 2014 annual filing.

11. Information concerning the impact of DSM programs on energy consumption and peak demand on SCE&G's system during Program Year 2 will be included in subsequent filings as EM&V data becomes available.

12. There have been no adjustments to the Company's planning assumptions regarding DSM program savings.

DSM Costs

13. Exhibit 3 shows the regulatory asset account balance of allowable DSM costs as of November 30, 2012; that amount is \$27,480,188. Pursuant to Order No. 2010-472, these costs are to be amortized over five years with unrecovered balances bearing carrying costs at the Company's weighted average cost of capital. Accordingly, SCE&G respectfully requests authorization to update the DSM Rate Rider to allow the Company the opportunity to recover \$5,496,037 in DSM costs during the twelve-month period effective for bills rendered on and after the first billing cycle of May 2013 and ending with the last billing cycle of April 2014 ("Recovery Period").

Net Lost Revenues

14. Exhibit 4 shows the calculation of the appropriate amount of net lost revenues to be recovered during the Recovery Period; that amount is \$20,568,683.

15. By Order No. 2010-472, the Commission instructed SCE&G to cease recovering net lost revenues through the DSM Rate Rider for prior program years upon implementation of new retail electric rates stemming from a general rate case proceeding. By Order No. 2012-951 issued in Docket No. 2012-218-E, the

Commission approved, among other things, new retail electric rates for SCE&G as a result of a general rate case proceeding; the Commission established SCE&G's new retail electric rates based upon a twelve-month historical test period ended December 31, 2011. As part of Order No. 2012-951, the Commission authorized SCE&G to reduce its DSM Rate Rider to reflect the removal of net lost revenues for the time period October 1, 2010, through December 31, 2011. Accordingly, and in compliance with Order No. 2010-472, the net lost revenues for the time period October 1, 2010, through December 31, 2011, are now accounted for in SCE&G's retail electric base rates. Thus, SCE&G is no longer recovering net lost revenues for the time period October 1, 2010, through December 31, 2011, through its DSM Rate Rider; this is evidenced by SCE&G's currently effective DSM Rate Rider which was reduced across all customer classes as follows:

Customer Class	\$/kWh effective prior to issuance of Commission Order No. 2012-951	\$/kWh effective after issuance of Commission Order No. 2012-951
Residential	\$0.00132	\$0.00086
Small General Service	\$0.00189	\$0.00105
Medium General Service	\$0.00131	\$0.00075
Large General Service	\$0.00012	\$0.00007

16. While SCE&G is no longer recovering net lost revenues for the time period October 1, 2010, through December 31, 2011, through its DSM Rate Rider, the Company, in accordance with Order No. 2010-472, has trued-up its net lost revenues for Program Year 1 pursuant to the Program Year 1 EM&V Report, and

the results of the true-up for this time period are included in the net lost revenues calculation.

17. The amount of net lost revenues reported herein reflects (i) the actual level of customer participation in each DSM program during the time period October 1, 2010, through November 30, 2011, and the reduction in demand and megawatt-hour ("MWH") sales that are calculated to occur as a result; and (ii) the cumulative forecasted level of customer participation in each DSM program during the time period January 1, 2012, through November 30, 2013, and the reduction in demand and MWH sales that are calculated to occur as a result.

18. In summary, SCE&G net lost revenues amount includes the following:

(a) The trued-up amounts for Program Year 1, as required by Commission Order No. 2010-472;

(b) The forecasted amounts for Program Year 2, which will be trued-up in the Company's January 2014 annual DSM filing; and

(c) The forecasted amounts for Program Year 3, which will be trued-up in the Company's January 2015 annual DSM filing.

19. SCE&G respectfully requests authorization to update the DSM Rate Rider to allow the Company the opportunity to recover net lost revenues in the amount specified above during the Recovery Period.

Shared Savings Incentive

20. As shown on Exhibit 5, the allowable shared savings incentive for the Company is \$1,135,269. SCE&G's shared saving incentive amount includes the following:

(a) The actual shared savings incentive amount for Program Year 1, which has been trued-up in accordance with Commission Order No. 2010-472;

(b) The forecasted shared savings incentive amount for Program Year 2, which will be trued-up in the Company's January 2014 annual DSM filing; and

(c) The forecasted shared savings incentive amount for Program Year 3, which will be trued-up in the Company's January 2015 annual DSM filing.

21. Pursuant to Order No. 2010-472, the shared savings incentive is to be amortized over five years without interest or carrying costs added to the calculation of the DSM Rate Rider. Accordingly, SCE&G respectfully requests authorization to update the DSM Rate Rider to allow the Company the opportunity to recover a shared savings incentive totaling \$1,135,269 during the Recovery Period.

DSM Rate Calculation and DSM Rate Rider

22. Exhibit 6 shows that the total amount to be recovered under the DSM Rate Rider, if approved, during the Recovery Period is \$27,199,989. It also reflects the calculation of the billing factors for each customer class based on the appropriate billing units for that customer class. Based on those calculations, the appropriate billing factors applicable to SCE&G's retail electric customers effective

for bills rendered on and after the first billing cycle of May 2013 if approved, would be as follows:

Customer Class	\$/kWh
Residential	\$0.00234
Small General Service	\$0.00099
Medium General Service	\$0.00146
Large General Service	\$0.00055

23. Based upon the foregoing, the DSM Rate Rider for a residential customer will increase from \$0.00086 to \$0.00234 per kilowatt-hour. As a result, the Company estimates that the DSM Rate Rider will cause the bill of an average residential customer using 1,000 kilowatt-hours per month to increase approximately \$1.48.

24. Exhibit 7 is the proposed updated DSM Rate Rider to be implemented during the Recovery Period.

25. All calculations contained in the attached exhibits are in accordance with the formulas, methodologies, and rate designs approved by the Commission in Order No. 2010-472.

Update on Opt-Out for Industrial Customers

26. As of the close of the Program Year 2, 327 industrial accounts had opted-out of SCE&G's DSM programs. Retail electric sales associated with these accounts represent approximately 67% of SCE&G's industrial load.

Compliance with Commission Order No. 2012-300

27. In Order No. 2012-300, issued in Docket No. 2012-55-E, the Commission instructed SCE&G to (i) consider increasing efficiency opportunities for

the industrial customer sector; (ii) consider existing program delivery models as the Company develops a low-income residential energy efficiency program; and (iii) consider strengthening the Company's efficiency portfolio in the future by adding additional measures and programs. The Commission also instructed SCE&G to include in this filing a description of how the Company considered these matters.

28. In compliance with Order No. 2012-300, SCE&G has given consideration to each of the items set forth in Order No. 2012-300. With regard to increasing efficiency opportunity for the industrial customer sector, SCE&G modified its Commercial and Industrial – Custom DSM program. For example, in Program Year 1, SCE&G limited the amount of incentives paid under this program to \$25,000 per customer account; however, for Program Year 2 SCE&G eliminated the \$25,000 cap. SCE&G also held additional training and information sessions with its industrial customers and increased its DSM marketing efforts by engaging in a direct mail campaign and publishing advertisements in business periodicals. All of these efforts contributed to the increased participation and interest in SCE&G's DSM programs by its industrial customers in Program Year 2. This prompted some industrial customers to opt-in and others to more critically evaluate opting-in.

29. As for SCE&G's consideration of existing program delivery models as it developed its low-income residential energy efficiency program, the Company researched the types of DSM programs offered by neighboring utilities to their low-income customers. In doing so, SCE&G evaluated the attributes of those programs

and incorporated the strengths of those programs into the design of its Neighborhood Energy Efficiency Program, which is described more fully below. Additionally, SCE&G solicited the advice and counsel of ICF International, a leading national energy consulting firm, which has extensive experience in designing DSM programs, including low-income energy efficiency programs for electric utilities across the United States.

30. As for the Company's consideration of strengthening its efficiency portfolio in the future by adding additional measures and programs, SCE&G, as part of this petition, is seeking approval of a new DSM program, which is described in more detail below. Additionally, SCE&G expanded its Residential Energy Star Lighting program to include retail discounts on light-emitting diode ("LED") bulbs and LED holiday string light sets. The Company is also working to increase multi-family participation in its Home Energy Check-Up Program. As for its Commercial and Industrial Programs, SCE&G is increasing the LED lighting options available for incentives under the Prescriptive program. Furthermore, SCE&G is taking steps to make it even easier for customers to participate in the Commercial and Industrial program by combining the application for various lighting incentives into a single application.

Petition for Approval of New DSM Program

31. In Docket No. 2009-261-E, SCE&G committed to developing a DSM program designed specifically for low-income customers in the Company's electric service territory. Accordingly, in Order No. 2010-472, the Commission ordered

SCE&G to develop a DSM program for its low-income customers. The Commission also ordered SCE&G to implement the program in Program Year 2 or Program Year 3.

32. In compliance with Order No. 2010-472, SCE&G has designed a DSM program that will deliver energy education and low-cost energy saving measures to low-income customers residing in SCE&G's electric service territory. This program is referred to as the "Neighborhood Energy Efficiency Program."

33. Under its Neighborhood Energy Efficiency Program, SCE&G will provide to qualifying customers energy education and directly install certain low-cost energy saving measures free of charge.

34. With regard to providing in-home energy education, SCE&G will educate the customer about understanding their SCE&G bill and provide the customer with general education materials which will contain information about low-cost/no-cost energy efficiency measures.

35. As for the low-cost energy saving measures, SCE&G will directly install, if needed, (i) up to fifteen (15) compact fluorescent light bulbs; (ii) a water heater wrap for an electric water heater; (iii) pipe insulation; (iv) new filters for the Heating, Ventilation, and Air Conditioning (HVAC) system at the residence; and (v) a five and/or seven plug Smart Strip, which prevents electronics that are in standby mode from consuming power.

36. SCE&G will deliver its Neighborhood Energy Efficiency Program using a neighborhood sweep approach. Under this approach, SCE&G will identify

neighborhoods within its service territory in which at least 50% of the households located therein have incomes equal to or less than 150% of the poverty level set by the federal government. Below is a table reflecting the 2012 poverty guidelines.

2012 Poverty Guidelines		
Size of Family Unit	Threshold	Income Level (150%)
1	\$11,170	\$16,755
2	\$15,130	\$22,695
3	\$19,090	\$28,635
4	\$23,050	\$34,575
5	\$27,010	\$40,515
6	\$30,970	\$46,455
7	\$34,930	\$52,395
8	\$38,890	\$58,335
For each additional person add	\$3,960	\$5,940

37. SCE&G will use these guidelines, as updated by the federal government, to determine which neighborhoods qualify for its Neighborhood Energy Efficiency Program.

38. After the neighborhoods are identified, SCE&G will gauge customer interest and solicit participation in the program. For those customers who wish to participate in SCE&G's Neighborhood Energy Efficiency Program, the Company will visit their home and initiate the measures described above. SCE&G will track each residence in which it installs the energy saving measures; those residences' participation in SCE&G's Neighborhood Energy Efficiency Program will be limited to a single occurrence.

39. The estimated impacts and costs of the Neighborhood Energy Efficiency Program are illustrated in the table below. These estimated impacts and

costs are based upon such factors as forecasts of the rates of customer acceptance and participation in the proposed program, the ability to recruit and train trade allies that will assist in program implementation and the performance of trade allies, to name a few. The estimates are for the time period from the date that the program is publicly made available to customers (*i.e.*, after approval by the Commission, and putting in place the personnel, material, trade allies and other resources necessary to successfully market and deliver the programs) until November 30, 2013.²

Neighborhood Energy Efficiency Program	
Program Costs	\$175,872
Annual Net MWh	422
Annual Net MW	0.06
No. of Customer in Target Group	26,971
No. of Participants	500
Participation Rate	2%
Total Resource Cost ("TRC")	1.339
Utility Cost Test ("UCT")	1.339
Net to Gross Ratio	1.00
Program Cost/Participant	\$352

40. The results set forth in the table above reflect that SCE&G's Neighborhood Energy Efficiency Program is a cost-effective DSM program.

41. Based on the foregoing, SCE&G respectfully requests that the Commission approve the Company's Neighborhood Energy Efficiency Program as described herein. SCE&G also requests that in any orders issued in this docket

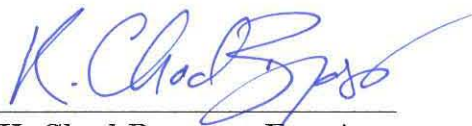
² If this DSM program is approved by the Commission, then SCE&G will include information in its May 31, 2013 filing addressing this program beyond Program Year 3.

approving the Company's Neighborhood Energy Efficiency Program that the Commission allow SCE&G the flexibility to modify, expand, amend, and/or terminate this program going forward without the requirement to seek prior Commission approval to do so; such a ruling would be consistent with Commission Order No. 2010-472.

Request for Relief

42. Based upon the foregoing, SCE&G respectfully requests that the Commission approve (i) the proposed update to the Company's DSM Rate Rider as described herein and in the attached exhibits to be effective for bills rendered on and after the first billing cycle of May 2013; (ii) SCE&G's new DSM Program entitled "Neighborhood Energy Efficiency Program"; and (iii) such further, different or other relief as may be warranted, just, reasonable and lawful.

Respectfully submitted,



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Attorneys for South Carolina Electric & Gas
Company

January 31, 2013
Cayce, South Carolina

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
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DOCKET NO. 2013-__-E

IN RE:

South Carolina Electric & Gas)
Company Annual Update on Demand)
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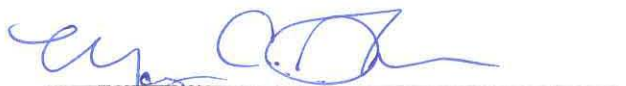
VERIFICATION

PERSONALLY APPEARED before me, Felicia R. Howard, Director of Demand Side Management for South Carolina Electric & Gas Company, who, being first duly sworn, deposes and says that she has read the foregoing Annual Update on Demand Side Management Programs and Petition to Update Rate Rider and for Approval of New Demand Side Management Program and that the matters alleged therein are true within her own knowledge; and that she is fully authorized and has capacity to sign the aforesaid pleading and to verify the contents thereof.



Felicia R. Howard

Sworn to before me this
31st day of January, 2013


Notary Public for South Carolina
My Commission Expires: 5/30/2017

Demand Side Management - Program Updates - November 30, 2012

General Overview	Home Energy Reports (formerly Usage Benchmarking)	Energy Information Display	Home Energy Check-up	Home Performance with ENERGY STAR (formerly Home Performance Audit)	ENERGY STAR Lighting (formerly ENERGY STAR Lighting and Appliance)	Heating & Cooling and Water Heating Equipment (formerly New HVAC and Water Heater)	Heating & Cooling Efficiency Improvement (formerly Existing HVAC Tune-Up)	ENERGY STAR New Homes	Commercial - Prescriptive Industrial	Commercial and Industrial - Custom
	Free monthly/bi-monthly reports comparing customer's energy usage to peer group and providing information to help identify, analyze, and act upon potential energy efficiency measures and behaviors.	Discounted energy information display (EID) device provided to customers to increase awareness of home energy consumption, thus driving more energy conscious decision making.	Free in-home visual energy assessment performed by SCE&G staff with leave-behind energy efficiency kit consisting of ten CFL bulbs and water heater tank wrap and pipe insulation, as appropriate.	Comprehensive audit with diagnostic testing of a customer's home by trained contractors with incentives offered for installation of recommended measures.	Incentives for the purchase of ENERGY STAR qualified lighting and lighting products.	Incentives to residential customers for purchase of high efficiency HVAC and non-electric resistance water heaters (new construction or replacement installations).	One-time incentives to encourage customers to improve the efficiency of existing AC and heat pump systems through HVAC tune-ups, duct installation and duct sealing.	Incentives to non-residential customers to build to ENERGY STAR standards.	Incentives to non-residential customers for the installation of high efficiency lighting, lighting controls, LED traffic signals, HVAC systems and food service equipment.	Incentives to non-residential customers for qualifying energy efficient projects that are not eligible for incentives under the Prescriptive Program.
Launch Date	4/6/2011	Phase 1: 11/15/2010 Phase 2: 10/27/2011	10/1/2010	3/1/2011	2/14/2011	3/1/2011	3/1/2011	4/1/2011	10/1/2010	5/1/2011
Year 1 Program Forecast	25,000 participants, 8250 MWh, 3.02 MW reductions	4,156 participants, 1662 MWh, 0.27 MW reductions	1,367 participants, 492 MWh, 0.10 MW reductions	683 participants, 1758 MWh, 0.38 MW reductions	113,434 bulb packages, 24,373 MWh and 3.15 MW reductions	5,390 participants, 7007 MWh, 1.65 MW reductions	6,576 participants, 3755 MWh, 1.72 MW reductions	250 new homes, 225 MWh, 0.08 MW reductions	374 participants, 36,327 MWh, 3.47 MW reductions	105 participants, 19,029 MWh, 2.87 MW reductions
Year 2 Program Forecast	25,312 participants, 8353 MWh, 3.05 MW reductions	4,449 participants, 1940 MWh, 0.31 MW reductions	2,076 participants, 747 MWh, 0.15 MW reductions	1,038 participants, 2670 MWh, 0.58 MW reductions	125,293 bulb packages, 26,521 MWh and 3.48 MW reductions	7,108 participants, 8654 MWh, 2.16 MW reductions	13,317 participants, 7604 MWh, 3.48 MW reductions	506 new homes, 456 MWh, 0.16 MW reductions	433 participants, 42,053 MWh, 4.02 MW reductions	122 participants, 22,028 MWh, 3.32 reductions
Implementation Approach	349,962 customers solicited to opt-in to program by completing a Home Energy Survey. Direct Options is 3rd-party provider for opt-in survey and monthly Home Energy Reports. Customer service support provided by SCE&G's EnergyWise Contact Center group.	Customers will receive an EID device for a charge of \$20 or at no charge, if low-income. SCE&G administers this program in-house with customer service support provided by its EnergyWise Contact Center group.	Visual in-home energy assessments and recommendations provided to customers by SCE&G staff who are Building Performance Institute (BPI) certified Building Analysts and Manufactured Housing Professionals. Customer service support provided by SCE&G Contact Center.	Contractors recruited and trained on program protocols by local staff of third party implementer, ICF Resources. Customers incur cost of diagnostic home audit with SCE&G offering rebates for installation of eligible measures recommended by auditor. Technical and contractor support for program provided by ICF Resources. Customer service support provided by SCE&G EnergyWise Contact Center group. Rebate processing transitioned from ICF to DSM staff.	Qualified ENERGY STAR lighting and lighting fixtures purchased at point of purchase for customers. SCE&G pays participating contractor support for non-electric resistance water heaters. Technical and contractor support for program provided by local staff of ICF Resources. Customer service support provided by SCE&G EnergyWise Contact Center group. Rebate processing transitioned from ICF to DSM staff.	Customers receive rebates for services delivered via independent contractors. Technical and contractor support for program provided by local staff of ICF Resources. Customer service support provided by SCE&G EnergyWise Contact Center group. Rebate processing transitioned from ICF to DSM staff.	Customers receive rebates for completion of homes constructed to meet current ENERGY STAR standards. Local staff of third party program implementer, ICF Resources, field services support, recruits, trains and provides field services certified home raters participating in the program. Customer service support provided by SCE&G EnergyWise Contact Center group. Technical reviews and rebate processing provided by DSM staff.	Builders receive rebates upon completion of homes constructed to meet current ENERGY STAR standards. Local staff of third party program implementer, ICF Resources, field services support, recruits, trains and provides field services certified home raters participating in the program. Customer service support provided by SCE&G EnergyWise Contact Center group. Technical reviews and rebate processing provided by DSM staff.	Local and other staff of ICF Resources provide customer and trade ally technical, field services and rebate processing support. Contact center support provided by SCE&G EnergyWise Contact Center group.	Local and other staff of ICF Resources provide customer and trade ally technical, field services and rebate processing support. Contact center support provided by SCE&G EnergyWise Contact Center group.
Year 3 Program Forecast	25,629 participants, 8458 MWh, 3.10 MW reductions	5,652 participants, 12261 MWh, 0.36 MW reductions	2,803 participants, 1009 MWh, 0.20 MW reductions	1,402 participants, 3605 MWh, 0.78 MW reductions	113,7431 bulb packages, 29,529 MWh and 3.82 MW reductions	8,868 participants, 10,746 MWh, 2.69 MW reductions	20,225 participants, 11,549 MWh, 5.29 MW reductions	769 new homes, 692 MWh, 0.24 MW reductions	500 participants, 48,571 MWh, 4.64 MW reductions	140 participants, 25,442 MWh, 3.94 MW reductions
Year 2 Program Activity	Continued to issue monthly reports to customers focused on customized energy savings, no cost/low cost energy tips, and cross-promoting other DSM programs. Over 2,500 Home Energy Reports customers have participated in other DSM programs. The Home Energy Plan, an on-line tool designed to help customers develop personal energy efficiency goals was also promoted as part of the program. Solicited 40,000 additional customers to take part in the program. Customers participating in the Home Energy Reports program total 29,264.	Based on feedback from Phase 2 participants, provided additional customer facing material and program support. Launched direct mail campaign to increase program participation, targeting Home Energy Check-up, Home Performance with Energy Star, and Home Energy Reports participants. Customers participating in the EID program total 1,490.	Continued focus on professional and technical development of SCE&G staff performing in-home assessments. Conducted various outreach and education activities regarding Home Energy Check-up and other DSM programs. Provided energy efficiency kits, including 26,800 compact fluorescent light (CFL) bulbs, 16,032 feet of pipe insulation and 881 water heater wraps to residential customers. Completed 2,680 Home Energy Check-ups.	Directory of 23 participating contractors (as of program Year end) with Building Performance Institute (BPI) Building Analysts certification listed on SCE&G website. Training and utilization of BEACON audit assessment tool provided to participating contractors. Improver rebate application, documentation processes for more timely rebate check issuance. Rebates totaled \$28 for a variety of energy efficiency measures including building envelope improvements, heating and cooling performance improvements, heating and cooling equipment and water heating equipment.	Directory of all participating retailers on SCE&G website updated to indicate CFL recycling locations. Field representatives continued to support/training and conduct demonstrations in-store and at community events throughout SCE&G service territory. Compact fluorescent light (CFL) bulbs, light emitting diode (LED) bulbs, CFL light fixtures, LED nightlights and LED holiday string lights sold totaled 2,654,041.	Updated customer-facing web pages. Revised rebate applications and rebate process to increase efficiency and decrease rebate turnaround time. Increased marketing of program with targeted direct mail campaigns, online advertising and bill inserts. Increased outreach to builders for new construction. Rebates paid for heating and cooling and water heating equipment to 5,838 participants.	Adopted new name for former HVAC "tune-up" to differentiate the service, now identified as a System Optimizer, from other prescriptive tune-ups offered in the marketplace. Trained 200 HVAC contractors on efficiency improvement program protocols. Revised rebate applications and rebate process to increase efficiency and decrease rebate turnaround time. Rebates paid for heating and cooling efficiency improvements to 1,026 participants.	Enrolled 16 builders and 5 home energy raters as of program year end. Conducted a number of program information and training sessions regarding ENERGY STAR home construction standards with participating builders throughout SCE&G service territory. Issued HVAC related training for builders and their HVAC contractors to help them understand the ENERGY STAR version 3 requirements. Rebates paid to builders for new homes constructed to ENERGY STAR standards totaled 353.	Conducted trade ally information and training sessions throughout SCE&G service territory. Presented program information at local conferences and various meetings and events. Marketing efforts included direct mail campaign, bill insert, online banner ads, and trade publication ads. C&I Prescriptive program participants totaled 544.	The Custom Incentive cap (\$25,000) was removed mid-year as it was a barrier to participation. Custom program addressed in conjunction with Prescriptive program in trade ally information and training sessions throughout SCE&G service territory. Some training sessions included more focus on the Custom Program. Information on the Custom program was included in presentations at local conferences and meetings and industry related business and events. Marketing efforts included: direct mail campaign, bill insert, online banner ads, and trade publication ads. C&I Custom program participants totaled 28.

Demand Side Management - Program Updates - November 30, 2012

Next Steps	Home Energy Reports (formerly Usage Benchmarking)	Energy Information Display	Home Energy Check-up	Home Performance with ENERGY STAR (formerly Home Performance Audit)	ENERGY STAR Lighting (formerly ENERGY STAR Lighting and Appliance)	Heating & Cooling and Water-Heating Equipment (formerly New HVAC and Water Heater)	Heating & Cooling efficiency Improvement (formerly Existing HVAC Tune-Up)	ENERGY STAR New Homes	Commercial and Industrial - Prescriptive	Commercial and Industrial - Custom
	Solicit additional program participants to ensure forecasted Year 3 program growth. Continue to educate customers on household energy use, inform customers of new ways to save energy, and promote participation in other DSM programs. Migrate first year participants from monthly Home Energy Reports to bi-monthly.	Solicit additional program participants via targeted marketing. Leverage device communication capabilities to provide customers with energy saving tips. Continue to provide support for participating customers. Address device manufacturer supply constraints.	Leverage opportunities to promote other DSM programs to Home Energy Check-up participants, as appropriate. Focus on multi-family housing in order to grow the program. Evaluate leave behind kits in order to add to program energy savings.	Continue program marketing to promote the program to customers asking a more energy efficient and comfortable home. Continue technical training for participating contractors to aid their success in the home performance industry. Monitor national ENERGY STAR Home Performance guidelines, as new versions 1.5 and 2 may affect the program.	Refresh and replace point of purchase signage in stores to support customer awareness and participation in program. Continue retailer and manufacturer outreach. Continue to monitor impact of federal lighting efficiency regulation, Energy Independence and Security Act, on savings from CFLs.	Continue contractor and builder outreach to promote program and provide value-added training and education opportunities to facilitate market transformation. Increase program outreach direct to residential customers.	Continue contractor outreach to promote program and provide training on program HVAC System Optimizer protocol, Manual D, Manual J and other technical training.	Continue efforts to educate builders on requirements of ENERGY STAR version 3 and provide technical and other services throughout home construction process. Assist builders in learning how to effectively differentiate their homes in the marketplace from those that do not have ENERGY STAR certification.	Continue contractor/trade ally outreach and training. Expand program marketing to include customer testimonials, additional direct mail and ad placements. Realign the lighting application to improve ease of customer participation. Continue outreach efforts to commercial and industrial customers.	Continue contractor/trade ally outreach and training. Offer custom program specific training. Include more tools online to guide customers through Custom application process. Explore further opportunities to increase participation.

Exhibit No. 2

Table 1. Portfolio Net Savings, Program Costs and Participation

Program Name	NET Savings				Program Costs		Participation		
	MWh Actual	% of Forecast	MW Actual	% of Forecast	Cost Actual	% of Forecast	Participation Actual	% of Forecast	Participation Definition
ENERGY STAR Lighting	37,320	204%	4.19	177%	\$3,090,535	109%	1,251,340	163%	Bulbs
Home Energy Reports	9,311	150%	3.41	151%	\$910,856	193%	28,216	150%	Customers
Heating & Cooling and Water Heating	1,586	30%	0.48	39%	\$1,652,192	66%	1,429	35%	Measures
Home Energy Check-up	585	119%	0.14	140%	\$407,587	103%	2036	149%	Customers
Energy Information Display	200	16%	0.032	16%	\$266,886	46%	500	16%	Customers
ENERGY STAR New Homes	196	116%	0.057	95%	\$388,005	142%	86	46%	Homes
Home Performance w ENERGY STAR	79.5	6%	0.023	8%	\$736,428	53%	33	6%	Customers
Heating & Cooling Efficiency Improvement	37.6	1%	0.02	2%	\$698,356	59%	85	2%	Customers
Commercial and Industrial - Prescriptive & Custom	8,017	15%	1.52	26%	\$3,264,069	68%	241	52%	Customers
Commercial and Industrial Energy Information Display	N/A				\$31,834		N/A		Customers
Total	57,332	65%	9.87	72%	\$ 11,446,748	79%			

* Actuals are compared to phased in forecasts. Original forecasts were revised based on implementation start date

* Program costs presented in this report do not account for amortization or interest (carrying cost)

* Following the EM&V results for PY1, the estimated PY1 Portfolio TRC = 1.22

SCE&G

Amortization of Program Costs for DSM Rate Calculation

Balance of <u>Direct</u> Program Costs @ 11/30/2012	\$	24,365,227
Balance of <u>Indirect</u> Program Costs @ 11/30/2012	\$	3,114,961
Total Balance of Program Costs @ 11/30/2012	\$	27,480,188

Customer Class	Balance of Direct Costs @ 11/30/2012	Direct Cost Allocation Ratios	Balance of Indirect Costs @ 11/30/2012	Class Allocation of Program Costs Balance	One Year Amortization for Rate Calculation
Residential	\$ 17,081,925	70.11%	\$ 2,183,899	\$ 19,265,824	\$ 3,853,165
Small General Service	\$ 2,509,826	10.30%	\$ 320,841	\$ 2,830,667	\$ 566,133
Medium General Service	\$ 2,372,900	9.74%	\$ 303,397	\$ 2,676,297	\$ 535,259
Large General Service	\$ 2,400,576	9.85%	\$ 306,824	\$ 2,707,400	\$ 541,480
TOTAL	\$ 24,365,227	100.00%	\$ 3,114,961	\$ 27,480,188	\$ 5,496,037

SCE&G
Projection and True-Up of Net Lost Revenues for DSM Rate Calculation
From October 2010 - November 2013

Customer Class	Cumulative Energy Savings (in KWH) ¹	Net Lost Revenue Factors (\$ per KWH)	Estimated Net Lost Revenues for Recovery in Next Rate Period	True-Up Amount from First Program Year ²	Net Lost Revenues for Rate Calculation
Residential	121,018,583	\$0.09948	\$ 12,038,929	\$ 1,750,479	\$ 13,789,408
Small General Service	45,747,000	\$0.09160	\$ 4,190,425	\$ (1,686,166)	\$ 2,504,259
Medium General Service	43,251,226	\$0.06712	\$ 2,903,022	\$ (220,928)	\$ 2,682,094
Large General Service	43,755,691	\$0.04082	\$ 1,786,107	\$ (193,185)	\$ 1,592,922
			\$ 20,918,483	\$ (349,800)	\$ 20,568,683

Notes:

¹ Cumulative Energy Savings are projected for the period of January 1, 2012 through the end of Program Year 3 (November 30, 2013).

² Detailed calculation of Program Year One (October 2010 - November 2011) True-Up:

Customer Class	Program Year One Actual Energy Savings (in KWH) from EM&V Study	Net Lost Revenue Factors (\$ per KWH) Applicable to Program Year One	Net Lost Revenue Incurred in Program Year One	Net Lost Revenue Collected from Customers in Program Year One	Calculated True-Up Applicable to Program Year One
Residential	49,316,000	\$0.08704	\$ 4,292,465	\$ 2,541,986	\$ 1,750,479
Small General Service	4,310,741	\$0.06762	\$ 291,492	\$ 1,977,658	\$ (1,686,166)
Medium General Service	2,958,273	\$0.05872	\$ 173,710	\$ 394,638	\$ (220,928)
Large General Service	747,986	\$0.03598	\$ 26,913	\$ 220,098	\$ (193,185)

SCE&G
Projection and True-Up of Shared Savings Incentive
for DSM Rate Calculation
From October 2010 - November 2013

Customer Class	Cumulative Shared Savings Amortization through Program Year Three	Shared Savings Amortization True-Up Amount from First Program Year ¹	Shared Savings Amortization for Rate Calculation
Residential	\$ 756,968	\$ (112,835)	\$ 644,133
Small General Service	\$ 231,742	\$ (87,831)	\$ 143,911
Medium General Service	\$ 215,430	\$ (28,588)	\$ 186,842
Large General Service	\$ 210,569	\$ (50,186)	\$ 160,383
Totals:	\$ 1,414,709	\$ (279,440)	\$ 1,135,269

Notes:

¹ Detailed Calculation of Program Year One (October 2010 - November 2011) True-Up:

Customer Class	Program Year One Actual Shared Savings Amortization (per EM&V Study)	Shared Savings Amortization Collected From Customers - Program Year One	Calculated True-Up Applicable to Program Year One
Residential	\$ 134,498	\$ 247,333	\$ (112,835)
Small General Service	\$ 14,159	\$ 101,990	\$ (87,831)
Medium General Service	\$ 9,717	\$ 38,305	\$ (28,588)
Large General Service	\$ 2,457	\$ 52,643	\$ (50,186)

SCE&G
DSM Rate Calculation
(Effective for the Recovery Period of May 2013 - April 2014)

Exhibit No.	Description	Total	Customer Class			
			Residential	Small General Service	Medium General Service	Large General Service
3	Amortization of Program Costs	\$ 5,496,037	\$ 3,853,165	\$ 566,133	\$ 535,259	\$ 541,480
4	Estimated Net Lost Revenues	\$ 20,568,683	\$ 13,789,408	\$ 2,504,259	\$ 2,682,094	\$ 1,592,922
5	Shared Savings Incentive	\$ 1,135,269	\$ 644,133	\$ 143,911	\$ 186,842	\$ 160,383
	Total DSM Costs for Recovery	\$ 27,199,989	\$ 18,286,706	\$ 3,214,303	\$ 3,404,195	\$ 2,294,785
	Projected Class Sales (in GWH) during the Recovery Period¹		7,800.2	3,243.5	2,339.0	4,209.8
	Rate per KWH		\$ 0.00234	\$ 0.00099	\$ 0.00146	\$ 0.00055

Notes:

¹ Projected Class Sales are for the Recovery Period of May 2013 - April 2014 and are adjusted to account for those customers who have opted-out of SCE&G's DSM programs.

SOUTH CAROLINA ELECTRIC & GAS COMPANY

ELECTRICITY

RIDER TO RETAIL RATES

DEMAND SIDE MANAGEMENT COMPONENT

(Page 1 of 2)

APPLICABILITY

Service supplied under the Company's retail electric rate schedules is subject to approved Demand Side Management (DSM) program cost adjustments. The rates shown below are applicable to and a part of the Company's South Carolina retail electric rate schedules and included in the monthly rate provision of the applicable schedule used in billing and shall therefore be added to customer's monthly bill statement:

DSM RATES BY CLASS (\$/kWh)

Customer Class	DSM Factors
Residential	0.00234
Small General Service	0.00099
Medium General Service	0.00146
Large General Service	0.00055

DERIVATION OF FACTORS

Demand Side Management costs to be recovered in an amount rounded to the nearest one-thousandth of a cent per kilowatt-hour, will be determined by the following formula:

$$A = D / S$$

A = Customer Class Specific DSM Program Costs Rate Adjustment per kilowatt-hour applied to base rates rounded to the nearest one-thousandth of a cent.

D = DSM revenue requirement for the period calculated as (C + L + R)

Where:

C = One year of Amortization Expense (based upon the balance of DSM Program Costs at the beginning of the annual review period) plus associated Carrying Costs (calculated using the Company's Weighted Average Cost of Capital)

L = Net Lost Revenues for each customer class based on forecasted retail kWh sales reductions attributable to DSM programs. Revenue lost is calculated using the average rate per customer class less the class specific fuel component and variable O&M. The resulting factor is then multiplied by the kWh sales lost for each class of customers. This amount will be "trued-up" for the actual impact on prior year sales.

R = One year of amortization of DSM Program Incentive to be calculated by multiplying the estimated Net Present Value Benefit of each energy efficiency program as determined by the Utility Cost Test times 6%.

S = Projected customer class specific sales, defined as retail kilowatt-hour sales from each class of customers for the current period, less sales from customers who have been approved for opt-out status.

The appropriate revenue-related tax factor is to be included in these calculations.

"OPT-OUT" PROVISION

1. Industrial customers as defined in Rate 23 are eligible to opt-out of DSM programs and costs.
2. Customers wishing to opt-out of DSM programs and recovery of DSM costs shall file a writing with the Company on a form provided by the Company representing that they have already implemented or will be implementing alternative DSM programs. Certifications shall be valid until withdrawn. If a Customer should choose to participate in one or more DSM programs for any account, then such Customer will not be permitted to opt-out of DSM programs and recovery of DSM costs for that account for a period of five years.

SOUTH CAROLINA ELECTRIC & GAS COMPANY

ELECTRICITY

RIDER TO RETAIL RATES

DEMAND SIDE MANAGEMENT COMPONENT

(Page 2 of 2)

3. Customers who opt-out but later elect to participate in one of the Company's programs may do so upon application to the Company. If acceptable to the Company, the Customer may participate in the Company's programs, but may not apply to opt-out again for a period at least as long as the amortization period.

Since DSM charges are included and a part of retail rates, customers qualifying for the opt-out provision shall receive the following DSM Credit on their monthly bill statement:

$$\text{DSM Credit} = \text{Billed kWh times the applicable DSM Rate}^*$$

* The DSM Rate shall be as shown in the above table for the schedule applicable to Customer's monthly bill.

DEFINITIONS

1. Annual Review Period - The period of time between December 1 and November 30.
2. Amortization Period - The five-year period of time which the Company's DSM measures, program costs and incentive are deferred and amortized.
3. Customer Class - The Company's classification of customers based on similar energy usage characteristics. These are defined as follows:

Residential:

Rate 1 – Good Cents Rate, Rate 2 – Low Use Residential Service, Rate 5 - Residential Service Time-of-Use, Rate 6 – Energy Saver / Conservation Rate, Rate 7 – Residential Service Time-Of-Use Demand, Rate 8 – Residential Service

Small General Service:

Rate 3 – Municipal Power Service, Rate 9 – General Service, Rate 10 – Small Construction Service, Rate 11 – Irrigation Service, Rate 12 – Church Service, Rate 13 – Municipal Lighting Service, Rate 14 – Farm Service, Rate 16 – General Service Time-Of-Use, Rate 22 – School Service, Rate 28 (Experimental) – Small General Service Time-Of-Use Demand

Medium General Service:

Rate 19 – General Service Concurrent Demand Time-Of-Use, Rate 20 – Medium General Service, Rate 21 – General Service Time-Of-Use Demand, Rate 21A – Experimental Program - General Service Time-Of-Use Demand

Large General Service:

Rate 23 – Industrial Power Service, Rate 24 – Large General Service Time-Of-Use, Rate 27 - Large Power Service Real Time Pricing (Experimental)

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

TERM OF CONTRACT

The contract terms will be the same as those incorporated in the rate tariff under which customer receives electric service.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and form a part of this rider.

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

CLERK'S OFFICE

NOTICE OF FILING

DOCKET NO. 2013-____-E

SOUTH CAROLINA ELECTRIC & GAS COMPANY – ANNUAL UPDATE ON DEMAND SIDE MANAGEMENT PROGRAMS AND PETITION TO UPDATE RATE RIDER AND FOR APPROVAL OF NEW DEMAND SIDE MANAGEMENT PROGRAM.

On January 31, 2013, South Carolina Electric & Gas Company (“SCE&G” or “Company”), pursuant to S.C. Code Ann. § 58-37-20 (Supp. 2012), 26 S.C. Code Ann. Regs. 103-819 and 103-825 (1976, as amended), and Public Service Commission of South Carolina (“Commission”) Order No. 2010-472 issued in Docket No. 2009-261-E, filed its Annual Update on Demand Side Management (“DSM”) Programs and in doing so, requested that the Commission issue an order authorizing SCE&G to update its “Rider to Retail Rates – Demand Side Management Component” to provide for the recovery of SCE&G’s costs and lost net margin revenue associated with its DSM programs along with the Commission-approved shared savings incentive for investing in such programs, effective for bills rendered on and after the first billing cycle of May 2013. SCE&G also requested that the Commission issue an order approving a new DSM program designed specifically for low-income customers in the Company’s service territory.

According to the Petition, the proposed rates and charges, if approved, would be as follows: \$0.00234 per kilowatt hour (“kWh”) for residential; \$0.00099 per kWh for small general service; \$0.00146 per kWh for medium general service; and \$0.00055 per kWh for large general service. SCE&G requests that the proposed adjustment, if approved, be effective for bills rendered on and after the first billing cycle of May 2013.

A copy of the Company’s complete filing, 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, Clerk’s Office, 101 Executive Center Drive, Columbia, South Carolina 29210. Additionally, the Petition 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 220 Operation Way, Cayce, South Carolina 29033.

Any person who wishes to participate in this matter as a party of record should file a Petition to Intervene in accordance with the Commission’s Rules of Practice and Procedure on or before **February 28, 2013**. Please include an email address for receipt of future Commission correspondence in the Petition to Intervene. *Please refer to Docket No. 2013-____-E.*

Any person who wishes to provide written comments to the Commission concerning the Petition may do so anytime before **March 31, 2013**. Written comments should be sent to the Public Service Commission of South Carolina at the address below; the South Carolina Office of Regulatory Staff, 1401 Main Street, Suite 900, Columbia, South Carolina 29201; and K. Chad Burgess, Associate General Counsel, South Carolina Electric & Gas Company, 220 Operation Way, Mail Code C222, Cayce, South Carolina 29033. *Please refer to Docket No. 2013-____-E.*

Persons seeking information about the Commission's Rules of Practice and Procedure should contact the Commission in Columbia at 803-896-5100.

Public Service Commission of South Carolina
Attn: Docketing Department
101 Executive Center Drive, Suite 100
Post Office Drawer 11649
Columbia, SC 29211