

SOUTH CAROLINA ELECTRIC & GAS CO  
Form 424B2  
January 28, 2002

Filed Pursuant to Rule 424(b)(2)  
Registration No. 333-65460

PROSPECTUS SUPPLEMENT  
(To Prospectus dated January 15, 2002)

\$300,000,000

SOUTH CAROLINA ELECTRIC & GAS COMPANY

FIRST MORTGAGE BONDS  
6.625% SERIES DUE FEBRUARY 1, 2032  
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South Carolina Electric & Gas Company will pay interest on the New Bonds on February 1 and August 1 of each year. SCE&G will make the first interest payment on August 1, 2002. The New Bonds may be redeemed at any time at the option of SCE&G, in whole or in part, at a redemption price equal to the sum of (i) the principal amount of the New Bonds being redeemed, plus accrued interest to the redemption date, and (ii) the Make-Whole Amount, if any. See "DESCRIPTION OF THE NEW BONDS -- Optional Redemption."

SCE&G has its principal office at 1426 Main Street, Columbia, South Carolina 29201, telephone (803) 217-9000.

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NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS SUPPLEMENT OR THE ACCOMPANYING PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

|   | PER NEW BOND | TOTAL         |
|---|--------------|---------------|
|   | -----        | -----         |
| Price to Public(1).....                     | 99.201%      | \$297,603,000 |
| Underwriting Discount.....                  | .875%        | \$ 2,625,000  |
| Proceeds, before expenses, to SCE&G(1)..... | 98.326%      | \$294,978,000 |

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(1) Plus accrued interest, if any, from January 31, 2002.

We expect the New Bonds will be ready for delivery in book-entry form only through The Depository Trust Company on or about January 31, 2002.

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Joint Book-Running Managers

UBS WARBURG

CREDIT SUISSE FIRST BOSTON

BANC OF AMERICA SECURITIES LLC

WACHOVIA SECURITIES

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THE DATE OF THIS PROSPECTUS SUPPLEMENT IS JANUARY 24, 2002.

YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS DOCUMENT OR TO WHICH WE HAVE REFERRED YOU. WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION THAT IS DIFFERENT. THIS DOCUMENT MAY ONLY BE USED WHERE IT IS LEGAL TO SELL THESE SECURITIES. THE INFORMATION IN THIS DOCUMENT MAY ONLY BE ACCURATE ON THE DATE OF THIS DOCUMENT.

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TABLE OF CONTENTS

|  | PAGE |
|--|------|
|  | ---- |
| PROSPECTUS SUPPLEMENT                      |      |
| Use of Proceeds.....                       | S-3  |
| Description of the New Bonds.....          | S-3  |
| Basis for Issuance of the New Bonds.....   | S-4  |
| Underwriting.....                          | S-4  |
| Experts.....                               | S-6  |
| Validity of the New Bonds.....             | S-6  |
| PROSPECTUS                                 |      |
| About This Prospectus.....                 | 2    |
| Where You Can Find More Information.....   | 2    |
| South Carolina Electric & Gas Company..... | 3    |
| Ratio of Earnings to Fixed Charges.....    | 3    |
| Use of Proceeds.....                       | 3    |
| Description of the New Bonds.....          | 4    |
| Book-Entry System.....                     | 13   |
| Plan of Distribution.....                  | 16   |
| Experts.....                               | 17   |
| Validity of the New Bonds.....             | 17   |

S-2

USE OF PROCEEDS

SCE&G will use the net proceeds from the sale of the New Bonds for the repayment of short-term debt primarily incurred as a result of our construction program, redemption of its First and Refunding Mortgage Bonds, 8 7/8% Series due August 15, 2021, and for general corporate purposes.

DESCRIPTION OF THE NEW BONDS

SCE&G will issue the First Mortgage Bonds, 6.625% Series due February 1, 2032 (the "New Bonds") under the Indenture dated as of April 1, 1993, as supplemented (the "Mortgage"), made by SCE&G to The Bank of New York, successor to NationsBank of Georgia, National Association, as trustee (the "Trustee"). The following information concerning the New Bonds supplements and should be read in conjunction with the statements under "Description of the New Bonds" in the

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accompanying prospectus.

### FORM AND DENOMINATION

The New Bonds will be issued as one or more global bonds in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, and will be available only in book-entry form. See "Book-Entry System" in the accompanying prospectus.

### INTEREST AND MATURITY

SCE&G will pay interest on the New Bonds from January 31, 2002, at the rate of 6.625% per annum (based upon a 360-day year of twelve 30-day months), semiannually on February 1 and August 1 of each year commencing on August 1, 2002, to holders of record on the preceding January 15 and July 15, respectively. The New Bonds will mature February 1, 2032. SCE&G will pay principal and interest on the New Bonds at the office or agency it maintains for payments in Atlanta, Georgia (currently, the Trustee). The New Bonds will be limited to \$300,000,000 in aggregate principal amount.

### OPTIONAL REDEMPTION

The New Bonds may be redeemed at any time at the option of SCE&G, in whole or in part, at a redemption price equal to the sum of (i) the principal amount of the New Bonds being redeemed, plus accrued interest thereon to the redemption date, and (ii) the Make-Whole Amount, if any, with respect to such New Bonds (the "Redemption Price").

"Make-Whole Amount" means the excess, if any, of (i) the aggregate present value as of the date of any optional redemption of each dollar of principal being redeemed and the amount of interest (exclusive of interest accrued to the date of redemption) that would have been payable in respect of such dollar of principal if such redemption had not been made, determined by discounting, on a semi-annual basis, such principal and interest at the Reinvestment Rate (determined on the third Business Day preceding the date notice of such redemption is given) from the respective dates on which such principal and interest would have been payable if such redemption had not been made, over (ii) the aggregate principal amount of the New Bonds being redeemed.

S-3

"Reinvestment Rate" means .20% (twenty one-hundredths of one percent) plus the arithmetic mean of the yields under the respective headings "This Week" and "Last Week" published in the Statistical Release under the caption "Treasury Constant Maturities" for the maturity (rounded to the nearest month) corresponding to the remaining life to maturity, as of the payment date of the principal being redeemed. If no maturity exactly corresponds to such maturity, yields for the two published maturities most closely corresponding to such maturity shall be calculated pursuant to the immediately preceding sentence and the Reinvestment Rate shall be interpolated or extrapolated from such yields on a straight-line basis, rounding in each of such relevant periods to the nearest month. For purposes of calculating the Reinvestment Rate, the most recent Statistical Release published prior to the date of determination of the Make-Whole Amount shall be used.

"Statistical Release" means the statistical release designated "H.15(519)" or any successor publication which is published weekly by the Federal Reserve System and which establishes yields on actively traded United States government securities adjusted to constant maturities or, if such statistical release is not published at the time of any determination, then such other reasonably comparable index which shall be designated by SCE&G.

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## BASIS FOR ISSUANCE OF THE NEW BONDS

SCE&G will issue the New Bonds upon the basis of \$300,000,000 of Class A Bonds held by the Trustee and designated by SCE&G as the basis for such issuance. After the issuance of the New Bonds, SCE&G will be able to issue \$215,035,000 of additional Bonds on the basis of a like principal amount of Class A Bonds held by the Trustee and available for such purpose. See "Description of the New Bonds" in the accompanying prospectus.

## UNDERWRITING

Subject to the terms and conditions contained in the Underwriting Agreement between SCE&G and the Underwriters named below, SCE&G has agreed to sell to the Underwriters, and each of the Underwriters has agreed to purchase from SCE&G, the respective principal amount of New Bonds set forth opposite its name. In the Underwriting Agreement, the Underwriters have agreed, subject to the terms and conditions set forth therein, to purchase the entire aggregate principal amount of the New Bonds if any New Bonds are purchased.

| UNDERWRITERS                                | PRINCIPAL AMOUNT<br>OF NEW BONDS |
|---|----------------------------------|
| UBS Warburg LLC.....                        | \$ 75,000,000                    |
| Credit Suisse First Boston Corporation..... | 75,000,000                       |
| Banc of America Securities LLC.....         | 75,000,000                       |
| First Union Securities, Inc.....            | 75,000,000                       |
| Total.....                                  | \$300,000,000                    |
|   | =====                            |

First Union Securities, Inc. ("FUSI"), a subsidiary of Wachovia Corporation, conducts its investment banking, institutional, and capital markets businesses under the trade name of Wachovia Securities. Any references to "Wachovia Securities" in this

S-4

prospectus supplement, however, do not include Wachovia Securities, Inc., a separate broker-dealer subsidiary of Wachovia Corporation and sister affiliate of FUSI which may or may not be participating as a separate selling dealer in the distribution of the securities.

SCE&G has been advised by the Underwriters that they propose initially to offer the New Bonds to the public at the public offering price set forth on the cover page of this prospectus supplement, and to certain dealers at such price less a concession not in excess of .375% of the principal amount of the New Bonds. The Underwriters may allow and such dealers may realow a concession not in excess of .250% of the principal amount. After the initial public offering, the public offering price and the concessions may be changed.

The New Bonds are a new issue of securities with no established trading market. SCE&G does not intend to apply for listing of the New Bonds on a national securities exchange. The Underwriters have told SCE&G that they presently intend to make a market in the New Bonds, as permitted by applicable laws and regulations. The Underwriters are not obligated, however, to make a market in the New Bonds. Any market making by the Underwriters may be

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discontinued at any time at the sole discretion of the Underwriters. No assurance can be given as to whether a trading market for the New Bonds will develop or as to the liquidity of any trading market.

In connection with the offering, the Underwriters are permitted to engage in certain transactions that stabilize the price of the New Bonds. Possible transactions consist of bids or purchases for the purpose of pegging, fixing or maintaining the price of the New Bonds.

If the Underwriters create a short position in the New Bonds in connection with this offering, that is, if they sell a greater aggregate principal amount of New Bonds than is set forth on the cover page of this prospectus supplement, the Underwriters may reduce that short position by purchasing New Bonds in the open market. The Underwriters may also impose a penalty bid on certain selling group members. This means that if an Underwriter purchases New Bonds in the open market to reduce its short position or to stabilize the price of the New Bonds, it may reclaim the amount of the selling concession from the selling group members who sold those New Bonds as part of the offering.

In general, purchases of a security for the purposes of stabilization or to reduce a short position could cause the price of the security to be higher than it might be in the absence of such purchases. The imposition of a penalty bid might also have an effect on the price of a New Bond to the extent that it were to discourage resales of the New Bonds.

Neither SCE&G nor the Underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above might have on the price of the New Bonds. In addition, neither SCE&G nor the Underwriters make any representation that the Underwriters will engage in such transactions. Such transactions, once commenced, may be discontinued without notice.

SCE&G has agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended, or to contribute to payments that the Underwriters may be required to make in respect thereof.

S-5

The Underwriters and their affiliates have from time to time performed, and may continue to perform in the future, investment banking services for SCE&G, for which customary compensation has been received.

It is expected that delivery of the New Bonds will be made against payment therefor on or about the date specified in the last paragraph of the cover page of this prospectus supplement, which is the fifth business day following the date hereof. Under Rule 15c6-1 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade New Bonds on the date hereof or the next succeeding business day will be required, by virtue of the fact that New Bonds initially will settle in T+5, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement and should consult their own advisor.

SCE&G estimates that its total expenses relating to the offering, not including the underwriting discount, will be approximately \$100,000.

### EXPERTS

The statements made under "Description of the New Bonds" in the

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accompanying prospectus, as to matters of law and legal conclusions, have been reviewed by H. Thomas Arthur, Esq., our Senior Vice President and General Counsel or Sarena D. Burch, Esq., our Deputy General Counsel, and such statements are made upon the authority of such counsel as an expert.

VALIDITY OF THE NEW BONDS

The validity of the New Bonds will be passed on for SCE&G by McNair Law Firm, P.A., of Columbia, South Carolina, and H. Thomas Arthur, Esq., or Sarena D. Burch, Esq., both of Columbia, South Carolina, and for the Underwriters by Thelen Reid & Priest LLP, of New York, New York. Thelen Reid & Priest LLP will rely as to all matters of South Carolina law upon the opinion of H. Thomas Arthur, Esq. or Sarena D. Burch, Esq. From time to time, Thelen Reid & Priest LLP renders legal services to us.

At December 31, 2001, H. Thomas Arthur, Esq., and Sarena D. Burch, Esq., owned beneficially 16,002 and 3,040, respectively, and options to purchase 27,938 and 9,571, respectively, shares of SCANA Corporation's Common Stock, including shares acquired by the trustee under its Stock Purchase-Savings Program by use of contributions made by Mr. Arthur and Ms. Burch and earnings thereon and including shares purchased by the trustee by use of SCANA contributions and earnings thereon.

S-6

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\$300,000,000

SOUTH CAROLINA ELECTRIC & GAS COMPANY

FIRST MORTGAGE BONDS

6.625% SERIES DUE FEBRUARY 1, 2032

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PROSPECTUS SUPPLEMENT  
JANUARY 24, 2002  
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UBS WARBURG  
CREDIT SUISSE FIRST BOSTON  
BANC OF AMERICA SECURITIES LLC  
WACHOVIA SECURITIES  
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