



For Immediate Release

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South Carolina Electric & Gas Company Files for Increases to Customer Rates

Columbia, SC, June 15, 2007...South Carolina Electric & Gas Company (SCE&G), principal subsidiary of SCANA Corporation (NYSE:SCG), today filed an application with the Public Service Commission of South Carolina (PSC) requesting a 6.75 percent overall increase in retail electric base rates. In a separate application also filed today, the company requested a 1.33 percent overall increase to its retail natural gas base rates under terms of the Natural Gas Rate Stabilization Act.

Electric request

SCE&G's electric rate filing is the company's first requested increase to base rates since 2004. The proposed overall 6.75 percent increase to electric rates breaks out as follows:

- 7.49 percent for residential customers
- 5.83 percent for small commercial customers
- 6.87 percent for medium commercial customers
- 5.96 percent for large commercial/industrial customers.

If approved, the monthly bill of a residential customer using 1,000 kilowatt-hours of electricity would increase \$7.62.

SCE&G President Kevin Marsh said the company needs the additional revenue to ensure continued safe and reliable service to its customers. Among the factors driving the need for those additional funds, he cited mandatory environmental upgrades to the company's generating plants, increased costs associated with growing and maintaining reliability of the company's electric transmission and distribution system and other operating expenses.

"We are committed to conducting business in an environmentally responsible manner and to meeting all local, state and federal environmental requirements," said Marsh. "Since 2004, we've invested about \$107 million in clean air technologies at our coal-fired generating plants."

Marsh added, "Since 2004, we've spent \$314 million building transmission and distribution infrastructure to support the state's rapidly rising demand for power. The cost of materials associated with that infrastructure – the steel in our transformers and meters; the copper in our conductors; the power poles we put in the ground – has risen tremendously. In fact, we've seen a 30 to 45 percent increase in the costs of underground and overhead transformers and pole hardware. Wire and cable is up about 170 percent for that same period. In short, our rates are going up because the cost of serving our customers safely and reliably has gone up."

The requested increase is based upon a 9.18 percent overall return on rate base, including an 11.75 percent return on common equity, and would produce approximately \$118 million in additional annual revenues based on a test year ended March 31, 2007.

A public hearing on SCE&G's application is expected to be held by the PSC in November. If approved, the new rates would go into effect in January 2008.

Natural gas request

SCE&G is filing for an adjustment to natural gas rates under a new law that went into effect in 2005 called the Natural Gas Rate Stabilization Act. The statute is designed to reduce volatility of customer rates by allowing for more efficient recovery of the costs that regulated utilities incur in expanding, improving and maintaining natural gas service infrastructure to meet the needs of customers. The law also works to reduce customer rates when increased revenues cause a utility's earnings to exceed the return-on-equity (ROE) range authorized by the PSC.

The law requires that South Carolina's Office of Regulatory Staff (ORS) annually review SCE&G's financials for the 12 months ending March 31. If the company's ROE for that period was more than a half percent above or below the 10.25 percent return authorized by the PSC, SCE&G then files for a rate adjustment to bring earnings back to that authorized rate of return. SCE&G earned an ROE of 8.11 percent for the 12 months ending March 31, 2007.

"Customer driven growth is the key driver in our natural gas filing," said Marsh. "Increasingly, industrial customers and businesses throughout the state are demanding availability of natural gas, as are residential developers and their customers. This increase will enable us to continue making the capital investments that are necessary to safely meet that growing demand."

The information supporting SCE&G's filing will be reviewed by the ORS, which will issue an audit report by Sept. 1. The PSC will then review SCE&G's filing and the ORS audit report and will issue an order in October. The rate adjustment would be implemented with the first billing cycle of November 2007.

The proposed overall 1.33 percent increase to natural gas rates breaks out as follows:

- 2.33 percent for residential customers
- 2.03 percent for small commercial customers
- 0.88 percent for medium commercial customers
- 1.52 percent for large commercial/industrial customers.

If the request is approved, residential customers would pay about \$19.70 more a year for natural gas based on average annual usage.

PROFILE

South Carolina Electric & Gas Company is a regulated public utility engaged in the generation, transmission, distribution and sale of electricity to approximately 630,000 customers in 26 counties in the central, southern and southwestern portions of South Carolina. The company also provides natural gas service to approximately 301,000 customers in 34 counties in the state. Information about SCE&G is available on the company's web site at www.sceg.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 in South Carolina, North Carolina and Georgia.

Information about SCANA Corporation 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, and together with its subsidiaries, the "Company"); (5) the impact of competition from other energy suppliers, including competition from alternate fuels in industrial interruptible markets; (6) growth opportunities for the Company's regulated and diversified subsidiaries; (7) the results of financing efforts; (8) changes in accounting principles and in the Company's accounting policies; (9) weather conditions, especially in areas served by the Company's subsidiaries; (10) payment by counterparties as and when due; (11) 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; (12) performance of the Company's pension plan assets; (13) inflation; (14) compliance with regulations; and (15) the other risks and uncertainties described from time to time in the Company's periodic reports filed with the United States Securities and Exchange Commission. The Company disclaims any obligation to update any forward-looking statements.

Components of Requested Electric Revenue Increase (millions):

Transmission & Distribution Infrastructure	\$41.0
Additional Depreciation Expense	24.0
Environmental Upgrades	14.0
Other	<u>39.0</u>
Total Requested Increase	\$118.0

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