

THE SCANA LETTER

A Fresh Look at Economic Development
from SCANA Corporation

Bring Your Business to Life

March 2007 Unemployment	N. Carolina 4.5%	S. Carolina 5.9%	National 4.4%
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Second Quarter 2007

Dear Allies:

The South Carolina Department of Commerce produced a record-setting year for capital investment and job creation in 2006, generating \$2.99 billion in capital investment and 14,420 new jobs. South Carolina and the Southeast lead the country in pro-business development:

Around South Carolina

For the third consecutive year, the state of South Carolina has been named among America's Top Ten Pro-Business States. South Carolina was ranked second in the independent annual study "Keeping Jobs In America: Pollina Corporate Top 10 Pro-Business States in 2007," published by Pollina Corporate Real Estate, Inc., a leading U.S. corporate site relocation company. The study is based on 29 factors that are most important to corporate executives and can be controlled by a state's political leaders, including energy costs, taxes, workers compensation and right-to-work legislation, infrastructure spending, and jobs gained or lost. **South Carolina was honored for its progressive, pro-business policies that result in job growth.** Other states rounding out the top five include North Carolina, Florida, Virginia and Utah.

Three South Carolina cities - Columbia, Charleston/North Charleston and Greenville - are named in *Expansion Management* magazine's "2007 America's 50 Hottest Cities." In this 9th annual survey, 80 prominent corporate site location experts were polled on their *perception* of the **best places to expand or relocate a business.**

The Port of Charleston was ranked number one in North America for customer satisfaction by *World Trade Magazine*. The Port is now adding new cranes and expanding shipping services. Sixteen Konecrane rubber-tired gantry (RTG) cranes and four ZPMC super post-Panamax cranes will be operational mid-2007. Zim Integrated Shipping Services Ltd. and Italia Marittima SpA announced in January they were adding Charleston to their North Europe Express Service. **Charleston holds a 45% market share of Northern Europe among all ports from Miami to Virginia.**

Haier Group, sometimes called the General Electric of China, recently announced its intention to invest an additional \$100 million in its Camden, S.C. facility. **South Carolina is leading the nation in recruitment of foreign investment with the highest rate of direct foreign investment per capita.** Foreign investment has enhanced South Carolina's ability to compete in the global economy.

Innovista, the University of South Carolina research complex in Columbia, continues to build its hydrogen and fuel-cell enterprise cluster, recently landing pre-eminent fuel-cell researcher, **Kenneth Reifsnider**, to lead research and application initiatives. Reifsnider cited the opportunity to work with fuel-cell scientists and engineers at nearby Savannah River National Laboratory, Clemson University and Georgia Tech as a major attraction. **Experts say the promising "alternative fuels" technology could add thousands of high-paying jobs and transform South Carolina's economy.** As recently described by a Connecticut official to *The New York Times*, **South Carolina is the most competitive of the two dozen or so hydrogen-focused states.** USC is focusing on corporate recruiting for Innovista, which features a live-learn-work-play focus in a beautiful, contemporary, urban setting - distinguishing it from typical research-only sites.

Florence-Darlington Technical College (FDTC) gets national attention and funding. The National Science Foundation (NSF) is spotlighting the South Carolina Advanced Technological Education Center of Excellence (SC ATE), which is headquartered at FDTC, in its Fiscal Year 2008 budget request to congress. The National Science Foundation funds ATE efforts to increase the number of engineering technology graduates. SC ATE Director Elaine Craft says, "NSF budget requestors pointed out that the ATE is enhancing the nation's high tech workforce..." Additionally, **FDTC will receive a \$1 million grant to establish a National Robotic Training Center.** Sixth District Congressman James E. Clyburn was instrumental in securing the funding for the center in the 2007 Defense Appropriations bill. The National Robotic Training Center will be housed at the College's Southeastern Institute of Manufacturing and Technology (SIMT), which is currently under construction on a 146-acre tract behind FDTC's main campus.

North Carolina Perspectives

Race City USA - Statesville-Mooresville, in Iredell County, N.C. claims the checkered flag for attracting racing industry. More than 90 percent of the NASCAR motorsports teams are headquartered in the county, which cinches it for future racing-related development. Hans deBot, owner of racing components manufacturer DeBotech says, "The county will absolutely continue to attract racing support firms." **Statesville-Mooresville has been ranked number one on *Site Selection's* "Top 100 Micropolitan Areas" list for the last three years.**

North Carolina Governor, Mike Easley, told business leaders in March that **North Carolina continues to make major gains in attracting new and expanding business.** Since 2001, the One North Carolina Fund and Job Development Investment Grants have generated 40,000 new jobs and \$6.46 billion in private business investment. In 2006, North Carolina has seen the creation of nearly 100,000 new jobs for a 2.5 percent growth rate. Governor Easley cited **recent success indicators**, including: number one ranking by *Site Selection* magazine as the **state with the top business climate (five of the last six years); number one ranking in the Southeast in attracting new industrial plants and number three nationally, by *Site Selection*; lowest business tax burden in the nation**, shared with four other states, according to Ernst & Young; and **third best state for business** according to *Forbes Magazine*.

The Southeast and Beyond

Sixteen Southeast site selection projects were recognized with 2007 Corporate Investment and Community Impact (CiCi) awards. *Trade & Industry Development* magazine, an economic development publication, recently published its 2007 CiCi awards. The awards for most significant sites are presented in two categories: capital investment and community impact. Nine sites from the states of **North Carolina, Georgia, Texas, Kentucky, Missouri and Virginia** were recognized for corporate investment. Seven sites from the states of **South Carolina, North Carolina, Georgia, Texas, Tennessee and Florida** were recognized for community impact. This recognition of 16 out of 30 possible awards, out of 1,000 submissions received from throughout North America, shows that **investment in the Southeast is booming.**

Georgia and South Carolina have recently established a task force to work on a joint proposal for the creation of a new port. The proposed port will be located on the South Carolina side of the Savannah River, directly across from the historic Savannah riverfront, and will be owned, developed and operated by both Georgia and South Carolina. **"This joint port venture would create the biggest import and export potential on the eastern seaboard, even bigger than New York/New Jersey,"** states S.C. Speaker of the House Bobby Harrell.

In 2006, **Georgia's deepwater port activity** directly and indirectly supported 286,476 jobs and was responsible for \$55.8 billion in sales and \$14.9 billion in income according to a new study released by the University of Georgia. **"Deepwater ports are one of Georgia's strongest economic engines, fostering the development of virtually every industry year after year. The ports are especially supportive of other forms of transportation, manufacturing, and wholesale/distribution centers."** stated Jeffrey M. Humphreys, the report's author and director of the University's Selig Center for Economic Growth. The study, entitled "The Economic Impact of Georgia's Deepwater Ports in Georgia's Economy in FY 2006," estimated the direct, indirect, induced and total economic impacts of Georgia's ports.

Energy News

South Carolina Electric & Gas Company (SCE&G) was the top rated electric utility in the south region of the United States for business customer satisfaction and the third highest in the U.S. according to J.D. Power and Associates' 2007 Electric Utility Business Customer Satisfaction Study. The study asked business customers of the nation's 55 largest electric utilities to rate their utility in six key areas: power quality and reliability, customer service, company image, billing and payment, price, and communications.

In addition, **Edison Electric Institute (EEI) recognized SCE&G as one of the top electric utilities in the country for its outstanding commercial customer service to multi-site businesses,** such as retailers Staples and Wal-Mart, hotels, restaurants and other businesses. Both Staples and Food Lion have previously named an SCE&G employee their national account representative of the year. States SCE&G President Kevin Marsh, *"Everything we do is ultimately about serving the customer. We take pride in doing it well."*

Sound Bites & Factoids

President Bush's "Hydrogen Economy" initiative has stimulated worldwide research on hydrogen and fuel cells. Fuel cells convert the chemical energy of a fuel directly into useable electric and thermal energy without any intermediate steps - similar to the way batteries work, but without the need to be recharged. Fuel cells are a clean, quiet, highly-efficient way to generate electricity and heat.

Hydrogen fuel cells convert hydrogen and oxygen into energy while emitting water vapor. Hydrogen can be produced from domestic fossil, nuclear, or renewable resources. More than \$440 million in federal funding has been awarded for research on the production, transportation, storage, and use of hydrogen.

Did you know this?

- Fuel cells are expected to penetrate the small power systems energy market first. Fuel cell power packs could replace batteries in portable devices such as laptop computers, cellular phones, digital cameras, camcorders, and power tools.
- At twice the efficiency of internal combustion engines, fuel cells are destined for the vehicular market. Trucks, trains, submersibles, and passenger vehicles are expected to be some of the first markets employing fuel cells in large quantities.
- Even the military is enthusiastic about fuel cells. Fuel cells are being developed to power small weapons systems. Fuel cell-powered tanks and personnel carriers could travel in complete silence, with almost no infrared signature.
- Current, conventional coal-based technologies operate at efficiencies of 33 to 35 percent. If the heat from the fuel cell process is used in a cogeneration system, efficiencies could exceed 85 percent.

Best to you,



Sharon K. Dovell, Editor



SCANA, headquartered in Columbia, South Carolina, is an energy-based holding company that works in partnership with the S.C. Department of Commerce, regional alliances and site selection consultants to assist with relocations and expansions in the Carolinas. We provide natural gas to more than 1.2 million customers in Georgia, South Carolina and North Carolina and electricity to approximately 630,000 customers in South Carolina. Please visit us on the Web at www.scana.com/economic or call us at 803-217-9005.
