

THE SCANA LETTER

A Fresh Look at Economic Development
from SCANA Corporation

Power for the Way You Work

November 2008 Unemployment	N. Carolina 7.9%	S. Carolina 8.4%	National 6.7%
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Fourth Quarter 2008

Dear Allies:

The country is buzzing from an historic election, new Cabinet announcements, whopping financial bailouts, and incoming stats that confirm an economic downturn - however, a recession cycle is normal, and despite the current gloom and doom in headlines, many companies are working their long term plans. Let's see how the Carolinas and others are holding up:

Around South Carolina

The **South Carolina Department of Commerce predicts 2008 will be another record-breaking year, the third in a row**, for jobs and capital investment, reporting extraordinary recruitment levels through the third quarter. Foreclosure rates in South Carolina are among the lowest in the nation while homeownership rates are among the highest, according to Joe Taylor, Secretary of Commerce, who said, "Again, this year, **South Carolina has proven itself to be a preferred location to do business.**"

South Carolina's governor, Mark Sanford, has proposed wiping out corporate income taxes and cutting income taxes in exchange for raising the state's cigarette tax and other adjustments. The non-partisan Tax Foundation reported that **South Carolina would jump to No. 6, up from No. 25, in a ranking of state business climates if the governor's proposals become law.**

South Carolina Business One-Stop (SCBOS) is leading the nation in efficient, web-based business processing. SCBOS is a multi-agency portal that facilitates business registration, licensing, tax payments, regulatory renewals and more in a single, time-saving interface at www.scbos.com. A significant number of other states are interested in developing programs based on the industry-leading SCBOS model - not just because **the system is innovative and efficient**, but because **fast-track permitting is rapidly becoming critical in the economic development arena.** Expedited permitting appeared in *AreaDevelopment's* recent annual corporate survey of important development issues for the first time ever, receiving a 71.6 percent, 16th place ranking.

Charleston-North Charleston makes the top ten in *AreaDevelopment* magazine's 2008 "America's Best-Performing Cities" index. The index provides a snapshot of where jobs are being created and sustained, and

finds that **cities like Charleston**, with strong technology, energy and trade sectors, **are now leading the nation**. Half of the cities in the index's top ten were in the South; three of them in the Carolinas.

South Carolina is launching SC Lightrail, an ultra high-speed, statewide fiber optics network to facilitate massive exchanges of data and digital imaging files. Built by SCANA Communications, Inc., a SCANA Corporation telecommunications subsidiary, the network will **provide a critical link to other research networks** such as Internet2, National LambdaRail (NLR), and North Carolina Research and Education Network (NCREN). **SC Lightrail is expected to have a tremendous economic impact**, boosting the state's ability to attract and retain high tech researchers and industries.

North Carolina Perspectives

North Carolina's major economic transformation and reinvention as a high-tech, innovative state within the last ten years **is being studied and copied by states across the nation**, according to *Trade & Industry Development* magazine.

The **North Carolina General Assembly allocated \$9.5 million for economic development incentive programs in 2008**, including \$1 million for a new N.C. Green Business Fund to encourage the growth of a green economy. Research and development, state ports and film industry **business tax credits were extended to 2014**.

The new 350-acre **North Carolina Research Campus** in Kannapolis, Cabarrus County, **is evidence of North Carolina's rapid rise in the biotech industry**, both nationally and globally. Over \$1 billion has been invested in the biotech research campus, which is expected to eventually contain over 2 million square feet in office and lab space. As stated in *Site Selection* magazine, "Bankrolling Biotech," **North Carolina is the third leading biotech state in the nation**. Major-leaguers such as GlaxoSmithKline, Bayer, Novartis and Merck number among the 482 companies that contribute to the state's **\$3 billion biotech payroll**.

NASCAR is a \$6 billion industry in North Carolina. North Carolina's Governor, Mike Easley, a key industry supporter, says, "NASCAR is a microcosm of the economy in the world today. **It's all about competition, it's all about high tech** and it's knowledge-based."

Two North Carolina cities made the top ten in AreaDevelopment magazine's 2008 "America's Best-Performing Cities" index, based on job creation and retention factors. **Raleigh-Cary** moved up to second place from its tenth place position in last year's index, and **Wilmington** took sixth place.

Five economic development organizations in North Carolina made Expansion Solutions' 2008 "Awards of Excellence." Monroe Economic Development, Cabarrus Economic Development, Fayetteville-Cumberland Chamber of Commerce, Charlotte Regional Partnership and High Point Economic Development Corporation were recognized **for exceptional recruiting, retention and assistance to growing businesses**.

The Southeast and Beyond

Southern cities dominate *Inc.com's* 2008 "Top Cities for Doing Business." The South scored 19 of the top 30 markets in the small, medium and large market categories. No Midwest and Northeast markets made the top ten in any category.

Six Southern states ranked in the top half of the Milken Institute's State Technology and Science index. Maryland was the top Southern state at No. 2, coming in behind Massachusetts. North Carolina, Georgia, Virginia, Texas and Kansas also made the top 25.

Virginia is for lovers ... and data centers. State officials estimate that Virginia is home to about 125 data centers. Another 130 properties have been qualified for re-use as **potential data centers**, according to the Virginia Economic Development Partnership.

Virginia and Tennessee take Gold and Silver in *Business Facilities* magazine's Economic Development Deal of the Year Awards. Virginia took the Gold for the Rolls-Royce manufacturing center in Prince George County. Tennessee took the Silver for the Volkswagen assembly plant in Chattanooga. **The \$750 million BMW plant expansion in South Carolina received an Honorable Mention.**

Integrity Automotive LLC will soon be singing "My Old Kentucky Home." **Integrity is building** an \$84 million, 1 million square foot **plant to manufacture low-speed electric vehicles in Franklin, Kentucky.** The plant is expected to employ 4,000 full-time workers with an **average hourly wage of over \$20.**

Westinghouse Electric opened a Charlotte office, expanding its presence in the Southeast to support nuclear business growth. "The Southeastern U.S. is growing rapidly and is particularly attractive to us," said Tony Greco, Westinghouse senior vice president.

Energy News

Investors should be betting nuclear power will generate a major boost in business in the U.S., according to Kathleen Gallagher, business reporter for the *Milwaukee Journal Sentinel*. The Department of Energy's Energy Information Administration estimates between 250 and 500 baseload plants - those that run all the time - will be needed in the U.S. by 2030. Gallagher states that nuclear plants have the highest baseload operating rate, and that is one of the reasons **nuclear is undergoing a renaissance. Companies building plants and supplying nuclear products and services will benefit.** DOE has received license applications for 25 plants to supplement the 104 nuclear plants currently operating in the U.S.

French nuclear power giant **AREVA and Northrup Grumman Shipbuilding announced plans to build a \$360 million plant** in Newport News, Virginia, **to supply large-scale components for the U.S. nuclear power industry.** Shaw Group and Westinghouse also announced plans to build a **nuclear components plant** in Louisiana. In a *Fortune* interview, AREVA chief executive Anne Lauvergeon said these were **important steps in "reviving the capacity of the nuclear industry in the U.S."**

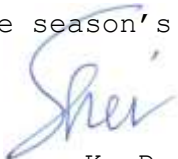
California governor Arnold Schwarzenegger on nuclear power as the new green alternative, during California's second anniversary celebration of Assembly Bill 32, which committed the state to lowering greenhouse emissions 25 percent by 2020:

"I myself think that nuclear power has a great future, and I think we should look at it seriously again ... technology has advanced so much ... it drives me nuts when I go over to France and they get 80 percent of their power with no greenhouse gas emissions whatsoever from nuclear power. And they have been safe, they have been handling it the right way, and they are building some more."

Did you know?

- Nuclear generation provides 73 percent of America's clean-air electricity generation. Because nuclear power plants do not burn fuel, they do not emit greenhouse gases.
- The U.S. generates 19 percent of its electricity from nuclear power; France generates nearly 80 percent from nuclear.
- A nuclear plant can run nearly all the time, generating power 24/7; a wind plant only generates when the wind blows; a solar plant only generates when the sun shines.
- If you only used nuclear generated power during your entire lifetime, your share of the waste would fit into one soda can.
- South Carolina produces 51 percent of its net electric generation from nuclear; North Carolina 32 percent. Vermont gets the most of any state at over 73 percent while 19 states and Washington, D.C. have zero nuclear capability.
- Two-thirds of Americans favor the use of nuclear energy.

The season's warmest 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, local communities 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 South Carolina, North Carolina and Georgia and electricity to approximately 649,000 customers in South Carolina. Please visit us on the Web at www.scana.com or call us at 803-217-9005. Send address changes and subscription requests to sdovell@scana.com.
