



For Immediate Release

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SCANA Comments on Moody's Rating Action

Columbia, SC, December 4, 2007-- SCANA Corporation (NYSE: SCG) responded today to a rating downgrade by Moody's Investors Service for the holding company and its rated subsidiaries, South Carolina Electric & Gas Company (SCE&G), Public Service Company of North Carolina (PSNC) and South Carolina Fuel Company (SCFC). In a press release issued today by Moody's, SCANA and its rated subsidiaries were downgraded one notch. Current credit ratings by Moody's, Standard & Poor's and Fitch Ratings for SCANA Corporation and its rated subsidiaries are summarized in the table below.

The decision by Moody's to lower the long-term debt ratings for SCANA, SCE&G, PSNC and SCFC by one notch was based in large measure on the expected impact on key financial credit metrics of significantly higher capital expenditures (CAPEX), associated financing plans over the next several years and management's reiteration regarding increasing its common dividends at a rate that reflects its projected long-term underlying earnings growth. SCANA's CAPEX budget for the period 2007 – 2009 totals approximately \$2.3 billion, an increase of about \$800 million compared to the previous 3-year forecast.

"While we understand the rating downgrades announced by Moody's, we are pleased with our overall credit ratings and will strive to maintain the related capitalization and coverage metrics during the upcoming construction cycle," said Jimmy Addison, senior vice president and chief financial officer. "This growth through investment strategy will be one of the key drivers of long-term earnings and dividend growth for SCANA."

The projected cost of upgrading SCE&G's electric generating plants to meet increasingly stringent federal, state and local environmental mandates has risen dramatically during the past year. SCE&G's current budget includes the addition of pollution-control equipment at three of the company's largest coal-fired base load plants, primarily to reduce sulfur dioxide and nitrogen dioxide emissions.

A second factor contributing to the increase in SCE&G's projected CAPEX is the need for new electric generating capacity. SCE&G's current forecast includes costs associated with new peaking capacity expected to come on line in 2009/10. In addition, the higher CAPEX budget reflects SCE&G's share of initial expenditures associated with a proposed new base-load nuclear generating facility that would be built in partnership with Santee Cooper, a state-owned utility in South Carolina and SCE&G's long-time partner in the V.C. Summer Nuclear Station. If the companies ultimately decide to proceed with construction of a new unit, it would be located at Summer Station and expected to begin commercial operation around 2016.

“Additional generating capacity is absolutely essential to meet the projected growth in demand for electricity by our customers safely and reliably,” said Addison. Additionally, Addison noted that in May of this year, the Base Load Review Act became law in South Carolina. “This important new law provides the framework for timely recovery of prudently incurred capital and operating costs associated with new nuclear generating facilities.”

The balance of SCE&G’s 3-year capital budget is directed primarily for normal expenditures that will be required to meet the expected growth in the company’s electric and natural gas delivery and support systems.

“From a financial perspective, it is important to note that almost all of this new capital investment is in our regulated businesses and will be included in additions to rate base,” said Addison. “Historically, the regulatory environments in the Carolinas have, in our opinion, been constructive and supportive, fairly balancing the interests of consumers and utilities while promoting future economic development in the state.”

On November 28, 2007, SCE&G received approval from the South Carolina Public Service Commission for an overall increase in retail electric revenues of approximately \$76.9 million, or 4.4 percent. This increase was driven in part by the cost of environmental upgrades to the company’s electric generating plants, as well as increased costs associated with growing and maintaining reliability of the company’s electric transmission and distribution system and other operating expenses.

Credit Ratings as of December 4, 2007:

	<u>Moody’s</u>	<u>Standard & Poor’s</u>	<u>Fitch</u>
SCANA Corporation			
Senior Unsecured Debt	Baa1	BBB+	A-
Rating Outlook	stable	Negative	stable
South Carolina Electric & Gas Company			
Senior Secured Debt	A2	A-	A+
Senior Unsecured Debt	A3	BBB+	A
Commercial Paper	P-2	A-2	F-1
Preferred Stock	Baa1	BBB	A-
Rating Outlook	stable	Negative	stable
South Carolina Fuel Company			
Commercial Paper	P-2	A-2	F-1
Public Service Company of North Carolina, Inc.			
Senior Unsecured Debt	A3	A-	A
Commercial Paper	P-2	A-2	F-1
Rating Outlook	stable	Negative	stable

PROFILE

SCANA Corporation, a Fortune 500 company headquartered in Columbia, SC, is an energy-based holding company principally engaged, through subsidiaries, in electric and natural gas utility operations and other energy-related businesses. The Company serves approximately 636,000 electric customers

in South Carolina and more than 1.2 million natural gas customers in South Carolina, North Carolina and Georgia. Information about SCANA and its businesses is available on the Company's website 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); (5) the impact of competition from other energy suppliers, including competition from alternate fuels in industrial interruptible markets; (6) growth opportunities for SCANA's regulated and diversified subsidiaries; (7) the results of financing efforts; (8) changes in SCANA's or its subsidiaries' accounting rules and accounting policies; (9) weather conditions, especially in areas served by SCANA's subsidiaries; (10) payment by counterparties as and when due; (11) the results of efforts to license, site and construct facilities for baseload electric generation; (12) 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; (13) performance of SCANA's pension plan assets; (14) inflation; (15) compliance with regulations; and (16) the other risks and uncertainties described from time to time in the periodic reports filed by SCANA or South Carolina Electric & Gas Company (SCE&G) with the United States Securities and Exchange Commission (SEC). The Company disclaims any obligation to update any forward-looking statements.

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