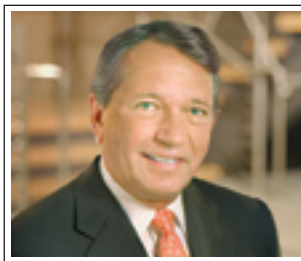




**FROM THE FRONT LINE TO THE BOTTOM LINE**

**SCANA 2007 MID-YEAR REPORT**





## LETTER TO SHAREHOLDERS

Fellow Shareholders:

I am pleased to provide you this mid-year report of SCANA Corporation for the six months ended June 30, 2007.

From a financial perspective, earnings for the six months ended June 30, 2007, which are prepared in accordance with Generally Accepted Accounting Principles, were \$1.20 per common share. The moderate weather we experienced in 2006 carried over to the first half of 2007, but residential customer growth remains strong and industrial sales experienced two consecutive quarters of growth. We have filed a request for an overall 6.75% increase in retail electric rates due largely to the 10% customer growth we have experienced over the past four years and the increased cost of materials to serve this growth. The request will be heard later this year. The price of our common stock has been hurt by recent increases in long term interest rates, but appears to be at an appropriate level relative to others in our industry, and with stocks that have a high dividend yield.

Global warming, reducing greenhouse gas emissions and pursuing renewable energy sources remain major areas of focus in the media and among consumers. According to U.S. Department of Energy reports, fossil fired electric generation is said to create 35% of the country's greenhouse gas and the national transportation system 30% of total emissions.

At SCANA, we have been working to reduce our greenhouse gas emissions for years. In 1982, we began commercial operation of the V. C. Summer Nuclear Station, which today produces 21% of the electricity we provide to customers with no greenhouse gas emissions. Adjacent to Summer Station, we operate the Fairfield Pumped Storage Hydro Plant, which provides 10% of our generation capacity. At night, we use non-emitting nuclear power to pump water into Lake Monticello, and during the day we release that same water to generate electricity. This non-emitting, renewable energy source has operated for more than 25 years.

Additionally, in 2004, we brought our natural gas-fueled Jasper County Generation Plant on line. This extraordinarily efficient plant represents 15% of our generation capacity and creates substantially less greenhouse gas emissions than a coal plant would.

At our coal-fired units, we are especially focused on the efficiency of the units in converting coal to electricity. The more efficient the unit, the less coal is burned, and the less emissions occur. We own and operate three of the 20 most efficient coal-fired electric generating plants in America.

While there is much discussion about reducing and moderating greenhouse gas emissions, another factor we must consider is cost. None of the solutions or alternate energy supplies is cheap. In fact, they are more expensive than our current energy sources, and in some cases significantly more expensive. Much of the equipment needed to capture and remediate existing greenhouse gas emissions is quite costly and not well demonstrated in actual use. As has been previously reported, we plan to construct new nuclear generation to help meet our service area's expanding electric needs and offset the issue of emissions.

I believe our historical use of practical, renewable, non-emitting sources of supply demonstrates our Company's commitment to being a progressive supplier of electricity.

I hope that as a shareholder of our Company, as a user of electric service and as a citizen of our great country, you will spend some time learning about this issue. There is a great deal of information and opinion out in the public domain. We all need to be well informed and proactive to ensure the best possible outcome as we go through this process.

Respectfully submitted,

W. B. Timmerman

Chairman, President and Chief Executive Officer  
July 2007

## INVESTOR INFORMATION

### Shareholder Services

SCANA's Shareholder Services Department provides services for shareholders of record residing in all 50 states and a number of foreign countries. Services provided by the department include administration of the SCANA Investor Plus Plan, corresponding with shareholders, transferring stock (no fee involved with this service), dividend disbursement processing, proxy tabulation and miscellaneous other activities. Questions concerning SCANA's Investor Plus Plan, stock transfers, replacement of lost or stolen stock certificates or dividend checks, address changes, direct deposit, bank drafts or other account services should be directed to the Shareholder Services Department by writing to us at our corporate office, by fax, by calling our 24 hour toll-free line or via e-mail.

Shareholder Services (054)  
SCANA Corporation  
Columbia, SC 29218-0002

(800) 763-5891 (toll-free Investor Line)  
(803) 217-7817 (Columbia)

(Note: A Shareholder Services representative is available between 9:00 a.m. and 4:00 p.m. Eastern time, Monday through Friday)

E-mail: [shareholder@scana.com](mailto:shareholder@scana.com)  
Fax: (803) 217-7389  
Internet: [www.scana.com](http://www.scana.com)

### SCANA Investor Plus Plan

The Plan provides investors a convenient and economical means of acquiring, holding, transferring and selling shares of SCANA's common stock. Participants may purchase additional shares through automatic reinvestment of all or a portion of their cash dividends and/or by making optional cash payments (\$25 minimum up to a maximum of \$100,000 per calendar year). The Plan also features a direct purchase provision through which investors can acquire their first shares of SCANA's common stock directly from the Company. Shares are usually purchased on the first and fifteenth of each month. The Plan has the option of purchasing shares directly from SCANA or on the open market. Currently, shares are being purchased on the open market. The price for shares purchased on the open market will be the weighted average price of all shares purchased for that investment day which includes brokerage commissions, taxes and service charges. The Plan may switch to direct purchases without notice.

A variety of other services are also available through the plan, including direct deposit of dividends, safekeeping of share certificates and bank drafts for optional cash payments. To receive a Plan prospectus and enrollment form, please contact Shareholder Services or visit our Web site at [www.scana.com](http://www.scana.com).

### Direct Registration (DRS)

DRS is a form of book-entry stock ownership that eliminates the need for physical stock certificates. This means that your shares are held in your name and tracked electronically on SCANA's records. You no longer have to worry about keeping track of stock certificates or the time and cost to replace them if they are lost, stolen or destroyed. In addition, your broker can assist you with moving your shares to and from a brokerage account electronically. For more information, please contact Shareholder Services.

## SCANA ENERGY REAPPOINTED AS GEORGIA'S REGULATED NATURAL GAS PROVIDER

SCANA Energy will continue to serve as Georgia's sole regulated provider of natural gas, a role the company has had since the regulated provider program began in 2002.

"We are pleased to continue our third term in this important role of providing natural gas service to the elderly and low-income, and to citizens who have no other source for natural gas," said George Devlin, vice president and general manager of SCANA Energy. "As Georgia's first and only regulated provider since deregulation, people across the state have come to rely on SCANA Energy for affordable, dependable natural gas to Georgians who need us most."

The Georgia General Assembly mandated appointment of a regulated provider in 2002 to ensure that elderly and low-income Georgians were afforded natural gas at lower rates. Under the Natural Gas Consumers' Relief Act, the regulated provider offers natural gas at special rates to those who meet low-income requirements set by the Georgia Department of Human Resources. An additional discount is available for low-income senior citizens.

The regulated provider also serves as provider of last resort to natural gas customers who, due to credit problems or nonpayment, have been refused service by other marketers. Approximately 100,000 Georgians are currently receiving service under both programs.

### BASE LOAD REVIEW ACT

The Base Load Review Act, a new South Carolina law, is expected to save SCE&G customers approximately \$800 million over 40 years should the company proceed with construction of a new nuclear plant. The Act also reduces the perceived risks of investing in new nuclear generation while holding the state's regulated utilities accountable for making wise decisions when planning and building new nuclear plants.

The Act creates three key steps in the regulatory process associated with building new nuclear plants:

**1) Project Development** – The designing and permitting of a nuclear plant can take up to five years and involve significant costs. The project development application allows the South Carolina Office of Regulatory Staff (ORS) and the South Carolina Public Service Commission (SCPSC) to determine, up front, whether the decision to incur those costs is a prudent one.

**2) Base Load Review** – This step helps protect the interests of utility customers by allowing the ORS and SCPSC to determine whether the anticipated costs and construction schedule for a nuclear plant are prudent before construction begins, and to review construction along the way to ensure it is proceeding prudently.

**3) Revised Rates Application** – This is the part of the Act that lowers the total cost of a new nuclear plant to ratepayers. By allowing the utility to adjust rates each year during the construction phase to reflect only financing costs (the cost of capital), the amount of interest associated with construction is significantly reduced. Also, by assuring more effective recovery of prudently incurred costs, the Act assists the utility in attracting investment capital at reasonable rates; this also helps control costs to ratepayers.

### SCE&G RATE INCREASE REQUESTS

On June 15, 2007, SCE&G filed an application with the SCPSC requesting a 6.75 percent overall increase in retail electric base rates. In a separate application also filed on June 15, 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. If approved, the monthly bill of a residential customer using 1,000 kilowatt-hours of electricity would increase \$7.62.

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 SCPSC in November. If approved, the new rates would go into effect in January 2008.

#### Natural gas request

SCE&G also filed for an adjustment to its retail natural gas rates under a law that went into effect in 2005 called the Natural Gas Rate Stabilization Act (RSA). The RSA requires that the ORS annually review SCE&G's financials for the 12 months ending March 31. If the company's gas ROE for that period was more than a half percent above or below the 10.25 percent return authorized by the SCPSC, SCE&G is required to file for a rate adjustment to bring earnings back to that authorized rate of return. SCE&G earned a gas ROE of 8.11 percent for the 12 months ending March 31, 2007.

The information supporting SCE&G's filing will be reviewed by the ORS, which will issue an audit report by September 1. The SCPSC will then review SCE&G's filing and the ORS audit report and will issue an order in October. If approved, the rate adjustment would be implemented with the first billing cycle of November 2007 and would result in an average residential customer paying about \$19.70 more a year for natural gas.

**Condensed Consolidated Statements of Income**

	2007	2006
Six Months Ended June 30, Millions of dollars, except per share amounts [unaudited]		
Operating Revenues:		
Electric	\$ 913	\$ 859
Gas – Regulated	627	730
Gas – Nonregulated	830	744
Total Operating Revenues	2,370	2,333
Operating Expenses:		
Fuel used in electric generation	309	264
Purchased power	18	12
Gas purchased for resale	1,174	1,213
Other operation and maintenance	334	307
Depreciation and amortization (1)	177	153
Other taxes	79	76
Total Operating Expenses (1)	2,091	2,025
Operating Income (1)	279	308
Other Income (Expense):		
Other income, Net, including allowance for equity funds used during construction	22	28
Interest Charges, net of allowance for borrowed funds	(103)	(107)
Preferred stock dividends at SCE&G	(4)	(4)
Gain on sale of investments and assets	1	-
Total Other Expense	(84)	(83)
Income Before Income Taxes, Losses from Equity Method Investments and Cumulative Effect of Accounting Change	195	225
Income Tax Expense (1)	48	69
Losses from Equity Method Investments (1)	(7)	(6)
Cumulative Effect of Accounting Change	-	6
Net Income	\$ 140	\$ 156
Basic and Diluted Earnings Per Share		
Before Cumulative Effect of Accounting Change	\$ 1.20	\$ 1.30
Cumulative Effect of Accounting Change	-	.05
Basic and Diluted Earnings Per Share	\$ 1.20	\$ 1.35
Weighted Average Shares Outstanding [Millions]	116.7	115.3
Common Dividends Declared Per Share	\$ .88	\$ .84

**Condensed Consolidated Balance Sheets**

	June 30, 2007	December 31, 2006
Millions of dollars [unaudited]		
Assets		
Utility Plant, Net	\$ 7,179	\$ 7,007
Other Property and Investments	300	276
Current Assets	1,082	1,376
Deferred Debits and Other Assets	1,101	1,158
Total Assets	\$ 9,662	\$ 9,817
Capitalization and Liabilities		
Capitalization:		
Common Equity	\$ 2,894	\$ 2,846
Preferred Stock	113	114
Long-Term Debt, Net	2,959	3,067
Total Capitalization	5,966	6,027
Current Liabilities	1,289	1,405
Deferred Credits and Other Liabilities	2,407	2,385
Total Capitalization and Liabilities	\$ 9,662	\$ 9,817

(1) In a January 2005 order, the Public Service Commission of South Carolina approved SCE&G's request to apply synthetic fuel tax credits to offset the construction costs of the Lake Murray Dam project. The level of depreciation expense and related tax benefit recognized in the income statement will be equal to the available synthetic fuel tax credits, less partnership losses and other expenses, net of taxes. Although these entries collectively have no impact on consolidated net income, they can have a significant impact on individual line items within the income statement. For more information, see the disclosures included in SCANA's filings with the SEC on Form 10-Q, which are available on the company's Web site at [www.scana.com](http://www.scana.com).

**Shareholder Online**

SCANA's registered shareholders can access a variety of detailed account information online by using our internet service "Shareholder Online." Signing up for Shareholder Online is easy! Simply access SCANA's Web site at [www.scana.com](http://www.scana.com) and select the following: Investor Relations/Shareholder Online/First Time Visitor. After completing the account activation process, you should be able to access your account information the next business day. For additional information or to request a brochure about this service, please call our Shareholder Services Department using our 24-hour toll-free Investor line at (800)763-5891.

**Investors' Association**

For information about this organization's activities, please write to:

Association of SCANA Corporation Investors  
P.O. Box 2173, Lexington, SC 29071

Statements included in this mid-year report 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.

This mid-year report is provided for shareholders' information. It is not intended for use in connection with any sale or purchase of, or any other solicitation of offers to buy or sell securities.