



# Public Service Commission of South Carolina

## Accountability Report

Fiscal Year 2011-2012

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## **Section I – Executive Summary**

- **Mission and values:**

The Public Service Commission of South Carolina (Commission or PSC) regulates the rates and services of investor owned public utilities in the state of South Carolina and establishes just and reasonable standards for their rates and services.

The mission of the Public Service Commission of South Carolina is to serve the public by providing open and effective regulation and adjudication of the state’s public utilities, through consistent administration of the law and regulatory process.

- **Major achievements for 2011-2012:**

A main focus of the Commission during the 2011-2012 fiscal year was the promotion of South Carolina as a leader in the regulatory world and the professional development of the commissioners and staff. With Commissioner David Wright’s position as president-elect of the National Association of Regulatory Utility Commissioners (NARUC) and the involvement of other commissioners on the national level with organizations such as the Eastern Interconnection States Planning Council (EISPC), the National Petroleum Council, and the Department of Homeland Security/Environmental Protection Agency (EPA) Water Sector Government Coordinating Council, the stage was set for a South Carolina presence in national and international regulatory matters.

In November 2011, Commissioner David Wright was elected President of NARUC, a position not held by a South Carolinian since Commissioner Henry Yonce in 1988. Also, Commissioner Lib Fleming was appointed to the Board of Directors of the National Regulatory Research Institute (NRRI), and Commissioner Randy Mitchell was appointed to the Federal Communications Commission (FCC) Federal - State Joint Board on Universal Service. These leadership positions provided the opportunity to promote South Carolina’s leadership abilities across the nation and world.

Commissioner Fleming’s involvement on the NRRI Board and EISPC allow her to influence national energy decisions and protect South Carolina’s interests. With Commissioner Mitchell’s presence on the FCC Joint Board on Universal Service, South Carolina and other states with similar demographics will be represented in expanding telecommunications services.

The leadership positions that the South Carolina commissioners hold in national regulatory and industry organizations ensure that South Carolina and the Southeast’s positions are represented on national issues such as transmission in the Eastern Interconnection, smart grid, gas pipeline safety, and broadband expansion (Table 1.7-1, pages 13 and 14).

The Commission also desired to provide consumers with more information concerning the regulatory process to aid in fulfillment of its mission of providing a forum for fair, open, and effective regulation. Again this year, the Commission conducted a series of public workshops to allow regulated utilities an opportunity to inform their customers, interested parties, and the Commission of updates to operations and projects. Topics included “Actions Taken to Maintain and Improve Service,” “An Update on Construction Progress on Units 2 & 3 at V.C. Summer Nuclear Station,” “The Weather Normalization Adjustment (WNA) Mechanism,” and “Economic Development.” These workshops allowed the Commission to continue to provide a transparent

regulatory process while maintaining effective communications with its customers and stakeholders (Table 7.2-1, pages 24-25).

During the 2011-2012 fiscal year, the Commission presided over and ruled on several significant cases in the electric, telecommunications, and water and wastewater industries. These cases involved several key regulatory issues such as the definition of a utility, rulings on rate increases, the expansion of transmission lines, and the merger of electric utilities. The following paragraphs are summaries of the Commission's most significant cases for FY 2011-2012:

- A number of small telecommunications companies petitioned the Commission for waiver of Regulation 103-607 which requires telecommunications companies to obtain a \$100,000 performance bond or irrevocable letter of credit, or a \$50,000 certificate of deposit. A provision of Regulation 103-607 allows the Commission to determine the type and the amount of bond or other security mechanism to be filed with the Commission. The petitioning companies argued that compliance with the bond requirement of Regulation 103-607 was too great an expense for small companies and would force many of them to discontinue providing service to customers in South Carolina. At a hearing on the matter, the Office of Regulatory Staff (ORS) proposed a formula to calculate the amount of bond required, which it determined would protect the customers and not be overly burdensome to small companies. The Commission adopted this formula as an alternative method for determining the appropriate amount of bond.
- Carolina Water Service, Inc. (CWS) filed an application for an adjustment to its rates and charges. The Commission held three public hearings, in addition to the merits hearing. Based on the testimony at the public hearings in which customers testified to problems with billing, customer service, quality of water, and sewer system overflows, the Commission voted 5 to 2 to deny the application for an increase in rates and charges. The two dissenting commissioners stated that it was their opinion that denying the total rate increase would not be in the best interest of the customer because the company could put the entire rate increase in place under bond. CWS has appealed the Commission's order and placed the increased rates under bond, as allowed under S.C. Code Ann. § 58-5-240(D).
- South Carolina Electric & Gas Company (SCE&G) filed an application for approval to construct and operate a 230 kV transmission line from its V.C. Summer Switchyard #1 to its Killian Transmission Substation and two 230 kV transmission lines from its V.C. Summer Switchyard #2 to its Lake Murray Transmission Substation. SCE&G stated that this additional transmission was needed to serve the growth occurring in the northeast Columbia area and to accommodate the new nuclear units under construction at the V.C. Summer Nuclear Station. Of the fifty-nine total miles of transmission lines being requested for approval, all but six miles would be constructed on existing right-of-way. Richland County and the Town of Blythewood intervened in opposition to the proposed route. The parties entered into a settlement agreement over the route, and the Commission granted approval for the construction and operation of the transmission lines. The Commission did not approve a cost for these transmission lines or approve the recovery of any costs for these lines.
- Included in the application for approval of the acquisition of Progress Energy, Inc. by Duke Energy Corporation and the merger of Progress Energy Carolinas, Inc. (PEC) and Duke Energy Carolinas, LLC (DEC) was a Joint Dispatch Agreement (JDA) permitting PEC and DEC to operate their generation plants as a single system. Approval of the JDA would allow

the most efficient plants of either PEC or DEC to be dispatched and result in cost savings. In fact, the merger agreement between Duke Energy Corporation and Progress Energy, Inc. guaranteed direct and indirect cost savings of at least \$650 million resulting from the JDA, of which South Carolina was guaranteed at least \$127 million. Other commitments made to South Carolina totaled approximately \$71 million. The Commission approved the JDA with all of its related commitments, gaining savings and benefits to South Carolina of approximately \$198 million.

- The Office of Regulatory Staff filed a Petition for Rule to Show Cause as to why Mill Creek Marina and Campground should not be regulated as a public utility. ORS asserted that Mill Creek's actions in imposing specific charges for electrical service and usage upon its tenants rendered it an electrical utility under South Carolina law. Following a merits hearing on this petition, the Commission determined that Mill Creek Marina and Campground did not meet the definition of an electrical utility as defined in S.C. Code Ann. § 58-27-10(7). The Commission's ruling has broad implications by clarifying the definition of "public utility" generally and "electrical utility" specifically. Such clarification will provide guidance to persons and entities who may be considering implementing submetering of utility services.

- **Key strategic goals for present and future years:**

The Commission must be alert to and anticipate emerging issues in the industries it regulates, including federal regulatory developments. Maintaining effective communications with its customers and participation in national organizations integrated into the utility sectors will aid in achieving this goal.

The Commission will continue to improve its hearing procedures so as to provide the public with accessible, transparent, and effective regulation of public utilities and provide the public with clear information about the regulatory process and its decisions.

An ongoing goal of the Commission is to improve its operations through technological advances. As opportunities are identified, the Commission will investigate both costs and benefits and before taking the appropriate actions.

- **Key strategic challenges:**

The nation's electric and gas industries are subject to a broad range of regulatory models across the country, and regulators have taken a number of measures to increase competition and investment. With growing pressure for the generation of energy using alternative energy sources, the Commission must effectively regulate these industries, safeguarding the ratepayers without unduly burdening the industries or stifling competition.

The public relies on the Commission's online systems to access information related to its operations. The Commission must budget funds to support maintenance and development of the systems.

- **How the accountability report is used to improve performance:**

The Accountability Report is used in conjunction with the Agency's strategic plan, which is developed under the guidance of the State Regulation of Public Utility Review Committee (PURC), to measure organizational performance and gauge overall progress in fulfilling the organization's mission and objectives.

## Section II – Organizational Profile

- **Main products and services and primary methods by which these are delivered:**

The PSC serves as a quasi-judicial body charged with the adjudication of cases involving the state’s investor owned utilities that provide electric, gas, telecommunications, water, sewer, and various transportation services to the citizens of South Carolina. As such, it is the Commission’s duty to accept all filings, pleadings, testimony, etc. that are associated with cases presented before the Commission and to rule on such cases in the form of issuance of orders. These orders put into full force and effect rulings on:

- Rates and schedules
- Certificates of operation for telecommunications companies and transportation carriers
- Consumer complaints
- Service issues
- Territorial assignments of regulated utilities
- Telecommunications interconnection agreements
- Prudency reviews of electric and gas utilities’ fuel purchasing practices
- Arbitration of disputes involving certain federal statutes, such as the Federal Telecommunications Act of 1996
- Reviews of allowable costs for Chem-Nuclear Systems, LLC
- Standards under the Federal Energy Policy Act of 2005
- Siting and financing for power generating facilities

The Commission’s Docket Management System (DMS), an online case management system (<http://dms.psc.sc.gov>), maintains the documents and events associated with a case. Hearings on cases are held before the commissioners (below), and decisions are issued from the bench at the weekly public Commission Agenda Meetings. Orders are subsequently issued to the parties of record in the cases (Chart 7.1-1, page 22).



Commission Bench During a Hearing

- **Key customers and their key requirements/expectations:**

As a regulatory agency, the key customers of the Public Service Commission are the utilities subject to the jurisdiction of the Commission and the public who are served by these regulated utilities. The statutory mandate of the Public Service Commission is to ensure that the rates charged by the utilities are just and reasonable. The Commission also ensures that service quality standards are maintained and that utility customers are treated fairly.

- **Key stakeholders:**

The regulations and rulings of the Commission directly impact other state agencies such as the Office of Regulatory Staff. In addition, NARUC, the Southeastern Association of Regulatory Utility Commissioners (SEARUC), the Federal Energy Regulatory Commission (FERC), the North American Electric Reliability Council (NERC), the Eastern Interconnection Planning Council (EIPC), and the FCC benefit from the Commission's involvement with these organizations. The State Regulation of Public Utility Review Committee is the joint legislative committee charged with the oversight of the Commission as a result of Act 175.

- **Key suppliers and partners:**

The Commission employs the services of software designers to develop, enhance, and maintain its online systems.

- **Operation location:**

The Public Service Commission's office is located on the first floor of the Saluda Building in the Synergy Business Park in Lexington County. The street address is 101 Executive Center Drive, Suite 100, Columbia, SC 29210.

- **Employment statistics:**

In FY 2011-2012, the Public Service Commission had thirty-eight classified fulltime equivalent positions, one temporary employee, one grant position, and one contract position.

- **Regulatory environment under which organization operates:**

The Commission regulates investor-owned electric, natural gas, telecommunications, water, and wastewater utilities for which numerous federal, state, and local regulations exist. The Commission also regulates the transportation of passengers, household goods, and hazardous waste, which must conform to various safety and market regulations in order to obtain certificates of public convenience and necessity allowing them to operate in South Carolina. Finally, the Commission determines the allowable costs for Chem-Nuclear Systems, LLC, a regional low-level radioactive waste disposal facility located in Barnwell, South Carolina.

Most Commission orders may be appealed to the state Supreme Court. In addition, the Commission has some overlapping jurisdiction with federal entities such as the FCC, FERC, and NERC.

- **Performance improvement systems:**

The Commission currently records and monitors on a monthly basis several key inputs and outputs in its docket processing system. These key identifiers such as new dockets, hearings, directives, orders and electronic filings assist management in allocating resources to meet demands (Charts 7.1-1 thru 7.1-4, and 7.2-2 thru 7.2-4, pages 22-27).

Activity related to Agency Hearing Officers and Hearing Examiners is also tracked to ensure that this component of the Commission is utilized whenever possible to improve the timeliness of proceedings. In addition to issuing directives in cases, hearing examiners and officers are appointed to dispose of procedural matters and report findings of fact. The number of rulings made through these Commission staff appointments is one indicator of the increasing efficiency with which the Commission resolves complaints and applications (Chart 7.1-5, page 24).

The State Regulation of Public Utilities Review Committee serves as the joint legislative committee that oversees the operations of the Commission as a result of Act 175. The committee is chaired by Senator Thomas Alexander, with Representative William Sandifer serving as vice chairman. Other legislative members are Senators Bradley Hutto and Luke Rankin, and Representatives Michael Forrester and Harry Ott. In addition, there are four members from the public sector, namely, Elizabeth Atwater, Erik Ebersole, John Simmons, and Helen Zeigler, that also serve on the committee. Each year the Commission develops objectives and action plans, and reports on the results to the committee. These objectives are in line with the Commission's strategic plan and goals and are the framework against which the agency's performance is evaluated.

An external system is also employed which features customer satisfaction surveys to identify areas of concern and improvement. Members of the practicing legal community that participate in hearings at the Commission and members of the public sector were surveyed on a variety of topics, including satisfaction with the Commission's online systems and the regulatory process. Results of the surveys are studied to determine areas of possible or needed improvement.



## Organizational structure:

The Public Service Commission is comprised of a seven member board elected by the General Assembly for four-year terms, representing each congressional district plus an at-large member.

### Public Service Commission of South Carolina

 <p>Commissioner John E. "Butch" Howard Charleston, SC</p> <p>Representing District 1 Term Expires June 30, 2012*</p>	 <p>Commissioner David A. Wright Columbia, SC</p> <p>Representing District 2 Term Expires June 30, 2014</p>
 <p>Commissioner Randy Mitchell Saluda, SC</p> <p>Representing District 3 Term Expires June 30, 2012*</p>	 <p>Commissioner Elizabeth B. "Lib" Fleming Spartanburg, SC</p> <p>Representing District 4 Term Expires June 30, 2014</p>
 <p>Commissioner G. O'Neal Hamilton Bennettsville, SC</p> <p>Representing District 5 Term Expires June 30, 2012*</p>	 <p>Commissioner Nikiya "Nikki" Hall Columbia, SC</p> <p>Representing District 6 Term Expires June 30, 2014</p>
 <p>Commissioner Swain E. Whitfield Blythewood, SC</p> <p>At-Large Representative Term Expires June 30, 2012*</p>	 <p>Chief Clerk/Administrator Jocelyn G. Boyd Columbia, SC</p>

The Chief Clerk and Administrator manages the day-to-day operations of the Commission. Four departments, Administrative, Clerk's Office, Legal, and Advisory Staff, perform the daily duties of the Commission. Each department has a manager reporting directly to the Chief Clerk.

\* With the restructuring of Congressional districts in the state, the election process for Districts 1, 3, 5, and At-Large has been delayed until January 2013.

- **Expenditures/Appropriations Chart:**

Actual expenditures for fiscal years 2010-2011 and 2011-2012, and appropriations for 2012-2013 are shown in the following chart. The utilities regulated by the Public Service Commission are assessed to provide funding for the Commission. The Commission was the recipient of a grant from the American Recovery and Reinvestment Act of 2009 (ARRA). The grant is used to fund activities at the Commission, ORS, and PURC.

Major Budget Categories	FY 10-11 Actual Expenditures		FY 11-12 Actual Expenditures		FY 12-13 Appropriations Act	
	Total Funds	General Funds	Total Funds	General Funds	Total Funds	General Funds
Personnel Service	\$ 2,685,526		\$ 2,678,565		\$ 2,881,995	
Other Operating	\$ 913,120		\$ 788,683		\$ 951,917	
Special Items						
Permanent Improvements						
Case Services						
Distributions to Subdivisions			\$ 92,577			
Fringe Benefits	\$ 747,666		\$ 777,136		\$ 802,396	
Non-recurring						
<b>Total</b>	<b>\$ 4,346,312</b>		<b>\$ 4,336,961</b>		<b>\$ 4,636,308</b>	

• Major Program Areas Chart:

Program Number and Title	Major Program Area Purpose (Brief)	FY 10-11 Budget Expenditures	FY 11-12 Budget Expenditures	Key Cross References for Financial Results
Administrative Department	Provides administrative support and direction to ensure consistency, compliance, financial integrity and fulfillment of the agency's mission.	<b>State:</b> <b>Federal:</b> <b>Other:</b> \$2,116,143 <b>Total:</b> \$2,116,143 <b>% of Total Budget:</b> 49%	<b>State:</b> <b>Federal:</b> <b>Other:</b> \$2,234,499 <b>Total:</b> \$2,234,499 <b>% of Total Budget:</b> 49%	Chart 7.2-3 Chart 7.2-4 Chart 7.5-1
Clerk's Office	Processes all legal documents that are filed with the Commission. Creates and mails all notices of filings. Processes public inquiries. Prepares and maintains all hearing documents.	<b>State:</b> <b>Federal:</b> <b>Other:</b> \$675,089 <b>Total:</b> \$675,089 <b>% of Total Budget:</b> 15%	<b>State:</b> <b>Federal:</b> <b>Other:</b> \$648,572 <b>Total:</b> \$648,572 <b>% of Total Budget:</b> 15%	Chart 7.1-1 Chart 7.1-4 Chart 7.2-2 Chart 7.2-3 Chart 7.5-1 Table 7.6-1
Legal Department	Advises the Commission regarding pending cases. Drafts legal documents.	<b>State:</b> <b>Federal:</b> \$339,646 <b>Other:</b> \$660,712 <b>Total:</b> \$1,000,358 <b>% of Total Budget:</b> 23%	<b>State:</b> <b>Federal:</b> \$182,333 <b>Other:</b> \$700,674 <b>Total:</b> \$883,007 <b>% of Total Budget:</b> 23%	Chart 7.1-1 Chart 7.1-2 Chart 7.1-3 Chart 7.1-5 Table 7.4-1 Table 7.6-1
Office of Advisory Staff	Provides technical advice to the commissioners and staff.	<b>State:</b> <b>Federal:</b> <b>Other:</b> \$554,724 <b>Total:</b> \$554,724 <b>% of Total Budget:</b> 13%	<b>State:</b> <b>Federal:</b> <b>Other:</b> \$570,883 <b>Total:</b> \$570,883 <b>% of Total Budget:</b> 13%	Chart 7.1-1 Table 7.4-1 Chart 7.4-2
<b>Below: List any programs not included above and show the remainder of expenditures by source of funds.</b>				
	<b>Remainder of Expenditures:</b>	<b>State:</b> <b>Federal:</b> <b>Other:</b> <b>Total:</b> <b>% of Total Budget:</b>	<b>State:</b> <b>Federal:</b> <b>Other:</b> <b>Total:</b> <b>% of Total Budget:</b>	

## **Section III – Elements of Malcolm Baldrige Award Criteria**

### **Category 1 – Senior Leadership, Governance, and Social Responsibility**

The Public Service Commission performs an annual exercise of developing performance measures in the areas that are critical to the successful operation of the agency. Under direction of PURC, key performance goals and action items are identified. These goals and action items translate into the Commission's performance measurement system which guides the agency in the management of its processes.

Senior leaders (i.e. the Commission and its professional staff) set, deploy, and ensure two-way communication for short and long-term direction and organizational priorities through the performance measurement process described above. Senior leaders regularly review the progress on the action items established in the performance measurement process. PURC reviews the performance measures on a yearly basis as well.

The goals developed in the performance measurement process reflect the values by which the Commission operates: fairness in its decision-making, aspiring to professional excellence, and providing value and accountability to the citizens of South Carolina.

The Commission encourages individual contribution to performance and operations improvements and rewards such contributions through its Employee Recognition Program (Shout Out!). Developmental and agency training needs are identified by senior management, and as deficiencies are identified, solutions are developed to provide the necessary instruction as funds allow.

Senior leadership fosters ethical behavior by attending an annual ethics seminar, publishing a periodic newsletter that addresses ethics issues, and designating in-house personnel to resolve issues that arise in the day-to-day operations. The Commission adheres to the SC Code of Judicial Conduct, the State Ethics Laws, and Title 58 of the South Carolina Code of Laws in its operations. This year's annual ethics training featured a distinguished panel including Senator Bradley Hutto; Cathy Hazelwood, General Counsel of the State Ethics Commission; The Honorable Thomas Cooper, Circuit Judge of the Third Judicial Circuit; Jane Shuler, a member of the Senate Judiciary Committee; and Desa Ballard, a private practice attorney.

Senior leaders promote a focus on customers and other stakeholders by utilizing the Commission's Focus Groups in a series of forums that address operations and procedures at the Commission, independent surveys of parties that practice before the Commission, and soliciting customer feedback through online surveys. The Commission also desires to provide consumers with more information concerning the regulatory process to aid in fulfillment of its mission of providing a forum for fair, open, and effective regulation.

The Commission addresses the current and potential impact on the public with respect to its services, facilities, and operations by conducting hearings that are open to the public. In these hearings, public comment is both requested and desired. In addition, the companies that are under the jurisdiction of the Commission must publish notices in local media concerning changes to their operations as mandated by the Commission's regulations.

Public hearings and workshops are also held to inform the public of emerging utility issues in the industries regulated by the Commission. Topics have included "Actions Taken to Maintain and Improve Service," "An Update on Construction Progress on Units 2 & 3 at V.C. Summer Nuclear

Station,” “The Weather Normalization Adjustment (WNA) Mechanism,” and “Economic Development.” These workshops allowed the Commission to continue to provide a transparent regulatory process while maintaining effective communications with its customers and stakeholders.

Senior leaders maintain fiscal, legal, and regulatory accountability through regular communication with PURC. The Commission’s budget must be reviewed by PURC prior to submission for approval from the General Assembly.

Senior leaders regularly review the progress on the action items that were established in the performance measures development process. In addition, key statistics related to operations are reported and tracked on a monthly basis.

The performance measurement process defines the organizational values for the Commission, and the developed action items provide a means to meet the goals established for the Commission. Senior leadership improves its own effectiveness by identifying areas where additional knowledge and skills are required in order to meet the objectives in the performance measurement system.

The commissioners of the Public Service Commission are elected by the General Assembly. The chairman and the senior staff work to promote and educate future organizational leaders by identifying programs that will cultivate the skills necessary to lead the agency. In November, Commissioner David Wright was elected President of NARUC. Commissioner Fleming was appointed to the Board of Directors of NRRI, and Commissioner Mitchell was appointed to the FCC Federal - State Joint Board on Universal Service. PSC commissioners also held chairmanships of two NARUC committees and positions on the NARUC Board of Directors. Several commissioners were appointed to key strategic federal panels and committees. Below is a listing of the positions held by the present commissioners:

<p>Commissioner Howard District 1</p>	<p>Chairman - NARUC Committee on Water Board Member - NARUC Board of Directors Director - NARUC Utility Rate School Member - NARUC Committee on International Relations Member - NARUC Subcommittee on Clean Coal and Carbon Sequestration Member - Dept. of Homeland Security, Water Sector Government Coordinating Council Member - Water Research Foundation Public Council on Drinking Water Research</p>
<p>Commissioner Wright District 2</p>	<p>President - NARUC Executive Committee and Board of Directors Member - NARUC Subcommittee on Nuclear Issues and Waste Disposal Member - NARUC Washington Action Committee Member - NARUC Committee on Electricity Chairman - Nuclear Waste Strategy Coalition Board Member - Advisory Board of the Institute of Public Utilities at Michigan State University Board Member - Electric Power Research Institute Member - Keystone Energy Board</p>

Commissioner Mitchell District 3	Member - NARUC Committee on Telecommunications Member - FCC-NARUC Advanced Services Committee Member - NARUC Committee on Critical Infrastructure Member - FCC Federal-State Joint Board on Universal Service Board Member - Universal Service Administrative Company
Commissioner Fleming District 4	Chairman - NARUC Committee on Critical Infrastructure Member - NARUC Committee on Electricity Board Member - NARUC Board of Directors Secretary - Eastern Interconnection States Planning Council (EISPC) Executive Committee Member - Eastern Interconnection Planning Council Stakeholders Steering Council Board Member - National Regulatory Research Institute Member - White House Smart Grid Working Group Member - Advisory Council for the Center for Public Utilities at New Mexico State University
Commissioner Hamilton District 5	Member - NARUC Committee on Gas Member - NARUC Nuclear Issues and Waste Disposal Subcommittee Member - NARUC Advisory Committee Member - National Petroleum Council Board Member - Gas Technology Institute Advisory Board
Commissioner Hall District 6	Member - NARUC Committee on Energy Resources and the Environment Member - NARUC Utility Marketplace Access Subcommittee
Commissioner Whitfield At-Large	Member - NARUC Committee on Critical Infrastructure Member - NARUC Committee on Gas Member - NARUC Pipeline Safety Task Force

Table 1.7-1 Commissioner Leadership Positions 2011-2012

Senior leaders use the performance measurement process to create an environment for performance improvement and accomplishment of strategic objectives.

Senior leadership recognizes the importance of staying up to date in all areas of the regulatory process in this fast changing and volatile environment. Members of the Commission and staff regularly attend training sessions (conferences, workshops, webinars, etc.) on emerging issues within the industries regulated by the Commission (Table 7.2-1, pages 24-25 and Table 7.4-1, pages 28-29). They encourage the workforce to seek additional knowledge and training when required.

Senior leadership interacts with the entire workforce through the work processes. Weekly meetings are held among senior management to discuss upcoming cases and workloads. High performance is recognized and rewarded using an employee recognition program.

The Commission's senior leadership actively supports and strengthens the communities in which the agency operates by volunteering their time and donating their resources to numerous civic organizations. Some of the recipients are the Harvest Hope Food Bank, the United Way, Sistercare, Rotary Clubs, the Irmo-Chapin Recreation Commission, the American Red Cross, the American Cancer Society, and the Colorectal Cancer Action Committee.

## **Category 2 - Strategic Planning**

The regulatory climate today is dynamic and can be best addressed through a proactive regulatory process that reflects the increased competitive nature of the companies within the nation and the state, while seeking to best serve the needs of all of the citizens of the state.

PURC serves as the joint legislative committee that oversees the operations of the Commission as a result of Act 175. Senior management develops the strategic plan and implementation process, which is presented to PURC for final approval.

Our strategic planning process addresses our organization's strengths, weaknesses, opportunities, and threats by identifying those areas that are critical to the successful operation of the agency and the systems that must be in place and function at optimum performance to achieve our goals. Those critical operations are functions performed by the Clerk's Office related to filings of matters and service of orders, hearings conducted by the Commission, and the legal and advisory staff's advice to the Commission and assistance in drafting orders. Senior management is involved in the day-to-day operations of these functions and is able to make necessary adjustments to meet goals. PURC oversees the operations at the Commission and recommends objectives that need to be met in order to comply with regulations.

The public utility arena has become increasingly competitive over the last decade with the introduction of deregulation on both the federal and state levels. With new developments on the federal level concerning transmission and renewable energy sources, and proposed new EPA regulations and FCC rulings, the Commission desires to be proactive in response to issues that affect the entities they regulate. This is done through the Commission's affiliation with NARUC and SEARUC and their partnered organizations, and attendance at educational functions (conferences, seminars, webinars, etc.). To keep informed of potential legislation or court rulings on the federal or state level that would impact the Commission, an alert system is in place to notify senior leadership and includes an internal electronic discussion board (blog).

The Commission is continually striving to maintain cutting edge technology with respect to its operations. As new technology becomes available, the Commission's Information Technology staff and the Department of State Information Technology investigate the potential benefits and make recommendations to senior management.

With the guidance of PURC, action plans are identified and developed by senior management. These action plans are designed to accomplish the goals set forth by PURC. Critical operations of the Commission are monitored by senior management to ensure that the necessary resources are available to meet the performance objectives. These resources may be human, systematic or technological.

Strategic objectives, action plans, and related performance measures are communicated and deployed throughout the agency through senior management at weekly, monthly, and quarterly meetings.

Progress is measured on action plan items by means of periodic update sessions with senior management. New tasks and additional resources are assigned, if necessary, at these meetings to ensure that the action item continues on track.

Evaluation and improvement of the strategic planning process requires senior management’s knowledge of the short and long-term goals for the agency coupled with the results from the performance measurement program and input from customers and key stakeholders.

Key strategic objectives and action plans are outlined in the following chart:

### Strategic Planning

<b>Program Number and Title</b>	<b>Supported Agency Strategic Planning Goal/Objective</b>	<b>Related FY 11-12 and beyond Key Agency Action Plan/Initiative(s) and Timeline for Accomplishing the Plan</b>	<b>Key Cross References for Performance Measures</b>
Administrative Department	The Administrative Department provides administrative support and direction to ensure consistency, compliance, financial integrity, and fulfillment of the agency's mission.	Maintain all personnel-related records; record and file annual reports from regulated companies; provide a variety of information technology support services; handle internal mail distribution, photocopying, and central supplies; publish newsletters and reports; conduct training sessions for staff; develop agency budget; perform financial functions related to the agency such as payroll and general ledger accounting. [2012-2013]	Chart 7.2-3 Chart 7.2-4 Chart 7.5-1
Clerk's Office	The Clerk's Office processes all legal documents that are filed with the Commission; creates and mails all notices of filings and directives; schedules hearings before the Commission; and prepares and maintains all hearing documents.	Process all legal documents filed with the agency; prepare notices; maintain accurate and complete files of the Commission's dockets; provide copies of recent and historical Commission orders through the agency's online docket management system (DMS); provide court reporter services and transcripts; provide copies of matters filed in dockets to the public on the DMS; maintain company tariffs; maintain the Order Index System. [2012-2013]	Chart 7.1-1 Chart 7.1-4 Chart 7.2-2 Chart 7.2-3 Chart 7.5-1 Table 7.6-1
Legal Department	The Legal Department provides legal advice to the commissioners and staff, and drafts the oral decisions of the Commission.	Properly set out in writing the decisions of the Commission; provide appropriate consultation to the Commission staff on all laws and regulations pertaining to the utility and transportation industries; attend national and regional conferences related to laws and regulations; review and revise regulations. [2012-2013]	Chart 7.1-1 Chart 7.1-2 Chart 7.1-3 Chart 7.1-5 Table 7.2-1 Table 7.4-1 Table 7.6-1
Office of Advisory Staff	The Office of Advisory Staff provides technical advice to commissioners and staff.	Provide policy input to the commissioners regarding changing and evolving regulations in reference to jurisdictional utilities; develop and present educational seminars to commissioners and staff; attend national and regional conferences related to laws and regulations; interact with external groups such as NARUC, FERC, NRRI, EIPC, etc. via electronic communication and conference calls. Assist in preparation and review of commission's rulings. [2012-2013]	Chart 7.1-1 Table 7.2-1 Table 7.4-1 Chart 7.4-2



### Category 3 - Customer Focus

Through strategic planning, our customer and stakeholder groups have been identified as individuals and businesses acquiring the services provided by our regulated utilities, citizens of our state who would be affected by the unsafe operation of utility services, and utilities authorized to operate within the state of South Carolina.

A variety of procedures are employed to determine customer needs, expectations, and satisfaction. These include:

- Workshops/Training Classes
- Generic Proceedings
- Advisory Focus Groups
- Publications/Public Service Announcements/Websites
- Performance Surveys
- Formal Proceedings



Figure 3.6-1 Attendees at Public Night Hearing, Spartanburg, SC

Through the Commission's formal hearings and meetings and its online public information systems, customers are able to access the information concerning proceedings before the Commission.

The Commission's Advisory Committee, comprised of attorneys who practice before the Commission, was restructured into industry focus groups in order to improve its effectiveness. The three new focus groups are the Information and Technologies Group, the Administrative Procedures Group, and the Regulations and Statutes Group.

Throughout the year, the Commission meets with its Focus Groups to address issues related to its operations and procedures. Working groups are assembled to assist the Commission in developing solutions to new regulations, procedures, and operations. Members of the Focus Groups contribute helpful suggestions, and their input is valued and taken into account when changes to operations or procedures are required.

The Commission developed surveys for use in evaluating and improving its operations, regulatory process, website ([www.psc.sc.gov](http://www.psc.sc.gov)) and online systems (DMS and ETariff). Electronic surveys were sent to members of the public who have made contact with the Commission over the course of the year, and a more detailed electronic survey was sent to members of the Commission's Focus Groups. Results of the survey will be used to identify areas for improvement.

By responding to our customers in a timely fashion and meeting their expectations with respect to service received, whether it is from one of our online systems or direct communication with a staff member, the Commission continually strives to improve its operations. Because the Commission must operate under the Code of Judicial Conduct and the ex parte communications laws enacted in Act 175, the agency is limited in its direct contact with its customers, but will continue to make improvements to its operations and procedures to provide an environment that leads to healthy customer relations.

## **Category 4 - Measurement, Analysis, and Knowledge Management**

Key performance measures are identified as those functions that are critical to the successful operation of the agency to achieve its goals. Those critical operations are functions performed in the filing of matters and service of orders, hearings conducted by the Commission, and preparation and issuance of orders. Weekly meetings with senior management are held to discuss upcoming filings, hearings, and issues, and to allocate resources to meet them.

Monthly totals (number of new dockets, filings, hearings, directives, orders, etc.) are collected, analyzed, and reported to senior management. Senior management is involved in the day-to-day operations of these functions and can adjust workloads to ensure deadlines are being satisfied.

Where available, measures are compared to past trends to assist management in planning future workloads.

Whenever possible, data is collected and reported automatically to ensure its integrity, reliability, and accuracy. In cases where manual collection is required, data is validated to ensure accuracy.

Although job functionality is specific to industry and workload is structured by industry, general cross-training of duties does occur to handle the instances of vacations, sick leave, training, etc. Additionally, standardization of operations is performed when applicable. Internal “Best Practices” documents have been developed to assist in this standardization.

## **Category 5 – Workforce Focus**

Workloads are organized and managed according to function. From the time a docket is created, every department at the Commission is actively involved in its filing and disposition. A high level of cooperation exists between departments because of the interdependence in processing a docket. Because of this interdependence, senior management meets weekly to ensure that all departments are working on the same set of short-term goals and sharing critical information.

The Commission fills agency vacancies utilizing existing personnel if possible. For recruitment from outside the agency, the Commission partners with the SC Office of Human Resources’ E-Recruitment System. Members of senior management are involved in the hiring, orientation, and training of new hires.

In order to adapt to the changing regulatory market, the Commission requires a knowledgeable staff to assist the Commission in adjudicating cases. Developmental and agency training needs are identified by senior management. As deficiencies are identified, solutions are developed to provide the necessary instruction. Individual training requests can be made to develop expertise or knowledge in an area of an employee’s job description. Informal evaluations are recorded for training that is performed off-site. Internal “Best Practices” documents have been developed to standardize functions where possible.

With the growing pressure for the generation of energy using renewable energy sources and the stricter environmental regulations facing the energy and water/wastewater industries, the Commission must be informed, involved, and proactive in its duties. A requisite to accomplishing

this effort is education. This year the Commission attended conferences, seminars, workshops, and webinars to stay informed and involved in the emerging issues facing the regulated community (Table 7.4.1, pages 28-29). Events such as the World Forum on Energy Regulation in Quebec City, Canada, brought regulatory and industry leaders from North America, South America, Europe, Asia, Africa, and Australia together to discuss topics such as the global natural gas and electricity markets, the electricity grid, and the role of investment in enhancing security of supply. By contrast, attendance at the Southeastern Association of Regulated Utility Commissioners brought commissioners and industry representatives from the Southeast together to discuss the hot topics present in this region of the country.

The mission of the Commission is to provide fair, open, and effective regulation of the state’s public utilities. In order to be effective, the Commission must be engaged and informed. Senior management is involved in leadership on the national level with numerous affiliated organizations and stays informed of current issues within the industries regulated by the Commission (Table 7.4-3, page 30). Involvement in these organizations ensures that South Carolina and the Southeast’s positions are represented on national issues such as transmission in the Eastern Interconnection, smart grid, gas pipeline safety, and broadband expansion. These leadership positions assist in fulfilling one of the main goals of the Commission for the year, namely, “To strive for excellence such that it will be recognized for its achievements.”

Members of the Commission receive training in ethical practices through seminars and newsletters. This year a diverse panel consisting of five attorneys with diverse professional backgrounds conducted the training seminars. Each presenter covered the ethics topic from their own professional perspective, providing real-life anecdotes to supplement their lecture material. The presenters included Desa Ballard, Judge Thomas Cooper, Cathy Hazelwood, Senator Brad Hutto, and Jane Shuler. (Figures 5.6-2 and 5.6-3)



Figure 5.6-2 – Circuit Court Judge Thomas Cooper conducts ethics training for the PSC.



Figure 5.6-3 –SC Ethics Commission General Counsel, Cathy Hazelwood, engages PSC staff during training.

Additional technology and appropriate tools required to perform job functions are utilized when resources are available. The Commission encourages individual contribution to performance and operations improvements and rewards such contribution utilizing its restructured Employee Recognition Program (Shout Out!). The Commission recognizes members of its workforce for years of service (Figure 5.11-1).



Figure 5.11-1 – Employee Recognition

The Synergy Business Park is a safe and secure workplace. Coded entrances provide security to employees. The Commission has a prevention and wellness program in place to educate its workforce on good health practices for the home and workplace. Activities include cholesterol and blood pressure screening, stress management activities, newsletters, and weekly health tips.

### **Category 6 - Process Management**

Most of the processes utilized by the Commission are dictated by statute or regulation. Whenever a party desires a hearing before the Commission, the party must file a formal application requesting a hearing. The Clerk's Office reviews the application to ensure that it complies with all legal requirements. Once the Clerk's Office accepts the application, it is noticed on the Commission's agenda as an advised item to begin the notification process.

In most cases, public notice must be given, often in bill inserts and notices published in newspapers of the affected areas. Deadlines are set for intervention and the filing of testimony, and a hearing date is scheduled. Discovery, information requests, and interrogatories follow the procedures set forth in the Code of Laws of South Carolina. A hearing is held, and a court reporter transcribes the proceeding (Figure 6.2-1).



Figure 6.2-1 – Commissioner Hamilton (r) questions the witness during hearing.

Parties generally file legal briefs or proposed orders shortly after the hearing transcripts are released. The commissioners render their decision at a Commission Meeting, and the Legal Department drafts an order, which is then made available for the commissioners' review. Any input from commissioners is incorporated before the order is finalized, and the Clerk's Office mails a copy of the order to the parties of record. Any party to the hearing can ask the commissioners to reconsider their decision and can appeal the decision to the Appellate Court. This process most often applies to our jurisdictional utilities.

DMS is used extensively in the process management of these tasks. Since it is an online system, the parties of record and the general public can monitor the activity of a case. Daily reports are generated from DMS that list activity on the system with respect to process management (new dockets, filing of matters, issuance of orders, etc.). In addition, the Commission's main website contains the latest information on current issues and cases.

Weekly meetings with senior management are held to discuss upcoming filings, hearings, and issues, and to allocate resources to meet them. Because senior management is involved in the day-to-day operations, adjustments can be made to the processes when demand requires.

Meeting statutory deadlines for hearings, orders, etc. allows the Commission to appraise the effectiveness of its operations and institute changes to operations to improve the regulatory process. With input from staff, senior leadership, the Commission's Focus Groups, and customer feedback, improvements and updates to processes are identified in order to improve performance. For example, the Commission surveyed its customers and stakeholders on the use of electronic service (e-service) of orders, and with input from its Focus Group and passage of key legislation to permit e-service, the Commission is in the process of implementing this cost saving mechanism.

Key support processes include information management, financial and accounting, personnel, and office management functions. Through the performance measures plan approved by PURC, objectives and action items are reviewed on a regular basis to determine if adjustments need to be made to processes and workforce to meet the objectives of the plan.

Senior management reviews the Agency's budgetary status and makes adjustments where necessary based on developed contingency plans. Prior to the beginning of the fiscal year, departmental managers submit budgets for education, equipment, training, and other budgetary needs for their areas. Throughout the year, managers update their requirements and budget revisions are made.

## Category 7 - Business Results

Key business results for the 2011-2012 year include improvements in customer communications and customer education, and professional development of commissioners and staff.

7.1 The Commission's primary duty is to adjudicate cases involving the state's investor owned utilities.

- This fiscal year, the Commission held 86 hearings, and issued 1015 orders, an increase in orders of nearly 20% over last year (Chart 7.1-1).

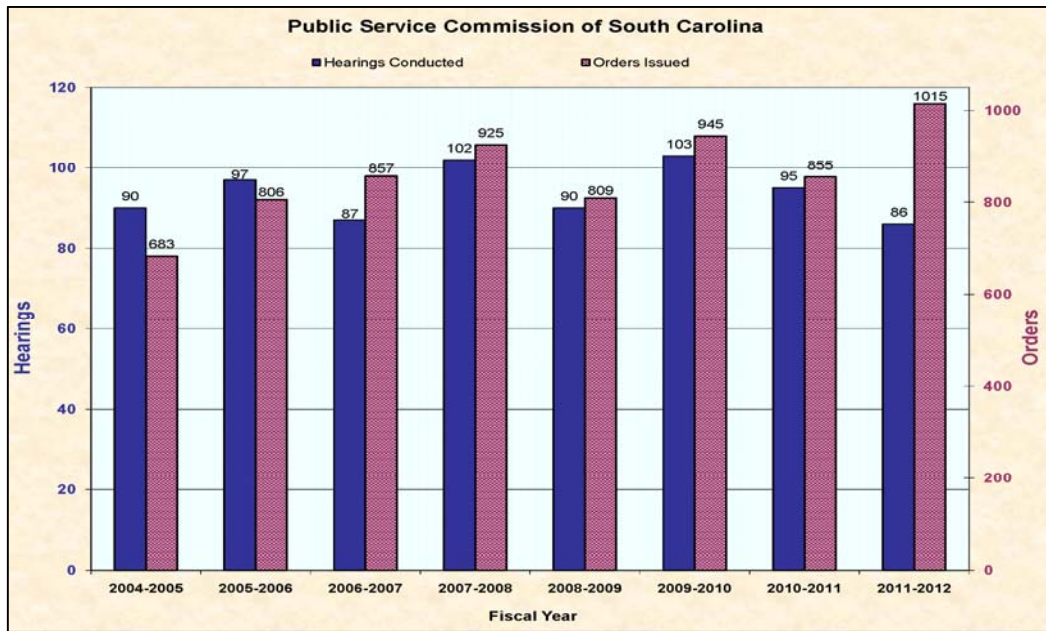


Chart 7.1-1 PSC Hearings and Orders

- The Commission's hearings encompass the telecommunications, electric, gas, water/wastewater, and transportation industries (Chart 7.1-2).

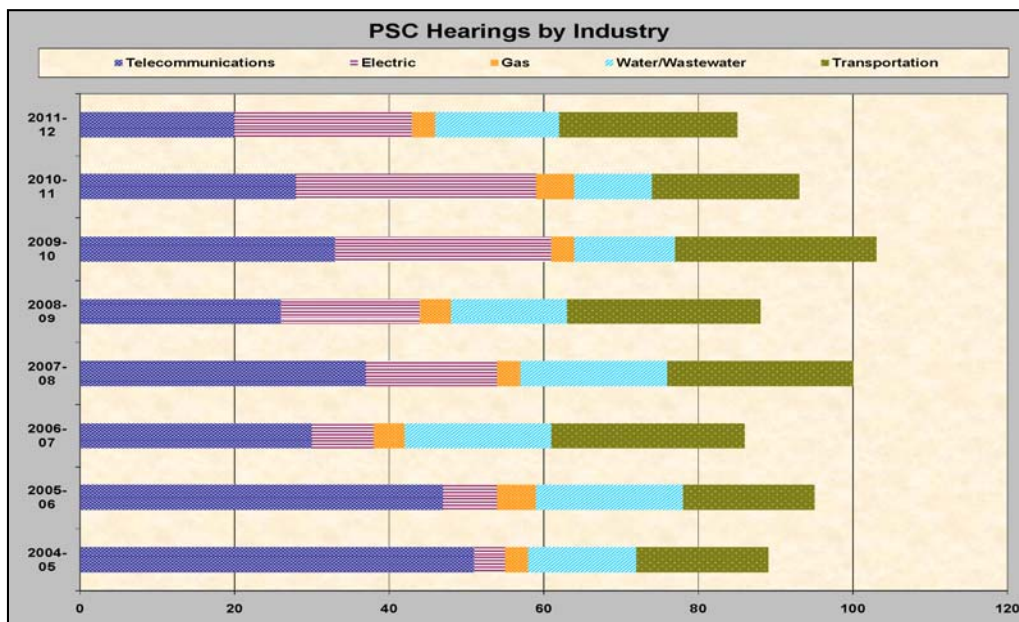


Chart 7.1-2 Hearings by Industry

- The number of hearings in the telecommunications industry continues to decrease year after year as shown in Charts 7.1-2 and 7.1-3 as the effects of deregulation within the industry are realized. There continues to be a steady number of hearings within the electric and water/wastewater industries due to requests for rate increases and the impact of new issues which must be addressed from a regulatory standpoint. Some of these issues include demand side management and energy efficiency programs, construction of the new nuclear units at V.C. Summer Station and the related expansion of transmission lines, and renewable energy sources

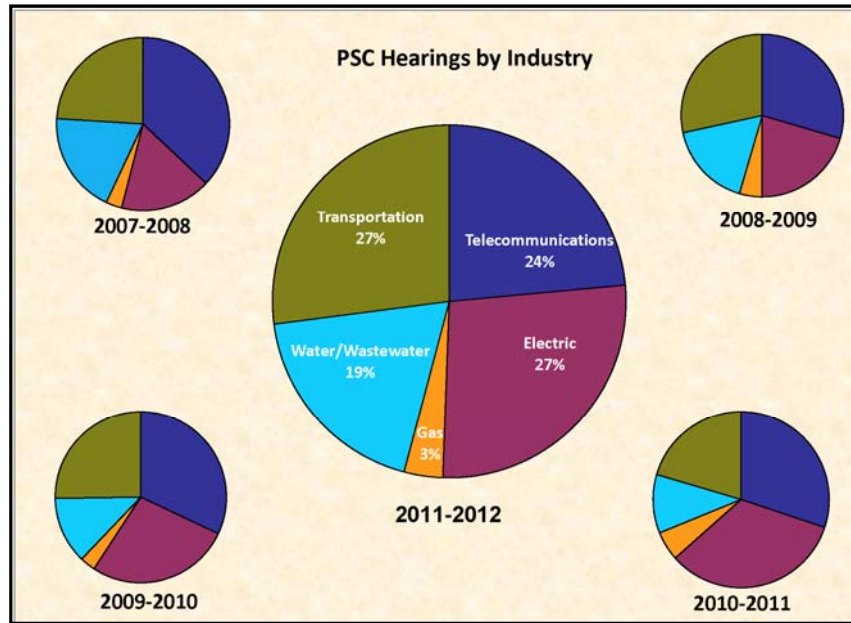


Chart 7.1-3 Hearings by Industry

- The Commission opened 515 new dockets during the fiscal year, a 13% increase over last year. A new docket is opened whenever an application is submitted to the Commission, a complaint, petition, or agreement is filed, or a rulemaking or fuel case proceeding comes before the Commission (Chart 7.1-4).

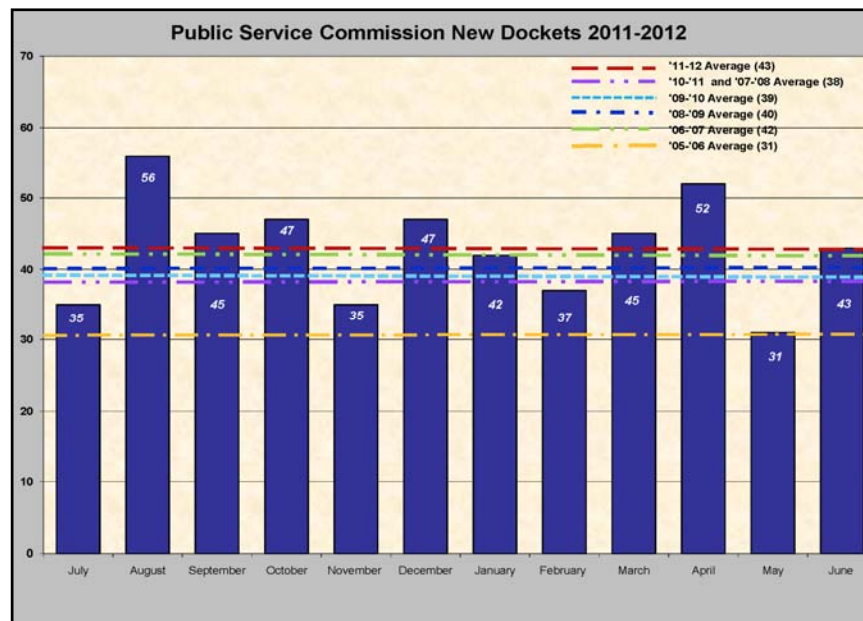


Chart 7.1-4 New Dockets

- The chart below shows that the Commission continues to increase the use and effectiveness of its Hearing Examiner/Hearing Officer programs. In addition to issuing directives in cases, hearing examiners and officers are appointed to dispose of procedural matters and report findings of fact. The number of rulings made through these Commission staff appointments is one indicator of the increasing efficiency with which the Commission resolves complaints and applications. (Chart 7.1-5).

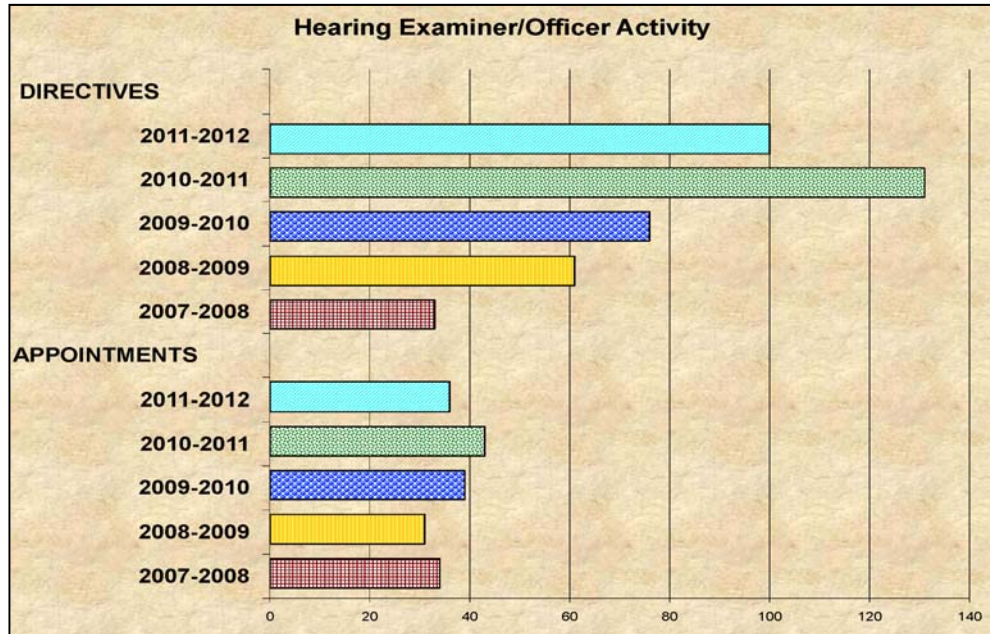


Chart 7.1-5 Hearing Examiner/Officer Activity

7.2 Again this year, the Commission engaged in activities to increase customer awareness and education.

The Commission conducted a series of public workshops to allow regulated utilities an opportunity to inform their customers, interested parties, and the Commission of updates to operations and projects. Topics included “Actions Taken to Maintain and Improve Service,” “An Update on Construction Progress on Units 2 & 3 at V.C. Summer Nuclear Station,” “The Weather Normalization Adjustment (WNA) Mechanism,” “Economic Development,” and “Grid-Connected Advance Power Electronic Systems (GRAPES).” (Table 7.2-1) These workshops allowed the Commission to continue to provide a transparent regulatory process while maintaining effective communications with its customers and stakeholders.

Date	Requestor	Topic
July 12, 2011	Tega Cay Water Service, Inc.	Actions Taken to Maintain and Improve Service
August 17, 2011	United Utility Companies, Inc.	Actions Taken to Maintain and Improve Service
August 23, 2011	May River Water Company, Inc.	Actions Taken to Maintain and Improve Service



Date	Requestor	Topic
September 9, 2011	South Carolina Electric & Gas Company	Update on Construction Progress on Units 2 & 3 at V.C. Summer Nuclear Station
November 9, 2011	Office of Regulatory Staff	Measurement of Prudence in Hedging Programs
November 9, 2011	Lockhart Power Company	2011 Integrated Resource Plan
December 1, 2011	Progress Energy Carolinas, Inc.	2011 Integrated Resource Plan
December 20, 2011	Duke Energy Carolinas, LLC	2011 Integrated Resource Plan
December 21, 2011	South Carolina Coastal Conservation League, Southern Alliance for Clean Energy, and Upstate Forever	The 2011 Integrated Resource Plans of Duke Energy Carolinas, LLC and Progress Energy Carolinas, Inc.
January 18, 2012	Utilities, Inc.	Considerations Involved in Consolidation of Utilities, Inc.'s Subsidiaries in South Carolina, and Alternative Rate Setting Mechanisms for Water and Wastewater Utilities
January 18, 2012	Palmetto Wastewater Reclamation, LLC	Presentations to Customers in "Town Hall Meetings"
February 15, 2012	Office of Regulatory Staff	26 S.C. Code Ann. Regs. 103-607 (Bond Requirements for Telecommunications Companies)
March 15, 2012	South Carolina Electric & Gas Company	Update on Demand Side Management Programs
March 21, 2012	Progress Energy Carolinas, Inc.	Prepay Pilot Program
May 2, 2012	South Carolina Electric & Gas Company	Weather Normalization Adjustment (WNA) Mechanism
May 29, 2012	Duke Energy Carolinas, LLC	Economic Development

Table 7.2-1 2011-2012 Public Workshops

- In a collaborative effort among the Commission staff, a guide was developed to assist pro se litigants in initiating and participating in the regulatory process before the Commission. The guide contains information on how to file a complaint, how to intervene in a case, the hearing process, and terms and definitions. It is available on the Commission’s website in electronic and downloadable hardcopy format.
- Additional information, in the form of matter and orders from past docketed cases, was added to the online docket management system (<http://dms.psc.sc.gov>) to allow the public more access to information related to the Commission’s operations. The Commission’s homepage is used to inform the public of upcoming hearings and announcements, proposed regulations, and consumer information.
- The Commission’s online tariff system (ETariff) (<http://etariff.psc.sc.gov>) allows users to view and search tariffs online, and allows organizations to file promotions and revisions to tariffs electronically using the web based system. Currently, there are over 680 tariffs in the database, with most telecommunications companies and all electric and gas company tariffs available online.
- Posting of matters related to docketed cases on DMS is a vital function of the Clerk’s Office (Chart 7.2-2). Once the information is in DMS, it is available for public access over the internet. This information consists of applications, testimony, exhibits, notices, correspondence, orders, etc.

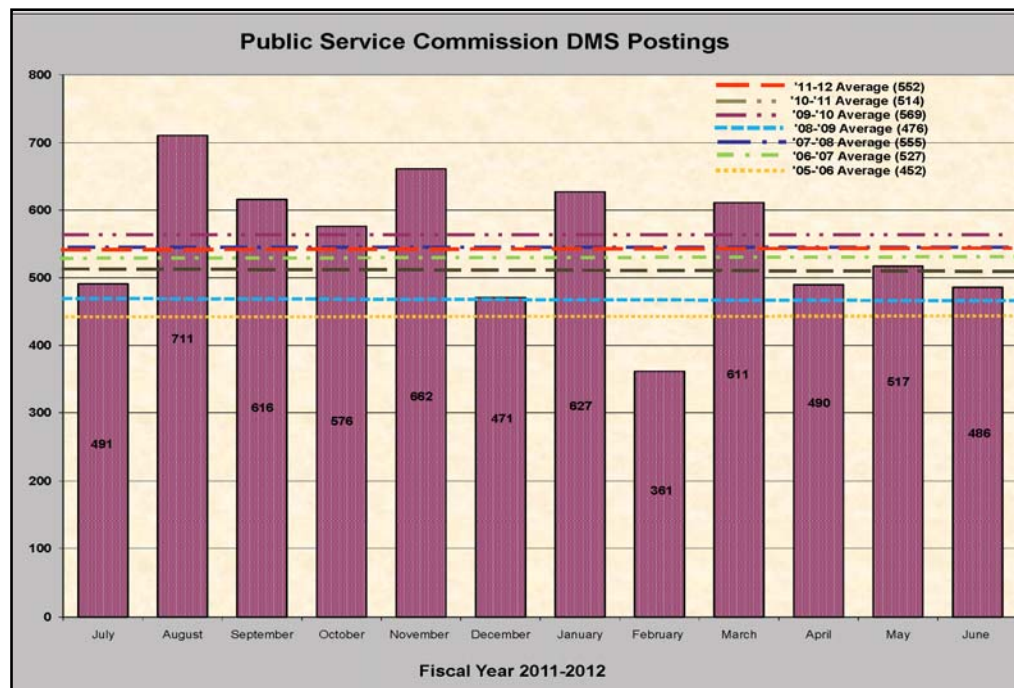


Chart 7.2-2 DMS Postings

- The DMS’s database was expanded to include orders dating back to 1934. The DMS website continues to be the Commission’s most active, with over 90,000 visits to the site this year, and a monthly average of 34,000 pageviews. Activity on the system increased over the year resulting in a 17% increase in visits and a 21% increase in pageviews over last year. (Chart 7.2-3)

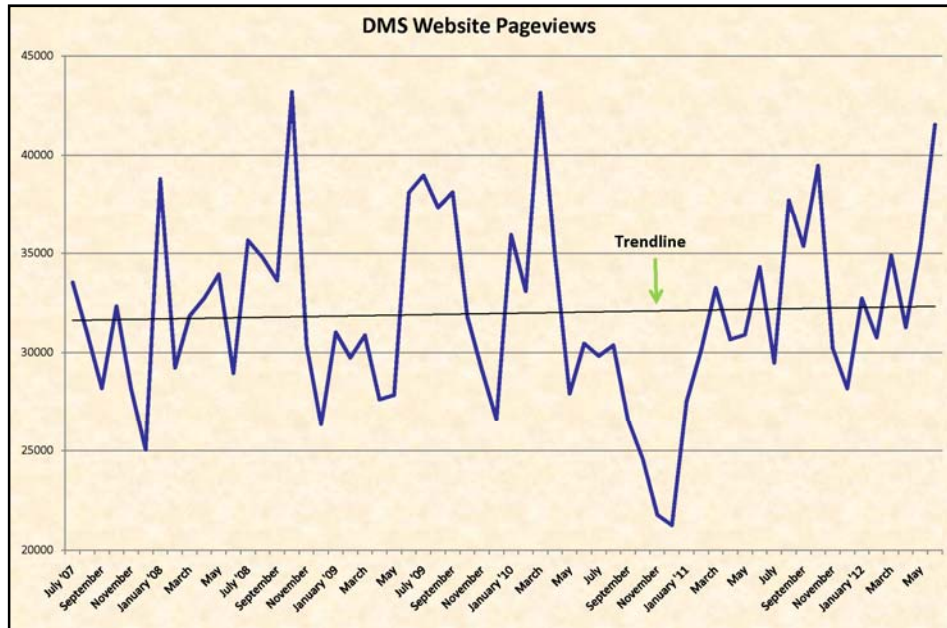


Chart 7.2-3 DMS Website Activity

- As shown in Chart 7.2-4, the Commission’s website is very accessible using internet search engines. As new information is added to the site, such as details on the significant cases and consumer information, search engines are able to direct people to the website.

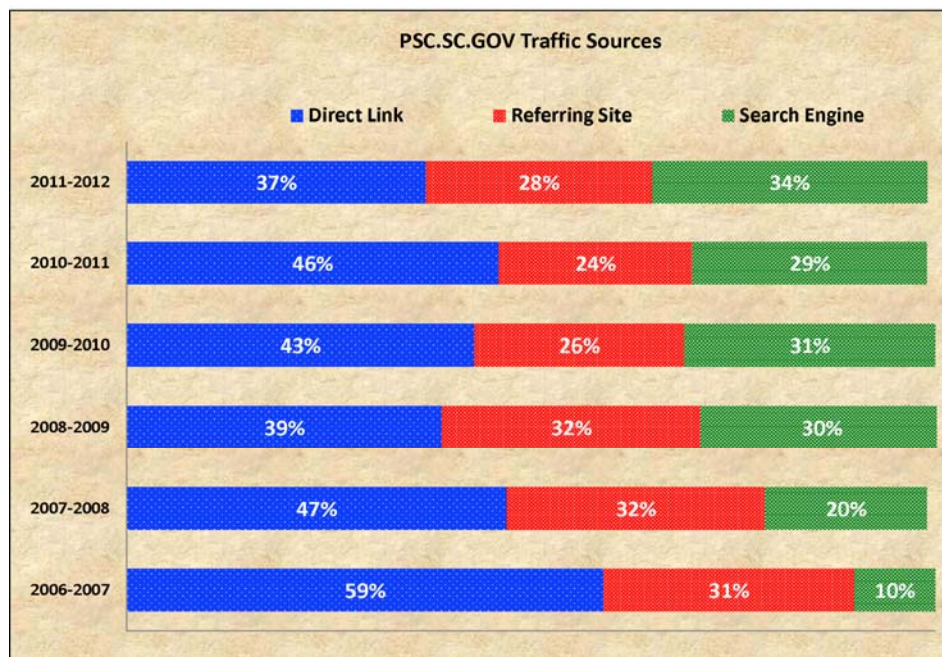


Chart 7.2-4 PSC Website Traffic

7.3 The Commission completed the 2011-2012 fiscal year within its operating budget. The FY 12-13 budget was submitted in a timely manner.

7.4 The Commission aspires to professional excellence and, in a readily changing environment, must be alert to and anticipate emerging issues in the industries it regulates.

- Public workshops and allowable ex parte briefings were held to develop a better understanding of regulatory developments and issues that affect the industries regulated by the Commission (Table 7.2-1).
- Members of the Commission attended numerous forums, workshops and meetings to stay informed of emerging issues within the regulated industries. As technological advances are made within industries regulated by the Commission (e.g. renewable energy, smart grid, electric vehicles), the Commission must learn how the integration of these technologies will impact industries (Table 7.4-1).

**Emerging Issues Educational Sessions**

National Association of Regulatory Utility Commissioners Conferences
Southeast Association of Regulatory Utility Commissioners Annual Conference
Water Research Foundation (WRF) Annual Conference
National Association of Water Companies (NAWC) Water Summit
Utility Wall Street Dialogue
Workshop on Environmental Regulation, Regulatory Uncertainty and Least Cost Planning for Electric Utilities
Emerging Issues Policy Forum
American Gas Association/ Edison Electric Institute Seminar (AGA/EEI)
Power Generation Summit
International Confederation of Energy Regulators (ICER) Workshop
Water Policy Forum
World Forum on Energy Regulation V
Nuclear Infrastructure Council Meeting
Electric Power Research Institute Meeting
Smart Grid Communications Summit
South Carolina Renewable Energy Forum
National Town Meeting on Demand Response
FERC Technical Conference
National Electricity Forum
Gasification Technologies Workshop
Eastern Interconnection States Planning Council Meetings
Eastern Interconnection Planning Council Sector Steering Committee Meetings
South Carolina Energy Users Committee Meeting
Bonbright Center Electric and Natural Gas Conference
NAWC Water Policy Forum
Water Research Foundation Advisory Council Meetings
South Carolina Telephone Association Conference
Emerging Issues Policy Forum

Critical Consumer Issues Forums
Center for Public Utilities at New Mexico State University Current Issues 2011
Public Utilities Research Center Annual Conference

Table 7.4-1 Emerging Issues Educational Sessions

- A system to alert the Commission to upcoming legislation, court ruling or federal entity ruling is in place to provide senior leadership with timely information to assist the Commission with its duties, as well as alerts related to happenings within the regulated industries. Over 1100 alerts were issued during 2011-2012. These alerts are in the form of blog postings and emails. With new developments on the federal level concerning the universal service fund, transmission, and proposed new EPA regulations, the Commission desires to be proactive in response to issues that affect the entities they regulate (Chart 7.4-2).
- The Office of Advisory Staff and the Legal Department identified areas where the Commission needed additional training and conducted seminars (Chart 7.4-2).
- In order to provide quality analysis, members of the Commission participated in webinars that featured outside experts [National Regulatory Research Institute (NRRRI), Water Research Foundation, Energy Central, EPA, FERC, and others] who addressed emerging utility issues (Chart 7.4-2).
- Participation in national and regional regulatory conferences (NARUC, SEARUC, NERC, IPU, etc.) and involvement in associated committees and related organizations benefited the commissioners and staff by keeping them informed of current and emerging issues within regulated industries (Chart 7.4-2).

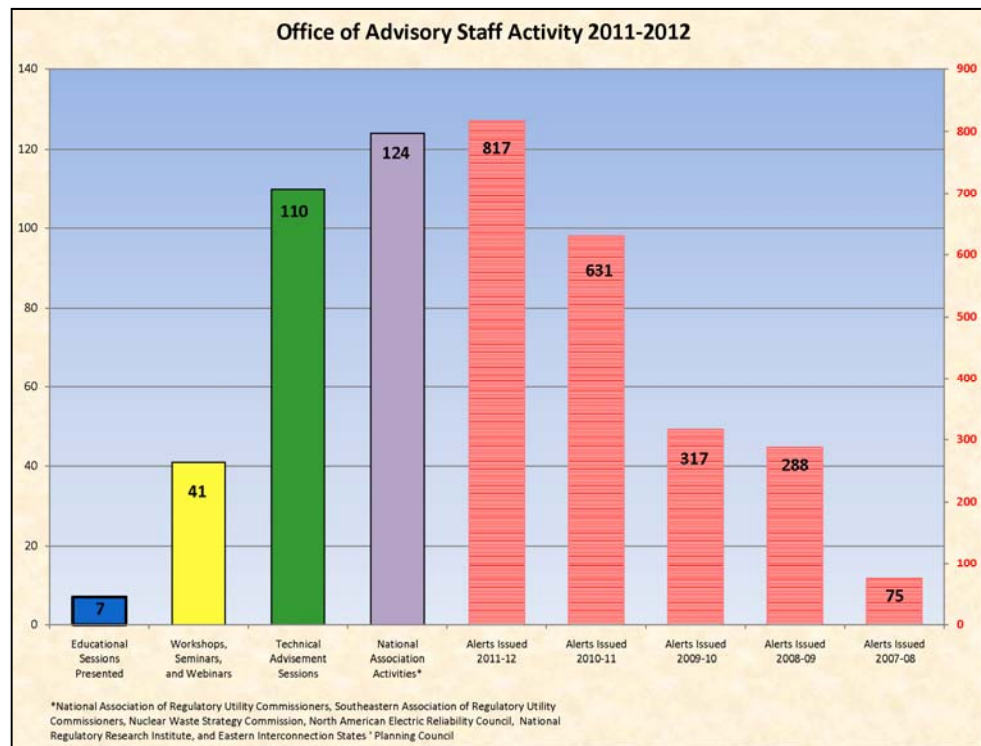


Chart 7.4-2 Office of Advisory Staff

- The commissioners and staff received training on ethics issues in the form of seminars and newsletters to ensure compliance with the Code of Judicial Conduct and Titles 8 and 58 of the South Carolina Code of Law.
- Commissioners and staff continued to achieve positions of leadership on the national level furthering the professional development of the Commission (Table 7.4-3). These positions cultivate the leadership of the Commission while ensuring that South Carolina and the Southeast’s positions are represented on national issues such as transmission in the Eastern Interconnection, smart grid, gas pipeline safety, and broadband expansion.

President - NARUC Executive Committee*
Chairman - NARUC Committee on Water*
Chairman - NARUC Committee on Critical Infrastructure*
Chairman - Nuclear Waste Strategy Coalition
Chairman - NARUC Staff Subcommittee on Information Services
Co-Chairman - NARUC Staff Subcommittee on Water
Secretary - Eastern Interconnection States Planning Council Executive Committee
Board Member - Universal Service Administrative Company
Board Member - Electric Power Research Institute
Board Member - National Regulatory Research Institute
Member - FCC Federal-State Joint Board on Universal Service
Voting Member - NERC Compliance and Certification Committee

\* Additionally Serve on NARUC Board of Directors

Table 7.4-3 Leadership Positions

7.5 The Commission continued to identify improvements to operations and procedures that resulted in increased productivity.

- Electronic filing (E-Filing) of documents increases the timeliness of the information and improves productivity for the users and the Commission staff (Chart 7.5-1). E-Filing of documents on the ETariff System reached a new level this year, with 93% of all tariff documents (revisions and promotions) being electronically filed over the course of the year.

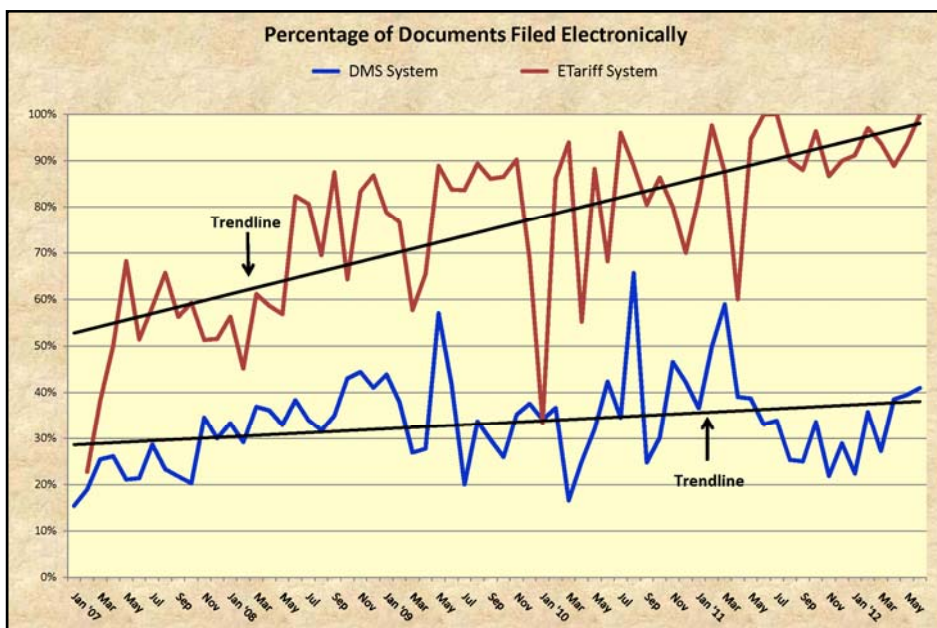


Chart 7.5-1 E-Filing

- The Commission investigated the feasibility of the use of electronic service of matters and orders between parties and drafted proposed legislation concerning electronic service of Commission orders and submitted it to the PURC. The proposed legislation (S 1247) was passed by the General Assembly during the 119th Legislative Session. The software is being developed to implement this feature through DMS and is expected to launch in the fall of 2012. Electronic service of orders has many benefits including reduced costs and increased productivity.

7.6 The process of revising the statutes and regulations that govern the practices and procedures of the Commission and its regulated industries is ongoing (Table 7.6-1). In its 119<sup>th</sup> Session, the General Assembly approved the following revisions:

- Created a new regulation in Chapter 103, Article 8 that specifies the information that must be submitted with electric utility financing applications filed with the Commission. Such additional information includes, but is not limited to, the effect of the proposed financing on the utility's income statement, balance sheet, and capital structure, and information on the possible impact on the utility if the proposed financing is not approved or if approval is delayed.
- Amended Section 58-3-250 of the South Carolina Code of Laws, 1976, to allow the service of a final order or decision to be made electronically by email, registered mail, or certified mail. Electronic service of orders has many benefits including reduced costs and increased productivity.

2011-2012 PSC Statute and Regulation Revision Status								
	Description	Notice of Drafting	Proposed Regulations Filed	Public Hearing Held	Final Regulations Filed	Approved by General Assembly	Published in State Register	Governor Approval
Article 8	Requirements for Financing Applications for Regulated Electric Utilities	✓	✓	✓	✓	✓	✓	✓
		Introduction and First Reading In Senate	Second Reading	Vote and Third Reading	Introduction and First Reading In House	Second Reading	Vote and Third Reading	Governor Approval
Section 58-3-250	Allow the service of a final order or decision by electronic service, registered mail, or certified mail	✓	✓	✓	✓	✓	✓	✓

Table 7.6-1 PSC 2011-2012 Regulation Review Process

\*\*\*\*\* END OF REPORT \*\*\*\*\*