

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

BONDS



A long pipeline supported by wooden pilings over a body of water. The pipeline runs horizontally across the frame, supported by a series of vertical wooden posts. The water is a light blue color, and the sky is a pale, overcast blue. The pipeline is made of metal and has some equipment attached to it.

- **PERFORMANCE BONDS**

- **APPELLATE BONDS**



WATER AND WASTEWATER

PERFORMANCE BONDS

S.C. CODE ANN. §58-5-720
WATER AND WASTEWATER BONDS

**CONSTRUCTION, OPERATION, MAINTENANCE,
ACQUISITION, EXPANSION, OR IMPROVEMENT OF
ANY FACILITY OR SYSTEM:**

- **\$100,000 - \$350,000 BOND WITH SUFFICIENT SURETY PAYABLE TO THE COMMISSION**
- **\$100,000 - \$350,000 CERTIFICATE OF DEPOSIT WITH ENDORSEMENTS**



S.C. CODE ANN. §58-5-720
FORFEITURE OF
WATER AND WASTEWATER BONDS

**ALL OR ANY PART OF WATER AND WASTEWATER BONDS OR
CDs CAN BE FORFEITED**

- **FOR AN UNREASONABLE LENGTH OF TIME, UTILITY FAILED TO PROVIDE SERVICE WITHOUT JUST CAUSE OR EXCUSE**
- **NOTICE AND HEARING**

S.C. CODE ANN. §58-5-710 AND §58-5-720 WATER AND WASTEWATER BONDS

FAILURE TO PROVIDE SERVICE IN ACCORDANCE WITH COMMISSION ORDER

- **FORFEIT THE BOND OR CD AND PAYMENT TO
THE COMMISSION OF FINE OR PENALTY
(GENERAL FUND - §58-5-710)**
- **A CONDITION OF THE BOND: PENALTY OR FINE \geq
\$100/DAY OR \leq \$1,000/DAY**

REGULATIONS 103-512.3.1 AND 103-712.3.1 WATER AND WASTEWATER BONDS

BOND AMOUNT BASED ON EXPENSES FOR TWELVE MONTHS:

- **OPERATION AND MAINTENANCE EXPENSES**
- **GENERAL AND ADMINISTRATIVE EXPENSES**
- **TAXES OTHER THAN INCOME TAXES**
- **INCOME TAXES**
- **DEBT SERVICE INCLUDING INTEREST EXPENSES**

REGULATIONS 103-512.3.1 AND 103-712.3.1 WATER AND WASTEWATER BONDS

ANNUAL CERTIFICATION OF BONDS

- **THE UTILITY MUST FILE A CERTIFICATION THAT THE FACE AMOUNT OF THE BOND ON FILE WITH THE COMMISSION COMPLIES WITH THE REGULATION.**
- **CERTIFICATION INCLUDED WITH THE UTILITY'S ANNUAL REPORT**
- **ORS REVIEWS THE ANNUAL REPORTS AND CERTIFICATIONS TO DETERMINE WHETHER THE AMOUNT OF THE BOND ACCURATELY REFLECTS THE EXPENSES OF THE UTILITY.**
- **ORS CAN MAKE RECOMMENDATIONS TO INCREASE OR REDUCE THE AMOUNT OF THE BOND.**

REGULATIONS 103-512.3.2 AND 103-712.3.2

SURETIES

- **SURETY MAY BE ANY DULY LICENSED BONDING OR INSURANCE COMPANY DOING BUSINESS IN SOUTH CAROLINA**
- **MAY BE AN INDIVIDUAL, E.G., SOLE OWNER OR STOCKHOLDER (NET WORTH MUST BE TWICE THE FACE AMOUNT OF BOND)**

REGULATIONS 103-512.3.3 AND 103-712.3.3

FINANCIAL STATEMENT FOR INDIVIDUAL SURETY

- **INDIVIDUAL ACTS AS SURETY:**
 - **FILE A VERIFIED ANNUAL FINANCIAL STATEMENT SHOWING THE INDIVIDUAL SURETY'S PERSONAL ASSETS, LIABILITIES, AND NET WORTH**



TELECOMMUNICATIONS

PERFORMANCE BONDS

REGULATION 103-607

BONDS FOR RETAIL RESIDENTIAL LOCAL TELECOMMUNICATIONS UTILITIES

- **FIVE MILLION DOLLAR INVESTMENT – NO BOND**
- **COMMISSION MAY USE ANY COMMERCIALY
REASONABLE, ACCEPTABLE METHOD FOR
DETERMINING AMOUNT OF BOND, ETC.,
INCLUDING NUMBER OF CUSTOMERS, RETAIL
PRICE FOR SERVICE, AND FINANCIAL RESOURCES
OF CARRIER**

REGULATION 103-607

BONDS FOR RETAIL RESIDENTIAL LOCAL TELECOMMUNICATIONS UTILITIES

TYPES OF PERFORMANCE BONDS

- **PERFORMANCE BOND - \geq \$100,000**
- **IRREVOCABLE LETTER OF CREDIT - \geq \$100,000**
- **CERTIFICATE OF DEPOSIT - \geq \$50,000**

FORFEITURE OF BOND, ETC. FOR ABANDONMENT

COMMISSION ORDER No. 2012-175

BONDS FOR RETAIL RESIDENTIAL LOCAL TELECOMMUNICATIONS UTILITIES

- **FEBRUARY 29, 2012 –ORDER GRANTING PARTIAL
WAIVER OF REGULATION 103-607**
- **FORMULA FOR BOND AMOUNT:**
 - **AVERAGE MONTHLY CHARGE PER CUSTOMER X
NUMBER OF SOUTH CAROLINA CUSTOMERS
X 2 MONTHS**

PREPAID LONG DISTANCE CALLING CARDS

- **COMMISSION ORDERS**
- **\$5,000 SURETY BOND OR CERTIFICATE OF DEPOSIT FOR OFFERING PREPAID CALLING CARDS**

A grayscale landscape featuring a long pipeline in the foreground and mountains in the background. The pipeline runs horizontally across the middle of the frame, supported by wooden posts. In the background, there are several mountain peaks under a cloudy sky. The overall scene is desolate and industrial.

APPELLATE

BONDS

APPELLATE BONDS (§58-5-240 AND §58-27-870)

**COMMISSION ISSUES RATE CASE
ORDER AND UTILITY FILES
PETITION FOR
RECONSIDERATION**



**UTILITY MAY PUT REQUESTED
RATES INTO EFFECT DURING
APPEAL**



**RATES IN EFFECT UNDER BOND
NOT APPROVED & REFUNDED
BEAR INTEREST AT 12%**



**COMMISSION ORDERS REFUND,
IF DUE**

APPELLATE BONDS

EXAMPLES:

BOND AMOUNT: \$787,867.00 - DOCKET No. 2014-346-WS – ORDER No. 2016-156

BOND AMOUNT: \$501,133.00 - DOCKET No. 2011-47-WS – ORDER No. 2012-31

A landscape photograph showing a range of rugged, grey mountains under a blue sky with scattered white clouds. In the foreground, a green grassy field is bisected by a long, silver pipeline supported by dark brown metal posts. The pipeline extends from the left edge of the frame towards the right, where it curves away into the distance. The overall scene is bright and clear.

THANK YOU.

WATER AND WASTEWATER UTILITIES

- **TOTAL NUMBER OF WATER AND WASTEWATER COMPANIES: 38**
- **WASTEWATER: 13**
- **WATER: 13**
- **WATER/WASTEWATER: 12**

TELECOMMUNICATIONS UTILITIES

- **TOTAL NUMBER OF TELEPHONE COMPANIES: 278**
- **INCUMBENT LOCAL EXCHANGE CARRIER: 25**
- **COMPETITIVE LOCAL EXCHANGE CARRIER: 134**
- **INTEREXCHANGE CARRIER: 92**
- **PAYPHONE SERVICE PROVIDER: 27**

ELECTRIC UTILITIES



GAS UTILITIES



Piedmont
Natural Gas

Energy that shows.®



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OTHER SOURCES

- **OIL POLLUTION ACT OF 1990**
- **OIL SPILL FINANCIAL RESPONSIBILITY FOR OFFSHORE FACILITIES**
- **STATE OF ALASKA FINANCIAL RESPONSIBILITY FOR OIL DISCHARGES**