

State Regulation of Public Utilities Review Committee

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MEMORANDUM

TO: Members of the General Assembly

FROM: Thomas C. Alexander and William E. Sandifer III

DATE: January 31, 2022

RE: Evaluations of the South Carolina Public Service Commission, Members of the South Carolina Public Service Commission, Office of Regulatory Staff, and Executive Director of the Office of Regulatory Staff

Pursuant to §58-3-530(3), (4), (6), (7), and (8), the Review Committee is required to evaluate the Public Service Commission (the Commission), the members of the Commission, the Office of Regulatory Staff (ORS), and the Executive Director of the ORS and submit the evaluations to the General Assembly. Pursuant to §58-3-530(15), the Review Committee is required to review the state energy action plan of the State Energy Office. On October 21, 2021, the Review Committee conducted its review of the Public Service Commissioners and on November 17, 2021, it conducted a review of the Commission, the Executive Director of the ORS, and the ORS, as well as received an update regarding the State Energy Plan. Enclosed are the Review Committee's evaluations and review. Both of these meetings were livestreamed and can be found at: <https://www.scstatehouse.gov/video/archives.php>.

Below, we discuss the Review Committee's process for evaluating the agencies, the commissioners, the Executive Director of ORS, and the state energy action plan.

EVALUATION OF THE PUBLIC SERVICE COMMISSION

The Review Committee sent a list of goals and objectives for the Commission for the review period, and the Commission provided to the Review Committee a written report of its activities during the review period as they relate to those goals and objectives. With the information provided in the Commission's written report and discussions during the Review Committee's meeting on November 17, 2021, the Review Committee reviewed the actions of the Commission. A summary of the Commission's report to the Review Committee regarding the Commission's goals and objectives is attached as **Exhibit A**. The Commission's full report can be found on the Review Committee's website at <https://www.scstatehouse.gov/CommitteeInfo/PublicUtilitiesReviewComm/PublicUtilitiesReviewComm.php>.

EVALUATION OF MEMBERS OF THE PUBLIC SERVICE COMMISSION

In order to evaluate the commissioners, the Review Committee sent a questionnaire to each commissioner requesting the following information:

- educational programs attended, sponsoring organizations, certificates or recognition received, a description of the topics, a summary of benefit to the Commission, how the program benefited the commissioner, and the amount of time spent out of the office due to attending the educational programs;
- organizations the commissioner is involved in, positions held, committees served on, descriptions of organizations' functions, explanation of the benefits of participation to the Commission, to the commissioner, and the amount of time spent out of the office due to the commissioner's participation;
- events attended in the commissioner's official capacity, the sponsoring organizations, descriptions of the activity, and the amount of time spent out of the office due to this representation;
- a description of three significant cases in which the commissioner participated, including the case name, the docket number, and a brief summary of the deliberations and decision;
- greatest accomplishments of the Commission during the review period;
- the commissioner's work schedule and preparation during an average work week; the effect of the Code of Judicial Conduct and South Carolina's ethics laws on the commissioner's role;
- three challenges faced by the Commission during the review period and how those challenges were managed; and
- if the commissioner had recused himself or herself from a matter, a brief description of the matter and reason for the recusal.

The Review Committee also sent a survey to persons appearing before the Commission and to Commission employees in accordance with § 58-3-530(5). The survey solicited information to determine whether the commissioner exhibited the qualities necessary to be an effective hearing officer and decision maker, including:

- the commissioner's understanding and communication of the goals and mission of the Commission;
- the commissioner's familiarity and knowledge of public utility law;
- the commissioner's desire to increase his or her knowledge and skills;

- the commissioner’s treatment of persons appearing before the commissioner;
- the commissioner’s influence on employee morale and performance;
- the commissioner’s adherence to applicable ethical standards; and
- the commissioner’s assurance that hearings were conducted under dignified and orderly procedures.

Because the chairman of the Commission is also the chief executive and administrative officer, the Review Committee also solicited input from persons appearing before the Commission and Commission employees as to the effectiveness of the chairman’s leadership and management of the Commission.

During the committee meeting on October 21, 2021, the commissioners appeared before the Review Committee, and the Review Committee members discussed each commissioner’s questionnaire responses. Although questions from the committee members were based upon the information submitted by each commissioner, every commissioner also was asked about ethics and judicial canons as they relate to the role of a commissioner. Each Commissioner’s written response to the questionnaire, along with a brief summary, is attached as **Exhibit B**.

EVALUATION OF THE OFFICE OF REGULATORY STAFF

The Review Committee submitted a questionnaire with goals and objectives for the ORS. The ORS provided to the Review Committee a written report of its activities as they relate to those goals and objectives. With the information provided in the ORS’s written report and discussions during the Review Committee’s meeting on November 17, 2021, the Review Committee reviewed the actions of the ORS. A summary of the ORS’s report to the Review Committee regarding the ORS’s goals and objectives is attached as **Exhibit C**. The ORS’s full report can be found on the Review Committee’s website at:

<https://www.scstatehouse.gov/CommitteeInfo/PublicUtilitiesReviewComm/PublicUtilitiesReviewComm.php>.

EVALUATION OF THE EXECUTIVE DIRECTOR OF THE OFFICE OF REGULATORY STAFF

In order to fulfill its duty to evaluate the performance of the Executive Director, the Review Committee sent a questionnaire to the Executive Director requesting the following information:

- educational programs attended, sponsoring organizations, certificates or recognition received, a description of the topics, and how the program benefited the ORS;
- professional organizations the Executive Director is involved in, positions held, committees served on, and descriptions of organizations’ functions. Explanation of the benefits of participation to the ORS, to the Executive Director, and to the State of South Carolina (e.g., government, consumers, regulated utilities);
- events attended in the Executive Director’s official capacity, the sponsoring organizations, and descriptions of the activity (if speech or panel discussions, a description of the topic);

- notable cases in which the Executive Director took an active role, including the case name, the docket number, and a brief summary of the deliberations, and the decision;
- greatest accomplishments of the ORS during the review period;
- the Executive Director's most significant accomplishments as the Executive Director during the review period; and
- areas where there is room for improvement and an explanation as to how the Executive Director will take advantage of any opportunities for improvement.

Additionally, the Review Committee sent a survey to ORS employees and persons who interacted with the Executive Director, seeking their opinions with respect to the Executive Director's knowledge of public utility issues, her adherence to ethical constraints, her treatment of persons who interacted with her, her effect on employee morale, and her understanding of the goals and mission of the agency. During the committee meeting on November 17, 2021, the Executive Director appeared before the Review Committee, and the Review Committee members discussed her questionnaire responses as well as general questions regarding the ORS. The Executive Director's written response to her questionnaire, along with a brief summary, is attached as **Exhibit D**.

REVIEW OF THE STATE ENERGY ACTION PLAN OF THE STATE ENERGY OFFICE

Pursuant to §58-3-530(15), the Review Committee is required to review the state energy action plan of the State Energy Office. At the November 17th meeting, the State Energy Office provided a general update regarding the "top tier" items identified in the previous State Energy Plan. In early 2020, the State Energy Office, in conduction with the Nicholas Institute at Duke University, released a SC Energy Efficiency Roadmap Report. The Energy Office continues to maintain energysaver.sc.gov, which was created to help residential and commercial consumers find energy-savings programs. The State Energy Office is utilizing a Chevrolet Bolt electric vehicle, obtained in March 2020 with funding from the U.S. Department of Energy, as a case study to potentially incorporate more electric vehicles into the state fleet. Additional information regarding actions taken in regards to the State Energy Plan is in the ORS Performance Summary, which can be found at: <https://www.scstatehouse.gov/CommitteeInfo/PublicUtilitiesReviewComm/PublicUtilitiesReviewComm.php>.

If you have any questions, please contact Review Committee staff.

2020-2021 PSC Strategic Planning

MISSION

The Public Service Commission serves 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.

VISION

At the Public Service Commission of South Carolina, our vision is to be a leader of investor-owned public utilities regulation by adhering to and embracing the highest level of impartiality, excellence, professionalism, and transparency.

Strategic Goal 1:

Optimize the Effectiveness of Commission Processes and Systems

1. The Commission will use technology to increase its effectiveness:
 - (a) Maintain the Order Index System by adding orders issued in 2020-2021.
The Commission updated its Order Index System by adding 814 orders and directive orders. During the review period, the Commission opened 420 new dockets.
 - (b) Monitor Document Management System (DMS) activity through Google Analytics to understand stakeholder interest.
The Commission monitored its website and DMS activity through Google Analytics on a monthly basis.
2. The Commission will improve internal efficiencies through the implementation of new systems and enhancements to existing systems:

- (a) Implement new phases of the Document Management Systems (DMS) eService Enhancement Project.
The Commission implemented 95% of Phase IV of the DMS eService Enhancement Plan. This phase included the creation of an E-Tariff pop-up survey and the completion of coding the automatic eService System.
- (b) Commissioner regulations review.
The Commission proposed 3 regulations during the review period: two of the regulations concerned the Commission's process to hire independent third-party consultants or experts and the third prohibited regulated utilities from selling customer data without the customer's direct consent. The proposed regulation prohibiting regulated utilities from selling customer data without the customer's consent was approved and published in the State Register in May 2021.

Strategic Goal 2:
Promote Operational Excellence and Transparency

- 1. The Commission will maintain an ongoing dialogue with various stakeholder groups regarding the Commission's regulatory mission and vision:
 - (a) Reinstate pop-up surveys on DMS website.
The Commission monitored pop-up survey responses from October 2020 through April 2021, and attempted to find resolutions to survey comments. The Commission began a process to implement pop-up surveys on the E-Tariff System, which will be completed during fiscal year 2021-22.
 - (b) Assess additional platforms for the mobile text-alert system.
The Commission utilized a mobile text-alert system during the review period, and will further evaluate how to communicate this service to stakeholders during fiscal year 2021-22.
 - (c) Continue to use a digital newsletter platform to communicate with stakeholders quarterly.
The Commission used its digital newsletter platform to send quarterly Commission news, bi-annual ethics news, and quarterly cybersecurity news to internal and external stakeholders.
 - (d) Monitor PSC ads and consumer education website.

The Commission utilized state media outlets to promote its SC Utility Consumer website and engage with stakeholders on social media. Social media outlets included SC Utility Consumer Facebook, SC Utility Consumer Twitter, PSC Facebook and PSC Twitter. The Commission had a total of 4,908 followers for all of its social media accounts.

(e) Procure and implement livestreaming video equipment.

All business meetings, hearings, and some training sessions were livestreamed during the review period. The Commission held eight virtual public night-hearings where public witnesses could deliver testimony.

(f) Communicate with PSC Advisory Committee regarding Commission resources and procedures.

The Commission held one virtual meeting for the PSC Advisory Committee to introduce the new automatic e-Service System. The Committee was asked to provide feedback and suggestions for improvement in the effectiveness and efficiency of the Commission's operations.

2. The Commission commits to promoting forward thinking by, in part, anticipating and forecasting future necessary expenditures and documenting life cycles of existing assets to effectively manage its resources.

(a) Continue forecasting by analyzing and updating PSC IT Strategic Roadmap 2021-2030.

The Commission accomplished the following tasks during the review period in its IT Strategic Roadmap: scanned and archived old telecommunications dockets and developed virtual meeting IT procedures; implemented Microsoft Teams to conduct virtual meetings and share documents internally, and began using WebEx for virtual meetings; upgraded the hearing room's sound system and reviewed and updated the Commission's risk management plan; and upgraded its streaming video system and completed coding on the automatic eService of Orders System.

(b) Continue to monitor life cycles of existing assets.

The Commission continued to plan for building security, upgrades, budget, and scheduling during the year.

Strategic Goal 3: Risk Management

1. Create a culture of risk awareness through the development, implementation and maintenance of an enterprise risk management program:

- (a) Review and update risk management plan.

The Commission reviewed and updated its risk management plan, and measures were implemented to address identified issues.

- (b) Implement monthly employee health and wellness initiatives.

The Commission released monthly health and wellness newsletters, which promoted healthy lifestyle and diet tips. The Commission also implemented quarterly health and wellness activities, such as a virtual cooking class and preventative health screenings.

- 2. Ensure information technology resources are utilized to implement continuing security initiatives:

- (a) Conduct cybersecurity training.

The vast majority of the Commissioners and Commission staff, 97%, completed cybersecurity training during the review period. One hundred percent of the Commissioners and staff completed the training shortly after July 1, 2021.

- (b) Conduct a security audit and vulnerability scan.

The Commission investigated conducting random tests to monitor the Commission's cybersecurity response. The Commission did not pursue a contract with a potential vendor due to costs, but the Commission provided a risk survey to test employee knowledge of safe or unsafe emails.

- (c) Continue planning for building security, upgrades, budget, and schedule.

The Commission continued to plan for building security and upgrades, including an active shooter training exercise. Security recommendations will continue to be considered in the next fiscal year.

Strategic Goal 4:

Maintain Commitment to an Engaged Adjudicatory Process

- 1. The Commission will provide expert staff support to the Commissioners and staff through analysis and collaboration:

- (a) Hold in-house educational seminars on regulatory topics for Commissioners and staff, and utilize outside experts when necessary to inform and instruct Commissioners and staff on emerging topics in the regulatory arena.

The Commission held in-house educational seminars that were provided by outside experts. Some of the topics included utility regulatory finance concepts, integrated resource planning, and order writing.

(b) Provide weekly updates by staff to Commissioners.

Commission staff provided weekly updates to Commissioners regarding matters before the Commission.

(c) Participate in national organizations.

Commissioners participated in NARUC, SEARUC, NRRI, and other national organizations. Commissioners and staff virtually attended NARUC meetings and participated in webinars and teleconferences that addressed regulatory issues.

2. The Commission will ensure strict adherence to State ethics laws and the Code of Judicial Conduct:

(a) Hold ethics seminars each year for Commissioners and staff in accordance with S.C. Code of Laws §58-3-30(C).

The Commission held its annual ethics training for Commissioners and staff in October, 2020.

(b) Provide Commissioners and staff regular updates on ethical topics and developments.

The Commission provided Commissioners and staff regular updates on ethical topics and development through its PSC Ethics Watch newsletter.

(c) Respond to ethical issues.

The Commission met with its Ex Parte Policy Team to review its Ex Parte Communications Policy. No updates or actions were suggested during that meeting.

**Carolyn “Carolee” Williams
South Carolina Public Service Commission
Seat: First Congressional District
Review Period: July 1, 2020-June 30, 2021**

Commissioner Carolee Williams began her service as Commissioner for the First Congressional District on September 24, 2020. As part of her annual review, she submitted written responses to the Commissioner Questionnaire, which are attached as Exhibit B1. She also appeared before the Review Committee on Thursday, October 21, 2021, to discuss her performance during this review period with members of the Review Committee. The following is a summary of the Review Committee’s annual evaluation of Commissioner Williams.

Educational programs: The full list of education programs which Commissioner Williams attended is in Exhibit B1, Item 1, beginning on page 1. The Review Committee notes that Commissioner Williams included her attendance at the annual ethics training, as required by Section 58-3-30(C).

Participation in Organizations: The full list of organizations in which Commissioner Williams participated is in Exhibit B1, Item 2, beginning on page 2.

Effects of Code of Judicial Conduct and South Carolina Ethics Laws on Role as Commissioner: Commissioner Williams’s response is in Exhibit B1, Item 7, beginning on page 6. No issues or concerns were brought to the attention of the Review Committee regarding the Code of Judicial Conduct and/or the S.C. ethics laws concerning Commissioner Williams.

Recusal: Commissioner Williams stated she did not recuse herself from any hearing due to the Code of Judicial Conduct. See Exhibit B1, Item 9, page 7.

Brief Summary of Other Issues Discussed: During the Review Committee meeting on October 21, 2021, Commissioner Williams was asked various questions by Review Committee members concerning her service, as well as general matters at the Public Service Commission. Commissioner Williams provided additional details regarding her desire to make information from the Public Service Commission more accessible and relatable to the public. She briefly spoke about steps taken by the Commission to improve accessibility, such a workshop to receive public input regarding public notices from the Commission and updating the pro se litigant guide offered by the Commission.

**COMMISSIONER QUESTIONNAIRE
PERFORMANCE SUMMARY**

NAME CAROLEE WILLIAMS
SEAT DISTRICT 1
DATE ELECTED SEPTEMBER 23, 2020
DATE TERM EXPIRES JUNE 30, 2024

Please provide information for the review period covering July 1, 2020 through June 30, 2021. Be sure to fully address each item.

1. Educational programs.

Provide the following information regarding educational programs attended:

A. The name of the program and the sponsoring organization;

Date	Type of Event	Title of Event	Virtual	Hours
National Association of Regulatory Utility Commissioners				
11/5-6 & 11/9-11, 2020	Conference	Annual Meeting and Educational Conference	y	6
11/17/20	Webinar	Women's Global Development & Prosperity	y	1
12/10/20	Webinar	Intersection of Covid, Recession & Race and Their Impacts on Utility Regulation	y	1
2/4-5 & 2/8-10 2021	Conference	Winter Policy Summit	y	6
4/21,4/28, 5/5 & 5/10-14 2021	Training	Western Rate School Orientation, Basic Accounting, Team Meetings	y	37.5
National Regulatory Research Institute				
Various Dates Fall 2020	Webinar	NRRI-Intro to Theory & Practice of Regulation: Why Regulate?	y	4
12/30/20	Webinar	Utility Finance	y	4
Public Service Commission				
10/1, 10/27, 12/3, 12/14 2020	Training	New Commissioner Orientation - Parts 1, 2,3,4,5	y & n	13
10/9/20	Training	Annual Ethics Training	y	6
1/29 2/18 & 3/26 2021	Training	New Commissioner Educational Training - Part 1, 2, 3	y & n	4.5
6/16/21	Training	Alternative Forms of Regulation (Performance Based)	n	2
State of SC				
3/5/21	Training	Fleet Safety Driver Training	y	8
6/24/21	Webinar	Communication Skills	y	3
American Planning Association-American Institute of Certified Planners Education Credits				
4/6/21	Webinar	Legal Issues with Green Energy	y	1.5
4/6/21	Webinar	Planning for Utility Scale Solar Energy Facilities	y	1
4/6/21	Webinar	Siting Utility Scale Solar Projects	y	1.5
4/7/21	Webinar	Rural Broadband: Common Misconceptions and Current Opportunities	y	1
4/7/21	Webinar	Solar Energy Facilities	y	1
4/7/21	Webinar	Ethics for Planners	y	1.5
Norton Rose Fulbright				
10/16/20	Webinar	AMI Enabled Residential Natural Gas Detectors NY PSC	y	1
1/21/21	Webinar	Cost of Capital 2021	y	1
Lawrence Berkeley National Lab				
4/20 & 6/29 2021	Training	Integrated Resource Plan (IRP) Training	y	5
TOTAL TRAINING HOURS				110.5

B. A description of any certificate or recognition received;

7.5 hours of above training supports my re-certification as a Certified Planner with the American Planning Association. In addition, I received certification for my participation in the NARUC Rate School.

C. How the program helped you as a commissioner and benefitted the Commission;

These 11 months have been a huge learning curve for me, and I'm honored to get to learn on the job as well as through independent and professional webinars in addition to training conducted by the PSC staff. Whether it's

learning the history of utility regulation, participating in a mock rate case, discerning factors in potential increased utility costs as the quantity of solar energy is expanded in the utility service area, or learning what it takes to get a solar array permitted: it all broadens my foundational understanding which leads to better questions and a better comprehension of just and reasonable utility regulation. This translates into more informative and useful answers on the record. In addition, I hope that this awareness through questions and answers on the record also serves to inform the needs in future dockets.

Regarding the re-certification as a Certified Planner, the relationship between the extension of gas, water, sewer and energy and meeting the needs of state citizens and businesses particularly as expressed through the long-range plans of local communities is of clear relevance to the Commission. Similarly, relevance is found recognizing the critical nature of a transparent planning process and the engagement of the public. The methodology of planners creating opportunities for public insights with the goal of creating a collective community vision is essential to a government planner and I believe in utility planning such as to the Integrated Resource Plans (IRP). Similarly, the vitalness of attainable goals with strategic and implementable steps, the hallmark of a good plan, are also key in the utilities' IRPs.

2. Participation in organizations.

Provide the following information regarding your participation in organizations:

- A. The name of organization, position held, and committee served on;
- B. A description of the organization's function;
- C. How participation in the organization helped you as a commissioner and benefitted the Commission; and
- D. The amount of time spent out of the office due to your participation in organizations.

- A. The name of organization, position held, and committee served on;

National Association of Regulatory Utility Commissioners - NARUC
Southeastern Association of Regulatory Utility Commissioners - SEARUC

- B. A description of the organization's function;

NARUC's mission is to serve the public interest by improving the quality and effectiveness of public utility regulation. Under state laws, NARUC's members have an obligation to ensure the establishment and maintenance of utility services as may be required by law and to ensure that such services are provided at rates and conditions that are fair, reasonable, and nondiscriminatory for all consumers.

SEARUC's purpose is the advancement and education of commission regulation through the study and discussions of subjects concerning the operation and supervision of public utilities to protect the interests of the people with respect to regulation of the Southeastern States. SEARUC's purpose is also to promote cooperation among the commissions of the 11 states and the unincorporated territory of the United States of America.

- C. How participation in the organization helped you as a commissioner and benefitted the Commission; and

I've attended two NARUC conferences virtually which included a SEARUC meeting. The SEARUC meeting was particularly interesting given connections made to North Carolina Commissioners with whom we have much in common. Creating relationships to build on in the future is the biggest takeaway that I have from the one SEARUC meeting I attended. Participating in NARUC offerings thus far has provided exposure to cutting edge presentations as well as resources of which the PSC of SC can avail itself. Some examples of topics from NARUC meetings not detailed above include:

NARUC Winter

- New Commissioner Zoom and Meet
- The Future of Blue Hydrogen
- Has Net Metering Had Its Day in the Sun
- Task Force on Broadband Expansion

Emerging Technologies: A Resilient Grid
Ongoing Impacts of COVID-19 on Utilities and Customers

NARUC Annual
Supplier and Workforce Diversity
Clean Energy Market
Electric Utility Role in Rural Broadband

These examples show the diversity of NARUC's offerings as well as evidence of my varied interest. Each presentation gives me greater perspectives on the industry and relevant opportunities in South Carolina. As a new commissioner, I feel the exposure through NARUC is an excellent opportunity to broaden my horizons in an efficient manner while building my foundation of knowledge that furthers my understanding of what is just, most reasonable, and supports awareness needed to understand the costs and benefits to all customers.

D. The amount of time spent out of the office due to your participation in organizations.

I invested approximately 12 hours attending the NARUC Annual and Winter meetings by participating in meetings virtually coordinated around Commission hearings and meetings. This included a SEARUC meeting held during the NARUC annual meeting.

3. Representation in Official Capacity as Commissioner.

For any event attended in your official capacity as commissioner that has not been included in item 1 or 2, provide the following information:

- A. Each event attended;
- B. The sponsoring organization;
- C. A description of the activity (if speech or panel discussions, describe the topic); and
- D. The amount of time spent out of the office due to your representation as commissioner.

Due to Covid and my newness as a commissioner there are no such opportunities to report.

4. Notable Cases.

In your own words, describe three cases in which you participated that you believe were the most significant during the review period. Provide a brief summary of the case, including the case name, the docket number, and the issues and outcome (two-three sentences). Your response should focus on: (a) why this case was significant; and (b) how the educational programs you attended, your participation in organizations and/or experience as a commissioner benefitted your decisions in each case.

1. Docket No. 2020-188-T – JEGA Movers LLC for Class E Household Goods Certificate

The growth of our state is evidenced in the shipper witness statements testifying to the increasing real estate sales and difficulty in securing movers in a tight timeframe. The results of these cases have critical importance to anyone who has entrusted their goods to a household mover, as well as to the operators who are also becoming business owners and operators. In the JEGA Movers case, there were factors that made it a complicated decision. Ultimately, four Commissioners supported the JEGA Movers owner receiving its Class E Household Goods Certificate. I voted for the company to receive its Class E Household Goods Certificate as the applicant met the requirements of the law. On the other hand, it was very clear that standards should be developed clarifying the definition of "fit". The timing was excellent as the Commission is currently reviewing its promulgated regulations. My experience as a novice commissioner led me to encourage the need for clear standards that would make it fairer for the applicant to understand whether they will meet the requirements of being "fit" in addition to the requirements of being "willing" and "able" before making the decision and the commitment to apply, as well as giving the Commission further standards in determining who is fit, willing and able to be entrusted with all of a household's worldly goods.

2. 2019-226-E Dominion Energy South Carolina Integrated Resource Plan

The review of Dominion Energy South Carolina Incorporated's (DESC) 2020 Integrated Resource Plan (IRP) presented the commission with the first time to not only review, but also determine if the proposed IRP was compliant with the requirements of Act 62. The Commission determined that IRP was not satisfactory, but specifically identified the deficiencies and the timeframes for completion. The deficiencies were to be resolved 1) within the 2020 Modified IRP, 2) in the 2021 IRP update, 3) in the 2022 IRP update or 4) in the 2023 next full IRP. These staggered requirements recognized that there should be a phased-in process toward a more productive IRP as well as its processes. A significant addition to the IRP was the Commission requested insertion of a Short-Term Action Plan within the IRP. Already, we have seen the applicants, intervenors and their witnesses turn to the adopted IRP as a resource for reliable planning information and current commitments and vision. The DESC 2020 Modified IRP is significant because it is a first step for DESC and the Commission in a more transparent planning process. One requirement is the involvement of stakeholders in the future IRP processes. My background and ongoing training as a certified planner meant that I understood from the beginning the critical role of transparency and stakeholders as well as the importance of a documented but adaptable and updateable Short-Term Action Plan.

3. 2020-229-E Dominion Energy South Carolina Solar Choice Metering Tariffs

Act 62 asked that the Public Service Commission consider "solar choice metering requirements that fairly allocate costs and benefits to eliminate any cost shift or subsidization associated with net metering to the greatest extent practicable." This case required the commission focus particularly on minimizing cost shift from renewable energy generators to other customers and determining what was the greatest extent practicable to minimize any cost shift. The General Assembly realized there was value in South Carolina developing renewable and independent energy. They further realized it was a balancing act to be left up to the Commission to hear the evidence and decide. Basically, the question we had to answer was as follows: was some cost shift either unavoidable and/or was any shift worth the support of renewable energy? The consideration of the Dominion Energy South Carolina Incorporated's (DESC) Solar Choice Metering Tariffs started with a public hearing where we heard hours of testimony from callers largely representing solar customers and solar providers. Our decision focused on solutions including time of use rates which provides a more accurate cost base rate, rewarding those providers who generate when DESC needs the energy resource most. My unique role was working with staff to revise the Notice of Public Hearing to present clearer information to help facilitate the awareness of the public regarding the opportunity to testify.

5. Accomplishments of the Public Service Commission

Describe what you believe are the greatest accomplishments of the commission during the review period.

1. Staff has done an amazing job offering the public the opportunity to testify remotely due to the Covid virus. This includes the public hearings. The public was given easy access to testify telephonically or via video. The Commission knew that public testimony was critical for the Dominion Rate Case, as well as the Dominion Solar Choice Metering Case. We conducted five days of public hearings for the Dominion Rate case in addition to public hearings for both the Dominion and the Duke Solar Choice Metering cases. In addition to the safety factor of a virtual public hearing, there is also the ease and reduced time commitment of participating from the comfort of one's home. Plus, some people might be more apt to share their opinions virtually that would never be able to take the time to testify at a hearing.

Perhaps the decision with the single greatest impact associated with the Dominion rate case public hearings was the decision to continue these public hearings during the start of the Commission hearing of the case. We had held virtual public hearings in November of 2020 yet felt that this was not enough. Citizen testimony on the record and the extraordinary circumstances of the times were pivotal to the companies' willingness to take a pause in the rate hearing. That pause created a substantially reduced settlement and perhaps more importantly a greater understanding of concerns and goals between the company and the intervenors. The total retail revenue increase went from 7.75% requested to 1.46% granted. You will note that I did not include the Dominion South Carolina Rate Case (Docket 2020-125-E) as a significant case. It was, but because that decision happened in July of 2021, I did not choose to include that example.

2. One of the challenges I found was that after hearing a case I naturally understood it much better, but typically we found ourselves needing to move on to the next case. At my suggestion, staff has begun Commissioner Dialogues after the case. I applaud staff for embracing this new concept. We hold them with three or fewer commissioners and talk about our impressions, our lingering questions and our initial conclusions. I find them to be infinitely helpful as the process of articulating my impressions helps me to catalogue the experience mentally. Further, it helps my position to evolve-perhaps change, or perhaps strengthen after hearing other commissioners' perspectives. We are collectively ever much stronger as a group. The commissioner post hearing dialogue sheds light on the strengths of our different backgrounds and perspectives as part of our ongoing judicial deliberations prior to decision. This is an accomplishment not because of an individual decision, but rather as a process that yields greater understanding and presumably more fact based and legally just decisions.
3. New commissioners learned earlier this year that the Commission has a Pro Se Litigant's Guide on its website. It was published in 2012. It provides basic information for individuals who wish to represent themselves before the commission. The PSC is updating the guide because of the number of pro se litigants who can benefit from a clear and informative guide. The guide's goal is two-fold. The first is to make potential pro se litigants aware of the realities of representing themselves so they are making an informed decision to represent themselves. The second goal is to inform them of alternatives to representing themselves. Over the past half a year, a team of staff have updated the guide – providing clearer language that is intended to connect with individuals who do not have the benefit of legal training or of hiring a lawyer. Along the way the Commission's advisory committee has offered its insights. Staff has also produced three simple, succinct and excellent videos, that will be used online to introduce individuals to the concept of being an effective pro se litigant. The videos will be used on social media to drive interested persons to the Pro Se Litigant's Guide. My role on the team has been to offer insights as a new PSC team member and a non-lawyer. I am an advocate of clear communication. The team has embraced this update with creativity and fresh ideas. The finished product will be shared within the next few months.
4. One other accomplishment is the public deliberation by commissioners during their business meeting. That respectful and informative deliberation helps to promote the transparency of the Commission and revelation of the independent ideas of Commissioners.

6. Work Schedule and Preparation.

A. Describe your schedule during an average work week. For example, how often are you in your office in Columbia? How many hours do you telecommute?

What I've learned is there is no typical work week especially due to precautions related to Covid. What I'll instead do is describe three typical or average weeks.

Example 1: Weeks with Multi Day Hearing – In cases such as the Net Energy Metering hearing (2019-182-E), there were full days of testimony along with business meetings. During those weeks I tend to arrive to my office by 8:15 and stay until our hearing concludes which may be between 5 and 7 pm.

Example 2: Weeks with Multi Hour Hearings – During weeks where we may have a few transportation hearings and a business meeting, I participate in briefings and prepare for hearings in my home district office on Mondays and arrive in Columbia in time for the transportation hearings which tend to be on Tuesday, Wednesday and Thursdays. On those days I tend to arrive in the office by about 8:15 and work from the office until about 5 pm or later. When the last hearing of the week has concluded and I have the materials I need to be able to work from home district office, I head home on Thursday or Friday.

Example 3: Telecommuting weeks – Due to Covid, telecommuting has been much more typical, particularly at the beginning of our PSC term. If I am working from my home district office, I tend to work between 8:30 and 5 pm with

some preparation needed on Sundays for the upcoming business meeting briefings which are typically held at 8 or 9 am on Mondays. I find that I get much more out of the briefings if I have read the applications and any Legal Advisory Memos on the agenda items. Thus, I am prepared to listen better and ask more specific questions during the briefings with PSC staff attorneys.

I've discovered that when working from the PSC office I get to know staff and fellow commissioners better. The co-benefits of those relationships mean that I understand the cases better as I work with staff, ask more questions and build upon my understanding.

No matter where I am working, I tend to start the day by reviewing the Daily Activity Reports, which alert all subscribers to the most recent filings in our dockets. I skim these looking for items that might be located in Congressional District 1, as well as looking for anticipated filings such as rebuttal testimonies or late filed exhibits in pending cases. I also review news stories regarding the disciplines of the PSC realms of service particularly in the Southeastern United States. Then I tackle reading the often voluminous amounts of testimony. If there's a break in our schedule, which there rarely is, then I look for online educational opportunities to learn about emerging issues or fill in my foundational understanding or focus on opportunities to support staff work such as reviewing the Pro Se Litigant Guide update or the Human Resources Workbook.

In short, this is the full-time job that I envisioned and then some. The pace at which we have been tackling cases and while on this initial learning curve has been intense. I look forward to offering my update next year with continued growth.

B. Describe how you prepare for a hearing.

This is still a work in progress. Currently as I read testimony, I take notes of key ideas and key questions in an excel spread sheet. I strive to have read all of the initial testimony before meeting with staff. That gives me a better foundation regarding information gaps I have, as well as foundational, key questions and initial impressions I have formed. I find that it is best for me to have that knowledge going into staff briefings. I tend to review the applicant's testimony first, then the intervenors and finally ORS's testimony. I find that to be a good way to build my knowledge base as well as issues to delve into. As I prepare, I'll call staff or other commissioners with key questions. All along, I continue building my excel file and continue to refine questions and notes and key points.

During the hearing I continue to take notes in this excel file. This includes all questions and answers including those initiated by my fellow commissioners. I like that I can search my notes by key words or people to help trigger my memory. It also helps to keep me focused on the information exchanged during long hearings. The excel file is also where I refine my questions and take notes on answers. Any ideas for requesting late filed exhibits are also kept in this file.

Some commissioners do an excellent job of focusing on the big ultimate questions. I currently tend to focus on really understanding the details. I'm working to balance my approach to both look at the forest and the trees.

7. Effects of Code of Judicial Conduct and South Carolina's ethics laws on your role as Commissioner.

In your own words, discuss how the Code of Judicial Conduct and the Ethics Laws interact and affect you and your role as a commissioner.

The Code of Judicial Conduct and the SC ethics laws are evidence that this job and the judicial process is not about me and any personal inclinations I have. Instead, it is about steadfastly listening and deciding based on the evidence and what is best for providers as well as the using and consuming public. It is essential that this be done in such a way that not only avoids improprieties, but the appearance of improprieties. My job as a commissioner is to be open to all perspectives in our hearings, to let the data and the law influence my questions and my decisions. In other words, this work must be done with integrity and impartiality. Through these commitments, we earn and keep the public's trust.

8. Challenges of the Public Service Commission

Describe three challenges of the Public Service Commission during the review period, and how those challenges were managed.

1. It's my understanding that typically new Commissioners are sent for in person training regarding the regulation of private utilities as well as rate making in circumstances that are conducive toward building supportive relationships with other commissioners in other states. Thanks to Covid my fellow incoming commissioners and I were unable to benefit from this full experience in person. I was able to participate in a rate class online and numerous online trainings and excellent presentations made by the PSC staff regarding utility finance and rate making, as well as emerging issues such as performance-based utility regulation.
2. Normally personal challenges would not have a place in this report. This year is an exception. From February through early June my mother had a cancer diagnosis, an infected knee that required surgery, two congestive heart failure incidents and related hospitalizations and subsequently died in early June. As South Carolinians by birth, my parents were very supportive of my desire to serve on the PSC. From her hospital bed, my mother expressed her deep regret at the impact her health was placing on my work. My brother and a cousin worked with me to minimize the time taken from work. Nonetheless, I have taken more Family Medical Leave and Annual Leave than I have taken since my sons were born. I was incredibly thankful for supportive staff and Commissioners who would regularly support me in my choice to support my parents during this time, while working as I could.
3. One of the challenges that I saw as an outsider to the Commission was the lack of understanding by the general public of public notices received and orders issued. What I understand more fully is what needs to be communicated to the public and what is shared in its orders are extremely complicated and must be legally defensible. Still, we can and are doing better. Although this occurred in the next calendar year, the Dominion Energy Rate Case Order started with a one page summary. Several of the Commission's notices to the public this year have been redrafted to be more understandable to the general public, as they should be. More important, the Commission as part of its every five year, formal review of its Regulations (Chapter 103) added a session regarding bill inserts. The recommendations from this session came from our stakeholders including but not limited to AARP, SC Appleseed Legal Justice Center, Department of Consumer Affairs, Dominion Energy South Carolina, Duke Energy Carolinas and Progress, the Office of Regulatory Staff and Lockhart Power Company. Their input was very instructional and Commission staff are working to implement recommendations not just on bill inserts but also in all of its communications.

9. Recusal

If there was a matter in which you were recused during the review period, provide a brief description of the matter and the reason(s) for the recusal.

Looking at the Code of Judicial Conduct Rule Canon 3 Item E. Disqualification, there have been no hearings that I have been recused due to any factors described in this section of the Code of Judicial Conduct.

NOTE: Do not provide any information that would violate the prohibition against ex parte communication or would otherwise violate any privilege.

EXHIBIT B1

Ethics Statement: I, Commissioner Carolee Williams have read and understand the Code of Judicial Conduct and the ethics laws of South Carolina. I certify that I have adhered to these standards at all times during this review period.

Signature: Carolee L. Williams

Date: August 30, 2021

**Florence Belser
South Carolina Public Service Commission
Seat: Second Congressional District
Review Period: July 1, 2020-June 30, 2021**

Commissioner Belser began her service as Commissioner for the Second Congressional District on February 19, 2019. As part of her annual review, she submitted written responses to the Commissioner Questionnaire, which are attached as Exhibit B2. She also appeared before the Review Committee on Thursday, October 21, 2021, to discuss her performance during this review period with members of the Review Committee. The following is a summary of the Review Committee's annual evaluation of Commissioner Belser.

Educational programs: The full list of education programs which Commissioner Belser attended is in Exhibit B2, Item 1, beginning on page 1. The Review Committee notes that Commissioner Belser included her attendance at the annual ethics training, as required by Section 58-3-30(C).

Participation in Organizations: The full list of organizations in which Commissioner Belser participated is in Exhibit B2, Item 2, beginning on page 5.

Effects of Code of Judicial Conduct and South Carolina Ethics Laws on Role as Commissioner: Commissioner Belser's response is in Exhibit B2, Item 7, beginning on page 9. No issues or concerns were brought to the attention of the Review Committee regarding the Code of Judicial Conduct and/or the S.C. ethics laws concerning Commissioner Belser.

Recusal: Commissioner Belser stated she recused herself from one case, Daufuskie Island Utility Company, Inc. (Docket No. 2014-346-WS), due to her previous employment with the Office of Regulatory Staff. See Exhibit B2, Item 9, page 11.

Brief Summary of Other Issues Discussed: During the Review Committee meeting on October 21, 2021, Commissioner Belser was asked various questions by Review Committee members concerning her service, as well as general matters at the Public Service Commission. Commissioner Belser responded to questions regarding her written responses, including resources that may be beneficial to the Commission in its work.

**COMMISSIONER QUESTIONNAIRE
PERFORMANCE SUMMARY**

**NAME FLORENCE P. BELSER
SEAT DISTRICT 2
DATE ELECTED FEBRUARY 6, 2019
DATE TERM EXPIRES JUNE 30, 2022**

Please provide information for the review period covering July 1, 2020 through June 30, 2021. Be sure to fully address each item.

1. Educational programs.

Provide the following information regarding educational programs attended:

- A. The name of the program and the sponsoring organization;
- B. A description of the topics and any certificate or recognition received;
- C. How the program helped you as a commissioner and benefited the Commission; and
- D. The amount of time spent out of the office due to attending educational programs.

I. NARUC Meetings / Conferences

A. The name of the program and the sponsoring organization:

- (1) **2020 NARUC Summer Policy Summit** (virtual conference held July 15-17 and 20-22, 2020)
- (2) **2020 NARUC Annual Meeting and Education Conference** (virtual conference held November 5, 6, and 9-11, 2020)
- (3) **2021 NARUC Winter Policy Summit** (virtual conference held on February 4, 5, and 8-11, 2021)
- (4) **NARUC Energy Resources and the Environment Committee (ERE Committee)** (committee conference calls)

B. A description of the topics and any certificate or recognition received:

- (1) I attended the following virtual sessions during the 2020 NARUC Summer Policy Summit:
 - **Utility Sector Leaders Respond to the Pandemic (General Session)**
 - **Hydrogen's Strategic Role in a Clean Energy Economy (Concurrent Session)**
 - **Considerations for Ratepayer-Funded Clean Energy Programs (ERE Committee)**
 - **Committee on Energy Resources and the Environment Business Meeting**

EXHIBIT B2

- **Clean Energy in the Time of COVID-19 and Beyond: How Will COVID-19 Change the Ability of Utilities to Meet their Carbon Reduction or Renewable Energy Target? (General Session)**
- **Summer Policy Summit Spotlight**
- **The Role of Natural Gas in the Energy Transition Part 1: How Grid Operators View the Role of Natural Gas in a Clean Energy Grid**
- **Data and Transportation Electrification (ERE Committee)**
- **Federal Update: FERC and FCC (General Session)**
- **Economic Regulatory Resilience: Energy Thought Leaders Share Lessons Learned from COVID-19 Crisis**

I did not receive a certificate or other recognition for attending the 2020 NARUC Summer Policy Summit.

(2) I attended the following virtual sessions during the 2020 NARUC Annual Meeting and Education Conference:

- **Part I: What Can Utilities Do to Encourage EV Adoption – A Discussion of Tariffs and Programs (Joint Session of Staff Subcommittee on Energy Resources and the Environment and Staff Subcommittee on Rate Design)**
- **Part II: What Can Utilities Do to Encourage EV Adoption – A Discussion of Tariffs and Programs (Joint Session of Staff Subcommittee on Energy Resources and the Environment and Staff Subcommittee on Rate Design)**
- **NRRI Author Spotlight: A Book Talk with Scott Hempling**
- **Committee on Energy Resources and the Environment Business Meeting**
- **Bridging the Divide (Opening General Session)**
- **Unlocking the Full Value of Flexible Demand-Side Grid Assets (Concurrent Session)**
- **Preparing for Commercial Fleet Electrification (Concurrent Session)**
- **Clean Energy and the Markets (General Session)**
- **General Session and Installation of Officers**
- **Top Tips from Wall Street (Hot Topics)**
- **Distribution Systems Planning Lessons Learned (Concurrent Session)**

EXHIBIT B2

- **Lights Out! Lessons from the West's Surreal Summer Season (General Session)**

I received a Certificate of Attendance for attending the virtual sessions of the 2020 NARUC Annual Meeting and Education Conference.

- (3) I attended the following virtual sessions during the 2021 NARUC Winter Policy Summit:

- **“What Do These Utilities Know about V2G Programs that you Don’t, But Probably Should” (Staff Subcommittee on Energy Resources and the Environment session)**
- **NRRI Author Spotlight with Steve Mitnick (General Session)**
- **From Lab Bench to Benchmarking (Opening General Session)**
- **Has Net Energy Metering Had Its Day in the Sun? Bright Ideas for Compensating Distributed Generation (Joint Session of ERE Committee and Electricity Committee)**
- **FERC 2222: Preparing for Take-Off, The Role of the State Commissions (Joint Session of ERE Committee and Electricity Committee)**
- **Committee on Energy Resources and the Environment Business Meeting**
- **Innovative Technology Demonstration and Deployment: Next Stop, Cost Recovery (Committee on ERE)**
- **The Role of the Utility in Electrification (Committee on ERE)**
- **Green Hydrogen: A Moment or a Movement (Closing General Session)**

I did not receive a certificate or other recognition for attending the 2021 NARUC Winter Policy Summit.

- (4) In addition to ERE Committee Meetings attended during the virtual NARUC conferences listed above, I participated in ERE Committee conference calls on January 19, 2021, April 19, 2021, and June 21, 2021.

- C. How the program helped you as a commissioner and benefited the Commission:

NARUC meetings provide excellent educational opportunities on multiple utility issues across industries. By attending these meetings, I have increased my knowledge of utility regulation and learned of current issues on both the state and national levels. Each meeting and session attended provides exposure to additional information on issues and how issues are being addressed in other jurisdictions. The knowledge gained and shared through these meetings and conferences broadens my perspective which I can draw upon in making decisions. The Commission benefits from my

attendance at these meetings because increased knowledge, experience, and understanding of issues help me understand and make more informed decisions on the matters before the Commission for adjudication.

D. The amount of time spent out of the office due to attending educational programs:

The NARUC conferences were conducted virtually. While I was not out of the office, I joined the virtual conference from the office. The time spent participating in the sessions of each conference was 9.75 hours for the 2020 NARUC Summer Policy Summit, 11.75 hours for the 2020 NARUC Annual Meeting and Education Conference, and 10.50 hours for the 2021 NARUC Winter Policy Summit.

The ERE Committee conference calls last approximately 1 hour, are usually (but not always) held late afternoon, and I join these calls while in the office.

II. In-House Briefings / Educational Sessions

(1) Ethics Training:

- October 9, 2020. **Joint PSC/ORS workshop on Ethics and Administrative Procedures Act pursuant to S.C. Code Ann. § 58-3-30(C) (2015)**

(2) Other:

- October 27, 2020. **New Commissioner Orientation Part 2** (In-house training with commission staff)
- December 30, 2020. **Public Utility Regulatory Finance Concepts Seminar** (virtual seminar presented by National Regulatory Research Institute)
- January 29, 2021. **New Commissioner Educational Training** (In-house training with commission staff)
- February 18, 2021. **New Commissioner Educational Training** (In-house training with commission staff)
- March 5, 2021. **Fleet Safety Driver Training** (virtual seminar conducted by State of South Carolina Department of Administration) (Recognition of Course Completion certificate received)
- March 26, 2021. **New Commissioner Educational Training** (In-house training with commission staff)
- April 20, 2021. **Integrated Resource Planning (IRP) Training** (virtual seminar presented by Lawrence Berkeley National Lab)
- June 8, 2021. **Order Writing Seminar** (presented by Honorable Ralph K. Anderson, III, Chief Judge, South Carolina Administrative Law Court)
- June 24, 2021. **Communication Skills** (virtual seminar presented by Serphia Curry, State of South Carolina Department of Administration)

- PSC required review and instruction of policies or procedures:
 - Security Awareness Essentials for State Employees (received Certificate of Completion)
 - Confidentiality Agreement
 - Drug-Free Workplace and Substance Abuse Policy
 - Ex Parte Communications Guidelines
 - IT Acceptable Use Policy
 - South Carolina Code of Judicial Conduct Rule 501
 - Social Media Policy

The Ethics and Administrative Procedures Act Workshop is required annually and is a practical review of the Code of Judicial Conduct, state ethics laws, and Administrative Procedures Act. The in-house session on PSC Ex Parte Communications Guidelines reinforces the ex parte rules and provides a review on the in-house procedures adopted by the Commission to aid in avoiding inappropriate ex parte communications. A few of the in-house programs/courses provided subject matter instruction, while other in-house programs/courses focused on policies and procedures of which all employees of the Commission must be aware.

All of these programs/courses were completed during office hours. Most were virtual where I followed the instruction and participated on the computer, but a couple of the programs were live presentations by commission staff. No travel was required, and no time outside the office was needed for these programs/courses.

2. Participation in organizations.

Provide the following information regarding your participation in organizations:

A. The name of organization, position held, and committee served on:

I am a member of the following organizations:

- National Association of Regulatory Utility Commissioners (NARUC)
 - NARUC Committee on Energy Resources and the Environment (ERE)
- Southeastern Association of Regulatory Utility Commissioners (SEARUC)

B. A description of the organization's function:

NARUC is a non-profit organization dedicated to representing the state public service commissions which regulate utilities that provide essential services such as energy, telecommunications, power, water, and transportation. NARUC's stated mission is

to serve in the public interest by improving the quality and effectiveness of public utility regulation. Under state law, NARUC's members have an obligation to ensure the establishment and maintenance of utility services as may be required by law and to ensure that such services are provided at rates and conditions that are fair, reasonable, and nondiscriminatory for all consumers.

SEARUC is a non-profit corporation, and the purpose of SEARUC is “the advancement and education of commission regulation through the study and discussions of subjects concerning the operation and supervision of public utilities to protect the interests of the people with respect to regulation of the Southeastern States.”

- C. How participation in the organization helped you as a commissioner and benefited the Commission:

Participation in NARUC and SEARUC afford access to excellent educational opportunities. The conferences provide relevant and timely educational programs related to the specialized area of public utility regulation. The conferences are not only educational but provide an opportunity to learn from other utility commissioners as well as opportunities to gain regional and national perspectives on issues. Attending these meetings has helped enhance and expand my knowledge of public utility regulation. The Commission and the state benefit from commissioners gaining additional education and increasing knowledge and experiences.

- D. The amount of time spent out of the office due to your participation in organizations.

During the review period, the NARUC conferences were virtual, and my participation occurred during office hours. Time for the three NARUC conferences totaled 32 hours. In addition to the NARUC conferences, I participated in three NARUC ERE Committee conference calls. These conference calls occurred during office hours, and the time on the three calls totaled approximately three hours.

3. Representation in Official Capacity as Commissioner.

For any event attended in your official capacity as commissioner that has not been included in item 1 or 2, provide the following information:

- A. Each event attended;
- B. The sponsoring organization;
- C. A description of the activity (if speech or panel discussions, describe the topic); and
- D. The amount of time spent out of the office due to your representation as commissioner.

None during the review period.

4. Notable Cases.

In your own words, describe three cases in which you participated that you believe were the most significant during the review period. Provide a brief summary of the case, including the case name, the docket number, and the issues and outcome (two-three sentences). Your response should focus on: (a) why this case was significant; and (b) how the educational programs you attended, your participation in organizations and/or experience as a commissioner benefited your decisions in each case.

(A) Bridgestone Americas Tire Organization, LLC and Dominion Energy South Carolina, Inc. (Docket No. 2020-63-E)

Bridgestone filed a petition seeking an order requiring Dominion to authorize operation of a 1980 kW solar array constructed at Bridgestone’s plant located in Graniteville, South Carolina. Dominion asserted that operation of Bridgestone’s solar array outside the South Carolina Generator Interconnection Procedures (SCGIP) would violate the service contract

between Bridgestone and Dominion. Among other things, the SCGIP requires a study and review process intended to ensure reliability of both parties' electric systems and the electric grid. Those studies are usually conducted in the order a generator requests the study. In this case, the Bridgestone solar array is a "behind-the-meter" resource and displaces load from the utility; the solar array is connected directly to Bridgestone's plant powerhouse, not directly interconnected to Dominion's equipment. Based on the specific facts of this case, the Commission approved a limited waiver to move Bridgestone to the front of the interconnection queue and for Dominion to complete the review and studies required by the SCGIP. The Commission found it had the authority to waive all or any portion of the SCGIP when such waiver is in the public interest.

This case is significant because, as the Commission found in its order, the limited waiver was in the public interest by advancing the goals of 2014 Act 236 and 2019 Act 62 (the South Carolina Energy Freedom Act or SCEFA). My experiences, including exposure to issues and discussions from participation in and attendance at NARUC and SEARUC functions, helped me understand the evidence presented in this case.

(B) Dominion Energy South Carolina, Inc. establishment of solar choice metering tariff (Docket No. 2020-229-E)

2019 Act 62 (SCEFA) required the Commission to establish "solar choice metering tariffs" for applications received after May 31, 2021. This solar choice metering tariff succeeds the net energy metering (NEM) program created under 2014 Act 236. In this docket concerning the Solar Choice Metering Tariff of Dominion Energy South Carolina, Inc., the Commission found Dominion's proposed tariff unreasonable and rejected it. The Commission then adopted a tariff which the Commission determined, based upon the evidence of record, complied with the requirements and stated intent of the SCEFA.

This case required the Commission to implement the policy of Act 62 to "build upon the successful deployment of solar generating capacity ... to continue enabling market driven, private investment in distributed energy resources", "avoid disruption of the growing market for customer-scale distributed energy resources," and "establish solar choice metering requirements that fairly allocate costs and benefits to eliminate cost shift ... to the greatest extent practicable." S.C. Code Ann. Section 58-40-20(A). My work experiences and educational sessions attended in-house and at various conferences assisted in grasping the concepts and evaluating the evidence presented in this case.

(C) South Carolina Energy Freedom Act (House Bill 3659) Proceeding Related to S.C. Code Ann. Section 58-37-40 and Integrated Resource Plans for Duke Energy Carolinas, LLC (2019-224-E);

South Carolina Energy Freedom Act (House Bill 3659) Proceeding Related to S.C. Code Ann. Section 58-37-40 and Integrated Resource Plans for Duke Energy Progress, LLC (2019-225-E); and

South Carolina Energy Freedom Act (House Bill 3659) Proceeding Related to S.C. Code Ann. Section 58-37-40 and Integrated Resource Plans for Dominion Energy South Carolina, Inc. (2019-226-E)

During the review period, the Commission heard and ruled on the Integrated Resource Plans (IRPs) submitted by the electrical utilities. 2019 Act 62 (SCEFA) requires the Commission to have a proceeding to review each electrical utility's IRP. This requirement to hold a

proceeding is new. Prior to the enactment of Act 62, electrical utilities filed their IRPs with the State Energy Office, but no formal proceeding was required.

These cases are significant because these dockets are the first instances where the Commission has held the proceedings required by the SCEFA to review the electrical utilities' IRPs. My experiences, including exposure to issues and discussions from participation in and attendance at NARUC and SEARUC functions, helped me understand the issues and evidence presented in these cases.

5. Accomplishments of the Public Service Commission

Describe what you believe are the greatest accomplishments of the Commission during the review period.

During the review period, the Commission worked on several complex matters required by Act 62 (SCEFA), including reviewing the Integrated Resource Plans for Duke Energy Carolinas, LLC (DEC) (Docket No. 2019-224-E), Duke Energy Progress, LLC (DEP) (Docket No. 2019-225-E), Dominion Energy South Carolina, LLC (Docket No. 2019-226-E), and Lockhart Power Company (Docket No. 2019-227-E); solar choice metering tariffs for DEC (Docket No. 2020-264-E), DEP (Docket No. 2020-265-E), and Dominion (Docket No. 2020-229-E); and the net energy metering docket (Docket No. 2019-182-E). These dockets required considerable study and preparation.

Although COVID continued throughout the review period, the Commission continued its work and conducted hearings. The credit for the Commission being able to continue with hearings goes to the commission staff and to the parties. The commission staff worked diligently and spent many hours to ensure that hearings ran as seamlessly as possible. Likewise, the parties appearing before the Commission adjusted to the virtual hearing process and worked with commission staff for the hearings to take place and move along as efficiently as possible. Virtual public participation hearings where customers or persons interested in a docket could present their testimonies were also held. These public participation hearings are important for the Commission to hear from ratepayers and others directly impacted by the matter under consideration. Continuing with the hearings during this time of COVID has been both an accomplishment and a challenge (as discussed in Section 8 following).

6. Work Schedule and Preparation.

A. Describe your schedule during an average work week. For example, how often are you in your office in Columbia? How many hours do you telecommute?

I live in Columbia and have not needed to telecommute. I am in the office daily and usually arrive by 8:30 a.m. and remain in the office until 4:45 p.m. or later. When the daily or weekly schedule requires additional time, I arrive earlier or stay later or work on the weekend. I often read materials in the evenings and on the weekends at home. I am accustomed to an office environment and am more comfortable with working in the office. Additionally, being in the office helps ensure that I have access to all materials I may need.

In the morning, I review the daily activity report containing matters which were filed the previous workday and read through emails. A large part of Monday is spent reviewing matters on the agendas for the Commission business meeting, which is usually held on

EXHIBIT B2

Wednesday morning. On Mondays and Tuesday, I will discuss upcoming matters on the meeting agenda with other commissioners and commission staff.

Throughout the week, I spend time reviewing materials for upcoming hearings or upcoming business meetings. Preparation for hearings and meetings requires time reading and reviewing materials of each case or matter. Significant time is also spent reviewing drafts of the orders prepared to memorialize the decisions of the Commission.

As Vice Chair of the Commission, I work with the Chairman and the leadership team to set the agenda for the business meeting and am also called into discussions concerning administrative operations of the Commission.

B. Describe how you prepare for a hearing.

Preparation for hearings requires extensive reading. The Commission's regulations require parties to prefile written testimony and exhibits. On most cases, I track the established dates for prefiling of testimony and exhibits so that I can obtain the prefiled testimony and exhibits within a few days of the documents being filed. I will go through the testimony and exhibits to identify the issues in a proceeding and make notes for reference. As additional documents are filed by the parties, I review those materials. Once all the testimony and exhibits are filed, I read through the documents to ensure that I am familiar with the parties' positions, evidence, and arguments. I also research and review relevant statutes and case law on the issues presented. Commission staff members also provide briefings on major cases, and I consult with staff members on issues and matters presented in most cases.

Following a hearing, work continues to prepare for discussion and voting on a case or matter at a business meeting. I review post trial briefs or proposed orders and often review the hearing transcript or hearing record. Throughout the process, I discuss issues with other commissioners and with commission staff. These discussions with other commissioners and with commission staff are helpful to review the issues and evidence upon which the Commission must base our decisions.

7. Effects of Code of Judicial Conduct and South Carolina's ethics laws on your role as commissioner.

In your own words, discuss how the Code of Judicial Conduct and the Ethics Laws interact and affect you and your role as a commissioner.

The Code of Judicial Conduct provides a set of ethical principles and guidelines to promote integrity, impartiality, and diligence. Our legal system is based on the premise that an independent, fair, and competent judiciary will interpret and apply the laws that govern us, and these same principles apply to us serving on the Public Service Commission. The Code of Judicial Conduct provides guidance and structure to our professional and personal lives, and when followed, the Code of Judicial Conduct helps us maintain high standards of professional and personal conduct. Similarly, the State Ethics Laws also provide structure on how we must comport ourselves in the discharge of our duties.

It is an honor to serve as a commissioner on the Public Service Commission. I take the responsibilities of this office seriously and strive to carry out my duties as a commissioner in a professional manner. Public trust is essential in government, and it is essential for the

Commission to have and maintain the public trust. The Commission must be fair, impartial, and unbiased. All who are impacted by the Commission's decisions, from the parties appearing before the Commission to ratepayers, deserve impartial decisions free from bias and improper influence. Adherence to the Code of Judicial Conduct and the state ethics rules help me be an effective commissioner and state employee. Hopefully, adherence to the Code of Judicial Conduct and the state ethics rules promotes public confidence in the work of the Commission and helps to uphold the public trust.

8. Challenges of the Public Service Commission

Describe three challenges of the Public Service Commission during the review period, and how those challenges were managed.

(A) Continued effects of COVID:

The effects of COVID continue to impact some of the processes of the Commission, particularly the opportunity for public participation in hearings, such as rate cases, where consumer input is important. The Commission and especially the commission staff continue to work to ensure the work of the Commission proceeds uninterrupted. The commission staff has worked diligently to ensure hearings and meetings are accessible through live-streaming on the internet. Technology problems or malfunctions arise which add challenges, but the commission staff works hard to resolve quickly issues as they arise. While hearings for public participation by customers have presented challenges, the commission staff has adjusted processes and schedules to ensure that the public is afforded the opportunity to present concerns to the Commission.

(B) Efficiency and time management:

The time to prepare for hearings, meetings, and decisions can sometimes be hectic and compressed. Opportunities to improve have been implemented, and work in this area continues. When areas have been identified where processes are either not efficient or where deadlines are compressed or not being met, processes have been adjusted. One area where adjustments were made involved the timely issuance of orders. The Chairman and his leadership team, which includes the Executive Director and General Counsel, have instituted new tracking procedures and internal processes to ensure the timely issuance of orders. To be clear, no statutory deadlines to issue orders have been missed. However, a backlog in orders being issued developed. There has been significant improvement in this area with the backlog being resolved, and monitoring of this issue is ongoing in an effort for continued improvement.

(C) Improved teamwork:

The commissioners and the commission staff must work together to effectively meet the responsibilities of the Commission. Under the current Chairman and his leadership team, there is a focus on increased communication among and between commissioners and commission staff members. Collaboration and teamwork have also been emphasized. Increased teamwork and increased communication results in better understanding, work product, and decisions. Effective teamwork and communication are ongoing processes, and continued efforts are expected.

9. Recusal

If there was a matter in which you were recused during the review period, provide a brief description of the matter and the reason(s) for the recusal.

Docket No. 2014-346-WS -- Daufuskie Island Utility Company, Inc. (Application for Approval of an increase for Water and Sewer Rates and Terms and Conditions)

This matter was initiated on June 11, 2015, upon Daufuskie Island Utility Company, Inc. filing an application for a rate increase. At the time this matter was filed, I was employed by the South Carolina Office of Regulatory Staff (ORS). While I was not an attorney assigned to this case, I am aware of discussions among the staff of ORS regarding this case. Because I have knowledge of discussions concerning this docket from my previous employment, I have recused on this docket and have not participated in discussions, attended hearings, or voted on matters pertaining to this docket.

NOTE: Do not provide any information that would violate the prohibition against ex parte communication or would otherwise violate any privilege.

Ethics Statement: I, Commissioner Florence P. Belser have read and understand the Code of Judicial Conduct and the ethics laws of South Carolina. I certify that I have adhered to these standards at all times during this review period.

Signature: _____

Date: _____

Florence P. Belser

August 30, 2021

**Stephen “Mike” Caston
South Carolina Public Service Commission
Seat: Third Congressional District
Review Period: July 1, 2020-June 30, 2021**

Commissioner Caston began his service as Commissioner for the Third Congressional District on September 24, 2020. As part of his annual review, he submitted written responses to the Commissioner Questionnaire, which are attached as Exhibit B3. He also appeared before the Review Committee on Thursday, October 21, 2021, to discuss his performance during this review period with members of the Review Committee. The following is a summary of the Review Committee’s annual evaluation of Commissioner Caston.

Educational programs: The full list of education programs which Commissioner Caston attended is in Exhibit B3, Item 1, beginning on page 1. The Review Committee notes that Commissioner Caston included his attendance at the annual ethics training, as required by Section 58-3-30(C).

Participation in Organizations: The full list of organizations in which Commissioner Caston participated is in Exhibit B3, Item 2, on page 3.

Effects of Code of Judicial Conduct and South Carolina Ethics Laws on Role as Commissioner: Commissioner Caston’s written response is in Exhibit B3, Item 7, on page 7. He was asked to clarify how the Code of Judicial Conduct affects him as a commissioner during the meeting on October 21, 2021. In addition to his written response, Commissioner Caston stated that impartiality is paramount while serving as a commissioner. No issues or concerns were brought to the attention of the Review Committee regarding the Code of Judicial Conduct and/or the S.C. ethics laws concerning Commissioner Caston.

Recusal: Commissioner Caston stated in his written response that he recused himself from matters involving Blue Granite Water Company (Dockets 2019-290-WS; 2021-35-S; 2021-174-WS) and from matters involving the Joint Application for Approval of Sale of Assets and Transfer of Facilities, Territory and Certificate of Public Convenience and Necessity from Synergy Utilities, L.P. to South Carolina Water Utilities, Inc. (Docket 2021-130-S). Commissioner Caston stated he recused himself “out of an abundance of caution” and provided a letter sent to the S.C. Ethics Commission seeking guidance; those letters are attached as Exhibit B3. Members of the Review Committee questioned Commissioner Caston regarding recusals in future matters regarding these parties. Commissioner Caston reiterated that he recused himself out of an abundance of caution and that he would be ready to participate in future proceedings but would allow the parties an opportunity to express any potential concerns.

Brief Summary of Other Issues Discussed: During the Review Committee meeting on October 21, 2021, Commissioner Caston was asked various questions by Review Committee members concerning his service, as well as general matters at the Public Service Commission. In addition to clarification questions mentioned above, he was given an opportunity to further clarify some of his written responses in Item 4, beginning on page 4, concerning the Commission’s Notable Cases.

**COMMISSIONER QUESTIONNAIRE
PERFORMANCE SUMMARY**

NAME STEPHEN M. "MIKE" CASTON
SEAT DISTRICT THREE
DATE ELECTED SEPTEMBER 23, 2020
DATE TERM EXPIRES JUNE 30, 2024

Please provide information for the review period covering July 1, 2020 through June 30, 2021. Be sure to fully address each item.

1. Educational programs.

Provide the following information regarding educational programs attended:

- A. The name of the program and the sponsoring organization;
- B. A description of the topics and any certificate or recognition received;
- C. How the program helped you as a commissioner and benefitted the Commission; and
- D. The amount of time spent out of the office due to attending educational programs.

- New Commissioner Orientation – Public Service Commission Staff – 8.0 hours in-house and virtual – held October 1 and 27; December 3, 2020

This training provided me an overview of my official role and responsibilities, Commission protocol and processes, and a better understanding of staff's role, duties, and responsibilities. I believe this Orientation provided a "jump-start" to helping me function more effectively and efficiently. While I know I required more effort from existing Commissioners and staff, I do believe it helped me to not be as big a neophyte burden as I would have been if absent from this training.

- Annual Ethics Training – Public Service Commission – 6.0 hours in-house virtual – held October 9, 2020

This training provided a detailed review and reminder of the high ethics required and expected in my role as a Commissioner. I believe this recurring reminder helps remind me of my responsibility to other Commissioners and the PSC staff, that how I live and serve has an impact and effect on not only how I am viewed, but how others at the PSC are viewed. If I live and serve in a highly ethical way, I might aid and influence others to pursue a higher ethical standard. I am also reminded that, "to whom much is given, much is required."

- New Commissioner Educational Training (Models Used to Estimate ROE) – Public Service Commission Staff - 17.5 hours in-house or virtual – held on several dates during the months of December 2020; January, February and March 2021
 - Alternative Forms of Regulation
 - Models Used to Estimate ROE
 - Utility Finance
 - Avoided Cost: A Primer
 - A Profile of Santee Cooper

These in-house trainings provided more insight into the rate-making process, and the models used to determine Return on Equity (ROE); alternative forms of regulation and rate methodologies that exist elsewhere; utility finance options; avoided cost overview; and a

EXHIBIT B3

profile of Santee Cooper. All of these enhanced my understanding considerably and I believe helped better prepare me for rate cases and other cases that I would hear.

- Public Utility Regulatory Finance Concepts – National Regulatory Research Institute (NRRI) – 4.5 hours virtual – held December 30, 2020
 - This training provided a “deeper dive” into investor-owned utility financing options and concepts. I believe the training helped better prepare me for rate cases but, in a broader sense, these concepts touch every aspect of the investor-owned utility.
- Fleet Safety Driver Training – State of SC, Dept. of Administration – Certificate earned, 8.0 hours – held March 5, 2021
 - This training provided me opportunities to improve my driving performance and provided me with up-to-date risk reducing driving techniques.
- Integrated Resource Plan (IRP) Training – Lawrence Berkeley National Lab – 5.0 hours virtual – held April 20, 2021 and June 29, 2021
 - This was a very detailed training that helped me to better understand what an Integrated Resource Plan (IRP) is and answered these major questions: What purpose does it serve? What questions does it address? How is it used? This training greatly prepared me for the IRP hearings and, the better understanding I have, the better service I can provide the Commission.
- Communication Skills Class with Serphia Curry – State of SC, Dept. of Administration, 3.0 hours virtual – held June 24, 2021
 - While I have had to communicate with multiple groups during my career, this class helped enhance much of what I had learned and expanded my knowledge base. If I communicate better with staff, other commissioners, parties in a hearing, and the public, then I have not only benefitted me, but everyone I encounter.
- Cybersecurity Awareness Videos – Public Service Commission - various dates and lengths of time conducted through SCEIS.
 - This on-line training provided security awareness and means and methods to reduce security breaches. This benefits me and the PSC by reducing my security risk potential that could affect others.
- NARUC Western Rate School – 26.15 hours – Certificate earned – May 10-14, 2021
 - This was a very detailed training relative to the rate-making process and included a mock case that was worked on through the week with a team. It better prepared me for the rate cases of which I would participate.

2. Participation in organizations.

Provide the following information regarding your participation in organizations:

- A. The name of organization, position held, and committee served on;
- B. A description of the organization's function;
- C. How participation in the organization helped you as a commissioner and benefitted the Commission; and
- D. The amount of time spent out of the office due to your participation in organizations.

(A) National Association of Regulatory Utility Commissioners (NARUC), Appointed to the Committee on Water on August 23, 2021

(B) Function: "A non-profit organization dedicated to representing the state public service commissions who regulate the utilities that provide essential services such as energy, telecommunications, power, water and transportation." Mission: "to serve in the public interest by improving the quality and effectiveness of public utility regulation."

(C) While I am new to NARUC, I have found the educational programs that I have participated in very helpful and informative. Relative to how participation in the organization has helped me as a Commissioner and benefitted the Commission, I still have much to learn. I have gained much more insight and understanding of not only the role of a Commissioner, but the detail and technical aspects of the regulated utility and my role in regulating these utilities.

(D) Attended NARUC Annual Meeting & Education Conference – 6.0 hours in November 2020. Attended NARUC Western Rate School – 26.15 hours in May 2021, Certificate earned - both were held virtually due to COVID-19 Pandemic.

3. Representation in Official Capacity as Commissioner.

For any event attended in your official capacity as commissioner that has not been included in item 1 or 2, provide the following information:

- A. Each event attended;
- B. The sponsoring organization;
- C. A description of the activity (if speech or panel discussions, describe the topic); and
- D. The amount of time spent out of the office due to your representation as commissioner.

- o Spartanburg County Water Managers Association breakfast meeting – (B) this association consists of Blue Ridge Rural Water Company, Inc., Liberty Chesnee Fingerville Water District (LCFWD), Startex-Jackson-Wellford-Duncan Water District (SJWD), Spartanburg Water System (SWS), Woodruff Roebuck Water District (WRWD, Inman Campobello Water District (ICWD), Meansville Riley Water District, and Metro Sub-District B. (C) As a former Chairman of this Association, I was invited to come speak to the group relative to the role of the Public Service Commission of South Carolina and my role as a Commissioner. While my discussion was general in nature, I stressed the importance of a Commissioner's role to function ethically and in accordance with the Judicial Code of Conduct. (D) I spent approximately 6 hours counting travel time out of the office.

4. Notable Cases.

In your own words, describe three cases in which you participated that you believe were the most significant during the review period. Provide a brief summary of the case, including the case name, the docket number, and the issues and outcome (two-three sentences). Your response should focus on: (a) why this case was significant; and (b) how the educational programs you attended, your participation in organizations and/or experience as a commissioner benefitted your decisions in each case.

1. Docket No. 2019-226-E -- South Carolina Energy Freedom Act (House Bill 3659) Proceeding Related to S.C. Code Ann. Section 58-37-40 and Integrated Resource Plan for Dominion Energy South Carolina, Inc.

This Docket was heard on October 12-14, 2020 to consider whether the DESC 2020 IRP was compliant with the requirements specified in Act 62. This was the first utility IRP hearing docket held after the enactment of Act 62 and, coincidentally, my first hearing docket as a new Commissioner of District 3. The Commission determined that DESC's 2020 IRP was not satisfactory and did not fully comply with all requirements of Act 62. The Commission issued Order No. 2020-832 on December 23, 2020 denying acceptance of DESC's 2020 IRP. DESC filed the required Revised 2020 IRP on May 24, 2021. It was found to correct deficiencies and was approved by Commission Order No. 2021-429 on June 18, 2021.

Unfortunately, this hearing was held prior to the Lawrence Berkeley National Lab IRP training that was held in April 2021. My background in utility master planning and understanding of Act 62 was very helpful and appropriate during this hearing and in the decision-making process.

2. Docket No. 2020-125-E - Application of Dominion Energy South Carolina, Inc. for Adjustment of Rates and Charges.

DESC's August 2020 Application requested a revenue increase of approximately \$178,000,000 per year (7.91% increase) and a Return on Equity (ROE) of 10.25%.

After four (4) days of the hearing and five (5) public hearings for customers, DESC requested a six-month pause to the proceedings to "allow the parties to discuss settlement." The Commission granted this request. Prior to the hearing resuming on July 12, 2021, the parties filed a comprehensive Settlement Agreement on July 2, 2021 and jointly moved to seek the Commission's approval of the Settlement Agreement to resolve all issues.

Some Key Settlement Benefits:

- DESC requests \$61.6 million annual rate increase after proforma adjustments. This annual rate is reduced to a \$35.6 million annual rate increase after the benefit from the excess deferred income tax (EDIT) rider is applied and will remain in effect until 2025.
- Effective September 1, 2021, residential rates would increase \$1.81/ month rather than \$9.68/ month as originally proposed by DESC - a net 1.46% residential rate increase
- Up to \$30 million in shareholder funds to support vulnerable and economically distressed customers at no cost to ratepayers.
- DESC commitment to double annual EnergyShare, the company's year-round assistance program, setting funding at \$1.5 million for 2021 and 2022 and a new benefit program of \$500,000 for small businesses.

- DESC requested a fixed monthly charge of \$11.50, but the settlement reduced this fee to \$9.50.
- DESC agreed that it will not seek a general rate case increase prior to July 1, 2023, such that new rates will not be effective prior to January 1, 2024, except where necessary due to unforeseen extraordinary economic or financial conditions that may include, but not be limited to, changes in tax rates.

The internal and external trainings that were held prior to this rate case relative to utility financial concepts and rate setting methodologies and principles was very helpful and enhanced my understanding greatly.

3. Docket No. 2020-263-E, Cherokee County Cogeneration Partners v. Duke Energy Carolinas, LLC and Duke Energy Progress, LLC

After almost 3 years of negotiations, on November 2, 2020, Cherokee filed a Complaint with the Commission asserting bad faith on the part of DEC and DEP, seeking Commission action to resolve gridlock regarding a successor PPA, and requesting interim relief to extend the soon to expire 2012 PPA.

This docket was significant to me because it was a unique case that applied prior law (or law prior to FERC Order No. 872) on PURPA and Legally Enforceable Obligations (LEOs). After granting two more extensions for parties to conclude any mediation or discovery during that time, the Commission retained jurisdiction to consider whether it is appropriate to subject the rates charged and/or paid by any Party during these extension periods to “true-up.” The Commission held a hearing virtually on July 26, July 29, and July 30, 2021. Order No. 2012-604 was issued August 27, 2021.

The Commission ruled that Cherokee established a LEO and that DEC must purchase electricity from Cherokee at the avoided cost rate using the Commission approved avoided cost methodology on the date of the LEO, September 17, 2018, or at the date of delivery, January 1, 2021. The parties shall appear in an accounting proceeding to determine the specific dollar amount of any overage, underage, or true up related to any payment(s) from DEC to Cherokee after December 31, 2020 resulting from the extension of the 2012 PPA contract terms between the parties since January 1, 2021.

Almost all the trainings were helpful because of the unique circumstances of this case. It required understanding of avoided costs, Act 62 and PURPA.

5. Accomplishments of the Public Service Commission

Describe what you believe are the greatest accomplishments of the commission during the review period.

Many of the statutory requirements of Act 62 have been satisfactorily concluded and are tangible accomplishments. September 24, 2020, four new Commissioners with diverse backgrounds were added to the three existing Commissioners who had not yet served full terms. This new Commission was unknown to utilities and motor carriers. I believe this new Commission was fair and unafraid to ask questions that perhaps these entities were unaccustomed to. I also believe that the electric utilities understood early on that the Commission possessed a good understanding of Act 62 and intended to make rulings in accordance with Act 62. I believe a tangible result of this belief was

when Dominion Energy requested a six month pause in the rate case proceeding and requested the opportunity to work with stakeholders and intervenors to reach a compromise. A Stipulation was offered by the parties and approved by the Commission.

6. Work Schedule and Preparation.

- A. Describe your schedule during an average work week. For example, how often are you in your office in Columbia? How many hours do you telecommute?

I fully understand the full-time nature of this position. I find it similar to my previous role as CEO of a water utility in this sense: I was a salaried employee and answered to a five-member Board of Commissioners. My role required me to be responsive to a host of issues at any time on any day. I often attended events after hours, on weekends and always received and took phone calls. I also made myself accessible during vacation. In general, I was never directed or told when or how to work. I simply did what it took to do the job well. I have the same attitude with my position as a Commissioner. I am going to do whatever I need to do to do this job well. I have not treated this position as merely an 8 to 5 job, but rather a 24-hour a day 365 days a year position.

From September 24, 2020 to around the end of January 2021, I spent approximately twenty-one (21) days in hotels in Columbia for hearings or business meetings. I commuted 2 or 3 days during that time. My round-trip commute time is approximately 5 hours, depending on traffic. It has taken me up to 4 hours (one-way) to commute. My monthly expenses during this time were approximately \$1,400/month. I estimate approximately 50% of my time was in the office and 50% was virtual during this period.

From January 2021 to present, I have rented an apartment and my expenses are \$1,000-\$1,200/month. I spent thirty-five (35) days in hearings or business meetings in Columbia and approximately twenty-two (22) days in virtual hearings in my home district office. The remaining days when there was not a business meeting or hearing, I estimate I was in the office for training or preparing approximately 50% of the time and 50% of the time was virtual during this period.

- B. Describe how you prepare for a hearing.

I often review materials and formulate thoughts and questions during the weekdays and often on weekends and weekday evenings, depending on the hearing schedule. This usually includes reviewing pre-filed testimony/exhibits and attending briefings provided by staff. This review usually generates questions I have that require communication and clarification with both the technical staff and legal staff. The amount of information provided in major hearings is daunting and the significant requirements of Act 62 and other existing statutory requirements require significant study and preparation. I have found it challenging but, because of this, I have also found it requires a judicial and efficient use of time.

During weeks that are absent from major hearings, it provides more time and greater opportunity to review, digest information, and ask questions of other Commissioners and Staff.

In many of the hearings, generally the electric utility hearings but not exclusively, much of the information from all parties is very technical. I spend a great deal of time trying to understand the technical aspects that are at issue. In addition, there are legal and procedural issues that I also try to fully understand. It is no small chore, but I endeavor to understand, ask questions to

help me better understand, and to satisfy myself indifferent to any one party, that my understanding of the information produced in the record allows me to come to a decision that I believe to be just and right.

7. Effects of Code of Judicial Conduct and South Carolina's ethics laws on your role as Commissioner.

In your own words, discuss how the Code of Judicial Conduct and the Ethics Laws interact and affect you and your role as a commissioner.

During my study of the Code of Judicial Conduct and South Carolina's Ethics Law, I observed the striking parallels to the Book of Proverbs, and many other Biblical verses. I believe it is wise and prudent for a Public Service Commissioner to serve according to these Codes and laws, and anyone, whether in public life or in one's personal life, would be well served to practice a life lived by these standards. I believe the effects of this Code and the South Carolina Ethics laws does not add pressure but can free one from pressure. There is great freedom, in my opinion, in living a life focused on building good character and integrity. This does not mean perfection or a flawless life, but my personal belief is I seek to please an audience of one, my creator. I know it is not possible for me to please everyone. We have the Code of Judicial Conduct and the state ethics laws for good reason and I support them and intend to adhere to them.

8. Challenges of the Public Service Commission

Describe three challenges of the Public Service Commission during the review period, and how those challenges were managed.

I have been on the Public Service Commission less than a year, so my perception and insight now are based on a short time span. With this qualifier, my initial thoughts on three challenges the Public Service Commission faced in my brief tenure thus far are:

1. The number of significant issues and decisions that were statutorily required to be made with four new Commissioners and three Commissioners who had been in place for a couple of years was daunting. In addition, the complexity of some of the cases required a great degree of technical understanding and insight. The amount of information to digest and understand was formidable. After the first couple of hearings, I began to better understand the areas of contention from the pre-filed testimony. I found it helpful to drill down more deeply into the exhibits and studies that were provided and determine what I understood and areas where I had questions and a need for a better understanding. I would discuss these with staff and individually with other commissioners to gain a better understanding.
2. While the existing staff has done an admirable job, it has been a challenge for them and me personally. For the Commission to make wise and prudent decisions on many of the very technical cases we must decide, the Commission should endeavor to continue to expand our depth of understanding relative to these technical issues and we should support staff development and hiring that will enhance our technical capabilities.
3. The effects and limitations caused by the lack of face-to-face meetings and hearings compounded an already challenging set of issues as discussed in the items above. I prefer seeing

and talking to people face-to-face to better see facial expressions and body language and being able to ask questions looking directly into one's eyes.

9. Recusal

If there was a matter in which you were recused during the review period, provide a brief description of the matter and the reason(s) for the recusal.

Docket No. 2019-290-WS - Blue Granite Water Company for Approval of Adjustment in rates, Petition for Reconsideration of Commission Order No. 2020-758; Docket No. 2021-35-S – Blue Granite Water Company for approval of a sewer agreement between the Company and Shoals Landing, LLC as Related to Phase 1B of the Shoals Landing Development; Docket No. 2021-174-WS – Request for Approval of a Water and Sewer Agreement between Blue Granite Water Company and Cross Development CC Lake Wylie, LLC, Pursuant to S.C. Code Ann. Regs. 103-541 and 103-743.

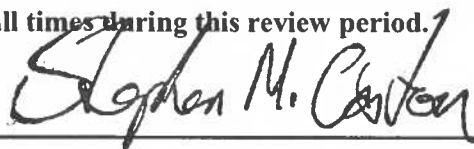
Docket No. 2021-130-S – Joint Application for Approval of the Sale of Assets and Transfer of Facilities, Territory and Certificate of Public Convenience and Necessity from Synergy Utilities, L.P. to South Carolina Water Utilities, Inc.

My reason for recusal was out of an abundance of caution (reference letter was sent to the South Carolina Ethics Commission, see attached).

NOTE: Do not provide any information that would violate the prohibition against ex parte communication or would otherwise violate any privilege.

Ethics Statement: I, Commissioner Stephen M. Caston have read and understand the Code of Judicial Conduct and the ethics laws of South Carolina. I certify that I have adhered to these standards at all times during this review period.

Signature: _____



Date: 8/31/21



***The Public Service Commission
State of South Carolina***

STEPHEN M. "MIKE" CASTON
COMMISSIONER, THIRD DISTRICT

101 Executive Center Drive, Suite 100
Columbia, SC 29210
Phone: (803) 896-5100
Fax: (803) 896-5188

June 16, 2021

Ms. Courtney M. Laster
General Counsel
South Carolina State Ethics Commission
201 Executive Center Drive, Suite 150
Columbia, SC 29210

Dear Ms. Laster:

I was contracted by Goodwyn Mills and Cawood (GMC) and Clearwater Services (Clearwater, a subsidiary of GMC) from April 2019 to September 2020. GMC was primarily an architectural and engineering consulting firm and Clearwater was a contract operations company that operated water and wastewater utilities primarily for municipal systems. My duties while employed by GMC and Clearwater as Business Development and Program Management included developing business opportunities with municipal and public water and wastewater utilities such as Southwest Water Company and Blue Granite Water Company. My services were primarily marketing and I was not involved in the regulatory realm during my contractual period.

Relative to Southwest Water Company (SWWC), they were not a client of GMC or Clearwater at the time of my departure, but I had contact with them about potential opportunities for GMC and Clearwater. I had contact with Michael Cartin and Craig Sorensen at SWWC. Michael is the Director of Business Development with SWWC and Craig is President of SWWC. I was not privy to any matters related to finance, regulatory matters or issues that went before the Public Service Commission, or any complaints against SWWC. I was not involved in any Public Service Commission matters relative to Southwest Water Company.

Relative to Blue Granite Water Company (Blue Granite), they were a client of GMC and Clearwater. I had contact with Catherine Heigel who was President at the time and various staff at Blue Granite. During the development of Clearwater's proposal to contractually operate Blue Granite facilities in the midlands (community systems primarily in the Columbia area) I was privy to some high-level operating costs in the development of Clearwater's proposal. I was not involved with any regulatory matters or issues that went before the Public Service Commission. I do know that at least one employee of GMC, Kevin Laird, appeared before the Public Service Commission on behalf of Blue Granite, but I am unaware of any details and unaware if anyone else from GMC or Clearwater appeared before the Public Service Commission. I was aware that there had been customer complaints against Blue Granite, but I had no role or involvement relative to any complaints. I was not involved in any Public Service Commission matters relative to Blue Granite. Blue Granite is a regulated entity of the Public Service Commission, and the Public Service Commission approves contracts for water treatment and wastewater treatment, including the contract(s) between Blue Granite and

Courtney M. Laster
June 16, 2021
Page 2

Clearwater. The Public Service Commission, in its review of Blue Granite testimony, would review services provided by Clearwater and by Blue Granite.

I am seeking clarification of whether I can be or should be involved in any matters involving SWWC and Blue Granite in my role as Commissioner at the Public Service Commission. Second, if I must be recused regarding matters related to either of these two entities, how long must I be recused?

Respectfully,

A handwritten signature in black ink that reads "Stephen M. Caston". The signature is written in a cursive style with a large initial 'S'.

Stephen M. "Mike" Caston

State of South Carolina
State Ethics Commission

**CHILDS C. THRASHER, CHAIR
DONALD GIST, VICE CHAIR
BRIAN M. BARNWELL
SCOTT E. FRICK**



**AJ HOLLOWAY
DON JACKSON
BRANDOLYN THOMAS PINKSTON**

**201 EXECUTIVE CENTER DRIVE, SUITE 150
COLUMBIA, S.C. 29210**

**MEGHAN L. WALKER
EXECUTIVE DIRECTOR**

June 24, 2021

VIA ELECTRONIC MAIL ONLY

Stephen M. "Mike" Caston, Commissioner
South Carolina Public Service Commission
101 Executive Center Drive
Columbia, South Carolina 29211
Commissioner.Caston@psc.sc.gov

Re: Informal Opinion Request

Dear Commissioner Caston:

Thank you for your request for an informal opinion from the State Ethics Commission (Commission). An informal opinion is the opinion of Commission staff taking into consideration prior published opinions, further examination of applicable law, and/or judicial decisions. Please be advised that an informal opinion is not binding on the Commission. The Commission's jurisdiction is limited to the applicability of the Ethics, Government Accountability, and Campaign Reform Act of 1991 (Act) and the Judicial Code of Conduct. This opinion is based solely on the facts submitted by you. Any material deviation from the submitted facts or failure to disclose relevant information will void this opinion. This opinion does not supersede any other statutory or regulatory restrictions which may apply in this situation.

ISSUE

In a June 16, 2021, email, you submitted a request for an informal opinion as follows:

I was contracted by Goodwyn Mills and Cawood (GMC) and Clearwater Services (Clearwater, a subsidiary of GMC) from April 2019 to September 2020. GMC was primarily an architectural and engineering consulting firm and Clearwater was a

Stephen M. "Mike" Caston

June 24, 2021

Page 2 of 3

contract operations company that operated water and wastewater utilities primarily for municipal systems. My duties while employed by GMC and Clearwater as Business Development and Program Management included developing business opportunities with municipal and public water and wastewater utilities such as Southwest Water Company and Blue Granite Water Company. My services were primarily marketing and I was not involved in the regulatory realm during my contractual period.

Relative to Southwest Water Company (SWWC), they were not a client of GMC or Clearwater at the time of my departure, but I had contact with them about potential opportunities for GMC and Clearwater. I had contact with Michael Cartin and Craig Sorensen at SWWC. Michael is the Director of Business Development with SWWC and Craig is President of SWWC. I was not privy to any matters related to finance, regulatory matters or issues that went before the Public Service Commission, or any complaints against SWWC. I was not involved in any Public Service Commission matters relative to Southwest Water Company.

Relative to Blue Granite Water Company (Blue Granite), they were a client of GMC and Clearwater. I had contact with Catherine Heigel who was President at the time and various staff at Blue Granite. During the development of Clearwater's proposal to contractually operate Blue Granite facilities in the midlands (community systems primarily in the Columbia area) I was privy to some high-level operating costs in the development of Clearwater's proposal. I was not involved with any regulatory matters or issues that went before the Public Service Commission. I do know that at least one employee of GMC, Kevin Laird, appeared before the Public Service Commission on behalf of Blue Granite, but I am unaware of any details and unaware if anyone else from GMC or Clearwater appeared before the Public Service Commission. I was aware that there had been customer complaints against Blue Granite, but I had no role or involvement relative to any complaints. I was not involved in any Public Service Commission matters relative to Blue Granite. Blue Granite is a regulated entity of the Public Service Commission, and the Public Service Commission approves contracts for water treatment and wastewater treatment, including the contract(s) between Blue Granite and Clearwater. The Public Service Commission, in its review of Blue Granite testimony, would review services provided by Clearwater and by Blue Granite.

I am seeking clarification of whether I can be or should be involved in any matters involving SWWC and Blue Granite in my role as Commissioner at the Public Service Commission. Second, if I must be recused regarding matters related to either of these two entities, how long must I be recused?

Stephen M. "Mike" Caston

June 24, 2021

Page 3 of 3

LAW

Canon 2(A) of the South Carolina Code of Judicial Conduct (JCC) provides:

A judge shall respect and comply with the law and shall act at all times in a manner that promotes public confidence in the integrity and impartiality of the judiciary.

Canon 3(E)(1)(a) of the JCC provides:

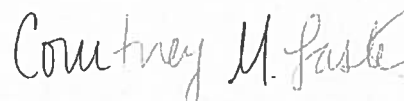
A judge shall disqualify himself or herself in a proceeding in which the judge's impartiality might reasonably be in question, including but not limited to instances where the judge has a personal bias or prejudice concerning a party or a party's lawyer, or personal knowledge of disputed evidentiary facts concerning the proceeding.

DISCUSSION

As you know, PSC Commissioners are governed by both the Ethics Act and the JCC. With respect to the Ethics Act, Commission staff knows of nothing that would prohibit you from participating in matters involving SWWC or Blue Granite as long as you have no current economic interest in either party. With respect to the JCC, Commission staff advises you to recuse any time you have a personal bias or prejudice concerning any party, or when you have personal knowledge of any disputed evidentiary facts in any matter before you. In addition, if you do ultimately participate in matters involving SWCC or Blue Granite, you should disclose your prior relationships to all parties involved and ensure that everyone is aware of your ability to be impartial. See Davis v. Parkview Apartments, 409 S.C. 266 (2014) (assigning great weight to a judge's assurance of his own impartiality to parties). Because there is no time limit imposed for this in the JCC, is it within your discretion for how long this disclosure should be made.

Thank you for contacting the State Ethics Commission. If you have any questions or need anything further, please do not hesitate to contact me.

Sincerely,



Courtney M. Laster
General Counsel

Tom J. Ervin
South Carolina Public Service Commission
Seat: Fourth Congressional District
Review Period: July 1, 2020-June 30, 2021

Commissioner Ervin began his service as Commissioner for the Fourth Congressional District on July 1, 2018. As part of his annual review, he submitted written responses to the Commissioner Questionnaire, which are attached as Exhibit B4. He also appeared before the Review Committee on Thursday, October 21, 2021, to discuss his performance during this review period with members of the Review Committee. The following is a summary of the Review Committee's annual evaluation of Commissioner Ervin.

Educational programs: The full list of education programs which Commissioner Ervin attended is in Exhibit B4, Item 1, on page 1. The Review Committee notes that Commissioner Ervin included his attendance at the annual ethics training, as required by Section 58-3-30(C).

Participation in Organizations: The full list of organizations in which Commissioner Ervin participated is in Exhibit B4, Item 2, on beginning on page 1.

Effects of Code of Judicial Conduct and South Carolina Ethics Laws on Role as Commissioner: Commissioner Ervin's written response is in Exhibit B4, Item 7, on page 4. He was asked to clarify how the Code of Judicial Conduct affects him as a commissioner during the meeting on October 21, 2021. Review Committee members asked him about matters such as impartiality, the manner in which witnesses are questioned, and how outside evidence could or should be utilized by a commissioner during a proceeding.

Recusal: Commissioner Ervin stated in his written response that he recused himself from the Dominion Energy South Carolina, Inc. Solar Tariff hearing (Docket No. 2020-229-E). See Exhibit B4, Item 9, on page 5. He stated that he recused himself "after DESC attorneys questioned my impartiality as I wanted all Parties and attorneys to have confidence in the process." Members of the Review Committee questioned Commissioner Ervin regarding what led to his recusal in this matter.

Brief Summary of Other Issues Discussed: During the Review Committee meeting on October 21, 2021, Commissioner Ervin was asked various questions by Review Committee members concerning his service, as well as general matters at the Public Service Commission. Some of the questions regarding general matters included the Integrated Resource Plan process, particularly since the Commission's role in investor-owned electric utilities' respective Integrated Resource Plans has become more expansive over the last few years.

**COMMISSIONER QUESTIONNAIRE
PERFORMANCE SUMMARY**

NAME TOM J. ERVIN
SEAT DISTRICT FOUR
DATE ELECTED MAY 11, 2018
DATE TERM EXPIRES JUNE 30, 2022

Please provide information for the review period covering July 1, 2020 through June 30, 2021. Be sure to fully address each item.

1. Educational programs.

Provide the following information regarding educational programs attended:

- A. The name of the program and the sponsoring organization;
 - B. A description of the topics and any certificate or recognition received;
 - C. How the program helped you as a commissioner and benefitted the Commission; and
 - D. The amount of time spent out of the office due to attending educational programs.
- ❖ Cybersecurity Awareness videos – Public Service Commission via SCEIS – various dates
 - ❖ Annual Ethics Training – Public Service Commission – October 9, 2020 virtual
 - ❖ New Commissioner Educational Training Utility Finance – PSC Staff Member, Norman Scarborough – various dates - 12.0 hours virtual
 - ❖ Public Utility Regulatory Finance Concepts – National Regulatory Research Institute (NRRRI) – December 30, 2021 – 4.0 hours virtual
 - ❖ Alternative Forms of Regulation (Performanced Based) – Public Service Commission Staff member, Norman Scarborough – June 16, 2021 - 2.0 hours virtual
 - ❖ Communication Skills – Serphia Curry with the State of SC-Dept. of Admin – June 24, 2021 - 3.0 hours virtual

2. Participation in organizations.

Provide the following information regarding your participation in organizations:

- A. The name of organization, position held, and committee served on;
- B. A description of the organization’s function;
- C. How participation in the organization helped you as a commissioner and benefitted the Commission; and
- D. The amount of time spent out of the office due to your participation in organizations.

National Association of Regulatory Utility Commissioners (NARUC) – I am a member.

As stated on NARUC’s website, “NARUC is a non-profit organization dedicated to representing the state public service commissions who regulate the utilities that provide essential services such as energy, telecommunications, power, water and transportation.” Their mission “is to serve in the public interest by improving the quality and effectiveness of public utility regulation.”

During this review period, I did not attend any NARUC conferences. Therefore, I spent no time out of the office for NARUC meetings.

Southeastern Association of Regulatory Utility Commissioners (SEARUC) – I am a Member.

“A non-profit corporation. The purpose of the Association shall be the advancement and education of commission regulation through the study and discussions of subjects concerning the operation and supervision of public utilities to protect the interests of the people with respect to regulation of the Southeastern States. SEARUC is also to promote cooperation among the commissions of the 11 states and the unincorporated territory of the United States of America.”

During this review period, I did not attend any SEARUC conferences. Therefore, I spent no time out of the office for SEARUC meetings.

3. Representation in Official Capacity as Commissioner.

For any event attended in your official capacity as commissioner that has not been included in item 1 or 2, provide the following information:

- A. Each event attended;
- B. The sponsoring organization;
- C. A description of the activity (if speech or panel discussions, describe the topic); and
- D. The amount of time spent out of the office due to your representation as commissioner.

None during this review period.

4. Notable Cases.

In your own words, describe three cases in which you participated that you believe were the most significant during the review period. Provide a brief summary of the case, including the case name, the docket number, and the issues and outcome (two-three sentences). Your response should focus on: (a) why this case was significant; and (b) how the educational programs you attended, your participation in organizations and/or experience as a commissioner benefitted your decisions in each case.

- (1) Docket No. 2019-224-E - South Carolina Energy Freedom Act (House Bill 3659) Proceeding Related to S.C. Code Ann. Section 58-37-40 and Integrated Resource Plans for Duke Energy Carolinas, LLC;

Docket No. 2019-225-E - South Carolina Energy Freedom Act (House Bill 3659) Proceeding Related to S.C. Code Ann. Section 58-37-40 and Integrated Resource Plans for Duke Energy Progress, LLC;

-and-

Docket No. 2019-226-E - South Carolina Energy Freedom Act (House Bill 3659) Proceeding Related to S.C. Code Ann. Section 58-37-40 and Integrated Resource Plans for Dominion Energy South Carolina, Incorporated

The Duke and Dominion Integrated Resource Plan dockets required the Commission to apply the new statutory provisions contained in Act 62 as it relates to each investor-owned utilities' fifteen-year resource plan to meet future electrical demand for their respective service territory in South Carolina. All three utilities were asked to revise and modify their original IRP submissions to further comply with the Energy Freedom Act.

Our Commission's legal staff prepared Commissioners through detailed prehearing briefings which educated us on the numerous requirements contained in Act 62.

- (2) Docket No. 2020-264-E - Duke Energy Carolinas, LLC's Establishment of Solar Choice Metering Tariffs Pursuant to S.C. Code Ann. Section 58-40-20;

-and-

Docket No. 2020-265-E - Duke Energy Progress, LLC's Establishment of Solar Choice Metering Tariffs Pursuant to S.C. Code Ann. Section 58-40-20

The DEC and DEP Solar Choice Metering dockets required the Commission to revise and update the methodology for valuing the benefits and costs that customer rooftop solar generation added to the investor-owned utilities' system.

Again, our legal staff prepared Commissioners for these hearings through a series of prehearing briefings on best practices for implementing various solutions.

- (3) Docket No. 2019-326-E - Act 62 Proceeding Addressing Review of Interconnection and Parallel Operation of Generating Facilities (Section 58-27-460(A)(1) and (A)(2))

This docket involved all three South Carolina investor-owned utilities and numerous stakeholders in a proceeding to implement new directives in the Energy Freedom Act in two separate phases. The first phase deals with approving revisions to South Carolina Generator Connection Procedures as part of queue reform efforts. The second phase will address comprehensive revisions to the SC GIP to improve and streamline the interconnection process consistent with the provisions of Act 62.

5. Accomplishments of the Public Service Commission

Describe what you believe are the greatest accomplishments of the commission during the review period.

I believe continuing to restore public trust in the Public Service Commission is a great accomplishment.

Despite the COVID-19 pandemic emergency, the Commission used virtual technology to allow citizens access to testify virtually at the public night hearings on contested rate and other cases. This virtual technology made it possible for the Commission to hear from the ratepayers through their sworn testimony on how these cases affected their daily lives. Special thanks to our Commission Staff, and the I. T. Department in making these virtual hearings possible.

6. Work Schedule and Preparation.

A. Describe your schedule during an average work week. For example, how often are you in your office in Columbia? How many hours do you telecommute?

My commute to the Public Service Commission takes approximately four (4) hours round-trip, depending upon weather and traffic conditions.

B. Describe how you prepare for a hearing.

As I prepare for upcoming hearings, I review all filings and briefs, read the pre-filed testimony and consult with PSC staff members on technical issues, as needed.

7. Effects of Code of Judicial Conduct and South Carolina's ethics laws on your role as Commissioner.

In your own words, discuss how the Code of Judicial Conduct and the Ethics Laws interact and affect you and your role as a commissioner.

The Code of Judicial Conduct and the South Carolina Ethics laws serve as instructions on how the Commission is to conduct itself.

8. Challenges of the Public Service Commission

Describe three challenges of the Public Service Commission during the review period, and how those challenges were managed.

1. Dealing with COVID spread.

The Commission established Docket No. 2020-106-A captioned "Actions in Response to COVID-19" to manage any requests by the various parties through their attorneys during the State of Emergency declared by Governor McMaster.

Once our Governor declared a public health emergency, our daily work schedule necessarily changed from commuting to the PSC office to virtual briefings and hearings due to the high rate of positive COVID-19 infections in South Carolina.

While many state employees were telecommuting from home it required much teamwork between those classified as "essential" employees and those telecommuters to get the day-to-day work completed.

As Commissioners, our first priority was to protect the health, safety and welfare of our Commission Staff and the members of the public which we interacted with daily. I wish to commend our Chairman for his leadership in protecting the public, our staff and the parties and their attorneys from being exposed to COVID-19.

2. Dealing with technological challenges.

Many technological challenges emerged during the COVID-19 pandemic requiring the PSC to transition from in-person to all virtual hearings. Our Information Technology personnel

worked extremely hard to see that we could complete our mission using virtual technology for PSC hearings and business meetings that accommodated all parties and their respective attorneys and witnesses. The Commission's staff and I.T. Department worked closely with individual Commissioners to use WebEx for virtual hearings during the COVID pandemic.

3. Implementation of Act 62.

The Duke and Dominion Integrated Resource Plan dockets required the Commission to apply the new statutory provisions contained in Act 62 as it relates to each investor-owned utilities' fifteen-year resource plan to meet future electrical demand for their respective service territory in South Carolina. All three utilities were asked to revise and modify their original IRP submissions to further comply with the Energy Freedom Act.

Our Commission's legal staff prepared Commissioners through detailed prehearing briefings which educated us on the numerous requirements contained in Act 62.

9. Recusal

If there was a matter in which you were recused during the review period, provide a brief description of the matter and the reason(s) for the recusal.

I recused in the Dominion Energy South Carolina, Inc. (DESC) Solar Tariff hearing (Docket No. 2020-229-E) after DESC attorneys questioned my impartiality as I wanted all Parties and attorneys to have confidence in the process.

NOTE: Do not provide any information that would violate the prohibition against ex parte communication or would otherwise violate any privilege.

Ethics Statement: I, Commissioner Tom J. Ervin have read and understand the Code of Judicial Conduct and the ethics laws of South Carolina. I certify that I have adhered to these standards at all times during this review period.

Signature: Thomas J Ervin

Date: August 20, 2021

Headen B. Thomas
South Carolina Public Service Commission
Seat: Fifth Congressional District
Review Period: July 1, 2020-June 30, 2021

Commissioner Thomas began his service as Commissioner for the Fifth Congressional District on September 24, 2020. As part of his annual review, he submitted written responses to the Commissioner Questionnaire, which are attached as Exhibit B5. He also appeared before the Review Committee on Thursday, October 21, 2021, to discuss his performance during this review period with members of the Review Committee. The following is a summary of the Review Committee's annual evaluation of Commissioner Thomas.

Educational programs: The full list of education programs which Commissioner Thomas attended is in Exhibit B5, Item 1, beginning on page 1. The Review Committee notes that Commissioner Thomas included his attendance at the annual ethics training, as required by Section 58-3-30(C).

Participation in Organizations: The full list of organizations in which Commissioner Thomas participated is in Exhibit B5, Item 2, beginning on page 2.

Effects of Code of Judicial Conduct and South Carolina Ethics Laws on Role as Commissioner: Commissioner Thomas's written response is in Exhibit B5, Item 7, on page 5. No issues or concerns were brought to the attention of the Review Committee regarding the Code of Judicial Conduct and/or the S.C. ethics laws concerning Commissioner Thomas.

Recusal: Commissioner Thomas's written response indicated consideration of recusal from an item relating to Piedmont Natural Gas (Docket 2020-7-G), due to his prior employment with PNG. During the Review Committee meeting on October 21, 2021, Commissioner Thomas was asked by Review Committee members to clarify if he did recuse himself in this matter. Commissioner Thomas has clarified that he did recuse himself in the matter of Docket 2020-7-G during the review period.

Brief Summary of Other Issues Discussed: During the Review Committee meeting on October 21, 2021, Commissioner Thomas was asked various questions by Review Committee members concerning his service, as well as general matters at the Public Service Commission.

**COMMISSIONER QUESTIONNAIRE
PERFORMANCE SUMMARY**

NAME HEADEN B. THOMAS
SEAT DISTRICT FIVE
DATE ELECTED SEPTEMBER 23, 2020
DATE TERM EXPIRES JUNE 30, 2024

Please provide information for the review period covering July 1, 2020 through June 30, 2021. Be sure to fully address each item.

1. Educational programs.

Provide the following information regarding educational programs attended:

- A. The name of the program and the sponsoring organization;
- B. A description of the topics and any certificate or recognition received;
- C. How the program helped you as a commissioner and benefitted the Commission; and
- D. The amount of time spent out of the office due to attending educational programs.

Answers to A and B:

- Cybersecurity Awareness video – Public Service Commission – various times
- Annual Ethics Training – Public Service Commission – 6.0 hours
- New Commissioner Orientation – Public Service Commission – 8.0 hrs.
- NARUC’s Annual Meeting and Education Conference – 6.0 hours virtual
- Webinar – Public Utility Regulatory Finance Concepts – National Regulatory Research Institute (NRRI) - 4.0 hours virtual
- Committee Meeting on Ex Parte Policy – Public Service Commission – 1.0 hour
- New Commissioner Educational Training – Public Service Commission Staff – 17.5 hours in-house or virtual – Topics consisted of: Alternative Forms of Regulation, a Profile of Santee Cooper, Models Used to Estimate ROE, Utility Finance, and Avoided Cost: A Primer.
- NARUC’s Winter Policy Summit – 6.0 hours virtual
- Fleet Safety Driver Training – State of SC-Dept. of Admin. - 8.0 hours virtual – Certificate earned
- NARUC’s Gas Committee Meetings – Generally scheduled monthly 1.0 hour each/4.0 total this review period
- Integrated Resource Plan (IRP) Training – Lawrence Berkeley National Lab – 5.0 hours virtual
- Webinar – Communications Skills with Serphia Curry – State of SC–Dept. of Admin. – 3.0 hours virtual

In addition to the above, I completed online courses related to my CPA license :

- Best Leadership Practices – Sequoia CPE 8.0 hours
- Corporate Fraud and Manipulation – Sequoia CPE 6.0 hours
- Understanding the Fraudster – Sequoia CPE 8.0 hours

Answer to C:

Except for the required Fleet Driver Safety Training, all of the programs helped to better inform me in connection with my duties as a commissioner. The knowledge gained through my participation in these programs benefits the Commission by helping me ask better questions of staff and during proceedings which results in me making more informed decisions on the issues before us.

Answer to D:

Excluding the NARUC activities (which are addressed in Question 2), I spent approximately 70 hours on these educational activities. However, due to COVID-19, no time was spent on travel away from the office.

2. Participation in organizations.

Provide the following information regarding your participation in organizations:

- A. The name of organization, position held, and committee served on;
- B. A description of the organization's function;
- C. How participation in the organization helped you as a commissioner and benefitted the Commission; and
- D. The amount of time spent out of the office due to your participation in organizations.

A. I am a member of the following organizations and committees:

- 1. National Association of Regulatory Utility Commissioners ("NARUC")
- 2. NARUC Committee on Gas
- 3. Southeastern Association of Regulatory Utility Commissioners ("SEARUC")

B. NARUC is dedicated to representing state public service commissions which regulate utilities that provide essential services. It serves the public interest by improving the effectiveness and quality of public utility regulation.

The purpose of SEARUC is the advancement and education of commission regulation through the study and discussion of subjects concerning the operation and supervision of public utilities to protect the interests of the people with respect to regulation of the Southeastern States.

C. I did not participate in SEARUC activities during the review period. I have been active in NARUC, particularly the Gas Committee. The programs are educational and relate to my work as a commissioner. I have benefited personally, and the state and the Commission have benefited from my increasing knowledge of the areas that we regulate.

D. I estimate that I spent approximately 12 to 15 hours on these educational activities during the year. However, due to COVID-19, no time was spent on travel away from the office.

3. Representation in Official Capacity as Commissioner.

For any event attended in your official capacity as commissioner that has not been included in item 1 or 2, provide the following information:

- A. Each event attended;
- B. The sponsoring organization;
- C. A description of the activity (if speech or panel discussions, describe the topic); and
- D. The amount of time spent out of the office due to your representation as commissioner.

Answer – not applicable.

4. Notable Cases.

In your own words, describe three cases in which you participated that you believe were the most significant during the review period. Provide a brief summary of the case, including the case name, the docket number, and the issues and outcome (two-three sentences). Your response should focus on: (a) why this case was significant; and (b) how the educational programs you attended, your participation in organizations and/or experience as a commissioner benefitted your decisions in each case.

- (1) *Docket No. 2019- 226-E - South Carolina Energy Freedom Act (House Bill 3659) Proceeding Related to S.C. Code Ann. Section 58-37-40 and Integrated Resource Plans for Dominion Energy South Carolina, Inc.;*

Docket No. 2019-224-E - South Carolina Energy Freedom Act (House Bill 3659) Proceeding Related to S.C. Code Ann. Section 58-37-40 and Integrated Resource Plans for Duke Energy Carolinas, LLC;

-and-

Docket No. 2019-225-E - South Carolina Energy Freedom Act (House Bill 3659) Proceeding Related to S.C. Code Ann. Section 58-37-40 and Integrated Resource Plans for Duke Energy Progress, LLC

The Commission is required to determine if the Integrated Resource Plans (IRP) of Dominion and the Duke Companies are in compliance with Act 62. The Commission determined that all the IRP's required modifications, although there was considerable disagreement among the Commissioners in connection with the acceptability of the Duke plans.

Why this case was significant:

The IRPs are a significant long-term planning tool for the companies. They help inform the companies and the Commission of the resource needs expected over the planning periods and these projected needs can have significant costs and other important impacts for the companies and ratepayers. Intervenors and ORS weigh in on the plans.

How the educational programs you attended, your participation in organizations and/or experience as a commissioner benefitted your decisions in each case:

The Lawrence Berkeley National Lab IRP training was directly related to these proceedings and provided me with a good basic framework for evaluating the IRPs.

(2) *Docket No. 2020-125-E - Application of Dominion Energy South Carolina, Incorporated for Adjustment of Rates and Charges*

In its August 2020 application, DESC requested a revenue increase of approximately \$178 million and a Return on Equity (ROE) of 10.25%.

Why this case was significant:

DESC applied for its first rate increase following the merger between Dominion Energy and SCE&G. The requested increase was not only significant, but it was also requested during the COVID-19 pandemic. After four days of the hearing and five public hearings for customers, ORS suggested a six-month pause in the proceeding to allow the parties to discuss a possible settlement. The parties negotiated a settlement that resulted in a much lower increase of \$61.6 million. Of particular importance DESC is committing up to \$30 million in shareholder funds to support vulnerable and distressed customers. Importantly, the Commission could not have ordered this. Additionally, DESC committed to initiate a stakeholder process the purpose of which is to examine an electricity affordability program for low-income customers and address the need for legislation to implement such a program.

How the educational programs you attended, your participation in organizations and/or experience as a commissioner benefited your decisions in each case:

I participated in many education programs that informed me on the ratemaking process that directly related to this proceeding. Additionally, my 22 years of experience in finance, accounting and taxation with a regulated utility provided me with a strong background that benefited me in this proceeding.

(3) *Docket No. 2020-188-T - Application of JEGA Movers LLC for Class E (Household Goods) Certificate of Public Convenience and Necessity for Operation of Motor Vehicle Carrier*

This was a hearing and a reopening of the record for additional evidence. The Commission voted 4 to 3 and the Applicant was found to be fit, willing, and able and granted its request for certification as a Class E household goods motor carrier.

Why this case was significant:

Of particular significance was the deliberations of the commissioners at the Business Meeting prior to the vote. In part due to those deliberations, it is clear to me that the diverse background of the commissioners has a very favorable impact on the many types of decisions we make. Additionally, this proceeding resulted in an examination and review of the Commission's regulations related to Class E Certificates, including the criteria for fit, willing, and able, insurance, driving record, and criminal record of an applicant. The Commission is in the process of reviewing its regulations in accordance with the Administrative Procedures Act. Also, staff has been studying recommendations from stakeholders and interested persons.

How the educational programs you attended, your participation in organizations and/or experience as a commissioner benefited your decisions in each case:

This case was not closely related to the educational programs or my participation in organizations, but during this year I have gained much hands-on experience that will be of value in future proceedings.

5. Accomplishments of the Public Service Commission

Describe what you believe are the greatest accomplishments of the commission during the review period.

Answer – I believe the way the Commission and staff have continued to handle the virtual proceedings due to COVID-19 has been very effective. As one example, I would point to the large number of the members of the public that have very effectively participated in the hearings. Additionally, ratepayers should benefit from the reduced travel time and expenses incurred by all parties including witnesses and attorneys for the applicants, intervenors and ORS. Importantly, I believe the public has taken notice of the professional and diligent manner the commission has addressed issues before it and I think this has helped to further restore trust in the Commission.

6. Work Schedule and Preparation.

A. Describe your schedule during an average work week. For example, how often are you in your office in Columbia? How many hours do you telecommute?

Answer – Due to COVID-19 and my time management priorities, I attended as many Hearings and/or meetings as possible in person so long as they were expected to take the better part of the day. My daily commute is approximately 2.5 hours. During an average week, I was in the Columbia office 2 to 3 days per week. I can focus on my work just as well if not better in my home district office. My definition of “telecommute” is working from my home district office. My normal workday is 8:00 AM to 5:00 PM and extra time during evenings and weekends as needed. I work some hours almost every weekend – whatever it takes to get the job done.

B. Describe how you prepare for a hearing.

Answer - Preparation requires extensive reading and studying. I read pre-filed testimony and staff prepared briefing materials and the relevant law. Preparation also involves participating in briefings and discussions with staff and other commissioners, but never more than two other commissioners at the same time.

7. Effects of Code of Judicial Conduct and South Carolina’s ethics laws on your role as Commissioner.

In your own words, discuss how the Code of Judicial Conduct and the Ethics Laws interact and affect you and your role as a commissioner.

Answer – The Code of Judicial Conduct and State Ethics Laws provide the foundation on which we base our professional and personal conduct. Our legal system in South Carolina is based on the understanding that an independent and fair judicial body will interpret and apply the laws applicable to the cases before us. Many citizens of the state are impacted by our decisions. I take this job very seriously. Maintaining the public trust is necessary to be a good commissioner. While I always keep these principles at the forefront of my mind, I have had no issues in my professional or personal life.

8. Challenges of the Public Service Commission

Describe three challenges of the Public Service Commission during the review period, and how those challenges were managed.

Answer:

1. The South Carolina Supreme Court mentioned the Commission in connection with a social media incident during an oral argument. The Chairman and staff took quick action to add additional guidelines to the Commission's Social Media Policy and to educate staff and commissioners regarding this topic and the necessary behavior henceforth.
2. Hiring third-party consultants and experts in connection with avoided cost proceedings pursuant to Section 58-41-20(I). This was a challenge due to several factors. We had to initiate three different RFP's which resulted in difficulties due to the scheduling requirements for the proceedings. Additionally, the inability of staff and commissioners to communicate with the independent consultants causes their services to be less valuable to us in making our decisions. Staff has managed to deal with the procedural schedule, and we will simply use the expert's report as a factor in making our decision.
3. The prohibition that allows no more than three commissioners to meet, discuss or email regarding matters before us was in place before my election. While I understand the purpose of this rule, it does make our activities more time consuming and more difficult to understand the overall concerns of all commissioners. As individual commissioners, we continue to learn how to deliberate in small groups more effectively or one-on-one.

9. Recusal

If there was a matter in which you were recused during the review period, provide a brief description of the matter and the reason(s) for the recusal.

Answer – Early during my term an item was on the agenda relating to Piedmont Natural Gas Company in Docket No. 2020-7-G – Application of Piedmont Natural Gas Company, Inc. to Have the Terms of the Natural Gas Rate Stabilization Act Apply to the Company's Rates and Charges for Gas Distribution Services. Out of an abundance of caution, legal staff suggested that I recuse myself due to my prior employment with them that ended in 2005. Upon further review and consultation with legal staff, it was determined that recusal in Piedmont Natural Gas related proceedings is not necessary.

NOTE: Do not provide any information that would violate the prohibition against ex parte communication or would otherwise violate any privilege.

EXHIBIT B5

Ethics Statement: I, Commissioner Headen B Thomas have read and understand the Code of Judicial Conduct and the ethics laws of South Carolina. I certify that I have adhered to these standards at all times during this review period.

Signature: Headen B Thomas

Date: 8/30/21

**Justin T. Williams, Chairman
South Carolina Public Service Commission
Seat: Sixth Congressional District
Review Period: July 1, 2020-June 30, 2021**

Chairman Williams began his service as Commissioner for the Sixth Congressional District on July 1, 2018. As part of his annual review, he submitted written responses to the Commissioner Questionnaire, which are attached as Exhibit B6. He also appeared before the Review Committee on Thursday, October 21, 2021, to discuss his performance during this review period with members of the Review Committee. The following is a summary of the Review Committee's annual evaluation of Chairman Williams.

Educational programs: The full list of education programs which Chairman Williams attended is in Exhibit B6, Item 1, beginning on page 1. The Review Committee notes that Chairman Williams included his attendance at the annual ethics training, as required by Section 58-3-30(C).

Participation in Organizations: The full list of organizations in which Chairman Williams participated is in Exhibit B6, Item 2, on page 3.

Effects of Code of Judicial Conduct and South Carolina Ethics Laws on Role as Commissioner: Chairman Williams's written response is in Exhibit B6, Item 7, on page 6. No issues or concerns were brought to the attention of the Review Committee regarding the Code of Judicial Conduct and/or the S.C. ethics laws concerning Chairman Williams.

Recusal: Chairman Williams stated that he was not disqualified, nor subsequently recused, from a matter before the Commission during the review period. See Exhibit B6, Item 9, page 7.

Brief Summary of Other Issues Discussed: During the Review Committee meeting on October 21, 2021, Chairman Williams made an oral amendment to his Commissioner Questionnaire by adding the word "not" in a sentence. Therefore, the second sentence in item (4) at the bottom of page 3 in attached Exhibit B6 should read "The legal standard for certification does not require an analysis of an applicant's ten-year driving record, or criminal record."

During the meeting on October 21st, Chairman Williams briefly discussed some internal changes instituted since he assumed chairmanship, such as legal staff providing memorandums to each commissioner, implementing a standardized order tracking process, and reviewing internal processes and procedures in an effort to increase agency accountability and transparency.

**COMMISSIONER QUESTIONNAIRE
PERFORMANCE SUMMARY**

**NAME: JUSTIN THOMAS WILLIAMS
SEAT: DISTRICT SIX
DATE: ELECTED MAY 11, 2018
DATE: TERM EXPIRES JULY 1, 2022**

Please provide information for the review period covering July 1, 2020 through June 30, 2021. Be sure to fully address each item.

1. Educational programs.

Ethics Training

- A. Public Service Commission and Office of Regulatory Staff Annual Ethics Training
- B. -Code of Judicial Conduct
 - Ethics and the Administrative Procedures Act
 - Reactions and Healthy Ethical Coping, Substance Abuse, and Mental Health
 - State Ethics Act
 - Substance Abuse
- C. This annual training highlights the importance of commissioners and commission staff following the rule of law as it relates to the State Ethics Act and the Code of Judicial Conduct. Attendance helps the commission remain compliant with the rule of law.
- D. This training was conducted in-house and lasted 6 hours.

Rate School

- A. 42nd Annual National Association of Regulatory Utility Commissioners Rate School
- B. -Basics of Utility Rate Setting
 - Financial Statements
 - Choosing the Test Year for Revenue Requirements
 - Developing the Rate Base
 - Mock Rate Case: Getting Started and Sample Adjustments
 - Operating Expenses, Depreciation, Taxes, and Trackers
 - Corporate Finance, Capital Structure, and Cost of Capital
 - Cost of Equity
 - Consumer Perspective on Corporate Finance
 - Cost-Allocation Methods
 - Rate-Design Methods
 - Electric, Gas and Performance Based Ratemaking
 - Received Certificate of Attendance

C. Attending NARUC Rate School enhanced my understanding of the technical aspects of a rate case. My individual improvement as a commission asset has a direct relationship to improving the commission.

D. This virtual training lasted 30 hours and was completed at my primary residence.

How to Craft an Order

A. How to Craft an Order by Chief Administrative Law Judge Ralph K. "Tripp" Anderson, III

B. -Preliminary Fundamentals of Order Writing

- Foundation of an Order
- Order Writing Preparation
- Parts of an Order
- Statement of the Case
- Procedural History
- Findings of Fact
- Standard of Review
- Drafting Factual Findings
- Drafting the Decision
- Issues List
- Conclusions of Law

C. Judge Anderson's Order Writing Workshop was a great refresher on the basic principles of order writing and helped me become a better writer. Attending this workshop helped improve the commission's order writing process and the quality of commission orders.

D. This training was conducted in-house and lasted 2 hours.

Integrated Resource Plan (IRP) Training

A. Berkeley Lab Integrated Resource Planning (IRP) Training

B. Major Components of IRP Development Process

- Load Forecast for Energy and Capacity
- Resource Additional and Retirements
- Resource Adequacy Assessment
- Fuel Price Forecast
- Evaluation of New Generating Resource Options
- Evaluation of Demand Side Resource Options
- Resource Portfolio and Action Plan

Treating Energy Efficiency and Demand Response as Resource Options

- Evaluation of Potential and Pace of Implementation
- Evaluation of Risk and Uncertainty in Portfolio Analysis

Conducting a Technical Review of an IRP

- Reviewing Action and Resource Plans

- Reviewing Resource Portfolios Input Assumptions
- Reviewing Resource Optimization Methodology
- Reviewing Treatment of Risk and Uncertainty

C. Attending IRP training enhanced my understanding of IRPs. My individual improvement as a commission asset has a direct relationship to improving the commission.

D. This training was conducted in-house and lasted 5 hours.

Regulatory Reform: New Models and Tools for Regulating the Modern Utility

A. Regulatory Reform Workshop led Norman M. Scarborough

- B. -History of Utility Regulation
- Performance Based Regulation
 - Performance Improvement Mechanisms
 - Performance Based Regulation
 - Decoupling
 - Multi-Year Rate Plans

C. Attending the Regulatory Reform Workshop enhanced my knowledge of utility regulation. My individual improvement as a commission asset has a direct relationship to improving the commission.

D. This training was conducted in-house and lasted 2 hours.

2. Participation in organizations.

I did not participate in any organizations during the review period.

3. Representation in Official Capacity as Commissioner.

I did not attend any event during the review period in my official capacity as a commissioner.

4. Notable Cases.

Docket No. 2020-188-T -- JEGA Movers LLC for Class E Household Goods Certificate --This was a transportation hearing where the applicant's ten-year driving record and criminal history became part of the hearing record. The legal standard for certification does require an analysis of an applicant's ten-year driving record, or criminal record. After a thorough review of the law and careful deliberation, the commission

granted the applicant a Class E Household Goods Certificate. This hearing prompted the commission to direct staff to review of the commission's regulations related to legal requirements to qualify for a Class E Household Goods Certificate. This case was significant because it prompted the commission to review its fit, willing, and able regulation to determine if an applicant's criminal history and ten-year driving record should be considered when awarding a Class E Household Goods Certificate.

Docket No. 2020-264-E -- Duke Energy Carolinas, LLC's Establishment of Solar Choice Metering Tariffs Pursuant to S.C. Code Ann. Section 58-40-20

Docket No. 2020-265-E - Duke Energy Progress, LLC's Establishment of Solar Choice Metering Tariffs Pursuant to S.C. Code Ann. Section 58-40-20

Docket No. 2020-229-E -- Dominion Energy South Carolina, Incorporated's Establishment of a Solar Choice Metering Tariff Pursuant to S.C. Code Ann. Section 58-40-20

The Solar Choice Metering Tariff hearings required the commission to establish successor solar choice metering tariffs that eliminate any cost shift to the greatest extent practicable on non-participants while ensuring access to current and future participants, allow participants to use the energy they generate behind the meter without penalty, and meet the intent of the entirety of South Carolina Code Ann. § 58-40-20. The commission approved solar choice tariffs that fulfilled its obligation under the law. These cases were significant because they addressed the future of rooftop solar and addressed the cost shift associated with rooftop solar.

Docket No. 2019-224-E -- South Carolina Energy Freedom Act (House Bill 3659) Proceeding Related to S.C. Code Ann. Section 58-37-40 and Integrated Resource Plans for Duke Energy Carolinas, LLC

Docket No. 2019-225-E -- South Carolina Energy Freedom Act (House Bill 3659) Proceeding Related to S.C. Code Ann. Section 58-37-40 and Integrated Resource Plans for Duke Energy Progress, LLC

Docket No. 2019-226-E -- South Carolina Energy Freedom Act (House Bill 3659) Proceeding Related to S.C. Code Ann. Section 58-37-40 and Integrated Resource Plans for Dominion Energy South Carolina, Incorporated

The Integrated Resource Plan hearings required the commission to decide if an electrical utility's integrated resource plan was the most reasonable and prudent means of meeting the electrical utility's energy and capacity needs as of the time the hearing. The commission did not approve the electrical utilities' initial integrated resource plan and ordered modifications to ensure that the integrated resource plans meet the statutory standard. These cases were significant because it was the first time the commission exercised its approval authority over an electrical utility's integrated resource plan. The commission's involvement in an electrical utility's integrated resource planning adds a level of transparency, credibility, and stakeholder participation to the resource planning process that had not occurred until these cases were presented.

I relied on my legal education, training, and experience to reach a decision in each case mentioned above. The educational programs that I attended during the review period exposed me to industry standards, practices and concepts that helped me better understand complex concepts that were presented during the hearings.

5. Accomplishments of the Public Service Commission

Describe what you believe are the greatest accomplishments of the commission during the review period.

The commission's greatest accomplishment during the review period is remaining fully operational during the COVID-19 pandemic. No scheduled event was canceled during the review period due to COVID-19. The commission has mastered virtual meetings/hearings and telecommuting to a level that would make a reasonable professional question if in person meetings/hearings and working in an office building is a vestige of the past.

The commission is experiencing an ongoing cultural shift towards ownership, accountability, and teamwork as the commission pursues excellence. This is not an easy process because mediocrity and the path of least resistance are the natural born enemies of excellence and change. The commission is embracing the cultural shift by understanding a need to change due to the changes in the law (Act 62, Act 90, Act 46) and demonstrating a willingness to change by adopting new methods and means of production. Although this is an ongoing accomplishment, the commission is making great progress.

6. Work Schedule and Preparation.

A. Describe your schedule during an average work week. For example, how often are you in your office in Columbia? How many hours do you telecommute?

I commute to the office in Columbia every day, unless I decide, on rare occasion, to telecommute. The commission duty day is 8:15 a.m. – 4:45 p.m. Like most professional jobs, my responsibilities do not fit neatly within the duty day. Working after the close of business and on some weekends is necessary to accomplish the mission.

B. Describe how you prepare for a hearing.

There are a variety of matters that come before the commission in the form of a hearing. Each hearing is unique and requires a different process of preparation. A transportation hearing is usually very straight forward. As such, a simple reading of the application and other pre-filed documents will result in proper preparation for the hearing. Alternatively, the hearings under Act 62 are much more complex and require more work to properly prepare. To prepare for complex hearings, I start by reading the law so that I can have a firm understanding of what our responsibilities are as a commission. After reading the law, I consult with our lawyers to discuss the law and the commission's responsibilities under the law. Next, I review the technical issues presented and discuss the same with the technical staff. Then, I read the pre-filed testimony filed on the Docket Management System. Finally, I attend legal and technical briefings to discuss the issues presented. Depending on the complexity of the matter before the commission, I may attend multiple briefings leading up to the hearing. I attend a post hearing brief with legal and technical staff at the conclusion of the

hearing to discuss the issues and theories presented by the parties. I begin my deliberation process after the post hearing briefing. I usually discuss questions, concerns, and general thoughts about the issues presented with legal and technical staff and on an individual basis with commissioners until I reach a decision on the issues presented. This process lasts several months for each complex case.

7. Effects of Code of Judicial Conduct and South Carolina's ethics laws on your role as Commissioner.

In your own words, discuss how the Code of Judicial Conduct and the Ethics Laws interact and affect you and your role as a commissioner.

The Code and Judicial Conduct and South Carolina's ethics laws govern all my words and actions. Not only must I avoid an actual violation of the Code of Judicial Conduct and South Carolina's ethics laws, I must also avoid the appearance of a violation. Moreover, I must make sure that every employee at the commission adheres to the Code of Judicial Conduct and South Carolina's ethics law. Avoiding actual, or perceived bias and favoritism along with avoiding ex parte communication is constantly at the top of my mind.

8. Challenges of the Public Service Commission

Describe three challenges of the Public Service Commission during the review period, and how those challenges were managed.

1. Creating a culture of ownership, accountability, and teamwork.

The leadership team works together to identify opportunities for the commission to improve at every level. Some opportunities for improvement manifest as an undesired result of a process that needs polishing. Other opportunities to improve are identified and addressed before they manifest into an undesired result. The leadership team works together to address opportunities for the commission to improve in an open and honest manner. Approaching each opportunity for the commission to improve with transparency and candor allows the leadership team to identify the origin, cause, and solution to address each opportunity for the commission to improve. The leadership team continues to monitor this issue to make adjustments as necessary.

2. Defining the roles, responsibilities of commissioners and staff.

The leadership team determined that roles and responsibilities of commissioners and staff were not clearly defined when several opportunities to improve manifested as undesired results. The commission improved by creating an employee handbook, new commissioner workshop, and hosting staff "town hall" meetings. The leadership team continues to monitor this issue to make adjustments as necessary.

3. Ensuring that the commission consistently applies the rule of law.

The leadership team determined that some practices and procedures allowed during commission proceedings are not supported by the rule of law, but are allowed as long standing customs. The leadership team determined that the rule of law should govern all practice and procedure before the commission to ensure fundamental fairness and consistency. The leadership team continues to monitor this issue to make adjustments as necessary.

9. Recusal

If there was a matter in which you were recused during the review period, provide a brief description of the matter and the reason(s) for the recusal.

No matter came before the commission during the review period that required my disqualification and subsequent recusal.

NOTE: Do not provide any information that would violate the prohibition against ex parte communication or would otherwise violate any privilege.

Ethics Statement: I, Commissioner Justin T. Williams have read and understand the Code of Judicial Conduct and the ethics laws of South Carolina. I certify that I have adhered to these standards at all times during this review period.

Signature: _____

Date: 8/31/21 _____

Delton W. Powers, Jr.
South Carolina Public Service Commission
Seat: Seventh Congressional District
Review Period: July 1, 2020-June 30, 2021

Commissioner Powers began his service as Commissioner for the Seventh Congressional District on September 24, 2020. As part of his annual review, he submitted written responses to the Commissioner Questionnaire, which are attached as Exhibit B7. He also appeared before the Review Committee on Thursday, October 21, 2021, to discuss his performance during this review period with members of the Review Committee. The following is a summary of the Review Committee's annual evaluation of Commissioner Powers.

Educational programs: The full list of education programs which Commissioner Powers attended is in Exhibit B7, Item 1, beginning on page 1. The Review Committee notes that Commissioner Powers included his attendance at the annual ethics training, as required by Section 58-3-30(C).

Participation in Organizations: The full list of organizations in which Commissioner Powers participated is in Exhibit B7, Item 2, beginning on page 2.

Effects of Code of Judicial Conduct and South Carolina Ethics Laws on Role as Commissioner: Commissioner Powers's written response is in Exhibit B7, Item 7, on page 5. During the meeting on October 21, 2021, Commissioner Powers was asked to describe how the Code of Judicial Conduct and/or S.C. ethics laws affect his role as a commissioner to clarify his written response. No issues or concerns were brought to the attention of the Review Committee regarding the Code of Judicial Conduct and/or the S.C. ethics laws concerning Commissioner Powers.

Recusal: Commissioner Powers stated that he had not been recused from any hearing before the Commission during the review period. See Exhibit B7, Item 9, page 7.

Brief Summary of Other Issues Discussed: During the Review Committee meeting on October 21, 2021, Commissioner Powers was asked a number of clarifying questions regarding his written responses on his Questionnaire. For example, when asked about NARUC providing him with materials and his subsequent use of those materials, he responded that he received the information automatically as a member of NARUC and no information was requested pertaining to a particular case before the Commission. Additionally, he clarified that his written statement regarding a "new standard" for transportation applicants consisted of his thought processes and that no procedure or standard had changed for existing regulations for transportation cases.

After receiving a question concerning attached Exhibit B7, Item 4.2 on page 3 regarding the Dominion Energy rate case and the written statements of timing, the public response, and "after hearing the response obviously seeing where their request was headed," Commissioner Powers clarified that he intended to convey that it was not a good time for Dominion to request a rate increase and stated that he wished to strike that language in his response.

EXHIBIT B

In another clarification, Commissioner Powers conveyed that the Commission had heard information regarding the Rural Digital Opportunity Fund for broadband. See paragraph 3 on page 4.

In regards to his written response to Item 3 on page 6 of Exhibit B7, Commissioner Powers responded to questions from Review Committee members regarding timing to reduce carbon, national infrastructure and what the priorities should be for the South Carolina Commission if it needed to consider national goals. He clarified that the federal government may set goals for electric utilities to be carbon free, and how this could impact Integrated Resource Plans in South Carolina.

**COMMISSIONER QUESTIONNAIRE
PERFORMANCE SUMMARY**

DELTON W. POWERS JR.
DISTRICT SEVEN
Elected September 23, 2020
Term Expires June 30, 2024

1. Educational Programs:

A) See Chart.

FY 2020-2021 Participation in Organizations Tracking Spreadsheet						
Commissioner Powers						
Date	Name of Organization	Type of Event	Title of Event	Time of Participation	Notes	(i.e. action taken, resolutions passed, etc.)
Various Dat	PSC	Training	Cybersecurity Awareness Videos	various times		
10/1/20	PSC	Training	New Commissioner Orientation - Part 1	3 hrs.		
10/9/20	PSC	Training	Annual Ethics Training	6.0 hr.		
10/27/20	PSC	Training	New Commissioner Orientation - Part 2	2.5 hrs.		
11/5-6 & 9-1	NARUC	Conference	Annual Meeting & Education Conference (virtual)	6.0 hrs.		
12/3/20	PSC	Training	New Commissioner Orientation - Part 3	2.5 hrs.		
12/14/20	PSC	Training	New Commissioner Educational Training Utility Finance	2.5 hrs.		
12/29/20	PSC	Training	New Commissioner utility Finance w/ N. Scarborough	6.0 hrs.		
12/30/20	NRRI	Webinar	Public Utility Regulatory Finance Concepts	4.0 hrs.		
1/29/21	PSC	Training	New Commissioner Educational Training - Part 2	2.5 hrs.		
2/4-5 & 8-1	NARUC	Conference	NARUC Winter Policy Summit (virtual)	6.0 hrs.		
2/18/21	PSC	Training	New Commissioner Educational Training w/N. Scarborough	2.0 hrs.		
3/5/21	State of SC-Dept of Admin.	Training	Fleet Safety Driver Training (virtual)	8.0 hrs.		Certificate earned
3/26/21	PSC	Training	New Commissioner utility Finance w/ N. Scarborough	1.5 hrs.		
4/20/21	Lawrence Berkeley Nation.	Training	Integrated Resource Plan (IRP)	4.0 hrs.		
6/16/21	PSC	Training	Alternative Forms of Regulation (Performanced Based) w/N. Sca	2.0 hrs.		
6/24/21	State of SC-Dept of Admin.	Webinar	Communications Skills w/Serphia Curry (virtual)	3.0 hrs.		
6/29/21	Lawrence Berkeley Nation.	Training	Integrated Resource Plan (IRP) Training (cont.)(virtual)	1.0 hr.		

B) Due to Covid, we have been unable to attend any programs until now. I will be attending the SEARUC conference in Tennessee in October and serving on a panel as to Broadband, and its relation to Infrastructure. Besides several necessary trainings for new employees, we have had a number of trainings in-house, concentrating on Utility Finance, Integrated Resource Planning, Alternative Forms of Regulation, Ethics, and general educational trainings. Being in-house, these trainings did not require time away from the office and other duties. These trainings have been done by technical and legal in-house staff, as well as presented by the Lawrence Berkeley National Institute. I have also been able to attend NARUC conferences virtually and look forward to a time where I can become more involved on a national level. Looking forward, there will be an enormous challenge in the application of Act 62, with issues of transmission, storage, and the upgrade of the necessary infrastructure to reach the goals of clean energy.

C) As to the Ethics training, my many years serving on the South Carolina Supreme Court Board on Lawyer Competence has allowed me to take the lead with the issues we deal with as to Ex Parte and other similar issues. To a non-lawyer, these subjects are foreign, but compliance is of course a

must. The deep dive training we've had in-house as to utility finance and understanding regulatory finance issues has helped to keep these concepts from being foreign in nature, as well as the training in alternative forms of regulation. There is a balance that must be achieved in affordability, reliability, long term forecasts, environmental and many other issues, but it all comes down to having a good understanding of numbers, of money. This is a time of great change in the power industry, as well as the other areas we deal with, and without understanding the numbers, we would be unable to ask the right questions and reach the right conclusions. We have received significant training dealing with IRPs, resource planning, and how to balance the competing positions of the utilities and intervenors. I think our trainings, the energy this Commission has with new members and the extensive reading and briefings is reflected in the outcomes of the hearings and issues we've had so far. Stakeholder involvement has been brought to the forefront, and the utilities seem to realize this particular make up brings a lot to the table. What I've learned so far and continue to learn helps in the decision making as to fairness, accountability, affordability, and reliability.

- D) Due to Covid there has not been travel time out of the office, or time taken away from hearings and other duties. I have not missed a meeting or hearing so far. We, in fact, due to the hearings we have been involved in, have had to miss learning opportunities which have occurred. Our schedule has been incredible, and the volume of material makes this practically a 7 day a week position.

2. Participation in Organizations

- A. I have joined NARUC and am hoping to serve on Committees as to Infrastructure and Environment. Due to Covid and our hearings schedule, there has been limited opportunity for such involvement.
- B. NARUC provides significant and constant education opportunities not only with meetings but with the large volume of information they share with all the members. They have a wealth of research and material and have been very responsive when I've had questions about certain issues. They have provided their research immediately on a couple of subjects of interest to me.
- C. The benefit is that they have helped me to continually learn not only subject matter, but to be able to compare issues in other jurisdictions and how they are handled. Knowledge not only gives you the ability to better serve the Commission but gives you the confidence to confront and deal with issues to the benefit of both the parties we deal with and the rate payers.

D. Again, with Covid, there has not been time out of the office.

3. Representation in Official Capacity as Commissioner

A&B - The first out of the office event I will attend is to be held in October 2021. It is the SEARUC meeting in Tennessee. I will be serving on a panel on Broadband and attending the educational courses provided.

C&D - The SEARUC event is 3 days, and the Commission has adjusted our scheduled so that we will not miss any matters.

4. Notable Cases

1. *Docket No. 2020-188-T - Application of JEGA Movers LLC for Class E (Household Goods) Certificate of Public Convenience and Necessity for Operation of Motor Vehicle Carrier* - JEGA Movers was an early case where the applicant had both a significant driving and criminal record. ORS concluded the Applicant willing, fit, and able, but thorough questioning brought out the existing record, and it is now accepted procedure that we look closely at driving and criminal records, as well as the necessity for Workers' Compensation coverage. It is certainly a benefit to the State to require qualified applicants to provide detailed information. This has not been done in the past and is not done by ORS in their review. Attorneys representing applicants seem to have picked up on the new standard.
2. *Docket No. 2020-125-E-- Dominion Energy South Carolina Application for Upward Adjustment of Rates and Charges* - One of the first major cases we heard was a request by DESC seeking a rate increase which would have been \$9.68 per month increase for customers. After several days of hearing, the Commission requested and allowed virtual public hearings which provided customers an opportunity to speak out about such a request during a time when Covid was having such an impact. DESC, after hearing the response, and obviously seeing where their request was headed, withdrew for 6 months, entered into comprehensive settlement discussions with stakeholders, and reached an agreement which among many other things, dropped the increase to only \$1.81 per customer. They also committed shareholder funds to forgive past due bills, critical upgrades, assistance with energy efficiency, a limit on fixed monthly charges and other items - a major one - being not to seek a rate increase prior to July 2023. It was a major turnaround in the utility's positions and procedures, due not only to great customer response but also seeing a new Commission.

3. *DOCKETS FOR MULTIPLE ETCs to Receive Federal Rural Digital Opportunity Funds to Expand Access to Broadband to Rural and other Needed Areas in South Carolina* - The Rural Digital Opportunity Fund (RDOF) is a Federal Communications Commission (FCC) program to invest billions of dollars in the construction of broadband access to rural and underserved areas. This program is spread out over 10 years and will help to provide equal opportunities not only to schools but also to businesses and individuals throughout the State. This will be a tremendous boost and is certainly in line with and reflective of the many improvements we are facing and need as to our infrastructure. The Commission has shown great interest and provided several good ideas on how to promote this program.

5. Accomplishment of the Public Service Commission

One of the accomplishments this new Commission has made is a big step forward in stakeholder involvement. We have had public hearings, one lasting from the start of the day until one o'clock in the morning. This has brought about a different approach from the utilities and has resulted in settlements and transparency. One area that I feel has been an accomplishment has been a more thorough vetting of movers and other transportation matters. I hope my questioning as to requiring driver's and criminal records, as well as inquiring into Worker's Compensation insurance and requirements will make the industry and roads safer. These issues apparently weren't raised or questioned in the past, and we are taking closer looks at these matters. I believe our level of involvement, training and the different perspectives that our Commission members bring to the table has resulted in better review, more thorough work on the part of the utilities, and a real acceptance of the requirements of renewables under Act 62.

6. Work Schedule and Preparation

- A. I guess a little surprisingly, this has for me turned into a 7-day work week, not a 5 day. The number of back-to-back hearings and the volume of materials to review for hearings is never ending. With modern technology, and in dealing with Covid, much of the material can be reviewed remotely, and we now have a system under Microsoft Teams that has the technology for briefings and preparation at any given time. We have had briefings on Sundays and just this morning at 7:45 prior to the continuation of a hearing at 9:00 a.m. It is a real challenge not just to keep up with the volumes of testimony, but also the changes from one subject or hearing to another matter. Usually in the late afternoons or early morning, I try and review the daily activity log, and review the applications. This takes time. I try to attend all hearings in person. I find being in the Hearing Room an

advantage over trying to follow matters remotely. The commute for me is about an hour and a half, one way, depending on traffic.

- B. I try to organize the testimony we receive prior to a hearing and review it prior to briefings we may have on technical and legal issues. The PSC staff does an excellent job answering questions and researching questions that arise. Much of the reading sends me to a review of the applicable statutes and Regulations. I've spent significant time in that area and feel a familiarity of the law is beneficial to me and to my participation.

7. Effects of the Code of Judicial Conduct and South Carolina's ethics laws on the role of a Commissioner

Having served for many years on the Supreme Court Commission on Lawyer Competence, and served on many panels for Disciplinary hearings, I feel this is an area that I bring expertise to the PSC. I have also served as a Magistrate so have been under Rules of Judicial Ethics in the past. I have been a "go to" for other Commissioners on questions and have had no problem adhering to the Code. There have been no Ex Parte situations I've had to deal with. I do find it to create extra work for the staff in the rules we have that keeps us from reviewing or discussing certain issues as a group of seven. Hopefully, future regulation will allow us to meet as would an Appellate Court to review matters.

8. Three Challenges of the Public Service Commission

1. One of the big challenges admittedly has been that we are a new Commission, with only 3 members with any experience. That challenge has been met with hard work and education. We have a diverse group that brings much to the table and were dropped into an immediate busy schedule. However, the challenges have been met by a group that is not set in its ways and developed good working relationships. With no preconceptions or ties to prior procedures, this group has been able to dive into Act 62, to ask questions and bring a new energy to the PSC. We have taken advantage of learning possibilities and a lot of the training we received is because we demanded it. The work we've done, decisions made, and interest shown in the process I believe has improved the public perception of our Commission. The manner in which we have approached the work has also brought awareness to the utilities that it is a new day. This all benefits the State, the customers, and the future of South Carolina. The Chairman and Vice Chair have been outstanding leaders and have made the transition smooth and successful.

2. Of course, a big challenge this past year has been dealing with and working through Covid. Unfortunately, it seems that problem will be sticking around for a while. Both Commissioners and Staff have made strides in dealing with virtual hearings and the new technologies. It has taken a lot of work and a lot of patience in hearings. One thing we've done that may not have been done in the past is starting early and running late with these extended hearings. I do believe the Parties aren't used to both the questioning this Commission brings or the level of work ethic that is now present. The Staff has done an amazing job and are a hard-working group. We have questions and we ask questions. And have done it while maintaining and respecting a safe work environment.
3. A big challenge has been to enforce Act 62. Utilities and big corporations are often slow to change, and I think have been challenged by the enthusiasm of this new Commission. I feel we have raised the level in the hearings by preparation and involvement by all Commissioners. The learning curve is incredible, but I feel we have all made tremendous strides. The schedule is steady, and it has worked to keep all the different issues and hearings from overlap and confusion. It is all about doing the work.

I can't help but consider the challenges facing us in the immediate future. The addition of Santee Cooper to our jurisdiction will be a tremendous challenge both in learning and resources. I have recently studied both the history of Santee Cooper from its beginnings to present day, as well as requested, received, and reviewed the debacle as to the VC Summer event and the PSC's role in that case. This will require additional extended hearings as to IRPs and all other issues involving the utility. The PSC is likely in need of more technical and legal staff to devote the necessary time to deal with Santee Cooper.

A second challenge that I see is meeting the deadlines being set and revised as to the conversion to less carbon and balancing the necessary reserves. There are some exciting developments as to battery storage, but it is all tied to infrastructure and transmission. A long-term development should be a major improvement to the grid, and a look toward a connection from North to South, East to West and a way to develop the proper infrastructure to meet the needs of both our State and Country. While the growth of solar and other renewables is being pursued, the reliability and upgrade of the grid must be in focus. There has been a flurry of unusual weather and other events such as wildfires, water problems, population shifts and cybersecurity threats that must be dealt with, all with trying to keep the costs down and power affordable. These issues are long term and immediate.

9. Recusal

I have not been recused from any hearing and have not missed any hearings.

NOTE: Do not provide any information that would violate the prohibition against ex parte communication or would otherwise violate any privilege.

Ethics Statement: I, Commissioner Delton Powers have read and understand the Code of Judicial Conduct and the ethics laws of South Carolina. I certify that I have adhered to these standards at all times during this review period.

Signature: Delton Powers

Date: August 26, 2021

EXHIBIT C

STATE REGULATION OF PUBLIC UTILITIES REVIEW COMMITTEE PERFORMANCE EVALUATION

AGENCY: South Carolina Office of Regulatory Staff

PERIOD: July 1, 2020 - June 30, 2021

MISSION: The Office of Regulatory Staff represents the public interest of South Carolina before the Public Service Commission; “public interest” is defined as the concerns of the using and consuming public with respect to public utility services, regardless of the class of customer, and preservation of continued investment in and maintenance of utility facilities so as to provide reliable and high-quality utility services.

GOAL:

THE ORS PROVIDES SERVICES TO BENEFIT THE STATE OF SOUTH CAROLINA

OBJECTIVES/ACTION ITEMS

1. The ORS resolves complaints, conducts audits and enforcement actions, provides technical regulatory assistance, and participates in Public Service Commission proceedings.
 - The ORS Consumer Services handled over 1,487 consumer complaints and inquiries, including issues regarding billing, net metering and solar leasing. Consumer Services investigations saved consumers over \$253,146, of which \$127,000 is from annually recurring recoveries. The ORS transportation inspectors conducted 174 vehicle inspections and 124 compliance audits. The ORS also conducted driver file audits of the transportation network carriers operating in South Carolina. It conducted audits for all electric cooperatives, pursuant to Act 56 (2019), and expects to complete those audits by the end of 2021. The ORS also conducted monthly reviews of some Santee Cooper operations, pursuant to Act 135 (2020).
 - The ORS participated in 98 docketed cases at the Public Service Commission during the review period. These cases included electric, water and wastewater, telecommunications and transportation services. It also participated in dockets resulting from Act 62 (2019), which involved matters such as Integrated Resource Plans and net energy metering. In addition to the matters at the Public Service Commission, the ORS also participated in appeals resulting from orders
2. The ORS’s operations contribute to utility rate stability and affordability, as well as reliable and high-quality utility services.

- Out of the 98 docketed matters before the PSC, there was a savings of \$20,817,393 for consumers.
- The ORS, together with the Department of Consumer Affairs, worked to establish consumer protection regulations regarding the sale or lease of renewable energy generation facilities.

GOAL:
THE ORS PROMOTES RELIABLE AND HIGH-QUALITY SERVICES.

OBJECTIVES/ACTION ITEMS

1. The ORS analyzes and evaluates the performance of regulated public utilities.
 - The ORS Audit Department conducted 533 regulatory reviews and audits during the review period. It anticipates completing audits of each of the electric cooperatives' compliance with their respective by-laws, pursuant to Act 56 (2019), by December 31, 2021.
 - As of June 1, 2021, the ORS completed its monthly compliance reviews for the South Carolina Public Service Authority, as required by Act 135 (2020).

2. The ORS equitably enforces the laws, rules, and regulations relating to public utilities.
 - The ORS Pipeline Safety staff conducted 174 inspections during the review period; the Rail Safety staff conducted 234 inspections and issued 497 safety defect citations. The ORS inspected 46 household goods movers. Transportation inspectors conducted 2,833 vehicle inspections and 114 compliance audits of transportation carriers, and driver file audits were conducted for the transportation carrier networks.

3. The ORS provides technical assistance and streamlines processes for consumer and utilities.
 - The Pipeline Safety staff responded to 195 technical pipeline safety-related inquiries. The Rail Safety staff responded to 320 railroad safety-related inquiries.
 - The ORS established an online portal for Class C passenger carriers, such as taxis and limousines, to pay license decal fees online; 4,744 decals were issued.
 - There were 12,692 technical assistance inquiry responses provided by the Transportation Department.
 - The ORS responded to 295 inquiries from water and wastewater companies.
 - The ORS provided technical assistance to 62 existing telecommunications companies and 45 new applicants, consultants and regulated companies.

GOAL:
THE ORS IS RESPONSIVE TO THE PUBLIC.

OBJECTIVES/ACTION ITEMS

1. The ORS resolves consumer complaints in a timely manner.
 - The ORS Consumer Services received 1,487 consumer complaints and questions during the review period.
2. The ORS provides technical regulatory assistance.
 - The ORS offered technical assistance to several utilities with matters related to consumer-relations. It planned an overflow call center, with the Department of Administration, in anticipation of a possible surge in phone calls when utilities resume collection processes. This call center has not had to be activated yet.
3. The ORS provides consumer education.
 - The ORS distributed approximately 42,400 publications on a variety of consumer education topics.
4. The ORS issues press releases and information to the media.
 - The ORS posted news releases, public announcements, and other documents on its website.

GOAL:
**THE ORS ANTICIPATES AND RESPONDS TO POLICY DEVELOPMENTS THAT
IMPACT THE ORS'S MISSION.**

OBJECTIVES/ACTION ITEMS

1. The ORS consults with and/or retains recognized experts to assess emerging trends or specific issues.
 - The ORS either consulted with, or retained, experts on various topics, including broadband matters and the State Energy Plan.
2. The ORS reviews, analyzes, and monitors regulatory, statutory, and judicial decisions or trends with regard to utility regulation. The ORS gathers and provides input; and participates, educates, or takes other appropriate action when necessary.
 - ORS staff attended industry-specific workshops and meetings, regionally and nationally, to discuss trends and emerging issues that could affect South Carolina's utility costumers and shared best practices with counterparts in other states.

GOAL:
**THE ORS ENERGY OFFICE ADVANCES SOUTH CAROLINA'S ENERGY STRATEGY
AND POLICY THROUGH EDUCATION AND OUTREACH.**

OBJECTIVES/ACTION ITEMS

1. The ORS Energy Office facilitates the development of the State Energy Plan.
 - The ORS Energy Office continued to work towards addressing top-tier State Energy Plan recommendations as part of the Phase III implementation efforts.
2. The ORS Energy Office promotes energy efficiency, renewable energy, clean transportation, and alternative fuels through education and outreach activities.
 - The ORS Energy Office began working on the South Carolina Energy Efficiency Roadmap in October 2019, to review and reassess remaining energy efficiency recommendations from the 2016 State Energy Plan. Several stakeholder workshops were held, and 20 recommendations were ultimately made. A report regarding these recommendations was finalized in January 2021 and the Energy Office is developing a plan to address each recommendation.
 - The ORS Energy Office has been collecting data on the 2020 Chevrolet Bolt electric vehicle it obtained last year, and is assisting other state agencies interested in procuring electric vehicles.
 - The Energy Office coordinated with the S.C. Department of Transportation to make recommendations to the U.S. Department of Transportation on Alternative Fuels Corridors.
 - The Energy Office launched an incentive program for electric vehicle charging station owners to standardize signage.
3. The ORS Energy Office administers federal financial assistance to support public and private entities investing in energy-saving programs.
 - The ORS Energy Office administered federal financial assistance through the following programs: (a) ConserFund; (b) ConserFund Plus; (c) mini-grants; and (d) energy efficiency revolving loan programs. It is projected that projects completed due to the ConserFund Plus loans during the review period will result in lifetime savings of over \$3.5 million. No energy efficiency revolving loans were awarded during the review period due to the impacts of Covid-19.
4. The ORS Energy Office provides technical assistance through energy audits of public facilities.
 - The ORS Energy Office worked with state agencies, colleges and school districts to meet mandatory reduction of energy consumption by 2020. Staff also conducted energy assessments to identify opportunities for potential energy efficiency improvements and fleet analysis.
5. The ORS Energy Office serves as an informational and educational resource on energy matters.

- The ORS Energy Office provided various training opportunities, including 15 technical workshops, and coordinated the annual Accredited Commercial Energy Manager training.
- Some of the Energy Office’s outreach methods included: (a) 67 presentations at various public forums; (b) published marketing and information materials, including two monthly email newsletters; (c) responding to 1,144 inquiries; (d) managing four websites - energy.sc.gov, solar.sc.gov, energysaver.sc.gov, and palmettocleanfuels.org; and (e) publishing South Carolina energy data.

GOAL:
THE ORS’S OPERATIONS ARE MARKED BY PROFESSIONAL EXCELLENCE.

OBJECTIVES/ACTION ITEMS

1. The ORS hires and retains qualified personnel who will carry out the mission of the ORS.
 - The ORS hired and retained qualified personnel to carry out the agency’s mission. The ORS created a position for a broadband coordinator and is planning for additional responsibilities related to Santee Cooper pursuant to Act 90 (2021).
2. The ORS strives to allocate resources to maximize efficiency and address the changing needs of stakeholders.
 - As stakeholder needs and ORS’s responsibilities change, the ORS leadership team continues to assess the agency’s core functions and the staff resources needed to carry out its duties.
3. The ORS maintains and enhances knowledge through staff attending conferences and meetings, staying current on best regulatory practices in other states, and participating in ethics training and other types of internal and external professional training.
 - The ORS staff attended classes, seminars, and conferences during the review period, as well as the required annual ethics course in October 2020.
4. The ORS embraces the implementation of technology in the workplace.
 - In addition to maintaining websites for the public, the ORS established social media accounts on Twitter, Facebook, and YouTube. These accounts are to be utilized as additional public outreach tools, not for advocacy purposes.
5. The ORS responds to requests for assistance from the Governor, legislators, and others.
 - The ORS responded to requests from the Governor, legislators, and the media.
6. The ORS coordinates with local, state, and federal agencies.

- The ORS coordinated 96 different local, state and federal agencies and entities during the review period. A list of these agencies and entities are in the Appendix in report submitted by the ORS.

EXHIBIT D

**OFFICE OF REGULATORY STAFF EXECUTIVE DIRECTOR
QUESTIONNAIRE SUMMARY
Review Period: July 1, 2020 - June 30, 2021**

Ms. Nanette Edwards began serving as Executive Director of the Office of Regulatory Staff (ORS) in July, 2018. As part of her annual review, she submitted written responses to a Questionnaire, which are attached. She also appeared before the Review Committee on Wednesday, November 17, 2021, to discuss her performance during this review period with members of the Review Committee. The following is a summary of the Review Committee's annual evaluation of Ms. Edwards.

Educational Programs: The full list of education programs in which Ms. Edwards attended is in Exhibit D1, beginning on page 1. The Review Committee notes that Ms. Edwards included her attendance at the annual ethics training, as required by Section 58-4-50(C).

Participation in organizations: The full list of organizations in which Ms. Edwards participated is in Exhibit D1, beginning on page 3.

Representation in Official Capacity as Executive Director: The full list of presentations which Ms. Edwards made on behalf of the ORS is listed in Exhibit D1, beginning on page 7.

Notable Cases: Ms. Edwards provided a list of notable cases in which the ORS participated during the review period, which begins on page 11 of Exhibit D1.

Accomplishments of the Office of Regulatory Staff: Ms. Edwards provided a description of accomplishments of the ORS beginning on page 19 of Exhibit D1.

Accomplishments as the Executive Director. Ms. Edwards provided a description of the Executive Director's accomplishments during the review period, beginning on page 26 of Exhibit D1.

Challenges of the Office of Regulatory Staff. Ms. Edwards provided a description of challenges faced by the ORS Staff during the review period, beginning on page 37 of Exhibit D1.



Executive Director Questionnaire

Fiscal Year 2020-2021

Performance Summary for:

Nanette S. Edwards
Executive Director

Review Period:

July 1, 2020 – June 30, 2021

Table of Contents

Educational Programs Attended	1
Participation in Organizations	3
Representation in Official Capacity as Executive Director	7
Notable Cases	11
Accomplishments of the ORS	19
Accomplishments as the Executive Director	26
Challenges of the Office of Regulatory Staff	37

Educational Programs Attended

The Executive Director stays current on issues that may impact the ORS' mission and actively engages in educational and professional development opportunities toward that goal.

Program Name	Organization & Date	Topic	Hours	Benefit to the ORS/Executive Director
Ethics Training 2020	ORS and PSC 10/9/2020	Required annual ethics training	6	Professional Development
SC Clean Energy Conference	SCCEBA 11/5/2020	Energy	5.5	Professional Development
SC Energy Users Committee Fall Conference	SCEUC 11/6/2020	Broadband	3	Professional Development
NASUCA Annual Meeting	NASUCA 11/9/2020- 11/12/2020	Energy	15	Professional Development
Integrated Resource Plan Training	Lawrence Berkeley National Laboratory (LBNL) 3/1/2021 & 3/4/2021	IRP	8	Professional Development
Energy Bar Association	Energy Bar Association 3/25/2021	RTO	2	Professional Development

Governor's Hurricane Seminar	SCEMD 5/6/2021	Hurricane Season	3	Professional Development
SC Energy Users Spring Meeting	SCEUC 5/14/2021	SC Grid Study	2	Professional Development
SC Electric Cooperative Annual Meeting	ECSC 6/8/2021	SC Grid Study	3	Professional Development
NASUCA Mid-Year Meeting	NASUCA 6/14/ & 6/17/ 2021	Energy	12	Professional Development
			TOTAL	59.5

Participation in Organizations

The Executive Director focuses her involvement on areas in which she can best build awareness for the ORS and its role among consumers, utilities, state and federal agencies, legislators, and the media.

From July 1, 2020 to June 30, 2021, the Executive Director served on the following committees:

State Emergency Response Team

This team represents the most critical life-safety functions for immediate response during a disaster or emergency.

Energy Efficiency Roadmap Stakeholder Workshops

The Energy Office launched the South Carolina Energy Efficiency Roadmap initiative in October of 2019 to seize energy efficiency opportunities in the state. Facilitated by the Duke University Nicholas Institute, this stakeholder process reviewed and reassessed remaining energy efficiency recommendations from the 2016 State Energy Plan. The SC Energy Efficiency Roadmap report was completed in January 2021. As of this writing, the Energy Office is working on several of the recommendations that called for further study or pilot projects to be undertaken.

Energy Advisory Council (EAC)

The Energy Advisory Council is a legislatively created nine-member body including three appointees each by the Governor, the President Pro Tempore, and the Speaker of the House of Representatives. The EAC currently includes six members with backgrounds in energy and the environment and provides recommendations on approval of all EO loans and grants prior to execution. The final determination of the distribution of funds, taking into account the EAC's recommendations, is made by the ORS Executive Director.

Emergency Rental and Utility Assistance Oversight Committee

H. 3770 tasked the South Carolina State Housing Finance and Development Authority to receive funds appropriated to South Carolina by the federal Consolidated Appropriations Act, signed into law on December 27, 2020, and to create an oversight committee that includes the ORS. Under the Consolidated Appropriations Act passed by Congress, \$25 billion was made available nationwide for emergency rental/utility assistance. Utility assistance can be provided for arrearages as far back as March of 2020 and can include electric, gas, water and sewer, but not telecommunications. The total allocation to South Carolina is \$346 million, of which approximately \$272 million is allocated to the state, with the remainder going to qualifying counties.

Electricity Market Reform Measures Study Committee

The purpose of this Committee is to study whether to recommend the adoption of various electricity market reform measures affecting the provision of electric service in South Carolina, and the potential public benefits associated with these measures, and to produce a report of findings and recommendations. The Executive Director is a member of the nonvoting advisory board. The first meeting of the Committee was held on June 21, 2021.

The Executive Director works collaboratively with federal, state, and local agencies and organizations to build relationships and further the mission of the ORS. Coordination of services among these organizations is a priority to effectively carry out the mission and to efficiently utilize agency funding.

State and local agencies and organizations include, but are not limited to, the following:

- AARP South Carolina
- City of Orangeburg
- Coastal Conservation League
- Community Action Agencies
- Community Development Corporation
- Conservation Voters of South Carolina
- Distributed Energy Resource Program Collaboratives – Dominion Energy and Duke Energy
- DSM/EE Advisory Council for Dominion Energy and Duke Energy
- Electric Cooperatives of SC
- Governor's Office
- League of Women Voters of South Carolina
- Medical Transportation Advisory Committee
- Midlands Utility Coordinating Committee (gas pipeline)
- Municipal Association of South Carolina
- Operation Lifesaver
- Pee Dee Coalition Against Domestic Violence
- Public Service Commission of South Carolina
- Safe Harbor, Inc.
- Savannah River National Laboratory
- SC 811
- SC Appleseed Legal Justice Center
- SC Assistive Technology Program
- SC Association of Licensed Trades
- SC Association of Municipal Power Systems
- SC Attorney General

- SC Clean Energy Business Alliance
- SC Department of Administration
- SC Department of Commerce
- SC Department of Consumer Affairs
- SC Department of Education
- SC Department of Health and Environmental Control
- SC Department of Health and Human Services
- SC Department of Insurance
- SC Department of Natural Resources
- SC Department of Parks, Recreation, and Tourism
- SC Department of Public Safety
- SC Department of Revenue
- SC Department of Social Services
- SC Department of Transportation
- SC Emergency Management Division
- SC Energy Users Committee
- SC Farm Bureau
- SC General Assembly
- SC Insurance Reserve Fund
- SC Manufacturers Alliance
- SC Office of The State Auditor
- SC Public Service Authority - Santee Cooper
- SC Regional Transmission Planning Stakeholder Group
- SC Revenue and Fiscal Affairs Office
- SC Small Business Chamber of Commerce
- SC Solar Business Alliance
- SC Solar Council
- SC Tariff Bureau
- SC Telecommunications and Broadband Association
- SC Thrive
- SC Trucking Association
- SCETV
- Sierra Club
- Sistercare, Inc.
- Solar Energy Industries Association
- Southern Alliance for Clean Energy
- Southern Environmental Law Center
- State Climatology Office

- State Regulation of Public Utilities Review Committee (PURC)
- State Transport Police
- Sustainable Energy Solutions, LLC
- Together SC
- Transportation Association of South Carolina
- Upstate Forever
- Vote Solar
- York County

Regulatory organizations, federal agencies, and related groups include:

- American Council for an Energy Efficient Economy (ACEEE)
- Association of Energy Engineers
- Atlantic Compact Commission
- Federal Communications Commission (FCC)
- Federal Energy Regulatory Commission (FERC)
- Federal Motor Carrier Safety Administration (FMCSA)
- Federal Railroad Administration (FRA)
- Low-Level Radioactive Waste Forum
- National Association of Pipeline Safety Representatives
- National Association of Regulatory Utility Commissioners (NARUC)
- National Association of State Utility Consumer Advocates (NASUCA)
- National Regulatory Research Institute (NRRI)
- National Telecommunications and Information Administration (NTIA) - US Department of Commerce
- North Carolina Public Staff
- Nuclear Regulatory Commission (NRC)
- Pipeline and Hazardous Materials Safety Administration (US DOT PHMSA)
- Society of Utility and Regulatory Financial Analysts (SURFA)
- Universal Service Administrative Company (USAC)
- US Congressional offices
- US Department of Agriculture (USDA)
- US Department of Defense
- US Department of Energy
- US Environmental Protection Agency
- US Government Accountability Office

Representation in Official Capacity as Executive Director

The Executive Director welcomes opportunities for speaking engagements to groups and organizations interested in learning about the ORS and its role in utility regulation for South Carolina. The Executive Director is called upon to share her experience, knowledge, and expertise with stakeholder groups and the general public. The following table lists presentations made by the Executive Director on behalf of the ORS:

Name	Date	Topic
Joint Bond Review Committee	8/4/2020	CARES Act Broadband
Joint Bond Review Committee	8/11/2020	CARES Act Broadband
Senate Re-Open SC Select Committee	8/12/2020	Broadband
House CARES Act Ad Hoc Committee	8/26/2020	Broadband
Senate Finance	9/3/2020	COVID-19 Impacts and Broadband
PURC Committee	9/30/2020	ORS Budget
Executive Budget Presentation	10/6/2020	Broadband
Joint Bond Review Committee	10/6/2020	CARES Act Broadband
Joint Bond Review Committee	10/20/2020	CARES Act Broadband

Act 142 Presentation to the Public	10/27/2020	CARES Act Broadband
SC Clean Energy Conference	11/5/2020	Energy
SC Energy Users Committee Fall Conference	11/6/2020	Broadband
HTC Press Conference	11/17/2020	CARES Act Broadband
Broadband Accessibility Act	11/19/2020	Broadband
Joint Bond Review Committee	12/10/2020	CARES Act Broadband
House Ways and Means Transportation and Regulatory Subcommittee	1/12/2021	ORS Budget
Cherokee County Council	1/25/2021	Broadband
Joint Bond Review Committee	1/27/2021	CARES Act Broadband
Senate Finance Santee Cooper Review and Policy Subcommittee	2/8/2021	Santee Cooper

House Ways and Means Economic Development Subcommittee	2/18/2021	Emergency Rental Assistance Program- Utilities
Senate Judiciary Subcommittee	2/24/2021	Santee Cooper
SC Rural Summit- SC Commerce	3/1/2021	Broadband
State Regulation of Public Utilities Review Committee (PURC)	3/2/2021	Texas Winter Storm
House Business, Commerce and Administration Subcommittee	3/2/2021	Solar Leasing Regulations
SC Parks Recreation Tourism Press Conference	3/12/2021	Electric Vehicle Charging
Senate Judiciary Subcommittee	3/17/2021	Santee Cooper
Energy Bar Association	3/25/2021	Regional Transmission Organization
Governor's Hurricane Seminar	5/6/2021	Hurricane Season

House Ways and Means Subcommittee	5/11/2021	Broadband Budget
SC Chamber of Commerce Quarterly Meeting	5/13/2021	Broadband
SC Energy Users Spring Meeting	5/14/2021	SC Grid Study
SC Electric Cooperatives Annual Meeting	6/8/2021	SC Grid Study

In leading the ORS, the Executive Director has established a policy of accessibility and responsiveness for herself and for the agency. This policy has greatly benefited the ORS in the development of positive relationships with the media, legislators, and other stakeholder groups. Whether directly quoted by the media or serving as a reliable source of information for them, the Executive Director is regarded as a respected and accessible expert in utility regulation.

- In FY 20-21, the ORS responded to **292** contacts from the media. Of this total, **23** were responded to directly by the Executive Director; many others were addressed in collaboration with the agency spokesperson.
- In FY 20-21, the agency received and addressed **213** requests from state leaders. The Executive Director directly addressed **144** of these requests.

Notable Cases

In certain cases before the Public Service Commission of South Carolina (PSC or the Commission), the utilities voluntarily agreed to delay rate cases. As a result, cases that would normally have concluded in FY 19-20 carried over to FY 20-21.

Settlements and Stipulations

Dominion Energy SC Rate Case Settlement: 2020-125-E

Two days into FY 21-22, Dominion Energy South Carolina, Inc. (DESC), the ORS, the South Carolina Department of Consumer Affairs (the Consumer Advocate), and intervenors entered into a comprehensive settlement agreement regarding DESC's application to adjust its rates for electric service.

The settlement agreement was the result of lengthy and complicated negotiations between the parties during a six-month pause in the hearing on the application. AARP advocated for a pause and after the hearing began in January 2021, the ORS requested a pause during the COVID-19 pandemic. With the consent of DESC and the other parties, the Commission voted unanimously to grant the requested pause.

All intervenors to the case entered into the agreement except for CMC Steel South Carolina, which indicated it did not oppose the agreement. Intervenors who signed the agreement include the Consumer Advocate, AARP, Frank Knapp, Jr., the United States Department of Defense and all other federal executive agencies, Sierra Club, the South Carolina Coastal Conservation League, the Southern Alliance for Clean Energy, the South Carolina Energy Users Committee, and Walmart, Inc.

The average residential customer's monthly bill increased by \$1.81 (an approximate 1.46 percent increase), representing an approximate 82 percent decrease from the initial request. In its application to increase rates, DESC sought approval to increase the average residential customer's bill by \$9.68.

Other benefits to consumers in the settlement agreement include, but are not limited to:

- A fixed Basic Facility Charge that remains under \$10 for residential customers under Rate 8. The fee currently is \$9, and the settlement amount is \$9.50;
- DESC agrees not to file for another general rate case before July 1, 2023, such that new rates will not be effective prior to January 1, 2024, except where necessary due to

unforeseen extraordinary economic or financial conditions which may include, but not be limited to, changes in tax rates;

- DESC agrees to double the annual commitment to \$1.5 million to Energy Share in 2021 and 2022, \$500,000 of which will be used to support small general service customers. This annual commitment will be funded by Dominion Energy Shareholders and therefore the Company will not seek recovery from customers;
- DESC commits to give up to \$15 million from Dominion Energy Shareholders to be used to give many customers with arrearages a clean slate and \$15 million from Dominion Energy Shareholders to fund a combination of energy-efficiency upgrades and critical health and safety repairs that may be required for a home to receive energy efficiency upgrades; and
- A stakeholder process to examine an electricity affordability program for DESC's low-income customers and address the need for legislation to implement such a program.

Originally, DESC had sought an overall revenue increase of \$178 million and a return on equity of 10.25 percent. The settlement agreement allows for a net increase of \$35.6 million and a 9.5 percent return on equity. The \$35.6 million net increase is achieved, in part, through a rider accelerating the return to customers of \$99.5 million in unprotected property-related Excess Deferred Income Tax as a result of the Tax Cuts Jobs Act passed in 2018. The rider will remain in place until the full balance is depleted, regardless of any change to the federal tax rate that may occur in the future or any general rate proceeding filed by DESC.

The Commission issued an Order approving the settlement agreement on August 16, 2021.

Palmetto Utilities, Incorporated (PUI): 2019-281-S

Palmetto Utilities, Inc. (PUI) filed an application for a rate increase in the fall of 2019 seeking, among other things, to increase customers' monthly sewer bills from \$52.10 to \$66.62, an almost 28 percent increase. The matter was originally scheduled to be heard in late April 2020 but was ultimately heard over July 13 and 14, 2020. PUI waived the statutory deadlines set forth in S.C. Code Section 58-5-240 and voluntarily stayed the deadlines of the proceeding due to the pandemic. The matter was further continued to accommodate the parties' ongoing efforts of settlement negotiations.

The pandemic added additional challenges to the highly contested proceeding – the public night hearings were held virtually, with participants calling in to offer their testimony. The merits hearing was also held virtually with Commissioners, counsel for the parties, and the witnesses all appearing via video conference. During the two virtual public night hearings, the PSC heard from

many PUI customers who voiced their concerns over the impact of the requested rate increase and the unfairness of a flat rate for all customers instead of a volumetric rate.

Prior to the merits hearing, PUI reached an agreement with Intervenor Lisa Levine which resulted in PUI making an annual \$50,000 donation for the next three years to Wateree Community Actions to assist PUI's customers with bill payments.

The day before the merits hearing was to begin, PUI entered into a comprehensive stipulation with the ORS that resolved all issues between the two parties. The stipulations contain many provisions that greatly benefit PUI's customers, with a three-year rate freeze, a return to customers of \$2,032,146 related to the Tax Cuts and Jobs Act, and a rate increase that is a fraction of what PUI originally requested. For the first year, the rate is \$54.93 and thereafter \$59.87. The parties submitted proposed Orders to the PSC on July 29, 2020, and a final Order was issued on August 20, 2020. Savings to consumers is **\$4,619,105**.

DESC Fuel: 2021-2-E

The ORS entered into a stipulation and settlement agreement in the DESC Fuel Adjustment Clause case. The ORS identified an error in the Company's filing resulting in a potential increase to customers of approximately **\$5,549,000**. Through negotiations with the Company and other parties, a settlement agreement was reached in which the Company would not seek to recover this additional amount in this annual fuel proceeding, thereby resulting in these savings to customers. In addition, while other factors may also come into play in determining the residential customer rate, the newly established fuel factor for a residential customer – 2.523 (¢/kWh) – would increase the average monthly bill of a Rate 8 residential customer using 1,000 kWh per month from \$122.31 to approximately \$123.90, a net increase of approximately \$1.59 or 1.30 percent.

Rate Stabilization Act (RSA) Annual Reviews

The ORS filed its reports with the PSC on September 1, 2020 for both the Piedmont Natural Gas (PNG) 2020 RSA and the DESC 2020 RSA; both reports covered the 12-month period ending March 31, 2020.

PNG: 2020-007-G

PNG's calculation of an increase in revenue requirement totaled \$12,446,419. The ORS reached a settlement with PNG resulting in annual savings to ratepayers of **\$8,345,601**.

DESC: 2020-006-G

DESC's calculation of an increase in revenue requirement totaled \$8,630,682. The ORS reached a settlement with DESC resulting in annual savings to ratepayers of **\$2,303,687**.

CUC-ORS Stipulation Agreement: 2020-225-WS

The ORS entered into a stipulation agreement with CUC, Inc. and South Carolina Water Utilities-CUC, Inc. (SCWU-CUC), a subsidiary of SouthWest Water Company, for the sale of CUC's assets to SCWU-CUC. In the stipulation agreement, SCWU-CUC agrees not to apply for a rate increase before January 1, 2025. In addition, certain customer benefits were agreed to including 1) SCWU-CUC will provide customers certain service enhancements, including online billing, a company website, and the option to pay by credit card (within 120 days of closing) and 2) SCWU-CUC will issue refunds totaling \$33,508 related to the 2017 Tax Cuts and Jobs Act (within two billing cycles of closing).

Daufuskie Island Utility Company (DIUC) Settlement: 2014-346-WS

The ORS, Daufuskie Island Utility Company, Inc., and the intervening Daufuskie Island Property Owner's Associations entered into a settlement agreement in the DIUC rate case, which resolved many of the issues before the Commission. The remaining issue is DIUC's assertion that it is entitled to reparations from its customers; this matter is covered later in this section.

The settling parties jointly filed a Consent Order shortly after the filing of the settlement agreement. DIUC sought to charge the new, agreed-upon rates beginning March 1, 2021. The PSC held a settlement hearing on February 26, 2021 and approved the settlement.

Act 62

In FY 20-21, the ORS had continuing responsibilities in dockets created pursuant to the South Carolina Energy Freedom Act (Act 62) signed into law on May 16, 2019.

Integrated Resource Plan (IRP) Proceedings

Act 62 amended the previously established utility Integrated Resource Plan (IRP) statute to include specific requirements and outlined procedural requirements for IRP filings. Act 62 requires the PSC to hold a proceeding to review and either approve, modify, or reject the IRP, with S.C. Code Ann. §58-37-40 (B)(1) setting forth the information that the IRPs must contain. As part of Act 62, each regulated electric utility filed an IRP with the Commission. The ORS reviews the IRPs for compliance with Act 62.

Act 62 DESC IRP Proceeding: 2019-226-E

DESC filed its 2020 IRP with the Commission on February 28, 2020. The IRP modeled eight different resource plans (RP) over a study period of fifteen years. The Company identified RP2 as the least cost and the preferred plan. The ORS report assessed the IRP's compliance with the new requirements established in Act 62, identified flaws, and provided near- and long-term recommendations to be addressed by the Company. The ORS proposed the Company be required to modify the 2020 IRP to address the items identified in the ORS report.

The Company filed a revised 2020 IRP (IRP Supplement) on August 28, 2020 and addressed all the items identified by the ORS report.

On December 23, 2020, the Commission issued Order No. 2020-832 rejecting DESC's 2020 IRP and requiring the Company make modifications to the 2020 IRP, 2021 and 2022 annual updates, and the 2023 comprehensive IRP. The Commission ordered the Company to submit a Modified IRP within sixty (60) days and make several changes to the resource plans selection, resource cost assumptions, and make natural gas and CO₂ prices consistent with the modifications specified in the Order.

The net result of the modifications required by the Commission to the 2020 DESC IRP is a revised time frame for coal retirements to an earlier date, 2028, than that included in the initial IRP; replacement of the coal capacity with new high-efficiency, low-emitting combined cycle and internal combustion turbine natural gas units; and the addition of approximately 2,000 megawatts (MW) of solar and approximately 900 MW of battery storage from 2026 to 2048.

The Company is required to file the 2021 IRP Update by August 17, 2021, which is sixty days from the issuance of Order No. 2021-429 accepting the Company's 2020 Modified IRP.

Act 62 DEC and DEP IRP Proceedings: DEC- 2019-224-E and DEP- 2019-225-E

The Duke Energy Progress (DEP) and Duke Energy Carolinas (DEC) IRP hearings were held from April 26th through May 5th, for a total of eight business days running daily from 9 a.m. to well after 5 p.m. In addition to participation by the ORS, there were six intervenors in the proceedings.

An IRP proceeding provides a map detailing where a utility plans to be over a 15-year planning horizon and how the utility plans to get there. Duke Energy has committed to being carbon-neutral by 2050, which may mean that any carbon-based fuel used would be offset by some form of renewable generation.

The ORS took the position that the proposed IRPs were a reasonable and prudent means of meeting energy and capacity needs. However, the ORS stopped short of deeming them as the "most" reasonable and prudent means. The ORS instead leaves that to the determination of the PSC after reviewing all the evidence presented. On June 28, 2021, the Commission issued an Order requiring modification of the IRPs. The modified IRPs are due August 28, 2021.

Net Energy Metering Proceedings

Act 62 requires electric utilities to submit proposed solar choice metering riders and rate schedules, referred to as Solar Choice Tariffs, for Commission review. The intent is to promote the use of customer-scale distributed energy resources, while equitably allocating costs and

benefits to eliminate cost shift or subsidization associated with net metering to the greatest extent practicable.

Act 62 Net Energy Metering – DESC, DEC, DEP: DESC- 2020-229-E, DEC- 2020-264-E, DEP- 220-265-E

This spring, the ORS participated in the Act 62 Solar Choice Metering Tariff proceedings.

The point of contention in the Solar Choice Metering Tariff cases revolved around the issue of cost shifting. All consumers of electric power pay for the grid that supports electric infrastructure; however, because solar customers' electric bills may be very low, they may avoid having to pay their appropriate share of some of these charges. If so, non-solar customers necessarily will have to pay *more* than their appropriate share of these charges, meaning that portions of the cost of providing service are being unfairly shifted from the customer-generator (solar customer) to the non-participating (non-solar) customer. Based on our analyses, the ORS estimates the cost shifted to the non-participating (non-solar) consumers to be a *minimum* of \$300 annually for DESC customers and a *minimum* of \$400 annually for DEC and DEP customers under their respective proposals. These estimates are conservative and likely are higher.

The Commission voted to reject the Dominion Solar Choice Metering Tariff proposal and voted to reject the ORS' position as to the cost shift that presently occurs.

In the DESC docket, the Company filed a petition for reconsideration, which was granted in part, and approved by Commission Order. In the Duke dockets, the Commission approved Duke's stipulation agreements, to which the ORS was not a party. The ORS filed a petition for reconsideration on the reporting requirements. The Commission granted a limited rehearing. At the time of this writing, oral arguments are scheduled for September 8, 2021.

In addition to any new cost shift that occurs, every customer of DESC, DEC, and DEP currently pays a Distributed Energy Renewable (DER) charge that is capped at an annual amount of \$12.00 for residential customers, \$120 for commercial customers, and \$1,200 for industrial customers. See *annual* DER charge by utility (in dollars) below.

Customer Type	DESC	DEC	DEP
Residential	\$12.00	\$7.62	\$12.00
Commercial	\$73.99	\$34.81	\$44.00
Industrial	\$1,200	\$1,200	\$1,200

The ORS estimates the DER charges will continue past 2040. View the [2021 Report on Status of DER and Net Energy Metering Implementation](#) report for more information.

Daufuskie Island Utility Company (DIUC) Request for Reparations. 2014-346-WS

On May 17, 2021, DIUC filed its brief in support of its request for \$1,332,863 in reparations from customers.

The ORS filed its response in opposition to DIUC's request for reparations on June 17, 2021. As discussed in its brief, DIUC is prohibited from charging its customers for any interest on any alleged lost revenues. The ORS' position is that the awarding of any rates that provide for the future collection of any claim of past lost revenues or interest would constitute impermissible retroactive ratemaking. At the time of this writing, this matter remains unresolved.

Appeals

During FY 20-21, the ORS Legal team gained additional and significant appellate experience in recent regulatory case appeals.

DEC and DEP Appeal to SC Supreme Court on Coal Ash Remediation: DEC- 2019-001900 and DEP- 2019-001904

Pending before the South Carolina Supreme Court is an appeal by Duke Energy Carolinas, LLC and Duke Energy Progress, LLC (Duke or the Companies). While several issues were appealed, the issue with the largest financial impact on South Carolina ratepayers is the cost associated with compliance with North Carolina's Coal Ash Management Act (CAMA). The ORS legal team assisted and gained significant appellate case-preparation experience working with outside Counsel Wallace Lightsey who presented the oral argument on behalf of the ORS on May 26, 2021. At the time of this writing, no disposition has been made in the case.

Because costs are allocated and the Companies operate in both states, the amount allocated in total and sought for by both Companies from South Carolina customers as of May 31, 2019 was \$248,451,000.

North Carolina's CAMA law imposes additional costs over and above what would otherwise have been incurred to comply with South Carolina and federal law. While the ORS did not oppose Duke's recovery of costs that would have been incurred to comply with South Carolina and federal law, the ORS took the position that South Carolina ratepayers should not have to pay increased costs based on a North Carolina law.

Duke may ultimately seek all the costs of remediation, including costs that have not yet been incurred or presented to the PSC. The ORS currently estimates South Carolina's portion to be included in rates would be over \$1 billion if Duke is successful at all stages of litigation.

Carolina Water Service (CWS) Appeal: 2020-000266

Carolina Water Service (CWS) appealed the PSC's decision to deny the Company's request to include in customer rates certain litigation expenses that it incurred in defending a lawsuit brought by the Congaree Riverkeeper for CWS' pollution of the Saluda River and failure to interconnect with the town of Lexington. The ORS filed its final brief with the South Carolina Supreme Court (the Court) on November 17th.

In March of 2021, the ORS argued before the Court asking the Court to affirm the Order of the Commission. On September 1, 2021, the Court issued its decision and affirmed the Commission's decision as argued by the ORS to disallow the litigation costs associated with a failure to comply with The Clean Water Act.

Blue Granite Water Company (BGWC) Appeal: 2020-001283

Blue Granite Water Company (BGWC) appealed the PSC's Order on the merits of its rate application (2019-290-WS) to the South Carolina Supreme Court (the Court) and requested an extension of time to file its initial brief. On October 23, 2020, the Court granted an extension to file the initial brief of BGWC to November 5, 2020.

On November 6, 2020, the Commission issued an Order that granted BGWC's motion for approval of its bond while also addressing other issues. Even though the Commission approved BGWC's bond, the Commission required a stay of placing rates in effect under bond until December 31, 2020. At the time of this writing, the stay is still in place.

In June of 2021, the ORS argued its position before the Court in support of certain portions of the Commission Order. On September 1, 2021, the Court affirmed the Commission's decision in part and reversed in part. The Court remanded the proceeding to the Commission for further consideration.

Noller v. Daufuskie Island Utility Company, Inc. and ORS before the South Carolina Court of Appeals: 2019-001354

ORS attorney(s) will argue the case. Briefs have been filed with the South Carolina Court of Appeals. At the time of this writing, the ORS is awaiting the scheduling of oral argument.

Accomplishments of the Office of Regulatory Staff

Mission and Values

Mission Change

Act 258 became law on June 28, 2018. Through this legislation, public interest is defined as follows:

the concerns of the using and consuming public with respect to public utility services, regardless of the class of customer, and preservation of continued investment in and maintenance of utility facilities so as to provide reliable and high-quality utility services.

This revised public interest definition shifted the ORS from balancing competing interests to a more concentrated focus on consumers. FY 20-21 was the third fiscal year under this new mission.

The **values** of the ORS remain unchanged and are fundamental to its success: *Integrity, Impartiality, Responsiveness, Respect, Professionalism, Innovation, and Excellence*. These seven values are required performance characteristics of every ORS employee as indicated on each employee’s EPMS evaluation.

Savings Resulting from Cases

In FY 20-21, total savings is **\$20,817,393**. The *Notable Cases* section earlier in this report details the ORS’ efforts and accomplishments in major cases.

Savings by Fiscal Year (Rounded to the nearest thousand)	
FY 04-05	\$63,356,000
FY 05-06	\$95,475,000
FY 06-07	\$59,794,000
FY 07-08	\$114,662,000
FY 08-09	\$147,692,000
FY 09-10	\$198,992,000
FY 10-11	\$233,461,000
FY 11-12	\$405,436,000
FY 12-13	\$83,097,000
FY 13-14	\$175,000,000
FY 14-15	\$45,983,000
FY 15-16	\$30,816,000
FY 16-17	\$69,388,000
FY 17-18	\$28,736,000
FY 18-19	\$158,850,000
FY 19-20	\$14,520,000
FY 20-21	\$20,817,000
TOTAL	\$1,925,258, 000

Consumer Protection and Assistance

Consumer Services

Under the direction of the Executive Director, the ORS Consumer Services Department is the first line of contact for consumers who have complaints regarding their utilities. Consumer Services supported consumers to arrange installment payments, extensions to payment due dates, manageable security deposits, and access to community financial assistance resources. Staff worked with consumers to recover funds due to erroneous charges, refunds of deposits, unauthorized charges, incorrect rates being charged, or disputes about charges.

In FY 20-21, Consumer Services investigated **1,487** complaints and inquiries from consumers and recovered **\$253,146** on their behalf (approximately \$127,000 of which are annually recurring recoveries). Two large recoveries for consumers included:

\$82,800: Consumer Services investigated Blue Granite Water Company's (BGWC) AMI meter (smart meter) installation settings. The results of the investigation revealed overcharges for several Lake Wylie area commercial accounts. The accounts were corrected, which resulted in customer reimbursements totaling **\$82,800**.

\$14,405: Consumer Services investigated a high water-bill complaint for a Lake Wylie commercial account served by BGWC. The investigation revealed an overcharge due to a metering issue and resulted in a credit of \$14,404.99 to the customer.

As part of its consumer education outreach, Consumer Services distributed **42,400** publications and promotional materials. This includes a mailout of 5,100 that would have been sent in late spring of 2020; however, due to the remote working environment at that time, the spring mailout was delayed until July 2020.

Broadband

During the prior fiscal year when the COVID-19 pandemic began, it became clear that South Carolina was lacking internet access, particularly in its rural areas and among the most vulnerable populations impacted by COVID-19. The pandemic brought to the forefront the greater need for internet service.

Administration of the CARES Act

Act 142 authorized the ORS to expend up to \$50 million to address broadband needs through federal funds disbursed to South Carolina pursuant to the federal *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act).

This effort to address broadband needs had three components: online learning, mapping, and infrastructure (phase 1) initiatives. Under the broadband portion of Act 142, the ORS was directed to do the following:

- 1) Secure a vendor for the development of a broadband statewide county-by-county mapping plan
- 2) Secure a vendor for the development of a statewide broadband infrastructure plan. The infrastructure plan was to identify and prioritize communities in South Carolina where access to broadband had impeded the delivery of distance learning, telework, and telehealth for the most vulnerable population of South Carolinians impacted by COVID-19. The plan was required to identify the role that public and private broadband operators could play in addressing South Carolina's broadband plans.
- 3) Create, in consultation with the South Carolina Department of Education (SCDOE) and the Commission on Higher Education, an online learning initiative by procuring mobile hotspots and monthly service through December 2020 for distribution to a minimum of 100,000 households.

Within approximately six months, these three broadband initiatives under Act 142 were successfully concluded. See *Accomplishments as the Executive Director* and *Challenges of the Office of Regulatory Staff* for more information on achievements in broadband.

SC Equipment Distribution Program

The South Carolina Equipment Distribution Program (SCEDP), housed within the ORS, helps consumers who are deaf or have hearing or speech challenges by providing them with specialized telephone equipment. In FY 20-21, SCEDP continued to expand outreach around the state including distribution of **87,170** publications and printed materials. The program received and reviewed **660** applications; approved **598** applications; and conducted installations for **37** SCEDP clients, which included training on how to use the specialized telephone equipment.

In April 2021, the SCEDP program resumed installations and outreach after being on hold due to COVID-19 restrictions. During the height of the pandemic, SCEDP staff was able to deliver new phone equipment to a quarantined assisted living facility so that a 104-year-old resident could stay connected to her family. Her daughter-in-law describes the relief they felt when SCEDP was able to make it possible for she and her mother-in-law to communicate:

“Being able to talk to her every day by phone was what got us through the pandemic. It was the only way we could communicate, and it has made a huge positive difference in our lives. We cannot say enough good things about the people at EDP and their willingness to help us -- including delivering a new phone to her

during the pandemic when her facility was quarantined, and no one was available to come to Columbia to pick one up.

We're so lucky to have been able to participate in the program, and we encourage anyone who could benefit from this program not to wait but to get in touch with the people at EDP. I know they'll have the same wonderful experience we did."

Safety and Enforcement

During the COVID-19 pandemic, the Pipeline Safety, Rail Safety, and Transportation programs continued inspections while following all guidelines for safety and social distancing. Each of these areas consulted with federal and state counterparts on best practices for safe inspections during the COVID-19 crisis.

Pipeline

Inspectors focused on different aspects of operator safety throughout the year including right-of-way, regulator, drug and alcohol abuse inspections, and pipeline operators' emergency plans. For all inspections, inspectors check to see whether the operators are complying with regulations of the Pipeline and Hazardous Materials Safety Administration (PHMSA).

Rail

ORS rail was recognized for its leadership in the region as the ORS Chief of Broadband, Communications, and Safety was elected as Region 3 representative for the Association of State Rail Safety Managers (ASRSM). Region 3 consists of several southern states. In this new role, he serves on the ASRSM Executive Board, which meets monthly with the Federal Railroad Administration.

Rail inspectors continued inspections of South Carolina's infrastructure to help ensure that the citizens of South Carolina remain safe and unharmed and to keep related injuries or fatalities to a minimum. They focused on right-of-way, roadway worker, and general rail yard inspections, all of which are conducive to social distancing.

Transportation

Transportation staff members conducted inspections of new passenger carriers, worked numerous complaints, and continued to issue certificates and decals for passenger carriers.

Staff conducted the annual driver-file audits of the Transportation Network Carriers (TNC) – Uber, Lyft, and Uzurv 360. The purpose of this type of audit is to enhance passenger

safety by examining randomly selected driver files for the following information: 1) making sure the driver is 21 or older and has a valid driver's license 2) examining the driver's 10-year driving record 3) making sure the company has conducted local and national criminal background checks 4) ensuring that the driver has valid personal automobile insurance and 5) making sure the vehicle has passed inspection. In addition, the ORS requests of each TNC their total number of complaints received in the one-year review period. Each TNC must also furnish the ORS with the disposition of ten customer complaints that display tracking from the time the complaint is registered until its resolution.

Other safety and enforcement highlights from the year are as follows:

Pipeline Safety

Pipeline Safety received its 2019 annual scores from the PHMSA. For the program evaluation, which looks at the effectiveness of the ORS Pipeline Safety program to conduct inspections and enforcement, the ORS received a 94 out of 95 (approximately 99 percent). The one-point deduction was because the ORS does not issue civil penalties. On the progress report, the agency received a 48 out of 50 (96 percent) because the civil penalty amounts in South Carolina statutes do not match the federal level of civil penalty amounts.

Through its damage-prevention initiative, ORS Pipeline Safety makes educating third-party contractors on safe-digging practices a top priority. In addition, ORS Pipeline Safety is a leader in the SC Pipeline Emergency Response Initiative (SC PERI) that trains firefighters to respond to natural gas-related incidents. These efforts will continue in FY 21-22.

ESF 12***EMD and COVID-19***

For a large portion of FY 20-21, ESF 12 continued to participate in weekly calls with the Governor's Office, the counties, and the National Association of State Energy Officials regarding COVID-19. ESF 12 helped to formulate a COVID-19 vaccination rollout plan that distributed the vaccine to South Carolinians in three phases. ESF 12 also coordinated with the electric cooperatives to use some of their facilities as points of distribution for the vaccine.

Colonial Pipeline

As a stark reminder of the interconnectedness of cyber security with our nation's fuel supply, the ORS received notification on May 7, 2021 that Colonial Pipeline was shutting down its operations due to a cyber-attack. The ORS immediately notified the SC Emergency Management Division. In addition, the ORS began communicating with its fuel partners to 1) gather information and 2) see if they had any needs. The ORS was able to coordinate so that waivers for suppliers were provided by the SC Department of Agriculture to allow the use of different blends of gasoline,

thereby mitigating the impact to the gasoline supply. The ORS also was in communication with Gas Buddy, who shared their data on fuel availability.

South Carolina did sustain gasoline outages and shortages due to panic buying and hoarding. Ultimately, Colonial Pipeline paid \$4.4 million in digital currency as ransom, and by May 12, 2021, Colonial Pipeline announced that it would resume operations. Colonial Pipeline provides 70 percent of the petroleum products to South Carolina; the remaining 30 percent is provided by a combination of Plantation Pipeline and through the port of Charleston. South Carolina consumes 2.6 billion gallons of motor fuel annually.

Gas Buddy Partnership for Emergency Activations

During the Colonial Pipeline incident, it became apparent that having up-to-date information on the petroleum market is essential. The ORS and Gas Buddy created an innovative contractual agreement, executed on July 2, 2021, whereby Gas Buddy provides the ORS daily update meetings during emergency activations. When not in an activation mode, Gas Buddy will meet with the ORS monthly and provide updates on the market. As of this writing (July 2021), the first monthly non-emergency briefing has occurred.

Energy

Financial Support

The Energy Office promotes energy efficiency, renewable energy, and clean transportation among public and private entities and nonprofits through four low-interest loan/grant programs: ConserFund, ConserFund Plus, mini-grants, and the Energy Efficiency Revolving Loan (EERL) program. The Energy Office has provided financial support in a variety of ways:

- Awarded two ConserFund loans totaling \$1,194,000
- Completed three ConserFund Plus loans resulting in projected lifetime savings to borrowers of over \$3.5 million
- Provided public entities and nonprofits with seven mini-grants totaling \$70,000 to spur innovation and save over \$666,000 over the useful life of projects
- Retrofitted 15 buildings comprising 664,799 square feet
- Approved approximately \$83,000 in energy-efficiency tax credits
- Note: No tax credit applications were submitted for renewable energy or transportation in this program year. No EERL loans were awarded during this reporting period, due to impacts of COVID-19.

State Energy Plan

Energy Efficiency Roadmap

The Energy Office completed its Energy Efficiency Roadmap initiative, which had launched in October 2019 with the objective of reviewing and reassessing energy efficiency recommendations resulting from the 2016 Energy Plan that had not yet been implemented, as well as identifying new opportunities and developing next steps.

The Energy Efficiency Roadmap report was released in January 2021 by the Duke Nicholas Institute. The report summarizes the collaborative work of the stakeholders during the initiative and details 20 recommendations which resulted from the stakeholder engagement process.

The Energy Office is proceeding with developing individual “blueprints” of steps to achieve each recommendation and is conducting additional stakeholder engagement pertaining to certain high-priority recommendations.

Transportation: Lead by Example

A key component of the 2016 State Energy Plan was to lead by example to advance clean transportation. Since becoming the first state agency to purchase an electric vehicle (EV) in 2020, the Energy Office has been collecting data on vehicle use, maintenance, and costs to serve as a case study and assist other state agencies interested in procuring EVs. Among other initiatives to advance clean transportation are the following:

- Earned official re-designation and continued to support the work of Palmetto Clean Fuels (PCF), a US Department of Energy Clean Cities Coalition
- Coordinated with SC Department of Transportation to make recommendations to US Department of Transportation on Alternative Fuels Corridors
- Launched an incentive program for EV charging station owners to standardize signage and pavement markings as part of the Plug in SC initiative
- Organized and delivered PCF webinars and ride-and-drives

Accomplishments as the Executive Director

COVID-19 was still a major factor during this review period. The Executive Director led the ORS through this crisis and assumed additional responsibilities for the agency.

Case Management

Details of cases are included in the *Notable Cases* section of this report, and challenges unique to the DESC rate case are covered in *Section 7: Challenges of the Office of Regulatory Staff*. Below are highlights of a few major cases and the achievements and challenges of each.

The ORS has completed three fiscal years operating under the consumer-focused mission resulting from the passage of Act 258. Utility cases have become more challenging, but the ORS Executive Director and staff continue to work with all parties, including utilities, to resolve as many issues as possible. In all cases, but particularly those noted below, the Executive Director represented the public interest through effective discernment of complex issues and through diligently and skillfully working to promote consensus.

DESC Rate Case: 2020-125-E

DESC filed its application on August 14, 2020. Among its features were:

- An increase to rates of approximately 7.7 percent.
- A total annual revenue increase of approximately \$178 million.
- A requested Return on Equity (shareholder return) of 10.25 percent.

In November, the Executive Director noted in her monthly letter to the State Regulation of Public Utilities Review Committee: “With the recent surge in the pandemic and after hearing the night hearing testimony, any decision to increase electric rates would greatly impact customers who currently struggle to meet basic needs such as food and shelter.”

The merits hearing began on January 5, 2021. On January 11th, the ORS Executive Director filed a letter with the PSC asking DESC and the intervening parties to agree to a six-month pause in DESC's application for a rate increase due to adverse economic conditions affecting customers during the COVID-19 pandemic.

The pause was agreed to by all parties and approved by a unanimous vote of the PSC. That meant no potential increase could be approved until after the case resumed July 12, 2021, and an order from the PSC was issued—presumably no later than August 16, 2021.

Two days into FY 21-22 and ten days before the merits hearing was to resume, DESC, the ORS, the South Carolina Department of Consumer Affairs (the Consumer Advocate), and intervenors

entered into a comprehensive settlement agreement regarding DESC's application to adjust its rates for electric service.

The settlement agreement was the result of lengthy and complicated negotiations—led by the Executive Director and her legal team— among the parties during the six-month pause in the hearing on the application. With this compromise, all customer classes are receiving a small increase — but one much lower than originally requested

On August 16, 2021, the PSC issued an Order approving the settlement agreement.

A great deal of diligence and persistence went into pulling together the DESC settlement agreement. The Executive Director showed great compassion and discernment in requesting the pause and great leadership in the subsequent months of negotiations that led to the settlement agreement. It is the opinion of the ORS that a fully litigated case would certainly have been appealed to the South Carolina Supreme Court.

Palmetto Utilities, Incorporated (PUI): 2019-281-S

PUI filed an application for a rate increase in the fall of 2019 seeking, among other things, to increase customers' monthly sewer bills from \$52.10 to \$66.62, an almost 28 percent increase. The matter was originally scheduled to be heard in late April 2020 but was ultimately heard over July 13 and 14, 2020. PUI waived the statutory deadlines set forth in S.C. Code Section 58-5-240 and voluntarily stayed the deadlines of the proceeding due to the pandemic. The matter was further continued to accommodate the parties' ongoing efforts of settlement negotiations.

The pandemic added additional challenges to the highly contested proceeding – the public night hearings were held virtually, with participants calling in to offer their testimony. The merits hearing was also held virtually with Commissioners, counsel for the parties, and the witnesses all appearing via video conference. During the two virtual public night hearings, the PSC heard from many PUI customers who voiced their concerns over the impact of the requested rate increase and the unfairness of a flat rate for all customers instead of a volumetric rate.

The day before the merits hearing was to begin, PUI entered into a comprehensive stipulation with the ORS that resolved all issues between the two parties. The stipulations contain many provisions that greatly benefit PUI's customers.

Act 62 Proceedings

In FY 20-21, the ORS had continuing responsibilities in dockets created pursuant to the South Carolina Energy Freedom Act (Act 62) signed into law on May 16, 2019. The FY 20-21 cases falling under Act 62 drew a great deal of attention and were at times contentious, due to the issues inherent in each.

IRP Proceedings

Act 62 amended the previously established utility Integrated Resource Plan (IRP) statute to include specific requirements and outlined procedural requirements for IRP filings. Act 62 requires the PSC to hold a proceeding to review and either approve, modify, or reject the IRP, with S.C. Code Ann. §58-37-40 (B)(1) setting forth the information that the IRPs must contain. As part of Act 62, each regulated electric utility filed an Integrated Resource Plan (IRP) with the Commission. The ORS reviews the IRPs for compliance with Act 62.

In FY 20-21, the ORS participated in the IRP proceedings of DESC, DEC (Duke Energy Carolinas), and DEP (Duke Energy Progress).

The ORS took the position that the proposed IRPs were a reasonable and prudent means of meeting energy and capacity needs. However, the ORS stopped short of deeming them as the “most” reasonable and prudent means. The ORS instead left that to the determination of the PSC after reviewing all the evidence presented.

Net Energy Metering Proceedings

Act 62 requires electric utilities to submit proposed solar choice metering riders and rate schedules, referred to as Solar Choice Tariffs, for Commission review. The General Assembly’s intent is to promote the use of customer-scale distributed energy resources, while equitably allocating costs and benefits to eliminate cost shift or subsidization associated with net metering to the greatest extent practicable.

In FY 20-21, the ORS participated in the solar choice metering tariff proceedings of DESC, DEC, and DEP.

The point of contention in the Solar Choice Metering Tariff cases revolved around the issue of cost shifting. All consumers of electric power pay for the grid that supports electric infrastructure; however, because solar customers’ electric bills may be very low, they may avoid having to pay their appropriate share of some of these charges. If so, non-solar customers necessarily will have to pay *more* than their appropriate share of these charges, meaning that portions of the cost of providing service are being unfairly shifted from the customer-generator (solar customer) to the non-participating (non-solar) customer. Based on ORS’ analyses, the ORS estimates the cost shifted to the non-participating (non-solar) consumers to be a *minimum* of \$300 annually for DESC customers and a *minimum* of \$400 annually for DEC and DEP customers under their respective proposals. These estimates are conservative and likely are higher.

The Commission voted to reject the Dominion Solar Choice Metering Tariff proposal and voted to reject the ORS’ position as to the cost shift that presently occurs.

In the DESC docket, the Company filed a petition for reconsideration, which was granted in part, and approved by Commission Order. In the Duke dockets, the Commission approved Duke's stipulation agreements, to which the ORS was not a party. The ORS filed a petition for reconsideration on the reporting requirements. The Commission granted a limited rehearing. At the time of this writing, oral arguments are scheduled for September 8, 2021.

Keeping Consumers Informed and Connected

Through tireless work by the Executive Director and staff for the approximately six-month period of the CARES Act funding (late June through December 2020), both programmatic and budgetary successes were achieved.

Within approximately six months, three broadband initiatives were successfully completed — with funds to spare. By January of 2021, the ORS announced successful completion of its administration of CARES Act funds. Through the Online Learning Initiative, Broadband Infrastructure Program, and Mapping and Planning efforts, more South Carolinians have access to reliable, high-speed broadband internet to enhance distance learning, telehealth, and other needs. Impressive results achieved by the end of 2020 included:

- **The Online Learning Initiative:** This initiative procured over 100,000 mobile hotspots and wired internet service for qualifying student households in school districts and institutions of higher learning statewide.
- **Mapping and Planning:** The ORS launched the state's Broadband Map in December 2020, creating an accessible platform for the public to see where broadband is – and isn't – available in South Carolina.
- **The Infrastructure Program (Phase 1):** This initiative helped to expand broadband access to almost 20,000 structures in the state; specifically, 18,574 households were passed under the program, meaning they were eligible to subscribe to services.

Success Leads to Success – Infrastructure Project Phase 2

In March of 2021, the SC Joint Bond Review Committee approved the allocation of \$30 million from the SC Department of Commerce to the ORS to administer an infrastructure grant program in 14 of the state's neediest counties, and up to \$7 million could be used in adjacent counties. With assistance from the SC Revenue and Fiscal Affairs Office, the ORS produced a map showing areas of need in the 14 counties and 15 adjacent counties.

As of this writing (July 2021), the ORS has issued Notices to Proceed to 17 internet service providers in 19 counties for almost \$30 million in projects to expand broadband availability in rural areas of need in South Carolina.

The first construction reports are due to the ORS by October 15, 2021, and all projects are scheduled to be completed by October 31, 2022.

Broadband Office

Approximately one year after the ORS began its work with broadband under Act 142, the Office of Broadband Coordinator opened at the ORS on July 1, 2021, giving the agency permanent responsibility for the expansion of internet in South Carolina. The ORS anticipates much progress in the coming fiscal year.

Innovation in Allendale County

A discussion of the broadband-expansion effort thus far would not be complete with highlighting the innovative project led by the ORS, under the leadership of the Executive Director, in Allendale County — one of South Carolina's most impoverished areas. The ORS partnered with SCETV, SCDOE, University of South Carolina (USC) Salkehatchie, Allendale County School District, Allendale Hampton Jasper Regional Library, Town of Allendale, and Revolution D, Inc. to launch a pilot program allowing free Wi-Fi to students and/or the public together with residential broadband service in Allendale County. Project partners worked with Palmetto Rural Telephone Cooperative to get fiber backhaul and with DESC to get electricity to the SCETV towers located in Allendale County. In this groundbreaking pilot program, community fixed wireless broadband service was established in just 61 days where no internet existed before.

In addition to free public Wi-Fi hubs, the pilot project allows for access to residential wireless broadband services. In February 2021, devices were provided to 20 households in Allendale County to pilot the new wireless technology. These households will provide speed-test data (download and upload speeds) and help inform future wireless broadband deployment across the state.

On May 7, 2021, the ORS hosted a press conference in Allendale to celebrate the successful completion of this project. More than 200 people attended the press conference. The keynote speaker was U.S. House Majority Whip James Clyburn. The event was recorded and livestreamed by SCETV.

One of the press inquiries that the ORS received because of the Allendale project was from the nationally syndicated radio show, NPR MARKETPLACE TECH®. After learning more about the project and speaking with ORS staff, NPR decided to do a featured series on the project that will last a year and include multiple updates, check-ins, follow-ups, and an on-site visit. The show reaches more than 3 million listeners, and the pieces will highlight the innovative nature of the pilot project and its impact on a community facing significant economic challenges. In addition to NPR's coverage, other national media outlets and organizations have asked for follow-up stories including c|net, The Federal Reserve Bank of Richmond, and the Urban Land Institute.

Rural Digital Opportunity Fund

There are additional funding opportunities for broadband that are not administered by the ORS. One is the Federal Communication Commission's Rural Digital Opportunity Fund (RDOF). Desire to access these funds for broadband deployment has spurred applications for ETC (Eligible Telecommunications Carrier) designation by several broadband providers. As of June 30, 2021, 9 broadband providers applied for and received ETC designation. FCC rules require that a broadband provider have the ETC designation for the FCC-designated areas to receive funding from the RDOF to expand broadband.

Broadband Deployment Permit Working Group

Recognizing the need for coordination across the state, the Executive Director organized a Broadband Deployment Permit Working Group consisting of representatives from CSX, Norfolk Southern, Palmetto Railways, SCDHEC, US Army Corps of Engineers, SCDOT, SC811, and the ORS. The purpose of this group is to identify and coordinate on steps that can be taken to expedite permitting and to let stakeholders know where construction for broadband deployment will occur so they can plan on focusing resources in those areas. The Working Group will continue its coordination efforts in FY 21-22.

Information Consumers Can Use***COVID-19 Resource Page***

The COVID-19 Consumer Resources page, created in FY 19-20 on the ORS website, continued to be a useful resource in FY 20-21. The page includes up-to-date information on consumer resources to help with utility bills and additional updates for consumers; updates on what utilities are doing in response to COVID-19; correspondence between the Governor, the ORS, and the PSC and PSC orders related to COVID-19; state of emergency executive orders arising from COVID-19; and other relevant information.

How the Rate Case Process Works in South Carolina

Recognizing the need for consumer-oriented information on the rate case process, the ORS created new content for its website to inform consumers on the basics of how the rate case process works. The new sections include information that can provide more insight and background on the rate case process.

Case Handouts

To keep consumers informed on the Solar Choice Metering Tariff cases and others, the ORS created consumer-information fact sheets. This practice will continue in FY 21-22.

Social Media Launch

In June of 2021, the ORS launched its social media accounts — Twitter, Facebook, and YouTube pages — for the three primary outreach arms of the agency: ORS (as a whole), the Energy Office, and the South Carolina Equipment Distribution Program (SCEDP). Under the direction of the Executive Director, the social media plan has several safeguards. All social media is intended to inform, but not to be used for the purpose of advocacy. Protocols have been put in place for handling complaints or comments received through social media. The goal is to have more ways to inform consumers.

Energy Saver Tool and Website

In early FY 20-21, the Energy Office launched an online Energy Saver tool and website that can be accessed at EnergySaver.SC.GOV.

This new tool offers an easy way for the public to answer a few simple questions and be shown energy-saving and financing programs available to them in one central, online location. Users can also search programs by category or by program name to find specific program information.

In addition, the Energy Saver website includes additional energy-saving tips for homes and businesses in a user-friendly and easy-to-follow format.

Protection and Assistance for Consumers

The Executive Director represents the public interest with an ever-vigilant eye toward the protection of consumers.

Consumer Public Service Announcements on Solar

Following the conclusion of multiple hearings at the PSC about solar tariff costs, the ORS recorded new Public Service Announcements (PSAs) that specifically address concerns aired during the public-input portion of both the Duke Energy and DESC dockets. The PSAs focus on consumer-related solar panel information and ran statewide in June 2021 through the South Carolina Broadcasters Association. The PSAs were produced at no cost to the ORS, thanks to a partnership with the SC Department of Health and Environmental Control.

Frontier Communications Outage Investigation

In September 2020, the ORS entered a Memorandum of Understanding with Frontier Communications in which the company would provide to the ORS all outage reports through February 2021. This agreement was the result of the ORS' investigation into a prolonged outage of service in October 2019 in the St. Luke community in Georgetown, SC, served by Frontier.

Specifically, for a period of six months starting September 1, 2020, and ending February 28, 2021 Frontier provided the ORS 1) certain information regarding service outages lasting longer than 24

hours and 2) service-quality reports and metrics for its ten wire centers with the highest network-trouble report rate in Frontier's South Carolina service territory.

Helping Victims of Domestic Violence

The Executive Director oversees certain safety-net programs for at-risk consumers such as the deposit waiver for domestic-violence victims begun by the ORS several years ago. In this agreement with the investor-owned electric and gas utilities and women's shelters, the utilities waive the initial credit and deposit requirements for domestic-violence victims. Through the years, this effort has expanded to law enforcement agencies who certify domestic violence victims. In FY 20-21, this program benefited **20** individuals and has benefited **545** individuals since its inception.

State Energy Plan

During FY 20-21, the Executive Director and Energy Office staff continued to work toward addressing top-tier State Energy Plan recommendations as part of the Phase III implementation efforts. The Executive Director will continue to lead the Energy Office in further developing the State Energy Plan in the coming fiscal year.

Administration

Budget

While managing the \$50 million broadband CARES Act funding (see question 7: *Challenges of the Office of Regulatory Staff*), the Executive Director successfully managed the remaining ORS budget of approximately \$15.4 million through careful monitoring of expenses on a regular basis. Successes include, but are not limited to:

- **FY20 Annual Agency Audit:** The SC Office of the State Auditor completed the audit of the ORS accounting records related to the FY20 agreed-upon procedures. The audit was successful. The final audit report for FY20 was published in early FY 21-22 (July 14, 2021), and there were zero findings.
- **Audit of 2020 USF (Universal Service Fund) Financial Statements:** The auditor issued a "clean" opinion, thereby indicating a successful audit. The objective of the audit is to express an independent opinion as to whether the financial statements of the Fund are fairly presented. The ORS is administrator of the Fund; the SC Universal Service Fund provides monetary support for telecommunications services in South Carolina.

Agency Staffing

The Executive Director continues to make organizational changes that better position the ORS for the future. Since May of 2019, several pieces of legislation passed that created new responsibilities for the ORS. The Executive Director has strategically hired new staff, as well as

promoted from within the agency, to ensure that the agency can excel in carrying out all its responsibilities. During FY 20-21, 12 new hires were made; one of these was a newly created position for a broadband coordinator.

At the time of this writing, the Executive Director, along with Human Resources and executive management, are actively working on staffing and looking carefully at the organization to ensure the ORS can fulfill all aspects of its mission. In addition to preparing for the Office of the Broadband Coordinator, ORS leadership is planning for responsibilities related to Santee Cooper under Act 90.

The Executive Director recognizes that, as the workload at the ORS increases, there is a need to work both harder and smarter. Because of new initiatives in FY 20-21, many staff members' positions were successfully retooled to accommodate the agency's needs.

In planning for FY 21-22, the Executive Director continues to assess the agency's core functions in relation to the skillset of the staff, particularly considering the agency's new responsibilities. The Executive Director, along with Human Resources and executive management, actively engage in planning for recruitment of new hires, succession planning, staff training, and career development and career paths for employees.

The expansion of ORS programs, including new programs such as broadband, has also increased the need for marketing and outreach. The expansion of the Information Services department with the addition of a Community Outreach and Communications Manager, hired from within the agency near the end of FY 19-20, has proved effective in fully supporting the customer-focused mission and the additional areas in which the ORS now has a presence.

Looking Ahead

Major pieces of legislation passed by the General Assembly in 2019, 2020, and 2021 will shape the work of the ORS in years to follow.

In addition to a continuing heavy caseload for the agency, including upcoming cases under Act 62 and anticipated rate cases, some of the already-known opportunities and challenges on the horizon for FY 21-22 are:

Launch of the Broadband Office: The opening of the Office of Broadband Coordinator within the ORS on July 1, 2021 brings the immediate challenge of hiring the expertise necessary to fulfill the mission of the program – expanding internet service in South Carolina.

Implementation of Act 90: Act 90 identifies the regulatory duties and responsibilities of the ORS with respect to the South Carolina Public Service Authority (Santee Cooper). The ORS will receive notice of proposed rate adjustments and is vested with the authority to review electric rates established by Santee Cooper. The ORS will have the opportunity to review the proposed rate schedules and written findings that support rate adjustments. The ORS may submit comments to Santee Cooper's Board of Directors, which will be presented for consideration as rates are determined. The legislation requires Santee Cooper to submit an annual pricing report to the ORS. The ORS may inspect Santee Cooper's facilities and examine and make copies of reports and other similar information. The Act provides that a proceeding will be held in any court of competent jurisdiction in ORS' name where it appears that Santee Cooper is failing or omitting to meet its requirements under law. The ORS will be responsible for reviewing Santee Cooper's annual update and provide a report to the Commission concerning its reasonableness. The ORS' responsibilities will take effect on January 1, 2022.

Continued implementation of Act 56: Act 56 requires the ORS to determine compliance with bylaws for the 22 electric cooperatives serving the state. In early calendar year 2021, the ORS completed a compliance audit of Section 7, related to trustee compensation and benefits, the first provision of the Act to be examined. In FY 21-22, the ORS will begin its compliance audits under the remaining sections of Act 56 for all 22 cooperatives. By the end of calendar year 2021, it is expected that the ORS will have completed reviews for all 22 cooperatives addressing the major requirements of Act 56. However, the frequency and scope of the compliance reviews may be adjusted by the Executive Director based on the results of prior reviews.

Continued implementation of Broadband Accessibility Act: Passed in the fall of 2020, the Broadband Accessibility Act is designed to increase access to broadband to promote economic development, job creation, telehealth, and educational advancement. The law provided the ORS with new ongoing responsibilities.

This Act takes advantage of current infrastructure by using electric easements with overhead and underground facilities. Electric cooperatives can lease their facilities to current telecommunications providers, provide broadband service through an affiliate of their electric cooperative, or a combination of these two options.

The ORS has the authority to make inspections, audits, and examinations of electric cooperatives relating to compliance with this law, and the PSC has jurisdiction to resolve disputes.

The Act also allows Santee Cooper to lease, to a third party, excess fiber capacity that is used to provide broadband service. The lease must charge rates, fees, and other charges on a nondiscriminatory basis. The Act requires Santee Cooper to submit its terms and conditions to the ORS for its review and comment.

Continued implementation of the SC Energy Freedom Act (Act 62): Passed in May 2019, Act 62 covers a wide range of topics including avoided cost and power purchase agreements (PPA), voluntary and community solar, net metering, integrated resource plan (IRP), integration study, interconnection, and consumer protection. In FY 21-22, the Commission may further explore integration studies to evaluate the integration of renewable energy and emerging energy technologies into the electric grid for the public interest.

Continued implementation of Consumer-Protection Regulations on Solar: Act 62 directed the ORS to develop consumer-protection regulations applicable to the leasing of renewable energy generation facilities. Act 62 also directed the South Carolina Department of Consumer Affairs to develop consumer-protection regulations for the sales of renewable energy generation facilities. The process of promulgating these regulations began last fiscal year and concluded near the end of FY 20-21: Receiving no opposition, the ORS' proposed regulations passed by default on May 12, 2021 and became effective on May 28, 2021.

These regulations are intended to provide a consumer-protection framework to govern the practices of lessors and protect consumers, in part by requiring lessors to provide appropriate disclosures to help consumers make well-informed decisions prior to entering a lease for a renewable energy generation facility and by providing a formal complaint process for dispute resolution. Under the ORS' regulations, depending on the nature of the violation, a variety of remedies and penalties are provided such as voiding the lease agreement, monetary fines assessed on the lessor, or suspension of the lessor's operations.

Through leadership and consensus building, Executive Director Edwards has successfully led the ORS through many challenges and will continue to do so.

Challenges of the Office of Regulatory Staff

Challenge One

Broadband CARES Act Administration

Prior to FY 20-21, the entire ORS budget – including the Energy Office and the SCEDP program – was approximately \$15.4 million. A monumental challenge in FY 20-21 was administration of \$50 million under Act 142, which became effective June 26, 2020 and had to conclude by December 31, 2020. Act 142 authorized the ORS to expend up to \$50 million to address broadband needs through federal funds disbursed to South Carolina pursuant to the federal *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act).

This effort to address broadband needs had three components: online learning, mapping, and infrastructure (phase 1) initiatives.

Through tireless work by the Executive Director and staff for the approximately six-month period of the CARES Act funding, both programmatic and budgetary successes were achieved.

Under the broadband portion of Act 142, the ORS was directed to do the following:

- 1) Secure a vendor for the development of a broadband statewide county-by-county mapping plan
- 2) Secure a vendor for the development of a statewide broadband infrastructure plan. The infrastructure plan was to identify and prioritize communities in South Carolina where access to broadband had impeded the delivery of distance learning, telework, and telehealth for the most vulnerable population of South Carolinians impacted by COVID-19. The plan was required to identify the role that public and private broadband operators could play in addressing South Carolina's broadband plans.
- 3) Create, in consultation with SCDOE and the Commission on Higher Education, an online learning initiative by procuring mobile hotspots and monthly service through December 2020 for distribution to a minimum of 100,000 households.

Within approximately six months, these three broadband initiatives were successfully completed — with funds to spare. By January of 2021, the ORS announced successful completion of its administration of CARES Act funds. Through the Online Learning Initiative, Broadband Infrastructure Program, and Mapping and Planning efforts, more South Carolinians have access to reliable, high-speed broadband internet to enhance distance learning, telehealth, and other needs. Impressive results achieved by the end of 2020 included:

- **The Online Learning Initiative:** This initiative procured over 100,000 mobile hotspots and wired internet service for qualifying student households in school districts and institutions of higher learning statewide.
- **Mapping and Planning:** The ORS launched the state's Broadband Map in December 2020, creating an accessible platform for the public to see where broadband is – and isn't – available in South Carolina.
- **The Infrastructure Program (Phase 1):** This initiative helped to expand broadband access to almost 20,000 structures in the state; specifically, 18,574 households were passed under the program, meaning they were eligible to subscribe to services.

Of the \$50 million authorized to spend under the CARES Act, the total spent was approximately \$38.4 million with approximately \$11.6 million remaining that was returned to the Executive Budget Office to fund other programs. The SCDOE agreed to administer the online learning initiative beginning January 1, 2021. Consequently, \$8.2 million (of the \$38.4 million expended) was transferred to the SCDOE on December 31, 2020 to pay for hot spot and internet service through June 2021 for public, private K-12 and higher education.

Challenge Two

Dominion Energy South Carolina Rate Case

In FY 20-21, the most challenging case in terms of bringing together diverse interests while representing the best interest of consumers still reeling from the effects of the pandemic was the Dominion Energy South Carolina (DESC) rate case (2020-125-E).

DESC filed its application on August 14, 2020. Among its features were:

- An increase to rates of approximately 7.7 percent.
- A total annual revenue increase of approximately \$178 million.
- A requested Return on Equity (shareholder return) of 10.25 percent.

If DESC had received what it requested in the application, the impact to a residential customer using 1,000 kilowatt hours per month would have been an increase of \$9.68 cents per month (7.91 percent increase). At the time of the application, the total bill amount for a residential customer using 1,000 kilowatt hours was \$122.31. If the full increase were approved by the Commission, the monthly bill would have increased to \$131.99.

In November, the Executive Director noted in her monthly letter to the State Regulation of Public Utilities Review Committee: “With the recent surge in the pandemic and after hearing the night hearing testimony, any decision to increase electric rates would greatly impact customers who currently struggle to meet basic needs such as food and shelter.”

The merits hearing began on January 5, 2021. On January 11th, the ORS Executive Director filed a letter with the PSC asking DESC and the intervening parties to agree to a six-month pause in DESC's application for a rate increase due to adverse economic conditions affecting customers during the COVID-19 pandemic.

The pause was agreed to by all parties and approved by a unanimous vote of the PSC. That meant no potential increase could be approved until after the case resumed July 12, 2021, and an Order from the PSC was issued presumably no later than Aug. 16, 2021.

Two days into FY 21-22 and ten days before the merits hearing was to resume, DESC, the ORS, the South Carolina Department of Consumer Affairs (the Consumer Advocate), and intervenors entered into a comprehensive settlement agreement regarding DESC's application to adjust its rates for electric service.

The settlement agreement was the result of lengthy and complicated negotiations between the parties during the six-month pause in the hearing on the application.

All intervenors to the case entered into the agreement except for CMC Steel South Carolina, which indicated it did not oppose the agreement. On August 16, 2021, the PSC issued an Order approving the settlement agreement.

The agreement will raise the average residential customer's bill by only approximately \$1.81 (an approximate 1.46 percent increase). The settlement amount represents an approximate 82 percent decrease from the initial request. The settlement includes numerous other benefits to consumers (see *Notable Cases*).

A great deal of diligence and persistence went into pulling together this compromise. The challenge was bringing together diverse interests and reaching a compromise that all could live with. It is the opinion of the ORS that a fully litigated case would certainly have been appealed to the South Carolina Supreme Court. With this compromise, all customer classes are receiving a small increase — but one much lower than originally requested.

Challenge 3

Act 135

As required by Act 135, signed into law on May 18, 2020, the ORS conducted monthly compliance reviews of the South Carolina Public Service Authority (Santee Cooper). The ORS completed 11 monthly reviews, covering over 10,000 pages of documents, and issued 12 reports detailing its findings. Each of these reports concluded that, based on the information provided and attestations made by Santee Cooper and in reliance that the responses provided are complete and accurate, Santee Cooper did not take action that violated the terms of Act 135 Section 11(E). Act 135, Section 11(G) provides that the provisions of Act 135, Section 11 “remain in effect through the earlier of May 31, 2021, or until an act of the General Assembly expressly supersedes this provision.” Because this provision of Act 135 has now expired, the ORS completed its last monthly review of Santee Cooper on June 1, 2021.

Implementation of Act 135 was challenging for several reasons. In addition to the tremendous volume of documents to review and the prolonged duration of this review, the ORS had the added complication of conducting this review during the COVID-19 pandemic, which made the sharing of information more challenging. In addition, this was the first time the ORS had been charged with any oversight of Santee Cooper; thus, there was a learning curve on both sides.

Over the course of the review period, the ORS identified various issues of concern in Santee Cooper’s monthly responses. For example, at the request of a staff member of the General Assembly, the ORS contacted Santee Cooper on October 26, 2020 to inquire about the planned issue and refund of debt and to seek additional information about the applicability of Act 135 as to the scheduled transactions. Upon review of the additional information provided, the ORS determined Santee Cooper did not take action that violated the terms contained in Act 135, Section 11, subsection (E)(8).

As another example, in February 2021, Santee Cooper’s Board approved an interest-rate-swap management policy to provide guidelines and parameters for management of such swaps. Santee Cooper advised the ORS it believes such swaps are not permitted by Act 135 but stated that the adoption of the policy was preparatory in nature and that no financial commitments would be made. Given the nature of this action, the ORS recommended that the Santee Cooper Oversight Committee review this matter and provide further instruction as to whether Act 135 permits such planning efforts related to interest-rate swaps.

Under the leadership of the Executive Director, the challenge of Act 135 reviews was addressed through the hard work of a dedicated group of ORS staff who put forth precise and excellent work in conducting lengthy document reviews and preparing monthly reports for the Santee Cooper Oversight Committee.

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