

## ***State Regulation of Public Utilities Review Committee***

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*Heather Anderson*  
*Committee Counsel*  
*Jamey Goldin*  
*Committee Counsel*

*Post Office Box 142*  
*Columbia, South Carolina 29202*  
*(803) 212-6208*

### **MEMORANDUM**

TO: Members of the General Assembly

FROM: Thomas C. Alexander

DATE: December 5, 2016

RE: Evaluations of the South Carolina Public Service Commission, Members of the South Carolina Public Service Commission, Office of Regulatory Staff, Executive Director of the Office of Regulatory Staff, and State Energy Action Plan Overview

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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 on an annual basis and submit the evaluations to the General Assembly. Pursuant to §58-3-530(15), the Review Committee is also required to review the state energy action plan of the State Energy Office, which as of July 1, 2015, is part of the ORS. Enclosed are the Review Committee's evaluations and review. Below we discuss the Review Committee's process for evaluating the agencies, the commissioners, the Executive Director of the ORS, and the state energy action plan.

### **EVALUATION OF THE PUBLIC SERVICE COMMISSION**

The Review Committee adopted goals and objectives for the Commission for the review period with input from the Commission. Subsequent to the review period, 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. Utilizing that report, the Commission's Accountability Report, and information provided to the Review Committee throughout the review period, the Review Committee evaluated the actions of the Commission. The Review Committee finds that the Commission fulfilled all of the goals and objectives established in the evaluation document, as reflected in the Review Committee's attached detailed evaluation of the Commission.

## **EVALUATION OF MEMBERS OF THE PUBLIC SERVICE COMMISSION**

In order to evaluate the commissioners, the Review Committee sent a questionnaire to the commissioners 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, and how the program benefited the commissioner;
- professional 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 to the State of South Carolina (e.g., government, consumers, regulated utilities);
- events attended in the commissioner's official capacity, the sponsoring organizations, and descriptions of the activity (if speech or panel discussions, description of the topic);
- notable cases in which the commissioner took an active role, 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 most significant accomplishments as a commissioner during the review period; and
- areas where there is room for improvement and an explanation as to how the commissioner will take advantage of any opportunities for improvement.

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

- 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. The Review Committee's assessment of each commissioner's performance during the review period is attached.

### **EVALUATION OF THE OFFICE OF REGULATORY STAFF**

The Review Committee adopted goals and objectives for the ORS with input from the ORS. Subsequent to the review period, the ORS provided to the Review Committee a written report of its activities as they relate to those goals and objectives. Utilizing that report, the ORS's Accountability Report, and information provided throughout the review period, the Review Committee evaluated the actions of the ORS. The Review Committee finds that the ORS fulfilled all of the goals and objectives established in the evaluation document, as reflected in the Review Committee's attached detailed evaluation.

### **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, describe 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, his adherence to ethical constraints, his treatment of persons who interacted with him, his effect on employee morale, and his understanding of the goals and mission of the agency. The Review Committee's assessment of the Executive Director's performance during the review period is attached.

## **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. The State Energy Office was transferred to the ORS on July 1, 2015. Since that time, the ORS and the State Energy Office personnel have worked to integrate the State Energy Office with the ORS. During the past year, the ORS staff laid the groundwork, and have worked tirelessly, to create a comprehensive state energy action plan. This energy plan will include information regarding South Carolina's current energy systems and usage, as well as projections and recommendations for South Carolina's future. This energy plan is divided into two phases. Phase One provides a snapshot of South Carolina's current energy systems and usage, as well as a projected forecast for the next 5-10 years. Phase Two will deal with policy recommendations. Work began on this energy plan in the summer of 2016, and ORS staff and a diverse group of stakeholders have worked countless hours on the plan's creation. In addition to ORS staff, 125 persons representing 45 organizations, which include utilities, conservation groups, industry and state agencies, have been involved in committee and subcommittee processes. A website was established to provide information to the general public on work conducted by the ORS and stakeholders, and public hearings were held throughout the state to provide an opportunity for the general public's input. It is anticipated that the final plan will be submitted to the Review Committee in the beginning of 2017.

If you have any questions, please contact Heather Anderson at (803) 212-6208.

**2015-2016 Public Service Commission Strategic Planning  
Evaluation Period July 1, 2015 - June 30, 2016**

**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 the regulatory process.

**GOALS**

To carry out its mission, the Commission should be EFFECTIVE, ENGAGED, and ENTERPRISING in its operations, regulations, communications, and technology.

**EFFECTIVE**

In order for the Commission to serve the public interest, it must consistently provide timely and effective regulation of investor-owned utilities.

**1. The Commission uses technology to increase its effectiveness.**

- ✓ The Commission continued to market its eService System to transportation carriers by utilizing its amended transportation application and by notifying carriers who received an old application.
- ✓ The Commission improved the effectiveness of the eService System to ensure its integrity by calling users who had not accepted an order within three days after its issuance.
- ✓ The Commission continued to use its Twitter account to communicate with the public regarding matters and events at the Commission, including analyzing its accounts to see what types of posts provide the most influence to its followers.
- ✓ The Commission added 1,745 orders and directive orders to its Order Index System.
- ✓ The Commission began a pilot program to send Commission meeting agendas by text message.
- ✓ The Commission monitored its website and docket management system (DMS) activity through Google Analytics, which allowed the Commission to tailor its approach to news and website postings to matters that interest stakeholders the most.

- ✓ The Commission published DMS manuals for internal and external users of the system. The Commission also held a workshop for transportation and non-transportation stakeholders to learn how to effectively navigate the reconfigured DMS.
  - ✓ The Commission published eTariff System manuals for internal and external users.
2. **The Commission reconfigured its eTariff System to a “.net” platform to enhance its security.**
  3. **The Commission continued to clean up its reconfigured DMS and eTariff systems.**
  4. **The Commission implemented DMS training videos, which are on the Commission’s website and DMS.**

**ENGAGED**

In order for the Commission to serve the public interest, it must be **ENGAGED** in its analysis of the issues before it.

1. **The Commission staff provided expert support to the commissioners through analysis and collaboration.**
  - ✓ The Commission hosted several in-house educational seminars on regulatory topics, including the Base Load Review Act, Rate Stabilization Act, and the Administrative Procedures Act.
  - ✓ The Commission maintains a database of technical and legal research for reference material, which now contains 145 items originating from past working documents and presentations.
  - ✓ Commission staff prepared for proceedings by analyzing technical information from industry blogs and providing updates to Commissioners.
  - ✓ Commission staff provided weekly updates to Commissioners regarding matters before the Commission.
2. **The Commission strictly adhered to state ethics laws and the Code of Judicial Conduct.**
  - ✓ The Commission conducted its annual ethics training for commissioners and staff.
  - ✓ The Commission provided commissioners and staff regular updates on ethics through its publication of the *PSC Ethics Watch*. The newsletter contains articles of interest pertaining to ethics, such as reports of ethical violations and selected judicial advisory opinions.
  - ✓ The Commission responded to ethical issues throughout the year and provided guidance and training when necessary.

## ENTERPRISING

The Commission's activities must be ENTERPRISING.

### **1. The Commission maintained an ongoing dialogue with various stakeholder groups regarding the Commission's regulatory mission.**

- ✓ The Commission surveyed its stakeholders (attorneys, utilities, and media) to determine whether regulatory needs were being met and where improvements could be made. This included a survey regarding interest in receiving mobile text alerts of Commission matters.
- ✓ The Commission monitored developments on the federal level affecting South Carolina's regulatory process and drafted appropriate responses, when necessary.
  - Members of the Commission reviewed public sources and notices provided by associations, such as NARUC, the Nuclear Energy Institute, and the Nuclear Waste Strategy Coalition.
  - Commissioners and staff stayed up to date on federal utility regulatory issues through participation in webinars and teleconferences. They also attended seminars, conferences, and workshops that addressed emerging issues within the regulatory arena.
  - The Commission held a meeting for stakeholder input to improve the Commission's operations. An advisory committee meeting was held to discuss text alerts, proposed regulations, generation of DMS Daily Activity Report, and eTariff system feedback.

### **2. Commissioners and staff were active in professional organizations and utilized an effective public information program.**

- ✓ Members of the Commission actively participated in NARUC, SEARUC, NRRI, and other national organizations, as well as served in leadership positions within national organizations.
- ✓ The Commission reported agency news and relevant industry news through the Commission's website, its newsletter, and press releases.
- ✓ The Commission's newsletter, *PSCNews*, was distributed in electronic or hardcopy format to members of the General Assembly, PURC, the Commission's Advisory Committee, and certificated motor vehicle carriers who recently engaged in the regulatory process before the Commission. In addition, copies of the Commission's in-house newsletters on ethics and wellness-and-agency news were distributed to members of PURC.

### **3. The Commission supported initiatives to balance community and professional development activities.**

- ✓ The Commission recognized and supported employee involvement in community activities, as well as encouraged activities that promote a healthy lifestyle. Some of the

beneficiaries of the community service included Harvest Hope Food Bank, disaster relief efforts from the October 2015 floods, and the Lexington County Public Library Bookmobile.

- ✓ The Commission recognized and supported its employees' community involvement by featuring articles in its *Wellness and Agency Newsletter*.
- ✓ The Commission encouraged its workforce to maintain healthy lifestyles by providing opportunities that promoted wellness and increased awareness of the importance of living a healthy lifestyle. The Commission has a prevention and wellness program in place to educate its workforce on good health practices for the home and workplace.



STATE REGULATION OF PUBLIC UTILITIES REVIEW COMMITTEE  
PERFORMANCE EVALUATION

**John E. “Butch” Howard**  
**South Carolina Public Service Commission**  
Seat: First Congressional District  
Review Period: July 1, 2015 - June 30, 2016

Commissioner Howard was initially elected to the Commission on March 3, 2004 and was most recently re-elected on May 25, 2016. During his tenure, he has taken advantage of many opportunities to expand his understanding of public utilities issues. Commissioner Howard is an active member of NARUC and SEARUC. Commissioner Howard serves on the following NARUC committees: the Water Committee, the NARUC Board of Directors, and the Education and Research Subcommittee on which he serves as chairman. He also serves on the National Regulatory Research Institute (NRRI), and the New Mexico State University Current Issues Advisory Council, which develops the curriculum for the Current Issues Forum. Commissioner Howard also is the NARUC representative on the Water Research Foundation, and serves on the Office of Homeland Security’s Government Coordinating Council-Water Sector. He serves as the liaison for the Subcommittee on Education & Research Committee between NARUC and Michigan State.

Commissioner Howard exhibits a desire to increase his knowledge and skills by attending educational programs and seminars. He attended the following educational programs and events:

- NARUC meetings (summer, annual, and winter);
- SEARUC meetings;
- NAWC Summit;
- Emerging Issues Policy Forum;
- Various training sessions, including ethics training as required by law.

Based on surveys of persons appearing before the Commission and Commission employees, Commissioner Howard is courteous to all persons appearing before him, is impartial in his treatment of persons appearing before him, has a positive effect on employee morale, and is respected by attorneys and persons appearing before the Commission. The Review Committee's review revealed no evidence of unethical behavior by Commissioner Howard.

**State Regulation of Public Utilities Review Committee**  
PERFORMANCE EVALUATION

**Elliott F. Elam, Jr.**  
**South Carolina Public Service Commission**  
Seat: Second Congressional District  
Review Period: July 1, 2015 - June 30, 2016

Commissioner Elam was initially elected to the Public Service Commission on May 28, 2014. During his tenure at the Commission, he has taken advantage of many opportunities to expand his understanding of public utilities issues. Commissioner Elam is a member of NARUC and SEARUC. He is a member of the NARUC Committee on Telecommunications and the NARUC Telecommunications Act (TeAM) Task Force. He was appointed by the Federal Communications Commission to serve on the Federal-State Joint Conference on Advanced Telecommunications. He is also a member of the South Carolina Bar's Administrative and Regulatory Law Committee.

During the review period, Commissioner Elam attended the following educational programs and events:

- NARUC meetings (summer, annual, and winter);
- NARUC Annual Regulatory Studies Program;
- SEARUC annual meeting;
- Emerging Issues Policy Forum;
- Critical Consumer Issues Forum;
- Various training sessions and workshops, continuing legal education courses, allowable ex parte briefings, and statutorily required sessions on ethics.

Based on surveys of persons appearing before the Commission and Commission employees, Commissioner Elam is courteous to all persons appearing before him, is impartial in his treatment of persons appearing before him, has a positive influence on employee morale, and is respected by attorneys and persons appearing before the Commission. The Review Committee's review revealed no evidence of unethical behavior by Commissioner Elam.

**State Regulation of Public Utilities Review Committee**  
PERFORMANCE EVALUATION

**Comer "Randy" Randall, III**  
**South Carolina Public Service Commission**  
Seat: Third Congressional District  
Review Period: July 1, 2015 - June 30, 2016

Commissioner Randall was initially elected on May 1, 2013, and was re-elected on May 25, 2016. During his tenure, he has taken advantage of many opportunities to expand his understanding of public utilities issues. During the review period, Commissioner Randall was an active member of NARUC and SEARUC. He serves on the NARUC Committee on Water and the Subcommittee on Nuclear Issues - Waste Disposal.

Commissioner Randall attended various educational programs and events during this review period, including:

- NARUC meetings (summer, annual, and winter), during which he participated on panels at the annual and winter meetings;
- SEARUC Annual Meeting, during which he participated on a panel regarding water issues;
- National Association of Water Companies (NAWC) National Water Summit, during which he gave a presentation on water issues relevant to South Carolina;
- Emerging Issues Policy Forum, during which he gave a presentation on electricity issues;
- Energy Policy Leadership Summit;
- Various training sessions and workshops, including allowable ex parte briefings and statutorily required sessions on ethics.

Based on surveys of persons appearing before the Commission and Commission employees, Commissioner Randall is courteous to all persons appearing before him, is impartial in his treatment of persons appearing before him, has a positive influence on employee morale, and is respected by attorneys and persons appearing before the Commission. The Review Committee's review revealed no evidence of unethical behavior by Commissioner Randall.

STATE REGULATION OF PUBLIC UTILITIES REVIEW COMMITTEE  
PERFORMANCE EVALUATION

**Elizabeth “Lib” Fleming**  
**South Carolina Public Service Commission**  
Seat: Fourth Congressional District  
Review Period: July 1, 2015 - June 30, 2016

Commissioner Fleming was initially elected March 3, 2004, and was most recently re-elected May 28, 2014. During her tenure, she has taken advantage of many opportunities to expand her understanding of public utilities issues. She is an active member of NARUC and SEARUC. Commissioner Fleming is a member of the NARUC Committee on Critical Infrastructure and the Committee on Electricity. She served as chair for the Eastern Interconnection States Planning Council (EISPC), and also served on the EISPC Sector Steering Council. Federal grant funds for EISPC ceased on June 3, 2015, but its work continues through the National Council on Electricity Policy, which was formed in 2016, and Commissioner Fleming serves as its chair. Commissioner Fleming also serves as the vice-chair of the New Mexico State University Center for Public Utility Advisory Committee. She serves as a board member for the National Regulatory Research Institute and on its Investment Committee.

Commissioner Fleming exhibits a desire to increase her knowledge and skills by attending educational programs. She attended various educational programs and events during this review period, including:

- NARUC meetings (summer, annual, and winter);
- NAWC Water Summit;
- Women’s Emerging Issues Policy Forum;
- Emerging Issues Policy Forum;
- Current Issues 2016;
- EEI 2015 Fall Clean Power Plan Stakeholder Workshop;
- National Council on Electricity Policy;
- Various ex parte briefings and workshops, including statutorily required sessions on ethics.

Based on surveys of persons appearing before the Commission and Commission employees, Commissioner Fleming is courteous to all persons appearing before her, is impartial in her treatment of persons appearing before her, has a positive influence on employee morale, and is respected by attorneys and persons appearing before the Commission. The Review Committee's review revealed no evidence of unethical behavior by Commissioner Fleming.

STATE REGULATION OF PUBLIC UTILITIES REVIEW COMMITTEE  
PERFORMANCE EVALUATION

**Swain E. Whitfield**  
**South Carolina Public Service Commission**  
Seat: Fifth Congressional District  
Review Period: July 1, 2015 - June 30, 2016

Commissioner Whitfield was initially elected on July 1, 2008 and was most recently re-elected on May 25, 2016. During his tenure, he has taken advantage of many opportunities to expand his understanding of public utilities issues. He is an active member of NARUC and SEARUC; he was elected as SEARUC's First Vice-President in June 2016. Commissioner Whitfield serves as vice-chair on the Gas Technology Institute Advisory Board (GTI). Commissioner Whitfield was elected as the Commission's chair during the review period.

Commissioner Whitfield exhibits a desire to increase his knowledge and skills by attending educational programs. He attended various educational programs and events during this review period, including:

- SEARUC Annual Meeting;
- GTI Advisory Board meeting;
- NAWC Water Summit;
- SC Energy Users Committee Annual Meeting, where he was a speaker;
- Emerging Issues Policy Forum, during which he served on a panel regarding Cyber Security;
- Various ex parte briefings, forums, and seminars, including statutorily required sessions on ethics.

Based on surveys of persons appearing before the Commission and Commission employees, Commissioner Whitfield is courteous to all persons appearing before him, is impartial in his treatment of persons appearing before him, has a positive influence on employee morale, and is respected by attorneys and persons appearing before the Commission. The Review Committee's review revealed no evidence of unethical behavior by Commissioner Whitfield.

STATE REGULATION OF PUBLIC UTILITIES REVIEW COMMITTEE  
PERFORMANCE EVALUATION

**Nikiya "Nikki" Hall**  
**South Carolina Public Service Commission**  
Seat: Sixth Congressional District  
Review Period: July 1, 2015 - June 30, 2016

Chairman Hall was initially elected to the commission on May 28, 2010 and was re-elected on May 28, 2014. Chairman Hall served as the chair of the Public Service Commission during the review period. She is an active member of NARUC and SEARUC. Chairman Hall is the chair of the NARUC's Utility Market Access Committee, and is a member of the Electricity Committee. She is also a member of the Washington Action Subcommittee and the Nuclear Waste Strategy Coalition. Chairman Hall has taken advantage of many opportunities to expand her understanding of public utilities issues.

Chairman Hall exhibits a desire to increase her knowledge and skills by attending educational programs. She attended various educational programs and events during this review period, including:

- NARUC meetings (summer, annual, and winter), during which she led the Utility Marketplace Access subcommittee meetings;
- SEARUC Annual Meeting;
- National Utility Diversity Council Annual Meeting;
- Various ex parte briefings, forums, and seminars, including statutorily required sessions on ethics.

Based on surveys of persons appearing before the Commission and Commission employees, Chairman Hall is courteous to all persons appearing before her, is impartial in her treatment of persons appearing before her, has a positive influence on employee morale, and is respected by attorneys and persons appearing before the Commission. The Review Committee's review revealed no evidence of unethical behavior by Chairman Hall.

STATE REGULATION OF PUBLIC UTILITIES REVIEW COMMITTEE  
PERFORMANCE EVALUATION

**G. O'Neal Hamilton**  
**South Carolina Public Service Commission**  
Seat: Seventh Congressional District  
Review Period: July 1, 2015 - June 30, 2016

Commissioner Hamilton was initially elected on March 3, 2004, and was most recently re-elected on May 25, 2016. Commissioner Hamilton is an active member of NARUC and SEARUC. He serves on the NARUC Board of Directors, and is a member of NARUC's Nuclear Issues Committee, as well as the Waste Disposal and the Clean Coal subcommittee. Commissioner Hamilton is a member of the North American Numbering Council. During his tenure, he has taken advantage of many opportunities to expand his understanding of public utilities issues.

Commissioner Hamilton exhibits a desire to increase his knowledge and skills by attending educational programs. He attended various educational programs and events during this review period, including:

- NARUC meetings (summer, annual, and winter);
- SEARUC Summit;
- North American Numbering Council (NANC) conference calls;
- Various allowable ex parte briefings and workshops, including statutorily required sessions on ethics.

Based on surveys of persons appearing before the Commission and Commission employees, Commissioner Hamilton is courteous to all persons appearing before him, is impartial in his treatment of persons appearing before him, has a positive influence on employee morale, and is respected by attorneys and persons appearing before the Commission. The Review Committee's review revealed no evidence of unethical behavior by Commissioner Hamilton.

## EXHIBIT C

### STATE REGULATION OF PUBLIC UTILITIES REVIEW COMMITTEE PERFORMANCE EVALUATION

AGENCY: South Carolina Office of Regulatory Staff

PERIOD: July 1, 2015 - June 30, 2016

MISSION: The Office of Regulatory Staff ("ORS") represents the public's interest in utility regulation by balancing the concerns of the using and consuming public, the financial integrity of public utilities, and the economic development of South Carolina.

#### ORS MISSION

THE ORS REPRESENTS THE PUBLIC INTEREST BY BALANCING THE CONCERNS OF THE USING AND CONSUMING PUBLIC, THE FINANCIAL INTEGRITY OF PUBLIC UTILITIES, AND THE ECONOMIC DEVELOPMENT OF SOUTH CAROLINA.

#### GOAL:

THE ORS IS RESPONSIVE TO THE PUBLIC.

#### A. OBJECTIVES/ACTION ITEMS

- ✓ The ORS resolves consumer complaints in a timely manner.
- ✓ The ORS provides technical regulatory assistance to public utilities.
- ✓ The ORS solicits public input on emerging issues.
- ✓ The ORS optimizes consumer education and outreach efforts by publishing brochures, fliers, and booklets and by communicating consumer-oriented information and news via its website and participation in public forums.
- ✓ The ORS provides press releases and alerts to media when newsworthy matters involving public utilities arise.
- ✓ The ORS responds to requests for assistance from the Governor, legislators, and others.

#### Comments:

*The Office of Regulatory Staff accomplished all of the objectives and action items listed above. The ORS continued to be very responsive to the public in FY 15-16 and maintained its helpful presence in both*



traditional mainstream media and on the ORS and SC.Gov websites. The ORS processed approximately 1,929 complaints and inquiries which saved consumers approximately \$203,161. Three annually recurring savings are included in this total. They include \$102,972 (originating in FY 12-13) as the result of the ORS recovering this amount for a sewer customer; \$4,079 and \$19,522 (originating in FY 13-14) due to resolution of complaints for two sewer customers. ORS held transportation forums at various locations throughout the State, with attendance at each event averaging around 40 consumers. In FY 15-16, ORS responded to 32 FOIA requests, 490 technical water/wastewater related inquiries, over 400 telecommunication inquiries, and received and investigated 65 customer complaints involving service outages. ORS received and responded to 6,672 incoming public calls in FY 15-16. ORS provided materials for consumer education, including distribution of over 38,000 consumer education and advisory brochures, participated in community meetings and provided presentations at various seminars. ORS appeared on WLTX-Columbia to discuss the agency's role in helping customers work with utilities in anticipation of high winter utility bills. The agency continuously remained engaged during the unprecedented thousand year flood in October 2015, which caused hundreds of thousands of outages across the state, and is considered one of the most devastating weather events in South Carolina in modern history. The agency partnered with SCEMD, other state agencies, and all the electric supplies - investor-owned, cooperatives, municipalities, and Santee Cooper - to bring comfort and relief to flood victims. From the onset of flooding, the ORS staff worked tirelessly with the utilities to restore power and repair infrastructure. ORS devoted over 645 man-hours to the ESF-12 (energy) function during the 11-day period that ESF-12 was activated. Additionally, ORS devoted 71 man-hours while activated during Winter Storm Jonas in January 2016. At the height of this storm, 31,000 outages existed, mostly in the service areas of Duke Energy and Blue Ridge Electric Cooperatives. With the experience gained in each emergency event, the ORS fine-tunes its emergency-management processes so that the agency is even better prepared to aid the public in the next emergency situation. ORS continued its outreach around the State through the South Carolina Equipment Distribution Program. ORS staff received and reviewed 820 applications, shipped 1,709 pieces of equipment, and coordinated and processed equipment installation for 74 clients. ORS co-hosted a Water and Wastewater Workshop with the Public Service Commission, attended by more than 40 representatives of various utilities. Technical experts provided valuable information to company representatives on trends in the water and wastewater regulatory arena and helpful tips on maintaining compliance. The Pipeline Safety Department continued its record of excellence and collaboration by sharing best practices through attendance and participation in a variety of venues including two National Association of Pipeline Safety Representatives conferences, multiple Utility Coordinating Committee meetings around South Carolina, and teleseminars on new technological tools in pipeline safety. Inspectors participated fully in federal training required by the Pipeline and Hazardous Materials Safety Administration (PHMSA). ORS co-hosted the bi-annual Pipeline Safety Conference in Columbia with the American Public Gas Association/Security and Integrity Foundation. Approximately 130 attendees, mostly South Carolina gas operated, benefited from the conference. The ORS promoted National Safe Digging Month following the Governor's proclamation declaring April 2016 as Safe Digging Month in South Carolina. The ORS assisted 33 individuals who were victims of domestic violence through the Deposit Waiver for Domestic Violence Victims Program. This program resulted from an innovative agreement facilitated by the ORS with each of the investor-owned electric and gas utilities and women's shelters to waive the initial credit and deposit requirements for domestic violence victims. Since its inception, the program has benefited 342 individuals. The ORS staff has continued to provide prompt and adept assistance to legislators and legislative staff when contacted with other technical and constituent questions. In FY 15-16, the ORS responded to 55 requests from members of the SC General Assembly, and is in constant contact with

General Assembly staff on an informal basis. The agency also responded to 106 requests from the media.

GOAL:

THE ORS PROMOTES EXCELLENCE IN EACH REGULATED INDUSTRY.

B. OBJECTIVES/ACTION ITEMS

- ✓ The ORS analyzes and evaluates the performance of public utilities.
- ✓ The ORS equitably enforces the laws, rules, and regulations relating to public utilities.
- ✓ The ORS minimizes the regulatory burden on public utilities by providing technical assistance, streamlining processes, and communicating expectations.

Comments:

*The Office of Regulatory Staff accomplished all of the objectives and action items listed above. The ORS participated and took a lead role in emergency preparedness training and simulation events with the SCEMD throughout the year. One national-scale example that occurred in FY 2015-16 was the "Southern Exposure" event, a full-scale exercise that simulated a nuclear release at the HB Robinson Station in Hartsville. Multiple federal and state entities also participated in this exercise. The ORS conducted both rail safety track and operating practices inspections around the state, including 275 rail safety inspections and 750 rail safety defect citations. The agency responded to 156 technical railroad safety-related inquiries from railroads, industry, and the general public. The ORS also collaborated with the Federal Railroad Administration, the Association of State Rail Managers, and the railroad industry on the upcoming implementation of Positive Train Control (PTC), an accident-prevention system that most trains that travel on any main lines will be required to have. The agency conducted 11 transmission-comprehensive pipeline safety inspections and 251 general pipeline safety inspections. The ORS conducted a total of 325 regulatory reviews and audits. The ORS achieved 98% compliance in water/wastewater utilities' submission of annual reports, representing an increase from 96% in the previous year, and also achieved a 98% compliance level for water/wastewater companies complying with performance bond regulations. ORS successfully managed and settled three water/wastewater rate cases, including Carolina Water Service, Daufuskie Island Utility Company, Inc., and T.J. Barnwell Utilities, Inc., representing a combined savings of over \$1.7 million for customers. ORS conducted 14 Customer Relations Compliance Reviews of utility companies. ORS conducted 164 transportation compliance audits, both planned and random, around the State. In educating carriers on compliance requirements, it provided 1,131 technical assistance interactions with companies. The agency also inspected 5,243 transportation vehicles.*

## GOAL:

THE ORS OPERATIONS PROVIDE VALUE TO THE CITIZENS OF SOUTH CAROLINA IN THAT THE AGENCY'S EXPENDITURES ARE FOCUSED ON ACCOMPLISHING THE PERFORMANCE MEASURES.

### C. OBJECTIVES/ACTION ITEMS

- ✓ The ORS represents all facets of the public interest – consumers, public utilities, and the economic well-being of South Carolina – by facilitating settlement discussions among parties and by conducting mediations.
- ✓ The number of complaints processed, audits performed, enforcement actions brought, technical regulatory assistance provided, and Commission proceedings participated in, justify the number of employees and operational costs of the ORS.
- ✓ The societal benefits of utility rate stability and affordability, financial performance, infrastructure investment, competition, and environmental protection exceed the monetary costs of the ORS operations.

### Comments:

*The Office of Regulatory Staff accomplished all of the objectives and action items listed above. The ORS participated in 106 cases and facilitated settlements or agreements in 18 matters which resulted in approximately \$31 million in savings to customers. The ORS saved the public more than \$32.8 million through a variety of energy efficiency initiatives through the ORS Energy Office, such as energy audits, retrofits, technical assistance, and the approval of renewable tax credits and incentives. During the fiscal year, the Executive Director briefed representatives of national investment firms, research groups, and trade publications on issues in South Carolina, including the State's regulatory environment, the V.C. Summer nuclear construction and the Base Load Review Act audit, and solar leasing. The agency provided 81 letters of support regarding requests by electric and gas utilities for various financing options, special purchases, tariff modifications, and industrial incentives. These supported initiatives represent \$1.188 billion in investment and the creation of more than 2,000 jobs in South Carolina over the next several years. The ORS helped to facilitate a public hearing on the controversial construction of a 45-mile transmission line by Duke Energy between Asheville, NC and Campobello, SC. As mandated by the Base Load Review Act, the ORS continuously monitors the construction of V.C. Summer Units 2 and 3. These units are evaluated on an ongoing basis for compliance with the approved budget and schedule. Construction of these units has created as many as 3,700 jobs, and it is forecasted that approximately 800 permanent jobs will be added when the units become fully operational. ORS is fielding calls from investment analysis who are interested in the ORS's views of SCE&G's most recent requests regarding the construction of the units at V.C. Summer: a \$74.161 million increase under the revised rates procedure pursuant to the Base Load Review Act and an \$852 million capital cost increase and construction schedule extension. ORS will continue to review SCE&G's petition for the \$852 million budget increase and a construction delay to reflect new substantial completion dates, which has drawn significant public scrutiny and Wall Street interest.*

GOAL:

THE ORS IS ALERT AND ANTICIPATES STATE AND FEDERAL REGULATORY AND INDUSTRY DEVELOPMENTS AND THEIR EFFECT ON SOUTH CAROLINA.

D. OBJECTIVES/ACTION ITEMS

- ✓ The ORS consults with and/or retains recognized experts to assess emerging trends or specific issues.
- ✓ The ORS reviews, analyzes, and monitors regulatory, statutory, and judicial decisions or trends on both the federal and state levels with regard to utility regulation. The ORS gathers and provides input, participates, or takes other appropriate action when necessary.

Comments:

*The ORS accomplished all of the objectives and action items listed above. The ORS began work on the State Energy Plan, a multi-year effort that is of great significance to the future of South Carolina and its citizens. The State Energy Plan has two phases, and work completed to date includes meetings of two committees and twelve subcommittees involving 125 members representing 45 organizations and a wide variety of stakeholders (utilities, conservation groups, industrial and commercial interests, state agencies, and other parties). ORS continued to fulfill responsibilities arising from Act 236, the Distributed Energy Resources Program Act. ORS worked with stakeholders to complete reports required by the Act and worked with a wide array of stakeholders to revise the interconnection standards for the electric investor-owned utilities. The ORS implemented the third-party solar leasing program that began after the Public Service Commission approved the electric net metering tariffs. ORS certified 16 solar leasing companies and additional applications are pending. FY 2015-16 marked the first full fiscal year of regulating transportation network carriers (TNCs) after passage of legislation (H.3525) during FY 2014-15 that created a regulatory framework for TNCs in South Carolina. The ORS worked with a variety of stakeholders, including consumers, legislators, the media, and local governmental entities, to respond to inquiries and concerns and to educate them regarding TNC regulatory requirements. Near the end of FY 2015-16, a second authorized TNC, Lyft, received its certificate and began operations in the Charleston and Savannah markets, which includes Hilton Head. The ORS completed the process to roll out a new 854 area code within the 843 area code region, and also provided oversight for the transition 10-digit dialing in the 843 area code region. The ORS worked diligently on the EPA's Clean Power Plan, both independently and collaboratively with DHEC and other entities, prior to the US Supreme Court's ruling in February 2016 to stay the Plan's implementation. Following the issuance of the stay, the ORS has ceased working on the Clean Power Plan until such time as the legal challenges are resolved.*

GOAL:

THE ORS' OPERATIONS ARE MARKED BY PROFESSIONAL EXCELLENCE.

E. OBJECTIVES/ACTION ITEMS

- ✓ The ORS manages human resources and human resource systems to hire and retain qualified personnel who will carry out the mission of the ORS.
- ✓ The ORS Executive Director and staff maintain and enhance their knowledge by attending conferences and meetings, keeping abreast of best regulatory practices in other states, and participating in ethics training and other types of internal and external professional training.
- ✓ The ORS embraces the implementation of technology in the workplace.
- ✓ The ORS responds to requests for assistance from the Governor, legislators, and others.
- ✓ The ORS coordinates with other state and federal agencies.

Comments:

*The Office of Regulatory Staff accomplished all of the objectives and action items listed above. The ORS completed the administrative and budgetary process necessary for the creation of the Energy Office within the ORS as mandated by restructuring legislation. This transition process began in the prior fiscal year, with the physical move the Energy Office to the ORS completed in March of 2015. ORS continues to monitor budgetary expenditures. The ORS continued to develop and implement plans, processes, and procedures to address cyber security protection, and participated in meetings, focus groups, and training led by the SC Division of Information Security and the SC Division of Technology. The ORS provided six hours of annual ethics training for all ORS employees and provided ongoing training and development to employees through classes, seminars, conferences, site visits, and special meetings. The ORS created the Utility Rates and Services Division to improve service delivery and streamline business processes, thus maximizing the benefit to stakeholders. The agency worked collaboratively with federal, state, and local agencies and organizations to further the mission of the ORS. Coordination of services among these organizations has been a priority to effectively meet the mandates of Act 175 to efficiently utilize funding provided by utilities and, ultimately, the consumers.*

## **EXHIBIT D**

### STATE REGULATION OF PUBLIC UTILITIES REVIEW COMMITTEE PERFORMANCE EVALUATION

#### **C. Dukes Scott, Executive Director Office of Regulatory Staff**

Review Period: July 1, 2015 - June 30, 2016

C. Dukes Scott was initially appointed as Executive Director of the Office of Regulatory Staff (ORS) on July 1, 2004. Prior to his appointment as Executive Director, Mr. Scott served in many capacities in public service, beginning as a staff attorney at the South Carolina Public Service Commission (the Commission), progressing to executive assistant to the commissioners, general counsel, and deputy director of the Commission. He was elected to the Commission in 1994 and was elected as an administrative law judge in 1999. He also worked in private practice in the public utility arena. Mr. Scott brings a wealth of experience in the public utility and administrative law areas to his position as Executive Director, and has been very successful in his ability to balance all aspects of the public interest with an open-door style that engenders cooperation, even among those with competing interests. Members of the public, regulated entities, and members of the General Assembly regularly comment that he is exceptionally accessible and responsive.

Mr. Scott is committed to excellence and leads by example, giving his staff a clear direction of the agency's mission and the standards it should follow to achieve that mission. He upholds the highest standards of professionalism in his conduct, work ethic, and his interactions with utilities, regulatory bodies, and consumers. He continues to work diligently to make ORS a model of integrity and efficiency in state government. He credits his professional and thorough staff for the successes of the agency, and has consistently developed the skill and dedication that consumers and utilities have always been able to expect from the ORS. He encourages his employees to grow professionally and expects high standards from them.

Mr. Scott's knowledge of the broad spectrum of public utility issues is unparalleled in this State. During FY 15-16, he has balanced service on numerous committees, while leading the ORS toward reaching positive outcomes in many ongoing projects, negotiations, and cases. Mr. Scott facilitated the integration of the South Carolina Energy Office into the ORS, as required by Act 121 of 2014. Mr. Scott also served as an invaluable member of the State's response to the October 2015 historic flooding. He personally kept the legislature, media, and general public apprised of the status of each affected utilities' restoration of service.

Some of the projects and negotiations in which the ORS has been involved this past year include the ongoing construction of two new units at the V.C. Summer Plant, 325 regulatory reviews and audits, 18 settlement agreements resulting in savings to consumers of \$31 million, addressing concerns over new transmission line construction by Duke Energy, monitoring of proposed federal EPA regulation changes that affect greenhouse-gas emissions, and implementing the Act 236 Solar Leasing Program for third parties. From the agency's inception through June 30, 2016, Mr. Scott's efforts as Executive Director have resulted in 448 settlements and agreements generating savings to consumers estimated at

over \$1.6 billion. The ORS, under Mr. Scott's leadership, has also served as a vital element in economic development, as utility services are a key component to industry recruitment and retention.

During FY 15-16, Mr. Scott served on the S.C. Energy Advisory Committee, the S.C. Energy Plan Committee (which includes 2 committees and 12 subcommittees), the S.C. Energy Stakeholder Workgroup (DHEC Bureau of Air Quality), and the Board of Directors of Palmetto Clean Energy. He has participated in many training opportunities, including programs offered by the South Carolina Emergency Management Division and the Federal Railroad Administration. He has worked with numerous state and federal agencies, regulatory entities, and professional organizations, as well as directly with consumers. These activities demonstrate Mr. Scott's commitment to areas that allow him to build upon recognition for the ORS and its role among state and federal agencies, legislators, the media, consumers, and utilities. Mr. Scott is also active in his community, holding positions of leadership in Forest Lake Presbyterian Church and the Board of the Brookland-Cayce Foundation and its Foundation's Advisory Committee.

As in past years, surveys of parties or other persons that interacted with Mr. Scott, including ORS employees, confirm that he is professional, courteous, impartial, fair, and highly ethical in his dealings with utilities and other stakeholders. Mr. Scott enjoys the highest level of respect from parties and others who interacted with him during the review period. The general consensus from these surveys is that Mr. Scott does an excellent job. Based upon surveys of persons that dealt with ORS during the review period, Mr. Scott provides valuable leadership and sound guidance. The surveys also indicate that Mr. Scott creates a positive work environment and leads by example to foster an agency that is responsive to the public and all other stakeholders. Mr. Scott is a compassionate advocate for consumers and sets the example for staff to follow. He excels in all aspects of his job and is an effective administrator, an outstanding public servant, and an invaluable resource for this State.