

Accountability Report Transmittal Form

Organization Name: **Public Service Commission of South Carolina**

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Public Service Commission of South Carolina

Accountability Report

Fiscal Year 2010-2011

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Section I – Executive Summary

- **Mission and values:**

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

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

- **Major achievements for 2010-2011**

A main focus for the Commission during the 2010-2011 fiscal year was identifying emerging issues within the regulated industries and engaging in discussions with members of the regulated community on these issues. With new developments on the federal level concerning transmission and renewable energy sources, and proposed new EPA regulations and FCC rulings on the horizon, the Commission desires to be proactive in response to issues that affect the entities they regulate. Over the course of the year, the Commission held over twenty-seven allowable ex parte meetings and workshops to stay abreast of emerging issues. Topics included “Emerging and Foundational Issues in the Electric Utility Sector,” “Settlement Policy and Procedure,” “South Carolina Natural Gas Research and Development Essentials,” and “Issues Related to Renewable Energy Sources” (Table 7.2-1, pages 23 and 24). These hearings were open to the public, and notices were posted on the Commission’s website.

The Commission also desired to provide consumers with more information concerning the regulatory process to aid in fulfillment of its mission in providing a forum for fair, open, and effective regulation. In collaboration with practitioners, the Commission developed an online form for use by the public to file a letter of protest against a utility. The form standardizes the process, and ensures that the necessary information is included with the protest. Also, in collaboration with its customers and stakeholders, the Commission made enhancements to its website to improve the display of information and functionality. In addition, the Commission’s website was updated to add educational information for consumers on the regulatory process, energy efficiency and demand side management, and net metering.

The Commission continued to attain leadership positions on the national level furthering the professional development of the Commission. PSC commissioners held chairmanships of three National Association of Regulatory Utility Commissioners (NARUC) committees and one subcommittee this year, and four commissioners served on the NARUC Board of Directors. Commissioner David Wright was elected as the First Vice President of NARUC. He will assume the presidency of the organization in the fall of 2011. Several commissioners were appointed to key strategic federal panels and committees. These positions ensure that South Carolina and the Southeast’s positions are represented on national issues such as transmission in the Eastern Interconnection, smart grid, gas pipeline safety, and broadband expansion (Table 1.7-1, pages 11 and 12).

During the 2010-2011 fiscal year, the Commission presided over and ruled on several significant cases in the telecommunications and electric industries. These cases involved

rulings on the federal and state universal service funds and expenses related to the expansion of nuclear energy production at Duke Energy Carolinas, LLC and South Carolina Electric & Gas Company facilities.

The following paragraphs are summaries of the Commission's most significant cases for FY 2010-2011:

- In accordance with the Base Load Review Act, South Carolina Electric & Gas Company (SCE&G) sought approval for updates and revisions to schedules related to the construction of Units 2 and 3 at the V.C. Summer Nuclear Station near Jenkinsville, SC. The revisions included the removal of approximately \$438 million in owner's contingency funds that were included in the cost schedules previously approved by the Commission, but reversed on appeal by the South Carolina Supreme Court, and the addition of \$174 million for construction of the units. As a result of these updates and revisions, the capital cost of the units in 2007 dollars was reduced to approximately \$4.3 billion, and gross capital costs were reduced to approximately \$5.8 billion.
- Duke Energy Carolinas, LLC (Duke) filed for approval to incur additional pre-construction costs of \$229 million through December 31, 2013, for the Lee Nuclear Station in Cherokee County, SC. In an amended application, Duke sought approval of nuclear generation preconstruction expenditure of no more than \$75 million during the period January 1, 2011 through June 30, 2012. All parties, with the exception of one, agreed that this was the minimum amount estimated to be necessary to keep the nuclear option available and signed a settlement agreement. The Commission concurred and approved the settlement agreement.
- AT&T filed complaints against several competing telecommunications companies. These complaint cases centered on the interpretation and application of Sections 251 and 252 of the Telecommunications Act of 1996. At issue is how promotional programs and discounts are to be treated. The resolution of these complaints will establish criteria for interpreting a significant portion of the remedies contained in Sections 251 and 252 and the FCC regulations regarding those sections. A ruling is pending in these cases.
- Allied Wireless Communications Corporation d/b/a Alltel filed its application for designation as an Eligible Telecommunications Carrier (ETC) to serve both rural and nonrural areas in South Carolina. The FCC is currently revising the federal Universal Service Fund (USF) and plans to have these revisions completed by the end of 2011. Any revisions to the existing federal USF could have a great impact on how much federal USF funding will be available to South Carolina, how many ETCs are to be designated, the criteria upon which ETC designation will be determined, and what services the federal USF will support. The Commission ruled to hold in abeyance a ruling on Alltel's application until at least the end of 2011 to allow time for the FCC to finalize its revision of the federal USF.
- The South Carolina Cable Television Association (SCCTA) filed a petition seeking to transition the Interim Local Exchange Carrier (ILEC) Fund into the South Carolina Universal Service Fund (SCUSF). At oral arguments, the SCCTA argued that the ILEC Fund must transition into the SCUSF when funding for the SCUSF is

finalized and adequate to support the obligations of the ILEC Fund. Other parties argued that the SCUSF must be consistent with the federal USF which is currently being revised by the FCC. The Commission denied the petition of the SCCTA finding that the SCUSF, at this time, was neither finalized nor sufficient to support the obligations of the ILEC Fund, and, thus, the ILEC Fund should not be transitioned into the SCUSF.

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

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

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

An on-going goal of the Commission is to improve its operations through technological advances. As opportunities are identified, the Commission will investigate the costs and benefits and take the appropriate actions.

- **Key strategic challenges:**

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

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

The water and sewer industries are also faced with stricter environmental regulations, as well as the rising cost of water itself, which is often purchased from third party providers and distributed to the customer by the utilities, and can lead to increased operating expenses.

Another key strategic challenge that faces the Commission is the need to maintain an effective regulatory environment without unnecessarily impeding change in a dynamic marketplace.

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

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

Section II – Organizational Profile

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

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

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

The Commission’s Docket Management System (DMS), an on-line case management system (<http://dms.psc.sc.gov>), maintains the documents and events associated with a case. Hearings on cases are held before the commissioners (below), and decisions are issued from the bench at the weekly public Commission Agenda Meetings. Orders are subsequently issued to the parties of record in the cases (Chart 7.1-1, page 21).



Commission Bench During a Hearing

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

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

- **Key stakeholders:**

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

- **Key suppliers and partners:**

The Commission employs the services of software designers to develop, enhance, and maintain its online systems, and a network support specialist to maintain its network software in conjunction with the Commission's information technology staff.

- **Operation location:**

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

- **Employment statistics:**

In FY 2010-2011, the Public Service Commission had thirty-eight classified full time equivalent positions, one temporary employee, one grant position, and one contract position.

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

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

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

- **Performance improvement systems:**

The Commission currently records and monitors on a monthly basis several key inputs and outputs in its docket processing system. These key identifiers such as new dockets, hearings, directives, orders and electronic filings assist management in allocating resources to meet demands (Charts 7.1-1 thru 7.1-4, and 7.2-2 thru 7.2-4, pages 21-26).

Activity related to agency Hearing Officers and Hearing Examiners is also tracked to ensure that this component of the Commission is utilized whenever possible to improve the timeliness of proceedings. For the past several years, there has been a steady increase in the number of rulings made through these Commission Staff appointments – one indicator of the increasing efficiency with which the Commission resolves complaints and applications (Chart 7.1-5, page 23).

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

An external system is also employed which features customer satisfaction surveys to identify areas of concern and improvement with respect to operations, timeliness, and quality of service. This year, members of the practicing legal community that participate in hearings at the Commission and members of the public sector were surveyed on a variety of topics, including satisfaction with the Commission’s online systems, prefile testimony guidelines, and the role of hearing examiners and officers at the Commission. Results of the surveys are studied to determine areas of improvement.

At least twice a year, the Commission has meetings with its Advisory Committee, which consists of more than thirty members from the legal community who regularly practice before the Commission (Figure 3.6-2, page 15). Discussions center on operations and regulations, suggestions for improvement, and feedback on the Commission’s priorities and objectives.

Organizational structure:

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

Public Service Commission of South Carolina

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

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

- **Expenditures/Appropriations Chart:**

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

Major Budget Categories	FY 09-10 Actual Expenditures		FY 10-11 Actual Expenditures		FY 11-12 Appropriations Act	
	Total Funds	General Funds	Total Funds	General Funds	Total Funds	General Funds
Personal Service	\$ 2,693,903		\$ 2,685,526		\$ 3,045,395	
Other Operating	\$ 698,686		\$ 913,120		\$ 902,545	
Special Items						
Permanent Improvements						
Case Services						
Distributions to Subdivisions						
Fringe Benefits	\$ 683,722		\$ 747,666		\$ 846,368	
Non-recurring						
Total	\$ 4,076,311		\$ 4,346,312		\$ 4,792,308	

• Major Program Areas Chart:

Program Number and Title	Major Program Area Purpose (Brief)	FY 09-10 Budget Expenditures	FY 10-11 Budget Expenditures	Key Cross References for Financial Results
Administrative Department	Provides administrative support and direction to ensure consistency, compliance, financial integrity and fulfillment of the agency's mission.	State: Federal: Other: \$ 2,326,523 Total: \$ 2,326,523 % of Total Budget: 57%	State: Federal: Other: \$2,116,143 Total: \$2,116,143 % of Total Budget: 49%	Chart 7.2-3 Chart 7.2-4 Chart 7.5-1
Clerk's Office	Processes all legal documents that are filed with the Commission. Creates and mails all notices of filings. Processes public inquiries. Prepares and maintains all hearing documents.	State: Federal: Other: \$694,479 Total: \$694,479 % of Total Budget: 17%	State: Federal: Other: \$675,089 Total: \$675,089 % of Total Budget: 15%	Chart 7.1-1 Chart 7.1-4 Chart 7.2-2 Chart 7.2-3 Chart 7.5-1 Table 7.6-1
Legal Department	Advises the Commission regarding pending cases. Drafts legal documents.	State: Federal: \$ 5,445 Other: \$581,517 Total: \$586,962 % of Total Budget: 14%	State: Federal: \$339,646 Other: \$660,712 Total: \$1,000,358 % of Total Budget: 23%	Chart 7.1-1 Chart 7.1-2 Chart 7.1-3 Chart 7.1-5 Table 7.4-1 Table 7.6-1
Office of Advisory Staff	Provides technical advice to the commissioners and staff.	State: Federal: \$ 6,882 Other: \$461,465 Total: \$468,347 % of Total Budget: 12%	State: Federal: Other: \$554,724 Total: \$554,724 % of Total Budget: 13%	Chart 7.1-1 Table 7.4-1 Chart 7.4-2
Below: List any programs not included above and show the remainder of expenditures by source of funds.				
	Remainder of Expenditures:	State: Federal: Other: Total: % of Total Budget:	State: Federal: Other: Total: % of Total Budget:	

Section III – Elements of Malcolm Baldrige Award Criteria

Category 1 – Senior Leadership, Governance, and Social Responsibility

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

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

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

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

Senior leadership fosters ethical behavior by attending an annual ethics seminar, publishing a periodic newsletter that addresses ethics issues, and the designation of in-house personnel to resolve issues that arise in the day to day operations. The Commission adheres to the SC Code of Judicial Conduct, the State Ethics Laws, and Title 58 of the South Carolina Code of Laws in its operations. This year's annual ethics training featured a distinguished panel including Senator Bradley Hutto, Cathy Hazelwood, General Counsel of the State Ethics Commission, Dean Robert Wilcox from the University of South Carolina School of Law, and The Honorable Thomas Cooper, Jr., a retired circuit court judge.

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

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

Public hearings and workshops are also held to inform the public of emerging utility issues in the industries regulated by the Commission. Some of the topics from this year's workshops include "Hazardous Waste Transportation in the United States," "Issues Related to Renewable Energy

Sources,” “An Update on Construction of New Nuclear Units at V.C. Summer Nuclear Station,” and “Improvements Within Regulated Water Companies in South Carolina.”

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

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

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

The commissioners of the Public Service Commission are elected by the General Assembly. The chairman and the senior staff work to promote and educate future organizational leaders by identifying programs that will cultivate the skills necessary to lead the agency. PSC commissioners held chairmanships of three NARUC committees and one subcommittee this year, and as a result of their leadership positions, organized and led many of the NARUC national meetings. Commissioner David Wright was elected as the First Vice President of NARUC. He will assume the presidency of the organization in the fall of 2011. Four PSC commissioners served on the NARUC Board of Directors during this past year. Several commissioners were appointed to key strategic federal panels and committees. Below is a listing of the positions held by the Commission:

Commissioner Leadership Positions 2010-2011

<p>Commissioner Howard District 1</p>	<p>Chairman Board Member Director Member Member</p>	<p>NARUC Committee on Water NARUC Board of Directors NARUC Utility Rate School Water Research Foundation's Public Council on Drinking Water Research Department of Homeland Security/EPA Water Sector Government Coordinating Council</p>
<p>Commissioner Wright District 2</p>	<p>First Vice President Chairman Member Member Chairman Board Member Board Member Member</p>	<p>NARUC Executive Committee and Board of Directors NARUC Subcommittee on Nuclear Issues and Waste Disposal NARUC Washington Action Committee NARUC Committee on Electricity Nuclear Waste Strategy Coalition Advisory Board of the Institute of Public Utilities at Michigan State University Electric Power Research Institute (EPRI) Keystone Energy Board</p>

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

Table 1.7-1 Commissioner Leadership

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

Senior leadership recognizes the importance of staying up to date in all areas of the regulatory process in this fast changing and volatile environment. Members of the Commission and staff regularly attend training sessions (conferences, workshops, webinars, etc.) on emerging issues within the industries regulated by the Commission (Table 7.2-1, page 24 and Table 7.4-1, page 27). They encourage the workforce to seek additional knowledge and training when required.

Senior leadership interacts with the entire workforce through the work processes. High performance is recognized and rewarded using an employee recognition program, which was restructured during this past year to allow more opportunities for recognition at all organizational levels. Formal recognition by senior management is made on a quarterly basis, with informal recognition taking place on an as needed basis.

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

Category 2 - Strategic Planning

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

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

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

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

The Commission is continually striving to maintain cutting edge technology with respect to its operations. As new technology becomes available, the information technology staff investigates its potential benefits and makes recommendations to senior management.

With the guidance of PURC and input from the Commission's Advisory Committee, action plans are identified and developed by senior management so that the critical operations of the Commission will have the necessary resources to function at optimum performance. These resources may be human, systematic or technological. Senior management oversees the day to day critical operations of the Commission and is able to allocate resources to meet the demands.

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

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

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

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

Strategic Planning

Program Number and Title	Supported Agency Strategic Planning Goal/Objective	Related FY 10-11 and beyond Key Agency Action Plan/Initiative(s) and Timeline for Accomplishing the Plan	Key Cross References for Performance Measures
Administrative Department	The Administrative Department provides administrative support and direction to ensure consistency, compliance, financial integrity, and fulfillment of the agency's mission.	Maintain all personnel-related records; record and file annual reports from regulated companies; provide a variety of information technology support services; handle internal mail distribution, photocopying, and central supplies; publish newsletters and reports; conduct training sessions for staff; develop agency budget; perform financial functions related to the agency such as payroll and general ledger accounting. [2011-2012]	Chart 7.2-3 Chart 7.2-4 Chart 7.5-1
Clerk's Office	The Clerk's Office processes all legal documents that are filed with the Commission. Creates and mails all notices of filings and directives. Schedules hearings before the Commission. Prepares and maintains all hearing documents.	Process all legal documents filed with the agency; prepare notices; maintain accurate and complete files of the Commission's dockets; provide copies of recent and historical Commission orders through the agency's online docket management system (DMS); provide court reporter services and transcripts, provide copies of matters filed in dockets to the public on the DMS; maintain company tariffs; maintain the Order Index System. [2011-2012]	Chart 7.1-1 Chart 7.1-4 Chart 7.2-2 Chart 7.2-3 Chart 7.5-1 Table 7.6-1
Legal Department	The Legal Department provides legal advice to the commissioners and staff, and drafts the oral decisions of the Commission.	Properly set out in writing the decisions of the Commission; provide appropriate consultation to the Commission staff on all laws and regulations pertaining to the utility and transportation industries; attend national and regional conferences related to laws and regulations; review and revise regulations. [2011-2012]	Chart 7.1-1 Chart 7.1-2 Chart 7.1-3 Chart 7.1-5 Table 7.4-1 Table 7.6-1
Office of Advisory Staff	The Office of Advisory Staff provides technical advice to commissioners and staff.	Provide policy input to the commissioners regarding changing and evolving regulations in reference to jurisdictional utilities; develop and present educational seminars to commissioners and staff; attend national and regional conferences related to laws and regulations; interact with external groups such as NARUC, FERC, NRRI, EIPC, etc. via electronic communication and conference calls. Assist in preparation and review of commission's rulings. [2011-2012]	Chart 7.1-1 Table 7.4-1 Chart 7.4-2

Category 3 - Customer Focus

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

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

- Workshops/Training Classes
- Generic Proceedings
- Advisory Focus Groups
- Publications/Public Service Announcements/Websites
- Performance Surveys (formal and informal)
- Formal Proceedings



Figure 3.6-1 Attendees at "The Rate Case Experience" Ex Parte Briefing

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



Figure 3.6-2 Webmaster Bret Stenhouse discussing new procedure.

The Commission meets with its Advisory Committee to address issues related to its operations and procedures. As in previous meetings, working groups are assembled to assist the Commission in developing solutions to new regulations, procedures, and operations. Members of the Advisory Committee contribute helpful suggestions, and their input is valued and taken into account when changes to operations or procedures are required (Figure 3.6-2).

The Commission developed surveys for use in evaluating and improving its website (www.psc.sc.gov) and online systems (DMS and ETariff). Electronic surveys were sent to members of the public who have made contact with the Commission, and a more detailed electronic survey was sent to members of the Commission's Advisory Committee. Eighty-four percent of the respondents stated that the information on the Commission's website was current and up to date. Results of the survey will be used to identify areas for improvement.

By responding to our customers in a timely fashion and meeting their expectations with respect to service received, whether it is from one of our online systems or direct communication with a staff member, the Commission continually strives to improve its operations. Because the Commission must operate under the Code of Judicial Conduct, the agency is limited in its direct contact with its

customers, but will continue to make improvements to its operations and procedures to provide an environment that leads to healthy customer relations.

Category 4 - Measurement, Analysis, and Knowledge Management

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

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

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

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

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

Category 5 – Workforce Focus

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

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

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

The Commission received a grant from the American Recovery and Reinvestment Act of 2009 (ARRA) to ensure that staff has the appropriate technical expertise to process regulatory activities pertaining to ARRA electricity related initiatives such as energy efficiency, demand response management, renewable energy, smart grid, and transmission. The Commission sponsored two seminars in which commissioners and staff members attended. The seminars featured presenters from the Institute of Public Utilities at Michigan State University and the National Regulatory Research Institute (NRRI). Sessions were held on the basics of utility regulation and electricity's current challenges (Figure 5.6-1). The NRRI seminar was open to the public, and nearly one hundred people from the regulatory and legal community, as well as representatives from the electric utility industry, were present. A follow-up seminar on transmission is planned for later in the year.



Figure 5.6-1 – NRRI Director Scott Hempling

Senior management is involved in leadership on the national level with numerous affiliated organizations and stays informed of current issues within the industries regulated by the Commission (Table 7.4-3, page 29). Involvement in these organizations ensures that South Carolina and the Southeast's positions are represented on national issues such as transmission in the Eastern Interconnection, smart grid, gas pipeline safety, and broadband expansion. These leadership positions assist in fulfilling one of the main goals of the Commission for the year, namely, "To strive for excellence such that it will be recognized for its achievements."

The mission of the Commission is to provide fair, open, and effective regulation of the state's public utilities. In order to be effective, the Commission must be engaged and informed. This is accomplished through involvement in national organizations (NARUC, FERC, Nuclear Waste Strategy Coalition, etc.) and attendance at conferences, seminars, and webinars (Table 7.4-1, page 27).

Members of the Commission receive training in ethical practices through seminars and newsletters. This year a diverse panel consisting of a state legislator, the State Ethics Commission General Counsel, the USC School of Law dean, and a retired circuit judge conducted seminars for commissioners and staff. (Figures 5.6-2 and 5.6-3)



Figure 5.6-2 – Senator Brad Hutto conducts ethics training for the PSC.



Figure 5.6-3 –Dean Robert Wilcox, from the USC School of Law, engages PSC staff during training.

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

The Synergy Business Park is a safe and secure workplace. Coded entrances provide security to employees. The Commission has a prevention and wellness program in place to educate its workforce on good health practices for the home and workplace. Activities include cholesterol and blood pressure screening, speaker's bureau, stress management, weekly health tips, and flu shots (Figures 5.14-1 and 5.14-2).



Figure 5.14-1 – Staff Attorney Josh Minges (r)



Figure 5.14-2 – John Leech of Lexington Medical Center Cardiovascular Rehab Center

Category 6 - Process Management

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

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



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

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

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

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

Meeting statutory deadlines for hearings, orders, etc. allows the Commission to appraise the effectiveness of its operations and institute changes to operations to improve the regulatory process. The Commission recently implemented changes to its order drafting process to allow the use of issuance of orders in the form of directives issued from the bench in many routine procedural matters. This operational change improves productivity and yields timelier results for the parties. In addition, the Commission meets at least twice a year with its Advisory Committee to evaluate the Commission's operations. With input from staff, senior leadership, the Commission's Advisory Committee, and customer feedback, improvements and updates to processes are identified in order to improve performance.

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

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

Category 7 - Business Results

Key business results for the 2010-2011 year include improvements in customer communications and customer education, and professional development of commissioners and staff.

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

- The Commission held 94 hearings this past fiscal year and issued over 850 orders (Chart 7.1-1). Fiscal year 2010-2011 did not see the activity generated from the multiple electric and water rate cases that were adjudicated in 2009-2010, in which 15 additional public hearings were held across the state.

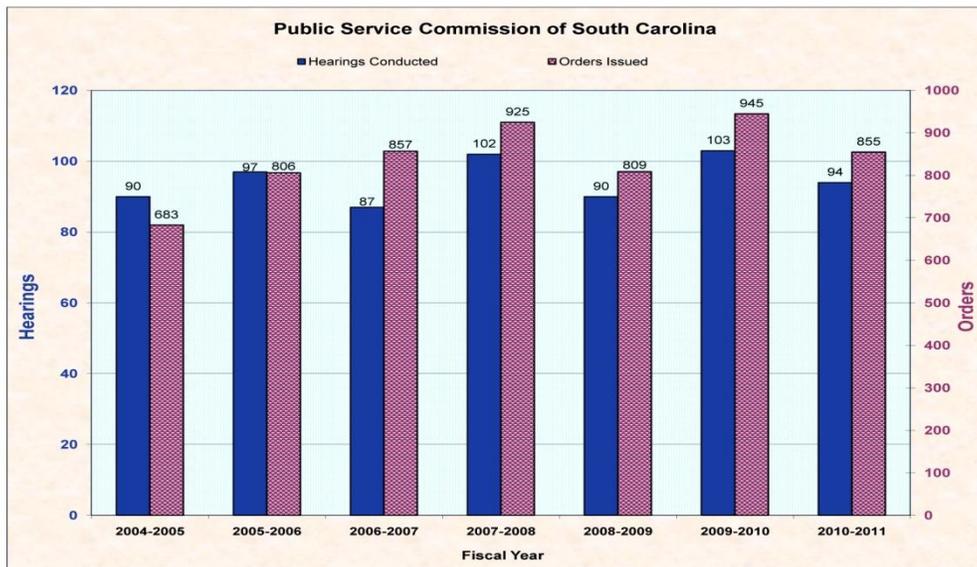


Chart 7.1-1 PSC Hearings and Orders

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

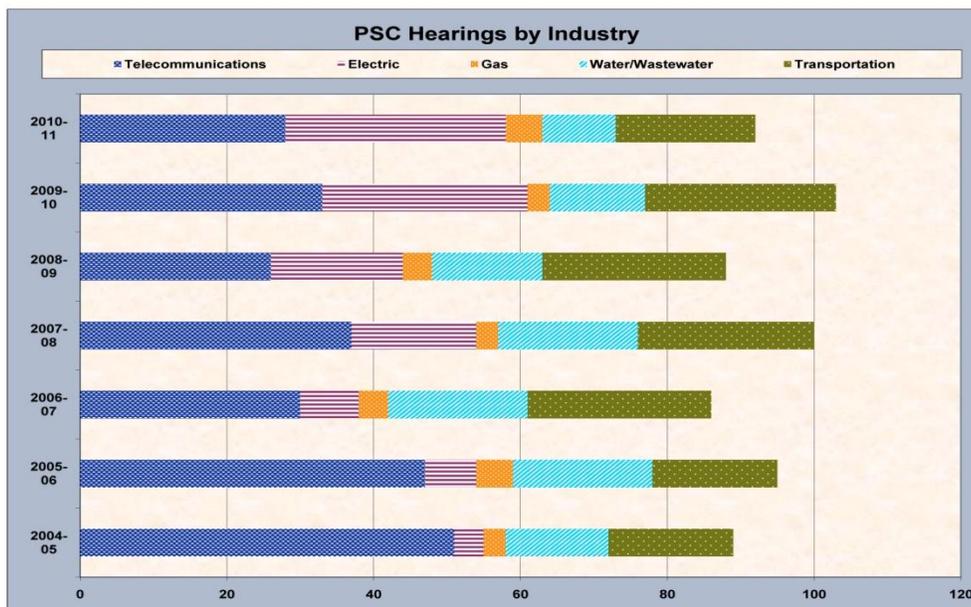


Chart 7.1-2 Hearings by Industry

- The number of cases in the electric industry heard by the Commission has been steadily increasing over the past few years as shown in Charts 7.1-2 and Chart 7.1-3. This is due to the impact of new issues that must be addressed from a regulatory standpoint. Some of these issues are energy efficiency and demand side management, renewable energy, plug-in electric vehicles, the expansion of nuclear generating facilities, FERC and state authority issues, and new EPA regulations. This trend is expected to continue.

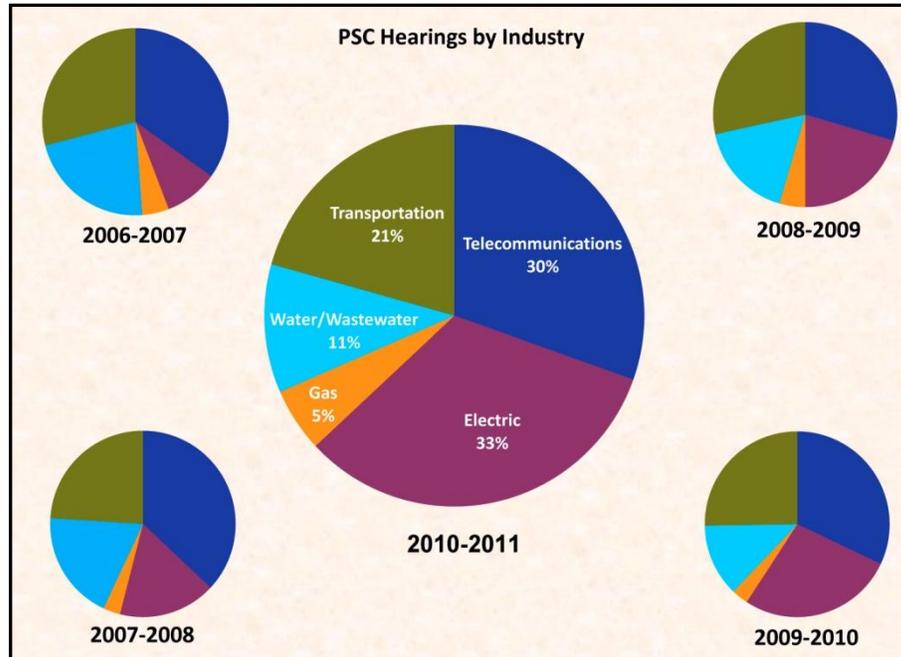


Chart 7.1-3 Hearings by Industry

- The Commission opened 454 new dockets during the fiscal year. A new docket is opened whenever an application is submitted to the Commission, a complaint, petition, or agreement is filed, or a rulemaking or fuel case proceeding comes before the Commission (Chart 7.1-4). This figure is on par with recent years' new dockets.

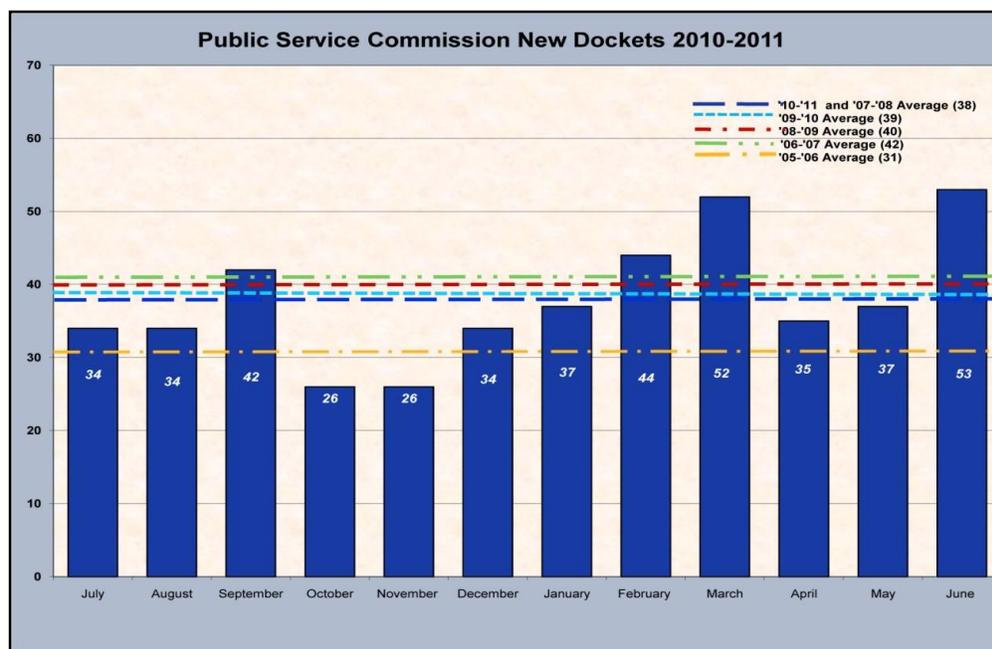


Chart 7.1-4 New Dockets

- Hearing examiners and officers are appointed to dispose of procedural matters and report findings of fact in appropriate cases. Each year has shown a steady increase in the number of rulings made through these Commission staff appointments – one indicator of the increasing efficiency with which the Commission resolves complaints and applications (Chart 7.1-5).

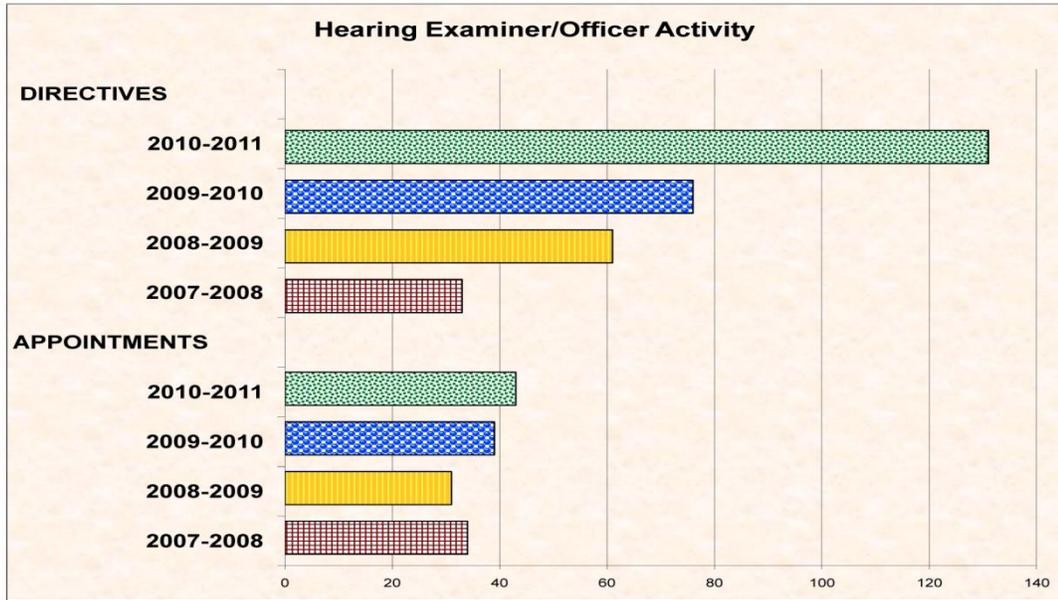


Chart 7.1-5 Hearing Examiner/Officer Activity

7.2 This year, the Commission heavily engaged in activities to increase customer awareness and education. In addition, the Commission also concentrated on effective dialogue with customers and stakeholders on emerging issues in the industries regulated by the Commission.

- The Commission conducted a series of public workshops to foster a better understanding of regulatory developments in the industries it regulates (Table 7.2-1). Topics included “Emerging and Foundational Issues in the Electric Utility Sector,” “Settlement Policy and Procedure,” “South Carolina Natural Gas Research and Development Essentials,” and “Issues Related to Renewable Energy Sources.” These workshops allowed the Commission to continue to provide a transparent regulatory process while maintaining effective communications with its customers and stakeholders.

Date	Topic
July 16, 2010	Fundamentals of Electricity Regulation in South Carolina
August 18, 2010	Emerging and Foundational Issues in the Electric Utility Sector
August 25, 2010	Financial Conditions and Future Generation and Infrastructure Projects – Progress Energy Carolinas, Inc.
September 8, 2010	Hazardous Waste Transportation in the United States – US Nuclear Infrastructure Council

Date	Topic
September 9, 2010	Commissioner NARUC Activities and Involvement
September 29, 2010	Settlement Policy and Procedure
October 8, 2010	Educational, Foundational, and Emerging Issues in the Gas Utility Sector
October 21, 2010	Update on Construction Progress of New Nuclear Units at V.C. Summer Nuclear Station – South Carolina Electric & Gas Company
October 25, 2010	The Rate Case from the Financial Officer’s Perspective
November 8, 2010	Tour of Chem-Nuclear Systems, LLC
November 9, 2010	Integrated Resource Plan – Duke Energy Carolinas, LLC Integrated Resource Plan – Progress Energy Carolinas, Inc.
December 2, 2010	The Telecommunications Network
December 15, 2010	Issues Related to Renewable Energy Sources – Progress Energy Carolinas, Inc.
December 15, 2010	South Carolina Natural Gas Research and Development Essentials
January 20, 2011	Merger of Progress Energy, Inc. and Duke Energy Corporation
January 27, 2011	Duke Energy Carolinas’ Economic Development Activities and 2010 Successes
February 22, 2011	Update on Transition with Emphasis on Broadband Future Plans for 2011 – Frontier Communications of the Carolinas, Inc.
March 25, 2011	Duke Energy Carolinas, LLC’s Look Ahead at 2011 and Review of Nuclear Operations
April 6, 2011	South Carolina Emergency Preparedness – SC Office of Regulatory Staff and SC Energy Office
April 18, 2011	Actions Taken to Maintain and Improve Service – Alpine Utilities, Inc.
April 19, 2011	Pilot Weather Normalization Adjustment Mechanism – South Carolina Electric & Gas Company
April 20, 2011	Energy Issues from an Industrial Customer Perspective – Nucor Steel – South Carolina Gas Pipeline Safety – Office of Regulatory Staff
April 28, 2011	2011 Integrated Resource Plan and Update on Demand Side Management Program – South Carolina Electric & Gas Company
May 24, 2011	Proposed Plug-in Electric Vehicle Charging Station Pilot Program – Duke Energy Carolinas, LLC
June 1, 2011	South Carolina Electric & Gas Company’s 2011 Integrated Resource Plan – South Carolina Coastal Conservation League, the Southern Alliance for Clean Energy, and Upstate Forever
June 7, 2011	Actions Taken to Maintain and Improve Service – Harbor Island Utilities, Inc.
June 21, 2011	Update Concerning Proposed EPA Regulations – Progress Energy Carolinas, Inc.

Table 7.2-1 2010-2011 Public Workshops

- In collaboration with practitioners, the Commission developed an online form for use by the public to file a letter of protest against a utility. The form standardizes the process and ensures that the necessary information is included with the protest. This form is being highly utilized.
- Enhancements to the agency’s website www.psc.sc.gov and its online docket management system (<http://dms.psc.sc.gov>) allowed the public more access to information related to the Commission’s operations. The Commission’s homepage is used to inform the public of upcoming hearings and announcements, proposed regulations, and consumer information.
- The Commission made enhancements to its website to improve the display of information and functionality. In addition, the Commission’s website was updated to add educational information for consumers on the regulatory process, energy efficiency and demand side management, and net metering.
- The Commission’s online tariff system (ETariff) (<http://etariff.psc.sc.gov>) allows users to view and search tariffs online, and allows organizations to file promotions and revisions to tariffs electronically using the web based system. Currently, there are over 630 tariffs in the database, with most telecommunications companies and all electric and gas company tariffs available online. The percentage of returning visitors to the site is increasing as the system becomes established.
- Posting of matters related to docketed cases on DMS is a vital function of the Clerk’s Office (Chart 7.2-2). Once the information is in DMS, it is available for public access over the internet. This information consists of applications, testimony, exhibits, notices, correspondence, orders, etc.

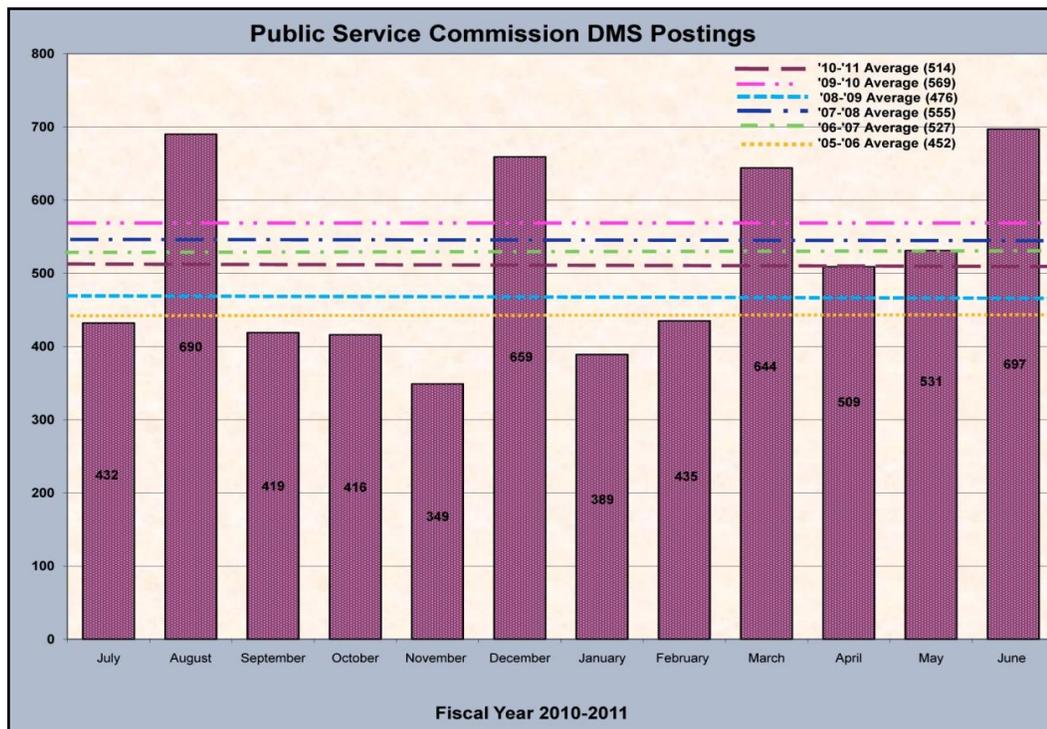


Chart 7.2-2 DMS Postings

- The DMS’s database was expanded to include orders dating back to 1952. Although the number of pageviews has dropped off somewhat from the previous year, the chart below (Chart 7.2-3) shows the activity level on the DMS website year after year and reinforces the usefulness of the system and the public's dependence on the information contained in the system.

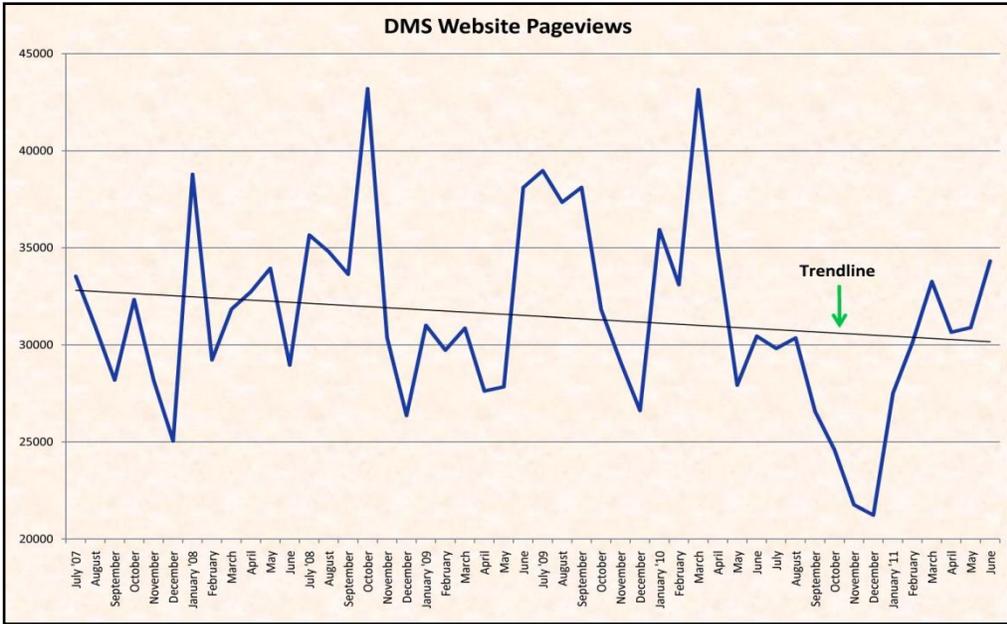


Chart 7.2-3 DMS Website Activity

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

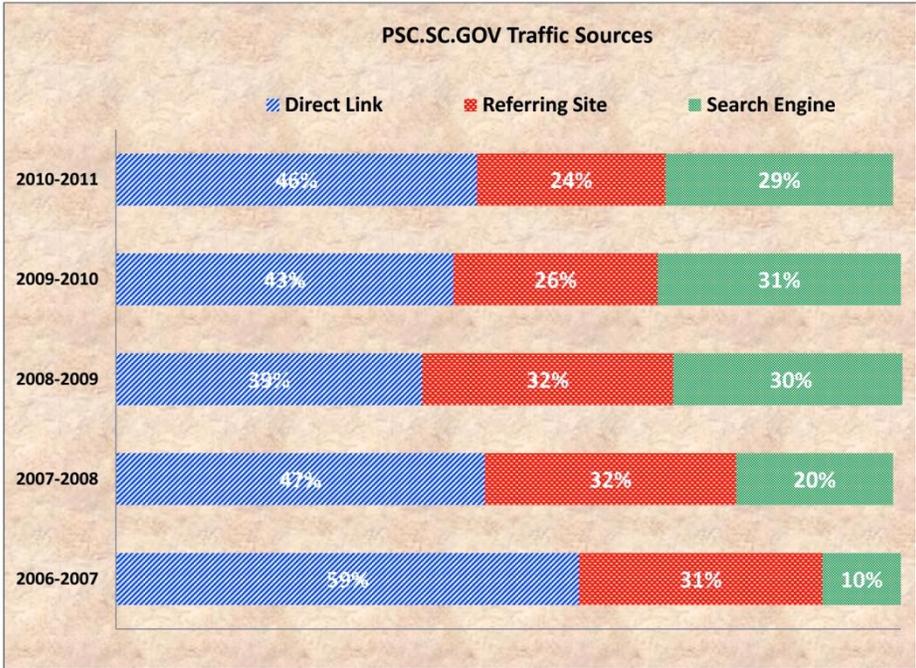


Chart 7.2-4 PSC Website Traffic

7.3 The Commission completed the 2010-2011 fiscal year within its operating budget, despite uncollected revenues of \$80, 005. The FY 11-12 budget was submitted in a timely manner.

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

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

Emerging Issues Educational Sessions

National Electricity Forum
Eastern Interconnection States Planning Council Meetings
Eastern Interconnection Planning Council Sector Steering Committee Meetings
Institute of Public Utilities at Michigan State University Grid School
Transmission Business School
Transmission Technologies Workshop
South Carolina Biomass Council Meetings
Blue Ribbon Commission Meeting
Governor’s Conference on Energy
White House Smart Grid Subcommittee Meeting
Electric Infrastructure Security Summit
South Carolina Energy Users Committee Meeting
Bonbright Center Electric and Natural Gas Conference
National Petroleum Council Public Interest Advisory Council Meetings
Gas Technology Institute Public Interest Committee Meeting
American Gas Association Centerpoint Technology Lab Tour
National Association of Water Companies (NAWC) Annual Conference
NAWC Water Policy Forum
Water Research Foundation Advisory Council Meetings
Society of Utility and Regulatory Financial Analysts Forum
Government Coordinating Council’s Critical Infrastructure Partnership Advisory Council Water Sector Committee Meetings
South Carolina Telephone Association Conferences
Utility Wall Street Dialogue
Emerging Issues Policy Forum
Critical Consumer Issues Forum
Department of Energy Southern Regional Energy Assurance Exercise
Center for Public Utilities at New Mexico State University Current Issues 2011
Public Utilities Research Center Annual Conference

Table 7.4-1 Emerging Issues Educational Sessions

- A system to alert the Commission to upcoming legislation, court ruling or federal entity ruling is in place to provide senior leadership with timely information to assist the Commission with its duties, as well as alerts related to happenings within the regulated industries. A total of nearly 900 alerts was issued during 2010-2011. These alerts are in the form of blog postings and emails. With new developments on the federal level concerning transmission, and proposed new EPA regulations and FCC rulings on horizon, the Commission desires to be proactive in response to issues that affect the entities they regulate (Chart 7.4-2).
- The Office of Advisory Staff and the Legal Department identified areas where the Commission needed additional training and conducted seminars on Act 175 of 2004, Perspectives on Water and Waste Water, and Proposed New EPA Regulations (Chart 7.4-2).
- In order to provide quality analysis, members of the Commission participated in webinars that featured outside experts [National Regulatory Research Institute (NRRRI), Water Research Foundation, American Gas Association, Energy Central, EPA, FERC, and others] who addressed emerging utility issues (Chart 7.4-2).
- Participation in national and regional regulatory conferences (NARUC, SEARUC, NERC, IPU, etc.) and involvement in associated committees and related organizations benefited the commissioners and staff by keeping them informed of current and emerging issues within regulated industries (Chart 7.4-2).

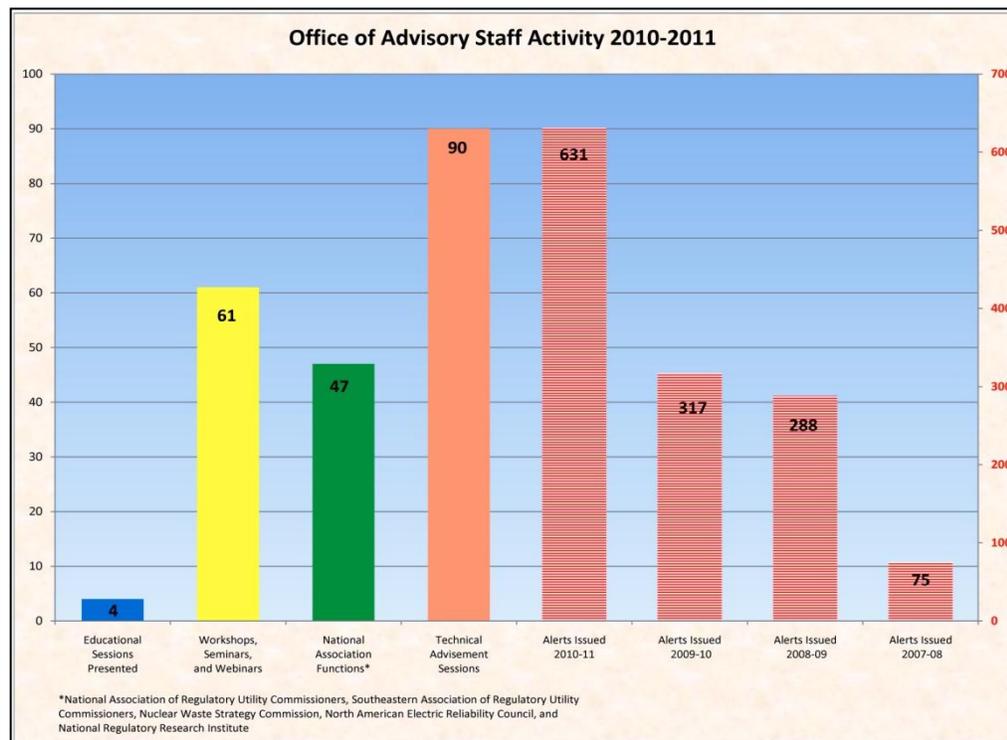


Chart 7.4-2 Office of Advisory Staff

- The commissioners and staff received training on ethics issues in the form of seminars and newsletters to ensure compliance with the Code of Judicial Conduct and Titles 8 and 58 of the South Carolina Code of Law.

- Commissioners and staff continued to achieve positions of leadership on the national level furthering the professional development of the Commission (Table 7.4-3). These positions cultivate the leadership of the Commission while ensuring that South Carolina and the Southeast's positions are represented on national issues such as transmission in the Eastern Interconnection, smart grid, gas pipeline safety, and broadband expansion.

First Vice President - NARUC Executive Committee*
Chairman - NARUC Committee on Gas*
Chairman - NARUC Committee on Water*
Chairman - NARUC Committee on Critical Infrastructure*
Chairman - NARUC Nuclear Issues and Waste Disposal Subcommittee
Chairman - Nuclear Waste Strategy Coalition
Chairman - NARUC Staff Subcommittee on Information Services
Secretary - Eastern Interconnection States Planning Council Executive Committee
Board Member - Universal Service Administrative Company
Board Member - Electric Power Research Institute
Voting Member - NERC Compliance and Certification Committee

* Additionally Serve on NARUC Board of Directors

Table 7.4-3 Leadership Positions

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

- Electronic filing (E-Filing) of documents increases the timeliness of the information and improves productivity for the users and the Commission staff (Chart 7.5-1). As more users realize the benefits of E-Filing, the percentage of documents filed electronically will increase as the trend shows. E-Filing of documents on the ETariff System increased from 82% last year to nearly 90% this year.

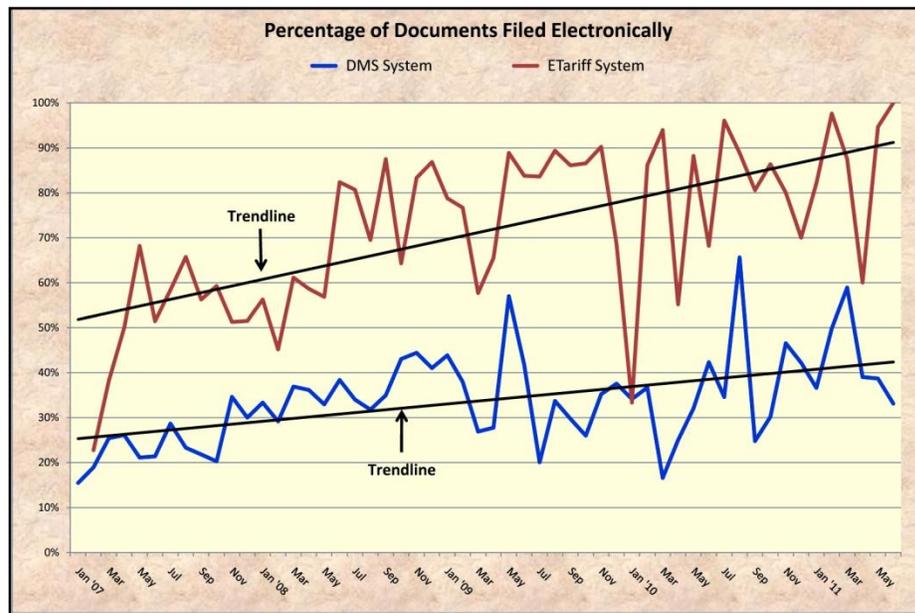


Chart 7.5-1 E-Filing

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

- Article 3 addresses customer deposits and retention of deposits for electric companies. The changes to Regulation 103-331 allow an electrical utility to require a deposit from a non-residential customer when the customer or its parent company is experiencing financial difficulties. With respect to Regulation 103-336, the revisions state an electrical utility is not required to refund a deposit if a non-residential customer or its parent company is experiencing financial difficulties. These revisions help electric utilities avoid losses and subsequent write-offs to uncollectible accounts.
- Article 6 revises bond requirements for local exchange telecommunications carriers. Revisions to Article 6 expand the present regulation of providers of prepaid local telephone service to all telephone utilities who provide retail residential local exchange services, but who have not invested at least five million dollars in telecommunications facilities in the State of South Carolina. The amendments also delete references to advance payments and prepaid payments and require bonds or other security mechanisms to be filed with the Commission and a copy provided to the Office of Regulatory Staff. These revisions will protect customers in the event a telephone company ceases to provide service.

A Notice of Drafting has been filed with the General Assembly's Legislative Council, and a public hearing has been scheduled for the following proposed regulation:

- Article 8 to create a new regulation to specify the information that must be submitted with electric utility financing applications filed with the Commission. Such additional information includes, but is not limited to, the effect of the proposed financing on the utility's income statement, balance sheet, and capital structure, and information on the possible impact on the utility if the proposed financing is not approved or if approval is delayed.

2010-2011 PSC Regulation Revision Status							
Article	Description	Notice of Drafting	Proposed Regulations Filed	Public Hearing Held	Final Regulations Filed	Approved by General Assembly	Published in State Register
3	Customer Deposits and Deposit Retention for Electric Utilities	✓	✓	✓	✓	✓	✓
6	Bond Requirements for Local Exchange Carriers	✓	✓	✓	✓	✓	✓
8	Requirements for Financing Applications for Regulated Electric Utilities	✓	✓				

Table 7.6-1 PSC 2010-2011 Regulation Review Process

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