



Public Service Commission of South Carolina
Accountability Report
Fiscal Year 2012-2013

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Section I – Executive Summary

• Mission and values:

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

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

• Major achievements for 2012-2013:

A main focus of the Commission during the 2012-2013 fiscal year was identifying emerging issues within the regulated industries and engaging in discussions with members of the regulated community on these issues. The Commission also continued to expand its presence as a leader in the regulatory world and focused on the professional development of its commissioners and staff. With new developments on the federal level concerning cybersecurity and the newly implemented EPA regulations, the Commission desires to be proactive in responses to issues that affect the entities it regulates. The Commission also desires to provide consumers with more information concerning the regulatory process to aid in fulfillment of its mission in providing a fair, open, and efficient regulatory process that promotes cost-effective and reliable utility services. South Carolina continued to hold a presence in national and international regulatory matters; Commissioner David Wright held his position as president of the National Association of Regulatory Utility Commissioners (NARUC) until November 2012 and other commissioners continued their involvement on the national level with organizations such as the Eastern Interconnection States Planning Council (EISPC), the National Petroleum Council, and the Department of Homeland Security/Environmental Protection Agency (EPA) Water Sector Government Coordinating Council.

Commissioner Nikki Hall was appointed to Co-Chair NARUC's Washington Action Committee and became Vice Chairman of the NARUC Utility Marketplace Access Subcommittee. Also, Commissioner Fleming was appointed to serve as the Vice President of the EISPC, and Commissioner Mitchell continued his service on the Federal Communications Commission (FCC) Federal - State Joint Board on Universal Service. Commissioner Fleming's involvement on the NRRI Board and the Eastern Interconnection States Planning Council has allowed her to influence national energy decisions and protect South Carolina's interests. Commissioner Mitchell's presence on the FCC Joint Board on Universal Service represented South Carolina and other states with similar demographics in expanding telecommunications services. These leadership positions provided the opportunity to promote South Carolina across the nation and world.

The leadership positions that the South Carolina commissioners hold in national regulatory and industry organizations ensure that South Carolina's 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 12 and 13).

The Commission also desired to provide consumers with more information concerning the regulatory process to aid in fulfillment of its mission of providing a forum for fair, open, and

effective regulation. Again this year, the Commission conducted a series of public workshops to allow regulated utilities an opportunity to inform their customers, interested parties, and the Commission of updates to operations and projects. Topics included “Joint Dispatch and Merger Integration Update,” “An Update on Construction Progress on Units 2 & 3 at V.C. Summer Nuclear Station,” “Peak Power Consumption in South Carolina,” and a “Workshop Regarding Interest Rates on Customer Deposits for Electric Utilities.” These workshops allowed the Commission to continue to provide a transparent regulatory process while maintaining effective communications with its stakeholders and utility consumers (Table 7.2-1, pages 24-25).

During the 2012-2013 fiscal year, the Commission presided over and ruled on several significant cases in the electric, telecommunications, and water and wastewater industries. These cases involved several key regulatory issues such as the modification of regulation plans, rulings on rate increases, and the expansion of transmission lines. The following paragraphs are summaries of the Commission’s most significant cases for FY 2012-2013:

- **Docket No. 2009-479-WS:** United Utility Companies, Incorporated (UUC) filed an Application for an adjustment to its rates and charges and for modifications to certain terms and conditions for the provision of water and sewer service. The Commission held four public hearings, and a merits hearing. Based on the testimony at the public hearings, in which customers testified to billing problems and poor water quality, the Commission denied UUC’s application in its entirety. UUC filed a Notice of Appeal of the Commission’s decision with the South Carolina Supreme Court. While this appeal was pending, UUC and the other parties in the case arrived at a settlement agreement. A public hearing was held before the Commission to present the terms of the settlement, and the Commission approved the rates agreed to by the parties in the settlement agreement.
- **Docket No. 2013-55-C:** The South Carolina Telephone Coalition (SCTC) filed a Petition with the Commission to modify alternative regulation plans to take into account recent action by the Federal Communications Commission (FCC). The FCC issued a Universal Service Fund and Intercarrier Compensation Systems (USF-ICC) Transformation Order in November 2011. The USF-ICC Order restructures the Federal Universal Service Fund (FUSF) and requires Eligible Telecommunications Carriers (ETCs) to meet certain rate floors in order to be able to draw the amount of Federal High Cost Universal Service Support for which they are eligible under the order. Currently, the rate floor in South Carolina, as established by the South Carolina USF proceedings, is the statewide average rate for basic local residential and single line business services and is below the national average rate. The SCTC petition requested the PSC change the administration of alternative regulation plans to allow the Local Exchange Carriers (LECs) to raise their rates for flat rate local exchange residential and single line business services to the nationwide average. The Commission granted the relief sought by the SCTC; however, the South Carolina Cable Television Association has filed a Petition to Intervene in the matter. The Petition seeks to have the Commission make adjustments to the South Carolina USF to reflect the higher maximum rate that the LECs may now charge.
- **Docket No. 2012-203-E:** South Carolina Electric & Gas Company (SCE&G) filed an Application for approval to construct and operate a 230 kV transmission line from its V.C. Summer Switchyard #1 to its Killian Transmission Substation and two 230 kV transmission lines from its V.C. Summer Switchyard #2 to its Lake Murray Transmission Substation. SCE&G stated that this additional transmission was needed to serve the growth occurring in

the northeast Columbia area and to accommodate the new nuclear units under construction at the V.C. Summer Nuclear Station. Of the fifty-nine total miles of transmission lines being requested for approval, all but six miles would be constructed on existing right-of-way. Richland County and the Town of Blythewood intervened in opposition to the proposed route. The parties entered into a settlement agreement over the route, and the Commission granted approval for the construction and operation of the transmission lines. The Commission did not approve a cost for these transmission lines or approve the recovery of any costs for these lines. Siting decisions are very controversial as no one really wants a transmission or distribution line visible from one's property. It is always better when parties can negotiate an agreement that all parties consider to be just and reasonable. However, because this agreement and the Commission's ruling only addressed the location of the lines and not cost recovery, this matter is not completely resolved.

- **Docket No. 2012-218-E:** South Carolina Electric and Gas Company (SCE&G) filed an Application for proposed adjustments, changes, and increases in its rates, charges and tariffs for retail electric service in conjunction with a request for a mid-period reduction in its base rates for fuel to reduce the fuel factor for electric service. Three public hearings were held across the SCE&G service area, in addition to the merits hearing. A memorandum of understanding was ultimately reached and signed by all parties except the South Carolina Energy Users Committee. The Commission approved SCE&G's request upon the agreement that SCE&G will not seek a non-fuel base rate increase to be effective before January 1, 2015, except as a result of extraordinary unforeseen economic or financial conditions. The South Carolina Energy Users Committee sought reconsideration of the Commission's decision, but the petition was denied.
- **Docket No. 2012-94-S:** Palmetto Wastewater Reclamation d/b/a Alpine Utilities (PWR) filed an Application for an adjustment in its rates and charges for the provision of sewer service. PWR and the Office of Regulatory Staff (ORS) filed a Settlement Agreement providing the company the opportunity to earn a 14.94% operating margin. Following a hearing and ruling in the case, it was brought to the attention of the Commission that some commercial customers experienced significant increases in the customer equivalencies used to determine the sewer charges. The Commission requested that ORS perform a study to determine the effect on commercial customers' bills changing from the previous system for determining customer equivalents to the new hydraulic loading system as approved in the rate case. The ORS study has been received by the Commission.

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

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

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

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

- **Key strategic challenges:**

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

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

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

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

Section II – Organizational Profile

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

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

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

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



Commission Bench During a Hearing

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

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

- **Key stakeholders:**

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

Additionally, during the fiscal year the Commission transitioned its computer and technology needs to the Department of State Information Technology (DSIT).

- **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 2012-2013, the Public Service Commission had thirty-eight classified fulltime equivalent positions, two temporary employees, and three grant positions.

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

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

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

- **Performance improvement systems:**

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

During the 2012-2013 fiscal year, the Commission launched the Electronic Service System or “eService System”. The system is designed to electronically serve Commission Orders to parties of record in cases before the PSC. Since December, the Commission has served over 200 Orders electronically to approximately 1,500 recipients and parties, creating a more efficient and effective process to deliver these notifications (Chart 7.5-2, page 31). Also, since the introduction of the eService System, the Commission has seen a reduction in postage costs of over \$11,000 from last fiscal year, and expects to see postage costs continually decrease due to plans to add the service of Commission Notices to the eService System (Chart 7.5-3, page 31).

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

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

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

Organizational structure:

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

Public Service Commission of South Carolina

	Commissioner John E. "Butch" Howard Charleston, SC Representing District 1 Term Expires June 30, 2016		Commissioner David A. Wright Columbia, SC Representing District 2 Term Expires June 30, 2014*
	Commissioner Randy Mitchell Saluda, SC Representing District 3 Term Expired June 30, 2013*		Commissioner Elizabeth B. "Lib" Fleming Spartanburg, SC Representing District 4 Term Expires June 30, 2014
	Commissioner Swain E. Whitfield Blackstock, SC Representing District 5 Term Expires June 30, 2016		Commissioner Nikiya "Nikki" Hall Columbia, SC Representing District 6 Term Expires June 30, 2014
	Commissioner G. O'Neal Hamilton Bennettsville, SC Representing District 7 Term Expires June 30, 2016		Chief Clerk/Administrator Jocelyn G. Boyd Columbia, SC

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

* Commissioner Randy Mitchell retired on June 30, 2013. Comer H. "Randy" Randall was elected May 1, 2013 as the new Commissioner for District 3. He was sworn in on July 11, 2013.

* Commissioner David A. Wright retired from the Public Service Commission on May 31, 2013. The District 2 seat remains vacant at this point in time.

- **Expenditures/Appropriations Chart:**

Actual expenditures for fiscal years 2011-2012 and 2012-2013, and appropriations for 2013-2014 are shown in the following chart. The utilities regulated by the Public Service Commission are assessed to provide funding for the Commission. The Commission was the recipient of a grant from the American Recovery and Reinvestment Act of 2009 (ARRA). The grant is used to fund activities at the Commission, ORS, and PURC.

Major Budget Categories	FY 11-12 Actual Expenditures		FY 12-13 Actual Expenditures		FY 13-14 Appropriations Act	
	Total Funds	General Funds	Total Funds	General Funds	Total Funds	General Funds
Personnel Service	\$ 2,678,565		\$ 2,754,526		\$ 2,895,895	
Other Operating	\$ 788,683		\$ 893,825		\$ 855,017	
Special Items						
Permanent Improvements						
Case Services						
Distributions to Subdivisions	\$ 92,577		\$ 25,000			
Fringe Benefits	\$ 777,136		\$ 835,674		\$ 868,396	
Non-recurring						
Total	\$ 4,336,961		\$ 4,509,025		\$ 4,619,308	

• **Major Program Areas Chart:**

Program Number and Title	Major Program Area Purpose (Brief)	FY 11-12 Budget Expenditures	FY 12-13 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: \$2,234,499 Total: \$2,234,499 % of Total Budget: 49%	State: Federal: Other: \$2,518,882 Total: \$2,518,882 % of Total Budget: 56%	Chart 7.2-3 Chart 7.2-4 Chart 7.5-1 Chart 7.5-2 Chart 7.5-3
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: \$648,572 Total: \$648,572 % of Total Budget: 15%	State: Federal: Other: \$576,061 Total: \$576,061 % of Total Budget: 13%	Chart 7.1-1 Chart 7.1-4 Chart 7.2-2 Chart 7.2-3 Chart 7.5-1 Chart 7.5-2 Chart 7.5-3
Legal Department	Advises the Commission regarding pending cases. Drafts legal documents.	State: Federal: \$182,333 Other: \$700,674 Total: \$883,007 % of Total Budget: 23%	State: Federal: \$196,079 Other: \$649,755 Total: \$845,834 % of Total Budget: 19%	Chart 7.1-1 Chart 7.1-2 Chart 7.1-3 Chart 7.1-5 Table 7.4-1
Office of Advisory Staff	Provides technical advice to the commissioners and staff.	State: Federal: Other: \$570,883 Total: \$570,883 % of Total Budget: 13%	State: Federal: Other: \$568,248 Total: \$568,248 % of Total Budget: 12%	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 Employee Recognition Program (Shout Out!). Developmental and agency training needs are identified by senior management, and as deficiencies are identified, solutions are developed to provide the necessary instruction as funds allow.

Senior leadership fosters ethical behavior by attending an annual ethics seminar, publishing a periodic newsletter that addresses ethics issues, and designating in-house personnel to resolve issues that arise in the day-to-day operations. The Commission adheres to the SC Code of Judicial Conduct, the State Ethics Laws, and Title 58 of the South Carolina Code of Laws in its operations. This year's annual ethics training featured a distinguished panel including Cathy Hazelwood, General Counsel of the State Ethics Commission; The Honorable Ralph K. "Tripp" Anderson, Administrative Law Judge (Seat 6); and Desa Ballard, a private practice attorney. In addition to the three speakers who presented this year, the Commission watched two ethics videos entitled "Technology and the Ethics Confidentiality" and "Lawyer Depression and Mental Health" available through the South Carolina Bar Association.

Senior leaders promote a focus on customers and other stakeholders by utilizing the Commission's Advisory Committee and Focus Groups in a series of forums that address operations and procedures at the Commission, independent surveys of parties that practice before the Commission, and soliciting customer feedback through online surveys. The Commission also desires to provide consumers with more information concerning the regulatory process to aid in fulfillment of its mission of providing a forum for fair, open, and effective regulation. During the fiscal year, the Commission introduced three audio visual guides to aid in the public's research of the Commission's practices and procedures. The guides detail information regarding the *pro se* litigant process, public night hearing procedures, and frequently asked questions.

The Commission addresses the current and potential impact on the public with respect to its services, facilities, and operations by conducting hearings that are open to the public. In these hearings, public comment is both requested and desired. In addition, the companies that are under

the jurisdiction of the Commission must publish notices in local media concerning changes to their operations as mandated by the Commission’s regulations.

Public hearings and workshops are also held to inform the public of emerging utility issues in the industries regulated by the Commission. Topics have included “An Update on Construction Progress on Units 2 & 3 at V.C. Summer Nuclear Station,” and “A Workshop Regarding Interest Rates on Customer Deposits for Electric Utilities.” These workshops allowed the Commission to continue to provide a transparent regulatory process while maintaining effective communications with its customers and stakeholders.

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

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

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

The commissioners of the Public Service Commission are elected by the General Assembly. The chairman and the senior staff work to promote and educate future organizational leaders by identifying programs that will cultivate the skills necessary to lead the agency. In February, Commissioner Nikki Hall was appointed to serve as Co-Chairman of NARUC’s Washington Action Program; Commissioner Hall is also Vice-Chairman of the NARUC Utility Marketplace Access Subcommittee. Commissioner Whitfield became a member of the Nuclear Issues and Waste Disposal Subcommittee, as well as the Washington Action Program. Several commissioners were appointed to key strategic federal panels and committees. Below is a listing of the positions held by the present commissioners:

Commissioner Howard District 1	Member - NARUC Committee on Water
	Director - NARUC Utility Rate School
	Member - NARUC Subcommittee on Clean Coal and Carbon Sequestration
	Member – NARUC Subcommittee on Education and Research
	Member - Dept. of Homeland Security, Water Sector Government Coordinating Council
	Member - Water Research Foundation Public Council on Drinking Water Research
	Member – Advisory Council for the Center for Public Utilities at New Mexico State University

Commissioner Wright* District 2	<p>President – NARUC Executive Committee and Board of Directors</p> <p>Member - NARUC Subcommittee on Nuclear Issues and Waste Disposal</p> <p>Member - NARUC Washington Action Committee</p> <p>Member - NARUC Committee on Electricity</p> <p>Chairman - Nuclear Waste Strategy Coalition</p> <p>Board Member - Advisory Board of the Institute of Public Utilities at Michigan State University</p> <p>Board Member - Electric Power Research Institute</p> <p>Member - Keystone Energy Board</p>
Commissioner Mitchell* District 3	<p>Member - NARUC Committee on Telecommunications</p> <p>Member - FCC-NARUC Advanced Services Committee</p> <p>Member - NARUC Committee on Critical Infrastructure</p> <p>Member - FCC Federal-State Joint Board on Universal Service</p> <p>Board Member - Universal Service Administrative Company</p>
Commissioner Fleming District 4	<p>Member - NARUC Committee on Critical Infrastructure</p> <p>Member - NARUC Committee on Electricity</p> <p>Vice President - Eastern Interconnection States Planning Council (EISPC) Executive Committee</p> <p>Member - Eastern Interconnection Planning Council Stakeholders Steering Council</p> <p>Board Member - National Regulatory Research Institute</p> <p>Member - Advisory Council for the Center for Public Utilities at New Mexico State University</p>
Commissioner Whitfield District 5	<p>Member – NARUC Committee on Critical Infrastructure</p> <p>Member – NARUC Washington Action Program</p> <p>Member – NARUC Nuclear Issues and Waste Disposal Subcommittee</p> <p>Member – NARUC Committee on Gas</p> <p>Member – NARUC Pipeline Safety Task Force</p>
Commissioner Hall District 6	<p>Co-Chairman – NARUC Washington Action Program</p> <p>Member - NARUC Committee on Energy Resources and the Environment</p> <p>Vice Chairman - NARUC Utility Marketplace Access Subcommittee</p>
Commissioner Hamilton District 7	<p>Member - NARUC Nuclear Issues and Waste Disposal Subcommittee</p> <p>Member – NARUC Board of Directors</p> <p>Member – NARUC Committee on Telecommunications</p> <p>Member - NARUC Advisory Committee</p> <p>Member - National Petroleum Council</p> <p>Board Member - Gas Technology Institute Advisory Board</p>

*Memberships listed for Commissioner Wright and Commissioner Mitchell are pre-retirement.

Table 1.7-1 Commissioner Leadership Positions 2012-2013

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

Senior leadership recognizes the importance of staying up to date in all areas of the regulatory process in this fast changing and volatile environment. Members of the Commission and staff regularly attend training sessions (conferences, workshops, webinars, etc.) on emerging issues within the industries regulated by the Commission (Table 7.2-1, pages 24-25, Table 7.4-1 and Table 7.4-2, pages 27-28). They encourage the workforce to seek additional knowledge and training when required.

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

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

Category 2 - Strategic Planning

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

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

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

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

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

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

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

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

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

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

Strategic Planning

Program Number and Title	Supported Agency Strategic Planning Goal/Objective	Related FY 12-13 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; develop agency budget; perform financial functions related to the agency such as payroll and general ledger accounting. [2013-2014]	Chart 7.2-3 Chart 7.2-4 Chart 7.5-1 Chart 7.5-2 Chart 7.5-3
Clerk's Office	The Clerk's Office processes all legal documents that are filed with the Commission; creates and mails all notices of filings and directives; schedules hearings before the Commission; and prepares and maintains all hearing documents.	Process all legal documents filed with the agency; prepare notices; maintain accurate and complete files of the Commission's dockets; provide copies of recent and historical Commission orders through the agency's online docket management system (DMS); provide court reporter services and transcripts; provide copies of matters filed in dockets to the public on the DMS; maintain company tariffs; maintain the Order Index System; publish newsletters and reports; conduct training	Chart 7.1-1 Chart 7.1-4 Chart 7.2-2 Chart 7.2-3 Chart 7.5-1 Chart 7.5-2 Chart 7.5-3

		sessions for staff; develop agency budget. [2013-2014]	
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. [2013-2014]	Chart 7.1-1 Chart 7.1-2 Chart 7.1-3 Chart 7.1-5 Table 7.2-1 Table 7.4-1
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. [2013-2014]	Chart 7.1-1 Table 7.2-1 Table 7.4-1 Chart 7.4-2

Category 3 - Customer Focus

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

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

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

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.

Throughout the year, the Commission meets with its Focus Groups to address issues related to its operations and procedures. Working groups are assembled to assist the Commission in developing solutions to new regulations, procedures, and operations. Members of the Focus Groups contribute



Figure 3.6-1 Members of the PSC Advisory Committee attend a meeting on the eService System.

helpful suggestions, and their input is valued and taken into account when changes to operations or procedures are required. Members of the Commission's Advisory Committee played a vital role in the development of the eService System.

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

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

Category 4 - Measurement, Analysis, and Knowledge Management

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

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

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

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

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

Category 5 – Workforce Focus

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

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

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

With the growing pressure for the generation of energy using renewable energy sources and the stricter environmental regulations facing the energy and water/wastewater industries, the Commission must be informed, involved, and proactive in its duties. A requisite to accomplishing this effort is education. This year the Commission attended conferences, seminars, workshops, and webinars to stay informed and involved in the emerging issues facing the regulated community (Table 7.4.1, pages 27-28). Events such as The Three Interconnections Meeting: Facing the Future with Interconnection-Wide Planning brought regulators from across the nation and industry representatives together to explore how regulators and companies can overcome challenges of integrating new resources, building a modern grid, and keeping electricity reliable and affordable. By contrast, attendance at the Southeastern Association of Regulated Utility Commissioners Annual Conference brought commissioners and industry representatives from the Southeast together to discuss the hot topics present in this region of the country.

The mission of the Commission is to provide fair, open, and effective regulation of the state's public utilities. In order to be effective, the Commission must be engaged and informed. Senior management is involved in leadership on the national level with numerous affiliated organizations and stays informed of current issues within the industries regulated by the Commission (Chart 7.4-3, page 29). Involvement in these organizations ensures that South Carolina's and the Southeast's positions are represented on national issues such as transmission in the Eastern Interconnection, smart grid, gas pipeline safety, and cybersecurity.

Members of the Commission receive training in ethical practices through seminars and newsletters. This year a diverse panel consisting of three attorneys with diverse professional backgrounds conducted the training seminars. The Commission also gained two, of the required six hours, through video presentations available on the South Carolina Bar Association's website. Each presenter covered the ethics topic from their own professional perspective, providing real-life anecdotes to supplement their lecture material. The presenters included Desa Ballard, Judge Tripp Anderson, and Cathy Hazelwood (Figures 5.1-1, 5.1-2, 5.1-3, page 19).



Figure 5.1-1 – Administrative Law Judge Tripp Anderson conducts ethics training for the PSC.



Figure 5.1-2 – Desa Ballard, Esquire, discusses the Judicial Code of Conduct during 2013 ethics training before the PSC.



Figure 5.1-3 –SC Ethics Commission General Counsel, Cathy Hazelwood, engages PSC staff during training.

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

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



Figure 5.1-4 – Healthy lifestyle employee recognition.

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 6.1-1, page 20).



Figure 6.1-1 – Commissioners listen to a witness testify during a public 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 utilizes its new eService system or mails a copy of the order to the parties of record. Any party to the hearing can ask the commissioners to reconsider their decision and can appeal the decision to the Appellate Court. This process most often applies to our jurisdictional utilities.

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

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

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

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

Senior management reviews the Agency's budgetary status and makes adjustments where necessary based on developed contingency plans. Prior to the beginning of the fiscal year, departmental

managers submit budgets for education, equipment, training, and other budgetary needs for their areas. Throughout the year, managers update their requirements and budget revisions are made.

Category 7 - Business Results

Key business results for the 2012-2013 year include improvements in customer communications and customer education, and professional development of commissioners and staff.

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

- This fiscal year, the Commission held 73 hearings, 37 agenda meetings, and issued 952 orders (Chart 7.1-1).

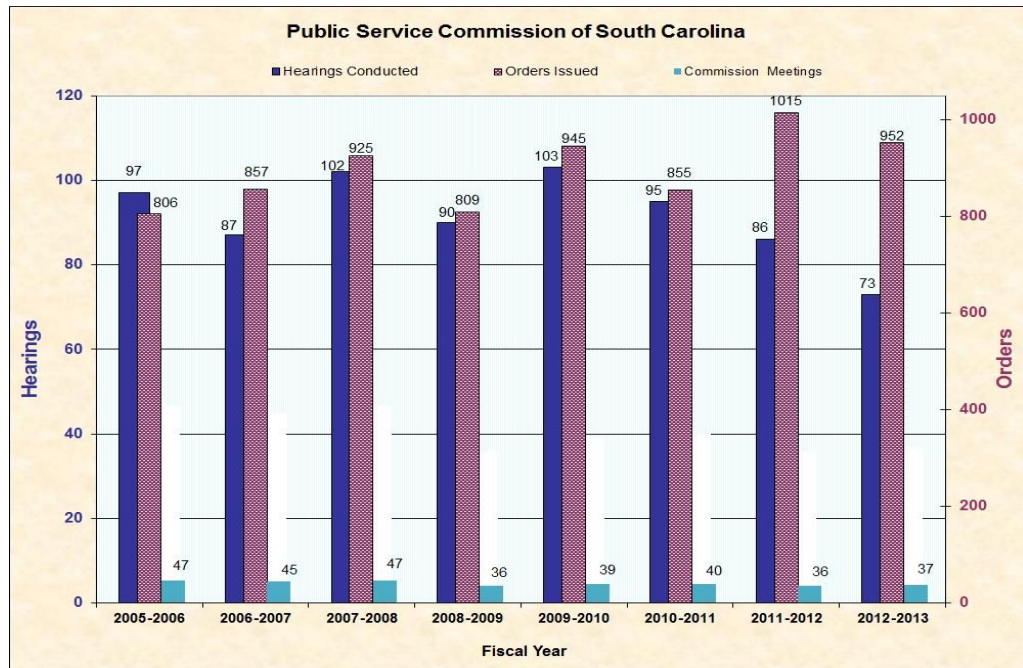


Chart 7.1-1 PSC Hearings and Orders

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

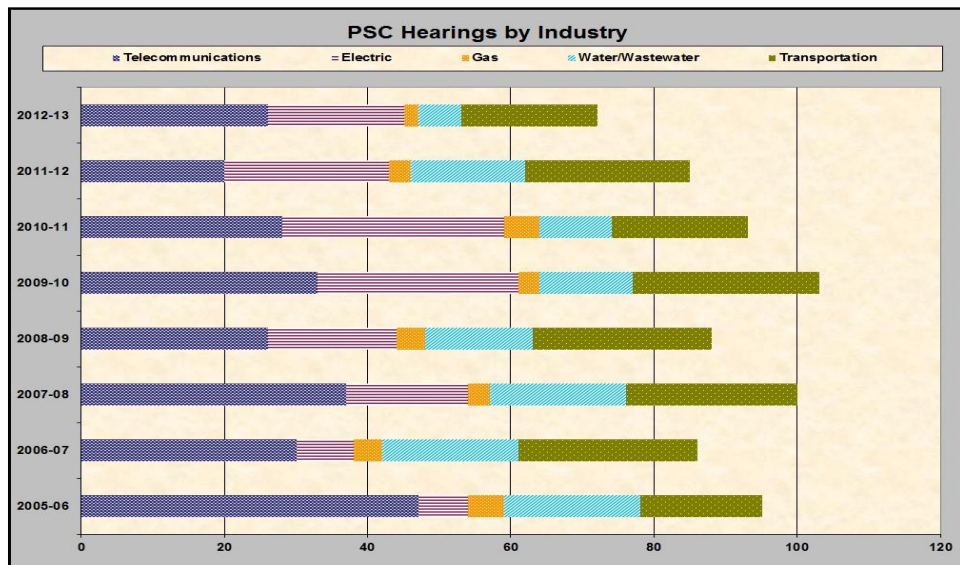


Chart 7.1-2 Hearings by Industry

- The number of hearings in the telecommunications industry has increased this year as shown in Charts 7.1-2 and 7.1-3 as companies file Applications for Eligible Telecommunications Carrier (ETC) Certificates for the purpose of providing Lifeline service to their customers. There continues to be a steady number of hearings within the electric and water/wastewater industries due to requests for rate increases and the impact of new issues which must be addressed from a regulatory standpoint. Some of these issues include demand side management and energy efficiency programs, construction of the new nuclear units at V.C. Summer Station and the related expansion of transmission lines, and renewable energy sources.

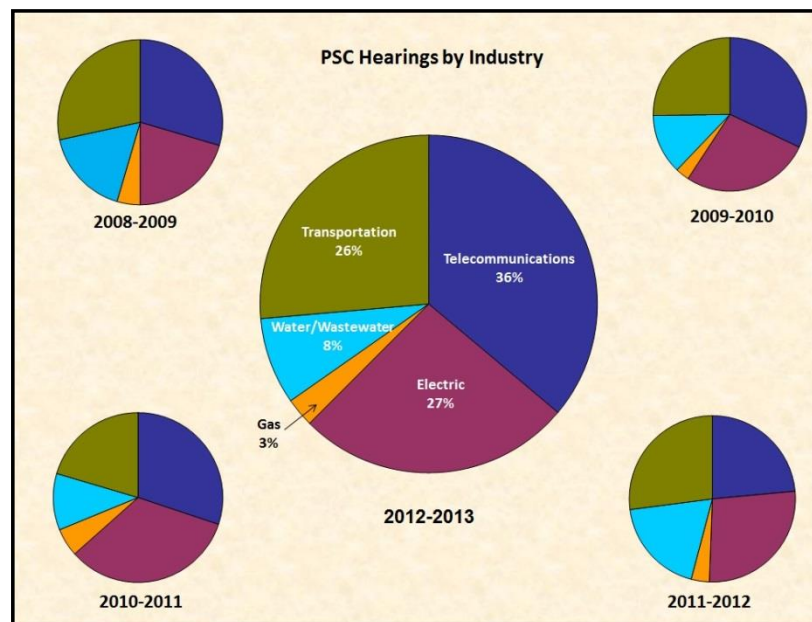


Chart 7.1-3 Hearings by Industry

- The Commission opened 435 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).

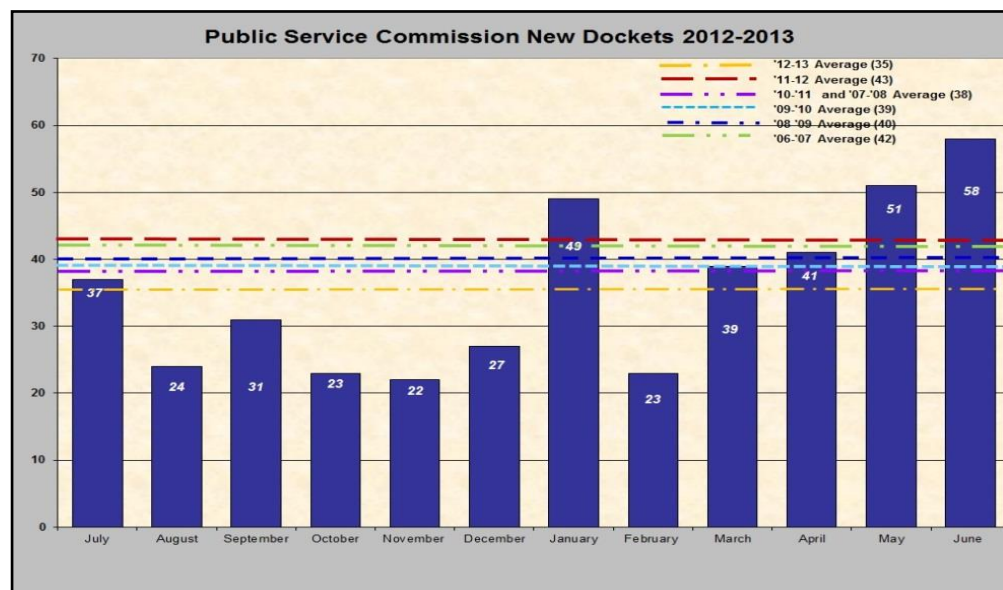


Chart 7.1-4 New Dockets

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

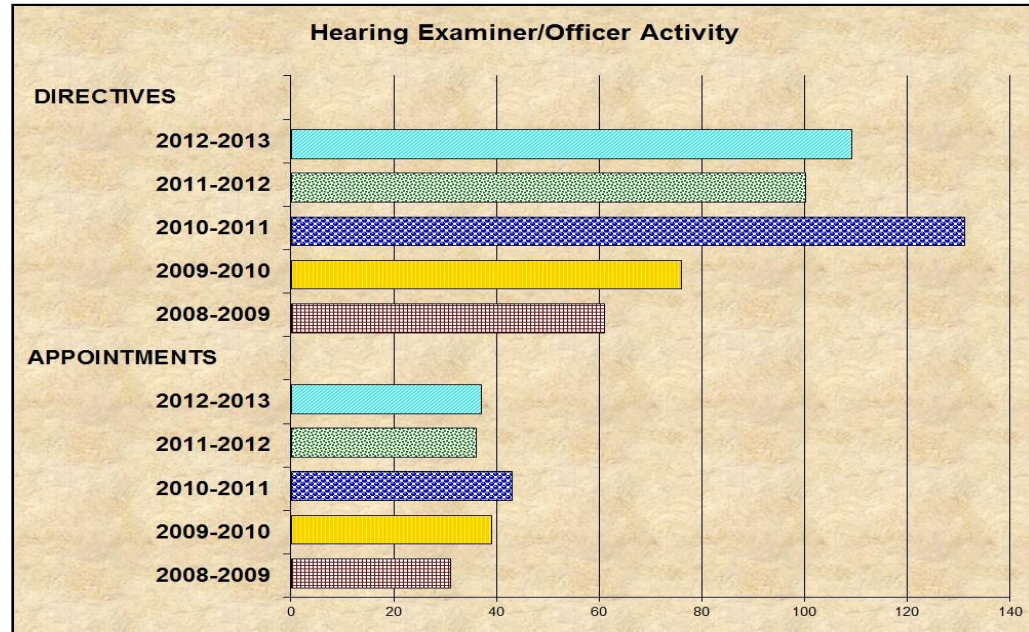


Chart 7.1-5 Hearing Examiner/Officer Activity

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

The Commission conducted a series of public workshops to allow regulated utilities an opportunity to inform their customers, interested parties, and the Commission of updates to operations and projects. Topics included “An Update on Construction Progress on Units 2 & 3 at V.C. Summer Nuclear Station,” and “A Workshop Regarding Interest Rates on Customer Deposits for Electric Utilities.” (Table 7.2-1) These workshops allowed the Commission to continue to provide a transparent regulatory process while maintaining effective communications with its customers and stakeholders.

2012-2013 PSC Public Workshops

Date	Requestor	Topic
December 19, 2012	South Carolina Electric & Gas Company	2012 Integrated Resource Plan (IRP)
December 19, 2012	SC Coastal Conservation League, Southern Alliance for Clean Energy, and Upstate Forever	Presentation Regarding SCE&G’s 2012 IRP
January 23, 2013	Progress Energy Carolinas, Inc. and Duke Energy Carolinas, LLC	Joint Dispatch Savings and Merger Integration Update

Date	Requestor	Topic
February 18, 2013	Resolute Forest Products	Workshop Regarding Interest Rates on Customer Deposits for Electric Utilities
June 26, 2013	South Carolina Electric & Gas Company	Update on Construction Progress on Units 2 & 3 at V.C. Summer Nuclear Station

Table 7.2-1 2012-2013 Public Workshops

- Last year, in a collaborative effort among the Commission staff, a guide was developed to assist *pro se* litigants in initiating and participating in the regulatory process before the Commission. The guide contains information on how to file a complaint, how to intervene in a case, the hearing process, and terms and definitions. It is available on the Commission's website in electronic and downloadable hardcopy format. To supplement this guide, during the fiscal year the Commission staff worked to introduce an audio visual guide to note several key points from the more comprehensive *pro se* litigant guide.
- In addition to the *pro se* litigant audio visual, the Commission created two other audio visual publications for the public's research on public night hearing procedures and frequently asked questions. These guides are available on the Commission's website.
- Additional information, in the form of matters and orders from past docketed cases, was added to the online docket management system (DMS) (<http://dms.psc.sc.gov>) to allow the public more access to information related to the Commission's operations. A calendar search was added to the DMS during the fiscal year. The Commission's homepage is used to inform the public of upcoming hearings and announcements, proposed regulations, and consumer information.
- The Commission's online tariff system (ETariff) (<http://etariff.psc.sc.gov>) allows users to view and search tariffs online, and allows organizations to file promotions and revisions to tariffs electronically using the web based system. Currently, there are over 710 tariffs in the database, with most telecommunications companies and all electric and gas company tariffs available online.
- Posting of matters related to docketed cases on DMS is a vital function of the Clerk's Office (Chart 7.2-2, page 26). Once the information is in DMS, it is available for public access over the Internet. This information consists of applications, testimony, exhibits, notices, correspondence, orders, etc.

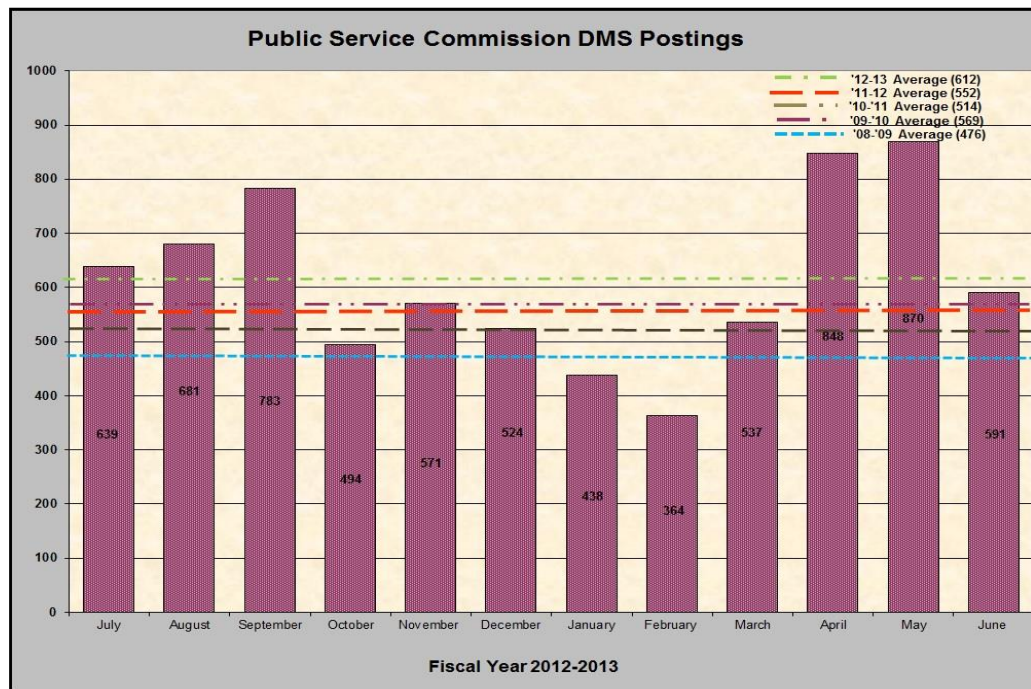


Chart 7.2-2 DMS Postings

- The DMS’s database was expanded to include orders dating back to 1934. The DMS website continues to be the Commission's most active, with over 88,000 visits to the site this year, and a monthly average of 35,000 pageviews. Activity on the system increased over the year resulting in a 6% increase in pageviews over last year. The increase in DMS activity year after year reinforces confidence in the usefulness of the system and the public’s dependence on information contained on the system. (Chart 7.2-3)

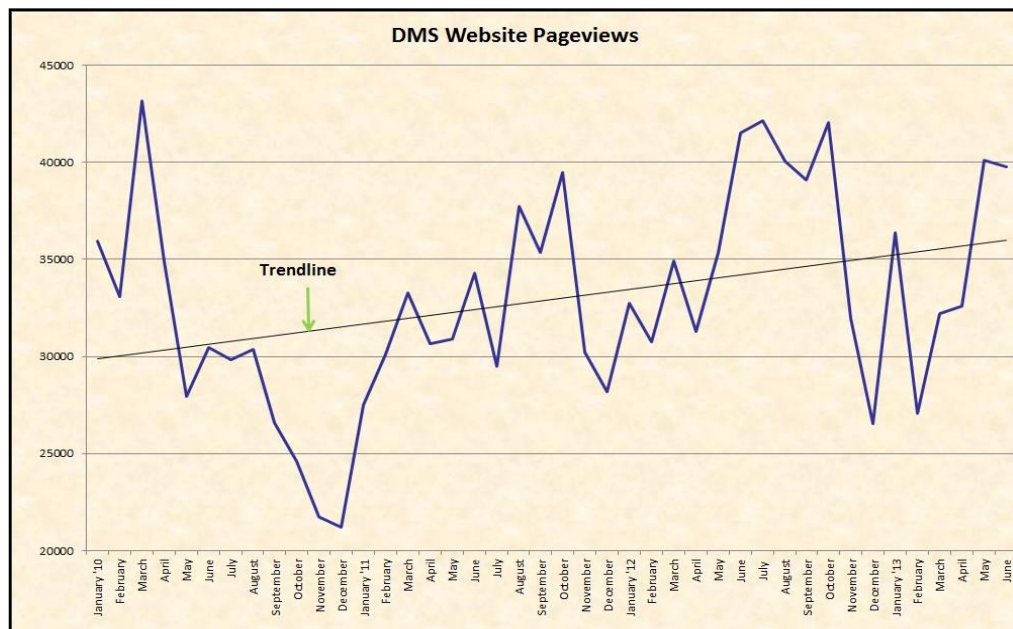


Chart 7.2-3 DMS Website Activity

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

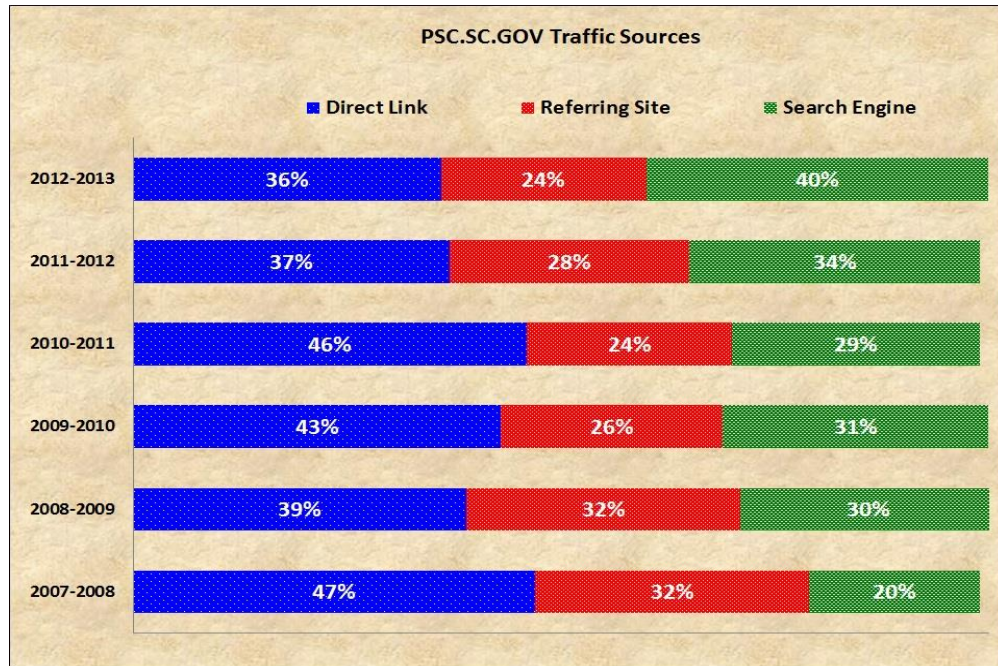


Chart 7.2-4 PSC Website Traffic

- 7.3 The Commission completed the 2012-2013 fiscal year within its operating budget. The FY 13-14 budget was submitted in a timely manner.
- 7.4 The Commission aspires to professional excellence and, in a readily changing environment, must be alert to and anticipate emerging issues in the industries it regulates.
- Public workshops and allowable ex parte briefings were held to develop a better understanding of regulatory developments and issues that affect the industries regulated by the Commission (Table 7.2-1).
 - Members of the Commission attended numerous forums, workshops and meetings to stay informed of emerging issues within the regulated industries. As technological advances are made within industries regulated by the Commission (e.g. renewable energy, smart grid, electric vehicles), the Commission must learn how the integration of these technologies will impact industries (Table 7.4-1).

Emerging Issues Educational Sessions

National Association of Regulatory Utility Commissioners Conferences
Southeast Association of Regulatory Utility Commissioners Annual Conference
The Three Interconnection Meeting: Facing the Future with Interconnection Wide Planning
NERC Compliance and Certification Committee Meeting
Nuclear Technology Conference
Clean Coal and Technology Forum
Energy Efficiency Modeling Meeting

Institute of Public Utilities Grid School
Water Rate School
NARUC EPA Workshop
NARUC Cybersecurity Workshop
Eastern Interconnection States Planning Council Meetings
Eastern Interconnection Planning Council Sector Steering Committee Meetings
Water Research Foundation Advisory Council Meetings
National Association of Water Companies (NAWC) Water Summit
Current Issues Policy Forum
Bob Gee Energy Forum
Nuclear Energy Insider- Used Fuel Conference
Emerging Issues Policy Forum
Energy Regulators Regional Association (ERRA) Energy Investment and Regulation Conference

Table 7.4-1 Emerging Issues Educational Sessions

- In addition to educational sessions on emerging issues, the Commission focused on the education of its Commissioners and staff during the fiscal year. The PSC collaborated with NARUC, the SNL Knowledge Center, and Michigan State University's Institute of Public Utilities to host educational seminars and workshops. Table 7.4-2 details the educational sessions the Commission held throughout the year.

2012-2013 PSC Educational Sessions

Date(s)	Presenter	Topic
February 19 – February 20, 2013	SNL Knowledge Center: Dr. Roger A. Morin	Essentials of Regulatory Finance
February 25, 2013	NARUC: Miles Keough & Christine Cody	EPA Regulations
February 26, 2013	NARUC: Miles Keough & Christine Cody	Cybersecurity
May 28 – May 29, 2013	SNL Knowledge Center: Jim Crist	Fundamentals of Gas & Utility Rates
June 17 – June 18, 2013	Michigan State University: Dr. David Dismukes	Ratemaking and Regulation Workshop
June 25 – June 26, 2013	Michigan State University: Dr. Carl Peterson	Advanced Rate Design and Cost of Service Workshop

Table 7.4-2 2012-2013 PSC Educational Sessions

- A system to alert the Commission to upcoming legislation, court ruling or federal entity ruling is in place to provide senior leadership with timely information to assist the Commission with its duties, as well as alerts related to happenings within the regulated industries. Over 800 alerts were issued during 2012-2013. These alerts are in the form of blog postings and emails. With new developments on the federal level concerning transmission, cybersecurity, and new EPA regulations, the Commission desires to be proactive in response to issues that affect the entities they regulate (Chart 7.4-3, page 29).

- The Advisory Staff and the Legal Department identified areas where the Commission needed additional training and conducted seminars (Chart 7.4-3).
- In order to provide quality analysis, members of the Commission participated in webinars that featured outside experts [National Regulatory Research Institute (NRRI), Water Research Foundation, Energy Central, EPA, FERC, and others] who addressed emerging utility issues (Chart 7.4-3).
- 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 7.4-3).

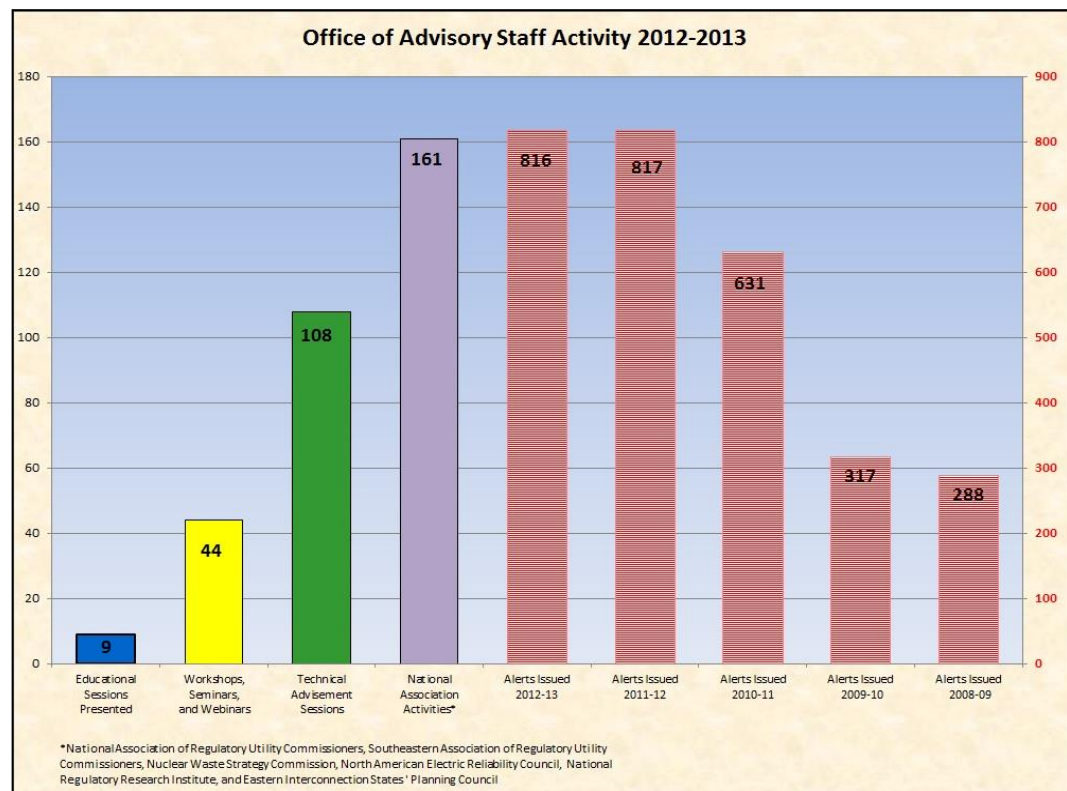


Chart 7.4-3 Office of Advisory Staff

- 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 7.4-4, page 30). These positions cultivate the leadership of the Commission while ensuring that South Carolina's and the Southeast's positions are represented on national issues such as transmission in the Eastern Interconnection, smart grid, gas pipeline safety, and broadband expansion.

President – NARUC Executive Committee*
Vice Chairman – NARUC Utility Marketplace Access Subcommittee
Co-Chairman – NARUC Washington Action Program
Board Member – NARUC Board of Directors
Chairman - Nuclear Waste Strategy Coalition
Chairman - NARUC Staff Subcommittee on Nuclear Issues and Waste Disposal
Member - Eastern Interconnection States Planning Council Executive Committee
Board Member - Universal Service Administrative Company
Board Member - Electric Power Research Institute
Board Member - National Regulatory Research Institute
Member - FCC Federal-State Joint Board on Universal Service
Voting Member - NERC Compliance and Certification Committee

*Additionally served on NARUC Board of Directors

Table 7.4-4 Leadership Positions

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

- Electronic filing (E-Filing) of documents increases the timeliness of the information and improves productivity for the users and the Commission staff (Chart 7.5-1). E-Filing of documents on the ETariff System reached a new level this year, with 97% of all tariff documents (revisions and promotions) being electronically filed over the course of the year.

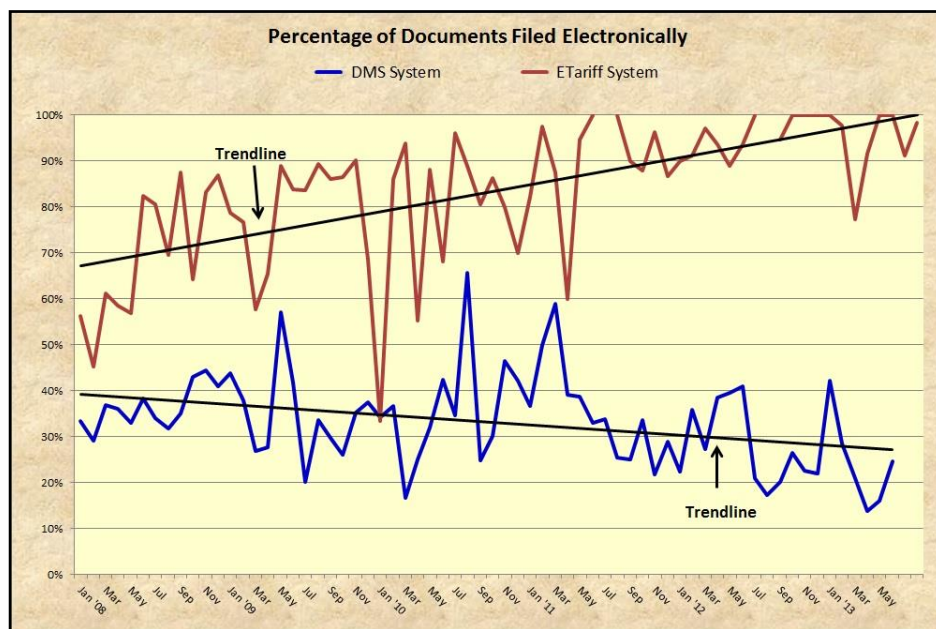


Chart 7.5-1 E-Filing

- During the 2012-2013 fiscal year, the Commission's Docket Management System (DMS) was modified to create, manage, and email service requests for Commission Orders. The Electronic Service System ("eService System") was launched on December 1, 2012. The system is a product of many focus group meetings with the Advisory Committee and since its launch, the system has had over 200 accounts created. Since December, the Commission has served over 200 Orders electronically to approximately 1,500 recipients and parties, creating a more efficient and effective process to deliver these notifications. Chart 7.5-2 provides a breakdown of the Orders served via the eService System by industry.

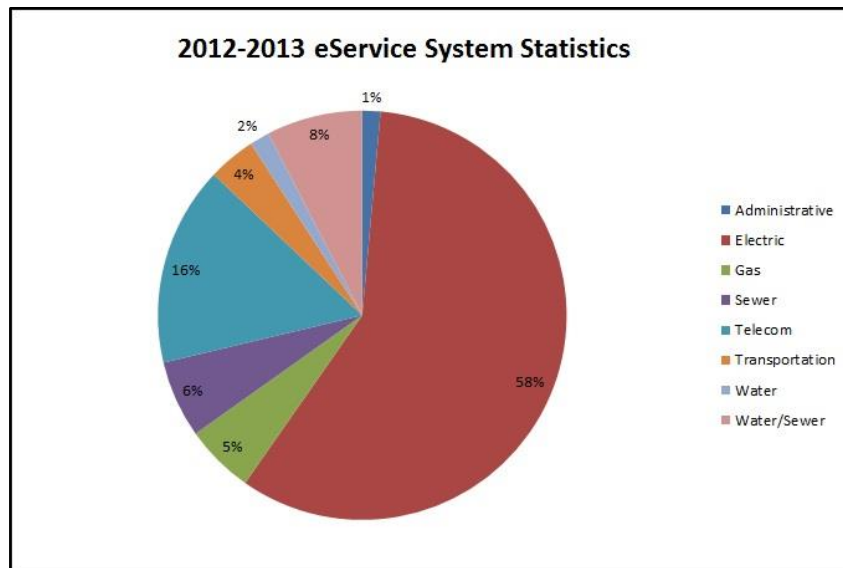


Chart 7.5-2 eService System Statistics

- Since the introduction of the eService System, the Commission has seen a reduction in postage costs of over \$11,000 from last fiscal year. Chart 7.5-3 details the Commission's postage costs over the past six years. The Commission has allocated \$10,000 for postage costs in 2013-2014, and expects this figure to continually decrease due to plans to add the service of Commission Notices to the eService System.

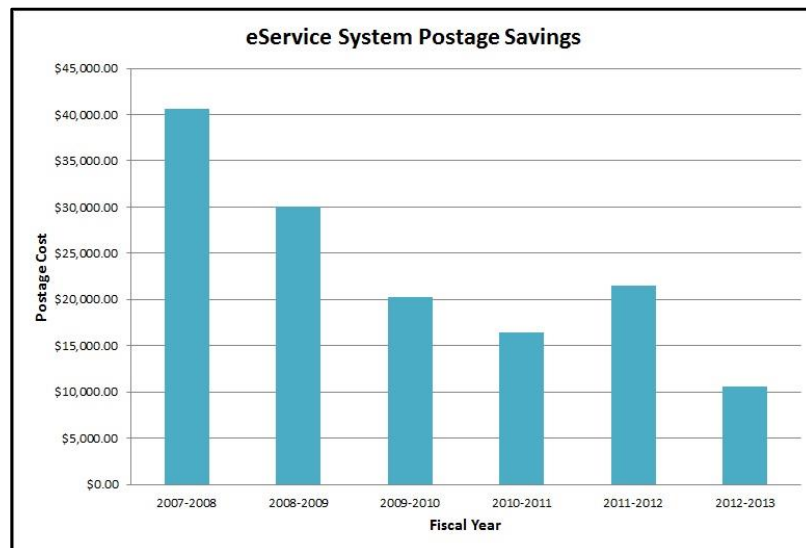


Chart 7.5-3 eService System Postage Savings

- 7.6 The Commission did not identify any statutes or regulations governing the practices and procedures of the Commission and its regulated industries that needed to be revised during the fiscal year. It is the practice and procedure of the Commission to continually monitor and recognize the need for such amendments; however, no such matters were identified.

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