

Annual Accountability Report

FY 2012-2013



*South Carolina Office
Of
Regulatory Staff*

Table of Contents

Section I – Executive Summary

1. Mission, Vision, and Values	3
2. Major Achievements from the Past Year	3
3. Key Strategic Goals for the Present and Future Years	10
4. Key Strategic Challenges	10
5. Use of Accountability Report to Improve Organizational Performance	11

Section II – Organizational Profile

1. Main Products and Services	11
2. Key Customer Groups	11
3. Key Stakeholders	13
4. Key Suppliers and Partners	13
5. Operation Locations	13
6. Number of employees	13
7. Regulatory Environment	13
8. Performance Improvement System	13
9. Organizational Structure	15
10. Expenditures/Appropriations Chart	16
11. Major Program Areas Chart	17

Section III – Elements of Malcolm Baldrige Criteria

Category 1. Leadership	18
Category 2. Strategic Planning	23
Category 3. Customer and Market Focus	27
Category 4. Measurement, Analysis, and Knowledge Management	30
Category 5. Workforce Focus	32
Category 6. Process Management	36
Category 7. Results	38

Section I -- Executive Summary

1. Mission, Vision, and Values

The **mission** of the Office of Regulatory Staff (ORS) is to represent the public interest in utility regulation by balancing the concerns of the using and consuming public, the financial integrity of public utilities, and the economic development of South Carolina. The **vision** of the ORS is to represent the public interest in utility regulation in a manner that balances the interests of all whom we are charged to represent. Seven **values** are required performance characteristics of every ORS employee as indicated on each employee's EPMS evaluation: Integrity, Impartiality, Responsiveness, Respect, Professionalism, Innovation, and Excellence.

2. Major Achievements from the Past Year

Case Management:

Settlements. During Fiscal Year (FY) 12-13, the ORS facilitated **32** settlements and agreements. Total projected savings is over **\$83 million**. Some of these savings are associated with the Duke-Progress merger case from FY 11-12 but were realized during FY 12-13. Below is a detailing of the over \$83 million in savings for FY 12-13.

Matters	Savings (\$)
Duke Energy Annual Fuel Review	\$2,086,656
SCE&G RSA	\$1,251,000
Piedmont Natural Gas RSA	\$2,400,000
Interim LEC Fund	\$8,412,669
SCE&G BLRA request for revised rates	\$4,598,087
SCE&G Rate Case	\$54,426,072
Duke-Progress Merger add'l settlement savings	\$8,870,892
Palmetto Wastewater Rec. d/b/a/ Alpine Utilities	\$482,736
Carolina Water Service-Beaufort Co. non-settlement savings	\$437
Chem Nuclear	\$50,501
JACABB Utilities	\$9,235
Tega Cay non-settlement savings	\$304,476
Duke Energy Progress Annual Fuel Review	\$200,000
Carolina Water Service non-settlement savings	\$4,102
Total	\$83,096,863

Case Highlights. During FY 12-13, the ORS participated in 95 cases. Following are a few noteworthy examples:

Duke Energy 2012 Annual Fuel Review (2012-3-E) The ORS filed its testimony on August 10th, 2012, and the hearing was held on August 28th. The ORS facilitated a settlement in the case that resulted in savings to South Carolina retail customers of **\$2,086,656**.

SCE&G and Piedmont Natural Gas RSAs (2012-6-G and 2012-7-G) SCE&G and Piedmont Natural Gas (PNG) filed RSA comments with revised rates in response to the ORS' recommendations that were filed on September 1, 2012. The ORS' recommendations equate to savings for customers of **\$1,251,000** for SCE&G and **\$2,400,000** for PNG. These savings are reductions from the companies' original requests. The revised rates were effective in the first billing cycle of November.

South Carolina Interim LEC Fund Adjustment (2012-136-C) The S.C. Interim LEC Fund (SC ILF) for 2012 was set at \$32.6 million and was allocated to telecommunications companies based on their South Carolina originated long-distance minutes of use. In response to FCC Order 11-161 and with the support of the industry, the SC ILF for 2013 was reduced to approximately \$15 million. This reduction, on an annualized basis, equates to **\$8,412,669** for FY 12-13, with an additional \$11 million in FY 13-14.

SCE&G NND Revised Rates Adjustment (2012-186-E) In July 2012, the ORS filed its report on SCE&G's annual request for revised rates for V.C. Summer Units 2 and 3 under the Base Load Review Act. The ORS reported that it had examined SCE&G's actual construction expenditures related to V.C. Summer Units 2 and 3 and determined that as of June 30, 2012, the Company had expended \$1,540,355,000 in construction work in progress on the Units. SCE&G issued a letter concurring with the ORS' conclusions and proposed adjustments contained in the report. The ORS proposed a rate reduction of **\$4,598,087** from the Company's original request.

SCE&G Rate Case (2012-218-E) After months of diligent preparation, the ORS presented eight witnesses at the November 2012 hearing. In addition to the merits hearing, three night hearings were held – one in Aiken, one in Charleston, and one in Columbia. In addition to significant public input in this case, media coverage was also extensive with prominent articles and editorials in *The State*, *The Post and Courier*, *The Augusta Chronicle*, various trade publications, and on several television stations.

In the days preceding the hearing, a settlement was facilitated by the ORS and signed by intervenors with diverse interests – Wal Mart, the U.S. Department of the Navy, AARP, Time Warner, and Frank Knapp, Jr. (CEO of the S.C. Small Business Chamber) -- along with SCE&G and the ORS. The settlement signified that no contested issues remained among the signing parties and represented a consensus of support for setting SCE&G's Return on Equity opportunity at 10.25%. In the settlement, the amount of requested increase was lowered to 4.23%, or approximately \$97 million, from the original requested increase of 6.6%, or approximately \$152 million. Savings to customers were **\$54,426,072**.

Furthermore, when taking into account an accompanying SCE&G request in its application to further lower the rate increase by 2.85% (reflecting lower natural gas fuel costs the Company will incur and also a reduction in DSM costs), the net impact to customers is an increase of 1.38%, or \$32 million. For an SCE&G residential customer using an average of 1,000 kilowatt hours of electricity monthly, this net increase equates to \$2.59 more per month, or about \$31 a year, as compared to \$6.67 per month, or about \$80 a year, based on the Company's original request.

Additional savings from Duke-Progress merger (2011-158-E and 2011-68-E) In FY 11-12, the ORS reached an agreement with Duke Energy and Progress Energy for certain commitments related to the merger and the companies' revised mitigation plan filed in response to conditions outlined by the

Federal Energy Regulatory Commission (FERC). The agreement seeks to ensure that retail customers are not asked to bear merger costs likely to be incurred if the FERC accepted the latest merger proposal of Duke and Progress. Savings to South Carolina customers as a result of the ORS' intervention in the merger were estimated at \$198,000,000, as reported in FY 11-12 ORS accountability and performance reports. The recently updated estimated savings to South Carolina customers are approaching \$207 million, with additional savings of approximately **\$8,870,892** reported in FY 12-13.

Palmetto Wastewater Reclamation d/b/a Alpine Utilities (2012-094-S) The ORS facilitated a settlement of Palmetto Wastewater Reclamation d/b/a Alpine Utilities case that generated a savings to customers of **\$482,736**.

Tega Cay Water Service, Inc. (2012-177-WS) The ORS presented 3 witnesses at the January 2013 merits hearing. There were over 700 protestants in the case. Non-settlement savings generated for customers by efforts of the ORS were **\$304,476**.

Duke Energy Progress (DEP) 2013 Annual Fuel Review (2013-1-E) The ORS facilitated a settlement agreement among all parties – the ORS, DEP, and Nucor Steel – that updated DEP's request resulting in a reduction of approximately \$2 million, which saved customers **\$200,000**.

Duke Energy Rate Case (2013-59-E) Duke Energy filed its request for a rate increase on March 18, 2013. Duke sought additional revenues of \$220 million, a 15.1% increase. In that scenario, the monthly bill of a residential customer using 1,000 kilowatt-hours would increase from the present \$100.45 to \$118.28, or an increase of 17.75%. By comparison and using the same parameters, Progress Energy's bill is \$104.87 and SCE&G's bill is \$138.11.

Over 1,700 protests were received, the majority of which were from North Carolina. Turnout at night hearings was high as many citizens, particularly those on fixed incomes, were concerned about the possible increase in their electric rates.

ORS auditors and analysts reviewed the company's filing including return on equity, cost of service study, and pro forma adjustments. In addition, the ORS was in consultation with the North Carolina Public Staff regarding Duke's rate case filing in North Carolina, for which a settlement had already been reached.

Prior to the July 31st merits hearing, the ORS facilitated a settlement agreement signed by all parties to the case. Intervenors were Wal-Mart, Sam's East, Inc., the S.C. Energy Users Committee, the Small Business Chamber of Commerce, the City of Spartanburg Commission of Public Works, and the City of Spartanburg Sanitary Sewer District.

At the time of this writing, savings to customers as a result of the settlement are estimated at \$101 million. These savings will be reported in FY 13-14.

Other Matters:

Piney Grove Utilities, Inc. Performance Bond Case (PSC Docket 2005-110-WS; Richland County Court of Common Pleas 2008-CP-40-2772) In November 2012, the ORS obtained an order from the Fifth Circuit Court of Common Pleas on an action filed in 2008 to enforce orders of the PSC. This

judgment concludes a case which began in 2005 when the ORS filed a petition against Piney Grove Utilities, Inc. By that petition, the ORS requested, among other things, forfeiture of the performance bond posted by the utility. Each utility providing water and/or wastewater service is required to furnish a performance bond conditioned upon the provision of adequate and sufficient utility service. In this matter involving Piney Grove Utilities, Inc., the service provided by the utility had deteriorated such that DHEC was investigating the utility, and a receiver was needed to assume operations of the utility. Receivers were appointed by the Circuit Court, and the ORS sought forfeiture of the performance bond to pay the receivers. When the sureties on the performance bond did not pay, the ORS filed an action against the sureties on the bond to enforce the orders. The ORS obtained a judgment against one of the sureties in the amount of \$46,605 and obtained \$8,000 from another surety. The ORS received and disbursed the \$8,000 to Richland County and DHEC. At the time of this writing, the civil judgment for the \$46,605 remains on the judgment roll for Richland County.

Federal Interventions:

Federal Universal Service Fund (USF) and Inter-carrier Compensation Reform. At the federal level, rule changes were implemented by the Federal Communications Commission (FCC) in FY 11-12 with regard to reform of the Federal USF, Eligible Telecommunications Carrier (ETC) designation, and Inter-carrier Compensation. Beginning in FY 11-12 and continuing into FY 12-13, the ORS evaluated how these changes would affect state programs and took appropriate action. Carriers were required to file updated tariffs, and the ORS has been working with carriers on the tariff changes. In addition, staff continued working with industry representatives to begin a draw-down of the terminating-access portion of the S.C. Interim LEC Fund (ILF) that is consistent with the FCC Inter-carrier Compensation Reform orders and subsequently developed a preliminary sizing of the ILF reduction required by the reform.

AT&T Petition to FCC. The ORS is monitoring a petition filed by AT&T with the FCC regarding a transition of telecommunications technology from TDM (older technology using dedicated lines) to IP (newer Internet Protocol technology based on more efficient network architecture). AT&T's petition involves a request for further deregulation for the Company due to the increasing use of IP technology.

Transcontinental Interstate Gas Filing with FERC (RP12-993-000) The ORS continues to monitor the Transcontinental Interstate Gas filing with the Federal Energy Regulatory Commission (FERC) that would impact prices for gas systems in South Carolina, both investor-owned (SCE&G and Piedmont Natural Gas), as well as others. Transco, the FERC trial staff, and the active parties in the docket reached an agreement resolving the issues in the proceeding, and Transco filed a final Stipulation and Agreement on August 27, 2013, with the FERC.

Economic Development:

- ◆ The settlement of cases benefits all parties involved, and the process of settlement used in South Carolina and facilitated by the ORS has been cited as a model for other states. **Since its inception, the ORS has facilitated a total of 374 settlements and agreements with monetary savings of over \$1.4 billion.**

As noted by many economists and professional analysts, settled cases often result in a better rating of the state's regulatory environment. Better ratings encourage investment in the State's utilities, thus furthering **economic development** in South Carolina. The ORS has been lauded for its ability

to facilitate settlement agreements that strike an equitable balance between the interests of **consumers** and **regulated utilities**.

- ◆ **Industry Recruitment and Retention.** Provided 42 comment letters regarding requests by electric and gas utilities for various financing options, special purchases, tariff modifications, or industrial incentives, which generally aid in the recruitment of new industry, retention of existing industry, and the financial health of South Carolina. Several of these letters directly pertained to economic development in the State. Examples of economic incentives supported include:
 - Applications from Duke Energy Progress (DEP) and SCE&G for approval of electric and gas contracts with Continental Tire for a new facility in Sumter County that will create approximately 1,600 jobs at full production capacity with a projected capital investment in excess of \$500 million.
 - SCE&G's application for approval of a contract for electric service with Sarlaflex, a company that will produce yarn and threads at its new facility to be located at the Industrial Park in Walterboro (Colleton County). This plant is expected to create 100 new jobs with a capital investment of \$13.8 million.
 - An application from SCE&G for approval of a contract for electric service with Nexans High Voltage USA, Inc. This high voltage power cable manufacturing plant is planned for the Bushy Park Industrial Complex in Berkeley County. It is expected to create 200 jobs with an initial investment of \$85 million. An additional manufacturing line may be added at the plant within the first five years.
 - SCE&G's request for approval of a contract for electric service with a new major pharmaceutical company, Nephron Pharmaceuticals Corporation, that will eventually encompass approximately 955,000 square feet of new facilities in the Saxe-Gotha Industrial Park in Cayce, South Carolina. It is projected to employ 707 workers with a total investment of \$313 million.
- ◆ **SCE&G's V.C. Summer Units 2 and 3.** As mandated by the Base Load Review Act, continued oversight of the construction progress and costs associated with SCE&G's new nuclear units 2 and 3 at the V.C. Summer plant. Oversight includes periodic tours of the construction site; bi-monthly on-site document reviews; monthly meetings with New Nuclear Deployment personnel regarding construction status; quarterly reviews and reporting on SCE&G's construction budget and schedule; quarterly meetings with SCE&G and the general contractor, Westinghouse; and participation in Nuclear Regulatory Commission meetings regarding approval of the Westinghouse AP 1000 design for the units.
- ◆ Construction reached a new milestone as the nuclear island basemat for Unit 2 was put in place in March 2013. Since that time, the pace of construction has accelerated. The ORS is monitoring ongoing challenges that could affect the project including design changes, labor conditions, shipping conditions, and the financial stability of manufacturers due to foreign financial market conditions, among others.
- ◆ **Energy Efficiency Efforts.** Continued to work with stakeholders in developing the best future for South Carolina in terms of its energy needs and economic development. This effort included collaborating with the S.C. Energy Office, investor-owned utilities, the electric cooperatives, the Energy Advisory Council of the State Regulation of Public Utilities Review Committee, the Eastern

Interconnection States Planning Council, the Small Business Chamber of Commerce, the Carolinas Collaborative, the SCE&G DSM-EE Advisory Committee, Palmetto Clean Energy (PaCE), and others.

Advocacy, Education, Outreach and Assistance:

- ◆ **Consumer Complaints and Inquiries.** Processed approximately **2,799** complaints and inquiries and saved consumers approximately **\$3,198,673**. Of this total, \$3 million is an annually recurring savings resulting from a facilitated agreement in FY 2006-2007 between an electric investor-owned utility and certain industrial customers to better utilize their energy consumption by taking advantage of cost savings through the offering of real-time price signals. Also, beginning with FY 12-13, a savings of approximately \$103,000 will recur annually and is reflected in the total. This substantial savings was the result of the ORS recovering this amount for a sewer customer. **Over the past nine fiscal years (FY 04-05 through FY 12-13), the Consumer Services Department has recovered or saved consumers a total of approximately \$23 million.**
- ◆ **Deposit Waiver for Domestic Violence Victims.** Benefited 24 individuals who were victims of domestic violence. This program resulted from an innovative agreement facilitated by the ORS with each of the investor-owned electric and gas utilities and women's shelters to waive the initial credit and deposit requirements for domestic violence victims. Since inception, the program has benefited 259 individuals.
- ◆ **Lifeline.** Distributed over 54,000 Lifeline brochures across South Carolina and fielded over 5,500 calls from consumers. Promoted Lifeline Awareness Week in partnership with the Public Service Commission and the Office of the Governor.
- ◆ **Pipeline Safety Seminar.** Hosted the 2013 Southern Region Conference of the National Association of Pipeline Safety Representatives (NAPSR) in Myrtle Beach. Approximately 45 pipeline safety representatives from the 8 states and Puerto Rico, which compose the Southern Region, were in attendance. The *NARUC Bulletin* included a full-page coverage of the conference. In addition, the ORS Pipeline Safety Supervisor served as Chairman of the Southern Region of the National Association of Pipeline Safety Representatives.
- ◆ **Pipeline Safety Safe Digging Month.** Promoted national *Call Before You Dig Month*. This campaign was designed to promote awareness of safe digging and damage prevention with regard to buried utility facilities, and Governor Haley issued a proclamation declaring April as *Safe Digging Month* in South Carolina.
- ◆ **Education for Water/Wastewater Utilities.** Co-hosted a Water and Wastewater Workshop with the PSC that was attended by approximately 40 representatives of water and wastewater utilities. Topics addressed by ORS staff members in their presentations included billing innovations, security and privacy of customer accounts, the S.C. Energy Assurance Plan, emergency preparedness, proceedings and filings at the PSC, rate application preparation and asset management, and water system auditing and loss prevention.
- ◆ **Education for Transportation Passenger Carriers.** Transportation forums hosted by the ORS were held around the State in Florence, Greenville, and North Charleston, with attendance averaging about 40 at each location.

Regulatory and Safety:

- ◆ **Natural Gas Pipeline Safety.** Received a perfect program score of 100 for Calendar Year 2011 from PHMSA (Pipeline and Hazardous Materials Safety Administration). Other major activities included filing a petition concerning an 8-inch active distribution main gas pipeline running beneath an occupied house and a warehouse in Laurens. Also, the ORS sent a notification to natural gas system operators requesting that they inform the agency of any existing distribution main or transmission pipelines running beneath existing buildings or structures.
- ◆ **Regulatory Reviews and Audits.** Conducted a total of 283 regulatory reviews and audits.
- ◆ **Gains in Water/Wastewater Annual Report Compliance.** Achieved 99% compliance in Water/Wastewater utilities' submission of annual reports.
- ◆ **Maintaining 100% Water/Wastewater Performance Bond Compliance.** Maintained the 100% compliance level for water/wastewater companies complying with performance bond regulations for the third year in a row.
- ◆ **Lifeline.** Conducted 10 compliance audits of wireless Lifeline companies as part of the increased nationwide Lifeline focus on compliance and preventing waste, fraud, and abuse in Lifeline programs.
- ◆ **Consumer Advisory to Water/Wastewater Customers.** Issued a consumer advisory via the media concerning the ORS' filing of a petition to require Tega Cay Water Service, Inc. to take immediate steps to provide adequate and proper service to its customers. In 2013, the utility had spills ranging from 50,000 to 100,000 gallons on at least 3 occasions in multiple locations. In each spill, partially treated wastewater was released and entered Lake Wylie and other locations.
- ◆ **Transportation Collaborative.** Continued to participate in a multi-state collaborative designed to allow states to partner with the federal government to enforce federal laws regarding complaints against household-goods movers. Provided federal investigators with location and operational information on two illegal interstate household goods movers who were using fake South Carolina addresses.
- ◆ **Transportation Enforcement.** Focused on both planned and random compliance audits as well as site visits around the State. ORS inspectors conducted over 5,000 vehicle inspections during the fiscal year.
- ◆ **S.C. Equipment Distribution Program.** Began the process of moving the S.C. Equipment Distribution Program to the ORS. The program provides adapted telephones and alerting devices to South Carolina residents with qualifying speech and/or hearing disabilities.
- ◆ **Railroad safety.** Conducted both track and motive power and equipment inspections around the State including Greenville/Laurens, Lancaster, Florence, Bennettsville, Charleston, Chester, Hemingway, Columbia, Yemassee, Sumter, Cayce, Dillon, Clinton, Andrews, and Spartanburg, among others. Several roadway-worker protection audits were also conducted around the State. In

addition, an ORS inspector attended a Federal Railroad Administration claims conference. For several years, South Carolina has been the only state invited to attend the conference.

Administrative:

- ◆ **Budget.** Continued to monitor expenses and streamlined processes to provide cost savings. For example, reduced the cost of data processing services by 1) collaborating with the S.C. Department of State Information Technology to reduce monthly charges and 2) evaluating computer needs to reduce the number of machines in use.
- ◆ **Annual Staff Development.** Continued staff development and training for the delivery of outstanding services and a deeper understanding of the regulatory environment and regulated utility industries. Also, fostered the commitment to education and career development through classes, seminars, conferences, site visits, and special meetings.
- ◆ **Ethics.** Provided 6 hours of annual ethics training for all ORS employees.
- ◆ **Workforce Planning.** Continued to assess staff work functions and reorganized certain staff to optimally address the agency's major programmatic needs.

3. Key Strategic Goals for the Present and Future Years

- ◆ Represent the public interest with integrity and impartiality by balancing the concerns of all stakeholders.
- ◆ Monitor utility compliance with rules, regulations, and statutes.
- ◆ Operate the ORS with professional excellence.
- ◆ Develop and maintain productive and trusting relationships through communication with all stakeholders.

4. Key Strategic Challenges

Mission:

- ◆ Increase online accessibility and knowledge transfer to customers and stakeholders for needed services.
- ◆ Monitor federal and state laws and regulations, make policy recommendations, and advocate for changes where necessary.
- ◆ Interpret and analyze the impact of federal and state statutory and regulatory developments in the various utility industries and advocate for changes when necessary.
- ◆ Interpret and analyze the impact of external market factors on fuel prices, transport prices, and other factors that may ultimately affect rates charged and service provided by regulated utilities.
- ◆ Create consumer outreach efforts to include new and existing programs as well as new promotional/educational materials and presentations.

Operational:

- ◆ Maximize intra-office efficiency through leadership opportunities and cross-functional, inter-departmental communication and collaboration.

- ◆ Develop mutually beneficial alliances with other governmental agencies and organizations for both policy and administrative matters.
- ◆ Continue to enhance and broaden utilization of the regulatory data base system while training staff to make full use of the system.
- ◆ Continue to enhance the ORS web site with features that address the needs of stakeholders.
- ◆ Take increasing advantage of remote education opportunities both as a means of staff training and as a means of educating stakeholders on various issues.

Workforce:

- ◆ Increase staff expertise in regulatory and technical matters through interdepartmental training and sharing of best practices.
- ◆ Retain and recruit qualified employees comparable to industry standards; develop the necessary expertise for changes in the utility industry and for cyclical, seasonal, or evolving changes in workload; and provide appropriate career management to include knowledge transfer, career path planning, and leadership development.

5. Use of Accountability Report to Improve Organizational Performance

The Accountability Report is an integral tool in the agency's continuous improvement process involving input from the agency leadership team, agency staff, the State Regulation of Public Utilities Review Committee (PURC), and the South Carolina Legislature. It provides a benchmark by which progress can be gauged on key measures of performance. This information is used in conjunction with the agency's strategic planning process and quarterly planning meetings, and it is linked to individuals' performance management to guide the course of the agency in fulfilling its mission and objectives. (Refer to *Section II Organizational Profile, Item 8*, for a more complete description.)

Section II – Organizational Profile

1. Main Products and Services and Primary Delivery Methods. The main products and services of the ORS are delivered as follows:

- ◆ Representing the interest of consumers – legal representation in rate setting and other regulatory matters; inspections; audits; safety monitoring; and consumer advocacy and education
- ◆ Representing the interest of regulated utilities – audits; technical assistance; economic analysis; policy recommendations; and rate adjustment application reviews
- ◆ Representing the interest of the economic development of the State – facilitation of balanced settlements; economic analysis and recommendations; policy recommendations

2. Key Customer Groups and Their Key Requirements/Expectations.

The ORS is charged with representing the public interest of South Carolina in utility regulation for the major utility industries – electric, natural gas, telecommunications, water/wastewater, transportation, and low-level radioactive waste disposal – before the PSC, the court system, the S.C. General

Assembly, and federal regulatory bodies. The ORS also has oversight responsibility for railroad safety and natural gas pipeline safety in South Carolina.

For purposes of utility regulation by the ORS, S.C. Code Annotated § 58-4-10 defines public interest as a balance among three essential components: 1) **concerns of the using and consuming public** 2) **financial integrity of public utilities** and 3) **economic development of South Carolina**.

Key Customer Groups:

- 1. consumers of regulated utilities**
- 2. public utilities**
- 3. citizens of South Carolina**

Key Requirements/Expectations:

By law, as defined in S.C. Code Annotated § 58-4-10, the key expectation of all ORS customers is that the agency represent the public interest in utility regulation. In fact, the ORS is the only state agency with this authority. To fulfill this mandated customer expectation, the ORS provides key services to its customers as categorized below:

◆ In legal matters ~

- Filing testimony
- Providing staff witnesses
- Securing expert witnesses, as necessary
- Conducting formal mediations/arbitrations
- Initiating/mediating settlement agreements
- Conducting audits -- On-site audits, business audits, management audits, and prudence audits
- Conducting studies of purchase practices and other operating procedures

◆ In consumer issues ~

- Educating consumers of public utility services
- Investigating and resolving complaints and inquiries
- Informally mediating consumer complaints
- Providing on-site equipment testing
- Administering and promoting the Lifeline program
- Administering funding for assistance programs including Lifeline, the Telecommunications Relay Service, the Telephone Equipment Distribution Program, and Real-Time Closed Captioning for South Carolina local television news broadcasts
- Administering the Universal Service Fund (USF) and Interim LEC Fund

◆ In safety matters ~

- Inspecting the State's railroad system
- Monitoring natural gas pipeline safety
- In collaboration with other state agencies, monitoring safety issues in transportation and water/wastewater

- ◆ In policy matters ~
 - Monitoring regulatory and statutory developments at the state and federal levels
 - Developing and advocating policy positions, to include conducting major studies, that represent the public interest with state and federal lawmaking and regulatory bodies
- ◆ In economic development matters ~
 - Providing input on utility facility siting and on certifications of public convenience and necessity
 - Providing input on territorial matters involving utilities
 - Reviewing and making recommendations regarding utility-filed industrial economic rate incentives
 - Facilitating the settlement of cases to result in a better rating of the State's regulatory environment; better ratings encourage investment in the State's utilities, thus furthering economic development

3. Key Stakeholder Groups (other than customers). S.C. General Assembly; S.C. Public Service Commission (PSC); affiliated state agencies; ORS employees; attorneys appearing before the PSC; the media

4. Key Suppliers and Partners. S.C. Budget and Control Board; State Regulation of Public Utilities Review Committee (PURC); federal regulatory agencies; affiliated state agencies

5. Operation Locations. The ORS is located at 1401 Main Street in Columbia, South Carolina. The agency occupies the eighth and ninth floors.

6. Number of Employees. At the end of FY 2012-2013, the ORS had 74 unclassified positions.

7. Regulatory Environment under which ORS Operates. The ORS abides by the mandates and standards of Act 175 of 2004; Act 318 of 2006; Base Load Review Act of 2007; the South Carolina General Assembly; the Occupational Safety and Health Administration (OSHA); the American Disabilities Act (ADA); the S.C. Budget and Control Board guidelines and codes; the S.C. Comptroller General and the S.C. Treasurer accounting requirements; and the S.C. Human Affairs Commission.

8. Performance Improvement System. The creation of the ORS represents a major reform in accountability within the realm of utility regulation. The legislation creating the ORS also created the State Regulation of Public Utilities Review Committee (PURC). The ten-member Committee includes three members from the S.C. Senate, three from the S.C. House of Representatives, and four appointed by the S.C. General Assembly from the general public. This model of governance was used as an example in last year's session of the General Assembly in reforming other state agencies.

The PURC plays a central role in the agency's performance improvement system. For the ORS as a whole, the Committee established approximately 35 performance measures. In addition, the PURC established agency goals that form the strategic plan. The performance measures are categorized as objectives or action items under the goals of the strategic plan. Each year, the PURC evaluates the agency based on its goals and performance measures. In addition, the PURC conducts an annual survey of individuals who have had contact with the ORS concerning matters filed with the Public Service Commission. This includes matters negotiated by the ORS as well as matters heard by the PSC in

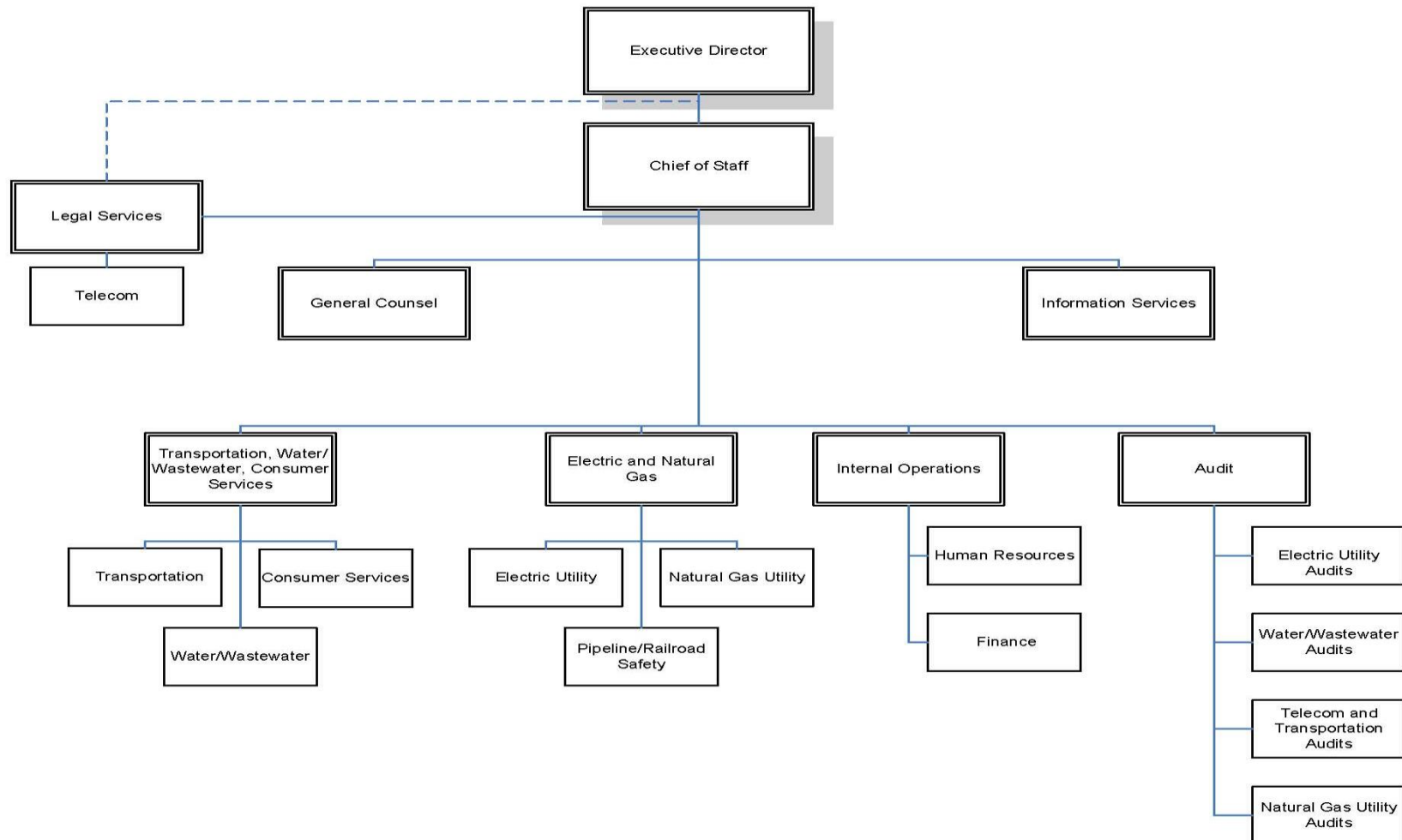
which the ORS participated. The PURC also conducts an annual survey of ORS employees. The information from these surveys, as well as other information gathered by the PURC, is used by the Committee to evaluate the ORS performance and that of the Executive Director.

Accountability for performance is built into this system at all levels, beginning with the Executive Director. The PURC evaluates the performance of the Executive Director at the same time that it evaluates the agency's performance. The Executive Director's main performance goals are the agency goals. In turn, the performance goals of the Chief of Staff and other members of senior management are linked to agency goals. Also, each member of senior management has an Employee Performance Management System (EPMS) objective to contribute to the overall success of the agency by supporting agency goals. At the departmental level, senior management use the goals and objectives of the EPMS process as a means of linking accountability for agency performance to each individual's performance and evaluation. All ORS staff members are evaluated within the EPMS cycle in relation to their contribution toward the agency's success in fulfilling its mission. Agency values (listed in the *Executive Summary, Item 1*) are included on each staff member's EPMS appraisal as performance characteristics. Each value is stated, along with a definition as it pertains to the ORS. Employees receive a rating of Acceptable or Unacceptable for each value. The ORS implemented a universal review date so that agency and individual performance can be linked and assessed simultaneously.

The PURC developed the ORS performance measures to ensure that the agency continuously monitors and improves the processes necessary to fulfill its mission. Toward this end, the ORS has established a performance improvement system. The Executive Director, Chief of Staff, and other members of senior management (directors) comprise the Executive Management Team (Team) that leads this effort. Under the Team's direction, each ORS department monitors performance measures relevant to its role within the agency. The performance measures are updated and reviewed by the Team during quarterly strategic planning meetings. Trends in performance, both positive and negative, are readily identified in this way and communicated to appropriate staff members via their department director with recommendations on how to effect any necessary changes. Weekly departmental meetings provide a frequent means for two-way communication with regard to making improvements.

In addition to the quarterly strategic meetings, the Team has an annual strategic planning session. At this session, team members assess the agency's current strengths and opportunities using a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis. Based on this assessment, the agency's performance measures within the strategic plan are modified as necessary to keep the plan aligned with the agency's mission.

9. Organizational Structure



10. Expenditures/Appropriations Chart.**Base Budget Expenditures and Appropriations**

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
Personal Service	\$4,354,306	\$0	\$4,248,810	\$0	\$4,730,859	\$0
Other Operating	\$1,037,576	\$0	\$993,465	\$0	\$1,058,681	\$0
Special Items **	\$3,768,762	\$0	\$3,154,621	\$0	\$4,165,696	\$0
Permanent Improvements	\$0	\$0		\$0		\$0
Case Services	\$0	\$0		\$0		\$0
Distributions to Subdivisions	\$0	\$0		\$0		\$0
Fringe Benefits	\$1,232,928	\$0	\$1,276,758	\$0	\$1,419,257	\$0
Non-recurring	\$0	\$0		\$0		\$0
Total	\$10,393,572	\$0	\$9,673,653	\$0	\$11,374,493	\$0

** In FY 13, the funds available for expenditure in the Dual Party Relay Fund (Special Items) were decreasing due to the decline in business and residential landlines.

Other Expenditures

Sources of Funds	FY 11-12 Actual Expenditures	FY 12-13 Actual Expenditures
Supplemental Bills	\$0	\$0
Capital Reserve Funds	\$0	\$0
Bonds	\$0	\$0

11. 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*
I. Legal	-To represent ORS and the public in legal proceedings before the Public Service Commission -To provide legal services to the ORS	State: Federal: Other: 819,627 Total: % of Total Budget: 8%	State: Federal: Other: 883,726 Total: % of Total Budget: 9%	7.1-1, 7.1-2, 7.1-3
II. Support Services	-To provide customer service to consumers transportation companies and regulated utilities -To perform audits of regulated utilities	State: Federal: Other: 1,506,252 Total: % of Total Budget: 15%	State: Federal: Other: 1,398,031 Total: % of Total Budget: 14%	7.1-4, 7.1-5 7.2-1, 7.2-2, 7.2-3
III. Telecommunications, Transportation, Water and Wastewater	-To ensure safety of State railways -To monitor regulated telecommunications, water and wastewater utilities and transportation carriers	State: Federal: Other: 1,571,905 Total: % of Total Budget: 15%	State: Federal: Other: 1,456,213 Total: % of Total Budget: 15%	7.1-6, 7.1-7, 7.1-8 7.1-10, 7.1-11, 7.1-12 7.2-4
IV. Utilities, Electric and Gas	-To ensure safety of gas pipelines -To monitor regulated electric and gas utilities	State: Federal: Other: 1,449,690 Total: % of Total Budget: 14%	State: Federal: Other: 1,553,586 Total: % of Total Budget: 16%	7.1-5, 7.1-9
V. Dual Party	-To regulate a statewide program to provide access to basic phone service for the hearing and speech impaired	State: Federal: Other: 3,768,762 Total: % of Total Budget: 36%	State: Federal: Other: 3,154,621 ** Total: % of Total Budget: 33%	

Below: List any programs not included above and show the remainder of expenditures by source of funds.

Remainder of Expenditures:	State: Federal: Other: 1,351,579 Total: % of Total Budget: 13%	State: Federal: Other: 1,227,477 Total: % of Total Budget: 13%
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* Key Cross-References are a link to the Category 7 - Business Results. These References provide a Chart number that is included in the 7th section of this document.

** In FY 13, the funds available for expenditure in the Dual Party Relay Fund were decreasing due to the decline in business and residential landlines.

Section III – Elements of the Malcolm Baldrige Criteria

1.0 Senior Leadership, Governance, and Social Responsibility

The leadership team of the Office of Regulatory Staff, referred to earlier as the Executive Management Team (Team), continuously monitors all operational and financial aspects of the agency to address the impact of internal and external factors. This is done through a continuous improvement/strategic planning process as described in *Section II Organizational Profile, Item 8, Performance Improvement System*.

1.1 How do senior leaders set, deploy, and ensure two-way communication for:

A. Short-and Long-term Organizational Direction and Organizational Priorities. The PURC sets the long-term direction and organizational priorities for the ORS through the agency goals (strategic plan) and agency performance measures (objectives or action plans) that it establishes. Within these established parameters for the long term, the Team manages the short-term direction of the agency. The members of the Team communicate expectations and get feedback from staff through weekly departmental meetings, topic-specific meetings, day-to-day communications, the EPMS process, the strategic planning process (including quarterly meetings and annual re-alignment session), and the office policy manual. This continuous exchange of information and feedback is a critical element of the agency's performance improvement system.

B. Performance Expectations. As noted earlier, the PURC established agency performance measures that are categorized as objectives or action plans under the goals of the strategic plan. Management is responsible for providing quarterly written updates to senior management regarding their respective areas' accomplishments in relation to the agency performance measures. Weekly departmental meetings provide a forum for supervisor-staff interaction regarding performance.

In addition, agency performance measures are directly linked to individual staff members' EPMS planning stages at all levels of the agency. Supervisors are responsible for monitoring and evaluating these measures through the EPMS review process for actual performance.

C. Organizational Values. Agency values (listed in the *Executive Summary, Item 1*) are included on each staff member's EPMS appraisal as performance characteristics. Each value is stated, along with a definition as it pertains to the ORS. Employees receive a rating of Acceptable or Unacceptable for each value. Through this system, employees and their supervisors have a means of tying performance to values. More generally, agency values are communicated through visual displays in the agency's meeting rooms, through the ORS web site, and by positive examples of conduct from the Executive Director and other agency leaders.

D. Ethical Behavior. As mandated by the agency's enabling legislation, all ORS staff members participate in six hours of ethics training annually. In addition, State Office of Human Resources core policies are incorporated into the agency policy manual and are carried out through standard operating practices at all levels of the agency.

1.2 How do senior leaders establish and promote a focus on customers and other stakeholders?

The ORS has a Consumer Services Department whose purpose is to provide a way for consumers to voice questions, complaints, or inquiries regarding their utilities. In addition the ORS, under the guidance of its senior leaders, has created several customer-oriented communications, feedback, and tracking systems. A few examples are as follows 1) an agency web site dedicated to informing and communicating with customers and stakeholders – this site includes a prominent section dedicated to consumer issues, an online consumer complaint/inquiry form, and a variety of downloadable forms 2) a periodic newsletter sent to the PURC 3) quarterly strategic planning meetings 4) a periodic newsletter sent to water/wastewater companies 5) customer service compliance reviews with utilities' business offices 6) educational workshops and remote education initiatives for regulated utilities 7) accessibility and prompt responsiveness to members of the media 8) communications, both formal and informal, with members of the S.C. Legislature to respond to requests on behalf of constituents and to keep them informed of the agency's progress and 9) PURC surveys of individuals who have had contact with the ORS concerning matters filed with the Public Service Commission (PSC). This includes matters negotiated by the ORS as well as matters heard by the PSC in which the ORS participated.

1.3 How does the organization address the current and potential impact on the public of its programs, services, facilities, and operations, including associated risks?

As noted earlier, the ten-member PURC includes members of the S.C. General Assembly as well as members from the general public. The PURC is continuously mindful of its accountability to the citizens of the State.

From an agency standpoint, the strategic planning process -- which includes quarterly strategic planning meetings -- and the performance improvement system provide for an ongoing means of evaluating and effectively addressing the current and future needs of the agency and those it serves. The ORS tracks its key performance measures and seeks professional assistance of other state agencies, federal agencies, or consultants in areas that require expertise beyond the agency staff. Both formal and informal feedback from various stakeholder groups is assessed and used in making adjustments to programs, products, or services.

With regard specifically to pleadings by regulated utilities, the potential effect on each facet of the public interest is part of the consideration of findings that the ORS reviews in making its recommendations.

1.4 How do senior leaders maintain fiscal, legal, and regulatory accountability?

Agency senior leaders are responsible for monitoring and maintaining accountability in all agency operations for both state and federal regulations through continuous review of operations, including monthly meetings to review the budget and staffing; accountability to the PURC; quarterly strategic planning meetings; ongoing legal consultation; continuous contacts with accountability personnel from other regulatory agencies (state and federal); attention to high standards of operation; and implementation of accountability systems through technology. In addition, senior leaders work with other state agencies to ensure compliance with state guidelines and laws.

The Finance Modules of the SCEIS system are utilized for receivables, payables, budget and financial reporting. The ORS also uses the Human Resources and Payroll Modules of the SCEIS system for payroll, benefits, and other personnel and human resource reporting and tracking. All ORS employees use MySCEmployee for leave reporting and personal employee data management.

In addition, the ORS has processes in place to ensure compliance with the procurement code. A requisition system has been established as well as procurement procedures. The Materials Management Module of the SCEIS system is used in the ORS processes for procurement.

1.5 What performance measures do senior leaders regularly review to inform them on needed actions?

- ◆ Regulatory fiscal oversight (including case management, audits and tracking of utilities' finances, etc.)
- ◆ Regulatory compliance
- ◆ Safety oversight
- ◆ Customer satisfaction
- ◆ Education and outreach
- ◆ Budget and finance
- ◆ Human resources

1.6 How do senior leaders use organizational performance review findings and employee feedback to improve their own leadership effectiveness, the effectiveness of management throughout the organization including the head of the organization, and the governance board/policy making body? How do their personal actions reflect a commitment to the organizational values?

As noted in Section 1.1-B, the PURC established agency performance measures that are categorized as objectives or action plans under the goals of the strategic plan. The PURC evaluates the agency annually based on the performance measures. As part of the evaluation, the Committee conducts an annual survey of individuals who have had contact with the ORS concerning matters filed with the Public Service Commission (PSC). This includes matters negotiated by the ORS as well as matters heard by the PSC in which the ORS participated. The Committee also conducts an annual survey of ORS employees. The information from these surveys is used by the PURC to evaluate the ORS performance and that of the Executive Director.

The Committee provides the Executive Director and senior leaders with feedback based on these evaluations. The Executive Director and senior leaders use this information -- along with feedback they continuously gather based on quarterly strategic planning meetings, weekly meetings, and day-to-day interactions with staff -- to make adjustments that may improve the effectiveness of their leadership or management styles.

As noted in detail in 1.1-C, the Executive Director and senior management communicate the values of the ORS through the EPMS review process as well as by providing positive examples of leadership. The Executive Director and senior leaders encourage open communication and collaboration among all staff and departments, implement goal-oriented planning, and adhere to and model agency policies and procedures.

1.7 How do senior leaders promote and personally participate in succession planning and the development of future organizational leaders?

Human Resources and senior management hold monthly workforce planning meetings and quarterly strategic planning meetings. These meetings include reviews of staff profiles (knowledge inventory, number of years to retirement, etc.) and training levels and trends. These assessments provide senior management with ongoing current information regarding staffing strengths and weaknesses so that they can plan organizational structuring and re-structuring needs with further role definition of employees.

1.8 How do senior leaders create an environment for performance improvement and the accomplishment of strategic objectives?

The ORS, its Executive Director, and its senior leaders operate within an environment of accountability as determined by the agency's enabling legislation. Each year, the PURC reviews the accomplishments of the ORS. Guidance provided to the agency based on these reviews is incorporated into senior management's priorities and plans for continuous improvement. These priorities and plans are communicated and implemented at all levels of the agency.

Furthermore, senior management engages in the following practices to create the desired environment for continuous improvement: encourages employees to take initiative and to solve problems; supports the efforts of staff to try new approaches; tracks performance measures for the agency in tandem with the strategic planning cycle; shares feedback with employees through the EPMS cycle; and exchanges information with employees through both regularly scheduled and informal meetings and an employee suggestion box. In addition, six hours of ethics training are required annually for all employees.

1.9.1 How do senior leaders create an environment for organizational and workforce learning?

The Executive Director and senior leaders encourage employees to participate in training conferences and in industry-specific workgroups such as the National Association of Regulatory Utility Commissioners (NARUC) and its regional counterpart SEARUC (for the Southeast). In addition, senior leaders -- in consultation with Human Resources -- periodically assess the needs of the agency and realign staff functions and roles as necessary. Based on these assessments, experts may be brought in to conduct training seminars or opportunities for teleconferences or web-based training may be provided. Staff members who are experts in certain areas provide training workshops for their colleagues.

1.10 How do senior leaders engage, empower, and motivate the entire workforce throughout the organization? How do senior leaders take an active role in reward and recognition processes to reinforce high performance throughout the organization?

The management team developed and implemented an employee recognition program. This program encompasses a variety of efforts to recognize employees including Employee Appreciation Week (which coincides with State Government Employee Recognition) and a Regulatory Rewards peer-award program that allows co-workers to recognize the contributions of their peers. Staff members' accomplishments are often highlighted in the monthly letter sent to the PURC.

Senior leaders meet regularly with employees to communicate expectations, share information, and recognize employees for a job well done. In addition to the EPMS process, the Executive Director also communicates regularly with the agency via email regarding agency successes, compliments received regarding the agency, and individual successes of employees or departments.

1.11 How do senior leaders actively support and strengthen the communities in which your organization operates? Include how senior leaders determine areas of emphasis for organizational involvement and support, and how senior leaders, the workforce, and the organization contribute to improving these communities.

Senior leaders determine areas of emphasis for organizational involvement based on the needs of those the ORS is charged to represent. Examples of civic efforts undertaken collectively by senior leaders and the workforce in FY 12-13 include the United Way, the domestic violence victim deposit waiver program, Harvest Hope Penny Wars and food and supply drive, and Operation Lifesaver. Individually, both senior leaders and other ORS staff are very active participants in civic and community efforts.

2.0 Strategic Planning

	Supported Agency Strategic Planning Goal/Objective	<u>Related FY 12-13 and beyond</u> Key Agency Action Plan/Plan/Initiative(s) and Timeline for Accomplishing the Plan(s)	Key Cross References for Performance Measures*
Agency Wide	Represent the public interest by balancing the concerns of the public, the financial integrity of public utilities and the economic development of SC.	<ol style="list-style-type: none"> 1. Provides technical assistance to new entrants 2. Enforces rules, regulations and laws equitably 3. Keeps abreast of issues 4. Balances the interest of consumers , job development and retention and financial well being of the utilities <p>Timeline: Ongoing</p>	7.1-1, 7.1-2, 7.1-3, 7.1-4,7.1-5, 7.1-6, 7.1-7, 7.1-8, 7.1-9,7.1-10, 7.1-11,7.1-12
Agency Wide	Is responsive to the public	<ol style="list-style-type: none"> 1. Resolves consumer complaints in a timely manner 2. Solicits public input on emerging issues 3. Consults with expert to assess emerging trends 4. Utilizes its website so that consumers may be informed 5. Publishes consumer brochures and publications 6. Provides regular briefings to the media 7. Provides media alerts <p>Timeline: Ongoing</p>	7.2-1, 7.2-2, 7.2-3
Agency Wide	Is alert to and anticipates federal regulatory and industry developments and their effect on SC	<ol style="list-style-type: none"> 1. Has processes to alert stakeholders of industry developments 2. Retains outside experts when needed 3. Reviews and analyzes the impact of state court decisions and federal agency and court decisions 4. Pays attention to the interplay between state regulation and the federal intention to regulate 5. Maintains knowledge <p>Timeline: Ongoing</p>	7.1-1, 7.1-2, 7.1-9, 7.1-10,7.1-11, 7.1-12, 7.2-4
Agency Wide	Are marked by professional excellence	<ol style="list-style-type: none"> 1. Hires and retains qualified personnel 2. Provides professional training and Ethics workshop 3. Provides internally organized and staffed educational programs 4. Provides its employees with tools they need 	7.1-1,7.1-2,7.1-3, 7.1-4,7.1-5, 7.2-1

	Are marked by professional excellence (Continued...)	<p>and equips the office</p> <ol style="list-style-type: none"> 5. Embraces technology in the workplace 6. Optimizes consumer education and outreach and seeks out persons who qualify for special assistance programs 7. Participates in state regulatory proceedings and appeals and federal regulatory proceeding and court cases 8. Provides input in legislative matters 9. Handles properly legislators' requests 10. Coordinates appropriately with other state agencies <p>Timeline: Ongoing</p>	7.1-1,7.1-2,7.1-3, 7.1-4,7.1-5, 7.2-1
Agency Wide	Promotes excellence in each regulated industry	<ol style="list-style-type: none"> 1. Inspects public utilities and enforces laws and regulations 2. Minimizes the regulatory burden on companies by taking steps to assist in settlements and mediations 3. Minimizes the regulatory burden by improving methods for submitting/accessing information 4. Keeps abreast of best practices <p>Timeline: Ongoing</p>	7.1-1,7.1-2,7.1-3, 7.1-4,7.1-5, 7.1-6, 7.1-7, 7.1-8,7.1-9, 7.1-10, 7.1-11, 7.1-12
Agency Wide	Provides value to the citizens	<ol style="list-style-type: none"> 1. Provides access to information 2. Resolves disputes in a timely manner 3. Number of complaints processed, audits performed, enforcement actions brought and commission proceedings participated in justify the number of employees and operational costs of the ORS 4. Societal benefits of utility rate stability and affordability, financial performance, infrastructure investment, environmental protection exceeds the monetary costs of the operation <p>Timeline: Ongoing</p>	7.1-1,7.1-2,7.1-3, 7.1-4,7.1-5, 7.1-6, 7.1-7, 7.1-8,7.1-9, 7.1-10,7.1-11, 7.1-12, 7.2-1, 7.2-4

*Key Cross-References are a link to the Category 7 - Business Results. These References provide a Chart number that is included in the 7th section of this document.

2.1 What is your strategic planning process, including KEY participants, and how does it address:

Members of the Executive Management Team (Team) and the PURC are the **key participants** in the strategic planning process. As noted in *Section II, Organizational Profile, Item 8 Performance Improvement System*, the Team's members include the Executive Director, Chief of Staff, and other members of senior management (directors). The strategic planning process has **key process steps** that flow cyclically as follows:

1. Quarterly reviews of the strategic plan in which performance measures are evaluated, trends identified, and recommendations are formulated to be shared with appropriate departments via their Team representative
2. Annual planning session to realign the plan
3. Creation of the upcoming fiscal year's projected budget, based on priorities and needs identified in the strategic plan, to be submitted to the Budget Office as approved by the PURC

A. Your Organization's Strengths, Weaknesses, Opportunities, and Threats (SWOT). During the annual strategic planning session, the Team reviews the prior year's SWOT analysis and updates it to identify currently perceived strengths, weaknesses, opportunities, and threats. Using that information, senior leaders update the strategic plan and realign objectives for the long term and for the coming year.

B. Financial, Regulatory, Societal, and Other Potential Risks. Through the SWOT analysis process, perceived risks and threats (both internal and external) are identified and addressed through strategic objectives in the plan.

C. Shifts in Technology and Customer Preferences. Regular reviews of the strategic plan by the Team as well as attendance at industry-related conferences help assess the efficacy of the plan in the context of any changes in the environment (both technological and consumer-oriented) so that the plan can be adjusted accordingly. Societal and customer-preference shifts are also assessed by tracking the types and frequencies of complaints and inquiries received by our Consumer Services Department, monitoring current issues, trends, legislation, and regulations on the state and federal levels, and staying abreast of industry-specific issues. The implementation of SCEIS three years ago continues to enhance the provision of financial and human resource data for accountability to our customers.

D. Workforce Capabilities and Needs. Within the strategic planning process, workforce planning meetings are held monthly by Human Resources and senior management to examine organizational structure, staffing patterns, and training trends and needs. This information is analyzed, and necessary adjustments are made to ensure that the agency is structured in the way that best meets current needs and that knowledge transfer and succession planning are accomplished. The information is submitted to the PURC for funding needs and programmatic goals.

E. Organizational Continuity in Emergencies. ORS systems such as SCEIS and various data bases, including those that outline ORS processes for conducting work and the ORS-PSC data base system, are housed electronically with the Division of State Information Technology (DSIT) of the S.C. Budget and Control Board. The DSIT has back-up systems in the case of power loss or other emergencies. In addition, the DSIT has a disaster recovery and business continuity plan designed to protect the systems and information entrusted to that organization.

F. Ability to Execute the Strategic Plan. The strategic planning process for the ORS is designed to systematically receive input from all levels of the organization. Members of the Team discuss the strategic plan with their departmental staff at regular intervals. During the quarterly update meetings for the plan and the annual planning session, input from departmental staff is shared with the rest of the leadership team and becomes part of the analysis to determine what is and is not still a viable part of the plan and to measure accomplishments toward goals. In this way, the plan remains a viable and effective course of action for the agency.

2.2 How do your strategic objectives address the strategic challenges you identified in your Executive Summary (Section I, Question 4)?

Objectives have been established by the PURC to meet the strategic challenges. Within the parameters of these objectives, the agency has developed components that address the strategic challenges and support the strategic plan. These components include, among others, providing training; monitoring state and federal regulations and legislation; attending conferences; conducting process reviews; embracing technology; and monitoring workforce issues and trends.

2.3 How do you develop and track action plans that address your key strategic objectives and how do you allocate resources to ensure the accomplishment of your action plans?

Action plans are developed and department performance measures are updated through the quarterly meetings of the strategic planning process. As each plan is implemented, the ORS documents processes and tracks data as a means of evaluating the effectiveness of the plan. The implementation and ongoing evaluation of action plans is discussed regularly at management and departmental meetings. Resources are allocated by evaluating available staff, workload, and priorities.

2.4 How do you communicate and deploy your strategic objectives, action plans, and related performance measures?

As noted earlier (*Section II, Organizational Profile, Item 8 Performance Improvement System*), the PURC established agency performance measures that are categorized as objectives or action plans under the goals of the strategic plan. Under the Team's direction, each ORS department monitors its performance relevant to its role within the agency. The performance measures are updated and reviewed by the Team. Trends in performance, both positive and negative, are readily identified in this way and communicated to appropriate staff members via their department director with recommendations on how to effect any necessary changes. Weekly departmental meetings provide a forum for two-way communication with regard to making improvements.

2.5 How do you measure progress on your action plans?

The ORS continuously collects a variety of data and feedback to track progress on its action plans. Many measures are quantifiable and directly attributable to actions taken by the agency. A second category of measures are those that, while often quantifiable, may be partially attributable to actions taken by outside entities with which we collaborate to achieve a collectively desired result. (An example of this type of collaboration would be the recruitment of a new industry to the State.) A third category of measures include those that are qualitative in nature, such as feedback received through daily interactions with various stakeholder groups. All types of measures are aggregated, reviewed,

and analyzed at quarterly management team meetings, and adjustments are made as necessary to best achieve progress on the action plans.

2.6 How do you evaluate and improve your strategic planning process?

The ORS meets on a regular basis to review and realign the strategic plan. The measures toward accomplishing goals and objectives provide information that we use to modify the process as necessary.

3.0 Customer and Market Focus

3.1 How do you determine who your customers are and what their key requirements are?

The customers of the ORS and their key requirements are determined according to the agency's enabling legislation, which defines customer groups as facets of the public interest: 1) **concerns of the using and consuming public** 2) **financial integrity of public utilities** and 3) **economic development of South Carolina**. As defined in S.C. Code Annotated § 58-4-10, the key expectation of all ORS customers is that the agency represent the public interest in utility regulation. To fulfill this mandated customer expectation, the ORS meets the key requirements of these customer segments by fulfilling the investigative, legal, prosecutorial and educational roles necessary to utility regulation.

3.2 How do you keep your listening and learning methods current with changing customer/business needs and expectations?

The ORS employs several means of keeping current with changing customer/business needs and expectations. The agency and its staff are affiliated with professional regulatory organizations such as the National Association of Regulatory Utility Commissioners (NARUC). These professional affiliations provide a forum for sharing best practices among regulatory agencies and identifying trends nationwide and regionally.

On the state level, the ORS collaborates with other state agencies to keep abreast of new technology in the provision of services to its customers. The agency has a Consumer Services Department that serves as a central receiving and tracking point for consumer inquiries and complaints. The agency makes full use of its web site as an interactive tool with customers and stakeholders. The site provides email links to staff, an online consumer complaint/inquiry form, and downloadable forms. The ORS attends community meetings and night hearings, publishes newsletters for various stakeholder groups, distributes consumer information brochures, hosts workshops, and initiates other outreach efforts for its customers and stakeholders. Information gathered from all these sources is analyzed to determine any improvements in operations or policy that need to be made. Such changes are decided upon by senior management with input from staff at the departmental levels.

3.3 What are your key customer access mechanisms and how do these access mechanisms enable customers to seek information, conduct business, and make complaints?

The ORS web site is structured to provide user-friendly access mechanisms for customers including a prominent Consumer Services section, *Contact Us* information for all departments, online forms for use by regulated utilities and consumers, and an online consumer complaint and inquiry form that provides a means for consumers to file complaints or inquiries with the Consumer Services

Department 24 hours a day, 7 days a week. In addition, the ORS Executive Director vigilantly maintains a policy of personal accessibility to the media, legislators, and consumers, often personally resolving issues or concerns from the calls he receives.

3.4 How do you measure customer/stakeholder satisfaction and dissatisfaction and use this information to improve?

The PURC conducts an annual survey of individuals who have had contact with the ORS concerning matters filed with the Public Service Commission. This includes matters negotiated by the ORS as well as matters heard by the PSC in which the ORS participated. The PURC also conducts an annual survey of ORS employees. The information from these surveys, as well as other information gathered by the PURC, is used by the Committee to evaluate the ORS performance and that of the Executive Director. The PURC shares the general survey questions and the general results from the stakeholder survey, and they share the general results of the employee survey. The ORS receives guidance based on the results from both surveys. The agency and the Director use the Committee's feedback to make improvements in policies, processes, and operations dealing with customers and stakeholders.

In addition, the ORS has in place various means of measuring customer/stakeholder satisfaction. Current means include 1) surveys (as appropriate) and 2) engaging in meetings and discussions with key stakeholder and customer groups such as consumer groups, regulated utilities, legislators, and members of the media. Information gathered from these efforts is incorporated into the strategic planning process to realign action items for continuous improvement.

3.5 How do you use information and feedback from customers/stakeholders to keep services and programs relevant and provide for continuous improvement?

The ORS collects and analyzes data and feedback in order to establish benchmark measures for the agency to help guide its future direction. Collection and analysis of information is conducted at the agency, division, and departmental levels as part of the overall continuous improvement process. Findings are shared with all areas of the agency to identify operations, processes, or programs in need of improvement. Some specific examples include:

- ◆ The Consumer Services Department records all consumer contacts in its tracking system by type of utility industry and by category of complaint/inquiry. Customer relations compliance reviews are also conducted at the business offices of regulated utilities. Review and analysis of this data allows the ORS to identify patterns in consumer issues and in utilities' customer service that may need to be addressed with regulated utility companies.
- ◆ The PURC conducts annual surveys of individuals who have had contact with the ORS concerning matters filed with the PSC and of ORS employees.
- ◆ The ORS obtains input from the regulated utilities and their representatives with regard to the utility industry environment and its impact on the utilities and their customers.
- ◆ The Executive Director maintains a high level of accessibility to members of the Legislature and the media. This allows for a two-way exchange of information as they may let the agency know about constituent concerns or issues on the consuming public's mind, and the ORS can address or answer some of these issues or questions.

3.6 How do you build positive relationships with customers and stakeholders to meet and exceed their expectations? Indicate any key distinctions between different customer and stakeholder groups?

Building positive relationships is a top priority item for the senior management of the ORS. While the specific method used may vary depending on the type of customer/stakeholder group, the end result is the same – that of developing rapport, trust, and open lines of communication. As noted in 3.5 above, the ORS collects and analyzes information from customers and stakeholders as part of the overall continuous improvement process. Findings are shared with all areas of the agency to identify operations or processes in need of improvement. Examples of efforts to build and maintain positive relationships include:

- ◆ A Consumer Services Department that addresses **consumers'** complaints and inquiries and provides consumer education
- ◆ Online access to ORS staff for **consumers and stakeholders** via the ORS web site
- ◆ Online ability to submit **consumer** complaints and inquiries to the ORS
- ◆ Online **consumer** education information as well as hard-copy versions (brochures) created in response to current consumer issues or concerns
- ◆ Remote education initiatives for **regulated utilities and consumers**
- ◆ Online publication of or links to **regulated utilities'** schedules of tariffs
- ◆ Online links to **PSC** for docket, hearing agenda, and other information
- ◆ Online posting of news releases, consumer advisories, and public announcements for **media and public access**
- ◆ Periodic newsletters to **water/wastewater companies**
- ◆ Periodic letters sent to **the PURC**
- ◆ **Media** accessibility to ORS Executive Director and other senior-level managers
- ◆ Frequent meetings with representatives of **regulated utilities** to address consumer issues, prepare for hearings pending before the PSC, discuss possible facility sitings, etc.
- ◆ Weekly **senior management** meetings and weekly **departmental meetings**
- ◆ Frequent attendance at **community/neighborhood association** meetings
- ◆ Attendance at **public night hearings** to gain **consumer** input on proposed utility rate increases and service issues
- ◆ Hosting of **workshops or forums for stakeholders**
- ◆ Outreach efforts to **low-income or at-risk consumers** through the Lifeline program, the domestic violence victim deposit waiver program, and various safety-net programs
- ◆ Collaborative efforts with other entities to promote environmental awareness and use of renewable energy sources – i.e., the Palmetto Clean Energy (PaCE) program
- ◆ Emphasis on fostering the settlement of cases whenever possible due to benefits to **consumers, regulated utilities, and economic development**

4.0 Measurement, Analysis, and Knowledge Management

4.1 How do you decide which operations, processes, and systems to measure for tracking financial and operational performance, including progress relative to strategic objectives and action plans?

The ORS is required to track various measures of financial and operational performance as mandated by state statute, federal requirements, and federal guidelines. The agency's enabling legislation, for example, states that the ORS has sole responsibility for the inspection, auditing, and examination of public utilities. The agency must be considered a party of record in all filings, applications, or proceedings before the PSC. Therefore, much of the tracking that is done relates to analysis of utilities' compliance as well as operational and fiscal performance.

In addition, the ORS tracks performance measures that relate to internal productivity and service delivery to ensure that the agency mission of representing the public interest in utility regulation is being achieved. The strategic planning process, which includes quarterly reviews as well as an annual planning session, provides a systematic means of reviewing organizational performance and adjusting objectives or action plans as necessary.

There has been no increase in the assessment to utilities, yet the ORS continues to save money for consumers through both the case settlement process – \$1.4 billion in customer savings since gaining regulatory responsibility – and the consumer complaint process – \$23 million in consumer services savings since gaining regulatory responsibility.

4.2 How do you select, collect, align, and integrate data/information for analysis to provide effective support for decision making and innovation throughout your organization?

Quantitative and qualitative information is continuously collected, integrated, and analyzed in order to adjust and improve processes and action plans within the various utility-industry departments. Performance measures are reviewed and analyzed at quarterly management team meetings, and adjustments are made as necessary. Federal and state accounting, personnel, and procurement standards and guidelines are used in conjunction with agency information to guide policy and operational decision making throughout the organization.

4.3 What are your key measures, how do you review them, and how do you keep them current with organizational needs and direction?

The key measures stated in Category 1.5 and below, are reviewed systematically through a variety of means including the strategic planning process, the performance improvement system, departmental meetings on programmatic initiatives, the EPMS process, and internal tracking of agency finances and workforce data, among others. In all of these systems, review and evaluation is a built-in component which allows for adjustments as external factors change that could affect how the agency should operate to be most effective.

- ◆ Regulatory fiscal oversight (i.e., case management, audits and tracking of utilities' finances)
- ◆ Regulatory compliance
- ◆ Safety oversight

- ◆ Customer satisfaction
- ◆ Education and outreach
- ◆ Budget and finance
- ◆ Human resources

4.4 How do you select and use key comparative data and information to support operational and strategic decision making and innovation?

Now entering its tenth year of operation, the ORS base of data continues to gain institutional depth. In addition, the ORS can sometimes draw comparisons between what it has tracked thus far and regional or national measures and standards. However, due to the unique nature of the ORS and its duties in relation to the utility-regulation systems of other states, directly comparable data on a particular issue or area may not exist.

4.5 How do you ensure data integrity, reliability, timeliness, accuracy, security, and availability for decision making?

From a programmatic standpoint, the ORS has and will continue to develop reliable and up-to-date data sources and data monitoring systems to document, track, and analyze performance. Internal operations data is monitored and reviewed by senior management on a regular basis to ensure that accurate indicators are being provided. Data back-up systems and quality controls are also in place and provide for the reliability of data and the security of confidential information.

4.6 How do you translate organizational performance review findings into priorities for continuous improvement?

As noted elsewhere in this report, the PURC evaluates the organization's performance annually based on a review of the agency's accomplishments associated with its performance measures. As part of this review, the PURC conducts an annual survey of individuals who have had contact with the ORS concerning matters filed with the Public Service Commission. This includes matters negotiated by the ORS as well as matters heard by the PSC in which the ORS participated. The PURC also conducts an annual survey of ORS employees. The Committee provides guidance based on the results to senior leadership. This information is used to adjust the agency's priorities for continuous improvement; progress is monitored throughout the strategic planning cycle and within the performance improvement system.

4.7 How do you collect, transfer, and maintain organizational and workforce knowledge (knowledge assets)? How do you identify, share, and implement best practices, as appropriate?

The ORS employs a variety of means to manage organizational knowledge and share best practices. In all instances deemed beneficial, the ORS implements cross-training of employees. Also, senior management encourages employees to engage in training opportunities for both professional and personal development. Modeled by senior management and filtered through the entire agency are inter-departmental collaborative efforts to share information and best practices. Looking outside the agency, the ORS makes use of best practices information shared among state agencies in South Carolina and among regulatory agencies regionally and nationwide. As noted elsewhere in this report, the ORS is increasingly making use of remote education mediums both for staff training and for the education of stakeholders on various issues.

5.0 Workforce Focus

5.1 How does management organize and measure work to enable your workforce to: 1) develop to their full potential, aligned with the organization's objectives, strategies, and action plans and 2) promote cooperation, initiative, empowerment, teamwork, innovation, and your organizational culture?

The talent of the ORS staff is aligned to most effectively serve customer needs and expectations. Depending on the duty being fulfilled, staff may work in industry-specific or function-specific teams or they may organize into cross-functional or inter-departmental teams. In this arrangement, the delivery of services to customers is a coordinated approach among departments. It also optimizes the use of staff expertise, provides an opportunity for the sharing of knowledge and best practices, and enables employees to learn new skills and gain knowledge.

To encourage initiative and innovation, senior management employs an open door policy for all ORS employees. ORS employees at all levels are encouraged to identify any opportunities or barriers they encounter with regard to achieving individual and agency goals and objectives. Human Resources, in collaboration with senior management, identify training and development needs of the workforce; members of the workforce are encouraged to take advantage of training and development opportunities. The EPMS process provides a means of measurement to gauge progress in these areas.

5.2 How do you achieve effective communication and knowledge/skill/best practice sharing across departments, jobs, and locations? Give examples.

As noted above (5.1), staff may work in industry-specific or function-specific teams and may collaborate across departments. To ensure effective communication and share knowledge, the ORS has weekly senior management meetings, departmental meetings, and frequent interdepartmental meetings. The ORS also looks for training opportunities that can be provided for the workforce; increasingly, the ORS takes advantage of opportunities for teleconferences and webinars as a cost-efficient means of educating its workforce. In addition, meetings are held to evaluate processes and improve upon them.

5.3 How does management recruit, hire, place, and retain new employees? Describe any barriers that you may encounter.

To recruit the most qualified applicants, the Human Resources Department posts positions on NEOGOV, gets input from stakeholders, and talks with people in the field. A team-interview process provides the means for selecting the best candidate. An orientation process for new employees begins immediately to provide for a smooth transition by helping them understand the values, mission, goals, policies, and procedures of the ORS.

Barriers include challenges in recruiting technical experts, such as auditors and engineers, due to compensation competition with the private sector.

5.4 How do you assess your workforce capability and capacity needs, including skills, competencies, and staffing levels?

Senior management regularly discusses workforce capabilities and capacity needs with the directors of

each department to ensure that agency needs are being met; periodic meetings to assess staffing are also held. Management observes the performance of employees on specific duties – such as providing testimony – and, if needed, training or additional support is provided.

5.5 How does your workforce performance management system, including feedback to and from individual members of the workforce, support high performance work and contribute to the achievement of your action plans?

As noted in *Section III under Customer and Market Focus 3.4*, the PURC conducts an annual survey of ORS employees. The information from this survey is used by the PURC to evaluate the ORS performance and that of the Executive Director. The PURC shares the general results of the employee survey. The ORS receives guidance based on the survey results. The agency and the Director use the Committee's feedback to make improvements in policies and processes involving the agency's employees.

In addition, the agency concentrates its performance evaluation efforts on linking job responsibilities and expectations with the agency mission, its strategic goals, and its action plans. Supervisors understand the need to have position descriptions that include duties linked directly to achieving the agency's objectives. The agency uses the EPMS process as its foundation for planning work priorities, professional development, and evaluation of employees. This process encourages employees to perform well because expectations are communicated and discussed with them in a continuous cycle of performance improvement.

5.6 How does your development and learning system for leaders address the following: a. development of personal leadership attributes, b. development of organizational knowledge, c. ethical practices, d. your core competencies, strategic challenges, and accomplishment of action plans

By encouraging members of its workforce to attend training and participate in industry organizations, the ORS develops industry and organizational knowledge, leadership skills, and core competencies. A six-hour class on ethics is required yearly for all members of the workforce. In addition, the strategic planning process provides a means for senior management and the rest of the workforce to identify issues with regard to action items, realign strategic objectives accordingly, and monitor and adjust the strategic plan.

5.7 How do you identify and address key developmental and training needs for your workforce, including job skills training, performance excellence training, diversity training, management/leadership development, new employee orientation, and safety training?

As part of the EPMS process, each manager is responsible for assessing training needs and discussing training plans with their employees. The managers provide employees guidance in what training is needed, and employees can express their interests or needs for particular training during this process. Managers assess the training by assignment of applicable duties or by discussing with the employee what they learned and their assessment of the training. ORS employees are encouraged to participate in training opportunities for professional and personal development as well as for management and leadership skills. Workload is often reassigned to take advantage of employees' newly acquired knowledge or skills.

The agency encourages diversity in the workforce and achieved 76% of its Equal Employment Opportunity (EEO) goal.

With regard to safety, employees are trained in safety issues in seminars and by management where appropriate. Industry-specific safety issues, such as those for natural gas pipeline and railroad, are taught by management on the job and by attending professional training seminars, classes, or conferences for those industries.

In addition, Human Resources assists the departments with identifying needs and getting the training required. Human Resources coordinates ethics training for all employees, and new-employee orientation is provided to all new employees.

5.8 How do you encourage on-the-job use of new knowledge and skills?

Employees are encouraged to use the tools and knowledge they gain from training in their daily duties. As employees acquire more complex skills through training, more complex duties may be assigned to them; this training-put-to-use process contributes to more effective attainment of agency goals. As an example, when a vacancy occurs in the agency, some or all of the duties from the vacated position may be re-assigned to other members of the workforce who, through training and experience, have acquired the necessary expertise to perform the duties successfully. The ORS encourages employees to achieve certifications in industry or professional specialties. In addition, staff members who are experts in certain areas provide training workshops for their colleagues.

5.9 How does employee training contribute to the achievement of your action plans?

Action plans derived from the strategic plan are analyzed in terms of training needs. These needs then become a priority for allocating resources to training. In each employee's annual review, training needs are discussed relative to their performance as linked to agency goals.

5.10 How do you evaluate the effectiveness of your workforce and leader training and development systems?

As explained in 5.6, processes are in place to evaluate the effectiveness of workforce and leadership training. The EPMS process provides another means of evaluation in this area.

5.11 How do you motivate your workforce to develop and utilize their full potential?

To encourage open communication, senior management employs an open door policy for all ORS employees. ORS employees at all levels are encouraged to identify any opportunities or barriers they encounter with regard to achieving individual and agency objectives as specified in EPMS plans and the agency's strategic plan. Senior management encourages employees to participate in training opportunities, to engage in cross-functional and interdepartmental sharing of knowledge and best practices, and to take the initiative to solve problems and find innovative solutions.

Human Resources makes extra efforts to ensure the needs of the employees are being met. Continuous efforts are made to solicit feedback and to provide for the employees' needs.

As noted in *Section III under Leadership 1.10*, the agency has an employee recognition program. This

program encompasses a variety of efforts to recognize employees including Employee Appreciation Week (which coincides with State Government Employee Recognition events) and a Regulatory Rewards peer-award program that allows co-workers to recognize the contributions of their peers. The Human Resources Department continues to receive very positive feedback from employees on these initiatives.

5.12 What formal and/or informal assessment methods and measures do you use to obtain information on workforce well being, satisfaction, and motivation? How do you use other measures such as employee retention and grievances?

Managers have regularly scheduled staff meetings as well as individual meetings with employees to openly discuss issues, ensure open communication, and identify any problems. In addition, as noted in 5.5 above, the PURC gathers information and conducts an annual survey of ORS employees and provides guidance based on its results to the agency leadership. The Committee's feedback is used to make improvements in policies and processes involving the agency's employees.

Employees have access to a suggestion box; also, employee birthdays are recognized. Special-occasion meals, such as the ORS Birthday and seasonal holidays, are coordinated by Human Resources to foster employee fellowship. An ORS Health Fair is also an annual event. These initiatives have been very well received.

Specifically with regard to human resources, the agency tracks the attrition rate, employment longevity, training and development, and other information that may be useful in assessing the workforce. ORS Human Resources conducts exit interviews with employees who leave the agency and uses this feedback, along with the aforementioned information, to assess the workforce.

5.13 How do you manage effective career progression and effective succession planning for your entire workforce throughout the organization?

The agency works with members of its workforce to ensure they are obtaining proper training and guidance to further their careers; monthly assessments of the workforce provide a regular means of evaluating needs and trends. Processes are in place for sharing of knowledge and succession planning so that there is a continuity of corporate knowledge.

5.14 How do you maintain a safe, secure, and healthy work environment? (Include your workplace preparedness for emergencies and disasters.)

The ORS has in place an agency emergency preparedness plan for safe evacuation of its building in the event of fire or other emergency. Employees are aware of fire-drill evacuation procedures.

The ORS Human Resources makes available to its employees information regarding health issues and periodic health screenings, including an annual Health Fair and on-site flu shot vaccinations. The agency has a team of employees, known as *First Responders*, who are certified in first aid and cardiopulmonary resuscitation (CPR). When employees identify potential safety or health hazards, management moves quickly to find a solution and thereby eliminate the hazard.

6.0 Process Management

6.1 How do you determine and what are your organization's core competencies and how do they relate to your mission, competitive environment, and action plans?

The ORS has established its core competencies based on the agency's statutory mission to represent the public interest in utility regulation. They are as follows:

- Legal expertise in regulatory matters
- Regulatory and fiscal oversight
- Consumer education
- Regulatory enforcement
- Audit, inspection, and examination of public utilities' records
- Safety oversight for railroad and natural gas pipeline

These core competencies support the agency's strategic objectives and action plans.

6.2 How do you determine and what are your key work processes that produce, create, or add value for your customers and your organization and how do they relate to your core competencies? How do you ensure these processes are used?

The agency's key work processes are derived directly from its mandated mission. They are categorized as follows:

- ◆ Serving as a party of record in all filings, applications, or proceedings before the S.C. Public Service Commission
- ◆ Inspecting, auditing, and examining public utilities
- ◆ Serving as a mediator between the using and consuming public and regulated utilities to resolve informal complaints and inquiries
- ◆ Providing consumer education to the using and consuming public
- ◆ Monitoring and enforcing safety standards for railroads and for natural gas pipelines

Taken collectively, these processes form the foundation for providing a balanced representation of the public interest in utility regulation. They serve as the basis for carrying out the agency's duties and are continuously monitored, evaluated, and improved to optimize the delivery of services to customers.

6.3 How do you incorporate organizational knowledge, new technology, cost controls, and other efficiency and effectiveness factors, such as cycle time, into process design and delivery?

The ORS focuses on its key processes and, where possible, structures the implementation of those processes in ways that optimize the delivery of services to customers. In some cases, this effort has involved collaboration with other agencies. In other instances, strictly internal processes have involved collaboration among ORS departments to achieve the most efficient means of operating. In the design and delivery of all processes, the ORS sets priorities based on the goals and objectives of its strategic plan and monitors its costs to ensure that budgetary limits and guidelines are met. Examples of recent process improvements that optimize delivery of services to customers include:

- All auditors were provided laptops with docking stations for the work computer. This eliminated the need for a laptop pool for auditors to pull from when they traveled, thus reducing the number of computers being maintained by the ORS and resulting in lower data-processing costs being charged to the agency.
- The ORS Audit Department implemented the use of File Transfer Protocol (FTP) sites hosted by utilities seeking increases in rates and charges to more efficiently gather information necessary for the examination of their applications.
- The ORS accelerated the issuance of Information Requests to companies seeking to increase rates and charges in order to reduce the time required for the production of required information.
- The ORS requested that the PSC eliminate the need for Class C passenger carriers to file an annual report since neither rates nor rates of return for Class C carriers are regulated by the PSC. This change reduced the regulatory and administrative burden on carriers, the ORS, and the PSC and resulted in an annual cost savings to the ORS of over \$1,000.
- The ORS expanded the inspection tracking system enabling management to view rates of inspections per quarter and by inspector to determine ORS' status toward achieving federal inspection goals. Management and inspectors are able to more efficiently prioritize and schedule inspections based on compliance trends.
- A pipeline safety inspector and an Assistant Gas Program Manager (AGPM) were added to the Gas and Pipeline Safety areas. As a result of regular workforce analysis, the AGPM now performs time-consuming oversight and planning duties previously performed by the inspectors and pipeline safety supervisor. These two factors allowed the completion of more field inspections for pipeline safety.
- The ORS continued to spearhead a multi-year collaborative effort with the investor-owned electric utilities, electric cooperatives, municipal electric utilities, and Santee Cooper to develop a consistent system for converting territorial assignment maps into an electronic format.

6.4 How does your day-to-day operation of these processes ensure meeting key performance requirements?

Daily operations of the ORS are guided by its enabling legislation, mission statement, policies, procedures, strategic plan, and performance measures. All functions of the ORS are established, operated, and monitored so that they comply with relevant laws and regulations, meet budgetary requirements, occur within appropriate time frames, and accomplish the mission and goals of the agency.

6.5 How do you systematically evaluate and improve your key product and service related work processes?

The PURC developed the ORS performance measures to ensure that the agency continuously monitors and improves the processes necessary to fulfill its mission. Toward this end, the ORS has established a performance improvement system. Under the Team's direction, each ORS department monitors performance measures relevant to its role within the agency. The performance measures are updated and reviewed by the Team during quarterly strategic planning meetings. Departmental meetings provide a frequent means for two-way communication with regard to making improvements. In addition to the quarterly strategic meetings, the Team has an annual strategic planning session. At this

session, the agency's performance measures within the strategic plan are modified as necessary to keep the plan aligned with the agency's mission.

The ORS documents processes, gathers feedback, and tracks data as a means of evaluating and improving key product- and service-related processes. The agency's robust data base system enables all ORS departments to access the same sources of information -- thereby improving processes for the documentation, tracking, retrieval, and integration of information.

6.6 What are your key support processes, and how do you evaluate, improve and update these processes to achieve better performance?

The strategic planning process is the means by which the agency's support processes are evaluated and improved. Human resources, finance and accounting, legislative relations, and communications serve as internal support processes within the ORS. Continuous maintenance and improvement of these processes occur throughout the strategic planning cycle, with adjustments made as necessary, and involve a range of efforts including 1) inter-departmental meetings to share information 2) budgetary and HR reporting, projections, and realignment 3) the formation of inter-departmental committees to spearhead agency-wide initiatives.

6.7 How does your organization determine the resources needed to meet current and projected budget and financial obligations?

In addition to following the normal state budgetary process, the ORS must present and justify its budgetary needs to both the full PURC and its ORS subcommittee each fiscal year. Within these parameters, senior leaders monitor the performance of the agency and make adjustments as needed to fulfill the mission and strategic objectives. Periodic meetings are held to assess both the budget and staffing.

7.0 Results

7.1 What are your performance levels and trends for the key measures of mission accomplishment/product and service performance that are important to your customers? How do your results compare to those of comparable organizations?

The mission of the Office of Regulatory Staff is to represent the public interest in utility regulation by balancing the concerns of the using and consuming public, the financial integrity of public utilities, and the economic development of South Carolina. Fiscal year 2012-2013 was the agency's ninth fiscal year in operation. There has been no increase in the assessment to utilities, yet the ORS continues to save money for consumers through both the case settlement process -- approximately \$1.4 billion in customer savings since gaining regulatory responsibility -- and the consumer complaint process -- \$23 million in consumer services savings since gaining regulatory responsibility. (Of this \$23 million, \$21 million represents 7 years' worth of recurring annual savings of \$3 million. These recurring savings are the result of an agreement reached in FY 06-07 between an electric investor-owned utility and some industrial customers.)

The ORS strives to identify the most effective means of tracking performance levels and trends. Those reported on graphically in Category 7 represent some, but not all, of the current means used to assess performance.

Key Measure – Regulatory Fiscal Oversight. This measure includes areas relating to *case management* and to *audits and tracking of regulated utilities' finances*.

- 1 The ORS is charged with representing the public interest of South Carolina in utility regulation for the major utility industries -- electric, natural gas, telecommunications, water/wastewater, transportation, and low-level radioactive waste disposal -- before the PSC, the court system, the S.C. General Assembly, and federal regulatory bodies.
- 2 S.C. Code Annotated § 58-4-10 lists among the duties and responsibilities of the ORS to serve as a facilitator or otherwise act directly or indirectly to resolve disputes and issues involving matters within the jurisdiction of the PSC.
- 3 The ORS has sole responsibility for the inspection, auditing, and examination of public utilities. The agency must be considered a party of record in all filings, applications, or proceedings before the PSC.

Case management.

Chart 7.1-1. In FY 12-13, the ORS participated in 95 cases.

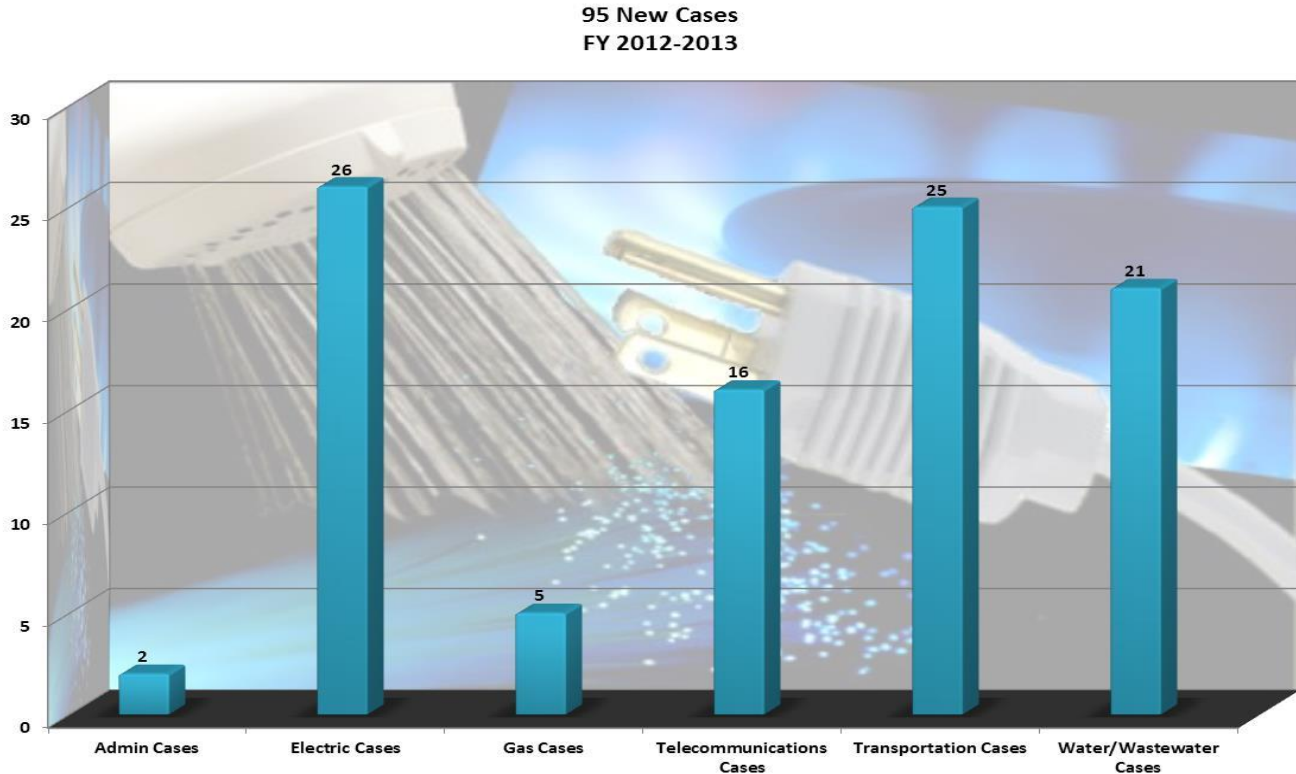


Chart 7.1-2. This chart (next page) shows the number of matters – **32** – in which the ORS facilitated settlements and agreements during FY 2012-2013. Settlements and agreements generated a savings to customers totaling over **\$83 million**.

The settlement of cases benefits all parties involved, and the process of settlement used in South Carolina and facilitated by the ORS has been cited as a model for other states. **From January of 2005 (when the ORS gained regulatory responsibility) through June 30, 2013, the ORS facilitated a total of 374 settlements and agreements with savings estimated at over \$1.4 billion.**

As noted by many economists and professional analysts, settled cases often result in a better rating of the State's regulatory environment. Better ratings encourage investment in the State's utilities, thus furthering **economic development** in South Carolina. The ORS has been lauded for its ability to facilitate settlement agreements that strike an equitable balance between the interests of **consumers** and **regulated utilities**.

**7.1-2 FY 12-13
32 Settled Cases**

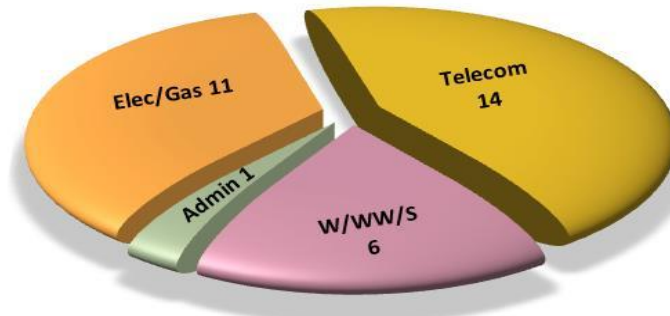
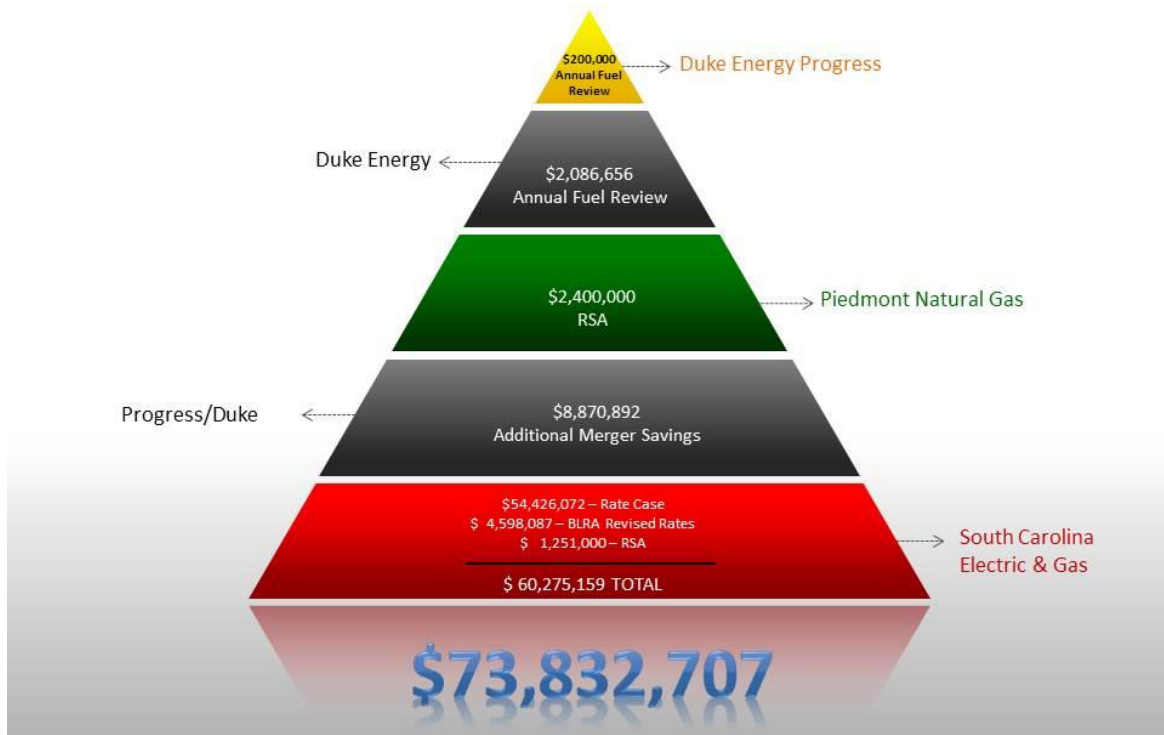


Chart 7.1-3. This chart delineates the *electric and gas cases* in which settlement agreements occurred. These agreements resulted in direct savings to customers totaling approximately **\$74 million**. Some of these savings are associated with the Duke-Progress merger case from FY 11-12 but were realized during FY 12-13.

7.1-3 Projected Combined Savings to Consumers Resulting from Settlement of Electric and Gas Cases in FY 12-13



Audits and Tracking of Regulated Utilities' Finances.

Chart 7.1-4. In FY 2012-2013, the ORS conducted a total of **283** regulatory reviews and audits. In line with the ORS' duty to inspect, audit and examine public utilities, the number of audits and regulatory reviews are driven by the filings of the regulated utilities and may vary from year to year.

7.1-4 Auditing Activity: FY 12-13
Total: 283 Regulatory Reviews and Audits

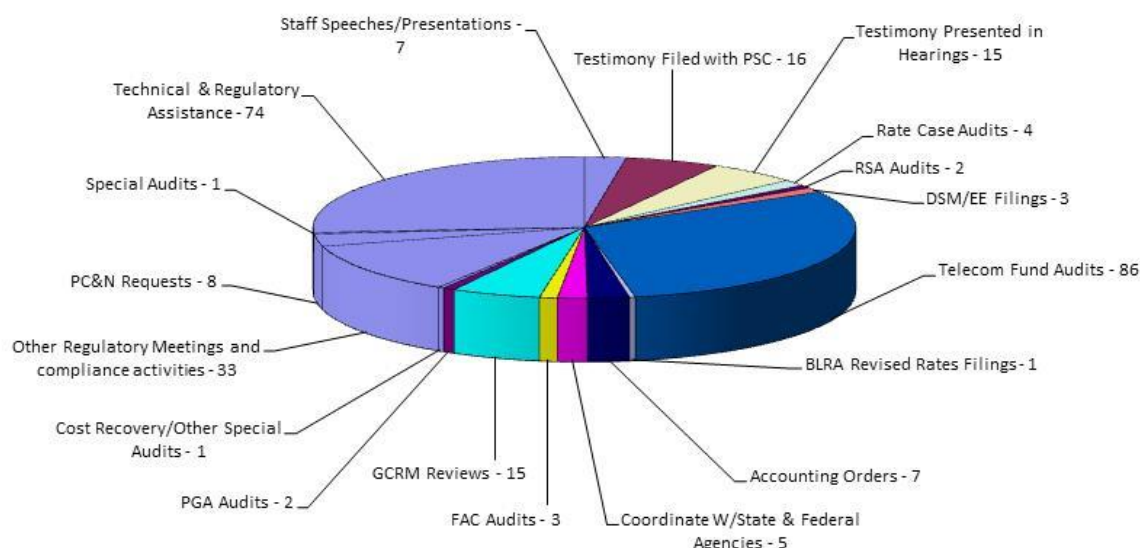
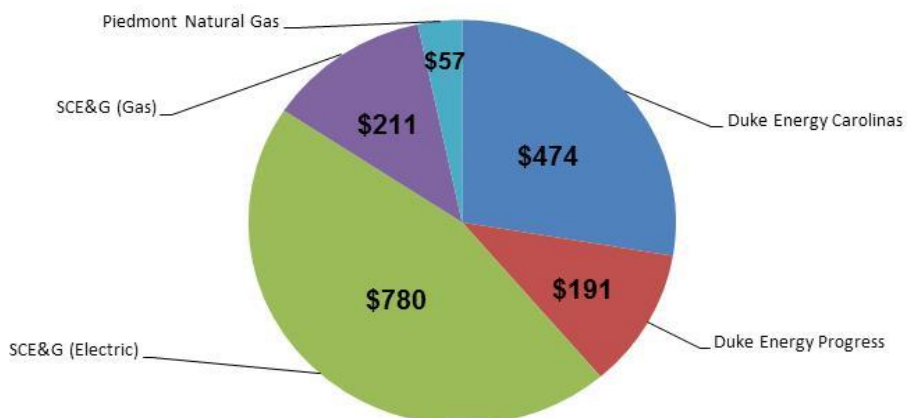


Chart 7.1-5. The ORS has oversight responsibility including prudence and audit review of investor-owned electric and gas utilities in South Carolina. The total annual dollars reviewed in examinations of the fuel costs for power generation and natural gas supply during FY 2012-2013 is approximately **\$1.7 billion**. Similar to FY 10-11 and 11-12, the decline of the commodity cost of gas resulted in less gas cost expenses to be paid by natural gas retail customers compared to the prior fiscal year.

7.1-5 Annual Electric Fuel and Gas Cost Expenses Reviewed
During FY 2012-2013
Total \$1713 (\$ in millions)



Key Measure - Regulatory Compliance. As part of its oversight duties, the ORS is charged with ensuring utilities' compliance with established regulations and statutes. The ORS approach to maximizing compliance is to *educate as we regulate*. Toward this end, the ORS initiates remote education efforts, conducts compliance reviews to assist company owners in maintaining or achieving compliance, and assists new companies in establishing business systems that ensure compliance with regulatory filings. Findings from these reviews are provided to the companies to assist them in their compliance efforts.

Chart 7.1-6. The ORS conducted 469 transportation carrier compliance reviews with household goods movers (67 reviews) and passenger carriers (402 reviews). The FY 12-13 average transportation carrier compliance score was 66%, down from 85% in the prior fiscal year. ORS' efforts to conduct more educational audits with household good movers in FY 12-13 (67) as compared to FY 11-12 (50) resulted in detecting more deficiencies in FY 12-13 among this group.

7.1-6 Transportation Carrier Average Compliance Scores

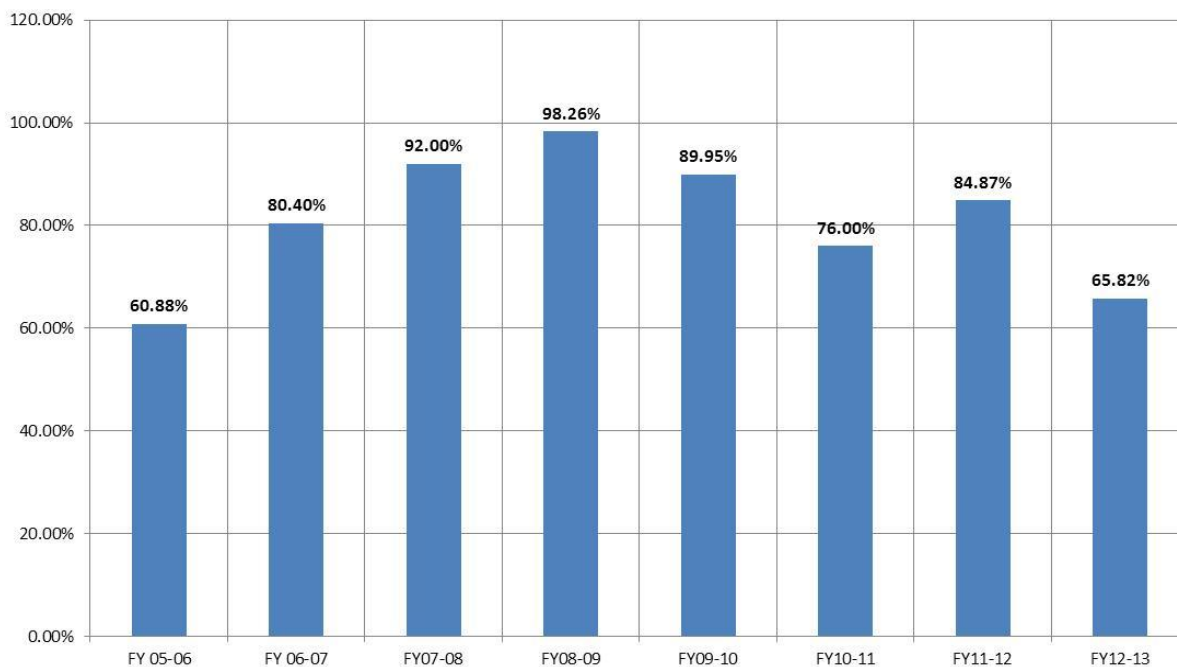


Chart 7.1-7 (next page). Regulated utilities are required to submit annual reports. Since the first year of ORS' regulatory authority, when compliance with annual reporting was 48%, the agency has made significant progress in increasing this compliance level by conducting business and site compliance reviews and providing assistance and education to water and wastewater companies. In FY 11-12, the ORS reached its long-term goal of bringing all – 100% – water/wastewater utilities into compliance with annual reporting requirements. The FY 12-13 percentage, 99%, is the result of one non-compliant company that the ORS has taken enforcement action against; the status of this rule-to-show-cause action is pending at the time of this writing.

**7.1-7 Water/Wastewater Utilities in Compliance
with Annual Report Requirements**

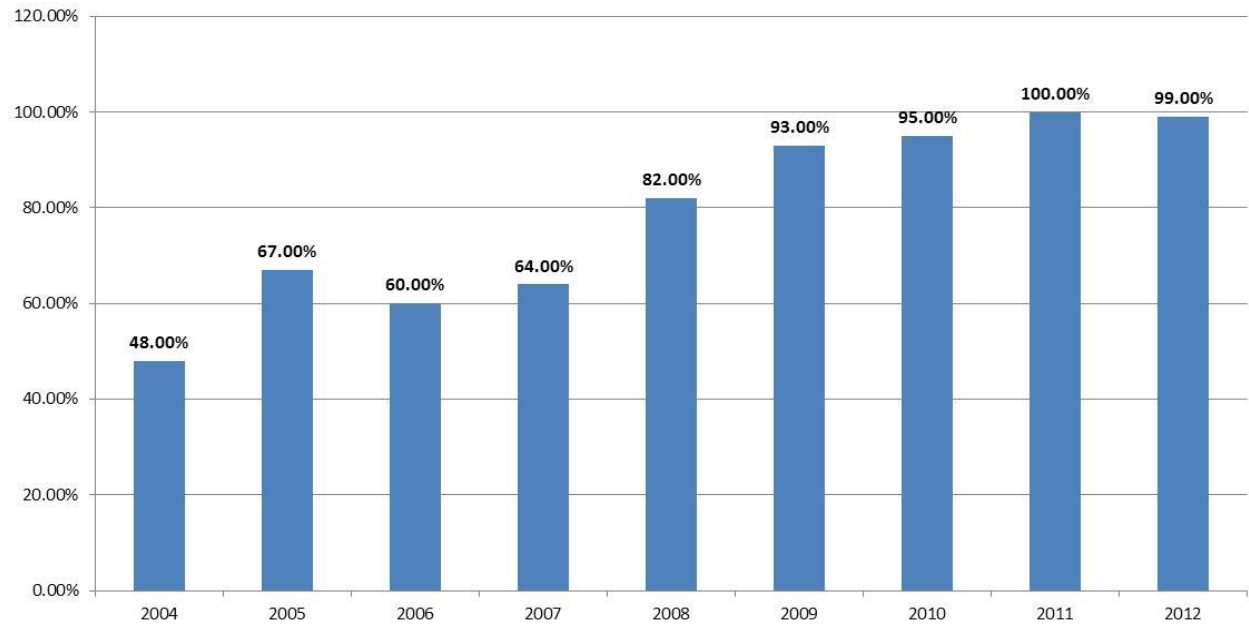
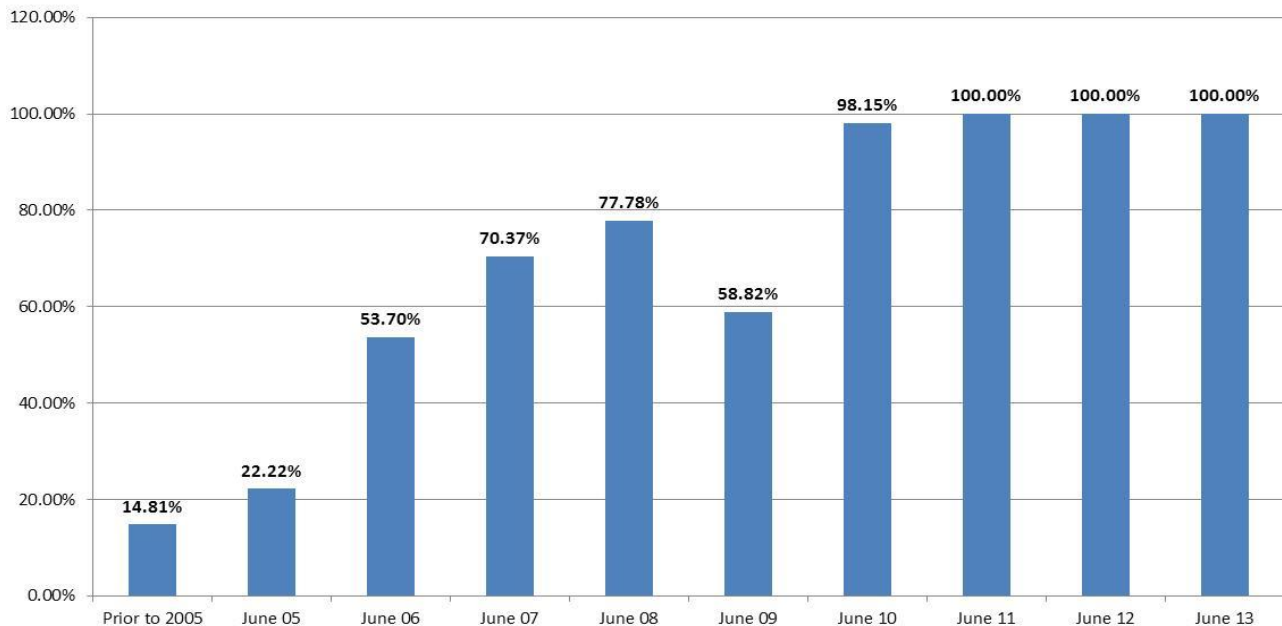


Chart 7.1-8. In FY 12-13, the ORS maintained – for the third consecutive year – a perfect 100% level of compliance in bringing water/wastewater companies into compliance with performance bond regulations. Continued high standards for education and enforcement are responsible for this continued achievement of a perfect compliance score.

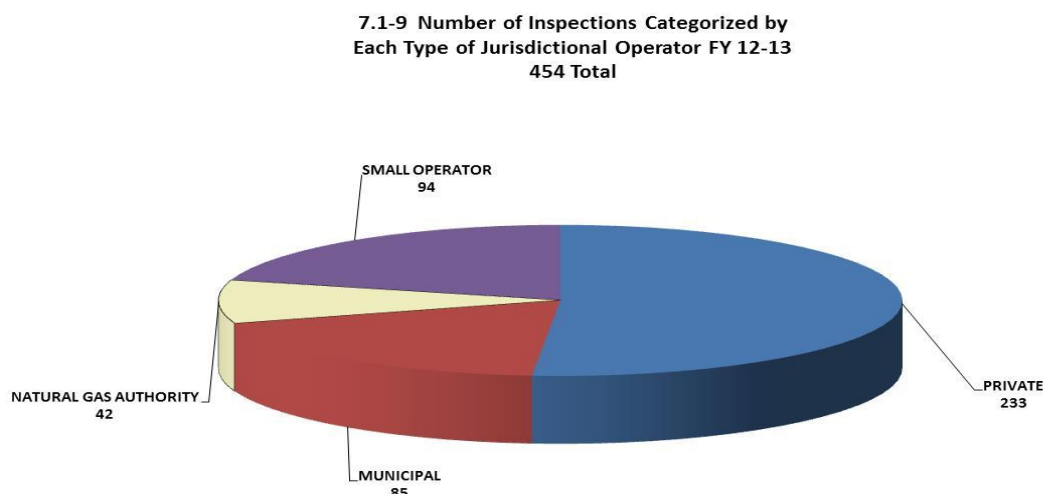
**7.1-8 Water/Wastewater Utilities in Compliance
with Performance Bond Regulations**



Key Measure – Safety Oversight. In addition to its regulatory oversight functions, the ORS has oversight responsibility for natural gas pipeline safety and railroad safety in South Carolina.

Natural Gas Pipeline Safety. The ORS has pipeline safety responsibility over the jurisdictional operators of natural gas distribution and transmission pipeline systems, liquefied natural gas facilities, certain liquefied propane systems, landfill gas systems, and lateral pipelines from interstate pipeline systems. These systems are operated by private companies, municipal governments, authority districts, and master meter owners.

Chart 7.1-9. During FY 2012-2013, the ORS conducted 454 inspections consisting of emergency plan reviews, operations and maintenance procedure reviews, facility evaluations, new construction, operator qualification plans, and drug- and alcohol-abuse prevention plans. Findings from these inspections are aggregated and analyzed by category of jurisdictional operator, and feedback is provided to the operators to assist them in meeting all state and federal safety regulations, thus providing a safer environment for South Carolina’s citizens. The substantial increase in number of inspections (199 in FY 11-12) is attributable to the addition of an inspector and an Assistant Gas Program Manager (AGPM). As a result of regular workforce analysis, the AGPM now performs time-consuming oversight and planning duties previously performed by the inspectors and supervisor. These two factors allowed the completion of more field inspections.



Railroad Safety. Through FY 12-13, the ORS has shared responsibility with the Federal Railroad Administration (FRA) for inspecting both Track and Motive Power and Equipment (MP&E) on the State’s railways. ORS inspectors have been invited for seven consecutive years to attend FRA claims settlement conferences and defend violations. Beginning with the next accountability reporting period (FY 13-14), the ORS will no longer have MP&E data to report. A new inspector joined the ORS near the end of FY 12-13 (Calendar Year 2013) who will be focusing, instead, on another FRA discipline known as Operating Practices.

Chart 7.1-10. The FRA rates all inspectors, both state and federal. Among states with a *comparable* number of inspectors and of supported FRA disciplines, **ORS inspectors received the highest total program score in Calendar Year (CY) 2012, thus ranking South Carolina first among comparable programs.**

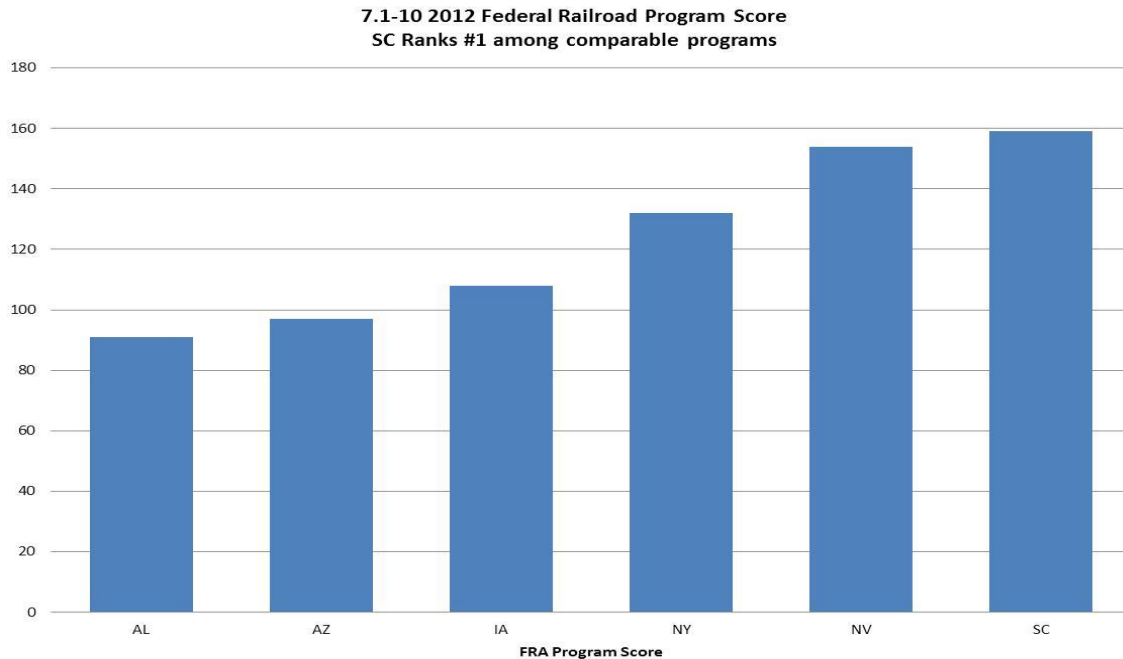


Chart 7.1-11 and 7.1-12. ORS inspectors are thorough in their inspections of South Carolina's railway system. As noted in last year's Accountability Report, the large discrepancy in CY 2011 between track defects discovered by federal vs. ORS inspectors was likely due to the fact that for most of that year, there were no federal inspectors in South Carolina. The situation changed in CY 2012 as the federal-inspector position was filled in South Carolina and, in fact, the new FRA inspector was trained by the ORS track inspector. As reflected in Chart 7.1-11, after training by the ORS inspector, the FRA inspector discovered more track defects per inspection during CY 2012.

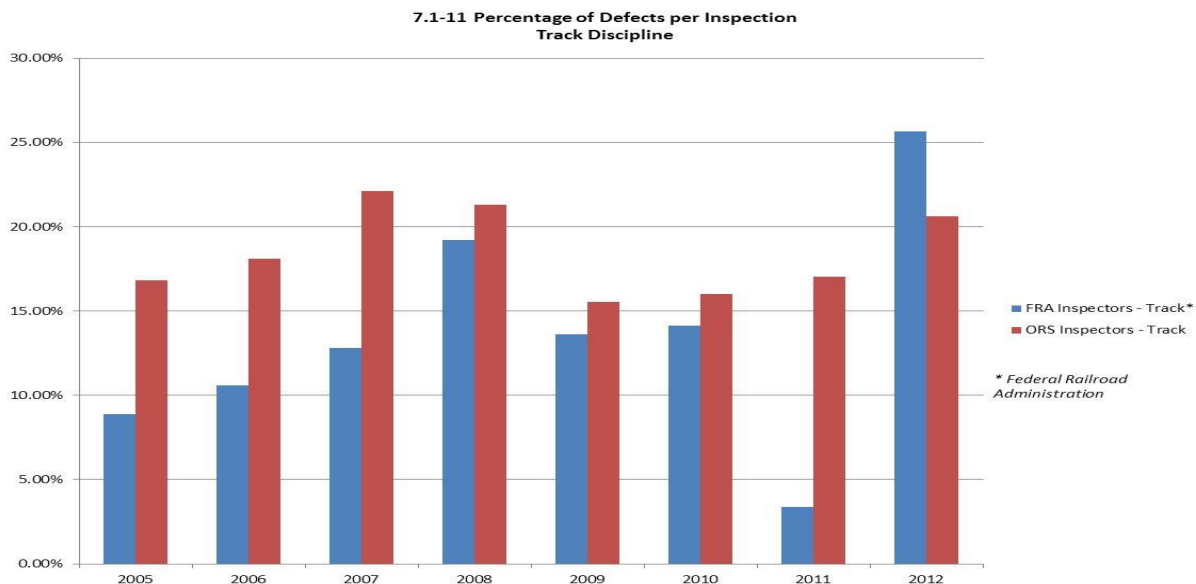
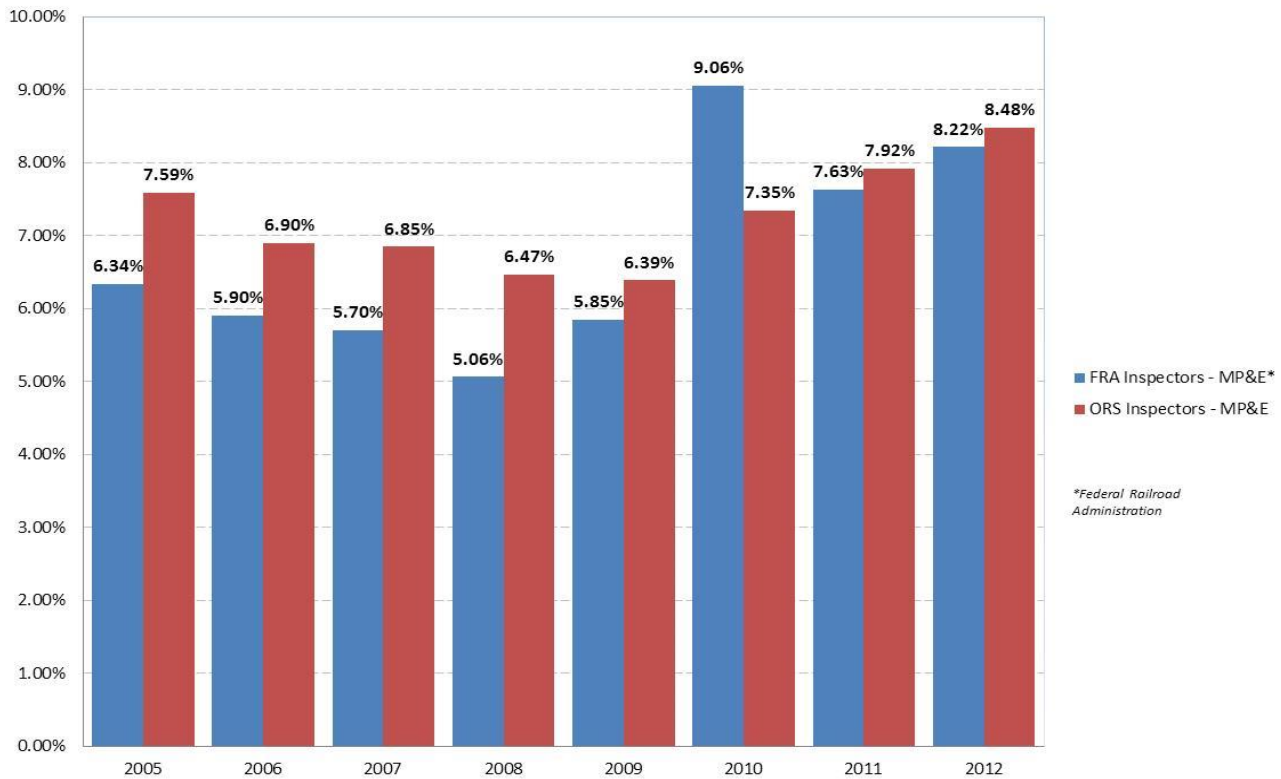


Chart 7.1-12 illustrates the trend in MP&E inspections by calendar year. In all but 2010, the ORS has discovered a higher percentage of defects per inspection than their federal counterparts. As explained earlier, the ORS will no longer have data for the MP&E discipline in subsequent reports.

**7.1-12 Percentage of Defects per Inspection
Motive Power and Equipment (MP&E) Discipline**



7.2 What are your performance levels and trends for the key measures on customer satisfaction and dissatisfaction? How do your results compare to those of comparable organizations?

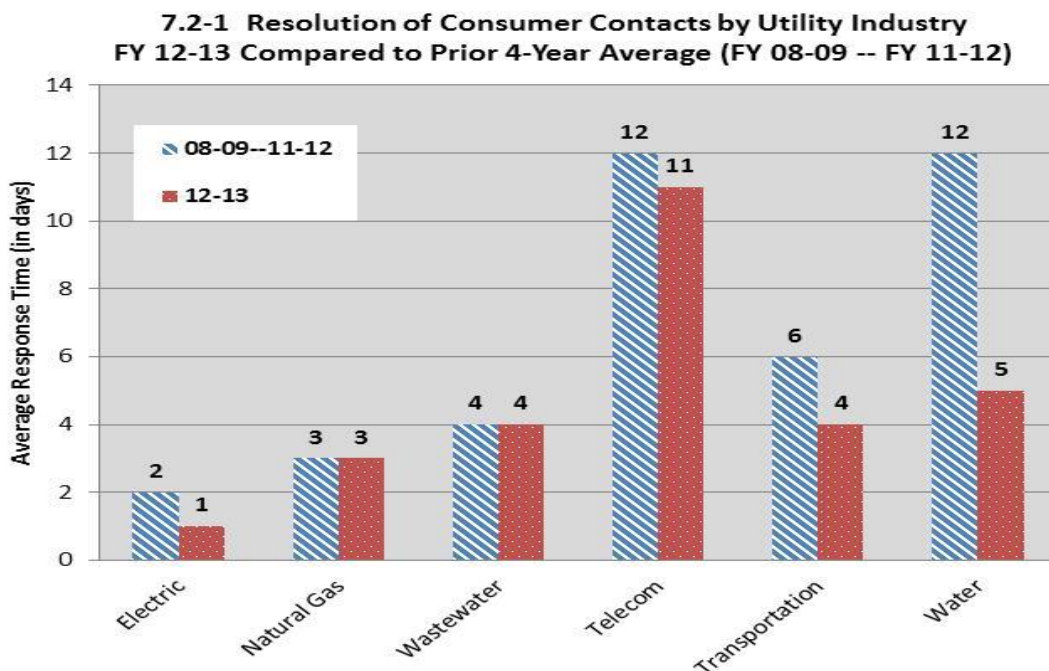
Key Measure-Customer Satisfaction. As noted earlier in this report, the PURC conducts an annual survey of individuals who have had contact with the ORS concerning matters filed with the Public Service Commission. This includes matters negotiated by the ORS as well as matters heard by the PSC in which the ORS participated. The PURC also conducts an annual survey of ORS employees and provides guidance based on the results. Therefore, this data is not available for graphing in this report. However, the ORS does have quantitative information on some of its key services provided to customers.

Over the past nine fiscal years (FY 04-05 through FY 12-13), the Consumer Services Department has recovered or saved consumers a total of approximately \$23 million. Of this \$23 million, \$21 million represents 7 years' worth of recurring annual savings of \$3 million. These recurring savings are the result of an agreement reached in FY 06-07 between an electric investor-owned utility and some industrial customers. The total for FY 12-13 is \$3,198,673 and includes the aforementioned \$3 million in recurring money and an additional savings of approximately \$103,000 accomplished in FY 12-13 as the result of the ORS recovering funds for a sewer customer; this savings will also recur annually.

During FY 2012-2013, the ORS processed a total of 2,799 consumer contacts, similar to last year's total of 2,774. These totals reflect the continued trend of less activity in telecommunications, likely as a result of the largest Incumbent Local Exchange Carrier's (ILEC) election to operate under the Customer Choice and Technology Investment Act of 2009. This election allowed the State's largest ILEC to opt out of regulation by the ORS and the Public Service Commission of S.C. In addition, customer-service initiatives implemented by the customer-service departments of certain electric and gas companies may also be contributing toward the trend of fewer complaints being received by the ORS.

Chart 7.2-1. This chart depicts the average length of time (in days) that the agency took to resolve consumer contacts during FY 12-13 compared to the prior 4-year average (FY 08-09 through 11-12). In four of six categories, average response time for FY 12-13 was less than the four-year average. In two other categories (Natural Gas and Wastewater), average response time for FY 12-13 equaled the four-year average. In general, the length of time to resolve telecommunications complaints tends to be longer due to a state regulation that allows a telephone utility ten days from the date the utility receives the complaint to provide the ORS with a response.

In the water area, the ORS and the largest water utility have implemented due dates for consumer-complaint responses that have assisted in reducing the average days to close -- 8 days in FY 11-12 vs. 5 days in FY 12-13. The ORS Consumer Services Department continues to work with all regulated utilities on improving the utilities' response time to the ORS with regard to providing requested information, thereby assisting the ORS in improving its response time to consumers.



Key Measure – Education and Outreach. The ORS provides consumer education to help utility customers make educated choices and understand their rights and obligations as consumers of public utilities. In addition to press releases and public announcements sent to media outlets statewide and/or posted on the ORS web site in FY 12-13, the agency distributed consumer education and outreach materials from its Consumer Services Department, the Lifeline program, the Pipeline Safety program and the Water/Wastewater area.

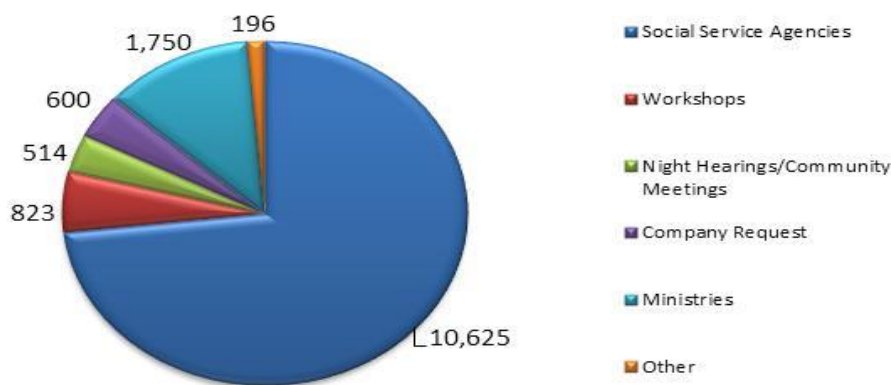
Education -- Chart 7.2-2 and 7.2-3. Chart 7.2-2 shows a steady increase in the distribution of consumer education materials from the ORS Consumer Services Department over the past three fiscal years. Over the past four fiscal years, the Consumer Services Department has distributed 43,184 pieces of consumer education literature. Chart 7.2-3 shows the breakdown of where the materials distributed in FY 12-13 (14,508 brochures) were delivered, with the vast majority going to social service agencies.

7.2-2 Brochure Distribution FY 09-10 -- FY 12-13



To maximize the use of technology available, the ORS has also focused its education efforts on remote education -- in the form of webinars, teleseminars, and collaborative phone conferences across industry groups -- thus using the Internet and other electronic media as a cost-efficient means of reaching stakeholders.

7.2-3 Brochure Distribution in FY 12-13



Outreach -- Chart 7.2-4. The Lifeline program is a strong example of consumer outreach. The program provides monetary assistance to low-income households for monthly usage fees of their telephone bills. The ORS administers the State's Universal Service Fund (USF) that provides monies for these programs.

In the early years of the ORS, the agency sought and obtained authorization to use State USF funding to increase participation in and awareness of Lifeline. In FY 2005-2006, the ORS began to implement a two-pronged approach of 1) increasing outreach efforts to enroll citizens who qualify for assistance by virtue of receiving Temporary Assistance to Needy Families (TANF), Food Stamps (FS), or

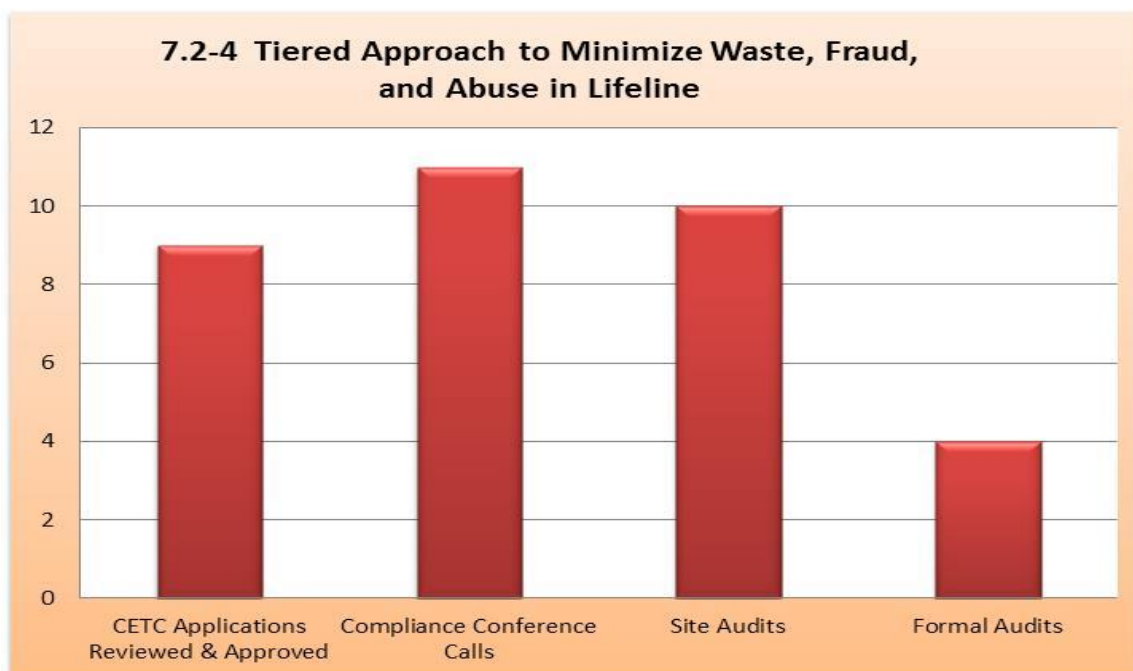
Medicaid (MED), yet did not receive Lifeline benefits and 2) qualifying additional applicants who met expanded eligibility requirements (125% of the federal poverty level) in the former BellSouth territory.

As the program matured, the ORS determined that empowering telecommunications carriers throughout the State to enroll Lifeline customers would yield the best results for the long-term growth of the program. A strategic plan developed for the Lifeline program five years ago emphasizes a move toward decentralizing the application process, with a focus on more locally based application distribution networks. This emphasis continues to yield overall increases in statewide numbers of Lifeline participants certified by the Eligible Telecommunications Carriers (ETCs).

As noted in the FY 11-12 report, based on FCC reform of the Lifeline program, the ORS expected changes in FY 12-13 with regard to program administration and the federal funding level. The main changes are 1) the eligibility requirement expansion from 125% to 135% of the federal poverty level and 2) the inclusion of SSI (Supplemental Security Income), Section 8 Housing, School Free Lunch, and LIHEAP (Low Income Home Energy Assistance) in addition to the prior qualifying programs -- Medicaid, SNAP (Supplemental Nutrition Assistance Program), and TANF (Temporary Assistance for Needy Families).

During FY 12-13, the ORS sought and received approval from the Public Service Commission of S.C. (PSC) to work toward ensuring compliance by minimizing waste, fraud, and abuse in Lifeline. The ORS takes a tiered approach toward the issue of compliance; the first year of data is reflected in Chart 7.2-4.

Chart 7.2-4 shows the 4 actions by the ORS associated with this tiered approach. First, all Lifeline CETC applications are reviewed by the ORS; those meeting specified standards are then recommended for approval by the PSC to offer Lifeline services in South Carolina. Nine were approved during FY 12-13, thus bringing the total number of Lifeline CETCs in the State to 19. Second, the ORS conducts compliance conference calls with the newly approved companies to review their marketing strategies and intake processes as well as the safeguards they have in place. Third, site visits are conducted with both new and existing ETCs to ensure compliance with state and federal regulations. Fourth, the ORS conducts formal compliance audits with all ETCs offering Lifeline on a three-year cycle; this initiative began in the fourth quarter of FY 12-13, in which 4 audits were conducted.



It is also important to note that in addition to compliance, outreach remains an important component of the program; in FY 12-13, the Lifeline program distributed 54,000 brochures to organizations around the State.

7.3.1 What are your performance levels for the key measures on financial performance, including measures of cost containment, as appropriate?

Key Measure – Budget and Finance. The ORS monitors financial performance by measuring the following: participation in the gross-receipt process by the regulated utilities; payments to the State Universal Service Fund, the Interim LEC Fund, and the Dual Party Fund; collection of decal revenue; the budget-to-expense balance; and the accounts receivable activity.

The main source of funding for the ORS is through the gross-receipt process. Utilities report their gross-revenue receipts to the ORS, and they are subsequently assessed a portion of the cost of the ORS. The South Carolina Department of Revenue handles the assessment and collection process, and the ORS handles the collection of data and the development of the assessment. Compliance with the reporting process is measured.

Compliance with the requirements of the State Universal Service Fund and the Interim LEC Fund filings and payments is also monitored. Late fees are assessed on delinquent State Universal Service Fund and Interim LEC Fund payments. Follow-up and collection of accounts receivable is done on a monthly basis.

The ORS maintains fiscal solvency through continual review of expenses and revenues and monthly reconciliation of its cash accounts. Additionally, careful attention is given to the budget process to ensure adequate funds are available for necessary resources. Since the inception of the ORS, there have been no resulting increased costs to utilities and consumers, which was a goal of the creators of Act 175.

7.4 What are your performance levels and trends for the key measures of workforce engagement, workforce satisfaction, the development of your workforce, including leaders, workforce retention, workforce climate including workplace health, safety, and security?

The ORS encourages its employees to enroll and participate in professional development programs that lead to certifications such as the Certified Public Manager two-year training course and the Associate Public Manager training program. In FY 12-13, the ORS sponsored an onsite supervisory training course led by the Office of Human Resources for ORS managers and directors for training on the Employee Performance Management System and other tools for successful management of employees. On the job training and mentoring are also integral parts of the ORS workforce culture as promoted and encouraged by Human Resources and senior management.

Key Measure – Workforce Focus. ORS Human Resources measurements include Equal Employment Opportunity (EEO) goal attainment, turnover rates, exit interviews, employee training hours, and EPMS scores.

This past year, the ORS achieved approximately 76% of its equal opportunity goal.

Human Resources utilizes internal training as an effective tool for communicating with employees.

The ORS is monitoring, through the E-Training system, the number of hours of training per employee as well as the kind of training being taken. This information -- along with the employees' and the agency's needs -- is reviewed, monitored, and adjusted to ensure employees are continually provided training and that the agency has staff trained in the areas the agency utilizes. In FY 12-13, ORS employees completed 2,586 hours of training.

The ORS monitors the turnover rate and EPMS scores for any trends of concern. The ORS turnover rate of 4.49% for FY 2012-2013 is considerably less than the state government's average turnover rate of 12.33% for the same time period. ORS Human Resources uses a variety of reporting mechanisms to track employee data, such as years of service and eligibility for retirement, to stay abreast of the workforce-planning needs of the agency.

Attention is paid to exit interviews and to the suggestion box in order to identify areas that may need to be addressed.

The ORS is continuing to identify measurements that will effectively assist management in the human resources area.

7.5 What are your performance levels and trends for your key measures of organizational effectiveness/operational efficiency, and work system performance?

Key measures include the level of compliance with the collection of data (gross receipts, annual reports, access lines), the receipt of assessments, financial audits, and decal revenue. (See *Section 7.1 Key Measure: Regulatory Compliance* for additional performance data.) The utilities' compliance with filing gross receipt forms was 100% this year.

As mandated by the agency's enabling legislation, Act 175 of 2004, all ORS employees participated in six hours of ethics training this year.

In addition, the ORS has established processes and procedures to ensure compliance with the State's financial guidelines such as the GAAP Accounting Standards as well as the requirements of the Comptroller General and the Treasurer's Office.

The Finance Modules of the SCEIS system are utilized for receivables, payables, budget and financial reporting. The ORS also uses the Human Resources and Payroll Modules of the SCEIS system for payroll, benefits, and other personnel and human resource reporting and tracking. All ORS employees use MySCEmployee for leave reporting and personal employee data management.

The ORS has processes in place to ensure compliance with the procurement code. A requisition system has been established as well as procurement procedures. The Materials Management Module of the SCEIS system is used in the ORS processes for procurement.

The agency established key policies under the guidelines of the S.C. Budget and Control Board's Office of Human Resources to remain compliant with State human resource regulations. The ORS has implemented the EPMS program and made necessary adjustments to the process as dictated by the

agency's needs, while communicating expectations to the employees.

7.6 What are your performance levels and trends for the key measures of regulatory/legal compliance and community support?

The ORS monitors utility compliance with Section 58 of the Code of Laws of South Carolina 1976. Key measures for the agency include the time to resolve customer issues, customer complaints, settled cases, monies saved by the citizens as a result of ORS efforts, and technical assistance to industry.

Enforcement of compliance is also monitored. This enforcement includes numbers of inspections, numbers of citations or warnings issued, time to inspect, and number of safety defects and violations cited. Site visits, meter accuracy tests, and audits are among the other measures tracked.

Outreach efforts are measured. Contacts with customers, the media, and industry are tracked as well as the distribution of information such as brochures and public announcements. Speeches and representation of the ORS on various committees are also tracked.

The ORS continues to play a major role in ongoing statewide emergency preparedness efforts. The Executive Director leads the State's Emergency Support Function team for Energy (ESF-12), thus demonstrating the ORS commitment to South Carolina's emergency preparedness effort. The ORS is the lead agency for ESF-12. In addition to the Executive Director, eleven staff members serve on various ESF teams – namely, Energy, Transportation, Public Works and Engineering -- and on the State Emergency Assessment Team.

The ORS is involved in civic and charitable activities to help those in need. These efforts have included participation in or support of the following: the United Way, the domestic violence victim deposit waiver program, Harvest Hope Penny Wars and food and supply drive, and Operation Lifesaver. As individuals, ORS managers and staff members are involved in a wide array of civic activities and professional organizations that benefit the communities in which they live and work.