



South Carolina Office of Regulatory Staff

Key Officials

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Highlights

COVID-19- Created *Consumer Resources During COVID-19* page, Set up an overflow call center for Consumers, Transition to virtual hearings

Rate Cases- Blue Granite Water Company, Palmetto Utilities, Inc., CUC, Inc., Avoided Cost Cases, Rate Stabilization Act Annual Reviews

Energy Office- Energy Efficiency Roadmap, Energy Saver EnergySaver.SC.GOV

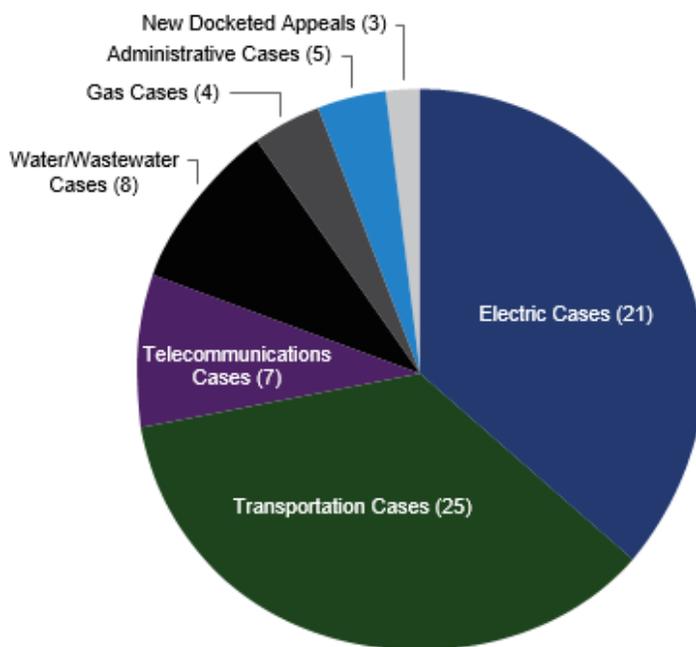
Legislation

- **Act 62-** SC Energy Freedom Act
- **Act 56-** Electric Co-op Act
- **Act 135, Section 11-** Santee Cooper
- **Act 142, CARES Act-** SC Broadband

FY 19-20 Savings to Consumers

| | |
|----------------------------|---------------------|
| Piedmont Natural Gas RSA | \$6,845,620 |
| Dominion Energy SC RSA | \$833,595 |
| CUC, Inc. | \$108,867 |
| Blue Granite Water Company | \$6,731,714 |
| TOTAL | \$14,519,796 |

New Docketed Cases FY 19-20



Budget

The ORS is not seeking any additional budget authorization. ORS does not receive General Funds Appropriations. ORS proposes to restructure the presentation of the agency's budget in the Appropriation Act to reflect the internal organizational structure of the agency and change in mission.



ORS DEPARTMENTS

| |
|---|
| Administration |
| Audit |
| Energy Policy |
| Information Services |
| Legal |
| Safety, Transportation & Telecommunications |
| Utility Rates & Services |

Riverbanks Zoo and Gardens Solar Installation

SOUTH CAROLINA OFFICE OF REGULATORY STAFF



The ORS represents consumers of investor-owned utilities (utilities) in South Carolina before the Public Service Commission of South Carolina (PSC). The PSC is the state agency that sets utilities' rates. The ORS must look at the impact to the consumer and utilities' continued investment in reliable and high-quality services.

The ORS participates in matters before the PSC for electric, natural gas, transportation, water and wastewater utilities, and most telecommunications providers. The ORS is automatically part of rate requests that go before the PSC and also participates in cases arising from the Utility Facility Siting Act. This Act requires PSC certification before any electric utility begins construction of any "major facility," which is defined as electric generation facilities and transmission lines with a voltage of 125 kilovolts or more.

The ORS audits and inspects investor-owned utilities and provides limited oversight of electric cooperatives.

The ORS administers the leasing program for solar panels in South Carolina.

CONSUMER SERVICES

The ORS serves as a mediator between consumers and utilities in South Carolina, as well as between consumers and the electric cooperatives. Consumer Services resolves a vast majority of complaints through an informal investigation process, avoiding a more costly formal hearing at the PSC. Through consumer education, Consumer Services helps consumers make educated choices and understand their rights and obligations.



ORS Consumer Services staff member shares information with consumers at a senior citizens' event.

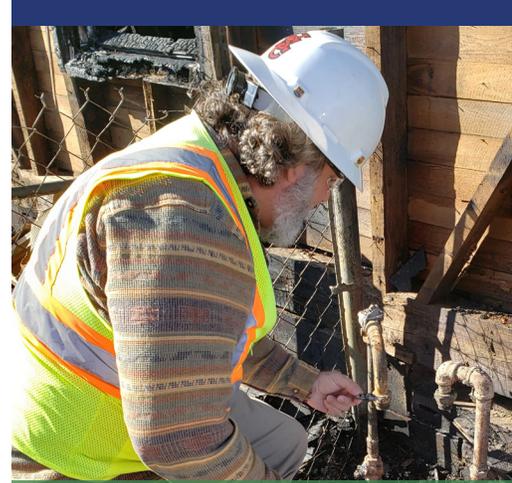


SAFETY

The ORS has shared oversight with federal agencies for railroad and natural gas pipeline safety in South Carolina.

The ORS serves as the contact for assisting utilities in the restoration of energy systems during an emergency or disaster and providing information to the SC Emergency Management Division.

The ORS works closely with electric and natural gas utilities as well as fuel suppliers to see that 1) their energy supply is maintained 2) damages are repaired and 3) services are restored as quickly as possible.



ORS Pipeline Safety staff member inspects a natural gas pipeline.



TRANSPORTATION

The ORS has regulatory oversight of the licensing – including enforcement of insurance and rates – of motor carriers of:

- Passengers (including taxis, charter buses, limousines, non-emergency medical transportation, and transportation network carriers such as Uber and Lyft)
- Household Goods Moved within South Carolina



ORS Telecommunications staff members share information with a consumer.



TELECOMMUNICATIONS

The Telecommunications Department oversees the South Carolina Universal Service Fund that provides financial support for telecommunications services. The ORS also manages the Dual Party Relay Fund that provides telephone access to the deaf, hearing- and speech-impaired.



THE ENERGY OFFICE

The Energy Office serves as the main energy-planning organization for South Carolina. The goal of the Energy Office is to advance South Carolina's energy strategy and policy through education and outreach.

The Energy Office promotes the efficient use of all energy sources. In addition, the Energy Office encourages energy efficiency, renewable energy, and clean transportation through a broad range of initiatives that include:

- Developing the State Energy Plan
- Providing Technical Assistance
- Offering Financial Assistance
- Conducting Education and Outreach
- Maintaining an Energy Data Resource



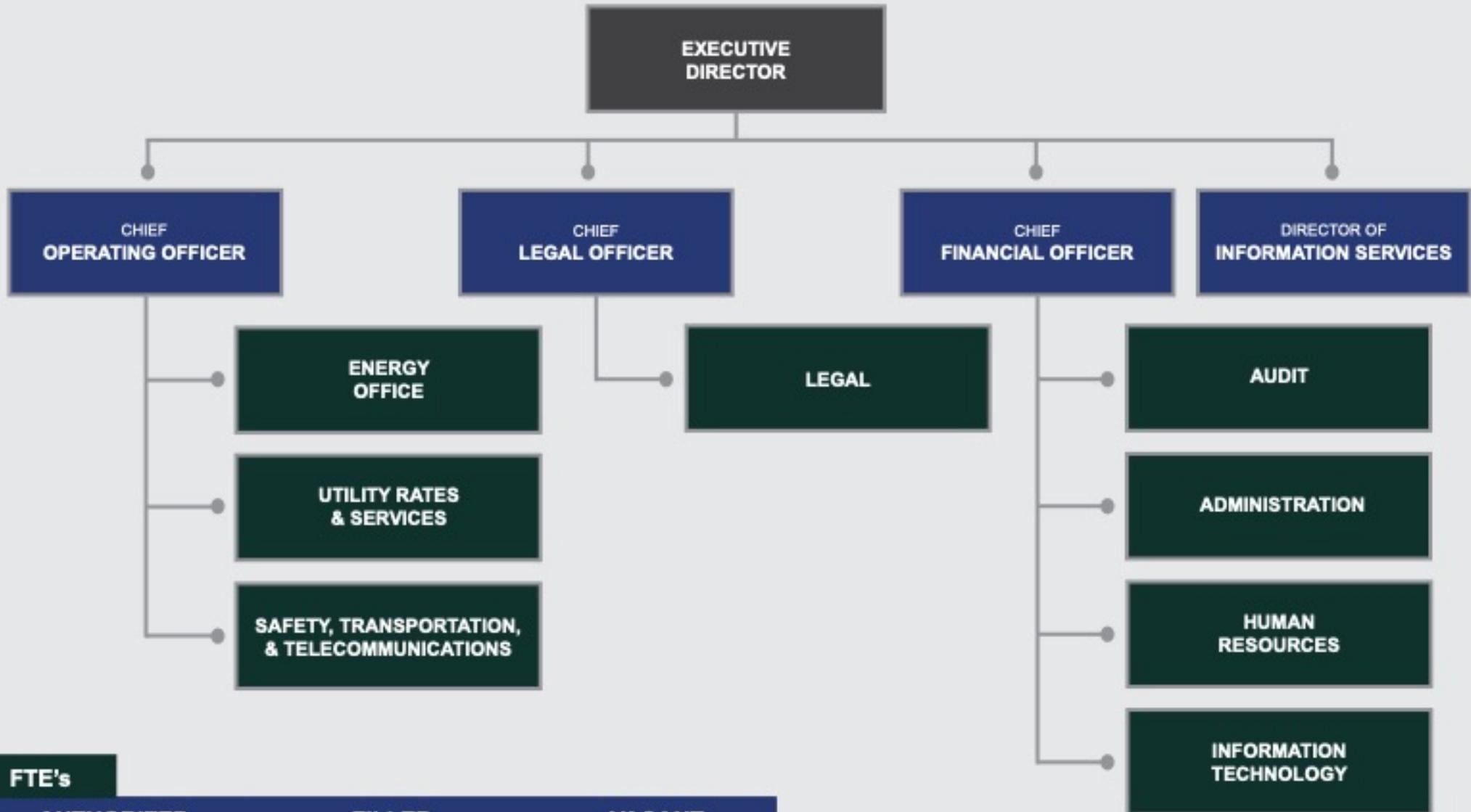
ORS Energy Office staff member discusses energy efficiency with a student at a local STEAM Festival.





OFFICE OF REGULATORY STAFF

ORGANIZATIONAL CHART



FTE's

| AUTHORIZED | FILLED | VACANT |
|------------------------------------|-----------------------------------|-----------------------------------|
| ORS: 74 Energy: 18 Total: 92 | ORS: 69 Energy: 7 Total: 76 | ORS: 5 Energy: 11 Total: 16 |



A Note from the Executive Director



We cannot look back on Fiscal Year 2019-2020 without remembering the unprecedented challenges brought about by the COVID-19 pandemic. The swift nature in which the world as we knew it changed cast the ORS headlong into unknown territory. Like everyone else, we were faced with challenges that could not have been imagined just weeks before.

Despite the extraordinary circumstances, the ORS was successful in seamlessly carrying out the agency's mission. For consumers, there was little to no interruption in services the ORS provides. I am very proud of our dedicated staff who did not waver in their commitment to fulfilling the agency's mission during this historic time.

To keep consumers informed, we created a *Consumer Resources During COVID-19* page on the ORS website. This page included up-to-date information on consumer resources to help with utility bills and additional updates for consumers; updates on utilities' actions in response to COVID-19; correspondence between the Governor, the ORS, and the PSC and PSC orders related to COVID-19; state of emergency executive orders arising from COVID-19; and other relevant information. As of this writing, this page continues to be updated as new information is received.

Our Consumer Services staff offered technical assistance to several utilities with matters related to the companies' consumer-relations operations. Planning for a likely surge in calls when utilities resume collection processes, we are working with the SC Department of Administration and its technology division (DTO) to develop an overflow call center. As of this writing, implementation of the overflow plan is tentatively scheduled for September 2020 to align with the seasonal high bill call season, Dominion Energy SC's rate case application, and the regulated utilities' resumption of collection processes.

Despite adjustments driven by the COVID-19 situation, our preparation for and participation in cases before the PSC during the last third of the fiscal year continued without interruption. In addition, we were successful in making several filings with the PSC that had the intent and effect of protecting consumers' best interest during the pandemic.

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

An online portal for Class C passenger carriers to pay semi-annual license decal fees using credit or debit cards became fully operational on the ORS website in early 2020. With implementation of the portal, passenger carriers no longer need to visit the ORS office or pay by mail. Instead, they can save time and effort by paying remotely — a benefit that was especially timely considering the COVID-19 pandemic.

The South Carolina Equipment Distribution Program (SCEDP), housed within the ORS, helps consumers who are deaf or have hearing or speech challenges by providing them with specialized telephone equipment. Staff continued to answer calls and emails while working remotely so clients would feel less isolated. Installation and troubleshooting help was available by phone, and staff dedicated at least one day a week in the office to ship equipment and process applications.

Although work continued unabated, the effects of COVID-19 on some agency performance numbers were unavoidable; for example, fewer Consumer Services brochures were sent to community action agencies because some agencies were closed. Assuming a return to normalcy in the coming fiscal year, certain measures that dipped may return or come near to pre-COVID-19 levels.

After going through this experience, I am prouder than ever of the ORS, the work we do, and our steadfast commitment to fulfilling our mission for consumers.



Nanette S. Edwards

Executive Director

Highlights

Continuity of ORS Services During COVID-19

Despite the extraordinary circumstances of the COVID-19 pandemic, the ORS was successful in seamlessly carrying out the agency's mission. For consumers, there was little to no interruption in services the ORS provides.

To keep consumers informed, ORS Information Services created a *Consumer Resources During COVID-19* page on the ORS website. This page included up-to-date information on consumer resources to help with utility bills and additional updates for consumers; updates on utilities' actions in response to COVID-19; correspondence between the Governor, the ORS, and the PSC and PSC orders related to COVID-19; state of emergency executive orders arising from COVID-19; and other relevant information. As of this writing, this page continues to be updated as new information is received.

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Notable Cases and Savings for Consumers

Despite adjustments driven by the COVID-19 situation, the ORS' preparation for and participation in cases before the PSC during the last third of the fiscal year continued without interruption. Due to postponements, many cases that would have concluded in FY 19-20 will be carried over to FY 20-21. Savings for consumers from rate-impacting cases this year are **\$14,519,796**.

Blue Granite Water Company. On September 30, 2019, Blue Granite Water Company (BGWC or the Company) filed a rate case with the PSC. BGWC has over 17,000 water customers and over 13,000 sewer customers in 16 South Carolina counties.

The Company's last rate request was made in November 2017, with rates that went into effect in June 2018. In that case, the PSC awarded the Company a \$2.9 million increase out of \$4.5 million requested and a 10.5% Return on Equity.

In the 2019 filing, the proposed increase to customers totaled approximately \$11.7 million.

ORS staff spent countless hours preparing for the case and conducted site visits of the Company's operations throughout the state.

The case drew considerable public attention. The ORS Consumer Services department noted an increase in calls regarding the case and advised consumers on how to file a protestant letter. Staff attended all night hearings; posted hearing dates, including information on night hearings, on the ORS website; and provided consumer-oriented information about the case on the website. ORS Consumer Services staff members were available to assist consumers with questions and any complaint issues.

The merits hearing began on February 26, 2020 and concluded on March 2, 2020. On April 9th, the PSC issued its final order setting the new rates that BGWC customers will pay beginning September 1, 2020. In Order 2020-306, the PSC generally ruled in favor of the ORS' and Consumer Advocate's positions on most issues. The Return on Equity (ROE) awarded by the PSC is 7.46% based on the evidence provided by the Consumer Advocate. The Company originally requested an ROE within a range of 10.2 to 10.7% (later revised downward to a range of 9.75% to 10.25%).

Following petitions for reconsideration of Order No. 2020-306, the Commission made several adjustments to Order No. 2020-306 through a Directive on May 28, 2020. A formal written order on the adjustments is pending. As a result of the May 28, 2020 Directive, the total revenue awarded to the Company was 18% lower than that sought by the Company in its application. The total savings to customers is **\$6,731,714**.

Rate Stabilization Act (RSA) Annual Reviews. The ORS filed its reports with the PSC on August 30, 2019 for both the Piedmont Natural Gas (PNG) 2019 RSA and the Dominion Energy South Carolina (DESC) 2019 RSA; both reports covered the 12-month period ending March 31, 2019.

- **PNG.** PNG's calculation of an increase in revenue requirement totaled \$16,964,048. The ORS reached a settlement with PNG resulting in annual savings to rate payers of **\$6,845,620**.
- **DESC.** DESC's calculation of an increase in revenue requirement totaled \$7,106,649. The ORS' review determined the additional retail revenue target is \$6,273,054. No settlement was reached. Savings to customers is **\$833,595**.

CUC, Inc. CUC, Inc. (CUC or the Company) filed an application for a rate increase for water and wastewater services on July 23, 2019. In addition to the ORS, the Callawassie Island Property Owners Association intervened in the case. The merits hearing was held on December 16, 2019. Major issues disputed between the ORS and CUC included the appropriate operating margin for the Company and excess revenues collected due to the 2017 Tax Cuts and Jobs Act. After consideration of the issues by the Commission, Order No. 2020-94 on January 30, 2020 resulted in a total savings of **\$108,867** to customers.

Cumulative Savings. From the agency's inception through June 30, 2020, ORS efforts have resulted in **497** settlements, agreements, and contested cases that generated savings to consumers.

Savings by Fiscal Year

(Rounded to the nearest thousand)

| | |
|--------------|----------------------|
| FY 04-05 | 63,356,000 |
| FY 05-06 | 95,475,000 |
| FY 06-07 | 59,794,000 |
| FY 07-08 | 114,662,000 |
| FY 08-09 | 147,692,000 |
| FY 09-10 | 198,992,000 |
| FY 10-11 | 233,461,000 |
| FY 11-12 | 405,436,000 |
| FY 12-13 | 83,097,000 |
| FY 13-14 | 175,000,000 |
| FY 14-15 | 45,983,000 |
| FY 15-16 | 30,816,000 |
| FY 16-17 | 69,388,000 |
| FY 17-18 | 28,736,000 |
| FY 18-19 | 158,850,000 |
| FY 19-20 | 14,520,000 |
| TOTAL | 1,925,258,000 |

Consumer Protection and Assistance

Consumer Services. The ORS provided both consumers and utilities the support to arrange installment payments, extensions to payment due dates, manageable security deposits, and access to community financial assistance resources. The agency worked with consumers and utilities to recover funds due to erroneous charges, refunds of deposits, unauthorized charges, incorrect rates being charged, or disputes about charges. Staff addressed over **1,800** consumer complaints in FY 19-20. In addition, as part of its consumer outreach, Consumer Services typically distributes between 30,000 and 40,000 brochures annually on a variety of consumer-education topics to community-action agencies around the state. Due to restrictions and closures of community-action agencies driven by the COVID-19 pandemic, the FY 19-20 total was **20,000**.

Efforts by Consumer Services staff often result in savings to consumers with total dollars saved in FY 19-20 totaling over **\$186,000** (approximately \$127,000 are annually recurring recoveries).

Warning Consumers of Possible Scams. The ORS takes action to alert the public to potential scams. This year the ORS completed a campaign to warn consumers of potentially misleading sales practices by certain solar companies.

In FY 18-19 (May 2019), the ORS received a file containing a recorded solar sales training session. The recording was transcribed by the ORS and distributed internally to key personnel. The ORS contacted the SC Attorney General's office and the SC Department of Consumer Affairs to make them aware of the sales tactics described therein. The ORS then embarked on a strategy to educate the public that included 1) an op-ed to distribute to papers across South Carolina and 2) a Public Service Announcement (PSA) for television and radio stations. The op-ed was released in June 2019, and details of its success were covered in the FY 18-19 report.

The PSA began running around July 1, 2019. It was the result of cooperation among the ORS, SCDHEC (providing studio production at no cost), the US Department of Energy (providing \$8,000 in grant funding through its Office of Energy Efficiency and Renewable Energy), and the SC Broadcasters Association (providing access to every radio and television market in the state).

In September 2019, the ORS received a report from the Broadcasters Association regarding the impact of its PSA campaign. For an \$8,000 investment, the total confirmed value of the radio and TV airtime the ad received was \$137,126, a 17:1 return on investment. The radio and television ads had a statewide reach, with 2,835 plays across the Midlands, Greenville/Spartanburg, Charleston, Hilton Head, Rock Hill/Charlotte, Florence/Myrtle Beach and Aiken/Augusta markets on radio and 517 airings on television. The social media effort that coincided with it was successful as well, picking up traction through retweets and postings by the S.C. Department of Consumer Affairs, AARP, the Appleseed Legal Justice Center, and the Public Service Commission of South Carolina.

SC Equipment Distribution Program. In FY 19-20, SCEDP expanded outreach around the state including distribution of over **125,000** publications and printed materials, up more than threefold from over 36,000 last fiscal year. The program received and reviewed **703** applications, approved **638** applications, coordinated and shipped **1,524** pieces of equipment, and coordinated equipment installation for **94** clients.

Energy Office

Financial Support. The Energy Office promotes energy efficiency, renewable energy, and clean transportation among public and private entities and nonprofits through four low-interest loan/grant programs: ConserFund, ConserFund Plus, mini-grants, and the Energy Efficiency Revolving Loan (EERL) program.

- Through Energy Office efforts, the public is projected to save more than \$20.9 million over the life of various energy initiatives.

- Provided public and private entities and nonprofits with low-interest loans totaling \$1.8 million. Projects completed this year will result in projected lifetime monetary savings to borrowers of over \$2 million.
- Awarded public entities and nonprofits five mini-grants totaling \$27,800 to spur innovation and save over \$244,000 over the useful life of projects.
- Approved approximately \$862,000 in renewable energy, energy efficiency, and transportation tax credits and incentives.
- Collaborated with the SC Department of Parks, Recreation, and Tourism to install EV charging stations at three state parks.

State Energy Plan. During FY 19-20, the ORS continued to work toward addressing top-tier State Energy Plan recommendations as part of the Phase III implementation efforts. The ORS will continue to further develop the State Energy Plan in the coming fiscal year. Below are 2 accomplishments this year:

1) Energy Efficiency Roadmap. The Energy Office launched the South Carolina Energy Efficiency Roadmap initiative in October of 2019 to seize energy efficiency opportunities in the state. Facilitated by the Duke University Nicholas Institute, this stakeholder process reviewed and reassessed remaining energy efficiency recommendations from the 2016 State Energy Plan according to current priorities, identified new opportunities, and developed next steps.

Several broad stakeholder workshops were held, each with over 50 participants from a diverse range of organizations. Guided by an advisory committee, individual working groups were formed to focus on efficiency in buildings, energy equity/energy burden, utility programs, financing mechanisms, nonprofits and public entities, and workforce and education. This process culminated in the development of 20 recommendations, which will be outlined in the final Energy Efficiency Roadmap report by October 2020.

2) Transportation: Lead by Example. A key component of the 2016 State Energy Plan was to lead by example to advance clean transportation. After conducting an extensive review of the full spectrum of vehicles — based on cost, emissions, safety, reliability, maintenance, and numerous other factors — and months of close collaboration with State Fleet Management and the State Fiscal Accountability Authority, the Energy Office procured a 2020 Chevrolet Bolt electric vehicle (EV) in March of 2020.

The Energy Office is developing training materials for staff on the Bolt that can be replicated and provided to other agencies. The Energy Office also intends to use this as a case study for further adoption of EVs in the state's fleet and to help other state agencies navigate the procurement process.

Safety

Pipeline Safety

The Calendar Year 2018 inspection of the ORS Pipeline Safety program was conducted by the PHMSA in June 2019, and scores were received in late July 2019. The ORS scored 48 out of a possible 50 points on its Progress Report (96%) and 110 out of 112 possible points on its Program Evaluation (98%). The Progress Report score remained constant from last year because South Carolina's maximum civil penalty for violations of regulations does not match the federal penalty amount. The Program Evaluation score increased over 2 full percentage points from the previous year.

Through its Pipeline Strikes damage-prevention initiative, ORS Pipeline Safety makes educating third-party contractors and other excavators on safe-digging practices a top priority.

In addition, ORS Pipeline Safety is a leader in the SC Pipeline Emergency Response Initiative (SC PERI) that trains firefighters to respond to natural gas-related incidents. These efforts will continue in FY 20-21.

ESF 12 Emergency Response

Unlike a response to a tornado, ice storm, or hurricane, the ORS' ESF 12 response to COVID-19 is a prolonged effort that is still underway. From March 10 through June 30, ESF 12 coordinated with utilities to ensure they obtained and maintained adequate supplies of PPE; shared and interpreted public health information and executive orders with utilities; and stood ready to assist utilities in restoration of service in the event of severe weather and to facilitate recovery of damaged energy systems by providing relevant FEMA information to utilities.

As of this writing, ESF 12 continues to provide information to ORS partners and utilities and to participate in weekly calls with the Governor, the counties, and the National Association of State Energy Officials, as well as periodic logistics calls with the SC Emergency Management Division.

Administration

Budget. ORS leadership successfully managed the ORS budget through careful monitoring of expenses on a regular basis. During the review period, the agency underwent the FY 2019 Agreed Upon Procedures engagement conducted by the State Auditor's Office and received satisfactory audit results.

Agency Staffing. ORS executive leadership continues to make organizational changes that better position the ORS for the future. At the beginning of FY 19-20, a Chief Financial Officer was hired to oversee the administrative functions of the agency (auditing, general administration, financial reporting, human resources, information technology, and so forth). In addition, the Executive Assistant position was expanded to encompass the role of legislative liaison. This change proved particularly valuable as several new pieces of legislation, passed between May 2019 and June 2020, created new responsibilities for the ORS.

To better support the agency's mission and to incorporate additional responsibilities arising from the SC Energy Freedom Act (Act 62), the Utility Rates and Services Department was reorganized; several staff members were promoted or hired within that reorganization.

Recognizing the need for a consistent approach to marketing and outreach efforts that are in sync with the agency's consumer-oriented mission, the Executive Director created an ORS Marketing and Communications Committee. A Community Outreach and Communications Manager was hired from within the agency to expand the Information Services Department. This position provides a means to more fully support the customer-focused mission and the additional areas in which the ORS now has a presence.

Challenges and Opportunities

The General Assembly continues to demonstrate its confidence in the ORS by giving it additional responsibilities. On the horizon for FY 20-21 is implementation of the Broadband portion of Act 142, as well as continued implementation of Act 135, Section 11, requiring a monthly review by the ORS of certain Santee Cooper operations. These are in addition to continued implementation of the Electric Co-op Act (Act 56) and the SC Energy Freedom Act (Act 62). The ORS is preparing for additional responsibilities mandated by these laws as well as monitoring other potential changes that may affect the regulatory landscape.

Office of Regulatory Staff
Proposed Budget 2021/2022
as of September 25, 2020

| EXPENSE | FY 2021 | FY 2022 | Change |
|--|--------------------|--------------------|---------------------|
| I. Office of the Executive Director (OED) | | | |
| <i>(includes Executive Director, Deputy Executive Director, Public Information, and Legal)</i> | | | |
| Personal Services - Executive Director | \$178,619 | \$178,619 | \$0 |
| FTE(s) | 1 | 1 | - |
| Personal Services -Unclassified Positions | \$956,459 | \$956,459 | \$0 |
| FTE(s) | 10 | 10 | - |
| Total Personal Services | \$1,135,078 | \$1,135,078 | \$0 |
| FTE(s) | 11.00 | 11.00 | - |
| Agency's Other Operating Expenses | \$1,738,347 | \$1,738,347 | \$0 |
| Total Office of Executive Director | \$2,873,425 | \$2,873,425 | \$0 |
| FTE(s) | 11 | 11 | - |
| II. Support Services | | | |
| <i>(Includes Auditing , Administration, Consumer Services for FY21)</i> | | | |
| <i>(includes Auditing, Administration for FY22)</i> | | | |
| Personal Services - Unclassified Positions (Act 56 Electric Coops) | | \$45,000 | \$45,000 |
| FTE(s) | - | 0.45 | 0.45 |
| Personal Services -Unclassified Positions | \$1,712,276 | \$1,467,276 | -\$245,000 |
| FTE(s) | 29 | 23.55 | (5.45) |
| Total Personal Services | \$1,712,276 | \$1,512,276 | -\$200,000 |
| FTE(s) | 29 | 24.00 | (5) |
| Other Operating Expenses | \$300,000 | \$300,000 | \$0 |
| Total Support Services | \$2,012,276 | \$1,812,276 | -\$200,000 |
| FTE(s) | 29 | 24 | (5) |
| III. Telecommunications, Transportation, Water/Wasterwater (TTWWW) | | | |
| <i>(Rolled into ORS Programs for FY22)</i> | | | |
| Personal Services -Unclassified Positions | \$1,101,238 | \$0 | -\$1,101,238 |
| FTE(s) | 16 | - | (16) |
| Total TTWWW | \$1,101,238 | \$0 | -\$1,101,238 |
| FTE(s) | 16 | - | (16) |
| IV. Electric and Gas | | | |
| <i>(Rolled into ORS Programs for FY22)</i> | | | |
| Personal Services -Unclassified Positions | \$1,505,024 | \$0 | -\$1,505,024 |
| FTE(s) | 18 | - | (18) |
| Total Electric and Gas | \$1,505,024 | \$0 | -\$1,505,024 |
| FTE(s) | 18 | - | (18) |
| V. ORS Programs (Telecom, Trans, Water/Wastewater, E&G, Cons Svcs) | | | |
| <i>(Combined III & IV & Cons Svcs for FY22)</i> | | | |
| Personal Services -Unclassified Positions | 0 | \$2,806,262 | \$2,806,262 |
| FTE(s) | - | 39 | 39 |
| Total ORS Programs | \$0 | \$2,806,262 | \$2,806,262 |
| FTE(s) | - | 39 | 39 |
| VI. Employee Benefits Contributions | | | |
| Total Benefits | \$1,936,034 | \$1,936,034 | \$0 |
| Total ORS | \$9,427,997 | \$9,427,997 | \$0 |
| FTE(s) | 74 | 74 | - |

*Office of Regulatory Staff
Proposed Budget 2021/2022
as of September 25, 2020*

| EXPENSE | FY 2021 | FY 2022 | Change |
|---|---------------------|---------------------|---------------|
| VII. Energy Office | | | |
| A. Energy Programs | | | |
| Personal Services - Unclassified | \$775,247 | \$775,247 | \$0 |
| FTE(s) | 13.33 | 13.33 | - |
| Other Personal Services | \$33,360 | \$33,360 | \$0 |
| Other Operating Expenses | \$375,331 | \$375,331 | \$0 |
| Other Allocations | \$135,000 | \$135,000 | \$0 |
| Employee Benefits Contributions | \$285,616 | \$285,616 | \$0 |
| Total Energy Programs | \$1,604,554 | \$1,604,554 | \$0 |
| B. Radioactive Waste | | | |
| Unclassified Positions | \$127,500 | \$127,500 | \$0 |
| FTE(s) | 4.67 | 4.67 | - |
| Employee Benefits Contributions | \$46,168 | \$46,168 | \$0 |
| Other Operating Expenses | \$94,924 | \$94,924 | \$0 |
| Total Radioactive Waste | \$268,592 | \$268,592 | \$0 |
| Total Energy Office | \$1,873,146 | \$1,873,146 | \$0 |
| FTE(s) | 18 | 18 | - |
| Total ORS & ENERGY OFFICE Operating Budget | \$11,301,143 | \$11,301,143 | \$0 |
| FTE(s) | 92 | 92 | - |
| Dual Party | | | |
| | \$4,165,696 | \$4,165,696 | \$0 |
| Total Operating Budget and Dual Party Budget | \$15,466,839 | \$15,466,839 | \$0 |
| Total Full Time Equivalents | | | |
| | 92 | 92 | - |
| | FY 2021 | FY 2022 | Change |
| Personnel | \$6,389,723 | \$6,389,723 | \$0 |
| Other Operating Expenses | \$2,643,602 | \$2,643,602 | \$0 |
| Employee Benefits | \$2,267,818 | \$2,267,818 | \$0 |
| | \$11,301,143 | \$11,301,143 | \$0 |
| ORS Operating Budget | \$9,427,997 | \$9,427,997 | \$0 |
| Dual Party Budget | \$4,165,696 | \$4,165,696 | \$0 |
| Energy Office Operating Budget | \$1,873,146 | \$1,873,146 | \$0 |
| Office of Regulatory Staff Total Budget | \$15,466,839 | \$15,466,839 | \$0 |

OFFICE OF REGULATORY STAFF
BUDGET vs. ACTUAL
as of November 30, 2020

| | FY2021 | | FY2020 | |
|--------------------------|---------------------|---------------------|---------------------|---------------------|
| | Budget | Actual (11/30 FYTD) | Budget | Actual |
| Personnel | \$6,389,723 | \$2,141,490 | \$6,389,723 | \$4,960,434 |
| Other Operating Expenses | \$2,643,602 | \$875,384 | \$2,643,602 | \$1,844,839 |
| Employee Benefits | \$2,267,818 | \$783,966 | \$2,267,818 | \$1,840,624 |
| Dual Party | \$4,165,696 | \$1,034,356 | \$4,165,696 | \$2,911,032 |
| | <u>\$15,466,839</u> | <u>\$4,835,196</u> | <u>\$15,466,839</u> | <u>\$11,556,930</u> |

**Office of Regulatory Staff
Carryforward Cash Balances
at June 30, 2020**

| | <u>Fund</u> | <u>Ending Balance</u> |
|---|-------------|-----------------------|
| ORS: | 30350000 | \$ 3,917,642 |
| Operating Revenue | | |
| Energy Office: | | |
| Special Operating | 34170000 | \$ 144,642 |
| Diamond Shamrock | 47150000 | \$ 262,776 |
| Oil Overcharge Stripper Well Litigation | 47440000 | \$ 1,763,627 |
| Total Energy Office | | <u>\$ 2,171,045</u> |

The ending cash balances above reflect our agency's operating funds. This is our agency's closest equivalent to an agency with General Fund carryforward.

| | | | |
|--------------|----------------------------|----------|----|
| Agency Name: | Office Of Regulatory Staff | | |
| Agency Code: | R060 | Section: | 73 |



**Fiscal Year FY 2021-2022
Agency Budget Plan**

FORM A - BUDGET PLAN SUMMARY

| | | |
|---|---|---|
| OPERATING REQUESTS <i>(FORM B1)</i> | For FY 2021-2022, my agency is (mark "X"): | |
| | <input type="checkbox"/> | Requesting General Fund Appropriations. |
| | <input type="checkbox"/> | Requesting Federal/Other Authorization. |
| | <input checked="" type="checkbox"/> | Not requesting any changes. |

| | | |
|---|---|---|
| NON-RECURRING REQUESTS <i>(FORM B2)</i> | For FY 2021-2022, my agency is (mark "X"): | |
| | <input type="checkbox"/> | Requesting Non-Recurring Appropriations. |
| | <input type="checkbox"/> | Requesting Non-Recurring Federal/Other Authorization. |
| | <input checked="" type="checkbox"/> | Not requesting any changes. |

| | | |
|--|---|--|
| CAPITAL REQUESTS <i>(FORM C)</i> | For FY 2021-2022, my agency is (mark "X"): | |
| | <input type="checkbox"/> | Requesting funding for Capital Projects. |
| | <input checked="" type="checkbox"/> | Not requesting any changes. |

| | | |
|------------------------------------|---|--|
| PROVISOS <i>(FORM D)</i> | For FY 2021-2022, my agency is (mark "X"): | |
| | <input type="checkbox"/> | Requesting a new proviso and/or substantive changes to existing provisos |
| | <input type="checkbox"/> | Only requesting technical proviso changes (such as date references). |
| | <input checked="" type="checkbox"/> | Not requesting any proviso changes. |

Please identify your agency's preferred contacts for this year's budget process.

| | <i>Name</i> | <i>Phone</i> | <i>Email</i> |
|---------------------------|--------------|----------------|----------------------|
| PRIMARY CONTACT: | Mark Rhoden | (803) 737-1108 | mrhoden@ors.sc.gov |
| SECONDARY CONTACT: | Amy Marshall | (803) 737-1145 | amarshall@ors.sc.gov |

I have reviewed and approved the enclosed FY 2021-2022 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

| | | |
|--|------------------------|----------------------------------|
| SIGN/DATE: TYPE/PRINT NAME: | <i>Agency Director</i> | <i>Board or Commission Chair</i> |
| | Nanette S. Edwards | |

This form must be signed by the agency head – not a delegate.

AGENCY RESTRUCTURING REQUEST FY 2021-22

Agency: [Office of Regulatory Staff](#)

Agency Code: [R060](#)

Please complete all sections below as justification for restructuring requests. A restructuring request is necessary when the outline format of the Appropriations Act is changed (I.A.1.a.). A side-by-side view of the current structure compared to the proposed structure must be attached to the request submission. Once new program numbers have been assigned by EBO, the Restructuring Request Detail spreadsheet must be completed.

- Does the restructuring request involve multiple agencies? If so, please list the agency codes and titles.

RESPONSE: [No, only ORS](#)

- Is this request required by recent legislation? If so, include the Act number and appropriate code sections.

RESPONSE: [There is one line item that is required by legislation. Section 58-4-50\(A\)\(12\) Act 56 Electric Co-ops.](#)

- If not required by legislation, explain the need for the restructuring request.

RESPONSE: [Reorganizing the structure in the Appropriations Act will reflect the actual organizational structure of the agency and support the budget presented to the Governor's Office, Executive Budget Office, Public Utilities Review Committee, and Legislature.](#)

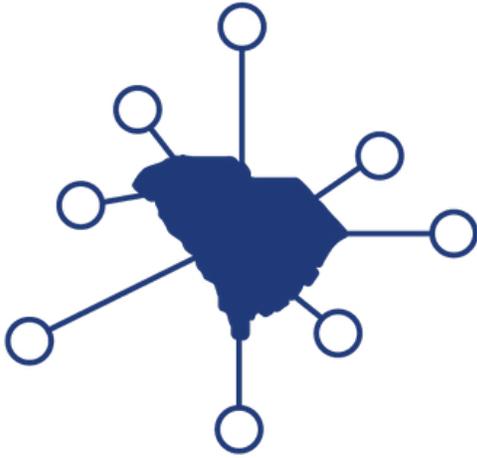
- Explain any impact on personnel costs and include any positions affected by this request.

RESPONSE: [No effect on positions other than combining multiple programs into one, and allocating payroll expense per Act 56 – Electric Co-ops. See side by side comparison.](#)

- List new State Funded Programs needed to accomplish the restructuring request and why these are necessary.

RESPONSE: [One new State Funded Program titled ORS Programs \(Telecommunications, Transportation, Water/Wastewater, Electric & Gas, Consumer Services\)](#)

| Transportation and Regulatory Subcommittee Proviso Summary | | | |
|---|-------------------------------------|--|--|
| Proviso # in FY 20-21 Act | Proviso Title | Short Summary | Agency Recommended Action (keep, change, delete, add) |
| 73.1 | Transportation Fee Refund | ORS can refund fees paid in error by regulated transportation companies | Keep |
| 73.2 | Assessment Certification | ORS will provide DOR with assessments by utility along with a certification letter of ORS budget | Keep |
| 73.3 | Assessment Adjustments | Allows ORS flexibility in resolving over or under payments by regulated entities | Keep |
| 73.4 | SSEB Annual Dues | Directs ORS to pay SSEB dues from the identified fund pursuant to S.C. Code Ann. §13-7-410, et. seq. | Keep |
| 73.6 | Energy Efficient Manufactured Homes | The Energy Efficient Manufactured Homes Incentive Program shall be extended through FY21 and ORS Energy Office shall administer the program. | Delete |



Broadband and the Coronavirus Aid, Relief, and Economic Security or “CARES Act”

Act 142 of the South Carolina General Assembly allocated \$50 million of the Coronavirus Relief Fund for South Carolina included in the CARES Act to the SC Office of Regulatory Staff (ORS) for broadband initiatives related to COVID-19.

Allocation: \$50,000,000
Total Funds Expended: \$38,391,886



Online Learning Initiative

Procuring mobile hotspots and monthly internet service for qualifying student households through December 31, 2020

Funding

Allocation: \$20,000,000
Total Funds Expended: \$12,265,071
Funds Transferred to SCDOE: \$8,200,000

Program Update

The ORS collaborated with schools across the state. Schools reported monthly on the status of mobile hotspots and monthly internet service. The ORS created communications materials including press releases, a program overview, and a video tutorial on how to complete monthly reporting.

The Online Learning Initiative program transferred to the SC Department of Education (SCDOE) on December 31, 2020 along with \$8.2 million to provide service through June 2021.

Participating Schools

Public K-12: 82
Private K-12: 4
Charter: 3
Higher Ed Institutions: 26
Total: 115

Hotspots/Wired Services

Verizon: 59,701
AT&T: 24,476
T-Mobile: 1,377
Service Only: 390
Wired: 6,598
Total: 92,542



Mapping and Planning

Securing a vendor for the development of a broadband statewide county-by-county mapping plan and statewide broadband infrastructure plan

Funding

Allocation: \$300,000
CostQuest: 299,900
RFA: 120,000
Total Funds Expended: \$419,900

Program Update

The ORS requested all broadband service providers and broadband infrastructure owners operating in South Carolina to submit broadband availability data to the ORS. The ORS procured the services of CostQuest Associates, Inc. to perform various Geographic Information Systems (GIS)-related services. A detailed map was made available in December 2020. The ORS also contracted the SC Department of Revenue and Fiscal Affairs for the continuing storage, security, and maintenance of the map.



Broadband Infrastructure Program

Expansion of broadband infrastructure with emphasized services to rural communities and communities with a high prevalence of COVID-19 or with demographic characteristics consistent with risk factors for COVID-19

Funding

Allocation: \$29,700,000

Total Funds Expended: \$17,157,488

Program Update

The ORS engaged Revolution D, Inc. to identify areas of the state that are unserved, impacted by COVID-19, and that if broadband were available, would support distance learning, telehealth, and/or teleworking. Companies completed infrastructure projects in December 2020, helping to expand broadband availability in the state.

The ORS created a program overview, various press releases, an application, guidelines, funding agreements, and reporting tools. Companies were required to submit Financial Progress Reports and Construction Progress Reports to the ORS.

Applications Funded: 78

Companies: 14

Counties Served: 27

Program Targets: 59

Priority Targets: 35

Households Served: 2,169

Households Passed: 18,574

Businesses Passed: 1,000

Community Anchor Points Passed: 202

Educational Institutions Passed: 38

Health-care Facilities Passed: 29

Allendale Broadband Pilot Project

To advance deployment of broadband to unserved areas during the COVID-19 pandemic, the ORS partnered with SCETV, USC Salkehatchie, Allendale County School District, the Allendale Hampton Jasper Regional Library, and Revolution D, Inc. to launch a pilot program allowing free Wi-Fi to students and/or the public together with residential broadband service in Allendale County. Project partners worked with Palmetto Rural Telephone Cooperative to get fiber backhaul and Dominion Energy to get electricity to the SCETV towers located in Allendale County. Equipment was installed on the towers that will provide residents with fixed wireless (citizen broadband radio service) access to broadband service.

Maximum Download/Upload Speeds: 50 Mbps / 10 Mbps

Potential Number of Impacted Households: 300

Questions

Broadband Information
CARESAct@ORS.SC.GOV



More information can be found at ORS.SC.GOV/broadband