

South Carolina House of Representatives

Ways and Means

Transportation and Regulatory
Subcommittee



Public Service Commission of South Carolina

Budget Report

2017

Table of Contents

Key Officials.....Page 1

Agency Overview.....Page 2

Organizational Chart.....Page 5

Accountability Report Executive Summary.....Page 6

Financial Overview.....Page 7

2017 Prioritized Budget Requests.....Page 8

2017 Proviso Requests.....Page 9

Additional Information.....Page 10

Key Officials



Commissioner
John E. "Butch" Howard
Charleston, SC
(803) 896-5100
Representing District 1
Term Expires June 30, 2020



Commissioner
Elliott F. Elam, Jr.
Lexington, SC
(803) 896-5100
Representing District 2
Term Expires June 30, 2018



Commissioner
Comer H. "Randy" Randall
Clinton, SC
(803) 896-5100
Representing District 3
Term Expires June 30, 2020



Commissioner
Elizabeth B. "Lib" Fleming
Spartanburg, SC
(803) 896-5100
Representing District 4
Term Expires June 30, 2018



Commissioner
Swain E. Whitfield
Blackstock, SC
(803) 896-5100
Representing District 5
Term Expires June 30, 2020



Commissioner
Nikiya "Nikki" Hall
Columbia, SC
(803) 896-5100
Representing District 6
Term Expires June 30, 2018



Commissioner
G. O'Neal Hamilton
Bennettsville, SC
(803) 896-5100
Representing District 7
Term Expires June 30, 2020



Chief Clerk/Administrator
Jocelyn Boyd
Columbia, SC
(803) 896-5100

Public Service Commission Overview

HISTORY

Utility regulation in South Carolina had its beginning with the passage of Act No. 662 of the General Assembly Regular Session of 1878, creating a Railroad Commissioner for the purpose of regulating railroads operating within the State. The first Railroad Commissioner was appointed December 24, 1878, by then Governor Wade Hampton.

Act No. 286 of the General Assembly Regular Session of 1910 created “a public service commission of three reputable and competent citizens of the State, to be appointed by the Governor, by and with the consent of the Senate, who shall be authorized to fix and establish in all cities of this State, now or hereafter incorporated under any general or special law of this State, maximum rates and charges for the supply of water, gas or electricity furnished by any person, firm or corporation to such city and the inhabitants thereof, such rates to be reasonable and just.”

The two commission offices were consolidated with Act No. 533 of the General Assembly Regular Session of 1922, “An Act to Establish the Railroad Commission of this State; to Consolidate the Offices of the Railroad Commission and the Public Service Commission as the Same Now Exist, and Devolve the Powers and Duties Thereof Upon the Railroad Commission Hereby Established; to Define the Powers and Duties Thereof; to Provide the Manner of Election of Said Commission, the Tenure of Office of the Members Thereof and Fix Their Salaries and Compensation; to Require the Attorney General of the State to Act as Attorney for the Commission in Matters of Public and General Interest and Whenever Thereunto Required by the Commission; and to Safeguard the Interests of the People of the State in Relation to all Transporting and Transmitting Corporations and Public Utilities Operating in This State.”

The two three-member commissions were combined and one additional commissioner added to form the present seven-member commission.

In 1934 Act No. 970 was passed, “A Joint Resolution Proposing an Amendment to Section 14 of Article IX of the Constitution of This State, so as to Provide That the Commission Now Known as the Railroad Commission Shall Hereafter be Known as The Public Service Commission.” The Amendment was ratified by Act No. 18 of the General Assembly Regular Session of 1935. The Act was approved the 11th day of February, 1935.

A joint session of the General Assembly elects the Commission for a term of four years, one from each of the seven Congressional Districts. As mandated by Act 175 of 2004, each member must possess a baccalaureate or more advanced degree from a recognized institution of higher learning, and a background of substantial duration and an expertise in at least one of the following: energy issues, telecommunications issues, consumer protection and advocacy issues, water and wastewater issues, finance, economics, and statistics, accounting, engineering, or law.

On January 1, 2005, the South Carolina Public Service Commission began the new year as a restructured quasi-judicial body, as the result of legislation passed the previous year. Act 175 of 2004 brought about major changes in the Agency's operations. Under the new law, the Public Service Commission's principal duty is to hear cases involving the State's regulated utilities. The Public Service Commission essentially functions as a court for cases involving utilities and other regulated companies. The Public Service Commission has broad jurisdiction over matters pertaining to the investor-owned electric and gas utility companies, water and wastewater companies, telecommunications companies, motor carriers of household goods, hazardous waste disposal, and taxicabs.

Act 175 of 2004 also had another significant impact on the operations of the Commission. S.C. Code Ann. §58-3-260 outlines communications between the Commission, parties, and interested persons in proceedings before the Commission. Communications are defined as the transmitting of information by any mode including, but not limited to, oral, written, or electronic. Unless authorized by S.C. Code Ann. §58-3-260, a commissioner, hearing officer, or commission employee shall not communicate, directly or indirectly, regarding any issue that is an issue in any proceeding or can reasonably be expected to become an issue in any proceeding without notice and opportunity for all parties to participate in the communication, nor shall any person communicate, directly or indirectly, regarding any issue that is an issue in any proceeding or can reasonably be expected to become an issue in any proceeding with any commissioner, hearing officer, or commission employee without notice and opportunity for all parties to participate in the communication. One new tool that became effective with the passage of Act 175 is the allowable ex parte communication briefing which can be heard by the Commission if the Commission posts on its website, at least five business days prior to the proposed briefing, a notice of each request for an allowable ex parte communication briefing that includes the date and time of the proposed briefing and other statutorily required information. This forum allows no less than one entity, person, party, etc. to “speak” to the Commission regarding issues of interest, so long as proper notice has been provided to the public.

The Commission's staff is composed of the Administrative Staff, Advisory Staff, Clerk’s Staff, and Legal Staff.

The South Carolina Office of Regulatory Staff (ORS) was created with the enactment of Act 175 of 2004. The ORS is responsible for many of the non-adjudicative functions associated with utility regulation that formerly fell under the auspices of the Public Service Commission of SC.

MISSION

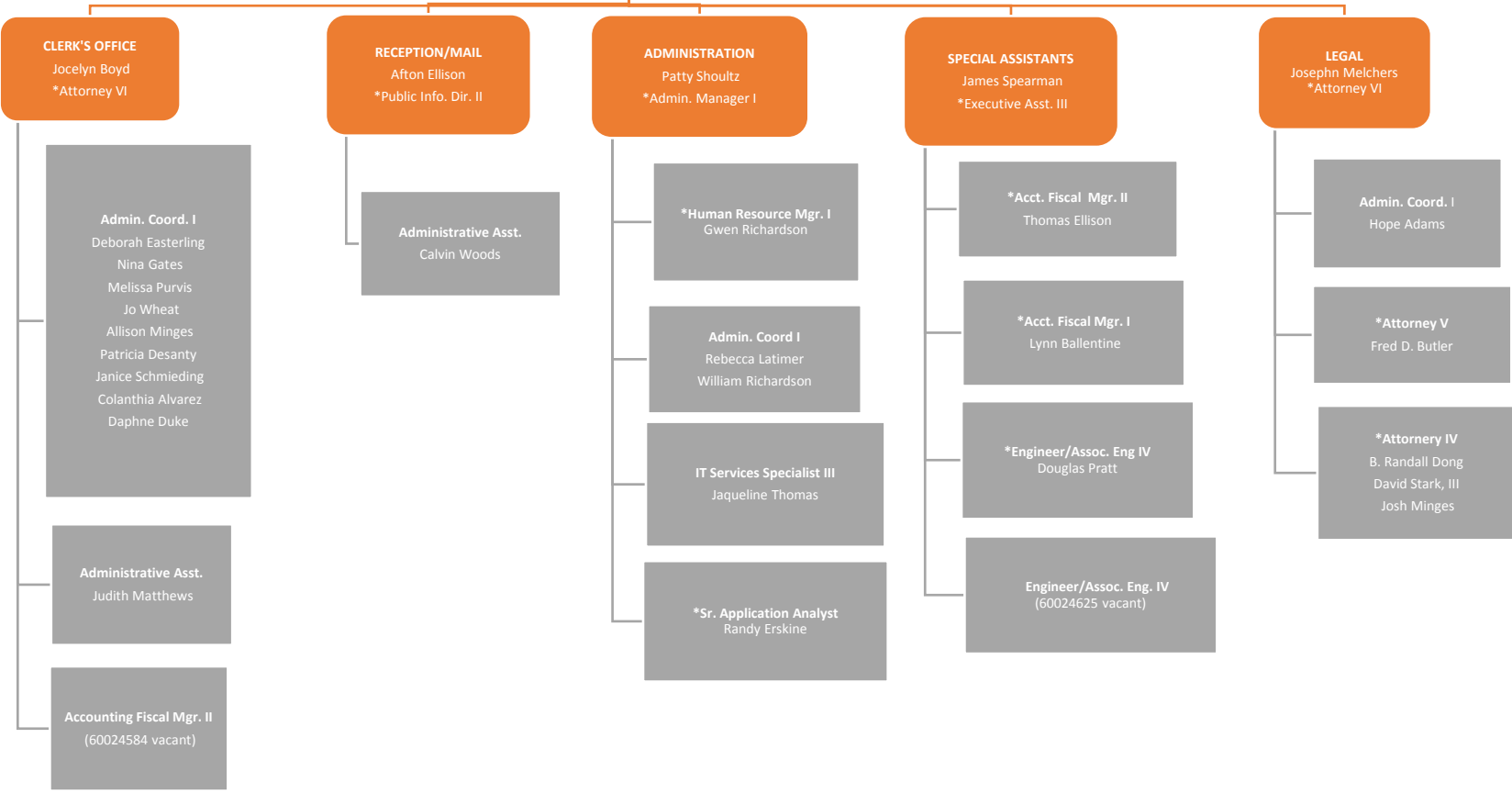
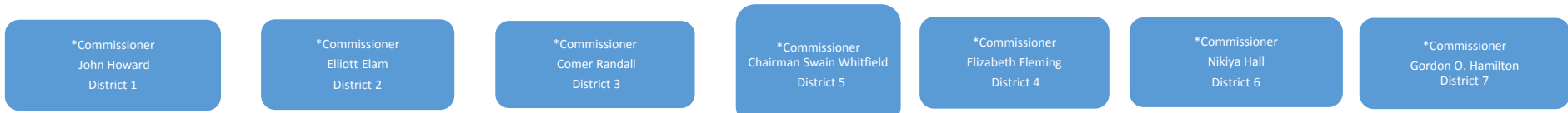
To serve the state of South Carolina by providing open and effective regulation and adjudication of the state’s public utilities, through consistent administration of the law and regulatory process.

VISION

At the Public Service Commission of South Carolina, our vision is to be a global leader of investor-owned public utilities regulation by adhering to and embracing the highest level of impartiality, excellence, professionalism, and transparency.

MAJOR PROGRAM AREAS

Program/Title	Purpose	Highlights
Administrative	To manage the administrative operations of the Public Service Commission – Finance, Information Technology, and Human Resources Seven-member Commission	<ul style="list-style-type: none"> • Developed and Implemented the Division of Information Security’s 13 security policies and numerous associated procedures for compliance with the State’s security posture • Commissioners maintained national presence through Board and Committee memberships – NARUC, SEARUC, Gas Technology Institute, NRRI, EISPC
Clerk’s Office	Processes applications and filings, communicates with public/industries, supports public databases of Commission activity	<ul style="list-style-type: none"> • 430 new dockets opened • 59 Hearings held • 390 Orders issued • 505 Directive Orders issued
Legal	Serves as legal counsel in Commission proceedings, as well as advisors to Commissioners	<ul style="list-style-type: none"> • 7,599 Matters posted to the PSC’s Docket Management System
Office of Advisory Staff	Serves as accounting, economic, and engineering advisors to the Commissioners	<ul style="list-style-type: none"> • 34 Business Meetings held • Conducted 5 in-house educational training sessions • Distributed 47 testimony summarizations



Executive Summary of Accountability Report

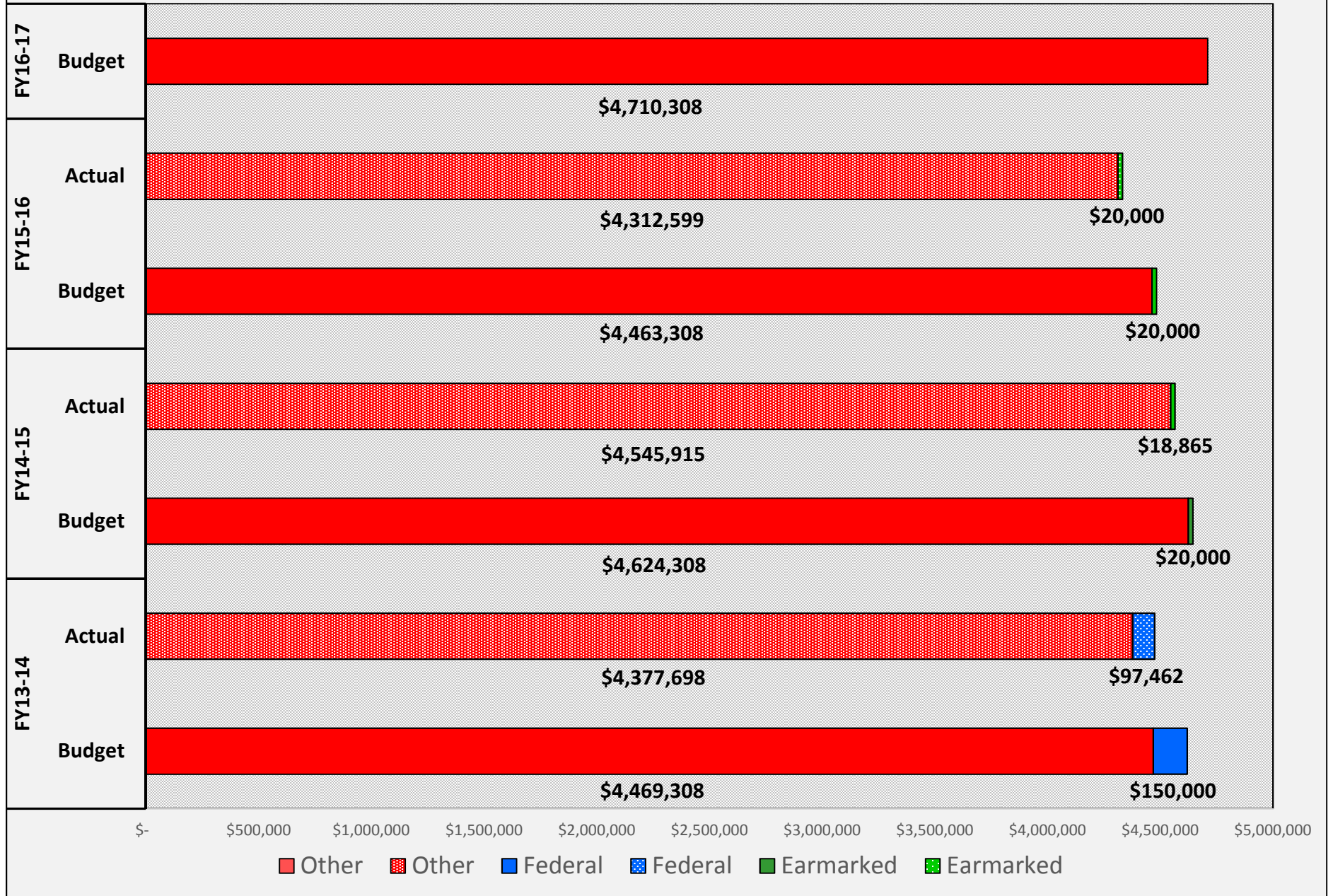
The Public Service Commission of South Carolina (Commission or PSC) regulates the rates and services of investor-owned public utilities in the State of South Carolina and establishes just and reasonable standards for their rates and services. The mission of the Public Service Commission of South Carolina is to serve the public by providing open and effective regulation and adjudication of the state's public utilities, through consistent administration of the law and regulatory process. In order to carry out its mission, the Commission must be focused on being *effective, engaged, and enterprising*.

In order for the Commission to serve the public interest, it must consistently provide timely and *effective* regulation of investor-owned utilities. The Commission will continue to improve its hearing procedures so as to provide the public with accessible, transparent, and effective regulation of public utilities and provide the public with clear information about the regulatory process and its decisions. An ongoing goal of the Commission is to improve its operations through technological advances. The public relies on the Commission's online systems to access information related to its operations. The Commission must budget funds to support maintenance and development of the systems. During the year, the Commission reconfigured its eTariff System to a ".net" platform, which ensures the security of the site, and continued to improve its Docket Management System's (DMS) functionality by streamlining its ease of use. For example, a date range search option was implemented for docket searches, and audit logs were added for administrative users. The PSC partnered with SC ETV to create and introduce training videos for the DMS that teach users how to effectively use the system. The videos are narrated and include simulations to show users how to execute certain functions on the DMS.

In order for the Commission to serve the public interest, it must be *engaged* in its analysis of the issues before it. To remain engaged, the PSC conducted in-house educational sessions, and hosted outside experts to discuss recurring and emerging issues in the regulatory arena. The nation's electric and gas industries are subject to a broad range of regulatory models across the country, and regulators have taken a number of measures to increase competition and investment. With growing pressure for the generation of energy using alternative energy sources, the Commission must effectively regulate these industries, safeguarding the ratepayers without unduly burdening the industries or stifling competition.

The Commission's activities must be *enterprising*. The Commission must be alert to and anticipate emerging issues in the industries it regulates, including federal regulatory developments. Maintaining effective and legal communications with its stakeholders and participation in national organizations aided in achieving this goal. During the year, the PSC maintained a national presence through its participation on Boards and Committees of the National Association of Regulatory Utility Commissioners, the Gas Technology Institute, the National Regulatory Research Institute, and the Southeastern Association of Regulatory Utility Commissioners, to name a few.

Section 72 - Public Service Commmission



Additional Information

The Public Service Commission does not have any additional information to provide at this time.