

# Agency Certification and Transmittal Sheet

Code:

**R06**

Name:

**Office of Regulatory Staff**

Mission Statement: The Office of Regulatory Staff represents 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.

To the Office of State Budget

This, and accompanying statements, schedules, and explanatory sheets consisting of 26 pages constitute the operating budget estimates of this agency for all proposed expenditures for the 2012-2013 fiscal year.

All statements and explanations contained in the estimates submitted herewith are true and correct to the best of my knowledge.

Signed:



(Agency Head)

Date:

9/27/11

## FISCAL YEAR 2012-13 BUDGET PLAN

### I. EXECUTIVE SUMMARY

A. **Agency Section/Code/Name:**

Section 57/R06/Office of Regulatory Staff

B. **Summary Description of Strategic or Long-Term Goals:**

The Office of Regulatory Staff represents 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.

C. **2011-2012 Agency Recurring Base Appropriation:**

State	\$0
Federal	\$0
Other	\$11,118,806

D. **Number of Budget Categories:**

5

E. **Agency-wide Vacant FTEs**

Vacant FTEs as of July 31, 2011: 8

% Vacant 10.8%

F. **Efficiency Measures:**

ORS has taken several actions to reduce expenditures over the last Fiscal Year. Listed below are some of the actions taken:

*Employees/Benefits*

- Vacancies are being held longer before being filled

*Information Technology*

- ORS entered a lease agreement for personal computers.
- Expenditures for information technology are being reviewed in detail.

*Travel/Training*

- Out of State Travel is being restricted unless there is a compelling reason for the travel.
- Inspectors have been asked to review their routes to streamline them and use less gas.
- Each in-state trip (excluding inspectors) is being reviewed and is to be justified by the managers before approval is given for the trip.
- Managers are encouraging staff to increasingly use remote educational opportunities such as webinars and other internet meeting sites.

*Other Expenses*

- All other expenditure requests are being reviewed in detail.
- Several new budget reports have been developed and those reports are being closely monitored monthly.

G. **Number of Provisos:**

3

IIA. OPERATING BUDGET PROGRAMS

Agency Section/Code/Name: Section 57/R06/Office of Regulatory Staff

SUMMARY OF OPERATING BUDGET PROGRAMS FOR FY 2012-13

OPERATING BUDGET PROGRAMS			FUNDING					FTEs			
Title	Activity Name	Activity No.	Non-Recurring State	Recurring State	Federal	Other	Total	State	Federal	Other	Total
Executive Director	Administration, Legal, Dual Party Relay	1525, 1609,1524				6,340,337	6,340,337			12.00	12.00
Support Services	Consumer Services, Administration, Audit	1523,1525, 1611				1,434,779	1,434,779			30.00	30.00
Telecommunications, Transportation, Water/Wastewater	Telecommunications, Transportation, Water/Wastewater	1522, 1521, 1612				1,069,763	1,069,763			18.00	18.00
Electric & Gas	Utilities-Electric, Utilities-Natural Gas	1520, 1610				984,521	984,521			14.00	14.00
Employee Benefits	Utilities-Electric, Transportation, Telecommunications, Consumer Services, Administration, Legal, Utilities-Natural Gas, Audit, Water/Wastewater	1520, 1521, 1522, 1523, 1525, 1520, 1610, 1611, 1612				1,289,406	1,289,406			0.00	0.00
For additional rows, place cursor in this gray box and press "Ctrl" + "b". (You need to start in this gray box for each row needed or the formulas will not copy properly.)											
<b>TOTAL OF ALL OPERATING BUDGET PROGRAMS</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>11,118,806</b>	<b>11,118,806</b>	<b>0.00</b>	<b>0.00</b>	<b>74.00</b>	<b>74.00</b>

IIB. CAPITAL BUDGET/NON-RECURRING REQUESTS FOR FY 2012-13  
 Agency Section/Code/Name: Section 57/R06/Office of Regulatory Staff

SUMMARY OF CAPITAL BUDGET/NON-RECURRING REQUESTS FOR FY 2012-13

CAPITAL BUDGET/NON-RECURRING REQUESTS				Additional State Funds	Previously Authorized State Funds	Total Other Fund Sources	Project Total
Project No.*	Project Name	Activity Name	Activity No.				
							0
							0
							0
							0
							0
For additional rows, place cursor in this gray box and press "Ctrl" + "c". (You need to start in this gray box for each row needed or the formulas will not copy properly.)							
<b>TOTAL OF ALL CAPITAL BUDGET/NON-RECURRING REQUESTS</b>				<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

\*if applicable

**A. Summary description of programs and how they relate to the mission of the agency:**

The Office of the Executive Director leads the ORS in the mission of the agency. This program oversees all other program areas. This area also contains the Legal staff of the ORS that carry out the mission of the agency in hearings at the Public Service Commission regarding utility regulation. All information presented to the public is also managed through this area. With the Dual Party Relay, regulated telecommunication companies remit funds monthly based on the number of active lines to assist the hearing impaired with the cost of TEDP equipment. This program is administered by The School for the Deaf and Blind; however, the ORS is the pass-through agency for the funds.

**B. Budget Program Number and Name:**

I. Executive Director

**C. Agency Activity Number and Name:**

Note: If more than one activity maps to this program; provide all activity numbers, names, and approximate funding amounts.

Activity Number	Activity Name	State Non-Recurring	State Recurring	Federal	Other	Total
1609	Legal				\$729,926	\$729,926
1525	Administration				\$1,444,715	\$1,444,715
1524	Dual Party Relay				\$4,165,696	\$4,165,696

**D. Performance Measures:**

In FY 09, the ORS participated in 201 cases before the Public Service Commission (PSC). The ORS facilitated 39 settlement agreements resulting in savings to customers totaling approximately \$148 million. In FY 10, the ORS participated in 150 cases before the PSC. The ORS facilitated 34 settlement agreements resulting in savings to customers totaling approximately \$199 million. In FY 11, the ORS participated in 122 cases before the PSC. The ORS facilitated 27 settlement agreements resulting in savings to customers totaling approximately \$233 million.

Under the Base Load Review Act, the ORS is providing oversight in the construction of two nuclear generating facilities to be located at the V.C. Summer Nuclear Station. Since 2008, SCE&G has requested rate increases of \$144,617,000 in the allowable Revised Rate Filings. Through ORS oversight and audit review, \$14,198,167 was not allowable resulting in a lesser rate increase to the using and consuming public.

In the Dual Party Relay Program, the ORS collected telephone company contributions and purchased over \$3,546,000 in FY 09 of telephone equipment to aid the speech and hearing impaired, \$3,825,000 in FY 10, and \$3,850,000 in FY 11.

**E. Program Interaction:**

Through their agency leadership and legal representation at the Public Service Commission, this program area is essential in accomplishing the mission of the ORS by balancing the concerns of the using and consuming public, the financial integrity of the public utilities, and the economic development of the State. This program area interacts with every other program of the agency.

**F. Change Management:**

The mission and focus of this area has not changed over the last 5 years. This area continues to promote the mission of the agency in their daily activities.

**G. Detailed Funding Information:**

FY 2012-13 Cost Estimates:	State Non-Recurring	State Recurring	Federal	Other	Total
Number of FTEs*		0.00	0.00	12	12
Personal Service	\$0	\$0	\$0	\$1,115,960	\$1,115,960
Employer Contributions	\$0	\$0	\$0	\$0	\$0

III. Budget Category Justification Sheet	Agency Code R06	Agency Name Office of Regulatory Staff
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Program/Case Services	\$0	\$0	\$0	\$0	\$ 0
Pass-Through Funds	\$0	\$0	\$0	\$0	\$ 0
Other Operating Expenses	\$0	\$0	\$0	\$5,224,377	\$5,224,377
<b>Total</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$6,340,337</b>	<b>\$6,340,337</b>
* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.					

Is this budget category or program associated with a Capital Budget Priority? No  
 If yes, state Capital Budget Priority Number and Project Name:

Please List proviso numbers that relate to this budget category or programs funded by this category.  
 57.2, 57.3

**H. Changes to the Appropriation:**

Please explain any changes, to include re-alignments and funding or FTE increases requested in this year's appropriation, as detailed below:

Funding:

Year	State Non-Recurring	State Recurring	Federal	Other (Earmarked or Restricted)
2011-2012 Act				\$6,365,337
2012-2013 Act				\$6,340,337
Difference				(\$25,000)
% Difference				(.4%)

Explanation of Changes:

Due to the 5% budget cut taken in FY 2011-12, personal service funding is being redistributed between the program categories to address business needs.

**I. Revenue Estimates:**

Please detail Sources of revenue for this program, identified by SAP fund number if a live SCEIS agency or the STARS number if a STARS agency. If several sources remit to a single subfund that cannot be split by source and appropriation or program, provide an estimate of the revenue dedicated to this program.

SAP Fund Number	Source Name	General Fund	Other State	Earmarked	Restricted	Federal
30350000	Assessment Revenue			\$2,174,641		
41290000	Dual Party Relay Revenue				\$4,165,696	

If expenditures for this program are greater than known or estimated revenues and the intent is to bridge part of this shortfall by drawing down balances in agency accounts or reserves, indicate the accounts and amount of the current reserve or balance that will likely be used below.

Please detail the long-term sustainability of this program if cash reserves are needed to operate.

If there is federal fund or other fund spending authority requested above the revenue streams detailed above, please indicate the amount and explanation for each.

**J. FTE Positions:**

Please detail the number of FTE's filled (F) by the program as of June 30 of each fiscal year, and the number authorized (A) by the Appropriations Act.

Fiscal Year	State	Other-Earmarked or Restricted	Federal	Total	Temporary, Temporary Grant, Time -limited
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III. Budget Category Justification Sheet

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2012-2013 (A)		12		12
2011-2012 (A)		12		12
2010-2011 (F)		9		9
2010-2011 (A)		12		12
2009-2010 (F)		10		10
2009-2010 (A)		12		12
2008-2009 (F)		10		10
2008-2009 (A)		12		12
2007-2008 (F)		11		11
2007-2008 (A)		11		11

**K. Detailed Justification for FTEs:**

(1) Justification for New FTEs

(a) Justification:

(b) Future Impact on Operating Expenses or Facility Requirements:

(2) **Position Details:**

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

**A. Summary description of programs and how they relate to the mission of the agency:**

The Support Services area is comprised of Consumer Services, Audit, and Internal Operations (Finance, Procurement, and Human Resources). The Consumer Services area receives all inquiries from the public in regards to the regulated utilities, researches the concerns, and provides answers and information back to the consumer. The Audit area assists Program areas through analyzing and interpreting financial data from regulated utilities and transportation companies. The Internal Operations area supports the ORS in Financial and Procurement activities and the employees in Human Resources areas.

**B. Budget Program Number and Name:**

II. Support Services

**C. Agency Activity Number and Name:**

Note: If more than one activity maps to this program; provide all activity numbers, names, and approximate funding amounts.

Activity Number	Activity Name	State Non-Recurring	State Recurring	Federal	Other	Total
1523	Consumer Services				\$275,000	\$275,000
1611	Audit				\$809,467	\$809,467
1525	Administration				\$350,312	\$350,312

**D. Performance Measures:**

*Consumer Services*

During FY 09, the Consumer Services Department processed 3,779 customer inquiries resulting in recovering or saving customers \$3,231,406 in all areas of public utility regulation. In FY 10, 3,561 customer contacts were processed (down somewhat from the prior year's 3,779 -- reflects less activity in telecommunications, likely as a result of the largest Incumbent Local Exchange Carrier's (ILEC) election to fall under the Consumer 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.). The total dollars recovered or saved for customers in FY 10 was \$3,306,273. For FY 11, 3,086 consumer contacts were processed recovering or saving consumers \$3,255,524. (The continued decrease from prior year likely a result of the largest Incumbent Local Exchange Carrier's (ILEC) election to operate under the Customer Choice and Technology Investment Act of 2009.) In addition, over 100,000 pieces of consumer education and outreach materials to consumers over the past 3 fiscal years. (Note that there is an annually recurring \$3,000,000 savings in the electric industry area resulting from a facilitated agreement in FY 06-07 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.)

*Audit*

During FY 09, the Audit Department conducted a total of 315 regulatory reviews and audits. One cost recovery due to the review/audit resulted in a settlement and one-time savings of \$487,000 to the state of SC. For FY 10, the Audit Department conducted a total of 231 regulatory reviews and audits. In FY 10, there were two electric rate cases in one year which is unusual. The vast majority of manpower within the Audit Department was devoted to these two rate case applications, each of which lasted approximately six months. For FY 11, 267 regulatory reviews and audits were conducted by the Audit Department.

*Administration*

The Administration Department accounts for all funds received and disbursed at the ORS. Since the inception of the ORS (2004), there have been no resulting increased costs to utilities or consumers, which was a goal of the creators of Act 175.

The ORS staff members attend training to ensure the high level of service provided is maintained. In FY 09, the employees of the ORS attended 2,620 hours of training. For FY 10, 3,363 hours were attended for training. During FY 11, 2,665 hours of training were attended. The high number in FY 10 represents the training taken for the SCEIS conversion project. As mandated by the agency's enabling legislation, Act 175 of 2004, each employee of the ORS is required to attend 6 hours of ethics training annually.

In FY 09, the ORS achieved 78% of its equal opportunity goal, 73% in FY 10, and 76% in FY 11. In compliance with the collection of data (gross receipts, annual reports, access lines), the receipt of assessments, financial audits, and decal revenue, the ORS has increased compliance from 99.8% in FY 09 to 100% in FY 11.



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**E. Program Interaction:**

Throughout the ORS, this program area supports the other programs through the gathering and assessment of information. All Human Resources responsibilities as well as Financial and Procurement for the agency are completed according to State regulations in order for daily activities to be accomplished (i.e., payroll, benefits, maintaining supplies, IT, etc.). The Consumer Services activity makes available an avenue for consumers to voice inquiries and concerns in utility matters that pertain to them (i.e., billing, right-of-ways, available services, etc.). The Audit area, through careful examination of regulated utilities' accounting records, has saved the using and consuming public millions of dollars in rate increase cases held before the Public Service Commission.

**F. Change Management:**

The mission and focus of these programs has not changed over the past 5 years.

**G. Detailed Funding Information:**

FY 2012-13 Cost Estimates:	State Non-Recurring	State Recurring	Federal	Other	Total
Number of FTEs*		0.00	0.00	30	30
Personal Service	\$0	\$0	\$0	\$1,434,779	\$1,434,779
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0
Program/Case Services	\$0	\$0	\$0	\$0	\$ 0
Pass-Through Funds	\$0	\$0	\$0	\$0	\$ 0
Other Operating Expenses	\$0	\$0	\$0	\$0	\$ 0
<b>Total</b>	\$ 0	\$ 0	\$ 0	\$1,434,779	\$1,434,779

\* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.

Is this budget category or program associated with a Capital Budget Priority? No  
If yes, state Capital Budget Priority Number and Project Name:.

Please List proviso numbers that relate to this budget category or programs funded by this category.  
57.2, 57.3

**H. Changes to the Appropriation:**

Please explain any changes, to include re-alignments and funding or FTE increases requested in this year's appropriation, as detailed below:

Funding:

Year	State Non-Recurring	State Recurring	Federal	Other (Earmarked or Restricted)
2011-2012 Act				\$1,565,706
2012-2013 Act				\$1,434,779
Difference				(\$130,927)
% Difference				(8.32%)

Explanation of Changes:

Due to the 5% budget cut taken in FY 2011-12, personal service funding is being redistributed between the program categories to address business needs.

**I. Revenue Estimates:**

Please detail Sources of revenue for this program, identified by SAP fund number if a live SCEIS agency or the STARS number if a STARS agency. If several sources remit to a single subfund that cannot be split by source and appropriation or program, provide an estimate of the revenue dedicated to this program.

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SAP Fund Number	Source Name	General Fund	Other State	Earmarked	Restricted	Federal
30350000	Assessment Revenue			\$1,071,083		
30350000	Carry Forward Balance			\$383,696		

If expenditures for this program are greater than known or estimated revenues and the intent is to bridge part of this shortfall by drawing down balances in agency accounts or reserves, indicate the accounts and amount of the current reserve or balance that will likely be used below.

Please detail the long-term sustainability of this program if cash reserves are needed to operate.

If there is federal fund or other fund spending authority requested above the revenue streams detailed above, please indicate the amount and explanation for each.

**J. FTE Positions:**

Please detail the number of FTE's filled (F) by the program as of June 30 of each fiscal year, and the number authorized (A) by the Appropriations Act.

Fiscal Year	State	Other-Earmarked or Restricted	Federal	Total	Temporary, Temporary Grant, Time -limited
2012-2013 (A)		30		30	
2011-2012 (A)		31		31	
2010-2011 (F)		25		25	
2010-2011 (A)		31		31	
2009-2010 (F)		27		27	
2009-2010 (A)		31		31	
2008-2009 (F)		27		27	
2008-2009 (A)		32		32	
2007-2008 (F)		27		27	
2007-2008 (A)		32		32	

**K. Detailed Justification for FTEs:**

(1) Justification for New FTEs

(a) Justification:

(b) Future Impact on Operating Expenses or Facility Requirements:

(2) **Position Details:**

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

**A. Summary description of programs and how they relate to the mission of the agency:**

The Telecommunications, Transportation, Water/Wastewater (TTWWW) program area regulates utilities and transportation companies according to the orders of the Public Service Commission. In Telecommunications, the Universal Service Fund and Interim Local Exchange Carrier Fund are pass-through accounts to assist regulated companies in the cost of providing telephone service for all citizens regardless of their location or the cost of service. The Transportation area regulates all for fee transportation outside of municipalities in the State. Each company is required to certify their vehicle(s) and semi-annually purchase a decal to operate the vehicle(s) for the citizens of SC. Household good moving companies are also regulated by this area. Following federal government guidelines, all Railroad safety inspection is coordinated through this department. The Water/Wastewater program area regulates all public, non-municipal water and wastewater companies according to Public Service Commission orders. All of these programs provide oversight of their respective industries based on the regulations and orders of the Public Service Commission

**B. Budget Program Number and Name:**

III. Telecommunications, Transportation, Water/Wastewater

**C. Agency Activity Number and Name:**

Note: If more than one activity maps to this program; provide all activity numbers, names, and approximate funding amounts.

Activity Number	Activity Name	State Non-Recurring	State Recurring	Federal	Other	Total
1521	Transportation				\$365,000	\$365,000
1522	Telecommunications				\$569,763	\$569,763
1612	Water/Wastewater				\$135,000	\$135,000

**D. Performance Measures:**

*Transportation*

In FY 09, 129 compliance reviews were completed for household good movers and passenger carriers. The average compliance score was 98%. For FY 10, 266 compliances reviews were completed with an average compliance of 90% (This slight decline is likely attributable to the increased focus on passenger carriers.) During FY 11, the ORS conducted 266 compliance reviews with an average compliance score of 76%. (The decline is likely attributable to the influx of new carriers into the market). The ORS shares responsibility with the Federal Railroad Administration for inspecting track and motive power and equipment on the State's railways.

*Telecommunications*

The Lifeline and Link-up programs provide monetary assistance to low-income households for the installation and monthly usage fees for their local telephone service. When taking into account the \$13.50 per month of both state (\$3.50) and federal (\$10.00) Lifeline subsidies per access line (one per household), this equates to an overall economic benefit to South Carolina households enrolled in the program of \$7,267,320 in FY 09, \$8,590,698 in FY 10, and \$11,281,842 in FY 11.

The Universal Service Fund, administered by the ORS, helps to provide quality and reasonably priced telephone access to all citizens of SC regardless of their geographic location. The ORS receives funds from regulated telecommunication companies and redistributes the monies to telecommunication companies requesting the need to provide this access in high-cost areas. From FY 09 through FY 11, over \$150 million has passed through the agency for this support. Additionally, the ORS has been audited annually on this Fund with no findings, material misstatements, or risks in internal control.

*Water/Wastewater*

In FY 11, the ORS reached the 100% mark in bringing water/wastewater companies into compliance with performance bond regulations. In the prior (FY 10) year, rigorous follow-up and enforcement had resulted in a 39-percentage-point increase from 59% reported in FY 09 to 98% in FY 10.

**E. Program Interaction:**

This program area interacts with the Audit, Legal, Internal Operations, Consumer Services, and Executive areas of the ORS. These support areas support the TTWWW program area in the carrying out of Public Service Commission Orders.

**F. Change Management:**

The mission and focus of these programs has not changed over the past 5 years.

**G. Detailed Funding Information:**

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FY 2012-13 Cost Estimates:	State Non-Recurring	State Recurring	Federal	Other	Total
Number of FTEs*		0.00	0.00	18	18
Personal Service	\$0	\$0	\$0	\$1,069,763	\$1,069,763
Employer Contributions	\$0	\$0	\$0	\$0	\$0
Program/Case Services	\$0	\$0	\$0	\$0	\$ 0
Pass-Through Funds	\$0	\$0	\$0	\$0	\$0
Other Operating Expenses	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$1,069,763</b>	<b>\$1,069,763</b>
<i>* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.</i>					

Is this budget category or program associated with a Capital Budget Priority? No  
 If yes, state Capital Budget Priority Number and Project Name:

Please List proviso numbers that relate to this budget category or programs funded by this category.  
 57.1, 57.2, 57.3

**H. Changes to the Appropriation:**

Please explain any changes, to include re-alignments and funding or FTE increases requested in this year's appropriation, as detailed below:

Funding:

Year	State Non-Recurring	State Recurring	Federal	Other (Earmarked or Restricted)
2011-2012 Act				\$1,099,763
2012-2013 Act				\$1,069,763
Difference				(\$30,000)
% Difference				(3%)

Explanation of Changes:

Due to the 5% budget cut taken in FY 2011-12, personal service funding is being redistributed between the program categories to address business needs.

**I. Revenue Estimates:**

Please detail Sources of revenue for this program, identified by SAP fund number if a live SCEIS agency or the STARS number if a STARS agency. If several sources remit to a single subfund that cannot be split by source and appropriation or program, provide an estimate of the revenue dedicated to this program.

SAP Fund Number	Source Name	General Fund	Other State	Earmarked	Restricted	Federal
30350000	Assessment Revenue			\$740,925		
30350000	Transportation Decal Revenue			\$110,000		
30350000	Universal Service Fund			\$106,198		
30350000	Lifeline Program			\$112,640		

If expenditures for this program are greater than known or estimated revenues and the intent is to bridge part of this shortfall by drawing down balances in agency accounts or reserves, indicate the accounts and amount of the current reserve or balance that will likely be used below.

Please detail the long-term sustainability of this program if cash reserves are needed to operate.

If there is federal fund or other fund spending authority requested above the revenue streams detailed above, please indicate the amount and explanation for each.

**J. FTE Positions:**

Please detail the number of FTE's filled (F) by the program as of June 30 of each fiscal year, and the number authorized (A) by the Appropriations Act.

Fiscal Year	State	Other-Earmarked or Restricted	Federal	Total	Temporary, Temporary Grant, Time -limited
2012-2013 (A)		18		18	
2011-2012 (A)		18		18	
2010-2011 (F)		18		18	
2010-2011 (A)		18		18	
2009-2010 (F)		17		17	
2009-2010 (A)		18		18	
2008-2009 (F)		16		16	
2008-2009 (A)		18		18	
2007-2008 (F)		16		16	
2007-2008 (A)		18		18	

**K. Detailed Justification for FTEs:**

(1) Justification for New FTEs

(a) Justification:

(b) Future Impact on Operating Expenses or Facility Requirements:

(2) **Position Details:**

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

III. Budget Category Justification Sheet

Agency Code  
R06

Agency Name  
Office of Regulatory Staff

**A. Summary description of programs and how they relate to the mission of the agency:**

The Electric & Gas program area regulates public electric and gas companies in the state of SC balancing the interest of the public, the companies, and the State. Also, Electric & Gas ensures the safety of natural gas pipelines.

**B. Budget Program Number and Name:**

IV. Electric & Gas

**C. Agency Activity Number and Name:**

Note: If more than one activity maps to this program; provide all activity numbers, names, and approximate funding amounts.

Activity Number	Activity Name	State Non-Recurring	State Recurring	Federal	Other	Total
1520	Utilities-Electric				\$689,258	\$689,258
1610	Utilities – Natural Gas				\$295,263	\$295,263

**D. Performance Measures:**

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 by the Electric & Gas Department during FY 09 was approximately \$2.1 billion, \$2 billion in FY 10, and \$1.9 billion in FY 11. The projected combined savings to consumers resulting from settlements of Electric and Gas cases in FY 09 was \$146 million, \$198 million in FY 10, and \$233 million in FY 11.

**E. Program Interaction:**

This program area interacts with the Audit, Legal, Internal Operations, Consumer Services, and Executive areas of the ORS. These support areas support the Electric & Gas program area in regulating public utilities.

**F. Change Management:**

The mission and focus of these programs has not changed over the past 5 years.

**G. Detailed Funding Information:**

FY 2012-13 Cost Estimates:	State Non-Recurring	State Recurring	Federal	Other	Total
Number of FTEs*		0.00	0.00	14	14
Personal Service	\$0	\$0	\$0	\$984,521	\$984,521
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0
Program/Case Services	\$0	\$0	\$0	\$0	\$ 0
Pass-Through Funds	\$0	\$0	\$0	\$0	\$ 0
Other Operating Expenses	\$0	\$0	\$0	\$0	\$ 0
<b>Total</b>	\$ 0	\$ 0	\$ 0	\$984,521	\$984,521

\* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.

Is this budget category or program associated with a Capital Budget Priority? No

If yes, state Capital Budget Priority Number and Project Name:

**III. Budget Category Justification Sheet**

**Agency Code**  
R06

**Agency Name**  
Office of Regulatory Staff

Please List proviso numbers that relate to this budget category or programs funded by this category.  
57.2, 57.3

**H. Changes to the Appropriation:**

Please explain any changes, to include re-alignments and funding or FTE increases requested in this year's appropriation, as detailed below:

Funding:

Year	State Non-Recurring	State Recurring	Federal	Other (Earmarked or Restricted)
2011-2012 Act				\$798,594
2012-2013 Act				\$984,521
Difference				\$185,927
% Difference				23.28%

Explanation of Changes:

Due to the 5% budget cut taken in FY 2011-12, personal service funding is being redistributed between the program categories to address business needs.

**I. Revenue Estimates:**

Please detail Sources of revenue for this program, identified by SAP fund number if a live SCEIS agency or the STARS number if a STARS agency. If several sources remit to a single subfund that cannot be split by source and appropriation or program, provide an estimate of the revenue dedicated to this program.

SAP Fund Number	Source Name	General Fund	Other State	Earmarked	Restricted	Federal
30350000	Assessment Revenue			\$984,521		

If expenditures for this program are greater than known or estimated revenues and the intent is to bridge part of this shortfall by drawing down balances in agency accounts or reserves, indicate the accounts and amount of the current reserve or balance that will likely be used below.

Please detail the long-term sustainability of this program if cash reserves are needed to operate.

If there is federal fund or other fund spending authority requested above the revenue streams detailed above, please indicate the amount and explanation for each.

**J. FTE Positions:**

Please detail the number of FTE's filled (F) by the program as of June 30 of each fiscal year, and the number authorized (A) by the Appropriations Act.

Fiscal Year	State	Other-Earmarked or Restricted	Federal	Total	Temporary, Temporary Grant, Time -limited
2012-2013 (A)		14		14	
2011-2012 (A)		13		13	
2010-2011 (F)		13		13	2
2010-2011 (A)		13		13	
2009-2010 (F)		13		13	2
2009-2010 (A)		13		13	
2008-2009 (F)		13		13	
2008-2009 (A)		11		11	
2007-2008 (F)		12		12	
2007-2008 (A)		11		13	

**K. Detailed Justification for FTEs:**

(1) Justification for New FTEs

(a) Justification:

(b) Future Impact on Operating Expenses or Facility Requirements:

(2) **Position Details:**

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0



**III. Budget Category Justification Sheet**

**Agency Code**  
R06

**Agency Name**  
Office of Regulatory Staff

**A. Summary description of programs and how they relate to the mission of the agency:**

This program area covers all of the State Employer Contributions required by law for the ORS.

**B. Budget Program Number and Name:**

V. Employee Benefits – C. State Employer Contributions

**C. Agency Activity Number and Name:**

Note: If more than one activity maps to this program; provide all activity numbers, names, and approximate funding amounts.

Activity Number	Activity Name	State Non-Recurring	State Recurring	Federal	Other	Total
1520	Utilities-Electric				\$192,992	\$192,992
1521	Transportation				\$102,200	\$102,200
1522	Telecommunications				\$159,533	\$159,533
1523	Consumer Services				\$77,000	\$77,000
1525	Administration				\$206,177	\$206,177
1609	Legal				\$204,379	\$204,379
1610	Utilities-Natural Gas				\$82,674	\$82,674
1611	Audit				\$226,651	\$226,651
1612	Water/Wastewater				\$37,800	\$37,800

**D. Performance Measures:**

In FY 11, the agency’s Human Resources Department underwent an audit of its benefits records. The purpose of the audit was to ensure that the ORS complies with the policies and procedures of the Employee Insurance Program (EIP) in maintaining proper records pertaining to enrollment, notifications, and document retention. The agency received positive feedback from the audit and was found to be 100% compliant with EIP’s protocol.

**E. Program Interaction:**

This program provides State Employer Contributions required by law for the employees of the ORS.

**F. Change Management:**

The mission and focus of these programs has not changed over the past 5 years.

**G. Detailed Funding Information:**

FY 2012-13 Cost Estimates:	State Non-Recurring	State Recurring	Federal	Other	Total
Number of FTEs*		0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$1,289,406	\$1,289,406
Program/Case Services	\$0	\$0	\$0	\$0	\$ 0
Pass-Through Funds	\$0	\$0	\$0	\$0	\$ 0
Other Operating Expenses	\$0	\$0	\$0	\$0	\$ 0
<b>Total</b>	\$ 0	\$ 0	\$ 0	\$1,289,406	\$1,289,406

\* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.

Is this budget category or program associated with a Capital Budget Priority? No

If yes, state Capital Budget Priority Number and Project Name:.

Please List proviso numbers that relate to this budget category or programs funded by this category.

57.2, 57.3

**H. Changes to the Appropriation:**

Please explain any changes, to include re-alignments and funding or FTE increases requested in this year's appropriation, as detailed below:

Funding:

Year	State Non-Recurring	State Recurring	Federal	Other (Earmarked or Restricted)
2011-2012 Act				
2012-2013 Act				
Difference				
% Difference				

Explanation of Changes:

**I. Revenue Estimates:**

Please detail Sources of revenue for this program, identified by SAP fund number if a live SCEIS agency or the STARS number if a STARS agency. If several sources remit to a single subfund that cannot be split by source and appropriation or program, provide an estimate of the revenue dedicated to this program.

SAP Fund Number	Source Name	General Fund	Other State	Earmarked	Restricted	Federal
30350000	Assessment Revenue			\$1,289,406		

If expenditures for this program are greater than known or estimated revenues and the intent is to bridge part of this shortfall by drawing down balances in agency accounts or reserves, indicate the accounts and amount of the current reserve or balance that will likely be used below.

Please detail the long-term sustainability of this program if cash reserves are needed to operate.

If there is federal fund or other fund spending authority requested above the revenue streams detailed above, please indicate the amount and explanation for each.

**J. FTE Positions:**

Please detail the number of FTE's filled (F) by the program as of June 30 of each fiscal year, and the number authorized (A) by the Appropriations Act.

Fiscal Year	State	Other-Earmarked or Restricted	Federal	Total	Temporary, Temporary Grant, Time -limited
2012-2013 (A)					
2011-2012 (A)					
2010-2011 (F)					
2010-2011 (A)					
2009-2010 (F)					
2009-2010 (A)					
2008-2009 (F)					
2008-2009 (A)					
2007-2008 (F)					
2007-2008 (A)					

**K. Detailed Justification for FTEs:**

- (1) Justification for New FTEs
  - (a) Justification:

(b) Future Impact on Operating Expenses or Facility Requirements:

(2) **Position Details:**

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0



**A. Proviso Number**

Using the renumbered 2012-13 proviso base provided on the OSB website indicate the proviso number (*If new indicate "New #1", "New #2", etc.*):

57.1

**B. Appropriation**

Related budget category, program, or non-recurring request (*Leave blank if not associated with funding priority*):

III. Telecommunications, Transportation, Water/Wastewater

**C. Agency Interest**

Is this proviso agency-specific, a general proviso that affects the agency, or a proviso from another agency's section that has had consequences?

Agency-specific

**D. Action**

(Indicate Keep, Amend, Delete, or Add):

Keep until codified

**E. Title**

Descriptive Proviso Title:

Transportation Fee Refund

**F. Summary**

Summary of Existing or New Proviso:

The Office of Regulatory Staff (ORS) was given the responsibility by Act 175 to regulate transportation companies. This proviso enables ORS to make refunds of fees which may be erroneously collected.

**G. Explanation of Amendment to/or Deletion of Existing Proviso**

(If request to delete proviso is due to codification, note the section of the Code of Laws where the language has been codified):

N/A

**H. Explanation of how this proviso directs the expenditure or appropriation of funds, and why this direction is necessary.**

Transportation fee refunds are necessitated by erroneous overpayments by regulated transportation carriers for semi-annual decal fee payments.

**I. Justification**

Refer to the instructions for the correct question to answer in this space, based on the action you selected

This should be codified to enable ORS to provide refunds to carriers if necessary.

**J. Fiscal Impact (Include impact on each source of funds – state, federal, and other)**

This proviso does not have a fiscal impact on the ORS' funds. These are refunds of fees that were erroneously collected.

**K. Text of New Proviso with Underline or Entire Existing Proviso Text with Strikeover and Underline**

**57.1.** (ORS: Transportation Fee Refund) The Transportation Department of the Office of Regulatory Staff is hereby authorized to make refunds of fees which were erroneously collected.

**A. Proviso Number**

Using the renumbered 2012-13 proviso base provided on the OSB website indicate the proviso number (*If new indicate "New #1", "New #2", etc.*):

57.2

**B. Appropriation**

Related budget category, program, or non-recurring request (*Leave blank if not associated with funding priority*):

I. Executive Director, II. Support Services, III. Telecommunications, Transportation, Water/Wastewater, IV Electric and Gas, V. Employee Benefits Base

**C. Agency Interest**

Is this proviso agency-specific, a general proviso that affects the agency, or a proviso from another agency's section that has had consequences?

Agency-specific

**D. Action**

(Indicate Keep, Amend, Delete, or Add):

Keep until codified

**E. Title**

Descriptive Proviso Title:

Assessment Certification

**F. Summary**

Summary of Existing or New Proviso:

The Office of Regulatory Staff (ORS) was given the responsibility by Act 175 to assess regulated utilities and transportation companies to cover the appropriations.

**G. Explanation of Amendment to/or Deletion of Existing Proviso**

(If request to delete proviso is due to codification, note the section of the Code of Laws where the language has been codified):

N/A

**H. Explanation of how this proviso directs the expenditure or appropriation of funds, and why this direction is necessary.**

This proviso provides the ORS the authority to assess regulated utility companies and transportation companies to cover the appropriations. Without authorization, the ORS will not have the funds necessary to operate.

**I. Justification**

Refer to the instructions for the correct question to answer in this space, based on the action you selected

This should be codified to enable the ORS to assess amounts to cover expenses annually.

**J. Fiscal Impact (Include impact on each source of funds – state, federal, and other)**

This proviso supports the goal of providing consistent regulation to utilities and transportation companies. Without this assessment, the ORS would not have operating funds to provide the regulation.

**K. Text of New Proviso with Underline or Entire Existing Proviso Text with Strikeover and Underline**

**57.2.** (ORS: Assessment Certification) Office of Regulatory Staff shall certify to the Department of Revenue the amounts to be assessed to cover appropriations in this section as follows: (1) the amount applicable to the assessment on public utility, telephone utility, radio common carrier and electric utility companies as provided for by Section 58-4-60, Code of Laws of 1976, (2) the amount to be assessed against gas utility companies as provided for in Section 58-5-940, Code of Laws of 1976, (3) the amount to be assessed against electric light and power companies as provided for in Sections 58-4-60 and 58-27-50, Code of Laws of 1976, and (4) the amount to be covered by revenue from motor transport fees as provided for by Section 58-23-630, and other fees as set forth in Section 58-4-60, Code of Laws of 1976. The amount to be assessed against railroad companies shall consist of all expenses related to the operations of the Railway subprogram of the Agency's Transportation Division, to include the related distribution of salary increments and employer contributions not reflected in the related subprogram of this act as set forth in Section 58-4-60, Code of Laws of 1976.

**A. Proviso Number**

Using the renumbered 2012-13 proviso base provided on the OSB website indicate the proviso number (*If new indicate "New #1", "New #2", etc.*):

57.3

**B. Appropriation**

Related budget category, program, or non-recurring request (*Leave blank if not associated with funding priority*):

I. Executive Director, II. Support Services, III. Telecommunications, Transportation, Water/Wastewater. IV. Electric & Gas, V. Employee Benefit Base

**C. Agency Interest**

Is this proviso agency-specific, a general proviso that affects the agency, or a proviso from another agency's section that has had consequences?

Agency-specific

**D. Action**

(Indicate Keep, Amend, Delete, or Add):

Keep until codified

**E. Title**

Descriptive Proviso Title:

Assessment Adjustments

**F. Summary**

Summary of Existing or New Proviso:

The proviso allows the ORS to adjust and refund or credit any assessments of regulated utilities and transportation companies that are determined to be assessed amounts greater than authorized.

**G. Explanation of Amendment to/or Deletion of Existing Proviso**

(If request to delete proviso is due to codification, note the section of the Code of Laws where the language has been codified):

N/A

**H. Explanation of how this proviso directs the expenditure or appropriation of funds, and why this direction is necessary**

Without this proviso, regulated utilities and transportation companies could be contributing funds that are not authorized to be billed without recourse.

**I. Justification**

Refer to the instructions for the correct question to answer in this space, based on the action you selected

This should be codified to enable the ORS to collect amounts to cover expenses annually that can be adjusted to equal the amounts that the ORS is authorized to collect.

**J. Fiscal Impact (Include impact on each source of funds – state, federal, and other)**

This proviso supports the goal of providing consistent regulation to utilities and transportation companies. Without this proviso, the ORS would not have any means of adjusting assessments that were paid in amounts greater than that which the ORS is authorized to bill.

**K. Text of New Proviso with Underline or Entire Existing Proviso Text with Strikeover and Underline**

**57.3.** (ORS: Assessment Adjustments) If the Office of Regulatory Staff determines that a person or entity subject to Title 58 of the 1976 Code has been assessed an amount greater than that authorized by Sections 58-4-60, 58-3-100 and 58-3-540, the Office of Regulatory Staff shall, at its discretion:

- (a) refund the person or entity the amount of over collection using funds from the current fiscal year;
- (b) refund the person or entity the amount of over collection using any unexpended funds from the prior fiscal year;
- (c) credit the amount the person or entity will be assessed in the next fiscal year for the amount of over collection; or
- (d) any combination of these.

V. Proviso Justification Form

Agency  
Code  
R06

Agency Name  
Office of Regulatory Staff

The Office of Regulatory Staff, when determining the amount to be assessed in the next fiscal year, may take into consideration any underpayment or overpayment by a person or entity during a given year. Any unexpended funds from revenue generated pursuant to this section may be retained and carried forward and expended for the same purposes.



Federal Aid Justification

0

**Summary**

Award Title	<input type="text" value="N/A"/>		
CFDA Number/Title	<input type="text"/>	→ If "Other", identify:	<input type="text"/>
Award Number (Federal)	<input type="text"/>	Start Date	<input type="text"/>
		Federal Agency	<input type="text"/>
Award Number (State)	<input type="text"/>	End Date	<input type="text"/>
		Federal Subagency	<input type="text"/>
Award Period	<input type="text"/>	→ If "Other", explain:	<input type="text"/>

**Financial**

Total Award Amount	<input type="text"/>	Amount Available in FY 2012-13	<input type="text"/>
State Match Required?	<input type="text"/>	If "Yes", describe, and provide SAP Fund Number(s) of funding sources	<input type="text"/>
Local Match Required?	<input type="text"/>	If "Yes", describe	<input type="text"/>
Assistance Type	<input type="text"/>	If "Other", explain	<input type="text"/>

Is administrative and/or indirect cost recovery permitted? If so, explain:

Will funds be passed-through to other entities? If so, what types of entities, and how will funds be distributed?

Federal Aid Justification

0

**Questions**

How is the use of these funds essential to your agency's mission?

Text.

What budgetary, compliance, and programmatic obligations will the state incur (now or in the future) through the receipt of these funds?

Text.

What outcome and/or performance measures will you track and/or report on in association with this award?

Text.

What is the name and title of the individual in your agency who is responsible for the success of this program?

Text.