

## **LETTER OF TRANSMITTAL**

In Fiscal Year 1995-1996 the Public Service Commission of South Carolina developed a formal planning process for the Commission and each of its departments. This process was initiated as part of the reorganization of the Commission in response to the changing regulatory environment. As the monopolistic telecommunications, natural gas, and electric industries are opened to competition, the regulatory role of the Commission will change from traditional rate of return on rate base regulation.

The Research Department was assigned to lead this planning process. Numerous meetings were held with planners from South Carolina Electric & Gas Company, Duke Power Company, and the University of South Carolina. The purpose of these meetings was to gain information and insight into how a formal planning process should be developed and what should be included. Based on the information obtained from these sources, the Research Department developed a planning process and a plan for the Research Department. This process and the Research Department plan were used as a model for departmental planning. The Research Department assisted the other departments in the development of their plans. This planning process in conjunction with the statutory requirements of the Commission was utilized to develop the Commission plan that unifies all of the individual departmental plans.

Each plan included a mission statement, long-term goals and objectives, short-term goals and objectives, long-term implementation strategies, and short-term implementation strategies. The departmental plans and the Commission plan were submitted to the Commissioners for approval. The approved plans became the bases for the operation of the Commission and its departments.

Questions concerning the Annual Accountability Report of the Public Service Commission should be directed to Gary E. Walsh, Executive Director, at 896-5133.

## **EXECUTIVE SUMMARY**

The functions and responsibilities of the Public Service Commission are set forth in legislation. Within the framework of its statutory obligations, the Commission establishes its mission, goals and objectives, and strategies for fulfilling its mission and achieving its objectives. The Commission, unlike some other agencies, must balance the interests of the companies, that it regulates, and the interests of the customers of these companies and the broader interests of the State. As the industries that are regulated by the Commission become more competitive, the role of the Commission is changing away from its historical emphasis of regulating monopolies to protect consumers from the potential abuses of monopoly power. The new focus of the Commission consists largely of managing the transformation of monopolistic industries into competitive industries so that all customers receive benefits from competition.

Seven operating departments are primarily responsible for implementing strategies to fulfill the mission and the goals and objectives of the Commission. Each department has its own mission statement, goals and objectives, and strategies which, when taken together, provide the means by which the Commission meets its goals and fulfills its mission.

The Utilities Department consists of 21 persons with responsibility for electric, telecommunications, gas, and water and wastewater utilities. Its FY1999-2000 budget was \$804,882. Department personnel participated in 183 hearings and the issuance of 636 orders. A total of 237 compliance audits were completed, and 30 of the audits indicated a violation of Commission rules, regulations, and tariffs. The companies were notified of the violations and each company took appropriate corrective action. The Utilities Department Pipeline Safety area has the responsibility to ensure and enhance the safety of gas and liquid facilities. In FY 1999-2000 the Safety area devoted 270 person days on the inspection of gas and liquid pipelines and liquefied gas plants. As a result of these inspections 52 gas non-compliances were discovered. Companies were notified of these violations and corrective action was taken. The Pipeline safety budget for FY 1999-2000 was \$395,059.

The Audit Department has 10 employees and a FY1999-2000 budget of \$527,135. This Department provides the accounting expertise for the Commission. It provides testimony in hearings, manages the Interim LEC Fund, performs audits, and computes Gross Receipts Taxes required to finance the Commission. A total of 143 accounting audits were completed in fiscal year 1999-2000. No companies were found to be in violation of Commission rules and regulations.

The 6-person Legal Department provides the legal expertise for the Commission. It writes the Commission orders, represents the Commission's positions before all State and Federal Courts, represents the Commission Staff in hearings, and advises the Commission on all legal issues. The FY1999-2000 budget for the Legal Department was \$182,100. Commission attorneys participated in 254 hearings and Commission meetings and wrote 713 orders. The Department

defended the Commission's position in 41 cases in State and Federal Courts. Commission attorneys daily engaged in numerous conversations and e-mails on a variety of regulatory issues and rendered opinions on those issues.

The movement toward competition in the regulated industries has placed more responsibility on the Research Department. Although traditional rate-of-return analyses and testimony is still performed, much of the Research Department's efforts are focused on evaluating State and Federal legislation concerning utilities, advising the Commission on emerging issues, and preparing speeches and presentations on legislation, utility regulation and restructuring, and critical issues. The Department made one presentation on electric utility restructuring before the South Carolina House committees on Labor, Commerce, and Industry, one presentation on electric restructuring to the Senate Committee on Financial Issues, and made one presentation on electric restructuring to the Senate Task Force on Consumer Issues. The Staff also made two presentations on water issues to outside organizations. The Department analyzed 5 financing proposals. It also participated in over 120 NARUC teleconferences. The Department had a leading role in developing task forces on water issues and consumer education for electric, gas, telephone, water and wastewater customers. Also the Research Department has taken an active role in representing the Commission position and summary information on nuclear waste, telecommunication deregulation, and electric restructuring at both the State and Federal level. The Research Department had a budget of \$257,644 in FY1999-2000 and 4 employees.

The Consumer Services Department has 8 employees and a fiscal year 1999-2000 budget of \$176,847. The Department Staff address consumer complaints and inquiries concerning the utility and transportation companies regulated by the Commission. The staff identifies and monitors complaint trends, testifies in complaint and consumer related hearings, and advises the Commission and the public on evolving issues that may impact the public interest of the consumers in South Carolina. The Department Staff is also responsible for providing the public with consumer information and education on utility related issues. In FY 1999-2000, the Department Staff investigated 9,345 complaints and inquiries, recovered \$366,388.48 in credits and refunds for consumers, discovered 2 water systems operating without authority, petitioned the Commission for rule to show cause regarding a telecommunications long distance resellers for violations of Commission's rules and procedures, reached a \$50,000 voluntary agreement with a telecommunications long distance reseller as a result of staff's petition to the Commission for a "rule to show cause" hearing, received 29,134 WATS line calls from the consumers, conducted 17 complaint meetings with consumers and held 14 meetings with regulated utility companies to discuss consumer related complaint and inquiry issues. In response to consumer complaints and inquiries, the Department Staff conducted 79 meter tests and on-site inspections, mediated 11 complaint conferences between the consumer and the utility companies, and made 6,514 outbound long distance calls. Designated staff continues to work with the University of South Carolina's computer staff on the Consumer Tracking System (CTS).

The Transportation Department has authority over the "for hire" use of motor vehicles on the public highways of South Carolina. Its primary focus is to ensure a well-regulated and safe "for hire" transportation system that provides all needed services at reasonable costs and complies with the motor vehicle laws and the rules and regulations of the Commission. The Department has 14 employees and a FY1999-2000 budget of \$553,252. Each month the 9 enforcement

officers inspect 360 vehicles. During FY1999-2000, the 9 enforcement officers performed 3,296 inspections, issued 99 citations with assessed fines of \$27,265. The Department also responded to 168 complaints, provided 387 assists to regulated carriers and the general public, participated in 18 hearings, and performed 8 complaint audits. These audits and inspections found 99 companies to be in violation of Commission rules and regulations. The companies were notified of their violations and corrective action was taken. A total of 192 Certificates of Public Convenience and Necessity and Certificates of Fit, Willing and Able were issued. Revenues from license decals totaled \$91,524. On-site inspection of 1,252 miles of railroad track and 3,939 pieces of rolling equipment were performed. 3,296 inspections were also done. The Rail Safety inspections revealed 14 railroad violations. These violations were reported to the companies and appropriate corrective actions were taken.

The Information Systems Department has 3 employees and a fiscal year 1999-2000 budget of \$111,919. The Department provides and maintains the necessary technological resources to enable the Commission and Staff to carryout its functions and responsibilities.

Cooperation and assistance from other State and local agencies is necessary for the Commission to fulfill its mission. As the regulatory environment changes, the Commission must work closely with the Legislature to update statutes and provide guidance to new legislation concerning utilities. Water and wastewater issues require working closely with the Department of Health and Environmental Control. The Audit Department provides information to the Department of Revenue for tax purposes. The Consumer Services Department and the Legal Department have frequent interaction with Attorney General's Office and the SC Department of Consumer Affairs. The Research Department assists the State Energy Office in the collection of data and the evaluation of Integrated Resource Plans and Demand Side Management programs. It also provides information to the General assembly through testimony before committees and reports to the legislature. To ensure the safety of pipelines the Utilities Department works with the US Department of Transportation. The Transportation Department works with the Federal Railroad Administration and the SC Department of Transportation to ensure the safety of railroads.

## **MISSION STATEMENT AND GOALS**

### **MISSION STATEMENT:**

The Public Service Commission of South Carolina is to carry out the regulatory functions and responsibilities set forth for it by the laws and policies of the State of South Carolina pertaining to the utility and transportation companies through a dynamic and proactive regulatory process reflecting the increased competitive nature of the companies within the nation and this State while seeking to best serve the needs of all of the citizens of the State and also while encouraging a sense of satisfaction and accomplishment for employees.

### **GOALS:**

- Seek to ensure that the citizens of the State receive appropriate levels of customer satisfaction and quality of service for those services provided through the entities regulated by this Commission.
- Seek to ensure that consumer problems, issues, and complaints are sufficiently monitored and addressed.
- Seek to ensure that within a more competitive utility environment that core or captive customers with little market power are not unduly burdened with the costs of competition and are provided appropriate service and service options.
- Seek to encourage innovation through the enhancement of Commission processes and the attainment of self-actualization by Commission employees through empowering these employees to carry out their responsibilities and rewarding them for their contribution to the attainment of Commission goals.
- Seek to modify the organizational process of the Commission in such a manner as to provide for the incorporation of project teams to address specific complex short-term issues that arise as a result of the dynamic nature of the utility industry regulated by this Commission.
- Provide an open, accessible and efficient regulatory process which is fair, cost effective and unbiased, while also exploring alternative methods of regulating the entities subject to the Commission's jurisdiction.
- Seek to ensure that the regulatory process results in fair and reasonable outcomes.
- Encourage efficiency, innovation, and technological growth among regulated entities.
- For the regulated entities, facilitate the provision of safe services at levels of quality and reliability, which satisfy customer needs.
- Seek to ensure that all regulated entities' services to consumers comply with all legal requirements subject to the Commission's jurisdiction.

Last modified: July 08, 1998

## DESCRIPTION OF PROGRAMS

- a) **PROGRAM:** Utilities Department
- b) **Program Costs:** \$804,882
- c) **Program Goals:** To fulfill the responsibilities of the Public Service Commission of South Carolina as provided for by the South Carolina Constitution and as vested with power and jurisdiction by the South Carolina General Assembly regarding electric, telecommunications, gas and water and wastewater utilities. To communicate information, and provide assistance to the Commissioners regarding current and evolving regulatory issues which have the potential to impact the public interest of the citizens of South Carolina.
- d) **Program Objectives:**
  - 1. Interact to a greater extent with regulated entities and other stakeholders concerning emerging issues.
  - 2. Obtain additional training and information from external sources concerning emerging technical and policy issues.
  - 3. Interact with greater extent with other PSC departments.
  - 4. Electronic interaction with external groups such as NARUC, NRRI, etc.
- e) **Priority Ranking:**
  - 1. Fulfill the administrative responsibilities prior to a hearing such as noticing, assignment of filing deadlines and the preparation of the weekly agenda.
  - 2. Provide staff assistance in the hearings in the areas of distribution of all case documents and testimony, reading the Docket and the swearing in of witnesses.
  - 3. Conduct audits and analysis and provide proficient reports and testimony within the hearing process for general rate cases, electric fuel cases, purchased gas cases, complaint cases, and other cases.
  - 4. Research and monitor rate trends, industry changes, and cost methodologies in today's competitive environment and report these findings to the Commission.
  - 5. Assist the Commission's Consumer Services Department with the resolution of consumer complaints from utility customers throughout the State.
  - 6. Audit statewide utility offices to substantiate compliance with Commission's Rules and report these findings to both the Commission and the Commission's Consumer Services Department.
  - 7. Provide assistance and data to other regulatory bodies, consultants, lawyers and inquiring citizens throughout the United States regarding recent Commission decisions and trends affecting ratepayers in South Carolina.
  - 8. Fulfill the obligation as the oversight agency to implement and monitor the Telecommunications Relay Service for the State of S.C.

f) **Performance Measures:**

Workload Indicators:

<b>ELECTRIC</b>	
<b>4</b>	<b>Companies rated and reviewed</b>
<b>33</b>	<b>Compliance Audits statewide</b>

<b>GAS</b>	
<b>4</b>	<b>Companies rated and reviewed</b>
<b>25</b>	<b>Compliance Audits statewide</b>

<b>TELECOMMUNICATIONS</b>	
<b>27</b>	<b>Local Exchange Companies rated and serviced</b>
<b>136</b>	<b>Competitive Local Exchange Companies</b>
<b>456</b>	<b>Interexchange Carriers</b>
<b>1314</b>	<b>Payphone Service Providers (PSPs)</b>
<b>75</b>	<b>Compliance Audits statewide</b>

<b>WATER AND WASTEWATER</b>	
<b>77</b>	<b>Water and Wastewater Companies rated and serviced</b>
<b>75</b>	<b>Compliance Audits statewide</b>

Efficiency Measures:

<b>ELECTRIC</b>	
<b>8</b>	<b>Hearings held</b>
<b>54</b>	<b>Orders issued</b>
<b>33</b>	<b>Compliance Audits completed</b>

<b>GAS</b>	
<b>5</b>	<b>Hearings held</b>
<b>14</b>	<b>Orders issued</b>
<b>18</b>	<b>Compliance Audits completed</b>

<b>TELECOMMUNICATIONS</b>	
<b>156</b>	<b>Hearings held</b>
<b>511</b>	<b>Orders issued</b>
<b>74</b>	<b>Compliance Audits completed</b>

<b>WATER AND WASTEWATER</b>	
<b>14</b>	<b>Hearings held</b>
<b>57</b>	<b>Orders issued</b>
<b>112</b>	<b>Compliance Audits completed</b>

Outcomes: thirty (30) of the audits indicated non-compliance of Commission rules, regulations, and tariffs.

**Program Name:** Utilities Department/ Pipeline Safety

**Program Costs:** \$ 359,059

**Program Goals:** To carry out, support, encourage, develop, and enhance pipeline safety through federal/state pipeline safety programs.

**Program Objectives:** Conduct sufficient on-site inspections of gas and liquid facilities to determine compliance with state and federal safety regulations and carry out a cooperative program of assisting jurisdictional system operators to achieve compliance. Initiate compliance action as needed.

**Priority Ranking:**

1. Conduct on-site inspections of gas pipeline facilities to monitor for compliance with the safety regulations.
2. Take enforcement action, when needed to insure compliance and to protect lives and property from potential harm.
3. Assist jurisdictional operators to achieve compliance with the safety regulations.
4. Conduct investigations of accidents to prevent their recurrence.
5. Assist in promulgating new or amended safety regulations when needed

**Performance Measures:**

The information below reflects the twelve (12) month period ending June 30, 2000.

Workload Indicators:

- 270 person days spent on inspections of gas and liquid pipelines and liquefied gas plants.

Outcomes: The inspections revealed 52 gas non-compliance. These violations were reported to the companies and appropriate corrective actions were taken.

**PROGRAM:** Audit Department

**Program Cost:** \$527,135

**Program Goal:**

The Audit Department of the Public Service Commission will analyze and review; testify, communicate information; aid and assist the Commissioners, Commission Staff and the public regarding current and evolving regulatory issues which have the potential to impact the public interest of the citizens of South Carolina.

**Program Objectives:**

The Audit Department will interact with regulated entities and all other stakeholders concerning new and emerging issues that will have an effect on regulation. The Audit Department will also obtain needed additional training and information from outside sources concerning new and emerging technical, accounting and policy issues. In addition, the Audit Department will interact with a greater extent with the Commission Departments; thereby utilizing more of a team concept. Also, the Audit Department will implement the use of Personal Computers in the Audit Department.

**Priority Ranking:**

1. Aid in identification of developing, evolving and current regulatory issues impacting on the citizens of South Carolina. These would include such issues as the Universal Service Fund, Interim LEC Fund and Deregulation of the Electric Industry.
2. Provide the Commissioners and Staff with assistance in understanding the impact of regulatory issues that may impact on the citizens of South Carolina.
3. To conduct audits of the books and records of regulated companies' issues reports based on such audits, and sponsor testimony in hearings before the Commission.
4. To collect and gather data needed to compute the Gross Receipts Taxes required to operate the Commission and to interact with the Department of Revenue in the billing and collection of such taxes.
5. To gather and collect financial information on regulated companies in order to complete reports required by the Commissioners, Regulatory Groups, and Utilities and all other parties requesting such information.

**Performance Measures:**

Workload Indicators:

- Audited regulated companies requesting changes in their rates and tariffs, Reviews of Electric Companies' Fuel Clauses, Gas Companies' PGA, and Compliance Audits of Regulated Companies to determine compliance with rules and regulations of the South Carolina Public Service Commission.
- Issued reports and testimony in hearings held before the Commission.
- Developed the Commission ordered Interim LEC Fund. The Audit Department calculated the liability of the funding companies, developed the

billing procedures and managed its implementation by the Administration Department of the Commission, followed up on any and all complaints arising from the Fund, audited all the information furnished by the Local Exchange Carriers and developed a bookkeeping systems used by the Administration Department to oversee the Fund.

- The Audit Department has collected financial information used to develop the PSC's annual reports.
- Financial information has been collected in order to compute the annual gross receipts taxes and has interacted with the Department of Revenue in its billing and collecting of such taxes.
- The Audit Department has overseen the filing of annual reports by all regulated companies. This would include both Utilities and Transportation Carriers regulated by the Commission.
- The Audit Department has worked with the Financial Committee of the Commission in the review of all financing agreements filed with the Commission.
- Participated with other state and federal commissions in the auditing of multi-state utilities.
- Attended seminars and conferences that have aided the staff members to stay current with changes in the accounting industry and evolving changes in the regulatory industry.
- Attended staff conferences in order to help other departments at the Commission in solving problems that arise with regulated companies.
- Assisted the Legal Department with the issuing of orders arising from rulings of the Commission.
- Assisted the Legal Department by reviewing the financial statements filed with all request to perform telecommunications services, such as long distance service.

Efficiency Measures:

- Electric audits, 3 performed.
- Gas audits, 6 performed.
- Telecommunications audits (desk and field), 128 performed.
- Water and Wastewater audits, 6 performed.

Outcomes: No violations of Commission rules or regulations.

**Program:** Legal Department

**Program Costs:** \$182,100

**Program Goals:** The Legal Department of the Public Service Commission of South Carolina exists to reduce to writing the oral decisions of the Commission, while advising the Commission, when appropriate, on the laws and policies of the State of South Carolina and the United States, pertaining to the regulation of the utility and transportation industries, and while representing the Commission Staff in proceedings before the Commission, and defending the Commission's positions and its Orders before the Courts, and providing legal information and assistance to the Commission Staff and other interested persons with regulatory matters.

**Program Objectives:** To properly set out in writing the decisions of the Commission. To provide appropriate consultation to the Commission and Staff on all laws and regulations pertaining to the utility and transportation industries. To keep a current knowledge as much as possible of such laws and regulations. To provide representation to the Commission Staff in hearings before the Commission. To provide representation of the Commission's positions before all State and Federal Courts.

**Priority Ranking:**

1. Compose written Commission Orders.
2. Provide representation of Staff before the Commission in Commission hearings.
3. Advise Commission and Staff on current legal issues.
4. Provide representation of the Commission in Court proceedings.
5. Keep a current knowledge of the law in the area.

Performance Measures:

Workload Indicators:

- Have composed and drafted 713 Orders for the Commission during calendar year 2000 so far.
- Participated in 254 hearings and Commission meetings before the Public Service Commission during fiscal year 1999-2000.
- Are presently defending the Commission's positions in 41 cases in State and Federal Courts.
- Engage in daily multiple conversations and E-mail on a variety of regulatory topics with Commission Staff members and the public and render a multiplicity of daily legal opinions on same.
- Have developed further Regulations for the Transportation Department and the Utilities Department.

Outcomes: The orders prepared by the Legal Department are the official and legal determinations of the Commission to which the regulated companies must comply.

**PROGRAM:** Research Department

**Program Costs:** \$257,644

**Program Goal:** The Research Department of the Commission intends to conduct and research; analyzes and reviews; testifies; communicates information; and provides assistance to the Commissioners, Commission's Staff and the public regarding current and evolving regulatory issues which have the potential to impact the public interest of the citizens of South Carolina.

**Program Objectives:** Provide policy input to the Commissioners regarding changing and evolving regulations in the electric, telecommunications, and natural gas industries.

Interact to a greater extent with regulated entities and other stakeholders concerning emerging issues. Obtain additional training and information from external sources concerning emerging technical and policy issues. Interact to greater extent with other PSC departments. Electronic interaction with external groups such as NARUC, NRRI, etc. The Department staff is on the NARUC sub-committees on Electricity, Economics and Finance, Strategic Issues, Nuclear Issues / Nuclear Waste, and the Nuclear Strategy Coalition. Develop a comprehensive consumer education process.

**Priority Ranking:**

1. Identify developing, evolving, and current regulatory issues.
2. Provide the Commissioners and the Staff with information regarding regulatory issues specifically identified by the Commissioners and the Staff in the form of presentations, briefings, and written and oral reports.
3. Assist the Commissioners and the Staff in the review and development of policy regarding specific regulatory issues.
4. Research, evaluate, and provide testimony regarding policy for new and evolving issues that come before the Commission
5. Provide the Commissioners with any assistance requested to address regulatory matters such as participation in regulatory conferences, preparation of speeches, researching specific matters, etc.

**Performance Measures:**

Workload Indicators:

- Made one presentation on electric restructuring to the House Committee on Labor, Commerce, and Industry.
- Made one presentation on electric restructuring to the Senate Committee on Financial Issues.
- Made one presentation on electric restructuring to the Senate Task force on Consumer Issues.
- Made two presentations on water issues to outside organizations.
- Research Staff represented the Commission on Three Senate Subcommittees.
- Prepared presentations on slamming, water issues and consumer education.
- Educational brochures were developed for distribution for the public on the following: "How to File a Complaint", "The Role of the PSC", "The Electric Industry" and "Why Does Water Cost".
- Attended ten workshops, conferences and seminars.
- Analyzed 5 utility financing proposals and presented reports to Commissioners.

- Made quarterly estimates of return on equity for regulated utilities.
- Participated in over 120 teleconferences with NARUC.
- Filed comments for the Commission with the Federal Energy Regulator Commission concerning regional transmission organizations.
- Participated in 8 training exercises and workshops directed by the Emergency Preparedness Office.
- Worked at the state operations center during three hurricanes.
- Assisted the State Energy Office in analyzing utility integrated resource plans and the preparation of a report on Demand Side Management.
- Prepared weekly memorandums on current regulatory issues for the Commissioners and Staff.
- Prepared presentations on slamming, water issues, and consumer education and placed them on the Commission's website.

Outcomes: The studies, investigations, and reports prepared by the Research Department provide much of the information and foundation for developing Commission policy on regulatory issues. The SC legislature also relies on information provided by the Department when considering and writing legislation that impacts the utility industries. Developing working relationships with other state agencies and external organizations have become an important function of the Research Department. The Department has taken a leading role in developing task forces on water issues and consumer education for electric, gas, telephone, water and wastewater customers.

**Program:** Consumer Services Department

**Program Costs:** \$176,847

**Program Goal:** The Consumer Services Department Staff of the Public Service Commission of South Carolina will receive consumer complaints, inquiries, and comments concerning the utility and transportation companies regulated by the Commission. All complaints and inquiries will be investigated and processed in accordance with the Commission's rules, regulations, and guidelines. The Department Staff will also provide the public with Consumer Information and Education.

**Program Objectives:** Address consumer complaints, inquiries and comments; provide educational information and materials to consumers; conduct on-site inspections of facilities serving consumers, conduct water meter tests, and witness electric and gas meter tests performed by utilities; mediate complaint conferences between consumers and utility or transportation companies; conduct regularly scheduled meetings with regulated entities concerning consumer related issues; review, analyze, and report complaint trends; testify before the Commission on consumer related issues; provide assistance to the Commissioners, Commission's staff and the public regarding current and evolving regulatory issues which have the potential to impact the interest of the consumers of South Carolina.

**Priority Ranking:**

1. Investigate consumer complaints, inquiries, and comments concerning the utility and transportation companies regulated by the Commission in accordance with the Commission's rules, regulations, and guidelines.
2. Provide consumer information and educational materials to consumers.
3. Perform on-site inspections of the utilities facilities serving the consumer, conduct water meter tests and witness electric and gas meter tests performed by the utilities.
4. Mediate complaint conferences between consumers and utility or transportation companies.
5. Conduct meetings with the utility and transportation companies concerning the processing and addressing consumer complaints and inquiries.
6. Conduct regularly scheduled meetings with regulated entities to discuss consumer complaint trends.
7. Monitor complaint trends that are identified through consumer contacts to the Consumer Services Department and report findings to the Commission and the Commission staff.
8. Provide testimony in the public hearing process for consumer related regulatory issues.
9. Assist Commission and Commissioners in the review and development of policy regarding consumer related regulatory issues.

**Performance Measures:**

**Workload Indicators**

- Processed 9,345 complaints and inquiries, and provided responses of the investigation findings.

- Staffs' complaint investigations resulted in the recovery of \$366,388.48 in credits and refunds for consumers.
- Conducted 79 meter tests and on-site inspections of the utility facilities serving consumers.
- Received 29,134 WATS line calls from consumers within South Carolina.
- Staff made 6,514 outbound long distance calls in response to consumer complaints and inquiries.
- Conducted 17 meetings with consumers at the Commission and the consumer's point-of-interest locations to discuss and address complaints, inquiries and disputes.
- Mediated 11 complaint conferences between consumers and companies.
- Discovered 2 water systems operating without authority in the state.
- Reached a \$50,000 voluntary settlement with a telecommunications long distance reseller as a result of having petitioned the Commission for a rule to show cause proceeding for violations of the Commission's rules and procedures.
- Held 14 meetings with regulated utility companies on consumer related issues.
- Conducted 9 scheduled conference calls with MCI to discuss escalated consumer issues.
- Consumer information and education was made available through the Commission's web site to help consumers understand their rights and to educate consumers about utility issues, services, and available programs for low-income telecommunications consumers.
- Designated staff continues to work with the University of South Carolina computer staff to address issues involving the Consumer Tracking System (CTS).
- Participated in the Y2K planning and preparation. Staffed the Consumer Services Department offices from 6:00pm on New Year's Eve to 8:00am on New Year's Day.
- Outcomes: Utility consumers are provided with the information necessary to understand their rights and the process for submitting and resolving complaints. Consumers are provided with information to educate them about changes in the utility industries and the services they provide. Telecommunications consumers are made aware of service programs available for low-income households. Staffs' complaint investigations resulted in the recovery of \$366,388.48 in credits and refunds for consumers. Reached a \$50,000 voluntary settlement with a telecommunications long distance reseller as a result of having petitioned the Commission for a rule to show cause proceeding for violations of the Commission's rules and procedures. As a result of the efforts of the Consumer Services Department, consumers are provided with the information to make better decisions and are assisted in resolving complaints.

**PROGRAM:** Transportation Department

**Program Costs:** \$553,253

**Program Goal:** To minimize the unauthorized “for hire” use of motor vehicles on the public highways of this state. To assist all “for hire” motor carriers in bringing their companies into compliance with the laws regulating the hauling “for hire” of passengers, household good and hazardous waste for disposal or any other item or article which falls under the purview of this Commission’s authority. To carry out, support, encourage, develop, and enhance railroad safety through federal/state railroad safety programs.

**Program Objectives:** To provide the state with a well-regulated and safe transportation system which can provide all needed transportation services at a reasonable cost and operate within the motor vehicle laws and the rules and regulations of this Commission. Conduct sufficient on-site inspections of railroad facilities to determine compliance with state and federal safety programs.

**Priority Ranking:**

1. To accommodate the carriers that contact our agency to apply for authority to operate or to purchase decals.
1. To monitor carrier activity statewide and nationwide.
2. Identify existing needs/requirements of our customers.
3. Assist and advise customers regarding Commission rules and regulations and application and decal processes.
4. Perform investigations pertaining to illegal activities.
5. Conduct on-site inspections of railroad facilities to monitor for compliance with the safety regulations.
6. Take enforcement actions, when needed to insure compliance.
7. Conduct investigations of accidents to prevent their recurrence.
8. Assist in promulgating new or amended safety regulations when needed.

**Performance Measures:**

Workload Indicators:

- 9 authorized positions for law enforcement officers.
- 360 inspections of vehicles per month.
- 9 inspectors are given a goal of 2 inspections per day worked.
- Issues citations, warnings and/or warrants of arrest to carriers found to be operating with no intrastate authority or certificated carriers found to be in violation of Rules and Regulations of the Commission.
- Enforcement officers respond to complaints filed by the public and complaints filed by certificated carriers.
- Department staff assists the regulated carriers and the general public with regard to various motor carrier issues.
- Issues certificates of Public Convenience and Necessity , Certificates of Fit, Willing and Able and Charter Bus Certificates to intrastate motor carriers after proving that they are fit, willing and able as determined by the Commission.
- Issues license decals for commercial vehicles holding Class C certificates

of Public Convenience and Necessity operating in this state.

- Schedules hearings as needed to address various transportation matters.
- Reviews all rates with regard to new applications, tariffs on file for certificated carriers and applications for rate increases to determine if the rates are fair and provide adequate compensation to allow continued service.
- Conducts complaint and compliance audits of “for hire” motor carriers as deemed necessary by the Transportation Department.
- 1 authorized position for railroad MP&E inspector.
- 1 authorized position for railroad inspector.

#### Efficiency Measures:

- 360 inspections of vehicles per month by 9 enforcement officers.
- 99 citations/warrants were issued or taken out with assessed fines of \$27,265.
- Enforcement officers issued 49 warnings.
- The department reported 168 responses to complaints.
- 387 assists to regulated carriers and the general public with regard to various motor carrier issues.
- 192 certificates of Public Convenience and Necessity, Certificates of Fit, Willing and Able and Charter Bus Certificates were issued to intrastate carriers of passengers, household goods and hazardous waste for disposal after proving that they are fit, willing and able as determined by the Commission.
- 18 hearings were held concerning various transportation matters.
- 11 rate increase applications handled by the department.
- 8 complaint audits performed on transportation companies.
- All complaints were worked satisfactorily within the Commission guidelines during the period.
- On-site inspections of 1,252 miles of railroad track and 3,939 pieces of rolling equipment were performed.
- 3,001 record inspections were done.
- 41 air brake and single car tests were performed.
- 109 blue signal inspections were done.
- 45 roadway workers inspections were performed.

Note: The number of railroad track inspected was down because the rail track inspector was in training for certification by the Federal Railroad Administration for 7 months during the period.

#### Outcomes:

- ◆ The Transportation Department found 99 transportation companies to be out of compliance with Commission rules and regulations during this period. Fines totaling \$27,265 were issues.
- ◆ License decals issued for commercial vehicles holding Class C certificates of Public Convenience and Necessity operating in this state, producing \$91,524.00 in revenues.

- ◆ The Rail Safety inspections revealed 14 railroad violations. These violations were reported to the companies and appropriate corrective actions were taken.

**Program:** Information Systems

**Program Costs:** \$111,919

**Program Goal:** The Information Systems Department will provide technically advanced automation capabilities and support services to the Commissioners and all departments of the Commission.

**Program Objectives:**

- Provide advanced technical consulting to users in the selection, installation and application of computer hardware and software and in the design of data networks, and web sites.
- Evaluate information systems to determine if programming needs are being met, the systems are being used to their capacity, and users are adequately trained in operation procedures.
- Provide software support for the Commission and Staff with the Microsoft Windows operating system and Microsoft Office Suite; and any other authorized software the Commission may utilize.
- Coordinate training sessions so users can become knowledgeable of the software in use. Develop and prepare materials for user training.
- Respond to various requests requiring operator attention and/or intervention on an as needed basis. Provide specifications and instructions so users can operate programs and software in an efficient manner.
- Maintain and evaluate the agency websites for enhancements and work with users to ensure that relevant content is provided on the sites.
- Assess, select and recommend procurement of software and hardware necessary to meet agency needs.
- Prepare and file the Commissions annual Information Technology Plan.
- Act as Liaison between the Commission and other state agencies, federal agencies, state governments, and corporations in developing database and communication applications necessary for the electronic transfer of data. Supporting staff with accessing of electronic information through other government agencies and related organizations.
- Provide technical support for agency representatives to the S.C. Emergency Preparedness Division's Emergency Support Functions-12 (Energy).
- Analyze, design, test and implement database applications necessary to automate agency departments into fully integrated information technology systems.
- Perform daily backups of servers and user work files.
- Design and assist with preparation of presentations, hand-outs and brochures for the Commission as needed.
- Design and assist with preparation of various forms and templates.

**Priority Ranking:**

1. Provide software and hardware support to the Commission and Staff.
2. Maintain and upgrade software and hardware.
3. Maintain and enhance the Commission's Internet website.
4. Evaluate and enhance information systems for maximum efficiency and use.

**Performance Measures:**Workload Indicators:

- Responded to user support calls on a daily basis.
- Performed daily backups.
- Placed 9 manufacturer hardware warranty support calls.
- Purchased, configured and installed 9 desktop systems.
- Purchased, configured and installed 5 laptop systems.
- Attended 6 conferences and seminars.
- Attended 18 training classes.
- Assisted University of South Carolina Computer Service Division with implementation of a Complaints Tracking System for the Commission's Consumer Services Department.
- Assisted University of South Carolina Computer Service Division with development and implementation of a Docket Management System for the Commission.
- Implemented a user Help Desk to assist with problems in using PCs and installed software.
- Implemented One-on-One training sessions for specific applications.
- Developed Users Manual for Mail Merge.
- Implemented OMT (One Minute Training) program to apprise staff of useful tips and shortcuts via e-mail and website.
- Redesigned and enhanced the Commission's Website.
- Upgraded all user PC's to MS Office 97 SP-2, Outlook 2000 and IE 5.0.
- Upgraded web server to IIS 4.0.
- Upgraded email server to Exchange 5.5 SP 3.
- Upgraded Alpha NT server to NT 4.0 SP 4.
- Prepared numerous brochures and booklets for various departments.
- Directed and completed the Commission's Y2K compliance efforts.
- Acted as the Commission's liaison with the utilities and other agencies concerning their Y2K compliance.

Outcomes:

- The Information Systems Department provides and maintains the necessary technological resources to enable the Commission and Staff to carryout its functions and responsibilities.

**Cost effectiveness of the Commission:** The Public Service Commission, as its name implies, is a service agency, which makes it difficult to measure the cost effectiveness of the Commission or its departments. However, if one considers the measurable workload of the departments primarily involved in auditing and inspecting compared to their budgets, it is apparent that the Commission is a very cost-effective agency. The Legal Department prepares orders and holds hearings at a cost of approximately \$180, which equates to less than 1 hour of time for an attorney. Considering the number of complaints and inquiries addressed by the Consumer Services Department, including meetings with consumers and companies, the costs of the Consumer Services Department is less than \$5 per complaint and inquiry.