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VIA ELECTRONIC FILING

Jocelyn G. Boyd, Esquire
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

Re: Commission Order No. 2018-81 issued in Docket Nos. 2017-207-E and 2017-305-E

Dear Ms. Boyd:

On Wednesday, January 31, 2018, the Public Service Commission of South Carolina (“the Commission”) issued Order No. 2018-81 (“the Order”) in Docket Nos. 2017-207-E and 2017-305-E. The hiring of an expert is necessary to meet the Commission’s request and supplement the South Carolina Office of Regulatory Staff (“ORS”) analysis filed on January 19, 2018. The following statute permits the ORS to hire an expert:

S.C. Code Ann. § 58-4-100. Employment of expert witnesses; compensation.

To the extent necessary to carry out regulatory staff responsibilities, the executive director is authorized to employ expert witnesses and other professional expertise as the executive director may consider necessary to assist the regulatory staff in its participation in commission proceedings. The compensation paid to these persons may not exceed compensation generally paid by the regulated industry for such specialists. The compensation and expenses therefor must be paid by the public utility or utilities participating in the proceedings upon agreement between the public utility or utilities participating in the proceedings and the Office of Regulatory Staff or upon approval by the Review Committee or from the regulatory staff’s budget. If paid by the public utility or utilities, the compensation and expenses must be treated by the commission, for ratemaking purposes, in a manner generally consistent with its treatment of similar expenditures incurred by utilities in the presentation of their cases

before the commission. An accounting of compensation and expenses must be reported annually to the review committee, the Speaker of the House of Representatives, and the Chairman of the Senate Judiciary Committee.

While ORS does not have operating funds to retain an expert, ORS sent a letter to South Carolina Electric & Gas Company ("SCE&G") on February 2, 2018 inquiring if it would pay for the services requested in the Order.¹ As stated in the statute above, expenses incurred by the utility must be treated by the Commission, for ratemaking purposes, in a manner generally consistent with similar expenses. By attached letter dated February 6, 2018, SCE&G agreed to pay for the expert up to \$50,000. Pursuant to South Carolina Consolidated Procurement Code Reg. 19-445.2025.E approval from the South Carolina Office of State Auditor is also required and request for approval has been sent. From discussions with the Office of State Auditor, ORS understands a Request for Proposal will not be necessary.

In the meantime, ORS respectfully requests the Commission provide guidance and/or clarification on whether the attached Draft Scope of Services satisfies the request in Order No. 2018-81.

Sincerely,



Shannon B. Hudson

Enclosures

cc: Parties to Docket No. 2017-305-E (via E-Mail)
Parties to Docket No. 2017-207-E (via E-Mail)
Joseph Melchers, Esquire (via E-Mail)
David Butler, Esquire (via E-Mail)

¹ SCE&G would not control or influence the output of the ORS-hired expert.