



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number:	H. 4379	Introduced on January 9, 2018
Author:	McCoy	
Subject:	Utilities Consumer Advocate Created in the Office of the Attorney General	
Requestor:	House Judiciary	
RFA Analyst(s):	Gardner and Kokolis	
Impact Date:	January 23, 2018	

Estimate of Fiscal Impact

	FY 2018-19	FY 2019-20
State Expenditure		
General Fund	Pending	\$0
Other and Federal	Pending	\$0
Full-Time Equivalent Position(s)	Pending	0.00
State Revenue		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Local Expenditure	\$0	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

The expenditure impact of this bill is pending, contingent upon a response from the Office of Regulatory Staff.

Explanation of Fiscal Impact

Introduced on January 9, 2018

State Expenditure

This bill creates within the Office of the Attorney General the Utilities Consumer Advocate (UCA), an attorney licensed to practice in all state courts who answers to and is appointed by the Attorney General. The Office of the Attorney General must cover necessary expenses related to the UCA position from state appropriations and will set the salary for the position.

The Office of Regulatory Staff (ORS) shall assist the UCA in carrying out their duties by providing research, expertise, and any other assistance requested by the UCA. The UCA represents the public utility interests of consumers. However, a person cannot serve as the UCA if they are affiliated with a utility governed by the PSC. In contrast, a person can serve as the UCA if they are affiliated with a business governed by the PSC, provided they file an annual statement of economic interest and the business affiliation does not cause conflict in the performance of their duties. The official duties of the UCA include: representing consumer interests before state and federal regulatory agencies tasked with fixing rates or prices for public utilities; monitoring regulations, rate structures, and policies of agencies of special interest to utility consumers; conveying relevant information to the public; acting upon consumer requests

concerning these matters; and providing the General Assembly with an annual report on the previous year's activities on behalf of the interests of utility consumers.

The UCA may review the records of the ORS and all other state agencies when necessary to carry out their duties. During the process of ratemaking or other PSC proceedings related to public utilities, the UCA may request the issuance of an order compelling a witness or company to produce or allow inspection of documentary evidence. The bill establishes time requirements for appeals to the issuance or non-issuance of an order. This bill provides the UCA with the power to intervene or participate in any civil proceeding involving the review or enforcement of an action believed to affect the interests of public utility consumers. The bill prohibits the UCA from interviewing or seeking employment with a public utility during their service as the UCA and bars the person from representing a public utility within one year after their service as the UCA. Persons violating this provision are guilty of a misdemeanor and are subject to a penalty of not more than \$5,000 or imprisonment for not more than one year, or both.

In addition to the above, the bill removes the requirement that ORS be responsible for preserving the financial integrity of the state's public utilities and the continued investment in and maintenance of utility facilities. In addition to the ORS' subpoena power, the bill also requires the agency to issue subpoenas at the request of the UCA. Entities failing to provide information requested by ORS staff or the UCA shall be guilty of a misdemeanor punishable by a \$500 fine or 30 days imprisonment. The executive director has the right to intervene in civil proceedings; however, the ORS will not represent the PSC when there is an appeal.

Office of the Attorney General. The bill requires the department to hire a Utilities Consumer Advocate. This position will occupy one FTE and receive an annual salary of \$130,000 with a fringe amount of \$40,000. Additional operating expenses associated with the position are expected to be \$25,000 annually. The total recurring expenditure impact on the General Fund will be \$195,000.

Office of Regulatory Staff. The expenditure impact of this bill is pending, contingent upon a response from the agency.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director