



OKLAHOMA Corporation Commission

2021 Annual Report

Oklahoma Corporation Commissioners

Commissioner Dana Murphy
Commissioner Todd Hiett
Commissioner Bob Anthony



Our Mission

Empowering Oklahoma by:

- Ensuring responsible development of oil and gas resources; reliable utility service at fair rates; safe and legal operation of motor carriers, pipelines, rail crossings, and fueling stations; and prevention and remediation of energy-related pollution of the environment; while
- Balancing the rights and needs of the people with those of regulated entities through development and enforcement of regulations in an open, transparent, ethical and just manner.

Our Vision

To be a trusted, effective agency that works collaboratively to accomplish its Mission in a way that protects people and the environment, conserves natural resources, improves quality of life, promotes continued economic development and holds both itself and the industries it regulates accountable to the residents of Oklahoma.

Want to Know More?

Visit our [website](#) for docket and meeting postings, forms, news, program updates, rules, useful consumer information, and well records. Contact us through our website at Oklahoma.gov/occ.

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Oklahoma Corporation Commission History

The Oklahoma Corporation Commission was established in 1907 by Article 9 of the Oklahoma Constitution.

As the State grew, the decision was made to keep authority over public service companies at the Commission while responsibility over other companies was allocated to the Oklahoma Secretary of State and other state agencies or commissions.

In 1908, pipelines and telephone services were placed under the authority of the Commission. In 1913, regulation of heat, light, power rates, and water became the authority of the Commission.

The Commission began regulating oil and gas in 1914, when it restricted oil drilling and production in the Cushing and Healdton fields to prevent waste when production exceeded pipeline transport capacity. In 1915, the Legislature passed the Oil and Gas Conservation Act which expanded oil and gas regulation to include the protection of rights to all parties entitled to share in the benefits of oil and gas production. During that same year, the Legislature declared cotton gins to be public utilities and extended Corporation Commission authority over utility companies to include practices as well as rates.

While the Commission's basic regulatory responsibilities have remained intact, many changes in Federal and State laws have changed what is regulated.

The Commission presently regulates public utilities, except those under federal or municipal jurisdictions or exempt from regulation; oil and gas drilling, production and environmental protection; aspects of motor carrier, rail and pipeline transportation; most taxis, limousine and for-hire buses; transportation networks, (e.g., Lyft, Uber); towing companies performing non-consensual tows; cotton gins; pipeline transportation; and private water companies. The Commission also has the responsibility to ensure proper operation of fuel dispensing units (i.e., gas pumps) at all retail filling stations, and the remediation of groundwater and soil pollution caused by leaking petroleum storage tanks.

The Commission also enforces federal regulations regarding the underground disposal of certain oil and gas waste fluids.

The Commission is comprised of three Commissioners who are elected by a statewide vote of the people to serve a six-year term. The terms are staggered so one Commissioner vacancy occurs every two-years. The Commission has administrative, judicial, and legislative authority. The three Commissioners rule on all regulatory matters within the jurisdiction of the Commission. Commission orders are appealable only to the Oklahoma Supreme Court.



Fiscal Year 2021 Commissioners

Commissioner Todd Hiatt



Todd Hiatt is married to Bridget Hiatt and they have three children, Jimmy, John and Hillary. The Hiatt family lives on a ranch two miles south of Kellyville. Hiatt graduated from Oklahoma State University. Hiatt was elected to the Oklahoma House of Representatives in 1994 at the age of twenty-seven. Hiatt quickly ascended into leadership and was selected by his colleagues to be House Minority Leader in November of 2002. Two years later, he led the state House Republicans to their first majority in eight decades and their largest victory in nearly a half-century. Marking a historic shift in power at the Capitol, Hiatt was chosen the first Republican Speaker of the House in more than eight decades.

During his first year as Speaker, Hiatt oversaw a smooth transition as House Republicans ascended to power with a bold agenda. The new Speaker pushed through the largest tax cut in state history, the most significant right-to-life legislation in thirty years, an innovative highway-funding bill and significant education reforms, collectively known as the ACE Initiative, which raised the bar for curriculum standards and graduation requirements in Oklahoma.

After a successful twelve years in the Oklahoma Legislature, Speaker Hiatt worked eight years with various entities in the manufacturing, navigation and energy industries. In this role, Hiatt enjoyed the opportunity to work with many pro-growth companies such as Webco Industries and Callidus Technologies to strengthen and expand their ability to provide jobs.

Most recently, Hiatt was elected to serve as Chairman of the Oklahoma Corporation Commission, effective April 1, 2019.

Bridget Hiatt teaches at Kellyville Elementary. Sons Jimmy and John are graduates of Oklahoma State University. Daughter Hillary is a junior at Oklahoma State University. The Hiatts attend First Baptist Church of Kellyville.

Todd and Bridget continue to operate a ranch south of Kellyville, and Todd serves on the board of directors for SpiritBank and as a member of the SpiritBank Corp. Holding Co.

Commissioner Bob Anthony



Bob Anthony, Republican, is currently the longest serving utility commissioner in the United States and has served six times as chairman of the Oklahoma Corporation Commission. He is a member of the board of directors for the National Association of Regulatory Utility Commissioners and past chairman of the National Regulatory Research Institute. The United States Secretary of Energy has appointed Anthony to a fifth term on the National Petroleum Council. He currently serves on the Public Interest Advisory Committee of the Gas Technology Institute. He is past president of the Mid-America Regulatory Conference, a member and past president of the Economic Club of Oklahoma, and for eight years served as a delegate to the worldwide General Conference of the United Methodist Church.

Anthony holds a BS from the Wharton School of Finance at the University of Pennsylvania; a Master of Science from the London School of Economics; a Master of Arts from Yale University; and a Master of Public Administration from Harvard University. He rose to the rank of captain in the U.S. Army Reserve. In 1972 he served as staff economist

for the United States House of Representatives Interior and Insular Affairs Committee (now called the Natural Resources Committee). From 1979 to 1980 Anthony served on the Oklahoma City Council as Ward 2 Councilman and then as vice mayor. In 1980, at age thirty-two, Anthony became president of C.R. Anthony Company retail stores, then the largest privately-owned firm headquartered in Oklahoma. During his seven-year term as president, the retail chain issued more than 10,000 W-2s annually, with sales, payroll, employment, and dollar profits reaching all-time record levels. In 1988 he was chairman of the Trust Committee of Oklahoma's largest bank trust department.

In 1995 the Federal Bureau of Investigation honored Anthony with its highest award given to a citizen who "at great personal sacrifice, has unselfishly served his community and the nation." Among other recognitions, the AARP of Oklahoma presented Anthony with an award "in appreciation of his tireless efforts on behalf of Oklahoma consumers."

Anthony has served as a statewide elected official longer than any other current Oklahoma office holder, winning his sixth consecutive six-year term on the Oklahoma Corporation Commission in 2018, with a victory in all seventy-seven counties. He initially ran for the Corporation Commission in 1988, becoming the first Republican elected to that body in sixty years and receiving more votes than any Republican since statehood. In 1994 Anthony became the first Republican incumbent in Oklahoma history to win statewide re-election to a state office. In 2000 he was re-elected, receiving more votes at that time than any candidate for state office in Oklahoma history.

All four of Anthony's grandparents came to Oklahoma before statehood. His father was born in Cleveland, Oklahoma, and his mother grew up in Enid, Oklahoma. The Commissioner and his wife, Nancy, were married in 1975. They are the parents of four daughters and have five grandchildren.

Commissioner Dana Murphy



Born in Woodward, Oklahoma, Commissioner Murphy is a fifth-generation Oklahoman deeply committed to her home state. After attending Central State University in Edmond, Oklahoma, where she received the Best All-Around Freshman Athlete award, she attended Oklahoma State University (OSU) and graduated in the top ten percent of her class with a bachelor's degree in geology. After practicing as a geologist for ten years, she obtained her law degree cum laude while working and attending night school at Oklahoma City University.

On November 4, 2008, she was first elected to the statewide office of Oklahoma Corporation Commissioner for a partial two-year term. She was re-elected to full six-year terms on July 27, 2010, and July 13, 2016. She previously served as Chairman of the Corporation Commission from January 3, 2011 through July 31, 2012 and February 1, 2017 through March 31, 2019.

Commissioner Murphy's prior experience includes serving for almost six years as an administrative law judge at the Commission, where she was named co-employee of the year for 1997 and received the Commissioners' Public Servant Award in 2001. She has more than 22-years' experience in the petroleum industry including owning and operating a private law firm focused on oil and gas title, regulatory practice and transactional work and working as a geologist.

Commissioner Murphy is a member of the National Association of Regulatory Utility Commissioners (NARUC), where she serves on the Electricity Committee. She is a member of the Electric Power Research Institute (EPRI) Advisory Council. She is the Oklahoma member of the Regional State Committee of Southwest Power Pool. She also serves on the Oklahoma Water Resources Research Institute Advisory Board, serves on the advisory board of the Financial Research Institute, and is a member of the Oklahoma Bar Association, and Oklahoma Women's Coalition.

In March 2007, Commissioner Murphy was recognized as an outstanding woman in energy by Energy Advocates. In 2010 she was recognized for dedicated service by the National Association of Royalty Owners and in 2011 received the Friends of Agriculture Cooperatives Award. She is also a recipient of the University of Central Oklahoma Distinguished Alumni Award for 2012. She serves as a trustee and previously served as a care chaplain for the Church of the Servant United Methodist Church in Oklahoma City. She also serves as a member of the Salvation Army's Central Oklahoma Area Command Advisory Board.

Prior to joining the Commission, she was a member of the board of directors of Farmers Royalty Company and a member of the Edmond Chamber of Commerce. She is also a part-time personal fitness trainer. Commissioner Murphy lives in Edmond, Oklahoma, but continues to be actively involved with her family's farm and ranch in Ellis County, Oklahoma.

Administrative Services

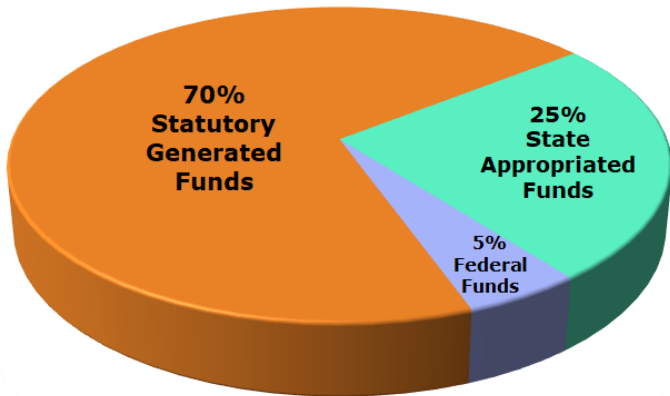
Administrative Services is comprised of the finance and human resources functions for the entire agency. Together, they oversee all fiscal and human capital operations for its 4 core divisions, as well as the support division. Administrative Services staff responsibilities include:

- Create and present monthly financial statements; quarterly and annual financial reports for the Commission
- Respond to audits with corrective action plans and track progress
- Establish, maintain, and analyze agency's fiscal budget
- Provide fiscal impacts and monitor legislation
- Perform procurement and accounts payable functions, including P/Card program
- Process all agency revenue and deposit in a timely manner
- Perform clearinghouse disbursements for the IFTA and IRP programs
- Reconcile all agency accounts and make transfers to appropriate funds
- Open, sort, scan, and route all agency mail
- Receive goods, process receipts, and distribute to divisions
- Inventory, surplus, and asset management functions
- Maintain building projects, safety inspections and requirements
- Complete risk management surveys and forms
- Process agency's bi-weekly payrolls
- Interview, on-board, and off-board agency employees
- Provide HR support (benefits, retirement, performance ratings, salary changes, discipline) to all 542 current employees

Financial Review

Commission operations are categorized by three fund types: discretionary, restricted, and federal. Discretionary funds include money appropriated from the state's general revenue fund and the Corporation Commission's revolving fund, both of which can be spent for all agency-related operations. Restricted funds are monies deposited into agency revolving funds that regulated entities pay for things like licenses, permits, fees, and fines. Oklahoma statutes restrict this fund's use to only what the law allows and cannot be transferred to other departments or for other uses within the agency. The Commission receives federal funds for programs that agency staff administer and can only be used for the grant's specified purpose. Lastly, the agency maintains two fiduciary funds for unlocated mineral owners and oil and gas operators' surety.

FY21 OCC Revenue by Source



Only about 25% of the agency’s \$78 million budget comes from money appropriated by the state legislature. Federal money makes up about 5%, while the rest (70%) comes from customers through assessments, fees, citations, the Indemnity Fund, and revenue apportioned by statute.

Two divisions, Public Utility and Petroleum Storage Tank, are self-funded. The Public Utility Division funds itself through an assessment on regulated entities for wind fees and reimbursement from the Oklahoma Universal Service Fund for certain costs to administer the program. The Petroleum Storage Tank Division receives money from the Indemnity Fund, which is largely funded by a motor fuel assessment, as well as federal grants. Both the Transportation and Oil and Gas

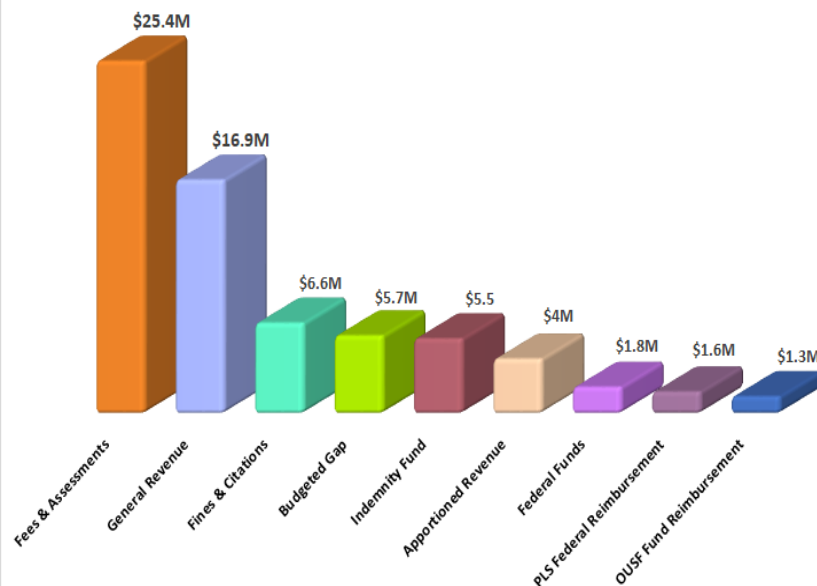
Divisions rely on appropriations, fees, and fines to cover operational costs. Revenue to each of those divisions is inherently volatile, because economic factors like oil and gas drilling activity influences the amount funding generated each year.

In FY2021, the agency received additional appropriations for a second year to fund digital transformation and agency modernization. Another substantial increase to revenue was based on more post-pandemic fee income which off-set the agency's investment in IT efforts to reduce its old technology debt. Overall, the agency’s available cash remained consistent at \$32 million compared to FY 2020.

Substantial efforts were made to target the agency budget process to ensure budget requests are in line with both known and anticipated needs, with the goal of actual spending falling within 10% of its established budget. Finance closely monitored activities and collaborated with the divisions to bring budgets into line within certain categories and align expenditures with revenues.

Despite the impact of the pandemic during the last half of the fiscal year, the agency had 3 of the 5 divisions meet this goal.

FY2021 Budgeted Revenue



Figures may not add to total FY21 budget of \$68,898,095 due to rounding.

The largest impact to the Finance team in FY2021 was at the beginning of the fiscal year with implementation of the agency's first phase of the IMS enterprise system - Revenue Tracking. This phase provides for all OCC revenue to be tracked in detail within a single system to minimize risk, increase transparency, and improve financial reporting components. IMS works in tandem with the statewide PeopleSoft application by providing more detailed accounting to properly recognize revenue and validate fund transfers from the Commission's 200+ revenue streams. This system development, in conjunction with a central processing area created to securely open, scan, and route agency mail, responded to a long-outstanding audit finding dating back to 2008.

Human Resource Activity

The Commission has a four-person human resource team that supports almost 550 employees across five agency divisions posted throughout the state. The staff provides advice, guidance and administrative support to personnel, managers, and senior leaders in all aspects of human resources.

Staff demographics are listed below:

- About two-thirds of staff held classified positions, and slightly over one-third were designated as unclassified
- The population is slightly less than two-thirds male, and over one-third female
- The average employee age is 50 years old
- Within the next 5 years, 41% of total agency staff is eligible to retire, while 29% are retirement-eligible now
- Two-thirds of employees have been at the agency over 5 years, with more than 25% being employed 20 years or more
- The Commission field staff make up 46% of the agency's workforce

The transition of the entire agency from a pre-paid, negative time-reporting monthly payroll to a post-paid, positive time-reporting bi-weekly payroll in FY 2020 has proven beneficial as the State makes the move to the new Workday system for Human Capital Management. The new system is slated to be implemented during the summer of 2022. Much preparation has occurred to ensure that all state employees make the smooth transition to the new system. A project named BrightPath was developed to allow for mass communication of the upcoming change and provides the opportunity for each agency to be involved in the planning, transition, and ultimate support after the new system goes live. This is an enormous project that will take years to fully complete. Workday will streamline and modernize HR and talent management across all Oklahoma state agencies.

Other activity for the fiscal year included:

- Administered pay-rate changes for court reporters mandated by the legislature
- Performed over 150 transactions, including hiring, promotions, and appointment/title changes
- Processed 53 staff separations due to resignations, dismissals, and retirements
- Handled numerous transactions relating to disability insurance benefits, Family Medical Leave Act, health insurance benefits, life insurance benefits, jury duty, leave without pay, garnishments, military leave, paid leave, retirement benefits, shared leave, and Sooner Save

- Provided coaching, discipline, workplace safety, Workers' Compensation, employee development, the Fair Labor Standards Act, the Performance Management Process, SEAT, and other training

The statistics listed above required thousands of entries into the HCM PeopleSoft system, along with the filing of legal source documents and confidential personnel records. HR continues efforts to scan all personnel files for electronic storage and minimize paper usage.

The Commission's workforce reduced slightly by 1% from the previous fiscal year. Although the Commission is heavily invested in recruiting and hiring to maintain sufficient staff to fulfill its constitutionally and statutorily mandated missions, it is losing a number of employees throughout the agency each month due to natural attrition, pandemic concerns, and superior salaries offered by private industry. The agency lost 53 people, almost 10% of its workforce, during the fiscal year.

The Commission is committed to ensuring that every hire is necessary to meet its legislative mandates, including Title 17 and the Oklahoma Merit Rules, as well as the aggressive strategic goal of automating the on/off boarding of employees to streamline the process. The HR Team strives to gain efficiencies and promote change agency-wide, while modernizing and preparing for the future transition to the new, post-pandemic culture of the workforce.

Modernization and Pandemic Efforts

The biggest challenge Administrative Services staff faced this year was responding to the ever-changing employees' needs due to the COVID-19 pandemic. Many tasks were added to this group's heavy workload, without having any previous experience to provide guidance through unprecedented times. Some of the additional duties involved maintaining building attendance logs to assist in contact tracing for over 250 employees, researching and responding to over 200 fraudulent unemployment claims, communicating and updating protocols frequently to align with CDC guidelines, procuring and distributing personal protective equipment (PPE) to all locations, performing wellness calls to every single employee, as well as creating a daily support session for staff struggling with the effects of the pandemic. Outdoor employee appreciation events were also planned, like food trucks and snow cones, to promote employee interaction, while maintaining proper distancing. Testing site information was also gathered to share with staff needing those services.

Building cleanings were scheduled regularly to clean areas of known on-site exposures. Contractors were added to the cleaning crew to provide daily, detailed cleanings to reduce the potential of exposure. Many Administrative Services staff remained on-site, in a rotating schedule, to perform critical functions such as mail distribution, receiving goods, processing and depositing payments, providing HR support, and ensuring building pandemic protocols were being followed.

During this period, Administrative Services remained hyper-vigilant in overseeing COVID-19 funding reimbursement requests. All expenditures submitted for reimbursement were directly related to PPE and time spent performing COVID-related transactions. The agency invested less than \$1,000 to have KN95 masks tested to ensure their authenticity given the investment. The testing paid great dividends when one order was determined to not be authentic KN95 quality masks. The vendor provided a credit for the original order and replaced them with authentic masks, saving the agency over \$35,000. Administrative Services was also able to modernize several processes to allow for remote work and limit the number of in-person Commission staff for potential exposure by routing information electronically. New workflow processes were established for mail

distribution, invoice approvals, purchase and travel requests, and HR transactions. HR also moved to a remote interview and hiring process.

The group continued to enhance the first floor one-stop shop operations, improving the customer service experience for all those visiting the Commission in-person. This project eliminated the need for a customer to travel between multiple floors to process their transaction. All divisions now have a representative in this area, as well as the cashier to receipt payments received. A customer service manager was created to ensure consistent customer levels were achieved across all divisions. A concierge position was also established to greet all customers upon entry. Efforts continue to evaluate current processes and modernize as much as possible to provide the maximum level of customer service.

Oil and Gas Conservation Division

In 1915, the Corporation Commission received from the Legislature the statutory responsibility for regulating the oil and gas exploration and production industries in Oklahoma. The Oil and Gas Conservation Division's primary responsibilities are to:

- Abate and prevent any pollution that might result from oil and gas exploration and production activities
- Prevent the waste of the state's oil and gas resources
- Protect the correlative rights of all entities entitled to share in the proceeds, which are generated from the production and sale of oil and gas

This Division's mission statement further clarifies its focus for staff, stakeholders and the general public:

The mission of the Oil and Gas Conservation Division (OGCD) is to provide compliance, information, investigation and permitting services to the oil and gas industry, landowners, mineral interests and the general public so together we can develop the oil and gas resources of the state in a fair and orderly manner while protecting the environment and ensuring the public's safety.

To accomplish this mission, OGCD is organized into 7 departments:

- Field Operations
- Pollution Abatement
 - Environmental Waste Management
 - Brownfields

- Technical
 - Compliance
 - Technical Review
- Induced Seismicity
- Underground Injection Control (UIC)
- Public Assistance
- Administrative
 - Document Handling
 - Intents to Drill
 - Surety
 - Well Records

Field Operations Department

The purpose of the Field Operations Department is to provide investigation, enforcement, and assistance services to the oil and gas industry, surface owners, mineral owners and the public so they can access information, resolve issues and correct problems. Field Operations is responsible for overseeing all of the oil and gas drilling and production activities in the state of Oklahoma.

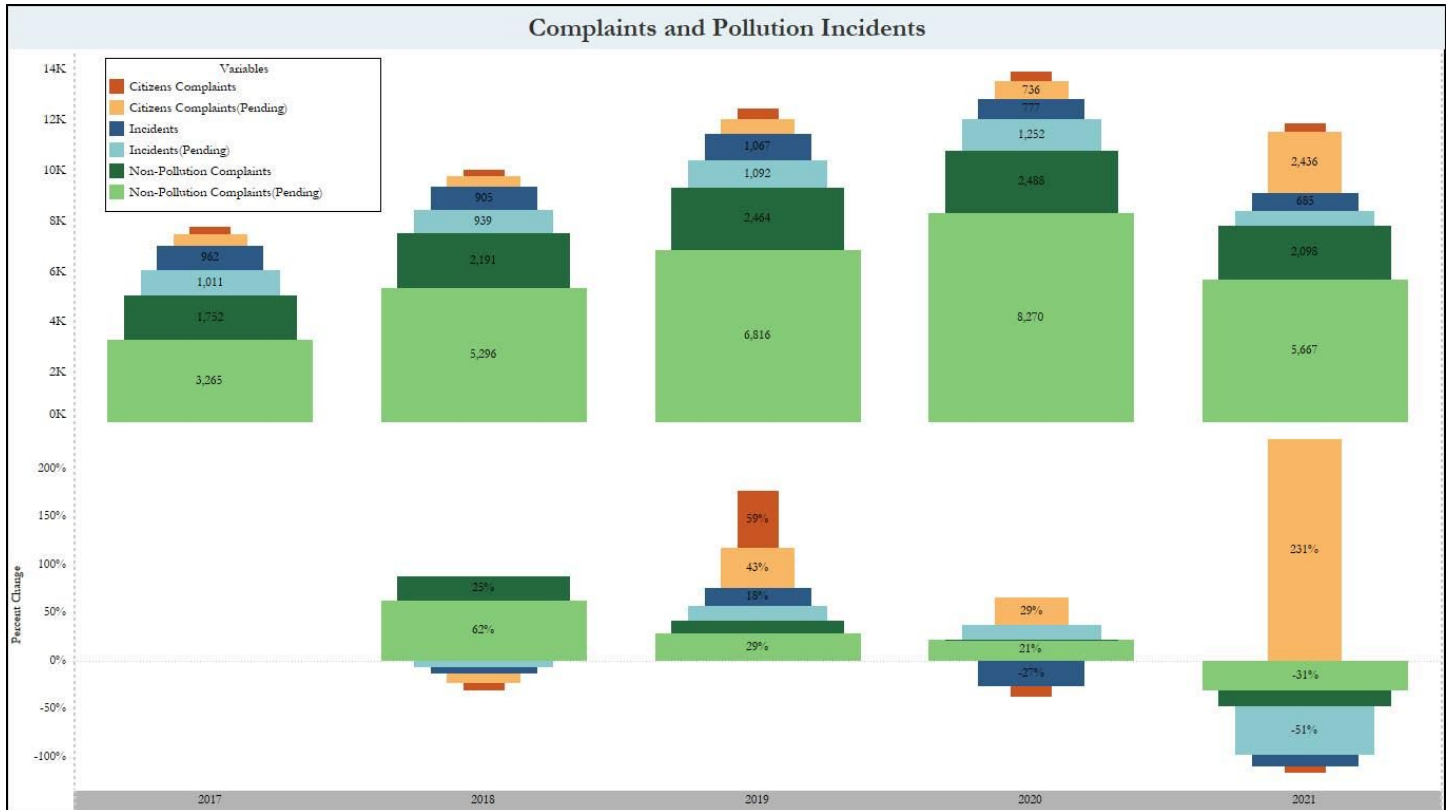
The Field Operations Department's primary objectives are the prevention and mitigation of pollution. The work includes:

- Well Inspections
- Ensuring proper plugging of wells
- Ensuring that "good housekeeping" practices are followed on site
- Identifying and prioritizing wells that need to be plugged using state funds
- Identifying, researching and referring abandoned oil field sites to OERB
- Witnessing well mechanical integrity tests (MIT)

Field Operations has 4 District offices located in:

- Bristow – District I
- Kingfisher – District II
- Duncan – District III
- Ada – District IV

In FY2021, the Field Operations Department's 66 field inspectors conducted 69,052 site inspections, 5,714 underground injection control well inspections, and 3,466 complaint investigations, as well as overseeing 1,482 well plugging jobs and 2,612 mechanical integrity tests.



Field Operations is also responsible for identifying and referring abandoned oil field sites to the Oklahoma Energy Resources Board (OERB). In FY2021, 929 sites were referred to the OERB and the Brownfields Department.

Field Operations has streamlined processes for responding to incidents to maximize efficiency and make the best use of time for enforcement actions. A 30-day period has been implemented to allow for resolution of the incident before an enforcement is filed. This process has reduced the number of enforcement actions allowing for operators to safely and legally continue with operations and field staff to document the process along the way.

The statewide contract for well plugging is now in use and has greatly reduced the amount of time it takes to plug abandoned and surety forfeit wells. There are currently 14 pluggers on the list for the statewide contract with plans to re-open the solicitation and allow more pluggers to become a part of the contract.

Pollution Abatement Department

The Pollution Abatement Department’s purpose is to provide environmental management services to division field inspectors, the oil and gas industry, landowners, and state and federal agencies in order to ensure Oklahoma’s oil and gas resources are safely and responsibly produced. Pollution Abatement includes the following sections:

- Environmental Waste Management
- Brownfields

Highly complex and technical applications require thorough review and analysis by OCC staff before a project can move forward. Agency experts also help oil and gas operators manage their waste in order to ensure the



state's groundwater is protected from potential contamination. Protecting and restoring land and groundwater from pollution enables the state to further advance economic development.

Properly managing waste disposal is paramount to oil and gas drilling. Without proper disposal and management options, petroleum development cannot continue.

Environmental Waste Management Section

Environmental Waste Management responsibilities include:

- Monitoring and regulating waste disposal resulting from oil and natural gas activity
- Overseeing necessary clean-up and restoration efforts
- Responding to pollution complaints

Staff spend hours with operators prior to approving each waste disposal project application discussing regulatory specifications, examining site assessments, and evaluating proposals to ensure each site is suitable for what is requested. This analysis involves multifaceted technical documents that require vast knowledge of environmental engineering controls, soil science, geology, chemistry, and an in-depth understanding of various state and federal regulations. This specialized knowledge is important so staff can address disposal and potential reuse options for oilfield waste material. Department staff continued to be a major participant in the [Governor's Produced Water Working Group](#), which is tasked with investigating alternatives to produced water disposal.

During FY2021, Pollution Abatement Staff processed 342 applications for one time land application (1014S) and 469 post land applications (1014R). Field staff completed 1,978 site inspections, 1,155 conference calls/meetings, 1,672 environmental sampling events, 4,008 file reviews, 576 referrals for assistance, 802 industry consultation events, 709 remediation plan reviews/approvals, and 339 surety reviews.

Brownfields Section

The Brownfield Program provides a process for individuals, companies, and organizations to voluntarily investigate, remediate, and receive a liability release for any pollution found on properties contaminated by historic oil field exploration and production activities or old petroleum storage tanks.

One of the Brownfield Program's main functions is to do site-specific work, which is described in the [Brownfield Program Story Map](#) on the OCC Brownfield Program website.

The OCC Brownfield Program closed 9 sites in FY2021. The Vian Peace Center was a historic, out-of-use service station with underground storage tanks. This site required removing the tanks and an environmental investigation. The Brownfield Program provided this non-profit with both the investigation and tank removal. After the site was addressed through the Petroleum Storage Tank Division (PSTD) Indemnity Fund, it was closed and received a Certificate of Completion. This assistance allowed the Vian Peace Center to expand its current facility uses to include a food pantry, library, free computer access, and free tutoring services to the community.

NE 4th and Wisconsin in Oklahoma City had impacted soil and groundwater from historic oil and gas activity on and near the site. An environmental investigation was performed at the site by the owner. The Brownfield Program provided oversight of the investigation and required an institutional control for the site. The site received a Certificate of No Action Necessary. This allowed the site to be used by the Oklahoma City Urban

Renewal Authority for redevelopment.

Former Smalley Station was an historic gas station with out-of-use underground storage tanks. The site owner provided its own environmental investigation and tank removal and underwent remediation through the PSTD Indemnity Fund.

The Brownfield Program provided oversight of the investigation and the site received a Certificate of Completion. This allowed the current owner to open a new restaurant,



Social Capital, in the new Core to Shore area of downtown Oklahoma City.

NE 12th and Fonshill in Oklahoma City had impacted soil and groundwater from historic oil and gas activity on and near the site. An environmental investigation was performed at the site by the owner. The Brownfield Program provided oversight of the investigation and required an institutional control for the site. The site received a Certificate of No Action Necessary. This allowed the site to be used by the Oklahoma City Urban Renewal Authority for redevelopment.

The Walnut Project in Oklahoma City had impacted soil and groundwater from historic oil and gas activity on and near the site. An environmental investigation was performed at the site by the owner. The Brownfield Program provided oversight of the investigation and required institutional control for the site. The site received a Certificate of No Action Necessary which allowed the site to be used by Walnut Projects, LLC for redevelopment.

The Northeast Resource Center (NERCI) Soup Kitchen was an historic out-of-use service station with underground storage tanks. The non-profit needed both the tanks removed and an environmental investigation. The Brownfields Program provided NERCI with the necessary investigation and tank removal. After the site was addressed through the PSTD Indemnity Fund, it was closed and the site received a Certificate of Completion which allowed the owner to expand current operations into a larger facility to handle its growing outreach needs.

The Waggoner Trucking NE Parcel and Kerr-McGee Parcel in Oklahoma City were impacted from historic oil and gas activity on and near the sites. An environmental investigation was performed at the sites by the owner. The Brownfield Program provided oversight of the investigations and required an institutional control for the sites. The sites received a Certificate of No Action Necessary allowing the sites to be used by the owner for redevelopment.

1515 NE 12th Street in Oklahoma City had been impacted from historic oil and gas activity on and near the site. An environmental investigation was performed at the site by the owner. The Brownfield Program provided oversight of the investigation and required an institutional control for the site. The site received a Certificate of No Action Necessary allowing the site to be used by the Oklahoma City Urban Renewal Authority

for redevelopment.

The Brownfields Program enrolled 14 new sites in FY2021:

- Floyd's Apco, 10th Street Sinclair, J.C. Wilson, and Company Station in Okemah, OK
- Outsiders DX Station in Sperry, OK
- 2445 North MLK, 2523 North MLK, Waggoner Trucking NE Parcel, Waggoner Trucking Kerr-McGee Parcel, Waggoner Trucking Vacant Parcel, Waggoner Trucking Buildings Parcel, NE 4th and Wisconsin, 12th and Fonshill, and 1515 NE 12th Street in Oklahoma City
- McCormick Station in Boley, OK

The Brownfield Section staff manage several ongoing projects, including:

- The Former Body Works Facility
- Floyd's Apco
- 10th Street Sinclair
- J.C. Wilson & Company Station
- 2445 North MLK
- 2523 North MLK
- Waggoner Trucking Vacant Parcel
- Waggoner Trucking Buildings Parcel
- McCormick Service Station

All are in the process of going through various requirements of the program.

In addition to site-specific projects, one Brownfields Section staff member manages the [Oklahoma Historical Aerial Digitization Project \(OHADP\)](#). This project coordinates the gathering, scanning, and geo-referencing of all the existing historical aerial photographs in the state from the 1930s to the 1980s, to create a permanent digital record of how the state's surface has changed throughout time. All of the data will be made available to the public.

Newly scanned and georeferenced photographs are periodically given to the Office of Geographic Information for uploading to their file transfer protocol site. These photographs were originally collected using taxpayer dollars after The Great Depression. Agency staff use the archived photos to track contamination history in some of its cases.

Brownfield Section staff also work closely with the Department of Environmental Quality and local tribal and municipal Brownfield Programs to coordinate efforts for promoting various OCC resources to the public.

The OCC Brownfield Program has leveraged millions of development dollars with the federal grants it receives by providing technical and financial assistance to properties contaminated, or perceived to be contaminated, by historic oil and gas exploration and production activities, pipelines, bulk oil storage, and gas stations.

Technical Department

The Technical Department's purpose is to provide compliance and permitting services to both the general public and the oil and gas industry, as well as technical review for various legal documents. FY2021 brought many challenges to the Oil and Gas Conservation Division. While working remotely during the pandemic, all review processes were moved online through various modes. The Technical Department eliminated backlogs,

reviewed applications as they were filed, held daily department meetings and technical conference meetings as needed all online. Data-cleanup, streamlining review processes, rulemaking, and participation in the digital transformation of the OCC were all successfully accomplished while working remotely. The technical department includes the following sections:

- Compliance
- Technical Review

Compliance Section

Compliance responsibilities include:

- Analysis and recommendations
- Data compilation, presentation, and supporting filings
- Ensuring testing compliance
- Ensuring all operators in the state maintain surety for plugging wells and remediating sites
- Maintaining reporting requirements for oil and gas wells completed in the state

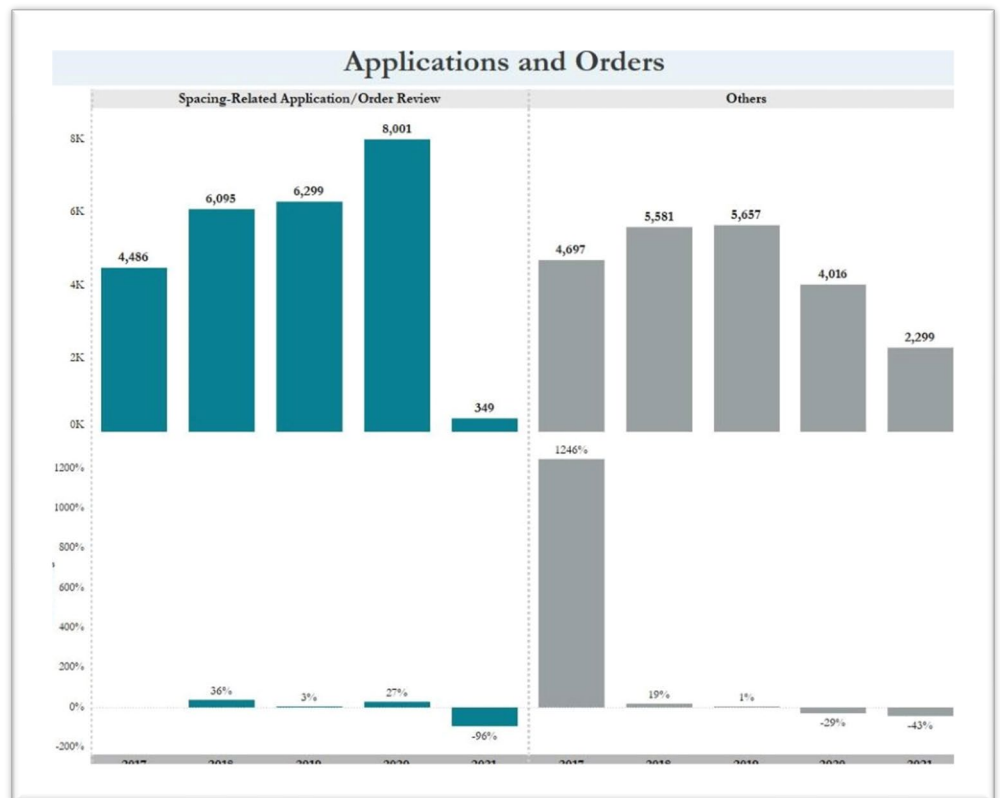
During FY2021, staff processed gas volume reports containing monthly production information on the 43,050 gas wells in the state. There were 107 new companies that filed Financial Assurance Mechanisms and Operator Agreements with the state and 2,454 active operators in the state as of June 30, 2021.

Technical Review Section

Technical Review is responsible for ensuring the various applications filed and orders issued meet approval criteria pursuant to Commission rules.

Staff workload included:

- 3,073 requests for surface casing and pit requirements
- 1,011 applications to drill, recomplete, and re-enter wells
- 2,648 spacing, location exceptions, increased density, and other related applications and orders
- 0 applications for vacuum pump installations
- 41 applications for venting or flaring of gas
- 4 applications for other forms of technical relief



- 1,513 completion reports

Induced Seismicity Department

The Induced Seismicity Department (ISD) is responsible for mitigating the risk of induced seismicity in Oklahoma related to oil and gas activity. ISD's mission is to ensure the utmost stewardship of oil and gas data submitted to and maintained by the OCC, instill public confidence in the duties bestowed upon the OCC, and demonstrate to varied stakeholders the fulfillment of ISD's responsibilities. To accomplish these goals, ISD monitors and tracks all earthquake and oil and gas activity in Oklahoma using modern software, including Geographic Information Systems (GIS). ISD has also developed numerous tools and automated systems to alert staff of earthquake activity throughout Oklahoma in near real-time.

ISD is a multi-disciplinary department that collaborates regularly with industry, academia, and other state and federal regulatory entities to stay abreast of new developments in the science of Induced Seismicity, as well as tool/application development. Such collaborations include:

- University of Oklahoma
- Oklahoma Geological Survey
- USEPA Region 6
- Stanford Center for Induced and Triggered Seismicity (SCITS)
- Ground Water Protection Council (GWPC)

In FY2021, ISD responded to one earthquake event ≥ 4.0 magnitude located within the Area of Interest (AOI) for Induced Seismicity reported by the Oklahoma Geological Survey. The Induced Seismicity Department acted to shut-in 5 Arbuckle disposal wells located within 3 miles of the epicenter of the earthquake. 16 disposal wells located within 3 to 10 miles of the epicenter were limited to 50% of the previous injection rates.

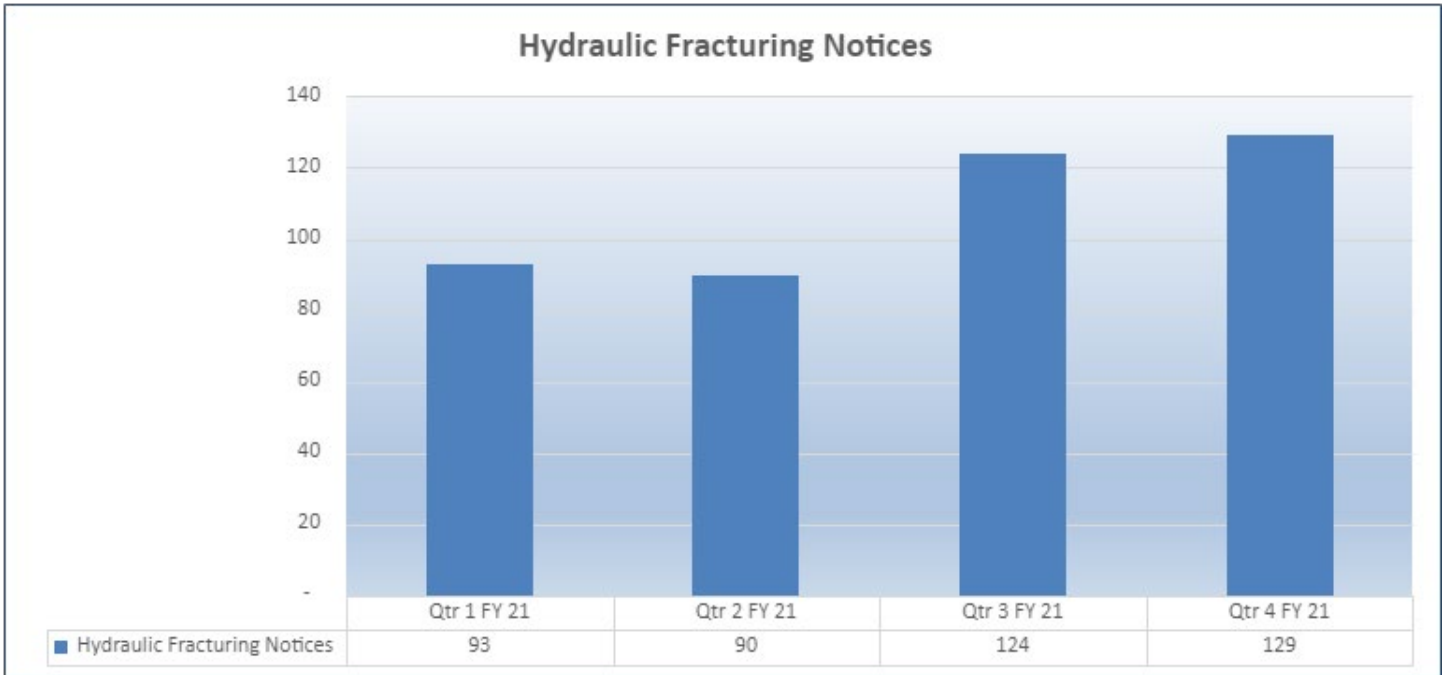
In response to seismic activity associated with hydraulic fracturing (HF), ISD directed operators to cease completion operations temporarily on three occasions during FY2021. All suspended wells were successfully completed at a later date. ISD recorded more than 67 individual communications with operators related to HF seismicity during FY2021. Operators paused completion activities at least 50 times due to HF induced seismicity during FY2021. Operator contacts for HF induced seismicity increased from 3 in 1st Quarter FY2021 to 15 contacts in 4th Quarter FY2021, a 400% increase.

The frequency of earthquakes during the 4th Quarter of FY2021 for magnitude ≥ 3.0 has declined by 2 events, or 22%, since 1st Quarter FY2021. A year-over-year comparison of total earthquake counts (magnitude ≥ 3.0) for FY 2020 and FY2021 exhibit a decrease of 17 events, or a 33% decrease, from the previous year. Total earthquake counts ≥ 4.0 magnitude increased slightly from FY 2020 to FY2021 with an increase to 2 events in FY2021.

Arbuckle injection volumes in the AOI saw a year-over-year decline of 70.7 million barrels from FY 2020 to FY2021, or a 23% decrease. Arbuckle disposal volumes within the AOI, a 15,000 square mile area in central and northern Oklahoma, have dropped 81% since peak Arbuckle injection in FY 2016. There were approximately 544 Arbuckle disposal wells and 133 operators in the AOI at the end of FY2021.

ISD received 435 Hydraulic Fracture Notice Forms during FY2021. Submissions declined by 438 Notices, or 50%, year-over-year from FY 2020 to FY2021. Continuing economic and supply issues reduced the rate of new wells completed during FY2021. ISD witnessed a slight increase in activity of 11 Notices from 1st Quarter

FY2021 to 4th Quarter FY2021, or a 12% increase, in hydraulic fracturing activity.



In FY2021, ISD staff joined regulators, academics, and industry representatives from across the United States to update a report entitled [“Potential Injection-Induced Seismicity Associated with Oil & Gas Development: A Primer on Technical and Regulatory Considerations Informing Risk Management and Mitigation.”](#) The Primer document is jointly published by States First Initiative, a collaboration between GWPC, IOGCC, and state regulators, and was last updated in 2017. Numerous regulatory examples and rules were included from Oklahoma’s response to induced seismicity. A State Response Summary to induced seismicity in Oklahoma was compiled by ISD staff and submitted to the committee for inclusion in the final report.

Underground Injection Control (UIC) Department

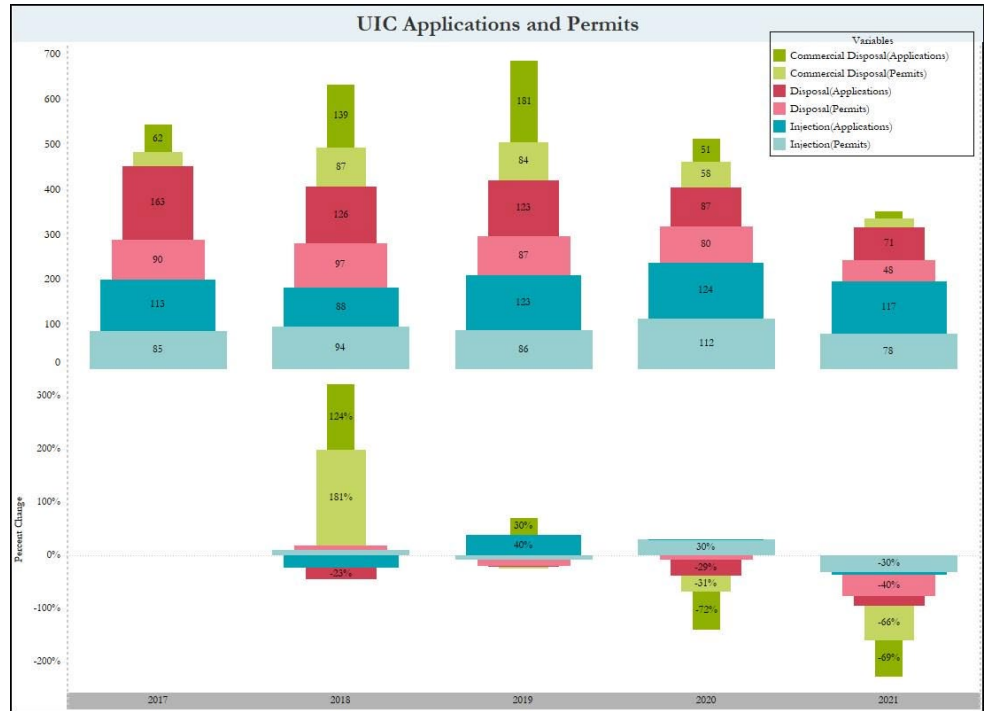
In FY2021, UIC reviewed over 11,000 form 1012 reports and 1000 form 1012C reports. The testing of UIC wells is on various schedules and requires monitoring on a case-by-case basis. Last year the UIC Department reviewed 3,585 tests. 367 of those were tracer reviews. UIC works closely with Field Operations coordinating and training to maintain compliance in all facets of testing and reviews. UIC’s goal for compliance is 100% and maintains a 99.9% compliance in testing and reporting.

In FY2021 UIC received 288 applications:

- 73 applications for an exception to the rule
- 128 applications for an injection well
- 71 applications for a non-commercial well
- 16 applications for a commercial well
- 160 were completed by permitting or dismissed

UIC administratively permitted 143 applications:

- 78 injection wells
- 47 non-commercial wells
- 18 commercial wells



Public Assistance Department

The Public Assistance Department acts as the Commission contact for mineral and surface owners in their dealings with petroleum companies. Staff also serve as an information and referral center for oil and gas matters. Mineral and surface owners and oil and gas industry members call with a wide variety of questions and complaints, ranging from royalty payments and leasing to spacing, pooling, production volumes, and Commission rules and regulations. Public Assistance helps facilitate communication wherever possible.

In FY2021, Public Assistance included:

- 1,678 telephone calls
- 1,299 letters, faxes & emails
- 2 walk-ins

No advice or legal counsel is given during the assistance process. The Public Assistance Department does refer people to organizations that can help, such as royalty owners' trade groups. Staff help guide callers through the OCC website so they can learn how to do the research they need on their own.

Though the majority of the calls are related to matters over which the agency does not have jurisdiction, the goal is to provide friendly, accurate information to help the mineral owner, surface owner, and Oklahoma residents seeking to learn more about the industry.

Several examples of the assistance call types include:

- Helping guide callers through the court system and what it means when they receive a hearing

- document or a forced pooling notice
- Outlining the basics of oil and gas drilling
- Explaining recent law changes and how that affects the industry and mineral owners
- Providing information for County Commissioners
- Describing how to read a legal description of a well site’s location
- Listening to complaints of alleged missed payments or unpaid bonuses and facilitating dialogue with the operator

Due to the impact of COVID-19, the Public Assistance Department was unable to hold the annual workshop for Oklahoma Royalty Owners to provide education on managing oil and gas interests for the second year in a row.

Administrative Department

The Administrative Department was created to maximize efficiency and to streamline the customer experience. The Administrative Department includes:

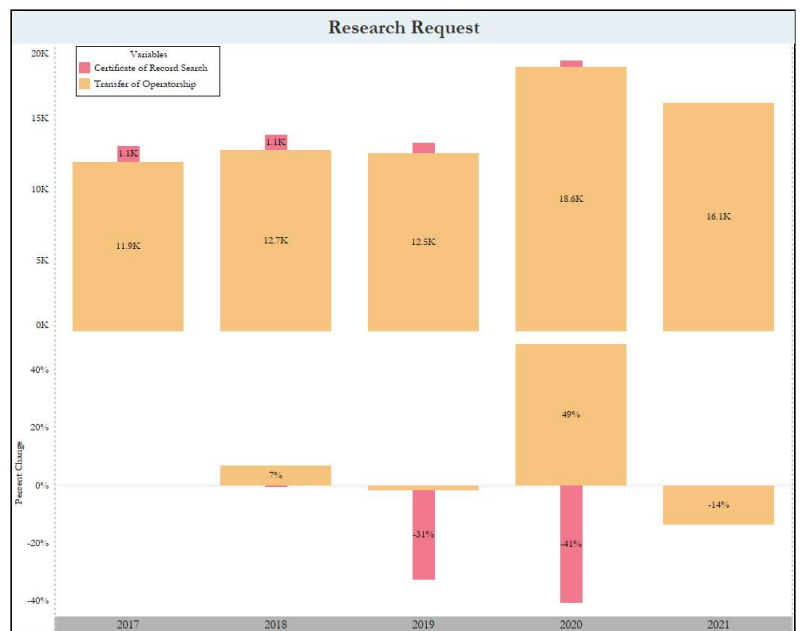
- Document Handling
- Intents to Drill
- Surety
- Well Records

The Administrative Department is responsible for processing and maintaining the majority of documents filed with the division. These documents include:

- Certificates of Record Search
- Plugging Reports
- Well Transfers
- Production Reports

Additionally, staff provide customer service to industry representatives, mineral and surface owners, and other interested parties with information concerning individual wells in Oklahoma. During FY2021, staff processed:

- 199 Certificates of Record Search
- 775 Plugging Reports
- 16,095 Well Transfers
- 9,136 Production Reports



The Administrative Department has seen a voluntary reduction in the number of staff members, but has maintained production and efficiency through streamlining processes and cross training staff.

Petroleum Storage Tank Division

The Petroleum Storage Tank Division (PSTD) administers the federal underground storage tank (UST) program in lieu of federal regulation, and has jurisdiction over underground and aboveground storage tanks that contain antifreeze, aviation fuel, diesel, gasoline, kerosene, motor fuel, and motor oil. The program's mission is to protect human health, safety, and the environment by preventing releases of petroleum products from regulated storage tanks; and reduce, mitigate, and eliminate the threats posed by petroleum products released from storage tanks.

The Division operates and administers the Oklahoma Storage Tank Program, which includes financial responsibility, regulatory compliance, and inspection requirements; technical review, development and approval of corrective action plans at contaminated sites; and enforcement of state and federal regulations applicable to the storage, quality, and delivery of refined petroleum products. The program conducts risk assessments to determine the potential effects of exposure after a leak has occurred, provides alternative water supplies when necessary, and emergency services if needed.

PSTD administers the Oklahoma Petroleum Storage Tank Indemnity Fund (Indemnity Fund), Oklahoma's financial assurance mechanism that guarantees funds are available for corrective action when there is a release from a regulated petroleum storage tank system. The Indemnity Fund provides up to \$2.5 million per incident to reimburse eligible owners for corrective action at sites that have a release of a regulated substance from an eligible storage tank system. The Administrator of the Indemnity Fund determines eligibility and ensures enough funds are available for required corrective actions needed to mitigate the environmental, health, and safety threats to the public. In FY2021, the Administrator determined 86 cases were eligible for reimbursement.

PSTD also administers the Oklahoma Leaking Underground Storage Tank Trust Fund (LUST Trust Fund) which can be utilized when emergency response measures are required such as situations where imminent threat to human health, safety, or the environment has been identified and immediate mitigation measures are necessary in order to curtail the threat, or when the responsible party is unknown, unwilling, or unable to respond.

The motor fuel assessment is Oklahoma's financial responsibility mechanism to ensure that funds are available for corrective action when a release occurs from a storage tank system. Fuel distributors pay one penny for each gallon of fuel distributed and the assessment is the sole funding mechanism for the Indemnity Fund. The Indemnity Fund receives only a portion of the assessment and does not receive any state appropriations. The Indemnity Fund is the Division's primary source of funding, not only for the federal reimbursement program,



but also for the operational expenses to fully administer the storage tank program. FY2020 and FY2021 were particularly challenging as the pandemic caused the demand for motor fuel to decline.

The financial impact to state revenues collected on fuel taxes was devastating to storage tank programs across the nation. Many state storage tank programs depend on this revenue stream to fund reimbursement programs and operational expenses. Oklahoma's storage tank program is no different. As the residents of Oklahoma return to work and travel, motor fuel assessments are slowly increasing.

PSTD is organized into five departments that segregate the duties and responsibilities:

- Regulatory (Technical)
- Inspection and enforcement (Compliance and Inspection)
- Financial responsibility (Indemnity Fund)
- Division support services (Administration)
- Accounting for PSTD and the Indemnity Fund.

The duties within each department are set to accomplish specific criteria required to administer the federal underground storage tank program, financial assurance, and reporting requirements to EPA, and carry out the provisions of the storage tank program set forth in 17 O.S. § 301 et al.

Accounting Department

The Accounting Department assists in the mission of the Division by ensuring the efficient use of the Indemnity Fund, the LUST Trust Fund Corrective Action Grant, and the UST Prevention Program Grant. The PSTD Comptroller manages the accounting functions within the Division and is responsible for supervising the quality of accounting and financial reporting for PSTD. The Comptroller manages, reconciles and is responsible for expenditure and reporting processes for all financial transactions pertaining to PSTD funds; oversees all expenditures to ensure Indemnity Fund payments are made in a timely manner; prepares and submits EPA assistance grant applications; prepares reports, surveys, and analytical information to the OCC, the Legislature, the Storage Tank Advisory Council and EPA; reports all financial data on the Indemnity Fund to EPA for the annual assessment of financial assurance; and serves as the accounting contact for the annual external audit of the Indemnity Fund.

The Comptroller supervises the Division's accounting department staff who audit petroleum release case purchase orders approved by technical staff to ensure they meet the Division's unit cost guidelines; process fees for permits and licensing, and Indemnity Fund co-pays; audit and process checks and EFT payments for reimbursement of corrective action claims; initiate and track all LUST Trust Fund grant expenditures; prepare all paperwork for agency legal staff for cost recovery of LUST Trust Fund grant monies expended; conduct audits of tank owner/operator accounts for compliance with accepted accounting standards; oversee fleet management, inventory and assets for the Division; oversee fleet management for Division personnel; and prepare voucher requests, division requests, and travel request claims.

Income and Expenditures

The Indemnity Fund reimbursed \$15,460,125 on 1,049 claims in FY2021. The average time for payment of an initial claim was 7.06 days; the average time for payment of a supplemental claim was 4.93 days; and the average time for payment of a final claim was 4.45 days. At the close of FY2021, the Indemnity Fund had an

unencumbered balance of \$500,372.

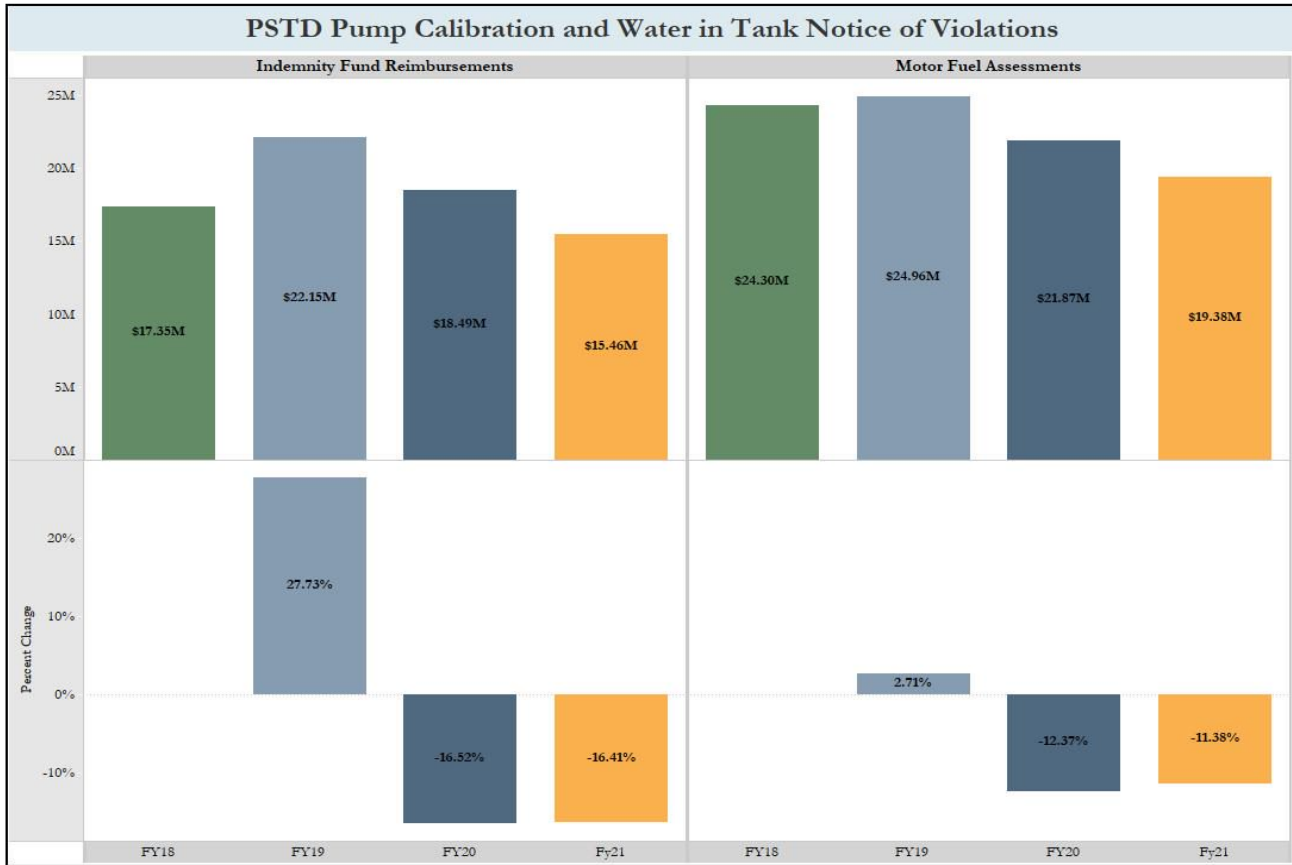
In FY2021, the Indemnity Fund received:

- \$19,382,533 from motor fuel assessments;
- \$104,179 from co-pays;
- \$352,290 from the investment of reserve revenue in interest-bearing cash management accounts;
- \$352,938 from licensing, permit and variance application fees.



In FY2021, the Division collected:

- \$42,508 in fines:
 - \$26,508 in enforcement actions;
 - \$16,000 in substantial compliance penalty assessments; and
- \$606,538 in LUST Trust cost recovery



Administration Department

PSTD's Administration Department provides administrative support and management of the daily business operations for the Division. The Administration Department is responsible for:

- Maintaining the storage tank database;
- Operating, maintaining and administering the petroleum storage tank operator training program;
- Processing petroleum storage tank registrations;
- Invoicing and permitting for regulated petroleum storage tanks;
- Scheduling tank system installations, removals, repairs, and testing activities;
- Printing and posting Indemnity Fund checks with the State Treasurer's Office;
- Managing PSTD's licensing program for storage tank professionals who install, monitor, or remove regulated storage tank systems;
- Licensing and permitting of antifreeze sold within the state;
- Imaging records and documents; and
- Providing customer service for PSTD stakeholders.

At the close of FY2021, 8,368 underground storage tanks and 2,097 aboveground storage tanks were registered currently in use (CIU) or temporarily out of use (TOU); 362 storage tanks were removed from service; 120 storage tanks were installed; and 285 tank and/or line closures were scheduled.

In FY2021, PSTD Administration staff processed 2,526 tank permit invoices, issued 4,421 tank permits, 443 registration forms, 278 closure reports, 645 antifreeze licenses, 82 temporary authorizations (ballasting permits) and managed 95 Environmental Consultant licenses and 276 storage tank professional's licenses.

Compliance and Inspection Department

The Compliance and Inspection Department is responsible for implementing and maintaining all regulatory compliance activities; enforcement of rules to implement the regulatory program, including, but not limited to, the authority to close a storage tank system found to pose an imminent threat to human health, safety, or the environment.

Inspections/Enforcement

PSTD has 19 Fuel Specialists in the field. One is dedicated to monitoring installations and removals of tank systems statewide; one is dedicated to the calibration of high-flow dispensers at truck stops and travel plazas; and the remaining 17 inspect regulated motor fuel facilities in assigned territories throughout the state. A Fuel Specialist's job is two-fold – to ensure tank systems and associated equipment have no leaks and that leak prevention is in place, and to ensure consumers receive the correct type and amount of motor fuel from the dispenser.

PSTD Fuel Specialists perform annual on-site compliance inspections to determine compliance with federal regulations. Compliance inspections include reviewing tank system monitoring, testing and other required recordkeeping, reviewing records for environmental and equipment testing, ensuring current tank permits are posted, and also assisting tank owners with understanding the operation and maintenance of their tank system.

In addition, Fuel Specialists conduct consumer service station inspections at retail fueling facilities every 6 months. Fuel Specialists check for the presence of water and the quality of fuel in storage tanks, verify accurate meter calibration, and measure octane rating. White calibration stickers are placed on the face of each fuel dispenser (pump) by the Fuel Specialist when meter calibration is measured. This sticker is an indication to the public that calibration of the meter was verified by a PSTD Fuel Specialist during the month and year indicated on the sticker.

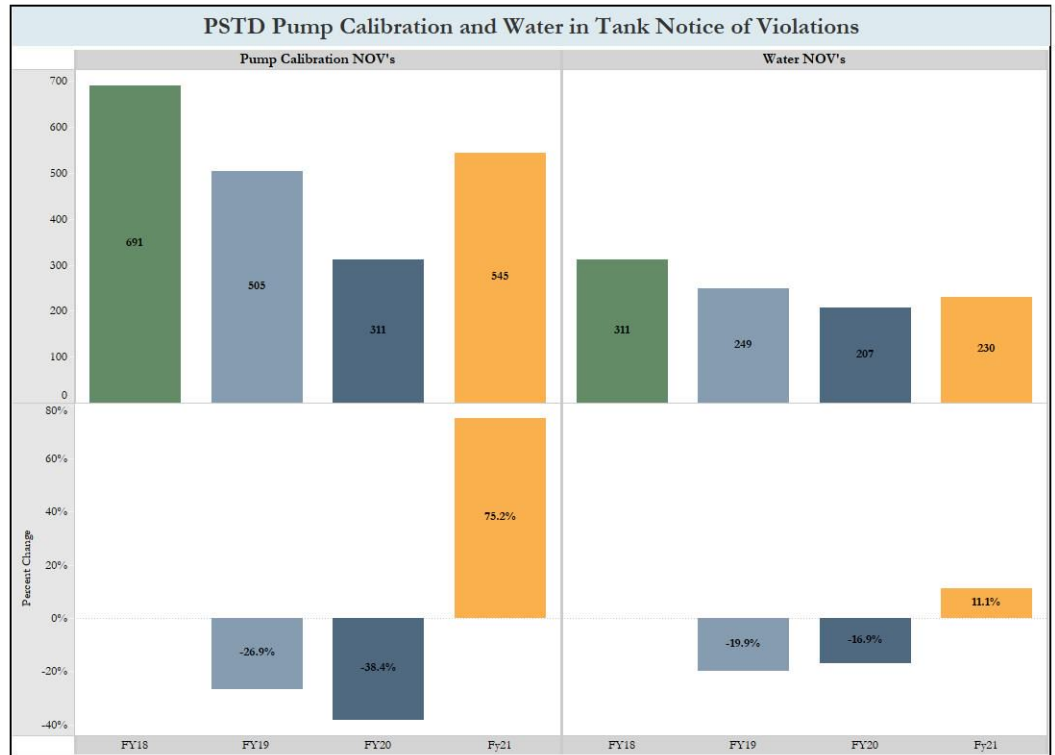
Fuel Specialists also:

- Ensure breakaways for dispenser hoses are operational in case a motorist drives off with the nozzle still in the vehicle;
- Verify emergency breakaways between the dispenser and the fuel delivery system will disconnect from the fuel source if the dispenser is knocked over;
- Check the lower interiors of dispensers to make sure there are no exposed wires or leaks;
- Verify the per gallon price advertised on the store's marquee is the same as what is on the dispenser and signs are properly posted that identify which dispensers are designated for ethanol blended fuels;
- Ensure all antifreeze sold has a valid permit; and
- Investigate consumer complaints.



Inspections, Violations and Calibrations

In FY2021, PSTD Fuel Specialists were not in the field for several months pending delivery of PPE and could not meet recommended social distancing rules implemented by various federal, state, and local authorities. After returning to the field, inspectors ended the fiscal year with 4,851 service station inspections, which represents 100% of the retail facilities operating in the state, and checked 80,332-meter calibrations on dispensers, identifying



545 meters that were out of calibration. Fuel Specialists conducted 3,762 compliance inspections, identified 230 water violations, and investigated 191 consumer complaints regarding gasoline purchases.

Regulatory/Compliance

PSTD Compliance Analysts respond to calls from consumers, licensees, and field personnel; answer inquiries from property owners, prospective buyers, bankers and real estate personnel on a facility's history; review and approve Indemnity Fund applications and tank system monitoring and testing records for substantial compliance; make fine recommendations; determine tank system shutdown; pursue enforcement actions when violations of Commission rules occur; resolve consumer complaints; provide testimony and exhibits in OCC court proceedings; and impose administrative penalties and fines.

Compliance Analysts also review rules, policies and procedures for PSTD rulemakings; review and approve all registrations and closures of regulated storage tanks; review and approve licensee applications for testing; assist Fuel Specialists in determining a Notice of Violation for non-compliance; are actively involved in industry task force groups; participate on workgroups, committees, and review boards; and represent the Division at trade association shows, seminars, and at national conferences and meetings.

In an effort to streamline processes and reduce court cases, PSTD rules were revised to allow tank owners to apply for administrative approval for a variance without the need for a hearing before an OCC Administrative Law Judge (ALJ). PSTD Compliance Analysts review and administratively approve variance applications, then submit a proposed order to the Commissioners who will determine whether to grant the variance. If staff deny the application and the owner/operator disagrees, they still have the option to request a hearing and present

the case to an ALJ. The process saves time and money for both the owner and the Commission.

When a release occurs from a regulated tank system, tank owners must be substantially compliant with PSTD rules to be eligible to apply for Indemnity Fund reimbursement. Compliance Analysts review the facility's records and determine if the owner was in compliance with applicable rules when the release occurred and establish a fine for violations so that an OCC ALJ can make a recommendation to the Commissioners. Once the fine is paid and the violation(s) corrected, the owner may obtain a Substantial Compliance Certificate allowing them to be eligible to receive Indemnity Fund reimbursement.

PSTD's three Compliance Analysts conducted research on 33 variance request applications and administratively approved 28 applications; reviewed and approved 443 registrations; reviewed and approved 278 closure reports; witnessed and provided testimony for 21 penalty assessments; and witnessed and provided testimony for 80 contempt actions.

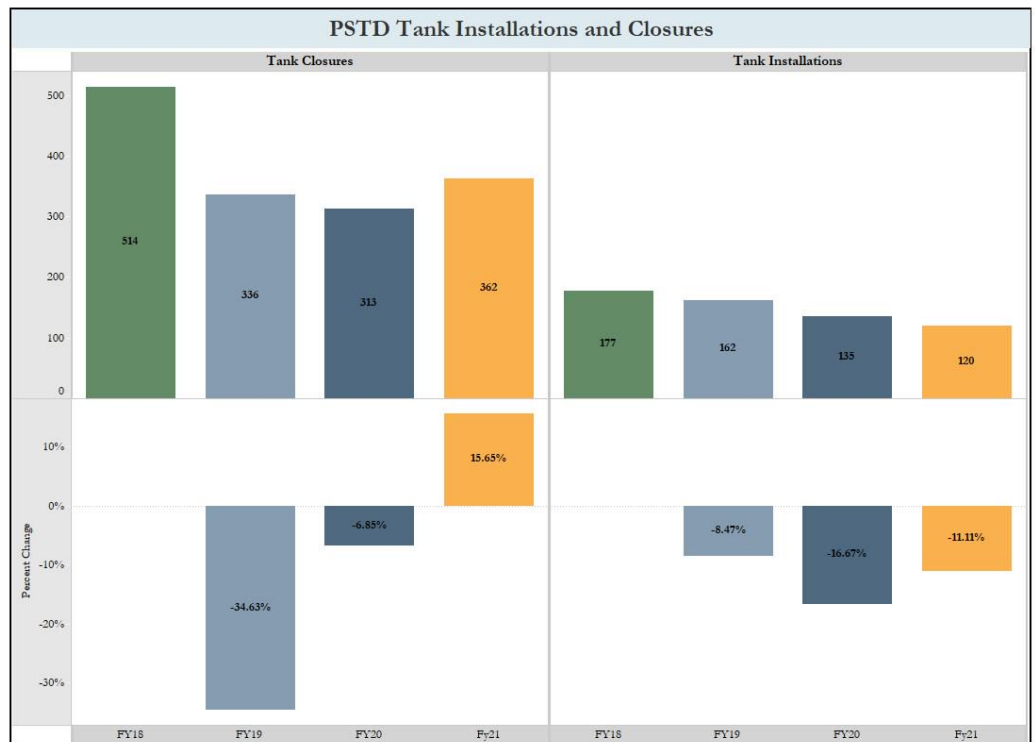
Technical Department

The PSTD Technical Department has direct environmental oversight for all corrective actions performed at leaking petroleum storage tank sites. This includes assessing the degree of hydrocarbon

impact to subsurface soils and groundwater, identifying the associated degree of risk to surrounding populations, and remediating the contamination to risk-based standards when and where warranted.

To that end, agency Project Environmental Analysts (PEAs) work with PSTD Licensed Environmental Consultants to determine associated reasonable corrective action costs that are eligible for reimbursement by the Indemnity Fund. Costs for appropriate corrective actions are then approved in the form of purchase orders in advance of the work taking place.

Private or public water supply wells that are determined to be impacted by hydrocarbons from a petroleum release case are plugged and, where needed, an alternate clean source of water is supplied (either by installing a new water supply well, plumbing into existing municipal or rural water source, or extending a new municipal or rural water line if needed). The costs to plug impacted water supply wells and provide an alternate clean water source are reimbursable by the Indemnity Fund. The process of pre-approving any corrective action measures through purchase orders ensures that only the work that actually needs to be conducted is reimbursed, and the Indemnity Fund will continue to remain financially sound. Where imminent



threat to human health, safety, or the environment is present, the PSTD will prioritize and engage in the needed corrective action measures necessary to eliminate such threats.

PSTD's Technical Department also serves as a clearinghouse for information about various aspects of the department to other state agencies with environmental functions, municipalities, utility companies, and the public at large. Disseminating accurate information about the program in general and details of certain petroleum release cases in particular helps ensure that stakeholders are aware of program requirements and any responsibilities they may have under the program. Examples include: developers notifying the agency of any development that will be occurring at or adjacent to closed release cases so PSTD can evaluate whether additional corrective actions might be necessary; and utility companies/municipalities contacting the department to inquire about potential petroleum impact around utilities or roadways before excavation for new construction or repairs.

The department's seven PEAs are currently made up of hydrogeologists and environmental scientists. Each is charged with oversight of corrective actions implemented at leaking petroleum storage tank sites, and must be skilled in differing elements of the position that require specific capabilities. PEAs are proficient in hydrogeology issues; risk-based corrective action; environmental assessments; regulatory issues; remediation technologies, both in design and operation; and Indemnity Fund issues associated with leaking storage tank sites.

Technical Department PEAs:

- Coordinate, oversee and enforce all corrective actions implemented at leaking petroleum storage tank release sites;
- Oversee environmental assessment activities, installed corrective action remediation systems and remediation system operation;
- Evaluate exposure risk and plume stability to determine the most appropriate course of action to achieve release case closures;
- Review and approve all release case work plans, purchase orders, and change orders submitted by Licensed Environmental Consultants;
- Review and approve all regulatory reports, maps, etc. submitted for petroleum release cases;
- Review and approve all claims and invoices for completed work performed;
- Ensure that appropriate measures are taken in response to emergencies;
- Conduct site visits to ensure corrective actions are progressing according to established protocols, rules, standards, and other requirements.

In FY2021, the Technical Department initiated a statewide "permanently out of use project" to identify and assess sites with old, abandoned storage tanks in permanently out of use (POU) status to determine if contamination is present. PSTD identified approximately 3,500 historical facilities across the state in this category. LUST Trust Fund cost-recovered funds are being used to fund the project in order to provide assessments at no cost to the property owner.

At the close of FY2021, PSTD had 412 active petroleum release cases in various stages of assessment and investigation to evaluate exposure risk, plume stability, other concerns and to determine the most appropriate course of action to achieve case closure; periodic monitoring to determine if/when case closure may be appropriate; active remediation or other form of mitigation measures, such as implementing

engineering controls or receptor pathway elimination; or awaiting funds to implement these actions. Of these cases, 403 are Indemnity Fund cases and 9 are LUST Trust Fund cases. Each PEA manages roughly 58 cases. Staff spends an appropriate amount of time visiting release sites to adequately oversee all environmental assessment activities, examine installed corrective action remediation systems, and remediation system operation.

In FY2021, Technical Department PEAs:

- activated 88 petroleum release cases
- closed 99 petroleum release cases
- responded to 1 emergency response
- processed 138 release case work plans
- processed 850 release case purchase orders
- processed 617 release case change orders
- processed 1,181 release case reports
- processed 1,111 release case claims

As of June 30, 2021, PSTD has performed corrective action and closed a total of 5,856 confirmed and suspicion of release cases in Oklahoma since program inception. All 77 counties in Oklahoma have been impacted by releases from petroleum storage tanks.

Petroleum Information Management System (PIMS)

PSTD upgraded its information application system into a centralized database several years ago. Even in the face of the COVID-19 pandemic, the Division continued to carry out its primary functions and business processes were not interrupted. Docking stations were installed at workstations to facilitate easy transition whether staff was working at the office or remotely.

The Petroleum Information Management System, or PIMS database, maintains all of PSTD's information and data. Separate modules within the database link registration, inspection, petroleum release case management, accounting, and licensing functions into a single information management system. The PSTD regulated community and environmental contractors complete all required forms online and submit electronically through the online PST Portal. All information is in real-time as each document is received and processed. Upon approval or denial, each document is auto imaged within PIMS and available for the public to access. The database has over 100 standardized, frequently used reports, and staff has the ability to build customized queries and reports.

PIMS was designed to implement online submissions and establish organizational guidelines and a transparent approval workflow, where the status of submittals can be tracked at all times. PIMS automatically assigns permissions to view, edit, and approve submissions based on job roles. Review and approval by separate individuals at different levels ensures segregation of duties and that no single individual in the Division has sole control of the approval workflow process.

Tank Universe

Fuel Specialists enter their inspection information directly from the field into Tank Universe, an inspection application on their laptop. The information is synched through a wireless or mobile internet connection and is



immediately uploaded to the Division's database, ensuring all inspection data is real-time information. Fuel Specialists can track all tank system information, current and historical ownership records, permits, prior inspections, violations, operator training, release/leak history, and access imaged documents for all facilities in the state.

Facilities can be sorted by last inspection date, city, county, facility name, or ID number. Facilities that are due for an inspection appear in red, and once an inspection is completed and synced into PIMS, it will then show in black, allowing inspectors to strategically plan inspections within their territory. The application also alerts the inspector when a violation has occurred based on Commission rules that have been written into the software. When a compliance performance measure violation is entered and synced, PIMS automatically generates a notice to the operator, advising their operator training certificate will expire in 30 days, and training must be completed again to receive a new one. The system also emails operators notifying them that there is a secure message on the PST Portal. The dual notification system is especially helpful for owners who are not at the facility on a daily basis.

PST Portal

The Petroleum Storage Tank (PST) Portal was developed as a one-stop website to standardize and streamline all petroleum storage tank related communication for tank owners, operators, and licensees. All the Division's records and information can be accessed by the public through the portal's public imaging section. Owners and operators take the operator training course and can download and print their certificate after the course has been successfully completed. Operators control their account and have 24/7 access to the portal. All information entered in the PST Portal is automatically uploaded into PIMS and allows real-time reporting for operator training. PSTD can also post secure messages to owners, operators, and licensees about PSTD rulemakings, changes, deadlines and events.

Environmental contractors submit online Indemnity Fund applications and documents electronically through the portal. Electronic submissions automatically upload into PIMS, allowing administrative and compliance staff to approve the applications. Staff can use the portal to send the application back for corrections if deficiencies are found during their review. Once approved, the portal's software automatically generates the eligibility letter and Indemnity Fund co-payment invoice, sends the documents electronically to the Environmental Consultant, and prepares the paperwork for staff to print and mail to the Indemnity Fund applicant. The environmental contractor receives an email notification that the documents are available through the portal as well.

All required petroleum release case information and documentation is submitted through the portal, which automatically uploads into PSTD technical staff electronic work folders in PIMS. All corrective actions must be submitted and approved before any work begins at a release site, and contractors can log in to the portal at any time to track the status of their submittal. After a scope of work is approved, PIMS electronically delivers the document to PSTD accounting staff for review and approval. The Indemnity Fund Administrator can then encumber money to pay the contractor when work is completed. Contractors submit their invoices and upload online claim forms via the portal, and payments from the Indemnity Fund to the environmental contractors are made by EFTs.

In FY2021, enhancements were made to the licensing module to provide licensees the ability to use the PST Portal to apply for licensure, manage their continuing education requirements, manage certification renewals,

and automate licensee functions.

The development of PIMS, Tank Universe, and the PST Portal helps control corrective action costs at petroleum release sites, provides real-time information access, ensures consistent and uniform inspections across the state, and allows the public to access all imaged records and information directly from their own computer. It has increased the speed and accuracy of staff's workflow, increased transparency, and improved worker productivity without adding more employees to the Division. To help ensure the Indemnity Fund will continue to be a viable and solvent financial responsibility mechanism for storage tank owners and operators, the system requires pre-approval for work to be performed and funding encumbered before the work begins.

Public Utility Division

The Public Utility Division (PUD) provides technical support and policy analysis to the Commission by:

- Administering the Oklahoma Universal Service Fund (OUSF);
- Participating as a party in ratemaking and other causes involving regulated utilities and providing data to help the Commission make regulatory decisions that are in the public interest;
- Enforcing compliance with applicable statutes and rules;
- Ensuring reliable and safe public utility services are provided at the lowest reasonable cost; and
- Fulfilling constitutional and statutory obligations.

In these roles, PUD develops and presents fact-based, independently-researched, objective recommendations, findings, determinations, and testimony to the Commission in filed causes.

PUD seeks to protect Oklahoma ratepayers in receiving appropriate service and against unfair or impermissible rates and charges by regulated utilities and OUSF service providers. The Division also enforces federal and state statutes and rules related to public safety for some regulated entities.

The Division is comprised of seven departments:

- Administration
- Compliance
- Consumer Services
- Energy
- Enforcement and Outreach
- Telecommunications
- Oklahoma Universal Service Fund Administration

Statewide Outreach

PUD works hard to stay transparent for the residents of Oklahoma. PUD understands how critical it is for Oklahomans to know what is going on in utility regulation and its impacts, and strives to make this information easily accessible, useful, and understandable. During the past few years, PUD has accomplished this by visiting all 77 counties; however, due to the pandemic, PUD has recently been reaching out virtually to Oklahomans.

Members of the public can access [PUD's homepage](#) or follow [OCC's Facebook page](#) for easy access to important updates and the ability to submit complaints and public comments. The public can also directly view

[a list of pending cases and activities](#). Additionally, the public has free online access to documents filed in PUD cases. To find case documents: first, identify the case number in which you're interested by using the report referred to above; second, go to the [OCC Imaging site](#) and place the case number in the "Case #" field and "PUD" in the "Case Type" field, then choose "Search."

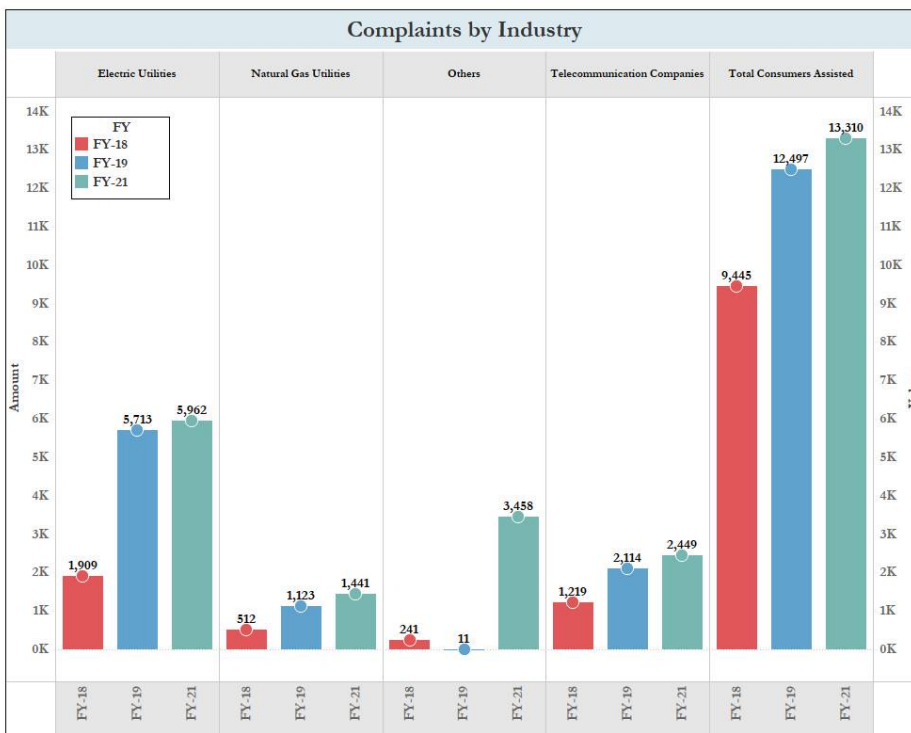
Administration

The Administration Department is primarily responsible for managing day-to-day operations for the Division. The Director oversees the Division, acts as PUD's advisor to the Commission on utility matters and legislative policy, and serves as the statutorily-appointed OUSF Administrator. The Division's two Policy Advisors report to the Director and are primarily responsible for the Division's day-to-day activities in all PUD docket causes before the Commission. The Administration Department also manages the budget, expenditures, human resources management, and fiscal planning for the Division.

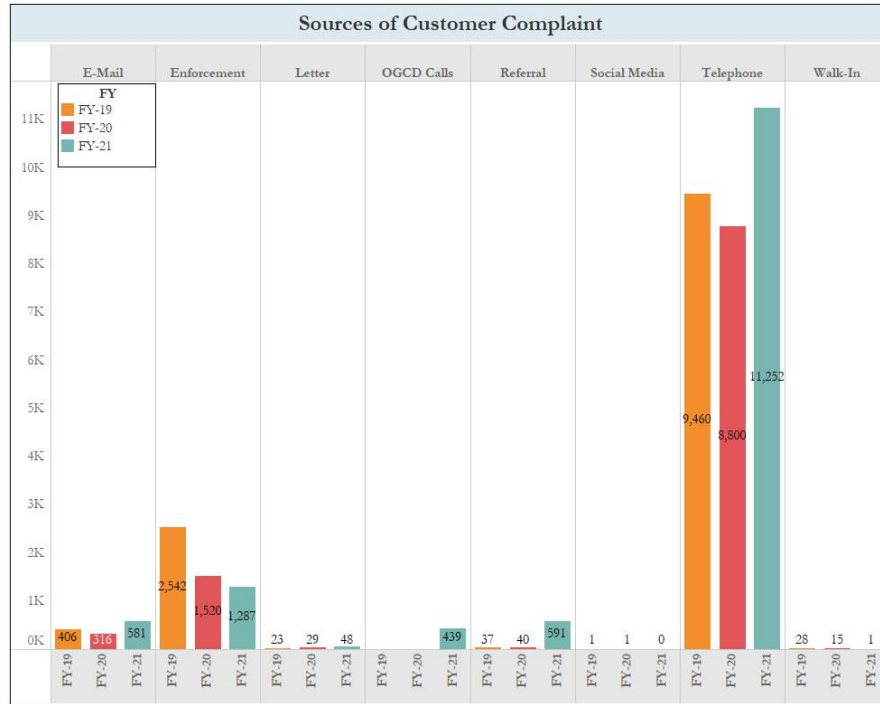
Compliance

This department serves as embedded auditors for the Division, responsible for ensuring that statutory and regulatory deadlines are met and communicating with contracted auditors and State Auditors in addition to working in conjunction with PUD's Change Management and Quality Control teams. Change Management consists of internal reviews designed to identify and eliminate duplicative efforts, track implemented changes, and provide a formal process to evaluate and implement approved recommendations made by PUD employees. Quality Control is designed to track progress of all work groups in relation to strategic goals, improve inefficient processes, and focus on the quality of processes, documents, and all things worked on by and within PUD.

Consumer Services, Enforcement and Outreach

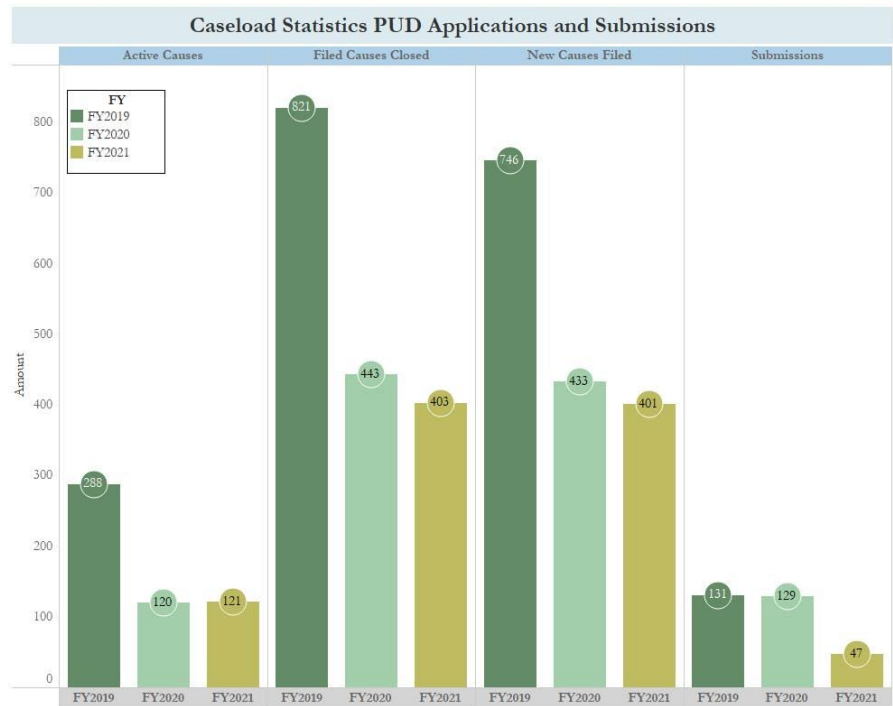


These departments handle incoming consumer complaints and enforcement of Division-related rules across the State. Through its call center, Consumer Services addresses incoming calls, walk-in complaints, electronic mail complaints, and social media outreach. Field Enforcement monitors all regulated facilities Statewide. Additionally, this department has a public outreach arm that conducts educational programs across the State.



Energy

This department is responsible for ensuring the Commission meets its mandate in regulating certain utilities, including electric, gas, and water distribution companies; to provide for safe and reliable service at a fair cost; ensuring certain legal requirements are met regarding wind and solar generation; and cotton gin regulation. The energy department is comprised of experts who serve as witnesses in litigated matters before the Commission and annually conduct audits and prudence reviews involving billions of dollars. This department participates in energy efficiency program oversight, managerial and ownership changes, and federal compliance plan reviews. Assigned staff serve as representatives for Oklahoma to the Southwest Power Pool (SPP), a federally-recognized regional transmission organization.



Telecommunications

This department is responsible for overseeing telecommunications companies operating within the State of Oklahoma. This oversight includes review of applicable tariffs, recommendations regarding applications of telecommunications companies to operate in the State and to receive certain designations, Lifeline services, interconnection agreements, and federal program involvement. Work within the department has saved Oklahomans hundreds of millions of dollars over the last few years. This group is a key asset to fighting waste, fraud, and abuse in the Federal Lifeline program.

Oklahoma Universal Service Fund (OUSF) Administration

This department manages the legislatively-created OUSF, which was designed to ensure that reasonably-priced telephone service is available for all Oklahomans. Additionally, the program provides financial support for Internet access to eligible public schools, public libraries, and healthcare facilities. This department also processes hundreds of payment requests monthly and ensures statutory compliance and ratepayer protection through audits and defined processes.

Pandemic Response

PUD's swift response to the COVID-19 pandemic was simple and seamless, since PUD already had in place the technical ability, established processes, and employment practices to work remotely. PUD employees have worked remotely in some instances for several years, and PUD had already converted to primarily using SharePoint to reduce the burden on the State's VPN. PUD's extensive experience in working remotely also resulted in PUD staff assisting other OCC divisions to successfully implement new technology as their employees transitioned to telework. PUD continued working remotely in FY2021 efficiently and successfully.

Consumer Services

In March 2020, PUD initiated weekly virtual meetings with regulated gas and electric utilities and telecommunications carriers to determine how companies would continue service in the COVID-19 environment, and these meetings continue on an as-needed basis. PUD's most recent request for an update was completed in September 2021, with a number of the larger utilities reporting favorable responses, indicating their efforts to offer extended payment options to their impacted customers resulted in fewer defaults than expected.

In May 2021, PUD worked with the Oil and Gas Conservation Division to develop and implement a process whereby PUD staff supported OGCD with incoming call volumes. The goal of this was to provide real time notification to the appropriate subgroup when a call has been received, as well as a tracking tool which ensures follow up with all stakeholders in a timely manner. On May 10, 2021, the process began, and for the month of May and June, PUD received 439 calls for OGCD. All this was accomplished with currently available technology and staff. PUD looks forward to the opportunity to expand on this process in the future.

OUSF Contribution Factor

On May 8, 2019, the Commission issued Order No. 695781 in Cause No. OSF 201900036 ordering that the Oklahoma Universal Service Fund (OUSF) contribution factor, beginning July 1, 2019, shall be 6.28% until further Order of the Commission. On November 14, 2019, the OUSF Administrator filed a Motion to Reopen the Record and Establish Procedural Schedule.



On December 13, 2019, the OUSF Administrator filed testimony in Cause No. OSF 201900036 seeking to adjust the interim factor (Factor) by increasing it from 6.28% to 9.3%. However, at the hearing on January 16, 2020, the Commission declined to vote on the proposed order.

On June 15, 2021, the OUSF Administrator filed Motion to Report the Record and Establish Interim OUSF Contribution Factor of 12.73%. The Hearing on Merits was conducted on June 24, 2021.

Response to Ice Storm 2020

In October 2020, the State of Oklahoma suffered a massive ice storm. The multi-day storm left hundreds of thousands without power and caused millions of dollars in damages. On November 13, 2020, Oklahoma Governor Kevin Stitt requested a Major Disaster Declaration from the federal government as a result of the storm for thirteen Oklahoma counties including Caddo, Canadian, Cleveland, Dewey, Grady, Kingfisher, Kiowa, Logan, Noble, Oklahoma, Payne, Pottawatomie, and Roger Mills. PUD filed Cause No. PUD 202000106 requesting that Oklahoma Electric Utilities provide detailed information to the Commission related to the prevention efforts, restoration processes, and proposed improvements for future events.

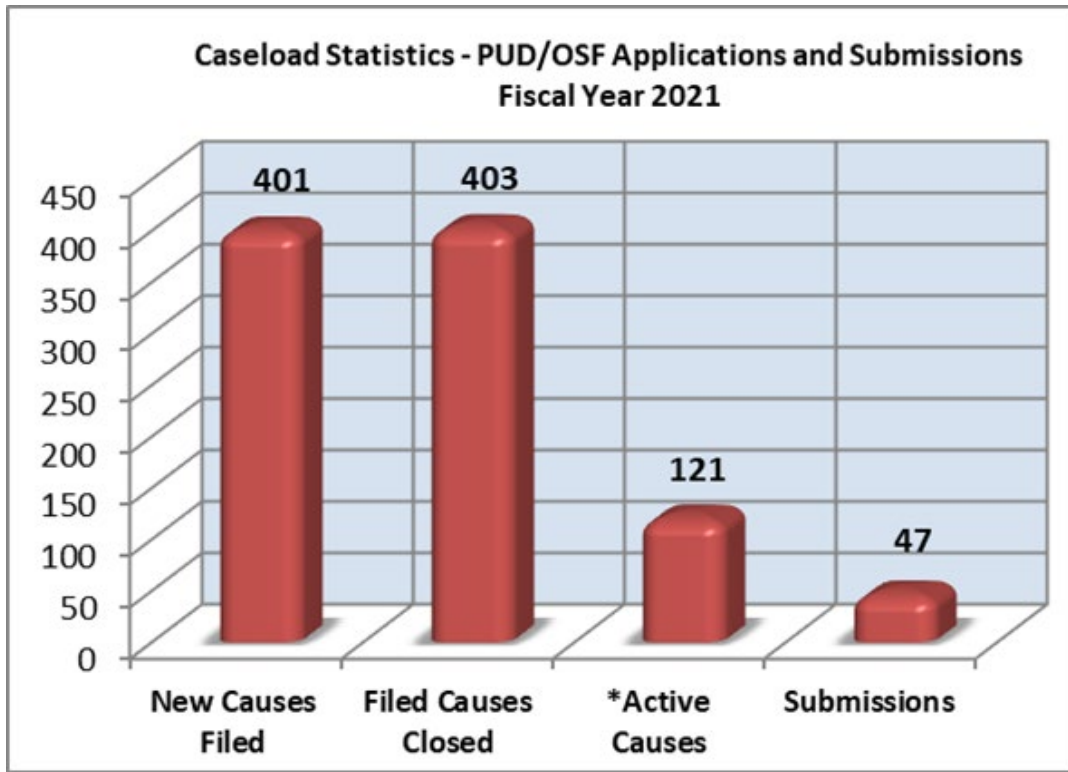
Response to Arctic Storm 2021

In February 2021, the State of Oklahoma suffered a historic arctic storm caused by a polar vortex. The multi-day storm impacted all Oklahomans, as the extreme cold weather forced Oklahoma gas utilities and transport companies to mitigate drastic spot price increases, and commodity acquisition, as well as line pressure and supply shortages. PUD filed Cause No. PUD 20210035, requesting the Commission assist in stabilizing the electric and natural gas grids that are necessary for public health, welfare, safety and security, and to direct power providers to coordinate with all Oklahoma power consumers to reduce non-essential power consumption to assist in stabilizing the grid. Utility companies are filing causes requesting the Commission approve special regulatory treatment of the anticipated costs to moderate the effects to customers, as well as approve a waiver of terms existing in Purchased Gas Adjustment Clauses to accommodate the requested regulatory treatment.

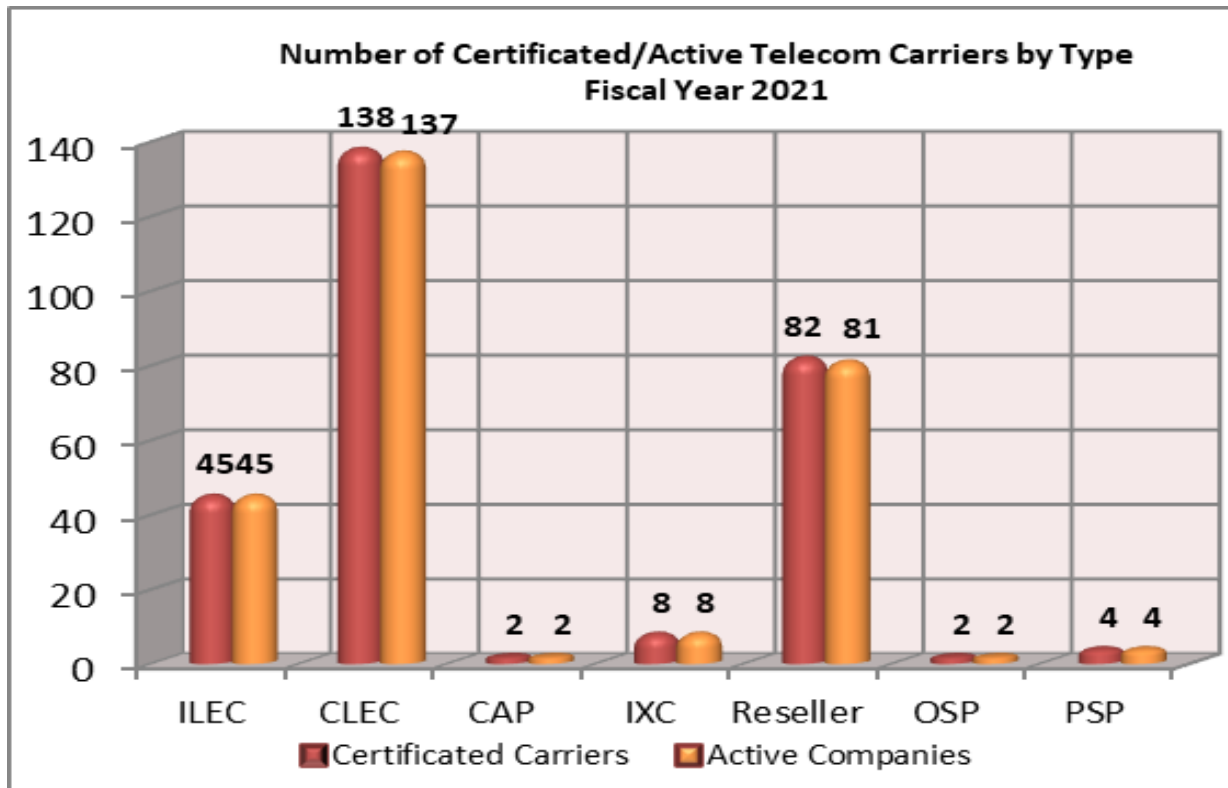
Notice of Inquiry

On August 20, 2020, PUD recommended the OCC open a Notice of Inquiry (NOI) to identify and examine issues regarding maximizing available or developing resources in Oklahoma. Working groups have been developed to facilitate robust discussion of important topics such as Battery Storage; Renewable Natural Gas; Increased Bill Information; Statewide Utility Rate Transparency and Reporting; Utility Related Eminent Domain Best Practices; Electric and Compressed Natural Gas; Findings and Key Recommendations resulting from the Oklahoma Academy 2019 Town Hall; Electrical Restructuring; and 3rd Party Aggregators. The NOI was amended on November 5, 2020. Written comments were submitted on January 29, 2021. A technical conference is scheduled for August 12, 2021. The public hearing is scheduled for October 21, 2021.

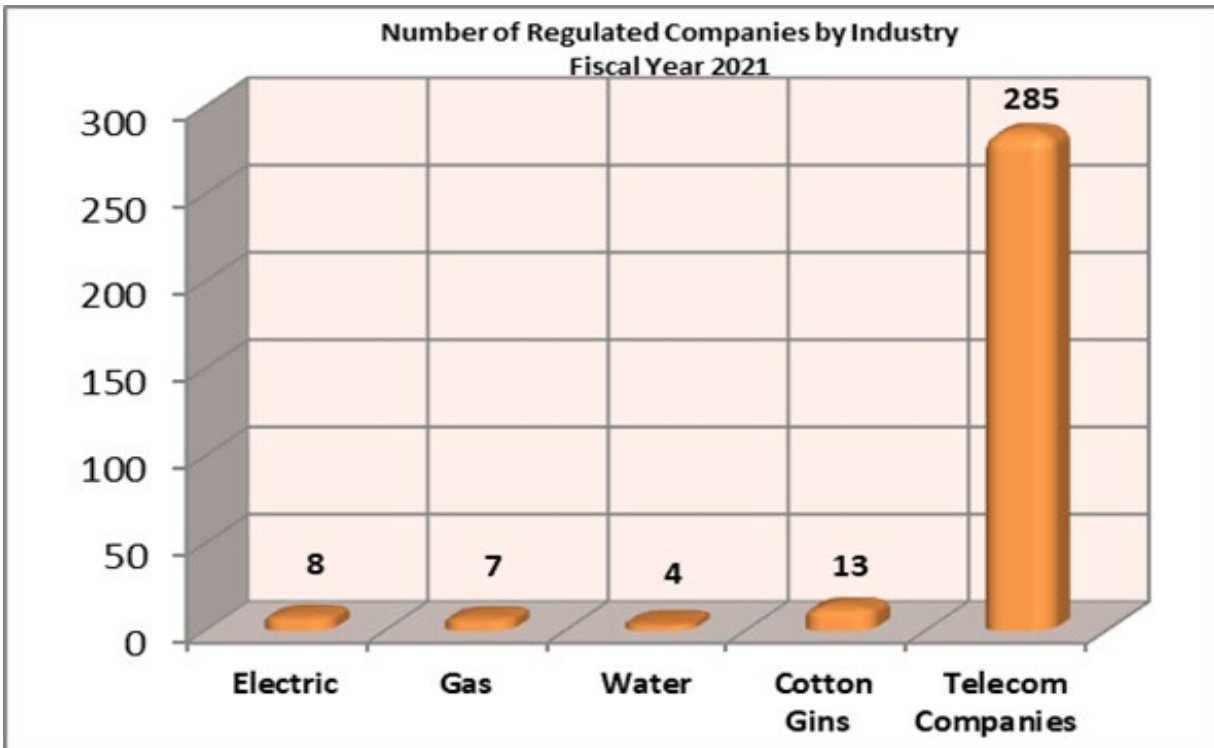
Caseload Statistics – Applications and Submissions



Active/Certified Telecommunications Carriers by Type of Carrier



Regulated Companies by Industry



Process Improvements

PUD continues to use the Change Management team and 360 Evaluations to improve processes and increase efficiency, and have implemented 360 Evaluations on a “work group” basis (e.g., OUSF and Energy). Since its inception in August 2015, the Change Management team has processed more than 714 change recommendations, and more than 90% of the submitted staff recommendations have been implemented by management.

A revamping initiative of PUD’s SharePoint site is being developed to improve internal administrative, audit, and communication processes.

Audits Pending

On November 19, 2019, the audit committee for the OCC posted a Request for Proposal (RFP) seeking proposals from qualified auditing firms to perform an Operational and Financial Audit of the Oklahoma Universal Service Fund (OUSF). On January 16, 2020, the OCC accepted the proposal of BKD, LLP CPAs & Advisors. The audit is being conducted for the years ended June 30, 2016, 2017, 2018, and 2019. The audit is being performed in accordance with generally accepted auditing standards and government auditing standards.

Electric Activity - Causes

Public Service Company of Oklahoma (PSO) - On October 2, 2020, PSO filed an application seeking approval and recovery of its Ft. Sill Energy Resilience Project, which consists of a 10.9 MW name plate solar capacity solar facility and a 36 MW name plate capacity Reciprocating Internal Combustion Engine (RICE) facility. PSO is

requesting the Commission issue an order finding: (1) the RFP complied with the Commission's rules on competitive bidding; (2) PSO considered reasonable alternatives for the Project; (3) the need exists for the facilities; (4) a rider be approved that will allow the Company to recover the costs of the Project once declared in service; (5) approval of a 30-year life for the solar facility and RICE engines; and (6) approval for any proceeds from the sale of Rural Electric Cooperatives (RECs) to be credited to the Fuel Cost Adjustment Rider. Responsive Testimony was filed on January 28, 2021, and a Merits Hearing was conducted on March 25, 26, and 29. On May 10, 2021, the ALJ report was filed recommending denial of pre-approval. Parties have filed exceptions to the ALJ report on May 17, 2021, and a hearing on the exceptions was held before the Commissioners on May 25, 2021. During the hearing on the exceptions, parties were requested to submit Final Orders by May 28, 2021. On June 7, 2021, the Commission issued Order No. 718758 which authorized the pre-approval of some costs related to the plan, but limited the amount that PSO could recover, cutting the amount from \$117.9 million to approximately \$61 million.

On February 17, 2021, Transource Oklahoma LLC filed an application requesting authority to issue up to \$130 million of long-term debt securities to finance transmission capital expenditures and meet working capital needs, and pay off maturing long-term debt. Testimony was filed on April 12, 2021, and a Merits Hearing was held April 22, 2021. On May 6, 2021, the Commission issued Order No. 718208 allowing Transource Oklahoma LLC to issue \$130 million of senior unsecured notes and/or unsecured promissory notes.

On February 23, 2021, PSO filed an application requesting the Commission grant a Certificate of Authority to allow PSO to issue and sell up to \$2 billion in debt securities, with maturities of not more than sixty years. Testimony was filed on March 29, 2021 and the Merits Hearing was held on April 1, 2021. On April 13, 2021, the Commission issued Order No. 71773 authorizing PSO to issue \$2 million of senior unsecured notes and/or unsecured promissory notes.

On February 25, 2021, PSO filed an application requesting Commission approval of its Energy Efficiency and Demand Response Programs, approval for PSO to recover all program costs, lost net revenues, and a shared savings incentive through the continued use of the Demand Side Management Cost Recovery Rider, and the waiver of OAC 165:35-41-4(b) (7) to extend the implementation schedule to 5 years, and for a limited waiver for heat pump technology. Testimony was filed on May 17, 2021. On June 23, 2021, a Joint Stipulation and Settlement Agreement was filed. In the agreement the parties: approved the implementation and budgets of the demand response and energy efficiency programs; agreed that that collection of Lost Net Revenues should reflect the expected base rate case activity of the utility, will be recovered concurrently with projected program costs and shared savings incentive, and will be reviewed with submission of the Annual Report submitted by July 1. The parties also agreed that lost revenue and shared savings be adjusted to reflect the annual evaluation, measurement and verification of date. PUD will review and verify calculations in accordance with the rider tariff. On June 25, 2021, a Merits Hearing was convened where parties testified in support of the Joint Stipulation and Settlement Agreement.

On March 16, 2021, PSO filed a Notice of Intent (NOI) to file an application to modify its rates and charges for its Oklahoma jurisdiction customers, and on April 30, 2021 filed its application and filing package. PSO's



request includes a base rate increase of over \$170 million. Responsive Testimony will be filed on August 6, 2021, and a Merit Hearing is scheduled to begin on September 28, 2021.

Oklahoma Gas & Electric (OG&E) - On February 24, 2020, OG&E filed an application requesting Commission approval of a recovery mechanism to recover costs related to OG&E's Oklahoma Grid Enhancement Plan (the "OGE Plan"). Due to concerns related to the COVID-19 pandemic and the uncertainty surrounding the method and date in which the Hearing on the Merits may occur, the Commission issued Order No. 711670 on May 19, 2020, which temporarily suspended and stayed the procedural schedule. The order instructed that a pre-hearing status conference be scheduled on or before July 7, 2020, to present an Amended Procedural Schedule to the ALJ. On July 23, 2020, Commission Order No. 713410 established an amended Procedural Schedule that removed the temporary stay and set the Hearing on the Merits to begin on October 8, 2020. On October 5, 2020, a unanimous Joint Stipulation and Settlement Agreement was filed. Highlights of the document include: cost recovery though the Mechanism shall be limited to investments placed in service in 2020 and 2021 only; the Mechanism shall terminate at the issuance of a final order in the Company's next base rate case or October 31, 2022, whichever first occurs; cost recovery shall be capped at \$7,000,000 annually for projects added; recovery shall be limited to investments for grid automation and related communication and technology systems; and low-income customers that qualify for LIHEAP and Senior Citizen discounts are exempt from any payment under the Mechanism, and those costs that would be allocated to those customers will be foregone by the Company. On October 8, 2020, the Hearing on the Merits was conducted where witnesses from the Company, the Office of the Attorney General, and PUD provided oral testimony in support of the Joint Stipulation and Settlement Agreement. A final order approving the Joint Stipulation and Settlement agreement was signed on November 11, 2020.

On January 7, 2021, OG&E filed an application requesting a streamlined Commission approval for the modification of its Economic Development Incentive Credit (EDIC) Tariff. In the application, the company seeks to amend the current EDIC tariff for the purpose of encouraging new business and economic development in Oklahoma. By adding the terms "Investment/New Jobs Tax Credit" to the "availability" section of the current tariff, OG&E believes it will broaden the accessibility of the EDIC for companies choosing to locate within Oklahoma. Parties are currently reviewing data, as well as creating a procedural schedule that will determine dates for Responsive Testimony and the Hearing on the Merits. On February 19, 2021, the Commission issued Final Order No. 716962 granting OG&E's request to amend its EDIC Tariff, and that the language requested by PUD should be adopted in the Tariff.

Empire District Electric Company (Liberty-Empire) - On October 14, 2020, Liberty-Empire filed an application requesting Commission approval and allowance of its intent to deploy Advanced Metering Infrastructure (AMI) in its service territories in Missouri, Kansas, Arkansas, and Oklahoma and the revision of certain tariffs, as well as its terms and conditions of service. Testimony was filed in this Cause. A Hearing on the Merits was held on December 17, 2020, where parties defended their positions through oral testimony. On January 20, 2021, the ALJ issued her Report and Recommendation. In her report, the ALJ recommended: Waiver of Commission Rules OAC 165:35-21-20(a) and (e) and 165:35:21-21(3) regarding on premises disconnection notification to those opting in to AMI metering; and Waiver of compliance with OAC 165:35-15-2(d)(1) which authorizes the Company to estimate billing and quarterly manual meter reading for a \$15 monthly non-standard fee, and a

\$3.33 additional charge per meter for additional meters, for customers opting out of AMI metering. On January 27, 2021, the Commission issued Final Order No. 716577 finding that the meter reading requirements established on OAC 165:35-15-2(d)(1) should be waived for customers opting out of AMI metering, and allowing a non-standard meter reading fee of \$15 per customer.

Transmission Activity

On October 20, 2020, a joint application was filed by NextEra Energy Transmission and GridLiance requesting Commission approval of the NextEra entities' acquisition of GridLiance and to absorb it in the NextEra family of companies. A Hearing on the Merits was held on December 17, 2020, where parties formally approved the transaction. A final order approving the transaction was signed on January 15, 2021.

Fuel Audits and Reviews

PUD verifies the mathematical accuracy of the dollar amounts and recovery involved in the Fuel Adjustment Clauses of all regulated electric and natural gas companies and electric cooperatives, and also ensures that all fuel-related investments and purchases made by the companies are prudently incurred and limited to reasonable costs only.

Causes

In June, 2021, PUD filed annual Fuel Audits and Prudence Reviews for the three investor-owned electric utilities, five electric cooperatives, and seven natural gas utilities. These reviews cover calendar year 2020 and approximate fuel costs of \$1.7 billion. All reviews have been completed, and final orders have been issued for all of the following companies:

Three investor-owned electric utilities

- Oklahoma Gas & Electric (OG&E)
- Public Service of Oklahoma (PSO)
- Liberty-Empire

Five electric cooperatives

- Canadian Valley Electric Cooperative
- Northeast Oklahoma Electric Cooperative
- Arkansas Valley Electric Cooperative
- Rich Mountain Electric Cooperative
- SW Arkansas Electric Cooperative

Seven natural gas utilities

- Oklahoma Natural Gas
- Arkansas Oklahoma Gas (AOG)
- CenterPoint Energy Oklahoma Gas
- Ft. Cobb Fuel Authority
- West Texas Gas
- Panhandle Natural Gas
- First Natural Gas

Southwest Power Pool (SPP)

PUD continued to actively monitor and participate in the following SPP working groups:



- Regional State Committee
- Board of Directors / Members Committee
- Strategic Planning Committee
- Markets and Operations Policy Committee
- Cost Allocation Working Group
- Market Working Group
- Transmission Working Group
- Change Working Group
- Settlement User Group
- Economic Studies Working Group
- Supply Adequacy Working Group
- Project Cost Working Group
- Regional Allocation Review Task Force
- Regional Tariff Working Group

Complete details and minutes of each Group’s meetings can be found online at SPP.org.

Regional State Committee

The SPP Regional State Committee held its quarterly meetings virtually on July 27, 2020, October 27, 2020, January 25, 2021, and April 26, 2021. Complete details of these quarterly meetings can be found online at spp.org.

SPP Board of Directors

Due to COVID-19, the SPP Board of Directors’ FY2021 meetings were held virtually on July 28, 2020, October 26, 2020, January 26, 2021, and April 27, 2021. Complete details of these quarterly meetings can be found online at spp.org.

Markets and Operations Policy Committee

Due to COVID-19, the SPP Markets and Operations Policy Committee’s quarterly FY2021 meetings were held virtually on July 16, 2020, October 13-14, 2020, January 11-12, 2021, and April 12-13, 2021. Complete details of these quarterly meetings can be found online at spp.org.

Natural Gas Activity - Causes

Arkansas Oklahoma Gas (AOG) - On April 30, 2020, AOG filed its application for approval of its Performance Based Rate (PBR) Plan adjustments for the twelvemonth ending December 31, 2019. In its application, the Company requested the Commission approve: the calculations presented by the Company according to the requirements of the PBR Plan for the twelve months ended December 31, 2019, and the rate increase prescribed by the Plan; adjustments to base rates arising from the true-up of Customer Retention program costs, as provided by the PBR Plan; and the comprehensive review of the Company’s cost of long-term debt, which upon approval by the Commission in this proceeding, shall be applicable in future PBR Plan reviews until revised by order of the Commission. On September 2, 2020, a Joint Stipulation and Settlement Agreement was filed, outlining the following agreement among the parties: AOG shall receive a base rate increase in the amount of \$392,967; AOG’s PBRC tariff will be amended to allow for refunds of each year’s EDIT amortization



within 60 days of the end of that year, beginning with the 2020 amortization being refunded in 2021; AOG's weighted average cost of long-term debt shall be reduced to 4.38% and will remain until changed in a future proceeding; and AOG's PBRC tariff will be amended to change the date for the payroll annualization calculation from March 1 to December 31. The Hearing on the Merits was conducted on September 10, 2020, where the parties formally approved the Joint Stipulation.

On August 31, 2020, AOG filed its application for approval of a Customer Retention Plan for calendar years 2021 through 2023. On November 20, 2020, a Hearing on the Merits was conducted and the ALJ accepted testimony filed, as well as the Statement of Position from the Attorney General. On December 14, 2020, the Commission issued a final order approving the budget for the Company's Customer Retention Plan for the period 2021 through 2023.

AOG filed its PBRC Application on April 30, 2021. In its Application, AOG requested a rate increase of \$1.6 million due to increases in plant, associated primarily with replacement of aging infrastructure. Responsive testimony is due to be filed on July 16, 2021, and a hearing on the merits is scheduled to take place on September 9, 2021.

CenterPoint Energy Oklahoma - On March 15, 2021, CenterPoint filed an application requesting Commission approval for its Performance Plan Rate Change for 2020. In its application, the Company asked the Commission to approve its calculations which resulted in customer credits in the amount of \$844,000, and additional customer credits in the amount of \$403,890, resulting from Protected and Unprotected Excess Deferred Income Taxes (EDIT) which arose out of the Tax Cuts and Jobs Act of 2017. On June 21, 2021 a Joint Stipulation and Settlement Agreement was filed where parties agreed CenterPoint shall provide credits to customers in the amount of \$883,697, issue Protected and Unprotected EDIT credits, as well as True-Up credits to customers in the amount of \$403,890, to comply with Order No. 684379 issued in Cause No. PUD 201800029.

On June 24, 2021, CenterPoint filed a Joint Application with Summit Utilities and Southern Col Midco LLC requesting Commission approval of the purchase agreement by Southern Col Midco to acquire all of the utility operating assets and accounts of CenterPoint located in the State of Oklahoma. Parties to this cause are discussing a viable procedural schedule which will outline dates for the filing of testimony and a date for a Merits Hearing.

Oklahoma Natural Gas (ONG) - On January 28, 2021, ONG filed an application requesting the Commission approve ONG's sale of Line A-1490 to Short Junction and grant a waiver of OAC 165:45-3-5 to the extent that rule may require Short Junction to qualify as a public utility in order to own and operate Line A-1490 for the purpose of providing gathering or well flow services. Short Junction owns and operates sixty miles of gathering pipeline in Southern Oklahoma and Northern Cleveland counties, and would utilize Line A-1490 to provide gathering or well-flow services to the wells, and eliminate the need to flare gas. Testimony was filed by PUD on February 25, 2021, and a Merits Hearing was conducted on April 1, 2021. On April 13, 2021, the Commission issued Final Order #717742 approving the Application.



On March 31, 2021, ONG filed an application for approval of its energy efficiency true-up and utility incentive adjustments for program year 2020. The Merits Hearing is scheduled for July 29, 2021.

On May 28, 2021, ONG filed an application which will begin an audit and investigation of the Company's books and records and is requesting an increase in rates that will produce an increase of revenues in the amount of \$28,693,017. A procedural schedule was approved by parties involved in the case, which calls for testimony to be filed on September 10, 2021 and a Merits hearing to begin on October 28, 2021.

On April 30, 2021 ONG filed a joint application with Fort Cobb Fuel Authority requesting the Commission approve the transfer of the domestic farm tap meters, which are serviced by ONG, that are being abandoned by Southern Star Central Gas Pipeline, authorize Fort Cobb to provide service after the transfer, and release ONG from any obligation after the transfer. Testimony was filed on May 28, 2021. On June 23, 2021, a Joint Stipulation and Settlement Agreement was filed, where parties agreed that Fort Cobb has agreed to undertake service of the assets that were either abandoned by Southern Star or transferred from ONG. On June 25, 2021, the Merits Hearing was convened where parties formally approved the Joint Stipulation and Settlement Agreement as being fair, just, reasonable, and in the public interest.

Consumer Services and Enforcement Activity

Complaints by Industry	Total
Electric Utilities	5962
Natural Gas Utilities	1441
Telecommunication Companies	2449
Water	12
Cotton Gin	0
Other / Non Jurisdiction	3458
Total	13,322
Documented Savings to Utility Consumers by CS Intervention	\$48,404.98

Source of Customer Complaint	Total
Referral	591
E-Mail	581
Enforcement	1287
Mail	48
Telephone	11,252
Walk-In	1
Social Media	0
OGCD Calls	439
Total	14,199

In spite of the limitations in dealing directly with the public due to safety concerns related to the pandemic, field staff were still able to address safety-related consumer complaints with the help of photographs provided by consumers and field time by auditors.

Enforcement Issues Identified

Category	Total
Mobile Marketing Audits	91
Open Safety and Rule Compliance Investigations	1339
Total	1,430

Our Enforcement Investigator discovered this low-hanging service line interfering with traffic in the roadway in Perry, OK. The Utility was notified concerning this safety issue and repairs were made to make the area safe again.



Our PUD Enforcement team found this low-hanging cable over a resident's driveway in Tulsa, OK. The Utility was contacted and the cable was removed to make the area safe.

Figure 1 Before



Figure 2 After



These tangled lines were discovered by one of our Enforcement Investigators. The Utility was notified and the area was made safe again.

Figure 3 Before



Figure 4 After



Our Enforcement field team discovered this broken utility pole where the lines needed to be transferred to the new pole.





OCC Field Enforcement Investigator Virginia Heitgrass officially retired on March 31, 2021 after 14 years and 6 months of service for the Oklahoma Corporation Commission. She was a dedicated employee that enjoyed helping consumers with public utility complaints and conducting field inspections for the Public Utility Division. She will be missed and her constant work to help make the State a safer place will be forever impactful for the citizens.

Telecommunications Activity

Causes

Cause No. PUD 201900008 against Blue Jay Wireless remains open. PUD continues to request operational information in order to determine whether Blue Jay is in compliance with Commission rules and requirements for providing Lifeline service.

PUD continued its investigations related to potential abuse of the Federal Lifeline Program. PUD also continued its investigations related to compliance with the Commission's mobile marketing rules. PUD continues to monitor and review customer lists and conduct audits at various Lifeline tent and retail locations in Oklahoma.

Certificates of Convenience and Necessity (CCN)

There were eleven new causes filed requesting CCNs and eight were closed during the fiscal year. There were nine causes pending at the end of FY2021.

Interconnection Agreements/Amendments

There were 29 new causes filed for interconnection agreements/amendments during the fiscal year and 34 previously filed agreements were closed, leaving six causes pending at the end of FY2021.

Arbitrations and Complaints

PUD did not have any arbitrations or complaints during the fiscal year.

Eligible Telecommunications Carrier (ETC) Designations

There were 24 new causes filed for ETC Designation and 19 causes were closed.

Notice of Inquiry (NOI)

NOI Cause No. PUD 201800066 involves issues related to OUSF, Lifeline service, Oklahoma High Cost Fund, Broadband support, VoIP service, and other telecommunications matters. This NOI will be used to develop recommendations for potential language for legislation to address possible changes to the OUSF.

National Lifeline Awareness Week (September 14-18, 2020)

PUD coordinated with the OCC Public Information Office to bring awareness to the 2020 National Lifeline Awareness Week. Due to the ongoing COVID-19 pandemic, the FCC has temporarily waived some requirements related to eligibility verification prior to enrollment. This means more Oklahomans will be able to enroll for Lifeline services at a time when connectivity to social, medical, and other resources is especially critical.

Rural Digital Opportunity Fund

The FCC announced winning bidders in the Rural Digital Opportunity Fund Phase I (RDOF) auction conducted on November 25, 2020. Bidders won support for a total of \$154,556,450 in support of 126,153 locations in Oklahoma. 18 companies that won RDOF funding in Oklahoma filed applications requesting ETC designation with the OCC. Of those 18 companies, nine have also filed applications requesting initial CCN authority in Oklahoma or requesting CCN service territory expansion in Oklahoma in association with their RDOF winning bids.

FCC 8YY Switched Access

The FCC issued an order directing service providers of toll-free (8YY telephone numbers) access services to decrease their service rates. The order requires 8YY service providers to bring intrastate originating 8YY end office access rates into parity with comparable interstate rates; implement a rate of \$0.001 per minute for originating 8YY traffic; and transition to a rate of \$0.004248 for 8YY database queries.

PUD received twenty applications from providers of toll-free access services seeking approval of tariff revisions to comply with this order.

OUSF Monthly Payment Process

In 2015, PUD developed a streamlined OUSF process to allow service providers to request changes to an approved order due to a change in circuit bandwidth, price or both, instead of requiring a new application. In March 2020, the Emergency Change Request Process simplified the process even further by temporarily approving all reasonable increases in bandwidth without the customary audit.

Regular Change Requests

PUD received 138 regular change requests, of which PUD approved 110.

Emergency Change Requests

PUD received 50 emergency change requests to temporarily increase bandwidth to allow for online instruction and expanded telemedicine due to COVID-19. PUD streamlined the manner in which OUSF service providers could request immediate approval of bandwidth increases for eligible telemedicine facilities, public schools, and public libraries for the designated emergency period.

Since the program began in March 2020, PUD has temporarily increased bandwidths to approximately 100 schools, libraries and healthcare entities. PUD hopes that the increased bandwidths have equipped them to better respond to COVID-19.

Invoice Audits

During FY2021, PUD reviewed 480 invoices. Since the initiation of the invoice audit process, PUD has noticed a significant decrease in the number of discrepancies, which indicates that service providers are better identifying changes in service and properly reporting those changes. With the lower risk, PUD has decreased the percentage of invoices reviewed by 65%.

Telemedicine True-Ups

PUD continues to monitor federal funding from the Rural Healthcare Program to ensure that true-ups are completed as federal funding changes. This is necessary to make certain that the OUSF recovers duplicative funding. For CY2020, USAC issued 770 Funding Commitment Letters detailing federal funding for OUSF eligible healthcare entities. For CY2021, USAC has issued 387 Funding Commitment Letters through June 30, 2021. For many of these healthcare entities, PUD must reach out to the service provider to request they submit the necessary true-up.

Refund Requests

In FY2021, PUD issued 16 refund requests to service providers because of duplicative funding beyond the 30-day statutorily-allowed overlap. Refunds received from providers during this time period totaled \$37,565.21.

OUSF Beneficiary Outreach

PUD continues to monitor the FCC Form 470s filed with the Universal Services Administrative Company (USAC) by public schools and public libraries and notifies the schools and libraries on a best-effort basis if it appears the Form 470 information might be in conflict with OUSF rules. In addition, PUD regularly contacts beneficiaries and service providers to provide help in meeting OUSF requirements. PUD also coordinates with other agencies and support groups to address OUSF issues as they arise. Schools, libraries, and telemedicine facilities limited contact with the public due to COVID-19, and as a result, there was diminished ability to meet in-person with beneficiaries. The OUSF E-Rate training session was again offered in a virtual setting in February with 28 parties representing schools and libraries in attendance. PUD continued to interface with beneficiaries, service providers, and consultants to assist with OUSF and E-rate concerns, completing 214 outreach contacts in the fiscal year.

As a result of COVID-19, PUD continued to quickly address emergency requests for temporary broadband increases to allow for online instruction and expanded telemedicine. During the fiscal year, 79 healthcare entities and 3 schools received emergency approval for bandwidth increases bringing the total to 82 approved applicants. PUD streamlined the manner in which OUSF service providers request immediate approval of bandwidth increases for eligible healthcare facilities, public schools, and public libraries for the designated emergency period, and informed OUSF beneficiaries of this available opportunity. As a matter of public safety, this allowed for an immediate response to the increased needs with no risk or increased costs to the beneficiaries.

COVID-19 has generated a desire from beneficiaries for timely information on the ever-changing offerings and processes in both federal and local funding programs. In response, PUD is creating user-friendly, self-paced training modules which will be available on the OCC webpage.

OUSF Preapproval and Cause Processing

During the fiscal year, PUD received a total of 234 Requests for OUSF Funding and Preapproval. PUD filed 231 Determinations and Preapproval Funding Letters. As part of its cause review process, PUD issued Data Requests to service providers, schools, libraries, and healthcare entities to verify data.



As a result of COVID-19, the Primary team continues to conduct teleconferences and video calls in lieu of on-site visits to company headquarters. During the video calls, PUD is able to screen-share and discuss documents as it would during actual site visits.

The Primary team reviewed and approved Requests for OUSF funding filed under 17 O.S. § 139.106(G) for Dobson Telephone Company, Dobson Telephone Company d/b/a McCloud Telephone Company, and Oklahoma Western Telephone Company. The team continues its reviews from Terral Telephone Company, Pine Telephone Company, Salina-Spavinaw Telephone Company, and Hinton Telephone Company filed under this same statute. These requests are a combination of full reviews and variance and risk-based reviews. Additional Requests are expected to be filed in FY2022. 17 O.S. § 139.106(G) states an eligible local exchange telecommunications service provider may request OUSF funding to maintain reasonable and affordable rates for its customers for primary universal services while OAC 165:59-3-70(o) provides rules related to 17 O.S. 139.106(G). This rule allows an eligible local exchange telecommunications service provider the option to file a Request for a variance and risk-based review if the OUSF Administrator has previously issued an Initial Determination, and the requested amount in the variance and risk-based Request does not exceed 5% of the amount granted in the Initial Determination.

The team recently approved funding for Medicine Park Telephone Company; is reviewing three cases filed by South Central Telephone Association, Inc. and one case filed by Pine Telephone Company, Inc. that were filed under 139.106 (K), seeking support due to a loss of federal funding over multiple years. 17 O.S. § 139.106 (K) (1) (a) states in the event of a Federal Communications Commission (“FCC”) order, rule or policy, the effect of which is to decrease the federal universal service fund revenues of an eligible local exchange telecommunications service provider, the eligible local exchange telecommunications service provider shall recover the decreases in revenues from the OUSF.

Transportation Division

The Transportation Division administers and enforces the following:

- Commission rules;
- Federal and State laws; and
- International and Interstate Compacts

As they apply to the following:

- Commercial Motor Vehicles;
- Motor Carriers
- Pipeline Safety
- Railroad Safety

The Division is comprised of four departments:

- Administrative Services
- Regulation
- Motor Carrier/Vehicle Enforcement
- Pipeline Safety

Administrative Services Department

The Administrative Services Department is comprised of two sections:

- Administrative Support Section
- Enforcement Support Section

Administrative Support Section

The Administrative Support Section employees are responsible for:

- Human resources and budget-related items
- Fleet tracking
- Inventory
- Purchasing
- Travel
- Legislative tracking
- Council on Law Enforcement Education and Training (CLEET) requirements coordination
- Training coordination
- Supporting the division's management

Enforcement Support Section

The Enforcement Support Section employees support all motor carrier and motor vehicle enforcement activities, to include:

- Citation/warning tracking
- Fine tracking
- Leniency requests and citation dockets
- Officer activity reporting
- Site visit inspection tracking

OCC Enforcement personnel issued 46,431 citations in FY2021. All Ports of Entry and Weigh Stations enforcement did not resume until the week of July 27, 2020, due to COVID-19.

Regulation Department

The Regulation Department includes the Motor Carrier Requirements Section and the IFTA/IRP Section.

Motor Carrier Requirements Section

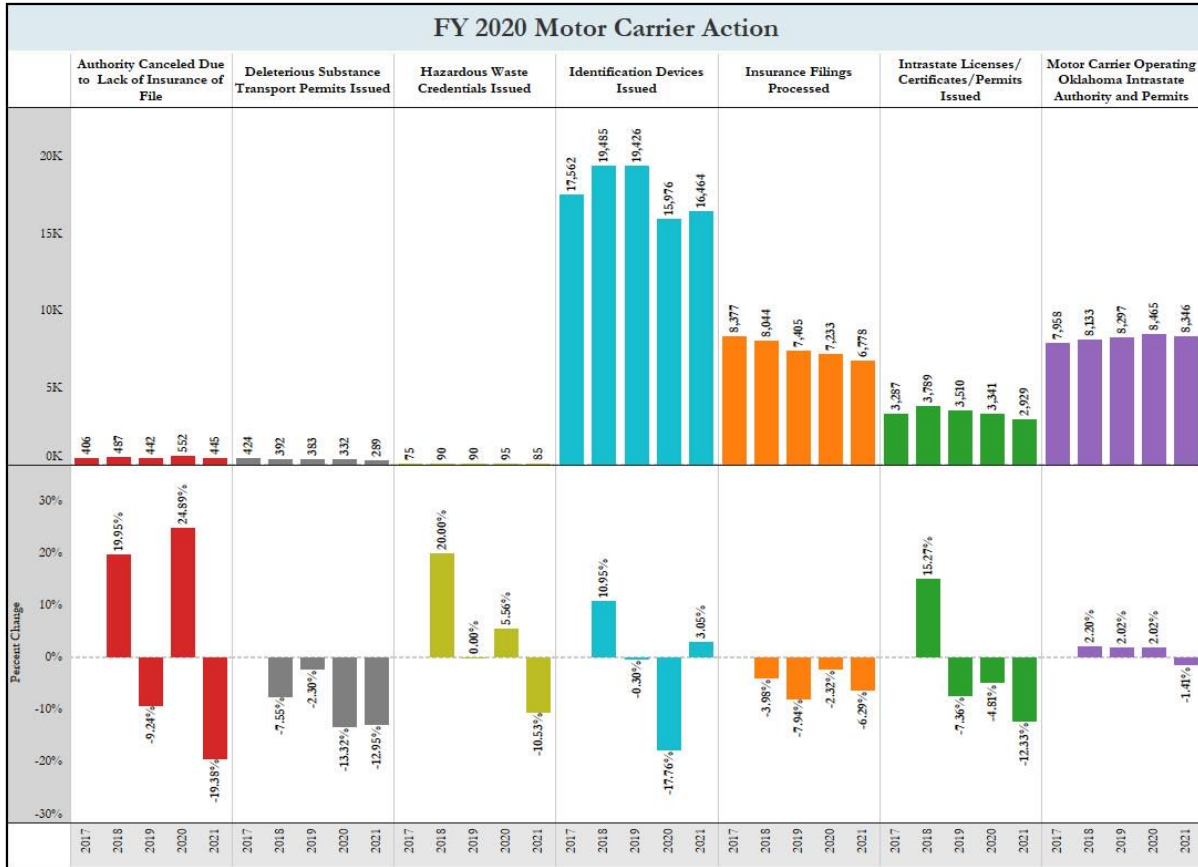
The Motor Carrier Requirements Section staff is responsible for:

- Administering the Unified Carrier Registration Program (UCR Program) for Oklahoma motor carriers
- Certifying household goods carriers
- Issuing permits for transportation of deleterious substances and for hazardous waste
- Licensing and permitting of intrastate for-hire and private carriers, including passenger carriers

There are more than 8,346 for-hire and private carriers licensed to operate in interstate and intrastate commerce. All for-hire and private intrastate motor carriers must comply with administrative requirements

and insurance standards in order to obtain and hold certificates or licenses to operate in Oklahoma. The state has 55 carriers authorized to transport household goods within its borders.

The Unified Carrier Registration (UCR) program is administered by the Motor Carrier Requirements Section. The annual registration period starts October 1 and runs through September 30 of the following year. This national plan requires a minimum number of audits to be conducted annually. Currently, there are 8,648



carriers that are required to register for the UCR plan. The UCR Plan consists of 15 board members from different states in the US. OCC's Crystal Stevens was elected to the UCR board and is currently serving her second 3-year term.

IFTA/IRP Section



The International Fuel Tax Agreement (IFTA) and International Registration Plan (IRP) Section (IFTA/IRP) is comprised of three Sub-Sections:

- Audit;
- IFTA/IRP Administration; and
- Nonconsensual Towing

Audit Sub-Section

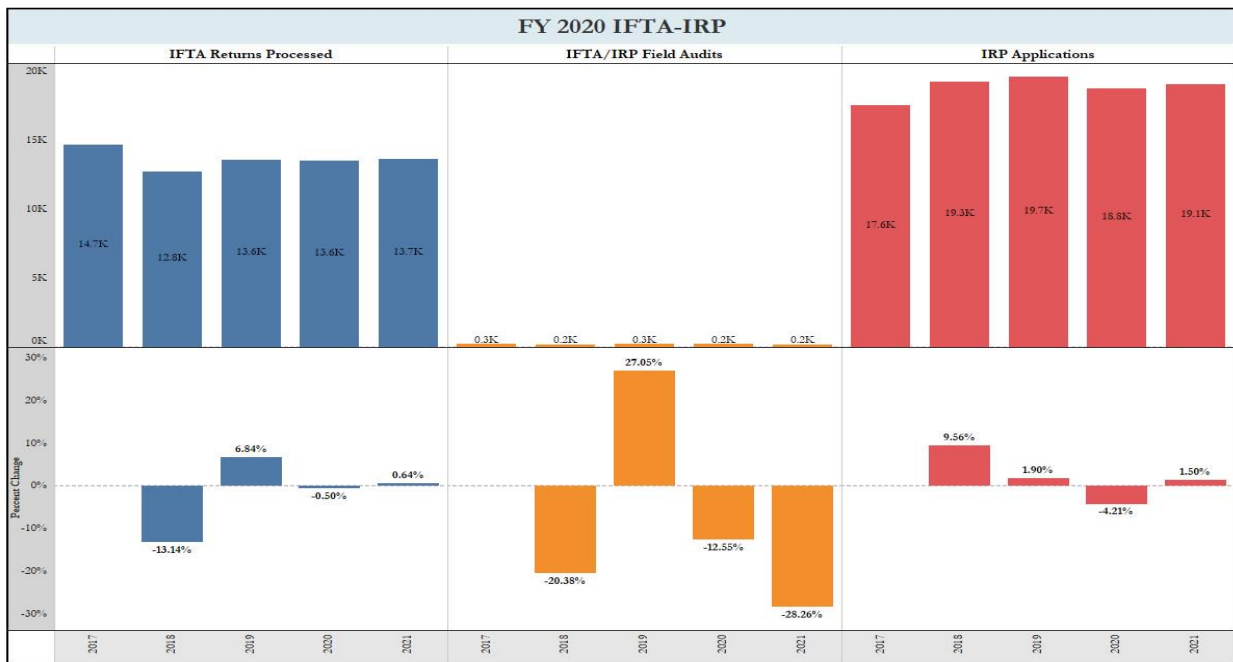
The Audit Sub-Section staff is responsible for auditing registrants to ensure motor carriers comply with the IFTA and IRP Compacts, as well as with Commission rules and Oklahoma statutes. The Sub-Section employees

ensure registrants pay the proper registration fees and fuel taxes by reviewing records to verify reported distances, distance allocations, and motor fuel purchases.

IFTA/IRP Administration Sub-Section

The IFTA/IRP Administration Sub-Section staff ensure applicants’ commercial vehicles have proper licensing and registration used in interstate operations under the IFTA and IRP Compacts. Employees also take walk-in applicants and process mailed-in applications.

Transmissions to the IRP and IFTA Clearinghouses were both timely and accurate. The division’s employees sent more than \$157 million in total revenues to the IRP and IFTA Clearinghouses.



Nonconsensual Towing Sub-Section

The Nonconsensual Towing Sub-Section employees administer the Nonconsensual Towing Act of 2011, which authorized the Commission to establish rates charged for nonconsensual towing and storage. This section regulates 468 DPS licensed wreckers. In FY2021, the section investigated 43 complaints and ordered 22 refunds.

Enforcement Department

The Enforcement Department includes both the Motor Carrier Enforcement Section and the Railroad Section.

Motor Carrier Enforcement Section

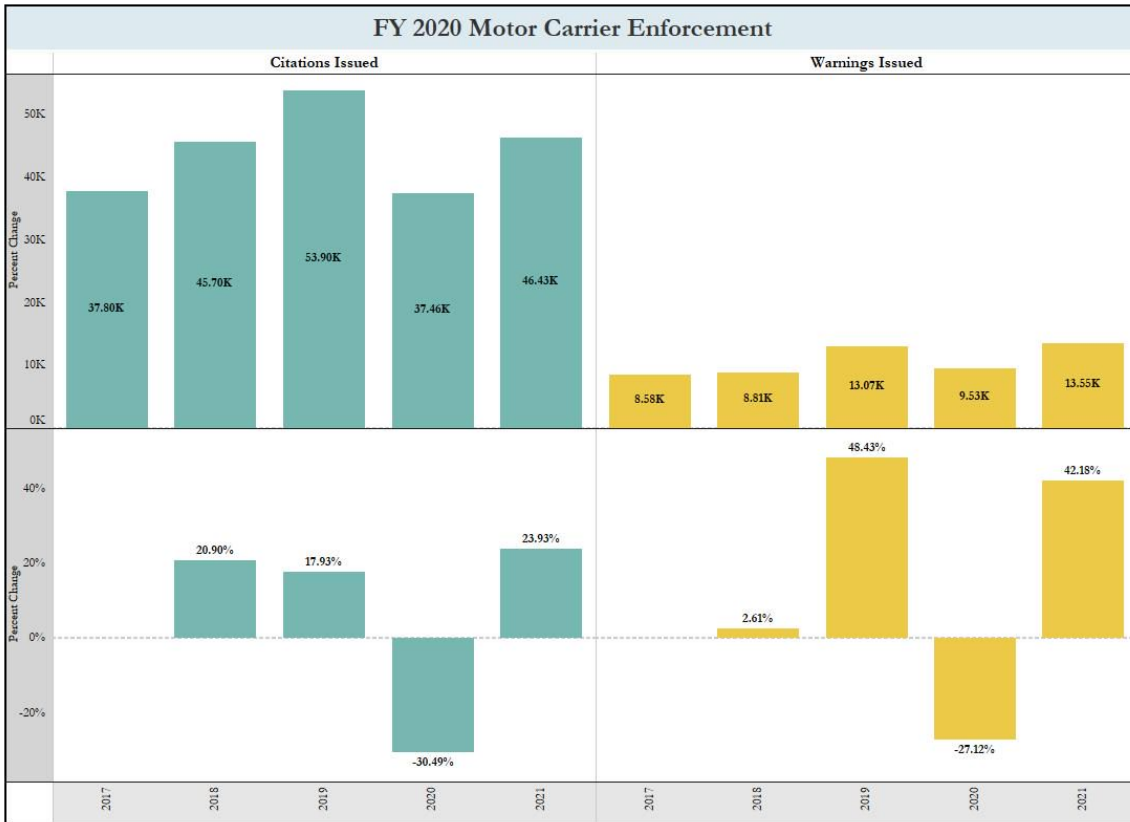
The Motor Carrier Enforcement Section staff perform compliance checks on for-hire and private motor carriers to ensure those operators are following Commission rules, federal regulations, and Oklahoma state statutes that govern commercial vehicles and interstate and intrastate motor carriers. This Section is also responsible for:

- Conducting complaint investigations to include, but not limited to, illegal dumping of deleterious

substances

- Performing overweight audits of motor carriers and shippers

Transportation Division CLEET-certified officers completed mandated annual firearms qualification and



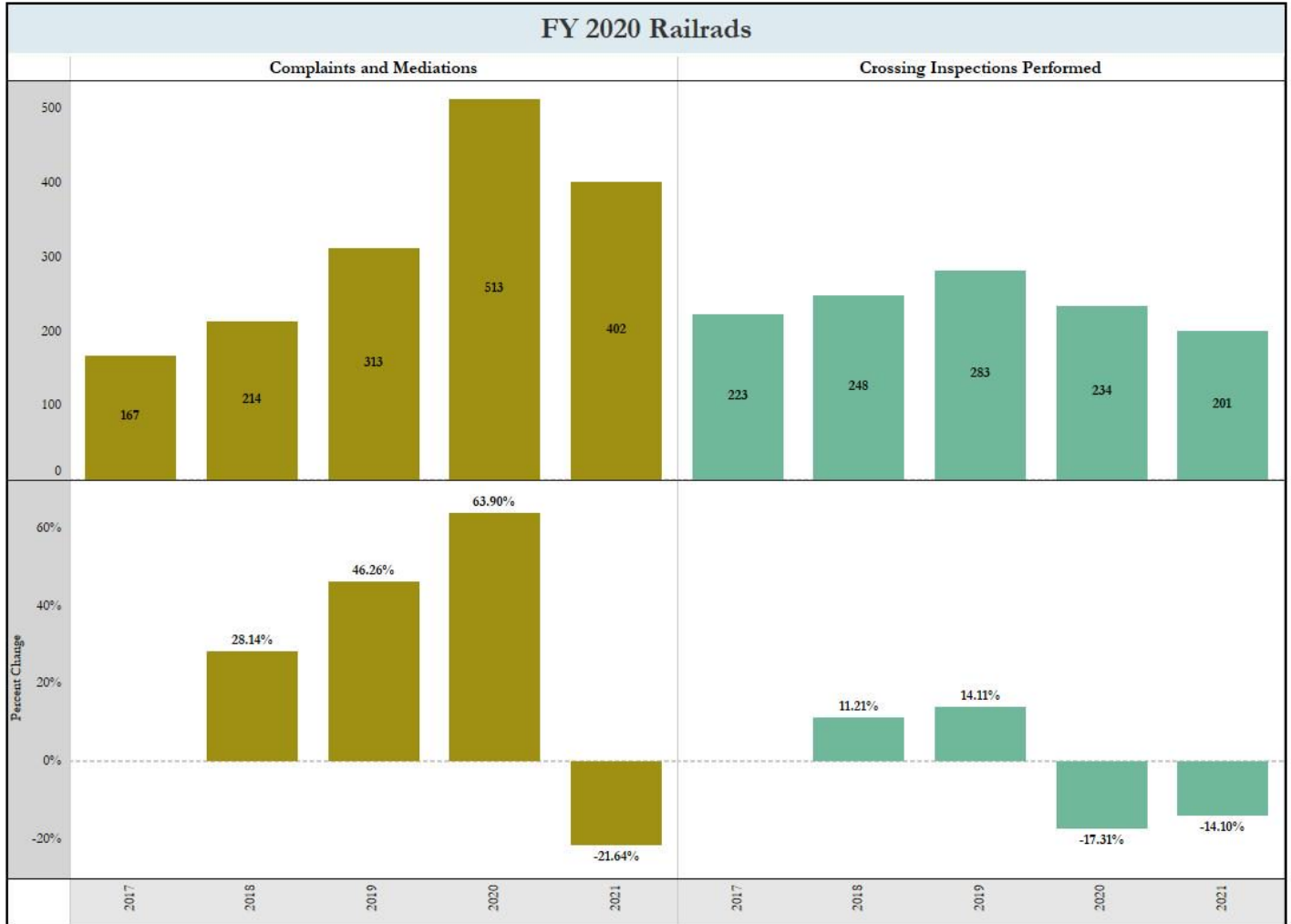
continuing service training hours. CLEET-certified trainers conducted four training sessions, one in each of the four zones, for all certified officers, with applicable training extended to non-CLEET-certified officers.

The agency completed its portion of the Federal Highway Administration State Enforcement Plan for FY 2022.

Documentation was submitted to DPS and OHP Troop S, who compile information from the Oklahoma Department of Transportation, DPS permits, DPS Troop S, and OCC Transportation, and then submit the State Enforcement Plan to the federal agency.

Railroad Section

The Railroad Section is responsible for enforcing state rules and regulations on rail company right-of-way fencing and at-grade rail crossing maintenance and safety.

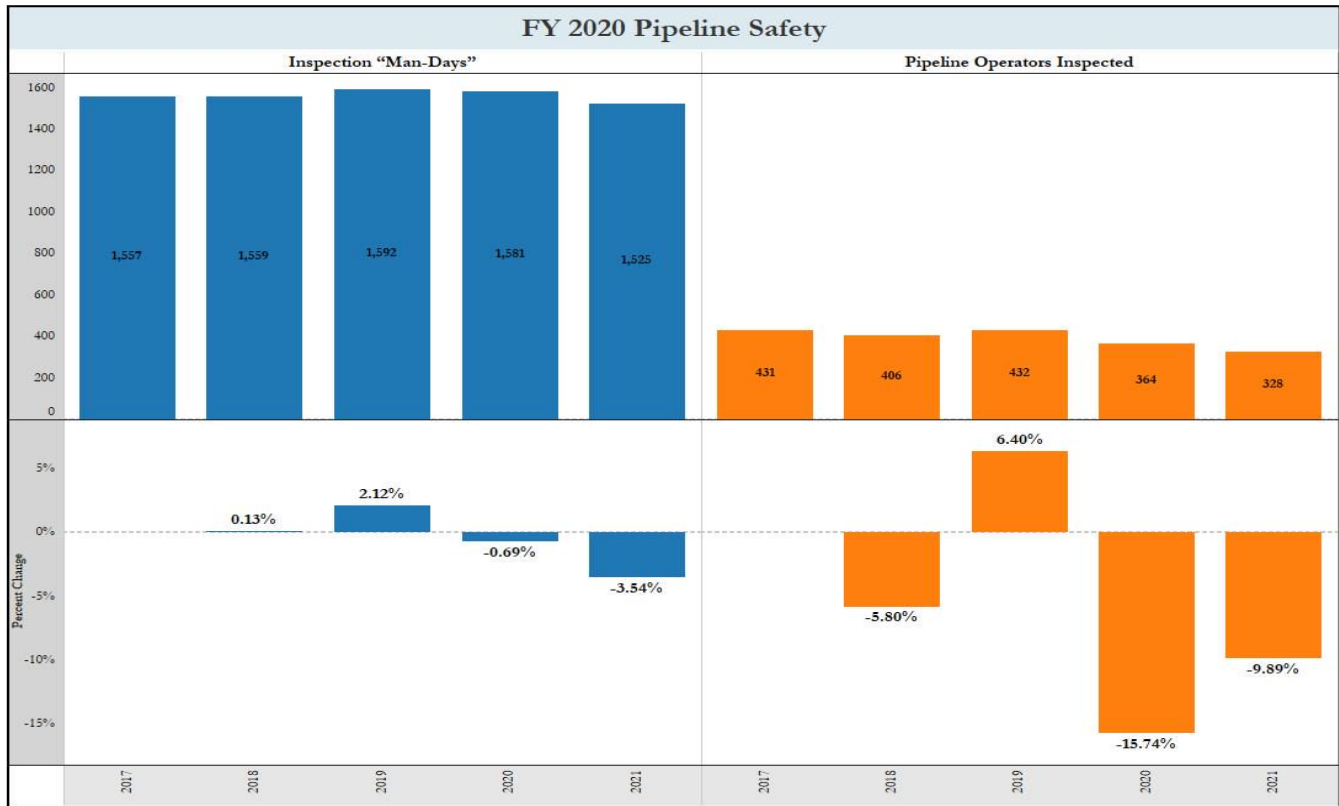


Pipeline Safety Department

The Pipeline Safety Department is responsible for enforcement and inspection authority over 229 natural gas operators, 31 hazardous liquid operators, and 4 underground natural gas storage facilities. These companies operate more than 42,024 miles of natural gas pipeline and 5,359 miles of hazardous liquid pipeline throughout the state. The department’s staff conducts on-site inspections of the pipeline operators’ facilities and records, as regulations cover the abandonment, construction, design, maintenance and operation of operators’ pipeline and underground natural gas storage facilities.

This department receives funding from an assessment paid by pipeline operators and by a federal reimbursement. The U.S. Department of Transportation’s Southwest Regional Office of Pipeline Safety oversees and supports the program. The federal DOT’s Office of State Programs annually evaluates Oklahoma’s Natural Gas and Hazardous Liquid Pipeline Safety Programs and Underground Natural Gas Storage

Facilities Program and assigns a proficiency rating to each program.



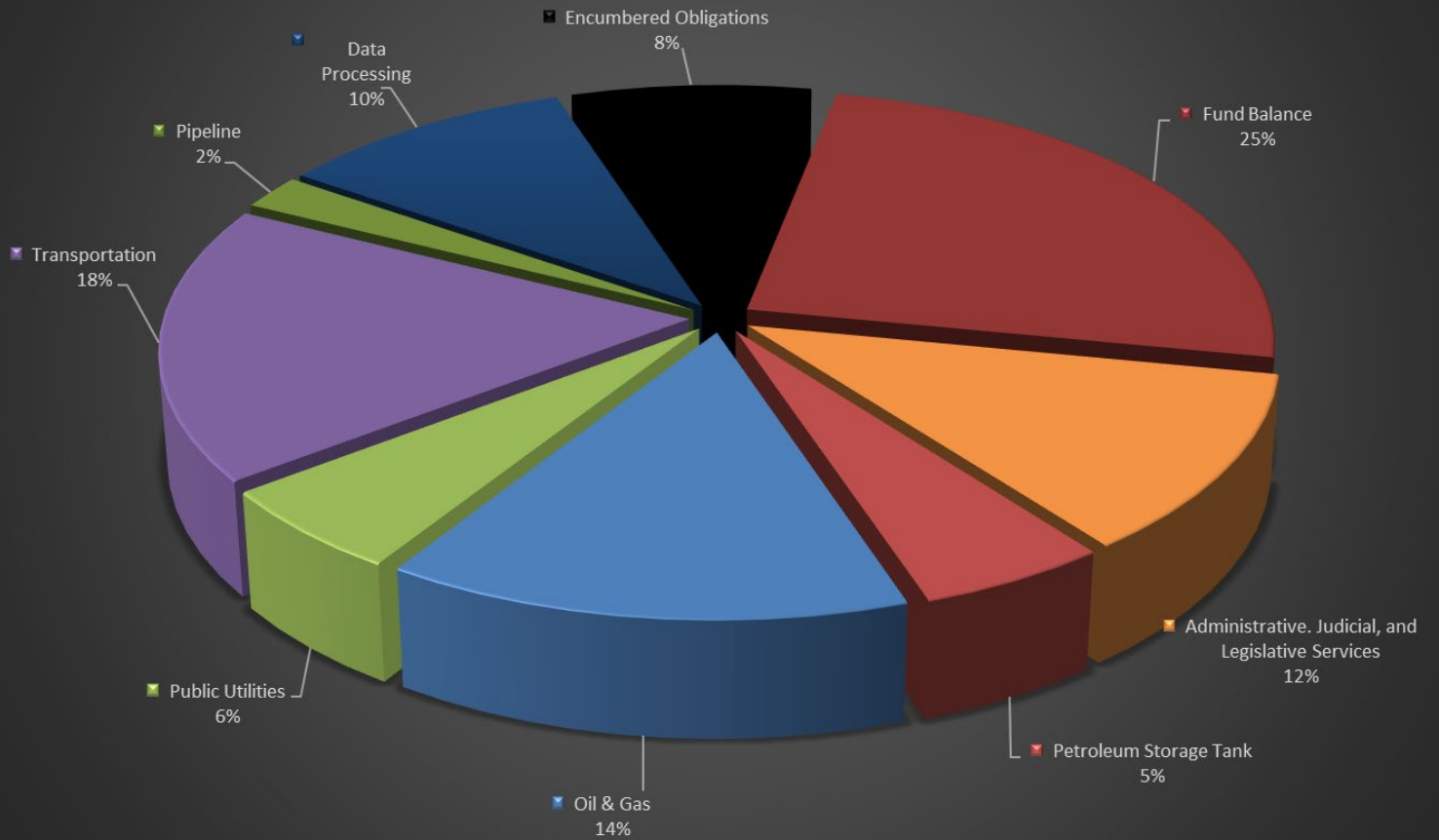
The U.S. DOT’s Office of State Programs performed its annual evaluation and assigned a 100 percent proficiency rating to both the department’s Hazardous Liquid Pipeline Safety Program and Natural Gas Pipeline Safety Program.

In its annual review, Oklahoma was found adequate in establishing statutes covering damage prevention to underground facilities. The Commission was authorized to enforce those standards as they apply to gas and hazardous liquid pipelines. In a 2021 review, PHMSA found the Commission to be in compliance with all requirements of federal guidelines for promoting and enforcing the damage prevention statutes.

During 2021, the department continued its practice of virtual reviews of operator’s records due to COVID-19. On-site reviews were only conducted for accident investigations and site reviews. The 2021 National Association of Pipeline Safety Representatives (NAPSR) annual and regional meetings were canceled due to COVID-19. Annual meetings were conducted virtually and were attended by all 50 state pipeline safety programs, Pipeline Hazardous Materials Safety Administration (PHMSA), and the Chairman of the National Transportation Surface Board (NTSB).

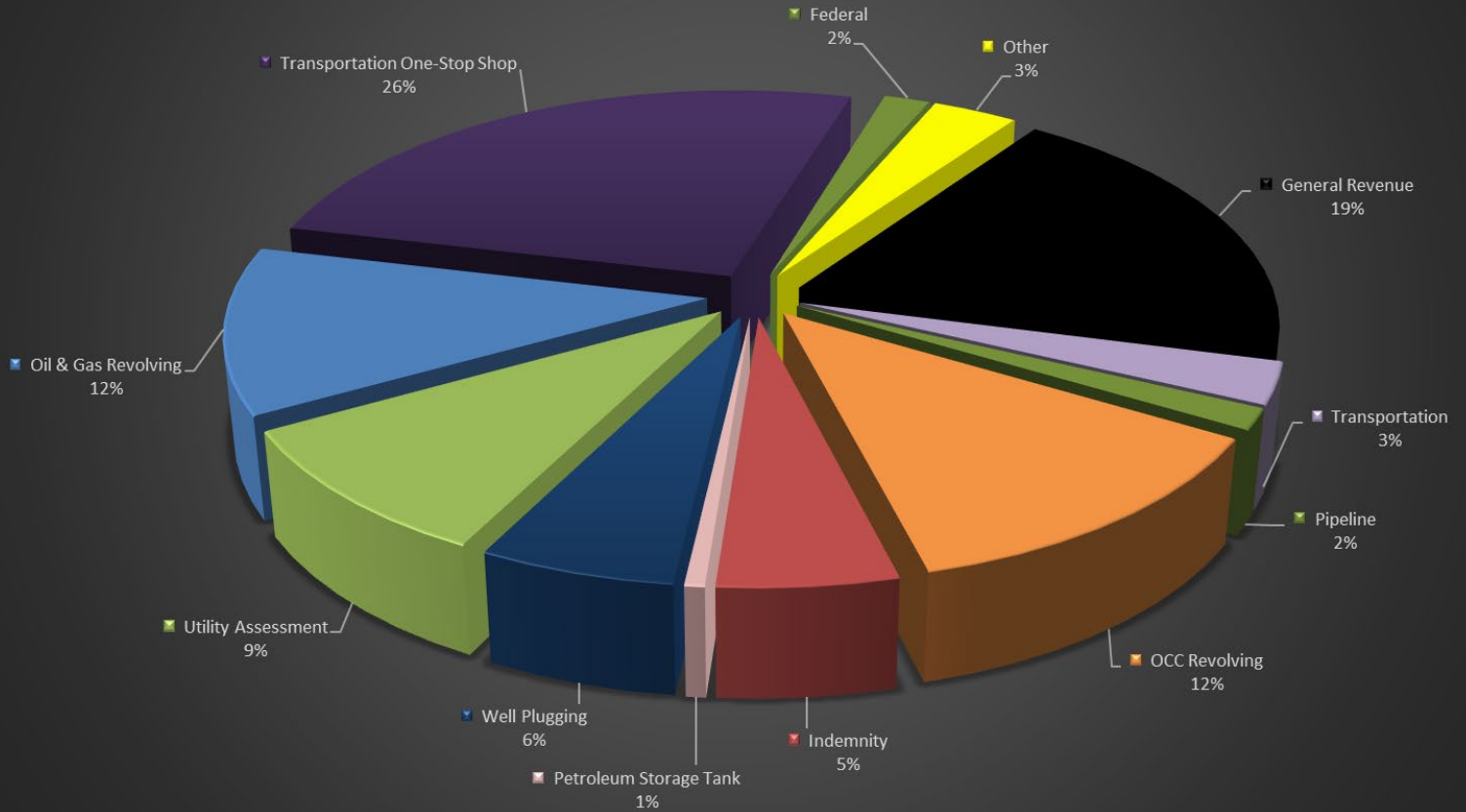
Appendix A

OKLAHOMA CORPORATION COMMISSION FY2021 EXPENDITURES AND OBLIGATIONS



Appendix B

**OKLAHOMA CORPORATION COMMISSION
FY2021 REVENUE SOURCES**





Appendix C

OKLAHOMA CORPORATION COMMISSION
Statement of Revenue and Expenditure (Cash Basis)
For the Fiscal Year Ending June 30, 2019

REVENUE SOURCES	FY				
	2021	2020	2019	2018	2017
General Revenue Fund	\$18,846,991	\$18,170,522	\$10,638,626	\$8,271,629	\$7,814,742
Oil & Gas Conservation Fund	\$11,609,342	\$11,985,360	\$9,314,171	\$7,224,560	\$5,316,989
Corp Comm Revolving Fund	\$16,539,916	\$15,326,639	\$16,169,796	\$13,090,912	\$14,604,753
Public Utility Assessment Fund	\$9,109,557	\$8,550,434	\$8,786,871	\$8,866,882	\$9,337,551
Transportation One-Stop Shop Fund	\$25,209,612	\$26,162,506	\$23,421,314	\$15,725,847	\$12,690,267
Indemnity Fund	\$5,056,337	\$4,321,904	\$4,509,867	\$4,783,767	\$4,042,484
Well Plugging Fund	\$5,515,987	\$5,555,717	\$5,347,285	\$4,319,385	\$3,444,238
Federal Funds	\$1,741,777	\$1,647,296	\$1,978,784	\$1,657,231	\$1,844,626
PST Revolving Funds	\$3,813,237	\$3,918,568	\$3,923,294	\$3,539,669	\$4,202,497
TOTA REVENUE SOURCES	\$97,442,757	\$95,638,946	\$84,090,008	\$67,479,882	\$63,298,147
EXPENDITURES					
Administrative, Judicial and Legislative Services	\$11,794,046	\$10,823,127	\$10,080,707	\$4,315,916	\$4,012,271
Consumer Services Division	\$0				\$594,524
Oil & Gas Division	\$11,299,556	\$10,031,899	\$9,240,624	\$9,079,249	\$8,949,612
Petroleum Storage Tank	\$4,477,505	\$4,486,712	\$4,254,340	\$4,016,150	\$4,297,650
Well Plugging/Storage Pits	\$1,623,270	\$1,669,062	\$1,038,051	\$782,605	\$958,149
UIC Federal	\$496,789	\$501,002	\$407,650	\$409,773	\$439,274
Office of Administrative Proceedings	\$0			\$2,931,055	\$2,630,431
Public Utilities	\$5,663,556	\$5,185,778	\$4,807,795	\$4,805,951	\$4,034,109
Office of General Counsel	\$0			\$2,425,129	\$2,164,777
Transportation	\$17,673,758	\$16,361,952	\$13,365,087	\$13,066,673	\$11,431,320
Pipeline Safety	\$2,200,682	\$2,022,324	\$2,033,430	\$1,959,931	\$1,682,115
Data Processing	\$8,374,471	\$4,369,335	\$3,990,835	\$2,943,087	\$5,068,531
Reserve for Obligations	\$5,625,574	\$5,770,541	\$6,919,313	\$3,955,299	\$5,004,558
Reserve for Obligations (Well Plugging)	\$1,239,886	\$787,310	\$1,350,934	\$1,316,501	\$1,132,290
Lapsed Funds	\$0	\$0	\$0	\$1,525	\$1,924
Transferred Funds	\$0	\$0	\$0	\$0	\$0
Revolving Funds Balance	\$25,169,854	\$22,080,965	\$9,991,116	\$11,289,303	\$7,640,120
TOTAL EXPENDITURE AND OBLIGATIONS	\$95,638,946	\$84,090,008	\$67,479,882	\$63,298,147	\$60,041,655

Appendix D

OCC Statement of Revenue and Expenditure (Cash Basis)			
FY Ending June 2021			
Revenue Sources	Breakdown	Amounts	% Of Total
General Revenue Fund:			
FY21 Beginning Cash Balance (GRF)		\$1,981,135	2.03%
General Revenue Appropriations		\$16,865,856	17.31%
Oil & Gas Revolving Fund:			
FY21 Beginning Cash Balance(OGRF)		\$5,899,440	6.05%
Intent to Drill Fees	\$445,200		
Other (OGRF)	\$5,264,702		
OCC Revolving Fund:			
FY21 Beginning Cash Balance(ORF)		\$7,122,827	7.31%
Unified Carrier Registration	\$2,915,282		
Pipeline Safety Assessment	\$1,471,909		
Filing Fees	\$378,650		
Other(ORF)	\$4,651,249		
Petroleum Storage Tank:			
FY21 Beginning Cash Balance (PST)		\$174,589	0.18%
Permits	\$299,301		
Other(PST)	\$96,146		
Public Utility Assessment Fund:			
FY21 Beginning Cash Balance(PUD)		\$1,295,490	1.33%
Public Utility Assessments	\$6,573,582		
Other(PUD)	\$1,240,485	\$7,814,067	8.02%
Transportation One-Stop Shop Fund:			
FY21 Beginning Cash Balance(TD)		\$8,861,447	9.09%
Transportation Fees & Fines		\$16,348,165	16.78%
Indemnity Fund:			
FY20 Beginning Cash Balance(ID)		\$15,296	0.02%
Fund Receipts		\$5,041,041	5.17%
Well Plugging Fund:			
FY21 Beginning Cash Balance		\$4,048,162	4.15%
Oil & Gas Excise Tax Receipts		\$1,467,825	1.51%
Federal Funds:			
FY21 Beginning Cash Balance (FF)		\$515	0.00%
Federal Funds Received		\$1,741,262	1.79%
Other Funds:			
FY21 Beginning Cash Balance (OF)		\$2,636,413	2.71%
Fund Receipts(OF)		\$606,789	0.62%
Total Revenue Sources		\$97,442,757	100.00%

Appendix E

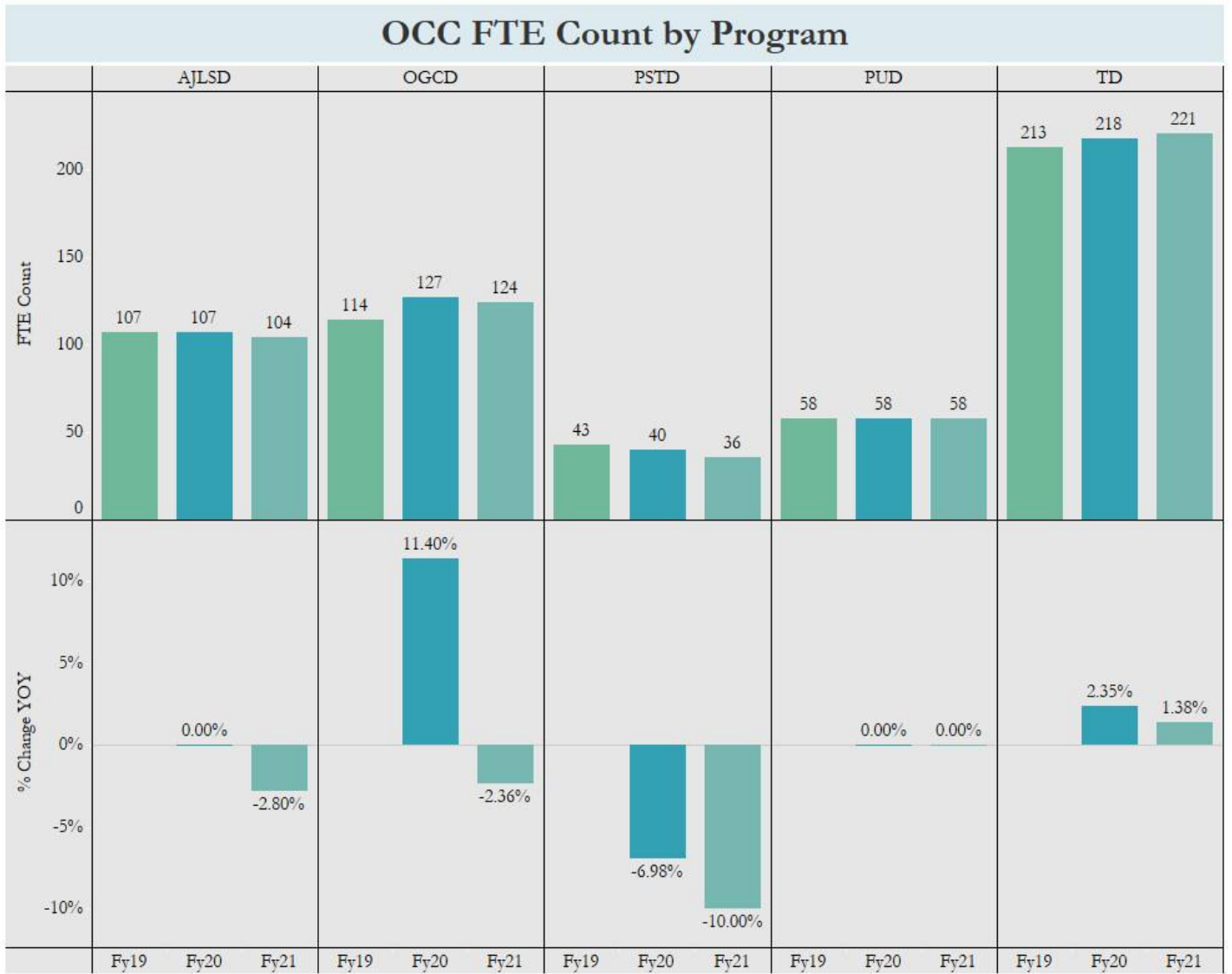
Expenditure and Obligations		
	Budgeted FTE	Average FTE
Agency staffing levels	585	564
	Budgeted FTE	Average FTE
Expenditure Category		
Personnel	\$46,031,071	47.24%
Professional Services	\$8,437,337	8.66%
Travel	\$81,213	0.08%
Administrative	\$4,591,180	4.71%
Furniture & Equipment	\$1,005,149	1.03%
Transfers & Disbursements	\$0	0.00%
General Assistance and Awards	\$1,998	0.00%
Prior Year Obligations	\$5,002,372	5.13%
Funds reserved for obligations	\$8,040,516	8.25%
Transferred/Lapsed Funds	\$2,690	0.00%
Fund Balance	\$24,249,231	24.89%
Total*	\$97,442,757	100.00%

**FY20 total available funds applied reflects the following distribution

Appendix F

Expenditures and Obligations		
	Amounts	% of Total
Administrative, Judicial and Legislative Services	\$11,258,423	11.60%
Petroleum Storage Tank (PST)		
PST-Administration	\$205,930	0.20%
PST-Claims Processing	\$760,283	0.80%
PST-Regulatory	\$2,968,257	3.00%
PST-Remediation	\$1,154,963	1.20%
Oil & Gas (Includes Brownfields)	\$11,524,568	11.80%
Well Plugging/Storage Pits	\$1,967,508	2.00%
UIC Federal	\$399,801	0.40%
Public Utilities	\$5,424,448	5.60%
Transportation	\$17,302,011	17.80%
Pipeline Safety	\$2,146,397	2.20%
Data Processing	\$10,037,732	10.30%
FY'20 Expenditures	\$65,150,320	66.90%
Reserve for General Obligations	\$7,684,276	7.90%
Reserve for Well-Plugging Obligations	\$356,240	0.40%
Lapsed Funds	\$2,690	0.00%
Revolving Fund Balance	\$24,249,231	24.90%
Total Expenditures and Obligations	\$97,442,757	100.00%

Appendix G

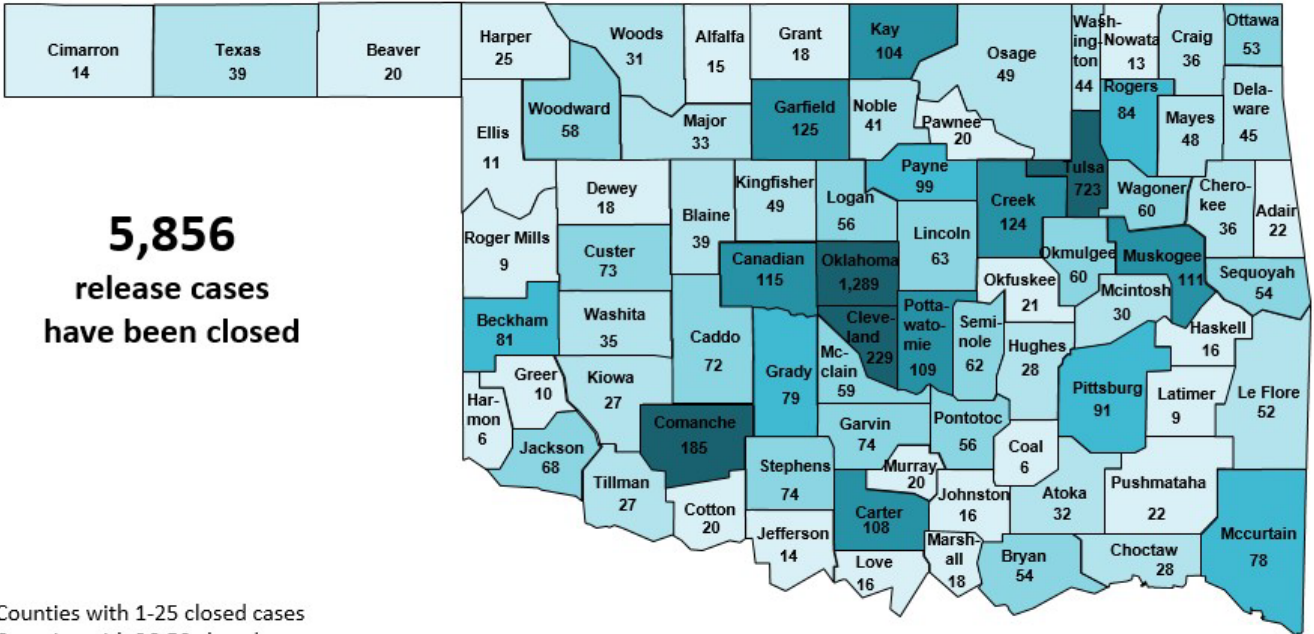


Appendix H



Appendix I

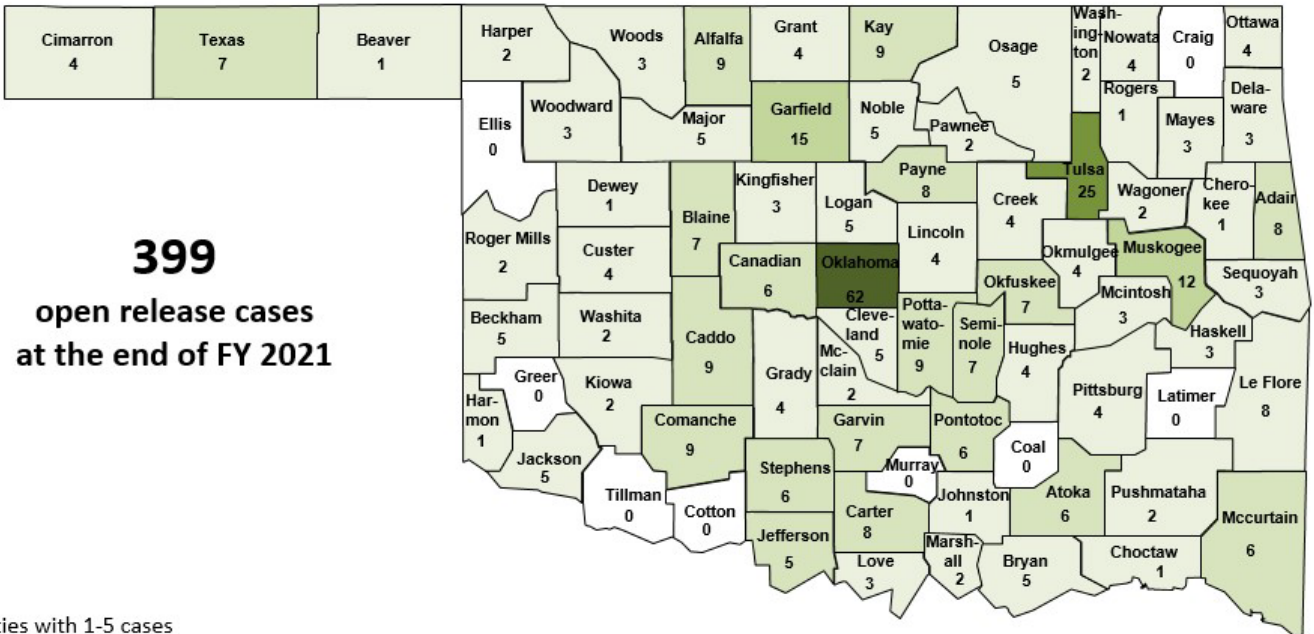
State of Oklahoma Release Cases Closed by County



- Counties with 1-25 closed cases
- Counties with 26-50 closed cases
- Counties with 51-75 closed cases
- Counties with 76-100 closed cases
- Counties with 101-125 closed cases
- Counties with 126+ cases

Appendix J

State of Oklahoma Open Release Cases by County

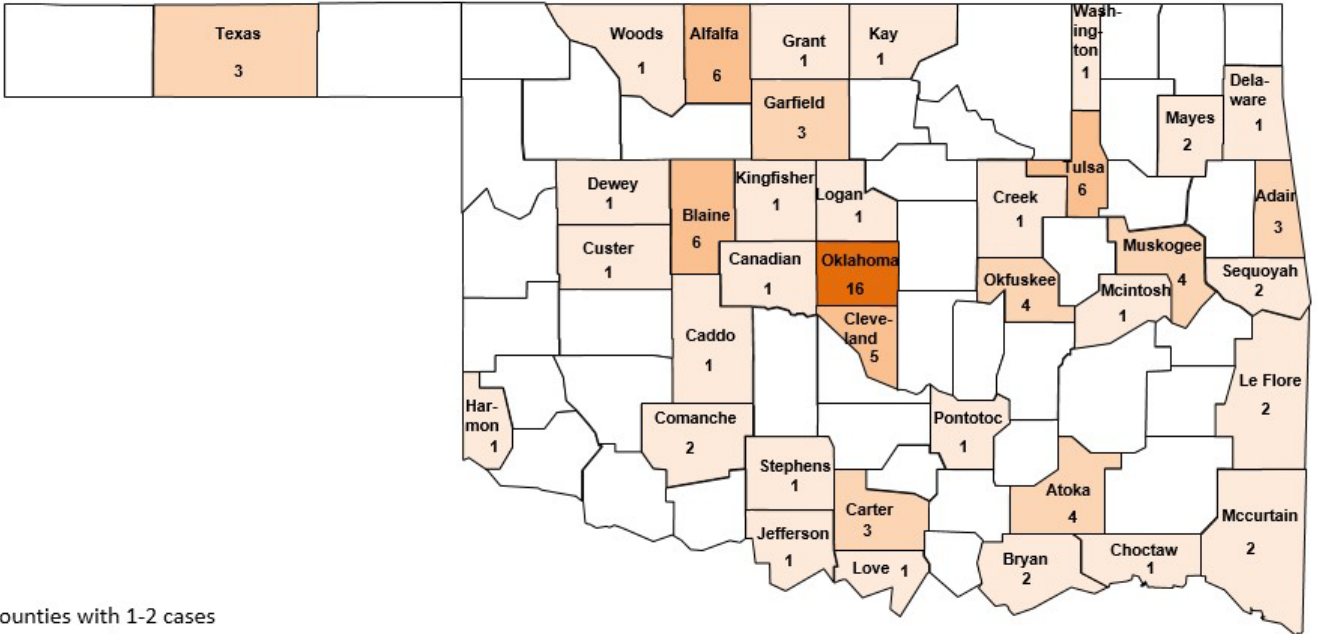


399
open release cases
at the end of FY 2021

- Counties with 1-5 cases
- Counties with 6-10 cases
- Counties with 11-15 case
- Counties with 16-20 cases
- Counties with 21-30 cases
- Counties with 31+ cases

Appendix K

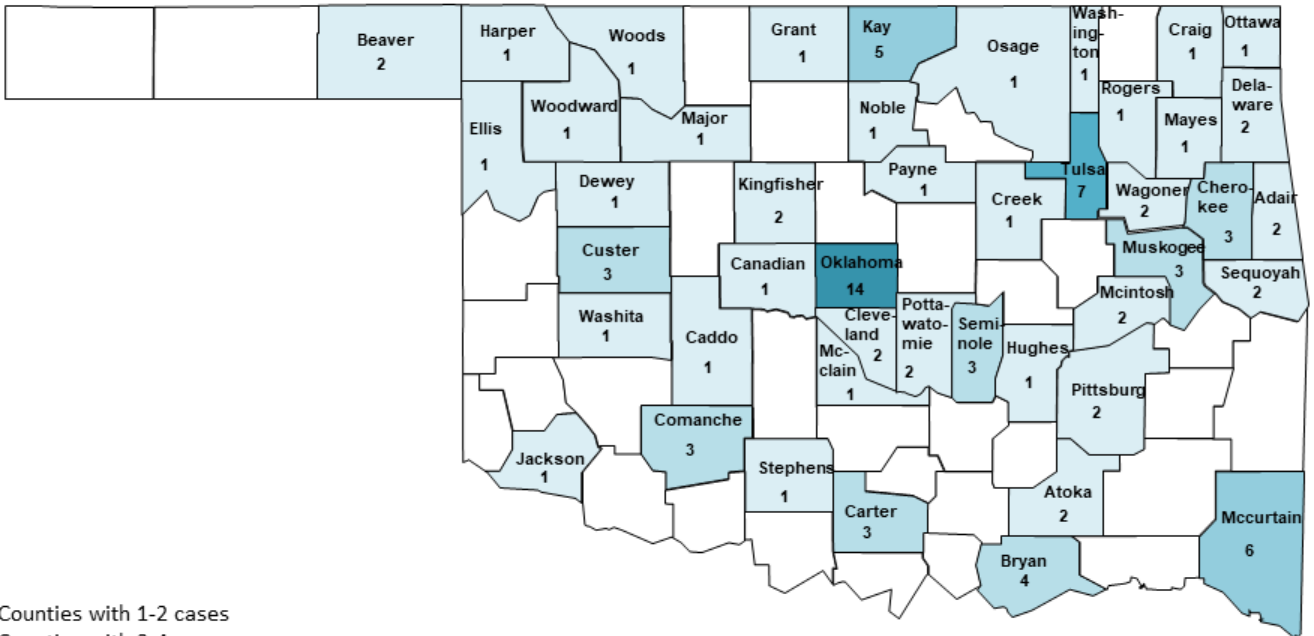
PSTD Activated 94 New Release Cases in FY 2021



- Counties with 1-2 cases
- Counties with 3-4 cases
- Counties with 5-7 case
- Counties with 8-9 cases
- Counties with 10+ cases

Appendix L

PSTD Closed 99 Release Cases in FY 2021



- Counties with 1-2 cases
- Counties with 3-4 cases
- Counties with 5-6 case
- Counties with 7-9 cases
- Counties with 10+ cases