

Annual Report 2019

Oklahoma Corporation Commissioners

Commissioner Todd Hiett

Commissioner Bob Anthony

Commissioner Dana Murphy



OKLAHOMA
Corporation
Commission



OKLAHOMA Corporation Commission

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?

Join us on the internet for docket and meeting postings, forms, news, program updates, rules, useful consumer information, well records, and to contact us:

www.occeweb.com

This publication, printed by the Oklahoma Corporation Commission, is issued by the Oklahoma Corporation Commission, as authorized by Article IX, Sections 18, 25 and 29 of the Oklahoma State Constitution; Title 65, Section 3-114 of the Oklahoma Statutes, and in accordance with SJR 20, 1974, passed by the 2nd session of the 24th Oklahoma Legislature. 100 copies (45 black and white and 55 color) have been prepared and distributed at an approximate cost of \$229.00. Copies have been deposited with the Publications Clearinghouse of the Oklahoma Department of Libraries.

Table of Contents

The Oklahoma Corporation Commission’s History	10
Fiscal Year 2018 Commissioners	11
Chairman Dana Murphy	12
Chairman Todd Hiett	13
Commissioner Bob Anthony.....	14
Administrative, Judicial and Legislative Services Division	15
The Human Resources Department	16
The Office of Public Information	17
Finance Department.....	19
The Administrative, Legislative & Judicial Services Division.....	21
The Court Clerk’s Office.....	22
The Court Reporters.....	23
Oil and Gas Conservation and Petroleum Storage Tank Hearings	23
Public Utility and Consumer Services Hearings.....	25
Transportation Hearings	28
Agency Counsel Attorneys	28
Deliberations Section.....	29
Oil and Gas Attorneys.....	30
Petroleum Storage Tank Attorneys	30
Public Utility Attorneys.....	30
Transportation Attorneys.....	32
Oil and Gas Conservation Division	33
Overview	34
Field Operations Department.....	34
Pollution Abatement Department.....	35
Environmental Waste Management Section	36
Brownfields Section	36
Technical Department.....	38
Compliance Section.....	38

Table of Contents

Technical Review Section.....	38
Induced Seismicity Department.....	39
Underground Injection Control Department.....	42
Public Assistance Section.....	43
Administration Department.....	44
Petroleum Storage Tank Division.....	47
Overview.....	48
The Accounting Department.....	49
Income and Expenditures.....	49
The Administration Department.....	50
The Compliance and Inspection Department.....	51
Inspection and Enforcement.....	52
Inspection, Violations and Calibrations.....	53
Regulation and Compliance.....	54
The Technical Department.....	55
Petroleum Releases.....	56
Division Highlights: Petroleum Information Management System.....	57
Public Utility Division.....	61
Overview.....	62
The Administration Department.....	62
The Compliance and Outreach Department.....	62
The Consumer Services.....	63
Enforcement Group.....	63
Consumer Services Group.....	64
The Energy Department.....	65
Cases of Interest.....	66
Transmission Summary.....	67
Utility Visits.....	67
Fuel Audits and Reviews Summary.....	68

Table of Contents

Public Utility Division Continued

Natural Gas Summary	68
Cotton Gin Summary	68
Water Summary.....	68
The Telecommunications Department.....	68
Cases of Interest.....	69
Certificates of Convenience and Necessity	70
Interconnection Agreements and Amendments.....	70
Eligible Telecommunications Carrier Designation.....	70
Numbering.....	71
Rulemaking	71
The Oklahoma Universal Fund	72
OUSF Pre-approval and Case Processing.....	72
OUSF Monthly Payment Processing.....	73
Charge Requests.....	73
Invoice Audits	73
Telemedicine True-Ups.....	74
OUSF Beneficiary Outreach.....	74
Transportation Division.....	75
Overview.....	76
Administrative Services Department	76
Enforcement Support Section.....	76
Regulation Department	76
Motor Carrier Requirements Section.....	76
IFTA/IRP Section.....	77
Audit Sub-Section.....	77
IFTA/IRP Administration Sub-Section.....	78
Non-consensual Towing Sub-Section.....	78
Enforcement Department	78
Motor Carrier Enforcement Section	78

Table of Contents

Railroad Section.....	80
Pipeline Safety Department.....	81
Appendix	83
FTEs.....	84-88
Administrative, Legislative & Judicial.....	89
Courts	89-90
FY19 Financials.....	91-93
Oil & Gas Conservation.....	94-95
Petroleum Storage Tanks	96-99

The Oklahoma Corporation Commission's History



OKLAHOMA
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Commission

Oklahoma Corporation Commission History

The Oklahoma Corporation Commission was established in 1907 by Article 9 of the Oklahoma Constitution. The First Legislature gave the Commission the authority to regulate public service corporations.

The legal principle for such regulation had been established in 1877, when the United States Supreme Court ruled in *Munn vs. Illinois* that when a private company's business affects the community at large, it becomes a public entity subject to regulation by the State.

Initially, the Commission regulated transportation and transmission companies; mostly railroad and telephone and telegraph companies. The Commission was also directed to collect and maintain records of the directors, officers, and stockholders of all corporations chartered or licensed to do business in the State of Oklahoma. At Statehood, there were approximately 12,500 businesses in the State of Oklahoma.

As the State grew, the task of record collection became larger than any one agency was able to handle. The Commission kept the authority over public service companies, while the responsibility over other companies was allocated to the Oklahoma Secretary of State, along with additional State agencies and commissions according to the type of business it was.

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. This Act 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.

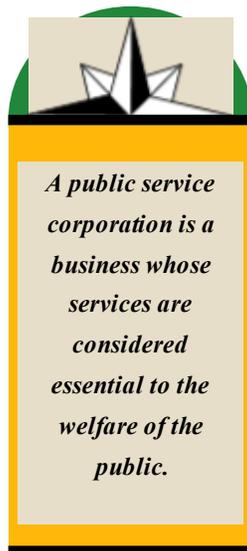
While the Commission's basic regulatory responsibilities have remained intact, many changes in Federal and State laws have changed what is regulated.

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 election pattern was established when the Commission was created by the Oklahoma Constitution. The first three elected Commissioners drew lots for two-year, four-year, and six-year terms. In-term vacancies are filled by gubernatorial appointment. There have been a total of 15 Commissioners who have been seated by appointment.

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.



The Fiscal Year 2019 Commissioners

In This Section:

Chairman Todd Hiett

Vice Chairman Bob Anthony

Commissioner Dana Murphy



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Chairman Todd Hiett



Todd Hiett is married to Bridget Hiett and they have three children, Jimmy, John and Hillary. The Hiett family lives on a ranch two miles south of Kellyville. Hiett graduated from Oklahoma State University.

Hiett was elected to the Oklahoma House of Representatives in 1994 at the age of twenty-seven. Hiett 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, Hiett was chosen the first Republican Speaker of the House in more than eight decades.

During his first year as Speaker, Hiett 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.

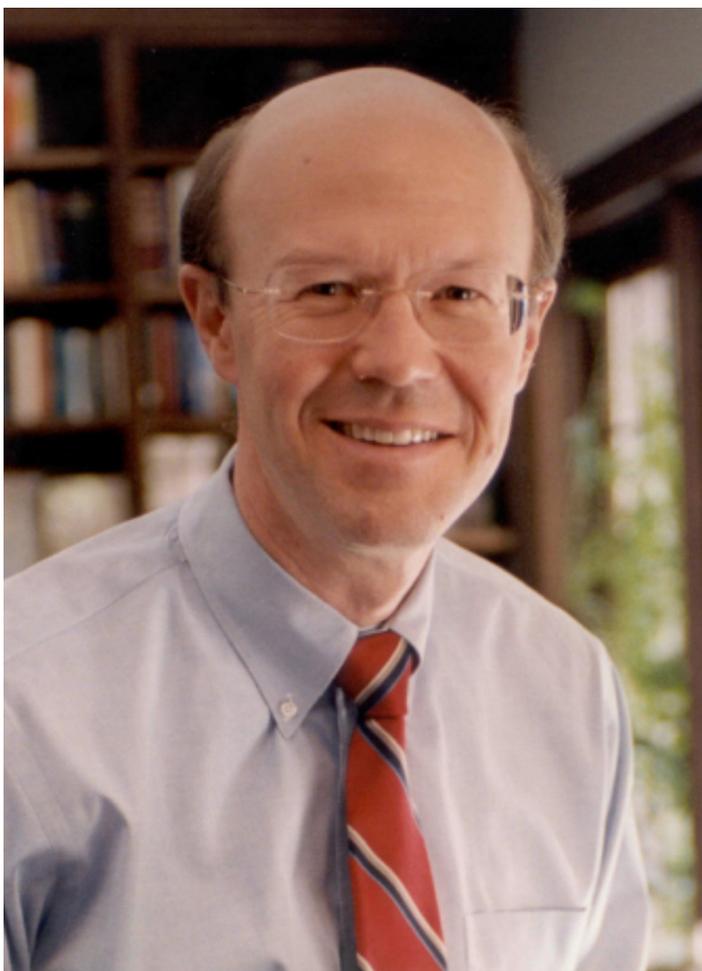
After a successful twelve years in the Oklahoma Legislature, Speaker Hiett worked eight years with various entities in the manufacturing, navigation and energy industries. In this role, Hiett enjoyed the opportunity to work with many pro-growth companies such as Webco Industries and Callidus Technologies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

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

Bridget Hiett teaches at Kellyville Elementary. Sons Jimmy and John are graduates of Oklahoma State University. Daughter Hillary is a junior at Oklahoma State University. The Hiets 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.

Vice Chairman 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.

The Administrative, Judicial and Legislative Services Division

In This Section:

Administrative Services

The Human Resources Department

The Office of Public Information

The Finance Department

Judicial and Legislative Services

The Court Clerk's Office

The Court Reporter Section

The Deliberating Attorneys Section

The Agency Counsel Section

The Oil and Gas Conservation and Petroleum Storage Tank Hearings

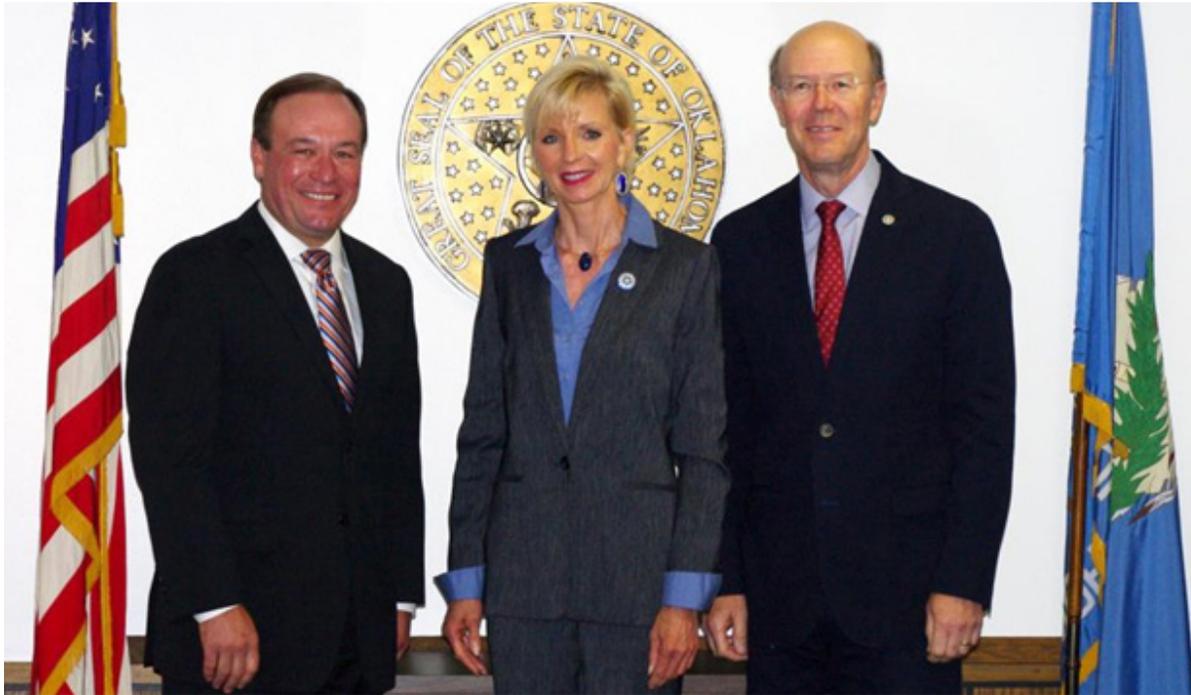
The Public Utility and Consumer Services Hearings

The Transportation Hearings



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Administrative Services



The Human Resources Department

The four-person Human Resources (HR) Department supports more than 535 employees across five agency divisions throughout the state. The staff provides advice and guidance to managers, staff and supervisors in all aspects of human resources and personnel functions, as well as administrative support to all employees.

During Fiscal Year 2019, the Commission advertised 110 Classified and Unclassified positions that became vacant due to newly available positions, resignations, retirements and terminations.

The HR staff also processed:

- 2 detail to special duty, 715 pay rate changes which included mandated House bill pay raises, an average of 35 longevity payments per month, 80 promotions and 780 data change requests;

- Numerous transactions relating to disability insurance benefits, Family and Medical Leave Act, health insurance benefits, life insurance benefits, jury duty leave, leave without pay, military leave, paid leave, retirement benefits, shared leave, and SoonerSave; and
- Transactions related to coaching, discipline, workplace safety, Workers' Compensation, employee development, the Fair Labor Standards Act, the Performance Management Process and training.

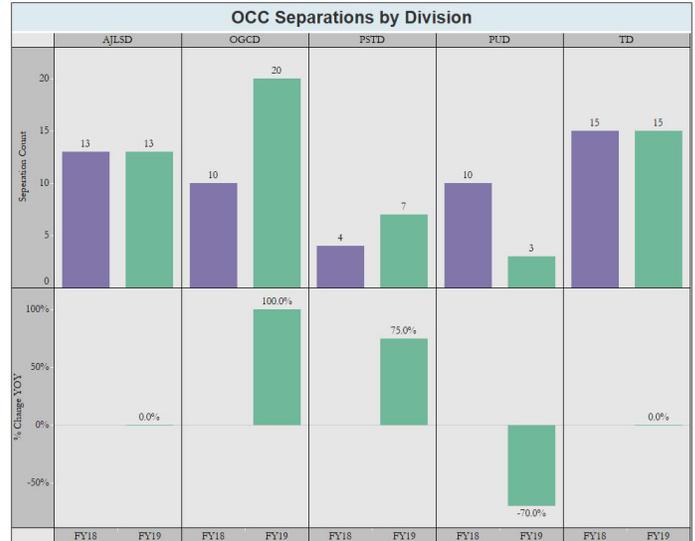
The statistics listed above required thousands of entries into the HR database software, along with the filing of legal source documents and confidential personnel records.

The Commission's workforce increased by only 4 percent overall from the prior fiscal year; however, due to departures, 78 new employees were hired

Administrative Services

during fiscal year 2019. Although the Commission is heavily invested in recruiting and hiring so the agency has enough staff to fulfill its constitutionally and statutorily mandated missions, it is losing a number of employees throughout the agency each month, due to both natural attrition and superior salaries offered by private industry. The agency lost 58 people, nearly 11 percent of its workforce, during the fiscal year.

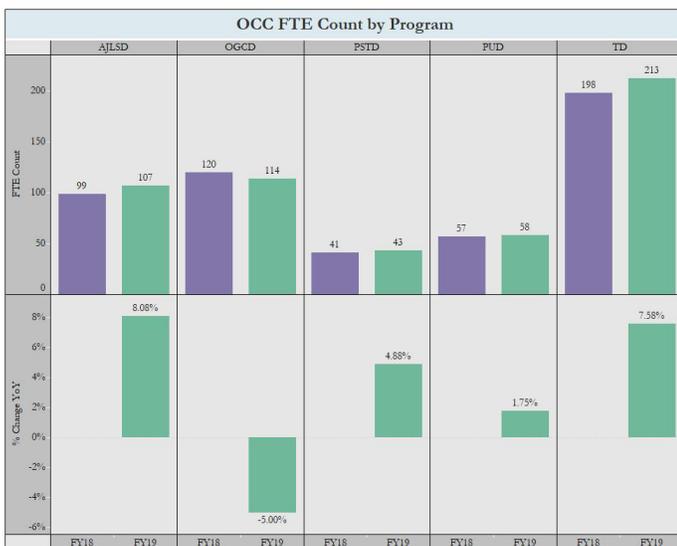
The Commission is committed to ensuring that every hire is necessary to meet the legislative mandates, including Title 17 and the Oklahoma Merit Rules, as well as the strategic goals of the hiring section and the agency. The department's goal is to invest in the workforce by systematically promoting high-quality employees to new positions based on their proven performance. In addition, HR staff strive continuously to maximize efficiencies by streamlining processes that will modernize the workforce in order to meet tomorrow's challenges.



The Office of Public Information



Above, second from left: Public Information Manager Matt Skinner speaks with Okla. Sec. of Energy and Environment staff and a group of British regulators regarding seismicity issues.



The Office of Public Information (OPI) continued its efforts to formulate effective and efficient methods of reaching the public with assistance and information. These methods included expanded use of the GovDelivery notification system, updating the Commission's website, outreach on social media accounts, and continuing to formulate and maintain relationships with the general and trade news media,

Administrative Services

community groups and stakeholders and officials in all branches and levels of government.

As was the case in the past five fiscal years, the issue garnering the most concern as measured by contacts with department staff on the part of the government, media, and public during Fiscal Year 2019 was induced seismicity. Researchers largely credit new actions the OCC's Induced Seismicity Department staff has taken and coupled with previously taken actions, with reducing the number of events linked to induced seismicity. Even though the number of earthquakes has decreased markedly over the past fiscal year, public interest and concern remained high, particularly with the addition of certain well completion activities that posed a possible risk of induced seismicity in and near established communities.

The OPI staff developed for and released to the public materials about well-completion-linked seismic activity and arranged and attended town hall meetings on the subject during the fiscal year. Department employees returned phone calls, email messages and social media messages after normal business hours and on the weekends to concerned residents as well as state and local government officials regarding the status of some widely felt events.

Department employees also continued to work closely with the agency's Induced Seismicity Department, Oklahoma Geological Survey staffers, the Commission's Oil and Gas Conservation Division staff and the Oklahoma Secretary of Energy and Environment's office on this complex and ever-changing issue in an effort to ensure the public, lawmakers and stakeholders had the most

accurate and up-to-date information possible on the state's evolving response to this issue.

In addition to the well completion issue efforts above, the OPI department staff:

- Offered 24/7 contact for concerned residents and lawmakers (OPI's answering message gave the 24-hour contact number for the Public Information Manager);
- Gave presentations to and answered questions at community forums and meetings;
- Served as a member of the state's Earthquake Working Group, tasked by the Governor with developing a State emergency response plan for a large earthquake; and
- Served with members of the Oil and Gas Conservation Division on the Governor's Induced Seismicity task force;
- Worked closely with international, national, and local media on the subject.

Additional issues receiving attention from Oklahoma Legislators, the media, and the public included, but were not limited to:

- Commercial wind power farm permit rules and procedures regarding the FAA, OCC and other agencies;
- The issue of temporary water lines in Kingfisher county and challenges to same from county officials;
- Oil and gas development in the SCOOP/STACK petroleum plays;
- OCC oil and gas fee increases;
- The Governor's Second Century Corporation Commission Task Force (OPI served as a primary contact and source of information for

Administrative Services

- The National Academy of Public Administration in its work for the Task Force); and
- Oklahoma's ranking by the Fraser Institute as best state regulatory environment for oil and gas investment (out of North America jurisdictions with medium-sized reserves), and ranking of second overall regardless of reserve size.

The OPI department staff had approximately 1,500 contacts with the general public, industry, news media, and other government agencies in Fiscal Year 2019, including audiences at community meetings, on social media accounts, email, letters, and telephone calls, down about 25 percent compared to the prior fiscal year. Additionally, employees met approximately 120 requests for information under the Oklahoma Open Records Act, and responded to 50 consumer complaints related to the Commission's jurisdiction (not including earthquake concerns), either solely or in conjunction with the Public Utility, Oil and Gas Conservation, and Petroleum Storage Tank divisions, up 19 percent compared to fiscal year 2018.

OPI employees continued working with the Oklahoma Department of Emergency Management (OEM), representing the Commission as a voting member of the Governor's State Hazard Mitigation Team and in the State Emergency Operations Center activation, as well as in OEM's task to develop an earthquake emergency response plan for the state.

In Fiscal Year 2019, OPI staff continued to write, produce and anchor the Commission's Oklahoma Energy Report, a daily (Monday through Friday) radio program report on energy topics. It is distributed at no cost to the state by the Radio Oklahoma Network to affiliates in three states.

The Finance Department

Financial Statements

Commission operations are funded 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 is money deposited into agency revolving funds that regulated entities pay for things like licenses, permits, fees and fines. Oklahoma statutes restrict this money'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 administers and can only be used for those programs' specific costs.

More than three-quarters of the agency's revolving funds are restricted by statute to cover specific operations and cannot be transferred from one division to another.

Only about 17 percent of the agency's budget comes from Oklahoma's General Revenue Fund, which the Legislature appropriates. Federal money makes up about 6 percent. The rest, about 77 percent, comes from customers for assessments, fees, citations, the Indemnity Fund and revenue apportioned by statute.

Two divisions are self-funded, the Public Utility Division and the Petroleum Storage Tank Division. The Public Utility Division has an assessment regulated entities pay, which fully covers the division's operating costs. The Petroleum Storage Tank

Administrative Services

Division receives money from the Indemnity Fund and from federal grants. Both the Transportation Division and the Oil and Gas Conservation Division rely on the Corporation Commission's general fund to cover operational costs. Revenue to each of those divisions is inherently volatile, because economic factors within those industries influence how much money is brought in each year. During the oil and gas industry downturn from late 2014 through late 2016, the Oil and Gas Conservation Division's funding sources were hit doubly hard; the agency's general fund was cut, and the division received less revenue due to less industry activity.

The difficult budget years from fiscal year 2015 through fiscal year 2017 resulted from statewide shortfalls to general revenue available to all apportioned agencies. The Commission made up for those shortfalls by increasing its reliance on one-time funding, which came from agency revolving funds. Less money in revolving funds delayed environmental cleanup projects like abandoned well plugging jobs, which required the agency to default on contract obligations. As a result, for several years some contractors did not bid on plugging contracts because the agency didn't fulfill contracts that were awarded during the tough budget years between fiscal year 2015 and fiscal year 2017.

Modernizing Agency Workflow

Nearly 60 percent of the agency's transactions from customers are manually performed, in which an employee processes cash or a check from the customer. Larger transactions are processed using a credit card or an electronic funds transfer or EFT. The goal is to move as many transactions as possible to electronic, rather than manual. However, the

agency cannot move forward on adding a new credit card portal until four applications are integrated into the agency's software systems. Once this is complete, the agency will be able to pass along to customers a 3 percent processing fee that the agency currently covers. That will allow the Commission to receive 100 percent of the fees paid by credit card, up from 97 percent, creating an anticipated savings of about \$490,000 annually.

The Mineral Owners Escrow Account

During Fiscal Year 2019, there were a total of:

- 18 new reporting holder/operators;
- 704 pooling orders;
- 8,988 unlocated owners involved in forced pooling orders
- 63,763 unknown or unlocated royalty mineral owners.

The Commission collected and deposited a total of \$19,648,018, an increase of about 14 percent from Fiscal Year 2018. Reimbursements to the located royalty mineral owners or their heirs totaled \$6,028,711, an increase of \$173,237 from Fiscal Year 2018. The five-year transfer to the Treasurer's Office totaled \$10,333,145. At the end of Fiscal Year 2019, the MOEA fund balance totaled \$74,263,037, up about 3 percent from the prior fiscal year.

Judicial and Legislative Services

Judicial and Legislative Services

The Administrative, Judicial, and Legislative Services (AJLS) Division includes the former Finance Division, Human Resources Department, Office of Administrative Proceedings, and General Counsel's Office. The +Director of Administration functions as the AJLS Division's director. Because these formerly distinct departments support the agency's four other regulatory divisions, consolidating finances, human resources, courts and legal staff into a single division helps share common resources. Consolidating eight separate programs into five streamlines the support each division needs and improves efficiency within the regulatory divisions.

The Judicial and Legislative Services (JLS) component of AJLS consists of the OCC court clerk, administrative law judges, attorneys, court reporters, and administrative and support personnel. JLS is responsible for maintaining all documents filed with the agency and for fulfilling the Commission's constitutional and statutory court of record duties by ensuring all legislative and judicial matters have fair and open hearings. These functions ultimately support the Commissioners' roles as decision-makers by facilitating the development of proper evidentiary records in Commission proceedings.

The JLS includes the Commission's judicial division. Judicial proceedings are conducted in the Commission's two offices:

- Eastern Regional Service Office, located in Tulsa, Oklahoma (Tulsa Office);
- Western Regional Service Office, located in

Oklahoma City, Oklahoma (OKC Office).



Above, from left: Court reporter Susan Johnson sits with Administrative Law Judge Sean Denton at the bench.

The Commission installed new audio visual equipment in all courtrooms in Oklahoma City and Tulsa. The system allows parties and witnesses to call in to proceedings, like a typical conference calling system and adds the extra benefit of video conferencing capabilities. That allows a judge in the Tulsa office to conduct hearings in Oklahoma City and vice versa, making it easier to accommodate situations where an employee might not be able to attend in person. The new system also allows witnesses and attorneys to participate remotely, providing flexibility and convenience for those we serve, as well as saving both time and money for stakeholders and for the agency.

All courtrooms received hard-wired network access and laptop docking stations so that administrative law judges (ALJ) may use Commission-issued laptops to conduct hearings. This provides judges access to the most current information from the Court Clerk and

Judicial and Legislative Services

ensures the hearing process is more efficient.

The vast majority of applications require final action by the three commissioners. Those applications are first considered by an ALJ, who:

- Conducts evidentiary hearings;
- Interprets and applies the law;
- Makes oral and written recommendations to the Commissioners for their action and consideration;
- Reviews proposed orders prior to submission to the Commission's Signing Agenda; and
- Rules on emergency applications, motions, and objections.

Parties may file exceptions to an ALJ's recommendation, and the Commissioners may opt to hear oral arguments. However, in certain matters, the Commission may refer oral arguments on exceptions to the Oil and Gas Appellate Referee, who then files an additional recommendation report. Commission orders are appealable directly to the Oklahoma Supreme Court.

Continuing education continues to be an important component to boosting morale and demonstrating the agency's commitment to investing in employees' professional development. Several of the division's judges participated in the following courses, events and conferences:

- Evidence Challenges for Administrative Law Judges;
- Administrative Law: Advanced;
- New Mexico Public Utility Current Issues Conference, which included training on:
 - ◇ Market solutions & approaches to regional energy reliability;

- ◇ Transformation of Universal Service broadband phase II;
- ◇ Integrated Resource Planning in an era of electricity transformation;
- ◇ Cyber threats to critical infrastructure; and
- ◇ Update from the Pipeline & Hazardous Materials Safety Administration.

The division hired one new oil and gas judge and one attorney during the fiscal year.

The Court Clerk's Office

The Court Clerk's Office is the repository of the Commission's court documents and is responsible for accepting and filing applications for Commission action. The Court Clerk's Office maintains court files and public records relating to applications, hearings, and orders. Furthermore, the Court Clerk's Office responds to the public's requests to view and/or copy official court records.

Both the Tulsa and OKC offices have a Court Clerk's Office, which receives filings for applications, affidavits, hearing exhibits, notices, and other pleadings in cases brought before the Commission. The Tulsa Court Clerk's office receives court documents and permit filings related only to oil and gas conservation issues.

Court Reporters

Court Reporters record hearings before judges, the Oil and Gas Appellate Referee or Commissioners and, upon request, prepare transcripts. They mark exhibits during hearings and provide the judge information, as well as file transcript completion notices with the Court Clerk, providing an original transcript to the clerk when a case is appealed to the Oklahoma Supreme Court. The Court Reporters

Judicial and Legislative Services

serve in both the OKC and Tulsa Offices.

Oil and Gas Conservation and Petroleum Storage Tank Hearings

Oil and Gas Conservation ALJs conduct hearings involving applications on:

- Natural gas gathering fees and open access;
- Oil and gas drilling and production issues; and
- Petroleum storage tanks.

The ALJs hear enforcement, conservation and pollution cases involving those regulatory authority areas. In the OKC Office, the oil and gas ALJ staff conduct hearings on oil and gas conservation and petroleum storage tank dockets.

In the Tulsa Office, the oil and gas ALJ staff consists of two full-time judges who conduct hearings on the oil and gas conservation docket. When necessary, an Oklahoma City-based judge will serve as a back-up ALJ for the Tulsa Office.

An Oil and Gas Appellate Referee hears exceptions from both the OKC and Tulsa offices. During this fiscal year, a Public Utility ALJ also served as an Oil and Gas Appellate Referee.

During Fiscal Year 2019, there were hearings concerning 15,036 initial applications and 4,551 motions brought before the Commission's oil and gas ALJs, while 187 protested initial applications and motions were the subject of exception proceedings conducted by the Oil and Gas Appellate Referee.

Cases of Interest – Oil and Gas

During FY 2019, there were multiple enforcement

cases filed on behalf of the Oil and Gas Conservation Division as the result of unplugged wells, improperly maintained well sites, required forms filed late as well as several oil-based mud spills on public roads, among other issues. These cases sought fines for rule violations and increased surety in some cases. For those operators who were unable to meet the increased surety requirements, they are now forbidden to operate wells in Oklahoma until they plug abandoned wells and/or until they post increased surety. Below are several examples described above.

EN 201800112

The case was heard and a judge filed a recommendation on July 11, 2018. The respondent was assessed a \$5,500 fine and required to increase its Category B surety to \$75,000, up 50 percent from \$50,000. The rules violations were resolved, fines paid, and new surety posted.

EN 201800012

The case was heard and a judge filed a recommendation on July 13, 2018. The respondent was assessed an \$8,000 fine and required to increase its Category B surety to \$100,000, up 50 percent from \$50,000. The wells were plugged, sites restored, rules violations were resolved, fines paid, and new surety posted.

EN 201800103

The case was heard and a judge filed a recommendation on August 22, 2018. This was a three-day protested trial. The respondent was assessed a \$3,000 fine and required to bring the wells into compliance. The rules violations were resolved and the fines were paid.

Judicial and Legislative Services

EN 201800251

The case was heard and a judge filed a recommendation on May 25, 2018. The respondent was assessed a \$2,500 fine and required to increase its Category B surety to \$50,000, up 100 percent from \$25,000. The rules violations were resolved, fines paid, and new surety posted.

EN 201800456

The case was heard and a judge filed a recommendation on March 27, 2019. The respondent was assessed a \$5,000 fine, and was required to increase its Category B surety to \$50,000 up 100 percent from \$25,000. The rules violations were resolved, fines paid, and new surety posted.

EN 201800485

The case was heard and a judge filed a recommendation on December 14, 2018. The respondents were assessed a total of \$8,000 in fines for spilling oil-based mud on the local roadways. The pollution was remediated and the fines were paid.

EN 201800486

The case was heard and a judge filed a recommendation on December 12, 2018. The respondents were assessed a \$6,000 fine for spilling oil-based mud on the local roadways. The pollution was remediated, and the fines were paid.

EN 201800498

The case was heard and a judge filed a recommendation

on January 18, 2019. The respondent was assessed a \$6,750 fine for submitting forms late, including completion reports, cementing reports, and directional surveys, violating commission rules. The rules violations were resolved and the fine was paid.

EN 201900017

The case was heard and a judge filed a recommendation on March 1, 2019. The respondent was assessed a \$14,000 fine for submitting forms late, including completion reports, cementing reports, and directional surveys, violating commission rules. The rules violations were resolved, and the fine was paid.

EN 201900039

The case was heard and a judge filed a recommendation on April 5, 2019. The respondent was assessed a \$5,000 fine, and was required to increase its Category B surety to \$100,000 up 300 percent from \$25,000. The rules violations were resolved, fines paid, and new surety posted.

EN 201900066

The case was heard and a judge filed a recommendation on June 21, 2019. The respondent was assessed a \$7,500 fine, and it was required to increase its Category B surety to \$50,000 up 100 percent from \$25,000. The rules violations were resolved, fines paid, and new surety posted.

EN 201900069

The case was heard and a judge filed a recommendation on May 29, 2019. The respondent was assessed a \$6,000 fine for spilling oil-based mud on the local roadways. The pollution was remediated, and the

Judicial and Legislative Services

fine was paid.

Public Utility and Consumer Services Hearings

During FY 2019, there were three ALJs in the OKC Office who conducted hearings regarding public utility and consumer services issues. Hearings were held for applications regarding:

- Interconnection agreements and mergers and acquisitions of public utilities;
- Cotton gins;
- Authority to provide local exchange telephone services;
- Purchased fuel adjustment clauses;
- Rate cases;
- Pre-approval of Energy Generation Purchases;
- Reconsideration applications involving the Oklahoma Universal Service Fund;
- Tariff filings; and
- Territorial boundary disputes.

During Fiscal Year 2019, there were 130 public utility cases heard.

All public utility ALJs received oil and gas training in order to have a cross-trained group of ALJs. Each public utility ALJ participated in cross training while maintaining a full public utility case load. This cross training provided increased flexibility and efficiency in scheduling hearings.

Public utility ALJs heard multiple utility rate cases. Two rate cases that garnered significant public and media interest were the rate cases filed by Oklahoma Gas and Electric Company and Public Service Company of Oklahoma. Customers were provided

opportunities to give public comment. The public utility ALJs met all Commission-ordered filing deadlines so that rate cases could be processed in a timely manner.

Cases of Interest - Public Utility

PUD 201800075

This was a highly contested case on whether the Retail Electric Certified Territory Act prohibits another retail electric provider from serving a load, that meets the 1 MW exception (17 O.S. 158.25(E)), outside their territory via third-party transmission.

The Commissioners reversed the ALJ recommendation that the text of the statute did not preclude OG&E from serving the load in the manner they proposed, as the statute's text did not contain limitations on the method of providing "service."

This case is now pending at the Oklahoma Supreme Court where they will determine whether to uphold or reverse the Commission's order prohibiting OG&E from serving the load via third-party transmission.

PUD 201800103

On August 28, 2018, Texoma Water LLC filed an application for a general rate case. Texoma Water is a small rural water company serving close to 650 customers near Kingston, OK and Lake Texoma. There was a unique facet in this case that is not generally seen in water company rate cases. As part of their application, Texoma sought to make permanent a Purchased Water Adjustment Clause ("PWAC") which had previously been adopted on an emergency basis. The customers in one of Texoma's three subdivisions had been having an issue with the water quality. Specifically, there were many

Judicial and Legislative Services

complaints related to the high sulfur content in the water, causing a foul odor and taste.

As part of the PWAC, Texoma agreed to close its well and open a connection to the Marshall County Water system. Through this connection, Texoma would supply water purchased directly from Marshall County. This cost is tracked by PUD on a monthly basis. Staff within PUD review the reports for volumetric purchases and monitor the costs associated with the PWAC. Additionally, they use this information to track the overall water loss attributed to the system in an effort to curb this loss and maintain thoughtful and reasonable costs for customers. As part of the final order, PUD agreed to monitor these rates for nine months, and design a final PWAC rate for Texoma Water.

The Commission issued a Final Order on May 30, 2019.

PUD 201800133

In 2019, the Commission heard an Application from Empire District Electric Company requesting an increase in its rates of \$2.3 million. The reasons leading to the requested increase included capital investment projects made by the company and environmental projects to comply with federal law, among other things. To offset the proposed increase, Empire proposed alternatives to utilize tax savings from the 2017 Tax Cuts and Jobs Act as well as proposed low income consumer protections. The Commission issued an order adopting a settlement agreement reached by all parties to the case, including the Office of the Oklahoma Attorney General, Oklahoma Industrial Energy Consumers, and AARP. The settlement included provisions which raised rates by \$1.4 million, rather than the requested \$2.3 million. Further, rate increases

would not be immediately felt by customers due to offsets from tax savings during the first two years. The settlement also included a new economic development rider for Empire, which is meant to encourage economic development in Empire's footprint in rural Oklahoma. Empire serves 4,677 customers in the northeast corner of Oklahoma.

PUD 201800140

On November 14, 2018 Oklahoma Gas and Electric Company filed an application seeking Commission authorization to modify its rates, charges and tariffs for retail service in Oklahoma based upon a test year ending September 30, 2018. OG&E requested a base rate increase of approximately \$77.6 million compared to July 2018 rates, an increase of the customer service charge from \$13 to \$22, recovery of costs associated with the Sooner Scrubber and Muskogee Conversion projects, an increased return on equity, updated depreciation expense, and recovery of Short Term Incentive programs.

A Non-Unanimous Joint Stipulation and Settlement Agreement provided in part; no change to either base rates or the fixed customer charge. Installation of dry scrubbers at Sooner Units No. 1 and 2 and Muskogee Units 4 and 5 conversion to natural gas were found prudent with recovery allowed.

The Administrative Law Judge recommended the Non-Unanimous Joint Stipulation and Settlement in a report filed July 12, 2019. The Commission issued its final Order approving the Non-Unanimous Joint Stipulation and Settlement Agreement on September 19, 2019.

PUD 201800159

On December 18, 2018, Oklahoma Gas and Electric

Judicial and Legislative Services

Company filed an application for Commission Pre-approval of Acquisition of Capacity through the Purchase of an Existing Asset.

OG&E also sought approval of a recovery rider mechanism (the Generation Capacity Recovery Rider or “GCRR”) to recover the revenue requirement associated with the Generating Facilities.

In its Integrated Resource Plan filed with the Commission September 18, 2018, OG&E demonstrated a capacity shortfall beginning in 2019 and increasing through 2028. The company sought to purchase AES Shady Point, a 360-MW-generating-capacity power plant; a circulating fluidized bed coal-fired power plant in Panama, Oklahoma and Oklahoma Co-Generation, a 146-MW-generating capacity, natural-gas, combined-cycle existing generating facility located in Oklahoma City, Oklahoma.

On March 25, 2019 a Non-Unanimous Joint Stipulation and Settlement Agreement was filed.

On April 22, 2019, the ALJ issued her report recommending approval on the Non-Unanimous Joint Stipulation and Settlement Agreement as amended.

The Commission approved the Non-Unanimous Joint Stipulation and Settlement Agreement on May 13, 2019 determining it to be fair, just, and reasonable and in the public interest.

PUD 201900097

PSO Rate Case (2019) – Resulted in full settlement of all issues including provisions where PSO will not

file another rate case earlier than October 2020 and included a Distribution Reliability and Safety Rider. Case also accelerated return of excess Accumulated Deferred Income Taxes back to rate payers.

Consumer Services Attorneys

Consumer Services Attorneys provide legal assistance and representation to the Consumer Services section of the Public Utility Division. The objective is to effectively represent the section in:

- All matters filed at the Commission;
- Assist with legislation, research, and rulemaking;
- Conduct legal research;
- Prepare and prosecute enforcement matters; and
- Provide legal counsel to Consumer Services staff;

Consumer services complaints and enforcement proceedings are conducted within the Commission’s public utility regulatory authority.

Cases of Interest – Consumer Services

EN 201800349

On July 2, 2018, the Public Utility Division filed case No. EN 201800349, an enforcement action against True Wireless, LLC following numerous mobile marketing violations, and alleged waste, fraud, and abuse against the Federal Lifeline Program. PUD and True Wireless negotiated a Consent Decree that included a fine of \$225,000.00, an admission that True Wireless violated the Commission’s mobile marketing rules, and implemented significant structural and procedural changes focused on preventing waste, fraud, and abuse of the Lifeline program in Oklahoma.

Judicial and Legislative Services

Supreme Court Decisions

On April 16, 2019, the Oklahoma Supreme Court issued opinions in seven (7) appeals relating to primary universal telephone service funding cases from the Oklahoma Universal Service Fund. In those decisions, the Supreme Court vacated the OCC's decisions and remanded the cases for further proceedings consistent with the opinions.

Transportation Hearings

Transportation motor carrier citation and railroad cases are heard as part of the case load of two ALJs in the OKC Office, who also conduct oil and gas hearings. The ALJs hear cases for applications regarding upgrading railroad crossings, railroad crossing closings, motor carrier citations, and enforcement proceedings.

During Fiscal Year 2019, the Transportation dockets saw 53,088 docketed cases, resulting in 37 hearings.

Cases of Interest - Transportation

TD 201800036

A violation notification was issued to the company for violation of the Commission rate order, Order 605104. The Division issued a violation because it investigated a complaint it received. The Division determined some charges were outside the scope of what the non-consensual tow rate order includes, and shouldn't have been charged on the invoices. This was protested and was the main issue in this case. A full day of evidence was submitted, as well as briefs,

but the parties came to an agreement prior to the ALJ issuing a recommendation. The outcome was that the Division would allow certain charges that were included in the rate order, and other charges would be refunded. The refund would be made without a determination regarding the necessity of the other charges, so that the towing company could seek recourse for the refunded amounts in District court. The Division agreed with this issue, because it believed the other charges were not charges the Commission has authority to regulate. The Commissioners approved an agreed order.

Agency Counsel Attorneys

Agency Counsel Attorneys are responsible for assisting the agency on all issues of law that affect the Commission and for providing representation in federal and state courts. Agency Counsel Attorneys advise the agency on issues including, but not limited to:

- Authority for collecting and levying penalties;
- Bankruptcy and collection issues;
- Code of Judicial Conduct;
- Contracts and memoranda of understanding;
- Developing and drafting employee policies manual;
- Discovery;
- Employee Dispute Mediation for State of Oklahoma;
- Ethics rules;
- IMS Advisory Council;
- Immigration issues;
- Jurisdiction issues;
- Meetings with the Oklahoma Attorney General;
- Notice of inquiries and rulemakings;

Judicial and Legislative Services

- Open meetings and open records laws;
- Oversight of OCC Drone Program;
- Personnel matters;
- Proposed legislation;
- Records retention;
- Reporting requirements;
- Representation of Agency before the Merit Protection Commission;
- Representation of OCC before the Equal Employment Opportunity Commission;
- Requirements for Federal programs;
- Reviewing and drafting internal policies;
- Risk management matters;
- Settlement negotiations;
- Supreme Court appeals; and
- Additional legal matters.

These attorneys also represent the Commission on appellate matters involving, but not limited to:

- Oil and Gas Conservation Docket orders;
- Oil and Gas Enforcement orders;
- Public Utility related orders; and
- Orders regarding reimbursement from the Oklahoma Universal Service Fund.

Agency Counsel Attorneys assist and coordinate representation of the Commission on cases requiring legal representation from outside counsel. Agency Counsel Attorneys work with the Oklahoma Attorney General's Office on district court litigation involving personnel matters and claims to recover funds on behalf of the Petroleum Storage Tank Indemnity Fund.

Deliberations Attorneys

Deliberations Attorneys' responsibilities include, but are not limited to:

- Drafting a daily memorandum to the Commissioners and their aides with a listing of cases and specific interests related to the signing agenda; which also includes writing a detailed description of each case;
- Consulting daily with the Commissioners, their aides, technical staff, Commission attorneys, and outside counsel regarding orders which pose questions of concern, before they are brought before the Commissioners for their approval;
- Studying all the proposed orders on each Signing Agenda to provide answers to any questions asked by the Commissioners regarding a Signing Agenda item; and
- Assisting the Commissioners regarding deliberations, order review, order drafting, legal research, en banc hearings, motions for oral argument on exceptions and screenings.

JLS- Legal and Legislative

JLS provides advocacy and advisory legal services to the Commission, and represents the Commission and its staff. Services are provided for five specialized subject areas:

- Consumer Services;
- Oil and Gas;
- Petroleum Storage Tank;
- Public Utilities; and
- Transportation.

Judicial and Legislative Services

JLS prepares and litigates cases involving regulation of consumer services complaints, intrastate transportation, oil and gas, petroleum storage tanks, and public utilities. The Division also advises the Commission on compliance with federal and state matters and rulemaking

Oil and Gas Attorneys

The Oil and Gas Attorneys represent the Oil and Gas Conservation Division and advise staff on matters regarding enforcement of rules on oil and gas exploration, drilling and production, the Mineral Owners Escrow Account, the Oklahoma Energy Resources Board well site surface restoration program, and the U.S. Environmental Protection Agency's Brownfields cleanup program. These attorneys also work with other government agencies on environmental issues related to oil and gas.

Additionally, the Oil and Gas Attorneys represent the Oil and Gas Conservation Division in cases before the Commission and Administrative Law Judges to enforce Oklahoma law; respond to public and internal inquiries; provide training and public outreach both in-house and to the public; and assist the Oil and Gas Conservation Division's Induced Seismicity Department in drafting communications to oil and gas operators; to advise them of guidelines and procedures being implemented to address induced seismic activity in the State.

These attorneys are also involved in the preparation and submission of Commission claims in bankruptcies filed by operators of oil and gas wells.

Oil and gas staff attorneys prepare and file proposed rules and other required rulemaking documents. This group also conducts meetings with stakeholders and technical conferences on

proposed rules and performs other actions in connection with rulemaking proceedings to clarify, streamline, and update language and procedures in Commission rules.

The Commission is charged with protecting Oklahoma waters and lands against pollution. When necessary, these attorneys will represent the Oil and Gas Conservation Division in its filing of enforcement actions against oil and gas operators charged with pollution-related offenses. The Oil and Gas Attorneys also file applications to obtain the issuance of Commission orders authorizing the use of the State Fund to plug abandoned or improperly plugged wells; which pose a potential or active threat of surface or subsurface pollution of fresh water, or which are purging or likely to purge deleterious substances onto the surface of the lands in the vicinity of such wells. The State Fund is used when a responsible party for the well cannot be located or is financially unable to pay the cost of performing the necessary cleanup work.

Petroleum Storage Tank Attorneys

The Petroleum Storage Tank Attorneys provide legal assistance and representation to the Petroleum Storage Tank Division (PSTD). These attorneys' responsibilities include, but are not limited to:

- Providing legal counsel and assistance with all PSTD matters filed at the Commission;
- Assistance with rulemaking;
- Drafting legislation;
- Interpretation of legislation;
- Monitoring petroleum storage tank-related legislation of interest to the Commission;
- Preparation and prosecution of PSTD legal

Judicial and Legislative Services

matters; and

- Research.

Public Utility Attorneys

Public Utility Attorneys represent the Public Utility Division in all cases filed with the Commission by the State's regulated public utility companies and telecommunications companies, including, but not limited to:

- General rate cases;
- Mergers and acquisitions;
- Pre-approval of utility projects;
- Tariff revisions;
- Annual or special fuel adjustment clauses and prudence reviews;
- Commission notice of inquiries;
- Enforcement actions;
- Rulemakings;
- Show cause matters;
- Review data requests sent by analysts;
- Trial preparations;
- Witness preparations; and
- Other matters.

These attorneys also:

- Conduct meetings with stakeholders and conduct hearings;
- Perform other actions in connection with rulemaking proceedings in order to clarify, streamline, and update language and procedures of the Commission rules;
- Prepare and file proposed rules and other required documents;
- Provide legal advice to the Director of the Public

Utility Division and its staff, assisting them by attending Technical Conferences, meetings with industry, and meetings with management and staff;

- Prepare applications and prosecute actions to revoke companies' Certificate of Convenience and Necessity for non-compliance with the Commission's annual reporting;
- Present orders at signing agenda; and
- Respond to public and internal inquiries

Public Utility Attorneys also represent the Oklahoma Universal Service Fund (OUSF) Administrator in cases before the Commission and Administrative Law Judges. This activity includes, but is not limited to:

- Advising the OUSF Administrator and staff of legal issues;
- Attending on-site reviews;
- Conducting discovery;
- Conducting legal research;
- Drafting pleadings and orders;
- Hearings;
- Meeting with OUSF analysts and management to perform bid reviews;
- Participating in policy discussions with attorneys and management;
- Reviewing proposed determinations;
- Reviewing proposed orders from other attorneys;
- Preparing applications and prosecute cases for OUSF Contribution Factor;
- Public Utility Fee Assessment and/or OUSF Assessment; and
- Review cases and provide legal advice for the Monthly Payment Team.

Judicial and Legislative Services

Additionally, the Public Utility Attorneys represent the Public Utility Division in cases filed at the Federal Communications Commission and the Federal Energy Regulatory Commission.

- registration, International Fuel Tax Agreement permits, and intrastate authority to operate; and
- Waiver of penalty and disposition of motor carrier citations.

PUD Rulemakings

PUD conducted 10 permanent rulemakings simultaneously; covering chapters 35, 40, 45, 50, 55, 56, 57, 58, 59, and 65. PUD also conducted one emergency rulemaking for chapter 35.

Transportation Attorneys

The Commission is charged with regulation of commercial motor carriers, intrastate pipeline safety, and railroads. Household goods movers, passenger carriers, private carriers, and Transportation Network Companies, among others, also fall into this category. The Transportation Attorneys assist in this mission by representing the Transportation Division during audits, facilitating rulemaking processes, ensuring licensure, fuel tax requirements, railroad crossing requirements, and pipeline safety requirements are all followed; through enforcement actions, and prosecuting motor carrier citations issued by the Commission's field officers.

Transportation Attorneys handle cases which include, but are not limited to:

- Applications for hearing notice of assessment of motor vehicle excise tax;
- Rail crossing upgrades; installation of rail crossing safety improvements or permanent closures;
- Reviews of railroad crossings;
- Revocation of International Registration Plan

THE OIL AND GAS CONSERVATION DIVISION

In This Section:

Field Operations Department

Pollution Abatement Department

Technical Department

Induced Seismicity Department

Underground Injection Control (UIC) Department

Public Assistance Department

Administrative Department



OKLAHOMA
Corporation
Commission

OIL AND GAS CONSERVATION DIVISION



Above: A drilling rig lowers its mast after plugging a purging gas well in front of the Oklahoma Tax Commission in March, 2019. OGCD staff oversaw the plugging process.

Overview

The Corporation Commission received from the Legislature in 1915 the statutory responsibility for regulating the oil and gas exploration and production industries in Oklahoma. The Oil and Gas Conservation Division's primary regulatory 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; and 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 seven 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

Field Operations Department is responsible for overseeing all of the oil and gas drilling and production activities in the state of Oklahoma. The department's staff 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.

The Field Operations Department's employees primary objectives are to prevent and to mitigate pollution, and that includes:

- Inspecting wells;
- Ensuring wells are properly plugged;

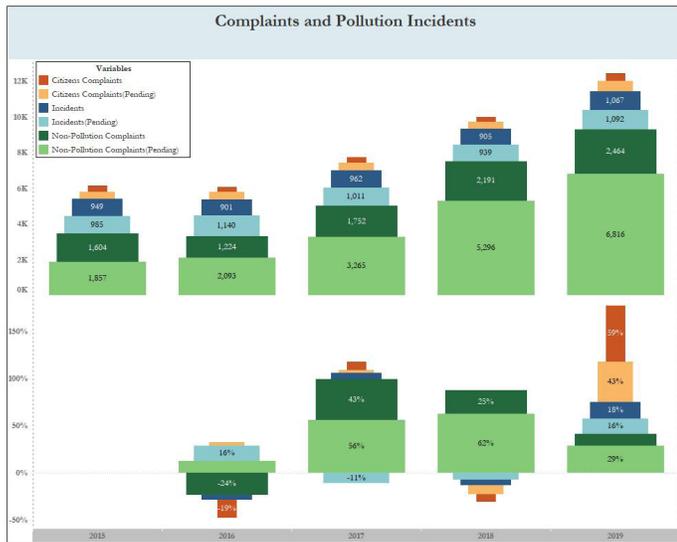
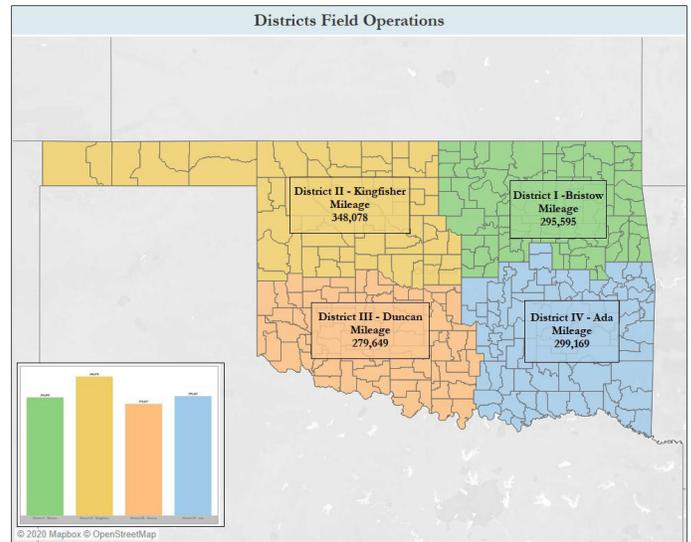
OIL AND GAS CONSERVATION DIVISION

- Ensuring operators follow “good housekeeping” practices on site;
- Identifying and prioritizing abandoned wells that need to be plugged using state funds;
- Identifying, researching and referring abandoned oil field sites to the OERB; and
- Witnessing well mechanical integrity tests (MIT).

Field Operations staff is also responsible for identifying and referring abandoned oil field sites to the OERB, and referred 268 sites to that organization and to the Brownfields Department.

Field Operations has four district offices:

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



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

In fiscal year 2019, the Field Operations Department’s 60 field inspectors traveled more than 1.27 million miles in the state and conducted 46,356 site inspections, 4,020 underground injection control well inspections and 5,056 complaint investigations as well as oversaw 1,512 well plugging jobs and 3,559 mechanical integrity tests. Complaint investigations were up nearly 9 percent compared to the prior fiscal year.

Staff process highly complex and technical applications that require thorough review and analysis before a project can move forward. Staff also help oil and gas operators manage their waste in order to ensure the state’s groundwater is protected

OIL AND GAS CONSERVATION DIVISION

from potential contamination. The state can further advance economic development when land and groundwater resources are protected from pollution.

Properly managing waste disposal is paramount to oil and gas drilling. Petroleum development cannot continue without proper disposal and management options.

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 effort; and
- Responding to pollution complaints

Staff spend hours with operators seeking approval for each waste disposal project application discussing regulatory specifications, examining site assessments and evaluating proposals to ensure each site is suitable for what is requested. The analysis involves complex 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 was tasked with investigating alternatives to produced water disposal.

As horizontal drilling technology advances, the amount of waste material generated increases. Staff processed 3,393 applications for soil farming, a



Above: District III Environmental Coordinator Ambra Matheson secures an area where a previously plugged well began seeping oil to the surface in July 2019.

on surface land, down about 3 percent from 3,500 applications the prior year. Staff oversee 17 commercial soil farms, 11 commercial pits and have overseen 3 applications for projects to recycle oilfield waste materials. Staff manage more than 20 million barrels (840 million gallons) for large pits that have a capacity of 50,000 barrels (2.1 million gallons) or more. Devon Energy Corp. received the first large fluid pit permit in 2012. The number of commercial soil farms and commercial pits overseen has dropped by about 50 percent compared to the prior year and the number of applications for oilfield waste material recycling dropped dramatically compared to the prior fiscal year, down 2,000 percent compared to the number of applications received in fiscal year 2018.

Brownfields Section

The Brownfields Program provides a process for individuals, companies and organizations to

OIL AND GAS CONSERVATION DIVISION

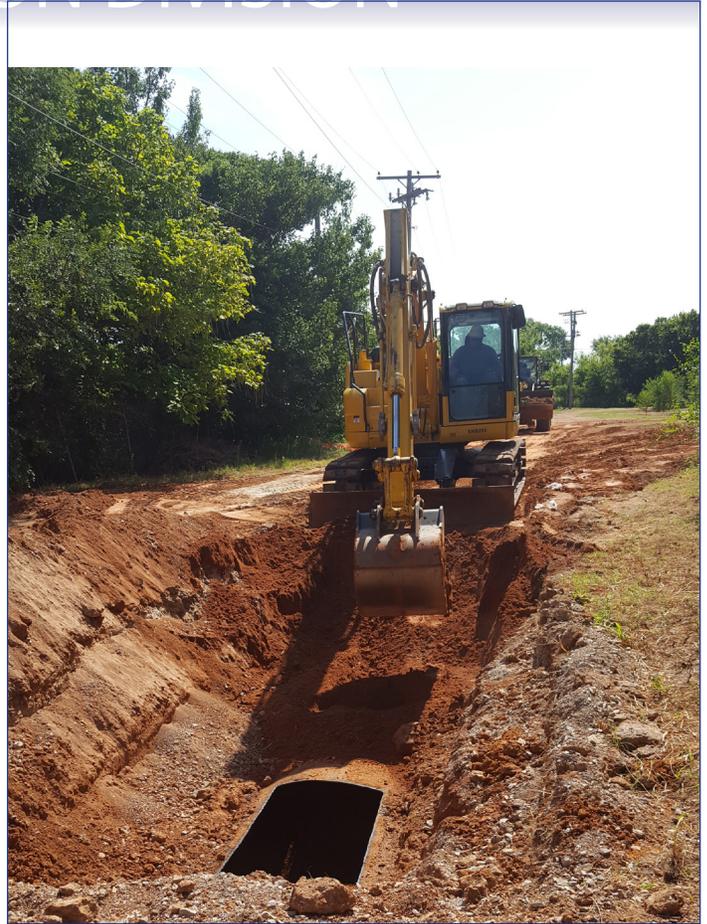
voluntarily investigate, remediate, and receive a liability release for any pollution found on properties contaminated by historic oil field exploration and production activities or old petroleum storage tanks. One of the Brownfields Program's main functions is to do site-specific work, which is described in the Brownfields Program Story Map on the OCC Brownfields Program website.

The OCC Brownfields Program closed three sites in FY 2019, the same number of sites closed in the prior year. The LL Males Storage Facility, a Roger Mills County yard, had historic, out-of-use underground storage tanks. The County needed the tanks removed and needed an environment investigation. The Brownfields Program provided the county with an investigation and removed the tanks, and the site received a Certificate of No Action Necessary, releasing current and potential future landowners from being held liable by OCC or EPA for issues related to the addressed environmental concerns.

East Sheridan Re-Development Project (aka. Steelyard Apartments) is built on the old Oklahoma City oilfield and received a Certificate of Completion. The environmental efforts at the site include an oil and gas well plugging and the installation of a vapor intrusion mitigation system. This allowed for construction of a multi-purpose building that includes business and residential housing in the historic Bricktown area of Oklahoma City.

The GE Plant site received a Certificate of No Action Necessary. The site historically had been the location of oil and gas activities, such as pits and tank batteries. The property owner addressed and mitigated the related environmental concerns, allowing their business to continue to flourish.

The program's staff enrolled four new sites in the



Above: A worker operates a backhoe to excavate an underground storage tank as part of a Brownfields cleanup project.

fiscal year: Former Smalley Station in Oklahoma City, the Vian Peace Center in Vian, Interstate Metals in Oklahoma City, and the GE Plant in Oklahoma City. The Brownfields Section staff manage several ongoing projects, including:

- The Vian Peace Center, a former gas station, received a Targeted Brownfields Assessment that included both a Phase I and Phase II Environmental Site Assessments. Staff is currently working with PSTD Indemnity Fund staff, as the site is undergoing remediation efforts through their program; and
- The Interstate Metals and former Smalley Station are currently in the process of completing

OIL AND GAS CONSERVATION DIVISION

environmental assessments, and planning efforts are underway.

In addition to site-specific projects, one Brownfields Section staff member manages the Oklahoma Historical Aerial Digitization Project (OHADP), which 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 and make all of the data available to the public.

Newly scanned and geo-referenced 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. Brownfields Section staff also work closely with the state Department of Environmental Quality and local tribal and city Brownfields Programs to coordinate efforts to promote our various resources to the public.

The OCC Brownfields Program has leveraged millions of development dollars with the federal grants they receive 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 staff provide compliance and permitting services to the general public and the oil and gas industry. The department includes two

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; and
- Maintaining reporting requirements for oil and gas wells completed in the state.

During FY 2019, staff processed gas volume reports containing monthly production information on the 62,600 gas wells in the state, down about 1.4 percent from the prior period and reviewed 806 well tests, or about 45 percent more than fiscal year 2018. There were 186 new companies that filed Financial Assurance Mechanisms and Operator Agreements with the state and 2,855 active operators, as of June 30, 2019 down nearly 4 percent or 110 fewer compared to the same day in the prior year.

Technical Review Section

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

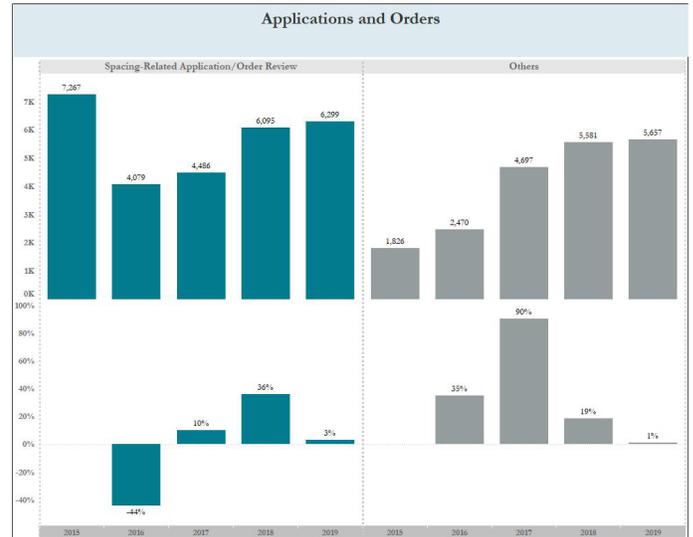
Staff workload included:

- Reviewing 1,206 requests for surface casing and pit requirements to ensure that the state's ground water resources were properly protected, down

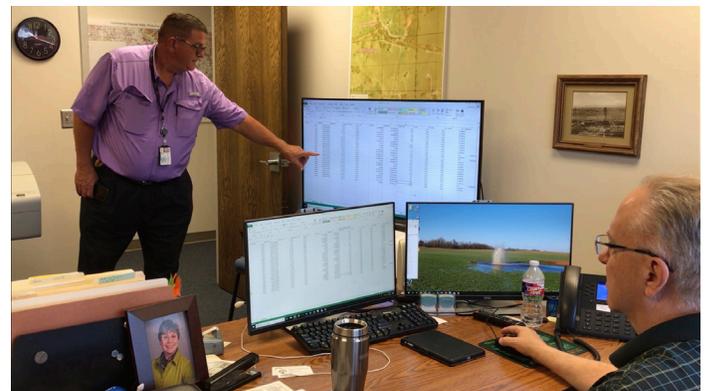
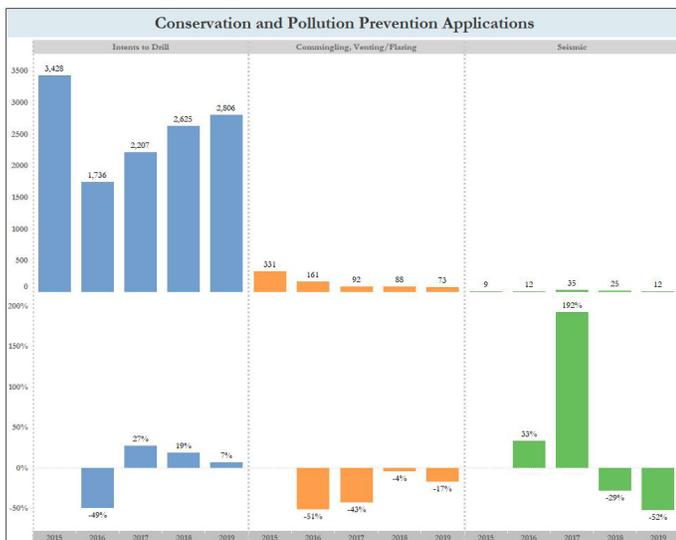
OIL AND GAS CONSERVATION DIVISION

nearly 79 percent from the prior year;

- Reviewing 2,733 applications to drill, recomplete and re-enter wells, down just 4 percent from FY18;
- Reviewing 6,856 spacing, location exceptions, increased density and other related applications and orders down about 42 percent from the prior year;
- Reviewing 10 applications for vacuum pump installations, up 900 percent from FY18;
- Reviewing 184 applications for venting or flaring of gas, up 109 percent from the prior year;
- Reviewing 32 applications for other forms of technical relief, up 95 percent from FY18; and
- Reviewing 1,555 completion reports, up about 13 percent from 1,379 the prior year.



Induced Seismicity Department



Above: From left, Induced Seismicity Department Special Projects Manager Jim Marlatt and Regulatory Manager Charles Lord review earthquake information after an event.

The Induced Seismicity Department (ISD) is responsible for risk mitigation from induced seismicity in Oklahoma related to oil and gas activity. Employees are also responsible for ensuring the utmost stewardship of oil and gas data that the agency receives and maintains, instilling public confidence in the duties bestowed and demonstrating the agency is

OIL AND GAS CONSERVATION DIVISION

fulfilling its responsibilities. The department's staff monitors and tracks all earthquake and oil and gas activity statewide using modern software, including geographic information systems.

The department is a multi-disciplinary-minded group that collaborates regularly with academia, industry, and other state and federal regulatory entities to stay on the forefront of new scientific developments related to induced seismicity, as well as to stay on the leading edge of tool and application development.

Such collaborations include:

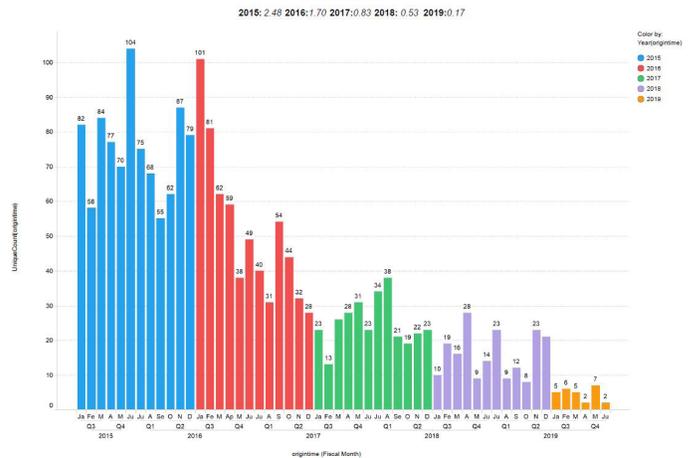
- University of Oklahoma
- Oklahoma Geological Survey
- U.S. Environmental Protection Agency- Region 6
- Stanford Center for Induced and Triggered Seismicity (SCITS)

The Induced Seismicity Department attended the Oklahoma South Central Arc User Group Annual Conference during FY 2019. The group presented a poster on the "Spatial-Temporal Associations of Earthquakes and Well Completions in Oklahoma: An ArcGIS Model-Based Approach." The poster won first place voted on by 300+ attendees.

The Seismicity Manager presented at Ground Water Protection Council's Underground Injection Control conference in February 2019. The presentation demonstrated the tools ISD staff uses to track near-real-time spatial-temporal correlations of seismic events and hydraulic fracturing operations, as well as the requirements for active seismic monitoring during hydraulic fracturing operations and the seismic mitigation plans Oklahoma operators are using.

Staff closely monitor wastewater disposal volumes into Underground Injection Control wells within the state's Area of Interest, a 15,000-square-mile-area in central and northern Oklahoma. Staff has taken many actions in recent years to curb earthquakes in that Area of Interest, or AOI, by limiting wastewater disposal into the Arbuckle rock formation. During fiscal year 2019, ISD staff responded to one individual earthquake event ≥ 4.0 magnitude reported by the Oklahoma Geological Survey that was within AOI for induced seismicity. Staff directed two operators to cease injection into the Arbuckle formation for two wells located within 5 miles of the 4.5 magnitude event.

Earthquake Count M3.0+ OGS Catalog | Continuous (2015-2019)
Daily EQ Rate By Year



In response to seismic activity related to hydraulic fracturing, staff directed one operator completing three horizontal wells to cease operations. Department employees recorded more than 107 individual communications with operators related to hydraulic fracturing seismicity during fiscal year 2019, up 20 percent from the prior comparable period.

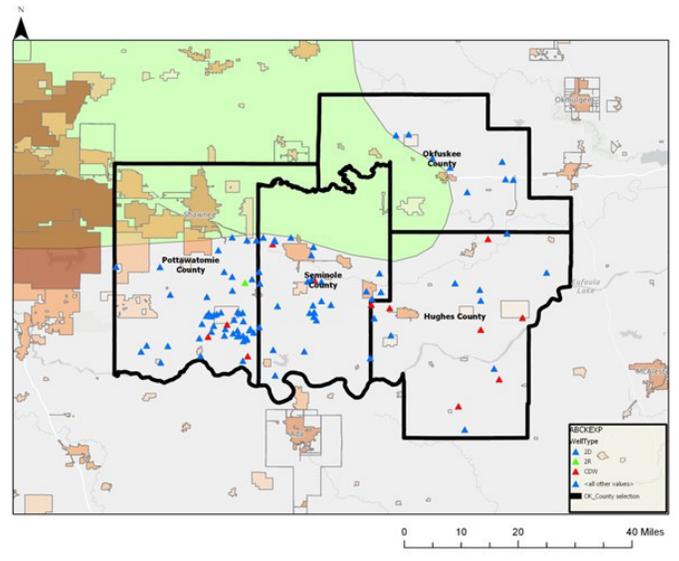
Earthquakes frequency for events magnitude 3.0

OIL AND GAS CONSERVATION DIVISION

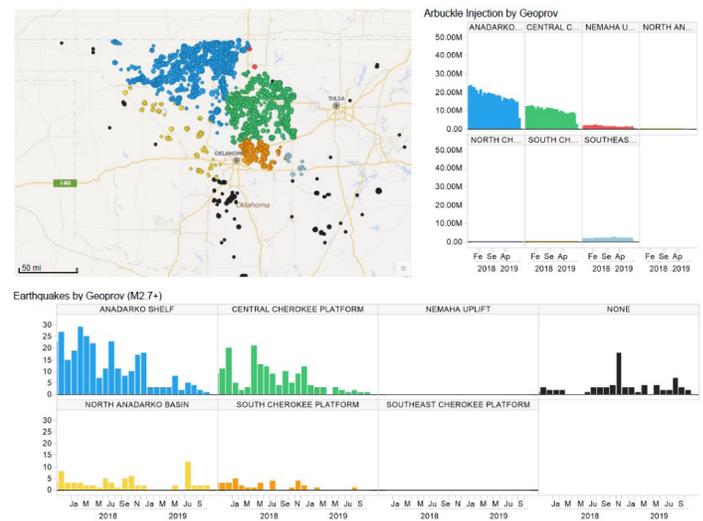
and stronger declined by 75 percent throughout fiscal year 2019. Earthquakes that were magnitude 3.0 or stronger fell by 67 percent from fiscal 2018 compared to fiscal year 2019. Events stronger than magnitude 4.0 fell by 90 percent in fiscal 2019 compared to the prior year.

Arbuckle injection volumes in the Area of Interest fell by 15 percent in fiscal year 2019 compared to the prior year, dropping by 70.3 million barrels. Arbuckle disposal volumes within the AOI have dropped 72 percent from peak Arbuckle injection in the fourth quarter of 2015, or from April 1st to June 30th, 2015. There were approximately 578 Arbuckle disposal wells and 141 operators in the AOI at the end of fiscal year 2019, with about 5 percent fewer wells and about 3 percent fewer operators compared to the prior period. The number of reporting Arbuckle disposal wells is down 15 percent and the number of operators in this category is nearly 19 percent fewer compared to the end of fiscal year 2016, the first complete year of reporting for these wells and operators.

The staff review 1012D reports weekly, an electronic form required for wastewater disposal well operators in the AOI that demonstrates each week how much volume was injected into the Arbuckle rock formation on a daily basis. During fiscal year 2019, staff expanded reporting for 107 additional wells in a four-county region outside the existing Area of Interest. This allows staff to track Arbuckle volumes more closely in the Arkoma Basin and adjacent areas within Hughes, Okfuskee, Pottawatomie and Seminole counties. The wells include 14 commercial wells, one enhanced oil recovery well and 92 non-commercial wells. Department employees reviewed more than 218,030 1012D reports in fiscal year 2019, down about 5 percent compared to the prior year.

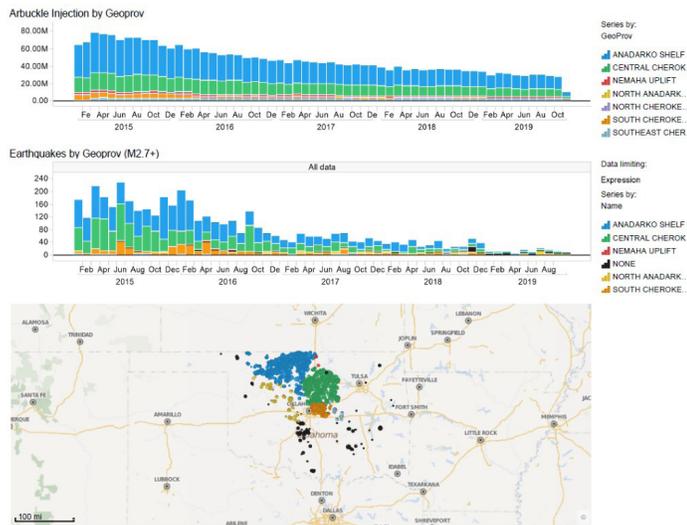


The Induced Seismicity Department staff actively monitor hydraulic fracturing operations throughout the state using various internal tools and geographic information systems mapping products. Employees received 1,684 Hydraulic Fracture Notice Forms during the fiscal year, up by about 1 percent compared to the prior period. Staffers have analyzed records to quantify the rates of hydraulic-fracturing-related seismicity for events ≥ 2.0 magnitude throughout the state.



OIL AND GAS CONSERVATION DIVISION

Department employees presented the analysis at several conferences and will publish it at a later date. The graphics below and on the prior page show areas of seismicity greater than magnitude 2.7 in black outside of the AOI for disposal-induced seismicity. Much of this seismicity has been correlated with hydraulic fracturing operations.



Department staff met with regulatory delegations from several foreign governments to foster Oklahoma's commitment to open regulatory information and aid other regulators who respond to induced seismicity. In addition, employees also collaborated with the U.S. EPA and other state regulators to provide guidance on induced seismicity. Ongoing meetings with regulators and scientific researchers across the nation and abroad provides staff an opportunity to improve their understanding of the complex topic in Oklahoma.



Above, from left: Induced Seismicity Manager Charles Lord and staff Colin Brooks, Candace Johnston speak with Oklahoma Geological Survey employees and Texas Railroad Commission employees about seismicity.

Underground Injection Control Department

Department staff administer the federal Underground Injection Control (UIC) Well Program under the Safe Drinking Water Act and regulates the underground waste products disposal and fluid injection to enhance oil and gas recovery. The program covers Class II wells, which include injection well types used for Enhanced Oil Recovery (EOR) operations and injection wells used for oilfield waste disposal. The Environmental Protection Agency (EPA) provides oversight and some funding for this program.

Oklahoma was the first state in the nation to receive the EPA's permission to administer the injection well program, receiving primacy on Dec. 2, 1981. It is critical that our department's staff have the resources and tools to effectively manage this program. Otherwise the EPA can take control of the program, which would require operators to work with federal regulators for permit requests, inspections and enforcement.

During fiscal year 2019, UIC Department staff maintained compliance for more than 11,000 wells,

OIL AND GAS CONSERVATION DIVISION

including injection, non-commercial and commercial wells. They also monitored any potential illegal use of non-UIC wells. Compliance issues include testing, injection reporting, and illegal use without a permit or test. In the last fiscal year, UIC staff filed 65 cases in the OCC's administrative court system alleging non-compliance, up nearly 86 percent from 35 cases filed in the previous fiscal year.

Department employees reviewed more than 11,000 reports for non-commercial injection well volumes, known as form 1012 reports, and 1,000 reports for commercial injection wells, or form 1012C reports. The schedule for testing injection wells varies and requires monitoring on a case-by-case basis. Last year the UIC Department reviewed 4,177 tests, 426 of which were tracer survey reviews. Staff works closely with the Field Operations Department to coordinate training that will maintain compliance in all facets of testing and reviews. UIC staff's goal for compliance is 100% and maintains a 99.9% compliance in testing and reporting.

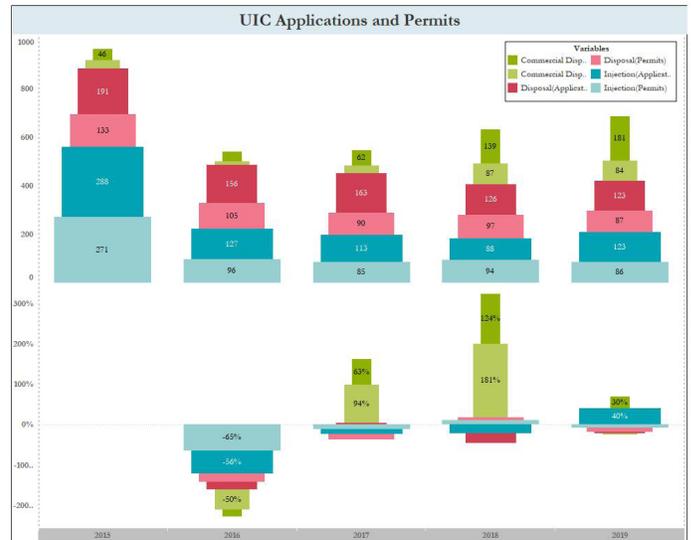
In FY 2019, UIC received 549 applications:

- 121 applications for an exception to the rule, up nearly 32 percent from fiscal year 2018;
- 130 applications for an injection well; up about 1 percent from the prior year;
- 125 applications for a non-commercial well, down about 5 percent from fiscal year 2018;
- 173 applications for a commercial well, up nearly 25 percent from the prior year; and
- 401 of the 549 applications were completed either by permitting or dismissed.

UIC administratively permitted 274 applications:

- 92 injection wells, down about 13 percent from fiscal year 2018;

- 96 non-commercial wells, up about 9 percent from the prior year; and
- 86 commercial wells, up nearly 5 percent from fiscal year 2018.



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 state regulations. Public Assistance staff helps facilitate communication wherever possible. During fiscal year 2019, department staff assistance included:

- 4,142 telephone calls;
- 378 letters, faxes & emails; and

OIL AND GAS CONSERVATION DIVISION

- 96 walk-ins.

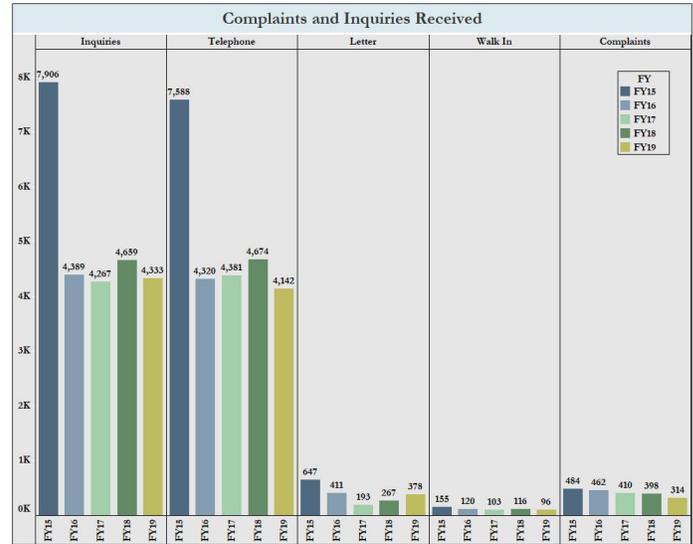
Department staff does not provide advice or legal counsel. Employees refer people to organizations that can help, such as royalty owners' trade groups. Staff help guide callers through our website so they can learn how to do the research they need on their own. Department staff's goal is to help them help themselves.

Though the majority of the calls are related to matters over which the agency does not have jurisdiction, the department staff's 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; and
- Listening to complaints of alleged missed payments or unpaid bonuses and facilitating dialogue with the operator.

Since 2008, the Public Assistance Department staff holds an annual workshop for Oklahoma royalty owners to provide education on managing oil and gas interests. This workshop is completely self-funded and receives a sponsorship from the OERB. Oklahoma mineral owners are scattered around the world, so each year the workshop's destination is



based on where most of those callers live, alternating between the east and west of the Mississippi River.

These workshops include expert speaker panels who address subjects from every point in the drilling process as it relates to mineral owners, such as Corporation Commission hearings, title, leasing, division orders, pay stubs, and the OERB's involvement in remediating well sites after plugging.

Administrative Department

The Administrative Department was created in fiscal year 2019 with the goal to maximize efficiency and to streamline the customers' experience. The Administrative Department includes:

- Document Handling;
- Intents to Drill;
- Surety; and
- Well Records.

The staff is responsible for processing and

OIL AND GAS CONSERVATION DIVISION

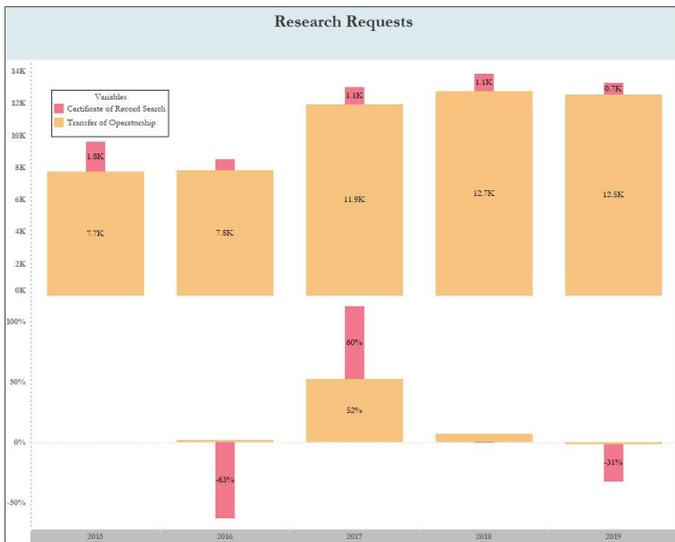
maintaining the majority of documents filed with the division. These documents include:

- Certificates of Record Search;
- Well Logs;
- Plugging Reports; and
- Well Transfers.

Additionally, staff provide customer service to industry representatives, mineral and surface owners and other interested parties with information concerning individual wells in Oklahoma. The staff processed this paperwork in fiscal year 2019:

- 745 Certificates of Record Search;
- 550 Well Logs;
-

ongoing cross-training initiative aimed at streamlining procedures, which eliminated all data entry backlogs for completion reports in the fiscal year.



To provide faster service, the Administrative Department reorganized its office space, creating one location with a single sign-in for visitors. The centralization allows staff from various sections to be readily available to assist customers and to quickly direct stakeholders to the individual that can best help them. Additionally, staff are participating in an



Above: Oil and Gas Administrative Dept. staffer Colby Townsend stands at the Division's new sign-in area for visitors.

PETROLEUM STORAGE TANK DIVISION

In This Section:

Accounting Department

Administration Department

Compliance and Inspection Department

Technical Department



OKLAHOMA
Corporation
Commission

PETROLEUM STORAGE TANK DIVISION



Above: Fuel Inspection Supervisor Ty Massey demonstrates how to return fuel to an underground storage tank after fuel has been tested.

Overview

The Petroleum Storage Tank Division (PSTD) administers the federal underground storage tank (UST) program in lieu of federal regulation and staff has jurisdiction over underground and aboveground storage tanks that contain antifreeze, aviation fuel, diesel, gasoline, kerosene, motor fuel, and motor oil. The program protects human health, safety, and the environment when a leak from a petroleum storage tank system disrupts vital services and/or contaminates soil or groundwater.

Division staff is responsible for maintaining the storage tank program, including inspecting storage tank facilities, calibrating dispensers, enforcing rules, conducting risk assessments to determine the potential exposure effects after a leak has occurred, developing and enforcing corrective actions or remediation plans at contaminated sites, providing alternative water supplies when necessary, providing emergency services if needed, imposing administrative penalties and fines.

Division staff administer the Petroleum Storage Tank Indemnity Fund, which was established to help petroleum storage tank owners meet a \$2.5 million-liability-insurance requirement. The reimbursement cap rose 66 percent from \$1.5 million in the prior fiscal year after the Oklahoma Legislature approved the increase, to ensure enough money would be available to cover all the cleanup actions required at release sites. The Legislature in 1989 established a one-cent-per gallon assessment on gasoline, diesel fuel, and blending materials. Wholesalers pay the assessment and the money goes to the Indemnity Fund.

The Indemnity Fund administrator determines eligibility, ensures there's enough money available for required corrective actions needed to mitigate environmental, health, and safety threats to the public and oversees all expenditures for eligible claims seeking reimbursement. The administrator also participates in the development of the division's Petroleum Information Management System (PIMS) database; collects statistical data for all division reports; submits quarterly and semi-annual storage tank activity reports to the U.S. Environmental Protection Agency (EPA); ensures the agency maintains data on whether operators are in compliance and reports the data to the EPA; represents the division at national conferences and meetings; and serves as the director's backup. The Administrator determined in fiscal 2019, there were 130 cases eligible for reimbursement.

Division staff also administer the Oklahoma Leaking Underground Storage Tank Trust Fund (LUST Trust), which can be tapped when leaking underground storage tank sites pose an imminent threat to human health or the environment and requires prompt action, or when the responsible party is unknown, unwilling, or unable to respond.

PETROLEUM STORAGE TANK DIVISION

The U.S. EPA provides the trust's funding through assistance grants. The division seeks reimbursement from the LUST Trust Fund for corrective action costs. Reimbursement money the division requests can be used for underground storage tank remediation, among other things the EPA has outlined in its LUST Trust Fund grant program.

The storage tank program's structure enables division staff to effectively enforce state and federal regulations and effectively coordinate corrective actions at leaking sites, while ensuring the indemnity fund remains solvent. In many other states, similar financial assurance funds have gone bankrupt without meeting site clean-up goals.

The division is comprised of four departments:

- Accounting
- Administration
- Compliance and Inspection
- Technical

The Accounting Department

The division's comptroller manages transactions and expenses; completes and submits grants to the EPA; provides reports and documentation to the Oklahoma Legislature, the Storage Tank Advisory Council, and the EPA; and oversees all expenditures to ensure parties make timely indemnity fund payments.

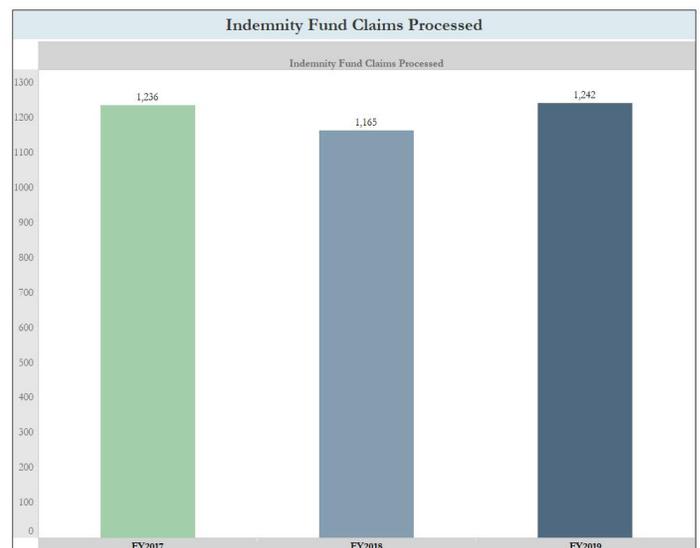
The division's accounting staff:

- Conducts purchase order and claims audits to ensure indemnity fund money and EPA grants are used efficiently;
- Audits tank owner/operator accounts to ensure compliance;

- Processes payments for indemnity fund claims by reimbursing a portion of the corrective action costs leaking petroleum storage tanks case;
- Processes tank permit fees and licensing payments;
- Tracks LUST Trust Fund expenditures; and
- Seeks reimbursement for all LUST Trust grant money spent.

Income & Expenditures

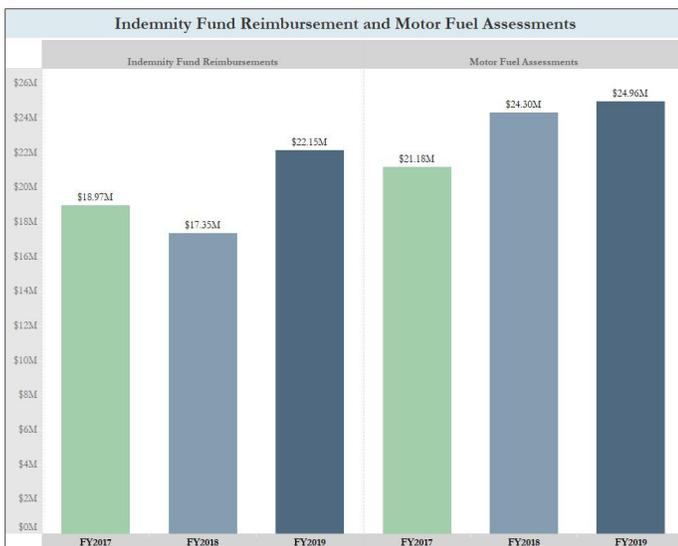
The indemnity fund reimbursed \$22,154,419 on 1,242 claims during the fiscal year, rising 22 percent in reimbursements than the prior year, with nearly 7 percent more cases than in fiscal 2018. The average time for payment of an initial claim was 5.4 days, while the average time for payment of a supplemental claim was 5.19 days, and the average time for payment of a final claim was 5.19 days. The indemnity fund had an unencumbered balance of \$124,343.25 at the end of fiscal year 2019, down just 4 percent from the prior fiscal year.



PETROLEUM STORAGE TANK DIVISION

The indemnity fund received approximately:

- \$24,301,739 from motor fuel assessments (down nearly 3 percent from \$24,961,298);
- \$96,528 from co-pays (down more than 7 percent from \$89,843);
- Earned \$549,128 by investing reserve revenue in interest-bearing cash management accounts (up nearly 45 percent from \$379,231); and
- Collected \$305,325 in licensing and permit fees (down 7 percent from \$328,713).



The division collected:

- \$49,350 in fines (down about 39 percent from \$81,550);
- \$19,750 through substantial compliance (down 49 percent from \$38,800);
- \$29,600 through enforcement actions (down nearly 31 percent from \$42,500); and
- \$305,325 in antifreeze license permits and variance review fees (down 21 percent from \$388,713).

The Administration Department

The administration department provides support and is responsible for:

- Maintaining the storage tank database;
- Managing the operator training program;
- Invoicing and permitting;
- Scheduling tank system installations, removals, repairs, and testing activities;
- Posting Indemnity Fund checks with the State Treasurer's Office;
- Licensing environmental consultants and other storage tank professionals who install, monitor or remove regulated petroleum storage tanks;
- Licensing and permitting of antifreeze storage; and
- Imaging records and documents.

Approximately 336 storage tanks were removed from service, down 35 percent from the prior fiscal year, while 162 storage tanks were installed, down nearly 8.5 percent from the prior comparable period. Staff scheduled and oversaw 336 tank and/or line closures, down nearly 35 percent compared to fiscal year 2018.

At the end of the fiscal year administration staff:

- Registered 39,597 underground storage tanks (down 3 percent from FY18);
- Registered 7,481 aboveground storage tanks (up 1 percent from FY18);
- Issued 4,399 tank permits (down nearly 4 percent from FY18)
- Issued 655 licenses (up nearly 8 percent from

PETROLEUM STORAGE TANK DIVISION

FY18);

- Licensed 105 Environmental Consultants (up nearly 2 percent from FY18); and
- Licensed 323 storage tank professionals, (up 13 percent from FY18).

The administration staff also processed:

- 4,399 tank permit invoices (up nearly 4 percent from FY18);
- 883 registration forms (up 64 percent from FY18);
- 383 tank and line closure reports (down 35 percent from FY18); and
- 163 temporary authorizations or ballasting permits (down 8 percent from FY18).

The Compliance and Inspection Department

These staff are the front-line workers tasked with protecting the public and ensuring consumers get the quality and quantity of fuel for which they pay. These employees also ensure equipment is working properly, protecting the public from potential groundwater contamination. They also work to explain rules and regulations to tank owners, detailing the basics of maintaining and operating petroleum storage tanks.

The compliance and inspection manager supervises and coordinates the division's compliance analysts and fuel specialists, oversees our inspectors, as they conduct field inspections to ensure operators are compliant with state and federal laws and agency rules. The manager determines enforcement actions and/or tank shutdowns for violating division rules, in addition to reviewing licensing applications, and

serving as the division's primary troubleshooter on storage tank compliance.

PSTD Fuel Specialists enforce rules and regulations by conducting inspections at 5,280 regulated motor fuel facilities in the state, up nearly 1 percent from the prior year; performing calibrations on 38,377 retail fuel dispenser meters in the state; checking the octane rating of fuel stored in 10,942 storage tanks, almost 2 percent more tanks than in the prior fiscal year; reviewing the monitoring, testing and other required records; assisting owners with understanding the operation and maintenance of their tank system; and when necessary, can lock down a storage tank system or place a seal on any measuring device not in compliance with OCC rules. The Compliance and Inspection Manager determines enforcement actions and/or tank system shutdown when violations of Commission rules occur.

PETROLEUM STORAGE TANK DIVISION



Above: Workers install gravel bedding at the bottom of an underground storage tank at a Costco fueling station in Oklahoma City as the facility was under construction. Inspection and Enforcement Department staff oversee installations.

Inspection and Enforcement

The division has 19 Fuel Specialists, one of whom is dedicated to monitoring installations and removals of tank systems statewide; one of whom is dedicated to high-flow calibrations at truck stops and travel plazas across the state. The remaining 17 cover different geographic territories across the state and check fuel storage and delivery systems at 4,678 regulated facilities. An inspector's job has two facets: ensuring tank systems or associated equipment have no leaks and guaranteeing customers receive the correct type

and amount of motor fuel from the dispenser.

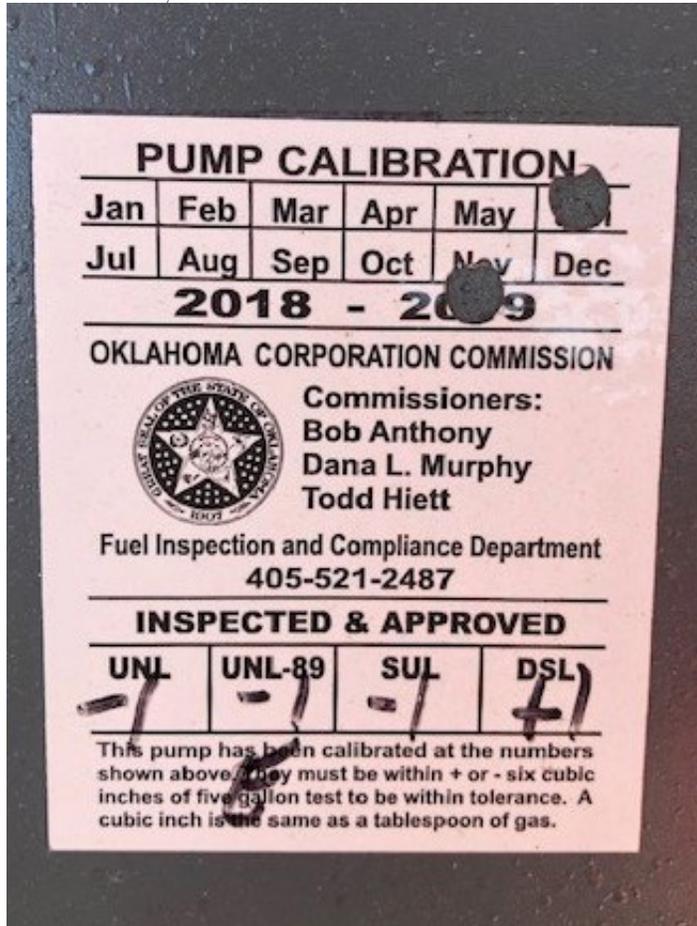
Fuel Specialists have one of the most advanced inspection systems among all the agency's divisions. They use laptops to enter their inspection information directly from the field into Tank Universe, an inspection application specifically developed to cover state and federal rules and regulations. The information is automatically synced through a mobile internet connection, which immediately uploads to the Division's database, ensuring real-time information for all inspection data. Fuel Specialists can use the Tank Universe software to track all tank system information, ownership records, permits, prior inspections, violations, operator training, release/leak history and access imaged documents for all facilities in the state from their pickup trucks.

The federal Energy Policy Act of 2005 requires each underground storage tank must have an on-site compliance inspection at least once every three years. The Division's Fuel Specialists far exceed the federal compliance inspection mandates by conducting inspections annually, rather than every three years. State rules that require tanks are inspected twice each year. Oklahoma's more stringent rules ensure consumers get the fuel for which they pay. It also ensures groundwater is protected from contamination.

As part of their twice-annual inspections, Fuel Specialists check tank system monitoring, testing and other required recordkeeping; review records for environmental and equipment testing; verify accurate meter calibration; measure octane rating and investigate consumer complaints. After ensuring the meter is properly calibrated, Fuel Specialists place white stickers on the face of each dispenser/pump. The calibration sticker is the public's indication that

PETROLEUM STORAGE TANK DIVISION

our staff verified the meter is accurate during the month and year indicated.



Above: A pump calibration sticker placed on a fuel dispenser showing the equipment has been inspected.

Fuel Specialists are also responsible for:

- Checking storage tanks for the presence of water and the fuel's quality;
- Measuring the octane rating and accuracy of dispensers;
- Ensuring emergency breakaways for dispenser hoses are operational in case a motorist drives off with the nozzle still in the vehicle;
- Verifying emergency breakaways between the dispenser and fuel delivery system will

disconnect from the fuel source if the dispenser is knocked over;

- Checking the lower interiors of dispensers to make sure there are no exposed wires nor leaks;
- Reviewing tank system monitoring, testing, and other required recordkeeping;
- Ensuring all antifreeze sold has a valid permit;
- Investigating consumer complaints;
- Verifying the amount advertised on the facility's sign is the same as what is on the dispenser; and
- Verifying signs properly identify which dispensers are designated for ethanol-blended fuels.

For years, division staff has maintained one compliance inspection and two calibrations annually at all active retail facilities statewide. EPA staff noted in their annual storage tank program review that our Petroleum Information Management System, or PIMS inspection application is one of the most sophisticated databases in the nation and provides inspectors more updated information than most other states use.

Inspections, Violations and Calibrations

Fuel Specialists performed approximately 4,442 service station inspections, or 100 percent of the retail facilities operating in Oklahoma. There were 69,617 pump calibrations checked and 505 meters, also known as dispensers, weren't properly calibrated, representing less than one percent of the total out of compliance. Specialists inspected 4,149 motor fuel facilities for annual storage tank compliance checks, identifying 249 water violations, nearly 20 percent fewer than the prior fiscal year and investigated 255

PETROLEUM STORAGE TANK DIVISION

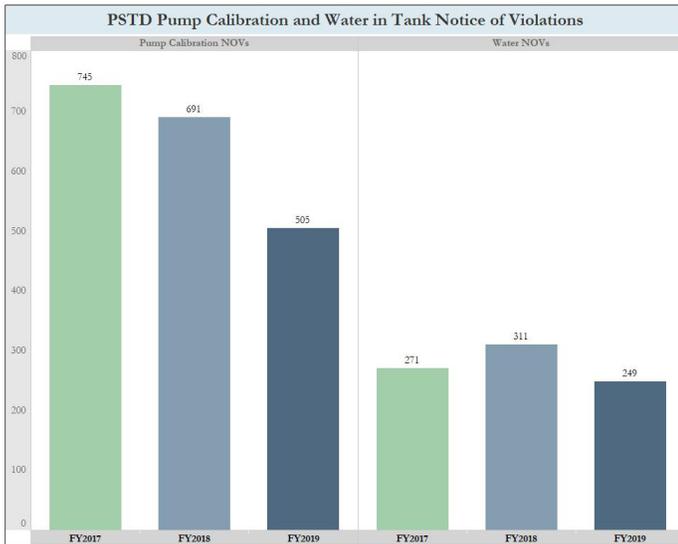
consumer complaints regarding gasoline purchases, up 50 percent from the prior comparable period.

Regulatory and Compliance

Tank owners may request a variance to any petroleum storage tank regulation provisions through an application, a notice, and a hearing. Division rules were revised so that owners can apply for administrative approval for a variance to close a tank without removal as an effort to streamline processes and avoid court cases. Compliance analysts review and administratively approve applications for in-place tank closure, without needing a hearing before an Administrative Law Judge, who then submits a proposed order to the Commissioners to determine whether to grant the variance. If staff deny the application, the owner still has the option to request a hearing and present the case to an agency judge. The process saves time and money for both the owner and the Commission and has been so successful, the division proposed rules to expand the variance process for any PSTD rule.



Above: An aboveground storage tank installed at Rock Haulers location. Inspection and Enforcement staff ensure new facilities are compliant with regulations.



Tank owners must be substantially compliant with applicable regulations to be eligible for Indemnity Fund reimbursement when a storage tank system releases fuel and the agency requires cleanup. An administrative law judge determines compliance violation fine amounts. Once they pay the fine and correct the violation, the tank owner may obtain a Substantial Compliance Certificate, which allows them to be eligible to receive reimbursement from the Indemnity Fund. The division's three compliance analysts review the facility's records to determine if the owner was in substantial compliance when the release occurred.

PETROLEUM STORAGE TANK DIVISION



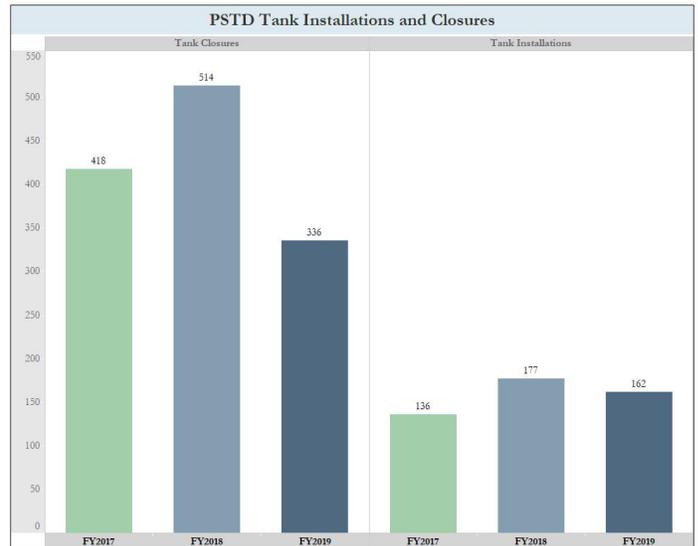
Above: An underground storage tank floated to the surface when contractors were removing the equipment. Compliance and Inspection Dept. staff oversee tank removals and issue violations if regulations aren't followed.

Formal enforcement can occur when regulated entities violate rules, requirements or agency orders. The manager of compliance and inspection evaluates enforcement to ensure it is consistent and uniform. Prior violations for the same offense, habitual negligence, or flagrant disregard for Commission rules may support seeking an administrative penalty after notice and hearing before an agency judge. The division staff considers the nature, circumstance and gravity of the violation when determining the penalty amount.

The division's compliance analysts review and approve registrations and closures to ensure applications are complete and have met all requirements. They also administratively review and approve variance applications; review Indemnity Fund applications for substantial compliance; make fine recommendations, provide testimony and exhibits in OCC court proceedings; assist inspectors in determining violations when tank owners don't comply with regulations; review division rules, policies and

procedures for rulemakings; explain rules to owners and operators; answer inquiries from property owners, prospective buyers, bankers and real estate personnel regarding a facility's history and represent the division at national meetings, conferences and seminars.

The division's three compliance analysts approved 883 registration forms and 383 closure reports during the fiscal year, about 35 percent more closure reports compared to the prior fiscal year. They also researched and processed 48 variance request applications and administratively approved 38 applications, provided testimony for 37 penalty assessments and 66 contempt actions.



The Technical Department

The division's technical employees have direct environmental oversight for all corrective actions performed at leaking petroleum storage tank sites and work with licensed environmental consultants to determine the most appropriate corrective action

PETROLEUM STORAGE TANK DIVISION

necessary. A project environmental analyst must be proficient in regulatory issues, remediation technologies, both in design and operation, and risk-based corrective action environmental assessments. Technical department staff must also be well-versed in the Indemnity Fund's operations, as they are responsible for reviewing and approving corrective action expenditures coming from fuel release sites.

The Technical Department manager oversees the day-to-day operations related to petroleum release cases to ensure corrective actions are completed according to applicable rules and protocols. The division's technical manager ensures that costs for contractor labor and materials billed for corrective actions are fair, reasonable, and current; tracks and updates estimated costs to close release cases; reviews courses, seminars and meetings for possible continuing education credit; reviews licensing applications and participates in the development, testing, and troubleshooting of the Petroleum Information Management System, or PIMS database and Petroleum Storage Tank Portal.



Above: A map of a remediation project shows the estimated extent of the fuel vapor plume underground and locations of monitoring wells.

The department's seven project environmental analysts are hydrologists or environmental scientists. They oversee corrective actions required at leaking petroleum storage tank sites, so they must be proficient in hydrological issues, risk-based corrective action environmental assessments, regulatory issues, and remediation technologies (both the design and operation). These employees directly administer the Indemnity Fund to reimburse petroleum storage tank owners for eligible corrective action costs performed at leaking petroleum storage tank sites. When a case examining suspected or confirmed pollution is activated, an analyst must submit all proposed cleanup costs for review and pre-approval before any work begins. The process ensures only necessary work is reimbursed and ensures the Indemnity Fund remains financially sound.

Technical Department Project Environmental Analysts:

- Review and approve all release case work plans, purchase orders, and change orders submitted by licensed environmental contractors;
- Review and approve all regulatory reports, maps, etc. submitted for release cases;
- Review and approve all claims and invoices for completed work performed; and
- Conduct site visits to ensure corrective actions are progressing according to established protocols, rules, standards and other requirements.

Petroleum Releases

Division staff activated 107 new petroleum release cases, or 38 percent fewer than the prior fiscal year and closed 125 cases, almost 6 percent more during fiscal 2019. Each environmental analyst manages approximately 53 cases.

PETROLEUM STORAGE TANK DIVISION

By the fiscal year's end, there were 426 active petroleum release cases ongoing in which staff were monitoring contaminants for potential migration or in case more aggressive cleanup action could be necessary. The vast majority, 98 percent, are Indemnity Fund cases and the remaining 2 percent are LUST Trust Fund cases. The division's seven hydrologists processed 348 work plans, 1,278 purchase orders for release cases, 1,200 release case reports, 1,242 release case claims in fiscal 2019.

Division employees have closed approximately 5,672 petroleum release cases since the storage tank program began, up nearly 3 percent from the prior fiscal year.

Division Highlights

The Petroleum Information Management System (PIMS)

The division upgraded its information application system into a centralized database several years ago, implementing an online submission process for staff, stakeholders and regulated entities. The Petroleum Information Management System, or PIMS, database maintains all the division's data. Separate modules within the database link registration, inspection and licensing functions, among other things, into a single management system that automatically fills out forms as a user enters information, creating documents added to the database. All information is available in real-time and staff can track document flow as each document is received through an electronic work folder. PIMS can produce standardized, frequently used reports and is capable of creating customizable reports. The system interfaces with the Commission's central imaging and case processing systems that

contain court documents. The system even allows staff to track time worked and leave taken.

Staff and software developers began improving compliance-related documents that can be submitted electronically during the fiscal year. One enhancement underway will allow staff to deliver tank registration, invoices and permits electronically, rather than through the mail. They also began upgrades for the license module, which will make tank registration and licensee documentation fully electronic. New licensing and antifreeze databases will allow for online submission of applications and renewals and will allow staff to electronically process and securely deliver licenses and permits through the Portal.

The division's accounting staff process payments for tank permits, licensing fees and the Indemnity Fund and claim payments from the Indemnity Fund are deposited into environmental contractor's accounts by electronic funds transfer. All receipt data are centralized, allowing the division's comptroller to have access to all cash receipt information as it is entered, allowing them to balance the account, to the penny, each day. The comptroller can export financial audit logs from PIMS into spreadsheets if needed, balancing the payment history, cash receipts and several other standardized accounting reports.

Fuel Specialists have laptops and printers in their vehicles so they can enter inspection information into the PIMS Inspection Application directly from the field. They have access to all information on tank systems, ownership records, inspections, violations, permits and pollution history, as well as track all operator training certificates in the state and view scanned documents. The system uses a wireless or mobile internet connection to sync inspection

PETROLEUM STORAGE TANK DIVISION

information, immediately uploading it into PIMS. These employees can also sort facilities by the last inspection date, city, county, facility name or ID, which allows inspectors to strategically plan their routes within their territory. Facilities due for an inspection appear in red; once the inspection has been completed and the data synced with the PIMS database, it appears in black.

The database alerts an inspector when a violation has occurred, based on the agency's rules written into the software. When a significant operational compliance 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 there is a secure message on the PST Portal. The dual notification system is especially helpful for the owners who are not at the facility on a daily basis.

The Petroleum Storage Tank (PST) Portal finalized its one-stop-site-functionality to standardize and streamline all petroleum storage tank related communication for tank owners, operators, and licensees. Now customers can electronically file change of ownership and closures, leak detection, repairs, sampling and testing results, scheduling tank and line activities, allowing compliance staff to process and approve applications and tests online.

Ongoing Improvements to PIMS Application

All the division's records and information can be accessed 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 is automatically uploaded into PIMS and allows real-time reporting for operator training. Environmental contractors can now use online Indemnity Fund applications and submit those electronic documents through the portal, thanks to updates developed in the fiscal year. The portal is linked to PIMS and those electronic documents are automatically uploaded, allowing administrative staff to review and compliance staff to approve the applications. Staff can use the portal to send the application back for corrections if the employee finds deficiencies during their review. Once approved, the portal's software automatically generates the eligibility letter and Indemnity Fund co-payment invoice and sends the documents electronically to the applicant and prepares the



PETROLEUM STORAGE TANK DIVISION

paperwork for staff to print and mail to the tank owners. The environmental contractor receives email notifications the documents are available through the portal as well.

fiscal year.

Environmental contractors submit all required petroleum pollution case information and documentation through the portal, which automatically uploads into technical staff's electronic folder in the Petroleum Information Management System. All corrective actions must be submitted to and approved by technical staff before any work begins at a cleanup site. After technical staff approve a scope of work, PIMS electronically submits the document to the division's accounting staff's electronic folder for approval. Then the Indemnity Fund Administrator can encumber money to pay the contractor through PIMS. Contractors submit invoices and upload an online claims form after the work is completed. An Electronic Funds Transfer makes payments from the Indemnity Fund to the environmental contractor.

The development of PIMS, PIMS Inspection App, and the PST Portal helps control corrective action costs at cleanup sites, provides real-time information access, increases the speed and accuracy of division staff's workflow, provides consistent and uniform inspections across the state, and improves worker productivity without adding more employees to the division. The Indemnity Fund will continue to be a viable and solvent financial responsibility tool for storage tank owners and operators because the updated system requires pre-approval for the work and encumbers the money before work begins. All the division's Technical Department processes are now performed electronically. Virtually all the division's workflow processes will be performed electronically once the improvements are implemented in the next

PUBLIC UTILITY DIVISION

In This Section:

Administration Department

Compliance and Outreach Department

Consumer Services Department

Enforcement Department

Energy Department

Telecommunications Department

Oklahoma Universal Service Fund Administration Department



OKLAHOMA
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Commission

PUBLIC UTILITY DIVISION



Above: A wind farm in Oklahoma. Division staff keep records of turbines' GPS locations and remediation plans after a wind farm has reached its lifespan.

Overview

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

- Acting as the Administrator of the Oklahoma Universal Service Fund (OUSF);
- Appearing as a party in ratemaking cases involving regulated utilities and providing data to the Commission to help the Commission make regulatory decisions that are in the public interest and result in the lowest reasonable cost for safe and reliable service;
- 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, division staff develops and presents fact-based, independently researched objective findings, determinations and testimony to the Commission in filed cases.

PUD protects all Oklahoma ratepayers against unfair rate treatment by regulated utility monopolies and OUSF service providers. The division also enforces federal and state statutes and rules related to public safety for some regulated entities.

There are seven departments in the division:

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

The Administration Department

The Administration Department is primarily responsible for managing the day-to-day operations and policy for the division. The director acts as the Commission and legislative policy advisor for the division and serves as the statutorily appointed OUSF administrator. The deputy director is primarily responsible for the day-to-day operations of all filed PUD docket cases before the Commission. The department also manages the division's budget, expenditures, and planning.

The Compliance and Outreach Department

The Compliance Department staff act as embedded auditors, overseeing the change management team, quality control process, and PUD's public reporting. The change management process continually reviews internally to identify duplicative efforts and inefficient processes. The Quality Control Process

PUBLIC UTILITY DIVISION

qualitatively tracks progress for all job families related to the division’s strategic goals. Additionally, the department’s public outreach arm provides educational programs statewide to inform at-risk residents of their legal rights.

Since its inception in August 2015, the Change Management team has processed more than 494 recommendations. Managers have adopted more than 89% of the recommendations staff submitted.

The Community Outreach Representative traveled the state to contact those who face the highest risk of utility company disputes, such as people who live in retirement communities, shelters, and nursing facilities to ensure consumers were aware of their rights if a dispute happens. The representative also met with administrators at hospitals and schools to educate them about whether they are eligible for subsidized internet access from the Oklahoma Universal Service Fund.

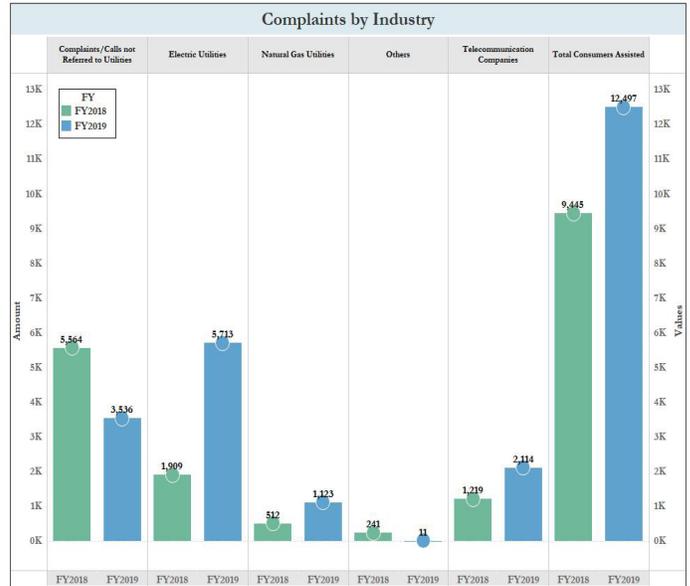
The Consumer Services Department

The Consumer Services Department staff handle incoming consumer complaints. The department’s call center staff handles incoming calls, walk-in complaints, email complaints and social media outreach.

During Fiscal Year 2019, four consumer service complaint cases were filed and three were closed. Additionally, Consumer Services staff developed a process to reach out to communities statewide in order to expand the consumer base who are aware of the agency’s assistance and to ensure regulated utilities comply with OCC rules when they interact with consumers.

The consumer service group adopted a new focus;

not only to provide excellent service to Oklahoma consumers but also to provide additional value by providing education that might help consumers in the future.



The Enforcement Department

The Enforcement Department staff ensures utility

PUBLIC UTILITY DIVISION

companies comply with division-related rules statewide. Field enforcement is handled through a statewide monitoring program of all regulated facilities.

As staff conducted 10 payphone audits around the state, they were also able to address 3,248 public-safety-related matters while conducting those audits. Staff visited 103 mobile marketing locations for audits and discovered 49 violations.



Above: A broken payphone located in south Oklahoma City. Enforcement Department staff place out of order stickers on broken phones when they see them.

PUD staff actively work with regulated utilities on public safety matters as a part they travel for enforcement. If staff finds public safety hazards in the field, they report them to regulated companies.

- An electric service line drop in Bixby was within reach of the public and tangled in the tree branches.
- A utility-owned overhead light pole in Oklahoma City had fallen on top of a commercial HVAC unit with a live electrical line still attached, according to readings on equipment PUD staff had in their vehicle.

- In Crescent, a telephone service line was found damaged and draped over a metal fence.
- Lindsay, an abandoned telecommunications phone line within reach of children near an elementary school's playground.
- In Owasso, a broken pole was supported by an old telephone service line.



Above: Enforcement Department staff identified a broken pole in Owasso.

- In Lawton, a service line was draped over the fence and near a gas meter in the alleyway.
- In Bethany, a telephone service line was draped over a metal fence post and near a residence. Staff determined the line was not operational and the service provider needed to be remove it.
- In Oklahoma City, a live electrical line was hanging off gas meters in large residential neighborhood. Staff determined that voltage was present, securing the area until the electric provider arrived.

PUBLIC UTILITY DIVISION



Above: Enforcement Department staff responded to a complaint of a broken pole in a resident's yard.

- In Oklahoma City, staff received a complaint about a damaged pole in a customer's front yard, near where children live. The resident reported the safety issue to the utility, but the company hadn't yet corrected it.

The community outreach representative traveled the state to reach out to those that might be most at-risk such as retirement communities, shelters, and nursing facilities to ensure consumers were aware of their rights when there is a dispute with a utility company. The representative also met with hospitals and schools to educate them about the Oklahoma Universal Service Fund which provides funding for internet access and telemedicine capabilities to eligible entities.,

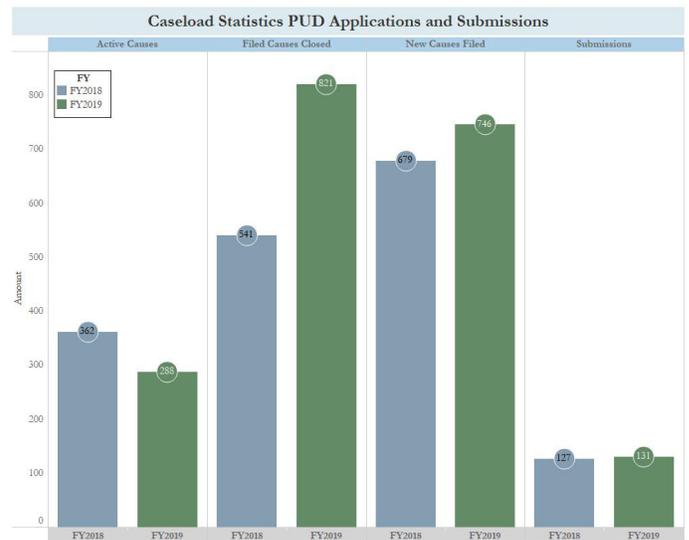
The Energy Department

The Energy Department is responsible for ensuring the Commission meets its mandate of safe and reliable service at a fair cost, involving all regulated monopolies in the field of electric, gas, and water

distribution, as well as cotton gin regulation. Department staff serve as expert witnesses in litigated matters before the Commission. Employees are also responsible for audit and prudence determinations totaling about \$1.72 billion annually.

The staff oversees energy efficiency programs, managerial and ownership changes, and federal compliance plan reviews. Assigned staff represent Oklahoma at the Southwest Power Pool (SPP), the federally designated regional transmission authority.

During Fiscal Year 2019, there were 17 cases filed and PUD closed 23 cases.



Cases of Interest

PUD 201800097

On September 26, 2018, Public Service Company of Oklahoma (PSO) requested a base rate increase of \$88 million, and a Return on Equity of 10.3%. Six months later Commissioners approved a \$46-million -base rate increase based on a ROE of 9.4%, as part of a joint stipulation and settlement agreement. PSO

PUBLIC UTILITY DIVISION

agreed to file a base rate case between October 2020 and October 2021.

PUD 201800133

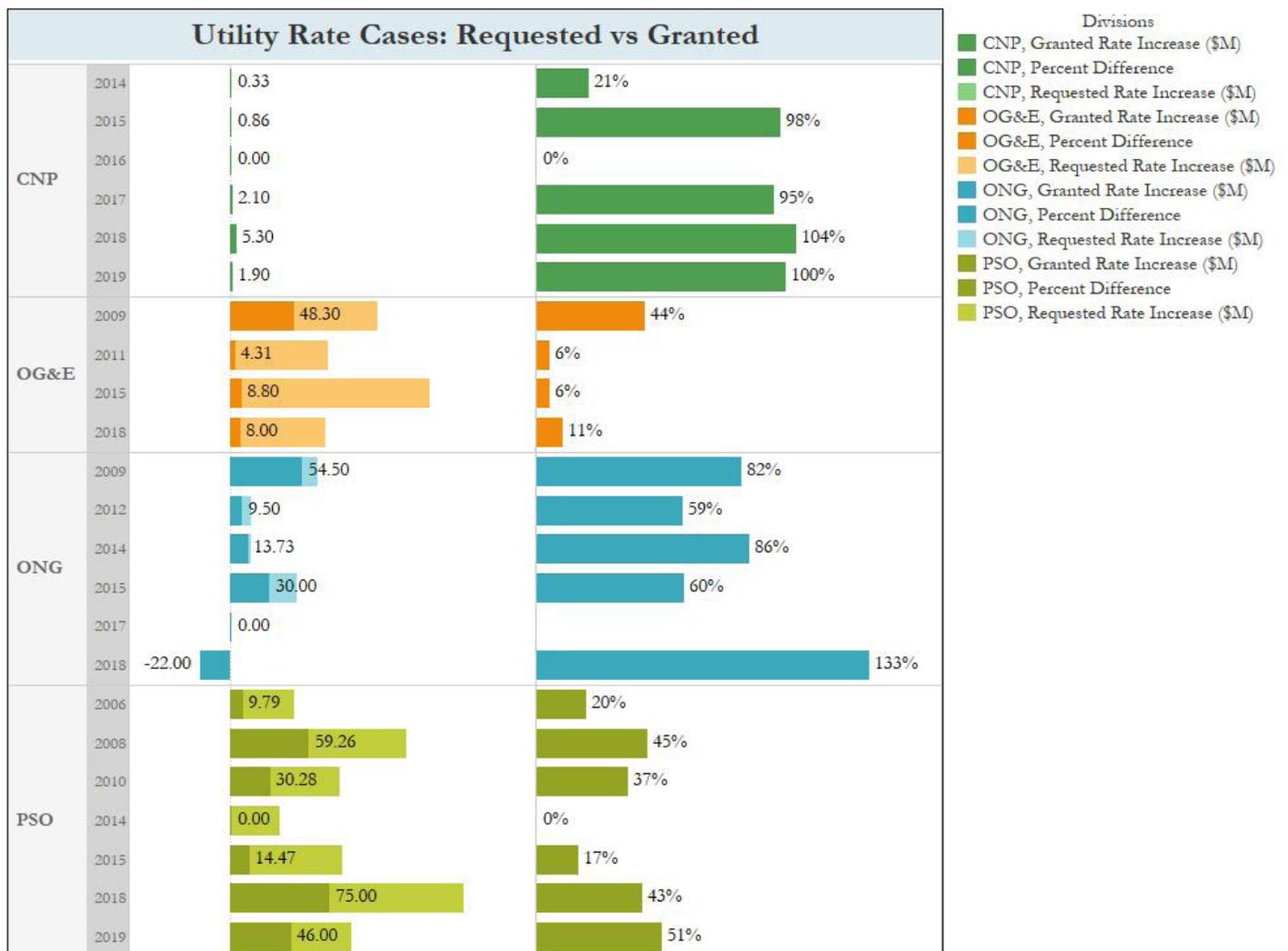
On March 29, 2019, Empire District Electric Co. requested an increase of \$2.3 million in revenue, including a 10.2% ROE. That could increase customer bills by about 9.8% in the first year, a 9.7% increase in the second year and a 6.2% increase in the third year.

PUD 201800159

On December 28, 2018, Oklahoma Gas & Electric Co. (OG&E) requested approval to buy the AES Shady Point power plant near Bokoshe and the Okla. Cogeneration Facility in Oklahoma City, and a cost recovery rider. Three months later an Administrative Law Judge held a merit hearing and has since taken the case under advisement.

PUD 201800140

On December 31, 2018, OG&E requested a base rate increase of \$77.6 million and a 9.9% ROE. That



PUBLIC UTILITY DIVISION

could make average monthly bills increase by \$7.58 compared to current rates. Several parties signed to a joint stipulation and settlement agreement three months later. A merit hearing was held on May 29-31, 2019 for those that disagreed with the agreement.

Utility Visits

In February 20, 2019, PUD staff visited the Rush Springs Wind Farm in Marlow, Oklahoma. This tour provided first-hand information about how wind farms are built, what the technology is used for monitoring and maintenance, and the inner workings of commercial wind turbines.



Facing page: Energy Department staff visited a wind farm in Feb. 2019 to learn more about the facility.

Transmission Summary

During Fiscal Year 2019, two transmission cases were filed and PUD closed two cases. The Division continued to actively monitor and participate in the following Southwest Power Pool (SPP) working

groups:

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

SPP held its quarterly Regional State Committee (RSC), Board of Directors, and Markets and Operations Policy Committee meetings for each quarter in the following locations: July 2018 in Omaha, NE; October 2018, Little Rock, AR; January 2019, New Orleans, LA; and April 2019, Tulsa, OK. Commissioner Dana L. Murphy serves as the Oklahoma voting member on the RSC.

Fuel Audits and Reviews Summary

During Fiscal Year 2019, division staff processed its annual fuel audits and prudence reviews covering calendar year 2018, for an estimated cost of \$1.8 billion dollars. These reviews included:

- Three investor owned electric utilities;

PUBLIC UTILITY DIVISION

- Five electric cooperatives; and
- Seven natural gas utilities.

These fuel audits and prudence reviews were represented in nine cases.

Natural Gas Summary

During Fiscal Year 2019, nine natural gas cases were filed and PUD closed 10 cases.

Performance-Based Rate Change Tariff Summary

In March 2019, Oklahoma Natural Gas Co. (ONG) filed its annual Performance Based Rate Change (PBRC) tariff in Case No. 201900018, but did not seek a revenue increase. A joint settlement and stipulation agreement was later reached. ONG agreed to return \$15,555,397, reflecting the utility's earnings above their allowed Return on Equity. Also, in compliance with the Tax Cuts and Jobs Act of 2017, ONG agreed to provide a one-time annual estimated deferred income tax credit to customers in the amount of \$12,681,293. Combined, these refunds will reduce residential customer bills by \$35.77 over a 12-month period.

In March 2019, CenterPoint filed its annual Performance Based Rate Change tariff seeking a revenue increase \$1,979,801 in case PUD 201900019. If the Commission approves CenterPoint's request, average residential bills could rise by \$1.32. The merit hearing was held on June 27, 2019.

In May 2019, Arkansas Oklahoma Gas filed its annual PBRC tariff in case PUD 201900028, seeking

a revenue decrease and a credit to ratepayers for \$476,330. If the Commission approves the tariff, residential customers could see an average monthly decrease of \$2.74.

Cotton Gin Summary

During Fiscal Year 2019, Western Planters LLC. filed an application for a license to maintain and operate a new cotton gin utility near Hobart, Oklahoma. This was the first gin in the state with two operating presses.

PUD staff conducted its annual cotton gin utility inspection for operators within the state, inspecting 14 facilities during the fiscal year.

Water Summary

During Fiscal Year 2019, one water case was filed and division staff closed six cases. Staff received all annual reports from water utilities in April 2019, pursuant to OAC 165:65-9-10(d).

Telecommunications Department

The Telecommunications Department staff oversee the telecommunications companies within the state, including reviewing applicable tariffs, recommending new participating companies in the state, Lifeline services, interconnections and federal program involvement. Department staff's efforts have been integral in rooting out waste, fraud and abuse in a portion of the federal Lifeline program Oklahoma's regulators oversee. Department staff's efforts have saved Oklahomans hundreds of millions of dollars over the last few years. From 2013 to 2018,

PUBLIC UTILITY DIVISION

PUD staff continued to investigate potential abuse of the Federal Lifeline Program. Department employees also continued compliance investigations under the Commission's mobile marketing rules.

Also, PUD staff continues to monitor and review customer lists and conduct on-site audits at various tent and retail locations in Oklahoma.



Staff closed one telecommunication show-cause action during the fiscal year. There were also 31 cases for approval of interconnection agreements/amendments and 34 cases closed.

Companies continued to file tariff revisions during the fiscal year to comply with FCC rules governing switched access rates and inmate operator services. Department staff received 12 cases for such tariff revisions and closed 13 cases.

The department employees also received two tariff approvals and closed four tariff approvals. Staff initiated 100 enforcement actions with the

telecommunications companies and closed 86 during the fiscal year.

PUD employees determined and filed enforcement cases against Lifeline providers that were not in compliance with mobile marketing rules and also for providing Lifeline services outside of the carrier's service area. In addition, staff filed enforcement cases against telecommunication companies that did not pay their assessment fees.

Cases of Interest

EN 201800349

In July 2018, staff filed an enforcement case against True Wireless, alleging the company failed to properly determine Lifeline eligibility, failed to report mobile marketing locations, and failed to maintain required records. In addition, staff identified instances in which fraudulent documents were created and used to establish eligibility. Staff's complaint requested to revoke True Wireless' eligible telecommunications carrier designation and issue a fine of \$1.379 million. Commissioners approved on November 20, 2018 a settlement agreement directing the company to make substantive changes to their management and operational structure regarding the Lifeline services it offers, including ongoing reporting requirements. True Wireless was ordered to pay a fine of \$225,000.

EN 201700073

In August 2017, PUD staff filed a case against Easy Wireless after reviewing the company's eligibility documentation used to enroll Lifeline subscribers under the U.S. Bureau of Indian Affairs general assistance program. Staff reached a settlement agreement with the company to resolve the matter, which Commissioners approved on July 27, 2018.

PUBLIC UTILITY DIVISION

Certificates of Convenience and Necessity

During Fiscal Year 2019, staff received 20 new applications requesting a Certificate of Convenience and Necessity. Department employees closed 19 of those cases.

Interconnection Agreements and Amendments

Companies filed 13 new applications for approval of interconnection agreements/amendments. The Commission issued 17 final orders approving interconnection agreements/amendments applications.

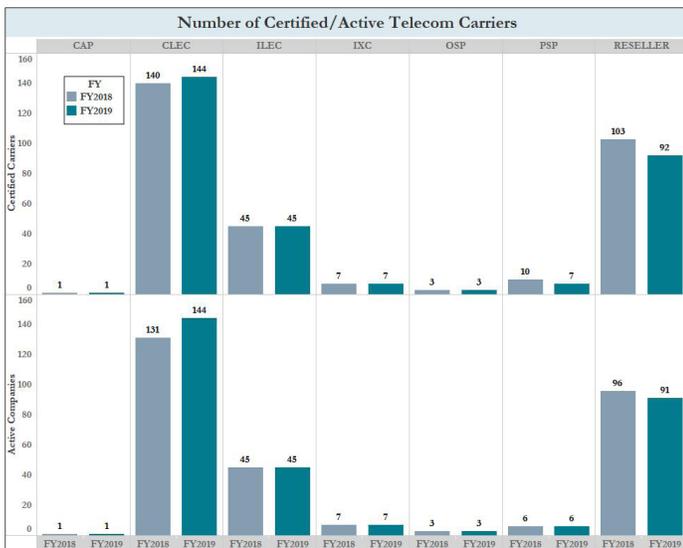
status were filed, compared to one case filed the prior fiscal year. The sharp increase cases was the result of the U.S. Federal Communications Commission awarding Connect America Fund Phase II support. Each entity that receives the award must have an ETC designation, among other requirements. The Commission approved 16 new applications and one application seeking a modification. The agency approved one Lifeline-only ETC designation application.

The FCC in July 2017 issued an order eliminating the requirement that states annually receive a copy of the Form 481 that High Cost Fund participants must submit to the federal government. Instead, the Universal Service Administrative Co., which collects and distributes Lifeline funding, provided an electronic portal through which states can review the information. This information is an integral component of the analysis PUD staff performs in providing the annual certification, in accordance with 47 C.F.R. § 54.314, each October.

Numbering

Neustar, the nation's numbering administrator, projected in April 2018 that the 405 area code will run out of numbers by the second quarter of 2021. Neustar developed a relief plan to implement an all-services overlay for the 405, which has now been adopted through the organization's industry consensus process. The solution to the exhaust situation will be to implement an all services overlay for the 405 numbering plan area.

Neustar filed an application with the Commission on July 10, 2018, seeking to implement an overlay to relieve the upcoming projected exhaustion. In



Eligible Telecommunications Carrier Designations

During the fiscal year, 36 cases seeking Eligible Telecommunications Carrier (ETC) designation

PUBLIC UTILITY DIVISION

October 2018, the North American Numbering Plan Administrator revised its projected exhaust date to the fourth quarter of 2021, extending the processing of case no. PUD 201800086 to the early part of 2019, assuming there are no further revisions to the projected exhaustion date. PUD staff began preparing an application for a procedural order.

Rulemaking

The Commission released a Notice of Inquiry in June 2018. Comments were filed August 17, 2018 and a technical conference was held on August 30, 2018.

Multiple Rulemakings were opened (case nos. RM 201800015, RM 201800016, RM 201800017, RM 201800018, and RM 201800019) proposing changes to the rules in Chapters 55, 56, 57, 58, and 59. The changes are limited to rules related to contact information to be provided, publication of directories and clarifications to rules related to primary universal services. These adopted rules were submitted to the Governor and Legislature in February 2019.

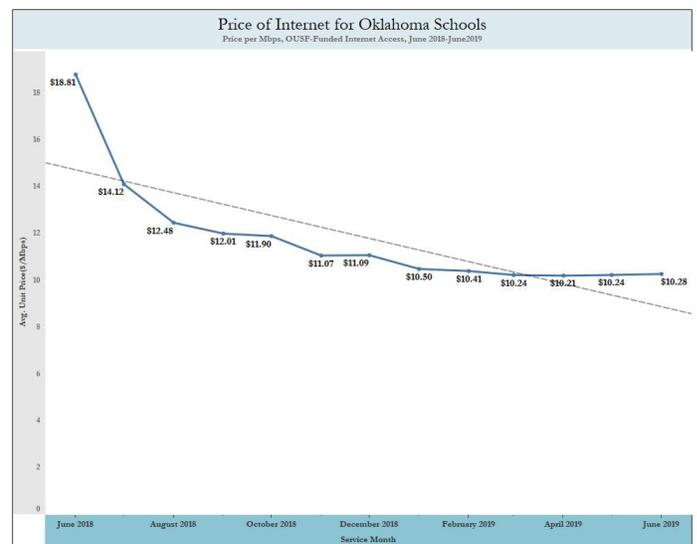
NOI (Case No. PUD 201800066) involving issues related to the OUSF, Lifeline service, Oklahoma High Cost Fund, Broadband support, VoIP service and other telecommunications matters was used to develop potential language for legislation to address changes to the OUSF.

Oklahoma Universal Service Fund Administration Department

The Oklahoma Universal Service Fund (OUSF) Administration Department staff manage the legislatively created Oklahoma Universal Service

Fund. The fund was designed to ensure reasonably priced universal telephone service for all Oklahomans. Additionally, the program provides internet access support to eligible Oklahoma schools, libraries, and healthcare facilities.

The Department staff process hundreds of payment requests monthly and conduct audits to ensure the fund's recipients are complying with state law. In the last fiscal year, these reviews enabled additional bandwidth to be added at significantly lower prices for OUSF's beneficiaries. Prices per megabit per second dropped 42 percent from fiscal 2018 to fiscal 2019, falling from \$19 per megabit per second (Mbps) to \$11 per Mbps. Staff's audits protect ratepayers by ensuring only permitted expenses are included and service expansion allows more Oklahomans access to high-speed internet connections.



OUSF Pre-approval and Case Processing

PUD staff received 630 Requests for OUSF funding and pre-approval. Staff filed 586 pre-approval funding letters and determinations. As part of its

PUBLIC UTILITY DIVISION

case review process, department employees issued data requests to providers, schools, libraries, and healthcare entities to verify information, as well as visited multiple schools, libraries, and healthcare entities to verify data. Employees used these visits to answer questions and help beneficiaries better understand the funding and verification process.

As result of the Commission's action in case no. PUD 201200040, order no. 673325, which abolished the High Cost Fund for the rural incumbent local exchange company, 38 applications were filed requesting OUSF reimbursement based on 17 O.S. 139.106(K). In addition, staff received five applications requesting OUSF reimbursement under 17 O.S. 139.106 (G), which allows those incumbent local exchange companies to request OUSF funding to maintain reasonable and affordable primary universal service rates for their customers.

PUD staff reviewed the federal E-rate and Rural Health Care programs along with the competitive bidding process and the OUSF program funded only eligible services. Employees were able to handle the increasing funding request workload efficiently and effectively thanks to statute changes and a streamlined analytical process.

In addition, to ensure all eligible libraries are aware of the program and the funding available, PUD staff contacted 66 libraries that are not currently receiving OUSF assistance. PUD employees held meetings with the individual library administrators to explain the funding request processes and to provide information to assist them in the future. As part of this effort, PUD staff initiated OUSF training sessions with schools and service providers. Staff developed a brochure that presented an overview of the OUSF processes for schools and libraries. PUD

distributed these brochures during training sessions.

OUSF audit group members attended practical regulatory training at the New Mexico State University in October, 2018 to obtain a better understanding of rate design and cost studies.

PUD staff also went to Washington D.C. in October 2018 to discuss practices and potential collaboration that will improve the funding process and improve coordination between state administrators and staff with the national organization that administers the federal program, the Universal Service Administrative Co.

The OUSF employees attended the Universal Service Administrative Co.'s training sessions in Omaha, Nebraska in November and in Washington D.C. in December to remain current with the USAC policies and practices.

Agency employees also attended the Schools, Health, and Libraries Broadband Coalition (SHLB) annual conference to gain a better understanding of the organization's concerns so that the OUSF program can best serve the community.

Staff has streamlined the paperwork beneficiaries must complete, including reducing the beneficiary affidavit length by at least five pages for schools and health care entities. The State Universal Service Fund and worksheet forms have also been simplified by adding a tab for instructions and definitions. These forms were posted to the OCC website in June 2019 and became effective July 1, 2019.

In June 2019, members of the OUSF staff attended the FCC Tribal Workshop the Federal

PUBLIC UTILITY DIVISION

Communications Commission Office of Native Affairs presented. The Chickasaw Nation hosted the event and provided information on progress towards broadband expansion on tribal lands. Division employees heard first-hand from tribal government officials about success stories for deployment on their lands, learned about funding programs available to rural and tribal areas that support communications and broadband infrastructure expansion, including the U.S. Department of Agriculture's ReConnect Loan and Grant program. Staff attended sessions covering four federal subsidy programs: (1) The High Cost program, including Connect America Fund; (2) the schools and libraries program, also known as E-rate; (3) the Low-Income program, also known as Lifeline and Link Up; and (4) the Rural Health Care program.

Division staff received a pre-approval request for Alex Public Schools which included a special construction request, which required agency employees to review Form 471 and provide a pre-approval funding letter for the state's matching fund. Agency employees had four days to complete the review and provide the letter, substantially less than the average time to complete similar requests of 58 days. Staff were able to finish the necessary requirements in 3.5 days, making the school eligible to receive additional funding of \$2,021.54.

OUSF Monthly Payment Process Change Requests

The OUSF Monthly Payment group received 359 change requests and approved 304; new applications were required for 20 beneficiaries, 11 were withdrawn and five were deferred for more information. The staff noticed during their analysis that prices continued to

decrease for the same amount of bandwidth, falling \$8 per megabit per second, or 42 percent, from fiscal 2018 to 2019.

Invoice Audits

PUD staff reviewed 1,286 invoices and identified 12 discrepancies between actual and reported bandwidth and pricing data. In the prior fiscal year, the group implemented an audit process to ensure compliance with OAC 165:59-3-68(p), requiring an eligible provider to notify the OUSF administrator in writing to any changes to service provision. Since initiating the invoice audit process, staff has noticed a significant decrease in the number of discrepancies, indicating service providers have identified changes in service and are properly reporting those changes.

Telemedicine True-Ups

PUD staff monitored federal funding from the rural healthcare program to ensure that true-ups were completed as federal funding changed.

OUSF Beneficiary Outreach

Division staff continued to monitor the FCC form that schools and libraries file with the Universal Services Administrative Co. (USAC), Form 470, and as best they can, agency employees will notify schools and libraries if there are potential conflicts between the state's OUSF rules and the information the federal government collects. Staff continued to directly contact many beneficiaries to provide support in meeting state program requirements.

PUBLIC UTILITY DIVISION

The OUSF Administrator entered into a contract with Funds for Learning, a contractor specializing in the federal E-rate funding program, to provide Oklahoma public schools and public libraries training and help desk services. The partnership allows Funds for Learning staff to work closely with schools and libraries and answer questions regarding E-rate and OUSF funding requests, and also provides E-rate news, policy updates and training. These services were provided at no charge to the schools and libraries and ensured they had accurate and timely information on hand when they requested funding.

PUD staff conducted informal training sessions with individual schools and libraries to address questions and concerns related OUSF and federal funding requests. The OUSF Pre-approval Manager attended the 2018 State Educational Technology Directors Associations Leadership Summit and Education Forum in Virginia to address emerging interests and needs in the field of technology.

PUD also released guidance for OUSF-eligible schools, libraries, and health care facilities. The documents explained permanent rule changes that affect how beneficiaries should request bandwidth for the competitive bidding process. Additional guidance just for schools and libraries helps the division satisfy new E-rate service selection requirements while also meeting OUSF requirements.

PUD and Bridge Enterprises, an OUSF contractor, developed an assessed revenue audit procedure. The audits ensure the proper contribution amounts are received based on assessable revenues. Division staff and contractors conducted a risk analysis and developed a list of contributing providers that will be among the first to be periodically audited. These

audits review all contributing providers over several years. Five contributing providers were audited and the reviews are 75% complete.

TRANSPORTATION DIVISION

In This Section:

Administrative Services Department

Regulation Department

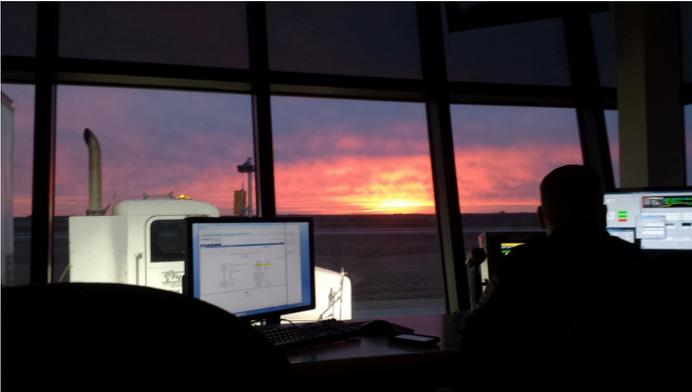
Enforcement Department

Pipeline Safety Department



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TRANSPORTATION DIVISION



Above: A motor carrier officer checks a commercial vehicle on the scales at the Kay County Port of Entry at sunrise.

Overview

The Transportation Division administers and enforces Commission rules; Federal and State laws and International and Interstate Compacts as they apply to Commercial Motor Vehicles; Motor Carriers; Pipeline Safety; and Railroad Safety.

The Division is comprised of four departments:

- Administrative Services;
- Regulation;
- Enforcement; and
- Pipeline Safety.

Administrative Services Department

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 and supporting

the division's management.

Over the course of Fiscal Year 2019, the Division staff hired 23 officers and 6 office positions, bringing total division employees to 215 as of June 30, 2019, nearly 7 percent more than at the same time in the prior period.

Enforcement Support Section

The Enforcement Support Section employees support all motor carrier and motor vehicle enforcement activities, including: issuing and tracking citations and warnings; tracking fines; managing leniency requests and citation dockets; reporting on officers' activity and tracking site visit inspections.

OCC Enforcement personnel issued 53,895 citations during fiscal year 2019, up nearly 18 percent or 8,195 more citations than the prior fiscal year and about 43 percent higher, or 16,095 more citations than were issued in fiscal year 2017. There was record-breaking monthly citation production for 11 months; March 2019 was the highest month to date, with 6,473 citations issued.

Regulation Department

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 issuing licenses and permits of intrastate for-hire and private carriers, including

TRANSPORTATION DIVISION

passenger carriers.

There are more than 8,465 for-hire and private carriers licensed to operate in interstate and intrastate commerce, an increase of nearly 7 percent compared to fiscal year 2018. 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 56 carriers authorized to transport household goods within its borders, about 11 percent fewer than the 63 authorized transporters in the prior fiscal year.

Motor Carrier Requirements Section employees administer the national Unified Carrier Registration program. The normal annual registration period runs from October 1st through December 31st of the following year. Last year, a federal rulemaking adjusted the fees structure and postponed the registration period until December 28, 2018, delaying roadside enforcement from January 1st, 2019 to April 1st, 2019. This national plan requires a minimum number of audits be conducted annually.

IFTA/IRP Section

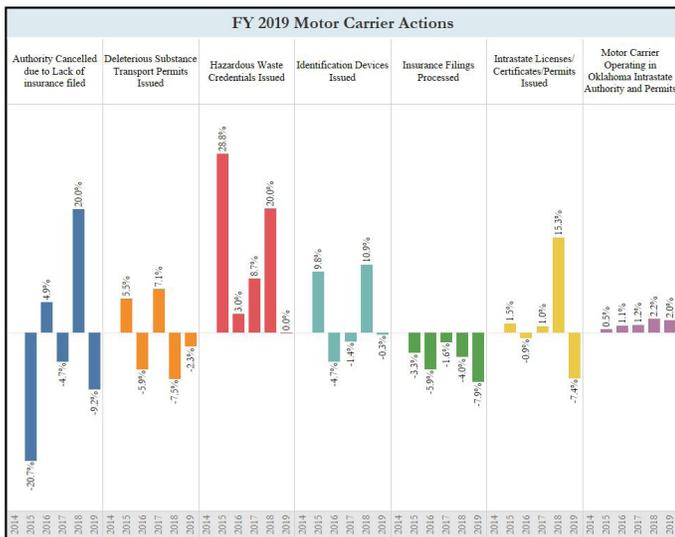
The International Fuel Tax Agreement (IFTA) and International Registration Plan (IRP) Section (IFTA/IRP) is comprised of three Sub-Sections: Audit; IFTA/IRP Administration and Non-consensual Towing.



Above: An example of the International Fuel Tax Agreement (IFTA) sticker issued for all motor carriers in compliance with this interstate regulation

Audit Sub-Section

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.

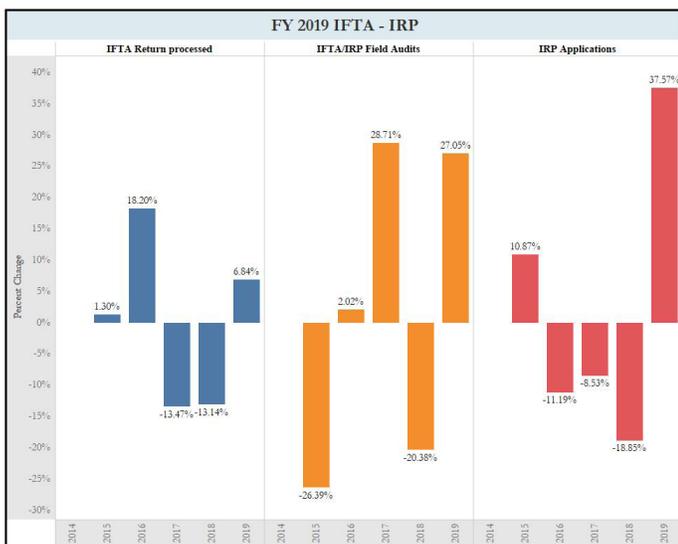


TRANSPORTATION DIVISION

IFTA/IRP Administration Sub-Section

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 \$160 million in total revenues to the IRP and IFTA Clearinghouses, down just 4 percent compared to fiscal year 2018. One of the subsection's employees was honored with the IRP Rick Reeves Leadership award and was elected to the IFTA Board of Trustees.



Non-consensual Towing Sub-Section

Non-consensual Towing Sub-Section employees administer the Non-consensual Towing Act of 2011, which authorized the Commission to establish rates charged for non-consensual towing and storage. These workers regulate 516 wreckers who have received licenses from the Oklahoma Department of Public Safety. Staff investigated 82 complaints and ordered 55 refunds in fiscal year 2019.

Enforcement Department



Above, from left: Motor Carrier Enforcement Manager Roger Whelan and Regulatory Program Manager Col. Jack McNitt measure axles during a regulations check at the Sequoyah County Port of Entry.

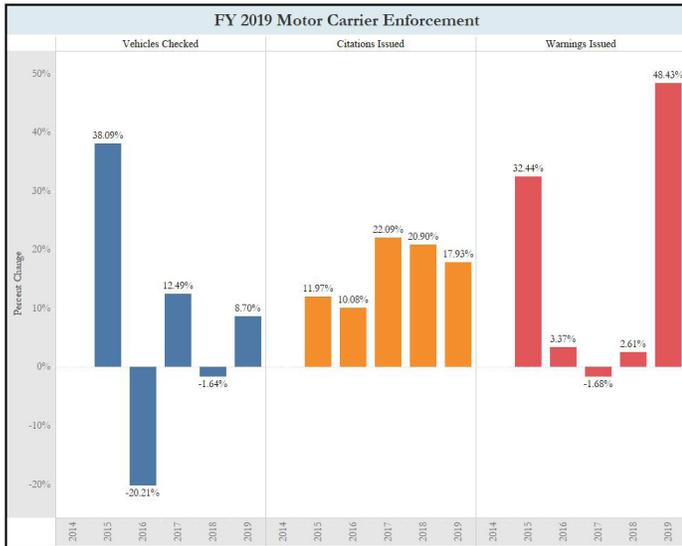
Motor Carrier Enforcement Section

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 which include, but are not

TRANSPORTATION DIVISION

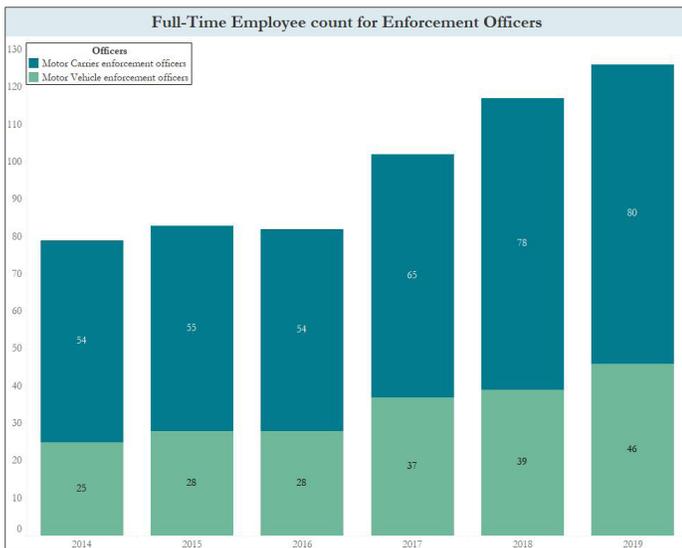
limited to, illegal dumping of deleterious substances and performing overweight audits of motor carriers and shippers.

one in each of the four zones, for all certified officers with applicable training extended to non-CLEET-certified officers.



Above, left: New Boise City Weigh Station. Above Right: Old Boise City Weigh Station, decommissioned in 2012.

The new Boise City Weigh Station opened in August 2018. The facility is now staffed by five OCC officers operating the facility, which has triple platform scales and a separate inspection bay for the Department of Public Safety (DPS) to perform commercial vehicle inspections.



The agency completed its portion of the Federal Highway Administration State Enforcement Plan for fiscal year 2020. Employees submitted documentation to DPS and the Oklahoma Highway Patrol's Troop S, which 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.

Oklahoma has four Ports of Entry strategically located on interstate highways at the state's major borders with several surrounding states. The Ports of Entry, or POEs, are constructed and maintained by the Oklahoma Department of Transportation and operated by OCC with safety inspections performed by Oklahoma Department of Public Safety, allowing each to perform oversight of interstate motor carriers, to ensure these vehicles are safe for the motoring public, have proper licensure and insurance coverage and comply with federal and international transportation

Transportation Division CLEET-certified officers completed mandated annual firearms qualification and continuing service training hours. CLEET-certified trainers conducted four training sessions,

TRANSPORTATION DIVISION

compacts. These POEs are an example of how state agencies can share resources and efficiently oversee their individual regulatory authority.

The collaborative model began in 2008 with legislation that created a partnership among the Oklahoma Turnpike Authority, the Oklahoma Department of Transportation and the Corporation Commission. The plan outlined an initiative to upgrade existing weigh stations and build nine Ports of Entry around the state, adding weigh-in-motion scales that allow trucks to be weighed at highway-speeds and indoor safety inspection bays. Both the Turnpike Authority and Department of Transportation contributed millions to build these facilities.



Above: The computer screen shows electronic screening methods Motor Carrier Enforcement Officers use to screen vehicles at most ports of entry.

Construction at the Kay County POE began in 2011 and it opened the following year. The Beckham County POE opened in 2014, the same year major technological upgrades were implemented, allowing motor carrier officers to use an electronic screening system to efficiently and safely process a large volume of for-hire vehicles. All four Ports of Entry have the electronic screening system in place, so commercial motor vehicles that are in compliance according

to the electronic screening system don't have to stop. The electronic verification process reduces congestion at the ports, saves time and money for the trucking industry, creates safer highway conditions, and allows enforcement workers to concentrate their efforts on carriers and vehicles which might not be complying with rules and laws. Expansive parking lots at the POEs allow drivers to park safely when they need to come inside for document checks and has space for overweight trucks to offload cargo. Identifying and citing overweight trucks reduces premature wear and tear on Oklahoma's billion-dollar infrastructure investments. Safety inspections have a direct correlation with reducing the number of traffic accidents on roadways.

The Division's ultimate goal is to fully staff all four Ports of Entry and all five weigh stations to ensure the agency can enforce state laws and interstate compacts where delegated. However, finding CLEET-certified staff in rural areas has been a challenge. Since fiscal year 2015, vacancy rates have ranged between an average of 6 percent up to nearly 22 percent, varying in part on the number of qualified applicants and the amount of revenue supplied by the Legislature to fill those positions.

The 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.

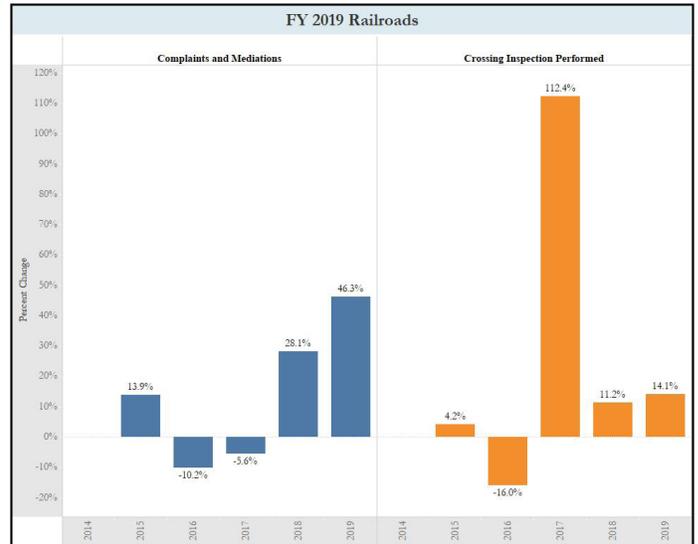
By serving as a liaison between the Union Pacific railroad, the Downtown OKC Partnership and the Bricktown Association, the Railroad Department

TRANSPORTATION DIVISION

staff was instrumental in getting the railroad to remove the crossing at Russell M. Perry Avenue. The crossing was on an unused line, surrounded by high-value townhomes, the Hyatt Place boutique hotel and the Steelyard luxury apartments. The crossing removal was accomplished without Commission enforcement action.

In general, crossing inspections have fluctuated over the last five fiscal years. In fiscal year 2017, for example, motor carrier enforcement staff trained to perform crossing inspections in their geographic areas while the Ports of Entry were being built. However, those motor carrier enforcement officers did not continue railroad crossing inspections the following year.

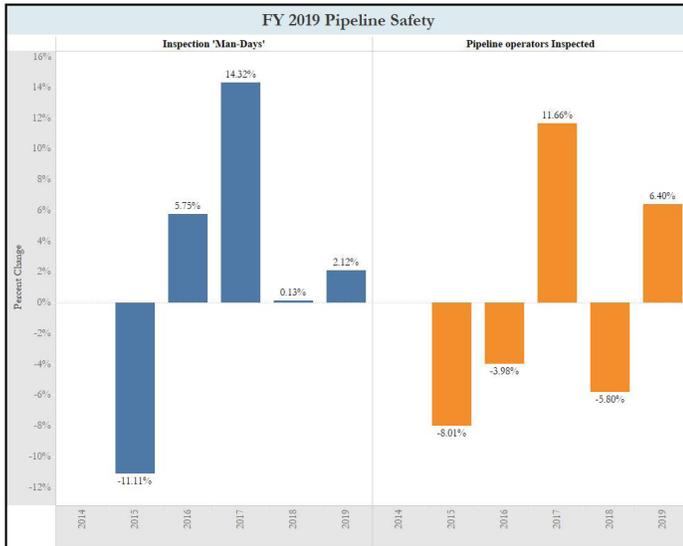
Railroad complaints have varied over the years as well. While the Commission has maintained jurisdiction over at-grade crossings for years, the Legislature in 2019 passed House Bill 2472, prescribing blocked crossing authority to the agency. The law requires local law enforcement authorities to respond to complaints of crossings blocked for longer than 20 minutes, issue a citation to the railroad, and file a case with the Commission’s administrative court system. As a result of the new law, blocked crossing complaints increased by 46 percent in the fiscal year to 313 total complaints, up from 214 complaints the prior fiscal year.



The Pipeline Safety Department

The Pipeline Safety Department is responsible for enforcement and inspection authority over 238 natural gas operators, 34 hazardous liquid operators, and 12 underground natural gas storage facilities. These companies operate more than 41,309 miles of natural gas pipeline and 5,369 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.

TRANSPORTATION DIVISION



requirements of federal guidelines for promoting and enforcing the damage prevention statutes.

The Pipeline Safety Department hosted six training sessions for small operators. The topics included the Damage Prevention Act; Simple, Handy, Risk-Based Integrity Management Plan review; Excess Flow Valve rule update; Leaks - What to do When Arriving Upon Scene; and the Distribution Integrity Management Plan requirement. The six training sessions were held in Tahlequah, Afton, Drumright, Weatherford, Enid, and Guymon and were attended by 179 small operators' employees.

This department receives funding from an assessment pipeline operators pay 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 assigns a proficiency rating to each program.

The U.S. DOT's Office of State Programs performed its annual evaluation and assigned a 98.8 and 100 percent proficiency rating to the department's Hazardous Liquid Pipeline Safety Program and Natural Gas Pipeline Safety Program respectively.

Oklahoma was adequate in establishing statutes covering damage prevention to underground facilities, according to the annual federal assessment. The Commission was authorized to enforce those standards as they apply to gas and hazardous liquid pipelines. In a 2018 review, PHMSA found the Commission to be in compliance with all

Below: Mitch Skinner of the Pipeline Safety Department inspects a Kiowa Power Partners, LLC construction project. The five mile, 24 inch pipeline will provide fuel to the Kiamichi Power plant in Pittsburg County once in operation.



APPENDIX

In This Section:

2019 Financial Statements

Full-Time Employee Tables

AJLS Court Cases Tables

Oil & Gas Conservation Division Tables

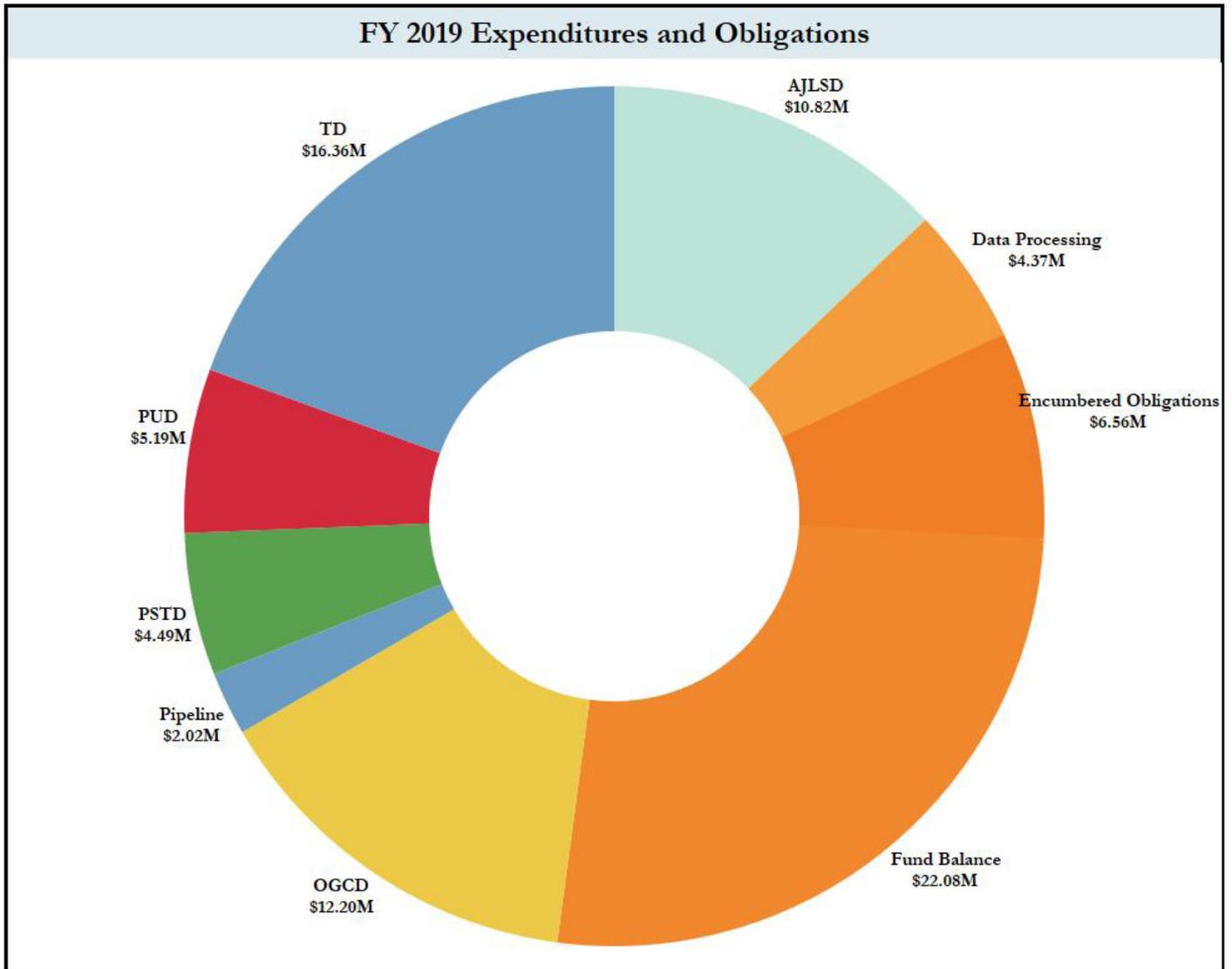
Petroleum Storage Tank Division Maps



OKLAHOMA
Corporation
Commission

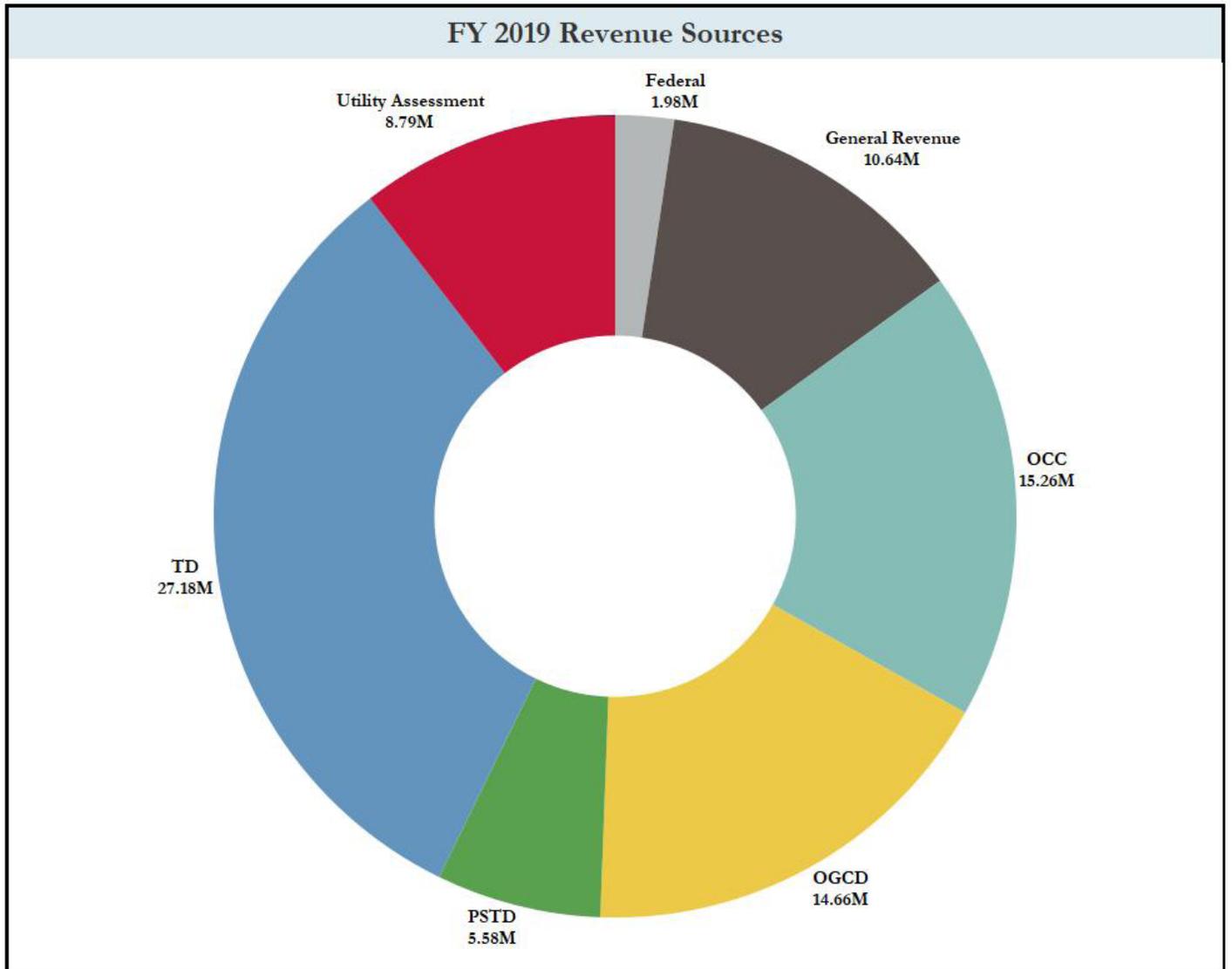
APPENDIX

OCC 2019 Financial Statements



APPENDIX

OCC 2019 Financial Statements



APPENDIX

OCC Financial Statements FY 2015-2019

OKLAHOMA CORPORATION COMMISSION					
Statement of Revenue and Expenditure (Cash Basis)					
For the Fiscal Year Ending June 30, 2019					
REVENUE SOURCES	FY				
	2019	2018	2017	2016	2015
General Revenue Fund	\$10,638,626	\$8,271,629	\$7,814,742	\$5,834,589	\$11,367,569
Oil & Gas Conservation Fund	\$9,314,171	\$7,224,560	\$5,316,989	\$6,015,354	
Corp Comm Revolving Fund	\$16,169,796	\$13,090,912	\$14,604,753	\$15,799,994	\$23,549,105
Public Utility Assessment Fund	\$8,786,871	\$8,866,882	\$9,337,551	\$9,247,614	\$8,604,318
Transportation One-Stop Shop Fund	\$23,421,314	\$15,725,847	\$12,690,267	\$9,765,807	\$8,955,945
Indemnity Fund	\$4,509,867	\$4,783,767	\$4,042,484	\$4,056,817	\$4,219,395
Well Plugging Fund	\$5,347,285	\$4,319,385	\$3,444,238	\$4,784,855	\$5,204,084
Federal Funds	\$1,978,784	\$1,657,231	\$1,844,626	\$1,907,764	\$1,823,853
PST Revolving Funds	\$3,923,294	\$3,539,669	\$4,202,497	\$2,628,861	\$1,021,376
TOTA REVENUE SOURCES	\$84,090,008	\$67,479,882	\$63,298,147	\$60,041,655	\$64,745,645
EXPENDITURES					
Administrative, Judicial and Legislative Services	\$10,823,127	\$10,080,707	\$4,315,916	\$4,012,271	\$3,699,358
Consumer Services Division				\$594,524	\$888,646
Oil & Gas Division	\$10,031,899	\$9,240,624	\$9,079,249	\$8,949,612	\$8,967,836
Petroleum Storage Tank	\$4,486,712	\$4,254,340	\$4,016,150	\$4,297,650	\$4,152,621
Well Plugging/Storage Pits	\$1,669,062	\$1,038,051	\$782,605	\$958,149	\$1,841,035
UIC Federal	\$501,002	\$407,650	\$409,773	\$439,274	\$428,071
Office of Administrative Proceedings			\$2,931,055	\$2,630,431	\$2,649,184
Public Utilities	\$5,185,778	\$4,807,795	\$4,805,951	\$4,034,109	\$4,127,709
Office of General Counsel			\$2,425,129	\$2,164,777	\$1,909,254
Transportation	\$16,361,952	\$13,365,087	\$13,066,673	\$11,431,320	\$11,750,539
Pipeline Safety	\$2,022,324	\$2,033,430	\$1,959,931	\$1,682,115	\$1,594,248
Data Processing	\$4,369,335	\$3,990,835	\$2,943,087	\$5,068,531	\$5,499,584
Reserve for Obligations	\$5,770,541	\$6,919,313	\$3,955,299	\$5,004,558	\$9,033,201
Reserve for Obligations (Well Plugging)	\$787,310	\$1,350,934	\$1,316,501	\$1,132,290	\$1,550,408
Lapsed Funds	\$0	\$0	\$1,525	\$1,924	
Transferred Funds	\$0	\$0	\$0	\$0	
Revolving Funds Balance	\$22,080,965	\$9,991,116	\$11,289,303	\$7,640,120	\$6,653,950
TOTAL EXPENDITURE AND OBLIGATIONS	\$84,090,008	\$67,479,882	\$63,298,147	\$60,041,655	\$64,745,645

APPENDIX

OCC Financial Statements FY 2019

OCC Statement of Revenue and Expenditure (Cash Basis) FY Ending June 2019				
Revenue Sources	% change from FY18	Breakdown	Amounts	% Of Total
General Revenue Fund:				
FY19 Beginning Cash Balance (GRF)	-98.10%		\$10,449	0.01%
General Revenue Appropriations	37.63%		\$10,628,177	12.64%
Oil & Gas Revolving Fund:				
FY19 Beginning Cash Balance(OGRF)	15.12%		\$1,856,190	2.21%
Intent to Drill Fees	57.85%	\$1,804,328		
Other (OGRF)	26.50%	\$5,653,653		
OCC Revolving Fund:				
FY19 Beginning Cash Balance(ORF)	38.50%		\$4,578,437	5.44%
Unified Carrier Registration	5.06%	\$2,349,777		
Pipeline Safety Assessment	-6.39%	\$1,406,432		
Filing Fees	61.69%	\$1,933,050		
Other(ORF)	21.68%	\$5,902,100		
Petroleum Storage Tank:				
FY19 Beginning Cash Balance (PST)	78.08%		\$717,554	0.85%
Permits	-5.01%	\$292,700		
Other(PST)	-39.88%	\$62,048		
Public Utility Assessment Fund:				
FY19 Beginning Cash Balance(PUD)	-40.62%		\$644,500	0.77%
Public Utility Assessments	1.17%	\$6,582,084		
Other(PUD)	22.32%	\$1,560,287	\$8,142,371	9.68%
Transportation One-Stop Shop Fund:				
FY19 Beginning Cash Balance(TD)	11.52%		\$5,116,467	6.08%
Transportation Fees & Fines	64.35%		\$18,304,847	21.77%
Indemnity Fund:				
FY19 Beginning Cash Balance(ID)	-66.60%		\$10,318	0.01%
Fund Receipts	-5.33%		\$4,499,549	5.35%
Well Plugging Fund:				
FY19 Beginning Cash Balance	27.55%		\$2,983,469	3.55%
Oil & Gas Excise Tax Receipts	19.36%		\$2,363,816	2.81%
Federal Funds:				
FY19 Beginning Cash Balance (FF)	-90.95%		\$3,774	0.00%
Federal Funds Received	-0.27%		\$1,975,010	2.35%
Other Funds:				
FY19 Beginning Cash Balance (OF)	-12.06%		\$2,340,205	2.78%
Fund Receipts(OF)	695.41%		\$510,787	0.61%
Total Revenue Sources	24.61%		\$84,090,008	100.00%

APPENDIX

OCC Financial Statements FY 2019

Expenditure and Obligations				
	% Change from Budgeted FTE FY18	Budgeted FTE	% Change from Average FTE FY18	Average FTE
Agency staffing levels	6.09%	575	5.18%	528
Expenditure Category	% Change from Budgeted FTE FY18	Budgeted FTE	% Change from Average FTE FY18	Average FTE
Personnel	8.94%	\$42,759,090	-11.87%	50.85%
Professional Services	28.49%	\$5,070,053	12.29%	6.03%
Travel	17.46%	\$329,537	-7.14%	0.39%
Administrative	4.23%	\$3,983,104	-16.25%	4.74%
Furniture & Equipment	207.14%	\$429,090	142.86%	0.51%
Transfers & Disbursements	-100.00%	\$0	0.00%	0.00%
General Assistance and Awards	-42.72%	\$38,994	-50.00%	0.05%
Prior Year Obligations	21.07%	\$2,841,324	-2.87%	3.38%
Funds reserved for obligations	-20.71%	\$6,557,851	-36.38%	7.80%
Transferred/Lapsed Funds	0.00%	\$0	0.00%	0.00%
Fund Balance	121.01%	\$22,080,965	77.31%	26.26%
Total*	24.61%	\$84,090,008		100.00%

**FY19 total available funds applied reflects the following distribution

APPENDIX

OCC Financial Statements FY 2019

Expenditures and Obligations			
	% change from FY18	% of Total	Amounts
Administrative, Judicial and Legislative Services	7.36%	12.87%	\$10,823,127
Petroleum Storage Tank (PST)			
PST-Administration	2.47%	0.29%	\$244,493
PST-Claims Processing	-23.06%	0.72%	\$606,470
PST-Regulatory	11.13%	3.63%	\$3,050,585
PST-Remediation	21.30%	0.70%	\$585,163
Oil & Gas (Includes Brownfields)	8.56%	11.93%	\$10,031,899
Well Plugging/Storage Pits	60.79%	1.98%	\$1,669,062
UIC Federal	22.90%	0.60%	\$501,002
Public Utilities	7.86%	6.17%	\$5,185,778
Transportation	22.42%	19.46%	\$16,361,952
Pipeline Safety	-0.55%	2.40%	\$2,022,324
Data Processing	9.49%	5.20%	\$4,369,335
FY'19 Expenditures	12.66%	65.94%	\$55,451,192
Reserve for General Obligations	-16.60%	6.86%	\$5,770,541
Reserve for Well-Plugging Obligations	-41.72%	0.94%	\$787,310
Lapsed Funds	0.00%		\$0
Revolving Fund Balance	121.01%	26.26%	\$22,080,965
Total Expenditures and Obligations	24.61%	100.00%	\$84,090,008

APPENDIX

Administrative, Legislative & Judicial FTEs

Administrative, Judicial, and Legislative Services Division Employees for FY 2019			
Administrative Service -Finance and Human Resource	Accountants	9	
	Accounting Technicians	6	
	Comptroller	1	
	Contracting Agent	1	
	Director of Administrative Services	1	
	Human Resource Administrative Program Officers	5	
	Human Resources Manager	1	
	Human Resources Specialists	3	
	Special Project Coordinator	1	
	Executive Leadership	Chief Legal Advisor and Legal Counsel	1
Chief Legal Counsel		1	
Commission Secretary		1	
Commissioners - statewide elected officials		3	
Commissioners staff - 1 aide and 1 executive assistant per office		6	
Deliberating Attorneys- 1 attorney per office		3	
Director of Administration - Appointing Authority		1	
Executive Leadership - Deputy General Counsel		2	
Executive Leadership Administrative Program Officers		2	
Public Information Office		2	
Regulatory Programs Manager		1	
Judicial and Legislative Services - Support Staff		Director of Judicial and Legislative Services	1
		Legal Assistant	2
	Legal Secretary	7	
	Support Staff Administrative Program Officers	2	
	Technical Advisor	1	
Judicial Services	Administrative Law Judge	9	
	Appellate Referee	1	
	Court Clerk	1	
	Court Reporters	7	
	Deputy Administrative Law Judge	3	
	Docket Clerk	8	
	Managing Deputy Administrative Law Judge	1	
	Legislative Services	Assistant General Counsel	8
Legislative Services - Deputy General Counsel		5	
Managing Deputy General Counsel		1	
Grand Total		108	

APPENDIX

Oil & Gas Conservation FTEs

Total Oil and Gas Conservation Employees for FY 2019		
Administrative	Administrative Assistant	12
	Administrative Regulatory Programs Manager	1
	Statistical Research Specialist	2
Executives	Director	1
	Federally Funded	7
	IS Services Coordinator	1
	State-Funded	119
Field Operations Department	Field Operations Manager	1
	FOD - Administrative Programs Officer	9
	FOD - Regulatory Programs Manager	4
	Oil & Gas Field Inspector	60
Induced Seismicity Department	ISD- Regulatory Programs Manager ISD	1
	Regulatory Manager	3
Pollution Abatement Department	PAD- Oil & Gas Specialist	6
	PAD- Regulatory Programs Manager	1
	Pollution Abatement Manager	1
Public Assistance	Consumer Complaints Investigator/Mediator	1
	Public Assistance Administrative Programs Officer	1
Technical Department	Manager	1
	TD - Oil & Gas Specialist	14
	TD - Regulatory Programs Manager	1
Underground Injection UIC	UIC - Oil & Gas Specialist	3
	UIC - Regulatory Programs Manager	1
	UIC- Administrative Programs Office	1
Grand Total		252

APPENDIX

Petroleum Storage Tanks FTEs

Total Petroleum Storage Tank Division Employees for FY 2019		
Management	Director	1
	Executive Administrative Assistant	1
	Indemnity Fund Administrator	1
Technical Department	Project Environmental Analyst Supervisor	1
	Project Environmental Analysts	6
	Technical Manager	1
The Accounting Department	Comptroller Accounting Manager	1
	Process Auditor	2
The Administration Department	Administrative Programs Officer	1
	Project Records Analyst	4
	Senior Administrative Section Supervisor	1
The Compliance and Inspection Department	Environmental Compliance Analysts	3
	Fuel Specialist Supervisors	4
	Fuel Specialists	15
	Manager of Compliance and Inspection	1
Grand Total		43

APPENDIX

Public Utility FTEs

Total Public Utility Division Employees for FY 2019		
Administration Department	Admin- Public Utility Regulatory Analysts	2
	Director /Oklahoma Universal Service Fund Administrator	1
	Manager, Administration	1
	Policy Advisor	2
Compliance Department and Outreach Department	Coordinator, Change Management	1
	Manager, Compliance	1
	Manager, Outreach	1
	Manager, Quality Control	1
Enforcement	Chief, Field Enforcement	1
	Coordinator, Enforcement	1
	Enforcement - Public Utility Compliance Investigators	3
Consumer Services Department	Consumers - Public Utility Compliance Investigators	3
	Coordinator, Consumer Services	1
	Manager, Consumer Services	1
Energy Department	Coordinators, Energy	3
	Energy - Public Utility Regulatory Analysts	12
	Managers, Energy	2
Oklahoma Universal Services Fund Administration Section	Coordinator, OUSF	1
	Managers, OUSF	3
	OUSF Analyst	11
Telecommunications Section	Coordinator, Telecommunications	1
	Manager, Telecommunications	1
	Telecomm Public Utility Regulatory Analysts	4
Grand Total		58

APPENDIX

Transportation FTEs

Total Transportation Division Employees for FY 2019		
Administration	Director	1
Administrative Service Department	Administrative Assistant ASD	6
	Administrative Program Officer ASD	3
	Regulatory Program Manager ASD	1
Motor Carrier/Vehicle Enforcement Department	Administrative Assistant MCD	4
	Motor Carrier Enforcement Officer	78
	Motor Carrier/Vehicle Enforcement Department	
	Motor Vehicle Enforcement Officer	39
	Regulatory Program Manager MCD	3
Pipeline Safety	Administrative Program Officer PSD	2
	Pipeline Safety Specialist	14
	Regulatory Program Manager PSD	3
Regulations Department	Administrative Assistant RD	2
	Administrative Program Manager	1
	Auditors	20
	Info System Management Specialist	2
	Regulatory Program Manager RD	4
	Transportation Customer Specialist	17
	Transportation Regulatory Analyst	1
Grand Total		201

APPENDIX

JLS Court Cases

OCC COURT CASES CALENDAR YEARS 1994-2019																		
YEA..	CD	CS	EN	FD/PS..	FDC	GD	GG	MC	MCC	OGC	OSF	PD	PUD	RM	SF	TD	ORDER	TOTAL
1994	4,691		418	203		11		5,432				810	225	14	78	103	10,109	11,985
1995	4,686		438	217		0		6,119				806	435	24	68	62	8,426	12,855
1996	5,445	0	336	97		0		7,849		61		823	441	18	100	88	9,961	15,258
1997	5,457	11	397	17	35	0		5,278	4,802	115		663	616	29	114	104	11,447	17,638
1998	5,190	10	342	82	172	0		5,423	5,377	127		503	693	36	96	84	9,964	18,135
1999	4,650	16	133	15	32	0		6,194	6,142	9		380	770	12	91	80	8,414	18,524
2000	6,069	10	222	111	52	0	5	6,342	5,732	57		447	712	15	118	44	10,232	19,936
2001	6,606	28	218	6	17	0	0	5,911	7,084	77		446	661	13	134	42	11,539	21,243
2002	6,347	21	277	2	0	0	1	6,374	9,462	87		492	779	17	94	87	11,840	24,040
2003	8,510	21	340	2	2	0	1	6,533	9,561	36		515	792	10	81	74	13,443	26,478
2004	9,427	20	312	43	1	2	4	6,408	14,187	66		526	636	15	95	60	14,724	31,802
2005	11,977	4	344	30	0	1	4	5,230	24,747	54		584	540	18	71	66	17,901	43,670
2006	9,915	4	478	41	1	0	3	97	28,561	38		601	448	13	147	63	16,562	40,410
2007	8,533	10	363	56	7	0	1	25	17,701	17		606	466	12	108	49	14,952	27,954
2008	8,704	11	282	67	0	0	1	15	20,256	12		626	417	12	123	72	15,567	30,598
2009	4,060	16	217	62	0	0	0	14	21,763	13		321	276	6	107	45	8,821	26,900
2010	5,649	19	142	54	3	0	2	8	20,653	12		146	220	8	45	36	9,141	26,997
2011	7,135	10	105	43	0	0	0	0	18,073	8		125	205	5	46	51	10,982	25,806
2012	8,527	3	144	33	0	0	1	0	21,344	5		229	284	14	54	33	13,603	30,671
2013	8,779	2	130	31	0	0	3	0	26,732	5		182	240	15	56	74	13,842	36,249
2014	9,443	6	144	38	0	0	0	0	25,613	2		258	366	12	47	39	14,937	35,968
2015	6,319	1	173	39	0	0	2	0	29,827	3		175	478	10	54	32	13,636	37,113
2016	6,220	5	231	57	0	0	11	0	33,443	1		189	549	21	36	44	11,537	40,807
2017	8,785	4	253	48	0	0	8	0	39,730	0		230	579	16	49	106	12,407	49,808
2018	10,904	1	503	77	0	0	4	0	51,290	2	752	264	159	22	58	36	17,468	63,320
2019	5,921	1	406	61	0	1	2	0	56,006	1	323	327	103	10	102	54	18,268	63,318

APPENDIX

JLS Court Cases

OCC COURT CASES FISCAL YEARS 1994-2019																		
YEAR	CD	CS	EN	FD/PS..	FDC	GD	GG	MC	MCC	OGC	OSF	PD	PUD	RM	SF	TD	ORDER	TOTAL
1994	4,543		297	4		5		7,159				868	203	18	52	121	9,566	13,270
1995	4,760		457	272		1		6,653				818	237	19	81	79	9,168	13,377
1996	4,893		398	154		0		7,801		29		898	512	23	86	59	9,395	14,853
1997	5,645	3	308	24	21	0		4,604	4,404	91		614	516	22	99	120	10,697	16,471
1998	5,324	13	432	60	163	0		5,421	5,149	140		574	675	26	111	92	10,949	18,180
1999	4,789	12	254	43	56	0		5,937	5,968	43		456	727	23	85	64	9,081	18,457
2000	5,489	18	145	111	39	0	3	6,220	6,032	31		414	736	16	106	68	9,087	19,428
2001	6,594	15	259	9	37	0	3	6,128	6,754	63		409	683	19	131	42	11,220	21,146
2002	6,152	23	185	2	0	0	0	5,999	7,340	71		491	662	18	118	54	11,447	21,115
2003	7,536	26	316	2	1	0	1	6,489	10,496	84		486	844	9	75	95	12,494	26,460
2004	9,022	17	322	36	2	0	1	6,796	9,832	46		502	698	12	94	61	14,239	27,441
2005	9,891	9	349	21	1	3	3	6,504	22,750	83		547	582	13	120	78	15,903	40,954
2006	12,365	3	384	45	1	0	7	2,330	26,823	59		576	480	22	135	57	18,954	43,287
2007	8,728	6	445	46	7	0	0	89	21,009	20		619	520	6	128	60	14,560	31,683
2008	8,714	8	326	47	0	0	2	17	17,606	11		606	428	11	126	61	15,092	27,963
2009	6,086	15	251	76	0	0	0	14	23,463	17		521	343	12	103	63	12,712	30,964
2010	4,683	19	160	59	0	0	2	14	19,301	8		187	210	7	72	36	7,945	24,758
2011	6,214	14	127	43	3	0	0	2	20,592	14		124	244	7	35	43	10,338	27,462
2012	7,938	6	136	42	0	0	0	0	19,004	4		193	231	6	55	36	12,551	27,651
2013	8,858	4	119	32	0	0	4	0	25,555	6		180	256	11	53	79	14,074	35,157
2014	9,171	4	145	33	0	0	0	0	25,216	4		220	332	17	50	37	14,110	35,229
2015	7,776	3	146	32	0	0	1	0	28,004	1		213	418	12	53	27	15,368	36,686
2016	5,891	5	215	60	0	0	2	0	30,958	3		173	520	11	52	48	11,510	37,938
2017	7,850	4	229	53	0	0	17	0	37,450	0		243	487	19	33	78	11,865	46,463
2018	9,661	1	491	70	0	0	2	0	45,468	2	266	217	424	15	321	68	14,370	56,740
2019	9,199	2	334	55	0	0	5	0	53,032	1	626	298	130	23	75	49	19,007	63,829

APPENDIX

Oil & Gas Conservation

Oil and Gas Conservation Division Statistics						
Categories	Types	FY				
		2015	2016	2017	2018	2019
Abandoned Wells' Plugging Cost(\$)	Estimate Plugging Cost(Pending Orders & Bids)	12,278,704	19,761,387	28,591,171	29,294,108	37,707,634
	Estimated Plugging Cost (Contracted Wells)	9,684,790	6,631,735	7,033,716	4,032,964	3,497,840
	Total Cost of Plugged Wells	1,741,849	839,146	505,946	1,000,454	1,496,949
	Total Cost Plugged Wells with Bond Forfeited				322,064	177,870
Inspections and Tests Witnessed	Events Witnessed	6,390	7,177	6,629	6,211	5,877
	Vehicle miles Traveled	1,149,299	1,142,823	1,216,376	1,203,886	1,270,495
	Wells/Facilities Inspected	52,803	51,961	48,909	52,812	50,376
Stakeholder-Requested Research	Certificate of Record Search	1,840	677	1,084	1,078	745
	Transfer of Operatorship	7,732	7,840	11,933	12,747	12,515
Applications and Orders	Others	1,826	2,470	4,697	5,581	5,657
	Spacing-Related Application/Order Review	7,267	4,079	4,486	6,095	6,299
	Tax Incentives	1,268	1,329	957	944	
Complaints and Pollution Incidents	Citizens Complaints	334	271	295	272	433
	Citizens Complaints(Pending)	415	431	445	400	570
	Incidents	949	901	962	905	1,067
	Incidents(Pending)	985	1,140	1,011	939	1,092
	Non-Pollution Complaints	1,604	1,224	1,752	2,191	2,464
	Non-Pollution Complaints(Pending)	1,857	2,093	3,265	5,296	6,816
UIC Applications and Permits	Commercial Disposal(Applications)	46	38	62	139	181
	Commercial Disposal(Permits)	32	16	31	87	84
	Disposal(Applications)	191	156	163	126	123
	Disposal(Permits)	133	105	90	97	87
	Injection(Applications)	288	127	113	88	123
	Injection(Permits)	271	96	85	94	86
	UIC Mechanical Integrity Tests	3,486	3,486	3,486	3,486	3,486
State Funds for Abandoned Wells	Contracted	1,027	740	141	479	408
	Pending Bids	693	1,419	2,135	2,289	2,561
	Pending Orders	596	583	656	606	908
	Plugged	178	132	41	105	138
	Plugged with Bonds Forfeited				14	3
Pollution Applications	Commingling, Venting/Flaring	331	161	92	88	73
	Intents to Drill	3,428	1,736	2,207	2,625	2,806
	Seismic	9	12	35	25	12

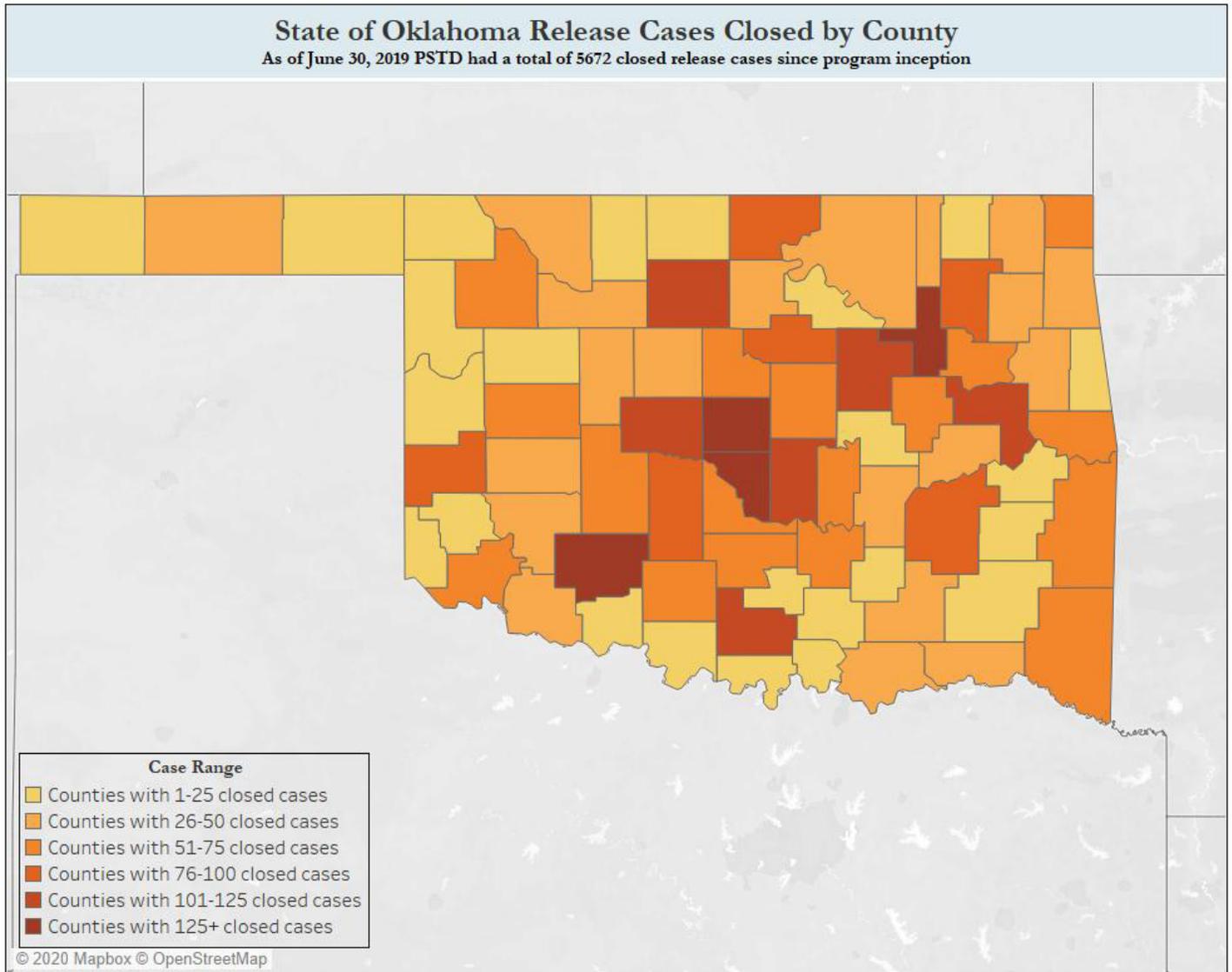
APPENDIX

Oil & Gas Conservation

Field Operations								
Categories	District I - Bristow		District II - Kingfisher		District III - Duncan		District IV - Ada	
	Man Hours	Number	Man Hours	Number	Man Hours	Number	Man Hours	Number
Brownfields	14	15	0	0	0	0	10	2
Complaint follow-up	2,422	2,015	3,801	2,085	3,617	2,098	1,923	1,443
Complaint Investigation	1,786	1,321	2,472	1,519	1,931	1,431	1,311	785
Court Appearance	98	109	377	149	155	134	111	55
Meetings	812	340	960	242	1,454	1,134	1,029	496
Other	709	304	764	391	2,023	1,669	1,258	649
Plugging follow up	734	382	975	593	545	1,078	205	75
Reports/Paperwork	3,215	7,317	3,547	16,985	4,318	14,588	2,981	8,158
Sample Analysis	24	16	46	30	111	122	138	129
Site (Soil Farming)	41	86	518	485	263	553	147	166
Site Inspections	4,705	14,710	3,488	8,343	4,431	9,760		13,543
Telephone/Consultation	2,631	20,935	5,105	21,937	3,888	8,307	1,291	12,414
UIC Inspections	580	1,191	794	1,245	550	1,007	423	577
UIC MITs	4,221	774	1,927	670	2,477	1,309	4,082	806
Well Plugging	646	349	1,265	601	1,302	310	731	252
Well Testing	112	269	212	174	165	293	63	70
Grand Total	22,750	50,133	26,251	55,449	27,230	43,793	15,703	39,620

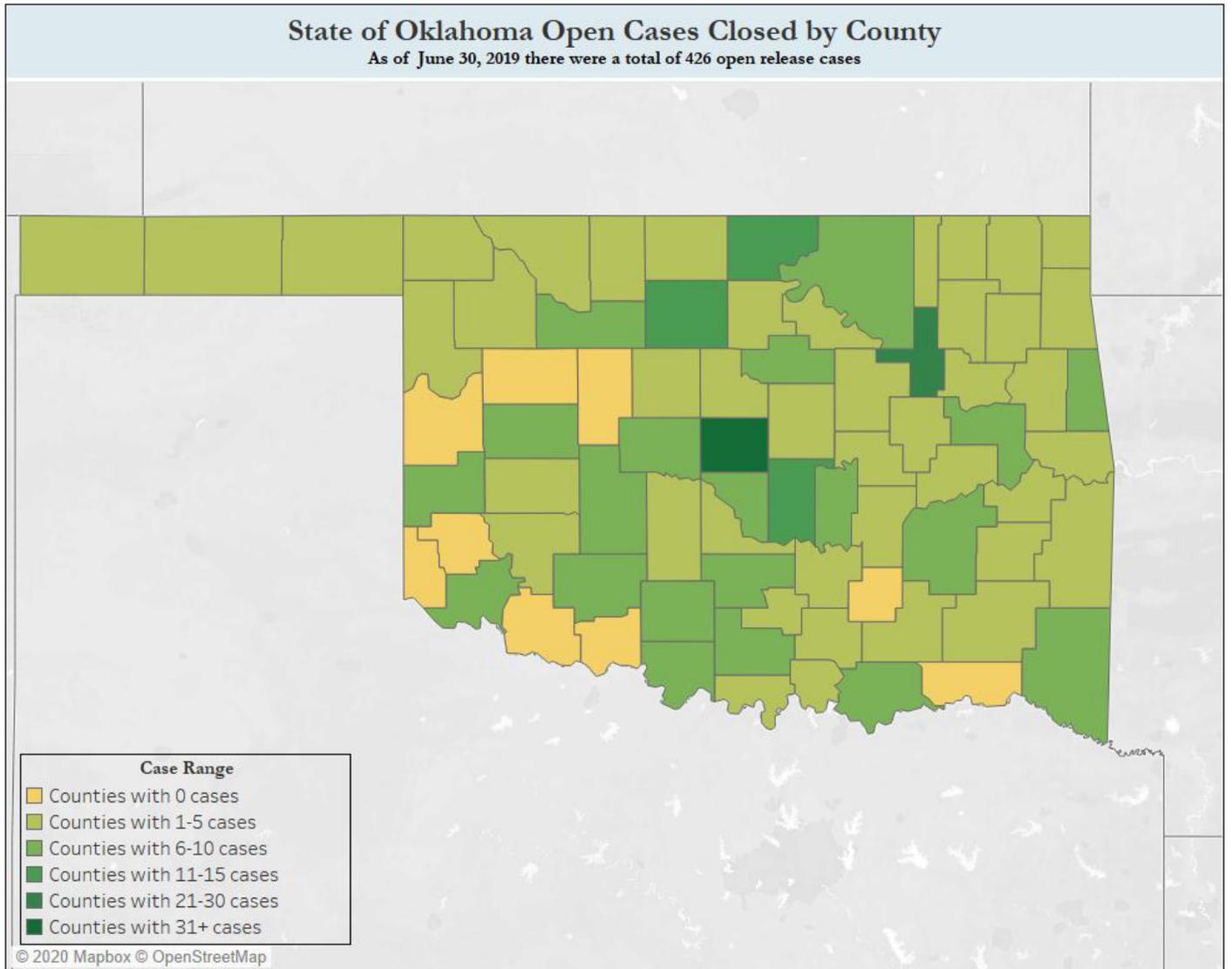
APPENDIX

Petroleum Storage Tank



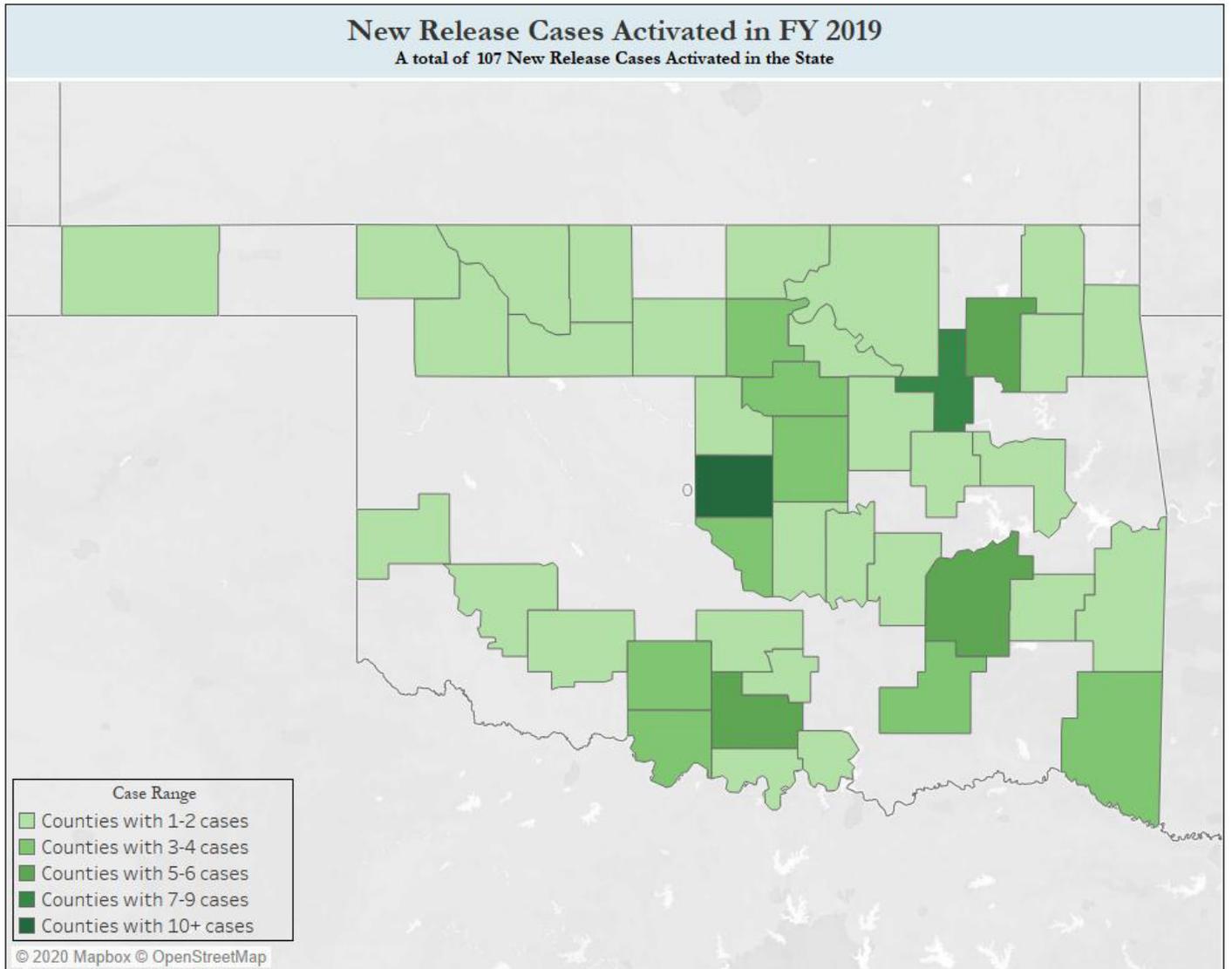
APPENDIX

Petroleum Storage Tank



APPENDIX

Petroleum Storage Tank



APPENDIX

Petroleum Storage Tank

