2020 Annual Report

Oklahoma Corporation Commissioners

Commissioner Dana Murphy

Commissioner Todd Hiett

Commissioner Bob Anthony

Our Mission

Empowering Oklahoma by:

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

Our Vision

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

Want to Know More?

Join us on our website for docket and meeting postings, forms, news, program updates, rules, useful consumer information, and well records. Contact us on our website at Oklahoma.gov/occ.

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.

OKLAHOMA Corporation Commission

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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 has 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.

Fiscal Year 2020 Commissioners

OKLAHOMA Corporation Commission

Commissioner 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.

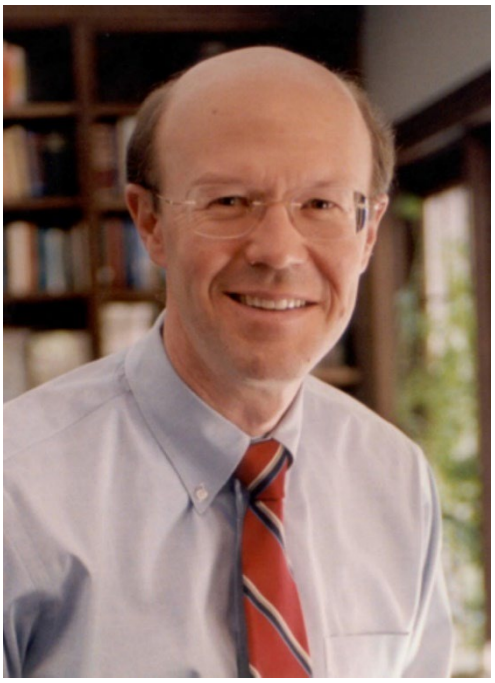
After a successful twelve years in the Oklahoma Legislature, Speaker Hiett worked eight years with various entities in the manufacturing, navigation and energy industries. In this role, Hiett enjoyed the opportunity to work with many pro-growth companies such as Webco Industries and Callidus Technologies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

Hiett was elected to serve as Chairman of the Oklahoma Corporation Commission 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 Hietts attend First Baptist Church of Kellyville.

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

Commissioner Bob Anthony



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

Anthony holds a BS from the Wharton School of Finance at the University of Pennsylvania; a Master of Science from the London School of Economics; a Master of Arts from Yale University; and a Master of Public Administration from Harvard University. He rose to the rank of captain in the U.S. Army Reserve. In 1972 he served as staff economist for the United States House of Representatives Interior and Insular Affairs Committee (now called the Natural Resources Committee). From 1979 to 1980 Anthony served on the Oklahoma City Council as Ward 2 Councilman and then as vice mayor. In 1980, at age thirty-two, Anthony became president of C.R. Anthony Company retail stores, then the largest privately-owned firm headquartered in Oklahoma. During his seven-year term as president, the retail chain issued more than 10,000 W-2s annually, with sales, payroll, employment, and dollar profits reaching all-time record levels. In 1988 he was chairman of the Trust Committee of Oklahoma's largest bank trust department.

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

Anthony has served as a statewide elected official longer than any other current Oklahoma office holder, winning his sixth consecutive six-year term on the Oklahoma Corporation Commission in 2018, with a victory in all seventy-seven counties. He initially ran for the Corporation Commission in 1988, becoming the first Republican elected to that body in sixty years and receiving more votes than any Republican since statehood. In 1994 Anthony became the first Republican incumbent in Oklahoma history to win statewide re-election to a state office. In 2000 he received 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, as well as the Oklahoma Women's Coalition. In March 2007, Commissioner Murphy was recognized as an outstanding woman in energy by Energy Advocates. In 2010 she was recognized for dedicated service by the National Association of Royalty Owners and in 2011 received the Friends of Agriculture Cooperatives Award. She is also a recipient of the University of Central Oklahoma Distinguished Alumni Award for 2012. She serves as a trustee and previously served as a care chaplain for the Church of the Servant United Methodist Church in Oklahoma City. She also serves as a member of the Salvation Army's Central Oklahoma Area Command Advisory Board.

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

Administrative Services

Administrative Services is comprised of the finance and human resources functions for the entire agency. Together, they oversee all fiscal and human capital operations for the 4 core divisions, as well as the support division. Also included are the Minerals Owner Escrow Account staff that support unlocated mineral owners by overseeing funds due them.

Administrative Services staff responsibilities include:

- Create and present monthly financial statements; quarterly and annual financial reports for the Commission
- Respond to audits with corrective action plans and track progress
- Establish, maintain, and analyze agency's fiscal budget
- Provide fiscal impacts and monitor legislation
- Perform procurement and accounts payable functions, including P/Card program
- Process all agency revenue and deposit in a timely manner
- Perform clearinghouse disbursements for the IFTA and IRP programs
- Reconcile all agency accounts and make transfers to appropriate funds
- Open, sort, and route all agency mail
- Receive goods, process receipts, and distribute to divisions
- Inventory, surplus, and asset management functions
- Maintain building projects, safety inspections and requirements
- Complete risk management surveys and forms
- Process agency's bi-weekly payrolls
- Interview, on-board, and off-board agency employees
- Provide HR support (benefits, retirement, performance ratings, salary changes, discipline) to all 549 current employees
- Oversee unlocated mineral owner funds, ensure operator reporting compliance, and process distributions to operators and unclaimed property

Financial Review

Commission operations are categorized by three fund types: discretionary, restricted, and federal. Discretionary funds include money appropriated from the state's general revenue fund and the Corporation Commission's revolving fund, both of which can be spent for all agency-related operations. Restricted funds are 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 the grant's specified purpose. Lastly, the agency maintains two fiduciary funds for unlocated mineral owners and oil and gas operators' surety.

Only about 19% of the agency's budget comes from Oklahoma's General Revenue Fund, which the Legislature appropriates. Federal money makes up about 4%, while the rest of the 77% comes from customers through assessments, fees, citations, the Indemnity Fund, and revenue apportioned by statute.

Two divisions are self-funded; the Public Utility and Petroleum Storage Tank Divisions. The Public Utility Division funds itself through an assessment regulated entities pay, wind fees, and reimbursement from the Oklahoma Universal Service Fund for certain costs to administer the program. The Petroleum Storage Tank Division receives money from the Indemnity Fund, which is largely funded by a motor fuel assessment, as well as federal grants. Both the Transportation and Oil and Gas Divisions rely on appropriations, fees, and fines to cover operational costs. Revenue to each of those divisions is inherently volatile, because economic factors and activity related to same (e.g., oil and gas drilling activity) influence how much money is brought in each year.

In FY 2020, the agency received additional appropriations of $6.3M from the Legislature to enhance and improve energy permitting and address the Transportation staffing concerns regarding Ports of entry (POE). Another substantial increase to revenue was due to a full-year of fee increases that went into effect mid-year FY 2019. Overall, the agency's available cash and revenue collections increased by 13.7% compared to FY 2019 balances.

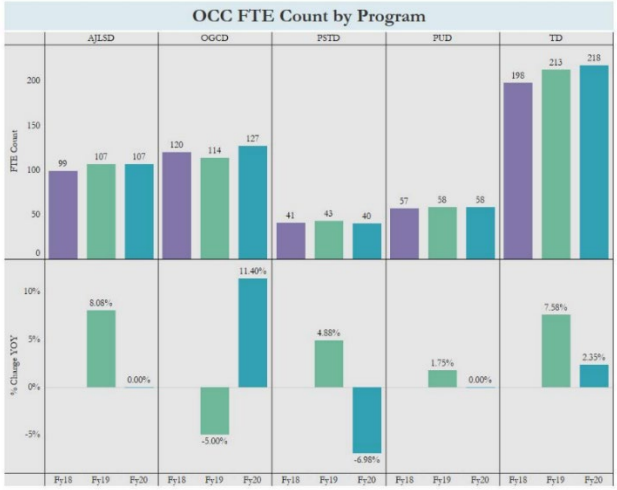
With additional funds available, expenditures also rose in FY 2020 by 14.7%. The largest spend category increases were in personnel and professional services, where expenses consisted of new enforcement officers to staff the POE's and IT development of resources to improve service to stakeholders and provide for more efficient agency operation.

Substantial efforts were made to target the agency budget process to ensure budget requests are in line with actual and anticipated need, with the goal of actual spending to be within 10% of the established budget. Finance closely monitored activities and collaborated with the divisions to properly align budget within certain categories; and determined the potential of spend within the fiscal year. In spite of the impact of the pandemic during the last half of the fiscal year, the agency had 3 out of the 5 divisions meet the goal.

Human Resource Activity

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

Staff demographics are listed below:



- About two-thirds of agency staff hold classified positions, and slightly over one-third are unclassified
- The population is slightly less than two-thirds male, and over one-third female
- The average employee age is 49 years old
- Within the next 5 years, 41% of total agency staff is eligible to retire, while 29% are retirement-eligible now
- Two-thirds of employees have been at the agency over 5 years, with more than a quarter of staff being employed 20 years or more
- The Commission field staff make up 47% of the agency's workforce

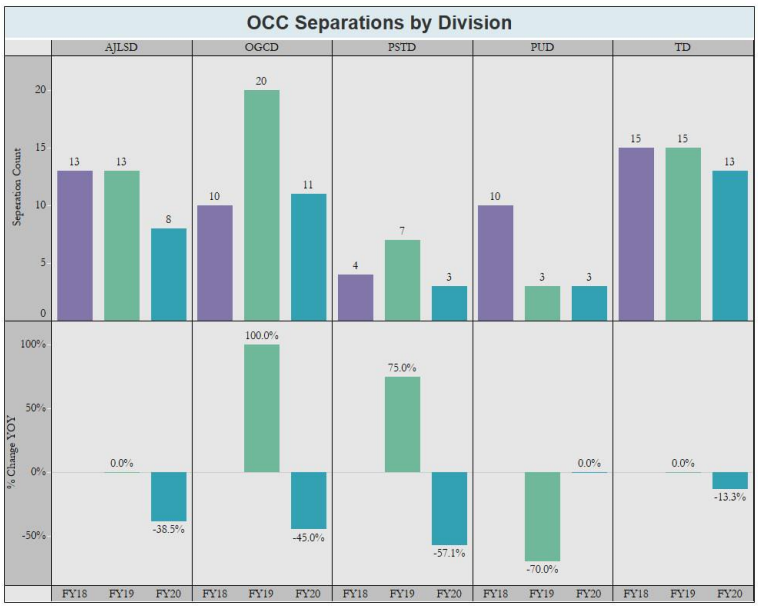
During the course of FY 2020, HR transitioned the entire agency from a pre-paid, negative time-reporting monthly payroll to a post-paid, positive time-reporting bi-weekly payroll. This was an enormous undertaking, requiring education of employees on how the transition would be made and explanation of the changes that would directly impact each employee's unique situation. It began in September 2019 by placing all new hires and those on supplemental payrolls on the bi-weekly schedule. Another group of volunteers made the move in early December of 2019, while the remaining staff transitioned in March of 2020. The successful effort positioned the agency for the future transition to Workday, the state's new HR system that will only allow for positive time reporting. The agency also gained efficiencies by not having to correct payroll entries since bi-weekly payroll is paid after the time is worked, which was contrary to the previous monthly cycle that required completion of payroll 7-10 days before the month ended.

Other activity for the fiscal year included:

- Administered mandated House bill pay-rate changes for most staff
- Performed over 300 transactions, including hiring, promotions, and appointment/title changes
- Processed 37 staff separations due to resignations, dismissals, and retirements
- Handled numerous transactions relating to disability insurance benefits, Family Medical Leave Act, health insurance benefits, life insurance benefits, jury duty leave, leave without pay, garnishments, military leave, paid leave, retirement benefits, shared leave, and Sooner Save
- Provided coaching, discipline, workplace safety, Workers' Compensation, employee development, the Fair Labor Standards Act, the Performance Management Process, SEAT and other training

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

The Commission's workforce increased slightly by 4% from the previous fiscal year. 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 natural attrition, pandemic concerns, and superior salaries offered by private industry. The agency lost 78 people, almost 15% 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 aggressive strategic goal of automating the on/off boarding of employees to streamline the process. The HR Team strives to gain efficiencies and promote change agency-wide, while modernizing and preparing for the future transition to the new, post-pandemic culture of the workforce.

Mineral Owners Escrow Account (MOEA)

The MOEA group is responsible for providing support to unlocated mineral owners and ensuring compliance of proper 1081 reporting based on pooling orders filed within the Commission's Administrative Court system. The escrow fund maintains a balance of over $70M that is reconciled to each owner and each reporting operator. After holding the funds for 5 years, if the owner has not been located the money is then transferred to the Oklahoma State Treasurer's Unclaimed Property Division.

Activity for FY 2020 includes:

- 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 10% from FY 2019. Reimbursements to the located royalty mineral owners or their heirs totaled $7,666,247, an increase of $1,637,536 from FY 2019. The five-year transfer to the Treasurer's Office totaled $13,215,750. At the end of fiscal year, the MOEA escrow fund balance totaled $77,692,158, up almost 5% from the prior fiscal year.

Modernization and Pandemic Efforts

The biggest challenge Administrative Services staff faced this year was responding to employees' needs due to the COVID-19 pandemic. Many tasks were added to this group's already heavy workload in order to meet the the unprecedented challenge of the pandemic. Some of the additional duties involved maintaining building attendance logs to assist in contact tracing for over 250 employees, researching and responding to almost 150 fraudulent unemployment claims, communicating and updating protocols frequently to align with CDC guidelines, procuring and distributing personal protective equipment (PPE) to all agency facilities throughout the state, performing wellness calls to every single employee, and creating a daily support session for staff struggling with the effects of the pandemic. Outdoor employee appreciation events were also held to promote employee interaction, while still following CDC guidance regarding proper distancing, etc. COVID testing site information was also gathered to share with staff needing those services.

Staff built and installed plexiglass barriers for multiple Commission locations and marked facilities appropriately for social distancing. Building cleanings were scheduled to clean areas of known on-site exposures. Contractors were added to the cleaning crew to provide daily, detailed cleanings to reduce the potential of exposure. Many Administrative Services staff remained on-site, in a rotating schedule, to perform critical functions such as mail distribution, receiving goods, processing and depositing payments, providing HR support, and ensuring building pandemic protocols were being followed. In an effort to minimize the impact to customers, filing fees were also waived for a brief time.

During this period, Administrative Services was able to modernize several processes to allow for remote work and limit the number of Commission staff for potential exposure by routing information electronically. New workflow processes were established for mail distribution, invoice approvals, purchase and travel requests, and HR transactions. HR also moved to a remote interview and hiring process.

Figure 1 Central Processing staff in the first-floor one-stop shop

The group also completed the first floor one-stop shop that enhances the customer service experience for all those visiting the Commission in-person. This project eliminated the need for a customer to travel between multiple floors to process their transaction. All divisions now have a representative in this area, as well as the cashier to pay for their item. Construction work was also done to resolve a long-standing audit finding, which required all payments received through the mail to be opened, processed, and prepared for deposit in the same room. The Central Processing group, within Administrative Services, moved into the new location in May 2020, just in time to perform testing on the new revenue tracking system, which is the first phase of an agency-wide enterprise system, IMS. All

revenue will now be tracked in one system, which allows for electronic routing of customer paperwork and payment the same day it is received. The new system will also allow for increased electronic payments in future phases to allow for more payment options to the customer.

Oil and Gas Conservation Division

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 responsibilities are to:

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

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

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

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

- Field Operations
- Pollution Abatement
    - Environmental Waste Management
    - Brownfields
- Technical
    - Compliance
    - Technical Review
- Induced Seismicity
- Underground Injection Control (UIC)
- Public Assistance
- Administrative
    - Document Handling
    - Intents to Drill
    - Surety
    - Well Records

Field Operations Department

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

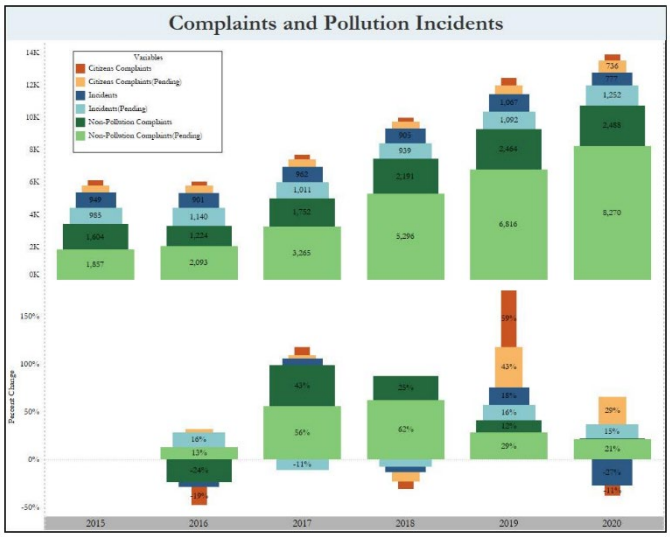
The Field Operations Department primary objectives are the prevention and mitigation of pollution and the

work includes:

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

Field Operations has 4 District offices located in:

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



In FY 2020 the Field Operations Department’s 66 field inspectors traveled over 1.5 million miles in the state and conducted 59,424 site inspections, 4,343 underground injection control well inspections and 4,425 complaint investigations as well as oversaw 1,862 well plugging jobs and 3,762 mechanical integrity tests.

Field Operations is also responsible for identifying and referring abandoned oil field sites to the OERB and referred 229 sites to the OERB and the Brownfields Department.

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

Figure 2 Polk facility before remediation activities have been completed

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 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. Without proper disposal and management options petroleum development cannot continue.

Environmental Waste Management Section

Environmental Waste Management responsibilities include:

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

Staff spend hours with operators 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. This 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.

During FY 2020, Pollution Abatement Staff processed 1,377 applications for one time land application (1014S) and 840 post land applications (1014R). Field staff completed 2,037 site inspections, 982 conference calls/meetings, 884 environmental sampling events, 823 file reviews, 608 referrals for assistance, 459 industry consultation events, 389 remediation plan reviews/approvals, 161 complaint investigations, 82 training events and 66 surety reviews.

Brownfields Section

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

One of the 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 4 sites in FY 2020. The Delaware Nation's Green Tech Facility had historic out of use underground storage tanks. The Delaware Nation needed the tanks removed and an environment investigation. The Brownfields Program provided the Nation with an investigation and tank removal, and the site received a Certificate of No Action Necessary. This allowed the Nation to expand their current facility to handle higher capacities of business flow.

Interstate Metals Facility had permanently out of use underground storage tanks. An environmental investigation and tank removal was performed at the site by the owner. The Brownfields Program provide

oversight of the investigation and tank removal, and the site received a Certificate of No Action Necessary. This allowed the site to be used for redevelopment.

Figure 3 Delaware Nation's Green Tech Facility (l to r: Madeline Dillner, Jeff Myers and Paula Brown of DNEDA)

Circle J Mini Mart was a historic gas station with out-of-use underground storage tanks. The Brownfields Program provided an environmental investigation and tank removal, and the site received a Certificate of No Action Necessary. This allowed the current owner to open a new restaurant in a federal opportunity zone.

Petty's Pit Stop was a historic gas station with out of use underground storage tanks. The Brownfields Program provided an environmental investigation and tank removal for the Commissioners of the Land Office (CLO), and the site received a Certificate of No Action Necessary. This allowed the CLO to redevelopment the site for future economic benefits.

The Brownfields Program enrolled 2 new sites in FY 2020: Petty's Pit Stop in Guthrie and the Walnut Project in Oklahoma City.

The Brownfield Section staff manage several ongoing projects, including:

- The Former Smalley Station, NERCI Soup Kitchen, Former Body Works Facility, Walnut Project, Floyd's Apco, and Kellogg's Korner are in the process of going through various requirements of the program.
- 10th & Columbia Sinclair and Happy Foods are currently in the process of beginning reviewed for enrollment in the program.

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

Brownfields Section staff also works closely with the 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's purpose is to provide compliance and permitting services to the general public and the oil and gas industry. Technical includes the following sections:

- Compliance
- Technical Review

Compliance Section

Compliance responsibilities include:

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

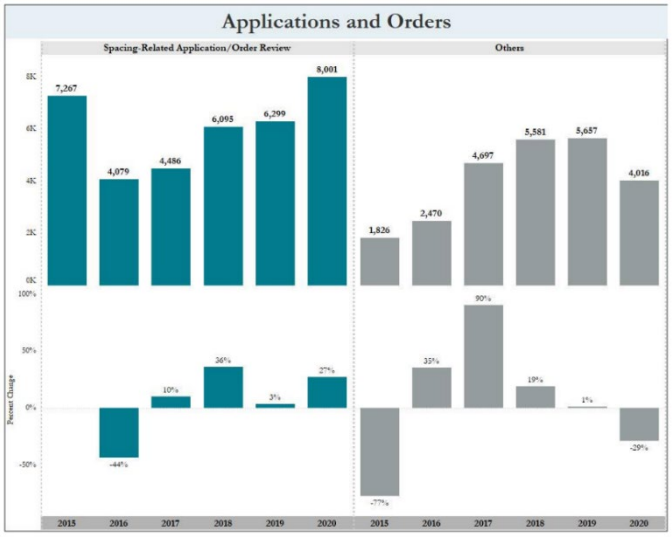
During FY 2020 staff processed gas volume reports containing monthly production information on the 41,778 gas wells in the state and reviewed 823 well tests. There were 100 new companies that filed Financial Assurance Mechanisms and Operator Agreements with the state and 2,626 active operators in the state as of June 30, 2020.

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:

- 4,023 requests for surface casing and pit requirements
- 1,562 applications to drill, recomplete and re-enter wells
- 12,017 spacing, location exceptions, increased



density and other related applications and orders

- 1 application for vacuum pump installations
- 60 applications for venting or flaring of gas
- 5 applications for other forms of technical relief
- 817 completion reports

Induced Seismicity Department

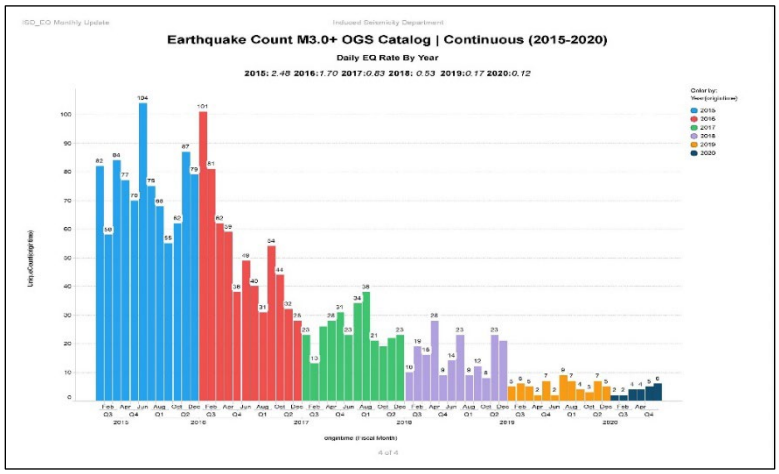
The Induced Seismicity Department (ISD) is responsible for mitigating the risk of induced seismicity in Oklahoma related to oil and gas activity. ISD's mission is to ensure the utmost stewardship of oil and gas data submitted to and maintained by the OCC, instill public confidence in the duties bestowed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

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

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

In FY 2020, ISD responded to one earthquake event ≥ 4.0 magnitude located within the AOI for Induced Seismicity reported by the Oklahoma Geological Survey. The Induced Seismicity Department is currently reviewing data from the event and has not taken regulatory action on any operators as a result of the event.

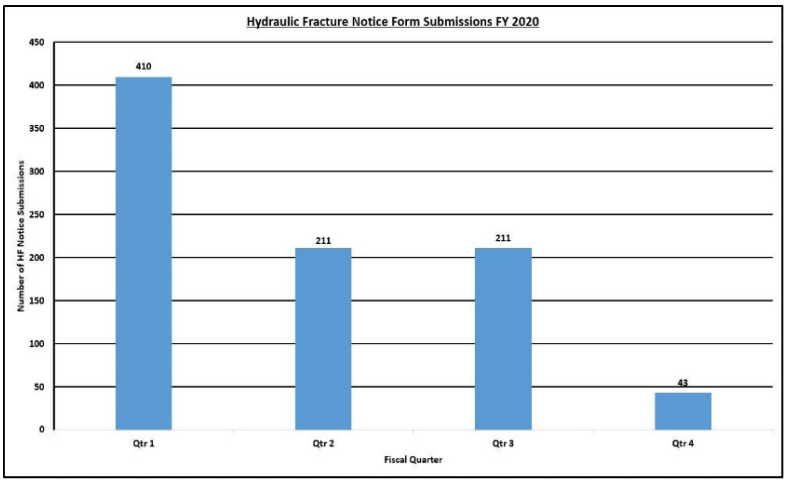
In response to seismic activity associated with hydraulic fracturing, ISD directed two operators completing nine horizontal wells to cease operations temporarily during FY 2020. Three of the wells were successfully completed at a later date. Operators suspended operations due to seismicity associated with at least five additional seismic events without direction from ISD. ISD recorded more than 118 individual communications with operators related to hydraulic fracturing seismicity during FY 2020. Operators paused completion activities at least 85 times as a result of induced seismicity during FY 2020. Operator contacts for induced



seismicity declined from 38 in 1st Quarter FY 2020 to 1 contact in 4th Quarter FY 2020, a 97% decrease.

The frequency of earthquakes during 4th Quarter FY 2020 for magnitude ≥ 3.0 has declined by 5 events or 25% since 1st Quarter FY 2020. A year-over-year comparison of total earthquake counts (magnitude ≥ 3.0) for FY 2019 and FY 2020 exhibit a decrease of 65 events, or a 53% decrease from the previous year. Total earthquake counts ≥ 4.0 magnitude remained unchanged from FY 2019 to FY 2020 at 1 event per fiscal year.

Arbuckle injection volumes in the Area of Interest (AOI) saw a year-over-year decline of 70.1 million barrels from FY 2019 to FY 2020, or a 15% decrease. Arbuckle disposal volumes within the AOI, a 15,000 square mile area in central and northern Oklahoma, have dropped 75% since peak Arbuckle injection in FY 2016. There are approximately 566 Arbuckle disposal wells and 139 operators in the AOI at the end of FY 2020.



ISD received 875 Hydraulic Fracture Notice Forms during FY 2020. Submissions declined by 809 Notices, or 48%, year-over-year from FY 2019 to FY 2020. Declining oil prices in the first half of 2020 resulted in a decline of 367 Notices from 1st Quarter FY 2020 to 4th Quarter FY 2020, or a 90% reduction in hydraulic fracturing activity.

ISD staff and consultants have recently completed work to quantify the rates of hydraulic fracturing related seismicity for events ≥ 2.0 magnitude throughout the state. The efforts were presented at the 2019 joint SPE/AAPG/SEG Asia Pacific Unconventional Resources Technology Conference held in Brisbane, Australia, 18-19 November 2019 (Shemeta, Julie E., Brooks, Colin E., and Charles C. Lord, Well Stimulation Seismicity in Oklahoma: Cataloging Earthquakes Related to Hydraulic Fracturing, Unconventional Resources Technology Conference (URTeC)).

ISD staff also presented on Oklahoma's regulatory work monitoring well completion induced seismicity at a special SPE/SEG Injection Induced Seismicity Conference held in Dallas, TX, November 12-14, 2019. The work was presented under the Understanding Regional Regulatory Perspectives Session (Brooks, Colin, Identifying Seismicity Induced by Well Completion in Oklahoma: A Multi-Year Spatial and Temporal Review, SPE/SEG Injection Induced Seismicity: The Next Chapter).

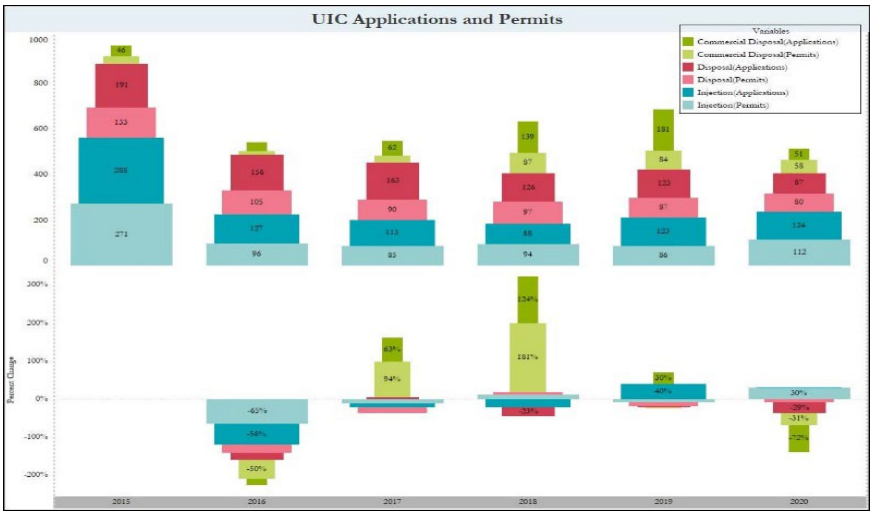
In FY 2020 ISD staff joined regulators, academics, and industry representatives from all across the United States to update a report entitled "Potential Injection-Induced Seismicity Associated with Oil & Gas Development: A Primer on Technical and Regulatory Considerations Informing Risk Management and Mitigation." The Primer document is jointly published by the State's First Initiative, a collaboration between GWPC, IOGCC, and state regulators, and was last updated in 2017. Numerous regulatory examples and rules were included from Oklahoma's response to induced seismicity. A state response summary to induced seismicity in Oklahoma was compiled by ISD staff and submitted to the committee for inclusion in the final

report. The report will be presented at the annual GWPC Fall Conference in September 2020.

Underground Injection Control (UIC) Department

During FY 2020 UIC maintained compliance for over 11,000 injection, non-commercial and commercial wells as well as monitoring any illegal use of non UIC wells. Compliance issues come in many forms such as testing, injection reporting, and illegal use without a permit or test. Last year UIC filed 28 cases in the courts for non-compliance under the Oklahoma Administrative Code.

In FY 2020 UIC reviewed over 11,000 form 1012 reports and 1000 form 1012C reports. The testing of UIC wells is on various schedules and require monitoring on a case-by-case basis. Last year the UIC Department reviewed 3,575 tests 365 of those were tracer reviews. UIC works closely with Field Operations coordinating and training to maintain compliance in all facets of testing and reviews. UIC's goal for compliance is 100% and maintains a 99.9% compliance in testing and reporting.



In FY 2020 UIC received 403 applications:

- 140 applications for an exception to the rule
- 126 applications for an injection well
- 86 applications for a non-commercial well
- 51 applications for a commercial well
- 397 were completed either by permitting or dismissed

UIC administratively permitted 213 applications:

- 109 injection wells
- 71 non-commercial wells
- 33 commercial wells

With an update to the RBDMS database and the introduction of the new 1012E form applications, attachments and permits were submitted and processed through both paper and electronically during FY 2020. This allows the operator the ability to manage the injection reporting process and include fees with ease and confidence electronically.

Public Assistance Department

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

Commission rules and regulations. Public Assistance helps facilitate communication wherever possible. In FY 2020 Public Assistance included:

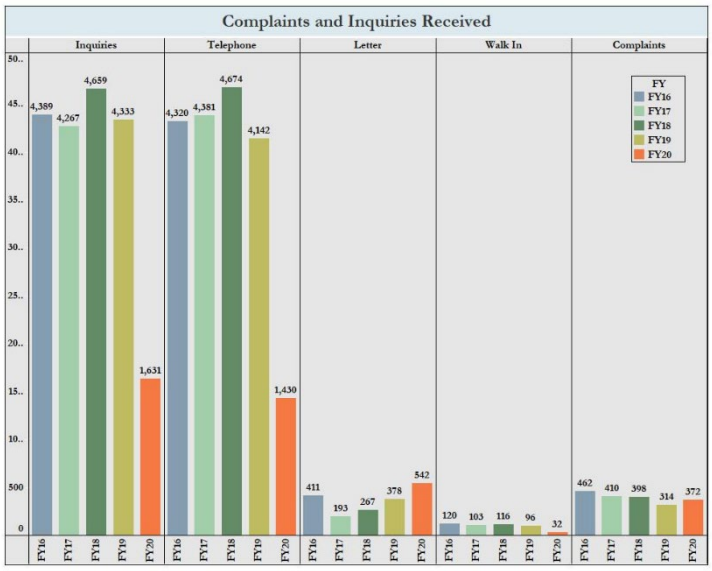
- 2,518 telephone calls
- 621 letters, faxes & emails
- 62 walk-ins

We do not provide advice or legal counsel. We do 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. We help them help themselves.

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

Several examples of the assistance call types include:

- Helping guide callers through the court system and what it means when they receive a hearing document or a forced pooling notice
- Outlining the basics of oil and gas drilling
- Explaining recent law changes and how that affects the industry and mineral owners
- Providing information for County Commissioners
- Describing how to read a legal description of a well site's location
- Listening to complaints of alleged missed payments or unpaid bonuses and facilitating dialogue with the operator

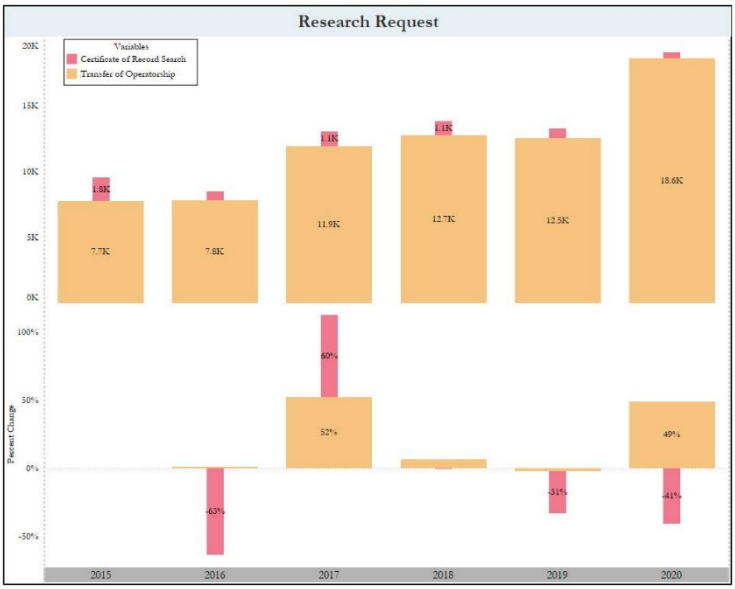


Due to the impact of the COVID-19 pandemic FY 2020 was the first year since 2008 that the Public Assistance Department was unable to hold the annual workshop for Oklahoma Royalty Owners to provide education on managing oil and gas interests.

Administrative Department

The Administrative Department is still in its infancy within the OGCD and was created to maximize efficiency and to streamline the customer experience. The Administrative Department includes:

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



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

- Certificates of Record Search
- Well Logs
- Plugging Reports
- 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. During FY 2020 staff processed:

- 442 Certificates of Record Search
- 203 Well Logs
- 617 Plugging Reports
- 18,622 Transfer of Operators

Although the department has seen a voluntary reduction in the number of staff members, the production and efficiency has increased through the streamlining of processes and cross training of staff.

Petroleum Storage Tank Division

The Petroleum Storage Tank Division (PSTD) administers the federal underground storage tank (UST) program in lieu of federal regulation and has jurisdiction over underground and aboveground storage tanks that contain antifreeze, aviation fuel, diesel, gasoline, kerosene, motor fuel, and motor oil. The program 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. The program conducts risk assessments to determine the potential effects of exposure after a leak has occurred; develops and enforces corrective actions or remediation plans at contaminated sites; provides alternative water supplies when necessary; and provides emergency services if needed.

The Division is responsible for maintaining the storage tank program, including inspections by PSTD Fuel Specialists to ensure that facilities are in compliance with the technical compliance rate performance measures (TCRs) established by the Environmental Protection Agency (EPA). TCRs are proactive leak prevention measures designed to prevent future releases. Fuel Specialists also check the octane rating of fuel stored in tanks, the calibration of dispenser meters to determine whether or not they are dispensing the proper amounts of fuel, and ensure that the dispenser display, price per gallon, total sale, and gallons sold are correct.

Figure 4 Fuel Inspection Supervisor Ty Massey demonstrates how to return fuel to an underground storage tank after fuel has been tested

PSTD administers the Oklahoma Petroleum Storage Tank Indemnity Fund (Indemnity Fund), Oklahoma's financial assurance mechanism that ensures funds are available for corrective action when there is a release from a regulated petroleum storage tank system. The Indemnity Fund provides up to $2.5 million to reimburse eligible owners for corrective action at sites that have a release of a regulated substance from an eligible storage tank system. The Administrator of the Indemnity Fund determines eligibility and ensures enough funds are available for required corrective actions needed to mitigate the environmental, health and safety threats to the public. In FY 2020, the Administrator determined 143 cases were eligible for reimbursement.

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

The structure of PSTD's storage tank program enables staff to effectively enforce state and federal regulations, coordinate corrective actions at leaking storage tank sites, while ensuring the Indemnity Fund remains solvent

to address releases and third-party claims. 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

Accounting Department

The PSTD Comptroller manages the accounting functions within the Division and is responsible for supervising the quality of accounting and financial reporting for PSTD. The Comptroller manages and reconciles all financial transactions pertaining to PSTD funds; is responsible for expenditure and reporting processes; submission of EPA assistance grant applications; prepares and submits various reports and analytical information to the Commission, the Governor, the Legislature, the EPA; and the Storage Tank Advisory Council; implements and monitors internal controls; and serves as the accounting contact for the annual external audit of the Indemnity Fund.

The Division's Accounting Department staff:

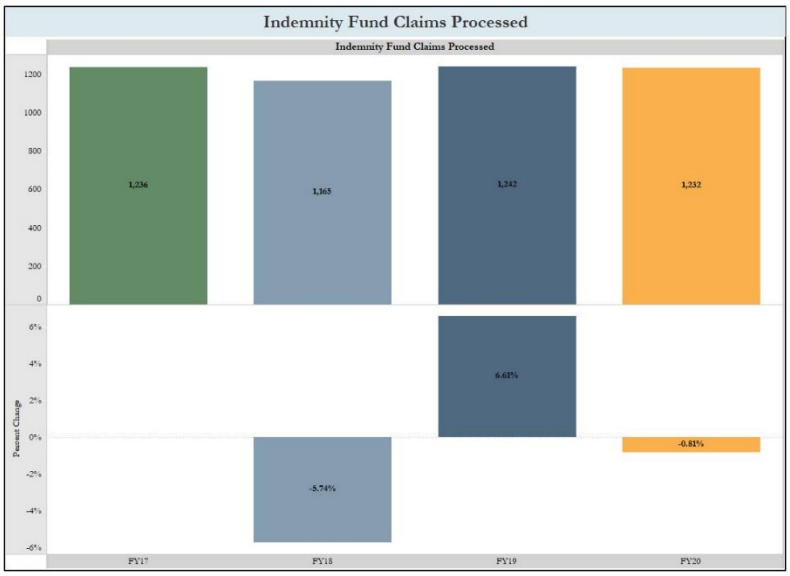
- Conduct purchase order and claims audits to ensure Indemnity Fund, LUST Trust Fund grant monies and UST grant monies are used efficiently;
- Process checks and Electronic Funds Transfers (EFTs) for corrective action claims and direct bills for petroleum storage tank release cases;
- Process payments for permits, licensing, and Indemnity Fund co-pays;
- Initiate and track all LUST Trust Fund grant expenditures;
- Seek cost recovery for LUST Trust Fund grant money expended; and
- Conduct audits of tank owner/operator accounts for compliance with accepted standards.

Income and Expenditures

The Indemnity Fund reimbursed $18,494,443 on 1,232 claims in FY 2020. The average time for payment of an initial claim was 4.89 days, the average time for payment of a supplemental claim was 4.97 days, and the average time for payment of a final claim was 4.45 days. The Indemnity Fund had an unencumbered balance of $342,148.09 at the end of fiscal year 2020.

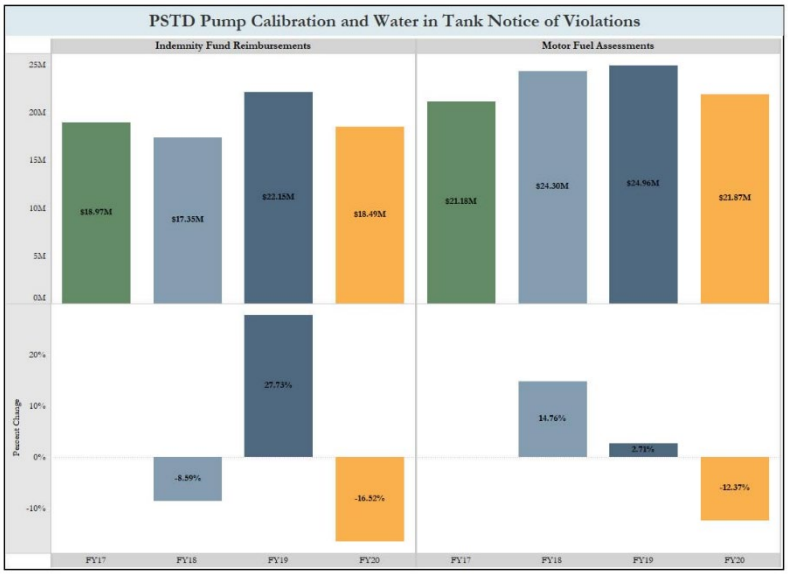
In FY 2020, the Indemnity Fund received:

- $21,872,516 from motor fuel assessments;
- $88,965 from co-pays;
- $559,110 from the investment of reserve revenue held in interest-bearing cash management accounts;
- $373,372 from licensing, permit and variance application fees.



In FY 2020, the Division collected:

- $12,250 in enforcement actions;
- $11,750 in substantial compliance penalty assessments; and
- $372,928 in LUST Trust Fund cost recovery.



Administration Department

PSTD's Administration Department provides administrative 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 storage tank professionals who install, monitor, or remove regulated storage tank systems;
- Licensing and permitting of antifreeze;
- Imaging records and documents; and
- Customer service.

At the close of FY 2020, 8,506 underground storage tanks and 2,168 aboveground storage tanks were registered currently in use (CIU) or temporarily out of use (TOU); 313 storage tanks were removed from service, 135 storage tanks were installed, and 314 tank and/or line closures were scheduled.

In FY 2020, Administration staff processed:

- 2,592 tank permit invoices;
- Issued 4,490 tank permits;
- 377 registration forms; and
- 470 closure reports.
- 170 antifreeze licenses, and
- 129 temporary authorizations (ballasting permits).
- Managed 90 Environmental Consultant licenses; and
- 272 storage tank professional's licenses.

Compliance and Inspection Department

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

PSTD Compliance Analysts provide public outreach to help stakeholders and the regulated public understand rules and regulations; respond to calls from consumers, licensees and field personnel; resolve complaints; assist PSTD Fuel Specialists (inspectors) on regulation enforcement; review monitoring and testing records for substantial compliance; review and approve all registrations submitted; review and administratively approve

all variance requests; and provide testimony in OCC court proceedings.

PSTD Fuel Specialists enforce rules and regulations by conducting inspections at 4,355 regulated motor fuel facilities in the state; perform calibrations on 36,105 retail fuel dispensers in the state; check the octane rating of fuel stored in 6,920 storage tanks; review monitoring, testing and other required records; assist 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.

Figure 5 Installing Underground Storage Tanks at Loves on I-40 and Post Road in El Reno

Inspections/Enforcement

PSTD has 19 Fuel Specialists in the field, 1 is dedicated to monitoring installations and removals of tank systems statewide, 1 is dedicated to the calibration of high-flow dispensers at truck stops and travel plazas, and the remaining 17 inspect regulated fuel storage and delivery systems in assigned territories throughout the state. Fuel Specialists' job is two-fold – to ensure tank systems and associated equipment have no leaks and leak prevention is in place, and to ensure consumers receive the correct type and amount of motor fuel from the dispenser.

Fuel Specialists enter their inspection information directly from the field into Tank Universe, an inspection application on their laptop. The information is synched (synchronized) through a wireless or mobile internet connection and is immediately uploaded to the Division's database so all inspection data is real-time information. Fuel Specialists can 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.

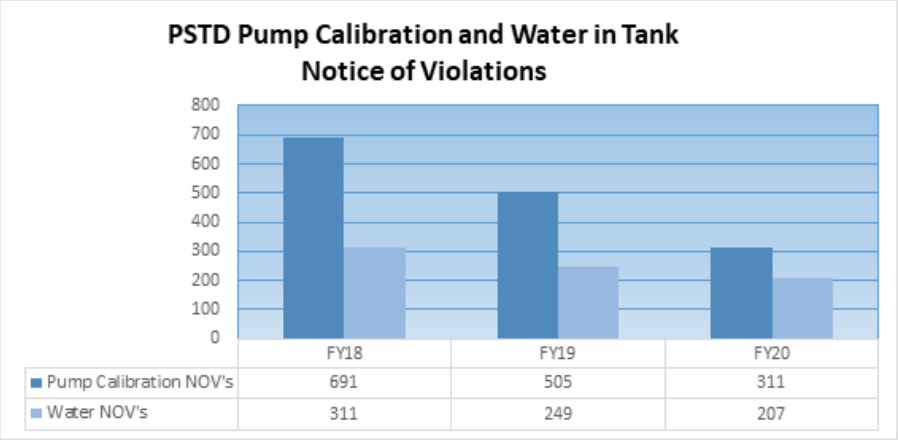
The Energy Policy Act of 2005 requires that each underground storage tank must have an on-site inspection to determine compliance with federal regulations at least once every 3 years. PSTD Fuel Specialists perform these compliance inspections annually, far exceeding the 3-year inspection mandate. In addition, Fuel Specialists conduct station inspections at retail fueling facilities every 6 months, 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. White calibration stickers are placed on the face of each dispenser/pump by the Fuel Specialist when meter calibration is measured. This sticker is an indication to the public that calibration of the meter was verified by a PSTD Fuel Specialist during the month and year indicated on the sticker.

Fuel Specialists also:

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

Inspections, Violations and Calibrations

In FY 2020, PSTD Fuel Specialists performed 3,442 service station inspections, which represents 100% of the retail facilities operating in the state, and checked 56,324-meter calibrations on dispensers, identifying 311 meters that were out of calibration. Fuel Specialists conducted 2,966 compliance inspections, identified 207 water violations, and investigated 173 consumer complaints regarding gasoline purchases.



Regulatory/Compliance

PSTD Compliance Analysts review and approve all registrations and closures of regulated storage tanks, variance applications and other required documentation for compliance with PSTD rules and/or published standards; review Indemnity Fund applications for substantial compliance; pursue enforcement actions against tank owners and operators not in compliance; make fine recommendations; provide testimony and exhibits in OCC court proceedings; and resolve complaints.

Compliance Analysts are also responsible for:

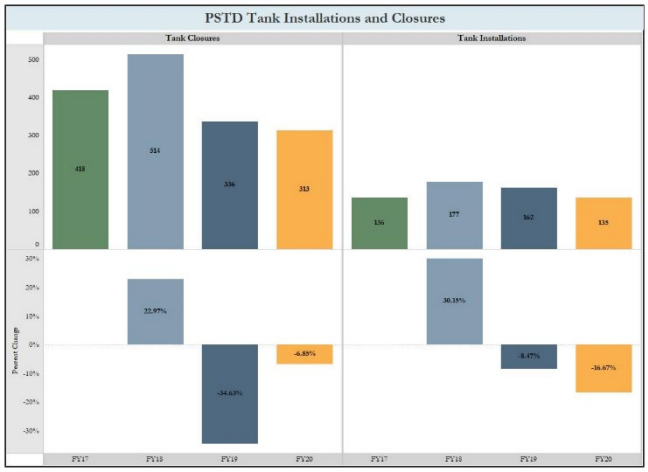
- Reviewing rules, policies and procedures for PSTD rulemakings;
- Explaining rules to owners and operators;
- Answering inquiries from property owners, prospective buyers, bankers and real estate personnel regarding a facility's history;
- Review and approve licensee applications for testing;
- Assist Fuel Specialists in determining a Notice of Violation when tank owners are not compliant with regulations; and
- Developing and conducting training classes and workshops for the regulated public.
- PSTD Compliance staff are actively involved in industry task force groups; participate in workgroups, committees, and review boards; and represent the Division at trade association shows, seminars, and at national conferences and meetings.

A variance to any provision in PSTD rules can be requested through application, notice and hearing. In an effort to streamline processes and reduce court cases, PSTD rules were revised to allow tank owners to apply for administrative approval for a variance without the need for a hearing before an OCC Administrative Law Judge (ALJ). PSTD Compliance Analysts review and administratively approve variance applications and then submit a proposed order to the Commissioners who will determine whether to grant the variance. If staff deny the application and the owner/operator disagrees, they still have the option to request a hearing and present the case to an ALJ. The process saves time and money for both the owner and the Commission.

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

Formal enforcement can occur when regulated tank owners violate rules, requirements, or OCC orders. To ensure consistency and uniformity, only the Manager of Compliance and Inspection makes the determination to pursue formal enforcement. Prior violations for the same offense, habitual negligence and other such flagrant disregard for Commission rules may support the Manager seeking an administrative penalty against

an owner or operator after notice and hearing before an ALJ.



In FY 2020, PSTD's three Compliance Analysts:

- Reviewed and approved 377 registrations;
- Reviewed and approved 470 closure reports;
- Conducted research on 30 variance request applications and administratively approved 20 applications;
- Witnessed and provided testimony for 31 penalty assessments; and
- Witnessed and provided testimony for 79 contempt actions.

Technical Department

The PSTD Technical Department has direct environmental oversight for all corrective actions performed at leaking petroleum storage tank sites in order to protect human health, safety and the environment. This includes assessing the degree of hydrocarbon impact to subsurface soils and groundwater, identifying the associated degree of risk to surrounding populations, and remediating the contamination to risk-based standards when and where warranted. To that end, staff Project Environmental Analysts (PEAs) work with PSTD Licensed Environmental Consultants to determine associated reasonable corrective action costs that are eligible for reimbursement by the Indemnity Fund. Costs for appropriate corrective actions are then approved in the form of purchase orders in advance of the work taking place.

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

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

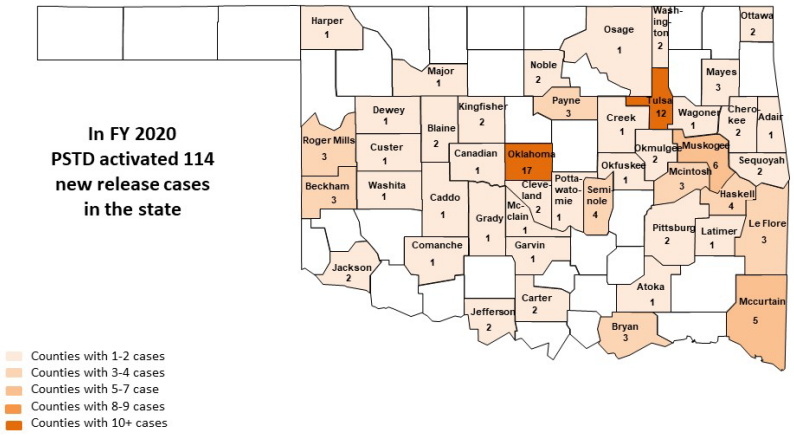
new construction or repairs.

The department's 8 PEAs are currently made up of hydrogeologists and environmental scientists. Each is charged with oversight of corrective actions implemented at leaking petroleum storage tank sites and must be skilled in differing elements of the position that require specific capabilities. Staff PEAs are proficient in hydrogeology issues, risk-based corrective action environmental assessments, regulatory issues, remediation technologies (both in design and operation) and Indemnity Fund issues associated with leaking storage tank sites.

Technical Department PEAs:

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

New Release Cases Activated in FY 2020



At the close of FY 2020, PSTD had 447 active release cases in various stages of assessment and investigation to evaluate exposure risk, plume stability, etc. and determine the most appropriate course of action to achieve case closure; periodic monitoring to determine if/when case closure may be appropriate, active remediation or other form of mitigation measures such as implementing engineering controls or receptor pathway elimination; or awaiting funds to implement these actions. Of those, 437 are Indemnity Fund cases and 10 are LUST Trust Fund cases. Each staff PEA manages roughly 59 cases. Staff spends an appropriate amount of time needed visiting release sites to adequately oversee all environmental assessment activities, examine installed corrective action remediation systems and remediation system operation.

As of June 30, 2020, PSTD has performed corrective action and closed a total of 5,753 confirmed and suspicion of release cases in Oklahoma since program inception.

Petroleum Release Case Management

In FY 2020, Technical Department PEAs:

- Activated 123 petroleum release cases;
- Closed 134 petroleum release cases;
- Responded to 2 emergency responses;
- Processed 295 release case work plans;
- Processed 1,367 release case purchase orders;
- Processed 702 release case change orders;
- Processed 1,255 release case reports;
- Processed 1,266 release case claims; and
- Provided testimony in 1 access cause.

Petroleum Information Management System (PIMS)

The Division upgraded its information application system into a centralized database several years ago, implementing electronic workflow processes for staff and online submission processes for stakeholders and regulated entities. The Petroleum Information Management System, or PIMS database, maintains all the Division's information and data. Separate modules within the database link registration, inspection, petroleum release case management, accounting, and licensing functions into a single information management system. The PSTD regulated community and environmental contractors complete all required forms online and submit electronically through the online portion of the PIMS database, the PST Portal. All information is available in real-time and staff can track document flow as each document is received through an electronic work folder. Upon approval or denial, each document is auto-imaged within PIMS. The database can produce standardized, frequently used reports and is capable of creating customized queries and reports. The system interfaces with the Commission's central imaging and case processing systems that contain court documents and even allows staff to track time worked and leave taken.

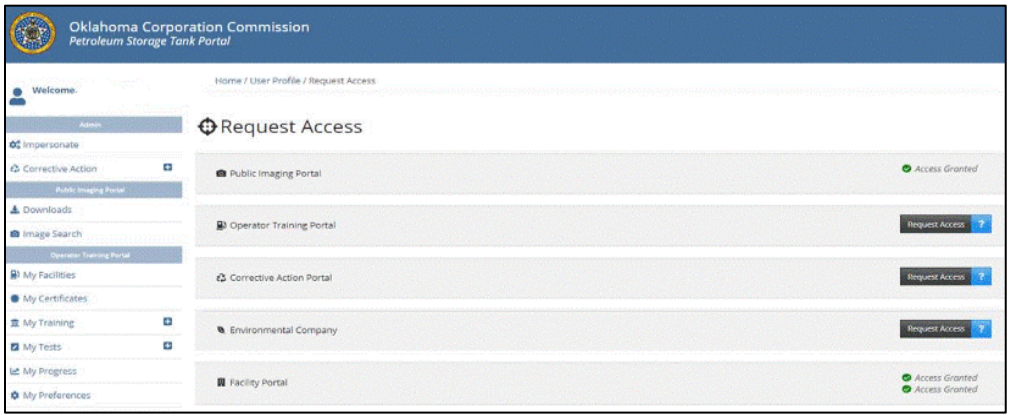
The Division's accounting staff process payments for tank permits, licensing fees and the Indemnity Fund, and claim payments from the Indemnity Fund are deposited into environmental contractor's accounts by EFT. All receipt data are centralized, allowing the Division's Comptroller to have access to all cash receipt information as it is entered to balance the account. Case processing receipt data related to PSTD in the Oracle database is synchronized daily with the PIMS SQL Server database to provide accurate and efficient financial information. Financial audit logs that can be exported from PIMS into spreadsheets if needed, balancing, payment history, cash receipts and numerous other standardized accounting reports are also available.

Tank Universe

Fuel Specialists have laptops and printers in their vehicles so they can enter inspection information into Tank Universe (inspection) application directly from the field. They have access to all information on regulated tank systems, including ownership, inspections, violations, petroleum release history, permits and operator training certificates. They can also view imaged records and documents. The system uses a wireless or mobile internet

connection to synch inspection information, which immediately uploads into PIMS. Facilities can be sorted by last inspection date, city, county, facility name or ID number. Facilities that are due for an inspection appear in red and once an inspection is completed and synched into PIMS, it will then show in black allowing inspectors to strategically plan inspections within their territory. The application also alerts the inspector when a violation has occurred based on PSTD rules that have been written into the software. When a compliance performance measure violation is entered and synched, 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 owners who are not at the facility on a daily basis.

PST Portal



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

operator training.

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

Once an application is approved, environmental contractors submit all required petroleum release case information and documentation through the portal, which automatically uploads into technical staff's electronic "MyWork" folder in PIMS. Any related documents, such as maps and lab reports, can be uploaded with the submittal and contractors can see what is allowed for the different phases of corrective action/remediation activities. All corrective actions must be submitted via work plans and purchase orders to and approved by technical staff before any work begins at a release site and contractors can log in to the portal at any time to track the status of their submittal. After technical staff approve a scope of work, PIMS electronically delivers the document to PSTD accounting staff for approval. The Indemnity Fund Administrator can then encumber money to pay the contractor through PIMS. Contractors submit invoices and upload an online claim form after the scope of work is completed. An Electronic Funds Transfer makes payments from the Indemnity Fund to the environmental contractor.

In FY 2020, enhancements were made to improve electronic submission of registrations, change of ownership and closures; leak detection reports; repairs, sampling and testing results; scheduling tank and line activities; and online processing and approval by compliance staff. Future upgrades made to the licensing module will provide licensees the ability to use the existing PST Portal to apply for licensure, manage their continuing education requirements, manage certification renewals, and automation of licensee functions.

The development of PIMS, Tank Universe, and the PST Portal helps control corrective action costs at petroleum release sites, provides real-time information access, and consistent and uniform inspections across the state. It has also increased the speed and accuracy of staff's workflow, and improved worker productivity without adding more employees to the Division. The Indemnity Fund will continue to be a viable and solvent financial responsibility mechanism for storage tank owners and operators because the system requires pre-approval for work that is to be performed, and encumbers the money before the work begins. The system was designed to implement online submission and track the status of forms and documents. PIMS standardized and streamlined processes, and allows public access to all imaged records and information directly their computer making the Division more efficient and transparent. As a result of the upgrades that have been implemented, virtually all Petroleum Storage Tank Division workflow processes are now performed electronically.

Public Utility Division

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

- Administering the Oklahoma Universal Service Fund (OUSF);
- Participating as a party in ratemaking and other causes involving regulated utilities and providing data to help the Commission make regulatory decisions that are in the public interest 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, PUD develops and presents fact-based, independently-researched, objective recommendations, findings, determinations, and testimony to the Commission in filed causes.

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

The Division is comprised of seven departments:

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

Statewide Outreach

PUD works hard to stay transparent for the residents of Oklahoma. PUD understands how critical it is for Oklahomans to know what is going on in utility regulation and its impacts and strives to make this information easily accessible, useful, and understandable. PUD visits multiple locations in the State every year to ensure Oklahomans are aware of their rights. All 77 counties are visited each year.

Members of the public can access PUD's homepage or follow PUD's Facebook page for easy access to important updates and the ability to submit complaints and public comments. The public can also directly view a list of pending cases and activities.

Additionally, the public has free online access to documents filed in PUD cases. To find case documents: first identify the case number in which you're interested by using the report referred to above; second, visit OCC Imaging and place the case number in the "Case#" field and "PUD" in the "Case Type" field, then choose

"Search."

Administration

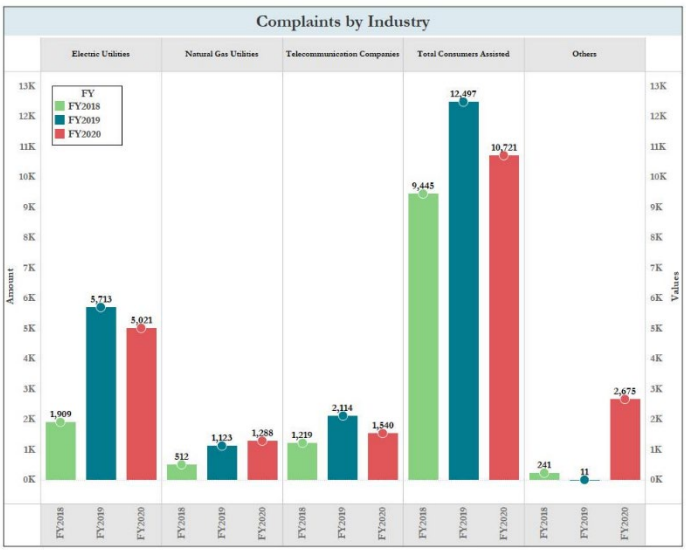
The Administration Department is primarily responsible for managing day-to-day operations for the Division. The Director oversees the Division, acts as PUD's advisor to the Commission on utility matters and legislative policy, and serves as the statutorily-appointed OUSF Administrator. The division's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

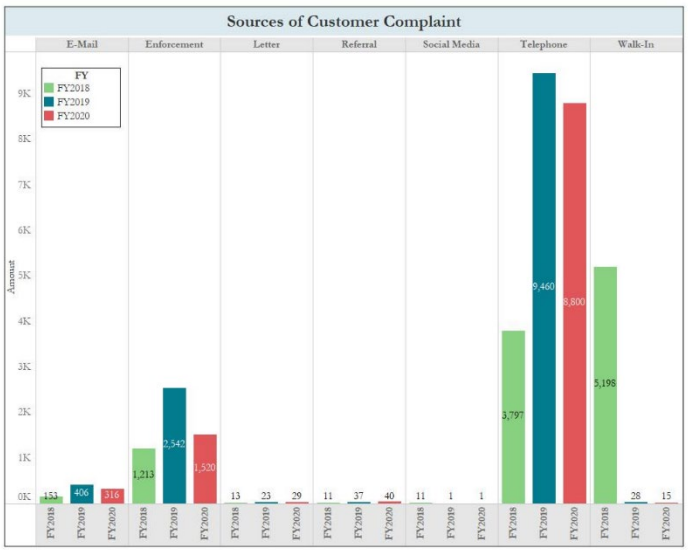
Compliance

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

Consumer Services, Enforcement and Outreach

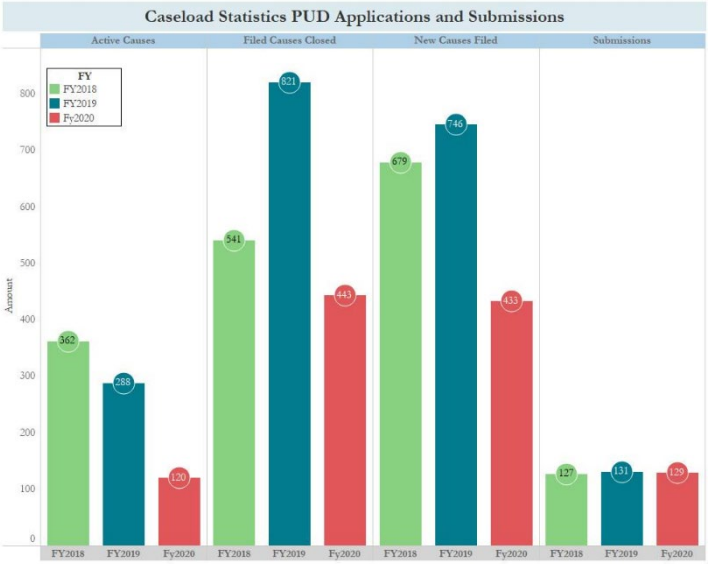
These departments handle incoming consumer complaints and enforcement of Division-related rules across the State. Through its call center, Consumer Services addresses incoming calls, walk-in complaints, electronic mail complaints, and social media outreach. Field Enforcement monitors all regulated facilities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





Energy

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



Telecommunications

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

Oklahoma Universal Service Fund Administration

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

Pandemic Response

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

Consumer Services

In March, PUD initiated weekly virtual meetings with regulated gas and electric utilities and telecommunications carriers to determine how companies would continue service in the COVID-19 environment, and these meetings continue on an as-needed basis. Topics for discussion covered critical matters including: (1) alternative business practices related to temporary, voluntary moratoriums on customer disconnects due to non-payment (see more below); (2) utilities' methods for practicing social distancing while maintaining a high level of public safety as well as the safety of their employees; (3) types of health screening processes that would be established to allow utilities to continue to provide safe and reliable service; and (4) best practices for utilities continuing field work and continuing working on projects that have a critical liability component.

PUD has been actively engaged in conversations with gas and electric utilities regarding their voluntary, temporary moratoriums on service disconnections for residential customers due to non-payment. Electric and gas providers initially implemented these disconnection moratoriums through the month of April, and PUD leadership met regularly with service providers to discuss timing of reinstatement of normal disconnection practices. By the end of June, all participating electric and gas companies had announced the end date of the voluntary moratorium. Although some ended their moratorium in May, most announced a mid-July end date after developing and offering their customers generous payment plan options. This voluntary moratorium had a significant, favorable impact on utility customers who may have lost their jobs due to COVID-19 or who have been impacted by the related severe downturn in oil prices; however, it is anticipated it will cause increases in uncollected bad debt by the utilities. On April 28, 2020, PUD filed Cause No. PUD 202000050 for an order of the Commission authorizing action in response to COVID-19. On May 7, 2020, the Commission issued interim order No. 711412 that, in part, authorized the utilities to record as a regulatory asset increased bad debt

expenses directly related to the delay or suspension of disconnection of service beginning March 15, 2020 (the date of the Governor's Declaration of Emergency). The Commission recognized a variety of actions utilities report taking during the pandemic to ensure continuity of service while taking protective measures. The Commission directed utilities to continue to work directly with the PUD Director regarding health and public safety matters. Further, any utility that seeks cost recovery of the regulatory assets directly related to the pandemic will be required to have maintained and produce pertinent, detailed records and show that their request is reasonable and necessary.

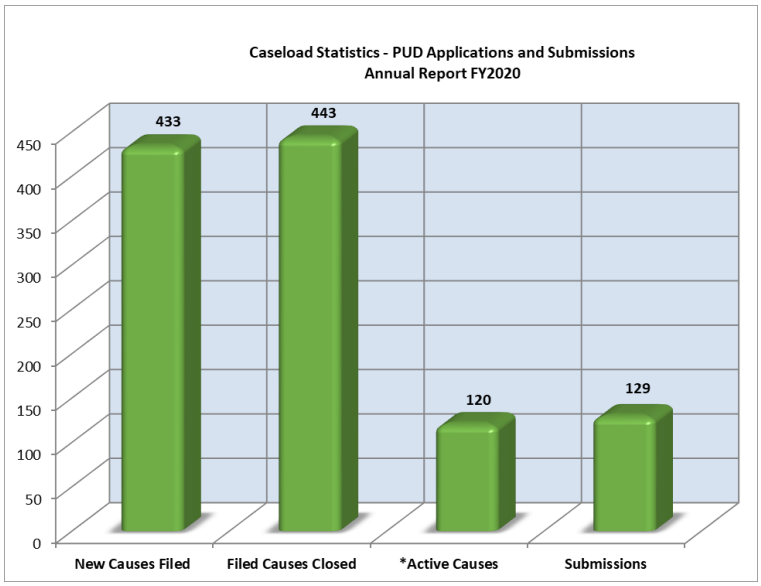
OUSF Contribution Factor

On May 8, 2019, the Commission issued an Interim Order approving a 6.28% OUSF contribution factor (Factor) beginning July 1, 2019, and continuing until further Order of the Commission. The Factor was increased from 1.2% so that Oklahoma Lifeline and OUSF balances would be sufficient to recover costs of administration and payment requests, in accordance with the Oklahoma Telecommunications Act of 1997. One of the reasons for the sizeable increase in the Factor was that outstanding unordered requests were not considered when the Factor was reduced to 1.2% in FY 2018. Additionally, OUSF funding from filed causes due to the abolishment of the Oklahoma High-Cost Fund and new funding related to causes that have been, or will be, filed under 17 O.S. §139.106(G), are estimated to increase by more than $17 million and needed to be considered in the new Factor. The high volume of requests for funding from the OUSF continued. There continues to be issues which result in disallowed funding. These issues include:

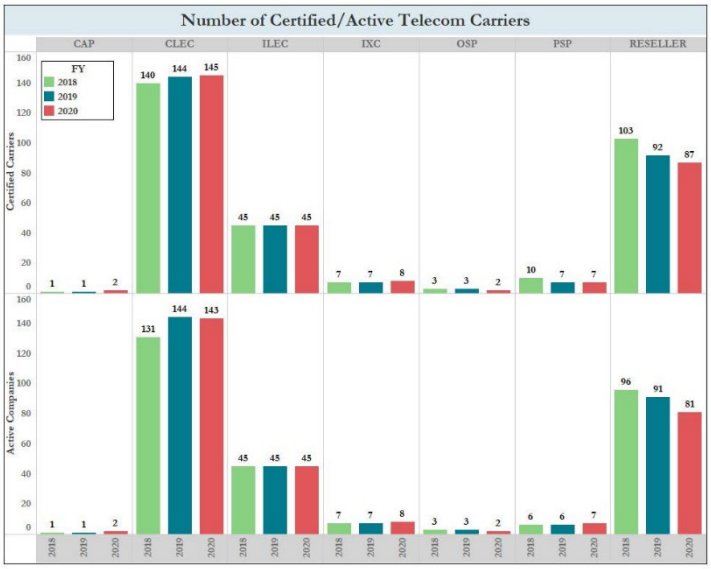
- Carriers seeking funding beyond 18 months prior to the date of the Request for OUSF funding
- Some public school decisions about the selection of Internet access providers were not in the best interest of the OUSF because it increased costs to the OUSF
- Failure to seek federal funding for which the OUSF Beneficiary would have been eligible, if the Beneficiary had correctly sought funding
- Failure to file sufficient documentation to support requests for Special and Primary Universal Service funding

FY 2019 was the first year in the history of the OUSF that the Administrator had to follow a proration procedure because the Fund balance was not sufficient to meet fund obligations. This proration procedure has been implemented four times during the current Fund Year. The OUSF Administrator filed Cause No. OSF 201900036 to request a factor increase to address this On December 13, 2019, the OUSF Administrator filed testimony in Cause No. OSF 201900036 seeking to adjust the interim factor (Factor) by increasing it from 6.28% to 9.3%. However, at the hearing on January 16, 2020, the Commissioners declined to vote on the proposed order. Subsequently, Cause No. OSF 201900316 was opened to establish an assessment Factor for FY 2020/2021 to begin on July 1, 2020. Further, due to the observed reduction in contributing providers' reported revenues to which the OUSF Factor is applied under the current contribution methodology, the Administrator proposed a connections-based contribution methodology. A Joint Stipulation and Settlement Agreement and supporting testimony were filed June 25, 2020. The Hearing on the Merits was conducted on July 2, 2020, and the ALJ's recommendation is pending.

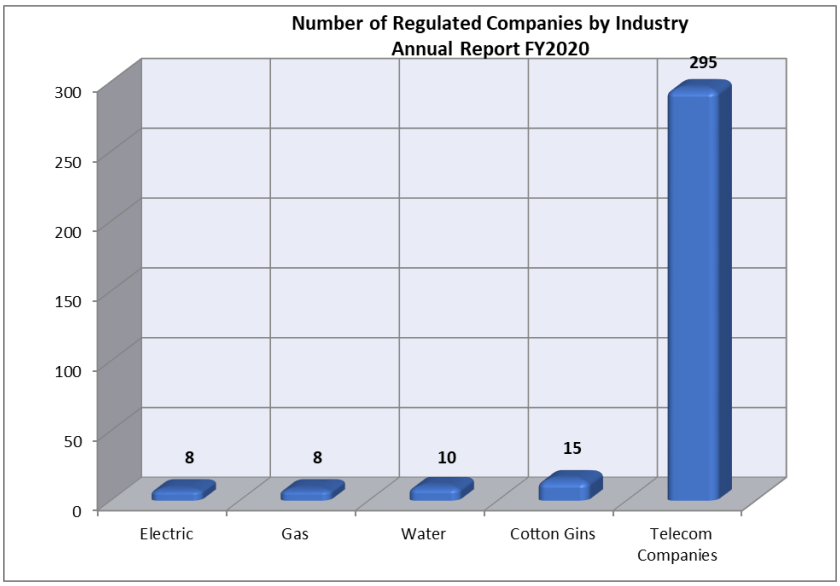
Caseload Statistics – Applications and Submissions



Active/Certified Telecommunications Carriers by Type of Carrier



Regulated Companies by Industry



Process Improvements

PUD continues to use the Change Management team and 360 Evaluations to improve processes and increase efficiency, and has implemented 360 Evaluations on a "work group" basis, e.g., OUSF and Energy. Since its inception in August 2015, the Change Management team has processed more than 614 change recommendations, and more than 89% of the submitted staff recommendations have been implemented by management.

Audits Pending

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

Electric Activity - Causes

Public Service Company of Oklahoma (PSO) - On May 6, 2020, PSO filed an application requesting a determination that PSO has complied with the directive in Final Order No. 653170, and its Prepay program will continue until further directed. A Hearing on the Merits is scheduled for July 9, 2020.

Oklahoma Gas & Electric (OG&E) - On February 24, 2020, OG&E filed an application requesting Commission approval of a recovery mechanism to recover costs related to OG&E's Oklahoma Grid Enhancement Plan (the "OGE Plan"). Due to concerns related to the COVID-19 pandemic and the uncertainty surrounding the method and date in which the hearing on the merits may occur, the Commission issued Order No. 711670 on May 19,

2020, which provided an order to temporarily stay the procedural schedule. The order instructed that a prehearing status conference be scheduled on or before July 7, 2020, to present an Amended Procedural Schedule to the ALJ.

Fuel Audits and Reviews

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

Causes

PUD has filed annual Fuel Audits and Prudence Reviews for the three investor-owned electric utilities, as well as Oklahoma Natural and Arkansas Oklahoma Gas. These reviews will cover calendar year 2019 and estimated fuel costs of $1.5 billion. PUD will file applications for the remaining natural gas utilities and electric cooperatives later in 2020.

The filed applications will include the following companies:

- Three investor-owned electric utilities
  - Oklahoma Gas & Electric (OG&E)
  - Public Service of Oklahoma (PSO)
  - Liberty-Empire
- Five electric cooperatives
  - Canadian Valley Electric Cooperative
  - Northeast Oklahoma Electric Cooperative
  - Arkansas Valley Electric Cooperative
  - Rich Mountain Electric Cooperative
  - SW Arkansas Electric Cooperative
- Seven natural gas utilities
  - Oklahoma Natural
  - Arkansas Oklahoma Gas (AOG)
  - CenterPoint Energy Oklahoma Gas
  - Ft. Cobb Fuel Authority
  - West Texas Gas
  - Panhandle Natural Gas
  - First Natural Gas

Southwest Power Pool (SPP)

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

- Regional State Committee
- Board of Directors / Members Committee

- Strategic Planning Committee (including task forces on FERC Order 1000, Export Pricing, and expanding SPP membership)
- Markets and Operations Policy Committee
- Cost Allocation Working Group
- Market Working Group
- Transmission Working Group
- Change Working Group
- Settlement User Group
- Economic Studies Working Group
- Supply Adequacy Working Group
- Project Cost Working Group
- Regional Allocation Review Task Force
- Regional Tariff Working Group

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

Regional State Committee

The SPP Regional State Committee's (RSC) April 27 meeting was held as a net conference due to the COVID-19 pandemic. RSC approved the following items at the April meeting: January meeting minutes and Revision Request 401 (Eliminate Z2 revenue credits). RSC received updates on the following items: SPP Report, RSC Quarterly Financial Report, MISO OMS/SPP RSC Seams Liaison Committee Report, and a report from the Cost Allocation Working Group. RSC's next meeting will be a conference call on July 27, 2020.

SPP Board of Directors

The SPP Board of Directors' (Board) April 28 meeting was held as a net conference due to the COVID-19 pandemic. The Board approved the following items at the April meeting: Consent Agenda, January 28, 2020 Minutes, Corporate Governance Committee (CGC) Recommendation, Human Resources Committee Nomination Recommendation, CGC Scope Recommendation, Roughrider Membership Agreement Amendment Recommendation, Exit Fee Additional Compliance Revisions, Finance Committee Recommendation, 2020 SPP Benefit Plan Funding, Markets and Operations Policy Committee Report Project Cost Working Group Recommendations, East Ruthville – SW Minot 115 kV, Multi AVS Charlie Creek 345 kV, Multi Charlie Creek Judson Williston 345-230 kV, Multi Judson Tande Neset 345-230 kV, Sub-Eddy Co 230 kV, Finance Committee 2019 Financial Audit Report, HITT Implementation T2 – Est. Uniform Sch. 9 Local Planning Criteria (RR 391), and C3 – Eliminate ATT. Z2 Revenue Crediting Prospectively (RR 401). The Board also received updates on the following items: President's Report, Regional State Committee Report, Oversight Committee, Finance Committee, Human Resources Committee, Strategic Planning Committee, Markets and Operations Policy Committee, and HITT Implementation. The Board's next meeting will be a conference call on July 28, 2020.

Markets and Operations Policy Committee

The SPP Markets and Operations Policy Committee's (MOPC) April 14 meeting was held as a net conference due to the COVID-19 pandemic. MOPC approved the following items at its April meeting: Consent Agenda,

Regional Tariff Working Group Revision Request 401 (HITT C3-Eliminate Att. Z2 Revenue Crediting for New Upgrades), System Protection and Control Working Group Crossroads Sagmore Remedial Action Scheme, Market Working Group Revision Request 324 (Technical Meter Protocol Clean-up), HITT M1 Implements Congestion Hedging related motion – MOPC does not support Option 2 for recommendation to the Board and directs MWG to further develop Option 1, and Transmission Working HITT T2 – Revision Request 391 (Zonal Planning Criteria). MOPC received updates on the following items: Economic Studies Working Group, Cost Allocation Working Group, COVID-19 Update, MOPC Re-Organization of Working Groups, Risk-based Planning, ITP Quarterly Report, Transmission Owner Selection Process, and HITT update. MOPC also has meetings scheduled in July 2020.

Natural Gas Activity - Causes

Arkansas Oklahoma Gas (AOG) - On April 30, 2020, AOG filed its application for approval of its Performance Based Rate (PBR) Plan adjustments for the twelve months ended December 31, 2019. In its application, the Company requests the Commission approve: (1) the calculations presented by the Company according to the requirements of the PBR Plan for the twelve months ended December 31, 2019, and the rate increase prescribed by the Plan; (2) adjustments to base rates arising from the true-up of Customer Retention program costs, as provided by the PBR Plan; and (3) comprehensive review of the Company's cost of long-term debt, which upon approval by the Commission in this proceeding, shall be applicable in future PBR Plan reviews until revised by order of the Commission. This application is currently being reviewed by PUD. A Hearing on the Merits is scheduled to begin on September 10, 2020.

CenterPoint Energy Oklahoma - On October 10, 2019, CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Oklahoma Gas, filed an application seeking Commission approval to abandon two gas distribution lines in Greer and Osage counties. A Hearing on the Merits was conducted on February 27, 2020. On June 10, 2020, the Commission issued Final Order No. 712181. In that Order, the Commission found: (1) the Beach Haven Distribution Line no longer serves any customers, that the Company has removed all customer meters on the Beach Haven Distribution Line, that the Line no longer provides any function in the Company's distribution system, and that the Company has decommissioned the Line and removed it from service; (2) Line 7-1 no longer serves any customers, that the Company has removed all customer meters on Line 7-1, that the Line no longer provides any function in the Company's distribution system, and the Company has decommissioned the Line and removed it from service; (3) CenterPoint Oklahoma terminated service to the remaining customers connected to either the Beach Haven Distribution Line or Line 7-1 by mutual agreements with respective customers, all pursuant to OAC 165:45-11-35(6a); and (4) the Beach Haven Distribution Line and Line 7-1 are no longer part of CenterPoint Oklahoma's distribution system and are no longer available to provide gas distribution service, and that the Company's duties under OAC 165:45-3-4(a) no longer apply to these Lines.

On March 13, 2020, CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Oklahoma Gas, filed its annual Performance Based Rate Change (PBRC) Plan for the twelve months ended December 31, 2019. In the application, CenterPoint requested the Commission approve: (1) the calculations presented by the Company and the resulting customer bill credits; (2) additional customer credits for Protected and Unprotected Excess Deferred Income Taxes which arose from the Tax Cuts and Jobs Act of 2017; and (3) the proposed base rate

adjustments due to the Company's Energy Efficiency true-up adjustment. On June 5, 2020, a Joint Stipulation and Settlement Agreement was filed by all parties. The terms of the Settlement Agreement include that: (1) CenterPoint shall provide credits to customers in the aggregate amount of $2,460,000; (2) Legal settlement expense occurring in Test Year 2019, in the aggregate amount of $215,500, shall be allowed, amortized in equal amounts of $71,833 in Test Years 2019, 2020, and 2021 respectively, and the amortized amount of $71,833 for Test Year 2019 requires no further adjustment to the aggregate credit amount; (3) the Commission should approve as compliant with Order No. 684379 Protected and Unprotected EDIT credits and 2019 True-Ups in the aggregate amount of $471,062; (4) CenterPoint shall make adjustments to its base rates for the EE Utility Incentive Adjustment and the EE True-up Adjustment according to the PBRC Plan; and (5) Parties agree to meet and confer with respect to ideas and concepts for possible revisions to the PBRC Plan to improve its operation and efficiency. The agreement further provides for CenterPoint to submit a written proposal to PUD and the Attorney General no later than September 15, 2020, and that PUD and the Attorney General may each provide written proposals to the other parties no later than October 1, 2020. Stipulating parties agree to hold an initial conference to discuss the proposals so exchanged no later than October 15, 2020.

Oklahoma Natural Gas - On February 26, 2020, Oklahoma Natural Gas (Oklahoma Natural) filed its annual Performance Based Rate Change Plan for the twelve months ended December 31, 2019. In the application, Oklahoma Natural requested approval of: (1) the calculations presented by the Company in accordance with the requirements set forth in the PBRC Tariff; (2) the Energy Efficiency true-up and utility incentive adjustments for program year 2019; and (3) certain modifications to its tariffs. On June 10, 2020, a Joint Stipulation and Settlement Agreement was filed. As part of the Settlement Agreement, the Stipulating Parties agreed: (1) to increase base rates by $9,650,000; pursuant to the PBRC Tariff, they further agreed that Oklahoma Natural shall implement new rates on or after June 26, 2020, and that such new rates shall be subject to refund unless and until the Commission may issue an order approving the Joint Stipulation; (2) to the current year energy efficiency true-up in the amount of ($3,660,244) and utility incentive in the total amount of $2,176,481 as proposed by Oklahoma Natural for program year 2019; and (3) that the one-time annual EDIT credit for 2020, both protected and unprotected, is $12,191,299, subject to true-up.

Water Utilities Activity - Causes

On February 26, 2020, Tenkiller Utility Company ("TUC") and Tenkiller Waterworks, Inc. ("TWW") filed a Joint Application, seeking approval for the sale and transfer of the entirety of the water utility system of Tenkiller Utility Company to Tenkiller Waterworks, Inc. In addition, Tenkiller Waterworks is requesting to become a regulated utility operating in the State of Oklahoma. TUC's water utility system serves 297 residential customers in Cherokee County, Oklahoma, which will be transferred. A Hearing on the Merits was held in April, and on June 3, 2020, the Commission issued Order No. 711993 which approved as in the public interest the request to transfer the water utility system from TUC to TWW, and authorized TWW as a regulated water utility.

Consumer Services and Enforcement Activity

Complaints by Industry	Qtrly Total
Electric Utilities	1,064
Natural Gas Utilities	270
Telecommunication Companies	328
Water	1
Cotton Gin	0
Other / Non Jurisdiction	506
Total	**2,169**
Documented Savings to Utility Consumers by CS Intervention	**$8,467.47**

Source of Customer Complaint	Qtrly Total
Referral	11
E-Mail	72
Enforcement	289
Mail	8
Telephone	1,789
Walk-In	0
Social Media	0
Total	**2,169**

Given the current pandemic situation, Enforcement staff refreshed their knowledge and territory skills to better assist the public and consumers when safety issues are reported to the OCC. In spite of the limitations in dealing directly with the public due to safety concerns related to the pandemic, field staff were still able to address safety-related consumer complaints with the help of photographs provided by consumers. At the onset of the pandemic, PUD proactively began working with electric and gas companies to keep Consumer Services staff up-to-date on the status of companies' disconnection moratoriums and any payment options offered. Consumer Services investigators were able to seamlessly work remotely during this time and continue to provide the exceptional service Oklahomans expect.

Enforcement Issues Identified

PUD's newest Enforcement Investigator discovered an open electric utility pedestal with live wires in front of a residential home. The Investigator properly identified the provider, utilized the non-contact sensor to determine the line was energized, and submitted the location and pictures to the utility for proper replacement.

In Depew, PUD's Enforcement Manager discovered a leaning pole that was being supported by the cable service provider line behind a residential home and quickly reported this to the proper utility. The homeowner was very happy with how fast the issue was addressed with Enforcement's assistance, since she indicated she had reported the problem more than a year earlier to the electric service provider without resolution.

In Tulsa, a PUD Enforcement Investigator discovered a local cable service line draped on a residential fence and within reach of the public. The Investigator carefully determined the responsible utility and documented the location so service technicians could fix the service line.

Without support from members of the Enforcement team who work in the office, PUD field investigators would spend more time on documentation and have less time to review and address issues in the field. These office team members are a great asset to PUD and to Oklahomans for their tireless devotion in making sure every complaint is processed quickly and efficiently.

Telecommunications Activity

Causes

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

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

Two actions involving the company True Wireless are pending before the Commission. One is an enforcement action, and the other is a transaction to request approval of a change in ownership of True Wireless.

Certificates of Convenience and Necessity

PUD received two new causes, closed three causes, and has three causes pending.

Interconnection Agreements/Amendments

PUD received 22 new causes, closed 18 causes, and has nine causes pending.

Arbitrations and Complaints

PUD did not have any arbitrations or complaints this quarter.

Eligible Telecommunications Carrier (ETC) Designations

PUD received one new cause for ETC Designation and has three pending.

Notice of Inquiry (NOI)

NOI Cause No. PUD 201800066 involves issues related to the OUSF, Lifeline service, Oklahoma High Cost Fund, Broadband support, VoIP service, and other telecommunications matters. This NOI will be used to develop recommendations for potential language for legislation to address possible changes to the OUSF. PUD filed a third set of questions in this NOI seeking comment on various possible statutory change proposals.

OUSF Monthly Payment Process

Change Requests

PUD received 35 change requests, of which PUD approved 33, one was withdrawn, and a new application was required for one.

Invoice Audits

PUD reviewed 132 invoices and identified one discrepancy between actual and reported bandwidth and pricing data. Since the initiation of the invoice audit process, PUD has noticed a significant decrease in the number of discrepancies, which indicates that service providers are better identifying changes in service and properly reporting those changes. With the lower risk, PUD has decreased the percentage of invoices reviewed by 65%.

Telemedicine True-Ups

PUD continues to monitor federal funding from the Rural Healthcare Program to ensure that true-ups are completed as federal funding changes.

Refund Requests

PUD sent out ten refund requests to service providers because of duplicative funding beyond the 30-day statutorily-allowed overlap. Refunds received from providers during this time period totaled $2,640.22.

OUSF Beneficiary Outreach

PUD continues to monitor the FCC Form 470s filed with the Universal Services Administrative Company (USAC) by public schools and public libraries and notifies the schools and libraries on a best-effort basis if it appears the Form 470 information might be in conflict with OUSF rules. In addition, PUD regularly contacts beneficiaries and service providers to provide help and support in meeting OUSF requirements. PUD also coordinates with other agencies and support groups to address OUSF issues as they arise. Schools and libraries were closed 4th Quarter due to COVID-19, and telemedicine facilities also limited contact with the public. As a result, there was diminished ability to meet in person with beneficiaries, resulting in only six completed contacts during the 4th Quarter. Nonetheless, PUD continued to interface with service providers and consultants to assist with clarification of changes and time-frame extensions made to Federal Funding E-rate and Rural Health Care programs resulting from the pandemic.

As a result of the COVID-19 pandemic, PUD acted quickly to address emergency requests for temporary broadband increases to allow for online instruction and expanded telemedicine. During the 4th Quarter, 28 entities received emergency approval for the bandwidth increases, bringing the total to 29 approved applicants – 28 telemedicine locations and one library. PUD streamlined the manner in which OUSF service providers could request immediate approval of bandwidth increases for eligible telemedicine facilities, public schools, and public libraries for the designated emergency period, and informed OUSF beneficiaries of this available opportunity. As a matter of public safety, this allowed for an immediate response to the increased needs with no risk or increased costs to the beneficiaries.

OUSF Assessment Audit

PUD and Bridge Enterprises, an outside contractor for OUSF processes, developed an Assessed Revenue audit procedure. The audit procedure ensures the proper amount of contributions to the fund are received from providers based upon assessable revenues. A risk analysis was completed, which identified the order that each contributing provider would be audited. PUD completed 32 audits comprising approximately 88% of annual OUSF contributions. The audits resulted in 46 findings and additional contributions to the OUSF totaling $800,000.

OUSF Preapproval and Cause Processing

PUD received a total of 52 Requests for OUSF Funding and Preapproval. In total, PUD filed 69 Determinations and Preapproval Funding Letters. As part of its cause review process, PUD issued Data Requests to service providers, schools, libraries, and healthcare entities to verify data.

Last spring, the OUSF Administrator filed comments supporting a waiver request filed by Kellogg & Sovereign Consulting, LLC, to provide federal funding for eleven of its Oklahoma healthcare clients. Due to flooding in May 2019, these healthcare entities, a majority of which were in rural locations, missed the deadline to submit their Healthcare Connect Funding requests. On May 22, 2020, the Federal Communications Commission approved the waiver request that permitted these Oklahoma healthcare providers to file late applications and be treated as timely filed. As a result of the ruling, these entities will be able to receive approximately $136,000 in federal funding for telemedicine lines that are being provided by Oklahoma service providers.

The OUSF Primary team has been very busy meeting with telephone company consultants and counsel and processing causes. Due to the COVID-19 pandemic, the team was unable to conduct routine onsite visits as many State employees and telecom company representatives were working remotely. However, the Primary team adapted to this situation by replacing onsite visits with teleconferences and video calls. During video calls, PUD was able to talk to company representatives “face-to-face,” screen-share, and discuss documents as if sitting together at the telephone company's headquarters. PUD was able to complete audits without any issues.

During the quarter, the Primary team reviewed and approved funding under 17 O.S. § 139.106(G) for test years 2016, 2017, and 2018 for Lavaca Telephone Company d/b/a Pinnacle Communications; test years 2017 and 2018 for Totah Communications, Inc.; and test year ended June 30, 2019, for Salina-Spavinaw Telephone Company, Inc.

Additionally, the Primary team reviewed and approved a variance and risk-based review request for test year 2018 for Pine Telephone, filed under OAC 165:59-3-70(o) and 17 O.S. 139.106(G).

The Primary team is currently performing reviews of Requests filed under 17 O.S. § 139.106(G) by Terral Telephone Company for test year 2016 and Canadian Valley Telephone Company for test year 2018.

Cimarron Telephone Company filed a Request under 17 O.S. § 139.106(K)(b) for expenses incurred in a mandatory highway relocation project. 17 O.S. § 139.106(K)(b) provides in part that if, as a result of changes required by existing or future federal or state regulatory rules, orders, or policies or by federal or state law, an

eligible local exchange telecommunications service provider experiences a reduction in revenues or an increase in costs, it shall recover the revenue reductions or cost increases from the OUSF, the recovered amount being limited to the net reduction in revenues or cost increases.

In an effort to increase administrative efficiency and transparency, the Primary team is currently creating new procedures and processes for 17 O.S. § 139.106(K) true-ups. This task was previously managed by the Monthly Payment Team (MPT); however, during recent internal evaluations of PUD's efficiencies, it was determined that the Primary team is better positioned to review these submissions. PUD is working to ensure the transition of this process from MPT to the Primary group is as seamless as possible.

Transportation Division

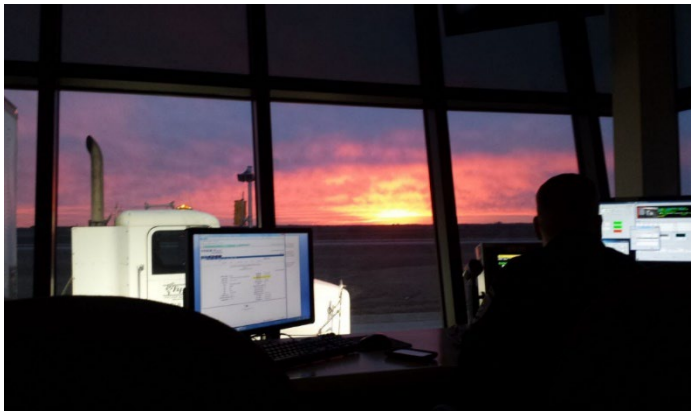


Figure 6 A Motor Carrier Enforcement Officer examines vehicle information at Kay County Port of Entry at sunrise.

The Transportation Division administers and enforces the following:

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

As they apply to the following:

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

The Division is comprised of four departments:

- Administrative Services;
- Regulation;
- Motor Carrier/Vehicle Enforcement; and
- Pipeline Safety.

Administrative Services Department

The Administrative Services Department is comprised of two sections:

- Administrative Support Section
- Enforcement Support Section

Administrative Support Section

The Administrative Support Section employees are responsible for:

- Human resources and budget-related items;
- Fleet tracking;

- Inventory;
- Purchasing;
- Travel;
- Legislative tracking;
- Council on Law Enforcement Education and Training (CLEET) requirements coordination;
- Training coordination; and
- Supporting the division's management.

Over the course of Fiscal Year 2020, 15 officer positions and 7 office positions were filled, bringing total division employees to 219 as of June 30, 2020.

Enforcement Support Section

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

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

FY19 citations issued by OCC Enforcement personnel totaled 37,464; 16,471 less citations than FY19. All Ports of Entry and Weigh Stations closed to the public and ceased document checks on March 20, 2020, due to COVID-19 but remained operational for scanning seriously overweight vehicles and Out of Service carriers. Production of citations at all Ports of Entry and Weigh Stations did not resume until the week of July 27, 2020.

Regulation Department

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

Motor Carrier Requirements Section

The Motor Carrier Requirements Section staff is responsible for:

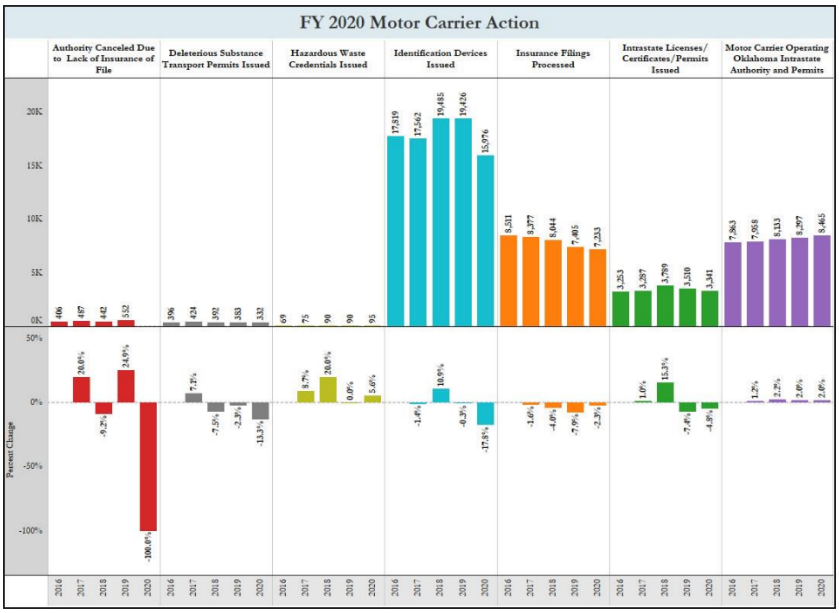
- Administering the Unified Carrier Registration Program (UCR Program) for Oklahoma motor carriers;
- Certifying household goods carriers;
- Issuing permits for transportation of deleterious substances and for hazardous waste; and
- Licensing and permitting of intrastate for-hire and private carriers,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

There are more than 8,427 for-hire and private carriers licensed to operate in interstate and intrastate commerce. All for-hire and private intrastate motor carriers must comply with administrative requirements and insurance standards in order to obtain and hold certificates or licenses to operate in Oklahoma. The state has 55 carriers authorized to transport household goods within its borders.

The Unified Carrier Registration (UCR) program is administered by the Motor Carrier Requirements section of

the Oklahoma Corporation Commission.

The normal annual registration period starts October 1st and runs through September 30th of the following year. Last year, a federal rulemaking adjusted the fee structure and postponed the registration period until February 6, 2020, delaying roadside enforcement from January 1, 2020 to May 1, 2020. Due to COVID-19, the enforcement date was pushed even further out to July 1, 2020. This national plan requires a minimum number of audits to be conducted annually. Currently there are 5,785 carriers that are required to register for the UCR plan. The UCR Plan consists of 15 board members from different states in the US. Crystal Stevens was elected to the UCR board and is currently serving a 3-year term.



IFTA/IRP Section

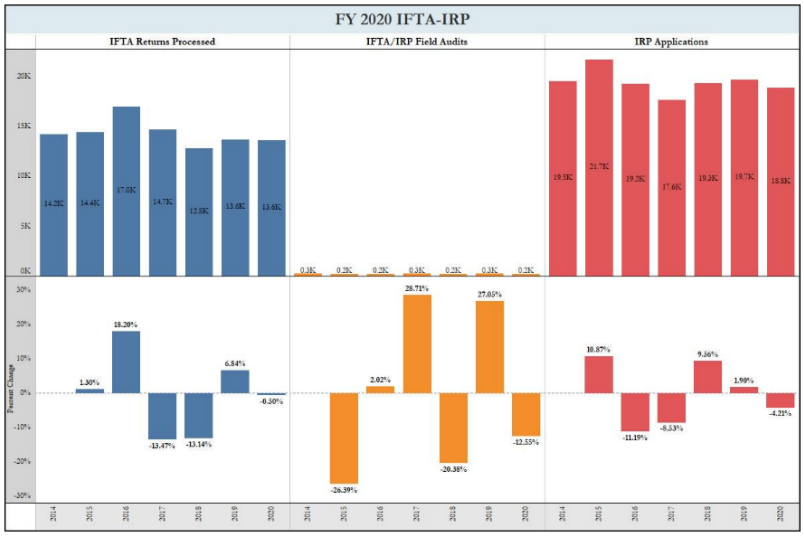
The International Fuel Tax Agreement (IFTA) and International Registration Plan (IRP) Section (IFTA/IRP) is comprised of three Sub-Sections:

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

Audit Sub-Section

The Audit Sub-Section staff is responsible for auditing registrants to ensure motor carriers comply with the IFTA and IRP Compacts, as well as with Commission rules and Oklahoma statutes. The Sub-Section employees ensure registrants pay the proper registration fees and fuel taxes by reviewing records to verify reported distances, distance allocations, and motor fuel purchases.

IFTA/IRP Administration Sub-Section



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

Transmissions to the IRP and IFTA Clearinghouses were both timely and accurate. The division's employees sent more than $160 million in total revenues to the IRP and IFTA Clearinghouses.

Nonconsensual Towing Sub-Section

The Nonconsensual Towing Sub-Section employees administer the Nonconsensual Towing Act of 2011, which authorized the Commission to establish rates charged for nonconsensual towing and storage. This section regulates 503 DPS licensed wreckers. In FY 2020, the section investigated 79 complaints and ordered 56 refunds.

Enforcement Department

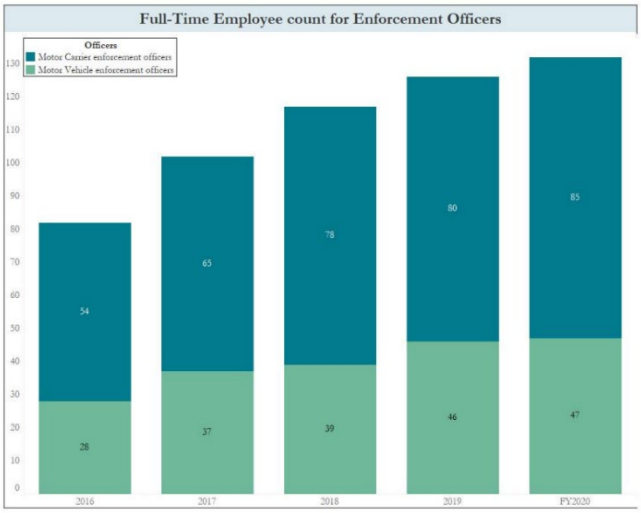
The Enforcement Department includes the Motor Carrier Enforcement Section and the Railroad Section.

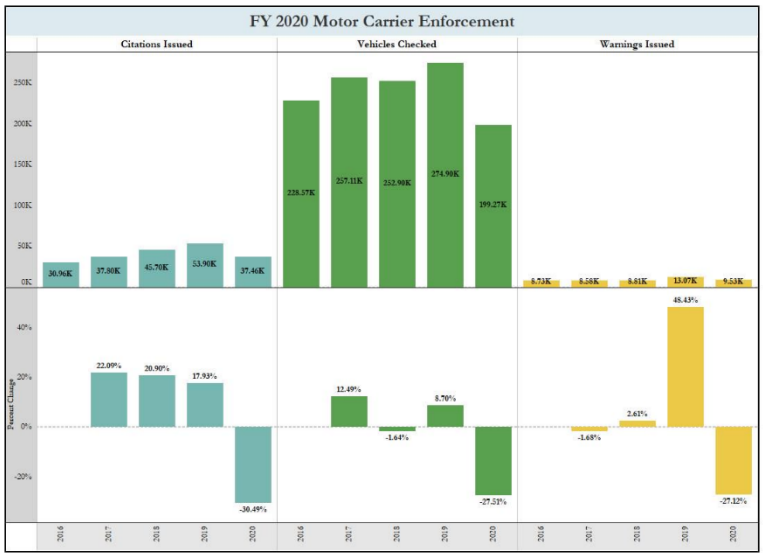
Motor Carrier Enforcement Section

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

This Section is also responsible for:

- Conducting complaint investigations to include, among others, illegal dumping of deleterious substances; and
- Performing overweight audits of motor carriers and shippers.





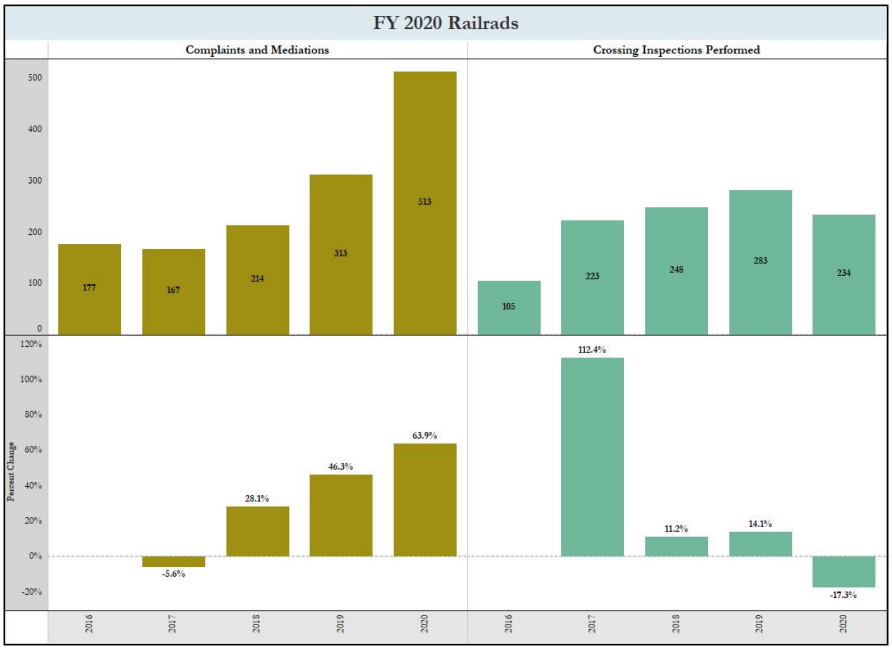
Transportation Division CLEET-certified officers completed mandated annual firearms qualification and continuing service training hours. CLEET- certified trainers conducted four training sessions, one in each of the four zones, for all certified officers with applicable training extended to non- CLEET-certified officers.

The agency completed its portion of the Federal Highway Administration State Enforcement Plan for FY 2021. Documentation was submitted to DPS and OHP Troop S, who compile information from the Oklahoma Department of Transportation, DPS permits, DPS Troop S and OCC Transportation, and then submit the State Enforcement Plan to the federal agency.

Railroad Section

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

By coordinating with the Indian Nations Council of Governments (INCOG) and the BNSF Railway, the Railroad Department initiated a discussion with the City of Tulsa to acquire the dormant Howard Branch right-of-way near the White City Historic Residential District for development into a bicycle/pedestrian trail. In the past, the BNSF Railway has expressed interest in selling or conveying much of this



corridor either to the City or nearby property owners but generated no interest.

Pipeline Safety Department

The Pipeline Safety Department is responsible for enforcement and inspection authority over 238 natural gas operators, 34 hazardous liquid operators, and 4 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.

Figure 7 Mitch Skinner of The Pipeline Safety Department inspecting a Kiowa Power Partners, LLC construction project. The five-mile 24-inch pipeline will be providing fuel to the Kiamichi Power plant in Pittsburg County

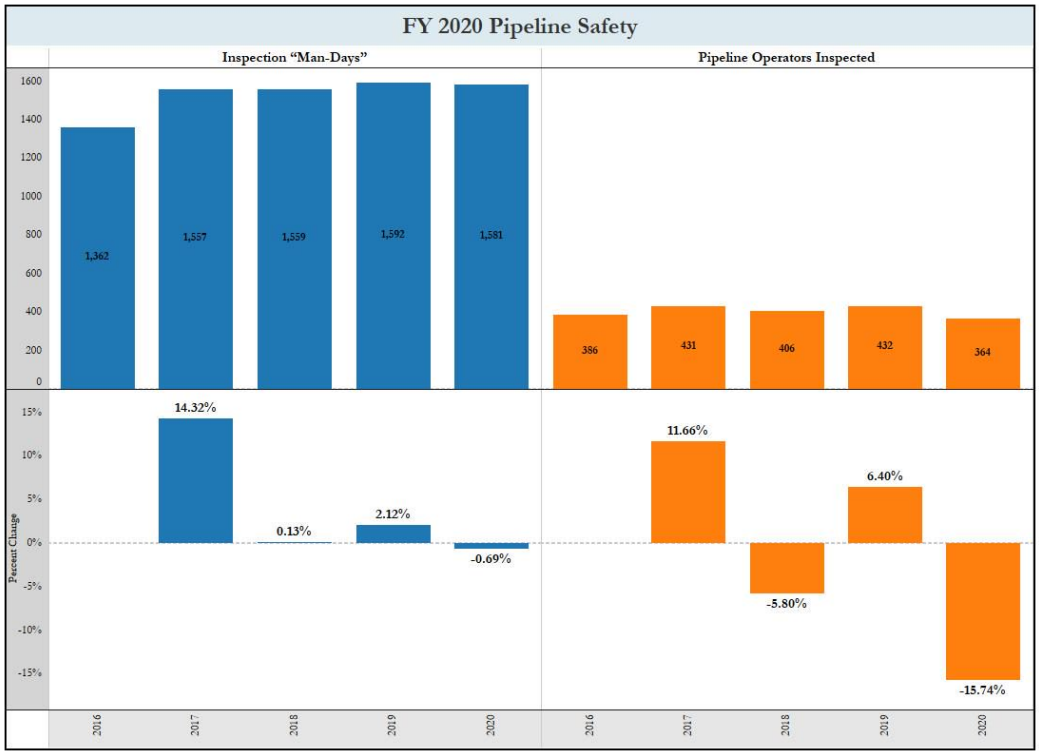
This department receives funding from an assessment pipeline operators pay and by a federal reimbursement. The U.S. Department of Transportation's Southwest Regional Office of Pipeline Safety oversees and supports the program. The federal DOT's Office of State Programs annually evaluates Oklahoma's Natural Gas and Hazardous Liquid Pipeline Safety Programs and Underground Natural Gas Storage Facilities Program and assigns a proficiency rating to each program.

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

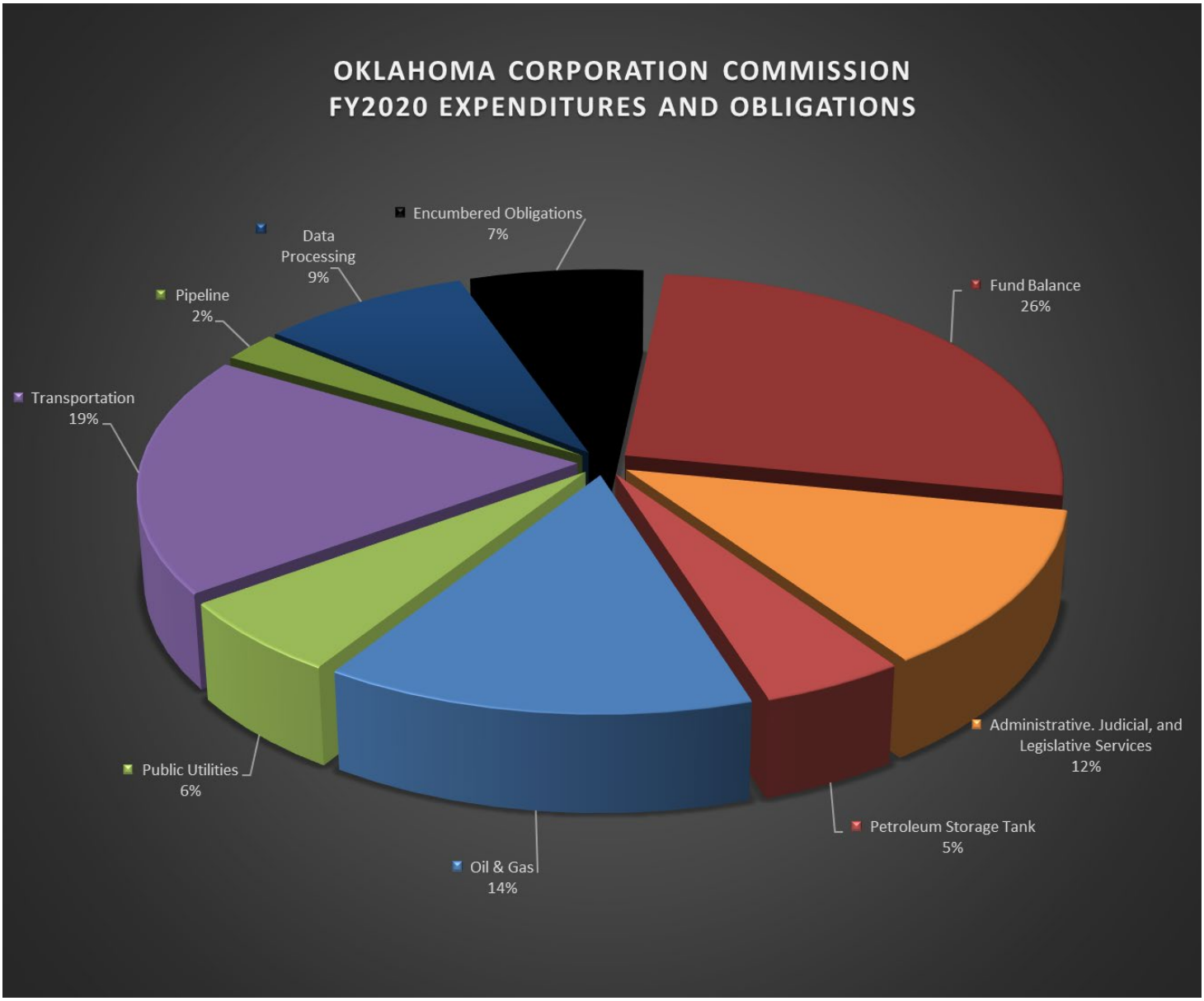
In its annual review Oklahoma was found adequate in establishing statutes covering damage prevention to underground facilities. The Commission was authorized to enforce those standards as they apply to gas and hazardous liquid pipelines. In a 2019 review, PHMSA found the Commission to be in compliance with all

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

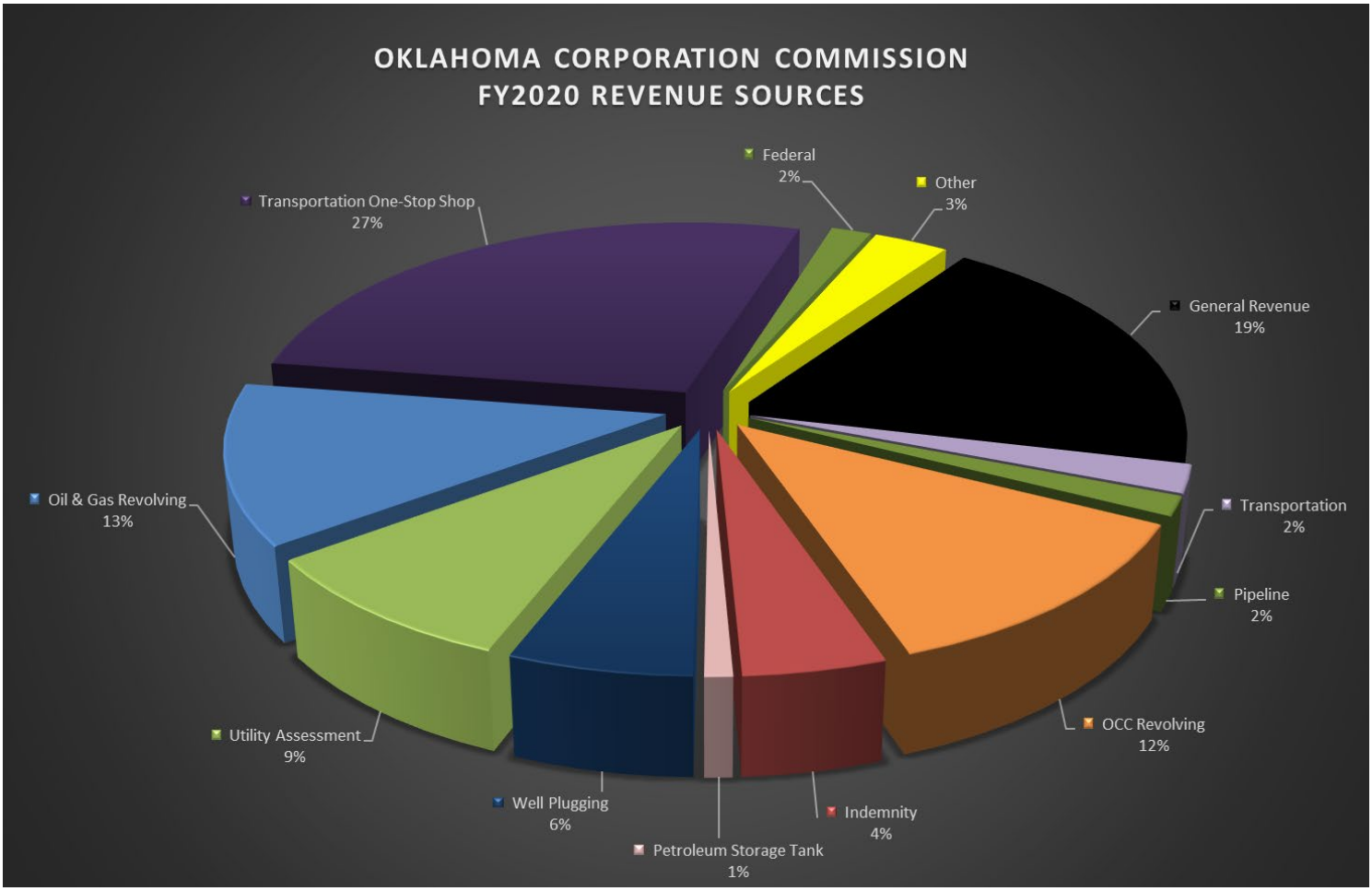
Due to COVID-19, the department shifted from performing onsite record review to virtual reviews. Onsite reviews were only conducted for accident investigations and site reviews. This year's National Association of Pipeline Safety Representatives (NAPSR) annual and regional meetings were canceled due to the COVID-19 virus. The annual meeting was conducted virtually as was all 50 state pipeline safety programs. The Pipeline and Hazardous Materials Safety Administration (PHMSA), and the Chairman of the National Transportation Board (NTSB) participated.



Appendix A


OKLAHOMA CORPORATION COMMISSION
FY2020 EXPENDITURES AND OBLIGATIONS
Encumbered Obligations 7%
Data Processing 9%
Pipeline 2%
Transportation 19%
Public Utilities 6%
Oil & Gas 14%
Petroleum Storage Tank 5%
Administrative. Judicial, and Legislative Services 12%
Fund Balance 26%

Appendix B


OKLAHOMA CORPORATION COMMISSION
FY2020 REVENUE SOURCES
Federal 2%
Other 3%
General Revenue 19%
Transportation 2%
Pipeline 2%
OCC Revolving 12%
Indemnity 4%
Petroleum Storage Tank 1%
Well Plugging 6%
Utility Assessment 9%
Oil & Gas Revolving 13%
Transportation One-Stop Shop 27%

Appendix C

OKLAHOMA CORPORATION COMMISSION
Statement of Revenue and Expenditure (Cash Basis)
For the Fiscal Year Ending June 30, 2020

	FY				
REVENUE SOURCES	**2020**	**2019**	**2018**	**2017**	**2016**
General Revenue Fund	$18,170,522	$10,638,626	$8,271,629	$7,814,742	$5,834,589
Oil & Gas Conservation Fund	$11,985,360	$9,314,171	$7,224,560	$5,316,989	$6,015,354
Corp Comm Revolving Fund	$15,326,639	$16,169,796	$13,090,912	$14,604,753	$15,799,994
Public Utility Assessment Fund	$8,550,434	$8,786,871	$8,866,882	$9,337,551	$9,247,614
Transportation One-Stop Shop Fund	$26,162,506	$23,421,314	$15,725,847	$12,690,267	$9,765,807
Indemnity Fund	$4,321,904	$4,509,867	$4,783,767	$4,042,484	$4,056,817
Well Plugging Fund	$5,555,717	$5,347,285	$4,319,385	$3,444,238	$4,784,855
Federal Funds	$1,647,296	$1,978,784	$1,657,231	$1,844,626	$1,907,764
PST Revolving Funds	$3,918,568	$3,923,294	$3,539,669	$4,202,497	$2,628,861
TOTA REVENUE SOURCES	$95,638,946	$84,090,008	$67,479,882	$63,298,147	$60,041,655
EXPENDITURES					
Administrative, Judicial and Legislative Services	$11,794,046	$10,823,127	$10,080,707	$4,315,916	$4,012,271
Consumer Services Division	$0				$594,524
Oil & Gas Division	$11,299,556	$10,031,899	$9,240,624	$9,079,249	$8,949,612
Petroleum Storage Tank	$4,477,505	$4,486,712	$4,254,340	$4,016,150	$4,297,650
Well Plugging/Storage Pits	$1,623,270	$1,669,062	$1,038,051	$782,605	$958,149
UIC Federal	$496,789	$501,002	$407,650	$409,773	$439,274
Office of Administrative Proceedings	$0			$2,931,055	$2,630,431
Public Utilities	$5,663,556	$5,185,778	$4,807,795	$4,805,951	$4,034,109
Office of General Counsel	$0			$2,425,129	$2,164,777
Transportation	$17,673,758	$16,361,952	$13,365,087	$13,066,673	$11,431,320
Pipeline Safety	$2,200,682	$2,022,324	$2,033,430	$1,959,931	$1,682,115
Data Processing	$8,374,471	$4,369,335	$3,990,835	$2,943,087	$5,068,531
Reserve for Obligations	$5,625,574	$5,770,541	$6,919,313	$3,955,299	$5,004,558
Reserve for Obligations (Well Plugging)	$1,239,886	$787,310	$1,350,934	$1,316,501	$1,132,290
Lapsed Funds	$0	$0	$0	$1,525	$1,924
Transferred Funds	$0	$0	$0	$0	$0
Revolving Funds Balance	$25,169,854	$22,080,965	$9,991,116	$11,289,303	$7,640,120
TOTAL EXPENDITURE AND OBLIGATIONS	$95,638,946	$84,090,008	$67,479,882	$63,298,147	$60,041,655

Appendix D

OCC Statement of Revenue and Expenditure (Cash Basis) FY Ending June 2020			
Revenue Sources	Breakdown	Amounts	% Of Total
General Revenue Fund:			
FY20 Beginning Cash Balance (GRF)		$601,922	0.60%
General Revenue Appropriations		$17,568,600	18.40%
Oil & Gas Revolving Fund:			
FY20 Beginning Cash Balance(OGRF)		$5,233,598	5.50%
Intent to Drill Fees	$1,020,200		
Other (OGRF)	$5,731,562		
OCC Revolving Fund:			
FY20 Beginning Cash Balance(ORF)		$5,257,325	5.50%
Unified Carrier Registration	$2,108,179		
Pipeline Safety Assessment	$1,458,625		
Filing Fees	$997,150		
Other(ORF)	$5,505,360		
Petroleum Storage Tank:			
FY20 Beginning Cash Balance (PST)		$448,824	0.50%
Permits	$322,297		
Other(PST)	$80,410		
Public Utility Assessment Fund:			
FY20 Beginning Cash Balance(PUD)		$1,946,369	2.00%
Public Utility Assessments	$6,498,515		
Other(PUD)	$105,550	$6,604,065	6.90%
Transportation One-Stop Shop Fund:			
FY20 Beginning Cash Balance(TD)		$8,709,668	9.10%
Transportation Fees & Fines		$17,452,838	18.20%
Indemnity Fund:			
FY19 Beginning Cash Balance(ID)		$46,034	0.00%
Fund Receipts		$4,275,870	4.50%
Well Plugging Fund:			
FY20 Beginning Cash Balance		$3,700,579	3.90%
Oil & Gas Excise Tax Receipts		$1,855,138	1.90%
Federal Funds:			
FY20 Beginning Cash Balance (FF)		$387	0.00%
Federal Funds Received		$1,646,909	1.70%
Other Funds:			
FY20 Beginning Cash Balance (OF)		$2,694,109	2.80%
Fund Receipts(OF)		$372,928	0.40%
Total Revenue Sources		$95,638,946	100.00%

Appendix E

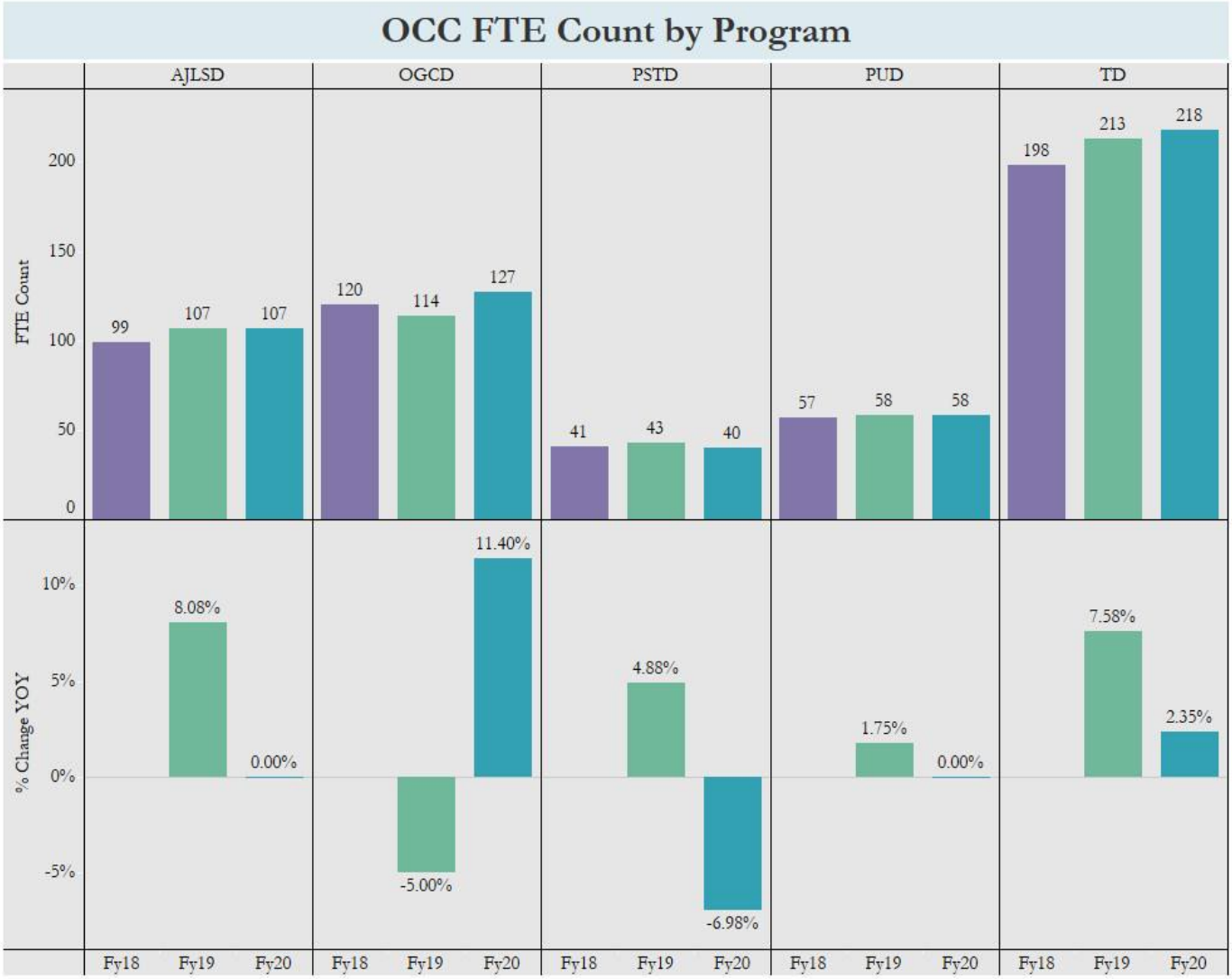
Expenditure and Obligations		
	Budgeted FTE	**Average FTE**
Agency staffing levels	597	549
	Budgeted FTE	**Average FTE**
Expenditure Category		
Personnel	$46,590,776	48.72%
Professional Services	$7,870,584	8.23%
Travel	$231,069	0.24%
Administrative	$4,917,204	5.14%
Furniture & Equipment	$1,498,723	1.57%
Transfers & Disbursements	$0	0.00%
General Assistance and Awards	$1,687	0.00%
Prior Year Obligations	$2,493,589	2.61%
Funds reserved for obligations	$6,865,460	7.18%
Transferred/Lapsed Funds	$0	0.00%
Fund Balance	$25,169,854	26.32%
Total*	$95,638,946	100.00%

**FY20 total available funds applied reflects the following distribution

Appendix F

Expenditures and Obligations		
	Amounts	% of Total
Administrative, Judicial and Legislative Services	$11,794,046	12.30%
Petroleum Storage Tank (PST)		
PST-Administration	$186,973	0.20%
PST-Claims Processing	$670,381	0.70%
PST-Regulatory	$3,062,604	3.20%
PST-Remediation	$557,547	0.60%
Oil & Gas (Includes Brownfields)	$11,299,556	11.80%
Well Plugging/Storage Pits	$1,623,270	1.70%
UIC Federal	$496,789	0.50%
Public Utilities	$5,663,556	5.90%
Transportation	$17,673,758	18.50%
Pipeline Safety	$2,200,682	2.30%
Data Processing	$8,374,471	8.80%
FY'20 Expenditures	$63,603,632	66.50%
Reserve for General Obligations	$5,625,574	5.90%
Reserve for Well-Plugging Obligations	$1,239,886	1.30%
Lapsed Funds	$0	
Revolving Fund Balance	$25,169,854	26.30%
Total Expenditures and Obligations	$95,638,946	100.00%

Appendix G


OCC FTE Count by Program
AJLSD
OGCD
PSTD
PUD
TD
FTE Count
200
150
100
50
0
99
107
107
120
114
127
41
43
40
57
58
58
198
213
218
% Change YOY
10%
5%
0%
-5%
8.08%
0.00%
-5.00%
11.40%
4.88%
-6.98%
1.75%
0.00%
7.58%
2.35%
Fy18
Fy19
Fy20

Appendix H

Applications Filed (Cases), Orders Issued

DOCKET LEGEND: CD-Conservation, PD-Pollution, GD-General Docket, (Reinstated 2004), GG - Gas Gathering (created 2000), MC-Motor Carrier (defunct 2012), MCC-Motor Carrier Citation, EN-Enforcement, FD/PSD-Fuel (Petroleum Storage Tank), FDC-Fuel Docket Citation, TD-Transportation, PUD-Public Utility, OSF - Oklahoma Universal Service Fund (created 2018), RM-Rulemaking, SF-State Funds, CS-Consumer Service, OGC-Oil & Gas Citation (defunct 2020), *1997 MC/MCC and FD/FDC Separated.

FISCAL YEARS 1996-2020

YEAR	CD	PD	GD	GG	MC	MCC	EN	FD/PSD	FDC	TD	PUD	OSF	RM	SF	CS	OGC	TOTAL	ORDERS
1996	4,893	898	0		7,801		398	154		59	512		23	86		29	14,853	9,395
1997	5,645	614	0		4,604	4,404	308	24	21	120	516		22	99	3	91	16,471	10,697
1998	5,324	574	0		5,421	5,149	432	60	163	92	675		26	111	13	140	18,180	10,949
1999	4,789	456	0		5,937	5,968	254	43	56	64	727		23	85	12	43	18,457	9,081
2000	5,489	414	0	3	6,220	6,032	145	111	39	68	736		16	106	18	31	19,428	9,087
2001	6,594	409	0	3	6,128	6,754	259	9	37	42	683		19	131	15	63	21,146	11,220
2002	6,152	491	0	0	5,999	7,340	185	2	0	54	662		18	118	23	71	21,115	11,447
2003	7,536	486	0	1	6,489	10,496	316	2	1	95	844		9	75	26	84	26,460	12,494
2004	9,022	502	0	1	6,796	9,832	322	36	2	61	698		12	94	17	46	27,441	14,239
2005	9,891	547	3	3	6,504	22,750	349	21	1	78	582		13	120	9	83	40,954	15,903
2006	12,365	576	0	7	2,330	26,823	384	45	1	57	480		22	135	3	59	43,287	18,954
2007	8,728	619	0	0	89	21,009	445	46	7	60	520		6	128	6	20	31,683	14,560
2008	8,714	606	0	2	17	17,606	326	47	0	61	428		11	126	8	11	27,963	15,092
2009	6,086	521	0	0	14	23,463	251	76	0	63	343		12	103	15	17	30,964	
2010	4,683	187	0	2	14	19,301	160	59	0	36	210		7	72	19	8	24,758	7,945
2011	6,214	124	0	0	2	20,592	127	43	3	43	244		7	35	14	14	27,462	10,338
2012	7,938	193	0	0		19,004	136	42	0	36	231		6	55	6	4	27,651	12,551
2013	8,858	180	0	4		25,555	119	32	0	79	256		11	53	4	6	35,157	14,074
2014	9,171	220	0	0		25,216	145	33	0	37	332		17	50	4	4	35,229	14,110
2015	7,776	213	0	1		28,004	146	32	0	27	418		12	53	3	1	36,686	15,368
2016	5,891	173	0	2		30,958	215	60	0	48	520		11	52	5	3	37,938	11,510
2017	7,850	243	0	17		37,450	229	53	0	78	487		19	33	4	0	46,463	11,865
2018	9,661	217	0	2		45,468	491	70	0	68	424	266	15	321	1	2	56,740	14,370
2019	9,199	298	0	5		53,032	334	55	0	49	130	626	23	75	2	1	63,829	19,007
2020	3,740	265	2	4		39,230	378	58	0	28	131	312	12	101	0		44,261	14,188

Appendix I

Applications Filed (Cases), Orders Issued

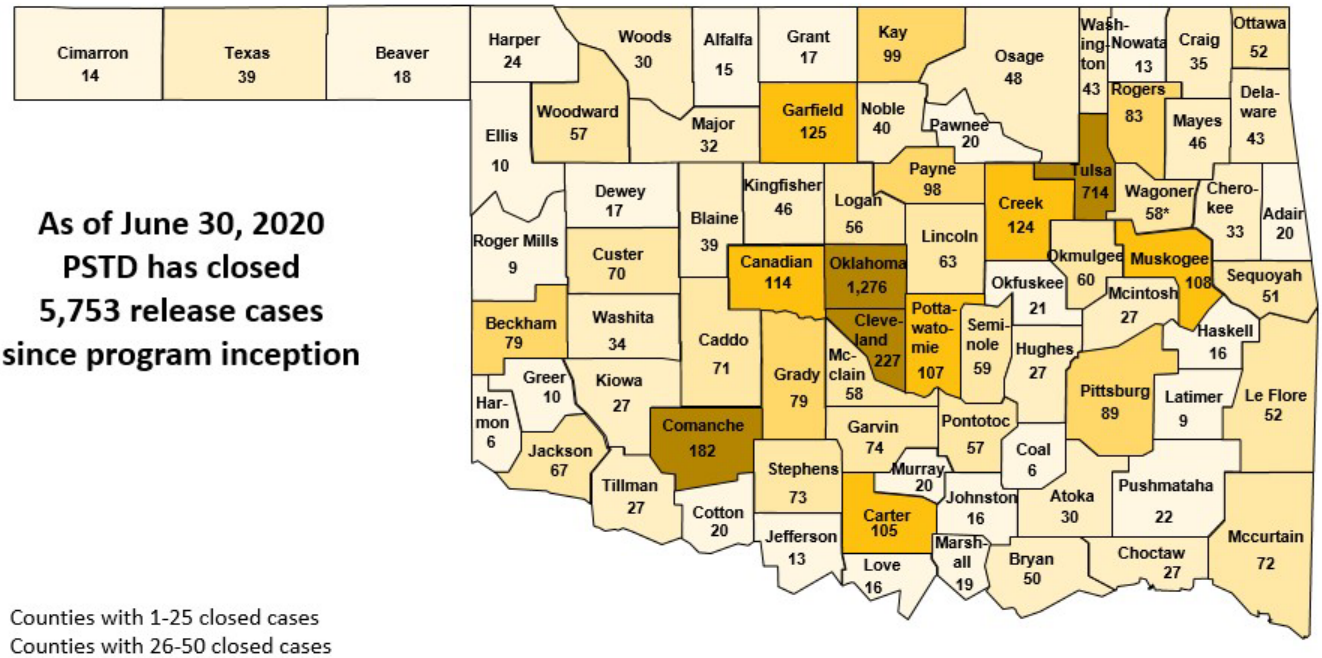
DOCKET LEGEND: CD-Conservation, PD-Pollution, GD-General Docket, (Reinstated 2004), GG - Gas Gathering (created 2000), MC-Motor Carrier (defunct 2012), MCC-Motor Carrier Citation, EN-Enforcement, FD/PSD-Fuel (Petroleum Storage Tank), FDC-Fuel Docket Citation, TD-Transportation, PUD-Public Utility, OSF - Oklahoma Universal Service Fund (created 2018), RM-Rulemaking, SF-State Funds, CS-Consumer Service, OGC-Oil & Gas Citation (defunct 2020), *1997 MC/MCC and FD/FDC Separated.

CALENDAR YEARS 1995-2020

YEAR	CD	PD	GD	GG	MC	MCC	EN	FD/PSD	FDC	TD	PUD	OSF	RM	SF	CS	OGC	TOTAL	ORDERS
1995	4,686	806	0		6,119		438	217		62	435		24	68			12,855	8,426
1996	5,445	823	0		7,849		336	97		88	441		18	100	0	61	15,258	9,961
1997	5,457	663	0		5,278	4,802	397	17	35	104	616		29	114	11	115	17,638	11,447
1998	5,190	503	0		5,423	5,377	342	82	172	84	693		36	96	10	127	18,135	9,964
1999	4,650	380	0		6,194	6,142	133	15	32	80	770		12	91	16	9	18,524	8,414
2000	6,069	447	0	5	6,342	5,732	222	111	52	44	712		15	118	10	57	19,936	10,232
2001	6,606	446	0	0	5,911	7,084	218	6	17	42	661		13	134	28	77	21,243	11,539
2002	6,347	492	0	1	6,374	9,462	277	2	0	87	779		17	94	21	87	24,040	11,840
2003	8,510	515	0	1	6,533	9,561	340	2	2	74	792		10	81	21	36	26,478	13,443
2004	9,427	526	2	4	6,408	14,187	312	43	1	60	636		15	95	20	66	31,802	14,724
2005	11,977	584	1	4	5,230	24,747	344	30	0	66	540		18	71	4	54	43,670	17,901
2006	9,915	601	0	3	97	28,561	478	41	1	63	448		13	147	4	38	40,410	16,562
2007	8,533	606	0	1	25	17,701	363	56	7	49	466		12	108	10	17	27,954	14,952
2008	8,704	626	0	1	15	20,256	282	67	0	72	417		12	123	11	12	30,598	15,567
2009	4,060	321	0	0	14	21,763	217	62	0	45	276		6	107	16	13	26,900	8,821
2010	5,649	146	0	2	8	20,653	142	54	3	36	220		8	45	19	12	26,997	9,141
2011	7,135	125	0	0	0	18,073	105	43	0	51	205		5	46	10	8	25,806	10,982
2012	8,527	229	0	1		21,344	144	33	0	33	284		14	54	3	5	30,671	13,603
2013	8,779	182	0	3		26,732	130	31	0	74	240		15	56	2	5	36,249	13,842
2014	9,443	258	0	0		25,613	144	38	0	39	366		12	47	6	2	35,968	14,937
2015	6,319	175	0	2		29,827	173	39	0	32	478		10	54	1	3	37,113	13,636
2016	6,220	189	0	11		33,443	231	57	0	44	549		21	36	5	1	40,807	11,537
2017	8,785	230	0	8		39,730	253	48	0	106	579		16	49	4	0	49,808	12,407
2018	10,904	264	0	4		51,290	503	77	0	36	159	752	22	58	1	2	63,320	17,468
2019	5,921	327	1	2		56,006	406	61	0	54	103	323	10	102	1	1	63,318	18,268
2020	2,191	161	1	4		30,292	250	43	0	27	111	279	6	86	0		33,451	9,162

Appendix J

State of Oklahoma Release Cases Closed by County



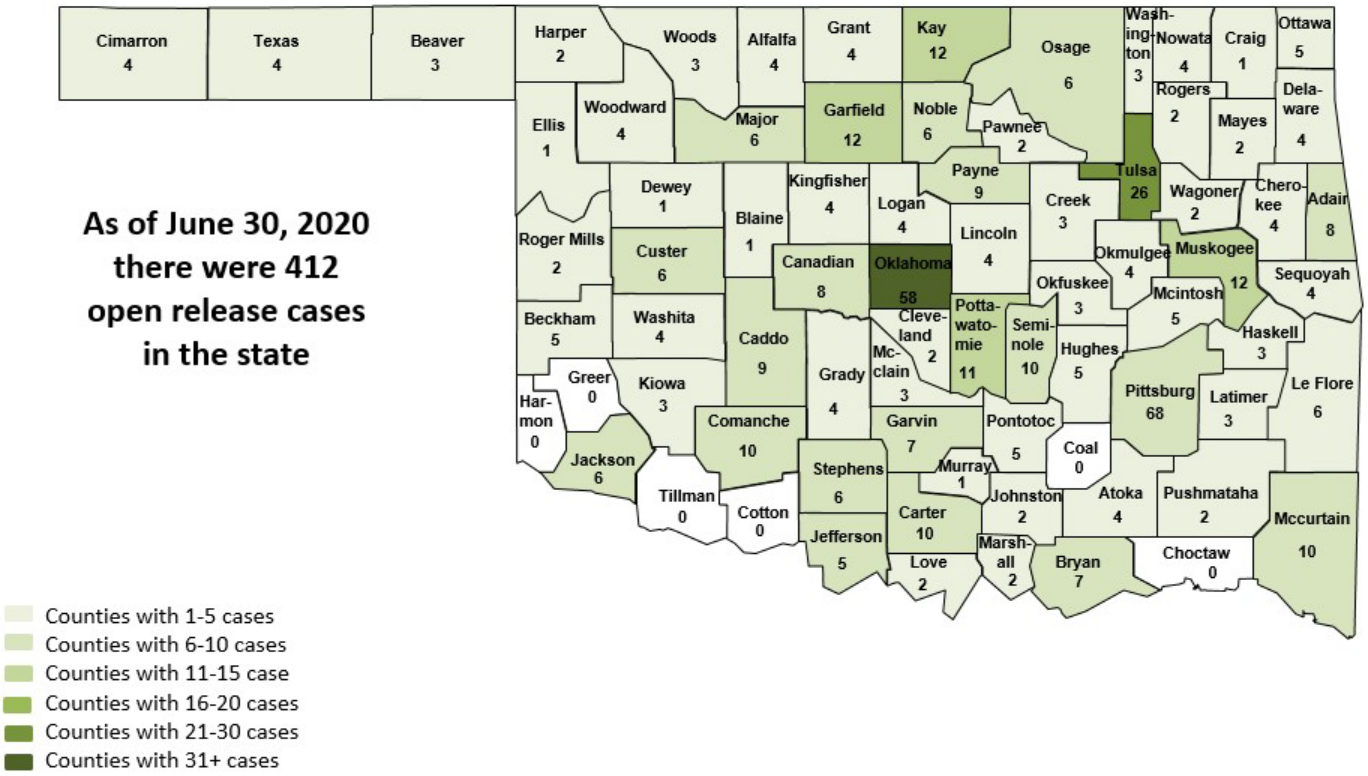
As of June 30, 2020 PSTD has closed 5,753 release cases since program inception

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

*Wagoner county had a case re-open in 2020; therefore, the total number of closed cases in this county decreased compared to 2019.

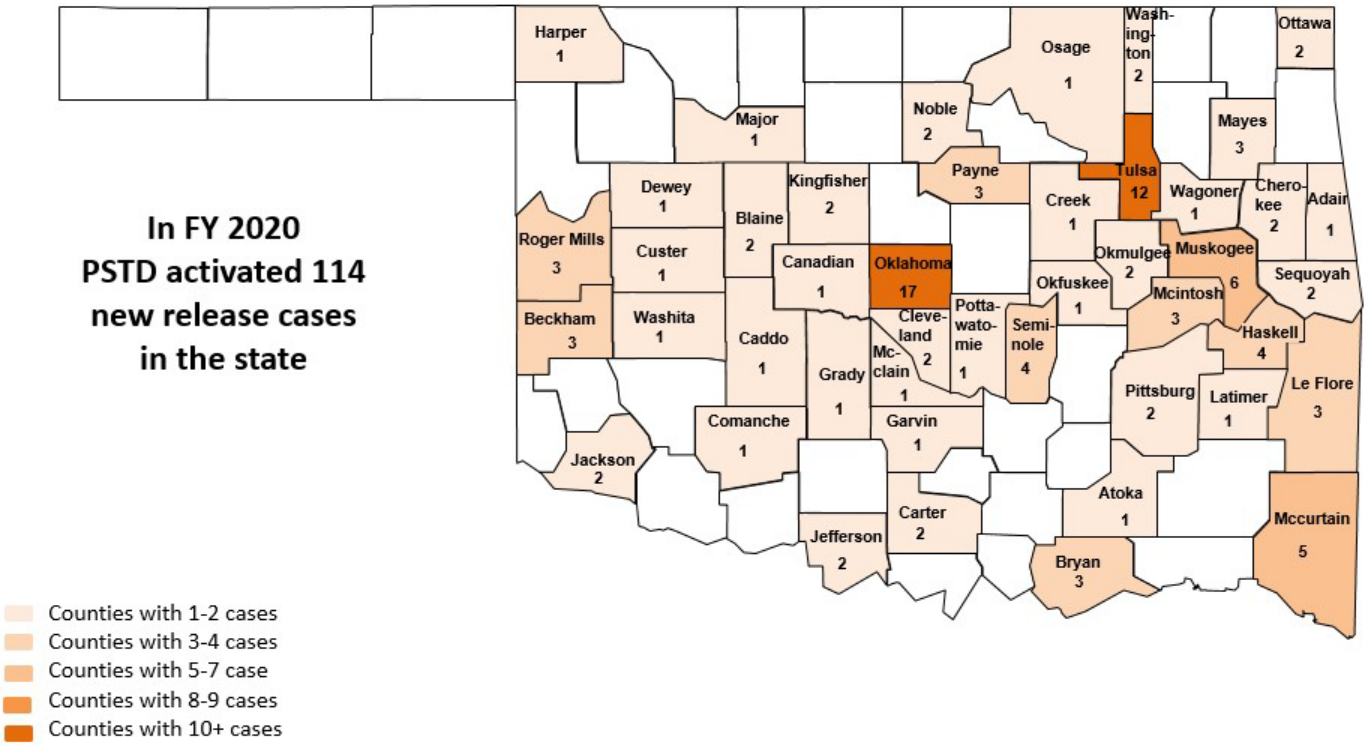
Appendix K

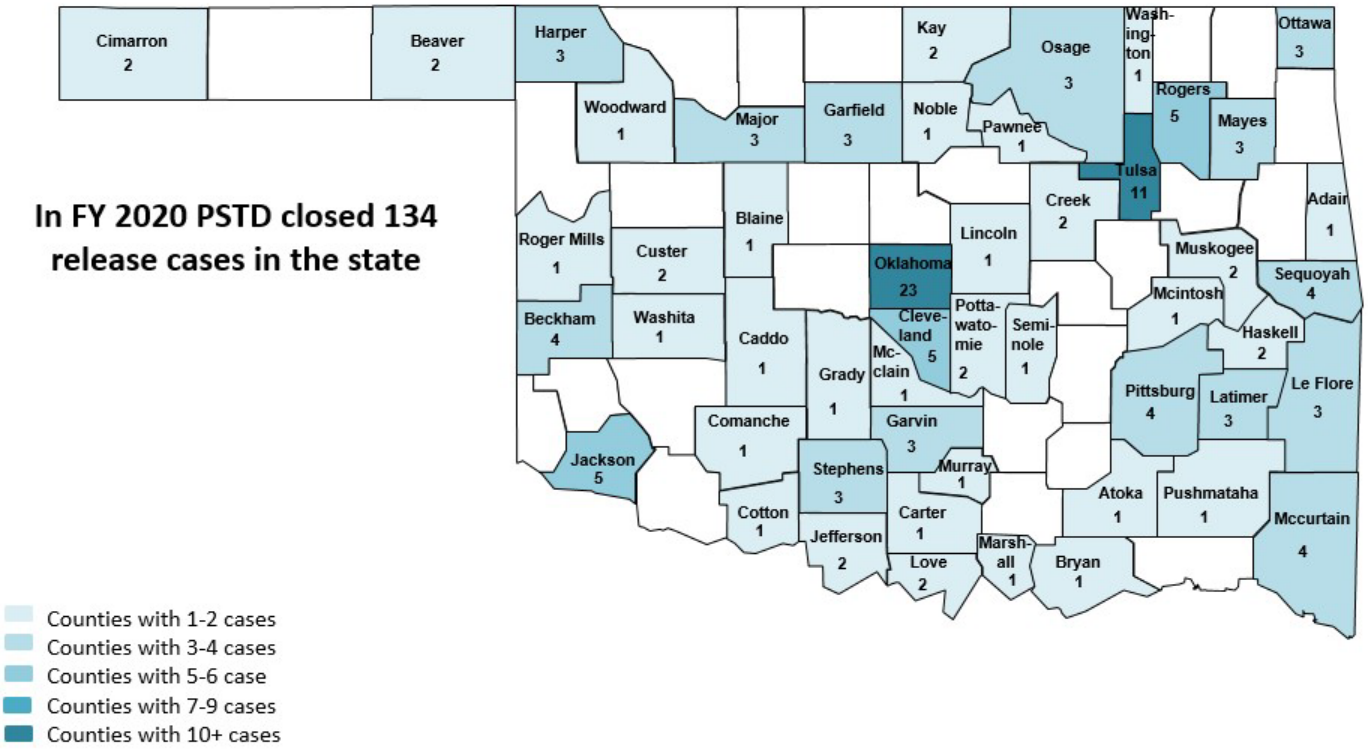
State of Oklahoma Open Release Cases by County



Appendix L

New Release Cases Activated in FY 2020



Appendix M

Release Cases Closed in FY 2020