

CORPORATION COMMISSION 18500

Lead Administrator: Tim Rhodes, Director of Administration

FY'16 Projected Division/Program Funding By Source						
	Appropriations	Federal	Revolving	Local	Other*	Total
Administration	\$2,750,519		\$1,446,865			\$4,197,384
Consumer Services			\$670,880			\$670,880
Petroleum Storage Tank		\$1,268,000	\$4,131,211			\$5,399,211
Oil and Gas	\$677,088	\$503,000	\$10,380,443			\$11,560,531
Administrative Proceedings			\$2,956,905			\$2,956,905
Public Utilities			\$4,296,413			\$4,296,413
General Counsel	\$639,834		\$1,770,084			\$2,409,918
Transportation		\$1,796,896	\$12,783,471			\$14,580,367
Information Technology	\$865,241	\$10,500	\$4,005,243			\$4,880,984
Total	\$4,932,682	\$3,578,396	\$42,441,515	\$0	\$0	\$50,952,593

*Source of "Other" and % of "Other" total for each.

FY'15 Carryover by Funding Source						
	**Appropriations	Federal	Revolving	Local	Other*	Total
FY'15 Carryover	\$568,890					\$568,890

**In FY15, the agency planned for a building project with appropriated dollars that was delayed and will be completed and paid for in FY16; therefore, the carryover balance is higher than in previous years. The agency also reserved some of the appropriations to fund operational costs for the Sequoyah Port of Entry that was opened in fall of FY16, the initial time of completion was estimated for summer, which would have been in FY15.

*Source of "Other" and % of "Other" total for each.

What Changes did the Agency Make between FY'15 and FY'16?	
1.) Are there any services no longer provided because of budget cuts?	No.
2.) What services are provided at a higher cost to the user?	None, there were no fee increases for FY16.
3.) What services are still provided but with a slower response rate?	<p>*Sequoyah Port of Entry opened in FY16 and is operating on minimum existing staff. Additional staff is needed at all 3 existing ports of entry to meet the statutory mandate of 24 hours/7 days a week operation, if funds are available. With existing and any future budget cuts, and without securing additional funding, the ports will be unable to operate at 24 hours/7 days a week.</p> <p>*Due to budget cuts to the well plugging revolving fund in FY16, the agency cannot plug all of the wells that have been ordered by the Commission to be plugged. There was also legislative action, Oklahoma Statute 17§180.10 in FY16, that allowed the fund to be used for remediation of homes and businesses impacted by the seepage of natural gas from unlocatable sources that further extended the fund's liability. Pollution and other significant hazards related to unplugged wells and gas seeps can result in lost personal, business, and government revenue as a result of health costs, remediation costs, loss of property value, and impact on business operations.</p>
4.) Did the agency provide any pay raises that were not legislatively/statutorily required? If so, please provide a detailed description in a separate document.	Yes, detail on second tab of spreadsheet.

FY'17 Requested Division/Program Funding By Source						
	Appropriations	Federal	Revolving	Other	Total	% Change
Administration	\$2,750,519		\$1,446,865		\$4,197,384	0.00%
Consumer Services			\$670,880		\$670,880	0.00%
Petroleum Storage Tank		\$1,268,000	\$4,131,211		\$5,399,211	0.00%
Oil and Gas	\$2,962,223	\$503,000	\$10,380,443		\$13,845,666	19.77%
Administrative Proceedings			\$2,956,905		\$2,956,905	0.00%
Public Utilities			\$4,296,413		\$4,296,413	0.00%
General Counsel	\$639,834		\$1,770,084		\$2,409,918	0.00%
Transportation	\$4,546,363	\$1,796,896	\$12,783,471		\$19,126,730	31.18%
Information Technology	\$865,241	\$10,500	\$4,005,243		\$4,880,984	0.00%
Total	\$11,764,180	\$3,578,396	\$42,441,515	\$0	\$57,784,091	13.41%

*Source of "Other" and % of "Other" total for each.

FY'17 Top Five Appropriation Funding Requests		\$ Amount
Request 1: Operations of ports of entry/weigh station		\$4,546,363
Request 2: Induced seismicity		\$285,135
Request 3: Restore the well plugging fund		\$2,000,000
Total Increase above FY-17 Request		6,831,498

How would the agency handle a 5% appropriation reduction in FY'17?

The agency would not have been able to meet the statutory mandated goal to operate the three existing ports of entry 24 hours a day/7 days a week, before the FY16's budget reductions. In FY17, there are two additional ports expected to open, for a total of five. Therefore, any further reductions may jeopardize even limited openings of these two ports and continue to diminish the core mission of the Transportation program.

Reductions would also affect the Oil and Gas Conservation program further since it receives the majority of the appropriations in its budget. This program is leading OCC's efforts to address the sharp increase in seismic events in Oklahoma – in essence a new OCC mission. While OCC's efforts to lead in the area of seismicity are not "mandated" in the traditional sense, they are unplanned-for additional expenses to the agency and a draw down on resources which diminish the traditional mission of the Oil and Gas Conservation program. Further cuts would only exacerbate OCC's efforts in the area of seismicity.

The agency has already absorbed \$1,141,742 from appropriation cuts in FY15 and FY16. Another 5% would increase the total to \$1,650,876. Revolving funds have been used to ensure core mission functions continue despite these reductions. In FY16, the Legislature redirected some of OCC's revolving funds to take the place of previous appropriated funding for operational costs. The missions supported by the revolving funds were diminished proportionately. The agency is concerned it will not have the revolving funds available to absorb further appropriation cuts.

How would the agency handle a 7.5% appropriation reduction in FY17?

The agency would not have been able to meet the statutory mandated goal to operate the three existing ports of entry 24 hours a day/7 days a week, before the FY16's budget reductions. In FY17, there are two additional ports expected to open, for a total of five. Therefore, any further reductions may jeopardize even limited openings of these two ports and continue to diminish the core mission of the Transportation program. Reductions would also affect the Oil and Gas Conservation program further since it receives the majority of the appropriations in its budget. This program is leading OCC's efforts to address the sharp increase in seismic events in Oklahoma – in essence a new OCC mission. While OCC's efforts to lead in the area of seismicity are not "mandated" in the traditional sense, they are unplanned-for additional expenses to the agency and a draw down on resources which diminish the traditional mission of the Oil and Gas Conservation program. Further cuts would only exacerbate OCC's efforts in the area of seismicity. The agency has already absorbed \$1,141,742 from appropriation cuts in FY15 and FY16. Another 7.5% would increase the total to \$1,905,443. Revolving funds have been used to ensure core mission functions continue despite these reductions. In FY16, the Legislature redirected some of OCC's revolving funds to take the place of previous appropriated funding for operational costs. The missions supported by the revolving funds were diminished proportionately. The agency is concerned it will not have the revolving funds available to absorb further appropriation cuts.

How would the agency handle a 10% appropriation reduction in FY'17?

The agency would not have been able to meet the statutory mandated goal to operate the three existing ports of entry 24 hours a day/7 days a week, before the FY16's budget reductions. In FY17, there are two additional ports expected to open, for a total of five. Therefore, any further reductions may jeopardize even limited openings of these two ports and continue to diminish the core mission of the Transportation program. Reductions would also affect the Oil and Gas Conservation program further since it receives the majority of the appropriations in its budget. This program is leading OCC's efforts to address the sharp increase in seismic events in Oklahoma – in essence a new OCC mission. While OCC's efforts to lead in the area of seismicity are not "mandated" in the traditional sense, they are unplanned-for additional expenses to the agency and a draw down on resources which diminish the traditional mission of the Oil and Gas Conservation program. Further cuts would only exacerbate OCC's efforts in the area of seismicity. The agency has already absorbed \$1,141,742 from appropriation cuts in FY15 and FY16. Another 10% would increase the total to \$2,160,010. Revolving funds have been used to ensure core mission functions continue despite these reductions. In FY16, the Legislature redirected some of OCC's revolving funds to take the place of previous appropriated funding for operational costs. The missions supported by the revolving funds were diminished proportionately. The agency is concerned it will not have the revolving funds available to absorb further appropriation cuts.

Is the agency seeking any fee increases for FY'17?

	\$ Amount
Transportation Bond Schedule	Unknown at this time
Oil and Gas Permits	Unknown at this time

What are the agency's top 2-3 capital or technology (one-time) requests, if applicable?

Not applicable.

Federal Government Impact

- 1.) How much federal money received by the agency is tied to a mandate by the Federal Government?
None.
- 2.) Are any of those funds inadequate to pay for the federal mandate?
Not applicable.
- 3.) What would the consequences be of ending all of the federal funded programs for your agency?
Unless the State could provide alternative funding to support federal programs, it could not afford to operate federal programs consistent with federal safety and environmental law. Federal agencies would have to step in and manage these operations.
- 4.) How will your agency be affected by federal budget cuts in the coming fiscal year?
In FY16, the agency experienced minimal federal budget cuts. The agency was able to cover these with other sources of revenue. The agency does not know the extent of future cuts at this time.
- 5.) Has the agency requested any additional federal earmarks or increases?
No.

Division and Program Descriptions

Administration	Includes three elected Commissioners and staff and has the overall responsibility of providing financial, human resources, public information, and mailing/reproduction services to the entire agency. Maintains mineral owner accounts for unlocated mineral owners.
Consumer Services	Responds to and investigates consumer complaints and inquiries for regulated utilities. Conducts field investigations for service quality issues regarding public utilities. Investigates and files enforcement actions against regulated companies not complying with agency rules and State law. Provides consumer information to as many consumers as possible.
Petroleum Storage Tank	Responsible for the protection of human health, safety and the environment from exposure to chemicals caused by leaking motor fuel storage tanks. Regulates the installation, operation and removal of motor fuel storage tanks. Performs field inspections of facilities and laboratory analysis of fuels, as well as, overseeing site assessment investigations and (if necessary) released fuel product at regulated sites. Reimburses eligible tank owners for reasonable, integral and necessary costs associated with contaminated clean-ups.
Oil and Gas	The Oil and Gas Program Area provides information, permitting, investigation, and compliance services to the oil and gas industry, mineral interests, landowners and the general public to develop the oil and gas resources of the state while protecting the environment and ensuring public safety through regulation for all activities associated with the exploration and production of oil and natural gas.
Office of Administrative Proceedings	Operates two regional offices to process applications, prepare and distribute dockets, keep records, conduct hearings and appeals and transcribe proceedings in areas of oil and gas, fuel, enforcement, pollution, motor carrier and public utility. Serves as the judicial branch of the Corporation Commission, making recommendations to the commissioners, on more than 15,000 orders per year.
Public Utilities	The Public Utility Program Area administers and enforces agency rules, regulations, and orders involving electric, gas, water, cotton gin, and telecommunications service providers; promotes efficiency, innovation, and technological growth among regulated utilities and the program area companies; balances the interest of the regulated companies with those of all other stakeholders; administers the Oklahoma Universal Fund; designates eligible telecommunications carriers; regulates providers of lifeline phone services; and supports regulatory decisions that are in the public interest and result in the least reasonable cost for safe and reliable service.
Office of General Counsel	Performs legal services through five specialized sections: Deliberations, General Law, Public Utility, Oil & Gas and Consumer Services/Transportation. Supports clerical and administrative staff under the supervision of the General Counsel.
Transportation	The Transportation Program Area provide overall management, direction and supervision of the administration and enforcement of motor carrier, railroad safety, and pipeline safety regulatory activities within the State of Oklahoma.
Information Technology	Provides technologically advanced support and services in all areas of automation for the Commission. Develops new and enhances existing database application systems. Maintains disaster recovery efforts of production systems. Responsible for imaging of documents and mapping capabilities corresponding to GPS and GIS. Coordinates video teleconferencing. Maintains electronic messaging and internet capabilities through the Commission's web page and user support.

FY'17 Budgeted FTE						
	Supervisors	FY'17 Budgeted FTE		\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$\$\$
		Classified	Unclassified			
Administration* Includes 3 Commissioners	13	24	18	8	24	10
Consumer Services	1	4	7	0	10	1
Petroleum Storage Tank	11	20	23	7	35	1
Oil and Gas	24	109	11	13	104	3
Administrative Proceedings	6	21	15	12	18	6
Public Utilities	8	1	47	1	39	8
General Counsel	6	6	21	3	16	8
Transportation	23	136	28	14	144	6
IT (No longer OCC Employees-OMES)						
Total	92	321	170	58	390	43

FTE History					
	2016 Budgeted	2015	2012	2009	2005
Administration	40	40	34	34	31
Consumer Services	9	15	17	17	17
Petroleum Storage Tank	43	43	55	55	57
Oil and Gas	120	119	113	123	116
Administrative Proceedings	36	34	29	35	35
Public Utilities	46	47	35	33	38
General Counsel	27	25	24	26	26
Transportation	157	200	124	131	92
IT (No longer OCC Employees-OMES)					
Total	478	523	431	454	412

Performance Measure Review					
	FY'15	FY'14	FY'13	FY'12	FY'11
Administration	*FY16 was the agency's first year of combining the new strategic plan performance measures with the current budget system and that is when the data collection began. There will not be reportable data until FY16.				
OCC content assessment results from orientation training					
*This includes Office of General Counsel, Office of Administrative Proceedings, Information Technology and Administration Departments	Number of media and legislative inquiries				
	Average time elapsed between receipt and installation of IT equipment				
	Number of common tasks standardized				
Petroleum Storage Tank	Percent reduction employee turnover rate				
	Annual stakeholder and employee survey results				
	Percent of electronic funds transfer and electronic workflow projects completed				
	Number of material findings on PST program audit				
	Average number of days to process a claim				
Oil and Gas	Rate of staff development activities				
*This includes Consumer Services Department	Percent of external complaints resolved within 30 days				
	Number of complaints related to data mining and data management systems				
	Percent of Intents to Drill filed electronically				
	Number of obsolete rules and procedures eliminated or modified for efficiency				
	Processing time on Intent to Drill				
Public Utilities	Percentage of employees completing training programs				
*This includes Consumer Services Department	Number of educational sessions with industry and legislators				
	Percentage of transactions performed electronically				
	Meeting statutory deadlines				
Transportation	Percentage of PMP's reviewed for consistency and to accurately reflect the majority of job duties				
	Percent increase in department meetings				
	Increase in number of web-based filers in the IRP system				
	Percent of priority processes reviewed				
	Processing time in an IRP application from receipt to completion				

Revolving Funds (200 Series Funds)			
	FY'13-15 Avg. Revenues	FY'13-15 Avg. Expenditures	June '15 Balance
20200- OCC Revolving Fund	\$9,154,567	\$7,976,891	\$5,322,651
General Operating Funds of OCC			
20500- U.S.T. Indemnity Fund	\$3,756,788	\$3,722,781	\$141,558
To fund the administrative and remediation cost of the Indemnity Fund Program. To fund the payroll cost of			
21000- U.S.T. Revolving Fund	\$363,380	\$172,072	\$1,121,102
May be budgeted and expended for the provisions of the Oklahoma Storage Tank Regulation Act, both			
21500- Well Plugging Fund	\$1,802,777	\$1,482,358	\$3,402,323
The purpose is to fund the steps it takes to address wells in need of plugging when discovered by the Oil and			
22000- Public Utility Assessment	\$6,448,845	\$6,798,836	\$979,831
To provide adequate funding for the regulation of public utilities. The agency uses these funds for both the			
22500- L.U.S.T. Trust Revolving Fund	\$122,462	\$135,252	\$984,166
To deposit monies from the public or private sources and any collections pursuant to provisions of section			
23000- Oil and Gas Revolving Fund	\$4,217,400	\$4,204,074	\$1,359,242
To provide a fund for deposit of monies collected relating to oil and gas industry activities in Oklahoma.			
24500- Trucking One Stop Shop Revolving Fund	\$6,019,103	\$6,532,661	\$2,518,850
To provide a fund for deposit of monies collected pursuant to the Trucking One-Stop Shop Act. These funds			