



Strategic Plan

For the Fiscal Years 2025 to 2029

By

Railroad Commission of Texas

Christi Craddick
Wayne Christian
Jim Wright

Dec. 17, 2012 to Dec. 31, 2024
Jan. 9, 2017 to Dec. 31, 2028
Jan. 4, 2021 to Dec. 31, 2026

Midland, Texas
Center, Texas
Orange Grove, Texas

May 14, 2024

Approved:

Christi Craddick
Chairman

Danny Sorrells
On behalf of Wei Wang
Executive Director

Wayne Christian
Commissioner

Jim Wright
Commissioner

Table of Contents

Mission.....	4
Guiding Principles.....	4
Agency Goals and Action Plans.....	5
Redundancies and Impediments	12
Schedule A: Budget Structure	15
Schedule B: List of Measure Definitions	21
Schedule C: Historically Underutilized Business Plan.....	74
Schedule D: Statewide Capital Plan.....	77
Schedule F: Agency Workforce Plan.....	78
Schedule H: Report on Customer Service	91
Schedule I: Certification of Compliance with Cybersecurity Training.....	100

Mission

We serve Texas by our stewardship of natural resources and the environment, our concern for personal and community safety, and our support of enhanced development and economic vitality for the benefit of Texans.

Guiding Principles

The Railroad Commission recognizes that ensuring the efficiency and effectiveness of its programs is more than allocating and expending resources responsibly. The Commission seeks to further develop systems, workforce, and infrastructure to address complicated and evolving challenges to the state's energy industries. Robust and secure information management systems, collaboration to develop innovative solutions, a highly skilled and diverse workforce, and a commitment to sustainability are the pillars that support the efficiency, transparency, accountability, and effectiveness of RRC programs.

Agency Goals and Action Plans

Operational Activities

1. To oversee the development of the state's energy resources while protecting public health and the environment through an effective regulatory program that allows for the orderly and efficient development of oil and gas resources.

(All Actions Ongoing through 2029)

- Action 1. Operationalize infrastructure modernization technologies that support core Administrative Compliance and Technical Permitting functions with data warehouse and business intelligence tools.
- Action 2. Issue drilling permits for new oil or gas wells, to re-enter plugged wellbores or to recomplete existing wellbores as the state's oil and gas production reaches new highs for both oil and natural gas production.
- Action 3. Issue permits for geothermal, brine mining, and carbon capture and storage sites.
- Action 4. Develop and implement systems to aggregate disparate hazard information compiled currently in various sources and organize this information in the Data Warehouse temporally, spatially, and by other factors, which may enable a more thorough evaluation of injection hazards beyond the ¼-mile Area of Review requirements in Railroad Commission rules.
- Action 5. Evaluate applications and issue technical permits in accordance with state and federal laws, including the federally delegated Underground Injection Control program, under the Safe Drinking Water Act.
- Action 6. Assess the Underground Injection Control program for disposal wells in unconventional development areas to efficiently manage resources and minimize adverse effects such as seismicity and overpressure.
- Action 7. Review applications for underground hydrocarbon storage and the operations of brine mining facilities, and permit sites for surface management of exploration and production wastes.
- Action 8. Obtain and implement state primacy for Class VI Underground Injection Control to oversee the long-term underground storage of captured carbon.
- Action 9. Develop a comprehensive produced water management process that facilitates the use of produced water as a resource.
- Action 10. Facilitate the Texas Hydrogen Production Policy Council as it works to develop a state plan for hydrogen production oversight and analyze the development of hydrogen industries around the state.

2. To protect public safety in the operation of the Texas pipeline system through regulatory oversight of the pipeline industry by inspection, compliance, and educational activities, and in the regulation of the LPG/CNG/LNG alternative fuels industries.

(All Actions Ongoing through 2029)

- Action 1. Conduct safety inspections of intrastate pipeline systems to ensure compliance with federal and state regulations, including standard comprehensive inspections, incident and accident investigations, new construction inspections and program inspections like integrity management, operator qualification, drug and alcohol and public awareness.
- Action 2. Regulate and inspect natural gas gathering lines, adding 47,000 miles of gathering lines that require reoccurring inspections and approximately 100,000 miles of gathering lines subject to incident reporting.
- Action 3. Identify pipelines subject to state and federal safety regulations and ensure accurate data is acquired for pipeline attributes.
- Action 4. Provide pipeline location data through a publicly accessible GIS map viewer.
- Action 5. Enforce the state's pipeline damage prevention rules and increase public awareness through operator engagement, while seeking to reduce future damages through outreach efforts. Conduct safety evaluations of Liquefied Petroleum Gas (LPG), Compressed Natural Gas (CNG) and Liquefied Natural Gas (LNG) stationary facilities and mobile equipment,
- Action 6. License companies engaged in alternative fuel activities, certify individuals working in the alternative fuels industries, while operationalizing the Alternative Fuels Online System (RRC AFOS) to ensure licenses and certifications are efficiently processed and distributed to companies and individuals.
- Action 7. Provide training to individuals working in the LPG industry.

3. To protect the environment and consumers by ensuring that fossil fuel extraction and energy production, storage, and delivery minimize harmful effects on the state's natural resources, and that just and reasonable natural gas rates promote a safe and efficient supply of natural gas.

(All Actions Ongoing through 2029)

- Action 1. Inspect critical well operations, such as surface casing settings, mechanical integrity tests, and plugging, and will also ensure each inland well is inspected at least once every five years, and each offshore is inspected at least once every two years. Plug orphaned oil and gas wells following a prioritization system that assesses well completion status, wellbore conditions, well location with respect to sensitive areas, and any other unique environmental, safety, or economic concerns that may be present.
- Action 2. Oversee the assessment and cleanup of abandoned oil and gas sites when either the responsible operator fails or refuses to control or cleanup oil and gas waste or

other materials, or the responsible operator is unknown, cannot be found, or has no assets.

- Action 3. Establish compliance and enforcement standards and provide regulatory oversight for geothermal injection wells and brine mining sites through inspections of those sites.
- Action 4. Protect the state's surface and subsurface water resources by ensuring that the highest priority orphaned wells are plugged, and the highest priority sites are remediated.
- Action 5. Perform technical evaluations of each surface mining permit application revision application, bond release application, and monitoring report to ensure the adequacy of the submittal in addressing the requirements of the regulations.
- Action 6. Conduct unannounced monthly inspections at permitted surface mining sites to ensure compliance with regulatory requirements and permit conditions.
- Action 7. Increase program efficiencies for surface mining bond release, including technical review, announced site inspections, and coordination with the hearings process.
- Action 8. Oversee reclamation on land where surface mining occurred, ensuring it takes place as contemporaneously as practicable with permitted surface mining activities.
- Action 9. Implement and operationalize the surface mining inspection system, Phase IV of the Commission's Inspection and Enforcement Tracking and Reporting System infrastructure modernization effort.
- Action 10. Manage federally funded reclamation at abandoned mine land sites that were mined prior to August 3, 1977, and inadequately reclaimed, with no continuing reclamation responsibility by the operator under state or federal law.
- Action 11. Consistently and effectively audit regulated natural gas utilities to ensure compliance with required filings, proper application of rate structures, minimum standards regarding quality-of-service rules, and submission of accurate gas utility taxes to the State of Texas.
- Action 12. Administer natural gas utility rate filings and participate in natural gas utility rate proceedings to encourage safe and reliable natural gas supply at just and reasonable rates.
- Action 13. Develop information technology systems that support the efficient and effective tracking of gas utility filings and reports.
- Action 14. Collaborate with other state and local agencies to prepare for and respond to natural disasters and weather-related emergencies.
- Action 15. Implement compliance standards and provide regulatory oversight for critical infrastructure that supports the natural gas supply chain for power generation in the state of Texas.
- Action 16. Inspect designated critical infrastructure facilities for weatherization and reliability practices.

4. To provide the public access to information and facilitate efficiencies with regulated industries through communications and technologies that support effective regulatory programs, while preserving and increasing access to public information.

(All Actions Ongoing through 2029)

- Action 1. Increase public access to Commission oil and gas records by providing those documents to the public and regulated industries in digital formats, while preserving the historical record of the state's oil and gas industry.
- Action 2. Provide digital data sets to the public and regulated industries, increasing access to data that details both historical and present-day activities of regulated industries.
- Action 3. Provide in-person assistance for the public and regulated industries to access Commission data, maps, and other records.
- Action 4. Create processes for digital access to newly regulated areas (geothermal, brine mining, and carbon capture and storage) to ensure Commission records are available to the public online.
- Action 5. Through the Office of Public Engagement, assist the public in navigating Commission proceedings of all types and engage with the public through direct outreach and education to facilitate greater understanding of Commission processes, while soliciting broader participation in matters before the Commission.

How Goals Support Statewide Objectives (All Goals)

The Railroad Commission's operational action plans support statewide objectives to be:

1. Accountable to tax and fee payers of Texas,
2. Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions,
3. Effective in successfully fulfilling core functions, measuring success in achieving performance measures, and implementing plans to continuously improve,
4. Attentive to providing excellent customer service, and
5. Transparent such that agency actions can be understood by any Texan.

The Railroad Commission is accountable to the tax and fee payers of Texas by providing services that achieve the agency's mission while being cost effective and efficient. In 1890, the Texas Constitution was amended to provide for the Railroad Commission, establishing "all requisite means and agencies invested with such powers as may be deemed adequate and advisable" to regulate "railroad, freight and passenger tariffs, to correct abuses and prevent unjust discrimination and extortion in the rates of freight and passenger tariffs." In 1917, the Texas Legislature declared pipelines to be common carriers, and gave the RRC jurisdiction over them; followed by a 1919 statute giving the Commission jurisdiction to enforce requirements to conserve oil and gas and forbid waste. For nearly 135 years, the Commission has sought to eliminate redundancies, increase efficiencies, and improve customer service. Today, the Commission's commitment to customer service, transparency, and effectiveness has never been greater.

The Commission's recently formed Office of Public Engagement assists the public in navigating Commission proceedings of all types and further enhances public access to Commission information. This team engages with the public through direct outreach and education to facilitate greater understanding of Commission processes and solicit broader participation in matters before the Commission. Acting as liaisons to members of the public, staff engage with those affected by and interested in Commission proceedings. Coordinating with the agency's Communications team, as well as with Commission program offices, the team seeks to improve Commission outreach in a manner responsive to public input, with the goal of enhanced transparency.

The Commission ensures that it is accountable to the tax and fee payers of Texas in its procurement and contracting processes. Contract solicitation and development is conducted by the Procurement and Contract Management Department, following the Commission's Contract Management Guide. Designated Contract Management staff are certified through the Certified Texas Contract Manager process administered by the Texas Comptroller of Public Accounts. The Procurement and Contract Management Department coordinates all contracting activities closely with the Commission's Office of General Counsel, overseen by the General Counsel and a team of Assistant General Counsel.

While ever mindful and diligent with every taxpayer dollar appropriated to the agency, the Commission is primarily self-funded through fees and fines collected from regulated industries (All Goals). The Railroad Commission's mission is to serve Texas by its stewardship of natural resources and the environment, its concern for personal and community safety, and its support of enhanced development and economic vitality for the benefit of Texans. The Commission supports the development of the state's energy resources while protecting public health and the environment through an effective regulatory program, by ensuring that energy production, storage and delivery minimize harmful effects on the state's natural resources. Through its regulation, the Commission protects both adjacent mineral interest owners' interests and reservoirs by regulating the spacing and density of wells, determines financial assurance, maps wells for future reference, and ensures that such activities do not negatively affect surface and subsurface water quality (Goal 1 and Goal 3). Texans—more than five million residential and business customers—rely on the Commission to ensure the safety, availability, and reliability of natural gas; from the consumer who uses natural gas for essential home heating needs to the farmer who relies on natural gas for feedstock or the major manufacturer who uses natural gas as a process fuel (Goal 2 and Goal 3), the Commission ensures that natural gas utilities provide safe and reliable service at just and reasonable rates, and that the state's natural gas critical infrastructure provides fuel without major disruption to the state's electricity supply chain.

The Commission is responsible for ensuring effective regulation of the state's energy resources through virtually all phases of oil and gas exploration and production. From issuing an initial permit to drill a well to the well's final plugging, each oil and gas well in the state is monitored and regulated by the agency (Goal 1 and Goal 3). Using a risk-based prioritization schedule, the Commission can more frequently address more than 297,000 miles of intrastate pipelines and gathering lines that require reoccurring inspections and 91,000 alternative fuel installations with the greatest potential risk or affecting the highest population (Goal 2), as well as more than 100,000 miles of Type R gathering lines subject to incident reporting requirements.

RRC staff engages with stakeholders and the public about the Commission's programs and regularly receives stakeholder feedback to inform how best to direct educational resources. Data transparency, achieved through technology infrastructure modernization, allows for information to be available and accessible to the public (Goal 4); such transparency related to Safety Programs (Goal 2) and Environmental and Consumer Protection (Goal 3) activities provides industry and the public, along with Commission staff, with the highest level of customer service to support the Commission's mission and goals.

The Commission continues to develop information technology solutions, tools, and processes to enable easier access to records that concern various oil and gas exploration and development, determination of responsibility for the proper plugging of abandoned wells, applications to inject water into reservoirs for enhanced oil and gas production, and prevention and control of oil and gas pollution (Goal 1 and Goal 3). The Commission relies on data tools to manage inspections of pipeline systems, alternative fuel installations, and surface mines, allowing staff to prioritize future inspections and track compliance. (Goal 2 and Goal 3). The Commission collects, maintains, and makes available to the public enormous amounts of information and data depending on agency systems and processes that operate with the highest level of efficiency and accessibility (Goal 4). This requires vigilance in continuous review and updating of its systems related to data collection and data management in the field and at headquarters. The RRC continually strives to make information more available and transparent to the public, particularly related to its Safety Program (Goal 2) and Environmental and Consumer Protection (Goal 3) activities. The agency endeavors to make data more transparent by making it both more readily available and more usable by regulated industries and the public. Data transparency initiatives include the following:

- Modernize the Commission's Public Geographic Information System (GIS) Map Viewer to provide division by division, business by business reporting lines. This will allow agency staff to use GIS data to create more intricate map views and produce data sets customized for specific business functions, while providing better visibility of GIS data for consumers, increase data reliability, and allow users to download the data for their specific needs.
- Use the agency's data warehouse and the Texas Open Data Portal (ODP) to modernize the Commission's existing legacy data download capability called Extended Web Access (EWA). The Commission will provide data from the agency's data warehouse to the ODP, enabling more data from more systems available than currently supported by EWA. The ODP's technology will also provide access to this data on the Commission's website so that consumers can continue to access data from a location they are accustomed to using.
- Make viewing records and downloading associated data more efficient by moving to a single interface for reporting both data and records. Leveraging the Texas Open Data Portal's mechanism to download data, the Commission will provide a single location that allows users to download records and associated data. Currently, users go to different locations on the RRC website to download data and records. This simpler and more transparent approach will increase data and record downloads and provide RRC with a single system to track downloads with expanded reporting capabilities.
- Provide real-time access to some of the agency's reportable data by using the current data platform's sharing technologies. This will provide increased data consistency and transparency to operators and the public.
- Use the standards established by the agency's data governance program to ensure consistency in data quality, security, availability, access, reporting, and retention. By applying these standards, the agency can make data for Commission regulated entities and activities more readily available to

industry, the public, and regulators. These standards will work towards ensuring consistency of data between reports and systems of record, decreasing data redundancy and confusion, and ensuring “single source of truth” data sources.

- The Railroad Commission will employ modern Data Science technology and techniques to make data determinations that are more predictive, descriptive, or anticipatory. As these new paradigms increase in use, the agency will have the ability to make some non-confidential data available to the public from these determinations. By using these analytical reports, the agency can make the public aware of the efforts being taken to keep the public safer and increase the protection of natural resources.

The Railroad Commission recognizes that ensuring the efficiency and effectiveness of its programs is more than allocating and expending resources responsibly. The Commission seeks to further develop systems, workforce, and infrastructure to address complicated and evolving challenges to the state’s energy industries. Robust and secure information management systems, collaboration to develop innovative solutions, a highly skilled and diverse workforce, and a commitment to sustainability are the pillars that support of efficiency, transparency, accountability, and effectiveness of the Commission’s programs.

Redundancies and Impediments

Table 1: Purchasing Authority Delegated to the Railroad Commission

<p>Service, Statute, Rule or Regulation (Provide Specific Citation if applicable)</p>	<p>Texas Government Code Section 2155.150 (Previously Sec. 2155.149 when H.B. 773 was passed in 2005) was amended. Texas Government Code Sec. 2155.150, reads in part:</p> <p>Certain Purchases by Railroad Commission of Texas. <i>(a) The Railroad Commission of Texas is delegated all purchasing functions relating to purchases under:</i></p> <p style="padding-left: 40px;"><i>(1) Chapter 89, Natural Resources Code;</i> <i>(2) Sections 81.067 and 81.068, Natural Resources Code; and</i> <i>(3) Chapters 131 and 134, Natural Resources Code.</i></p>
<p>Describe why the Service, Statute, Rule or Regulation is Resulting in Inefficient or Ineffective Agency Operations</p>	<p>There is inconsistency in various agencies interpretation of Delegated Authority. During the 86th Legislative Session in 2019, Section 2155.150 was amended. The Amendment was set out in S.B. 1587. The amendment added the Abandoned Mine Land (AML) program to the preexisting oil and gas regulation and cleanup fund and abandoned well program as goods and services that are not required to be submitted to the Office of the Comptroller of Public Accounts (CPA) for various purchasing functions. The Senate Research Center’s bill analysis for S.B. 1587 indicates the expressed legislative intent was that the RRC by law does not have to submit to the CPA certain purchasing functions. The bill analysis dated July 7, 2019 states “The Agency already retains this authority, by law for abandoned well program and oil and gas regulation and cleanup fund.”</p>
<p>Provide Agency Recommendation for Modification or Elimination</p>	<p>Provide clarification and uniformity of delegated authority related to all RRC program areas that fall under Texas Government Code Section 2155.150; Chapter 89, Natural Resources Code; Sections 81.067 and 81.068, Natural Resources Code; and Chapters 131 and 134, Natural Resources Code.</p>
<p>Describe the Estimated Cost Savings or Other Benefit Associated with Recommended Change</p>	<p>Texas Government Code Section 2155.150 (previously 2155.149) intent was to provide procurement efficiencies for RRC’s abandoned well program and AML program through delegated authority. The delegated authority allowing RRC to not seek certain external reviews for plugging and remediation contracts under these two programs save RRC staff resources, time, agency dollars and streamline the acquisition of services or goods in procurements of such specialized nature as those following under Chapter 89 Natural Resources Code, Section 81.067 and 81.06.</p>

Table 2: Unexpended Balance Authority Across Biennia for the Purpose of Environmental Cleanup

Service, Statute, Rule or Regulation (Provide Specific Citation if applicable)	34 TAC Section 5.56
Describe why the Service, Statute, Rule or Regulation is Resulting in Inefficient or Ineffective Agency Operations	The Railroad Commission contracts for millions of dollars annually for environmental cleanup. Based on the administrative code, the expenditures are charged to the appropriation year in which the services are rendered. Due to a variety of factors such as logistics, weather, worker availability, the Commission may issue a work authorization for cleanup work in the latter half of a fiscal year, but the work might not occur until September in the following fiscal year. At the end of a biennium, this results in encumbered funds being lapsed appropriations and reduced appropriations in the first year of the next biennium.
Provide Agency Recommendation for Modification or Elimination	A Railroad Commission rider in the General Appropriation Act could allow the Commission to move the balances of unspent appropriations from the prior biennium into the current biennium for the purposes of environmental cleanup.
Describe the Estimated Cost Savings or Other Benefit Associated with Recommended Change	This would result in a more efficient use of state funds as the Commission can fully utilized appropriations for their intended purpose.

Table 3: Modify Definition of Acceptable Technology for Digital Signatures

Service, Statute, Rule or Regulation (Provide Specific Citation if applicable)	Texas Gov't Code §2054.060 1 TAC §203.24
Describe why the Service, Statute, Rule or Regulation is Resulting in Inefficient or Ineffective Agency Operations	1 TAC §203.24 narrowly defines the concept of Acceptable Technology for Digital Signatures as to be confined to the use of PKI (Public Key Infrastructure). This approach is outdated and is no longer in line with the current proliferation of IDaaS (Identity as a Service) technology and the wide proliferation of electronic signature technologies.

<p>Provide Agency Recommendation for Modification or Elimination</p>	<p>This statute should be amended to allow for the use of newer technologies more commonly found used in electronic digital signature technologies.</p> <p>To encourage state-wide acceptance, this digital ID acceptance can be tied to the use of the Texas.Gov IDaaS system as proof of identity sufficient to constituent a Legal Digital Identity for users.</p>
<p>Describe the Estimated Cost Savings or Other Benefit Associated with Recommended Change</p>	<p>The benefit would be a decrease in cost for many agencies as it would allow agencies to push away from paper-based ink signatures to full digitization. This change would also modernize a statute that relies on out-of-date technology. Many, if not most, stat agencies will benefit from the ability to accept electronic signatures.</p>

Natural Disaster-Related Redundancies and Impediments (If Applicable)

Not applicable. The Railroad Commission did not identify any statutory changes that could help in its response to natural disasters.

Schedule A: Budget Structure

Goal 1: Energy Resources

To oversee the development of the state’s energy resources while protecting public health and the environment through an effective regulatory program.

Objective 1.1

Provide for the orderly and efficient development of oil and gas resources while preventing waste, protecting the correlative rights of mineral interest owners, and conserving the state’s oil and natural gas resources.

Outcome Measures

- 1.1.1 Percent of oil and gas wells that are active

Strategy 1.1.1 Energy Resource Development

Protect correlative rights and prevent waste while maximizing opportunities for the development of lignite, oil, and gas resources through well site permitting, production allowables, production rule reviews, and exception processing.

Output Measures

- 1.1.1.1 Number of organizations permitted or renewed
- 1.1.1.2 Number of drilling permit applications processed
- 1.1.1.3 Number of wells monitored

Efficiency Measures

- 1.1.1.1 Average number of cases completed by examiner
- 1.1.1.2 Average number of wells monitored per analyst
- 1.1.1.3 Percent of permit applications processed within established time frames
- 1.1.1.4 Average number of days to process a drilling permit

Explanatory Measures

- 1.1.1.1 Number of active oil and gas rigs
- 1.1.1.2 Annual calendar year production of Texas crude oil
- 1.1.1.3 Annual calendar year production of Texas natural gas
- 1.1.1.4 Number of horizontal drilling permit applications processed
- 1.1.1.5 Number of vertical drilling permit applications processed

Goal 2: Safety Programs

Advance safety in the delivery and use of Texas petroleum products, including LPG/LNG/ CNG, and in the operation of the Texas pipeline system through training, monitoring and enforcement, and promote, educate, and enforce regulations for underground damage prevention.

Objective 2.1

Improve public safety through regulatory oversight of the pipeline industry by inspection, compliance, and educational activities.

Outcome Measures

- 2.1.1 Average number of pipeline safety violations per equivalent 100 miles of pipe identified through inspections

Strategy 2.1.1 Pipeline Safety

Ensure the safe operation of pipelines through permitting, field inspections, accident investigations and emergency response.

Output Measures

- 2.1.1.1 Number of pipeline safety inspections performed
- 2.1.1.2 Number of pipeline safety violations identified through inspections
- 2.1.1.3 Number of pipeline accident investigations or complaint investigations performed
- 2.1.1.4 Number Pipeline Specialized Program Evaluations

Efficiency Measures

- 2.1.1.1 Average number of pipeline field inspections per field inspector

Strategy 2.1.2 Pipeline Damage Prevention

Support education and public awareness efforts to inform the public about damage prevention laws, compliance, and penalties.

Output Measures

- 2.1.2.1 Number of excavation damage enforcement cases completed

Objective 2.2

Ensure safety through regulation of the LPG/CNG/LNG alternative fuels industries.

Outcome Measures

- 2.2.1 Average Number of LPG/CNG/LNG Violations
- 2.2.2 Percent of LPG/CNG/LNG inspections with non-compliance items cited where a notice of correction was received

Strategy 2.2.1 Regulate Alternative Fuel Sources

Protect the health, safety and welfare of the general public by ensuring the safe storage, transportation of Liquefied Petroleum Gas, Compressed Natural Gas, and Liquefied Natural Gas as alternative fuel sources through safety education, accident investigation, inspection and enforcement of safety regulations.

Output Measures

- 2.2.1.1 Number of LPG/CNG/LNG safety inspections performed
- 2.2.1.2 Number of LPG/CNG/LNG safety violations identified through inspections
- 2.2.1.3 Number of LPG/CNG/LNG accident investigations and special investigations performed
- 2.2.1.4 Number of LPG/CNG/LNG qualifying examinations administered and licenses, certifications and registrations
- 2.2.1.5 Number of individuals attending LP-gas training or continuing education courses

Efficiency Measures

- 2.2.1.1 Average number of LPG/CNG/LNG safety inspections per inspector
- 2.2.1.2 Percent of LPG/CNG/LNG Completion Reports processed within 30 business days of receipt
- 2.2.1.3 Percent of Applications to Install LPG/CNG/LNG Facility processed within 30 business days of receipt

Goal 3: Environmental and Consumer Protection

To protect the environment and consumers by ensuring that energy production, storage, and delivery minimize harmful effects on the state's natural resources, and that just and reasonable natural gas rates promote a safe and efficient supply of natural gas.

Objective 3.1

Reduce the occurrence of environmental violations associated with fossil fuel extraction and energy production in Texas.

Outcome Measures

- 3.1.1 Percentage of oil and gas facility inspections that identify environmental violations
- 3.1.2 Percent of wells not inspected in last five years
- 3.1.3 Percent of Total Well Population Inspected

Strategy 3.1.1 Oil and Gas Monitoring and Inspections

Assure that Oil and Gas permitted activities comply with applicable state regulations through field inspections, witnessing tests, monitoring reports, processing applications and enforcement actions.

Output Measures

- 3.1.1.1 Number of oil and gas facility inspections performed
- 3.1.1.2 Number of enforcement referrals for legal action due to oil and gas rule violations
- 3.1.1.3 Number of oil and gas environmental permit applications and reports processed
- 3.1.1.4 Number of lease severances or well seals initiated
- 3.1.1.5 Number of district-initiated issuance of severance/seal orders
- 3.1.1.6 Number of oil and gas facility inspections with no violation

Efficiency Measures

- 3.1.1.1 Average number of oil and gas facility inspections performed by district office staff

Explanatory Measures

- 3.1.1.1 Number of UIC wells and other facilities subject to regulation
- 3.1.1.2 Number of statewide rule violations
- 3.1.1.3 Number of Major Statewide Rule Violations
- 3.1.1.4 Percent of violations corrected within 90 days

Strategy 3.1.2 Surface Mining Monitoring and Inspections

Assure that Surface Mining permitted activities comply with applicable state and federal regulations through field inspections, witnessing tests, monitoring reports, processing applications and enforcement actions.

Output Measures

- 3.1.2.1 Number of coal mining inspections performed
- 3.1.2.2 Number of coal mining permit actions processed
- 3.1.2.3 Percent of uranium exploration sites inspected monthly

Efficiency Measures

- 3.1.2.1 Average number of staff review days required to process uranium exploration permitting actions
- 3.1.2.2 Percent of coal permitting actions completed within statutory review time frames

Explanatory Measures

- 3.1.2.1 Annual calendar year production of Texas lignite coal

Objective 3.2

Identify and abate environmental and public health threats through voluntary operator actions or with use of state or federal funds.

Outcome Measures

- 3.2.1 Percentage of orphaned wells plugged with state managed funds
- 3.2.2 Percentage of identified abandoned pollution sites investigated, assessed, or cleaned up with state managed funds

Strategy 3.2.1 Oil and Gas Well Plugging and Remediation

Protect public health and the environment by identifying, assessing, and prioritizing sites that require the use of state managed funds for well plugging and remediation.

Output Measures

- 3.2.1.1 Number of abandoned pollution sites investigated, assessed, or cleaned up with the use of state managed funds
- 3.2.1.2 Number of orphaned wells managed plugged with state managed funds
- 3.2.1.3 Total aggregate plugging depth of orphaned wells plugged with state managed funds

Efficiency Measures

- 3.2.1.1 Average number of days to complete abandoned state managed site clean-up
- 3.2.1.2 Average number of days to plug an orphaned well with the use of state managed funds

Explanatory Measures

- 3.2.1.1 Number of identified abandoned pollution sites that are candidates for state managed funded cleanup

- 3.2.1.2 Number of complex operator initiated cleanups monitored and evaluated
- 3.2.1.3 Number of orphaned wells approved for plugging
- 3.2.1.4 Number of known orphaned wells in non-compliance with the Commission plugging rule
- 3.2.1.5 Number of wells plugged, by operators, without the use of state managed funds
- 3.2.1.6 Percentage of active well operators who have more than 25 percent of their wells inactive
- 3.2.1.7 Number of shut-in/inactive wells

Strategy 3.2.2 Surface Mining Reclamation

Protect public health and the environment by identifying, assessing, and prioritizing mine lands that require the use of federal funds for reclamation and provide oversight for operator-initiated reclamation.

Explanatory Measures

- 3.2.2.1 Percentage of abandoned surface mine sites on which reclamation has been initiated

Objective 3.3

Maintain competitive prices and adequate natural gas supplies for Texas energy consumers.

Outcome Measures

- 3.3.1 Average Texas residential gas price for Commission regulated utilities as a percentage of the national average residential gas price

Strategy 3.3.1 Gas Utility Compliance

Oversee natural gas utility rate structures that promote safe, efficient, and reliable supply at a reasonable cost and audit regulated gas utilities to ensure compliance with rate structures and submission of Gas Utility Taxes.

Output Measures

- 3.3.1.1 Number of audits conducted
- 3.3.1.2 Number of Gas Utility dockets and cases filed
- 3.3.1.3 Number of gas utilities compliance, tariff, and escalator filings

Efficiency Measures

- 3.3.1.1 Average number of audits per auditor

Objective 3.4

Establish critical infrastructure compliance standards, regulate natural gas supply chain entities for power generation requirements, and mitigate system outage risks during extreme weather events.

Strategy 3.4.1 Critical Infrastructure Weather Preparedness

Ensure that designated facilities incorporate weatherization and reliability standards and practices through communication, inspections, processing applications, and monitoring reports.

Output Measures

- 3.4.1.1 Number of weatherization inspections conducted
- 3.4.1.2 Number of facilities out of weatherize compliance

Explanatory Measures

- 3.4.1.1 Percent of facilities that are required to weatherize that are non-compliant with weatherization standards
- 3.4.1.2 Total number of designated critical infrastructure facilities

Goal 4: Public Access to Information and Services

Strive to maximize electronic government and to minimize paper transactions by developing technological enhancements that promote efficient regulatory programs and preserve and increase access to public information.

Objective 4.1

Increase efficiency in providing public access to information and provide more efficient interaction with regulated industries.

Strategy 4.1.1 Public Information and Services

Collect, maintain, and preserve oil and gas data submitted to the Commission; provide efficient public access to this information; provide regulated industries the ability to conduct their business with the Commission electronically.

Output Measures

- 4.1.1.1 Number of documents provided to customers by Information Services
- 4.1.1.2 Number of reports provided to customers from electronic data records
- 4.1.1.3 Number of Railroad Commission records imaged from non-digital formats

Schedule B: List of Measure Definitions

Strategy 1.1.1 Energy Resource Development

Outcome 1.1.1: Percent of Oil and Gas Wells That Are Active

Definition: This is the number of active wells on the oil and gas proration schedule expressed as a percentage of the total wells (active and inactive) on schedule. Active wells include all producing wells and injection and other service wells.

Data Limitations: The active or inactive classification of wells is based on well status and production information reported by the oil or gas operator. Wells are classified as active or inactive directly from information reported by the operator and in some cases, programmatically adjusted based on whether or not production has been reported over a period of time. Inaccurate or delinquent reporting can impact the accuracy of the data.

Data Source: Data is collected electronically through RRC computer systems, which provide well status information for wells monitored by the Commission. This program is run monthly.

Methodology: Sum the total of active and inactive wells on the oil and gas schedule to get the total number of wells. Divide the number of active wells by the total number of wells on schedule to get the percentage of wells that are active.

Purpose: This measure provides an indication of the effectiveness of efforts to increase opportunities for oil and gas resource development and sustain production levels (e.g. severance tax incentive programs).

Calculation Method: Noncumulative

Target Attainment: High

Priority: High

Key Measure: Yes

New Measure: No

Percent Measure: Yes

Output 1.1.1.1: Number of Organizations Permitted or Renewed

Definition: This is a count of new organizations added to the P-5 database and organizations that renewed their organization report during the reporting period. Organizations performing operations within the jurisdiction of the Railroad Commission must have an approved organization report (Form P-5) on file with the Commission. Active organizations are required to renew their organization report (Form P-5) annually.

Data Limitations: Data is based on a “snapshot” of statistics taken at the end of two consecutive months and may not be an exact reflection of activity within the current reporting period. However, the variance will self-correct over the following three months.

Data Source: Form P-5 organization report data is maintained in a mainframe database. The count of organizations permitted and renewed each month is manually calculated from consecutive monthly Form P-5 system summaries. Organization reports processed for changes in information are not included in the measure.

Methodology: To get the number of organizations permitted and renewed for each month in the reporting cycle: (a) subtract the number of active organizations at the end of the previous month from the number of active organizations at the end of the current month to obtain the net change in active organizations; (b) add the number of organizations which expired at the beginning of the current month to the net change in active organizations. Sum the totals for each month in the reporting cycle to get the total number of approved organizations permitted and renewed during the reporting cycle. Recalculate the year-to-date total each quarter by summing the counts for each quarter.

Purpose: This measure is intended to show the number of operators authorized to engage in oil and gas activity in Texas.

Calculation Method: Cumulative

Target Attainment: High

Priority: High

Key Measure: No

New Measure: No

Percentage Measure: No

Output 1.1.1.2: Number of Drilling Permit Applications Processed

Definition: The number of drilling permit applications processed during the reporting period.

Data Limitations: Drilling permit applications processed have well-defined parameters and are easily identified. The count may not include permits that are received but are incomplete and have not been built into the computer system, or corrections to previously filed reports.

Data Source: Counts of drilling permit applications processed are available from computer – generated statistical listings and maintained in the Drilling Permit section and on-line query programs.

Methodology: Sum the monthly totals of drilling permit applications processed during the three months within the reporting period to get the reporting period total. When calculating the second, third, and fourth quarter, recalculate the year-to-date total by summing quarter totals.

Purpose: This measure is an indication of oil and gas exploration and development activity. Drilling permits are required before wells can be drilled and completed, recompleted or reentered. This measure is intended to be an indicator of industry activity.

Calculation Method: Cumulative

Target Attainment: High

Priority: High

Key Measure: Yes

New Measure: No

Percentage Measure: No

Output 1.1.1.3: Number of Wells Monitored

Definition: The number of active and inactive oil, gas, and service wells carried on the master oil and gas schedule in the mainframe database. The schedule shows all known wells currently assigned to an operator and regulated by the Commission.

Data Limitations: The count of wells monitored only reflects wells that have been built to schedule by personnel after review of the required paperwork and determination of well status. The count does not include wells that have been reported to the Commission but not built to schedule because of permit or paperwork problems or other processing delays.

Data Source: Well counts are computer generated monthly from a database containing oil and gas schedule information. A separate count is generated for wells carried on the oil schedule and wells carried on the gas schedule. Before a well is placed on schedule, a well completion package of forms must be filed as required by Commission rules. The forms become a part of the historical record for each well after they are audited and approved. All wells stay on the schedule and are monitored for compliance with applicable statewide rules until the well is properly plugged.

Methodology: Sum the count of wells carried on the oil schedule and the count of wells carried on the gas schedule as of the last month of the reporting period. For the year-to-date total average, the well counts for the reported periods.

Purpose: This measure provides an indication of the number of wells that are currently being operated under the Commission's jurisdiction and monitored by the Commission for regulatory compliance.

Calculation Method: Noncumulative

Target Attainment: High

Priority: High

Key Measure: Yes

New Measure: No

Percentage Measure: No

Efficiency 1.1.1.1: Average Number of Cases Completed Per Examiner

Definition: On average, the number of cases on which final Commission action has been taken (typically a final order has been entered and any motion for rehearing has been disposed of), handled by each oil and gas examiner during the period.

Data Limitations: Because of the significant variance in the complexity of cases and the length of hearings, the average, while a reasonable guideline, often does not accurately reflect the speed or efficiency with which cases are handled. Similarly, the variance can cause comparisons between reporting periods to be misleading.

Data Source: Docket records, Case Administration Service Electronic System (CASES), and monthly reports.

Methodology: Sum of cases completed divided by number of hearing examiners (both legal and technical) assigned cases during the period.

Purpose: Provides guidelines indicating performance and volume of measures of completed cases requiring examiner action in the Hearings Division.

Calculation Method: Cumulative

Target Attainment: High

Priority: Medium

Key Measure: No

New Measure: No

Percentage Measure: No

Efficiency 1.1.1.2: Average Number of Wells Monitored Per Analyst

Definition: On average, the number of active and inactive oil, gas and service wells on the master oil and gas schedules that are being monitored for regulatory compliance by proration analysts that perform well analysis and set proration allowables.

Data Limitations: The count of wells monitored only includes wells that have been built to schedule by personnel after review of the required paperwork and determination of well status. The count does not include wells that have been reported to the Commission but not built to schedule because of permit or paperwork problems or other processing delays. Efficiency calculations are based on budgeted positions and are not adjusted for temporary vacancies.

Data Source: There are two sources of data used to calculate this measure: 1) the number of wells maintained on the oil and gas master schedules; and 2) the number of personnel positions performing proration work. Well counts are computer generated monthly from a database containing oil and gas schedule information. A separate count is generated for wells carried on the oil schedule and wells carried on the gas schedule. The number of personnel positions are those budgeted to perform proration work.

Methodology: Sum the count of wells carried on the oil schedule and the count of wells carried on the gas schedule as of the last month of the reporting period. Divide the sum by the number of proration analyst positions budgeted as of the last month of the reporting period. For the year-to-date average, average by the number of reporting periods.

Purpose: This measure is intended to show how efficiently wells on schedule are being monitored.

Calculation Method: Noncumulative

Target Attainment: High

Priority: High

Key Measure: Yes

New Measure: No

Percentage Measure: No

Efficiency 1.1.1.3: Percent Permit Applications Processed within Time Frames

Definition: This measure includes enhanced recovery and disposal permits, pit permits, land farming and land treatment permits, land apply permits, stationary treatment facility permits, letter of authority permits, recycling permits, minor permits, domestic wastewater permits, waste hauler permits, reclamation plant permits, and other permits. The targeted time frame for the review of environmental permits is established by agency rules or agency standard operating procedures.

Data Limitations: Applications are excluded from the count when suspended from processing in accordance with either agency rules or agency policy.

Data Source: This is a comparison of review time frames for all permitting actions completed during the reporting period, compared to the respective review time frame. Databases that track the processing of permit action requests are maintained within the Oil and Gas Division. Key processing milestones are documented within the databases by logging the date of the event. Permit action reviews are considered complete when a deficiency letter or final action/decision letter is sent to the permittee. The number of staff review days is based on the number of calendar days beginning on the stamped receipt date and ending on the date staff completes its review with a deficiency letter or final action/decision letter. Review of initial and subsequent submittals are treated separately.

Methodology: Divide the number of actions with review time frames at or less than the review times by the total number of actions completed in the review period. Multiply this quotient by 100.

Purpose: The measure illustrates the overall performance of staff in meeting review time frames.

Calculation Method: Noncumulative

Target Attainment: Low

Priority: Low

Key Measure: No

New Measure: No

Percentage Measure: Yes

Efficiency 1.1.1.4: Average Number of Days to Process a Drilling Permit

Definition: The average number of staff days required to review and process a drilling permit application during the reporting period.

Data Limitations: Drilling permit application processing time is a well-defined parameter and is easily identified. The average may not include permits that are received but are incomplete and have not been built into the computer system, or corrections to previously filed reports. Processing time calculated for this measure will exclude time periods associated with hearings and exceptions to Commission rules.

Data Source: The processing time of each drilling permit application is available from computer-generated statistical listings and maintained in the Drilling Permit section and on-line query programs.

Methodology: Average the time per drilling permit application processed during the three months within the reporting period to get the reporting period average. The second, third, and fourth quarter averages are calculated as discrete, non-cumulative averages.

Purpose: This measure provides an indication of staff's timeliness to process drilling permits, which are required before wells can be drilled. This measure may also be an indicator of industry activity.

Calculation Method: Noncumulative

Target Attainment: Low

Priority:

Key Measure: Yes

New Measure: No

Percentage Measure: No

Explanatory 1.1.1.1: Number of Active Oil and Gas Rigs

Definition: This is the average number of oil and gas drilling rigs that were actively being used during the last fiscal year to explore for or develop oil or natural gas.

Data Limitations: Rig count data is compiled by Baker Hughes; its accuracy is not within the control of the agency.

Data Source: The rig count data are taken from a report issued by Baker Hughes (industry standard) titled U.S. Monthly Averages by State. The report is downloaded from the Baker Hughes Internet web site.

Methodology: Use the monthly rig count number shown under “Total Texas” for each month of the fiscal year. Add the monthly numbers and divide that sum by 12 to obtain the average number for the fiscal year.

Purpose: The number of active rigs directly impacts the level of drilling activity in the state. It is a quantitative indicator of the industry’s operating environment. Comparing the rig count from year to year provides an indication of industry trend for new operations in Texas.

Calculation Method: Noncumulative

Target Attainment: High

Priority: Low

Key Measure: No

New Measure: No

Percentage Measure: No

Explanatory 1.1.1.2: Annual Calendar Year Production of Texas Crude Oil

Definition: The reported amount of crude oil produced in Texas expressed as barrels of oil.

Data Limitations: Some monthly oil production is reported late or inaccurately and revisions to a particular month’s production can continue for several months into the future. Confident annual calendar year volumes for oil are typically not available until at least 6 months after the end of the calendar year.

Data Source: All Texas oil producers are required to report their monthly production by lease. Volumes are required to be reported by the last day of the month following production. This information is maintained on a Commission database and reported monthly on the website.

Methodology: Oil is reported and maintained in a Commission database in barrels. The number will be the sum of each month’s data and reported on a calendar year basis.

Purpose: Production of crude oil is important to the economy of the state and the United States since energy prices are largely controlled by supply and demand. If the supply of energy is declining, it is an indicator of higher energy prices.

Calculation Method: Noncumulative

Target Attainment: High

Priority: Medium

Key Measure: No

New Measure: No

Percentage Measure: No

Explanatory 1.1.1.3: Annual Calendar Year Production of Texas Natural Gas

Definition: The reported amount of natural gas produced in Texas expressed as thousand cubic feet.

Data Limitations: Some monthly natural gas production is reported late or inaccurately and revisions to a particular month's production can continue for several months into the future. Confident annual calendar year volumes for natural gas are typically not available until at least 6 months after the end of the calendar year.

Data Source: All Texas natural gas producers are required to report their monthly production by well. Volumes are required to be reported by the last day of the month following production. This information is maintained on a Commission database and reported monthly on the website.

Methodology: Natural gas is reported and maintained in a Commission database in thousand cubic feet (Mcf). The number will be the sum of each month's data and reported on a calendar year basis.

Purpose: Production of natural gas is important to the economy of the state and the United States since energy prices are largely controlled by supply and demand. If the supply of energy is declining, it is an indicator of higher energy prices.

Calculation Method: Noncumulative

Target Attainment: High

Priority: Medium

Key Measure: No

New Measure: No

Percentage Measure: No

Explanatory 1.1.1.4: Number of Horizontal Drilling Permits Applications Processed

Definition: The number of horizontal drilling permit applications processed during the reporting period.

Data Limitations: Drilling permit applications processed have well-defined parameters and are easily identified. The count may not include permits that are received but are incomplete and have not been built into the computer system, or corrections to previously filed reports.

Data Source: Counts of drilling permit applications processed, including an indicator of whether the well is classified as "Horizontal", are available from computer-generated statistical listings and maintained in the Drilling Permit section and on-line query programs.

Methodology: Sum the monthly totals of drilling permit applications processed where the application indicates that the well is a "Horizontal" well during the three months within the reporting period to get the reporting period total. When calculating the second, third, and fourth quarter, recalculate the year to-date total by summing quarter totals.

Purpose: This measure is an indication of oil and gas exploration and development activity. Drilling permits are required before wells can be drilled and completed, recompleted or reentered. This measure is intended to be an indicator of industry activity.

Calculation Method: Noncumulative

Target Attainment: High

Priority: Medium

Key Measure: No

New Measure: No

Percentage Measure: No

Explanatory 1.1.1.5: Number of Vertical Drilling Permit Applications Processed

Definition: The number of vertical drilling permit applications processed during the reporting period.

Data Limitations: Drilling permit applications processed have well-defined parameters and are easily identified. The count may not include permits that are received but are incomplete and have not been built into the computer system, or corrections to previously filed reports.

Data Source: Drilling permit applications processed have well-defined parameters and are easily identified. The count may not include permits that are received but are incomplete and have not been built into the computer system, or corrections to previously filed reports.

Methodology: Sum the monthly totals of drilling permit applications processed where the application indicates that the well is not a “Horizontal” well during the three months within the reporting period to get the reporting period total. When calculating the second, third, and fourth quarter, recalculate the year to-date total by summing quarter totals.

Purpose: The number of vertical drilling permit applications processed during the reporting period.

Calculation Method: Noncumulative

Target Attainment: High

Priority: Medium

Key Measure: No

New Measure: No

Percentage Measure: No

Strategy 2.1.1 Pipeline Safety

Outcome 2.1.1: Average Number of Safety Violations

Definition: Average number of safety violations noted per 100 miles for distribution, transmission, and hazardous liquid pipeline systems inspected.

Data Limitations: None.

Data Source: Each pipeline safety inspection documents the number of miles inspected and the number of violations found. Data are collected during field inspections and maintained within the RRC PIPES application by pipeline system.

Methodology: An average number of violations per 100 miles of pipe for each of the three types of systems (distribution, transmission, and hazardous liquid) will be determined by dividing the number of violations by the mileage of pipe that was inspected. These three averages will then be averaged to get a single equivalent statewide number for all of the pipeline systems, other than master meter systems, within the state that are inspected each year.

Purpose: To determine the level of compliance by the various segments of the pipeline industry, a trending level can be established with this outcome. The Commission's Pipeline Safety program can be compared to other state or federal programs by type of pipeline to determine the level of compliance by the industry.

Calculation Method: Noncumulative

Target Attainment: Low

Priority: High

Key Measure: Yes

New Measure: No

Percent Measure: No

Output 2.1.1.1: Number of Pipeline Safety Inspections Performed

Definition: A total of the standard and follow-up comprehensive safety compliance inspections conducted on intrastate hazardous liquids and natural gas pipelines.

Data Limitations: None.

Data Source: All safety inspections are conducted using inspections forms to record the data relevant to the safety inspection, in addition to data from other sources entered into the RRC PIPES application. All of the data are maintained in the RRC PIPES application.

Methodology: RRC PIPES application can be utilized to total the number of standard and follow-up comprehensive inspections conducted within any prescribed time interval to calculate the number of inspections conducted. The inspection will be considered complete based on the supervisor-

approved date of the inspection. All standard and follow-up comprehensive inspections approved within the time period selected will be totaled.

Purpose: Standard and follow-up comprehensive safety inspections are conducted on pipeline facilities to monitor compliance with Commission safety regulations. Inspections are conducted on various types of facilities and tracked by the system and evaluation type.

Calculation Method: Cumulative

Target Attainment: High

Priority: High

Key Measure: Yes

New Measure: No

Percentage Measure: No

Output 2.1.1.2: Number of Pipeline Safety Violations Identified through Inspections

Definition: Safety inspections identify violations of Commission safety regulations for pipeline facilities. Violations are listed by each particular code section and associated with each individual safety inspection.

Data Limitations: None.

Data Source: The inspection reports include information on the type of regulated entity and all observed violations. The data is transferred into the RRC PIPES application.

Methodology: The source of data is the RRC PIPES application.

Purpose: Safety inspections are conducted to determine compliance with the Commission's safety regulations for pipeline systems. Noncompliance with the safety regulations are identified and recorded on the field inspections data sheets and recorded into the RRC PIPES application.

Calculation Method: Cumulative

Target Attainment: Low

Priority: High

Key Measure: No

New Measure: No

Percentage Measure: No

Output 2.1.1.3: Number of Pipeline Accident Investigations or Complaint Investigations

Definition: In addition to routine standard and follow-up comprehensive safety inspections, incident and accident investigations are conducted on pipeline facilities to determine operators' compliance with Commission safety regulations. Incident and accident investigations are conducted in the event an incident or accident occurs on a pipeline facility; these may also be initiated through public complaints.

Data Limitations: None.

Data Source: Using RRC PIPES, the number of incident, accident, and other special investigations can be determined. Each inspection or investigation requires an on-site visit, which includes the completion of a field report that documents what the inspector found as well as the amount of time spent conducting the investigation.

Methodology: RRC PIPES can be used to total the number of incident, accident, and other special inspections conducted within any prescribed time interval to calculate the number of inspections conducted. The inspection will be considered complete based on the supervisor-approved date of the inspection. All incident, accident, and other special inspections approved within the time period selected will be totaled.

Purpose: Incident and accident investigations are conducted to determine the probable cause of the incident and to determine if an operator's non-compliance may have contributed to the incident. Special investigations are conducted to respond to consumer/public complaints.

Calculation Method: Cumulative

Target Attainment: High

Priority: Medium

Key Measure: No

New Measure: No

Percentage Measure: No

Output 2.1.1.4: Number of Pipeline Specialized Program Inspections

Definition: A total of the specialized program inspections conducted on intrastate hazardous liquids and natural gas pipelines.

Data Limitations: None.

Data Source: All safety inspections are conducted using inspection forms to record the data relevant to the safety inspection, in addition to data from other sources entered into the RRC PIPES application. All of the data are maintained in the RRC PIPES application.

Methodology: RRC PIPES can be utilized to total the number of specialized program inspections conducted within any prescribed time interval to calculate the number of inspections conducted.

The inspection will be considered complete based on the supervisor-approved date of the inspection. All specialized program inspections approved within the time period selected will be totaled.

Purpose: Specialized program inspections are conducted to monitor such activities as new construction, operator qualification programs, integrity management programs, drug and alcohol programs, public awareness and damage prevention programs, and operation, maintenance and emergency manual plans.

Calculation Method: Cumulative

Target Attainment:

Priority:

Key Measure: No

New Measure: No

Percentage Measure: No

Efficiency 2.1.1.1: Average Number of Pipeline Field Inspections Per Field Inspector

Definition: Each inspector is required to conduct a minimum number of field inspections. This summarizes the number of inspections completed during any specific time frame and the number of inspectors available to conduct inspections.

Data Limitations: There is no separate allowance for inspections where multiple inspectors conduct an inspection. In this instance the inspection will only be counted once.

Data Source: The data are collected in the RRC PIPES application as part of the inspection process. Each inspection records the inspector performing the inspection and the time the inspection was conducted. The number of field personnel is maintained in the section.

Methodology: The total number of all types of inspections (standard and follow-up comprehensive inspections, and incident, accident, and other special inspections) completed and approved during each reporting period is divided by the number of inspectors available to conduct inspections.

Purpose: To maintain adequate staffing levels and projections for workload within fiscal years, it is important to use the average of inspections per inspectors.

Calculation Method: Cumulative

Target Attainment: High

Priority: High

Key Measure: Yes

New Measure: No

Percentage Measure: No

Strategy 2.1.2 Pipeline Damage Prevention

Output 2.1.2.1: Number of Excavation Damage Enforcement Cases Completed

Definition: The number of excavation damage enforcement and complaint cases completed.

Data Limitations: None.

Data Source: Data will be obtained from the Commission's online system (TDRF) used to collect data regarding damages to underground facilities and all enforcement actions taken as a result of the damage to those facilities.

Methodology: The data will be collected from the Commission's online damage reporting system regarding the number of enforcement cases and complaints processed over a designated time period.

Purpose: This measure indicates the effectiveness of the Commission's damage prevention enforcement program to increase awareness of compliance requirements and reduce the number of damages to intrastate pipeline systems by tracking the enforcement activity regarding damage prevention violations.

Calculation Method: Cumulative

Target Attainment: High

Priority:

Key Measure: Yes

New Measure: No

Percentage Measure: No

Strategy 2.2.1 Regulate Alternative Fuel Sources

Outcome 2.2.1: Average Number of LPG/CNG/LNG Violations

Definition: Each safety inspection will identify and record any violation of the LPG/CNG/ LNG safety regulations. The average number of violations per inspection can be used as a benchmark for the state of the LPG/CNG/LNG industry.

Data Limitations: None.

Data Source: Each field inspection documents the number of violations and this data is entered into the LIS Oracle database system. The number of inspections by type and number of violations by type can be retrieved from this system. Each site that is inspected is considered one inspection.

Methodology: The total number of violations noted is divided by the total number of inspections completed to determine the average number of safety violations per inspection.

Purpose: The Commission's LPG/CNG/LNG safety program conducts field investigations and inspections of stationary and mobile installations to determine compliance with the Commission's safety regulations. By determining the average number of violations per inspection, the overall effectiveness of the program can be monitored by comparing the trend of reported average violations per year.

Calculation Method: Noncumulative

Target Attainment: Low

Priority: Low

Key Measure: No

New Measure: No

Percent Measure: No

Outcome 2.2.2: Percent of LPG/CNG/LNG Inspections W/ Non-compliance Items

Definition: For all inspections where items were cited to be out of compliance a non-compliance letter is sent to the facility/equipment's owner/operator and, in most cases, the facility/equipment's supplier. The owner/operator/supplier is given 45-days from the date of the letter to correct all non-compliance items. The non-compliance letter can be used to submit notice of corrections. If a notice of correction is not received a follow-up letter is sent to all parties removing the installation from service until the corrections are made and notice is sent to the Commission.

Data Limitations: None.

Data Source: The non-compliance letter sent date and the notice of correction received date are tracked in the LIS database. Any notice of correction received after the follow-up letter is also entered into LIS.

Methodology: The total number of corrections notices received divided by the number of inspections where citations are listed (by rule number per inspection) multiply by 100 to determine the percentage of non-compliance inspections where notice of correction was received. The number of inspections with citations and the notice of correction are calculated using the LIS database.

Purpose: The number of corrections would help to determine where resources may need to be concentrated to verify compliance at installations where confirmation has not been received.

Calculation Method: Noncumulative

Target Attainment: Low

Priority: Medium

Key Measure: No

New Measure: No

Percent Measure: Yes

Output 2.2.1.1: Number of LPG/LNG/CNG Safety Inspections Performed

Definition: A total of the onsite safety inspections conducted on jurisdictional LPG/LNG/CNG stationary and mobile installations. Excludes 'Compliance Disposed' inspections; for example, where duplicate records are removed as a result of an onsite inspection.

Data Limitations: None.

Data Source: All safety inspections are conducted using data collection sheets to record data relevant to safety evaluations. Inspections are tracked within the LIS Oracle system by evaluation type. All of the data is transferred into the Commission's LIS Oracle database each week by the inspector that conducts the inspection.

Methodology: The total number of LPG/CNG/LNG inspections conducted within a prescribed time interval is calculated using the LIS Oracle database.

Purpose: Onsite inspections are conducted on jurisdictional LPG/LNG/CNG installations to monitor compliance with Commission safety regulations. The more inspections that are performed the more likely violations and hazardous conditions will be identified and corrected, reducing the risk of personal injury and property damage.

Calculation Method: Cumulative

Target Attainment:

Priority:

Key Measure: Yes

New Measure: No

Percentage Measure: No

Output 2.2.1.2: Number of LPG/LNG/CNG Safety Violations Identified through Inspection

Definition: Safety inspections identify violations of Commission safety regulations for LPG/LNG/CNG facilities, vehicles and mobile equipment. Violations are listed by each particular code section and associated with each individual safety inspection.

Data Limitations: None.

Data Source: The inspection reports include information on the type of installation and all observed violations. The data is transferred into the Commission's LPG LIS Oracle database.

Methodology: The source of data is the LPG Oracle database.

Purpose: Safety inspections are conducted to determine compliance with the Commission's safety regulations for LPG/LNG/CNG installations. Noncompliance with the safety regulations are identified and recorded on the field evaluation data sheets. The owners or operators of stationary

installations or vehicle/mobile equipment cited for violations are notified of the safety issues and afforded a specific time frame to take corrective action or remove the installation or vehicle/mobile equipment from service.

Calculation Method: Cumulative

Target Attainment:

Priority:

Key Measure: No

New Measure: No

Percentage Measure: No

Output 2.2.1.3: Number of LPG/CNG/LNG Investigations

Definition: In addition to routine safety inspections, special investigations and accident investigations are conducted on LPG/CNG/LNG facilities, vehicles and mobile equipment to determine compliance with Commission safety regulations. Investigations of unsafe installations or practices are initiated by complaints from individuals in the regulated industries or from the public. Licensees are required by Commission rules to report incidents or accidents involving LPG/CNG/LNG at installations or on equipment they own, operate or service.

Data Limitations: None.

Data Source: Division staff enters accidents and complaints into an access database, and final approval inspections, follow-up re-inspections and other special inspections are entered in the LIS Oracle database.

Methodology: Adding the totals from each database equals the total number of accidents and special inspections.

Purpose: Accident investigations are conducted to determine the probable cause of the incident and to determine if non-compliance with applicable safety regulations may have contributed to the incident. Special investigations are conducted to monitor new construction and installation activities, approve large stationary installations and certain vehicles, and to respond to consumer/public/industry complaints. Special investigations also include certain follow up inspections to determine compliance from a previous inspection.

Calculation Method: Cumulative

Target Attainment: Low

Priority: Low

Key Measure: No

New Measure: No

Percentage Measure: No

Output 2.2.1.4: Number of LPG/CNG/LNG Exams Administered

Definition: Persons engaged in jurisdictional LPG, CNG and LNG activities are required to be licensed, certified or registered with the Railroad Commission. Individuals who perform jurisdictional LPG, CNG and LNG activities are required to be certified. To obtain a certification a person must pass a written examination. Forms, fees and insurance must be filed with the division to obtain a license, and certain licenses require cargo tank motor vehicles and delivery units to be registered with the Commission. Licensed master and journeyman plumbers and air-conditioning and refrigeration (ACR) licensees who perform certain LPG or CNG activities may register for an exemption with the Commission in lieu of maintaining a current Railroad Commission license or certification. Annual renewal of each license, certification and/or registration is required.

Data Limitations: None.

Data Source: All data for LPG, CNG and LNG examinations, certification, licenses and registrations are entered into the Commission's LIS Oracle database.

Methodology: The totals can be calculated using reports from the LIS Oracle database.

Purpose: Persons who perform jurisdictional LPG, CNG or LNG activities in Texas are required by statute to hold a license or registration from the Commission. All licensees must have insurance and employees performing jurisdictional activities must be certified by testing on safety regulations. Licensees, certified employees, and registrants must renew annually. Licensees with transports must register each truck annually.

Calculation Method: Cumulative

Target Attainment: High

Priority: Low

Key Measure: No

New Measure: No

Percentage Measure: No

Output 2.2.1.6: Number Attending LP-gas Training or Continuing Education

Definition: Individuals attending are those that complete attendance of a training or continuing education course provided either in a classroom or online.

Data Limitations: None.

Data Source: Commission records of courses. For courses that confer Railroad Commission training or continuing-education credit, instructors report the number of individuals completing the course to the training coordinator in writing at the end of each work week. Information from these reports is entered into the Commission's LIS Oracle training Database. For non-credit training courses and seminars, training hours are recorded in a separate Excel spreadsheet.

Methodology: Retrieve from the LIS Oracle training database the total number of individuals attending each training or continuing education course online or in person. Retrieve from the non-credit training class Excel spreadsheet listing the total number of individuals attending the training course. Add these two totals and report the sum.

Purpose: This measure tells how much technical training the division provides annually to alternative fuels technicians, other industry personnel, emergency responders, and consumers, e.g., alternative fuels school bus fleet operators, and emergency responders. The more training that is provided, the more likely industry personnel, emergency responders and consumers are to competently and safely operate alternative fuels equipment and installations and respond to emergencies.

Calculation Method: Cumulative

Target Attainment:

Priority:

Key Measure: No

New Measure: No

Percentage Measure: No

Efficiency 2.2.1.1: Average Number of LPG/CNG/LNG Safety Inspections Per Inspector

Definition: Each alternative fuels inspector is required to conduct a minimum number of on-site safety inspections. This measure summarizes the number of evaluations completed during any specific time frame and the number of inspectors available to conduct inspections.

Data Limitations: There is no separate allowance for a safety inspection in which multiple inspectors collaborate to complete the inspection. In such an instance the inspection will only be counted once and credited to a single inspector.

Data Source: The data is collected in the Commission's LIS Oracle database as part of the inspection process. A record of each inspection is entered into the database that includes the name of the inspector and the time spent conducting the inspection. The number of field personnel is maintained by the division.

Methodology: The number of safety inspections completed during each reporting period is divided by the number of inspectors available to conduct inspections.

Purpose: To maintain adequate staffing levels and projections for workload within fiscal years, it is important to use the average number of inspections performed by inspectors.

Calculation Method: Cumulative

Target Attainment:

Priority:

Key Measure: No

New Measure: No

Percentage Measure: No

Efficiency 2.2.1.2: Percent of LPG/CNG/LNG Reports Processed w/ in 30 Days

Definition: Completion reports are received when smaller capacity alternative fuel containers, racks or cascades are installed at non-residential facilities. The aggregate capacity of containers at a site is used to determine if a completion report is submitted. The aggregate capacities for each fuel type are less than: 10,000 gallons for LPG, 84,500 standard cubic feet for CNG and 15,540 gallons for LNG. Completion reports should be processed within 30 business days of receipt.

Data Limitations: None.

Data Source: The completion report received date is entered in the LIS database. The data entry date is automatically tracked by the LIS database.

Methodology: If the completion report data entry date is thirty business days or less than the completion report received date, then the completion report was entered in the required time frame. The total number of completion reports entered within the required time frame divided by the number of completion reports received, multiply by 100 to determine the percentage of completion reports processed within 30 business days of receipt.

Purpose: The installations reported on completion reports are used to create the inspectors' annual schedule of installations that are due for inspection, including installations that have never been inspected. Inspectors will also inspect new installations that are not on their schedule; included in the inspection process for new installations is verification of a completion report on file. Completion reports must be entered in a timely manner to ensure proper verification.

Calculation Method: Noncumulative

Target Attainment: High

Priority: Medium

Key Measure: No

New Measure: No

Percentage Measure: Yes

Efficiency 2.2.1.3: Percentage of Applications to Install LPG/CNG/LNG Facility Processed

Definition: Applications to Install LPG/CNG/LNG Facility (Plans) are received prior to the installation of larger capacity alternative fuel containers or cascades at non-residential facilities. The aggregate capacity of containers at a site is used to determine if plans are submitted. The aggregate capacities for each fuel type are as follows: 10,000 gallons or more for LPG, 84,500 standard cubic

feet or more for CNG and 15,540 gallons or more for LNG. Plans should be processed within 30 business days of receipt.

Data Limitations: None.

Data Source: The application to install LPG/CNG/LNG facility's received date is entered in the LIS database. If the application is incomplete a letter will be sent to the applicant notifying them of deficiencies found with their application; if the application is complete, then the applicant will receive a letter granting construction of the installation.

Methodology: If the deficiency letter or construction approval letter date is thirty business days or less than the application to install LPG/CNG/LNG facility (application) received date, then the application was processed in the required time frame. The total number of applications processed within the required time frame divided by the number of applications received, multiply by 100 to determine the percentage of applications processed within 30 business days of receipt.

Purpose: Applications to install LPG/CNG/LNG facility must be processed within a timely manner to allow industry proper time to plan the construction of these installations. Construction cannot begin until the application is approved by AFS.

Calculation Method: Noncumulative

Target Attainment: High

Priority: Medium

Key Measure: No

New Measure: No

Percentage Measure: Yes

Strategy 3.1.1 Oil and Gas Monitoring and Inspections

Outcome 3.1.1: Percent of Oil and Gas Inspections That Identify Violations

Definition: The percentage of the total number of oil and gas facility inspections performed where at least one pollution-related violation was detected. Pollution-related violations include violations of Statewide Rules 8, 9, 13, 14, 17, 20, 21, 46, 81, 91, 95, 96, 97, and 98 (water protection, disposal wells, well completion and plugging, wellhead pressure, fire prevention and swabbing, fluid injection, brine mining, oil spills, hydrocarbon storage, and hazardous waste management) and violations of 16 TAC Chapter 4, Subchapter B (Commercial Recycling) and Subchapter F (Oil and Gas NORM).

Data Limitations: The number of non-compliant leases and facilities is affected by the health of the oil and gas industry, or the lack thereof. Increases/decreases in personnel and priority of inspection assignments also affect these numbers.

Data Source: Data is captured in the Inspection, Compliance, and Enforcement system. Statistical reports are generated monthly.

Methodology: This percentage is calculated by dividing the total number of oil and gas facility inspections where at least one pollution-related violation was detected by the total number of oil and gas facility inspections.

Purpose: This percentage measures the level of activity for the Commission's district offices associated with potential environmental threats, and is an indicator of the overall level of compliance by oil and gas operators in protecting the environment. From this percentage, a statistical projection of the number of compliant and non-compliant facilities and required Commission staffing may be deduced.

Calculation Method: Noncumulative

Target Attainment: Low

Priority: High

Key Measure: Yes

New Measure: No

Percent Measure: Yes

Outcome 3.1.2: Percent of Wells Not Inspected in Last Five Years

Definition: This figure represents the percent of the wells completed more than five years prior to the end of the reporting period that have not been inspected by district staff within the five years prior to the end of the reporting period.

Data Limitations: Not all inspections require the same amount of time to complete due to the travel time required to reach the lease where the well is located, the complexity of the job, and the number of violations identified at the well. Some inspections (such as well casing cementing operations, well plugging operations, and injection/disposal well mechanical integrity tests) are more time consuming and are performed to verify compliance rather than identify violations. These factors impact the number of wells inspected by district office staff, which has a direct impact on number of wells not inspected. Increases/decreases in personnel and priority of inspection assignments also affect this number.

Data Source: Data is collected in the Inspection, Compliance, and Enforcement (ICE) system.

Methodology: From the ICE system, identify all wells inspected during the five-year period prior to the end of the reporting period. From wellbore records as of the end of the reporting period, identify all wells on schedule that were completed more than five years prior to the end of the reporting period (the reviewed population). By comparing the two data sets, exclude all wells in the reviewed population where an inspection occurred within the five-year period. The percentage of the well population not inspected in 5 years is the number of uninspected wells divided by the number of wells in the reviewed population.

Purpose: The percentage of the total well population not inspected in the last 5 years measures how efficiently the Commission's district office staff conducts inspections of all completed oil and gas wells. This measure serves as a management tool to predict future inspection assignments.

Calculation Method: Noncumulative

Target Attainment:

Priority:

Key Measure: No

New Measure: No

Percent Measure: Yes

Outcome 3.1.3: Percent of Total Well Population Inspected

Definition: This figure represents the percent of the total well population inspected by district staff for the reporting period.

Data Limitations: None.

Data Source: Data is collected in the Inspection, Compliance, and Enforcement (ICE) system. Statistical reports are generated monthly.

Methodology: This data is generated monthly from the ICE system by an automated report that provides the total number of oil and gas wells inspected during the reporting period and the number of oil and gas wells on schedule. The report determines the percentage of total well population inspected by dividing the number of wells inspected by the number of oil and gas wells on schedule. The denominator will be the number of wells as of 8/31 of the preceding fiscal year.

Purpose: The percent of the total well population inspected measures how efficiently the Commission's district office staff conducts inspections of oil and gas wells and measures the activity for the Commission's district office staff. By tracking the percent of total well population inspected, it is possible to determine the total number of wells that can be inspected during a specific period. This measure serves as a management tool to predict future inspection performance.

Calculation Method: Noncumulative

Target Attainment: High

Priority: Medium

Key Measure: No

New Measure: No

Percent Measure: No

Output 3.1.1.1: Number of Oil and Gas Well and Facility Inspections Performed

Definition: This measure represents the total number of oil and gas well and facility inspections performed by district staff and documented by a work report during the reporting period.

Data Limitations: Many factors impact the amount of time required to perform an inspection including type of inspection, number/magnitude of detected violations, travel time, and weather conditions. As the time required to perform inspections increases, the overall number of inspections performed decreases. Increases/decreases in personnel and priority of inspection assignments also affect this number.

Data Source: Data is captured in the Inspection, Compliance, and Enforcement (ICE) system. Statistical reports are generated monthly.

Methodology: This measure is generated monthly from the ICE system by an automated report that provides the total number of oil and gas well and facility inspections performed during the reporting period.

Purpose: The number of oil and gas well and facility inspections performed measures the level of activity for the Commission's district offices. A subset of this number measures the level of compliance (or non-compliance) by oil and gas operators.

Calculation Method: Cumulative

Target Attainment: High

Priority: High

Key Measure: Yes

New Measure: No

Percentage Measure: No

Output 3.1.1.2: Number of Enforcement Referrals for Legal Action

Definition: The total number of statewide rule violations of oil and gas leases and facilities referred to the Office of General Counsel, Enforcement section, wherein the responsible operator failed to initiate timely action to bring the lease or facility in compliance with statewide rules.

Data Limitations: None.

Data Source: Statistics on referrals to the Enforcement section are maintained in a Field Operations section spreadsheet application.

Methodology: This number is generated monthly by summing the total number of statewide rule violations referred by the Field Operations section spreadsheet application for the reporting period.

Purpose: This measure represents the level of non-compliance at the district office level that requires further enforcement action by the Commission.

Calculation Method: Cumulative

Target Attainment: Low

Priority:

Key Measure: No

New Measure: No

Percentage Measure: No

Output 3.1.1.3: Number Oil & Gas Environmental Permit Applications & Reports Processed

Definition: The number of oil and gas environmental permit applications processed for underground injection well (enhanced recovery, disposal, hydrocarbon storage and brine mining), waste hauler permits, recycling, storage, treatment, reclamation, separation and disposal activities, and monitoring reports for UIC well volumes, pressures and mechanical integrity tests, pressure tests or fluid level readings for inactive wells, and other periodic monitoring reports for facilities with environmental permits.

Data Limitations: Can be affected by any data entry delays.

Data Source: Count the total number of permit applications processed and monitoring reports received and reviewed during the reporting period. Data is maintained within the mainframe and databases. Includes: Fluid injection wells (Forms H-1), disposal wells (Forms W-14), hydrocarbon wells (Forms H-4), brine mining wells (Forms H-2), pit applications (Forms H-11), recycling applications, minor permit applications, domestic waste water applications, discharge applications, land farming applications, pipeline hydrostatic test permit applications, new/renewal waste hauler permit applications (Forms WH-1), UIC well monitoring reports (Forms H-10), UIC completion reports (Forms W-2/G-1), inactive well test reports (Forms H-15), pressure test reports for UIC wells (Forms H-5), brine mining well monitoring/test reports, and hydrocarbon storage monitoring/test reports (Forms H-10H).

Methodology: Add the number of permit applications processed and monitoring reports received and reviewed during the reporting period.

Purpose: This measure provides an indication of Oil & Gas division staff workloads and oil and gas activity in the state.

Calculation Method: Cumulative

Target Attainment: High

Priority:

Key Measure: Yes

New Measure: No

Percentage Measure: No

Output 3.1.1.4: Number of Actions Initiated through Issuance of Severance/Seal Orders (HQ)

Definition: This measure is the total number of actions initiated during the reporting period to terminate the authority of an operator to operate an oil lease or gas well through issuance of severance/seal orders due to violations of oil & gas rules.

Data Limitations: Many factors affect the level of lease severance/well seal activity. Universal compliance with the Commission rules or prompt resolution of any violations prior to initiation of additional enforcement action by the Commission is desirable and would result in lower reported counts; compliance and speed of resolution are matters within the control of industry rather than the agency.

Data Source: Data on each lease severance/well seal action is accumulated throughout the reporting period within the Commission's mainframe-based Severance/Seal system. Statistical reports are generated quarterly.

Methodology: This measure is generated quarterly by the Oil & Gas Division through a database query that provides the total number of lease severance/well seal processes initiated during the reporting period. Actions closed and reinitiated are excluded to avoid duplication of counts.

Purpose: The number of lease severances and well seals initiated is an indicator of industry compliance with Commission rules. The severance/seal process is an early and effective response to rule violations and often leads to prompt compliance.

Calculation Method: Cumulative

Target Attainment: Low

Priority: Low

Key Measure: No

New Measure: No

Percentage Measure: No

Output 3.1.1.5: Number of District-initiated Issuance of Severance/seal Orders

Definition: This measure is the total number of district office actions initiated during the reporting period to terminate the authority of an operator to operate an oil lease or gas well through issuance of severance/seal orders due to violations of oil and gas rules identified through field inspections.

Data Limitations: Many factors affect the level of lease severance/well seal activity. Universal compliance with the Commission rules or prompt resolution of any violation prior to initiation of additional enforcement action by the district office is desirable and would result in lower reported counts; compliance and speed of resolution are matters within the control of industry rather than the agency.

Data Source: Data on each lease severance/well seal action is accumulated throughout the reporting period within the Commission's mainframe-based Severance/Seal system. Statistical reports are generated quarterly.

Methodology: This measure is generated quarterly by the Oil and Gas Division through a database query that provides the total number of lease severance/well seal processes initiated by the district office during the reporting period. Actions closed and reinitiated are excluded to avoid duplication of counts.

Purpose: The number of lease severances and well seals initiated by the district office is an indicator of industry compliance with the Commissions' pollution and safety related rules. The severance/seal process is an early and effective response to pollution and safety related rule violations and often lead to prompt compliance.

Calculation Method: Cumulative

Target Attainment: Low

Priority: Medium

Key Measure: No

New Measure: No

Percentage Measure: No

Output 3.1.1.6: Number of Well and Facility Inspections Performed with No Violation

Definition: This measure represents the total number of oil and gas well and facility inspections by district staff where no violation of any statewide rule is documented.

Data Limitations: None.

Data Source: Data is captured in the Inspection, Compliance, and Enforcement (ICE) system. Statistical reports are generated monthly.

Methodology: This data is generated monthly from the ICE system by an automated report that provides the total number of oil and gas well and facility inspections performed by district staff where no violation of any statewide rule is documented.

Purpose: The purpose of this measure is to identify the level of compliance by oil and gas operators as identified through inspections conducted by Commission district offices.

Calculation Method: Noncumulative

Target Attainment: Low

Priority: High

Key Measure: No

New Measure: No

Percentage Measure: No

Efficiency 3.1.1.1: Average Number of Oil and Gas Well and Facility Inspections Performed

Definition: This measure represents the average number of oil and gas well and facility inspections performed by district office staff and documented by a work report during the reporting period.

Data Limitations: An inspection encompasses a well or other oil and gas well and facility. Not all inspections require the same amount of time to complete due to the travel time required to reach the well or facility, the complexity of the job, and the number of violations identified at the well or facility. Some inspections (such as well casing cementing operations, well plugging operations, and injection/disposal well mechanical integrity tests) are more time consuming and are performed to verify compliance rather than identify violations. These factors impact the average number of inspections performed by district office staff. Increases/decreases in personnel and priority of inspection assignments also affect this number.

Data Source: Data is captured in the Inspection, Compliance, and Enforcement (ICE) system. Statistical reports are generated monthly.

Methodology: This measure is generated monthly from the ICE system by an automated report that provides the total number of oil and gas well and facility inspections performed during the reporting period and the total number of district office staff performing the inspections. The report determines the average number of inspections performed by dividing the total inspections by the total number of district office staff performing the inspections.

Purpose: The average number of oil and gas well and facility inspections performed measures how efficiently the Commission's district office staff conducts the inspections. The number also measures the level of activity for the Commission's district office staff. By tracking the average number of inspections performed, it is possible to determine the total number of inspections that can be performed during a specified period. This measure serves as a management tool to predict future inspection performance.

Calculation Method: Cumulative

Target Attainment: High

Priority: High

Key Measure: Yes

New Measure: No

Percentage Measure: No

Explanatory 3.1.1.1: Number of UIC Wells and Other Facilities Subject to Regulation

Definition: Number of permitted environmental facilities, waste hauler facilities (vehicles), and permitted UIC wells carried on the schedule.

Data Limitations: This is a constantly changing number since operators activate and deactivate facilities every day.

Data Source: Commission databases house relevant data. This number includes permitted hydrocarbon storage facilities (wells), permitted brine mining wells, active environmental permits and facilities, active UIC wells, and vehicles permitted by oil and gas waste haulers.

Methodology: Add vehicles permitted by oil and gas waste haulers shown on PC database, permitted UIC wells as shown on the schedule and active environmental permits and facilities permitted under Rules 8, 9, 46, 57, 81, 95, 96, and Chapter 4 Subchapter B.

Purpose: The sum of these units is indicative of our regulatory tasks and allow for better allocation of resources for and prioritization of inspection and monitoring of wells and environmental facilities.

Calculation Method: Noncumulative

Target Attainment: Low

Priority: Medium

Key Measure: Yes

New Measure: No

Percentage Measure: No

Explanatory 3.1.1.2: Number of Statewide Rule Violations

Definition: This measure represents the total number of statewide rule violations reported by district office staff as a result of oil and gas wells and facility inspections.

Data Limitations: None.

Data Source: The number of rule violations noted is maintained in the Inspection Compliance, and Enforcement (ICE) system.

Methodology: The number is generated by an automated report from the ICE system that tallies the number of inspections and violations during the reporting period. These reports are generated monthly. This measure counts unique violations at the initial point of discovery through field inspection.

Purpose: Oil and gas wells and facility inspections are used to identify violations and initiate correction. The Commission takes appropriate enforcement action to achieve compliance on all reported rule violations including legal enforcement action, if necessary.

Calculation Method: Noncumulative

Target Attainment: Low

Priority: High

Key Measure: No

New Measure: No

Percentage Measure: No

Explanatory 3.1.1.3: Number of Major Statewide Rule Violations

Definition: This figure represents the total number of major statewide rule violations reported by district office staff as a result of oil and gas wells and facility inspections.

Data Limitations: None.

Data Source: The number of major statewide rule violations is maintained in the Inspection, Compliance & Enforcement (ICE) system.

Methodology: This number is generated by an automated report from the ICE system that tallies the number of inspections and major violations during the reporting period. These reports are generated monthly. This measure counts unique, major violations at the initial point of discovery through field inspection.

Purpose: Oil and gas wells and facility inspections are used to identify major violations and initiate correction. The Commission takes appropriate enforcement action to achieve compliance on all reported major rule violations including legal enforcement action, if necessary.

Calculation Method: Noncumulative

Target Attainment: Low

Priority: High

Key Measure: No

New Measure: No

Percentage Measure: No

Explanatory 3.1.1.4: Percent of Violations Corrected within 90 Days

Definition: This figure represents the number of statewide rule violations documented by district staff inspections that were resolved within 90 days.

Data Limitations: None.

Data Source: Data is captured in the Inspection, Compliance, and Enforcement (ICE) system.

Methodology: Identify and tally all statewide rule violations documented by district staff initial inspection during the period beginning 90 days before the beginning of the reporting period and ending 90 days before the end of the reporting period. For all identified rule violation within this population, identify and tally all statewide rule violations corrected (brought into compliance) within 90 days following the initial inspection. The percentage of violations corrected within 90 days is the number of statewide rule violations corrected (brought into compliance) within 90 days divided by the total number of statewide rule violations identified.

Purpose: The percent of violations corrected within 90 days is an indicator of industry response to correct violations.

Calculation Method: Noncumulative

Target Attainment: High

Priority: High

Key Measure: No

New Measure: No

Percentage Measure: Yes

Strategy 3.1.2 Surface Mining Monitoring and Inspections

Output 3.1.2.1: Number of Coal Mining Inspections Performed

Definition: The total number of inspections conducted during the fiscal year to assure mining operations are conducted in compliance with issued permits and applicable regulations.

Data Limitations: The frequency and type of inspections are dependent in part on the level of mining, reclamation or exploration activities that are ongoing during the reporting period.

Data Source: The number of inspections is documented through reports prepared for each on-site inspection of permitted mining operations. Inspection reports are prepared and filed in the administrative records for each mining permit.

Methodology: The number of inspections is a cumulative count of all types of inspections performed during a reporting period. This number is determined from a review of the files for each mining permit and exploration registration.

Purpose: This measure identifies the number of field inspections conducted to monitor the activities of permitted mining operations. On-site inspections of mining operations are the primary means to ensure that mining and reclamation is being conducted in accordance with the approved permit.

Calculation Method: Cumulative

Target Attainment: High

Priority:

Key Measure: Yes

New Measure: No

Percentage Measure: No

Output 3.1.2.2: Number of Coal Mining Permit Actions Processed

Definition: The number of coal mining permit actions reviewed and processed to completion during the fiscal year. Permit actions include applications for new permits, permit renewals, transfers, or revisions, exploration registrations renewed or issued, reclamation bond adjustments and releases, monitoring report evaluations, applications for blaster certifications, construction design documents and certifications, and initiation of the extended responsibility period.

Data Limitations: The number and timing of permit action requests is determined by the mining industry and not controlled by the Commission. Specifically, many of the construction design documents are affected by seasonal weather conditions; therefore, creating a workload that is not necessarily linear over the evaluation period.

Data Source: The permit actions are tracked in a database with the decision document entry marking the completion of the permit action review. These decision documents consist of Commission orders, administrative approval letters, acknowledgement letters, blaster certificates, and exploration registrations.

Methodology: The number of permit actions completed is a cumulative count of all actions with a decision document issued during a reporting period. This number is determined from a query of the permit actions database for actions completed during the reporting period.

Purpose: This measure provides a numeric count of the major administrative and technical reviews performed by the staff. The majority of program staff resources are allocated to these reviews, which are required to demonstrate mining operations are conducted in compliance with administrative and technical performance standards contained in the regulations or Commission orders.

Calculation Method: Cumulative

Target Attainment: High

Priority:

Key Measure: No

New Measure: No

Percentage Measure: No

Output 3.1.2.3: Percent of Uranium Exploration Sites Inspected Monthly

Definition: The percentage of uranium exploration permits inspected monthly during the fiscal year to assure exploration and plugging operations are conducted in compliance with issued permits and applicable regulations.

Data Limitations: Uranium inspections are conducted during exploration drilling and recovery operations which is dependent upon market price and demand of uranium. When the price of uranium rises above a market determined price per pound, companies begin exploration activities which require inspection. Any price below the market determined price per pound, uranium exploration is put on hold while the companies wait for the market price to rise, resulting in the

possibility that zero sites will require an inspection in a given quarter making the percentage calculation mathematically indeterminate.

Data Source: The percentage of exploration permits inspected monthly is documented through reports prepared for each on-site inspection of permitted exploration operations. Inspection reports are prepared and filed in the administrative records for each permit.

Methodology: Divide the cumulative count of active permit inspections conducted during the reporting period by the number of active permit months for the reporting period. A permit is considered active when an operator is actually conducting exploration and plugging operations in the field.

Purpose: This measure identifies the percentage of uranium exploration permits inspected monthly to monitor the activities of permitted exploration operations. On-site inspections of exploration operations are the primary means to ensure that exploration and site-restoration is being conducted in accordance with the approved permit.

Calculation Method: Noncumulative

Target Attainment: Low

Priority:

Key Measure: No

New Measure: No

Percentage Measure: Yes

Efficiency 3.1.2.2: Percent of Coal Permitting Actions within Statutory Time Frames

Definition: The percent of total projects within the review period with total staff review days at or less than the statutory review time frame.

Data Limitations: The staff-review time for different types of permitting actions can vary significantly, dependent on the complexity of the permit revision. The ability to meet the performance measure may be influenced if more complex permit actions are submitted for review during the reporting period than estimated in establishing the performance measure target.

Data Source: This is a comparison of review time frames for all permitting actions completed during the reporting period, compared to the respective statutory review time frame. These include all significant and non-significant permitting actions. A database is maintained within the Surface Mining and Reclamation Division that tracks the processing of permit action requests. Key processing milestones are documented with a database entry logging the date of the event. Permit action reviews are considered complete when the director's final decision letter is sent to the permittee. The number of staff days is a count of all calendar days beginning on the stamped receipt date of an administratively complete application until the date of the director's final decision letter.

Methodology: Divide the number of actions with review time frames at or less than the statutory review times by the total number of actions completed in the review period. Multiply this quotient by 100.

Purpose: The measure illustrates the overall performance of staff in meeting statutory review time frames identified in Texas Natural Resources Code, Chapter 134, Section 134.085.

Calculation Method: Noncumulative

Target Attainment: Low

Priority: Low

Key Measure: No

New Measure: No

Percentage Measure: Yes

Efficiency 3.1.2.1: Average Number Days to Process Uranium Exploration Permitting Actions

Definition: The average number of staff days required to review uranium exploration permit actions. These actions include new, revised and renewal applications.

Data Limitations: The ability to meet the efficiency measure may be influenced if more complex permit actions are submitted for review during the reporting period than estimated in establishing the target.

Data Source: The measure is based on a count of the number of staff review days for all uranium exploration permit action requests completed during the reporting period. A database is maintained within the Surface Mining and Reclamation division that tracks the processing of permit action requests. Processing milestones are documented with a database entry logging the date of the event. Permit action reviews are considered complete when a deficiency letter or Director's final decision letter is sent to the permittee. The number of staff review days is based on the number of calendar days beginning on the stamped receipt date until the date staff review is complete resulting in a deficiency letter or director's final decision letter.

Methodology: Divide the aggregate total number of staff review days by the number of uranium exploration permit action reviews completed for the reporting period.

Purpose: The measure illustrates the responsiveness of staff in meeting target review timeframes for uranium exploration permit actions.

Calculation Method: Cumulative

Target Attainment: Low

Priority: Low

Key Measure: No

New Measure: No

Percentage Measure: No

Explanatory 3.1.2.1: Annual Calendar Year Production of Texas Lignite Coal

Definition: The reported amount of lignite coal produced in Texas year expressed in tons.

Data Limitations: Annual calendar lignite production is not required to be reported until March of each year for the previous year.

Data Source: All Texas lignite coal producers are required to report to the Commission and the federal Department of the Interior their annual production by mine. This information is maintained on a Commission database and can also be extracted from federal reports.

Methodology: The total number will be summed from production reports submitted in March of each year.

Purpose: Production of lignite coal is important to the economy of the state and the United States since energy prices are largely controlled by supply and demand. If the supply of energy is declining, it is an indicator of higher energy prices.

Calculation Method: Noncumulative

Target Attainment:

Priority:

Key Measure: No

New Measure: No

Percentage Measure: No

Strategy 3.2.1 Oil and Gas Well Plugging and Remediation

Outcome 3.2.1: Percent of Known Orphaned Wells Plugged with State-Managed Funds

Definition: The ratio of the number of wells plugged with the use of state managed funds to the total number of orphaned wells. An orphaned well is a well for which production of oil or gas or another activity under the jurisdiction of the Commission has not been reported to the Commission for the preceding 12 months, and for which the Commission-approved organization report (Form P-5) has been delinquent over one year. State managed funds include the Oil and Gas Regulation and Cleanup Fund and other funds appropriated to the agency.

Data Limitations: Does not distinguish between complex and/or deep pluggings which may be more time consuming, and have higher costs associated with them and routine shallow pluggings which may be more readily addressed, and less costly. The number of orphaned wells identified by the Commission's mainframe system is a dynamic number that changes daily.

Data Source: An automated database captures the number of wells plugged with state managed funds. A separate automated database captures the number of orphaned wells.

Methodology: The percentage is calculated by dividing the number of orphaned wells plugged by the number of wells that are orphaned.

Purpose: Provides an indication of the effectiveness of the state managed well plugging program.

Calculation Method: Noncumulative

Target Attainment:

Priority:

Key Measure: Yes

New Measure: No

Percent Measure: Yes

Outcome 3.2.2: Percent of Pollution Sites Investigated, Assessed, Cleaned with State-Managed Funds

Definition: Percentage of identified pollution sites investigated, assessed, or cleaned up with state-managed funds.

Data Limitations: While the percentage is a reflection of effectiveness it is dependent on the identification of abandoned pollution site candidates. Abandoned sites that have not yet been identified cannot be captured. A candidate site may consist of multiple cleanup activities due to the varying complexity of the sites and the need for multiple work orders to ensure a cost-effective cleanup.

Data Source: An automated database captures the completion of abandoned pollution site investigations, assessments, and cleanups. Pollution sites are identified primarily through inspections, referrals from District Office field personnel and the general public.

Methodology: This percentage is calculated by dividing the number of abandoned pollution sites investigated, assessed, or cleaned up using the Oil and Gas Regulation and Cleanup Fund and other state funds appropriated to the agency by the number of identified abandoned pollution sites.

Purpose: Provides an indication of the effectiveness of the cleanup program.

Calculation Method: Noncumulative

Target Attainment:

Priority:

Key Measure: No

New Measure: No

Percent Measure: Yes

Output 3.2.1.1: Number Abandoned Sites Investigated, Assessed or Cleaned Up with State-Managed Funds

Definition: Number of clean up activities at abandoned pollution sites where an investigation, assessment, or clean up is completed with the use of Oil and Gas Regulation and Cleanup Fund or other state funds appropriated to the agency.

Data Limitations: Does not distinguish between major sites that are complex, time consuming, and costly and minor sites that may be smaller, more readily addressed, and less costly. Factors affecting this measure include availability of funds, number of identified abandoned sites, and availability of qualified contractors.

Data Source: An automated database captures the completion of abandoned pollution site investigations, assessments, and cleanups. Pollution sites are identified primarily through inspections, referrals from District Office field personnel and the general public.

Methodology: A cumulative count of the number of abandoned pollution cleanup activities that are completed at abandoned pollution sites with monies from the Oil and Gas Regulation and Cleanup Fund and other state funds appropriated to the agency. A cleanup activity is considered completed when the final invoices for the cleanup activity are approved for payment by the Site Remediation Section.

Purpose: Provide an indication of the effectiveness of the cleanup program for abandoned sites requiring the use of state managed funds.

Calculation Method: Cumulative

Target Attainment: Low

Priority:

Key Measure: Yes

New Measure: No

Percentage Measure: No

Output 3.2.1.2: Number of Orphaned Wells Plugged with State-Managed Funds

Definition: The number of orphaned wells plugged by the Commission with the use of the Oil and Gas Regulation and Cleanup Fund and other funds appropriated to the agency.

Data Limitations: The number of wells plugged with state managed funds includes only those wells that have been physically plugged, have been invoiced by the plugging contractor, and whose invoice has been approved for payment by the Field Operations Section. Due to the complexity of some well plugging operations, higher plugging costs may be incurred, reducing the number of wells actually plugged within budget constraints. Factors affecting this measure include: availability of funds, number of approved wells, availability of qualified contractors, and availability of field inspectors to supervise operations.

Data Source: The number of wells plugged with the Oil and Gas Regulation and Cleanup Fund and other state funds is maintained in the Field Operations section OFCU Database. Monthly Field Operations reports generate the number of wells plugged with state funds.

Methodology: A cumulative count of the number of wells plugged with monies from the Oil and Gas Regulation and Cleanup Fund and other funds appropriated to the agency.

Purpose: This measure shows the level of well plugging activity conducted by the Commission to protect the environment. It represents the number of wells from the pool of orphaned wells that are plugged with state funds.

Calculation Method: Cumulative

Target Attainment:

Priority:

Key Measure: Yes

New Measure: No

Percentage Measure: No

Output 3.2.1.3: Total Aggregate Plugging Depth of Orphaned Wells Plugged with State-Managed Funds

Definition: The total footage of the plugging depth for all orphaned wells plugged by the Commission with state managed funds.

Data Limitations: Does not distinguish between complex and/or deep pluggings which are more time consuming, and routine shallow pluggings which are more readily addressed.

Data Source: The OFCU database captures the plugging depth for all wells plugged with state managed funds.

Methodology: Calculated by summing the plugging depth of each well plugged for a given period.

Purpose: Provides an indication of the effectiveness of the plugging program for wells requiring the use of state managed funds.

Calculation Method: Cumulative

Target Attainment:

Priority:

Key Measure: Yes

New Measure: No

Percentage Measure: No

Efficiency 3.2.1.1: Average Number of Days to Complete State-Managed Abandoned Site Clean-up

Definition: Average number of days to complete state managed site cleanup activities.

Data Limitations: Does not distinguish between major sites, which may be complex, costly and require more time to complete and minor sites, which may be more rapidly completed.

Data Source: An automated database captures the beginning and completion of site cleanups.

Methodology: Calculation is based on the date the abandoned site cleanup file is closed minus the date the activity is authorized in the database. The results are then summed for all site cleanup activities and divided by the total number of site cleanup activities completed during the period. A cleanup activity is considered completed when the final invoice for the cleanup activity is approved for payment by the Site Remediation Section.

Purpose: Provides an indication of the efficiency of state managed cleanups.

Calculation Method: Noncumulative

Target Attainment: Low

Priority:

Key Measure: No

New Measure: No

Percentage Measure: No

Efficiency 3.2.1.2: Average Number Days to Plug an Orphaned Well with State-Managed Funds

Definition: The average number of days required to complete the plugging of a well using state managed funds.

Data Limitations: Due to the complexity and/or depth variations of some well plugging operations, longer plugging times may be incurred, thereby increasing the average number of days to plug a well.

Data Source: The OFCU database captures the beginning and completion date of well plugging on a lease basis.

Methodology: The average is calculated by subtracting the file closure date from the bid award date on a lease basis to obtain a cumulative total days for all wells plugged. This number is then divided by the total number of wells plugged with the use of state-managed funds.

Purpose: Provides an indication of the efficiency of the state managed well plugging program. By tracking the average number of days to plug a well, it is possible to determine the total number of wells that can be plugged during a specified period. This measure serves as a management tool to predict future well plugging performance and staffing needs.

Calculation Method: Noncumulative

Target Attainment:

Priority:

Key Measure: No

New Measure: No

Percentage Measure: No

Explanatory 3.2.1.1: Number of Abandoned Sites That Are Candidates for State-Managed Cleanup

Definition: The number of sites identified as abandoned with oil and gas waste, substances, or other materials that are causing or likely to cause pollution.

Data Limitations: While the figure is a total number, it does not differentiate between abandoned sites in terms of size, complexity, number of clean up activities necessary or possible cost. Also, abandoned sites that are not on the list may be cleaned up during the fiscal year.

Data Source: A list of identified abandoned pollution sites that are candidates for state-managed cleanup is compiled in the first quarter of each fiscal year on a statewide basis by surveying field personnel in coordination with databases maintained in headquarters.

Methodology: Identified abandoned sites statewide are summed on an annual basis for a total number.

Purpose: Provides an indication of the number of pending state managed cleanup activities. Data is updated annually and used to calculate the performance measure regarding the percentage of identified abandoned pollution sites investigated, assessed, or cleaned up with state funds.

Calculation Method: Noncumulative

Target Attainment: Low

Priority:

Key Measure: No

New Measure: No

Percentage Measure: No

Explanatory 3.2.1.2: Number of Complex Operator-initiated Cleanups

Definition: Number of complex operator cleanups monitored and evaluated to ensure appropriate remediation and elimination of an environmental threat. Complex cleanups are defined as sensitive site cleanups requiring specific cleanup levels and/or detailed assessments.

Data Limitations: These sites may take several years to complete and frequently involve many hours of staff time to review and approve technical reports and corresponding site activities. Staff review time can vary significantly depending on the technical complexity or other factors.

Data Source: Staff maintains a database of sites. Sites are identified by district and headquarters technical staff through inspections, complaints, or operators contacting the Commission while conducting environmental investigations as part of due diligence or during property transfers.

Methodology: Reported annually. On the last day of each fiscal year, report the total number of operator cleanups involving sensitive environmental sites that require detailed assessment and cleanup activities that are currently in some stage of monitoring or evaluation.

Purpose: Provides an indication of the effectiveness of the cleanup program for complex pollution sites that do not require the use of state managed funds to remediate.

Calculation Method: Noncumulative

Target Attainment: Low

Priority:

Key Measure: No

New Measure: No

Percentage Measure: No

Explanatory 3.2.1.3: Number of Orphaned Wells Approved for Plugging

Definition: The number of orphaned wells that have been inspected, evaluated using a risk based methodology: (Well Plugging Prioritization System), and approved for plugging with state-managed funds.

Data Limitations: The number of orphaned wells approved for plugging with state managed funds includes only those wells that meet the well plugging criteria and have been approved for plugging. Because there is a time lag between approval and actual plugging, the wells approved during the reporting period are not necessarily the same wells actually plugged during the reporting period.

Data Source: The OFCU database captures the number of orphaned wells approved for plugging with state managed funds.

Methodology: A count of the number of orphaned wells approved for plugging with state-managed funds during the fiscal year.

Purpose: To maintain a continuous population of well plugging candidates that can be bid out and plugged to ensure that numerical and budgetary goals are achieved.

Calculation Method: Noncumulative

Target Attainment:

Priority:

Key Measure: No

New Measure: No

Percentage Measure: No

Explanatory 3.2.1.4: Number of Known Orphaned Wells

Definition: The number of known orphaned wells statewide is a count of wells for which production of oil or gas or another activity under the jurisdiction of the Commission has not been reported to the Commission for the preceding 12 months, and for which the Commission-approved organization report (Form P-5) has been delinquent over one year.

Data Limitations: The number of orphaned wells is a dynamic number that changes daily. The number of orphaned wells is affected by the health of the oil and gas industry, or the lack thereof.

Data Source: An automated Database captures the number of orphaned wells in non-compliance with the Commission's plugging rule.

Methodology: This measure is generated monthly from the Commission's mainframe system by an automated report that provides the number of orphaned wells from the total population of wells monitored by the Commission.

Purpose: This measure represents the total population of orphaned wells, and is an indicator of liability for use of state managed funds.

Calculation Method: Noncumulative

Target Attainment:

Priority:

Key Measure: No

New Measure: No

Percentage Measure: No

Explanatory 3.2.1.5: Number Wells Plugged by Operators without State-Managed Funds

Definition: The number of wells plugged by the oil and gas industry. A well is considered properly plugged when it complies with the provisions of the Statewide Rule 14 (well plugging) including the filing and approval of a well plugging report (Form W-3).

Data Limitations: Wells plugged by operators and by the Commission with the use of state managed funds are captured by the Commission's mainframe system only after a well plugging report (Form W-3) has been processed by the Permitting and Production section. There is a time lag between actual plugging and well plugging report processing.

Data Source: An automated Database captures the total number of wells plugged.

Methodology: The number of wells plugged by operators is determined by subtracting the number of wells plugged with state managed funds for the reporting period from the total number of wells plugged for the reporting period as determined by the Commission's mainframe system, which includes wells plugged with state managed funds. The difference is the number of wells plugged by the oil and gas industry.

Purpose: Statewide Rule 14 (well plugging) is designed to prevent the migration of fluid in a well that may pose a threat to public safety or natural resources and/or cause or threaten to cause pollution of surface and/or subsurface waters. This measure represents the level of plugging activity by the oil and gas industry. An increased level of plugging activity indicates that operators are plugging their wells and removing the threat posed by inactive wells that could potentially become orphaned in the future.

Calculation Method: Noncumulative

Target Attainment:

Priority:

Key Measure: No

New Measure: No

Percentage Measure: No

Explanatory 3.2.1.6: Percent Active Well Operators with Inactive Wells

Definition: This measure is the percentage of active well operators for whom more than 25 percent of their wells are inactive. An inactive well is a well that is not currently producing and is not identified as an active service type well.

Data Limitations: Well status is largely based upon information reported by the operator.

Data Source: Data is collected electronically through a mainframe download (Program BWU180), which provides well status information for wells monitored by the Commission. This program is run monthly.

Methodology: For each active operator with one or more wells, the ratio of inactive wells to total wells is calculated to determine whether that operator has an inactive-to-total ratio greater than 25 percent. The number of well operators who have an inactive-to-total ratio greater than 25 percent is divided by the total number of well operators to derive this percentage.

Purpose: An operator who begins to accumulate a large percentage of inactive wells as compared to active wells begins to pose a potential risk of leaving behind abandoned unplugged wells. As long as an operator has a large percentage of active wells, it is unlikely that the operator will be in a position to abandon unplugged wells. This measure is a general indication of whether additional regulations might be necessary to require all operators to more expeditiously plug their inactive wells after a certain period of inactivity.

Calculation Method: Noncumulative

Target Attainment:

Priority:

Key Measure: No

New Measure: No

Percentage Measure: Yes

Explanatory 3.2.1.7: Number of Shut-in/Inactive Wells

Definition: This measure is the total count of all wells that have had no reported production, disposal, injection, and is not the same as the *Definition:* found in the Commission's rule 16 TAC §3.15.

Data Limitations: Well status is based largely upon information reported by the operator.

Data Source: Data are collected electronically through a mainframe download (Program BWU180), which provides well status information for wells monitored by the Commission. This program is run monthly.

Methodology: This number is calculated as the sum the count of inactive wells carried on the oil schedule and the count of inactive wells carried on the gas schedule as of the last month of the reporting period.

Purpose: A large number of inactive wells indicates a potential threat to the Oil and Gas Regulation and Cleanup Fund should those wells become orphaned in the future. This measure will provide a general indication of whether additional regulations might be necessary to require all operators to more expeditiously plug their inactive wells after a certain period of inactivity.

Calculation Method: Noncumulative

Target Attainment:

Priority:

Key Measure: No

New Measure: No

Percentage Measure: No

Strategy 3.2.2 Surface Mining Reclamation

Explanatory 3.2.2.1: Percent of Abandoned Sites on Which Reclamation Has Been Initiated

Definition: The number of abandoned surface mines where reclamation has been initiated since September 1, 1998, expressed as a percentage of the total number of prioritized unreclaimed, eligible and accessible abandoned surface mine sites updated as of September 1, 2008.

Data Limitations: The total number of unreclaimed prioritized, eligible and accessible abandoned surface mines may change if certain landowners change their minds and elect to participate in the Abandoned Mine Land Reclamation program or if federally mandated eligibility requirements change.

Data Source: The number of Abandoned Mine Land projects initiated is determined by review of AML contract documents. The Abandoned Mine Land Inventory System, maintained by the U.S. Office of Surface Mining Reclamation and Enforcement, determines the total number of prioritized Abandoned Mine Land sites in Texas.

Methodology: Divide the number of abandoned surface mine sites where reclamation has been initiated by the total number of prioritized unreclaimed, eligible and accessible abandoned surface mine sites updated as of September 1, 2008.

Purpose: This measure demonstrates the performance of the Abandoned Mine Land Reclamation program's planning, design and bidding effort and activity.

Calculation Method: Noncumulative

Target Attainment: High

Priority:

Key Measure: No

New Measure: No

Percentage Measure: Yes

Strategy 3.3.1 Gas Utility Compliance

Outcome 3.3.1: Average Texas Residential Gas Price as a Percent of National Gas Price

Definition: The average price of natural gas sold to residential consumers in Texas expressed as a percentage of the national average price of natural gas for residential consumers.

Data Limitations: The Energy Information Administration collects data from individual utilities, so the data cannot be directly verified and may not match data collected by the Railroad Commission. However, the Energy Information Administration presents both national and state level data on a consistent basis so a relative comparison can be made. States in regions with colder weather than Texas have higher consumption levels which results in a larger denominator over which to calculate per unit costs.

Data Source: Data is from the U.S. Energy Information Administration, Natural Gas Annual Average Price of Natural Gas Sold to Residential Customers, by State.

Methodology: Divide the Texas average residential gas price by the national average residential gas price and multiply by 100 percent.

Purpose: Effective regulation of natural gas utilities should reflect that per Mcf rates for residential natural gas consumers in Texas should be not more than five percent greater than the Mcf rates for consumers in the nation as a whole.

Calculation Method: Noncumulative

Target Attainment: Low

Priority: Medium

Key Measure: No

New Measure: No

Percent Measure: Yes

Output 3.3.1.1: Number of Audits Conducted

Definition: These are audits of the books and records conducted on intrastate (natural) gas utilities. There are several types of audits conducted, depending upon the specific regulatory focus being made.

Data Limitations: A simple count cannot differentiate between a simple one-person audit and highly complex group audit.

Data Source: Each audit conducted consists of audit work papers, the auditor's report, the formal notification of results letter, and any needed correspondence to abate violations noted. These audits are maintained in Austin, and are available to the public for review.

Methodology: An audit log is maintained for each fiscal year, which lists all audits conducted. Audit numbers are sequentially assigned all audits, with the first two digits referencing the fiscal year (i.e. Audit No. 00-045).

Purpose: Field audits are conducted to ensure that the authorized rates are being accurately computed and billed by gas utilities, and that the proper gas utility tax is being remitted. The importance of audits of the companies' books and records is to test the accuracy and completeness of reports made by the gas utilities in compliance with several statutory and regulatory requirements.

Calculation Method: Cumulative

Target Attainment: High

Priority: Medium

Key Measure: No

New Measure: No

Percentage Measure: No

Output 3.3.1.2: Number of Gas Utility Dockets and Cases Filed

Definition: This measure reflects regulatory activity by reporting the total number of docket and case numbers assigned to filings made by utilities in a year.

Data Limitations: The gross number of dockets and cases filed does not differentiate between the different types of filings that can be made, which require different levels of work effort. The gross number of dockets and cases filed does not provide information regarding the number of dockets and cases completed on an annual basis. Finally, the level of activity (when a filing is made) is dictated for the most part by industry rather than the Commission.

Data Source: Each request for regulatory review is filed with the Gas Services Department Market Oversight Section (MOS). A MOS Research Specialist assigns a unique, sequential docket or case number to each filing. The list of docket and case numbers is maintained and kept current by MOS staff.

Methodology: The total number of dockets and cases filed on an annual basis is reported.

Purpose: Gas utilities are required by statute to obtain Commission approval prior to increasing environs rates or city gate rates. The Commission is also required to set rates for other jurisdictions when the parties are unable to agree on a rate increase. Additionally, the Commission is required to review requests for Natural Gas Policy Act section 311 rates, abandonment cases, rate complaints and sales, purchases, mergers, acquisitions or transfers of utility assets. Finally, the Commission may initiate enforcement proceedings against non-compliant gas utilities or gas companies, may add, amend or repeal procedural or substantive rules, and may initiate general inquiries into existing rates. Each of these filings is assigned a docket or case number making this measure an approximate measure of the activity related to these regulatory responsibilities.

Calculation Method: Cumulative

Target Attainment: High

Priority: Medium

Key Measure: Yes

New Measure: No

Percentage Measure: No

Output 3.3.1.3: Number of Gas Utility Compliance, Tariff and Escalator Filings

Definition: This measure reflects regulatory activity by reporting the number of compliance, tariff, and escalator filings made by utilities in a year.

Data Limitations: The gross number of filings does not differentiate between the different types of filings that can be made. It also does not provide information regarding the number of filings approved on an annual basis. Finally, the level of activity (when a filing is made) is dictated for the most part by industry rather than the Commission.

Data Source: Each of these filings is made with the Gas Services division Market Oversight Section (MOS). A MOS tariff analyst reviews filings for accuracy, and provides notification to the utility concerning acceptance of the filing. The list of filings is maintained and kept current by the tariff staff.

Methodology: The number of compliance, tariff, and escalator filings made on an annual basis is reported.

Purpose: Natural gas utilities are required by statute to file tariffs (or contract briefs) and current rate information with the Commission within thirty days of the effective date of the rate. Compliance filings are made to comply with a Commission order, and may include revised tariffs. Escalators (including purchased gas adjustments (PGAs)) are typically filed monthly to reflect changes in the cost of gas that are passed through to customers. The compliance, tariff, and escalator information requires review by Commission staff for reasonableness and correctness. This output measures the level of activity related to these regulatory responsibilities.

Calculation Method: Cumulative

Target Attainment: High

Priority: Medium

Key Measure: No

New Measure: No

Percentage Measure: No

Efficiency 3.3.1.1: Average Number of Audits Per Auditor

Definition: This is the relationship between the number of audits completed during a specific time frame and the number of auditors conducting audits.

Data Limitations: The mathematical process described above cannot differentiate between a simple one-person audit and highly complex group audit, each of which impacts the resulting average.

Data Source: All audits completed are maintained in our files and the number of auditors, and any periods of auditor vacancies, can be obtained/verified through the Commission's Human Resources division.

Methodology: The number of audits completed during each reporting period is divided by that period's average number of auditors conducting audits. When there are no vacancies, the average number of auditors is eight.

Purpose: This relationship is important in establishing the proper size of staff needed to conduct audits in timely cycles. With too few auditors, time between audits would increase and problems found would be magnified.

Calculation Method: Cumulative

Target Attainment: High

Priority: Medium

Key Measure: No

New Measure: No

Percentage Measure: No

Strategy 3.4.1 Critical Infrastructure Weather Preparedness

Output 3.4.1.1: Number of Weatherization Inspections Conducted

Definition: This figure represents the total number of inspections at sites that are required to weatherize during the reporting period.

Data Limitations: None.

Data Source: The data is from the inspection reports database.

Methodology: Add the total number of inspections conducted on facilities that are required to weatherize.

Purpose: Provide regulatory oversight for critical infrastructure facilities that are part of the natural gas supply chain for power generation in the state of Texas.

Calculation Method: Cumulative

Target Attainment: Low

Priority: High

Key Measure: Yes

New Measure: Yes

Percentage Measure: No

Output 3.4.1.2: Number of Facilities Out of Weatherization Compliance

Definition: This figure represents the total number of facilities that are required to weatherize identified to be non-compliant with weatherization standards.

Data Limitations: None.

Data Source: The data is from the inspection reports database.

Methodology: Add the total number of facilities that are required to weatherize identified to be non-compliant with weatherization standards and subtract from total number of critical infrastructure designated facilities.

Purpose: Provide regulatory oversight for critical infrastructure facilities that are part of the natural gas supply chain for power generation in the state of Texas.

Calculation Method: Cumulative

Target Attainment: Low

Priority: High

Key Measure: Yes

New Measure: Yes

Percentage Measure: No

Explanatory 3.4.1.1: Total Number of Designated Critical Infrastructure Facilities

Definition: This figure represents the total number of designated critical infrastructure facilities.

Data Limitations: None.

Data Source: The data is from the critical infrastructure map.

Methodology: Add the total number of designated critical infrastructure facilities identified on the critical infrastructure map.

Purpose: Identify the total number of designated critical infrastructure facilities in the state of Texas.

Calculation Method: Noncumulative

Target Attainment: Low

Priority: High

Key Measure: Yes

New Measure: Yes

Percentage Measure: No

Explanatory 3.4.1.2: Percent of Facilities Required to Weatherize That Are Non-compliant

Definition: This figure represents the percent of facilities that are required to weatherize that were non-compliant with weatherization standards for the reporting period.

Data Limitations: None.

Data Source: The data is from the inspection reports database.

Methodology: Divide the number of facilities that are required to weatherize that are non-compliant with weatherization standards by the total number of facilities that are required to weatherize and multiply by 100.

Purpose: Mitigate the risks of system outages during extreme weather events.

Calculation Method: Noncumulative

Target Attainment: Low

Priority: High

Key Measure: No

New Measure: Yes

Percentage Measure: Yes

Strategy 4.1.1 Public Information and Services

Output 4.1.1.1: Number of Documents Provided to Customers by Info Services

Definition: Number of documents provided to customers from Information Services for public information requests. A customer is an entity such as an operator, government agency other than the Commission, or a private company or individual. An automated system is used to capture the number of maps, self-service copies, and photocopies made for customers. One side of a piece of paper is equal to one document. With well logs and other oversize documents, one square foot of paper is equal to one document. For maps, a plotted map or graphic image map is equal to one document.

Data Limitations: The measure captures the number of documents that are photocopied; however, it does not capture the number of documents that customers accessed without photocopying.

Data Source: The total number of documents comes from manual and computer-tabulated counts of the number of documents sold.

Methodology: The total number of documents is determined by both manual and computer-tabulated counts of specific Railroad Commission documents sold or provided to external customers by Information Services.

Purpose: The measure is intended to show the volume of documents provided to customers who request public information.

Calculation Method: Cumulative

Target Attainment: High

Priority: Medium

Key Measure: Yes

New Measure: No

Percentage Measure: No

Output 4.1.1.2: Number of Reports Provided to Customers from Electronic Data Records

Definition: This measure represents the number of digital data sets downloaded by the public by visiting RRC web pages and selecting available digital data sets that are generated from RRC computer resources.

Data Limitations: None.

Data Source: An automated system is used to generate multiple digital datasets of Oil and Gas information that is provided at no charge to the public, including those who are external to the Commission such as an operator, another government agency, or a private individual.

Methodology: This measure is determined by tabulating the number of digital datasets external customers download from the RRC website. Each month software tabulates the number of digital data set downloads performed.

Purpose: This measure reflects the level of public demand for energy information maintained at the Commission in electronic formats. The Commission's applications systems are used to record and monitor the activities of regulated entities and include regulatory information about each of the Commission's program areas as well as digital map data representing locations of regulated facilities across the State of Texas.

Calculation Method: Cumulative

Target Attainment: High

Priority: Medium

Key Measure: No

New Measure: No

Percentage Measure: No

Output 4.1.1.3: Number of Railroad Commission Records Imaged from Non-digital Formats

Definition: This measure represents the number of new paper and microformat records that are digitized by the Railroad Commission, added to the imaged records databases and made available through the agency website.

Data Limitations: None.

Data Source: The number of images created during the quarter is manually counted from the invoices received from the imaging contractor.

Methodology: Each quarter the number of images stored by the imaging contractor for each Railroad Commission division and imaging project is compared to the previous quarter's image count. The increase in the number of images stored represents the new images that were added to the database for the quarter.

Purpose: Imaging the paper and microformat records of the Commission allows a higher level of access to regulatory information by the industries and public who require it. Imaging also preserves these historically significant records for future use.

Calculation Method: Cumulative

Target Attainment: High

Priority: Medium

Key Measure: No

New Measure: No

Percentage Measure: No

Schedule C: Historically Underutilized Business Plan

A. Goal:

The Railroad Commission of Texas (Commission) is dedicated and committed to including Historically Underutilized Businesses (HUBs) in the procurement process and will continue to make a good faith effort to utilize HUB vendors. The agency's annual goal is to meet and or exceed the overall statewide average percentage of HUB participation.

A.1. Objective:

The Commission will continue to make a good faith effort to utilize HUB vendors to meet or exceed the procurement program goals through the total value of contracts, purchases and subcontracting opportunities awarded annually by the agency through four key elements:

- *Executive management support*
- *Strong emphasis on HUB vendor solicitation*
- *HUB vendor outreach*
- *Educating Commission employees on the HUB program*

Outcome Measure:

Percentage of Total Dollar Value of purchasing contracts and subcontract awarded directly or indirectly to HUBs.

A.1.1. Strategy:

The Commission will persist in working towards increased use of HUB vendors in procurement contracts and subcontracts.

Output Measures:

- *Number of HUB Contractors and Subcontractors responding to Bid Proposals*
- *Number of HUB Contracts and Subcontracts Awarded*
- *Dollar Value of HUB Contracts and Subcontracts*
- *Number of Outreach Initiatives (e.g., HUB forums attended and sponsored)*
- *Number of Contracts Evaluated for Subcontracting Opportunities*
- *Number of Mentor-Protégé Partnerships Sponsored by Agency*

HUB Program Efforts and Accomplishments

In accordance with Section 2161.002(c) of the Texas Government Code and the State's Disparity Study, and Section 2161.003 state agencies are required to establish their own HUB goals based on scheduled fiscal year expenditures and the availability of HUBs in procurement category. The Railroad Commission is committed to including Historically Underutilized Businesses (HUBs) within the procurement process. This ensures all businesses have an equal opportunity to participate in the procurement process with the Commission. During Fiscal Year 2023 the Commission spent \$8,772,101 with HUB vendors for a total of 28.89 percent of all Commission purchases. This is 16.09 percent more than the statewide performance result of 12.80 percent. The

Railroad Commission improved HUB spend and percentages in all categories. The Commission increased its total spend and percentage by \$ 4,974,660/22.58 percent.

I. Internal Outreach Initiatives

- *Provide enhanced training to agency staff regarding the importance of the HUB program, the latest HUB-related information, agency HUB statistics and methods of improvement.*
- *Communicate HUB related information through Commission website.*
- *Include HUB Subcontracting Plans (HSP) in all agency contracts in excess of \$25,000 wherein subcontracting opportunities are determined to exist and monitor contractor compliance with HSP after contract award.*
- *Encourage recruitment of minority and woman-owned businesses through end-users statewide.*
- *Promote HUB usage with Commission's procurement card program.*

II. External Outreach Initiatives

- *Provide one-on-one instruction to minority and woman-owned businesses regarding HUB certification and Commission procurement policies and procedures.*
- *Provide potential contractors with reference lists of certified HUB vendors who may be able to participate as subcontractors in Commission contracts.*
- *Assist HUB vendors in their ability to compete for contracts by providing procurement guidance and information.*
- *Invite HUB vendors to deliver technical and business presentations regarding their capability to do business with the Commission.*
- *Inform the public of the Commission's contract opportunities by sponsoring or co-sponsoring HUB Economic Opportunity Forums when significant new opportunities for outside vendors exist.*
- *Continued participation in the State HUB Discussion Workgroup. The workgroup meets semi-monthly to discuss and resolve issues for the betterment of the State of Texas HUB Program.*
- *Vendor outreach, education, and participation in HUB economic opportunity forums with the purpose of identifying HUBs capable of providing goods and services and to make procurement opportunities available.*

III. Subcontracting

The Commission's procurement procedures fully incorporate Texas Government Code, Chapter 2161, Subchapter F for all contracts expected to exceed \$25,000 wherein subcontracting opportunities are determined to exist.

- *In conjunction with Procurement and Contract management staff, the HUB Coordinator and or Officer evaluates and provides a written declaration of applicable subcontracting opportunities in the procurement file. All procurements meeting the statutory*

requirement are reviewed independently, ensuring reasonable, realistic contract specifications. Review of the terms and conditions are consistent with agency's actual requirements that provide maximum participation by all businesses.

- *The HUB Coordinator or Officer reviews all applicable subcontracting, ensuring vendor compliance prior to further Commission staff consideration.*
- *Increase contract administration efforts to ensure contract requirements resulting subcontracting reporting.*
- *Vendor's HUB subcontracting compliance will be reported in Comptroller of Public Account's Vendor Performance database, providing a resource tool to communicate vendor's successes and shortcomings in overall compliance with contract requirements.*

IV. Mentor-Protégé Program

The Commission's vision is to expand its Mentor-Protégé sponsorship role with cooperation and assistance with large corporate supplier diversity programs.

- *Participate with agencies and minority chambers of commerce and minority/woman trade business organizations to maximize state resources and to increase the effectiveness of the mentor-protégé program.*
- *Promote long-term relationships between prime contractors and HUB vendors.*

V. HUB Coordinator Position

The Director of Operations is currently designated as the agency's HUB Coordinator. In this capacity, the Director of Operations educates, advises, and assists the Commission's leadership team and staff in complying with the requirements of the HUB Program, and serves in accordance with Texas Government Code, Chapter 2161 and Texas Administrative Code Title 16, Part 1, Chapter 20, Subchapter A, Division 1, Rule §20.5.

- *HUB Coordinator: Theresa Lopez, CTCD, CTCM, Director of Operations*
- *HUB Officer Michael Herman, CTCD, CTCM, Purchaser VI*

Schedule D: Statewide Capital Plan

Per Article IX, Sec. 11.03 of the General Appropriations Act for the 2024-25 biennium, state agencies and institutions for higher education are required to report capital expenditure data to the Bond Review Board and the Texas Higher Education Coordinating Board in July 2024.

The Railroad Commission's report is likely to only include information resource projects that cumulatively would total \$1 million or greater in one year.

Schedule F: Agency Workforce Plan

Part 1: Agency Overview

The Railroad Commission of Texas serves as the primary regulator of the state's energy industries. The Commission aims to protect public health and the environment through an effective regulatory program and to support the development of the state's energy resources. Three statewide officials, elected to six-year staggered terms, head the Commission. Serving at the discretion of the Commissioners is an Executive Director who implements new policies, government code regulations, and manages the Commission's daily operations.

A: Agency Mission

We serve Texas by our stewardship of natural resources and the environment, our concern for personal and community safety, and our support of enhanced development and economic vitality for the benefit of Texans.

B: Strategic Goals and Objectives

Goal 1: Energy Resources

To oversee the development of the state's energy resources while protecting public health and the environment through an effective regulatory program.

Objective 1.1. Provide for the orderly and efficient development of oil and gas resources while preventing waste, protecting correlative rights of mineral interest owners, and conserving the state's lignite, oil and natural gas resources.

Strategy 1.1.1. Protect correlative rights and prevent waste while maximizing opportunities for the development of lignite, oil and gas resources through well site permitting, production allowables, production rule reviews, and exception processing.

Goal 2: Safety Programs

Advance safety in the delivery and use of Texas petroleum products including LPG/LNG/CNG, and in the operation of the Texas pipeline system through training, monitoring, and enforcement, and promote, educate, and enforce regulations for underground damage prevention.

Objective 2.1. Improve public safety through regulatory oversight of the pipeline industry by inspections, compliance, and educational activities.

Strategy 2.1.1. Ensure the safe operation of pipelines through permitting, field inspections, accident investigations and emergency response.

Strategy 2.1.2. Support education and public awareness efforts to inform the public about damage prevention laws, compliance, and penalties.

Objective 2.2. Ensure safety through regulation of the LPG/CNG/LNG alternative fuels industries.

Strategy 2.2.1. Protect the health, safety, and welfare of the general public by ensuring the safe storage and transportation of Liquefied Petroleum Gas, Compressed Natural Gas, and Liquefied

Natural Gas as alternative fuel sources through safety education, accident investigation, inspection and enforcement of safety regulations.

Goal 3: Environmental and Consumer Protection

To protect the environment and consumers by ensuring that energy production, storage and delivery minimize harmful effects on the state's natural resources and that just and reasonable natural gas rates promote a safe and efficient supply of natural gas.

Objective 3.1. Reduce the occurrence of environmental violations associated with fossil fuel extraction and energy production in Texas.

Strategy 3.1.1. Assure that oil and gas permitted activities comply with applicable state regulations through field inspections, witnessing tests, monitoring reports, processing applications, and enforcement actions.

Strategy 3.1.2. Assure that surface mining permitted activities comply with applicable state and federal regulations through field inspections, witnessing tests, monitoring reports, processing applications, and enforcement actions.

Objective 3.2. Identify and abate environmental and public health threats through voluntary operator actions or with use of state or federal funds.

Strategy 3.2.1. Protect public health and the environment by identifying, assessing, and prioritizing sites that require the use of state funds for well plugging and remediation.

Strategy 3.2.2. Protect public health and the environment by identifying, assessing, and prioritizing mine lands that require the use of federal funds for reclamation and provide oversight for operator-initiated remediation.

Objective 3.3. Maintain competitive prices and adequate natural gas supplies for Texas energy consumers.

Strategy 3.3.1. Oversee natural gas utility rate structures that promote safe, efficient, and reliable supply at a reasonable cost and audit regulated gas utilities to ensure compliance with rate structures and submission of gas utility taxes.

Objective 3.4. Establish critical infrastructure compliance standards, regulate natural gas supply chain entities for power generation requirements, and mitigate system outage risks during extreme weather events.

Strategy 3.4.1. Ensure that designated facilities incorporate weatherization and reliability standards and practices through communication, inspections, processing applications, and monitoring reports.

Goal 4: Public Access to Information and Services

Strive to maximize electronic government and to minimize paper transactions by developing technological enhancements that promote efficient regulatory programs and preserve and increase public access to information.

Objective 4.1. Increase efficiency in providing public access to information and provide more efficient interaction with regulated industries.

Strategy 4.1.1. Collect, maintain, and preserve oil and gas data submitted to the Commission; provide efficient public access to this information; offer regulated industries a way to conduct their business electronically.

C: Anticipated Changes in Mission, Strategies, and Goals

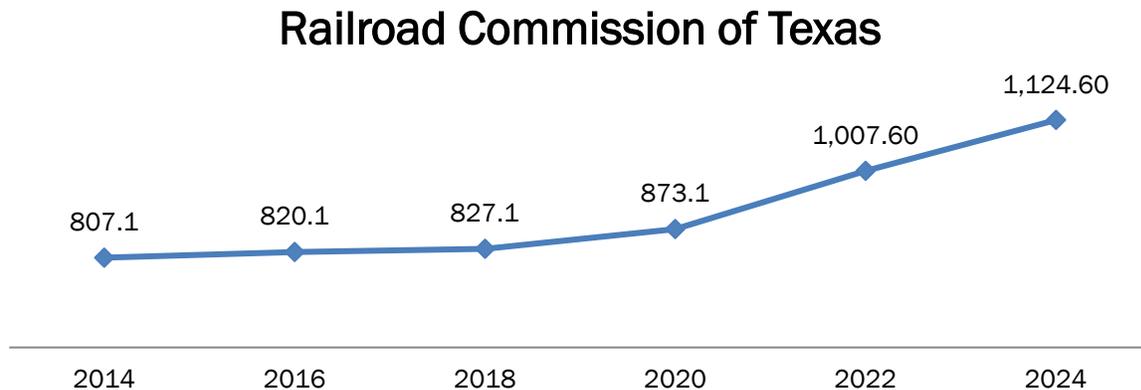
The Railroad Commission does not expect significant changes in its mission, goals or strategies; during the next five years, without a statutory change to its programs or activities.

Part 2: Current Workforce Profile

A: Workforce Demographics (As of March 4, 2024)

The authorized number of full-time equivalent (FTE) employees increased by 317 over a ten-year period from FY 2014 to FY 2024.

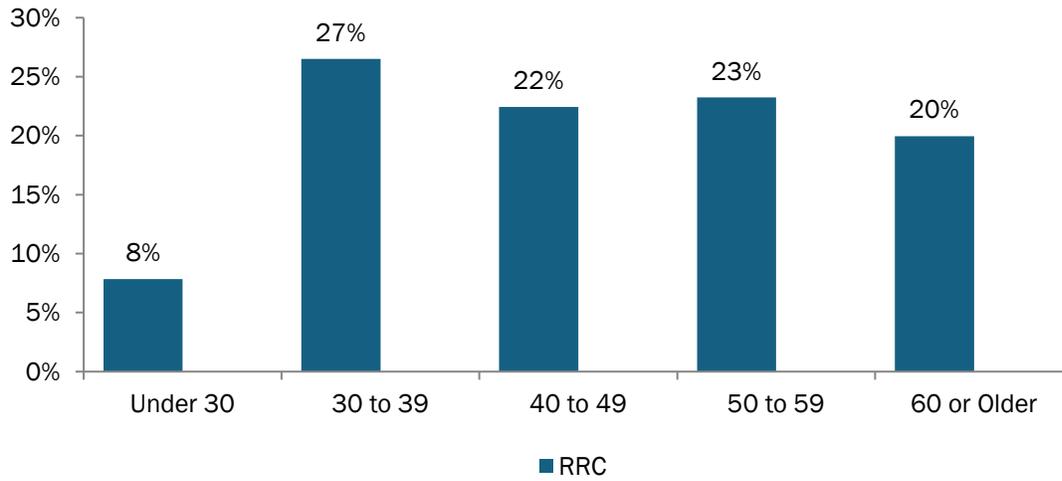
Figure 1: FTE by Fiscal Years 2014–2024



Age

65.6 percent of Commission employees are aged 40 or older. The Commission continues to hire retired oil and gas employees from the private sector/industry. As shown in Figure 2, the Commission has an age-distributed workforce that is evenly represented.

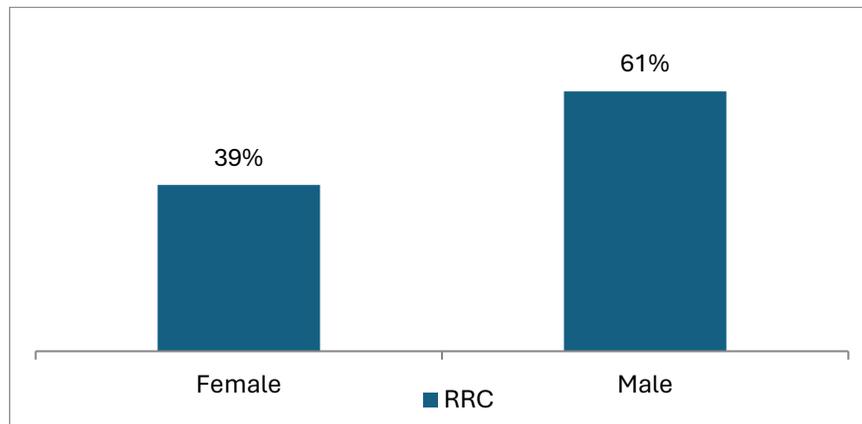
Figure 2: Age Distribution as of March 4, 2024



Gender

As of March 2024, the Commission had 614 male employees (61 percent) and 393 female employees (39 percent). The total employee headcount of 1,007 includes both full-time and part-time employees, and three elected officials.

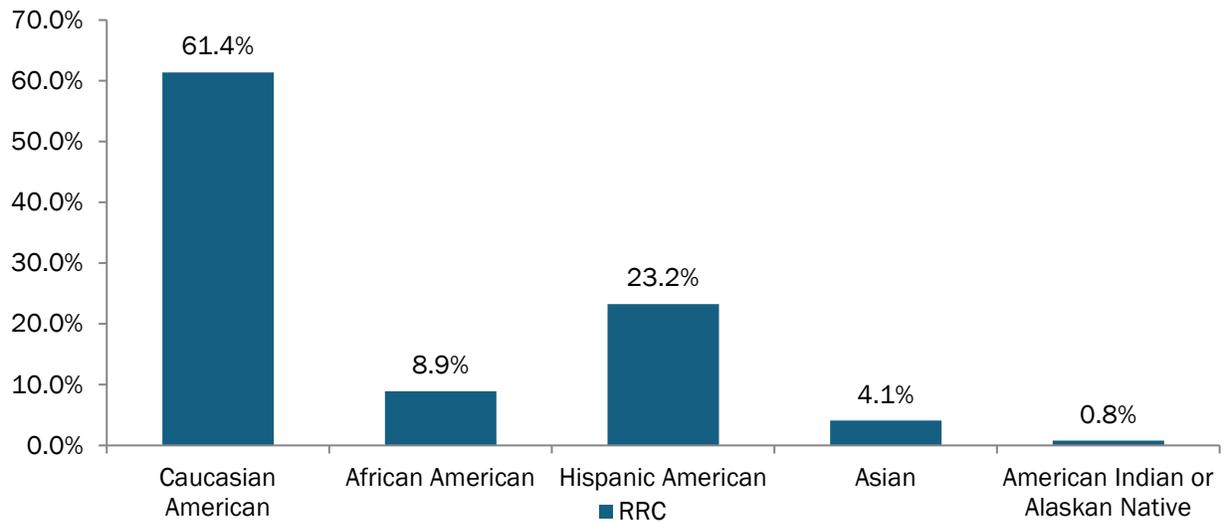
Figure 3: Gender Distribution as of March 4, 2024



Ethnicity

A comparison of ethnicity of Commission employees indicates the Commission's performance in attracting and retaining a diverse workforce.

Figure 4: Ethnicity Distribution as of March 4, 2024



Length of Service

As of March 4, 2024, the Commission has 1,007 employees. There are 213 employees with less than two years of Commission service and 482 employees with five or fewer years of service. Those with 5 years or fewer years of employment with the Commission represent less than half of the staff. It is essential to retain existing staff and to continue to replace retiring staff with employees who are looking to stay at the Commission for many years. Further, there are 248 employees with five to nine years of service, and 347 employees with 10 or more years of RRC service.

Veterans

The Commission is committed to hiring and retaining veterans. As of March 15, 2024, the Commission's veteran workforce is 13.87 percent. The average veteran workforce percent for state agencies is 5.74. The Railroad Commission continues to strive for a veteran workforce staffing level of 20 percent. The Human Resources Division actively recruits at veteran career fairs and maintains a veteran coordinator for the agency.

B: Percent of Workforce Eligible to Retire

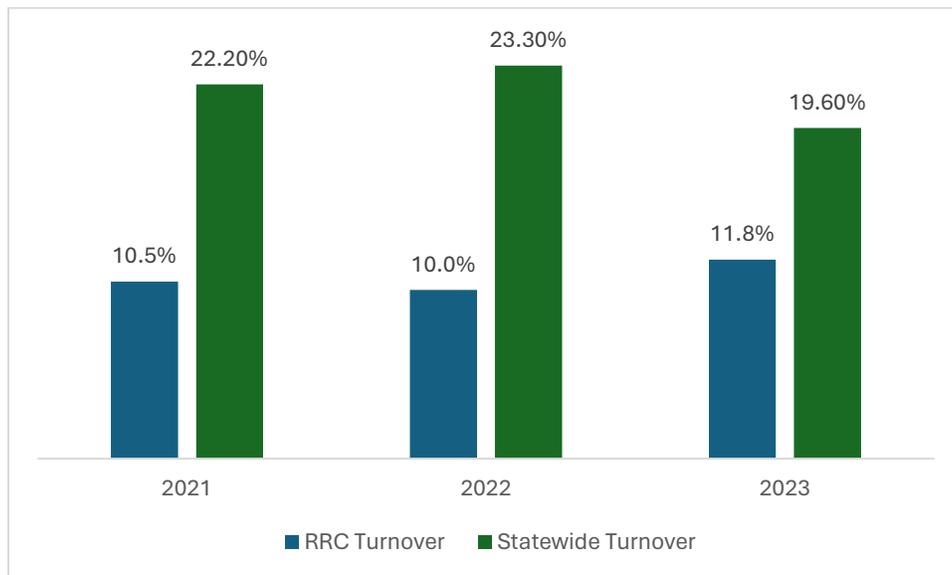
The Commission is actively working to retain the institutional knowledge of its 111 employees who are currently eligible to retire, with 53 additional employees projected to be eligible to retire before the end of fiscal year 2027. By the conclusion of FY 2027 16.2 percent of Commission employees will be eligible to retire. The Commission employs 27 return-to-work retirees.

To maintain the required skills needed for the Commission's continued success, a greater emphasis on internal organizational development and cross-training will be required as the Commission's workforce plan evolves.

C: Employee Turnover and Projected Attrition

The Commission's turnover rate remained relatively flat from fiscal year 2021 to 2023. The Commission's turnover rate was significantly lower than the State's turnover rate. The Commission's 2023 turnover rate, excluding interagency transfers, was 11.8 percent while the State's overall rate was 19.6 percent.

Figure 5: Commission Employee Turnover (Excluding Interagency Transfers) vs. Statewide Employee Turnover



D: Workforce Skills Critical to the Mission and Goals of the Agency

The Commission employs qualified individuals in numerous program disciplines. Strong employee knowledge, skills, and competencies are critical to meeting ongoing business objectives and goals. Critical knowledge includes:

- Engineering: Chemical, Civil, Mechanical, Mining, Natural Gas, and Petroleum
- Information Technology
- Sciences: Geology, Hydrology, Soil Science, and Toxicology
- Legal
- Finance

Critical skills and qualifications include:

- Technology and automation skills and competencies
- Ability to apply scientific principles (i.e., engineering, geology)
- Leadership and management skills

The Commission has a highly educated workforce with many employees holding advanced degrees and/or professional licenses and credentials.

Part 3: Future Workforce Profile

A: Future Workforce Skills Needed

The Commission's employees develop their workforce skills from prior employment experience, on-the-job training, education, and through various training programs provided by the appropriate professional disciplines. Such training is used to maintain and improve employee skills and enhance performance by incorporating contemporary trends in each discipline.

Additional functions were added to the Commission with legislation enacted during the 88th Legislative Session.

The General Appropriations Act (HB 1, 88th Legislative Session, 2023) added 57 FTEs to the Commission's workforce, including 50.0 FTEs to comply with new federal requirements to regulate and inspect natural gas gathering lines and perform safety inspections of underground gas storage facilities, 5.0 FTEs to meet increase in permitting applications received and post-permitting monitoring activities related to the recycling of fluid oil and gas waste, and 3.0 FTEs to staff the newly formed Office of Public Engagement.

Additionally, Senate Bill 786 (88th Legislative Session, 2023) transferred regulatory authority for closed-loop geothermal injection wells to the Railroad Commission from the Texas Commission on Environmental Quality. The fiscal note assumed that any costs associated with implementing the provisions of SB 786 could be absorbed using existing resources; however, upon transfer of the program on September 1, 2023, the Commission identified potential growth in the industry that is likely to increase workload demand in the coming years as deeper geothermal wells become economically viable.

The development and implementation of technological advancements will require new skills if the future workforce is to fully utilize such improvements. Functions to accomplish the Commission goals will focus on:

- Increasing computer skillsets for employees,
- Increasing electronic recordkeeping for greater transparency and reducing paper transactions and processing time for customer requests,
- Shifting from hiring administrative staff to more technical and science-based positions, and
- Encouraging cross-training, talent management, and a career development program as part of a human resources partnership with Commission leadership and divisions.

B: Anticipated Increase or Decrease in Number of Employees Needed

The Commission regulates dynamic, cyclical, and evolving industries that require a visible field presence of Commission staff to ensure its regulatory role. Specifically, pipeline safety and oil and gas inspectors ensure the protection of public safety and the environment through enforcement and compliance strategies in the field. The new Critical Infrastructure Division will focus on the weatherization of oil and gas facilities. The Commission added 130 full-time employees to support this important function for all of Texas.

The Commission is receiving federal funds from the U.S. Department of the Interior (DOI) to plug, remediate, and reclaim orphaned wells located on state-owned or privately owned land in Texas. Funding may also be used for other allowed activities, including remediating soil and restoring native species habitat on land adjacent to orphaned wells and decommissioning or removing associated pipelines, facilities, and infrastructure.

The RRC will utilize its existing State Managed Plugging Program to oversee this effort and will issue solicitations for contractors for well plugging. In addition, the Commission anticipates approximately 56.5 federally funded FTEs will be necessary for this project.

C: Critical Functions to Achieve Strategic Plan

The Commission's recruitment plan addresses critical deficiencies in its labor force and narrows the gaps in diversity. A variety of recruitment methods will be used, including:

- placing job postings on the Commission's website,
- placing job postings on the Texas Workforce Commission's *Work In Texas* website,
- direct recruiting with college and university career services office,
- attending and recruiting at veteran career fairs,
- building relationships with industry-specific professional organizations,
- engaging academic professionals and recruit top-performing students studying in the critically needed fields,
- encouraging direct referrals from existing staff, and
- using all other available resources.

The Commission will continue to attend job fairs and is actively working to expand the internship program.

There are several critical barriers to recruitment including the nationwide labor shortage, the rising cost of housing, competition with other state agencies, and with private sector oil and gas positions.

D: Employee Engagement

The Commission implemented an on-boarding program to engage all staff and allow them to understand where they fit into the organization. This all-day event is held quarterly for all newly

hired staff. Each Division within the Commission presents an overview of their role within the Commission.

The Survey of Employee Engagement is sent to all staff every two years. The survey assesses the work environment and provides guidance on where the Commission is successful and where opportunities may lie. The last survey conducted was in June 2022, with a response rate of 70.8 percent, which was well above the average and indicated employees wanted to be a part of making improvements at the Commission.

The survey questions are grouped by topic and their scores are averaged to produce 12 construct measures. These constructs capture concepts used by leadership and help drive changes that may be needed related to organizational performance and engagement. While the overall results were positive, two of the lowest constructs in June 2022 were Benefits and Internal Communication.

Focus groups were created to understand better how the Commission could improve in these areas. Members of the focus groups were employees from across the agency in a variety of positions and met bi-weekly.

The internal communications group had the following ideas for improving internal communication for the Commission and individual departments.

- Create a mechanism for managers to be held accountable for the development of their employees and their ability to communicate effectively with their team.
- Increase communication from Human Resources on Commission initiatives and general information.
- Develop a place for managers to share best practices.
- Include a section in the newsletter highlighting upcoming events in the Commission.

While the Commission does not control many of the benefits available to employees, the benefits focus group had feedback and ideas, including:

- Increase communication on several benefits to increase employee awareness,
- Enhance the type and amount of communication regarding benefits,
- Distribute a monthly newsletter named the *Benefit Spotlight*,
- Partner with an Employee Assistance provider to conduct a workshop on the benefits they offer,
- Review and streamline open enrollment communication,
- Communicate information from Blue Cross Blue Shield and ERS via email and in the monthly newsletter.

The next Survey of Employee Engagement will be conducted in Fiscal Year 2024.

Part 4: Gap Analysis

A: Anticipated Surplus or Shortage of Workers or Skills

The Federal Reserve District, Beige Book for February 2024 indicates the following summary for the Labor Markets in the Dallas region, which includes all of Texas:

Employment expanded modestly over the past six weeks. Labor availability improved, though contacts continued to cite difficulty in filling certain positions, particularly truck drivers, mechanics, engineers, health care professionals, and machinists. One contact said they were holding on to some workers with suboptimal performance due to a tight labor market.

Wage growth was moderate across most sectors. Staffing firms cited some reprieve in wage pressures. One food manufacturer noted paying above-average wages and offering more flex time to retain staff, while a professional and business services firm said they have been able to retain employees without giving raises by offering them the ability to work remotely.

The Federal Reserve Bank of Dallas described the summary of economic activity to include:

The Eleventh District economy expanded modestly, with activity in most sectors holding steady or experiencing slight to modest growth. Employment rose modestly, and wages grew at an average pace. Input costs grew moderately. Selling prices rose at an average rate in the service sector but were flat in manufacturing. Demand for nonprofit services remained solid. Overall, Texas firms were more bullish on demand expectations than last quarter, with more than half expecting demand to increase over the next six months, up from 38 percent in November 2023. Overall outlooks were less pessimistic, although geopolitical instability and heightened domestic policy uncertainty were cited as key headwinds.

Specific to the Energy sector, the Federal Reserve Bank of Dallas described that

Oilfield activity held steady during the reporting period. Oil and gas production ticked up, but only modest increases in production were expected over the next few quarters as firms seek opportunities to consolidate. Overall, contacts expect U.S. oil production growth to slow notably this year.¹

The Commission would be unable to carry out its mission and objectives effectively without experienced and knowledgeable staff. The marketplace for technical and professional employees with oil and gas knowledge is very competitive. Recruiting, and retaining qualified staff remains an ongoing challenge as it has been for many years, specifically in the Information Technology Services (ITS) and Office of the General Counsel as the Commission competes with the private sector and other state agencies. Competitive pay is necessary to attract and retain critical personnel, along with professional development programs that provide growth opportunities for emerging leaders.

¹ Federal Reserve Bank of Dallas District, *The Beige Book: Summary of Commentary on Current Economic Conditions, March 2024*, p. 1, [Federalreserve.gov](https://www.federalreserve.gov/monetarypolicy/beigebook202402-dallas.htm), [online] available at: <https://www.federalreserve.gov/monetarypolicy/beigebook202402-dallas.htm> [Accessed April 16, 2024].

The Commission anticipates that replacing those employees with near-term projected retirements as well as anticipated turnover in management will require continued succession planning and a greater emphasis on professional development to replace skill sets that could potentially be lost. With additional professional development and training, the current workforce has the potential to fill projected staffing needs. An important barrier the Commission faces in replacing its critical skill sets is funding for competitive wages, professional development, training existing employees, and recruiting expenses related to hiring new employees. The Commission's telework plan implemented in October 2023 allows for non-managerial positions to telework 40 percent of the time while most members of the ITS Division are allowed to telework 100 percent of the time, which aids in recruiting efforts.

Part 5: Strategy Development

Methods to address the Commission's projected workforce gap include:

- Career development programs—Mentoring, the use of internships for professional areas, and an increase in professional training and development for staff.
- Recruitment plans—Recruitment efforts to focus on positions that are difficult to attract and retain such as engineers, attorneys, and the recruitment of candidates from varying backgrounds.
- Leadership development—Efforts to identify, retain, and develop existing employees with management and leadership capabilities.
- Organizational training and development—Funding for in-house training such as IT training, managerial training, and skill development can be used to address individual employee training needs for the Commission's routine operations.
- Succession planning—Managers and supervisors will identify the skill sets critical to meeting their objectives to work with agency leadership on a plan for employee attrition. Succession planning can also address staffing or skill imbalances due to turnover and retirements.
- Retention programs—Some programs are already in place to help retain the employees with skills critical to the Commission's success. Focus on employee engagement and recognition programs are in development phases. The Commission's retention process involves analysis of salary markets, a career track program, and generous merit-based pay increases.

A: Implementation of Workforce Plan

The Workforce Plan will be implemented in connection with the Commission's Strategic Plan. Any changes to the Strategic Plan or legislative changes will result in adjustments to the Workforce Plan.

To begin the implementation of the Workforce Plan, the following actions will be key:

- Implementation of the workforce plan will consider the sustainability of the workforce amidst the cyclical and changing nature of the industries regulated by the Commission.
- Development of a continuous business partnership between Human Resources and each of the Commission's divisions. By doing so, areas such as training needs, strategic planning of the workforce to meet division objectives, and long-range planning of workforce needs can be addressed on an ongoing basis.
 - The Commission expanded the Professional Development Program by adding an additional position to help build the e-learning functionality in CAPPS.
- Division Directors, along with the Commission, will review the progress of the workforce planning process biennially. Adjustments to the Plan, if any, will be documented.
- Initiatives to automate regulatory functions in the Oil and Gas Division will require the Commission to critically assess the following areas: competency gaps in technological skills, job functions, and skill shortages or surpluses within the division.
- The Commission's information technology modernization program will improve efficiency and accuracy in business processes throughout the agency.

B: Workforce Plan Evaluation and Revision

The final phase involves monitoring, evaluating, and revising to ensure a successful Workforce Plan. The following critical employment tools will be available to measure and evaluate changing trends in the workforce:

- Survey of Employee Engagement
- Customer Service questionnaires and feedback
- Retirements, projected retirements, and Commission turnover data
- College and diversity recruitment programs

- The Statewide Exit Survey and the internal Commission Exit Interview System
- Hiring trends including the lead time to hire
- Develop a veteran workforce that may possess the necessary skills for RRC operations

The Commission will review its efforts to revise and implement its Workforce Plan each even-numbered fiscal year in preparation for the upcoming biennium. As with this workforce planning effort, Commissioners, agency management and Division Directors will participate to ensure that the plan evolves into a document reflecting the Commission's current workforce and its projected workforce for the succeeding five years. The Commission will emphasize professional training and development to address the turnover in management due to the projected increase in retirements. Internal professional training and development will be key to a successful transition, both from a budgetary perspective as well as a business process perspective. The Commission may suffer productivity losses in the near term, but the long-term benefits should outweigh any such losses.

Schedule H: Report on Customer Service

Introduction

The Railroad Commission of Texas was established in 1891 under a constitutional and legislative mandate to prevent discrimination in railroad charges while establishing reasonable tariffs. In 1917, pipelines were declared common carriers, and the Railroad Commission was given jurisdiction over them. By 1932 the Railroad Commission assumed jurisdiction over oil and natural gas exploration and production. The Railroad Commission marked its 133rd anniversary in April 2024 making it the oldest regulatory agency in the state and one of the oldest of its kind in the nation. Three commissioners elected statewide by Texas voters serve six-year staggered terms. One commissioner is elected every two years.

The Railroad Commission has four regulatory divisions. The Critical Infrastructure Division oversees enforcement and adherence to weatherization rules, as well as critical infrastructure asset registration by companies within the natural gas supply chain. The Oil and Gas Division oversees the Texas oil and gas industry, specifically exploration and production activity. The Oversight and Safety Division has jurisdiction over natural gas utilities, pipeline safety and alternative energy safety oversight of the liquefied petroleum gas (propane), liquefied natural gas (LNG), and compressed natural gas (CNG) industries. The Surface Mining and Reclamation Division oversees the surface mining of coal and uranium in Texas, as well as the Abandoned Mine Land Reclamation program.

As articulated in its mission statement, the Railroad Commission serves the people of Texas through stewardship of natural resources and the environment, concern for personal and community safety and support for enhanced development and economic vitality for the benefit of Texas. An integral part of the Railroad Commission’s commitment is its focus on providing the best possible customer service to the citizens of Texas.

Consistent with that mission and commitment, the Railroad Commission of Texas submits this Report on Customer Service.

Inventory of External Customers

Table 4: Identification of Customers by Strategy

Customer Groups by Strategy	Customer Sub-groups	Brief Description of Services Provided
<p>1.1.1 Energy Resource Development Protect correlative rights and prevent waste while maximizing opportunities for the development of lignite, oil and gas resources through well site permitting, production allowables, production rule reviews, and exception processing.</p>	<p>Oil and Gas Producers</p>	<p>Permitting—based on spacing and density rules. Review on monthly basis production allowables on oil and gas wells.</p>

Customer Groups by Strategy	Customer Sub-groups	Brief Description of Services Provided
<p>2.1.1 Pipeline Safety Ensure the safe operation of pipelines through permitting, field inspections, accident investigations and emergency response.</p>	<p>Pipeline Operators</p>	<p>Conduct pipeline safety inspections and identify violations; take necessary enforcement actions; conduct accident investigations; administer pipeline permits issued and renewed.</p>
<p>2.1.2 Pipeline Damage Prevention Support education and partnership initiatives to increase the overall awareness and effectiveness of damage prevention.</p>	<p>General Public and Landowners</p>	<p>Educate public about Texas “one-call” centers and increase awareness of third-party damage incidents.</p>
<p>2.2.1 Regulate Alternative Energy Sources Regulate Alternative Energy Sources: Protect the health, safety and welfare of the general public by ensuring the safe storage and transportation of LP- gas, Compressed Natural Gas, and Liquefied Natural Gas as alternative energy sources through safety education, accident investigation, inspection and enforcement of safety regulations.</p>	<p>LPG/CNG/LNG Operators</p>	<p>Perform safety inspections and identify violations; administer qualifying examinations, licenses, certifications, and registrations.</p>
<p>3.1.1 Oil and Gas Monitoring and Inspections Assure that Oil and Gas permitted activities comply with applicable state and federal regulations through field inspections, witnessing tests, monitoring reports, processing applications and enforcement actions.</p>	<p>Oil and Gas Producers, Waste Management, Landowners</p>	<p>Conduct inspections and identify violations; and take necessary enforcement actions.</p>
<p>3.1.2 Surface Mining Monitoring and Inspections Assure that Surface Mining permitted activities comply with applicable state and federal regulations through field inspections, witnessing tests, monitoring reports, processing applications and enforcement actions.</p>	<p>Surface Mining Operators, Landowners</p>	<p>Conduct inspections and identify violations; and take necessary enforcement actions.</p>

Customer Groups by Strategy	Customer Sub-groups	Brief Description of Services Provided
<p>3.2.1 Oil and Gas Well Plugging and Remediation Protect public health and the environment by identifying, assessing, and prioritizing sites that require the use of state managed funds for well plugging and remediation.</p>	<p>General Public, Landowners</p>	<p>Orphaned wells managed/plugged, and abandoned pollution sites investigated, assessed, or cleaned up with the use of state funds.</p>
<p>3.2.2 Surface Mining Reclamation Protect public health and the environment by identifying, assessing and prioritizing mine lands that require the use of state funds for reclamation and provide assistance for operator- initiated corrective actions.</p>	<p>General Public, Landowners</p>	<p>Abandoned surface mine sites on which reclamation has been initiated.</p>
<p>3.3.1 Gas Utility Compliance Oversee natural gas utility rate structures that promote safe, efficient, and reliable supply at a reasonable cost and audit regulated gas utilities to ensure compliance with rate structure and submission of Gas Utility Taxes.</p>	<p>Gas Utilities Consumers</p>	<p>Provide economic regulation over intrastate natural gas utilities. Operate and maintain the state's natural gas electronic tariff system. Audit utilities to ensure properly authorized rates are being computed and billed to residential or commercial users.</p>
<p>3.4.1 Critical Infrastructure Weather Preparedness Ensure that designated facilities incorporate weatherization and reliability standards and practices through communication, inspections, processing applications, and monitoring reports.</p>	<p>Natural Gas Producers, Natural Gas Facility Operators, Natural Gas Pipeline Operators, Natural Gas Underground Storage Facilities, General Public/Consumers</p>	<p>Enforce and manage weatherization rules. Perform site visits and track winter preparation. Provide training on importance of winter preparedness.</p>
<p>4.1.1 Public Information and Services Collect, maintain, and preserve oil and gas data submitted to the Railroad Commission; provide efficient public access to this information; provide regulated industries the ability to conduct their business with the Railroad Commission electronically.</p>	<p>Oil and Gas Operators, General Public/Consumers</p>	<p>Electronic filing, production information, and website access to information.</p>

Information Gathering Methods

The Railroad Commission is committed to delivering the highest level of customer service. How the agency responds to those who conduct business with the Railroad Commission reflects not only on

the agency, but on the state as well. Employees at the Railroad Commission strive daily to provide the level of service Texans expect and deserve, and the agency has several mechanisms in place to achieve this goal.

To capture feedback from the agency's external customers, the Railroad Commission features a link on its website homepage to an online Customer Service Survey. The survey may be submitted anonymously, or the constituent may include contact information for follow up action by the Railroad Commission. Staff monitors responses on a continuing basis to ensure quick resolution of any issues reported via the survey.

The Customer Service Survey is available year-round on the Railroad Commission website. Also, a link to the survey is included when responding to inquiries received via Public Assistance email account, Publicassist@rrc.texas.gov. In addition, employees include a link to the survey in their email signature.

In the calendar years 2022 and 2023, the Railroad Commission received 1,006 responses to its Customer Service Survey. The survey responses are highlighted in this report.

Additionally, the Railroad Commission regularly receives public input in several other ways, to increase information gathering, and to ensure staff resources are utilized to their greatest effect in delivering the high level of service that RRC customers' demand. The Commission is implementing new technology to improve information gathering methods, including how surveys and polls are conducted online as well as surveys at in person events, and the reports generated from these methods. The technology will manage the Compact with Texans Customer Service Survey, which is also available in Spanish.

Toll Free Number

The Railroad Commission maintains a toll-free number (1-877-288-5740) that anyone may use to obtain information about agency programs and services. A recording directs callers to the appropriate Railroad Commission contact for their needs.

The Railroad Commission has another toll-free number dedicated to the reporting of emergency situations twenty-four hours a day, seven days a week. A dedicated emergency reporting number is easier and more expedient for the public when they report emergency situations. Constituents have the option to call 1-844-773-0305 toll free, or 512-463-6788.

Railroad Commission Website

The Railroad Commission regulates an industry that is constantly evolving and one of the most technologically advanced in the world. The Commission added functionality to its website that translates the website into Spanish with one click.

Over the past two years, the Railroad Commission initiated several new online filings and research tools, allowing the agency to better serve Texans and the industries it regulates, including:

- new interactive data visualizations,
- new GIS Map Viewer features,
- Certification Exam Registration & Training System (CERTS),

- Flare/Vent Exceptions Query, and
- Weather Emergency Readiness Attestation online filing.

These improvements are in addition to previously existing resources:

- data, statistics, forms, and maps,
- regulatory information,
- educational opportunities,
- publications and news releases,
- information on environmental services and safety,
- information on executive orders, rules, and proposals for decisions,
- Case Administration Service Electronic System (CASES),
- Geographic Information System (GIS) Public Map Viewer,
- Pipeline Inspection Permitting & Evaluation System (PIPES),
- Pipeline Online permitting System (POPS),
- RRC Access Management Process (RAMP) or single sign on.
- RRC Online Inspection Lookup (RRC OIL),
- online filing, reporting and query systems,
- automated fee collection, and
- information via the Public Assistance email account (Publicassist@rrc.texas.gov).

The Railroad Commission has long recognized the value of its information and continually strives to improve access to its data repositories and services. Work to build a Risk Based Data Management System to replace the agency's 50-year-old mainframe system continues. This project, which began in 2019, is the Railroad Commission's largest information technology project in agency history. The new system will house all oil and gas functions in a single system and allow external users online filing, tracking and record viewing capabilities.

Information Services

The Information Technology Services Division, through its Central Records and Public Sales units, provides public access to Railroad Commission oil and gas data collected over the past 97 years as well as information on all aspects of the Railroad Commission's regulatory functions. The section also fulfills requests for publications and data in electronic format. The public may call or visit Monday through Friday from 8 a.m. to 5 p.m. Requests for information may be emailed to ims@rrc.texas.gov.

Customer Service Principles

The Railroad Commission developed Customer Service Principles to help employees provide a high level of customer service in their day-to-day work activities. The principles are detailed for telephone and email customer service from the public, information technology issues, legislative inquiries, and media inquiries. Phone calls and emails are to be responded to no later than the close of the next business day, ensuring the prompt resolution of any issues that may arise. Staff are trained in the principles and the information is available on the agency's intranet website.

Public Assistance Email Account

The Contact Us section of the Railroad Commission’s website includes a Contact Form for the public to submit questions and complaints. The Contact Form submissions are forwarded to the Public Assistance email account and each inquiry is logged and assigned to the appropriate staff for processing. As outlined in the Railroad Commission’s Customer Service Principles, Public Assistance emails must receive a response from staff no later than the following business day. A spreadsheet is used to track each inquiry and the eventual resolution.

In Calendar Years 2022 and 2023, the RRC responded to 4,294 Public Assistance inquiries, an average of 12 responses per day. Implementation of new technologies will automate the Public Assist process to manage complaints and other inquiries received by the RRC via the agency’s main email address at Publicassist@rrc.texas.gov.

Executive Assistance Email Account

In addition to inquiries received via the Public Assistance email account, many constituents reach out directly to the three elected Commissioners that lead the Railroad Commission. Response to these emails, letters and phone calls are coordinated by the Commissioners and their staff.

Area Specific Contacts

The Contact Us area of the Railroad Commission website includes contact information for topic-specific questions and complaints including:

- Alternative Fuels,
- Critical Infrastructure,
- Gas Services,
- Government Relations,
- Hearings,
- Human Resources,
- Oil and Gas,
- Open Records,
- Pipeline Safety, and
- Surface Mining and Reclamation.

Furthermore, the Railroad Commission interacts with the public and stakeholders daily in its District and Regional offices throughout Texas. Implementation of new technology will automate the Speaker Request process to better manage requests for speakers and exhibitors.

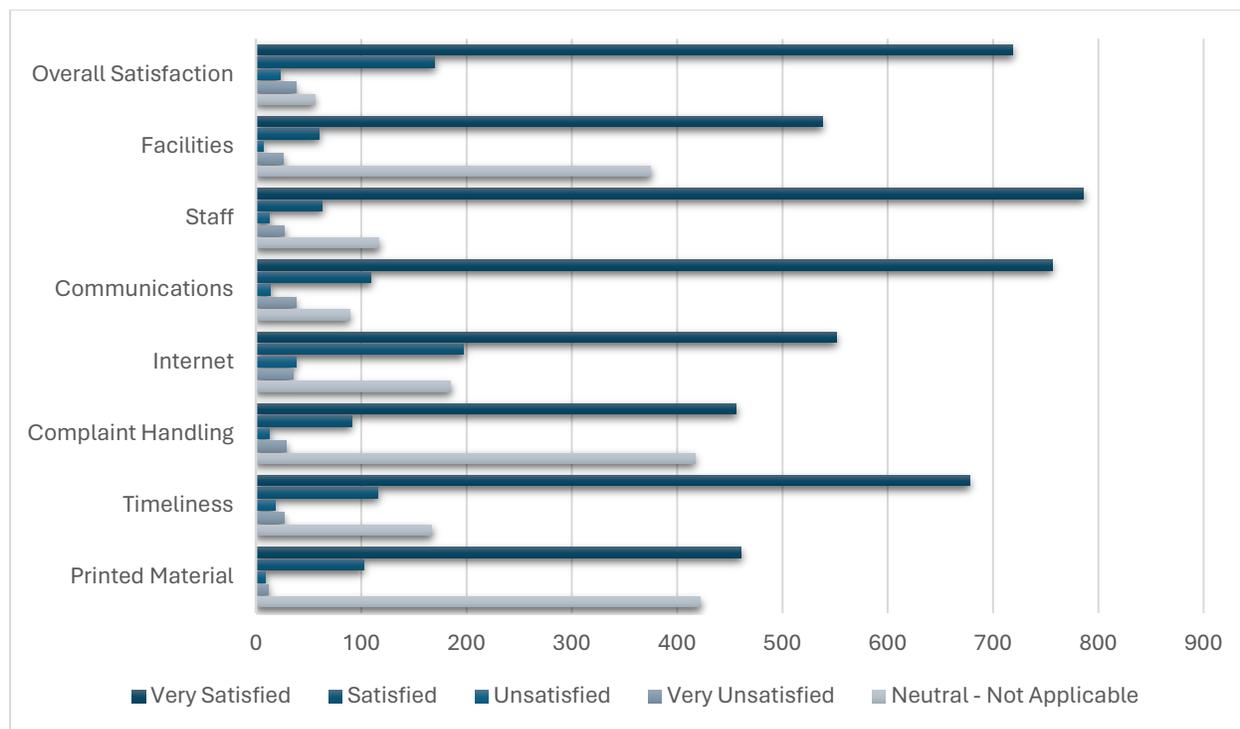
Data

This section of the report contains the following:

1. Link to the Compact with Texans: <https://www.rrc.texas.gov/site-policies/>
2. Graph representing Customer Service Survey responses (Figure 1)

Customer Service Survey responses reporting a complaint are resolved by forwarding the response to the appropriate division director and their staff for follow-up and resolution.

Figure 6: 2022 and 2023 Customer Service Summary of Responses



Analysis

The link to the Customer Service Survey on the Railroad Commission’s website is accessible to the public year-round making it possible to capture feedback and quickly respond to comments or complaints. A link to the survey also appears in employees’ email signature for easy access when they are communicating with the public.

The number of survey responses increased significantly since the 2022 Report on Customer Service (377 responses). To better manage the process, the Railroad Commission is moving the survey to a platform that will better manage data and automate reporting. Ultimately, the goal is to continue to grow the number of customers in the survey process.

The findings of the 2024 Customer Survey Report show most respondents say they are “Satisfied” or “Very Satisfied” with the Railroad Commission’s overall customer service. The highest scores received were in the categories of *Overall Satisfaction*, *Communications*, *Staff* and *Timeliness*. Results also indicate the need for improvement in the areas of *Printed Materials* and *Complaint Handling*.

Looking ahead, the Railroad Commission will continue to use the survey to evaluate and support its initiative to provide excellent customer service and examine steps to continue to increase both constituent participation and the percentage of “Very Satisfied” responses to the survey.

Railroad Commission continues make improvements to agency technology that have resulted in increased access to data, streamlined online filing processes and faster processing of forms and reports. Even so, the Railroad Commission will continue to explore options to improve printed

materials and complaint handling related to its processes to ensure they fully support concise communication and responsiveness to stakeholders.

Performance Measures

Outcome Measure

- *Number of Customers Served:* Quantifying the number of customers served by the Railroad Commission is difficult. The following is a description of the regulated industry and the public served by the Railroad Commission.

Oil and Gas Exploration and Production

The Texas oil and natural gas industry consists of a wide spectrum of businesses, ranging from sole proprietorships to fully integrated multinational corporations. Activities range from well drillers, to well pluggers, to waste haulers. All aspects of the oil and natural gas production cycle from beginning to end are part of the regulatory responsibility of the Railroad Commission. As of December 2023, Texas producers operated approximately 162,725 active producing oil wells and over 86,164 active producing gas wells. In 2023, Texas wells produced approximately 1.5 billion barrels of crude oil and 11.8 billion cubic feet of gas.

Pipeline Transportation

To gather, transport and deliver Texas' oil and natural gas resources, an extensive network of pipelines is required. The Railroad Commission has responsibility to ensure these systems are designed, constructed, operated, and maintained safely, and rates for natural gas service are just and reasonable. There are more than 489,000 miles of pipeline in Texas including more than 439,000 miles of intrastate pipeline under the Commission's pipeline safety jurisdiction. The remaining 50,000 miles of pipeline fall under the pipeline safety jurisdiction of the Pipeline and Hazardous Materials Safety Administration (PHMSA). Pipelines in Texas are categorized as natural gas distribution lines, hazardous liquid and natural gas gathering and transmission lines, interstate lines and exempt lines. The Railroad Commission has direct safety responsibility over the first three categories. These regulatory responsibilities are extended to operators of intrastate gathering, transmission, distribution, and master metered systems.

Natural Gas Utilities

There are approximately 11,750 active tariffs on file with the Railroad Commission that reflect rates charged for natural gas utility transmission and distribution services. There are 219 investor-owned and 90 municipally owned natural gas utilities in Texas serving over 4.9 million rate regulated customers. The Gas Services department also administers an index-based price ceiling affecting approximately 76 propane distribution retail systems.

Alternative Energy Companies

This industry includes LP-gas (commonly called propane), compressed natural gas (CNG) and liquefied natural gas (LNG). Each year the Railroad Commission certifies about 17,500 individuals working in the industry, administers about 9,300 examinations, issues approximately 9,350 dealer licenses, investigates accidents and safety-related complaints, and conducts approximately 21,000 safety inspections.

The retail propane business is the largest sector within this industry. It consists primarily of small independent companies that provide fuel for space heating, cooking, and water-heating appliances in rural residences and commercial buildings; for portable applications such as outdoor grills, torches, and agricultural equipment; and engine fuel for both off-road vehicles such as forklifts and on-road vehicles such as school buses and light trucks.

Coal and Uranium Mining

Currently there are 27 coal-mining permits administered by the Surface Mining and Reclamation Division. These mining permits, held by nine companies, cover approximately 300,000 acres in 18 counties. Of the 27 coal-mining permits administered, 21 mining operations no longer produce coal and are undergoing final land reclamation.

Efficiency Measure

- *Cost per Customer surveyed:* Staff determined the most cost-effective approach to surveying customers would be electronically through the Railroad Commission website and a link to the survey in employees' email signature.

Explanatory Measures

- *Number of Customers identified:* As described under Output Measure, Number of Customers served, it is difficult to quantify an exact number as the Railroad Commission has regulatory authority over many industries which in turn serve many Texans.
- *Number of Customer groups identified:* Eleven primary customer groups were identified. Please refer to Section 2, "Inventory of External Customers" for details.

Conclusion

In serving the people of Texas, the Railroad Commission of Texas remains committed to providing quality customer service. The results of the 2024 Customer Service Survey indicate that the employees of the Railroad Commission are succeeding in that effort. It also provides useful insight into the areas where improvements can be made, and the Railroad Commission will continue to improve and strive for excellence in service delivery.

Schedule I: Certification of Compliance with Cybersecurity Training



CERTIFICATE

Agency Name: Railroad Commission of Texas

Pursuant to the Texas Government Code, Section 2056.002(b)(12), this is to certify that the agency has complied with the cybersecurity training required pursuant to the Texas Government Code, Sections 2054.5191 and 2054.5192.

Commission Members	Date	Executive Director	Date
 Christi Craddick Chairman	<u>5/14/2024</u>	 Danny Sorrells On behalf of Wei Wang Executive Director	<u>5/16/2024</u>
 Wayne Christian Commissioner	<u>5/14/2024</u>		
 Jim Wright Commissioner	<u>5/14/2024</u>		