



REPORT ON CUSTOMER SERVICE

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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. The Railroad Commission marked its 125th anniversary in April 2016 making it the oldest regulatory agency in the state and one of the oldest of its kind in the nation. Three commissioners elected by Texas voters serve six-year staggered terms. One commissioner is elected every two years.

The Railroad Commission has three regulatory divisions. The Oil and Gas Division oversees the Texas oil and gas industry, specifically exploration and production activity. Oversight and Safety has jurisdiction over natural gas utilities, pipeline safety and alternative energy safety oversight of the liquefied petroleum gas, liquefied natural gas, and compressed natural gas 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 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

Customer Groups by Strategy	Customer Sub-groups	Brief Description of Services Provided
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.	Oil and Gas Producers	Permitting—based on spacing and density rules. Review on monthly basis production allowables on oil and gas wells.
1.2.1 Promote Alternative Energy Resources		
Develop and implement technical training programs and safety seminars for the regulated alternative fuel industries, emergency responders and the public to ensure the safe storage, transportation and use of alternative fuels.	Retail Propane Marketers	Rebates to marketers whose advertising promotes propane as an environmentally beneficial alternative fuel. (NOTE: As a result of HB 7 of the 83rd Legislature, there has been a restructuring and these programs are no longer current.)

Customer Groups by Strategy	Customer Sub-groups	Brief Description of Services Provided
2.1.1 Pipeline Safety		
Ensure the safe operation of pipelines through permitting, field inspections, accident investigations and emergency response.	Pipeline Operators	Conduct pipeline safety inspections and identify violations; take necessary enforcement actions; conduct accident investigations; administer pipeline permits issued and renewed.
2.1.2 Pipeline Damage Prevention		
Support education and partnership initiatives to increase the overall awareness and effectiveness of damage prevention.	General Public and Landowners	Educate public about Texas “one-call” centers and increase awareness of third party damage incidents.
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.	LPG/CNG/LNG Operators	Perform safety inspections and identify violations; administer qualifying examinations, licenses, certifications and registrations.
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.	Oil and Gas Producers, Waste Management, Landowners	Inspections Inspections and Enforcement Respond to inquiries
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.	Surface Mining Operators, Landowners	Inspections, Permitting & Enforcement Respond to inquiries

Customer Groups by Strategy	Customer Sub-groups	Brief Description of Services Provided
3.2.1 Oil and Gas Remediation		
Protect public health and the environment by identifying, assessing, and prioritizing sites that require the use of state managed funds for remediation and provide assistance for operator-initiated corrective actions.	General Public, Landowners	Abandoned pollution sites investigated, assessed, or cleaned up with the use of state managed funds.
3.2.2 Oil and Gas Well Plugging		
Protect public health and the environment by identifying, assessing, and prioritizing wells that require the use of state funds for plugging and provide assistance for operator-initiated corrective actions.	General Public, Landowners	Orphaned wells managed/plugged with the use of state funds.
3.2.3 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.	General Public, Landowners	Abandoned surface mine sites on which reclamation has been initiated.
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.	Gas Utilities Consumers	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.
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.	Oil and Gas Operators, General Public/Consumers	Electronic filing, Production information Website access to information

Table 1: Identification of Customer Groups

Information Gathering

The Railroad Commission of Texas is committed to delivering the highest possible 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 help achieve this goal.

To capture feedback from the agency's external customers, the Railroad Commission features a link on the homepage to an online Customer Service Survey. When responding to inquiries received from constituents via the Public Assistance email account, information and a link to the survey are included to encourage feedback. 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 Railroad Commission has implemented additional programs to help increase information gathering and service delivery capabilities:

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. There is also an option to speak directly to a public assistance Railroad Commission employee who serves as the agency ombudsman.

The Commission has historically maintained a phone number dedicated to the reporting of emergency situations twenty-four hours a day, seven days a week. In 2015 an additional toll-free number was added to make it easier and more efficient for members of the public to report emergency situations to the Commission. Constituents now have the option of calling 1-844-773-0305 toll free.

Railroad Commission Website

The Railroad Commission regulates an industry that is constantly evolving and is one of the most technologically advanced in the world. In order to remain a leader in energy regulation, the Railroad Commission implemented an IT modernization effort in Fiscal Year 2014. The modernization effort included a website redesign that greatly improved website functionality and ease of use. The Commission is better able to meet the needs of the public, industry and legislators by leveraging technology to provide new capabilities and a more user-friendly interface.

Customers can find a variety of useful information on the website including:

- 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;
- Geographic Information System (GIS) Public Map Viewer;
- online filing, reporting and query systems;
- automated fee collection; and
- information on the Public Assistance email account, Publicassist@rrc.state.tx.us.

The Railroad Commission has long recognized the value of its information and strategically positions itself to continually improve access to its data repositories and services through the website to better serve the public.

Information Services

The Information Services section, through its Central Records and Public Sales units, provides public access to Railroad Commission oil and gas data collected over the past 90 years as well as information on all aspects of the Railroad Commission's regulatory functions. The section also fulfills requests for subscriptions, publications, and data in electronic format. The public may call or visit Monday through Friday from 8:00 am to 5:00 pm. Requests for information may be emailed to ims@rrc.state.tx.us. Oil and gas records are also available online at <http://www.rrc.state.tx.us/data/online/index.php>.

Customer Service Principles

The Railroad Commission has developed Customer Service Principles to help employees provide a high level of customer service in their day-to-day work activities. Customer Service 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 on the Customer Service Principles and the information is available on the staff intranet website.

Public Assistance Email Account

The Contact Us section of the Railroad Commission's website includes an email account for the general public to contact the Commission with questions and concerns. Each email is logged and assigned to appropriate staff for processing. In calendar year 2015 the Commission responded to 1,691 Public Assistance emails for an average of just over 32 responses each week. As outlined in the Commission's Customer Service Principles, Public Assistance emails must receive a response from staff no later than the following business day. A database is used to track each inquiry and the eventual resolution. From January through April 2016, the Commission received 516 Public Assistance inquiries for an average of 31 responses each week.

Executive Assistance Email Account

In addition to inquiries received on the Public Assistance email account, many constituents reach out directly to the three elected Commissioners that lead the Railroad Commission. As with the Public Assistance email account, all such emails, letters and phone calls are logged and processed to ensure quality customer service.

Customer Service Survey

This section of the report contains the following:

1. Text of the Compact with Texans found at <http://www.rrc.state.tx.us/site-policies/compact-with-texans/>
2. A chart representing results of the 2016 Customer Service Survey

Customer Service Surveys reporting a complaint are resolved by forwarding the Customer Service Survey to the appropriate division director for follow up and appropriate resolution.

Compact with Texans

The mission of the Railroad Commission of Texas is to serve Texas by our stewardship of natural resources and the environment, our protection of personal and community safety, and our support of enhanced development and economic vitality for the benefit of Texans. The Commission has a long and proud history of service to both Texas and to the nation, including almost 100 years regulating the oil and gas industry.

The Commission has regulatory jurisdiction over the oil and natural gas industry, pipeline transporters, natural gas and hazardous liquid pipeline industry, natural gas utilities, the LP-gas industry, and coal and uranium surface mining operations. The Commission exists under provisions of the Texas Constitution and exercises its statutory responsibilities under state and federal laws for regulation and enforcement of the state's energy industries. The Commission also has regulatory and enforcement responsibilities under federal law including the Surface Coal Mining Control and Reclamation Act, Safe Drinking Water Act, Pipeline Safety Acts, Resource Conservation Recovery Act, and Clean Water Act.

The Commission is led by three commissioners elected by Texas voters to serve six-year terms with one commissioner seeking election every two years.

The Commission is organized into divisions that work together to accomplish the Commission's mission.

2016 Customer Service Survey Summary

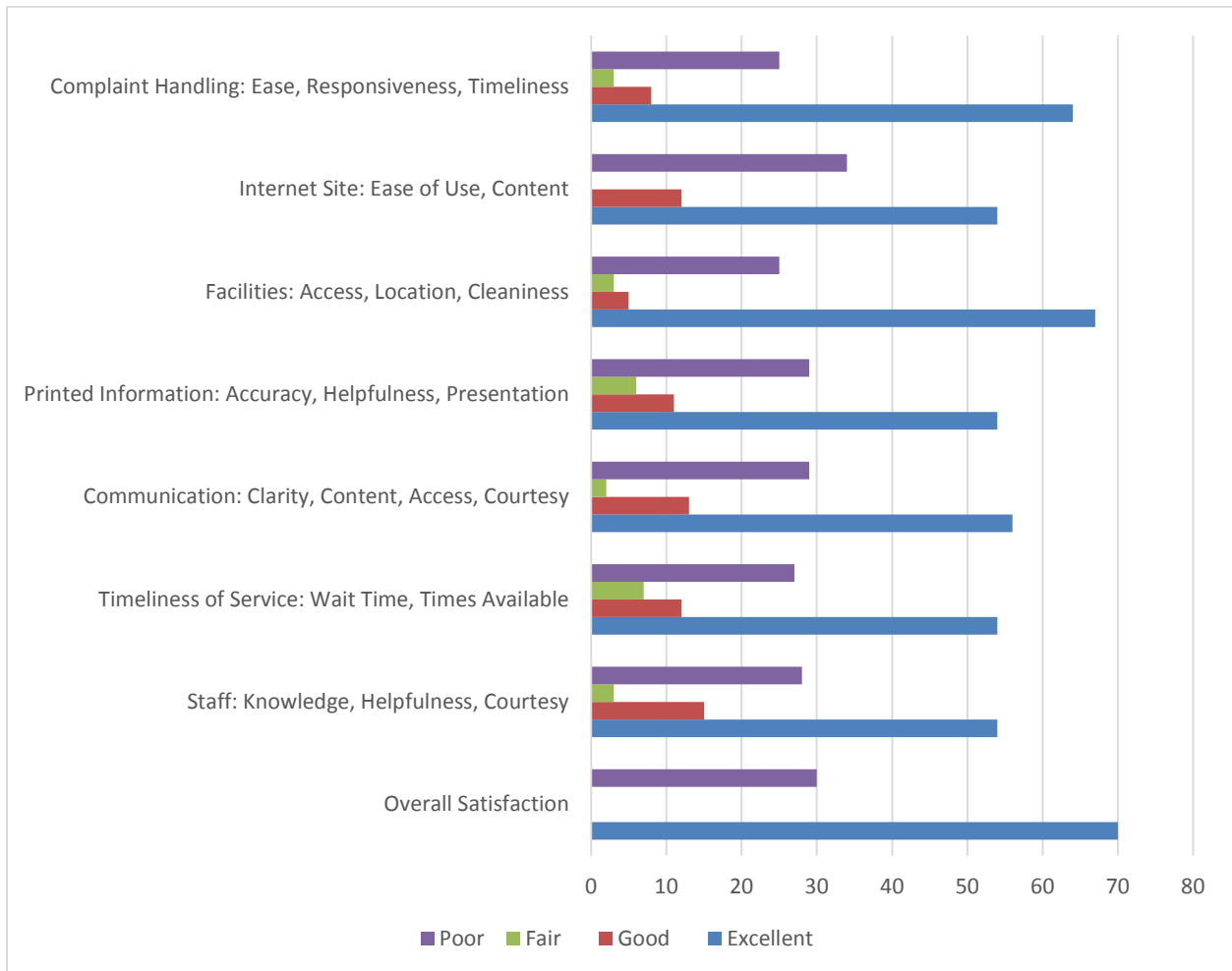


Figure 1: Summary of Results

Analysis of Findings

The link to the Customer Service Survey on the Railroad Commission’s home page is accessible to the public year-round making it possible to capture feedback and quickly respond to comments and/or complaints. Survey information is archived and will be used as the basis for the 2018 Customer Service Report.

As previously noted, a web link to the Customer Service Survey is included when corresponding with constituents via the Public Assistance email account. However, the Commission would like to increase participation in the Customer Service Survey as it provides valuable feedback that results in improvements at the Commission.

Changes to the agency website are making it possible for the Railroad Commission to gather email addresses that are voluntarily provided for informational purposes. In the future, the Customer Service

Survey can be sent directly to constituents in a proactive manner for the purpose of soliciting survey information.

Additional considerations for improved outreach include, but are not limited to, web links to the survey on email signature lines, seminars and conferences, inspector leave-behinds, and information given during examinations/certifications by the agency. In October 2015, the Commission launched a monthly e-newsletter that will also provide an opportunity to solicit participation. Ultimately, the goal is to include a larger population of customers in the survey process.

The findings of the 2016 Customer Survey Report show the majority of responses indicate the Commission is doing an “excellent” job. However, it also shows room for improvement and the Commission will take steps to increase both constituent participation and the percentage of “excellent” responses to the survey.

Complaint Handling, Facilities and Overall Satisfaction received the highest scores with Printed Information and Internet Use scoring the lowest.

In recent years the Commission has made many upgrades and changes to the agency website to provide greater access to extensive information in a more clear and transparent manner. The Commission will continue to explore and implement improvements to the website and seek input from stakeholders to guide the process.

Performance Measure Information

Output Measures

- 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 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 drillers, to 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. Currently, Texas producers operate approximately 184,000 active producing oil wells and 94,000 active producing gas wells. In 2015, Texas wells produced approximately 2.8 million barrels per day of oil and condensate and 23.4 billion cubic feet per day of gas well gas.

Pipeline Transportation

To gather, transport and deliver Texas’ oil and natural gas resources, an extensive network of pipeline is required. The Railroad Commission has responsibility to ensure that these systems are designed, constructed, operated and maintained safely, and that rates for natural gas service are just and reasonable. There are almost 432,000 miles of pipeline in Texas including over 217,000 miles of

intrastate pipeline under the Commission's pipeline safety jurisdiction. The remaining 215,000 miles of pipeline fall under the pipeline safety jurisdiction of the Pipeline and Hazardous Materials Safety Administration (PHMSA). Pipelines in Texas are broken down into 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 over 1,468 operators of intrastate gathering, transmission, distribution, and master metered systems.

Natural Gas Utilities

There are approximately 15,600 active tariffs on file with the Railroad Commission that reflect rates charged for natural gas utility transmission and distribution services. There are 220 investor-owned and 85 municipally owned natural gas utilities in Texas serving nearly 5.3 million customers. During the 83rd Legislative Session, HB 2532 was passed that established an index based price ceiling for distribution system retailers who supply propane gas through a contiguous piping system to ten or more customers and brings those distribution systems under the economic jurisdiction of the Railroad Commission. The Gas Services Division administers this pricing mechanism affecting 71 propane distribution system retailers.

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 18,000 individuals working in the industry, administers about 5,400 examinations, trains about 3,500 managers and workers, issues approximately 5,200 dealer licenses, investigates accidents and safety-related complaints, and conducts approximately 13,000 safety inspections.

The retail propane business is by far 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 as engine fuel for both off-road vehicles such as forklifts and on-road vehicles such as school buses and light trucks. About half a million residences and 6,200 highway vehicles use propane in Texas.

Coal and Uranium Mining

Currently there are 29 coal-mining permits administered by the Surface Mining and Reclamation Division. These mining permits, held by 11 companies, cover approximately 325,000 acres in 20 counties. Nine permitted mining operations no longer produce coal and are undergoing final land reclamation.

Efficiency Measures

- Cost per Customer surveyed: Due to budget constraints, staff determined the most cost effective approach to surveying customers would be electronically through the Railroad Commission website.

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: Twelve 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 2016 Customer Service Survey indicate that the employees of the Railroad Commission are succeeding in that effort. However, it also provides insight into the areas where improvements can be made, and the Commission will continue to improve and strive for excellence in service delivery.