



# LEGISLATIVE APPROPRIATIONS REQUEST

FOR THE FISCAL YEARS  
2012 - 2013

VICTOR G. CARRILLO - CHAIRMAN  
ELIZABETH A. JONES - COMMISSIONER  
MICHAEL L. WILLIAMS - COMMISSIONER



*AUGUST 2010*

# Railroad Commission of Texas (455)

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Automated Budget and Evaluation System of Texas (ABEST)

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#### AGENCY FUNCTION AND OPERATIONS

The Railroad Commission of Texas (RRC, the Commission) is the state agency with primary regulatory jurisdiction over the oil and natural gas industry, pipeline transporters, natural gas and hazardous liquid pipeline industry, natural gas utilities, the LPG/LNG/CNG industries, and coal and uranium surface mining operations. The Commission is also responsible for research and education to promote the use of LP-gas as an alternative fuel in Texas.

The rapidly changing climate of the Texas energy industry requires the RRC to make corresponding shifts in its stewardship role towards that industry. Where once the focus was on regulating production to conserve energy resources and protect correlative rights, currently the emphasis has progressed into a series of coordinated goals that:

- Encourage the most complete development of energy resources for the benefit of the Texas economy
- Maximize public safety
- Protect the environment
- Provide the public with access to information related to the state's energy industries.

The RRC is recognized both nationally and internationally for its leadership in ensuring that resource recovery operations meet or exceed environmental and safety compliance standards. While changes in economic and political conditions will affect where and how the RRC's resources are allocated, the Commission will remain a central force in the regulation of the increasingly complex energy industry.

#### ORGANIZATION AND GOVERNING BOARD

Three statewide officials elected to six-year staggered terms serve as Commissioners of the Railroad Commission. Current officials, terms of office, and their hometowns are:

Victor G. Carrillo	February 19, 2003—December 31, 2010	Abilene, Texas
Elizabeth A. Jones	February 9, 2005—December 31, 2012	San Antonio, Texas
Michael L. Williams	January 4, 1999—December 31, 2014	Arlington, Texas

Serving at the discretion of the Commissioners, the Executive Director implements policies and rules and manages the daily operations of the RRC. Supporting the Executive Director is a management team comprised of the Deputy Executive Director and nine Divisions who oversee various aspects of the organization.

Approximately 58 percent of the RRC's staff is located in the Austin headquarters, with the remaining staff located in 13 field offices statewide. Since many regulatory tasks assigned to the RRC involve onsite inspection of facilities within the regulated industries, maintenance of field locations is the most cost-effective means of implementing this mandate. Most field locations are also public information portals for walk-in customers; however, this aspect is expected to diminish as Internet information capacities grow.

#### SERVICE RESPONSIBILITIES

Within the energy industry the Railroad Commission is recognized throughout the United States and the world as a leader in developing workable regulation for the energy

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industry. However, the general public typically is not aware that the Commission's predominant responsibilities involve the energy industries of Texas. The Railroad Commission's name creates a perception among the general public that the Commission regulates railroads. In 2005 the Legislature transferred the Commission's rail oversight functions to the Texas Department of Transportation, ending a 114-year history of rail regulation at the RRC. However, because of its name, the agency continues to receive inquiries about railroad issues.

Presently, the Commission has responsibility for five basic industry segments: oil and natural gas exploration and production, natural gas and hazardous liquids pipeline operations, natural gas utilities, LPG/LNG/CNG industries, and coal surface mining operations. The majority of the Commission's resources are dedicated to the regulation of oil and natural gas exploration and production. Actions of the Railroad Commission affect not only those industries regulated by the Commission, but also many ancillary industries and general public groups.

RRC regulatory functions are carried out through various activities, including: emergency response; plugging abandoned wells; cleaning up abandoned oilfield sites; public education; alternative fuels research and education, public information, dispute resolution, promulgation of rules; maintaining financial assurance of operators; filings by operators; granting permits and licenses; monitoring performance; inspecting facilities; maintaining records and maps; reviewing various requests; investigating complaints; conducting hearings, and rendering decisions.

#### BUDGET REQUEST

As directed by the Legislative Budget Board (LBB) and Governor's Office of Budget, Planning and Policy (GOBPP), the baseline budget request of the RRC represents expenditures equal to those of the current biennium, less the five percent reduction plan approved on May 18, 2010. To achieve the five percent reduction for the 2010-11 biennium, the Commission assessed each vacant position, and subsequently instituted a hiring freeze on February 9, 2010 for all positions except for those positions that provide the critical safety role of field inspections. Additionally, in certain critical circumstances, with the approval of the Executive Director and the Commissioners, other positions may be filled on a case-by-case basis.

#### 10 PERCENT BIENNIAL BASE REDUCTION OPTIONS SCHEDULE

The Commission's approach in preparing the 10 Percent Biennial Base Reduction Options Schedule was made in a deliberative fashion minimizing the affect on public safety. The Commission was careful not to make any reductions that might preempt any Sunset Commission recommendations. Each division reviewed its statutorily determined activities and proposed funding reductions that would have the least overall impact. It is important to point out these reductions will reduce federal dollars received. In many instances, the proposed reductions will affect the Commission's ability to meet deadlines set in statute or by rule, but the Commission's proposed reductions will strive to not affect the public safety or environmental protection goals.

Concurrent with the strategic planning process Railroad Commission division directors identified potential reductions by strategy for GR and GR-Dedicated funds. The initial proposal was presented to the three statewide-elected Railroad Commissioners for prioritization. In an opening meeting on August 10, 2010, the Commissioners discussed the proposed reductions and approved the proposal set forth in this document.

If necessary, the Commission could maintain a hiring freeze during the 2012-13 biennium to reduce its appropriation request by the additional five and ten percent allocations as directed. Division directors identified and then prioritized skill sets that will be eliminated with the reduction in FTEs. While the Commission intends to achieve the reduction in FTEs through attrition, nevertheless, in many instance, critical skills will be lost, with many of the Commission's functions impaired as a result,

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which will require additional evaluations. Should the necessary staffing reductions be unachievable through attrition, the Commission will need to implement a reduction in force program. Further, the Commission anticipates that there will be a reduction in federal funding if the proposed staffing reductions remain in effect through the 2012-13 biennium.

In addition to proposed staffing reductions, the Commission will also achieve reductions by decreasing funding available for contracts. Contract reductions will affect the Commission's ability to remediate environmental concerns related to oil field activity, such as reducing the number of wells that may be properly plugged with funds from Oil Field Clean Up dedicated account or cleaning up abandoned oil field sites that lack a responsible party. The Commission will continue to utilize its prioritization system to ensure that those sites that may pose the greatest environmental threat will be addressed first, but the timeframe for addressing such concerns may be longer than current funding levels allows. The number of rebates issued through the AFRED dedicated account will also be reduced. This reduction may affect air quality as rebates offset the costs associated with switching to clean-burning propane school buses, forklifts, and other appliances. The use of propane as an alternative fuel reduces emissions and provides a more cost-effective fuel source for individuals, businesses, and school districts.

As an exceptional item, the Commission requests restoration of its 2010-11 appropriated funding level for Data Center Services (DCS), prior to reductions the Commission implemented in May 2010 to achieve a five percent budget reduction. If this item is not funded, the Railroad Commission will not have sufficient funds to pay the Department of Information Resources for DCS at current levels of service for the 2012-13 biennium. This would affect the Railroad Commission's ability to sustain its normal regulatory functions.

#### OPPORTUNITIES

In the Railroad Commission's Strategic Plan for the Fiscal Years 2011-2015 and in the Self-Evaluation Report to the Sunset Commission, the Commission identified opportunities, which it believes can significantly affect not only energy industries of Texas in the coming years, but the regulatory role of the RRC in relation to those industries as well.

- Create a state energy commission
- Regulate interstate pipeline damage prevention
- Revise the Commission's funding structure
- Enhance available technology
- Rename the Commission

The Commission included these items as policy issue in the Self-Evaluation Report to the Sunset Commission. With the inclusion of these issues in the Self-Evaluation Report, the Commission intended for the discussion to continue on this policy question without asserting an opinion or preference.

#### EXTERNAL FACTORS

As urban natural gas drilling continues to increase in the Barnett Shale region, which includes the City of Fort Worth, the Railroad Commission responded by reallocating resources. In FY 2007 the Commission shifted existing funding and staff positions to enhance inspections and service as well as to improve the response to emergencies and citizen complaints in the region. Drilling activity in the region continues to grow. At the time of the staffing reallocation, there were fewer than 10,000 wells in the Barnett Shale. As of May 2010 there were a total of 13,902 gas wells in the region, with another 3,333 permitted locations that represent pending oil or gas wells, where the

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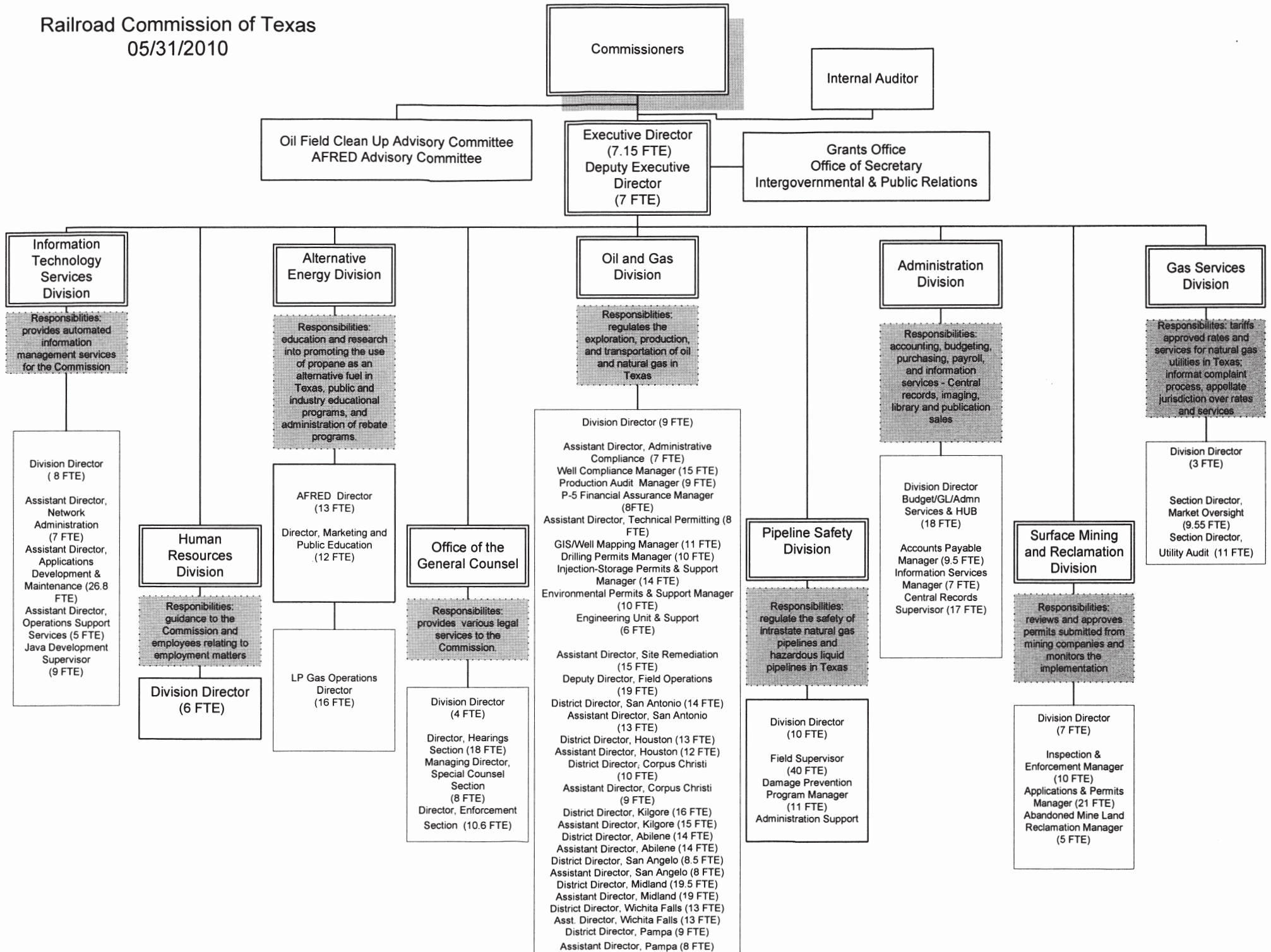
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well may not have been drilled, the operator has not yet filed completion paperwork with the Commission, or the completed well has not yet been set up with a Commission identification number. On September 1, 2008, the Commission opened a district office in Fort Worth with seven pipeline safety inspectors working directly from the office, along with nine oil and gas inspectors, working as outriders from district offices, to serve Barnett Shale region's tremendous growth. Inspections throughout the region nearly tripled from 7,397 inspections in FY 2002 to 21,755 in FY 2009, while inspections in Tarrant County alone experienced exponential growth from only 100 in FY 2002 to 2,272 in FY 2009.

#### AMERICAN RECOVERY AND REINVESTMENT ACT

The recent infusion of federal funds through the American Recovery and Reinvestment Act (ARRA) represents an unprecedented opportunity for the Railroad Commission. The Commission received funding from four programs—as a direct recipient from the Department of Energy and the National Parks Service and as a sub-recipient of two of the State Energy Conservation Office's awards from the Department of Energy. In total, the Commission anticipates that it will receive more than \$16 million in additional grant funding through FY 2013. This funding will allow the Commission to collaborate more closely with other state agencies, as well as with local governments and school districts throughout the state, with projects that address the Commission's goal to protect the environment and assure that energy resources are available during and after an emergency. All ARRA funds received by the Commission are project-specific. When the various funding periods end for each grant there will not be a need to replace the funding with General Revenue, but the benefits to the Commission and to the state of Texas can be expected to outlast the funding periods.

Railroad Commission of Texas  
05/31/2010





**2.A. SUMMARY OF BASE REQUEST BY STRATEGY**  
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<b>Goal / Objective / STRATEGY</b>	<b>Exp 2009</b>	<b>Est 2010</b>	<b>Bud 2011</b>	<b>Req 2012</b>	<b>Req 2013</b>
<b>1</b> Support Lignite, Oil, and Gas Resource Development					
<b>1</b> <i>Increase Opportunities for Lignite, Oil, and Gas Resource Development</i>					
<b>1</b> ENERGY RESOURCE DEVELOPMENT	6,415,923	6,021,153	5,700,264	6,049,638	5,917,152
<b>2</b> <i>Maintain Competitive Prices and Adequate Supplies for Consumers</i>					
<b>1</b> GAS UTILITY COMPLIANCE	1,889,485	1,874,183	1,813,373	1,832,922	1,824,959
<b>3</b> <i>Alternative Energy</i>					
<b>1</b> PROMOTE ALTERNATIVE ENERGY RESOURCE	19,261,183	14,732,339	11,928,074	5,781,636	2,453,800
<b>2</b> DISTRIBUTE LP-GAS REBATES	1,035,900	946,269	947,238	947,238	947,238
<b>3</b> REGULATE ALT ENERGY RESOURCES	1,161,508	1,438,344	1,354,281	1,405,985	1,413,901
<b>TOTAL, GOAL 1</b>	<b>\$29,763,999</b>	<b>\$25,012,288</b>	<b>\$21,743,230</b>	<b>\$16,017,419</b>	<b>\$12,557,050</b>
<b>2</b> Advance Pipeline Safety Through Training, Monitoring, and Enforcement					
<b>1</b> <i>Improve Pipeline Safety</i>					
<b>1</b> PIPELINE SAFETY	3,915,693	4,357,815	4,357,214	4,336,869	4,340,654
<b>2</b> PIPELINE DAMAGE PREVENTION	662,631	995,718	931,422	940,978	937,085
<b>TOTAL, GOAL 2</b>	<b>\$4,578,324</b>	<b>\$5,353,533</b>	<b>\$5,288,636</b>	<b>\$5,277,847</b>	<b>\$5,277,739</b>
<b>3</b> Minimize Harmful Effects of Fossil Fuel Production					
<b>1</b> <i>Reduce Occurrence of Pollution Violations</i>					
<b>1</b> OIL/GAS MONITOR & INSPECTIONS	13,468,297	13,447,823	13,117,770	12,972,435	13,014,391
<b>2</b> SURFACE MINING MONITORING/INSPECT	2,937,232	3,272,657	3,219,211	3,232,277	3,228,770

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<u>2</u> Identify and Correct Environmental Threats					
1 OIL AND GAS REMEDIATION	6,478,640	5,949,332	5,337,830	5,368,080	5,358,024
2 OIL AND GAS WELL PLUGGING	23,808,502	21,787,575	19,994,198	20,057,219	20,036,371
3 SURFACE MINING RECLAMATION	1,551,252	3,172,265	3,204,496	3,209,273	3,207,327
<b>TOTAL, GOAL 3</b>	<b>\$48,243,923</b>	<b>\$47,629,652</b>	<b>\$44,873,505</b>	<b>\$44,839,284</b>	<b>\$44,844,883</b>
<u>4</u> Public Access to Information and Services					
<u>1</u> Increase Public Access to Information					
1 GIS AND WELL MAPPING	700,264	717,299	756,288	765,844	761,951
2 PUBLIC INFORMATION AND SERVICES	1,935,307	1,960,209	1,792,446	1,812,353	1,804,244
<b>TOTAL, GOAL 4</b>	<b>\$2,635,571</b>	<b>\$2,677,508</b>	<b>\$2,548,734</b>	<b>\$2,578,197</b>	<b>\$2,566,195</b>
<b>TOTAL, AGENCY STRATEGY REQUEST</b>	<b>\$85,221,817</b>	<b>\$80,672,981</b>	<b>\$74,454,105</b>	<b>\$68,712,747</b>	<b>\$65,245,867</b>
<b>TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*</b>				<b>\$0</b>	<b>\$0</b>
<b>GRAND TOTAL, AGENCY REQUEST</b>	<b>\$85,221,817</b>	<b>\$80,672,981</b>	<b>\$74,454,105</b>	<b>\$68,712,747</b>	<b>\$65,245,867</b>

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<b>Goal / Objective / STRATEGY</b>	<b>Exp 2009</b>	<b>Est 2010</b>	<b>Bud 2011</b>	<b>Req 2012</b>	<b>Req 2013</b>
<b>METHOD OF FINANCING:</b>					
<b>General Revenue Funds:</b>					
1 General Revenue Fund	28,963,608	28,747,517	28,050,106	28,415,440	28,382,183
<b>SUBTOTAL</b>	<b>\$28,963,608</b>	<b>\$28,747,517</b>	<b>\$28,050,106</b>	<b>\$28,415,440</b>	<b>\$28,382,183</b>
<b>General Revenue Dedicated Funds:</b>					
101 Alter Fuels Research Acct	2,013,571	1,709,599	1,717,457	1,713,528	1,713,528
145 Oil-field Cleanup Acct	30,343,538	27,833,037	25,749,181	25,774,042	25,774,042
<b>SUBTOTAL</b>	<b>\$32,357,109</b>	<b>\$29,542,636</b>	<b>\$27,466,638</b>	<b>\$27,487,570</b>	<b>\$27,487,570</b>
<b>Federal Funds:</b>					
369 Fed Recovery & Reinvestment Fund	0	1,120,981	6,474,605	3,428,322	108,813
454 Land Reclamation Fund	19,167	161,907	161,907	161,907	161,907
555 Federal Funds	4,511,855	7,256,487	7,048,105	7,043,736	7,033,236
<b>SUBTOTAL</b>	<b>\$4,531,022</b>	<b>\$8,539,375</b>	<b>\$13,684,617</b>	<b>\$10,633,965</b>	<b>\$7,303,956</b>
<b>Other Funds:</b>					
666 Appropriated Receipts	2,161,386	2,062,850	2,110,243	2,072,158	2,072,158
777 Interagency Contracts	17,208,692	11,780,603	3,142,501	103,614	0
827 Anthropogenic CO2 Storage Fund	0	0	0	0	0
<b>SUBTOTAL</b>	<b>\$19,370,078</b>	<b>\$13,843,453</b>	<b>\$5,252,744</b>	<b>\$2,175,772</b>	<b>\$2,072,158</b>
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$85,221,817</b>	<b>\$80,672,981</b>	<b>\$74,454,105</b>	<b>\$68,712,747</b>	<b>\$65,245,867</b>

\*Rider appropriations for the historical years are included in the strategy amounts.

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<b><u>GENERAL REVENUE</u></b>					
<b><u>1</u> General Revenue Fund</b>					
<i>REGULAR APPROPRIATIONS</i>					
Regular Appropriation	\$27,123,097	\$29,426,260	\$29,024,445	\$28,415,440	\$28,382,183
<i>RIDER APPROPRIATION</i>					
Art IX, Contingency Appn, Sec. 17.109, SB1387, Carbon Recapture	\$0	\$75,431	\$73,421	\$0	\$0
Art VI-48, Rider 5, UB Forward (2008-09 GAA) for DCC HB15	\$195,177	\$0	\$0	\$0	\$0
Art VI-48, Rider 5, UB Forward, (2008-09 GAA) Misc	\$531,400	\$0	\$0	\$0	\$0
Art VI-50, Rider 14, Contingency Appropriation: Pipeline Safety Fees	\$0	\$653,590	\$533,825	\$0	\$0
<i>TRANSFERS</i>					
Art IX, Sec 19.62(a), Salary Increase (2008-09 GAA)	\$443,839	\$0	\$0	\$0	\$0
Art IX, Sec 19.62(a), Salary Increase (2008-09 GAA)	\$457,833	\$0	\$0	\$0	\$0
HB4586, Sec. 89, 81st Legislature - Retention Payments	\$380,380	\$0	\$0	\$0	\$0

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METHOD OF FINANCING	Exp 2009	Est 2010	Bud 2011	Req 2012	Req 2013
<b><u>GENERAL REVENUE</u></b>					
<i>LAPSED APPROPRIATIONS</i>					
Five Percent Reduction (2010-11 Biennium)					
	\$0	\$(1,407,764)	\$(1,581,585)	\$0	\$0
Lapsed Appropriation					
	\$(168,118)	\$0	\$0	\$0	\$0
<b>TOTAL, General Revenue Fund</b>	<b>\$28,963,608</b>	<b>\$28,747,517</b>	<b>\$28,050,106</b>	<b>\$28,415,440</b>	<b>\$28,382,183</b>
<b>TOTAL, ALL GENERAL REVENUE</b>	<b>\$28,963,608</b>	<b>\$28,747,517</b>	<b>\$28,050,106</b>	<b>\$28,415,440</b>	<b>\$28,382,183</b>

**GENERAL REVENUE FUND - DEDICATED**

**101** GR Dedicated - Alternative Fuels Research and Education Account No. 101

*REGULAR APPROPRIATIONS*

Regular Appropriation

\$1,922,653	\$2,149,215	\$2,149,215	\$1,713,528	\$1,713,528
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*RIDER APPROPRIATION*

Art VI, Rider 3, Revised Receipts, Pg. VI 44 (2010-11 GAA)

\$0	\$(332,155)	\$(324,297)	\$0	\$0
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Art VI, Rider 3, Revised Receipts, Pg. VI-48 (2008-2009 GAA)

\$68,408	\$0	\$0	\$0	\$0
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<b><u>GENERAL REVENUE FUND - DEDICATED</u></b>					
<i>TRANSFERS</i>					
Art IX, Sec 19.62(a), Salary Increase (2008-09 GAA)	\$4,651	\$0	\$0	\$0	\$0
Art IX, Sec 19.62, Salary Increase (2008-09 GAA)	\$8,259	\$0	\$0	\$0	\$0
HB 4586, Sec 89, Retention Payments	\$9,600	\$0	\$0	\$0	\$0
<i>LAPSED APPROPRIATIONS</i>					
Five Percent Reduction (2010-11 Biennium)	\$0	\$(107,461)	\$(107,461)	\$0	\$0
<b>TOTAL, GR Dedicated - Alternative Fuels Research and Education Account No. 101</b>	<b>\$2,013,571</b>	<b>\$1,709,599</b>	<b>\$1,717,457</b>	<b>\$1,713,528</b>	<b>\$1,713,528</b>
<b>145 GR Dedicated - Oil Field Cleanup Account No. 145</b>					
<i>REGULAR APPROPRIATIONS</i>					
Regular Appropriation	\$23,719,713	\$28,585,666	\$28,536,144	\$25,774,042	\$25,774,042
<i>RIDER APPROPRIATION</i>					
Art IX, Contingency Appn HB 2259 (Inactive Oil & Gas Well Plugging)	\$0	\$251,804	\$448,195	\$0	\$0

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Agency code: **455** Agency name: **Railroad Commission**

<b>METHOD OF FINANCING</b>	<b>Exp 2009</b>	<b>Est 2010</b>	<b>Bud 2011</b>	<b>Req 2012</b>	<b>Req 2013</b>
<b><u>GENERAL REVENUE FUND - DEDICATED</u></b>					
Art IX, Contingency Appn HB 2259 (Inactive Oil & Gas Well Plugging)	\$0	\$0	\$1,213,034	\$0	\$0
Art IX, Contingency Appn HB 2259 Funding Adj related to BRE	\$0	\$0	\$(1,409,425)	\$0	\$0
Art IX, Contingency Appn HB 472 (Pipeline Contamination)	\$0	\$202,500	\$0	\$0	\$0
Art VI-49, Rider 7, Estimated Appn Authority - OFCU (2008-09 GAA)	\$6,404,606	\$0	\$0	\$0	\$0
Art VI-49, Rider 7, Estimated Appn Authority - OFCU (2010-11 GAA)	\$0	\$395,904	\$(1,584,286)	\$0	\$0
<i>TRANSFERS</i>					
Art IX, Sec 19.62(a), Salary Increase (2008-09 GAA)	\$81,621	\$0	\$0	\$0	\$0
Art IX, Sec 19.62(a), Salary Increase (2008-09 GAA)	\$36,318	\$0	\$0	\$0	\$0
HB 4586, Sec 89, Retention Payments	\$101,280	\$0	\$0	\$0	\$0
<i>LAPSED APPROPRIATIONS</i>					
Five Percent Reduction (2010-11 Biennium)	\$0	\$(1,501,587)	\$(1,555,731)	\$0	\$0

**2.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/23/2010**  
 TIME: **10:45:27AM**

Agency code: <b>455</b>		Agency name: <b>Railroad Commission</b>			
<b>METHOD OF FINANCING</b>	<b>Exp 2009</b>	<b>Est 2010</b>	<b>Bud 2011</b>	<b>Req 2012</b>	<b>Req 2013</b>
<b><u>GENERAL REVENUE FUND - DEDICATED</u></b>					
<i>UNEXPENDED BALANCES AUTHORITY</i>					
	Art IX, Contingency Appn HB 472 (Pipeline UB Forward)				
	\$0	\$(101,250)	\$101,250	\$0	\$0
<b>TOTAL,</b>	<b>GR Dedicated - Oil Field Cleanup Account No. 145</b>				
	<b>\$30,343,538</b>	<b>\$27,833,037</b>	<b>\$25,749,181</b>	<b>\$25,774,042</b>	<b>\$25,774,042</b>
<b>TOTAL, ALL</b>	<b>GENERAL REVENUE FUND - DEDICATED</b>				
	<b>\$32,357,109</b>	<b>\$29,542,636</b>	<b>\$27,466,638</b>	<b>\$27,487,570</b>	<b>\$27,487,570</b>
<b>TOTAL,</b>	<b>GR &amp; GR-DEDICATED FUNDS</b>				
	<b>\$61,320,717</b>	<b>\$58,290,153</b>	<b>\$55,516,744</b>	<b>\$55,903,010</b>	<b>\$55,869,753</b>
<b><u>FEDERAL FUNDS</u></b>					
<b>369</b>	Federal American Recovery and Reinvestment Fund				
	<i>RIDER APPROPRIATION</i>				
	Art IX, Sec 8.02, Federal Funds (2010-11 GAA) - DOE CFDA 81.086				
	\$0	\$739,287	\$6,474,605	\$3,428,322	\$108,813
	Art IX, Sec 8.02, Federal Funds (2010-11 GAA) - NPS CFDA 15.934				
	\$0	\$381,694	\$0	\$0	\$0
<b>TOTAL,</b>	<b>Federal American Recovery and Reinvestment Fund</b>				
	<b>\$0</b>	<b>\$1,120,981</b>	<b>\$6,474,605</b>	<b>\$3,428,322</b>	<b>\$108,813</b>
<b>454</b>	Land Reclamation Fund No. 454				
	<i>REGULAR APPROPRIATIONS</i>				



**2.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/23/2010**  
 TIME: **10:45:27AM**

Agency code: <b>455</b>		Agency name: <b>Railroad Commission</b>			
<b>METHOD OF FINANCING</b>	<b>Exp 2009</b>	<b>Est 2010</b>	<b>Bud 2011</b>	<b>Req 2012</b>	<b>Req 2013</b>
<b><u>FEDERAL FUNDS</u></b>					
Regular Appropriation	\$161,907	\$161,907	\$161,907	\$161,907	\$161,907
<i>LAPSED APPROPRIATIONS</i>					
Regular Appropriations from MOF Table (2008-09 GAA)	\$(142,740)	\$0	\$0	\$0	\$0
<b>TOTAL, Land Reclamation Fund No. 454</b>	<b>\$19,167</b>	<b>\$161,907</b>	<b>\$161,907</b>	<b>\$161,907</b>	<b>\$161,907</b>
<b><u>555</u> Federal Funds</b>					
<i>REGULAR APPROPRIATIONS</i>					
Regular Appropriations	\$4,207,709	\$6,550,013	\$6,546,998	\$7,043,736	\$7,033,236
<i>RIDER APPROPRIATION</i>					
Art IX, Sec 8.02, Federal Funds/Block Grants (2008-09 GAA)	\$242,573	\$0	\$0	\$0	\$0
Art IX, Sec 8.02, Federal Funds/Block Grants (2010-11 GAA)	\$0	\$289,187	\$144,074	\$0	\$0
Art VI-51, Rider 14, Contingency Appn Pipeline Funding Adj	\$0	\$83,458	\$71,407	\$0	\$0
Art VI-51, Rider 14, Contingency Appn Pipeline Safety Fees	\$0	\$333,829	\$285,626	\$0	\$0

**2.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/23/2010**  
 TIME: **10:45:27AM**

Agency code: **455** Agency name: **Railroad Commission**

METHOD OF FINANCING	Exp 2009	Est 2010	Bud 2011	Req 2012	Req 2013
<b><u>FEDERAL FUNDS</u></b>					
<i>TRANSFERS</i>					
Art IX, Sec 19.62(a), Salary Increase (2008-09 GAA)	\$31,780	\$0	\$0	\$0	\$0
Art IX, Sec 19.62(a), Salary Increase (2008-09 GAA)	\$22,753	\$0	\$0	\$0	\$0
HB 4586, Sec 89, Retention Payments	\$7,040	\$0	\$0	\$0	\$0
<b>TOTAL, Federal Funds</b>	<b>\$4,511,855</b>	<b>\$7,256,487</b>	<b>\$7,048,105</b>	<b>\$7,043,736</b>	<b>\$7,033,236</b>
<b>TOTAL, ALL FEDERAL FUNDS</b>	<b>\$4,531,022</b>	<b>\$8,539,375</b>	<b>\$13,684,617</b>	<b>\$10,633,965</b>	<b>\$7,303,956</b>

**OTHER FUNDS**

**666** Appropriated Receipts

*REGULAR APPROPRIATIONS*

Regular Appropriations

\$1,938,910	\$1,927,296	\$1,927,296	\$2,072,158	\$2,072,158
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*RIDER APPROPRIATION*

Art IX, Sec 8.03, Reimbursements and Payments (2008-09 GAA)

\$97,480	\$0	\$0	\$0	\$0
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**2.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/23/2010**  
 TIME: **10:45:27AM**

Agency code: <b>455</b>		Agency name: <b>Railroad Commission</b>				
<b>METHOD OF FINANCING</b>	<b>Exp 2009</b>	<b>Est 2010</b>	<b>Bud 2011</b>	<b>Req 2012</b>	<b>Req 2013</b>	
<b><u>OTHER FUNDS</u></b>						
Art IX, Sec 8.03, Reimbursements and Payments (2010-11 GAA)	\$0	\$135,554	\$182,947	\$0	\$0	
<i>TRANSFERS</i>						
Art IX, Sec 19.62(a), Salary Increase (2008-09 GAA)	\$23,803	\$0	\$0	\$0	\$0	
Art IX, Sec 19.62(a), Salary Increase (2008-09 GAA)	\$26,068	\$0	\$0	\$0	\$0	
Art IX, Sec 8.04, Surplus Property (2008-09 GAA)	\$56,205	\$0	\$0	\$0	\$0	
HB 4586, Sec 89, Retention Payments	\$18,920	\$0	\$0	\$0	\$0	
<b>TOTAL, Appropriated Receipts</b>	<b>\$2,161,386</b>	<b>\$2,062,850</b>	<b>\$2,110,243</b>	<b>\$2,072,158</b>	<b>\$2,072,158</b>	
<u>777</u> Interagency Contracts						
<i>REGULAR APPROPRIATIONS</i>						
Regular Appropriation	\$1,576,222	\$152,194	\$152,194	\$103,614	\$0	
<i>RIDER APPROPRIATION</i>						
Art IX, Sec 8.03, (2008-09 GAA) TCEQ Propane Equipment 7100	\$15,632,470	\$1,669,170	\$0	\$0	\$0	

**2.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/23/2010**  
 TIME: **10:45:27AM**

METHOD OF FINANCING	Exp 2009	Est 2010	Bud 2011	Req 2012	Req 2013
Agency code: <b>455</b> Agency name: <b>Railroad Commission</b>					
<b><u>OTHER FUNDS</u></b>					
Art IX, Sec 8.03, (2010-11 GAA) ARRA SECO Energy Assurance Planning	\$0	\$87,433	\$74,421	\$0	\$0
Art IX, Sec 8.03, (2010-11 GAA) ARRA SECO Trans Efficiency Program	\$0	\$24,000	\$3,068,080	\$0	\$0
Art IX, Sec 8.03, (2010-11 GAA) TCEQ Nonpoint Source	\$0	\$(152,194)	\$(152,194)	\$0	\$0
Art IX, Sec 8.03, (2010-11 GAA) TCEQ Propane Equipment 7101	\$0	\$10,000,000	\$0	\$0	\$0
<b>TOTAL, Interagency Contracts</b>	<b>\$17,208,692</b>	<b>\$11,780,603</b>	<b>\$3,142,501</b>	<b>\$103,614</b>	<b>\$0</b>
<b>827</b> Anthropogenic Carbon Dioxide Storage Trust Fund					
<i>BASE ADJUSTMENT</i>					
Regular Appropriations from MOF Table (2010-11 GAA)	\$0	\$0	\$0	\$0	\$0
<b>TOTAL, Anthropogenic Carbon Dioxide Storage Trust Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL, ALL OTHER FUNDS</b>	<b>\$19,370,078</b>	<b>\$13,843,453</b>	<b>\$5,252,744</b>	<b>\$2,175,772</b>	<b>\$2,072,158</b>
<b>GRAND TOTAL</b>	<b>\$85,221,817</b>	<b>\$80,672,981</b>	<b>\$74,454,105</b>	<b>\$68,712,747</b>	<b>\$65,245,867</b>

**2.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE**  
82nd Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/23/2010**  
TIME: **10:45:27AM**

METHOD OF FINANCING	Exp 2009	Est 2010	Bud 2011	Req 2012	Req 2013
Agency code: <b>455</b> Agency name: <b>Railroad Commission</b>					
<b>FULL-TIME-EQUIVALENT POSITIONS</b>					
REGULAR APPROPRIATIONS					
Regular Appropriations from MOF Table (2008-09 GAA)	723.1	709.1	709.1	705.6	705.6
RIDER APPROPRIATION					
Art IX, Sec 18.02(c), Data Center Consolidation FTE Reductions	(17.0)	0.0	0.0	0.0	0.0
Rider 14, Contingency Appn: Pipeline Safety Fees SB 1658 (2010-11 GAA)	0.0	13.5	13.5	0.0	0.0
Rider 7, (2010-11 GAA) Oil Field Cleanup Account	0.0	21.0	21.0	0.0	0.0
UNAUTHORIZED NUMBER OVER (BELOW) CAP					
Unauthorized Number Over (Under) Cap:	(27.4)	(17.0)	(17.0)	0.0	0.0
Rider 7, (2010-11 GAA) Oil Field Cleanup Account - Adj related to BRE	0.0	(21.0)	(21.0)	0.0	0.0
<b>TOTAL, ADJUSTED FTES</b>	<b>678.7</b>	<b>705.6</b>	<b>705.6</b>	<b>705.6</b>	<b>705.6</b>
<b>NUMBER OF 100% FEDERALLY FUNDED FTES</b>					
	<b>9.0</b>	<b>12.0</b>	<b>12.0</b>	<b>11.0</b>	<b>11.0</b>

**2.C. SUMMARY OF BASE REQUEST BY OBJECT OF EXPENSE**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/23/2010**  
 TIME: **10:46:29AM**

Agency code: <b>455</b>	Agency name: <b>Railroad Commission</b>				
<b>OBJECT OF EXPENSE</b>	<b>Exp 2009</b>	<b>Est 2010</b>	<b>Bud 2011</b>	<b>BL 2012</b>	<b>BL 2013</b>
1001 SALARIES AND WAGES	\$34,058,909	\$35,176,661	\$34,548,006	\$34,667,576	\$34,578,931
1002 OTHER PERSONNEL COSTS	\$1,474,119	\$979,749	\$1,001,503	\$1,001,502	\$1,001,502
2001 PROFESSIONAL FEES AND SERVICES	\$4,628,393	\$6,298,141	\$5,938,391	\$5,958,138	\$5,885,221
2002 FUELS AND LUBRICANTS	\$776,981	\$1,069,041	\$1,066,534	\$1,068,539	\$1,068,539
2003 CONSUMABLE SUPPLIES	\$212,498	\$279,807	\$260,042	\$272,657	\$260,044
2004 UTILITIES	\$242,733	\$190,322	\$184,177	\$184,177	\$184,177
2005 TRAVEL	\$373,164	\$510,340	\$531,557	\$538,466	\$533,466
2006 RENT - BUILDING	\$527,561	\$443,303	\$416,644	\$416,644	\$416,644
2007 RENT - MACHINE AND OTHER	\$169,180	\$289,742	\$285,767	\$285,767	\$285,767
2009 OTHER OPERATING EXPENSE	\$41,996,430	\$33,747,731	\$20,073,081	\$20,265,665	\$20,255,164
4000 GRANTS	\$0	\$611,376	\$9,418,269	\$3,233,489	\$0
5000 CAPITAL EXPENDITURES	\$761,849	\$1,076,768	\$730,134	\$820,127	\$776,412
<b>OOE Total (Excluding Riders)</b>	<b>\$85,221,817</b>	<b>\$80,672,981</b>	<b>\$74,454,105</b>	<b>\$68,712,747</b>	<b>\$65,245,867</b>
<b>OOE Total (Riders)</b>					
<b>Grand Total</b>	<b>\$85,221,817</b>	<b>\$80,672,981</b>	<b>\$74,454,105</b>	<b>\$68,712,747</b>	<b>\$65,245,867</b>

**2.D. SUMMARY OF BASE REQUEST OBJECTIVE OUTCOMES**

82nd Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/23/2010

Time: 10:47:00AM

Agency code: 455		Agency name: Railroad Commission			
Goal/ Objective / Outcome	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
1	Support Lignite, Oil, and Gas Resource Development				
	1 Increase Opportunities for Lignite, Oil, and Gas Resource Development				
<b>KEY</b>	<b>1 Percent of Oil and Gas Wells that Are Active</b>				
	74.50%	73.00%	74.00%	74.00%	74.00%
	<b>2 % of Forms and Reports Filed Electronically Through RRC Online System</b>				
	87.00%	87.00%	87.00%	87.00%	88.00%
2	Maintain Competitive Prices and Adequate Supplies for Consumers				
	<b>1 Average Texas Residential Gas Price as a Percent of National Gas Price</b>				
	93.30%	98.00%	98.00%	98.00%	98.00%
3	Alternative Energy				
	<b>1 Annual Percent Change in the Level of AFRED Fee Revenue</b>				
	-14.60	6.00	0.00	0.00	0.00
	<b>2 Average Number of LPG/CNG/LNG Violations</b>				
	0.80	0.70	0.09	0.09	0.09
2	Advance Pipeline Safety Through Training, Monitoring, and Enforcement				
	1 Improve Pipeline Safety				
<b>KEY</b>	<b>1 Average Number of Safety Violations</b>				
	2.99	3.25	3.33	3.16	3.00
3	Minimize Harmful Effects of Fossil Fuel Production				
	1 Reduce Occurrence of Pollution Violations				
<b>KEY</b>	<b>1 Percent of Oil and Gas Inspections that Identify Violations</b>				
	16.10%	15.50%	17.00%	17.00%	16.00%
	<b>2 Percent Current Surface Coal Mining Operations in Compliance</b>				
	100.00%	100.00%	100.00%	100.00%	100.00%
2	Identify and Correct Environmental Threats				
<b>KEY</b>	<b>1 Percent of Known Orphaned Wells Plugged W/Use of State-Managed Funds</b>				
	18.50%	17.40%	25.00%	30.50%	45.80%
	<b>2 % Pollution Sites Inves., Assessed, Cleaned w/State-Managed Funds</b>				
	17.50%	10.95%	8.18%	8.04%	7.91%

**2.D. SUMMARY OF BASE REQUEST OBJECTIVE OUTCOMES**

82nd Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation system of Texas (ABEST)

Date : **8/23/2010**  
Time: **10:47:00AM**

Agency code: **455**

Agency name: **Railroad Commission**

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<b>Goal/ Objective / Outcome</b>	<b>Exp 2009</b>	<b>Est 2010</b>	<b>Bud 2011</b>	<b>BL 2012</b>	<b>BL 2013</b>
4 Public Access to Information and Services					
1 Increase Public Access to Information					
1 Percent of Requests Made Electronically	6.61%	7.50%	7.50%	7.50%	7.50%

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2.E. SUMMARY OF EXCEPTIONAL ITEMS REQUEST

82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2010  
 TIME : 10:47:36AM

Agency code: 455

Agency name: Railroad Commission

Priority	Item	2012			2013			Biennium	
		GR and GR/GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds
11	Restore 5% Reduction for DCS	\$178,732	\$178,732		\$77,540	\$77,540		\$256,272	\$256,272
<b>Total, Exceptional Items Request</b>		<b>\$178,732</b>	<b>\$178,732</b>		<b>\$77,540</b>	<b>\$77,540</b>		<b>\$256,272</b>	<b>\$256,272</b>
<b>Method of Financing</b>									
	General Revenue	\$146,616	\$146,616		\$63,606	\$63,606		\$210,222	\$210,222
	General Revenue - Dedicated	32,116	32,116		13,934	13,934		46,050	46,050
	Federal Funds								
	Other Funds								
		<b>\$178,732</b>	<b>\$178,732</b>		<b>\$77,540</b>	<b>\$77,540</b>		<b>\$256,272</b>	<b>\$256,272</b>

**Full Time Equivalent Positions**

Number of 100% Federally Funded FTEs

0.0

0.0

**2.F. SUMMARY OF TOTAL REQUEST BY STRATEGY**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/23/2010  
 TIME : 10:47:57AM

Agency code: 455 Agency name: Railroad Commission

<b>Goal/Objective/STRATEGY</b>	<b>Base 2012</b>	<b>Base 2013</b>	<b>Exceptional 2012</b>	<b>Exceptional 2013</b>	<b>Total Request 2012</b>	<b>Total Request 2013</b>
<b>1 Support Lignite, Oil, and Gas Resource Development</b>						
<i>1 Increase Opportunities for Lignite, Oil, and Gas Resource Developm</i>						
<b>1 ENERGY RESOURCE DEVELOPMENT</b>	\$6,049,638	\$5,917,152	\$28,545	\$12,384	\$6,078,183	\$5,929,536
<i>2 Maintain Competitive Prices and Adequate Supplies for Consumers</i>						
<b>1 GAS UTILITY COMPLIANCE</b>	1,832,922	1,824,959	6,168	2,676	1,839,090	1,827,635
<i>3 Alternative Energy</i>						
<b>1 PROMOTE ALTERNATIVE ENERGY RESOURCE</b>	5,781,636	2,453,800	8,796	3,817	5,790,432	2,457,617
<b>2 DISTRIBUTE LP-GAS REBATES</b>	947,238	947,238	0	0	947,238	947,238
<b>3 REGULATE ALT ENERGY RESOURCES</b>	1,405,985	1,413,901	4,774	2,071	1,410,759	1,415,972
<b>TOTAL, GOAL 1</b>	<b>\$16,017,419</b>	<b>\$12,557,050</b>	<b>\$48,283</b>	<b>\$20,948</b>	<b>\$16,065,702</b>	<b>\$12,577,998</b>
<b>2 Advance Pipeline Safety Through Training, Monitoring, and Enforcem</b>						
<i>1 Improve Pipeline Safety</i>						
<b>1 PIPELINE SAFETY</b>	4,336,869	4,340,654	12,562	5,450	4,349,431	4,346,104
<b>2 PIPELINE DAMAGE PREVENTION</b>	940,978	937,085	3,015	1,308	943,993	938,393
<b>TOTAL, GOAL 2</b>	<b>\$5,277,847</b>	<b>\$5,277,739</b>	<b>\$15,577</b>	<b>\$6,758</b>	<b>\$5,293,424</b>	<b>\$5,284,497</b>
<b>3 Minimize Harmful Effects of Fossil Fuel Production</b>						
<i>1 Reduce Occurrence of Pollution Violations</i>						
<b>1 OIL/GAS MONITOR &amp; INSPECTIONS</b>	12,972,435	13,014,391	49,122	21,310	13,021,557	13,035,701
<b>2 SURFACE MINING MONITORING/INSPECT</b>	3,232,277	3,228,770	9,987	4,332	3,242,264	3,233,102
<i>2 Identify and Correct Environmental Threats</i>						
<b>1 OIL AND GAS REMEDIATION</b>	5,368,080	5,358,024	14,630	6,347	5,382,710	5,364,371
<b>2 OIL AND GAS WELL PLUGGING</b>	20,057,219	20,036,371	30,330	13,158	20,087,549	20,049,529
<b>3 SURFACE MINING RECLAMATION</b>	3,209,273	3,207,327	1,507	654	3,210,780	3,207,981
<b>TOTAL, GOAL 3</b>	<b>\$44,839,284</b>	<b>\$44,844,883</b>	<b>\$105,576</b>	<b>\$45,801</b>	<b>\$44,944,860</b>	<b>\$44,890,684</b>

**2.F. SUMMARY OF TOTAL REQUEST BY STRATEGY**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/23/2010  
 TIME : 10:47:57AM

Agency code: 455	Agency name: Railroad Commission					
<b>Goal/Objective/STRATEGY</b>	<b>Base 2012</b>	<b>Base 2013</b>	<b>Exceptional 2012</b>	<b>Exceptional 2013</b>	<b>Total Request 2012</b>	<b>Total Request 2013</b>
<b>4</b> Public Access to Information and Services						
<b>1</b> <i>Increase Public Access to Information</i>						
<b>1</b> GIS AND WELL MAPPING	\$765,844	\$761,951	\$3,015	\$1,308	\$768,859	\$763,259
<b>2</b> PUBLIC INFORMATION AND SERVICES	1,812,353	1,804,244	6,281	2,725	1,818,634	1,806,969
<b>TOTAL, GOAL 4</b>	<b>\$2,578,197</b>	<b>\$2,566,195</b>	<b>\$9,296</b>	<b>\$4,033</b>	<b>\$2,587,493</b>	<b>\$2,570,228</b>
<b>TOTAL, AGENCY STRATEGY REQUEST</b>	<b>\$68,712,747</b>	<b>\$65,245,867</b>	<b>\$178,732</b>	<b>\$77,540</b>	<b>\$68,891,479</b>	<b>\$65,323,407</b>
<b>TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST</b>						
<b>GRAND TOTAL, AGENCY REQUEST</b>	<b>\$68,712,747</b>	<b>\$65,245,867</b>	<b>\$178,732</b>	<b>\$77,540</b>	<b>\$68,891,479</b>	<b>\$65,323,407</b>

**2.F. SUMMARY OF TOTAL REQUEST BY STRATEGY**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/23/2010  
 TIME : 10:47:57AM

Agency code: 455 Agency name: Railroad Commission

Goal/Objective/STRATEGY	Base 2012	Base 2013	Exceptional 2012	Exceptional 2013	Total Request 2012	Total Request 2013
<b>General Revenue Funds:</b>						
1 General Revenue Fund	\$28,415,440	\$28,382,183	\$146,616	\$63,606	\$28,562,056	\$28,445,789
	<b>\$28,415,440</b>	<b>\$28,382,183</b>	<b>\$146,616</b>	<b>\$63,606</b>	<b>\$28,562,056</b>	<b>\$28,445,789</b>
<b>General Revenue Dedicated Funds:</b>						
101 Alter Fuels Research Acct	1,713,528	1,713,528	2,347	1,019	1,715,875	1,714,547
145 Oil-field Cleanup Acct	25,774,042	25,774,042	29,769	12,915	25,803,811	25,786,957
	<b>\$27,487,570</b>	<b>\$27,487,570</b>	<b>\$32,116</b>	<b>\$13,934</b>	<b>\$27,519,686</b>	<b>\$27,501,504</b>
<b>Federal Funds:</b>						
369 Fed Recovery & Reinvestment Fund	3,428,322	108,813	0	0	3,428,322	108,813
454 Land Reclamation Fund	161,907	161,907	0	0	161,907	161,907
555 Federal Funds	7,043,736	7,033,236	0	0	7,043,736	7,033,236
	<b>\$10,633,965</b>	<b>\$7,303,956</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,633,965</b>	<b>\$7,303,956</b>
<b>Other Funds:</b>						
666 Appropriated Receipts	2,072,158	2,072,158	0	0	2,072,158	2,072,158
777 Interagency Contracts	103,614	0	0	0	103,614	0
827 Anthropogenic CO2 Storage Fund	0	0	0	0	0	0
	<b>\$2,175,772</b>	<b>\$2,072,158</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,175,772</b>	<b>\$2,072,158</b>
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$68,712,747</b>	<b>\$65,245,867</b>	<b>\$178,732</b>	<b>\$77,540</b>	<b>\$68,891,479</b>	<b>\$65,323,407</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>	<b>705.6</b>	<b>705.6</b>	<b>0.0</b>	<b>0.0</b>	<b>705.6</b>	<b>705.6</b>

**2.G. SUMMARY OF TOTAL REQUEST OBJECTIVE OUTCOMES**

Date : 8/23/2010

82nd Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation system of Texas (ABEST)

Time: 10:48:25AM

Agency code: 455

Agency name: Railroad Commission

Goal/ Objective / Outcome

		<b>BL 2012</b>	<b>BL 2013</b>	<b>Excp 2012</b>	<b>Excp 2013</b>	<b>Total Request 2012</b>	<b>Total Request 2013</b>
1	Support Lignite, Oil, and Gas Resource Development						
1	<i>Increase Opportunities for Lignite, Oil, and Gas Resource Development</i>						
<b>KEY</b>	<b>1 Percent of Oil and Gas Wells that Are Active</b>						
		74.00%	74.00%			74.00%	74.00%
	<b>2 % of Forms and Reports Filed Electronically Through RRC Online System</b>						
		87.00%	88.00%			87.00%	88.00%
2	<i>Maintain Competitive Prices and Adequate Supplies for Consumers</i>						
	<b>1 Average Texas Residential Gas Price as a Percent of National Gas Price</b>						
		98.00%	98.00%			98.00%	98.00%
3	<i>Alternative Energy</i>						
	<b>1 Annual Percent Change in the Level of AFRED Fee Revenue</b>						
		0.00	0.00			0.00	0.00
	<b>2 Average Number of LPG/CNG/LNG Violations</b>						
		0.09	0.09			0.09	0.09
2	Advance Pipeline Safety Through Training, Monitoring, and Enforcement						
1	<i>Improve Pipeline Safety</i>						
<b>KEY</b>	<b>1 Average Number of Safety Violations</b>						
		3.16	3.00			3.16	3.00
3	Minimize Harmful Effects of Fossil Fuel Production						
1	<i>Reduce Occurrence of Pollution Violations</i>						

**2.G. SUMMARY OF TOTAL REQUEST OBJECTIVE OUTCOMES**

82nd Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/23/2010  
Time: 10:48:25AM

Agency code: 455

Agency name: Railroad Commission

Goal/ Objective / Outcome

		<b>BL 2012</b>	<b>BL 2013</b>	<b>Excp 2012</b>	<b>Excp 2013</b>	<b>Total Request 2012</b>	<b>Total Request 2013</b>
<b>KEY</b>	<b>1 Percent of Oil and Gas Inspections that Identify Violations</b>	17.00%	16.00%			17.00%	16.00%
	<b>2 Percent Current Surface Coal Mining Operations in Compliance</b>	100.00%	100.00%			100.00%	100.00%
2	<i>Identify and Correct Environmental Threats</i>						
<b>KEY</b>	<b>1 Percent of Known Orphaned Wells Plugged W/Use of State-Managed Funds</b>	30.50%	45.80%			30.50%	45.80%
	<b>2 % Pollution Sites Inves., Assessed, Cleaned w/State-Managed Funds</b>	8.04%	7.91%			8.04%	7.91%
4	Public Access to Information and Services						
1	<i>Increase Public Access to Information</i>						
	<b>1 Percent of Requests Made Electronically</b>	7.50%	7.50%			7.50%	7.50%

**3.A. STRATEGY REQUEST**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2010  
 TIME: 10:49:15AM

Agency code: **455** Agency name: **Railroad Commission**

GOAL: 1 Support Lignite, Oil, and Gas Resource Development Statewide Goal/Benchmark: 4 0  
 OBJECTIVE: 1 Increase Opportunities for Lignite, Oil, and Gas Resource Development Service Categories:  
 STRATEGY: 1 Promote Energy Resource Development Opportunities Service: 37 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
<b>Output Measures:</b>						
	1 Number of Organizations Permitted or Renewed	7,684.00	7,689.00	7,300.00	7,250.00	7,250.00
KEY 2	Number of Drilling Permit Applications Processed	20,113.00	21,000.00	22,000.00	23,000.00	24,000.00
KEY 3	Number of Wells Monitored	386,078.33	393,495.00	384,000.00	385,000.00	385,000.00
<b>Efficiency Measures:</b>						
	1 Average Number of Cases Completed Per Examiner	118.00	115.00	115.00	125.00	125.00
KEY 2	Average Number of Wells Monitored Per Analyst	28,682.25	28,101.00	29,538.00	31,000.00	31,000.00
<b>Explanatory/Input Measures:</b>						
	1 Number of Active Oil and Gas Rigs	591.00	560.00	730.00	750.00	760.00
	2 Annual Production of Primary Energy Sources	1,787,686,568.00	1,580,000,000.00	1,700,000,000.00	1,700,000,000.00	1,700,000,000.00
	3 Oil Produced from Leases W/C02 Injection Wells for Tertiary Recovery	100,664,868.00	100,600,000.00	100,600,000.00	100,600,000.00	100,600,000.00
	4 Volume of CO2 Stored Underground	0.00	0.00	0.00	0.00	0.00
	5 Percent of Gas Coming from Texas	35.90 %	35.00 %	35.00 %	35.00 %	35.00 %
	6 Percent of Oil Coming from Texas	31.50 %	29.00 %	29.00 %	29.00 %	29.00 %
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$4,852,933	\$4,905,453	\$4,715,592	\$4,990,999	\$4,906,595
1002	OTHER PERSONNEL COSTS	\$229,732	\$185,787	\$181,984	\$181,984	\$181,984
2001	PROFESSIONAL FEES AND SERVICES	\$497,981	\$449,315	\$413,247	\$402,882	\$402,882
2002	FUELS AND LUBRICANTS	\$1,406	\$2,231	\$2,231	\$2,231	\$2,231
2003	CONSUMABLE SUPPLIES	\$21,860	\$49,111	\$35,801	\$48,416	\$35,803
2004	UTILITIES	\$751	\$810	\$810	\$810	\$810
2005	TRAVEL	\$12,038	\$27,117	\$26,581	\$31,581	\$26,581
2006	RENT - BUILDING	\$1,180	\$4,565	\$4,565	\$4,565	\$4,565
2007	RENT - MACHINE AND OTHER	\$22,932	\$25,539	\$25,539	\$25,539	\$25,539

**3.A. STRATEGY REQUEST**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2010  
 TIME: 10:49:15AM

Agency code: **455** Agency name: **Railroad Commission**

GOAL: 1 Support Lignite, Oil, and Gas Resource Development Statewide Goal/Benchmark: 4 0  
 OBJECTIVE: 1 Increase Opportunities for Lignite, Oil, and Gas Resource Development Service Categories:  
 STRATEGY: 1 Promote Energy Resource Development Opportunities Service: 37 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
2009	OTHER OPERATING EXPENSE	\$721,386	\$316,752	\$271,916	\$308,168	\$308,164
5000	CAPITAL EXPENDITURES	\$53,724	\$54,473	\$21,998	\$52,463	\$21,998
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$6,415,923</b>	<b>\$6,021,153</b>	<b>\$5,700,264</b>	<b>\$6,049,638</b>	<b>\$5,917,152</b>
<b>Method of Financing:</b>						
1	General Revenue Fund	\$4,374,129	\$4,171,281	\$4,029,504	\$4,340,354	\$4,311,482
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$4,374,129</b>	<b>\$4,171,281</b>	<b>\$4,029,504</b>	<b>\$4,340,354</b>	<b>\$4,311,482</b>
<b>Method of Financing:</b>						
145	Oil-field Cleanup Acct	\$1,578,104	\$1,334,117	\$1,166,181	\$1,171,347	\$1,171,347
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$1,578,104</b>	<b>\$1,334,117</b>	<b>\$1,166,181</b>	<b>\$1,171,347</b>	<b>\$1,171,347</b>
<b>Method of Financing:</b>						
555	Federal Funds					
	66.433.000 State Underground Water S	\$211,299	\$233,999	\$235,835	\$240,000	\$240,000
CFDA Subtotal, Fund	555	\$211,299	\$233,999	\$235,835	\$240,000	\$240,000
<b>SUBTOTAL, MOF (FEDERAL FUNDS)</b>		<b>\$211,299</b>	<b>\$233,999</b>	<b>\$235,835</b>	<b>\$240,000</b>	<b>\$240,000</b>
<b>Method of Financing:</b>						
666	Appropriated Receipts	\$252,391	\$194,323	\$194,323	\$194,323	\$194,323
777	Interagency Contracts	\$0	\$87,433	\$74,421	\$103,614	\$0
827	Anthropogenic CO2 Storage Fund	\$0	\$0	\$0	\$0	\$0
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$252,391</b>	<b>\$281,756</b>	<b>\$268,744</b>	<b>\$297,937</b>	<b>\$194,323</b>



**3.A. STRATEGY REQUEST**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2010  
 TIME: 10:49:15AM

Agency code: **455**                      Agency name: **Railroad Commission**

GOAL:	1	Support Lignite, Oil, and Gas Resource Development	Statewide Goal/Benchmark:	4	0
OBJECTIVE:	1	Increase Opportunities for Lignite, Oil, and Gas Resource Development	Service Categories:		
STRATEGY:	1	Promote Energy Resource Development Opportunities	Service:	37	Income: A.2      Age: B.3

CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$6,049,638</b>	<b>\$5,917,152</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$6,415,923</b>	<b>\$6,021,153</b>	<b>\$5,700,264</b>	<b>\$6,049,638</b>	<b>\$5,917,152</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>106.3</b>	<b>108.4</b>	<b>107.6</b>	<b>107.6</b>	<b>107.6</b>

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

The Texas Natural Resource Code Annotated Title 3 authorizes activities associated with Energy Resource Development, which include issuing drilling permits; issuing production allowables; conducting applicable rule reviews; and processing exceptions to various statewide rules. These activities ensure that investment capital continues to support exploration and development by providing efficient regulation and implementation of production incentives. Success in this effort ensures that new wells are drilled, reworked and/or recompleted, correlative rights are protected, and opportunities for development of oil and gas resources are maximized.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

External factors impacting the strategy include commodity prices, legislative incentives, and the active involvement of mineral interest owners, operators, and service companies. Internal factors include obtaining the funding needed to hire, train, and retain a professional workforce, implement planned technology enhancements, maintenance of key databases, and electronic workflow processes to enable the filing of online applications and provide for regulatory information submission that is retrievable by all stakeholders, including Commission employees, oil and gas operators, the general public, other state agencies, and agencies of the federal government.

**3.A. STRATEGY REQUEST**  
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DATE: 8/23/2010  
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Agency code: **455** Agency name: **Railroad Commission**

GOAL: 1 Support Lignite, Oil, and Gas Resource Development Statewide Goal/Benchmark: 4 0  
 OBJECTIVE: 2 Maintain Competitive Prices and Adequate Supplies for Consumers Service Categories:  
 STRATEGY: 1 Ensure Fair Rates and Compliance to Rate Structures Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
<b>Output Measures:</b>						
	1 Number of Field Audits Conducted	141.00	142.00	140.00	140.00	140.00
KEY 2	Number of Gas Utility Dockets Filed	80.00	98.00	80.00	80.00	80.00
	3 Number of Gas Utilities' Compliance, Tariff and Escalator Filings	142,206.00	165,000.00	140,000.00	140,000.00	140,000.00
<b>Efficiency Measures:</b>						
	1 Average Number of Field Audits Per Auditor	17.60	17.60	17.50	17.50	17.50
<b>Explanatory/Input Measures:</b>						
	1 Cost of Gas Included in Average Residential Gas Bill	6.90	6.55	7.65	6.75	7.20
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$1,594,461	\$1,598,277	\$1,548,812	\$1,553,211	\$1,553,651
1002	OTHER PERSONNEL COSTS	\$59,438	\$45,702	\$45,842	\$45,842	\$45,842
2001	PROFESSIONAL FEES AND SERVICES	\$102,066	\$97,724	\$90,674	\$87,663	\$87,663
2002	FUELS AND LUBRICANTS	\$101	\$105	\$105	\$105	\$105
2003	CONSUMABLE SUPPLIES	\$5,192	\$5,135	\$5,135	\$5,135	\$5,135
2004	UTILITIES	\$1,162	\$1,432	\$1,432	\$1,432	\$1,432
2005	TRAVEL	\$40,729	\$44,951	\$46,383	\$46,383	\$46,383
2006	RENT - BUILDING	\$13,167	\$17,533	\$17,533	\$17,533	\$17,533
2007	RENT - MACHINE AND OTHER	\$7,201	\$8,335	\$8,335	\$8,335	\$8,335
2009	OTHER OPERATING EXPENSE	\$51,149	\$40,518	\$43,054	\$52,812	\$52,812
5000	CAPITAL EXPENDITURES	\$14,819	\$14,471	\$6,068	\$14,471	\$6,068
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,889,485</b>	<b>\$1,874,183</b>	<b>\$1,813,373</b>	<b>\$1,832,922</b>	<b>\$1,824,959</b>

**Method of Financing:**

1	General Revenue Fund	\$1,738,141	\$1,715,549	\$1,654,619	\$1,674,168	\$1,666,205
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**3.A. STRATEGY REQUEST**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2010  
 TIME: 10:49:15AM

Agency code: **455** Agency name: **Railroad Commission**

GOAL: 1 Support Lignite, Oil, and Gas Resource Development Statewide Goal/Benchmark: 4 0  
 OBJECTIVE: 2 Maintain Competitive Prices and Adequate Supplies for Consumers Service Categories:  
 STRATEGY: 1 Ensure Fair Rates and Compliance to Rate Structures Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$1,738,141</b>	<b>\$1,715,549</b>	<b>\$1,654,619</b>	<b>\$1,674,168</b>	<b>\$1,666,205</b>
<b>Method of Financing:</b>						
101	Alter Fuels Research Acct	\$55,745	\$60,000	\$60,000	\$60,000	\$60,000
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$55,745</b>	<b>\$60,000</b>	<b>\$60,000</b>	<b>\$60,000</b>	<b>\$60,000</b>
<b>Method of Financing:</b>						
666	Appropriated Receipts	\$95,599	\$98,634	\$98,754	\$98,754	\$98,754
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$95,599</b>	<b>\$98,634</b>	<b>\$98,754</b>	<b>\$98,754</b>	<b>\$98,754</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$1,832,922</b>	<b>\$1,824,959</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$1,889,485</b>	<b>\$1,874,183</b>	<b>\$1,813,373</b>	<b>\$1,832,922</b>	<b>\$1,824,959</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>29.2</b>	<b>29.9</b>	<b>29.7</b>	<b>29.7</b>	<b>29.7</b>

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

The Texas Utilities Code sections 101-105 and 121-124 and Chapter 7 of the Texas Administrative Code authorizes activities associated with Gas Utility Compliance. These activities include the gas utility rate setting function and auditing regulated gas utilities to ensure that proper gas utility taxes are paid and that approved rates for natural gas and services are charged to consumers. These activities ensure that gas utility rate structures are established that promote safe, efficient, and reliable supplies of gas at a reasonable cost. In addition, they ensure gas utilities comply with rate structures and submission of gas utility taxes. Although the Commission has the authority to allow parties to develop their own negotiated rates, disputes over such rates or terms of service do occur. The Commission has developed procedures, including mediation, to resolve disputes and reduce costs to the state.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

External factors impacting this strategy include the breadth and complexity of cases presented to the Commission. The state's limitation on out of state travel restricts the number of out of state audits the division can conduct each fiscal year. Internal factors include obtaining the necessary funding to ensure a standard replacement schedule for printers, as well as new or enhanced automated systems. Updates of this nature are needed to ensure the Commission continually improves process efficiencies.

**3.A. STRATEGY REQUEST**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2010  
 TIME: 10:49:15AM

Agency code: **455** Agency name: **Railroad Commission**

GOAL: 1 Support Lignite, Oil, and Gas Resource Development  
 OBJECTIVE: 3 Alternative Energy  
 STRATEGY: 1 Promote Alternative Energy Resources

Statewide Goal/Benchmark: 4 0  
 Service Categories:  
 Service: 37 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
<b>Output Measures:</b>						
1	# Training Hours Provided to LP-Gas Licensees and Certificate Holders	2,432.00	2,350.00	2,350.00	2,350.00	2,350.00
<b>Efficiency Measures:</b>						
KEY 1	Administrative Costs as a Percent of AFRED Account Fee Revenue	19.20	18.60	18.60	18.60	18.60
<b>Explanatory/Input Measures:</b>						
KEY 1	Number of Alternative-Fuel Vehicles in Texas	85,029.00	88,037.00	91,118.00	94,307.00	97,608.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$1,589,055	\$1,725,318	\$1,721,072	\$1,701,577	\$1,688,933
1002	OTHER PERSONNEL COSTS	\$71,441	\$37,111	\$36,512	\$36,512	\$36,512
2001	PROFESSIONAL FEES AND SERVICES	\$196,911	\$259,332	\$179,683	\$265,208	\$192,291
2002	FUELS AND LUBRICANTS	\$20,194	\$45,104	\$45,104	\$45,104	\$45,104
2003	CONSUMABLE SUPPLIES	\$26,086	\$14,904	\$14,904	\$14,904	\$14,904
2004	UTILITIES	\$13,466	\$19,248	\$19,248	\$19,248	\$19,248
2005	TRAVEL	\$48,747	\$51,596	\$49,836	\$51,745	\$51,745
2006	RENT - BUILDING	\$42,279	\$17,712	\$17,712	\$17,712	\$17,712
2007	RENT - MACHINE AND OTHER	\$6,741	\$72,353	\$72,353	\$72,353	\$72,353
2009	OTHER OPERATING EXPENSE	\$17,206,723	\$11,805,712	\$307,746	\$269,362	\$269,363
4000	GRANTS	\$0	\$611,376	\$9,418,269	\$3,233,489	\$0
5000	CAPITAL EXPENDITURES	\$39,540	\$72,573	\$45,635	\$54,422	\$45,635
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$19,261,183</b>	<b>\$14,732,339</b>	<b>\$11,928,074</b>	<b>\$5,781,636</b>	<b>\$2,453,800</b>
<b>Method of Financing:</b>						
1	General Revenue Fund	\$525,802	\$487,787	\$480,864	\$501,303	\$492,976

**3.A. STRATEGY REQUEST**  
 82nd Regular Session, Agency Submission, Version 1  
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DATE: 8/23/2010  
 TIME: 10:49:15AM

Agency code: **455** Agency name: **Railroad Commission**

GOAL: 1 Support Lignite, Oil, and Gas Resource Development Statewide Goal/Benchmark: 4 0  
 OBJECTIVE: 3 Alternative Energy Service Categories:  
 STRATEGY: 1 Promote Alternative Energy Resources Service: 37 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$525,802</b>	<b>\$487,787</b>	<b>\$480,864</b>	<b>\$501,303</b>	<b>\$492,976</b>
<b>Method of Financing:</b>						
101	Alter Fuels Research Acct	\$921,926	\$703,330	\$710,219	\$706,290	\$706,290
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$921,926</b>	<b>\$703,330</b>	<b>\$710,219</b>	<b>\$706,290</b>	<b>\$706,290</b>
<b>Method of Financing:</b>						
369	Fed Recovery & Reinvestment Fund					
	81.086.000 Conservation Research and	\$0	\$739,287	\$6,474,605	\$3,428,322	\$108,813
CFDA Subtotal, Fund	369	\$0	\$739,287	\$6,474,605	\$3,428,322	\$108,813
555	Federal Funds					
	10.912.000 ENVIRONMENTAL QUALITY INC	\$30,500	\$10,500	\$10,500	\$0	\$0
	66.717.000 Source Reduction Assistance	\$9,237	\$0	\$0	\$0	\$0
CFDA Subtotal, Fund	555	\$39,737	\$10,500	\$10,500	\$0	\$0
<b>SUBTOTAL, MOF (FEDERAL FUNDS)</b>		<b>\$39,737</b>	<b>\$749,787</b>	<b>\$6,485,105</b>	<b>\$3,428,322</b>	<b>\$108,813</b>
<b>Method of Financing:</b>						
666	Appropriated Receipts	\$750,055	\$1,098,265	\$1,183,806	\$1,145,721	\$1,145,721
777	Interagency Contracts	\$17,023,663	\$11,693,170	\$3,068,080	\$0	\$0
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$17,773,718</b>	<b>\$12,791,435</b>	<b>\$4,251,886</b>	<b>\$1,145,721</b>	<b>\$1,145,721</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$5,781,636</b>	<b>\$2,453,800</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$19,261,183</b>	<b>\$14,732,339</b>	<b>\$11,928,074</b>	<b>\$5,781,636</b>	<b>\$2,453,800</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>26.7</b>	<b>27.3</b>	<b>31.0</b>	<b>31.0</b>	<b>31.0</b>

**3.A. STRATEGY REQUEST**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2010  
 TIME: 10:49:15AM

Agency code: **455** Agency name: **Railroad Commission**

GOAL: 1 Support Lignite, Oil, and Gas Resource Development Statewide Goal/Benchmark: 4 0  
 OBJECTIVE: 3 Alternative Energy Service Categories:  
 STRATEGY: 1 Promote Alternative Energy Resources Service: 37 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
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**STRATEGY DESCRIPTION AND JUSTIFICATION:**

Texas Natural Resources Code §§113.241 et seq. authorizes the Commission to promote the use of liquefied petroleum gas (LP-gas, LPG, propane) and other environmentally beneficial alternative fuels. Authorized activities include developing and implementing research, marketing, and educational projects that promote the use of alternative fuels in Texas. Fees or other funds received by the Commission for these purposes may be used only to pay for activities relating to the specific fuel (e.g., propane, compressed natural gas, liquefied natural gas) from which the funds were derived or for which a gift, grant, or other assistance is given.

The fees that have sustained this program since 1991 are paid entirely by the propane industry. The program benefits the state economically as well as environmentally, because Texas produces and consumes more propane, a lower emission fuel, than any other state.

By its October 2009 action creating a new Alternative Energy Division, the Commission created a framework for the propane, CNG, and LNG industries to find ways to collaborate for the benefit of the Texas economy and environment.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

External factors impacting this strategy and its revenue stream include overall economic conditions and weather fluctuations, since propane usage for heating varies from year to year based on the severity of winter weather. Other external factors include the relative prices of propane and its competitors: electricity, gasoline, and diesel fuel; federal and state policy environment on alternative fuels, including regulation, taxation and incentives; the rate of development, commercialization and market acceptance of new propane technologies such as commercial mowers, distributed-generation equipment and combined heat and power (CHP) systems; and the complementary research, technology development and educational activities of the national Propane Education and Research Council.

Internal factors negatively impacting the strategy include limitations on out-of-state travel, which impede efforts to secure and administer grants that benefit Texas, and a lack of resources to upgrade online interactive systems and in-house databases that improve administrative efficiency and minimize the need for additional staff.

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Agency code: **455** Agency name: **Railroad Commission**

GOAL: 1 Support Lignite, Oil, and Gas Resource Development Statewide Goal/Benchmark: 4 0  
 OBJECTIVE: 3 Alternative Energy Service Categories:  
 STRATEGY: 2 Distribute LP-Gas Rebates Service: 37 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
<b>Output Measures:</b>						
KEY 1	Number of Rebate and Incentive Applications Handled	4,596.00	2,464.00	3,147.00	3,147.00	3,147.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$0	\$0	\$0	\$0	\$0
1002	OTHER PERSONNEL COSTS	\$0	\$0	\$0	\$0	\$0
2001	PROFESSIONAL FEES AND SERVICES	\$0	\$0	\$0	\$0	\$0
2002	FUELS AND LUBRICANTS	\$0	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$0	\$0	\$0	\$0	\$0
2004	UTILITIES	\$0	\$0	\$0	\$0	\$0
2005	TRAVEL	\$0	\$0	\$0	\$0	\$0
2006	RENT - BUILDING	\$0	\$0	\$0	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$0	\$0	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$1,035,900	\$946,269	\$947,238	\$947,238	\$947,238
4000	GRANTS	\$0	\$0	\$0	\$0	\$0
5000	CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,035,900</b>	<b>\$946,269</b>	<b>\$947,238</b>	<b>\$947,238</b>	<b>\$947,238</b>
<b>Method of Financing:</b>						
101	Alter Fuels Research Acct	\$1,035,900	\$946,269	\$947,238	\$947,238	\$947,238
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$1,035,900</b>	<b>\$946,269</b>	<b>\$947,238</b>	<b>\$947,238</b>	<b>\$947,238</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$947,238</b>	<b>\$947,238</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$1,035,900</b>	<b>\$946,269</b>	<b>\$947,238</b>	<b>\$947,238</b>	<b>\$947,238</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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Agency code: **455**                      Agency name: **Railroad Commission**

GOAL:	1	Support Lignite, Oil, and Gas Resource Development	Statewide Goal/Benchmark:	4	0
OBJECTIVE:	3	Alternative Energy	Service Categories:		
STRATEGY:	2	Distribute LP-Gas Rebates	Service:	37	Income: A.2      Age: B.3

CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
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**STRATEGY DESCRIPTION AND JUSTIFICATION:**

Texas Natural Resources Code §113.2435 authorizes the Commission to establish consumer rebate and incentive programs for purchasers of appliances and equipment fueled by LPG or other environmentally beneficial alternative fuels that achieve energy conservation and efficiency, or improve air quality. §113.246(b) requires the LPG rebate program to be funded by 50 percent of the total LP-gas delivery fees collected each year.

The rebate program is the key part of the Commission’s statutory LP-gas marketing function. In partnership with Texas’ propane marketers, who certify the safe installation of every piece of rebated equipment, since 1994 the Commission has issued more than 62,000 rebates to purchasers of energy-efficient propane water heaters and other residential appliances. On a full fuel cycle (“source-to-site”) basis, a propane water heater reduces emissions of oxides of nitrogen (NOx), carbon monoxide (CO), sulfur dioxide and carbon dioxide compared to an electric water heater and increases energy efficiency sufficiently to reduce a family’s energy cost by approximately \$75 a year.

The Commission’s consumer rebate rules (16 Texas Administrative Code §§15.101 et seq.) also provide the necessary legal, administrative, and enforcement framework for the Commission’s other LPG incentive programs that are funded from state and federal competitive grants.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

The main external factors impacting this strategy and its revenue stream are overall economic conditions and weather fluctuations. Overall economic conditions, especially new housing starts, affect demand for rebates, since about 80 percent of rebates are issued for appliances installed in new residential construction. Weather fluctuations affect the funds available for rebates, which is set by statute at 50 percent of LPG delivery-fee revenue. LPG deliveries tend to increase in years with cold winters and decrease in years with warm winters. Other external factors affecting demand for rebates include the relative prices of propane and electricity; federal and state policies on energy-efficient and low-emissions appliances and equipment; and the rate of development, commercialization and market acceptance of new rebate-eligible propane technologies such as on-demand water heaters, commercial mowers, distributed-generation equipment and combined heat and power (CHP) systems.



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Agency code: **455** Agency name: **Railroad Commission**

GOAL: 1 Support Lignite, Oil, and Gas Resource Development  
 OBJECTIVE: 3 Alternative Energy  
 STRATEGY: 3 Regulate Alternative Energy Resources

Statewide Goal/Benchmark: 7 0  
 Service Categories:  
 Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
<b>Output Measures:</b>						
KEY 1	# of LPG/LNG/CNG Safety Inspections Performed	16,059.00	15,540.00	14,700.00	14,700.00	14,700.00
2	# of LPG/LNG/CNG Safety Violations Identified through Inspection	12,541.00	11,362.00	10,000.00	10,000.00	10,000.00
3	Number of LPG/CNG/LNG Investigations	76.00	123.00	125.00	125.00	125.00
4	Number of LPG/CNG/LNG Exams Administered	24,403.00	24,621.00	24,600.00	24,600.00	24,600.00
5	Number of LPG/CNG/LNG Education Programs Administered	15.00	35.00	30.00	30.00	30.00
<b>Efficiency Measures:</b>						
1	Average Number of LPG/CNG/LNG Safety Inspections Per Inspector	1,235.30	1,404.00	1,225.00	1,225.00	1,225.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$833,274	\$1,101,534	\$1,067,730	\$1,071,135	\$1,071,475
1002	OTHER PERSONNEL COSTS	\$34,422	\$33,642	\$35,052	\$35,052	\$35,052
2001	PROFESSIONAL FEES AND SERVICES	\$78,992	\$75,207	\$69,703	\$67,373	\$67,373
2002	FUELS AND LUBRICANTS	\$41,678	\$52,081	\$52,081	\$52,081	\$52,081
2003	CONSUMABLE SUPPLIES	\$4,496	\$4,840	\$4,840	\$4,840	\$4,840
2004	UTILITIES	\$11,292	\$5,221	\$5,221	\$5,221	\$5,221
2005	TRAVEL	\$40,093	\$51,192	\$46,995	\$46,995	\$46,995
2006	RENT - BUILDING	\$11,914	\$2,542	\$2,542	\$2,542	\$2,542
2007	RENT - MACHINE AND OTHER	\$2,975	\$15,252	\$15,252	\$15,252	\$15,252
2009	OTHER OPERATING EXPENSE	\$41,476	\$38,273	\$50,169	\$57,720	\$57,721
5000	CAPITAL EXPENDITURES	\$60,896	\$58,560	\$4,696	\$47,774	\$55,349
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,161,508</b>	<b>\$1,438,344</b>	<b>\$1,354,281</b>	<b>\$1,405,985</b>	<b>\$1,413,901</b>

**Method of Financing:**

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Agency code: **455** Agency name: **Railroad Commission**

GOAL: 1 Support Lignite, Oil, and Gas Resource Development Statewide Goal/Benchmark: 7 0  
 OBJECTIVE: 3 Alternative Energy Service Categories:  
 STRATEGY: 3 Regulate Alternative Energy Resources Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
1	General Revenue Fund	\$1,112,082	\$1,438,344	\$1,354,281	\$1,405,985	\$1,413,901
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$1,112,082</b>	<b>\$1,438,344</b>	<b>\$1,354,281</b>	<b>\$1,405,985</b>	<b>\$1,413,901</b>
<b>Method of Financing:</b>						
555	Federal Funds					
	20.700.000 Pipeline Safety	\$0	\$0	\$0	\$0	\$0
CFDA Subtotal, Fund	555	\$0	\$0	\$0	\$0	\$0
<b>SUBTOTAL, MOF (FEDERAL FUNDS)</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Method of Financing:</b>						
666	Appropriated Receipts	\$49,426	\$0	\$0	\$0	\$0
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$49,426</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$1,405,985</b>	<b>\$1,413,901</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$1,161,508</b>	<b>\$1,438,344</b>	<b>\$1,354,281</b>	<b>\$1,405,985</b>	<b>\$1,413,901</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>16.7</b>	<b>23.1</b>	<b>23.0</b>	<b>23.0</b>	<b>23.0</b>

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

The Texas Natural Resources Code Chapters 113 and 116 authorizes the activities associated with Liquefied Petroleum Gas, Compressed Natural Gas and Liquefied Natural Gas Safety, which include conducting field inspections, complaint and accident investigations, emergency response and the development of educational programs. The Commission conducts more than 13,000 safety inspections annually. These include inspections of stationary facilities and mobile equipment, such as transport cargo tanks, school buses, and public transportation vehicles.

The LP-Gas Safety Program promulgates and adopts LPG/CNG/LNG rules and standards, routinely conducts inspections to verify compliance with safety requirements and initiates enforcement action to ensure the safe transportation, storage, handling and use of LPG/CNG/LNG in order to protect the health, welfare and safety of Texas citizens.

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Agency code: **455**                      Agency name: **Railroad Commission**

GOAL:	1	Support Lignite, Oil, and Gas Resource Development	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	3	Alternative Energy	Service Categories:		
STRATEGY:	3	Regulate Alternative Energy Resources	Service:	17	Income: A.2      Age: B.3

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Exp 2009</b>	<b>Est 2010</b>	<b>Bud 2011</b>	<b>BL 2012</b>	<b>BL 2013</b>
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**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

The LPG Safety Program is supported through general revenue funds derived from the operation of Chapters 113 and 116 and appropriated by the legislature. The amount of money available for funding is dependent upon the number of licensees and registrants engaged in regulated activities. Internal factors impacting this strategy include uncompetitively low compensation, in-state and out-of-state travel, cost of maintaining vehicles and equipment, and capital funding to ensure a standard replacement schedule for vehicles and printers as well as new or enhanced automated systems.

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Agency code: **455** Agency name: **Railroad Commission**

GOAL: 2 Advance Pipeline Safety Through Training, Monitoring, and Enforcement  
 OBJECTIVE: 1 Improve Pipeline Safety  
 STRATEGY: 1 Ensure Pipeline Safety

Statewide Goal/Benchmark: 7 0  
 Service Categories:  
 Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
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**Output Measures:**

KEY 1	Number of Pipeline Safety Inspections Performed	2,172.00	2,300.00	2,600.00	2,500.00	2,400.00
3	Number of Pipeline Safety Violations Identified through Inspections	2,462.00	2,600.00	2,900.00	2,800.00	2,700.00
5	# Pipeline Accident Investigations & Special Investigations	253.00	125.00	380.00	150.00	125.00
7	# Pipeline & Permits Issued or Renewed	28,829.00	4,400.00	4,500.00	4,600.00	4,700.00

**Efficiency Measures:**

KEY 1	Average Number of Pipeline Field Inspections Per Field Inspector	118.60	110.00	105.00	100.00	95.00
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**Objects of Expense:**

1001	SALARIES AND WAGES	\$3,074,383	\$3,112,678	\$3,223,187	\$3,232,146	\$3,233,042
1002	OTHER PERSONNEL COSTS	\$114,013	\$71,066	\$74,054	\$74,054	\$74,054
2001	PROFESSIONAL FEES AND SERVICES	\$222,191	\$197,912	\$183,430	\$177,297	\$177,297
2002	FUELS AND LUBRICANTS	\$61,131	\$71,213	\$71,213	\$71,213	\$71,213
2003	CONSUMABLE SUPPLIES	\$14,308	\$8,010	\$8,010	\$8,010	\$8,010
2004	UTILITIES	\$32,659	\$52,268	\$52,268	\$52,268	\$52,268
2005	TRAVEL	\$137,688	\$165,370	\$165,660	\$165,660	\$165,660
2006	RENT - BUILDING	\$24,006	\$7,974	\$7,974	\$7,974	\$7,974
2007	RENT - MACHINE AND OTHER	\$9,066	\$40,748	\$40,748	\$40,748	\$40,748
2009	OTHER OPERATING EXPENSE	\$186,824	\$451,833	\$368,408	\$398,781	\$388,281
5000	CAPITAL EXPENDITURES	\$39,424	\$178,743	\$162,262	\$108,718	\$122,107
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$3,915,693</b>	<b>\$4,357,815</b>	<b>\$4,357,214</b>	<b>\$4,336,869</b>	<b>\$4,340,654</b>

**Method of Financing:**

1	General Revenue Fund	\$2,560,438	\$2,362,984	\$2,415,010	\$2,394,665	\$2,408,950
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DATE: 8/23/2010  
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Agency code: **455** Agency name: **Railroad Commission**

GOAL: 2 Advance Pipeline Safety Through Training, Monitoring, and Enforcement Statewide Goal/Benchmark: 7 0  
 OBJECTIVE: 1 Improve Pipeline Safety Service Categories:  
 STRATEGY: 1 Ensure Pipeline Safety Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$2,560,438</b>	<b>\$2,362,984</b>	<b>\$2,415,010</b>	<b>\$2,394,665</b>	<b>\$2,408,950</b>
<b>Method of Financing:</b>						
555	Federal Funds					
	20.700.000 Pipeline Safety	\$1,355,095	\$1,956,563	\$1,942,204	\$1,942,204	\$1,931,704
CFDA Subtotal, Fund	555	\$1,355,095	\$1,956,563	\$1,942,204	\$1,942,204	\$1,931,704
<b>SUBTOTAL, MOF (FEDERAL FUNDS)</b>		<b>\$1,355,095</b>	<b>\$1,956,563</b>	<b>\$1,942,204</b>	<b>\$1,942,204</b>	<b>\$1,931,704</b>
<b>Method of Financing:</b>						
666	Appropriated Receipts	\$160	\$38,268	\$0	\$0	\$0
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$160</b>	<b>\$38,268</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$4,336,869</b>	<b>\$4,340,654</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$3,915,693</b>	<b>\$4,357,815</b>	<b>\$4,357,214</b>	<b>\$4,336,869</b>	<b>\$4,340,654</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>59.7</b>	<b>57.9</b>	<b>60.5</b>	<b>60.5</b>	<b>60.5</b>

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

Texas Utilities Code Chapter 121 and the Texas Natural Code Chapters 117 and 118 authorizes the activities associated with Pipeline Safety Program, which include conducting field inspections; accident investigations; emergency response; and the development of educational programs. The Pipeline Safety Program is administered through a federal/state partnership with the U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration. The federal Pipeline Safety Act allows state assumption of the intrastate regulatory and enforcement responsibilities through this partnership. The Commission inspects nearly 160,000 miles of intrastate natural gas distribution, gathering and transmission pipelines and hazardous liquids transmission and gathering lines.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

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Agency code: **455**                      Agency name: **Railroad Commission**

GOAL:	2	Advance Pipeline Safety Through Training, Monitoring, and Enforcement	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Improve Pipeline Safety	Service Categories:		
STRATEGY:	1	Ensure Pipeline Safety	Service:	17	Income: A.2      Age: B.3

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Exp 2009</b>	<b>Est 2010</b>	<b>Bud 2011</b>	<b>BL 2012</b>	<b>BL 2013</b>
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There are several external factors that impact the Pipeline Safety Program. The federal Pipeline Safety Act 49 USC 60107 limits the federal share of a state pipeline safety budget to 80 percent of the total program costs based on agency performance; however, federal funding has not been sufficient to meet the prescribed funding level in prior years. General revenue funds serve as matching funds to support the Pipeline Safety Program. Annually, the Commission is audited for performance by a representative of the PHMSA program for allocation of federal funds. To fund the remainder of the program, a pipeline safety fee is charged to all natural gas distribution and municipal operators on a per service line basis (currently at \$.70/service), and each master meter operator is charged \$100 per system. Internal factors impacting this strategy include employee retention, travel costs for both in-state and out- of-state, and aging technology equipment, as well as the limitations on capital funding needed to ensure a standard replacement schedule for vehicles, and new or enhanced automated systems.

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Agency code: **455** Agency name: **Railroad Commission**

GOAL: 2 Advance Pipeline Safety Through Training, Monitoring, and Enforcement  
 OBJECTIVE: 1 Improve Pipeline Safety  
 STRATEGY: 2 Pipeline Damage Prevention

Statewide Goal/Benchmark: 7 0  
 Service Categories:  
 Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
<b>Output Measures:</b>						
	1 Number of Pipeline Education Programs Administered	20.00	45.00	40.00	40.00	40.00
KEY	2 Number of Third Party Damage Enforcement Cases Completed	3,805.00	3,500.00	5,000.00	6,000.00	5,000.00
<b>Explanatory/Input Measures:</b>						
	1 Number of Calls to Texas One-Call Centers	1,719,032.00	1,500,000.00	1,500,000.00	1,800,000.00	2,000,000.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$441,302	\$759,181	\$693,003	\$695,153	\$695,368
1002	OTHER PERSONNEL COSTS	\$24,818	\$11,763	\$14,651	\$14,651	\$14,651
2001	PROFESSIONAL FEES AND SERVICES	\$134,322	\$47,499	\$44,023	\$42,551	\$42,551
2002	FUELS AND LUBRICANTS	\$49	\$1,051	\$1,051	\$1,051	\$1,051
2003	CONSUMABLE SUPPLIES	\$2,470	\$4,155	\$4,155	\$4,155	\$4,155
2004	UTILITIES	\$99	\$64	\$64	\$64	\$64
2005	TRAVEL	\$1,476	\$25,218	\$39,226	\$39,226	\$39,226
2006	RENT - BUILDING	\$2,705	\$90	\$90	\$90	\$90
2007	RENT - MACHINE AND OTHER	\$4,888	\$1,043	\$1,043	\$1,043	\$1,043
2009	OTHER OPERATING EXPENSE	\$43,258	\$114,140	\$131,150	\$135,920	\$135,920
5000	CAPITAL EXPENDITURES	\$7,244	\$31,514	\$2,966	\$7,074	\$2,966
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$662,631</b>	<b>\$995,718</b>	<b>\$931,422</b>	<b>\$940,978</b>	<b>\$937,085</b>

**Method of Financing:**

1	General Revenue Fund	\$424,007	\$566,385	\$535,052	\$544,607	\$540,714
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$424,007</b>	<b>\$566,385</b>	<b>\$535,052</b>	<b>\$544,607</b>	<b>\$540,714</b>

**Method of Financing:**

555 Federal Funds

**3.A. STRATEGY REQUEST**  
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DATE: 8/23/2010  
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Agency code: **455** Agency name: **Railroad Commission**

GOAL: 2 Advance Pipeline Safety Through Training, Monitoring, and Enforcement Statewide Goal/Benchmark: 7 0  
 OBJECTIVE: 1 Improve Pipeline Safety Service Categories:  
 STRATEGY: 2 Pipeline Damage Prevention Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
	20.700.000 Pipeline Safety	\$146,216	\$351,333	\$300,870	\$300,871	\$300,871
	20.720.000 State Damage Prevention Program	\$92,408	\$78,000	\$95,500	\$95,500	\$95,500
CFDA Subtotal, Fund	555	\$238,624	\$429,333	\$396,370	\$396,371	\$396,371
<b>SUBTOTAL, MOF (FEDERAL FUNDS)</b>		<b>\$238,624</b>	<b>\$429,333</b>	<b>\$396,370</b>	<b>\$396,371</b>	<b>\$396,371</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$940,978</b>	<b>\$937,085</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$662,631</b>	<b>\$995,718</b>	<b>\$931,422</b>	<b>\$940,978</b>	<b>\$937,085</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>7.3</b>	<b>16.6</b>	<b>14.5</b>	<b>14.5</b>	<b>14.5</b>

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

Texas Utilities Code Chapter 121 and the Texas Natural Code Chapters 117, 118 and Health and Safety Code Section 756.126 authorizes the activities associated with Pipeline Safety Damage Prevention Program, which include all activities related to the enforcement of damage prevention that involves the “movement of earth” near pipeline facilities. The majority of the effort is spent reviewing damage reports filed by both excavators and pipeline operators for matching events. The program is also responsible for conducting field inspections; accident investigations; and the development of educational programs. The damage prevention program is also administered through a federal/state partnership with the U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration. The federal Pipeline Safety Act allows state assumption of the intrastate regulatory and enforcement responsibilities through this partnership.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

There are several external factors that impact the Pipeline Safety Damage Prevention Program. The federal Pipeline Safety Act 49 USC 60107 limits the federal share of a state pipeline safety budget to 80 percent of the total program costs based on agency performance; however, federal funding has not been sufficient to meet the prescribed funding level in prior years. General revenue funds serve as matching funds to support the Pipeline Safety Program. Annually, the Commission is audited for performance by a representative of the PHMSA program for allocation of federal funds. To fund the remainder of the program, a pipeline safety fee is charged to all natural gas distribution and municipal operators on a per service line basis (currently at \$.70/service), and each master meter operator is charged \$100 per system. The workload and workflow of the damage prevention program is based on the number of reports of damages filed on the online system. Since the program's inception in September 2007, the program has struggled to manage the high volume of reports filed. Internal factors impacting this strategy include access to computer resources to make the program paperless to streamline processing of reports and to provide for additional enforcement capabilities.



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Agency code: **455** Agency name: **Railroad Commission**

GOAL: 3 Minimize Harmful Effects of Fossil Fuel Production Statewide Goal/Benchmark: 6 7  
 OBJECTIVE: 1 Reduce Occurrence of Pollution Violations Service Categories:  
 STRATEGY: 1 Oil and Gas Monitoring and Inspections Service: 36 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
<b>Output Measures:</b>						
KEY 1	Number of Oil and Gas Facility Inspections Performed	128,270.00	120,000.00	108,000.00	108,000.00	108,000.00
	2 Number of Enforcement Referrals for Legal Action	569.00	480.00	500.00	500.00	500.00
KEY 3	# Oil & Gas Environmental Permit Applications & Reports Processed	110,970.00	103,984.00	100,000.00	98,000.00	97,000.00
<b>Efficiency Measures:</b>						
KEY 1	Avg # of Oil and Gas Facility Inspections Performed/District Staff	971.00	898.00	900.00	900.00	900.00
<b>Explanatory/Input Measures:</b>						
KEY 1	# of Oil/Gas Wells and Other Related Facilities Subject to Regulation	400,319.00	407,769.00	398,274.00	399,840.00	400,418.00
	2 Number of Statewide Rule Violations Documented	80,384.00	70,400.00	81,000.00	81,000.00	81,000.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$10,905,376	\$10,970,884	\$10,770,898	\$10,568,060	\$10,571,381
1002	OTHER PERSONNEL COSTS	\$502,159	\$291,490	\$290,213	\$290,213	\$290,213
2001	PROFESSIONAL FEES AND SERVICES	\$770,504	\$773,737	\$715,799	\$693,296	\$693,296
2002	FUELS AND LUBRICANTS	\$1,296	\$293,944	\$293,944	\$293,944	\$293,944
2003	CONSUMABLE SUPPLIES	\$41,405	\$30,851	\$30,851	\$30,851	\$30,851
2004	UTILITIES	\$40,225	\$24,145	\$24,145	\$24,145	\$24,145
2005	TRAVEL	\$16,190	\$13,802	\$29,058	\$29,058	\$29,058
2006	RENT - BUILDING	\$141,500	\$72,982	\$72,982	\$72,982	\$72,982
2007	RENT - MACHINE AND OTHER	\$32,248	\$32,345	\$32,345	\$32,345	\$32,345
2009	OTHER OPERATING EXPENSE	\$725,338	\$383,828	\$457,995	\$531,657	\$531,657
5000	CAPITAL EXPENDITURES	\$292,056	\$559,815	\$399,540	\$405,884	\$444,519
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$13,468,297</b>	<b>\$13,447,823</b>	<b>\$13,117,770</b>	<b>\$12,972,435</b>	<b>\$13,014,391</b>

**3.A. STRATEGY REQUEST**  
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Agency code: **455** Agency name: **Railroad Commission**

GOAL: 3 Minimize Harmful Effects of Fossil Fuel Production  
 OBJECTIVE: 1 Reduce Occurrence of Pollution Violations  
 STRATEGY: 1 Oil and Gas Monitoring and Inspections

Statewide Goal/Benchmark: 6 7  
 Service Categories:  
 Service: 36 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
<b>Method of Financing:</b>						
1	General Revenue Fund	\$12,324,858	\$12,346,340	\$11,937,060	\$11,787,476	\$11,829,432
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$12,324,858</b>	<b>\$12,346,340</b>	<b>\$11,937,060</b>	<b>\$11,787,476</b>	<b>\$11,829,432</b>
<b>Method of Financing:</b>						
145	Oil-field Cleanup Acct	\$956,094	\$892,789	\$971,348	\$973,486	\$973,486
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$956,094</b>	<b>\$892,789</b>	<b>\$971,348</b>	<b>\$973,486</b>	<b>\$973,486</b>
<b>Method of Financing:</b>						
555	Federal Funds					
	66.433.000 State Underground Water S	\$146,709	\$177,221	\$177,889	\$180,000	\$180,000
CFDA Subtotal, Fund	555	\$146,709	\$177,221	\$177,889	\$180,000	\$180,000
<b>SUBTOTAL, MOF (FEDERAL FUNDS)</b>		<b>\$146,709</b>	<b>\$177,221</b>	<b>\$177,889</b>	<b>\$180,000</b>	<b>\$180,000</b>
<b>Method of Financing:</b>						
666	Appropriated Receipts	\$40,636	\$31,473	\$31,473	\$31,473	\$31,473
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$40,636</b>	<b>\$31,473</b>	<b>\$31,473</b>	<b>\$31,473</b>	<b>\$31,473</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$12,972,435</b>	<b>\$13,014,391</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$13,468,297</b>	<b>\$13,447,823</b>	<b>\$13,117,770</b>	<b>\$12,972,435</b>	<b>\$13,014,391</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>222.3</b>	<b>225.9</b>	<b>224.1</b>	<b>224.1</b>	<b>224.1</b>
<b>STRATEGY DESCRIPTION AND JUSTIFICATION:</b>						

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Agency code: **455**                      Agency name: **Railroad Commission**

GOAL:	3	Minimize Harmful Effects of Fossil Fuel Production	Statewide Goal/Benchmark:	6	7
OBJECTIVE:	1	Reduce Occurrence of Pollution Violations	Service Categories:		
STRATEGY:	1	Oil and Gas Monitoring and Inspections	Service:	36	Income: A.2      Age: B.3

CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
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The Texas Natural Resource Code Annotated Title 3 authorizes activities associated with Oil and Gas Monitoring and Inspections, which include conducting field inspections; witnessing tests; monitoring reports; processing applications; and issuing enforcement actions. These activities ensure that investment capital continues to support exploration and development by providing efficient regulation and implementation of production incentives. Success in this effort ensures that oil and gas permitted activities comply with applicable state and federal regulations, protection of the public and the state’s surface and groundwaters.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

External factors impacting this strategy include increased vehicle operating expenses due to an aging vehicle fleet and the fluctuating cost of fuel. Internal factors impacting this strategy are the Commission’s inability to hire and retain qualified staff due to low salaries and competition with other state agencies and the oil and gas industry. The staffing problem will continue to worsen as an increasing number of experienced employees, particularly technical staff and managers, become eligible to retire over the next few years. Another internal factor impacting the strategy includes obtaining the necessary capital funding to ensure a standard replacement schedule for vehicles and printers as well as new or enhanced automated systems. Updates of this nature are needed to ensure the Commission continually improves upon process efficiencies, fuel efficiency, reduces vehicle maintenance costs and avoids safety issues associated with aging vehicles.

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Agency code: **455** Agency name: **Railroad Commission**

GOAL: 3 Minimize Harmful Effects of Fossil Fuel Production Statewide Goal/Benchmark: 6 7  
 OBJECTIVE: 1 Reduce Occurrence of Pollution Violations Service Categories:  
 STRATEGY: 2 Surface Mining Monitoring and Inspections Service: 36 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
<b>Output Measures:</b>						
KEY 1	Number of Coal Mining Inspections Performed	426.00	440.00	450.00	475.00	475.00
2	Number of Coal Mining Permit Actions Processed	599.00	530.00	575.00	575.00	575.00
3	Percent of Uranium Exploration Sites Inspected Monthly	104.00 %	95.00 %	95.00 %	95.00 %	95.00 %
<b>Efficiency Measures:</b>						
1	Average Staff Review Days to Process Coal Mining Permit Actions	107.80	70.00	75.00	75.00	75.00
2	Average Number of Staff Days to Process Administrative Coal Permit	48.50	65.00	65.00	70.00	70.00
3	Average # Days to Process Uranium Exploration Permitting Actions	42.00	30.00	30.00	30.00	30.00
<b>Explanatory/Input Measures:</b>						
1	Number of Acres Permitted	285,558.00	285,600.00	287,600.00	313,700.00	310,000.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$2,497,403	\$2,725,194	\$2,697,245	\$2,704,367	\$2,705,080
1002	OTHER PERSONNEL COSTS	\$86,916	\$67,010	\$74,304	\$74,304	\$74,304
2001	PROFESSIONAL FEES AND SERVICES	\$165,262	\$160,740	\$149,127	\$144,251	\$144,251
2002	FUELS AND LUBRICANTS	\$16,773	\$29,788	\$27,783	\$29,788	\$29,788
2003	CONSUMABLE SUPPLIES	\$8,278	\$11,793	\$11,793	\$11,793	\$11,793
2004	UTILITIES	\$6,174	\$13,913	\$13,913	\$13,913	\$13,913
2005	TRAVEL	\$25,286	\$30,421	\$35,668	\$35,668	\$35,668
2006	RENT - BUILDING	\$21,341	\$3,965	\$3,965	\$3,965	\$3,965
2007	RENT - MACHINE AND OTHER	\$7,891	\$24,304	\$24,304	\$24,304	\$24,304
2009	OTHER OPERATING EXPENSE	\$77,914	\$180,417	\$128,316	\$142,110	\$142,110
5000	CAPITAL EXPENDITURES	\$23,994	\$25,112	\$52,793	\$47,814	\$43,594

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Agency code: **455** Agency name: **Railroad Commission**

GOAL: 3 Minimize Harmful Effects of Fossil Fuel Production  
 OBJECTIVE: 1 Reduce Occurrence of Pollution Violations  
 STRATEGY: 2 Surface Mining Monitoring and Inspections

Statewide Goal/Benchmark: 6 7  
 Service Categories:  
 Service: 36 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$2,937,232</b>	<b>\$3,272,657</b>	<b>\$3,219,211</b>	<b>\$3,232,277</b>	<b>\$3,228,770</b>
<b>Method of Financing:</b>						
1	General Revenue Fund	\$1,917,998	\$1,968,700	\$1,969,979	\$1,983,043	\$1,979,536
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$1,917,998</b>	<b>\$1,968,700</b>	<b>\$1,969,979</b>	<b>\$1,983,043</b>	<b>\$1,979,536</b>
<b>Method of Financing:</b>						
555	Federal Funds					
	15.250.000 Regulation of Surface Coa	\$1,019,234	\$1,303,957	\$1,249,232	\$1,249,234	\$1,249,234
CFDA Subtotal, Fund	555	\$1,019,234	\$1,303,957	\$1,249,232	\$1,249,234	\$1,249,234
<b>SUBTOTAL, MOF (FEDERAL FUNDS)</b>		<b>\$1,019,234</b>	<b>\$1,303,957</b>	<b>\$1,249,232</b>	<b>\$1,249,234</b>	<b>\$1,249,234</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$3,232,277</b>	<b>\$3,228,770</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$2,937,232</b>	<b>\$3,272,657</b>	<b>\$3,219,211</b>	<b>\$3,232,277</b>	<b>\$3,228,770</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>43.4</b>	<b>48.4</b>	<b>48.1</b>	<b>48.1</b>	<b>48.1</b>

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

The Texas Natural Resource Code Annotated Title 4 requires that the Commission issue surface coal mining permits and perform inspections of coal mining operations to ensure compliance with permits and state regulations. Activities associated with Surface Mining monitoring and inspections include processing permit revision applications; performing compliance inspections; witnessing and evaluating tests for compliance with reclamation performance standards; evaluating monitoring reports; and issuing enforcement actions. Primacy in regulating the coal mining industry is authorized under the Federal Surface Mining Control and Reclamation Act of 1977 95-87, 30 VCS Section et seq. To ensure that the Texas coal mining industry is regulated to federal standards, this state program is funded through a 50/50 cost share annual grant from the U. S. Department of the Interior. Success in this effort ensures that surface mining permitted activities comply with applicable state and federal regulations.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

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Agency code: **455**                      Agency name: **Railroad Commission**

GOAL:	3	Minimize Harmful Effects of Fossil Fuel Production	Statewide Goal/Benchmark:	6	7
OBJECTIVE:	1	Reduce Occurrence of Pollution Violations	Service Categories:		
STRATEGY:	2	Surface Mining Monitoring and Inspections	Service:	36	Income: A.2      Age: B.3

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Exp 2009</b>	<b>Est 2010</b>	<b>Bud 2011</b>	<b>BL 2012</b>	<b>BL 2013</b>
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External factors impacting this strategy include a potential reduction in federal funding that may result in a less than 50% match for FY 2012 and 2013. Potential budget reductions at the state level may also limit the state's required funding match at a ratio of not less than 50 percent. General Revenue funds used as state share match are collected from the regulated industry pursuant to Natural Resource Code §134.55. Internal factors impacting this strategy include the Commission's inability to retain and/or hire qualified engineers and scientist due to noncompetitively low state salaries. Current mandated budget reductions have resulted in a hiring freeze. Continuation of the reduced budget impacts at least two vacancies (one engineer and one soil scientist) and will affect overall performance. Additionally, it is necessary to obtain the necessary funding to ensure a standard replacement schedule for printers as well as new or enhanced automated systems. Updates of this nature are needed to ensure the Commission continually improves process efficiencies.

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Agency code: **455** Agency name: **Railroad Commission**

GOAL: 3 Minimize Harmful Effects of Fossil Fuel Production  
 OBJECTIVE: 2 Identify and Correct Environmental Threats  
 STRATEGY: 1 Oil and Gas Remediation

Statewide Goal/Benchmark: 6 5  
 Service Categories:  
 Service: 36 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
<b>Output Measures:</b>						
KEY 1	# Abandoned Sites Investigated, Assessed or Cleaned Up w/State Funds	323.00	194.00	168.00	168.00	168.00
<b>Efficiency Measures:</b>						
1	Avg Number of Days to Complete State-Managed Abandoned Site Clean-up	118.31	150.00	150.00	150.00	150.00
<b>Explanatory/Input Measures:</b>						
1	# of Abandoned Sites that Are Candidates for State-Managed Cleanup	1,849.00	1,771.00	2,054.00	2,089.00	2,124.00
2	# of Volunteer-initiated Cleanup Program Applicant-initiated Cleanups	27.00	33.00	33.00	33.00	33.00
3	Number of Complex Operator-initiated Cleanups	563.00	540.00	540.00	540.00	540.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$2,138,383	\$2,116,659	\$2,045,295	\$2,055,954	\$2,056,509
1002	OTHER PERSONNEL COSTS	\$92,545	\$56,145	\$55,502	\$55,502	\$55,502
2001	PROFESSIONAL FEES AND SERVICES	\$1,019,949	\$878,019	\$825,260	\$822,066	\$822,066
2002	FUELS AND LUBRICANTS	\$46,038	\$11,133	\$10,133	\$10,133	\$10,133
2003	CONSUMABLE SUPPLIES	\$9,085	\$20,158	\$17,158	\$17,158	\$17,158
2004	UTILITIES	\$18,690	\$13,258	\$10,258	\$10,258	\$10,258
2005	TRAVEL	\$12,487	\$23,603	\$12,424	\$12,424	\$12,424
2006	RENT - BUILDING	\$29,727	\$29,232	\$20,232	\$20,232	\$20,232
2007	RENT - MACHINE AND OTHER	\$9,879	\$9,696	\$6,696	\$6,696	\$6,696
2009	OTHER OPERATING EXPENSE	\$3,083,144	\$2,773,156	\$2,327,210	\$2,339,384	\$2,339,384
5000	CAPITAL EXPENDITURES	\$18,713	\$18,273	\$7,662	\$18,273	\$7,662
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$6,478,640</b>	<b>\$5,949,332</b>	<b>\$5,337,830</b>	<b>\$5,368,080</b>	<b>\$5,358,024</b>

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Agency code: **455** Agency name: **Railroad Commission**

GOAL: 3 Minimize Harmful Effects of Fossil Fuel Production  
 OBJECTIVE: 2 Identify and Correct Environmental Threats  
 STRATEGY: 1 Oil and Gas Remediation

Statewide Goal/Benchmark: 6 5  
 Service Categories:  
 Service: 36 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
<b>Method of Financing:</b>						
1	General Revenue Fund	\$651,017	\$588,961	\$576,918	\$601,603	\$591,547
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$651,017</b>	<b>\$588,961</b>	<b>\$576,918</b>	<b>\$601,603</b>	<b>\$591,547</b>
<b>Method of Financing:</b>						
145	Oil-field Cleanup Acct	\$5,554,649	\$5,255,223	\$4,655,764	\$4,661,477	\$4,661,477
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$5,554,649</b>	<b>\$5,255,223</b>	<b>\$4,655,764</b>	<b>\$4,661,477</b>	<b>\$4,661,477</b>
<b>Method of Financing:</b>						
555	Federal Funds					
	66.817.000 State and Tribal Response Program	\$87,945	\$105,148	\$105,148	\$105,000	\$105,000
CFDA Subtotal, Fund	555	\$87,945	\$105,148	\$105,148	\$105,000	\$105,000
<b>SUBTOTAL, MOF (FEDERAL FUNDS)</b>		<b>\$87,945</b>	<b>\$105,148</b>	<b>\$105,148</b>	<b>\$105,000</b>	<b>\$105,000</b>
<b>Method of Financing:</b>						
777	Interagency Contracts	\$185,029	\$0	\$0	\$0	\$0
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$185,029</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$5,368,080</b>	<b>\$5,358,024</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$6,478,640</b>	<b>\$5,949,332</b>	<b>\$5,337,830</b>	<b>\$5,368,080</b>	<b>\$5,358,024</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>38.0</b>	<b>38.7</b>	<b>37.5</b>	<b>37.5</b>	<b>37.5</b>
<b>STRATEGY DESCRIPTION AND JUSTIFICATION:</b>						



**3.A. STRATEGY REQUEST**  
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DATE: 8/23/2010  
 TIME: 10:49:15AM

Agency code: **455**                      Agency name: **Railroad Commission**

GOAL:	3	Minimize Harmful Effects of Fossil Fuel Production	Statewide Goal/Benchmark:	6	5
OBJECTIVE:	2	Identify and Correct Environmental Threats	Service Categories:		
STRATEGY:	1	Oil and Gas Remediation	Service:	36	Income: A.2      Age: B.3

CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
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The Texas Natural Resource Code Section 91.113 authorizes activities associated with Oil and Gas Remediation, which include identifying, assessing, and prioritizing sites that require the use of state-managed funds for remediation; providing assistance for operator-initiated corrective action; and implementing the Commission’s Voluntary Cleanup Program under Chapter 91, Subchapter O (§§91.651-91.661). Success in this effort ensures that the most high priority sites are remediated, protecting the general public, the environment, and public water resources.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

External factors that can impact this strategy include industry demand for similar services causing an increase in the price of such services. An aging vehicle fleet and fluctuating fuel costs also can increase the overall cost to the state. The availability of other state and federal grant funds with which the Commission leverages state funds can impact this strategy. Internal factors impacting this strategy are the Commission’s inability to hire and retain qualified professional staff due to low salaries and competition with other state agencies and the oil and gas industry. The staffing problem will continue to be an issue as an increasing number of experienced employees, particularly technical staff and managers, become eligible to retire over the next few years. Another internal factor impacting the strategy includes obtaining the necessary capital funding to ensure a standard replacement schedule for vehicles and printers as well as new or enhanced automated systems. Updates of this nature are needed to ensure the Commission continually improves upon process efficiencies, fuel efficiency, reduces vehicle maintenance costs and avoids safety issues associated with aging vehicles.

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Agency code: **455** Agency name: **Railroad Commission**

GOAL: 3 Minimize Harmful Effects of Fossil Fuel Production Statewide Goal/Benchmark: 6 5  
 OBJECTIVE: 2 Identify and Correct Environmental Threats Service Categories:  
 STRATEGY: 2 Oil and Gas Well Plugging Service: 36 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
<b>Output Measures:</b>						
KEY 1	Number of Orphaned Wells Plugged with the Use of State-Managed Funds	1,460.00	1,325.00	1,325.00	1,375.00	1,375.00
KEY 2	Tot Aggr Plugging Depth of Orphaned Wells Plugged Use of State Funds	2,560,843.00	2,345,250.00	2,627,625.00	2,627,625.00	2,627,625.00
<b>Efficiency Measures:</b>						
1	Avg # Days to Plug an Orphaned Well W/ Use of State-Managed Funds	60.00	45.00	50.00	50.00	50.00
<b>Explanatory/Input Measures:</b>						
1	Number of Orphaned Wells Approved for Plugging	1,557.00	1,250.00	1,500.00	1,500.00	1,500.00
2	# of Known Orphaned Wells in Non-compliance w/Commission Plugging Rule	7,900.00	7,600.00	5,500.00	4,500.00	3,000.00
3	No. Wells Plugged by Operators without Use of State-Managed Funds	5,223.00	3,950.00	5,300.00	5,200.00	5,100.00
4	Percent Active Well Operators with Inactive Wells	45.30 %	45.00 %	42.00 %	42.00 %	42.00 %
5	Number of Shut-in/Inactive Wells	110,488.00	112,000.00	110,000.00	110,000.00	110,000.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$3,804,873	\$3,871,275	\$3,705,991	\$3,728,089	\$3,729,240
1002	OTHER PERSONNEL COSTS	\$135,920	\$103,340	\$111,276	\$111,275	\$111,275
2001	PROFESSIONAL FEES AND SERVICES	\$267,201	\$738,685	\$659,260	\$652,640	\$652,640
2002	FUELS AND LUBRICANTS	\$579,098	\$561,957	\$562,455	\$562,455	\$562,455
2003	CONSUMABLE SUPPLIES	\$32,123	\$53,426	\$51,471	\$51,471	\$51,471
2004	UTILITIES	\$114,317	\$54,933	\$51,788	\$51,788	\$51,788
2005	TRAVEL	\$24,273	\$46,352	\$48,760	\$48,760	\$48,760
2006	RENT - BUILDING	\$219,481	\$273,386	\$255,727	\$255,727	\$255,727
2007	RENT - MACHINE AND OTHER	\$26,287	\$17,488	\$16,513	\$16,513	\$16,513

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Agency code: **455** Agency name: **Railroad Commission**

GOAL: 3 Minimize Harmful Effects of Fossil Fuel Production Statewide Goal/Benchmark: 6 5  
 OBJECTIVE: 2 Identify and Correct Environmental Threats Service Categories:  
 STRATEGY: 2 Oil and Gas Well Plugging Service: 36 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
2009	OTHER OPERATING EXPENSE	\$18,425,384	\$16,028,847	\$14,515,071	\$14,540,615	\$14,540,616
5000	CAPITAL EXPENDITURES	\$179,545	\$37,886	\$15,886	\$37,886	\$15,886
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$23,808,502</b>	<b>\$21,787,575</b>	<b>\$19,994,198</b>	<b>\$20,057,219</b>	<b>\$20,036,371</b>
<b>Method of Financing:</b>						
1	General Revenue Fund	\$1,316,450	\$1,221,049	\$1,196,082	\$1,247,259	\$1,226,411
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$1,316,450</b>	<b>\$1,221,049</b>	<b>\$1,196,082</b>	<b>\$1,247,259</b>	<b>\$1,226,411</b>
<b>Method of Financing:</b>						
145	Oil-field Cleanup Acct	\$22,254,691	\$20,184,832	\$18,798,116	\$18,809,960	\$18,809,960
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$22,254,691</b>	<b>\$20,184,832</b>	<b>\$18,798,116</b>	<b>\$18,809,960</b>	<b>\$18,809,960</b>
<b>Method of Financing:</b>						
369	Fed Recovery & Reinvestment Fund					
	15.934.000 Abandoned Mine Hzrd Mtgtn-Stimulus	\$0	\$381,694	\$0	\$0	\$0
CFDA Subtotal, Fund	369	\$0	\$381,694	\$0	\$0	\$0
<b>SUBTOTAL, MOF (FEDERAL FUNDS)</b>		<b>\$0</b>	<b>\$381,694</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Method of Financing:</b>						
666	Appropriated Receipts	\$237,361	\$0	\$0	\$0	\$0
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$237,361</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$20,057,219</b>	<b>\$20,036,371</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$23,808,502</b>	<b>\$21,787,575</b>	<b>\$19,994,198</b>	<b>\$20,057,219</b>	<b>\$20,036,371</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>74.8</b>	<b>78.1</b>	<b>77.7</b>	<b>77.7</b>	<b>77.7</b>

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Agency code: **455**                      Agency name: **Railroad Commission**

GOAL:	3	Minimize Harmful Effects of Fossil Fuel Production	Statewide Goal/Benchmark:	6	5
OBJECTIVE:	2	Identify and Correct Environmental Threats	Service Categories:		
STRATEGY:	2	Oil and Gas Well Plugging	Service:	36	Income: A.2      Age: B.3

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Exp 2009</b>	<b>Est 2010</b>	<b>Bud 2011</b>	<b>BL 2012</b>	<b>BL 2013</b>
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**STRATEGY DESCRIPTION AND JUSTIFICATION:**

The Texas Natural Resource Code Sections 89.001-89.122 authorize activities associated with Oil and Gas Well Plugging, which include identifying, assessing, and prioritizing abandoned wells for plugging and providing assistance for operator-initiated corrective action. Success in this effort ensures that the highest priority wells are plugged, thereby protecting the general public, the environment, and public water resources.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

External factors impacting this strategy include contractor availability, increased costs for services due to demand, an aging vehicle fleet and fluctuating fuel costs. The Commission has secured several state and federal grants that are used to leverage existing state-managed funds to achieve the goals of this strategy. Internal factors impacting this strategy include the inability to hire and retain qualified professional staff due to low salaries and competition with industry, which will continue to worsen as an increasing number of experienced employees, particularly technical managers, become eligible to retire over the next few years. Another internal factor impacting the strategy includes obtaining the necessary capital funding to ensure a standard replacement schedule for vehicles and printers as well as new or enhanced automated systems. Updates of this nature are needed to ensure the Commission continually improves upon process efficiencies, fuel efficiency, reduces vehicle maintenance costs and avoid safety issues associated with aging vehicles.

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Agency code: **455** Agency name: **Railroad Commission**

GOAL: 3 Minimize Harmful Effects of Fossil Fuel Production  
 OBJECTIVE: 2 Identify and Correct Environmental Threats  
 STRATEGY: 3 Surface Mining Reclamation

Statewide Goal/Benchmark: 6 8  
 Service Categories:  
 Service: 36 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
<b>Explanatory/Input Measures:</b>						
	1 Percent of Abandoned Sites on Which Reclamation Has Been Initiated	80.00 %	50.00 %	55.00 %	60.00 %	65.00 %
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$455,349	\$472,697	\$504,073	\$505,148	\$505,256
1002	OTHER PERSONNEL COSTS	\$14,895	\$13,762	\$14,435	\$14,435	\$14,435
2001	PROFESSIONAL FEES AND SERVICES	\$1,019,187	\$2,473,516	\$2,471,780	\$2,471,044	\$2,471,044
2002	FUELS AND LUBRICANTS	\$9,065	\$276	\$276	\$276	\$276
2003	CONSUMABLE SUPPLIES	\$2,422	\$18,189	\$18,189	\$18,189	\$18,189
2004	UTILITIES	\$3,576	\$4,832	\$4,832	\$4,832	\$4,832
2005	TRAVEL	\$7,790	\$19,910	\$19,945	\$19,945	\$19,945
2006	RENT - BUILDING	\$48	\$45	\$45	\$45	\$45
2007	RENT - MACHINE AND OTHER	\$3,180	\$4,122	\$4,122	\$4,122	\$4,122
2009	OTHER OPERATING EXPENSE	\$32,118	\$161,379	\$165,316	\$167,700	\$167,700
5000	CAPITAL EXPENDITURES	\$3,622	\$3,537	\$1,483	\$3,537	\$1,483
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,551,252</b>	<b>\$3,172,265</b>	<b>\$3,204,496</b>	<b>\$3,209,273</b>	<b>\$3,207,327</b>
<b>Method of Financing:</b>						
	1 General Revenue Fund	\$122,899	\$113,992	\$111,662	\$116,439	\$114,493
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$122,899</b>	<b>\$113,992</b>	<b>\$111,662</b>	<b>\$116,439</b>	<b>\$114,493</b>
<b>Method of Financing:</b>						
454	Land Reclamation Fund					
	15.252.000 Abandoned Mine Land Recla	\$19,167	\$161,907	\$161,907	\$161,907	\$161,907
CFDA Subtotal, Fund	454	\$19,167	\$161,907	\$161,907	\$161,907	\$161,907
555	Federal Funds					

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Agency code: **455** Agency name: **Railroad Commission**

GOAL: 3 Minimize Harmful Effects of Fossil Fuel Production Statewide Goal/Benchmark: 6 8  
 OBJECTIVE: 2 Identify and Correct Environmental Threats Service Categories:  
 STRATEGY: 3 Surface Mining Reclamation Service: 36 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
15.252.000	Abandoned Mine Land Recla	\$1,409,186	\$2,896,366	\$2,930,927	\$2,930,927	\$2,930,927
CFDA Subtotal, Fund	555	\$1,409,186	\$2,896,366	\$2,930,927	\$2,930,927	\$2,930,927
<b>SUBTOTAL, MOF (FEDERAL FUNDS)</b>		<b>\$1,428,353</b>	<b>\$3,058,273</b>	<b>\$3,092,834</b>	<b>\$3,092,834</b>	<b>\$3,092,834</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$3,209,273</b>	<b>\$3,207,327</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$1,551,252</b>	<b>\$3,172,265</b>	<b>\$3,204,496</b>	<b>\$3,209,273</b>	<b>\$3,207,327</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>7.2</b>	<b>7.3</b>	<b>7.2</b>	<b>7.2</b>	<b>7.2</b>

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

The Texas Natural Resource Code Annotated Title 4 authorizes the Commission to participate to the fullest extent practicable in the abandoned mine land program provided by Title IV of the federal Surface Mining Control and Reclamation Act of 1977. Activities associated with Surface Mining Reclamation of abandoned mine lands include identifying, assessing, and prioritizing eligible abandoned mine lands for health, safety and environmental problems, and, within the funding provided, executing reclamation contracts for the highest-priority sites. Success in this effort ensures mine lands are remediated, thereby protecting general public health and the environment.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

This program is part of a national effort funded entirely with federal grant awards from the federal Office of Surface Mining Reclamation and Enforcement. The annual grant awards are based on the federal fees collected from the active coal mining industry in Texas. Internal factors impacting this strategy include aging technology equipment and vehicles, as well as limited capital funding. It is necessary to obtain the funding needed to ensure a standard replacement schedule for printers well as new or enhanced automated systems. Updates of this nature are needed to ensure the Commission continually improves process efficiencies. In addition, current budget reductions have resulted in a hiring freeze. Continuation of the reduced budget impacts at least one vacancy (an engineer) and will affect overall performance.

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Agency code: **455** Agency name: **Railroad Commission**

GOAL: 4 Public Access to Information and Services Statewide Goal/Benchmark: 8 0  
 OBJECTIVE: 1 Increase Public Access to Information Service Categories:  
 STRATEGY: 1 Geographic Information Systems and Well Mapping Service: 37 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
<b>Output Measures:</b>						
1	Number of Reports Provided to Customers from Electronic Data Records	2,299.00	2,350.00	2,160.00	1,950.00	1,850.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$594,893	\$617,642	\$660,438	\$662,588	\$662,803
1002	OTHER PERSONNEL COSTS	\$25,913	\$23,683	\$27,731	\$27,731	\$27,731
2001	PROFESSIONAL FEES AND SERVICES	\$49,890	\$47,499	\$44,023	\$42,552	\$42,552
2002	FUELS AND LUBRICANTS	\$49	\$51	\$51	\$51	\$51
2003	CONSUMABLE SUPPLIES	\$2,594	\$2,130	\$2,130	\$2,130	\$2,130
2004	UTILITIES	\$99	\$64	\$64	\$64	\$64
2005	TRAVEL	\$807	\$881	\$950	\$950	\$950
2006	RENT - BUILDING	\$96	\$90	\$90	\$90	\$90
2007	RENT - MACHINE AND OTHER	\$2,350	\$2,343	\$2,343	\$2,343	\$2,343
2009	OTHER OPERATING EXPENSE	\$10,392	\$15,842	\$15,502	\$20,271	\$20,271
5000	CAPITAL EXPENDITURES	\$13,181	\$7,074	\$2,966	\$7,074	\$2,966
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$700,264</b>	<b>\$717,299</b>	<b>\$756,288</b>	<b>\$765,844</b>	<b>\$761,951</b>
<b>Method of Financing:</b>						
1	General Revenue Fund	\$700,264	\$717,299	\$756,288	\$765,844	\$761,951
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$700,264</b>	<b>\$717,299</b>	<b>\$756,288</b>	<b>\$765,844</b>	<b>\$761,951</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$765,844</b>	<b>\$761,951</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$700,264</b>	<b>\$717,299</b>	<b>\$756,288</b>	<b>\$765,844</b>	<b>\$761,951</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>11.3</b>	<b>13.6</b>	<b>14.5</b>	<b>14.5</b>	<b>14.5</b>

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Agency code: **455**                      Agency name: **Railroad Commission**

GOAL:                      4    Public Access to Information and Services                      Statewide Goal/Benchmark:                      8    0  
 OBJECTIVE:              1    Increase Public Access to Information                      Service Categories:  
 STRATEGY:                1    Geographic Information Systems and Well Mapping                      Service:    37              Income: A.2              Age:        B.3

CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
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**STRATEGY DESCRIPTION AND JUSTIFICATION:**

The Texas Natural Resource Code Annotated Title 3 authorizes activities associated with GIS and Well Mapping, which include collecting, maintaining, and preserving GIS and Well Mapping data; providing efficient public access to the information; and offering regulated industries a means to conduct their business electronically. Success in this effort ensures that valuable information is available to the general public, other state and federal agencies, investors, and other interested parties at a reasonable cost.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

There are no major external factors impacting this strategy. Internal factors include obtaining the necessary funding to ensure a standard replacement schedule for printers as well as new or enhanced automated systems. Updates of this nature are needed to ensure the Commission continually improves process efficiencies.



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Agency code: **455** Agency name: **Railroad Commission**

GOAL: 4 Public Access to Information and Services Statewide Goal/Benchmark: 8 7  
 OBJECTIVE: 1 Increase Public Access to Information Service Categories:  
 STRATEGY: 2 Public Information and Services Service: 37 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
<b>Output Measures:</b>						
KEY 1	Number of Documents Provided to Customers by Info Services	1,320,366.00	1,140,400.00	1,025,000.00	871,250.00	740,575.00
<b>Explanatory/Input Measures:</b>						
1	Number of External Visits to the RRC Website (in Thousands)	137,733.00	152,579.00	169,025.00	187,244.00	207,426.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$1,277,224	\$1,199,869	\$1,194,670	\$1,199,149	\$1,199,598
1002	OTHER PERSONNEL COSTS	\$81,907	\$39,248	\$39,947	\$39,947	\$39,947
2001	PROFESSIONAL FEES AND SERVICES	\$103,937	\$98,956	\$92,382	\$89,315	\$89,315
2002	FUELS AND LUBRICANTS	\$103	\$107	\$107	\$107	\$107
2003	CONSUMABLE SUPPLIES	\$42,179	\$57,105	\$55,605	\$55,605	\$55,605
2004	UTILITIES	\$223	\$134	\$134	\$134	\$134
2005	TRAVEL	\$5,560	\$9,927	\$10,071	\$10,071	\$10,071
2006	RENT - BUILDING	\$20,117	\$13,187	\$13,187	\$13,187	\$13,187
2007	RENT - MACHINE AND OTHER	\$33,542	\$36,174	\$36,174	\$36,174	\$36,174
2009	OTHER OPERATING EXPENSE	\$355,424	\$490,765	\$343,990	\$353,927	\$353,927
5000	CAPITAL EXPENDITURES	\$15,091	\$14,737	\$6,179	\$14,737	\$6,179
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,935,307</b>	<b>\$1,960,209</b>	<b>\$1,792,446</b>	<b>\$1,812,353</b>	<b>\$1,804,244</b>
<b>Method of Financing:</b>						
1	General Revenue Fund	\$1,195,523	\$1,048,846	\$1,032,787	\$1,052,694	\$1,044,585
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$1,195,523</b>	<b>\$1,048,846</b>	<b>\$1,032,787</b>	<b>\$1,052,694</b>	<b>\$1,044,585</b>
<b>Method of Financing:</b>						
145	Oil-field Cleanup Acct	\$0	\$166,076	\$157,772	\$157,772	\$157,772

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Agency code: **455** Agency name: **Railroad Commission**

GOAL: 4 Public Access to Information and Services Statewide Goal/Benchmark: 8 7  
 OBJECTIVE: 1 Increase Public Access to Information Service Categories:  
 STRATEGY: 2 Public Information and Services Service: 37 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$0</b>	<b>\$166,076</b>	<b>\$157,772</b>	<b>\$157,772</b>	<b>\$157,772</b>
<b>Method of Financing:</b>						
555	Federal Funds					
	89.003.000 National Historical Publi	\$4,026	\$143,400	\$0	\$0	\$0
CFDA Subtotal, Fund	555	\$4,026	\$143,400	\$0	\$0	\$0
<b>SUBTOTAL, MOF (FEDERAL FUNDS)</b>		<b>\$4,026</b>	<b>\$143,400</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Method of Financing:</b>						
666	Appropriated Receipts	\$735,758	\$601,887	\$601,887	\$601,887	\$601,887
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$735,758</b>	<b>\$601,887</b>	<b>\$601,887</b>	<b>\$601,887</b>	<b>\$601,887</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$1,812,353</b>	<b>\$1,804,244</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$1,935,307</b>	<b>\$1,960,209</b>	<b>\$1,792,446</b>	<b>\$1,812,353</b>	<b>\$1,804,244</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>35.8</b>	<b>30.4</b>	<b>30.2</b>	<b>30.2</b>	<b>30.2</b>

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

The Texas Natural Resource Code Annotated Title 3 authorizes activities associated with Public Information and Services, which include collecting, maintaining, and preserving oil and gas data; providing efficient public access to this information; and offering regulated industries a means to conduct their business electronically. Success in this effort ensures that valuable information is available to the general public, investors, and other interested parties at a reasonable cost.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

**3.A. STRATEGY REQUEST**

82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2010  
 TIME: 10:49:15AM

Agency code: **455**                      Agency name: **Railroad Commission**

GOAL:                      4    Public Access to Information and Services                      Statewide Goal/Benchmark:                      8    7  
 OBJECTIVE:              1    Increase Public Access to Information                      Service Categories:  
 STRATEGY:                2    Public Information and Services                      Service:    37              Income: A.2              Age:    B.3

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Exp 2009</b>	<b>Est 2010</b>	<b>Bud 2011</b>	<b>BL 2012</b>	<b>BL 2013</b>
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There are no major external factors impacting this strategy. Internal factors impacting this strategy include the availability of appropriate technology for document preservation and more efficient means of public access. A second internal factor is the availability of ongoing funding to modernize and maintain databases needed to provide public access as well as more efficient processing of valuable regulatory data; and expanded electronic filing options for the regulated industries, which must be completed to realize the full deployment of planned technology enhancements. Additionally, it is necessary to obtain the funding needed to ensure a standard replacement schedule for printers as well as new or enhanced automated systems. Updates of this nature are needed to ensure the Commission continually improves process efficiencies.

**3.A. STRATEGY REQUEST**  
82nd Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2010  
TIME: 10:49:15AM

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**SUMMARY TOTALS:**

<b>OBJECTS OF EXPENSE:</b>	<b>\$85,221,817</b>	<b>\$80,672,981</b>	<b>\$74,454,105</b>	<b>\$68,712,747</b>	<b>\$65,245,867</b>
<b>METHODS OF FINANCE (INCLUDING RIDERS):</b>				<b>\$68,712,747</b>	<b>\$65,245,867</b>
<b>METHODS OF FINANCE (EXCLUDING RIDERS):</b>	<b>\$85,221,817</b>	<b>\$80,672,981</b>	<b>\$74,454,105</b>	<b>\$68,712,747</b>	<b>\$65,245,867</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>	<b>678.7</b>	<b>705.6</b>	<b>705.6</b>	<b>705.6</b>	<b>705.6</b>

### 3.B. Rider Revisions and Additions Request

<b>Agency Code:</b> 455	<b>Agency Name:</b> Railroad Commission of Texas	<b>Prepared By:</b> David Pollard	<b>Date:</b> 8/23/10	<b>Request Level:</b> Baseline
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Current Rider Number	Page Number in 2010-11 GAA	Proposed Rider Language																																																																																	
1	VI-46          VI-47	<p><b>1. Performance Measure Targets.</b> The following is a listing of the key performance target levels for the Railroad Commission. It is the intent of the Legislature that appropriations made by this Act be utilized in the most efficient and effective manner possible to achieve the intended mission of the Railroad Commission. In order to achieve the objectives and service standards established by this Act, the Railroad Commission shall make every effort to attain the following designated key performance target levels associated with each item of appropriation.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 65%;"></th> <th style="width: 10%; text-align: center;"><del>2010</del> <u>2012</u></th> <th style="width: 25%; text-align: center;"><del>2011</del> <u>2013</u></th> </tr> </thead> <tbody> <tr> <td><b>A. Goal:</b> ENERGY RESOURCES</td> <td></td> <td></td> </tr> <tr> <td><b>Outcome (Results/Impact):</b></td> <td></td> <td></td> </tr> <tr> <td>Percent of Oil and Gas Wells That Are Active</td> <td style="text-align: center;"><del>73%</del> <u>74%</u></td> <td style="text-align: center;"><del>73%</del> <u>74%</u></td> </tr> <tr> <td><b>A.1.1. Strategy:</b> ENERGY RESOURCE DEVELOPMENT</td> <td></td> <td></td> </tr> <tr> <td><b>Output (Volume):</b></td> <td></td> <td></td> </tr> <tr> <td>Number of Drilling Permit Applications Processed</td> <td style="text-align: center;"><del>27,900</del> <u>23,000</u></td> <td style="text-align: center;"><del>29,500</del> <u>24,000</u></td> </tr> <tr> <td>Number of Wells Monitored</td> <td style="text-align: center;"><del>375,000</del> <u>385,000</u></td> <td style="text-align: center;"><del>375,000</del> <u>385,000</u></td> </tr> <tr> <td><b>Efficiencies:</b></td> <td></td> <td></td> </tr> <tr> <td>Average Number of Wells Monitored Per Analyst</td> <td style="text-align: center;"><del>28,846</del> <u>31,000</u></td> <td style="text-align: center;"><del>28,846</del> <u>31,000</u></td> </tr> <tr> <td><b>A.2.1. Strategy:</b> GAS UTILITY COMPLIANCE</td> <td></td> <td></td> </tr> <tr> <td><b>Output (Volume):</b></td> <td></td> <td></td> </tr> <tr> <td>Number of Gas Utility Dockets Filed</td> <td style="text-align: center;">80</td> <td style="text-align: center;">80</td> </tr> <tr> <td><b>A.2.2. Strategy:</b> PROMOTE LP-GAS USAGE</td> <td></td> <td></td> </tr> <tr> <td><b>Output (Volume):</b></td> <td></td> <td></td> </tr> <tr> <td>Number of Rebate and Incentive Applications Handled</td> <td style="text-align: center;">3,351</td> <td style="text-align: center;">3,351</td> </tr> <tr> <td><b>Efficiencies:</b></td> <td></td> <td></td> </tr> <tr> <td>Administrative Costs as a Percentage of Alternative Fuels Research and Education Account Fee Revenue</td> <td style="text-align: center;">18.6%</td> <td style="text-align: center;">18.6%</td> </tr> <tr> <td><b>Explanatory:</b></td> <td></td> <td></td> </tr> <tr> <td>Number of Alternative Fuel Vehicles in Texas</td> <td style="text-align: center;">107,898</td> <td style="text-align: center;">125,664</td> </tr> <tr> <td><b>A.3.1. 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Goal:</b> ENERGY RESOURCES			<b>Outcome (Results/Impact):</b>			Percent of Oil and Gas Wells That Are Active	<del>73%</del> <u>74%</u>	<del>73%</del> <u>74%</u>	<b>A.1.1. Strategy:</b> ENERGY RESOURCE DEVELOPMENT			<b>Output (Volume):</b>			Number of Drilling Permit Applications Processed	<del>27,900</del> <u>23,000</u>	<del>29,500</del> <u>24,000</u>	Number of Wells Monitored	<del>375,000</del> <u>385,000</u>	<del>375,000</del> <u>385,000</u>	<b>Efficiencies:</b>			Average Number of Wells Monitored Per Analyst	<del>28,846</del> <u>31,000</u>	<del>28,846</del> <u>31,000</u>	<b>A.2.1. Strategy:</b> GAS UTILITY COMPLIANCE			<b>Output (Volume):</b>			Number of Gas Utility Dockets Filed	80	80	<b>A.2.2. Strategy:</b> PROMOTE LP-GAS USAGE			<b>Output (Volume):</b>			Number of Rebate and Incentive Applications Handled	3,351	3,351	<b>Efficiencies:</b>			Administrative Costs as a Percentage of Alternative Fuels Research and Education Account Fee Revenue	18.6%	18.6%	<b>Explanatory:</b>			Number of Alternative Fuel Vehicles in Texas	107,898	125,664	<b>A.3.1. Strategy:</b> PROMOTE ALTERNATIVE ENERGY RESOURCES			<b>Efficiencies:</b>			Administrative Costs as a Percentage of Alternative Fuels Research and Education Account Fee Revenue	18.6%	18.6%	<b>Explanatory:</b>			Number of Alternative-Fuel Vehicles in Texas	<del>107,898</del> <u>94,307</u>	<del>125,664</del> <u>97,608</u>	<b>A.3.2. Strategy:</b> DISTRIBUTE LP-GAS REBATES			<b>Output (Volume):</b>		
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### 3.B. Rider Revisions and Additions Request (continued)

<b>Agency Code:</b> 455	<b>Agency Name:</b> Railroad Commission of Texas	<b>Prepared By:</b> David Pollard	<b>Date:</b> 8/23/10	<b>Request Level:</b> Baseline
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Current Rider Number	Page Number in 2010-11 GAA	Proposed Rider Language
1	VI-47	<p><u>Number of Rebate and Incentive Applications Handled</u> <span style="float: right;">3,147</span> <span style="float: right;">3,147</span></p> <p><b>A.3.3. Strategy: REGULATE ALTERNATIVE ENERGY RESOURCES</b></p> <p><b>Output (Volume):</b></p> <p><u>Number of LPG/CNG/LNG Safety Inspections Performed</u> <span style="float: right;"><del>13,500</del> 14,700</span> <span style="float: right;"><del>14,400</del> 14,700</span></p> <p><b>B. Goal: SAFETY PROGRAMS</b></p> <p><b>Outcome (Results/Impact):</b></p> <p>Average Number of Pipeline Safety Violations Per Equivalent 100 Miles of Pipe Identified through Inspections <span style="float: right;"><del>3.5</del> 3.16</span> <span style="float: right;"><del>3.5</del> 3.0</span></p> <p><b>B.1.1. Strategy: PIPELINE AND LP GAS SAFETY</b></p> <p><b>Output (Volume):</b></p> <p><u>Number of Pipeline Safety Inspections Performed</u> <span style="float: right;">2,500</span> <span style="float: right;">2,750</span></p> <p><u>Number of LPG/LNG/CNG Safety Inspections Performed</u> <span style="float: right;">12,250</span> <span style="float: right;">12,250</span></p> <p><b>Efficiencies:</b></p> <p><u>Average Number of Pipeline Field Inspections Per Field Inspector</u> <span style="float: right;">-110</span> <span style="float: right;">-110</span></p> <p><b>B.1.1. Strategy: PIPELINE SAFETY</b></p> <p><b>Output (Volume):</b></p> <p><u>Number of Pipeline Safety Inspections Performed</u> <span style="float: right;">2,500</span> <span style="float: right;">2,400</span></p> <p><b>Efficiency:</b></p> <p><u>Average Number of Pipeline Field Inspections per Field Inspector</u> <span style="float: right;">100</span> <span style="float: right;">95</span></p> <p><b>B.1.2. Strategy: PIPELINE DAMAGE PREVENTION</b></p> <p><b>Output (Volume)</b></p> <p><u>Number of Third Party Damage Enforcement Cases Completed</u> <span style="float: right;">6,000</span> <span style="float: right;">5,000</span></p> <p><b>C. Goal: ENVIRONMENTAL PROTECTION</b></p> <p><b>Outcome (Results/Impact):</b></p> <p>Percentage of Oil and Gas Facility Inspections That Identify Environmental Violations <span style="float: right;"><del>18%</del> 17%</span> <span style="float: right;"><del>17%</del> 16%</span></p> <p>Percentage of Known Orphaned Wells Plugged with the Use of State-Managed Funds <span style="float: right;"><del>24.6%</del> 30.5%</span> <span style="float: right;"><del>29.1%</del> 45.8%</span></p> <p><b>C.1.1. Strategy: OIL/GAS MONITOR &amp; INSPECTIONS</b></p> <p><b>Output (Volume):</b></p> <p><u>Number of Oil and Gas Facility Inspections Performed</u> <span style="float: right;">108,000</span> <span style="float: right;">108,000</span></p>

### 3.B. Rider Revisions and Additions Request (continued)

<b>Agency Code:</b> 455	<b>Agency Name:</b> Railroad Commission of Texas	<b>Prepared By:</b> David Pollard	<b>Date:</b> 8/23/10	<b>Request Level:</b> Baseline
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Current Rider Number	Page Number in 2010-11 GAA	Proposed Rider Language
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1	VI-47	Number of Oil and Gas Environmental Permit Applications and Reports Processed <span style="float: right;">96,500 <u>98,000</u>      99,000 <u>97,000</u></span>
		<b>Efficiencies:</b> Average Number of Oil and Gas Facility Inspections Performed Per District Office Staff <span style="float: right;">900      900</span>
		<b>Explanatory:</b> Number of Oil and Gas Wells and Other Related Facilities Subject to Regulation <span style="float: right;">389,274 <u>399,840</u>      389,523 <u>400,418</u></span>
		<b>C.1.2. Strategy:</b> SURFACE MINING MONITORING/INSPECTIONS <b>Output (Volume):</b> Number of Coal Mining Inspections Performed <span style="float: right;">-450 <u>475</u>      450 <u>475</u></span>
		<b>C.2.1. Strategy:</b> OIL AND GAS REMEDIATION <b>Output (Volume):</b> Number of Abandoned Pollution Sites Investigated, Assessed, or Cleaned Up with the Use of State-Managed Funds <span style="float: right;">203 <u>168</u>      203 <u>168</u></span>
		<b>C.2.2. Strategy:</b> OIL AND GAS WELL PLUGGING <b>Output (Volume):</b> Number of Orphaned Wells Plugged with the Use of State-Managed Funds <span style="float: right;">1,400 <u>1,375</u>      1,400 <u>1,375</u></span>
		Total Aggregate Plugging Depth of Orphaned Wells Plugged with the Use of State Managed Funds (in Linear Feet) <span style="float: right;">3,057,600      3,057,600</span> <span style="float: right;">2,627,625      2,627,625</span>
	VI-48	<b>D. Goal:</b> PUBLIC ACCESS TO INFORMATION AND SERVICES <b>D.1.2. Strategy:</b> PUBLIC INFORMATION AND SERVICES <b>Output (Volume):</b> Number of Documents Provided to Customers by Information Services <span style="float: right;">892,000 <u>871,250</u>      847,000 <u>740,575</u></span>
		<i>Changes made to update performance measures.</i>

### 3.B. Rider Revisions and Additions Request (continued)

<b>Agency Code:</b> 455	<b>Agency Name:</b> Railroad Commission of Texas	<b>Prepared By:</b> David Pollard	<b>Date:</b> 8/23/10	<b>Request Level:</b> Baseline
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Current Rider Number	Page Number in 2010-11 GAA	Proposed Rider Language
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2	VI-48	<p><b>Capital Budget.</b> Funds appropriated above may be expended for capital budget items listed below. The amounts identified for each item may be adjusted or expended on other capital expenditures, subject to the aggregate dollar restrictions on capital budget expenditures provided in the General Provisions of this Act.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: right;"><u>2010</u></th> <th style="width: 20%; text-align: right;"><u>2012</u></th> <th style="width: 20%; text-align: right;"><u>2011</u></th> <th style="width: 20%; text-align: right;"><u>2013</u></th> </tr> </thead> <tbody> <tr> <td>a. Acquisition of Information Resource Technologies</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>    (1) Infrastructure Upgrade</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">199,755</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">0</td> </tr> <tr> <td>    (2) Data Center Services (DCS) Department of Information Resources (DIR) Projection</td> <td style="text-align: right;"><del>2,790,130</del></td> <td style="text-align: right;">2,522,348</td> <td style="text-align: right;"><del>2,520,077</del></td> <td style="text-align: right;">2,522,348</td> </tr> <tr> <td>    (3) <del>District Field Operations Reporting &amp; Management System (DFORMS)</del> Online Filing of O&amp;G Well Test</td> <td style="text-align: right;"><del>240,068</del></td> <td style="text-align: right;">239,980</td> <td style="text-align: right;"><del>240,068</del></td> <td style="text-align: right;">239,980</td> </tr> <tr> <td>    (4) Personal Computer (PC) Refresh</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">147,455</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">147,455</td> </tr> <tr> <td>Total, Acquisition of Information Resource Technologies</td> <td style="text-align: right;"><del>\$ 3,377,408</del></td> <td style="text-align: right;">3,109,538</td> <td style="text-align: right;"><del>\$ 2,907,600</del></td> <td style="text-align: right;">2,909,783</td> </tr> <tr> <td>b. Transportation Items</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>    (1) Vehicle Replacements (Lease or Purchase)</td> <td style="text-align: right;">\$</td> <td style="text-align: right;"><del>540,194</del> 472,915</td> <td style="text-align: right;">\$</td> <td style="text-align: right;"><del>561,678</del> 628,957</td> </tr> <tr> <td>Total, Capital Budget</td> <td style="text-align: right;"><del>\$ 3,917,602</del></td> <td style="text-align: right;">3,582,453</td> <td style="text-align: right;"><del>\$ 3,469,278</del></td> <td style="text-align: right;">3,538,740</td> </tr> <tr> <td colspan="5">Method of Financing (Capital Budget):</td> </tr> <tr> <td>General Revenue Fund</td> <td style="text-align: right;">\$</td> <td style="text-align: right;"><del>3,369,742</del> 3,058,450</td> <td style="text-align: right;">\$</td> <td style="text-align: right;"><del>2,921,418</del> 3,014,737</td> </tr> <tr> <td colspan="5"><u>General Revenue Fund - Dedicated</u></td> </tr> <tr> <td>Alternative Fuels Research and Education Account No. 101</td> <td></td> <td style="text-align: right;">62,085 60,341</td> <td></td> <td style="text-align: right;">62,085 60,341</td> </tr> <tr> <td>Oil Field Cleanup Account No. 145</td> <td></td> <td style="text-align: right;">442,227 420,114</td> <td></td> <td style="text-align: right;">442,227 420,114</td> </tr> <tr> <td>    Subtotal, General Revenue Fund – Dedicated</td> <td style="text-align: right;">\$</td> <td style="text-align: right;"><del>504,312</del> 480,455</td> <td style="text-align: right;">\$</td> <td style="text-align: right;"><del>504,312</del> 480,455</td> </tr> <tr> <td colspan="5"><u>Other Funds</u></td> </tr> <tr> <td>Appropriated Receipts</td> <td></td> <td style="text-align: right;">43,548</td> <td></td> <td style="text-align: right;">43,548</td> </tr> <tr> <td>Total, Method of Financing</td> <td style="text-align: right;"><del>\$ 3,917,602</del></td> <td style="text-align: right;">3,582,453</td> <td style="text-align: right;"><del>\$ 3,469,278</del></td> <td style="text-align: right;">3,538,740</td> </tr> </tbody> </table> <p><i>This rider has been changed to reflect the 2012-2013 Capital Budget Request.</i></p>		<u>2010</u>	<u>2012</u>	<u>2011</u>	<u>2013</u>	a. Acquisition of Information Resource Technologies					(1) Infrastructure Upgrade	\$	199,755	\$	0	(2) Data Center Services (DCS) Department of Information Resources (DIR) Projection	<del>2,790,130</del>	2,522,348	<del>2,520,077</del>	2,522,348	(3) <del>District Field Operations Reporting &amp; Management System (DFORMS)</del> Online Filing of O&G Well Test	<del>240,068</del>	239,980	<del>240,068</del>	239,980	(4) Personal Computer (PC) Refresh	\$	147,455	\$	147,455	Total, Acquisition of Information Resource Technologies	<del>\$ 3,377,408</del>	3,109,538	<del>\$ 2,907,600</del>	2,909,783	b. Transportation Items					(1) Vehicle Replacements (Lease or Purchase)	\$	<del>540,194</del> 472,915	\$	<del>561,678</del> 628,957	Total, Capital Budget	<del>\$ 3,917,602</del>	3,582,453	<del>\$ 3,469,278</del>	3,538,740	Method of Financing (Capital Budget):					General Revenue Fund	\$	<del>3,369,742</del> 3,058,450	\$	<del>2,921,418</del> 3,014,737	<u>General Revenue Fund - Dedicated</u>					Alternative Fuels Research and Education Account No. 101		62,085 60,341		62,085 60,341	Oil Field Cleanup Account No. 145		442,227 420,114		442,227 420,114	Subtotal, General Revenue Fund – Dedicated	\$	<del>504,312</del> 480,455	\$	<del>504,312</del> 480,455	<u>Other Funds</u>					Appropriated Receipts		43,548		43,548	Total, Method of Financing	<del>\$ 3,917,602</del>	3,582,453	<del>\$ 3,469,278</del>	3,538,740
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### 3.B. Rider Revisions and Additions Request (continued)

<b>Agency Code:</b> 455	<b>Agency Name:</b> Railroad Commission of Texas	<b>Prepared By:</b> David Pollard	<b>Date:</b> 8/23/10	<b>Request Level:</b> Baseline
Current Rider Number	Page Number in 2010-11 GAA	Proposed Rider Language		
3	VI-48	<p><b>Unexpended Balance and Estimated Appropriation Authority: Alternative Fuels Research and Education Account.</b> Included in amounts appropriated above in <del>Strategy A.2.2 Promote LP Gas Usage</del>, <u>Strategies A.3.1 Promote Alternative Energy Resources and A.3.2 Distribute LP Gas Rebates</u>, in fiscal year <del>2010</del> <u>2012</u> are balances remaining in the Alternative Fuels Research and Education (AFRED) Account No. 101 as of August 31, <del>2009</del> <u>2011</u> (not to exceed <del>\$1,030,660</del> <u>\$1,487,168</u>) to be used during the biennium beginning on September 1, <del>2009</del> <u>2011</u>.</p> <p>In addition to amounts appropriated above, there is hereby appropriated to the Railroad Commission for the biennium beginning on September 1, <del>2009</del> <u>2011</u> any revenues received in the AFRED Account No. 101 in excess of the Comptroller's Biennial Revenue Estimate for the <del>2010-11</del> <u>2012-13</u> biennium. These funds shall be used in accordance with Natural Resources Code, §113.243.</p> <p><i>This rider has been updated to reflect the years and the amount for this correspondence.</i></p>		
4	VI-48	<p><b>Transfer Authority.</b> Notwithstanding limitations on appropriation transfers contained in the General Provisions of this Act, the Texas Railroad Commission is hereby authorized to direct agency resources and transfer such amounts appropriated above between appropriation line items.</p>		
5	VI-48	<p><b>Appropriation: Unexpended Balances Between Fiscal Years within the Biennium.</b> Any unexpended balances as of August 31, <del>2010</del> <u>2012</u>, in the appropriations made herein to the Railroad Commission are hereby appropriated for the same purposes for the fiscal year beginning September 1, <del>2010</del> <u>2012</u>.</p> <p><i>This rider has been updated to reflect the years for this appropriation request.</i></p>		

### 3.B. Rider Revisions and Additions Request (continued)

<b>Agency Code:</b> 455	<b>Agency Name:</b> Railroad Commission of Texas	<b>Prepared By:</b> David Pollard	<b>Date:</b> 8/23/10	<b>Request Level:</b> Baseline
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Current Rider Number	Page Number in 2010-11 GAA	Proposed Rider Language
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6	VI-48	<p><b>Appropriations Limited to Revenue Collections and Contingent Revenue: LPG/CNG/LNG Fees.</b>            It is the intent of the Legislature that revenues collected pursuant to Natural Resources Code §§ 113.082, 113.090, 113.093, 113.094, 113.131, 116.032, 116.034, and 116.072 and deposited to Revenue Object Codes 3035 and 3246 in the General Revenue Fund, and \$60,000 each fiscal year collected pursuant to Natural Resources Code, § 113.244 <u>in Strategy A.2.1 Gas Utility Compliance</u>, and deposited to Revenue Object Code 3034 in the Alternative Fuels Research and Education Account No. 101, cover, at a minimum, the cost of the appropriations made above for the LP Gas Program <u>and Alternative Fuels Licensing Program</u> in Strategy <del>B.1.1, Pipeline and LP Gas Safety</del> <u>A.3.3.Regulate Alternative Energy Resources</u> (not to exceed <del>\$1,311,914</del> <u>\$1,037,260</u> in fiscal year <del>2010</del> <u>2012</u> and <del>\$1,264,454</del> <u>\$1,051,339</u> in fiscal year <del>2011</del> <u>2013</u>).</p> <p>This appropriation is contingent upon the Railroad Commission assessing fees sufficient to generate, during the <del>2010-11</del> <u>2012-13</u> biennium, revenue to cover these appropriations. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.</p> <p>In addition to amounts appropriated above, there is hereby appropriated to the Railroad Commission for the biennium beginning on September 1, <del>2009</del> <u>2011</u> any revenues collected by the Commission and deposited to Revenue Object Codes 3035 and 3246 in the General Revenue Fund in excess of the Comptroller's Biennial Revenue Estimate for the <del>2010-11</del> <u>2012-13</u> biennium.</p> <p><i>This rider has been updated to reflect the years and the amount for this correspondence.</i></p>
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### 3.B. Rider Revisions and Additions Request (continued)

<b>Agency Code:</b> 455	<b>Agency Name:</b> Railroad Commission of Texas	<b>Prepared By:</b> David Pollard	<b>Date:</b> 8/23/10	<b>Request Level:</b> Baseline
Current Rider Number	Page Number in 2010-11 GAA	Proposed Rider Language		
7	VI-49	<p><b>Unexpended Balance and Estimated Appropriation Authority: Oil Field Cleanup Account.</b> Included in amounts appropriated above in fiscal year <del>2010</del> <u>2012</u> is an amount not to exceed <del>\$1,648,770</del> <u>\$1,152,836</u> in Strategy C.2.1, Oil and Gas Remediation, and an amount not to exceed <del>\$6,595,081</del> <u>\$4,611,346</u> in Strategy C.2.2, Oil and Gas Well Plugging, in balances remaining in the Oil Field Cleanup Account No. 145 as of August 31, <del>2009</del> <u>2011</u>. The agency shall use these funds to carry out duties authorized by Natural Resources Code, Subchapter D, Chapter 91.</p> <p>In addition to amounts appropriated above, there is hereby appropriated to the Railroad Commission for the biennium beginning on September 1, <del>2009</del> <u>2011</u>, an amount not to exceed \$10,000,000 in revenues received in the Oil Field Cleanup Account No. 145 in excess of the Comptroller's Biennial Revenue Estimate for (BRE) <del>2010-11</del> <u>2012-13</u>. Of the amounts receive in excess of the BRE, the first \$991,762 in fiscal year <del>2010</del> <u>2012</u> and the first \$917,225 in fiscal year <del>2011</del> <u>2013</u> shall be used to increase staffing in the oil and gas field operations and technical permitting programs in an attempt to reduce permitting times and prevent permitting backlogs.</p> <p>In addition, the Number of Full-Time Equivalents (FTE) for the Railroad Commission is hereby increased by 21.0 in each fiscal year of the <del>2010-11</del> <u>2012-13</u> biennium. These positions shall be filled only in the event that revenues exceed the BRE for <del>2010-11</del> <u>2012-13</u> and shall be used to reduce permitting times and to prevent permitting backlogs.</p> <p><i>This rider has been updated to reflect the years and the amount for this correspondence.</i></p>		
8	VI-49	<p><b>Fee Appropriation: Liquid Propane (LP) Gas Licensing, Training, and Examination Renewal Fees.</b> Included in amounts appropriated above in Strategy <del>A.2.2, Promote LP Gas Usage,</del> <u>A.3.1, Promote Alternative Energy Resources,</u> is <del>\$613,511</del> <u>\$580,651</u> in each fiscal year of the biennium beginning September 1, <del>2009</del> <u>2011</u> in Appropriated Receipts (Revenue Object Code 3722) and \$1,000 in each fiscal year of the biennium in General Revenue (Revenue Object Code 3245) from fees assessed and collected pursuant to Natural Resources Code, §§ 113.088 and 116.034. These amounts may only be used for the purpose of providing training and examinations to licensees and certificate holders. In addition to amounts appropriated above, any additional amounts collected by the Railroad Commission pursuant to Natural Resources Code, §§ 113.088 and 116.034, on or after September 1, <del>2009</del> <u>2011</u>, are hereby appropriated to the Commission for the same purpose.</p> <p><i>This rider has been updated to reflect the years and the amount for this correspondence.</i></p>		

### 3.B. Rider Revisions and Additions Request (continued)

<b>Agency Code:</b> 455	<b>Agency Name:</b> Railroad Commission of Texas	<b>Prepared By:</b> David Pollard	<b>Date:</b> 8/23/10	<b>Request Level:</b> Baseline
Current Rider Number	Page Number in 2010-11 GAA	Proposed Rider Language		
9	VI-49	<p><b>Appropriation: Abandoned Mine Land Funds.</b> Included in amounts appropriated above in Strategy C.2.3, Surface Mining Reclamation, is an amount estimated to be \$323,814 in unexpended balances remaining on August 31, <del>2009</del> 2011 in the Land Reclamation Fund Account No. 454 (Federal Funds). In addition to amounts appropriated above, the Railroad Commission is hereby appropriated any additional federal grant funds from the US Department of Interior for the purposes authorized by Natural Resources Code, Chapter 134, Subchapter G, Abandoned Mine Reclamation.</p> <p><i>This rider has been updated to reflect the years and the amount for this correspondence.</i></p>		
10	VI-49	<p><b>Appropriation Limited to Revenue Collections: Surface Mining Permits and Contingency Appropriation for Fee Increase.</b> Included in the amounts appropriated above is <del>\$1,359,639</del> \$1,211,634 in fiscal year <del>2010</del> 2012 and <del>\$1,355,874</del> \$1,181,877 in fiscal year <del>2011</del> 2013 in Strategy C.1.2, Surface Mining Monitoring and Inspections, from surface mining fee revenues deposited to the General Revenue Fund to cover the cost of permitting and inspecting coal mining facilities.</p> <p>This appropriation is contingent upon the Railroad Commission assessing fees sufficient to generate, during the <del>2010-11</del> 2012-13 biennium, revenue to cover the General Revenue appropriations. <del>Of this appropriation, \$140,528 in fiscal year 2010 and \$137,513 in fiscal year 2011 is contingent upon the Railroad Commission increasing surface mining permit fees and shall be limited to revenues deposited to the credit of Revenue Object Code 3329 in excess of the Comptroller's Biennial Revenue Estimate (BRE) for 2010-11.</del> In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.</p> <p><del>The Railroad Commission, upon completion of necessary actions to assess or increase the surface mining permit fee, shall furnish copies of minutes and other information supporting the estimated revenues to be generated for the 2010-11 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues in excess of those estimated in the BRE for 2010-11, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purpose.</del></p>		

### 3.B. Rider Revisions and Additions Request (continued)

<b>Agency Code:</b> 455	<b>Agency Name:</b> Railroad Commission of Texas	<b>Prepared By:</b> David Pollard	<b>Date:</b> 8/23/10	<b>Request Level:</b> Baseline
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Current Rider Number	Page Number in 2010-11 GAA	Proposed Rider Language
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10	VI-49	<p>In addition to amounts appropriated above, there is hereby appropriated for the biennium beginning on September 1, <del>2009</del> <u>2011</u>, any revenues received from surface mining fees deposited to the credit of Revenue Object Code No. 3329 in excess of the Comptroller's Biennial Revenue Estimate for <del>2010-11</del> <u>2012-13</u>.</p> <p><i>This rider has been updated to reflect the years, the amount for this correspondence, and the Pipeline Safety fee increase.</i></p>
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11	VI-50	<p><b>Appropriation for Pipeline Safety Fees.</b> Included in the amounts appropriated above are revenues from fees assessed on pipelines and pipeline facilities and deposited to Revenue Object Code 3553 in the General Revenue Fund pursuant to Utilities Code, § 121.211 in an amount not to exceed <del>\$2,467,292</del> <u>\$2,269,031</u> in fiscal year <del>2010</del> <u>2012</u> and <del>\$2,347,527</del> <u>\$2,299,535</u> in fiscal year <del>2011</del> <u>2013</u>. These funds shall be used to operate programs in Strategy B.1.1, Pipeline and LP Gas Safety, Strategy B.1.2 Pipeline Damage Prevention, and the geographic information systems mapping program in Strategy D.1.1, Geographic Information Systems and Well Mapping.</p> <p>The Railroad Commission is hereby authorized to transfer appropriations made pursuant to this provision to the appropriate strategy items.</p> <p>These appropriations are contingent upon the Railroad Commission assessing fees sufficient to generate, during the <del>2010-11</del> <u>2012-13</u> biennium, revenue to cover, at a minimum the General Revenue appropriations for the Pipeline Safety program and the underground pipeline damage prevention program as well as "Other direct and indirect costs" for the programs, appropriated elsewhere in this Act. "Other direct and indirect costs" are estimated to be <del>\$1,020,107</del> <u>\$1,029,207</u> in fiscal year <del>2010</del> <u>2012</u> and <del>\$1,056,494</del> <u>\$1,043,043</u> in fiscal year <del>2011</del> <u>2013</u>. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct the Comptroller of Public Accounts to reduce the appropriation authority provided above to be within the amount of revenue expected to be available.</p> <p>In addition to amounts appropriated above, there is hereby appropriated for the biennium beginning on September 1, <del>2009</del> <u>2011</u>, any revenues received from pipeline safety fee revenues deposited to the credit of Revenue Object Code No. 3553 in the General Revenue Fund in excess of the Comptroller's Biennial Revenue Estimate for <del>2010-11</del> <u>2012-13</u>.</p> <p><i>This rider has been updated to reflect the years, the amounts and delete the portion of rider related to the Underground Pipeline Damage Prevention Program, which was added to the base request.</i></p>
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### 3.B. Rider Revisions and Additions Request (continued)

<b>Agency Code:</b> 455	<b>Agency Name:</b> Railroad Commission of Texas	<b>Prepared By:</b> David Pollard	<b>Date:</b> 8/23/10	<b>Request Level:</b> Baseline
Current Rider Number	Page Number in 2010-11 GAA	Proposed Rider Language		
12	VI-50	<p><b>Capital Budget Expenditures: Federal Funds and Other Funds.</b> To comply with the legislative intent to maximize the use of federal funds and to fulfill grant requirements required for the receipt and expenditure of federal funds, the Railroad Commission (RRC) is hereby exempted from the Capital Budget Rider Provisions contained in Article IX of this Act, "Limitations on Expenditures - Capital Budget," when Federal Funds and Appropriated Receipts are received in excess of amounts identified in the agency's Capital Budget Rider. The RRC shall notify the Legislative Budget Board and the Governor upon receipt of such federal funds, of the amount received and items to be purchased.</p>		
13	VI-50	<p><b>Appropriation: Uranium Mining Regulatory Program.</b> Included in amounts appropriated above out of the General Revenue Fund in Strategy <del>C.2.3, Surface Mining Reclamation</del> <u>C.1.2 Surface Mining Monitoring and Inspections</u>, is <del>\$117,155</del> <u>\$120,363</u> in each fiscal year of the <del>2010-11</del> <u>2012-13</u> biennium. These appropriations are contingent upon the Railroad Commission assessing fees sufficient to generate, during the <del>2010-11</del> <u>2012-13</u> biennium, revenue to cover, at a minimum the General Revenue appropriations for the Uranium Mining Regulatory program as well as "Other direct and indirect costs" for the program, appropriated elsewhere in this Act. "Other direct and indirect costs" are estimated to be <del>\$34,733</del> <u>\$41,346</u> in fiscal year <del>2010</del> <u>2012</u> and <del>\$35,831</del> <u>\$42,173</u> in fiscal year <del>2011</del> <u>2013</u>. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct the Comptroller of Public Accounts to reduce the appropriation authority provided above to be within the amount of revenue expected to be available.</p>		

### 3.B. Rider Revisions and Additions Request (continued)

<b>Agency Code:</b>	<b>Agency Name:</b>	<b>Prepared By:</b>	<b>Date:</b>	<b>Request Level:</b>
455	Railroad Commission of Texas	David Pollard	8/23/10	Baseline

Current Rider Number	Page Number in 2010-11 GAA	Proposed Rider Language
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14	VI-51	<p><b>Contingency Appropriation: Pipeline Safety Fees.</b> Contingent upon the passage of legislation increasing the maximum pipeline safety inspection fee established in Utilities Code, Section 121.211, and in addition to the amounts appropriated above, there is hereby appropriated to the Railroad Commission revenues derived from the fee increase and deposited to Revenue Object Code 3553 in the General Revenue Fund in excess of the Comptroller's Biennial Revenue Estimate for 2010-11 and not to exceed \$653,590 in fiscal year 2010 and not to exceed \$533,825 in fiscal year 2011. In addition, Federal Funds appropriated to the agency are hereby increased by \$333,829 in fiscal year 2010 and by \$285,626 in fiscal year 2011. These funds shall be used to operate programs in Strategy B.1.1, Pipeline Safety, and the geographic information systems mapping program in Strategy D.1.1, Geographic Information Systems and Well Mapping. These appropriations are contingent upon the Railroad Commission assessing fees sufficient to generate, during the 2010-11 biennium, revenue to cover, at a minimum the General Revenue appropriations for the Pipeline Safety program and the underground pipeline damage prevention program as well as "Other direct and indirect costs" for the programs, appropriated elsewhere in this Act. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct the Comptroller of Public Accounts to reduce the appropriation authority provided above to be within the amount of revenue expected to be available.</p> <p>In addition, contingent upon the passage of legislation increasing the maximum pipeline safety inspection fee, the Railroad Commission's Number of Full Time Equivalents (FTE) is hereby increased by 13.5 in each fiscal year of the 2010-11 biennium, and the following performance measure targets are increased by the following amounts:</p> <table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">2010</th> <th style="width: 20%; text-align: center;">2011</th> </tr> </thead> <tbody> <tr> <td>Number of Pipeline Safety Inspections Performed</td> <td style="text-align: center;">200</td> <td style="text-align: center;">450</td> </tr> <tr> <td>Number of LPG/LNG/CNG Safety Inspections Performed</td> <td style="text-align: center;">1,250</td> <td style="text-align: center;">2,150</td> </tr> <tr> <td>Number of Third Party Damage Enforcement Cases</td> <td style="text-align: center;">3,800</td> <td style="text-align: center;">6,800</td> </tr> </tbody> </table> <p><i>Contingency rider now consolidated into the base.</i></p>		2010	2011	Number of Pipeline Safety Inspections Performed	200	450	Number of LPG/LNG/CNG Safety Inspections Performed	1,250	2,150	Number of Third Party Damage Enforcement Cases	3,800	6,800
	2010	2011												
Number of Pipeline Safety Inspections Performed	200	450												
Number of LPG/LNG/CNG Safety Inspections Performed	1,250	2,150												
Number of Third Party Damage Enforcement Cases	3,800	6,800												

### 3.B. Rider Revisions and Additions Request (continued)

<b>Agency Code:</b> 455	<b>Agency Name:</b> Railroad Commission of Texas	<b>Prepared By:</b> David Pollard	<b>Date:</b> 8/23/10	<b>Request Level:</b> Baseline
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Current Rider Number	Page Number in 2010-11 GAA	Proposed Rider Language
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701	VI	<p><b><u>Unexpended Balance and Estimated Appropriation Authority: Anthropogenic Carbon Dioxide Storage Trust Fund.</u></b></p> <p><u>Included in amounts appropriated above in Strategy A.1.1 Energy Resource Development is \$89,424 of General Revenue for each year of the biennium for Anthropogenic Carbon Dioxide Storage Program. Fees collected by the Railroad Commission of Texas under Chapter 27, Subchapter C-1, §27.045 of the Water Code, shall be deposited in revenue code 3366 to the credit of the Anthropogenic Carbon Dioxide Storage Trust Fund No. 827 established by §120.003, Natural Resources Code.</u></p> <p><u>In addition to amounts appropriated above, there is hereby appropriated to the Railroad Commission for the biennium beginning on September 1, 2011 any revenues received in the Anthropogenic Carbon Dioxide Storage Trust Fund No. 827 in excess of the Comptroller's Biennial Revenue Estimate for the 2012-13 biennium. In accordance with Chapter 27, Subchapter C-1, §27.045 of the Water Code, this appropriation is to cover the costs of: (1) permitting, monitoring, and inspecting anthropogenic carbon dioxide injection wells for geologic storage and geologic storage facilities; and (2) enforcing and implementing this subchapter and rules adopted by the Railroad Commission of Texas under this subchapter.</u></p> <p><i>New fund established in SB 1387, 81st Legislature, Regular Session, established by §120.003, Natural Resources Code</i></p>
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**4.A. EXCEPTIONAL ITEM REQUEST SCHEDULE**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/23/2010**  
 TIME: **10:50:30AM**

Agency code: **455**

Agency name:

**Railroad Commission**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2012</b>	<b>Excp 2013</b>
	<b>Item Name:</b> Restore 5% Reduction for Data Center Services (DCS)		
	<b>Item Priority:</b> 11		
	<b>Includes Funding for the Following Strategy or Strategies:</b>		
	01-01-01 Promote Energy Resource Development Opportunities		
	01-02-01 Ensure Fair Rates and Compliance to Rate Structures		
	01-03-01 Promote Alternative Energy Resources		
	01-03-03 Regulate Alternative Energy Resources		
	02-01-01 Ensure Pipeline Safety		
	02-01-02 Pipeline Damage Prevention		
	03-01-01 Oil and Gas Monitoring and Inspections		
	03-01-02 Surface Mining Monitoring and Inspections		
	03-02-01 Oil and Gas Remediation		
	03-02-02 Oil and Gas Well Plugging		
	03-02-03 Surface Mining Reclamation		
	04-01-01 Geographic Information Systems and Well Mapping		
	04-01-02 Public Information and Services		

**OBJECTS OF EXPENSE:**

2001	PROFESSIONAL FEES AND SERVICES	178,732	77,540
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$178,732</b>	<b>\$77,540</b>

**METHOD OF FINANCING:**

1	General Revenue Fund	146,616	63,606
101	Alter Fuels Research Acct	2,347	1,019
145	Oil-field Cleanup Acct	29,769	12,915
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$178,732</b>	<b>\$77,540</b>

**DESCRIPTION / JUSTIFICATION:**

The purpose of this item is to restore the 5% reduction associated with DCS to ensure that the RRC has sufficient funding for projected DCS expenditures. By restoring the 5% reduction for DCS, total RRC appropriations for DCS will match the Department of Information Resources' forecast.

**EXTERNAL/INTERNAL FACTORS:**

**4.A. EXCEPTIONAL ITEM REQUEST SCHEDULE**  
82nd Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/23/2010**  
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Agency code: **455**

Agency name:

**Railroad Commission**

**CODE DESCRIPTION**

**Excp 2012**

**Excp 2013**

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The DIR forecast for DCS incorporates all changes to the data center infrastructure that have been implemented since services began, and comprise an array of considerations, such as one time charges and inflation adjustments. Through this estimating package, DIR is seeking to facilitate consistent forecasting and estimating across the enterprise. Increases or decreases in CPU or Server utilization and print by agencies supported by the Data Center Services contract may have an impact on the RRC's unit cost. Additionally, shifts in the enterprise agency structure may impact the shared costs that are reallocated to the remaining agencies.

4.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

82nd Regular Session, Agency Submission, Version 1  
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DATE: 8/23/2010  
 TIME: 10:50:56AM

Agency code: 455 Agency name Railroad Commission

Code	Description	Excp 2012	Excp 2013
<b>Item Name:</b> Restore 5% Reduction for Data Center Services (DCS)			
<b>Allocation to Strategy:</b> 1-1-1 Promote Energy Resource Development Opportunities			
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	28,545	12,384
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$28,545</b>	<b>\$12,384</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	22,360	9,700
145	Oil-field Cleanup Acct	6,185	2,684
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$28,545</b>	<b>\$12,384</b>

4.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2010  
 TIME: 10:50:56AM

Agency code: 455 Agency name Railroad Commission

Code	Description	Excp 2012	Excp 2013
<b>Item Name:</b> Restore 5% Reduction for Data Center Services (DCS)			
<b>Allocation to Strategy:</b> 1-2-1 Ensure Fair Rates and Compliance to Rate Structures			
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	6,168	2,676
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$6,168</b>	<b>\$2,676</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	6,168	2,676
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$6,168</b>	<b>\$2,676</b>

4.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2010  
 TIME: 10:50:56AM

Agency code: 455 Agency name Railroad Commission

Code	Description	Excp 2012	Excp 2013
<b>Item Name:</b> Restore 5% Reduction for Data Center Services (DCS)			
<b>Allocation to Strategy:</b> 1-3-1 Promote Alternative Energy Resources			
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	8,796	3,817
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$8,796</b>	<b>\$3,817</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	6,449	2,798
101	Alter Fuels Research Acct	2,347	1,019
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$8,796</b>	<b>\$3,817</b>

4.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2010  
 TIME: 10:50:56AM

Agency code: 455 Agency name Railroad Commission

Code	Description	Excp 2012	Excp 2013
<b>Item Name:</b> Restore 5% Reduction for Data Center Services (DCS)			
<b>Allocation to Strategy:</b> 1-3-3 Regulate Alternative Energy Resources			
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	4,774	2,071
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$4,774</b>	<b>\$2,071</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	4,774	2,071
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$4,774</b>	<b>\$2,071</b>

4.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

82nd Regular Session, Agency Submission, Version 1  
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DATE: 8/23/2010  
 TIME: 10:50:56AM

Agency code: 455 Agency name Railroad Commission

Code	Description	Excp 2012	Excp 2013
<b>Item Name:</b> Restore 5% Reduction for Data Center Services (DCS)			
<b>Allocation to Strategy:</b> 2-1-1 Ensure Pipeline Safety			
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	12,562	5,450
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$12,562</b>	<b>\$5,450</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	12,562	5,450
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$12,562</b>	<b>\$5,450</b>

4.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

82nd Regular Session, Agency Submission, Version 1  
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DATE: 8/23/2010  
 TIME: 10:50:56AM

Agency code: 455 Agency name Railroad Commission

Code	Description	Excp 2012	Excp 2013
<b>Item Name:</b> Restore 5% Reduction for Data Center Services (DCS)			
<b>Allocation to Strategy:</b> 2-1-2 Pipeline Damage Prevention			
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	3,015	1,308
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$3,015</b>	<b>\$1,308</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	3,015	1,308
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$3,015</b>	<b>\$1,308</b>



4.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2010  
 TIME: 10:50:56AM

Agency code: 455 Agency name Railroad Commission

Code	Description	Excp 2012	Excp 2013
<b>Item Name:</b> Restore 5% Reduction for Data Center Services (DCS)			
<b>Allocation to Strategy:</b> 3-1-1 Oil and Gas Monitoring and Inspections			
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	49,122	21,310
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$49,122</b>	<b>\$21,310</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	46,562	20,200
145	Oil-field Cleanup Acct	2,560	1,110
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$49,122</b>	<b>\$21,310</b>

4.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2010  
 TIME: 10:50:56AM

Agency code: 455 Agency name Railroad Commission

Code	Description	Excp 2012	Excp 2013
<b>Item Name:</b> Restore 5% Reduction for Data Center Services (DCS)			
<b>Allocation to Strategy:</b> 3-1-2 Surface Mining Monitoring and Inspections			
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	9,987	4,332
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$9,987</b>	<b>\$4,332</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	9,987	4,332
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$9,987</b>	<b>\$4,332</b>

4.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2010  
 TIME: 10:50:56AM

Agency code: 455 Agency name Railroad Commission

Code	Description	Excp 2012	Excp 2013
<b>Item Name:</b> Restore 5% Reduction for Data Center Services (DCS)			
<b>Allocation to Strategy:</b> 3-2-1 Oil and Gas Remediation			
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	14,630	6,347
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$14,630</b>	<b>\$6,347</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	7,789	3,379
145	Oil-field Cleanup Acct	6,841	2,968
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$14,630</b>	<b>\$6,347</b>

4.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

82nd Regular Session, Agency Submission, Version 1  
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DATE: 8/23/2010  
 TIME: 10:50:56AM

Agency code: 455 Agency name Railroad Commission

Code	Description	Excp 2012	Excp 2013
<b>Item Name:</b> Restore 5% Reduction for Data Center Services (DCS)			
<b>Allocation to Strategy:</b> 3-2-2 Oil and Gas Well Plugging			
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	30,330	13,158
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$30,330</b>	<b>\$13,158</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	16,147	7,005
145	Oil-field Cleanup Acct	14,183	6,153
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$30,330</b>	<b>\$13,158</b>

4.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

82nd Regular Session, Agency Submission, Version 1  
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DATE: 8/23/2010  
 TIME: 10:50:56AM

Agency code: 455 Agency name Railroad Commission

Code	Description	Excp 2012	Excp 2013
<b>Item Name:</b> Restore 5% Reduction for Data Center Services (DCS)			
<b>Allocation to Strategy:</b> 3-2-3 Surface Mining Reclamation			
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	1,507	654
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,507</b>	<b>\$654</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	1,507	654
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$1,507</b>	<b>\$654</b>

4.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2010  
 TIME: 10:50:56AM

Agency code: 455 Agency name: Railroad Commission

Code	Description	Excp 2012	Excp 2013
<b>Item Name:</b> Restore 5% Reduction for Data Center Services (DCS)			
<b>Allocation to Strategy:</b> 4-1-1 Geographic Information Systems and Well Mapping			
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	3,015	1,308
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$3,015</b>	<b>\$1,308</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	3,015	1,308
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$3,015</b>	<b>\$1,308</b>

4.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2010  
 TIME: 10:50:56AM

Agency code: 455 Agency name Railroad Commission

Code	Description	Excp 2012	Excp 2013
<b>Item Name:</b> Restore 5% Reduction for Data Center Services (DCS)			
<b>Allocation to Strategy:</b> 4-1-2 Public Information and Services			
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	6,281	2,725
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$6,281</b>	<b>\$2,725</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	6,281	2,725
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$6,281</b>	<b>\$2,725</b>

**4.C. EXCEPTIONAL ITEMS STRATEGY REQUEST**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE:** 8/23/2010  
**TIME:** 10:51:21AM

Agency Code: **455** Agency name: **Railroad Commission**

GOAL: 1 Support Lignite, Oil, and Gas Resource Development Statewide Goal/Benchmark: 4 - 0  
 OBJECTIVE: 1 Increase Opportunities for Lignite, Oil, and Gas Resource Development Service Categories:  
 STRATEGY: 1 Promote Energy Resource Development Opportunities Service: 37 Income: A.2 Age: B.3

<b>CODE DESCRIPTION</b>	<b>Excp 2012</b>	<b>Excp 2013</b>
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**OBJECTS OF EXPENSE:**

2001 PROFESSIONAL FEES AND SERVICES	28,545	12,384
<b>Total, Objects of Expense</b>	<b>\$28,545</b>	<b>\$12,384</b>

**METHOD OF FINANCING:**

1 General Revenue Fund	22,360	9,700
145 Oil-field Cleanup Acct	6,185	2,684
<b>Total, Method of Finance</b>	<b>\$28,545</b>	<b>\$12,384</b>

**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Restore 5% Reduction for Data Center Services (DCS)



**4.C. EXCEPTIONAL ITEMS STRATEGY REQUEST**  
 82nd Regular Session, Agency Submission, Version 1  
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**DATE:** 8/23/2010  
**TIME:** 10:51:21AM

Agency Code: **455** Agency name: **Railroad Commission**

GOAL: 1 Support Lignite, Oil, and Gas Resource Development Statewide Goal/Benchmark: 4 - 0  
 OBJECTIVE: 2 Maintain Competitive Prices and Adequate Supplies for Consumers Service Categories:  
 STRATEGY: 1 Ensure Fair Rates and Compliance to Rate Structures Service: 17 Income: A.2 Age: B.3

<u>CODE DESCRIPTION</u>	<u>Excp 2012</u>	<u>Excp 2013</u>
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**OBJECTS OF EXPENSE:**

2001 PROFESSIONAL FEES AND SERVICES	6,168	2,676
<b>Total, Objects of Expense</b>	<b>\$6,168</b>	<b>\$2,676</b>

**METHOD OF FINANCING:**

1 General Revenue Fund	6,168	2,676
<b>Total, Method of Finance</b>	<b>\$6,168</b>	<b>\$2,676</b>

**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Restore 5% Reduction for Data Center Services (DCS)

**4.C. EXCEPTIONAL ITEMS STRATEGY REQUEST**  
 82nd Regular Session, Agency Submission, Version 1  
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**DATE: 8/23/2010**  
**TIME: 10:51:21AM**

Agency Code: **455** Agency name: **Railroad Commission**

GOAL: 1 Support Lignite, Oil, and Gas Resource Development Statewide Goal/Benchmark: 4 - 0  
 OBJECTIVE: 3 Alternative Energy Service Categories:  
 STRATEGY: 1 Promote Alternative Energy Resources Service: 37 Income: A.2 Age: B.3

<b>CODE DESCRIPTION</b>	<b>Excp 2012</b>	<b>Excp 2013</b>
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**OBJECTS OF EXPENSE:**

2001 PROFESSIONAL FEES AND SERVICES	8,796	3,817
<b>Total, Objects of Expense</b>	<b>\$8,796</b>	<b>\$3,817</b>

**METHOD OF FINANCING:**

1 General Revenue Fund	6,449	2,798
101 Alter Fuels Research Acct	2,347	1,019
<b>Total, Method of Finance</b>	<b>\$8,796</b>	<b>\$3,817</b>

**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Restore 5% Reduction for Data Center Services (DCS)

**4.C. EXCEPTIONAL ITEMS STRATEGY REQUEST**  
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**DATE:** 8/23/2010  
**TIME:** 10:51:21AM

Agency Code: **455** Agency name: **Railroad Commission**

GOAL: 1 Support Lignite, Oil, and Gas Resource Development Statewide Goal/Benchmark: 7 - 0  
 OBJECTIVE: 3 Alternative Energy Service Categories:  
 STRATEGY: 3 Regulate Alternative Energy Resources Service: 17 Income: A.2 Age: B.3

<u>CODE</u>	<u>DESCRIPTION</u>	<u>Excp 2012</u>	<u>Excp 2013</u>
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**OBJECTS OF EXPENSE:**

2001	PROFESSIONAL FEES AND SERVICES	4,774	2,071
<b>Total, Objects of Expense</b>		<b>\$4,774</b>	<b>\$2,071</b>

**METHOD OF FINANCING:**

1	General Revenue Fund	4,774	2,071
<b>Total, Method of Finance</b>		<b>\$4,774</b>	<b>\$2,071</b>

**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Restore 5% Reduction for Data Center Services (DCS)

**4.C. EXCEPTIONAL ITEMS STRATEGY REQUEST**  
 82nd Regular Session, Agency Submission, Version 1  
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**DATE:** 8/23/2010  
**TIME:** 10:51:21AM

Agency Code: **455** Agency name: **Railroad Commission**

GOAL: 2 Advance Pipeline Safety Through Training, Monitoring, and Enforcement Statewide Goal/Benchmark: 7 - 0  
 OBJECTIVE: 1 Improve Pipeline Safety Service Categories:  
 STRATEGY: 1 Ensure Pipeline Safety Service: 17 Income: A.2 Age: B.3

<b>CODE DESCRIPTION</b>	<b>Excp 2012</b>	<b>Excp 2013</b>
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**OBJECTS OF EXPENSE:**

2001 PROFESSIONAL FEES AND SERVICES	12,562	5,450
<b>Total, Objects of Expense</b>	<b>\$12,562</b>	<b>\$5,450</b>

**METHOD OF FINANCING:**

1 General Revenue Fund	12,562	5,450
<b>Total, Method of Finance</b>	<b>\$12,562</b>	<b>\$5,450</b>

**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Restore 5% Reduction for Data Center Services (DCS)

**4.C. EXCEPTIONAL ITEMS STRATEGY REQUEST**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE: 8/23/2010**  
**TIME: 10:51:21AM**

Agency Code: **455** Agency name: **Railroad Commission**

GOAL: 2 Advance Pipeline Safety Through Training, Monitoring, and Enforcement Statewide Goal/Benchmark: 7 - 0  
 OBJECTIVE: 1 Improve Pipeline Safety Service Categories:  
 STRATEGY: 2 Pipeline Damage Prevention Service: 17 Income: A.2 Age: B.3

<u>CODE</u>	<u>DESCRIPTION</u>	<u>Excp 2012</u>	<u>Excp 2013</u>
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**OBJECTS OF EXPENSE:**

2001	PROFESSIONAL FEES AND SERVICES	3,015	1,308
	<b>Total, Objects of Expense</b>	<b>\$3,015</b>	<b>\$1,308</b>

**METHOD OF FINANCING:**

1	General Revenue Fund	3,015	1,308
	<b>Total, Method of Finance</b>	<b>\$3,015</b>	<b>\$1,308</b>

**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Restore 5% Reduction for Data Center Services (DCS)

**4.C. EXCEPTIONAL ITEMS STRATEGY REQUEST**  
 82nd Regular Session, Agency Submission, Version 1  
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**DATE: 8/23/2010**  
**TIME: 10:51:21AM**

Agency Code: **455** Agency name: **Railroad Commission**

GOAL: 3 Minimize Harmful Effects of Fossil Fuel Production Statewide Goal/Benchmark: 6 - 7  
 OBJECTIVE: 1 Reduce Occurrence of Pollution Violations Service Categories:  
 STRATEGY: 1 Oil and Gas Monitoring and Inspections Service: 36 Income: A.2 Age: B.3

<b>CODE DESCRIPTION</b>	<b>Excp 2012</b>	<b>Excp 2013</b>
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**OBJECTS OF EXPENSE:**

2001 PROFESSIONAL FEES AND SERVICES	49,122	21,310
<b>Total, Objects of Expense</b>	<b>\$49,122</b>	<b>\$21,310</b>

**METHOD OF FINANCING:**

1 General Revenue Fund	46,562	20,200
145 Oil-field Cleanup Acct	2,560	1,110
<b>Total, Method of Finance</b>	<b>\$49,122</b>	<b>\$21,310</b>

**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Restore 5% Reduction for Data Center Services (DCS)

**4.C. EXCEPTIONAL ITEMS STRATEGY REQUEST**  
 82nd Regular Session, Agency Submission, Version 1  
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**DATE: 8/23/2010**  
**TIME: 10:51:21AM**

Agency Code: **455** Agency name: **Railroad Commission**

GOAL: 3 Minimize Harmful Effects of Fossil Fuel Production Statewide Goal/Benchmark: 6 - 7  
 OBJECTIVE: 1 Reduce Occurrence of Pollution Violations Service Categories:  
 STRATEGY: 2 Surface Mining Monitoring and Inspections Service: 36 Income: A.2 Age: B.3

<u>CODE</u>	<u>DESCRIPTION</u>	<u>Excp 2012</u>	<u>Excp 2013</u>
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**OBJECTS OF EXPENSE:**

2001	PROFESSIONAL FEES AND SERVICES	9,987	4,332
	<b>Total, Objects of Expense</b>	<b>\$9,987</b>	<b>\$4,332</b>

**METHOD OF FINANCING:**

1	General Revenue Fund	9,987	4,332
	<b>Total, Method of Finance</b>	<b>\$9,987</b>	<b>\$4,332</b>

**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Restore 5% Reduction for Data Center Services (DCS)

**4.C. EXCEPTIONAL ITEMS STRATEGY REQUEST**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE: 8/23/2010**  
**TIME: 10:51:21AM**

Agency Code: **455** Agency name: **Railroad Commission**

GOAL: 3 Minimize Harmful Effects of Fossil Fuel Production  
 OBJECTIVE: 2 Identify and Correct Environmental Threats  
 STRATEGY: 1 Oil and Gas Remediation

Statewide Goal/Benchmark: 6 - 5  
 Service Categories:  
 Service: 36 Income: A.2 Age: B.3

<b>CODE DESCRIPTION</b>	<b>Excp 2012</b>	<b>Excp 2013</b>
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**OBJECTS OF EXPENSE:**

2001 PROFESSIONAL FEES AND SERVICES	14,630	6,347
<b>Total, Objects of Expense</b>	<b>\$14,630</b>	<b>\$6,347</b>

**METHOD OF FINANCING:**

1 General Revenue Fund	7,789	3,379
145 Oil-field Cleanup Acct	6,841	2,968
<b>Total, Method of Finance</b>	<b>\$14,630</b>	<b>\$6,347</b>

**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Restore 5% Reduction for Data Center Services (DCS)



**4.C. EXCEPTIONAL ITEMS STRATEGY REQUEST**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE: 8/23/2010**  
**TIME: 10:51:21AM**

Agency Code: **455** Agency name: **Railroad Commission**

GOAL: 3 Minimize Harmful Effects of Fossil Fuel Production Statewide Goal/Benchmark: 6 - 5  
 OBJECTIVE: 2 Identify and Correct Environmental Threats Service Categories:  
 STRATEGY: 2 Oil and Gas Well Plugging Service: 36 Income: A.2 Age: B.3

<b>CODE DESCRIPTION</b>	<b>Excp 2012</b>	<b>Excp 2013</b>
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**OBJECTS OF EXPENSE:**

2001 PROFESSIONAL FEES AND SERVICES	30,330	13,158
<b>Total, Objects of Expense</b>	<b>\$30,330</b>	<b>\$13,158</b>

**METHOD OF FINANCING:**

1 General Revenue Fund	16,147	7,005
145 Oil-field Cleanup Acct	14,183	6,153
<b>Total, Method of Finance</b>	<b>\$30,330</b>	<b>\$13,158</b>

**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Restore 5% Reduction for Data Center Services (DCS)

**4.C. EXCEPTIONAL ITEMS STRATEGY REQUEST**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE:** 8/23/2010  
**TIME:** 10:51:21AM

Agency Code: **455** Agency name: **Railroad Commission**

GOAL: 3 Minimize Harmful Effects of Fossil Fuel Production  
 OBJECTIVE: 2 Identify and Correct Environmental Threats  
 STRATEGY: 3 Surface Mining Reclamation

Statewide Goal/Benchmark: 6 - 8  
 Service Categories:  
 Service: 36 Income: A.2 Age: B.3

<u>CODE</u>	<u>DESCRIPTION</u>	<u>Excp 2012</u>	<u>Excp 2013</u>
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**OBJECTS OF EXPENSE:**

2001	PROFESSIONAL FEES AND SERVICES	1,507	654
	<b>Total, Objects of Expense</b>	<b>\$1,507</b>	<b>\$654</b>

**METHOD OF FINANCING:**

1	General Revenue Fund	1,507	654
	<b>Total, Method of Finance</b>	<b>\$1,507</b>	<b>\$654</b>

**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Restore 5% Reduction for Data Center Services (DCS)

**4.C. EXCEPTIONAL ITEMS STRATEGY REQUEST**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE: 8/23/2010**  
**TIME: 10:51:21AM**

Agency Code: **455** Agency name: **Railroad Commission**

GOAL: 4 Public Access to Information and Services Statewide Goal/Benchmark: 8 - 0  
 OBJECTIVE: 1 Increase Public Access to Information Service Categories:  
 STRATEGY: 1 Geographic Information Systems and Well Mapping Service: 37 Income: A.2 Age: B.3

<u>CODE</u>	<u>DESCRIPTION</u>	<u>Excp 2012</u>	<u>Excp 2013</u>
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**OBJECTS OF EXPENSE:**

2001	PROFESSIONAL FEES AND SERVICES	3,015	1,308
	<b>Total, Objects of Expense</b>	<b>\$3,015</b>	<b>\$1,308</b>

**METHOD OF FINANCING:**

1	General Revenue Fund	3,015	1,308
	<b>Total, Method of Finance</b>	<b>\$3,015</b>	<b>\$1,308</b>

**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Restore 5% Reduction for Data Center Services (DCS)

**4.C. EXCEPTIONAL ITEMS STRATEGY REQUEST**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE: 8/23/2010**  
**TIME: 10:51:21AM**

Agency Code: **455** Agency name: **Railroad Commission**

GOAL: 4 Public Access to Information and Services

Statewide Goal/Benchmark: 8 - 7

OBJECTIVE: 1 Increase Public Access to Information

Service Categories:

STRATEGY: 2 Public Information and Services

Service: 37 Income: A.2 Age: B.3

**CODE DESCRIPTION**

**Excp 2012**

**Excp 2013**

**OBJECTS OF EXPENSE:**

2001 PROFESSIONAL FEES AND SERVICES

6,281

2,725

**Total, Objects of Expense**

**\$6,281**

**\$2,725**

**METHOD OF FINANCING:**

1 General Revenue Fund

6,281

2,725

**Total, Method of Finance**

**\$6,281**

**\$2,725**

**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Restore 5% Reduction for Data Center Services (DCS)

5.A. CAPITAL BUDGET PROJECT SCHEDULE  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2010  
 TIME: 10:51:56AM

Agency code: 455

Agency name: Railroad Commission

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE		Est 2010	Bud 2011	BL 2012	BL 2013
<b>5005 Acquisition of Information Resource Technologies</b>					
<i>1/1 Infrastructure Upgrade</i>					
<b>OBJECTS OF EXPENSE</b>					
<u>Capital</u>					
General	5000 CAPITAL EXPENDITURES	\$199,755	\$0	\$199,755	\$0
	Capital Subtotal OOE, Project 1	\$199,755	\$0	\$199,755	\$0
	Subtotal OOE, Project 1	<b>\$199,755</b>	<b>\$0</b>	<b>\$199,755</b>	<b>\$0</b>
<b>TYPE OF FINANCING</b>					
<u>Capital</u>					
General	CA 1 General Revenue Fund	\$199,755	\$0	\$199,755	\$0
	Capital Subtotal TOF, Project 1	\$199,755	\$0	\$199,755	\$0
	Subtotal TOF, Project 1	<b>\$199,755</b>	<b>\$0</b>	<b>\$199,755</b>	<b>\$0</b>
<i>2/2 Data Center Consolidation</i>					
<b>OBJECTS OF EXPENSE</b>					
<u>Capital</u>					
General	2001 PROFESSIONAL FEES AND SERVICES	\$2,723,389	\$2,416,690	\$2,522,348	\$2,522,348
	Capital Subtotal OOE, Project 2	\$2,723,389	\$2,416,690	\$2,522,348	\$2,522,348
	Subtotal OOE, Project 2	<b>\$2,723,389</b>	<b>\$2,416,690</b>	<b>\$2,522,348</b>	<b>\$2,522,348</b>
<b>TYPE OF FINANCING</b>					
<u>Capital</u>					
General	CA 1 General Revenue Fund	\$2,221,533	\$1,964,356	\$2,069,108	\$2,069,108
General	CA 101 Alter Fuels Research Acct	\$34,870	\$34,870	\$33,126	\$33,126
General	CA 145 Oil-field Cleanup Acct	\$466,986	\$417,464	\$420,114	\$420,114

5.A. CAPITAL BUDGET PROJECT SCHEDULE  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2010  
 TIME: 10:51:56AM

Agency code: 455

Agency name: Railroad Commission

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE		Est 2010	Bud 2011	BL 2012	BL 2013
Capital Subtotal TOF, Project	2	\$2,723,389	\$2,416,690	\$2,522,348	\$2,522,348
Subtotal TOF, Project	2	<b>\$2,723,389</b>	<b>\$2,416,690</b>	<b>\$2,522,348</b>	<b>\$2,522,348</b>
<i>4/4 District Field Operations Reporting &amp; Management System (DFORMS)</i>					
<b>OBJECTS OF EXPENSE</b>					
<u>Capital</u>					
General 1001 SALARIES AND WAGES		\$240,068	\$240,068	\$0	\$0
Capital Subtotal OOE, Project	4	\$240,068	\$240,068	\$0	\$0
Subtotal OOE, Project	4	<b>\$240,068</b>	<b>\$240,068</b>	<b>\$0</b>	<b>\$0</b>
<b>TYPE OF FINANCING</b>					
<u>Capital</u>					
General CA 1 General Revenue Fund		\$240,068	\$240,068	\$0	\$0
Capital Subtotal TOF, Project	4	\$240,068	\$240,068	\$0	\$0
Subtotal TOF, Project	4	<b>\$240,068</b>	<b>\$240,068</b>	<b>\$0</b>	<b>\$0</b>
<i>5/5 Personal Computer (PC) Refresh</i>					
<b>OBJECTS OF EXPENSE</b>					
<u>Capital</u>					
General 5000 CAPITAL EXPENDITURES		\$210,035	\$147,455	\$147,455	\$147,455
Capital Subtotal OOE, Project	5	\$210,035	\$147,455	\$147,455	\$147,455
Subtotal OOE, Project	5	<b>\$210,035</b>	<b>\$147,455</b>	<b>\$147,455</b>	<b>\$147,455</b>
<b>TYPE OF FINANCING</b>					
<u>Capital</u>					
General CA 1 General Revenue Fund		\$182,110	\$144,240	\$144,240	\$144,240

5.A. CAPITAL BUDGET PROJECT SCHEDULE  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2010  
 TIME: 10:51:56AM

Agency code: 455

Agency name: Railroad Commission

Category Code / Category Name

		<i>Project Sequence/Project Id/ Name</i>		Est 2010	Bud 2011	BL 2012	BL 2013
		OOE / TOF / MOF CODE					
General	CA	101	Alter Fuels Research Acct	\$3,215	\$3,215	\$3,215	\$3,215
General	CA	555	Federal Funds	\$24,710	\$0	\$0	\$0
Capital Subtotal TOF, Project 5				\$210,035	\$147,455	\$147,455	\$147,455
Subtotal TOF, Project 5				<b>\$210,035</b>	<b>\$147,455</b>	<b>\$147,455</b>	<b>\$147,455</b>
<i>6/6 Online Filing of Oil and Gas Annual Well Test (W10/G10)</i>							
<b>OBJECTS OF EXPENSE</b>							
<u>Capital</u>							
General	1001	SALARIES AND WAGES		\$0	\$0	\$239,980	\$239,980
Capital Subtotal OOE, Project 6				\$0	\$0	\$239,980	\$239,980
Subtotal OOE, Project 6				<b>\$0</b>	<b>\$0</b>	<b>\$239,980</b>	<b>\$239,980</b>
<b>TYPE OF FINANCING</b>							
<u>Capital</u>							
General	CA	1	General Revenue Fund	\$0	\$0	\$239,980	\$239,980
Capital Subtotal TOF, Project 6				\$0	\$0	\$239,980	\$239,980
Subtotal TOF, Project 6				<b>\$0</b>	<b>\$0</b>	<b>\$239,980</b>	<b>\$239,980</b>
<i>7/7 Restore 5% Reduction for Data Center Services (DCS)</i>							
<b>OBJECTS OF EXPENSE</b>							
<u>Capital</u>							
General	2001	PROFESSIONAL FEES AND SERVICES		\$0	\$0	\$0	\$0
Capital Subtotal OOE, Project 7				\$0	\$0	\$0	\$0
Subtotal OOE, Project 7				<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

5.A. CAPITAL BUDGET PROJECT SCHEDULE  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2010  
 TIME: 10:51:56AM

Agency code: 455

Agency name: Railroad Commission

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE	Est 2010	Bud 2011	BL 2012	BL 2013
<b>TYPE OF FINANCING</b>				
<u>Capital</u>				
General CA 1 General Revenue Fund	\$0	\$0	\$0	\$0
General CA 101 Alter Fuels Research Acct	\$0	\$0	\$0	\$0
General CA 145 Oil-field Cleanup Acct	\$0	\$0	\$0	\$0
Capital Subtotal TOF, Project 7	\$0	\$0	\$0	\$0
Subtotal TOF, Project 7	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Capital Subtotal, Category 5005	\$3,373,247	\$2,804,213	\$3,109,538	\$2,909,783
Informational Subtotal, Category 5005				
<b>Total, Category 5005</b>	<b>\$3,373,247</b>	<b>\$2,804,213</b>	<b>\$3,109,538</b>	<b>\$2,909,783</b>

**5006 Transportation Items**

3/3 Vehicle Replacements

**OBJECTS OF EXPENSE**

Capital

General 5000 CAPITAL EXPENDITURES	\$666,975	\$582,679	\$472,915	\$628,957
Capital Subtotal OOE, Project 3	\$666,975	\$582,679	\$472,915	\$628,957
Subtotal OOE, Project 3	<b>\$666,975</b>	<b>\$582,679</b>	<b>\$472,915</b>	<b>\$628,957</b>

**TYPE OF FINANCING**

Capital

General CA 1 General Revenue Fund	\$545,066	\$504,631	\$405,367	\$561,409
General CA 101 Alter Fuels Research Acct	\$24,000	\$24,000	\$24,000	\$24,000
General CA 555 Federal Funds	\$54,361	\$10,500	\$0	\$0
General CA 666 Appropriated Receipts	\$43,548	\$43,548	\$43,548	\$43,548



**5.A. CAPITAL BUDGET PROJECT SCHEDULE**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/23/2010**  
 TIME : **10:51:56AM**

Agency code: **455**

Agency name: **Railroad Commission**

**Category Code / Category Name**

		<i>Project Sequence/Project Id/ Name</i>	<b>Est 2010</b>	<b>Bud 2011</b>	<b>BL 2012</b>	<b>BL 2013</b>
		<b>OOE / TOF / MOF CODE</b>				
Capital Subtotal TOF, Project		3	\$666,975	\$582,679	\$472,915	\$628,957
Subtotal TOF, Project		3	<b>\$666,975</b>	<b>\$582,679</b>	<b>\$472,915</b>	<b>\$628,957</b>
Capital Subtotal, Category		5006	\$666,975	\$582,679	\$472,915	\$628,957
Informational Subtotal, Category		5006				
<b>Total, Category</b>		<b>5006</b>	<b>\$666,975</b>	<b>\$582,679</b>	<b>\$472,915</b>	<b>\$628,957</b>
<b>AGENCY TOTAL -CAPITAL</b>			<b>\$4,040,222</b>	<b>\$3,386,892</b>	<b>\$3,582,453</b>	<b>\$3,538,740</b>
<b>AGENCY TOTAL -INFORMATIONAL</b>						
<b>AGENCY TOTAL</b>			<b>\$4,040,222</b>	<b>\$3,386,892</b>	<b>\$3,582,453</b>	<b>\$3,538,740</b>
<b>METHOD OF FINANCING:</b>						
<u>Capital</u>						
General	1	General Revenue Fund	\$3,388,532	\$2,853,295	\$3,058,450	\$3,014,737
General	101	Alter Fuels Research Acct	\$62,085	\$62,085	\$60,341	\$60,341
General	145	Oil-field Cleanup Acct	\$466,986	\$417,464	\$420,114	\$420,114
General	555	Federal Funds	\$79,071	\$10,500	\$0	\$0
General	666	Appropriated Receipts	\$43,548	\$43,548	\$43,548	\$43,548
Total, Method of Financing-Capital			\$4,040,222	\$3,386,892	\$3,582,453	\$3,538,740
<b>Total, Method of Financing</b>			<b>\$4,040,222</b>	<b>\$3,386,892</b>	<b>\$3,582,453</b>	<b>\$3,538,740</b>

5.A. CAPITAL BUDGET PROJECT SCHEDULE  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2010  
 TIME : 10:51:56AM

Agency code: 455

Agency name: Railroad Commission

Category Code / Category Name

*Project Sequence/Project Id/ Name*

OOE / TOF / MOF CODE	Est 2010	Bud 2011	BL 2012	BL 2013
<b>TYPE OF FINANCING:</b>				
<u>Capital</u>				
General CA CURRENT APPROPRIATIONS	\$4,040,222	\$3,386,892	\$3,582,453	\$3,538,740
Total, Type of Financing-Capital	\$4,040,222	\$3,386,892	\$3,582,453	\$3,538,740
<b>Total,Type of Financing</b>	<b>\$4,040,222</b>	<b>\$3,386,892</b>	<b>\$3,582,453</b>	<b>\$3,538,740</b>

**5.B. CAPITAL BUDGET PROJECT INFORMATION**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2010  
 TIME: 10:52:31AM

Agency Code:	<b>455</b>	Agency name:	<b>Railroad Commission</b>
Category Number:	<b>5005</b>	Category Name:	<b>ACQUISITN INFO RES TECH.</b>
Project number:	<b>1</b>	Project Name:	<b>Infrastructure Upgrade</b>

**PROJECT DESCRIPTION**

**General Information**

Maintaining current end user and network computing infrastructure is essential for Commission regulatory operations. It is necessary to replace outdated and failed desktop and network technology to support Commission staff in performing regulatory tasks. This project supports the acquisition of desktop software, hardware and peripherals as well as printing and network infrastructure upgrades.

**Number of Units / Average Unit Cost**

**Estimated Completion Date** August 31, 2013

<b>Additional Capital Expenditure Amounts Required</b>	<b>2014</b>	<b>2015</b>
	0	0

**Type of Financing** CA CURRENT APPROPRIATIONS

**Projected Useful Life**

**Estimated/Actual Project Cost** \$199,755

**Length of Financing/ Lease Period**

<b><u>ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS</u></b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Total over project life</b>
	0	0	0	0	0

**REVENUE GENERATION / COST SAVINGS**

<b><u>REVENUE COST FLAG</u></b>	<b><u>MOF CODE</u></b>	<b><u>AVERAGE AMOUNT</u></b>
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**Explanation:**

**Project Location:** Statewide

**Beneficiaries:** Railroad Commission staff

**Frequency of Use and External Factors Affecting Use:**

Project assets will be used daily.

**5.B. CAPITAL BUDGET PROJECT INFORMATION**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2010  
 TIME: 10:52:31AM

Agency Code:	<b>455</b>	Agency name:	<b>Railroad Commission</b>
Category Number:	<b>5005</b>	Category Name:	<b>ACQUISITN INFO RES TECH.</b>
Project number:	<b>2</b>	Project Name:	<b>Data Center Consolidation</b>

**PROJECT DESCRIPTION**

**General Information**

The Department of Information Resources (DIR) executed a contract with International Business Machines Corporation (IBM) to provide data center services for 27 Texas state agencies. The contract commenced on March 31, 2007, and expires on August 31, 2014, with three optional, one-year extensions.

The Railroad Commission participates in the Data Center Services (DCS) contract with the DIR. In addition to providing data center services, this contract includes the consolidation, transformation, and replacement of the Commission's aging and outdated mainframe and server hardware with updated equipment at the State Data Centers. The Commission's aging mainframe system was transformed to a new mainframe at the Texas Data Center located in Austin in June 2009. Much of the remaining outdated server infrastructure from the Commission's data center will be consolidated and transformed to newer equipment at the State Data Centers at Austin and San Angelo, Texas.

<b>Number of Units / Average Unit Cost</b>	0						
<b>Estimated Completion Date</b>	August 31, 2013						
<b>Additional Capital Expenditure Amounts Required</b>	<table border="0"> <tr> <td></td> <td align="center"><b>2014</b></td> <td align="center"><b>2015</b></td> </tr> <tr> <td></td> <td align="center">0</td> <td align="center">0</td> </tr> </table>		<b>2014</b>	<b>2015</b>		0	0
	<b>2014</b>	<b>2015</b>					
	0	0					
<b>Type of Financing</b>	CA CURRENT APPROPRIATIONS						
<b>Projected Useful Life</b>	2 years						
<b>Estimated/Actual Project Cost</b>	\$5,044,696						
<b>Length of Financing/ Lease Period</b>							

**ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS**

2012	2013	2014	2015	Total over project life
0	0	0	0	0

**REVENUE GENERATION / COST SAVINGS**

<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>

**Explanation:**

**Project Location:** Statewide

**Beneficiaries:** Railroad Commission staff, industry, other governmental agencies, and the citizens of Texas

**Frequency of Use and External Factors Affecting Use:**

Project assets will be used daily.

**5.B. CAPITAL BUDGET PROJECT INFORMATION**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2010  
 TIME: 10:52:31AM

Agency Code:	<b>455</b>	Agency name:	<b>Railroad Commission</b>
Category Number:	<b>5006</b>	Category Name:	<b>TRANSPORTATION ITEMS</b>
Project number:	<b>3</b>	Project Name:	<b>Vehicle Replacements</b>

**PROJECT DESCRIPTION**

**General Information**

A significant part of the work of the Commission involves travel for emergency response, monitoring and inspection of regulated facilities and industry training. This includes oil and gas facilities, pipelines, LP-Gas systems, and surface mining locations. In addition, staffs responsible for advancing propane usage are required to travel extensively throughout the state. This travel requirement necessitates an extensive fleet of vehicles for the field employees.

This fleet must be maintained and replaced under a regular schedule to be responsive to emergency situations, minimize employees downtime, and reduce maintenance costs. Over the past three biennia the Commission has extended the vehicle replacement cycle due to budget constraints and has built a backlog of replacement needs. Sufficient budgeting to keep a regular replacement cycle of vehicles will, in the long run, minimize the cost of maintaining the required vehicle fleet.

The Commission has adopted a replacement schedule, consistent with the schedule adopted by the State Office of Fleet Management (OVFM). However, due to reduced funding, it is anticipated that by the end of fiscal year 2011, the Commission will have approximately 145 vehicles or 63% of its fleet over 100,000 miles. Therefore the Commission will lease vehicles in order to put more vehicles in its fleet in fiscal year 2012 while reducing the number of vehicles over 100,000 miles and reducing maintenance costs. The Commission's preferred choice is to lease vehicles.

**Number of Units / Average Unit Cost**

<b>Estimated Completion Date</b>	FY 2017		
<b>Additional Capital Expenditure Amounts Required</b>		<b>2014</b>	<b>2015</b>
		0	0
<b>Type of Financing</b>	LP LEASE PURCHASE (NON-MLPP)		
<b>Projected Useful Life</b>	Six (6) years		
<b>Estimated/Actual Project Cost</b>	\$3,510,000		
<b>Length of Financing/ Lease Period</b>	Six (6) years		

**ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS**

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Total over project life</b>
	0	0	0	0	0

**REVENUE GENERATION / COST SAVINGS**

<b><u>REVENUE COST FLAG</u></b>	<b><u>MOF CODE</u></b>	<b><u>AVERAGE AMOUNT</u></b>
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**Explanation:**

**Project Location:** Statewide  
**Beneficiaries:** Railroad Commission Staff

**5.B. CAPITAL BUDGET PROJECT INFORMATION**  
82nd Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/23/2010**  
TIME: **10:52:31AM**

**Frequency of Use and External Factors Affecting Use:**

Project assets will be used daily.

**5.B. CAPITAL BUDGET PROJECT INFORMATION**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2010  
 TIME: 10:52:31AM

Agency Code:	<b>455</b>	Agency name:	<b>Railroad Commission</b>
Category Number:	<b>5005</b>	Category Name:	<b>ACQUISITN INFO RES TECH.</b>
Project number:	<b>4</b>	Project Name:	<b>District Field Ops Reporting System</b>

**PROJECT DESCRIPTION**

**General Information**

The District Field Operations Reporting and Management System (DFORMS) application was deployed in 1998 and is used on a daily basis by Oil and Gas Division staff in Austin as well as in the District offices. While the current DFORMS application meets the basic needs of the Division, there are opportunities for improvement. Over the years, a number of ideas for enhancing the DFORMS application have been discussed. The deployment and use of Toughbooks by field inspectors presents the opportunity for field inspectors to enter data on site as they conduct inspections. The purpose of this project is to improve the current DFORMS application. There will be a special focus on developing a user interface for field inspectors to enter inspection information in a disconnected mode and upload the data when connected.

**Number of Units / Average Unit Cost**

0

**Estimated Completion Date**

August 31, 2011

**Additional Capital Expenditure Amounts Required**

**2014**

**2015**

0

0

**Type of Financing**

CA CURRENT APPROPRIATIONS

**Projected Useful Life**

**Estimated/Actual Project Cost**

\$480,136

**Length of Financing/ Lease Period**

**ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS**

**2012**

**2013**

**2014**

**2015**

**Total over  
project life**

0

0

0

0

0

**REVENUE GENERATION / COST SAVINGS**

**REVENUE COST FLAG**

**MOF CODE**

**AVERAGE AMOUNT**

<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>

**Explanation:**

**Project Location:** Statewide

**Beneficiaries:** Railroad Commission staff

**Frequency of Use and External Factors Affecting Use:**

Project assets will be used daily.

**5.B. CAPITAL BUDGET PROJECT INFORMATION**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2010  
 TIME: 10:52:31AM

Agency Code:	<b>455</b>	Agency name:	<b>Railroad Commission</b>
Category Number:	<b>5005</b>	Category Name:	<b>ACQUISITN INFO RES TECH.</b>
Project number:	<b>5</b>	Project Name:	<b>PC Refresh</b>

**PROJECT DESCRIPTION**

**General Information**

Maintaining current technology infrastructure for the end user computing (EUC) environment is essential for Commission regulatory operations. The Commission was appropriated funds to replace aging equipment with new leased workstations and laptops for staff. The equipment replacement began in FY 2010. Based on a four-year refresh schedule, the Commission's personal computers, including workstations and laptops, will be due for replacement during the FY 2014-2015 biennium. Establishing an EUC refresh program enables information technology staff to focus more on business needs rather than equipment maintenance and repair. It also makes computer equipment costs more predictable, evens out information technology expenditures and reduces budget spikes.

<b>Number of Units / Average Unit Cost</b>	0		
<b>Estimated Completion Date</b>	FY 2013		
<b>Additional Capital Expenditure Amounts Required</b>		<b>2014</b>	<b>2015</b>
		0	0
<b>Type of Financing</b>	CA	CURRENT APPROPRIATIONS	
<b>Projected Useful Life</b>	Four-year lease spanning FY 2010 – FY 2013.		
<b>Estimated/Actual Project Cost</b>	\$589,820		
<b>Length of Financing/ Lease Period</b>	Four-year lease spanning FY 2010 – FY 2013.		

**ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS**

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Total over project life</b>
	0	0	0	0	0

**REVENUE GENERATION / COST SAVINGS**

<b><u>REVENUE COST FLAG</u></b>	<b><u>MOF CODE</u></b>	<b><u>AVERAGE AMOUNT</u></b>
---------------------------------	------------------------	------------------------------

**Explanation:**

**Project Location:** Statewide

**Beneficiaries:** Railroad Commission staff

**Frequency of Use and External Factors Affecting Use:**

Project assets will be used daily.



**5.B. CAPITAL BUDGET PROJECT INFORMATION**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2010  
 TIME: 10:52:31AM

Agency Code:	<b>455</b>	Agency name:	<b>Railroad Commission</b>
Category Number:	<b>5005</b>	Category Name:	<b>ACQUISITN INFO RES TECH.</b>
Project number:	<b>6</b>	Project Name:	<b>Online Filing of O&amp;G Well Test</b>

**PROJECT DESCRIPTION**

**General Information**

The purpose of this project is to develop an online filing and reporting system that allows oil and gas operators to file well tests and surveys, W10 and G10, forms electronically. This project provides many benefits for both the operators and the Commission. Along with reducing paper processing, online filing will become faster and more accurate. Capturing and storing this data online facilitates data sharing with existing and planned online systems. This project will build upon the technical foundation established by earlier online filing initiatives and is consistent with the Commission's goal to 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.

<b>Number of Units / Average Unit Cost</b>	0		
<b>Estimated Completion Date</b>	August 31, 2013		
<b>Additional Capital Expenditure Amounts Required</b>		<b>2014</b>	<b>2015</b>
		0	0
<b>Type of Financing</b>	CA	CURRENT APPROPRIATIONS	
<b>Projected Useful Life</b>			
<b>Estimated/Actual Project Cost</b>	\$479,960		
<b>Length of Financing/ Lease Period</b>			

**ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS**

	2012	2013	2014	2015	Total over project life
	0	0	0	0	0

**REVENUE GENERATION / COST SAVINGS**

<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>

**Explanation:**

**Project Location:** Statewide

**Beneficiaries:** Railroad Commission staff, operators and the general public

**Frequency of Use and External Factors Affecting Use:**

Project assets will be used daily.

**5.B. CAPITAL BUDGET PROJECT INFORMATION**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2010  
 TIME: 10:52:31AM

Agency Code:	<b>455</b>	Agency name:	<b>Railroad Commission</b>
Category Number:	<b>5005</b>	Category Name:	<b>ACQUISITN INFO RES TECH.</b>
Project number:	<b>7</b>	Project Name:	<b>Restore 5% Reduction for DCS</b>

**PROJECT DESCRIPTION**

**General Information**

The purpose of this project is to ensure adequate funding to support the Commission's projected use of the Data Center Services contract in fiscal years 2012 and 2013. The requested amount represents the difference between the Department of Information Resources (DIR) projection for the FY2012 – FY2013 biennium and 95% of the FY2010 – FY2011 appropriation for the Railroad Commission (RRC) Data Center Consolidation (DCC) project baseline.

Detailed financial estimates were developed by the DIR and provided to each agency to assist in preparing the Data Center Services (DCS) portion of the FY2011 Operating Budget and FY2012 – FY2013 LAR. The RRC worked with the DIR to refine these estimates using the most accurate information available as well as to promote consistency across the enterprise.

**Number of Units / Average Unit Cost**

**Estimated Completion Date** August 31, 2013

<b>Additional Capital Expenditure Amounts Required</b>	<b>2014</b>	<b>2015</b>
	0	0

**Type of Financing** CA CURRENT APPROPRIATIONS

**Projected Useful Life** 2 years

**Estimated/Actual Project Cost** \$256,272

**Length of Financing/ Lease Period**

**ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS**

2012	2013	2014	2015	Total over project life
0	0	0	0	0

**REVENUE GENERATION / COST SAVINGS**

<b><u>REVENUE COST FLAG</u></b>	<b><u>MOF CODE</u></b>	<b><u>AVERAGE AMOUNT</u></b>

**Explanation:**

**Project Location:** Statewide

**Beneficiaries:** Railroad Commission staff, industry, other governmental agencies, and the citizens of Texas

**Frequency of Use and External Factors Affecting Use:**

Project assets will be used daily.

Agency code: 455 Agency name: Railroad Commission

Category Code/Name

Project Sequence/Project Id/Name

Goal/Obj/Str	Strategy Name	Est 2010	Bud 2011	BL 2012	BL 2013	
<b>5005 Acquisition of Information Resource Technologies</b>						
<i>1/1 Infrastructure Upgrade</i>						
<b><u>GENERAL BUDGET</u></b>						
Capital	3-1-1	OIL/GAS MONITOR & INSPECTIONS	63,437	0	\$63,437	\$0
	3-1-2	SURFACE MINING MONITORING/INSPECT	13,606	0	13,606	0
	3-2-1	OIL AND GAS REMEDIATION	10,611	0	10,611	0
	3-2-2	OIL AND GAS WELL PLUGGING	22,000	0	22,000	0
	3-2-3	SURFACE MINING RECLAMATION	2,054	0	2,054	0
	2-1-1	PIPELINE SAFETY	17,115	0	17,115	0
	2-1-2	PIPELINE DAMAGE PREVENTION	4,108	0	4,108	0
	1-1-1	ENERGY RESOURCE DEVELOPMENT	30,465	0	30,465	0
	1-2-1	GAS UTILITY COMPLIANCE	8,403	0	8,403	0
	1-3-1	PROMOTE ALTERNATIVE ENERGY RESOURCE	8,787	0	8,787	0
	1-3-3	REGULATE ALT ENERGY RESOURCES	6,504	0	6,504	0
	4-1-1	GIS AND WELL MAPPING	4,108	0	4,108	0
	4-1-2	PUBLIC INFORMATION AND SERVICES	8,557	0	8,557	0
TOTAL, PROJECT			\$199,755	\$0	\$199,755	\$0

*2/2 Data Center Consolidation*

**GENERAL BUDGET**

Capital	3-1-1	OIL/GAS MONITOR & INSPECTIONS	745,669	659,737	693,232	693,232
	3-1-2	SURFACE MINING MONITORING/INSPECT	151,320	133,803	140,938	140,938
	3-2-1	OIL AND GAS REMEDIATION	225,324	200,282	206,456	206,456

**5.C. CAPITAL BUDGET ALLOCATION TO STRATEGIES (BASELINE)**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/23/2010**  
 TIME: **10:53:01AM**

Agency code: **455** Agency name: **Railroad Commission**

**Category Code/Name**

*Project Sequence/Project Id/Name*

	<b>Goal/Obj/Str</b>	<b>Strategy Name</b>	<b>Est 2010</b>	<b>Bud 2011</b>	<b>BL 2012</b>	<b>BL 2013</b>
Capital	3-2-2	OIL AND GAS WELL PLUGGING	467,148	415,230	\$428,029	\$428,029
	3-2-3	SURFACE MINING RECLAMATION	22,841	20,197	21,274	21,274
	2-1-1	PIPELINE SAFETY	190,340	168,305	177,280	177,280
	2-1-2	PIPELINE DAMAGE PREVENTION	45,682	40,393	42,547	42,547
	1-1-1	ENERGY RESOURCE DEVELOPMENT	435,837	386,325	402,851	402,851
	1-2-1	GAS UTILITY COMPLIANCE	93,457	82,638	87,045	87,045
	1-3-1	PROMOTE ALTERNATIVE ENERGY RESOURCE	132,590	121,278	124,142	124,142
	1-3-3	REGULATE ALT ENERGY RESOURCES	72,329	63,956	67,367	67,367
	4-1-1	GIS AND WELL MAPPING	45,682	40,393	42,547	42,547
	4-1-2	PUBLIC INFORMATION AND SERVICES	95,170	84,153	88,640	88,640
TOTAL, PROJECT			<b>\$2,723,389</b>	<b>\$2,416,690</b>	<b>\$2,522,348</b>	<b>\$2,522,348</b>

**4/4 District Field Ops Reporting System**

**GENERAL BUDGET**

Capital	3-1-1	OIL/GAS MONITOR & INSPECTIONS	240,068	240,068	0	0
TOTAL, PROJECT			<b>\$240,068</b>	<b>\$240,068</b>	<b>\$0</b>	<b>\$0</b>

**5/5 PC Refresh**

**GENERAL BUDGET**

Capital	3-1-1	OIL/GAS MONITOR & INSPECTIONS	45,808	45,808	45,808	45,808
	3-1-2	SURFACE MINING MONITORING/INSPECT	11,505	9,825	9,825	9,825
	3-2-1	OIL AND GAS REMEDIATION	7,662	7,662	7,662	7,662
	3-2-2	OIL AND GAS WELL PLUGGING	15,886	15,886	15,886	15,886
	3-2-3	SURFACE MINING RECLAMATION	1,483	1,483	1,483	1,483

Agency code: 455 Agency name: Railroad Commission

**Category Code/Name**

*Project Sequence/Project Id/Name*

	Goal/Obj/Str	Strategy Name	Est 2010	Bud 2011	BL 2012	BL 2013
Capital	2-1-1	PIPELINE SAFETY	35,658	12,358	\$12,358	\$12,358
	2-1-2	PIPELINE DAMAGE PREVENTION	27,406	2,966	2,966	2,966
	1-1-1	ENERGY RESOURCE DEVELOPMENT	24,008	21,998	21,998	21,998
	1-2-1	GAS UTILITY COMPLIANCE	6,068	6,068	6,068	6,068
	1-3-1	PROMOTE ALTERNATIVE ENERGY RESOURCE	9,560	9,560	9,560	9,560
	1-3-3	REGULATE ALT ENERGY RESOURCES	15,846	4,696	4,696	4,696
	4-1-1	GIS AND WELL MAPPING	2,966	2,966	2,966	2,966
	4-1-2	PUBLIC INFORMATION AND SERVICES	6,179	6,179	6,179	6,179
TOTAL, PROJECT			\$210,035	\$147,455	\$147,455	\$147,455

**6/6 Online Filing of O&G Well Test**

**GENERAL BUDGET**

Capital	1-1-1	ENERGY RESOURCE DEVELOPMENT	0	0	239,980	239,980
TOTAL, PROJECT			\$0	\$0	\$239,980	\$239,980

**7/7 Restore 5% Reduction for DCS**

**GENERAL BUDGET**

Capital	3-1-1	OIL/GAS MONITOR & INSPECTIONS	0	0	0	0
	3-1-2	SURFACE MINING MONITORING/INSPECT	0	0	0	0
	3-2-1	OIL AND GAS REMEDIATION	0	0	0	0
	3-2-2	OIL AND GAS WELL PLUGGING	0	0	0	0
	3-2-3	SURFACE MINING RECLAMATION	0	0	0	0
	2-1-1	PIPELINE SAFETY	0	0	0	0
	2-1-2	PIPELINE DAMAGE PREVENTION	0	0	0	0

Agency code: 455 Agency name: Railroad Commission

Category Code/Name

Project Sequence/Project Id/Name

	Goal/Obj/Str	Strategy Name	Est 2010	Bud 2011	BL 2012	BL 2013
Capital	1-1-1	ENERGY RESOURCE DEVELOPMENT	0	0	\$0	\$0
	1-2-1	GAS UTILITY COMPLIANCE	0	0	0	0
	1-3-1	PROMOTE ALTERNATIVE ENERGY RESOURCE	0	0	0	0
	1-3-3	REGULATE ALT ENERGY RESOURCES	0	0	0	0
	4-1-1	GIS AND WELL MAPPING	0	0	0	0
	4-1-2	PUBLIC INFORMATION AND SERVICES	0	0	0	0
		TOTAL, PROJECT	\$0	\$0	\$0	\$0

5006 Transportation Items

3/3 Vehicle Replacements

GENERAL BUDGET

Capital	3-1-1	OIL/GAS MONITOR & INSPECTIONS	450,570	353,732	296,638	398,711
	3-1-2	SURFACE MINING MONITORING/INSPECT	0	42,968	24,383	33,769
	2-1-1	PIPELINE SAFETY	125,969	149,904	79,245	109,749
	1-3-1	PROMOTE ALTERNATIVE ENERGY RESOURCE	54,226	36,075	36,075	36,075
	1-3-3	REGULATE ALT ENERGY RESOURCES	36,210	0	36,574	50,653
		TOTAL, PROJECT	\$666,975	\$582,679	\$472,915	\$628,957
		TOTAL CAPITAL, ALL PROJECTS	\$4,040,222	\$3,386,892	\$3,582,453	\$3,538,740
		TOTAL INFORMATIONAL, ALL PROJECTS				
		TOTAL, ALL PROJECTS	\$4,040,222	\$3,386,892	\$3,582,453	\$3,538,740

CAPITAL BUDGET PROJECT SCHEDULE - EXCEPTIONAL  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2010  
 TIME : 10:53:37AM  
 PAGE: 1 of 1

Agency code: 455 Agency name: Railroad Commission

Category Code / Category Name

*Project Number / Name*

OOE / TOF / MOF CODE	Excp 2012	Excp 2013
5005 Acquisition of Information Resource Technologies		
<u>7 Restore 5% Reduction for DCS</u>		
<b>Objects of Expense</b>		
2001 PROFESSIONAL FEES AND SERVICES	178,732	77,540
<b>Subtotal OOE, Project 7</b>	<b>178,732</b>	<b>77,540</b>
<b>Type of Financing</b>		
CA 1 General Revenue Fund	146,616	63,606
CA 101 Alter Fuels Research Acct	2,347	1,019
CA 145 Oil-field Cleanup Acct	29,769	12,915
<b>Subtotal TOF, Project 7</b>	<b>178,732</b>	<b>77,540</b>
<b>Subtotal Category 5005</b>	<b>178,732</b>	<b>77,540</b>
<b>AGENCY TOTAL</b>	<b>178,732</b>	<b>77,540</b>
<b>METHOD OF FINANCING:</b>		
1 General Revenue Fund	146,616	63,606
101 Alter Fuels Research Acct	2,347	1,019
145 Oil-field Cleanup Acct	29,769	12,915
<b>Total, Method of Financing</b>	<b>178,732</b>	<b>77,540</b>
<b>TYPE OF FINANCING:</b>		
CA CURRENT APPROPRIATIONS	178,732	77,540
<b>Total, Type of Financing</b>	<b>178,732</b>	<b>77,540</b>

**CAPITAL BUDGET ALLOCATION TO STRATEGIES BY PROJECT - EXCEPTIONAL**

82nd Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/23/2010**

TIME: **10:54:18AM**

PAGE: **1 of 1**

Agency code: **455**

Agency name: **Railroad Commission**

**Category Code/Name**

**Project Number/Name**

Goal/Obj/Str	Strategy Name	Excp 2012	Excp 2013
5005 Acquisition of Information Resource Technologies			
7	Restore 5% Reduction for DCS		
3 1 1	OIL/GAS MONITOR & INSPECTIONS	49,122	21,310
3 1 2	SURFACE MINING MONITORING/INSPECT	9,987	4,332
3 2 1	OIL AND GAS REMEDIATION	14,630	6,347
3 2 2	OIL AND GAS WELL PLUGGING	30,330	13,158
3 2 3	SURFACE MINING RECLAMATION	1,507	654
2 1 1	PIPELINE SAFETY	12,562	5,450
2 1 2	PIPELINE DAMAGE PREVENTION	3,015	1,308
1 1 1	ENERGY RESOURCE DEVELOPMENT	28,545	12,384
1 2 1	GAS UTILITY COMPLIANCE	6,168	2,676
1 3 1	PROMOTE ALTERNATIVE ENERGY RESOURCE	8,796	3,817
1 3 3	REGULATE ALT ENERGY RESOURCES	4,774	2,071
4 1 1	GIS AND WELL MAPPING	3,015	1,308
4 1 2	PUBLIC INFORMATION AND SERVICES	6,281	2,725
TOTAL, PROJECT		178,732	77,540
<b>TOTAL, ALL PROJECTS</b>		<b>178,732</b>	<b>77,540</b>



**6.A. HISTORICALLY UNDERUTILIZED BUSINESS SUPPORTING SCHEDULE**

82nd Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/23/2010  
Time: 10:55:02AM

Agency Code: 455 Agency: Railroad Commission

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

**A. Fiscal Year 2008 - 2009 HUB Expenditure Information**

Statewide HUB Goals	Procurement Category	<u>HUB Expenditures FY 2008</u>				<u>Total Expenditures</u>		<u>HUB Expenditures FY 2009</u>				<u>Total Expenditures</u>
		% Goal	% Actual	Diff	Actual \$	FY 2008	% Goal	% Actual	Diff	Actual \$	FY 2009	
11.9%	Heavy Construction	0.0 %	0.0%	0.0%	\$0	\$0	0.0 %	0.0%	0.0%	\$0	\$0	
26.1%	Building Construction	0.0 %	0.0%	0.0%	\$0	\$59,644	100.0 %	100.0%	0.0%	\$37,018	\$37,018	
57.2%	Special Trade Construction	1.0 %	1.0%	0.0%	\$1,100	\$112,892	1.3 %	1.3%	0.0%	\$629	\$46,984	
20.0%	Professional Services	32.7 %	32.8%	0.1%	\$441,405	\$1,346,650	33.6 %	33.7%	0.1%	\$470,581	\$1,398,110	
33.0%	Other Services	15.6 %	15.7%	0.1%	\$3,972,213	\$25,313,643	15.7 %	15.8%	0.1%	\$3,762,638	\$23,841,475	
12.6%	Commodities	40.5 %	40.5%	0.0%	\$1,046,115	\$2,580,653	15.2 %	15.2%	0.0%	\$204,267	\$1,343,358	
	<b>Total Expenditures</b>		<b>18.6%</b>		<b>\$5,460,833</b>	<b>\$29,413,482</b>		<b>16.8%</b>		<b>\$4,475,133</b>	<b>\$26,666,945</b>	

**B. Assessment of Fiscal Year 2008 - 2009 Efforts to Meet HUB Procurement Goals**

**Attainment:**

The Commission far exceeds statewide goals where there are qualified HUB vendors. The Commission believes this is due to its commitment to the State's Historically Underutilized Business (HUB) Program. Unfortunately, a significant portion of the Commission's budget is expended on well plugging and site remediation services. These expenditures are considered Other Services in the table above. In general, the number of qualified vendors providing these services is few. Consequently, the number of qualified HUB vendors is even lower.

**Applicability:**

One of the six statewide HUB categories, Heavy Construction was not applicable to the Commission in FY 08-09. Based on the responsibilities of the Commission it is unlikely the Commission will expend funds for this purpose.

**Factors Affecting Attainment:**

As stated above, the number of qualified vendors providing well plugging services is limited. Regardless, the Commission continues to strive towards improving participation in this area. In an effort to increase the number of HUB vendors in the Commission's pool of qualified vendors the Commission promotes the Mentor/Protege program, meets regularly with HUB vendors to discuss the goods and services they provide, and hosts an annual HUB forum.

**"Good-Faith" Efforts:**

The Commission has adopted strict internal procurement guidelines to ensure HUB participation. The Commission requires prime vendors to demonstrate that they have solicited bids from HUB contractors when subcontracting opportunities are likely or state otherwise on the HUB Subcontracting Plan for contracts expected to exceed \$100,000.00.

**6.C. FEDERAL FUNDS SUPPORTING SCHEDULE**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/23/2010**  
 TIME: **10:55:24AM**

Agency code:	455	Agency name	Railroad Commission					
CFDA NUMBER/ STRATEGY				Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
<b>10.912.000</b>		ENVIRONMENTAL QUALITY INC						
1 - 3 - 1		PROMOTE ALTERNATIVE ENERGY RESOU		30,500	10,500	10,500	0	0
<b>TOTAL, ALL STRATEGIES</b>				<b>\$30,500</b>	<b>\$10,500</b>	<b>\$10,500</b>	<b>\$0</b>	<b>\$0</b>
<b>ADDL FED FNDS FOR EMPL BENEFITS</b>				0	0	0	0	0
<b>TOTAL, FEDERAL FUNDS</b>				<b>\$30,500</b>	<b>\$10,500</b>	<b>\$10,500</b>	<b>\$0</b>	<b>\$0</b>
<b>ADDL GR FOR EMPL BENEFITS</b>				<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>15.250.000</b>		Regulation of Surface Coa						
3 - 1 - 2		SURFACE MINING MONITORING/INSPECT		1,019,234	1,303,957	1,249,232	1,249,234	1,249,234
<b>TOTAL, ALL STRATEGIES</b>				<b>\$1,019,234</b>	<b>\$1,303,957</b>	<b>\$1,249,232</b>	<b>\$1,249,234</b>	<b>\$1,249,234</b>
<b>ADDL FED FNDS FOR EMPL BENEFITS</b>				0	0	0	0	0
<b>TOTAL, FEDERAL FUNDS</b>				<b>\$1,019,234</b>	<b>\$1,303,957</b>	<b>\$1,249,232</b>	<b>\$1,249,234</b>	<b>\$1,249,234</b>
<b>ADDL GR FOR EMPL BENEFITS</b>				<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>15.252.000</b>		Abandoned Mine Land Recla						
3 - 2 - 3		SURFACE MINING RECLAMATION		1,428,353	3,058,273	3,092,834	3,092,834	3,092,834
<b>TOTAL, ALL STRATEGIES</b>				<b>\$1,428,353</b>	<b>\$3,058,273</b>	<b>\$3,092,834</b>	<b>\$3,092,834</b>	<b>\$3,092,834</b>
<b>ADDL FED FNDS FOR EMPL BENEFITS</b>				0	0	0	0	0
<b>TOTAL, FEDERAL FUNDS</b>				<b>\$1,428,353</b>	<b>\$3,058,273</b>	<b>\$3,092,834</b>	<b>\$3,092,834</b>	<b>\$3,092,834</b>
<b>ADDL GR FOR EMPL BENEFITS</b>				<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>15.934.000</b>		Abandoned Mine Hzrd Mtgtn-Stimulus						
3 - 2 - 2		OIL AND GAS WELL PLUGGING		0	381,694	0	0	0

**6.C. FEDERAL FUNDS SUPPORTING SCHEDULE**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/23/2010**  
 TIME: **10:55:24AM**

Agency code:	455	Agency name	Railroad Commission						
CFDA NUMBER/ STRATEGY			Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013		
<b>TOTAL, ALL STRATEGIES</b>			<b>\$0</b>	<b>\$381,694</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>ADDL FED FNDS FOR EMPL BENEFITS</b>			0	0	0	0	0	0	
<b>TOTAL, FEDERAL FUNDS</b>			<b>\$0</b>	<b>\$381,694</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>ADDL GR FOR EMPL BENEFITS</b>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>20.700.000</b>		Pipeline Safety							
1 - 3 - 3		REGULATE ALT ENERGY RESOURCES	0	0	0	0	0	0	
2 - 1 - 1		PIPELINE SAFETY	1,355,095	1,956,563	1,942,204	1,942,204	1,931,704		
2 - 1 - 2		PIPELINE DAMAGE PREVENTION	146,216	351,333	300,870	300,871	300,871		
<b>TOTAL, ALL STRATEGIES</b>			<b>\$1,501,311</b>	<b>\$2,307,896</b>	<b>\$2,243,074</b>	<b>\$2,243,075</b>	<b>\$2,232,575</b>		
<b>ADDL FED FNDS FOR EMPL BENEFITS</b>			0	0	0	0	0	0	
<b>TOTAL, FEDERAL FUNDS</b>			<b>\$1,501,311</b>	<b>\$2,307,896</b>	<b>\$2,243,074</b>	<b>\$2,243,075</b>	<b>\$2,232,575</b>		
<b>ADDL GR FOR EMPL BENEFITS</b>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>20.720.000</b>		State Damage Prevention Program							
2 - 1 - 2		PIPELINE DAMAGE PREVENTION	92,408	78,000	95,500	95,500	95,500		
<b>TOTAL, ALL STRATEGIES</b>			<b>\$92,408</b>	<b>\$78,000</b>	<b>\$95,500</b>	<b>\$95,500</b>	<b>\$95,500</b>		
<b>ADDL FED FNDS FOR EMPL BENEFITS</b>			0	0	0	0	0	0	
<b>TOTAL, FEDERAL FUNDS</b>			<b>\$92,408</b>	<b>\$78,000</b>	<b>\$95,500</b>	<b>\$95,500</b>	<b>\$95,500</b>		
<b>ADDL GR FOR EMPL BENEFITS</b>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>66.433.000</b>		State Underground Water S							
1 - 1 - 1		ENERGY RESOURCE DEVELOPMENT	211,299	233,999	235,835	240,000	240,000		
3 - 1 - 1		OIL/GAS MONITOR & INSPECTIONS	146,709	177,221	177,889	180,000	180,000		

**6.C. FEDERAL FUNDS SUPPORTING SCHEDULE**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/23/2010**  
 TIME: **10:55:24AM**

Agency code:	455	Agency name	Railroad Commission				
CFDA NUMBER/ STRATEGY			Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
<b>TOTAL, ALL STRATEGIES</b>			<b>\$358,008</b>	<b>\$411,220</b>	<b>\$413,724</b>	<b>\$420,000</b>	<b>\$420,000</b>
<b>ADDL FED FNDS FOR EMPL BENEFITS</b>			0	0	0	0	0
<b>TOTAL, FEDERAL FUNDS</b>			<b>\$358,008</b>	<b>\$411,220</b>	<b>\$413,724</b>	<b>\$420,000</b>	<b>\$420,000</b>
<b>ADDL GR FOR EMPL BENEFITS</b>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>66.717.000</b>		Source Reduction Assistance					
1 - 3 - 1		PROMOTE ALTERNATIVE ENERGY RESOU	9,237	0	0	0	0
<b>TOTAL, ALL STRATEGIES</b>			<b>\$9,237</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>ADDL FED FNDS FOR EMPL BENEFITS</b>			0	0	0	0	0
<b>TOTAL, FEDERAL FUNDS</b>			<b>\$9,237</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>ADDL GR FOR EMPL BENEFITS</b>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>66.817.000</b>		State and Tribal Response Program					
3 - 2 - 1		OIL AND GAS REMEDIATION	87,945	105,148	105,148	105,000	105,000
<b>TOTAL, ALL STRATEGIES</b>			<b>\$87,945</b>	<b>\$105,148</b>	<b>\$105,148</b>	<b>\$105,000</b>	<b>\$105,000</b>
<b>ADDL FED FNDS FOR EMPL BENEFITS</b>			0	0	0	0	0
<b>TOTAL, FEDERAL FUNDS</b>			<b>\$87,945</b>	<b>\$105,148</b>	<b>\$105,148</b>	<b>\$105,000</b>	<b>\$105,000</b>
<b>ADDL GR FOR EMPL BENEFITS</b>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>81.086.000</b>		Conservation Research and					
1 - 3 - 1		PROMOTE ALTERNATIVE ENERGY RESOU	0	739,287	6,474,605	3,428,322	108,813
<b>TOTAL, ALL STRATEGIES</b>			<b>\$0</b>	<b>\$739,287</b>	<b>\$6,474,605</b>	<b>\$3,428,322</b>	<b>\$108,813</b>
<b>ADDL FED FNDS FOR EMPL BENEFITS</b>			0	0	0	0	0
<b>TOTAL, FEDERAL FUNDS</b>			<b>\$0</b>	<b>\$739,287</b>	<b>\$6,474,605</b>	<b>\$3,428,322</b>	<b>\$108,813</b>
<b>ADDL GR FOR EMPL BENEFITS</b>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>89.003.000</b>		National Historical Publi					

**6.C. FEDERAL FUNDS SUPPORTING SCHEDULE**  
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 Automated Budget and Evaluation System of Texas (ABEST)

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Agency code:	455	Agency name	Railroad Commission					
CFDA NUMBER/ STRATEGY				Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
4 - 1 - 2			PUBLIC INFORMATION AND SERVICES	4,026	143,400	0	0	0
<b>TOTAL, ALL STRATEGIES</b>				<b>\$4,026</b>	<b>\$143,400</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>ADDL FED FNDS FOR EMPL BENEFITS</b>				0	0	0	0	0
<b>TOTAL, FEDERAL FUNDS</b>				<b>\$4,026</b>	<b>\$143,400</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>ADDL GR FOR EMPL BENEFITS</b>				<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**6.C. FEDERAL FUNDS SUPPORTING SCHEDULE**  
 82nd Regular Session, Agency Submission, Version 1  
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DATE: **8/23/2010**  
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Agency code:	455	Agency name	Railroad Commission					
CFDA NUMBER/ STRATEGY				Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
<b><u>SUMMARY LISTING OF FEDERAL PROGRAM AMOUNTS</u></b>								
10.912.000	ENVIRONMENTAL QUALITY INC			30,500	10,500	10,500	0	0
15.250.000	Regulation of Surface Coa			1,019,234	1,303,957	1,249,232	1,249,234	1,249,234
15.252.000	Abandoned Mine Land Recla			1,428,353	3,058,273	3,092,834	3,092,834	3,092,834
15.934.000	Abandoned Mine Hzrd Mtgtn-Stimulus			0	381,694	0	0	0
20.700.000	Pipeline Safety			1,501,311	2,307,896	2,243,074	2,243,075	2,232,575
20.720.000	State Damage Prevention Program			92,408	78,000	95,500	95,500	95,500
66.433.000	State Underground Water S			358,008	411,220	413,724	420,000	420,000
66.717.000	Source Reduction Assistance			9,237	0	0	0	0
66.817.000	State and Tribal Response Program			87,945	105,148	105,148	105,000	105,000
81.086.000	Conservation Research and			0	739,287	6,474,605	3,428,322	108,813
89.003.000	National Historical Publi			4,026	143,400	0	0	0
<b>TOTAL, ALL STRATEGIES</b>				<b>\$4,531,022</b>	<b>\$8,539,375</b>	<b>\$13,684,617</b>	<b>\$10,633,965</b>	<b>\$7,303,956</b>
<b>TOTAL , ADDL FED FUNDS FOR EMPL BENEFITS</b>				<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL, FEDERAL FUNDS</b>				<b>\$4,531,022</b>	<b>\$8,539,375</b>	<b>\$13,684,617</b>	<b>\$10,633,965</b>	<b>\$7,303,956</b>
<b>TOTAL, ADDL GR FOR EMPL BENEFITS</b>				<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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Agency code:	455	Agency name	Railroad Commission					
CFDA NUMBER/ STRATEGY				Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013

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**SUMMARY OF SPECIAL CONCERNS/ISSUES**

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**Assumptions and Methodology:**

CFDA 15.250 and 15.252

The Commission's Surface Mining Division receives 100% federal funding for the reclamation of abandoned mines in the state and 50% federal funding for the environmental regulation of current coal mining activities. The FY 2011 federal budget proposes to eliminate future funding for the abandoned mine lands program, and proposes a 15 percent reduction in federal funding for the coal regulatory program.

CFDA 20.700

The Commission's Pipeline Safety program falls under a federal/state partnership program administered by the U.S. Department of Transportation. The percent of funding is determined through a performance based allocation formula. Grant funds are now authorized to enhance the program with funding up to 80% of the enhanced program's costs, if the state's share remains at the FY 2010 level. Enhanced funding is contingent on available funds to increase the state share equally with the increased federal share.

CFDA 66.433

Federal funding for the Oil and Gas Underground Injection Control (UIC) program was created on the basis of a 75% federal share with a 25% general revenue state share. Due to federal funding limitations the state share represents closer to 65% of the UIC funding.

CFDA 66.817

The Commission's Oil and Gas division receives 100% federal funding to build and maintain an inventory of potential Brownfields sites and conduct a limited number of site assessments. Funding is anticipated to continue.

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**Potential Loss:**

CFDA 20.700

The federal pipeline funding program is based on a 50% matching program, limited by the total amount of federal funds available. The Commission's programs are graded between 96% and 100%, however limited federal funding levels use 80% of the state's request as a base from which to apply grading ratios, resulting in a funding level of less than 50% of the direct cost of the state's program.

CFDA 15.250

The Surface Mining regulatory grant may be reduced due to lack of available state matching funds.

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**6.D. FEDERAL FUNDS TRACKING SCHEDULE**  
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DATE: 8/23/2010  
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Agency code: 455                      Agency name: **Railroad Commission**

<b>Federal FY</b>	<b>Award Amount</b>	<b>Expended SFY 2007</b>	<b>Expended SFY 2008</b>	<b>Expended SFY 2009</b>	<b>Expended SFY 2010</b>	<b>Expended SFY 2011</b>	<b>Budgeted SFY 2012</b>	<b>Estimated SFY 2013</b>	<b>Total</b>	<b>Difference from Award</b>
<b>CFDA 15.934.000</b> Abandoned Mine Hzrd Mtgtn-Stimulus										
<b>2010</b>	\$381,694	\$0	\$0	\$0	\$381,694	\$0	\$0	\$0	\$381,694	\$0
<b>Total</b>	<b>\$381,694</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$381,694</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$381,694</b>	<b>\$0</b>

<b>Empl. Benefit Payment</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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**TRACKING NOTES**

The National Parks Service and the Railroad Commission have established a cooperative program to protect natural resources within the Big Thicket National Preserve. Two properly plugged oil wells originally plugged on land are now located in the Neches River due to natural meandering of the river. The wells now pose a threat to navigation and if struck by a marine vessel could pose a pollution threat to the river. The objective of this project is to reenter the two wells to reset the top plugs at a deeper depth and cut the casings below the mud line to eliminate the threat the two wells currently pose.



**6.D. FEDERAL FUNDS TRACKING SCHEDULE**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2010  
 TIME : 10:58:02AM

Agency code: 455                      Agency name: **Railroad Commission**

Federal FY	Award Amount	Expended SFY 2007	Expended SFY 2008	Expended SFY 2009	Expended SFY 2010	Expended SFY 2011	Budgeted SFY 2012	Estimated SFY 2013	Total	Difference from Award
<b>CFDA 81.086.000 Conservation Research and</b>										
2010	\$12,633,080	\$0	\$0	\$0	\$800,317	\$6,565,081	\$3,502,866	\$173,828	\$11,042,092	\$1,590,988
<b>Total</b>	<b>\$12,633,080</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$800,317</b>	<b>\$6,565,081</b>	<b>\$3,502,866</b>	<b>\$173,828</b>	<b>\$11,042,092</b>	<b>\$1,590,988</b>

<b>Empl. Benefit Payment</b>	\$0	\$0	\$0	\$61,030	\$90,476	\$74,544	\$65,015	\$291,065
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**TRACKING NOTES**

Under a U.S. Department of Energy grant awarded August 24 2009 the Railroad Commission proposes to award grants totaling an estimated \$8801785 to 40 qualified school districts and other partners. The grants will cover the manufacturer quoted total incremental cost of 882 vehicles 245 Blue Bird dedicated propane school buses 24 medium duty trucks and vans and 613 propane fueled light duty vehicles. To enhance the project's sustainability the Commission also proposes to award grants totaling an estimated \$2858048 to install 35 propane refueling stations on properties owned by partner fleets. The stations will allow the fleets to lower their costs by buying fuel in bulk access federal motor fuel excise tax credits refuel at the times most convenient to their schedules and model successful use of propane to nearby peers.

Concurrently the Commission will design and implement a targeted public education and training program for Clean Cities stakeholders other fleet operators and the general public. The public education program will involve all Clean Cities coalitions in Texas. The Commission will select a media subcontractor by competitive bid to work with all project participants including manufacturers for two years to heighten other potential stakeholders' and the general public's awareness of propane's value as an alternative fuel. The Commission will train partner fleets' drivers and technicians to operate refuel maintain troubleshoot and repair propane vehicles safely and train the fleets' local fire officials firefighters and EMS crews to respond safely to propane emergencies.

Duration: 4 years from date of contract execution.

Total Award \$12633080

FY2010 \$ 800317

FY2011 \$ 6565083

FY2012 \$ 3502866

FY2013 \$ 173827

FY2014 \$ 1590987

**6.E. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE**

82nd Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2010

TIME: 10:58:38AM

Agency Code: **455**

Agency name: **Railroad Commission**

<b>FUND/ACCOUNT</b>	<b>Act 2009</b>	<b>Exp 2010</b>	<b>Exp 2011</b>	<b>Bud 2012</b>	<b>Est 2013</b>
<b>1 General Revenue Fund</b>					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3035 Commercial Transportation Fees	1,668,734	1,600,000	1,500,000	1,300,000	1,300,000
3234 Gas Utility Pipeline Tax	15,943,007	15,000,000	15,000,000	15,000,000	15,000,000
3246 Compressed Natural Gas Licenses	12,310	15,000	15,000	15,000	15,000
3314 Oil & Gas Well Violations	1,109,308	1,400,000	1,200,000	1,200,000	1,200,000
3329 Surface Mining Permits	1,277,734	1,500,000	1,500,000	1,520,000	1,520,000
3373 Injection Well Regulation	43,150	40,000	40,000	40,000	40,000
3382 RR Commission - Rule Except Fee	178,563	150,000	150,000	150,000	150,000
3553 Pipeline Safety Inspection Fees	2,489,429	3,408,000	3,442,080	3,476,501	3,511,266
3717 Civil Penalties	12,600	16,000	16,000	16,000	16,000
Subtotal: Actual/Estimated Revenue	22,734,835	23,129,000	22,863,080	22,717,501	22,752,266
<b>Total Available</b>	<b>\$22,734,835</b>	<b>\$23,129,000</b>	<b>\$22,863,080</b>	<b>\$22,717,501</b>	<b>\$22,752,266</b>
<b>Ending Fund/Account Balance</b>	<b>\$22,734,835</b>	<b>\$23,129,000</b>	<b>\$22,863,080</b>	<b>\$22,717,501</b>	<b>\$22,752,266</b>

**REVENUE ASSUMPTIONS:**

Unappropriated General Revenue swept by Comptroller of Public Accounts

**CONTACT PERSON:**

David Pollard

6.E. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE

82nd Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

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Agency Code: 455

Agency name: Railroad Commission

FUND/ACCOUNT	Act 2009	Exp 2010	Exp 2011	Bud 2012	Est 2013
<b>101 Alter Fuels Research Acct</b>					
Beginning Balance (Unencumbered):	\$1,170,050	\$954,224	\$1,224,625	\$1,487,168	\$1,753,640
Estimated Revenue:					
3034 LPG Delivery Fees	1,801,973	2,000,000	2,000,000	2,000,000	2,000,000
3777 Default Fund - Warrant Voided	125	0	0	0	0
3802 Reimbursements-Third Party	0	0	0	0	0
3851 Interest on St Deposits & Treas Inv	156,447	150,000	150,000	150,000	150,000
Subtotal: Actual/Estimated Revenue	1,958,545	2,150,000	2,150,000	2,150,000	2,150,000
<b>Total Available</b>	<b>\$3,128,595</b>	<b>\$3,104,224</b>	<b>\$3,374,625</b>	<b>\$3,637,168</b>	<b>\$3,903,640</b>
<b>DEDUCTIONS:</b>					
Expended/Budgeted	(2,013,571)	(1,709,599)	(1,717,457)	(1,713,528)	(1,713,528)
Transfer - Employee Benefits	(160,800)	(170,000)	(170,000)	(170,000)	(170,000)
<b>Total, Deductions</b>	<b>\$(2,174,371)</b>	<b>\$(1,879,599)</b>	<b>\$(1,887,457)</b>	<b>\$(1,883,528)</b>	<b>\$(1,883,528)</b>
<b>Ending Fund/Account Balance</b>	<b>\$954,224</b>	<b>\$1,224,625</b>	<b>\$1,487,168</b>	<b>\$1,753,640</b>	<b>\$2,020,112</b>

REVENUE ASSUMPTIONS:

CONTACT PERSON:

David Pollard

**6.E. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE**

82nd Regular Session, Agency Submission, Version 1

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<b>FUND/ACCOUNT</b>	<b>Act 2009</b>	<b>Exp 2010</b>	<b>Exp 2011</b>	<b>Bud 2012</b>	<b>Est 2013</b>
<b>145 Oil-field Cleanup Acct</b>					
Beginning Balance (Unencumbered):	\$15,885,403	\$11,176,602	\$7,941,363	\$5,764,182	\$3,462,139
Estimated Revenue:					
3313 Oil & Gas Well Drilling Permit	8,417,884	8,800,000	9,500,000	9,500,000	9,500,000
3314 Oil & Gas Well Violations	4,474,418	2,800,000	2,500,000	2,500,000	2,500,000
3338 Organization Report Fees	3,551,932	3,500,000	3,500,000	3,500,000	3,500,000
3339 Voluntary Cleanup Program Fees	14,847	0	15,000	15,000	15,000
3369 Reimburse for Well Plugging Costs	6,526	75,260	0	0	0
3381 Oil-Field Cleanup Reg Fee - Oil	2,459,703	2,015,000	1,985,000	1,985,000	1,985,000
3382 RR Commission - Rule Except Fee	362,537	300,000	380,000	380,000	380,000
3383 Oil-Field Cleanup Reg Fee-Gas	4,731,331	4,800,000	4,552,000	4,552,000	4,552,000
3384 Oil & Gas Compl Cert Reissue Fee	1,364,027	1,100,000	1,020,000	1,020,000	1,020,000
3393 Abandoned Well Site Eqpt Disposal	1,379,343	1,000,000	1,300,000	1,300,000	1,300,000
3592 Waste Disp Fac, Genrtr, Trnsprtrs	187,700	170,000	170,000	170,000	170,000
3795 Other Misc Government Revenue	3,300	3,406	0	0	0
3802 Reimbursements-Third Party	3,172	3,297	0	0	0
3851 Interest on St Deposits & Treas Inv	693,540	450,000	400,000	300,000	200,000
3971 ICF/MR Collections	0	1,397,050	0	0	0
Subtotal: Actual/Estimated Revenue	27,650,260	26,414,013	25,322,000	25,222,000	25,122,000
<b>Total Available</b>	<b>\$43,535,663</b>	<b>\$37,590,615</b>	<b>\$33,263,363</b>	<b>\$30,986,182</b>	<b>\$28,584,139</b>
<b>DEDUCTIONS:</b>					
Expended/Budgeted	(30,343,538)	(27,833,037)	(25,749,181)	(25,774,043)	(25,774,043)
Transfer - Employee Benefits	(2,015,523)	(1,816,215)	(1,750,000)	(1,750,000)	(1,750,000)
<b>Total, Deductions</b>	<b>\$(32,359,061)</b>	<b>\$(29,649,252)</b>	<b>\$(27,499,181)</b>	<b>\$(27,524,043)</b>	<b>\$(27,524,043)</b>
<b>Ending Fund/Account Balance</b>	<b>\$11,176,602</b>	<b>\$7,941,363</b>	<b>\$5,764,182</b>	<b>\$3,462,139</b>	<b>\$1,060,096</b>

**REVENUE ASSUMPTIONS:**

The Commission anticipates it will receive additional 3971 ICF/MR Collections revenue for the Coastal Impact Assistance Program (CIA) from the General Land Office in 2011, 2012 and 2013.

**6.E. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE**

82nd Regular Session, Agency Submission, Version 1  
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Agency name: **Railroad Commission**

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**FUND/ACCOUNT**

**Act 2009**

**Exp 2010**

**Exp 2011**

**Bud 2012**

**Est 2013**

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**CONTACT PERSON:**

David Pollard

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**6.E. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE**

82nd Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2010

TIME: 10:58:38AM

Agency Code: **455**

Agency name: **Railroad Commission**

<b>FUND/ACCOUNT</b>	<b>Act 2009</b>	<b>Exp 2010</b>	<b>Exp 2011</b>	<b>Bud 2012</b>	<b>Est 2013</b>
<b>666 Appropriated Receipts</b>					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3045 Railroad Commission Svs Fees	2,122	1,959	2,000	2,000	2,000
3245 Compressed Nat Gas Train & Exams	10,309	11,130	11,000	11,000	11,000
3719 Fees/Copies or Filing of Records	586,978	584,489	575,000	575,000	575,000
3722 Conf, Semin, & Train Regis Fees	766,554	826,573	750,000	750,000	750,000
3740 Grants/Donations	655,428	167,680	150,000	150,000	150,000
3752 Sale of Publications/Advertising	50,871	36,933	35,000	35,000	35,000
3802 Reimbursements-Third Party	93,010	118,438	100,000	100,000	100,000
3839 Sale of Motor Vehicle/Boat/Aircraft	70,150	109,732	100,000	100,000	100,000
Subtotal: Actual/Estimated Revenue	2,235,422	1,856,934	1,723,000	1,723,000	1,723,000
<b>Total Available</b>	<b>\$2,235,422</b>	<b>\$1,856,934</b>	<b>\$1,723,000</b>	<b>\$1,723,000</b>	<b>\$1,723,000</b>
<b>Ending Fund/Account Balance</b>	<b>\$2,235,422</b>	<b>\$1,856,934</b>	<b>\$1,723,000</b>	<b>\$1,723,000</b>	<b>\$1,723,000</b>

**REVENUE ASSUMPTIONS:**

The agency assumes all revenue will be expended as intended.

Conference, Seminar & Training Registration Fees (3722) includes Oil & Gas Seminars and LP Gas Training Fees.

**CONTACT PERSON:**

David Pollard

**6.E. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE**

DATE: 8/23/2010

82nd Regular Session, Agency Submission, Version 1

TIME: 10:58:38AM

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 455

Agency name: **Railroad Commission**

<b>FUND/ACCOUNT</b>	<b>Act 2009</b>	<b>Exp 2010</b>	<b>Exp 2011</b>	<b>Bud 2012</b>	<b>Est 2013</b>
<b>827 Anthropogenic CO2 Storage Fund</b>					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3366 Business Fees-Natural Resources	0	0	50,000	90,000	90,000
Subtotal: Actual/Estimated Revenue	0	0	50,000	90,000	90,000
<b>Total Available</b>	<b>\$0</b>	<b>\$0</b>	<b>\$50,000</b>	<b>\$90,000</b>	<b>\$90,000</b>
<b>Ending Fund/Account Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$50,000</b>	<b>\$90,000</b>	<b>\$90,000</b>

**REVENUE ASSUMPTIONS:**

**CONTACT PERSON:**

David Pollard

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6.E. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE

82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2010

TIME: 10:58:38AM

Agency Code: 455

Agency name: Railroad Commission

FUND/ACCOUNT	Act 2009	Exp 2010	Exp 2011	Bud 2012	Est 2013
<b>888 Earned Federal Funds</b>					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3702 Fed Receipts-Earned Federal Funds	923,170	903,112	903,112	903,112	903,112
Subtotal: Actual/Estimated Revenue	923,170	903,112	903,112	903,112	903,112
<b>Total Available</b>	<b>\$923,170</b>	<b>\$903,112</b>	<b>\$903,112</b>	<b>\$903,112</b>	<b>\$903,112</b>
<b>DEDUCTIONS:</b>					
HB1 RS Art IX Sec. 6.26	(903,112)	0	0	0	0
SB 1 RS Art IX Sec. 6.22	0	(903,112)	(903,112)	(903,112)	(903,112)
Undercollected Revenue	0	0	0	0	0
Overcollected Revenue not Approp.	(20,058)	0	0	0	0
<b>Total, Deductions</b>	<b>\$(923,170)</b>	<b>\$(903,112)</b>	<b>\$(903,112)</b>	<b>\$(903,112)</b>	<b>\$(903,112)</b>
<b>Ending Fund/Account Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

REVENUE ASSUMPTIONS:

CONTACT PERSON:

David Pollard



**6.F.a. ADVISORY COMMITTEE SUPPORTING SCHEDULE ~ PART A**

82nd Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/23/2010  
Time: 11:00:44AM

Agency Code: **455**      Agency: **Railroad Commission**

**OIL-FIELD CLEANUP FUND ADVISORY COM**

Statutory Authorization:    Tex Nat Res Code Sec 91.1135  
 Number of Members:        10  
 Committee Status:         Ongoing  
 Date Created:              09/01/2001  
 Date to Be Abolished:     N/A  
 Strategy (Strategies):    1-1-1        ENERGY RESOURCE DEVELOPMENT  
                                       3-1-1        OIL/GAS MONITOR & INSPECTIONS  
                                       3-2-1        OIL AND GAS REMEDIATION  
                                       3-2-2        OIL AND GAS WELL PLUGGING  
                                       4-1-1        GIS AND WELL MAPPING

**Advisory Committee Costs**

**Total, Committee Expenditures**

Method of Financing

**Total, Method of Financing**

<b>Meetings Per Fiscal Year</b>	4	4	4	4	4
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**6.F.a. ADVISORY COMMITTEE SUPPORTING SCHEDULE ~ PART A**

82nd Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/23/2010

Time: 11:00:44AM

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Agency Code: **455**      Agency: **Railroad Commission**

**Description and Justification for Continuation/Consequences of Abolishing**

The Oil-Field Cleanup Advisory Committee (OFCU AC) was established by SB 310 as a ten-member group to review information and activities of the OFCU Fund. The Committee is to monitor the effectiveness of the OFCU Fund which is designed to preserve and protect the state's natural resources by plugging orphaned wells and cleaning up orphaned sites associated with oilfield activities. Additionally, the Committee is to review the Railroad Commission's rules and proposed legislation as well as the adequacy of funding resources to accomplish its objectives.

**6.F.a. ADVISORY COMMITTEE SUPPORTING SCHEDULE ~ PART A**

82nd Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/23/2010

Time: 11:00:44AM

Agency Code: **455**      Agency: **Railroad Commission**

**AFRED ADVISORY COMMITTEE**

Statutory Authorization:    Tex Nat Res Code Sec 113.242§§  
 Number of Members:        17  
 Committee Status:          Ongoing  
 Date Created:                07/18/1994  
 Date to Be Abolished:      10/31/2010  
 Strategy (Strategies):      1-3-1        PROMOTE ALTERNATIVE ENERGY RESOURCE  
    1-3-2        DISTRIBUTE LP-GAS REBATES

**Advisory Committee Costs**

**Total, Committee Expenditures**

Method of Financing

**Total, Method of Financing**

<b>Meetings Per Fiscal Year</b>	3	4	4	4	4
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**6.F.a. ADVISORY COMMITTEE SUPPORTING SCHEDULE ~ PART A**

82nd Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/23/2010  
Time: 11:00:44AM

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Agency Code: **455**      Agency: **Railroad Commission**

**Description and Justification for Continuation/Consequences of Abolishing**

The Propane Alternative Fuels Advisory Committee was authorized by statute in 1991 and created by Railroad Commission rule (16 TAC 15.30) effective July 18, 1994. The members help the Commission carry out its statutory duties of researching, educating the public, and developing marketing programs relating to propane as an environmentally and economically beneficial alternative fuel. The committee's membership is balanced between the regulated industry and its key customers. The members provide the Commission with valuable advice on its consumer rebate program and other propane-related programs. This valuable advice would be lost if the committee were abolished.

**6.I 10 PERCENT BIENNIAL BASE REDUCTION OPTIONS**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/23/2010  
 Time: 11:01:07AM

Agency code: 455 Agency name: **Railroad Commission**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2012	2013	Biennial Total	2012	2013	Biennial Total	
<b>1 Promote Alternative Energy Resources</b>							
<b>Category:</b> Programs - Service Reductions (FTEs-Hiring Freeze)							
<b>Item Comment:</b> AFRED's Marketing and Public Education program employs regional coordinators based in Fort Worth, Houston, Sweetwater and Weslaco. They provide services including media outreach, organizing and staffing trade, environmental and consumer products shows, propane safety seminars and special events, educating propane marketers, educating school districts and public fleets about grants and incentives available for alternative-fueled vehicles and refueling infrastructure. The estimated budget and personnel reductions would reduce marketing and educational services to the propane industry and the public by 5%.							
Strategy: 1-3-1 Promote Alternative Energy Resources							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$21,236	\$21,236	\$42,472	
<b>General Revenue Funds Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$21,236</b>	<b>\$21,236</b>	<b>\$42,472</b>	
<u>Gr Dedicated</u>							
101 Alter Fuels Research Acct	\$0	\$0	\$0	\$39,838	\$39,838	\$79,676	
<b>Gr Dedicated Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$39,838</b>	<b>\$39,838</b>	<b>\$79,676</b>	
<b>Item Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$61,074</b>	<b>\$61,074</b>	<b>\$122,148</b>	
<b>FTE Reductions (From FY 2012 and FY 2013 Base Request)</b>				<b>(1.0)</b>	<b>(1.0)</b>		
<b>2 Distribute LP-Gas Rebates</b>							
<b>Category:</b> Programs - Service Reductions (Other)							
<b>Item Comment:</b> Statutorily, 50% of LPG delivery fee revenue must be used for the consumer rebate programs. Rebate payments to consumers would fund the entire budget reduction amount. A 5% reduction equates to 147 fewer Texas consumers receiving rebates to buy efficient, low emission propane equipment and appliances. The key measure for number of rebate applications handled would decrease to 3,204 from 3,351 annually.							
Strategy: 1-3-2 Distribute LP-Gas Rebates							
<u>Gr Dedicated</u>							
101 Alter Fuels Research Acct	\$0	\$0	\$0	\$42,838	\$42,838	\$85,676	
<b>Gr Dedicated Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$42,838</b>	<b>\$42,838</b>	<b>\$85,676</b>	

**6.I 10 PERCENT BIENNIAL BASE REDUCTION OPTIONS**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/23/2010  
 Time: 11:01:07AM

Agency code: 455 Agency name: **Railroad Commission**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2012	2013	Biennial Total	2012	2013	Biennial Total	
<b>Item Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$42,838</b>	<b>\$42,838</b>	<b>\$85,676</b>	
<b>FTE Reductions (From FY 2012 and FY 2013 Base Request)</b>							
<b>3 Public Information and Services</b>							
<b>Category:</b> Programs - Service Reductions (FTEs-Hiring Freeze)							
<b>Item Comment:</b> This reduction could result in personnel reductions and approximately 127,750 fewer oil and gas record images made available online each year (20% of records received). Fewer research staff could result in longer wait times for walk-in customers needing help as well as increased backlogs for providing requested records to be certified and/or mailed to both RRC and public customers.							
Strategy: 4-1-2 Public Information and Services							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$64,580	\$64,580	\$129,160	
<b>General Revenue Funds Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$64,580</b>	<b>\$64,580</b>	<b>\$129,160</b>	
<u>Gr Dedicated</u>							
145 Oil-field Cleanup Acct	\$0	\$0	\$0	\$8,304	\$8,304	\$16,608	
<b>Gr Dedicated Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,304</b>	<b>\$8,304</b>	<b>\$16,608</b>	
<b>Item Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$72,884</b>	<b>\$72,884</b>	<b>\$145,768</b>	
<b>FTE Reductions (From FY 2012 and FY 2013 Base Request)</b>				<b>(1.3)</b>	<b>(1.3)</b>		
<b>4 Surface Mining Reclamation</b>							
<b>Category:</b> Programs - Service Reductions (FTEs-Hiring Freeze)							
<b>Item Comment:</b> This strategy includes the abandoned mine land reclamation program. This program is funded with 100% federal funds and should experience no impact from the loss of general revenue.							
Strategy: 3-2-3 Surface Mining Reclamation							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$4,964	\$4,964	\$9,928	

**6.I 10 PERCENT BIENNIAL BASE REDUCTION OPTIONS**  
 82nd Regular Session, Agency Submission, Version 1  
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Date: 8/23/2010  
 Time: 11:01:07AM

Agency code: 455 Agency name: **Railroad Commission**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2012	2013	Biennial Total	2012	2013	Biennial Total	
<b>General Revenue Funds Total</b>	\$0	\$0	\$0	\$4,964	\$4,964	\$9,928	
<b>Item Total</b>	\$0	\$0	\$0	\$4,964	\$4,964	\$9,928	
<b>FTE Reductions (From FY 2012 and FY 2013 Base Request)</b>				(0.1)	(0.1)		

**5 GIS and Well Mapping**

**Category:** Programs - Reimbursement and Rate Reductions

**Item Comment:** The GIS & Well Mapping Section staff reductions could have a significant impact on the timeliness and accuracy of information made available to the public through the Internet Public GIS Map Viewer. The turnaround time to fill walk-in customer requests for maps and information could also increase.

The personnel reduction could have the following annual impact:

- Estimated backlog of approximately 2,450 completions and plugging reports to update the GIS well database
- Estimated backlog of approximately 75 T4 pipeline permits to update the GIS pipeline database
- Estimated reduction of customer map sales revenue for approximately 90 map requests (approx. \$1,290.00)
- Estimated reduction in mainframe wellbore and GIS well database maintenance of approximately 200 wellbores
- Estimated reduction in telephone customer assistance of approximately 250 phone calls
- Estimated reduction in walk-in customer assistance of approximately 20 customers
- Estimated reduction in customer email responses by approximately 40 emails
- Estimated reduction in GIS basemap corrections by approximately 35

Strategy: 4-1-1 Geographic Information Systems and Well Mapping

General Revenue Funds

**6.I 10 PERCENT BIENNIAL BASE REDUCTION OPTIONS**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/23/2010  
 Time: 11:01:07AM

Agency code: 455 Agency name: **Railroad Commission**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2012	2013	Biennial Total	2012	2013	Biennial Total	
1 General Revenue Fund	\$0	\$0	\$0	\$46,538	\$46,538	\$93,076	
<b>General Revenue Funds Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$46,538</b>	<b>\$46,538</b>	<b>\$93,076</b>	
<b>Item Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$46,538</b>	<b>\$46,538</b>	<b>\$93,076</b>	
<b>FTE Reductions (From FY 2012 and FY 2013 Base Request)</b>				<b>(1.2)</b>	<b>(1.2)</b>		

**6 Gas Utility Compliance**

**Category:** Programs - Service Reductions (FTEs-Hiring Freeze)

**Item Comment:** The impact on workload performance measures with the reduction item could negatively affect the following operations:

- Delays in processing gas utility docketed protested matters that do not have statutory deadlines. These delays could affect utility operations and increase utility costs, which are passed on to consumers.
- A reduced number of gas utility tariff filings that could be reviewed and accepted. This reduction could equate to over 14,000 filings. This could indirectly increase the cost of service for utilities and the rates they charge to consumers. Response time to answer consumers' written complaints could increase from 3 to 10 days
- There could be a slow-down in responding to public phone calls and the handling of walk-in requests.
- The utility field audit program could reduce the number of out of state audits by a third (5 audits), which could lead to a reduction in the identification of gas utility tax underpayments to the state.
- There could be a reduction of in-state gas utility audits. The proposed 3 to 6 percent reduction (4 to 8 audits annually) could lead to a reduction in the identification of gas utility tax underpayments to the state.

Strategy: 1-2-1 Ensure Fair Rates and Compliance to Rate Structures

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$70,529	\$70,529	\$141,058
<b>General Revenue Funds Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$70,529</b>	<b>\$70,529</b>	<b>\$141,058</b>

Gr Dedicated



**6.I 10 PERCENT BIENNIAL BASE REDUCTION OPTIONS**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/23/2010  
 Time: 11:01:07AM

Agency code: 455 Agency name: **Railroad Commission**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2012	2013	Biennial Total	2012	2013	Biennial Total	
101 Alter Fuels Research Acct	\$0	\$0	\$0	\$3,000	\$3,000	\$6,000	
<b>Gr Dedicated Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,000</b>	<b>\$3,000</b>	<b>\$6,000</b>	
<b>Item Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$73,529</b>	<b>\$73,529</b>	<b>\$147,058</b>	
<b>FTE Reductions (From FY 2012 and FY 2013 Base Request)</b>				<b>(1.9)</b>	<b>(1.9)</b>		

**7 Oil & Gas Remediation**

**Category:** Programs - Service Reductions (Contracted)

**Item Comment:** This reduction item could result in District Office Cleanup Coordinators (DOCCs) and administrative staff reductions. The Commission projects 42 fewer cleanup activities per year as a result of reduced staff and that the candidate list of orphaned pollution sites could grow at a faster rate. The current 2010 candidate list includes 2,054 sites. These sites are a potential pollution threat to the waters of Texas and remain an environmental and safety risk. If the sites are left unaddressed or uncontrolled, they often lead to a more expensive and technically challenging cleanups (e.g. groundwater contaminant plumes grow, tanks holding fluids deteriorate or are vandalized, rain events spread pollution, tanks and pits are used for illegal dumping, etc).

Additional effects include DOCCs being unavailable: to conduct field oversight of Operator Cleanup Program (OCP) and 3rd party cleanups, to investigate complaints, to conduct lease inspections, and to maintain the orphan candidate list.

Key measures affected could be the number of clean up activities, the percentage of candidate sites cleaned up, and the number candidate sites identified.

Strategy: 3-2-1 Oil and Gas Remediation

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$25,646	\$25,646	\$51,292
<b>General Revenue Funds Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$25,646</b>	<b>\$25,646</b>	<b>\$51,292</b>

Gr Dedicated

145 Oil-field Cleanup Acct	\$0	\$0	\$0	\$254,916	\$254,916	\$509,832
<b>Gr Dedicated Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$254,916</b>	<b>\$254,916</b>	<b>\$509,832</b>
<b>Item Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$280,562</b>	<b>\$280,562</b>	<b>\$561,124</b>

**FTE Reductions (From FY 2012 and FY 2013 Base Request)** (1.4) (1.4)

**6.I 10 PERCENT BIENNIAL BASE REDUCTION OPTIONS**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/23/2010  
 Time: 11:01:07AM

Agency code: 455 Agency name: **Railroad Commission**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2012	2013	Biennial Total	2012	2013	Biennial Total	

**8 Oil & Gas Well Plugging**

**Category:** Programs - Service Reductions (Contracted)

**Item Comment:** The state managed plugging program could reduce state managed plugging personnel resulting in 80 fewer wells plugged per fiscal year. This could also result in a reduction in the percentage of orphan wells plugged and could lead to an increase in the number of orphan wells. Orphaned, unplugged wells do not have a responsible operator to plug the wells and thus, pose a potential pollution threat to the state's surface and subsurface waters. Fewer wells plugged could increase the environmental and safety risk posed to surface and subsurface waters and the public. A properly plugged well eliminates the threat of pollution posed by these orphaned wells. Key measures affected could be the number of orphan wells plugged, the number of orphan wells not in compliance with the Commission's plugging rule, and the percentage of orphan wells plugged.

Strategy: 3-2-2 Oil and Gas Well Plugging

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$53,169	\$53,169	\$106,338
<b>General Revenue Funds Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$53,169</b>	<b>\$53,169</b>	<b>\$106,338</b>

Gr Dedicated

145 Oil-field Cleanup Acct	\$0	\$0	\$0	\$958,992	\$958,992	\$1,917,984
<b>Gr Dedicated Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$958,992</b>	<b>\$958,992</b>	<b>\$1,917,984</b>
<b>Item Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,012,161</b>	<b>\$1,012,161</b>	<b>\$2,024,322</b>

**FTE Reductions (From FY 2012 and FY 2013 Base Request)** (0.8) (0.8)

**9 Regulate Alternative Energy Resources**

**Category:** Programs - Service Reductions (FTEs-Hiring Freeze)

**6.I 10 PERCENT BIENNIAL BASE REDUCTION OPTIONS**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/23/2010  
 Time: 11:01:07AM

Agency code: 455 Agency name: **Railroad Commission**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2012	2013	Biennial Total	2012	2013	Biennial Total	
<p><b>Item Comment:</b> LPG/CNG/LNG safety inspections are conducted at schools, nursing homes, daycare centers, public installations, commercial and industrial facilities, and include school buses, mass transit vehicles, cargo tank vehicles and safety complaints at private residences. The reduction could impact public safety. Fewer inspections could be conducted and the subsequent reduction in identified violations increase the risk of a LPG/CNG/LNG accident occurring, resulting in serious injuries and property damage.</p> <p>The following are the reduction item impacts:</p> <ul style="list-style-type: none"> <li>•Reduction in administrative support personnel.</li> <li>•Field inspectors could rotate to the Austin office to perform necessary administrative functions.</li> <li>•Reducing the time inspectors spend in field activities could result in a reduction of total number of inspections from 14,700 per year to 12,250 per year.</li> <li>•Reduction in inspection numbers could result in fewer discoveries of safety violations from projected 10,000 to projected 8,333.</li> <li>•Processing of administrative penalties and mandatory compliance violation notices could be delayed.</li> <li>•Response to consumer safety complaints could be delayed.</li> <li>•There could be delays in response to telephone and Internet inquiries.</li> <li>•Number of LPG/CNG/LNG safety education programs could be reduced.</li> </ul> <p>Strategy: 1-3-3 Regulate Alternative Energy Resources</p>							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$65,194	\$65,194	\$130,388	
<b>General Revenue Funds Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$65,194</b>	<b>\$65,194</b>	<b>\$130,388</b>	
<b>Item Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$65,194</b>	<b>\$65,194</b>	<b>\$130,388</b>	
<b>FTE Reductions (From FY 2012 and FY 2013 Base Request)</b>				<b>(1.2)</b>	<b>(1.2)</b>		

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Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2012	2013	Biennial Total	2012	2013	Biennial Total	
<b>10 Surface Mining Monitoring &amp; Inspections</b>							
<b>Category:</b> Programs - Service Reductions (FTEs-Hiring Freeze)							
<b>Item Comment:</b> Statutorily, fees paid by the regulated industry fund the uranium exploration permitting program, which could be affected by this proposed reduction. There are currently 12 uranium exploration permits that are required to be renewed annually by regulation. This reduction item could eliminate review of any new uranium exploration permits or the required annual renewals. This reduction item could result in an increased likelihood of ground water contamination if uranium exploration drilling continued since the permits specify borehole plugging procedures that must be followed to protect ground water. The agency could lose approximately \$3,506 annually in federal funds with this reduction item.							
Strategy: 3-1-2 Surface Mining Monitoring and Inspections							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$89,977	\$89,977	\$179,954	
<b>General Revenue Funds Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$89,977</b>	<b>\$89,977</b>	<b>\$179,954</b>	
<u>Federal Funds</u>							
555 Federal Funds	\$3,506	\$3,506	\$7,012				
<b>Federal Funds Total</b>	<b>\$3,506</b>	<b>\$3,506</b>	<b>\$7,012</b>				
<b>Item Total</b>	<b>\$3,506</b>	<b>\$3,506</b>	<b>\$7,012</b>	<b>\$89,977</b>	<b>\$89,977</b>	<b>\$179,954</b>	
<b>FTE Reductions (From FY 2012 and FY 2013 Base Request)</b>				<b>(1.5)</b>	<b>(1.5)</b>		

**11 Energy Resource Development**

**Category:** Programs - Service Reductions (FTEs-Hiring Freeze)

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	2012	2013	Biennial Total	2012	2013	Biennial Total	
<p><b>Item Comment:</b> The Waste Hauler Permit section could reduce personnel which would decrease the number of applications that are approved. Application processing could be completed intermittently by other Commission employees. The permit approval reductions could result in an increase in road safety issues associated with un-inspected semi-trucks, trailers and increased threats to the environment from potential leaking trailer tanks.</p> <p>Permits issued for surface storage, disposal, recycling and reclamation of oil and gas waste could decrease by 25%. Industry associated jobs may also be reduced. Site inspections could be delayed or unassigned resulting in lack of oversight, which could lead to an increases in environmental violations.</p> <p>Oil and Gas well completion and production report processing could be delayed by personnel reductions leading to a backlog in administrative compliance audits and approvals. The Efficiency Measure of average number of wells per analyst could increase as analyst positions are eliminated. The current target of 29,134 wells per analyst could increase to 34,201. Audit could decrease in order to meet 100% of target, if oil and gas well completion report filings remain at current levels. Loss of access to accurate data could have a direct negative impact on public safety by preventing timely assessment of data filed but not processed.</p> <p>If this efficiency key measure increases, the industry could reduce the number of permits filed resulting in decreased revenue for the Oil Field Cleanup Fund. The statutory requirement to process permit applications within 30 days could be in jeopardy.</p> <p>Strategy: 1-1-1 Promote Energy Resource Development Opportunities</p>							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$241,133	\$241,133	\$482,266	
<b>General Revenue Funds Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$241,133</b>	<b>\$241,133</b>	<b>\$482,266</b>	
<u>Gr Dedicated</u>							
145 Oil-field Cleanup Acct	\$0	\$0	\$0	\$56,603	\$56,603	\$113,206	
<b>Gr Dedicated Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$56,603</b>	<b>\$56,603</b>	<b>\$113,206</b>	
<b>Item Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$297,736</b>	<b>\$297,736</b>	<b>\$595,472</b>	
<b>FTE Reductions (From FY 2012 and FY 2013 Base Request)</b>				<b>(7.1)</b>	<b>(7.1)</b>		

**12 Pipeline Damage Prevention**

**Category:** Programs - Service Reductions (FTEs-Hiring Freeze)

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	2012	2013	Biennial Total	2012	2013	Biennial Total	
<p><b>Item Comment:</b> This item could reduce the technical review staff of the Third Party Damage section of the Pipeline Safety Division. The agency could lose at a minimum \$18,080 annually in federal funds as a result of this item reduction. The personnel loss could impact the number of enforcement cases that are prepared for review to assess penalties and to move into the final docketing stages. This could reduce by approximately 5,000 cases annually in the key measure 2.1.2.2 - Number of third party damage enforcement cases completed.</p> <p>Strategy: 2-1-2 Pipeline Damage Prevention</p>							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$28,007	\$28,007	\$56,014	
<b>General Revenue Funds Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$28,007</b>	<b>\$28,007</b>	<b>\$56,014</b>	
<u>Federal Funds</u>							
555 Federal Funds	\$18,080	\$18,080	\$36,160				
<b>Federal Funds Total</b>	<b>\$18,080</b>	<b>\$18,080</b>	<b>\$36,160</b>				
<b>Item Total</b>	<b>\$18,080</b>	<b>\$18,080</b>	<b>\$36,160</b>	<b>\$28,007</b>	<b>\$28,007</b>	<b>\$56,014</b>	
<b>FTE Reductions (From FY 2012 and FY 2013 Base Request)</b>				<b>(1.2)</b>	<b>(1.2)</b>		

**13 Pipeline Safety**

**Category:** Programs - Service Reductions (FTEs-Hiring Freeze)

**Item Comment:** The Pipeline Safety program could be affected in two areas with the proposed reduction. This reduction item could reduce administrative support personnel in the pipeline safety office. This position is important in the reception/accident/inspection process. The position has been assigned multiple tasks due to the staff shortage resulting from the 2010-11 5% budget reduction. This position provides critical services for reporting accidents to the Commission staff and coordinating the field personnel assignments. The position processes all inspections performed by the 31 field personnel. The elimination of this position will delay safety evaluations and violation reports being delivered to the affected operators. In summary, this could cause violations to go uncorrected for a longer period of time.

The T-4 permits section could also be impacted by personnel reductions. The personnel loss could reduce the time available to process annual pipeline permit renewals, and prepare files for digital scanning. The estimated loss of federal funds from this budget reduction item is \$27,516 annually.

Strategy: 2-1-1 Ensure Pipeline Safety

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Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2012	2013	Biennial Total	2012	2013	Biennial Total	
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$111,589	\$111,589	\$223,178	
<b>General Revenue Funds Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$111,589</b>	<b>\$111,589</b>	<b>\$223,178</b>	
<u>Federal Funds</u>							
555 Federal Funds	\$27,516	\$27,516	\$55,032				
<b>Federal Funds Total</b>	<b>\$27,516</b>	<b>\$27,516</b>	<b>\$55,032</b>				
<b>Item Total</b>	<b>\$27,516</b>	<b>\$27,516</b>	<b>\$55,032</b>	<b>\$111,589</b>	<b>\$111,589</b>	<b>\$223,178</b>	
<b>FTE Reductions (From FY 2012 and FY 2013 Base Request)</b>				<b>(2.6)</b>	<b>(2.6)</b>		

**14 Oil & Gas Monitoring & Inspections**

**Category:** Programs - Service Reductions (FTEs-Hiring Freeze)

**Item Comment:** This reduction item could result in administrative and technical personnel reductions at the Commission's district office level. These reductions might not affect the key measures regarding the numbers and types of inspections the Commission performs. However, the effect of this reduction could result in district office technical and administrative staff processing and analyzing fewer inspection reports prepared by the Commission's field inspectors. The reduction of administrative staff could result in approximately 32,500 inspections reports that will not be entered into the Commissions automated database for tracking inspections. The reduction of technical staff could result in approximately 11,500 fewer inspections reviewed by the technical staff. In addition the reduction of technical staff will result in a reduction in the number of complaints managed and the number of enforcement referrals prepared. The primary impact could be that the district office administrative and technical staff will not review all inspections reports. Many violations might not be addressed and unaddressed pollution and safety issues could result.

Strategy: 3-1-1 Oil and Gas Monitoring and Inspections

<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$597,379	\$597,379	\$1,194,758	
<b>General Revenue Funds Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$597,379</b>	<b>\$597,379</b>	<b>\$1,194,758</b>	
<u>Gr Dedicated</u>							
145 Oil-field Cleanup Acct	\$0	\$0	\$0	\$60,739	\$60,739	\$121,478	
<b>Gr Dedicated Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$60,739</b>	<b>\$60,739</b>	<b>\$121,478</b>	

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	2012	2013	Biennial Total	2012	2013	Biennial Total	
<b>Item Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$658,118</b>	<b>\$658,118</b>	<b>\$1,316,236</b>	
<b>FTE Reductions (From FY 2012 and FY 2013 Base Request)</b>				<b>(17.0)</b>	<b>(17.0)</b>		
<b>15 Promote Alternative Energy Resources</b>							
<b>Category:</b> Programs - Service Reductions (FTEs-Hiring Freeze)							
<b>Item Comment:</b> AFRED's Marketing and Public Education program employs regional coordinators based in Fort Worth, Houston, Sweetwater and Weslaco. They provide services including media outreach; organizing and staffing trade, environmental and consumer products shows, propane safety seminars, and special events; and educating propane marketers, school districts and public fleets about grants and incentives available for alternative-fueled vehicles and refueling infrastructure. The estimated budget and personnel reductions would reduce marketing and educational services to the propane industry and the public by 5%.							
Strategy: 1-3-1 Promote Alternative Energy Resources							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$20,746	\$20,746	\$41,492	
<b>General Revenue Funds Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$20,746</b>	<b>\$20,746</b>	<b>\$41,492</b>	
<u>Gr Dedicated</u>							
101 Alter Fuels Research Acct	\$0	\$0	\$0	\$39,838	\$39,838	\$79,676	
<b>Gr Dedicated Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$39,838</b>	<b>\$39,838</b>	<b>\$79,676</b>	
<b>Item Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$60,584</b>	<b>\$60,584</b>	<b>\$121,168</b>	
<b>FTE Reductions (From FY 2012 and FY 2013 Base Request)</b>				<b>(1.4)</b>	<b>(1.4)</b>		

**16 Distribute LP-Gas Rebates**

**Category:** Programs - Service Reductions (Other)

**Item Comment:** Statutorily, 50% of LPG delivery fee revenue must be used for the consumer rebate programs. Rebate payments to consumers would fund the entire budget reduction amount. A 5% reduction equates to 147 fewer Texas consumers receiving rebates to buy efficient, low emission propane equipment and appliances. The key measure for number of rebate applications handled would decrease to 3,057 from 3,351 annually (including the previous budget reduction item).

Strategy: 1-3-2 Distribute LP-Gas Rebates

Gr Dedicated



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	2012	2013	Biennial Total	2012	2013	Biennial Total	
101 Alter Fuels Research Acct	\$0	\$0	\$0	\$42,838	\$42,838	\$85,676	
<b>Gr Dedicated Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$42,838</b>	<b>\$42,838</b>	<b>\$85,676</b>	
<b>Item Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$42,838</b>	<b>\$42,838</b>	<b>\$85,676</b>	

**FTE Reductions (From FY 2012 and FY 2013 Base Request)**

**17 Public Information and Services**

**Category:** Programs - Service Reductions (FTEs-Hiring Freeze)

**Item Comment:** This reduction item in the Public Information strategy could result in the personnel reductions and approximately 127,750 fewer oil and gas record images made available online each year.

At this funding level, the Railroad Commission's customer service function could be further diminished. With fewer FTEs in the files area, new records received could take longer to process and might not be available to RRC and public customers in a timely manner. The program to image records and make them available online could be reduced each year by an additional 127,750 images, totaling approximately 20% of the records received. The lack of timely information could potentially have a negative impact on the oil and gas industry since records are to use make exploration and production decisions.

Strategy: 4-1-2 Public Information and Services

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$51,166	\$51,166	\$102,332
<b>General Revenue Funds Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$51,166</b>	<b>\$51,166</b>	<b>\$102,332</b>

Gr Dedicated

145 Oil-field Cleanup Acct	\$0	\$0	\$0	\$8,304	\$8,304	\$16,608
<b>Gr Dedicated Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,304</b>	<b>\$8,304</b>	<b>\$16,608</b>
<b>Item Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$59,470</b>	<b>\$59,470</b>	<b>\$118,940</b>

**FTE Reductions (From FY 2012 and FY 2013 Base Request)**

**(1.4) (1.4)**

**18 Surface Mining Reclamation**

**Category:** Administrative - FTEs / Hiring and Salary Freeze

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	2012	2013	Biennial Total	2012	2013	Biennial Total	
<b>Item Comment:</b> This strategy includes the reclamation of abandoned mined lands. This program is funded with 100% federal funds and should experience no impact from loss of general revenue.							
Strategy: 3-2-3 Surface Mining Reclamation							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$4,849	\$4,849	\$9,698	
<b>General Revenue Funds Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,849</b>	<b>\$4,849</b>	<b>\$9,698</b>	
<b>Item Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,849</b>	<b>\$4,849</b>	<b>\$9,698</b>	
<b>FTE Reductions (From FY 2012 and FY 2013 Base Request)</b>				<b>(0.1)</b>	<b>(0.1)</b>		
<b>19 GIS and Well Mapping</b>							
<b>Category:</b> Programs - Service Reductions (FTEs-Hiring Freeze)							
<b>Item Comment:</b> The GIS & Well Mapping Section staff reductions could have a significant impact on the timeliness and accuracy of information made available to the public through the Internet Public GIS Map Viewer and could also increase the turnaround time to fill customer requests for maps and information.							
Strategy: 4-1-1 Geographic Information Systems and Well Mapping							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$9,698	\$9,698	\$19,396	
<b>General Revenue Funds Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$9,698</b>	<b>\$9,698</b>	<b>\$19,396</b>	
<b>Item Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$9,698</b>	<b>\$9,698</b>	<b>\$19,396</b>	
<b>FTE Reductions (From FY 2012 and FY 2013 Base Request)</b>				<b>(0.2)</b>	<b>(0.2)</b>		

**20 Gas Utility Compliance**

**Category:** Programs - Service Reductions (FTEs-Hiring Freeze)

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	2012	2013	Biennial Total	2012	2013	Biennial Total	
<b>Item Comment:</b> This reduction item could impact on workload performance measures and negatively affect the following operations: The processing of 80 Gas Utility Dockets annually could be reduced by 10% to 15%.							
<ul style="list-style-type: none"> <li>•Review and acceptance of gas utility tariff filings could be further impaired, reducing the performance measure by 20% to 25% or 30,000 plus filings annually (performance measure is the number of gas utilities compliance, tariff, and escalator filings). This could indirectly increase the cost of service for utilities and the rates they charge to consumers.</li> <li>•Gas utility billing complaints handled by the RRC could be reduced by approximately 60%, from an average of 800 per year to 320. Municipal natural gas consumers will no longer have access to the RRC as a complaint facilitator.</li> <li>•An audit staff reduction could result in 18 fewer gas utility audits conducted each fiscal year.</li> <li>•Fewer audits could result in identifying fewer gas utility tax underpayments and residential customer rate overpayment, i.e. less gas utility tax remittances in the GR fund and fewer overcharge refunds to Texas ratepayers.</li> <li>•Budget reductions could increase the average time between audits from 2 to 4 years. The utility tax audits have a high success rate in identifying gas utility tax underpayments, averaging a \$1 million a year. The proposed reduction item could result in a 20% decrease in the amount collected.</li> </ul>							
Strategy: 1-2-1 Ensure Fair Rates and Compliance to Rate Structures							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$104,177	\$104,177	\$208,354	
<b>General Revenue Funds Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$104,177</b>	<b>\$104,177</b>	<b>\$208,354</b>	
<u>Gr Dedicated</u>							
101 Alter Fuels Research Acct	\$0	\$0	\$0	\$3,000	\$3,000	\$6,000	
<b>Gr Dedicated Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,000</b>	<b>\$3,000</b>	<b>\$6,000</b>	
<b>Item Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$107,177</b>	<b>\$107,177</b>	<b>\$214,354</b>	
<b>FTE Reductions (From FY 2012 and FY 2013 Base Request)</b>				<b>(2.4)</b>	<b>(2.4)</b>		

21 Oil & Gas Remediation

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	2012	2013	Biennial Total	2012	2013	Biennial Total	
<b>Category:</b> Programs - Service Reductions (Contracted)							
<b>Item Comment:</b> This reduction item could result in District Office Cleanup Coordinators (DOCCs), administrative, and technical staff reductions. The Commission projects 42 fewer cleanup activities per year as a result of the reduced staff, a faster growth rate of the orphaned pollution site candidate list, and 14 additional sites per year in the Operator Cleanup Program (OCP). The current 2010 candidate list includes 2,054 sites. The OCP consistently manages greater than 500 sites. These sites are a potential pollution threat to the waters of Texas and remain an environmental and safety risk. If the sites are left unaddressed or uncontrolled, they often lead to a more expensive and technically challenging cleanups (e.g. groundwater contaminant plumes grow, tanks holding fluids deteriorate or are vandalized, rain events spread pollution, tanks and pits are used for illegal dumping, etc). The delay in the Commission's practice of issuing regulatory closure to willing responsible operators may result in operators who are less willing to fund their cleanups, possibly increasing pressures on the OFCU Fund.							
Addition impacts include DOCCs being unavailable: to conduct field oversight of OCP and 3rd party cleanups, to investigate complaints, to conduct lease inspections, and to maintain the orphan candidate list. Loss of the Austin administrative staff will affect the ability to process cleanup invoices and pay cleanup contractors within 30 days; maintain state managed program data; and respond to the numerous open records requests. Loss of the Austin technical staff will result in fewer OCP sites evaluated and monitored as well as reducing the support to district personnel on pollution complaints and complex cleanups.							
Strategy: 3-2-1 Oil and Gas Remediation							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$25,054	\$25,054	\$50,108	
<b>General Revenue Funds Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$25,054</b>	<b>\$25,054</b>	<b>\$50,108</b>	
<u>Gr Dedicated</u>							
145 Oil-field Cleanup Acct	\$0	\$0	\$0	\$391,122	\$391,122	\$782,244	
<b>Gr Dedicated Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$391,122</b>	<b>\$391,122</b>	<b>\$782,244</b>	
<b>Item Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$416,176</b>	<b>\$416,176</b>	<b>\$832,352</b>	
<b>FTE Reductions (From FY 2012 and FY 2013 Base Request)</b>				<b>(3.5)</b>	<b>(3.5)</b>		

**22 Oil & Gas Well Plugging**

**Category:** Programs - Service Reductions (Contracted)

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	2012	2013	Biennial Total	2012	2013	Biennial Total	
<b>Item Comment:</b> The state managed plugging program could reduce plugging personnel resulting in 80 fewer wells plugged per fiscal year. This could also result in a reduction in the percentage of orphan wells plugged and could lead to an increase in the number of orphan wells. Orphaned, unplugged wells do not have a responsible operator to plug the wells and thus, pose a pollution threat to the state's surface and subsurface waters. Fewer wells plugged could increase the environmental and safety risk posed to surface and subsurface waters and the public. A properly plugged well eliminates the threat of pollution posed by these orphaned wells.							
Strategy: 3-2-2 Oil and Gas Well Plugging							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$51,942	\$51,942	\$103,884	
<b>General Revenue Funds Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$51,942</b>	<b>\$51,942</b>	<b>\$103,884</b>	
<u>Gr Dedicated</u>							
145 Oil-field Cleanup Acct	\$0	\$0	\$0	\$805,910	\$805,910	\$1,611,820	
<b>Gr Dedicated Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$805,910</b>	<b>\$805,910</b>	<b>\$1,611,820</b>	
<b>Item Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$857,852</b>	<b>\$857,852</b>	<b>\$1,715,704</b>	
<b>FTE Reductions (From FY 2012 and FY 2013 Base Request)</b>				<b>(1.0)</b>	<b>(1.0)</b>		

**23 Regulate Alternative Energy Resources**

Category: Programs - Service Reductions (FTEs-Hiring Freeze)

**6.I 10 PERCENT BIENNIAL BASE REDUCTION OPTIONS**  
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Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2012	2013	Biennial Total	2012	2013	Biennial Total	
<p><b>Item Comment:</b> LPG/CNG/LNG safety inspections are conducted at schools, nursing homes, daycare centers, public installations, commercial and industrial facilities, and include school buses, mass transit vehicles, cargo tank vehicles and safety complaints at private residences. Fewer inspections could be conducted and the subsequent reduction in identified violations increase the risk of a LPG/CNG/LNG accident occurring, resulting in serious injuries and property damage.</p> <p>This reduction item could affect the Alternative Energy Division's LP Gas program:</p> <ul style="list-style-type: none"> <li>•LP Gas program's technical personnel could be eliminated resulting in loss of technical knowledge and the termination of administrative support.</li> <li>•Field inspectors could be rotated into the Austin office with 4 (33%) of the inspectors in Austin and 8 (67%) of the inspectors in the field.</li> <li>•Inspection priorities could be redefined and inspection frequency lengthened.</li> <li>•Reduction of the number of inspectors in the field could result in reduction of total number of inspections to 9,800 from 14,700 annually (including the previous reduction item).</li> <li>•Reduction in inspections could reduce the number of safety violations discovered to 6,667 from 10,000 annually (including the previous reduction item).</li> <li>•Processing of administrative penalties and mandatory compliance violation notices could be delayed.</li> <li>•Response to consumer safety complaints could be delayed.</li> <li>•LPG/CNG/LNG safety education programs could be eliminated.</li> </ul> <p>Strategy: 1-3-3 Regulate Alternative Energy Resources</p>							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$126,176	\$126,176	\$252,352	
<b>General Revenue Funds Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$126,176</b>	<b>\$126,176</b>	<b>\$252,352</b>	
<b>Item Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$126,176</b>	<b>\$126,176</b>	<b>\$252,352</b>	
<b>FTE Reductions (From FY 2012 and FY 2013 Base Request)</b>				<b>(2.3)</b>	<b>(2.3)</b>		

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Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2012	2013	Biennial Total	2012	2013	Biennial Total	
<b>24 Surface Mining Monitoring &amp; Inspections</b>							
<b>Category:</b> Programs - Service Reductions (FTEs-Hiring Freeze)							
<b>Item Comment:</b> The coal mining regulatory program receives matching federal funds. The agency could lose approximately \$63,516 in federal funds annually with this reduction item. This reduction item could result in longer review times for permits and permitting actions and fewer permits and permitting actions completed each year. The reductions could likely be reflected in a 50% increase in review time for coal mine permitting actions that require Commission decision from an average of 60 days to 90 days and a 40% reduction in the annual number of coal mine permitting actions processed from 525 to 315. This reduction item could impact the coal mining industry's ability to comply with regulatory requirements for protection of the environment by ensuring that all activities are permitted in accordance with regulatory requirements. This could result in increased impacts to the environment and citizens of Texas from coal mining operations.							
Strategy: 3-1-2 Surface Mining Monitoring and Inspections							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$97,891	\$97,891	\$195,782	
<b>General Revenue Funds Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$97,891</b>	<b>\$97,891</b>	<b>\$195,782</b>	
<u>Federal Funds</u>							
555 Federal Funds	\$63,516	\$63,516	\$127,032				
<b>Federal Funds Total</b>	<b>\$63,516</b>	<b>\$63,516</b>	<b>\$127,032</b>				
<b>Item Total</b>	<b>\$63,516</b>	<b>\$63,516</b>	<b>\$127,032</b>	<b>\$97,891</b>	<b>\$97,891</b>	<b>\$195,782</b>	
<b>FTE Reductions (From FY 2012 and FY 2013 Base Request)</b>				<b>(2.6)</b>	<b>(2.6)</b>		

**25 Energy Resource Development**

**Category:** Programs - Service Reductions (FTEs-Hiring Freeze)

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Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2012	2013	Biennial Total	2012	2013	Biennial Total	
<p><b>Item Comment:</b> The Injection-Storage Permits program is charged with protecting the environment and public safety by regulating locations, pressures, disposal volumes of injection/disposal/hydrocarbon storage and brine mining wells. The program has strict performance standards to maintain Federal program primacy and continue receiving federal funds.</p> <p>16,000 to 18,000 injection and disposal well mechanical integrity tests are reviewed per year. The personnel reductions could result in a 66% reduction in review rate. The failure to review tests results within a reasonable time period could increase the probability of leaking disposal wells going unmonitored and potentially polluting usable quality ground water.</p> <p>The Drilling Permit section processed approximately 18,000 drilling permit applications in FY 2009. The associated revenue into the Oil Field Clean Up (OFCU) fund was approximately \$8.4 million. The staff reduction could result in a backlog in the number of drilling permit applications processed, a key measure. If drilling permit application processing slows, operators may reduce their filing rate, which could decrease revenue to the OFCU fund. As the permit approval rates drop industry associated jobs may be reduced. The statutory requirement to process permit applications within 30 days will be in jeopardy.</p> <p>Oil and Gas well report processing could be delayed with personnel reductions, increasing the backlog in administrative compliance audits and approvals. The efficiency measure target of 29,134 wells per analyst would increase to 34,201. Audit would further decrease in order to meet 100% of the target, if oil and gas well completion report filings remain at current levels. A reduction in audits could create a negative environmental effect if critical plugging or completion is not obtained and processed in an accurate and timely manner. It is unlikely that statutory deadlines to process permit applications would be met.</p> <p>Strategy: 1-1-1 Promote Energy Resource Development Opportunities</p>							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$227,989	\$227,989	\$455,978	
<b>General Revenue Funds Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$227,989</b>	<b>\$227,989</b>	<b>\$455,978</b>	
<u>Gr Dedicated</u>							
145 Oil-field Cleanup Acct	\$0	\$0	\$0	\$73,480	\$73,480	\$146,960	
<b>Gr Dedicated Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$73,480</b>	<b>\$73,480</b>	<b>\$146,960</b>	
<b>Item Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$301,469</b>	<b>\$301,469</b>	<b>\$602,938</b>	
<b>FTE Reductions (From FY 2012 and FY 2013 Base Request)</b>				<b>(7.4)</b>	<b>(7.4)</b>		

**26 Pipeline Damage Prevention**



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Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2012	2013	Biennial Total	2012	2013	Biennial Total	
<b>Category:</b> Programs - Service Reductions (FTEs-Hiring Freeze)							
<b>Item Comment:</b> The Third Party Damage section is affected by this reduction with the elimination of field personnel. The agency could lose approximately \$48,949 annually in federal funds as a result of this item reduction. The personnel reduction could result in the reduction of the number of cases presented for enforcement action to the Commission affecting key measure 2.1.2.2 - Number of third party damage enforcement cases completed - by approximately 1,000 cases annually.							
The agency could have to eliminate pipeline safety damage prevention education programs. The damage prevention personnel will be responsible for all of the administrative duties with the loss of administrative staff from the pipeline safety division. The elimination of educational programs could reduce output performance measure 2.1.2.1 - Number of pipeline education programs administered - to zero.							
Strategy: 2-1-2 Pipeline Damage Prevention							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$58,647	\$58,647	\$117,294	
<b>General Revenue Funds Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$58,647</b>	<b>\$58,647</b>	<b>\$117,294</b>	
<u>Federal Funds</u>							
555 Federal Funds	\$48,949	\$48,949	\$97,898				
<b>Federal Funds Total</b>	<b>\$48,949</b>	<b>\$48,949</b>	<b>\$97,898</b>				
<b>Item Total</b>	<b>\$48,949</b>	<b>\$48,949</b>	<b>\$97,898</b>	<b>\$58,647</b>	<b>\$58,647</b>	<b>\$117,294</b>	
<b>FTE Reductions (From FY 2012 and FY 2013 Base Request)</b>				<b>(2.2)</b>	<b>(2.2)</b>		

**27 Pipeline Safety**

**Category:** Programs - Service Reductions (FTEs-Hiring Freeze)

**Item Comment:** This reduction item will affect the field inspection program by eliminating administrative staff in the two most active field offices, Fort Worth and Houston. These positions are partially federal funded and federal funds would be reduced by \$37,551 annually as a result of this reduction item.

Pipeline Safety field inspectors conduct inspections at remote locations and the administrative staff in each of those offices serve as the receptionist/administrative support to respond to all calls and inquiries made to the Commission for pipeline safety, gas utility audit, and alternative energy. In the Fort Worth region, there will be no administrative staff available to answer calls from the public or route calls to the appropriate sections and/or divisions, manage and track field inspections itineraries for the field staff.

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Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2012	2013	Biennial Total	2012	2013	Biennial Total	
Strategy: 2-1-1 Ensure Pipeline Safety							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$77,960	\$77,960	\$155,920	
<b>General Revenue Funds Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$77,960</b>	<b>\$77,960</b>	<b>\$155,920</b>	
<u>Federal Funds</u>							
555 Federal Funds	\$37,551	\$37,551	\$75,102				
<b>Federal Funds Total</b>	<b>\$37,551</b>	<b>\$37,551</b>	<b>\$75,102</b>				
<b>Item Total</b>	<b>\$37,551</b>	<b>\$37,551</b>	<b>\$75,102</b>	<b>\$77,960</b>	<b>\$77,960</b>	<b>\$155,920</b>	
<b>FTE Reductions (From FY 2012 and FY 2013 Base Request)</b>				<b>(2.8)</b>	<b>(2.8)</b>		

**28 Oil & Gas Monitoring & Inspections**

**Category:** Programs - Service Reductions (FTEs-Hiring Freeze)

**Item Comment:** This reduction item could result in administrative and technical staff reductions at the Commission's district office level. The primary effect could be that the district office administrative and technical staff will not review all inspections reports, many violations will not be addressed and may result in pollution and safety issues not being addressed by the Commission and corrected by the oil and gas operators. These reductions might not affect the key measures regarding the numbers and types of inspections the Commission performs. However, the district office technical and administrative staff might process and analyze fewer inspection reports prepared by the Commission's field inspectors. The administrative staff reduction could result in approximately 20,300 inspections reports that will not be entered into the Commissions automated database for tracking inspections. The technical staff reduction could result in approximately 17,500 fewer inspections reviewed by technical experts. In addition the technical staff reduction could result in a reduction in the number of complaints managed and the number of enforcement referrals prepared.

Strategy: 3-1-1 Oil and Gas Monitoring and Inspections

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$563,645	\$563,645	\$1,127,290	
<b>General Revenue Funds Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$563,645</b>	<b>\$563,645</b>	<b>\$1,127,290</b>	

Gr Dedicated

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Agency code: 455 Agency name: **Railroad Commission**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2012	2013	Biennial Total	2012	2013	Biennial Total	
145 Oil-field Cleanup Acct	\$0	\$0	\$0	\$60,742	\$60,741	\$121,483	
<b>Gr Dedicated Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$60,742</b>	<b>\$60,741</b>	<b>\$121,483</b>	
<b>Item Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$624,387</b>	<b>\$624,386</b>	<b>\$1,248,773</b>	
<b>FTE Reductions (From FY 2012 and FY 2013 Base Request)</b>				<b>(18.4)</b>	<b>(18.4)</b>		
<b>AGENCY TOTALS</b>							
<b>General Revenue Total</b>				<b>\$2,839,881</b>	<b>\$2,839,881</b>	<b>\$5,679,762</b>	<b>\$5,679,762</b>
<b>GR Dedicated Total</b>				<b>\$2,850,464</b>	<b>\$2,850,463</b>	<b>\$5,700,927</b>	<b>\$5,700,927</b>
<b>Agency Grand Total</b>	<b>\$199,118</b>	<b>\$199,118</b>	<b>\$398,236</b>	<b>\$5,690,345</b>	<b>\$5,690,344</b>	<b>\$11,380,689</b>	
<b>Difference, Options Total Less Target</b>							
<b>Agency FTE Reductions (From FY 2012 and FY 2013 Base Request)</b>				<b>(84.0)</b>	<b>(84.0)</b>		

**7.A. INDIRECT ADMINISTRATIVE AND SUPPORT COSTS**  
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Agency name: Railroad Commission

Strategy		Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
<b>1-1-1</b>	<b>Promote Energy Resource Development Opportunities</b>					
<b>OBJECTS OF EXPENSE:</b>						
1001	SALARIES AND WAGES	\$ 1,286,319	\$ 1,213,670	\$ 1,235,025	\$ 1,255,586	\$ 1,257,181
1002	OTHER PERSONNEL COSTS	49,194	31,767	32,564	32,564	32,564
2001	PROFESSIONAL FEES AND SERVICES	370,015	449,315	413,247	402,882	402,882
2002	FUELS AND LUBRICANTS	366	381	381	381	381
2003	CONSUMABLE SUPPLIES	4,006	16,401	16,401	16,401	16,401
2004	UTILITIES	736	560	560	560	560
2005	TRAVEL	7,010	8,670	9,186	9,186	9,186
2006	RENT - BUILDING	732	665	665	665	665
2007	RENT - MACHINE AND OTHER	8,166	7,739	7,739	7,739	7,739
2009	OTHER OPERATING EXPENSE	87,680	45,833	41,793	77,166	77,167
5000	CAPITAL EXPENDITURES	53,724	52,463	21,998	52,463	21,998
<b>Total, Objects of Expense</b>		<b>\$ 1,867,948</b>	<b>\$ 1,827,464</b>	<b>\$ 1,779,559</b>	<b>\$ 1,855,593</b>	<b>\$ 1,826,724</b>
<b>METHOD OF FINANCING:</b>						
1	General Revenue Fund	1,822,996	1,690,888	1,656,314	1,727,182	1,698,313
145	Oil-field Cleanup Acct	42,277	124,277	110,946	116,112	116,112
666	Appropriated Receipts	2,675	12,299	12,299	12,299	12,299
<b>Total, Method of Financing</b>		<b>\$ 1,867,948</b>	<b>\$ 1,827,464</b>	<b>\$ 1,779,559</b>	<b>\$ 1,855,593</b>	<b>\$ 1,826,724</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>		<b>17.3</b>	<b>19.4</b>	<b>18.6</b>	<b>18.6</b>	<b>18.6</b>
<b>Method of Allocation</b>						

In general, indirect administration and support costs are allocated proportionately among all strategies on the base of FTEs and Method of Financing.

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Strategy		Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
<b>1-2-1</b>	<b>Ensure Fair Rates and Compliance to Rate Structures</b>					
<b>OBJECTS OF EXPENSE:</b>						
1001	SALARIES AND WAGES	\$ 354,822	\$ 335,635	\$ 341,946	\$ 346,344	\$ 346,784
1002	OTHER PERSONNEL COSTS	13,570	8,763	8,982	8,982	8,982
2001	PROFESSIONAL FEES AND SERVICES	102,066	97,175	90,064	87,053	87,053
2002	FUELS AND LUBRICANTS	101	105	105	105	105
2003	CONSUMABLE SUPPLIES	1,021	1,085	1,085	1,085	1,085
2004	UTILITIES	204	132	132	132	132
2005	TRAVEL	2,230	3,009	3,151	3,151	3,151
2006	RENT - BUILDING	196	183	183	183	183
2007	RENT - MACHINE AND OTHER	2,253	2,135	2,135	2,135	2,135
2009	OTHER OPERATING EXPENSE	13,089	10,671	9,976	19,734	19,734
5000	CAPITAL EXPENDITURES	14,819	14,471	6,068	14,471	6,068
	<b>Total, Objects of Expense</b>	<b>\$ 504,371</b>	<b>\$ 473,364</b>	<b>\$ 463,827</b>	<b>\$ 483,375</b>	<b>\$ 475,412</b>
<b>METHOD OF FINANCING:</b>						
1	General Revenue Fund	502,861	466,419	456,882	476,430	468,467
666	Appropriated Receipts	1,510	6,945	6,945	6,945	6,945
	<b>Total, Method of Financing</b>	<b>\$ 504,371</b>	<b>\$ 473,364</b>	<b>\$ 463,827</b>	<b>\$ 483,375</b>	<b>\$ 475,412</b>
	<b>FULL TIME EQUIVALENT POSITIONS</b>	<b>4.8</b>	<b>5.3</b>	<b>5.1</b>	<b>5.1</b>	<b>5.1</b>
<b>Method of Allocation</b>						

In general, indirect administration and support costs are allocated proportionately among all strategies on the base FTEs and Method of Finance.

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Strategy		Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
<b>1-3-1</b>	<b>Promote Alternative Energy Resources</b>					
<b>OBJECTS OF EXPENSE:</b>						
1001	SALARIES AND WAGES	\$ 371,009	\$ 350,947	\$ 353,705	\$ 356,119	\$ 356,579
1002	OTHER PERSONNEL COSTS	14,189	9,162	9,392	9,392	9,392
2001	PROFESSIONAL FEES AND SERVICES	106,872	136,478	129,043	124,151	124,151
2002	FUELS AND LUBRICANTS	106	110	110	110	110
2003	CONSUMABLE SUPPLIES	15,471	5,135	5,135	5,135	5,135
2004	UTILITIES	230	138	138	138	138
2005	TRAVEL	5,838	10,448	10,597	10,597	10,597
2006	RENT - BUILDING	705	192	192	192	192
2007	RENT - MACHINE AND OTHER	2,355	6,632	6,632	6,632	6,632
2009	OTHER OPERATING EXPENSE	21,027	48,768	46,274	56,477	56,477
5000	CAPITAL EXPENDITURES	15,495	42,347	33,560	42,347	33,560
<b>Total, Objects of Expense</b>		<b>\$ 553,297</b>	<b>\$ 610,357</b>	<b>\$ 594,778</b>	<b>\$ 611,290</b>	<b>\$ 602,963</b>
<b>METHOD OF FINANCING:</b>						
1	General Revenue Fund	525,802	487,698	477,725	498,166	489,839
101	Alter Fuels Research Acct	16,780	73,387	67,781	63,852	63,852
666	Appropriated Receipts	10,715	49,272	49,272	49,272	49,272
<b>Total, Method of Financing</b>		<b>\$ 553,297</b>	<b>\$ 610,357</b>	<b>\$ 594,778</b>	<b>\$ 611,290</b>	<b>\$ 602,963</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>		<b>5.0</b>	<b>5.6</b>	<b>5.4</b>	<b>5.4</b>	<b>5.4</b>

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Agency name: Railroad Commission

Strategy	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
<b>1-3-2</b> <b>Distribute LP-Gas Rebates</b>					
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
1002 OTHER PERSONNEL COSTS	0	0	0	0	0
2001 PROFESSIONAL FEES AND SERVICES	0	0	0	0	0
2002 FUELS AND LUBRICANTS	0	0	0	0	0
2003 CONSUMABLE SUPPLIES	0	0	0	0	0
2004 UTILITIES	0	0	0	0	0
2005 TRAVEL	0	0	0	0	0
2006 RENT - BUILDING	0	0	0	0	0
2007 RENT - MACHINE AND OTHER	0	0	0	0	0
2009 OTHER OPERATING EXPENSE	0	0	0	0	0
5000 CAPITAL EXPENDITURES	0	0	0	0	0
<b>Total, Objects of Expense</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>METHOD OF FINANCING:</b>					
1 General Revenue Fund	0	0	0	0	0
<b>Total, Method of Financing</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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Strategy		Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
<b>1-3-3</b>	<b>Regulate Alternative Energy Resources</b>					
<b>OBJECTS OF EXPENSE:</b>						
1001	SALARIES AND WAGES	\$ 274,607	\$ 259,758	\$ 264,642	\$ 268,047	\$ 268,387
1002	OTHER PERSONNEL COSTS	10,502	6,782	6,952	6,952	6,952
2001	PROFESSIONAL FEES AND SERVICES	78,992	75,207	69,703	67,373	67,373
2002	FUELS AND LUBRICANTS	78	81	81	81	81
2003	CONSUMABLE SUPPLIES	640	840	840	840	840
2004	UTILITIES	156	102	102	102	102
2005	TRAVEL	1,278	1,394	1,505	1,505	1,505
2006	RENT - BUILDING	152	142	142	142	142
2007	RENT - MACHINE AND OTHER	1,743	1,652	1,652	1,652	1,652
2009	OTHER OPERATING EXPENSE	9,562	3,818	3,280	10,831	10,831
5000	CAPITAL EXPENDITURES	11,469	11,200	4,696	11,200	4,696
	<b>Total, Objects of Expense</b>	<b>\$ 389,179</b>	<b>\$ 360,976</b>	<b>\$ 353,595</b>	<b>\$ 368,725</b>	<b>\$ 362,561</b>
<b>METHOD OF FINANCING:</b>						
1	General Revenue Fund	389,179	360,976	353,595	368,725	362,561
	<b>Total, Method of Financing</b>	<b>\$ 389,179</b>	<b>\$ 360,976</b>	<b>\$ 353,595</b>	<b>\$ 368,725</b>	<b>\$ 362,561</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>		<b>3.7</b>	<b>4.1</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>



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Strategy	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
<b>2-1-1</b> <b>Ensure Pipeline Safety</b>					
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 722,651	\$ 683,574	\$ 696,427	\$ 705,386	\$ 706,282
1002 OTHER PERSONNEL COSTS	27,637	17,846	18,294	18,294	18,294
2001 PROFESSIONAL FEES AND SERVICES	207,874	197,912	183,430	177,297	177,297
2002 FUELS AND LUBRICANTS	206	214	214	214	214
2003 CONSUMABLE SUPPLIES	1,684	2,210	2,210	2,210	2,210
2004 UTILITIES	411	268	268	268	268
2005 TRAVEL	3,362	3,670	3,960	3,960	3,960
2006 RENT - BUILDING	399	374	374	374	374
2007 RENT - MACHINE AND OTHER	4,588	4,348	4,348	4,348	4,348
2009 OTHER OPERATING EXPENSE	25,162	10,048	8,630	28,503	28,503
5000 CAPITAL EXPENDITURES	30,182	29,473	12,358	29,473	12,358
<b>Total, Objects of Expense</b>	<b>\$ 1,024,156</b>	<b>\$ 949,937</b>	<b>\$ 930,513</b>	<b>\$ 970,327</b>	<b>\$ 954,108</b>
<b>METHOD OF FINANCING:</b>					
1 General Revenue Fund	1,024,156	949,937	930,513	970,327	954,108
<b>Total, Method of Financing</b>	<b>\$ 1,024,156</b>	<b>\$ 949,937</b>	<b>\$ 930,513</b>	<b>\$ 970,327</b>	<b>\$ 954,108</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>	<b>9.7</b>	<b>10.9</b>	<b>10.5</b>	<b>10.5</b>	<b>10.5</b>

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<b>2-1-2 Pipeline Damage Prevention</b>					
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 173,436	\$ 164,058	\$ 167,143	\$ 169,293	\$ 169,508
1002 OTHER PERSONNEL COSTS	6,633	4,283	4,391	4,391	4,391
2001 PROFESSIONAL FEES AND SERVICES	49,890	47,499	44,023	42,551	42,551
2002 FUELS AND LUBRICANTS	49	51	51	51	51
2003 CONSUMABLE SUPPLIES	404	530	530	530	530
2004 UTILITIES	99	64	64	64	64
2005 TRAVEL	807	881	950	950	950
2006 RENT - BUILDING	96	90	90	90	90
2007 RENT - MACHINE AND OTHER	1,101	1,043	1,043	1,043	1,043
2009 OTHER OPERATING EXPENSE	6,038	2,412	2,072	6,842	6,842
5000 CAPITAL EXPENDITURES	7,244	7,074	2,966	7,074	2,966
<b>Total, Objects of Expense</b>	<b>\$ 245,797</b>	<b>\$ 227,985</b>	<b>\$ 223,323</b>	<b>\$ 232,879</b>	<b>\$ 228,986</b>
<b>METHOD OF FINANCING:</b>					
1 General Revenue Fund	245,797	227,985	223,323	232,879	228,986
<b>Total, Method of Financing</b>	<b>\$ 245,797</b>	<b>\$ 227,985</b>	<b>\$ 223,323</b>	<b>\$ 232,879</b>	<b>\$ 228,986</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>	<b>2.3</b>	<b>2.6</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>

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Strategy		Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
<b>3-1-1</b>	<b>Oil and Gas Monitoring and Inspections</b>					
<b>OBJECTS OF EXPENSE:</b>						
1001	SALARIES AND WAGES	\$ 2,678,579	\$ 2,532,456	\$ 2,579,467	\$ 2,614,582	\$ 2,617,904
1002	OTHER PERSONNEL COSTS	102,441	66,150	67,810	67,810	67,810
2001	PROFESSIONAL FEES AND SERVICES	770,504	773,737	715,799	693,296	693,296
2002	FUELS AND LUBRICANTS	763	794	794	794	794
2003	CONSUMABLE SUPPLIES	6,515	13,351	13,351	13,351	13,351
2004	UTILITIES	1,522	1,028	1,028	1,028	1,028
2005	TRAVEL	12,463	13,602	14,676	14,676	14,676
2006	RENT - BUILDING	1,489	1,385	1,385	1,385	1,385
2007	RENT - MACHINE AND OTHER	17,005	16,115	16,115	16,115	16,115
2009	OTHER OPERATING EXPENSE	110,479	44,604	38,722	112,384	112,383
5000	CAPITAL EXPENDITURES	111,872	109,246	45,808	109,246	45,808
	<b>Total, Objects of Expense</b>	<b>\$ 3,813,632</b>	<b>\$ 3,572,468</b>	<b>\$ 3,494,955</b>	<b>\$ 3,644,667</b>	<b>\$ 3,584,550</b>
<b>METHOD OF FINANCING:</b>						
1	General Revenue Fund	3,796,136	3,521,037	3,449,041	3,596,615	3,536,498
145	Oil-field Cleanup Acct	17,496	51,431	45,914	48,052	48,052
	<b>Total, Method of Financing</b>	<b>\$ 3,813,632</b>	<b>\$ 3,572,468</b>	<b>\$ 3,494,955</b>	<b>\$ 3,644,667</b>	<b>\$ 3,584,550</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>		<b>36.0</b>	<b>40.3</b>	<b>38.8</b>	<b>38.8</b>	<b>38.8</b>

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Strategy		Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
<b>3-1-2</b>	<b>Surface Mining Monitoring and Inspections</b>					
<b>OBJECTS OF EXPENSE:</b>						
1001	SALARIES AND WAGES	\$ 574,508	\$ 543,441	\$ 553,660	\$ 560,782	\$ 561,494
1002	OTHER PERSONNEL COSTS	21,972	14,188	14,544	14,544	14,544
2001	PROFESSIONAL FEES AND SERVICES	165,259	157,340	145,827	140,951	140,951
2002	FUELS AND LUBRICANTS	164	170	170	170	170
2003	CONSUMABLE SUPPLIES	1,338	1,757	1,757	1,757	1,757
2004	UTILITIES	327	213	213	213	213
2005	TRAVEL	2,673	2,917	3,148	3,148	3,148
2006	RENT - BUILDING	317	297	297	297	297
2007	RENT - MACHINE AND OTHER	3,647	3,456	3,456	3,456	3,456
2009	OTHER OPERATING EXPENSE	20,005	7,990	6,861	22,661	22,661
5000	CAPITAL EXPENDITURES	23,994	23,431	9,825	23,431	9,825
	<b>Total, Objects of Expense</b>	<b>\$ 814,204</b>	<b>\$ 755,200</b>	<b>\$ 739,758</b>	<b>\$ 771,410</b>	<b>\$ 758,516</b>
<b>METHOD OF FINANCING:</b>						
1	General Revenue Fund	814,204	755,200	739,758	771,410	758,516
	<b>Total, Method of Financing</b>	<b>\$ 814,204</b>	<b>\$ 755,200</b>	<b>\$ 739,758</b>	<b>\$ 771,410</b>	<b>\$ 758,516</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>		<b>7.7</b>	<b>8.7</b>	<b>8.3</b>	<b>8.3</b>	<b>8.3</b>

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<b>3-2-1 Oil and Gas Remediation</b>					
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 448,044	\$ 420,397	\$ 426,681	\$ 437,339	\$ 437,895
1002 OTHER PERSONNEL COSTS	17,135	11,065	11,342	11,342	11,342
2001 PROFESSIONAL FEES AND SERVICES	128,882	230,019	209,660	206,466	206,466
2002 FUELS AND LUBRICANTS	128	133	133	133	133
2003 CONSUMABLE SUPPLIES	1,778	15,158	15,158	15,158	15,158
2004 UTILITIES	255	258	258	258	258
2005 TRAVEL	2,085	2,275	2,455	2,455	2,455
2006 RENT - BUILDING	272	232	232	232	232
2007 RENT - MACHINE AND OTHER	2,844	2,696	2,696	2,696	2,696
2009 OTHER OPERATING EXPENSE	61,597	25,900	23,343	35,666	35,666
5000 CAPITAL EXPENDITURES	18,713	18,273	7,662	18,273	7,662
<b>Total, Objects of Expense</b>	<b>\$ 681,733</b>	<b>\$ 726,406</b>	<b>\$ 699,620</b>	<b>\$ 730,018</b>	<b>\$ 719,963</b>
<b>METHOD OF FINANCING:</b>					
1 General Revenue Fund	634,977	588,961	576,918	601,603	591,548
145 Oil-field Cleanup Acct	46,756	137,445	122,702	128,415	128,415
<b>Total, Method of Financing</b>	<b>\$ 681,733</b>	<b>\$ 726,406</b>	<b>\$ 699,620</b>	<b>\$ 730,018</b>	<b>\$ 719,963</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>	<b>6.0</b>	<b>6.8</b>	<b>6.5</b>	<b>6.5</b>	<b>6.5</b>

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<b>3-2-2</b>	<b>Oil and Gas Well Plugging</b>					
<b>OBJECTS OF EXPENSE:</b>						
1001	SALARIES AND WAGES	\$ 928,896	\$ 871,577	\$ 884,605	\$ 906,703	\$ 907,854
1002	OTHER PERSONNEL COSTS	35,525	22,940	23,515	23,515	23,515
2001	PROFESSIONAL FEES AND SERVICES	267,201	476,881	434,672	428,052	428,052
2002	FUELS AND LUBRICANTS	265	275	275	275	275
2003	CONSUMABLE SUPPLIES	3,686	31,426	31,426	31,426	31,426
2004	UTILITIES	528	535	535	535	535
2005	TRAVEL	4,322	4,717	5,090	5,090	5,090
2006	RENT - BUILDING	563	480	480	480	480
2007	RENT - MACHINE AND OTHER	5,897	5,588	5,588	5,588	5,588
2009	OTHER OPERATING EXPENSE	127,707	53,700	48,399	73,944	73,944
5000	CAPITAL EXPENDITURES	38,796	37,885	15,886	37,885	15,886
<b>Total, Objects of Expense</b>		<b>\$ 1,413,386</b>	<b>\$ 1,506,004</b>	<b>\$ 1,450,471</b>	<b>\$ 1,513,493</b>	<b>\$ 1,492,645</b>
<b>METHOD OF FINANCING:</b>						
1	General Revenue Fund	1,316,450	1,221,050	1,196,082	1,247,259	1,226,411
145	Oil-field Cleanup Acct	96,936	284,954	254,389	266,234	266,234
<b>Total, Method of Financing</b>		<b>\$ 1,413,386</b>	<b>\$ 1,506,004</b>	<b>\$ 1,450,471</b>	<b>\$ 1,513,493</b>	<b>\$ 1,492,645</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>		<b>12.5</b>	<b>14.0</b>	<b>13.4</b>	<b>13.4</b>	<b>13.4</b>

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<b>3-2-3 Surface Mining Reclamation</b>					
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 86,718	\$ 82,029	\$ 83,571	\$ 84,646	\$ 84,754
1002 OTHER PERSONNEL COSTS	3,316	2,142	2,195	2,195	2,195
2001 PROFESSIONAL FEES AND SERVICES	24,945	23,749	22,012	21,276	21,276
2002 FUELS AND LUBRICANTS	25	26	26	26	26
2003 CONSUMABLE SUPPLIES	202	265	265	265	265
2004 UTILITIES	49	32	32	32	32
2005 TRAVEL	403	440	475	475	475
2006 RENT - BUILDING	48	45	45	45	45
2007 RENT - MACHINE AND OTHER	551	522	522	522	522
2009 OTHER OPERATING EXPENSE	3,020	1,205	1,036	3,420	3,420
5000 CAPITAL EXPENDITURES	3,622	3,537	1,483	3,537	1,483
<b>Total, Objects of Expense</b>	<b>\$ 122,899</b>	<b>\$ 113,992</b>	<b>\$ 111,662</b>	<b>\$ 116,439</b>	<b>\$ 114,493</b>
<b>METHOD OF FINANCING:</b>					
1 General Revenue Fund	122,899	113,992	111,662	116,439	114,493
<b>Total, Method of Financing</b>	<b>\$ 122,899</b>	<b>\$ 113,992</b>	<b>\$ 111,662</b>	<b>\$ 116,439</b>	<b>\$ 114,493</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>	<b>1.2</b>	<b>1.3</b>	<b>1.3</b>	<b>1.3</b>	<b>1.3</b>

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<b>4-1-1</b>	<b>Geographic Information Systems and Well Mapping</b>					
<b>OBJECTS OF EXPENSE:</b>						
1001	SALARIES AND WAGES	\$ 173,436	\$ 164,058	\$ 167,143	\$ 169,293	\$ 169,508
1002	OTHER PERSONNEL COSTS	6,633	4,283	4,391	4,391	4,391
2001	PROFESSIONAL FEES AND SERVICES	49,890	47,499	44,023	42,551	42,551
2002	FUELS AND LUBRICANTS	49	51	51	51	51
2003	CONSUMABLE SUPPLIES	404	530	530	530	530
2004	UTILITIES	99	64	64	64	64
2005	TRAVEL	807	881	950	950	950
2006	RENT - BUILDING	96	90	90	90	90
2007	RENT - MACHINE AND OTHER	1,101	1,043	1,043	1,043	1,043
2009	OTHER OPERATING EXPENSE	6,038	2,412	2,072	6,842	6,842
5000	CAPITAL EXPENDITURES	7,244	7,074	2,966	7,074	2,966
	<b>Total, Objects of Expense</b>	<b>\$ 245,797</b>	<b>\$ 227,985</b>	<b>\$ 223,323</b>	<b>\$ 232,879</b>	<b>\$ 228,986</b>
<b>METHOD OF FINANCING:</b>						
1	General Revenue Fund	245,797	227,985	223,323	232,879	228,986
	<b>Total, Method of Financing</b>	<b>\$ 245,797</b>	<b>\$ 227,985</b>	<b>\$ 223,323</b>	<b>\$ 232,879</b>	<b>\$ 228,986</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>		<b>2.3</b>	<b>2.6</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>



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<b>4-1-2 Public Information and Services</b>					
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 361,326	\$ 341,787	\$ 348,214	\$ 352,693	\$ 353,141
1002 OTHER PERSONNEL COSTS	13,819	8,923	9,147	9,147	9,147
2001 PROFESSIONAL FEES AND SERVICES	103,937	98,956	91,715	88,649	88,649
2002 FUELS AND LUBRICANTS	103	107	107	107	107
2003 CONSUMABLE SUPPLIES	2,148	1,105	1,105	1,105	1,105
2004 UTILITIES	223	134	134	134	134
2005 TRAVEL	5,560	9,927	10,071	10,071	10,071
2006 RENT - BUILDING	200	187	187	187	187
2007 RENT - MACHINE AND OTHER	2,294	2,174	2,174	2,174	2,174
2009 OTHER OPERATING EXPENSE	17,501	43,488	42,780	52,716	52,716
5000 CAPITAL EXPENDITURES	15,091	14,737	6,179	14,737	6,179
<b>Total, Objects of Expense</b>	<b>\$ 522,202</b>	<b>\$ 521,525</b>	<b>\$ 511,813</b>	<b>\$ 531,720</b>	<b>\$ 523,610</b>
<b>METHOD OF FINANCING:</b>					
1 General Revenue Fund	512,078	474,969	465,257	485,164	477,054
666 Appropriated Receipts	10,124	46,556	46,556	46,556	46,556
<b>Total, Method of Financing</b>	<b>\$ 522,202</b>	<b>\$ 521,525</b>	<b>\$ 511,813</b>	<b>\$ 531,720</b>	<b>\$ 523,610</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>	<b>4.9</b>	<b>5.4</b>	<b>5.2</b>	<b>5.2</b>	<b>5.2</b>

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<b>GRAND TOTALS</b>					
<b>Objects of Expense</b>					
1001 SALARIES AND WAGES	\$8,434,351	\$7,963,387	\$8,102,229	\$8,226,813	\$8,237,271
1002 OTHER PERSONNEL COSTS	\$322,566	\$208,294	\$213,519	\$213,519	\$213,519
2001 PROFESSIONAL FEES AND SERVICES	\$2,426,327	\$2,811,767	\$2,593,218	\$2,522,548	\$2,522,548
2002 FUELS AND LUBRICANTS	\$2,403	\$2,498	\$2,498	\$2,498	\$2,498
2003 CONSUMABLE SUPPLIES	\$39,297	\$89,793	\$89,793	\$89,793	\$89,793
2004 UTILITIES	\$4,839	\$3,528	\$3,528	\$3,528	\$3,528
2005 TRAVEL	\$48,838	\$62,831	\$66,214	\$66,214	\$66,214
2006 RENT - BUILDING	\$5,265	\$4,362	\$4,362	\$4,362	\$4,362
2007 RENT - MACHINE AND OTHER	\$53,545	\$55,143	\$55,143	\$55,143	\$55,143
2009 OTHER OPERATING EXPENSE	\$508,905	\$300,849	\$275,238	\$507,186	\$507,186
5000 CAPITAL EXPENDITURES	\$352,265	\$371,211	\$171,455	\$371,211	\$171,455
<b>Total, Objects of Expense</b>	<b>\$12,198,601</b>	<b>\$11,873,663</b>	<b>\$11,577,197</b>	<b>\$12,062,815</b>	<b>\$11,873,517</b>
<b>Method of Financing</b>					
1 General Revenue Fund	\$11,953,332	\$11,087,097	\$10,860,393	\$11,325,078	\$11,135,780
101 Alter Fuels Research Acct	\$16,780	\$73,387	\$67,781	\$63,852	\$63,852
145 Oil-field Cleanup Acct	\$203,465	\$598,107	\$533,951	\$558,813	\$558,813
666 Appropriated Receipts	\$25,024	\$115,072	\$115,072	\$115,072	\$115,072
<b>Total, Method of Financing</b>	<b>\$12,198,601</b>	<b>\$11,873,663</b>	<b>\$11,577,197</b>	<b>\$12,062,815</b>	<b>\$11,873,517</b>
<b>Full-Time-Equivalent Positions (FTE)</b>	<b>113.4</b>	<b>127.0</b>	<b>122.1</b>	<b>122.1</b>	<b>122.1</b>