

# **News** from the Oklahoma Corporation Commission

Office of Public Information — Phone: (405) 521-4180 FAX (405) 521-6945

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FOR IMMEDIATE RELEASE 1/28/98 Oklahoma City, Oklahoma

## **Deceptive Telephone Practices Exposed**

OKLAHOMA CITY -- The Oklahoma Corporation Commission is paying more attention to long distance carriers who are disregarding the rights of their customers. This morning in a 3-0 vote, Commissioners Ed Apple, Bob Anthony and Denise Bode found that the long distance carrier Business Discount Plan, Inc., which serves small business customers, has violated Oklahoma Corporation Commission rules which prohibit telephone 'slamming'. Slamming is the switching of a consumer's long distance carrier without permission.

"We (the Commissioners) put the telephone companies on notice then that if they don't start paying more attention to their customers, we will start paying more attention to them. That is what this is about" said Commissioner Bode, referring to a Commission hearing last October about deceptive and illegal telephone marketing practices.

The Commission ordered Business Discount Plan, Inc. to pay a \$13,000 fine for violating its slamming rules. In addition, the Commission put Business Discount Plan, Inc. on notice that if the company continued to use deceptive and illegal marketing practices, its ability to do business in the state of Oklahoma would be greatly jeopardized and any fines may significantly increase.

"The rights of Oklahoma consumers are to be taken seriously and held in the highest regard. Business Discount Plan, Inc. is hereby put on notice that it is the intent of the Commission to move toward the most severe penalty allowed under law...the Commission will not hesitate to assess the maximum penalty permitted by law should similar deceptive and illegal long distance marketing practices continue. The Commission views the fine as more than reasonable. However, the Commission is not precluded from calculating a fine for slamming differently in the future if the facts and circumstances so warrant," the Order said.

In addition to the fine, Business Discount Plan, Inc. was ordered by the Commission to revise the verification script it reads to potential customers when confirming that the customer wants to change long distance carriers so that it reads more clearly. Also, the company is required to notify all of its estimated 20,000 Oklahoma customers of the Commission's ruling and that the company will pay for switching a customer's service back to their original long distance carrier if the customer believes they have been slammed by Business Discount Plan, Inc.

"The Commission encourages Oklahomans who believe they may have been slammed to contact the Commission's Consumer Services Division at (405)521-2331 inside the Oklahoma City metro area or at 1(800)522-8154 outside the local calling area" said Bode.

FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: PUD21298-9

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### **OCC Delays Consideration of SW Bell's Long-Distance Application**

OKLAHOMA CITY -- The Oklahoma Corporation Commission Thursday (Feb. 12) voted unanimously to delay a hearing on Southwestern Bell's application to provide long distance service in Oklahoma.

The continuance is tied to a pending ruling by the 5th U.S. Circuit Court of Appeals on a stay granted on Wednesday (Feb.11) by U.S.District Judge Joe Kendall on his ruling of Dec.31, 1997, that Southwestern Bell is not required to obtain Federal Communications Commission approval to enter the long-distance market.

The commissioners voted to delay consideration of Southwestern Bell's application until the court of appeals rules on the stay issue. If the stay is upheld, Bell's application will be dismissed without prejudice. If the stay is overturned, the application will be rescheduled for a hearing, the commissioners ruled.

There were no objections to the Corporation Commission's decision to delay consideration of Southwestern Bell's application.

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: FD21898-10

**Technical Conference on Storage Tank Rules Changes Set for Feb. 26, 1998**

OKLAHOMA CITY -- The Oklahoma Corporation Commission has scheduled a public technical conference on Thursday, Feb. 26, for an informal discussion of proposed changes in underground and above-ground storage tank rules.

The technical conference will begin at 9:30 a.m. in Room 301, Jim Thorpe State Office Building, 2101 N. Lincoln Blvd., Oklahoma City. Tank owners and operators, environmental consultants, tank installers and other interested parties are invited to attend.

Proposed changes include new requirements for installation and monitoring of underground piping used in above-ground storage tank systems. Other proposed rules changes deal with leak reporting requirements, licensing procedures for underground tank installers, certain upgrade requirements for underground storage tanks, and testing for methyl tertiary-butyl ether (MtBE) contamination in ground water.

Written comments concerning the proposed rules will be accepted through March 9. The commissioners will conduct a public hearing to consider the changes at 1:30 p.m. on March 24.

Copies of the proposed rules changes are available to the public without charge in Room 247, Jim Thorpe Bldg. during normal business hours (8 a.m. - 4:30 p.m.) Monday through Friday. They are also available on the commission's Internet home page: [http:// www.occeweb.com](http://www.occeweb.com)

Inquiries concerning the rulemaking should be made to Marchi C. McCartney, deputy general counsel, at telephone (405) 521-4466; by mail to PO Box 52000-2000, Oklahoma City, 73152-2000 or E-mail at [m.mccartney@occemail.com](mailto:m.mccartney@occemail.com)

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: O&G22698-12

### **Corporation Commission Will Continue Present Gas Production Limits**

OKLAHOMA CITY -- The Oklahoma Corporation Commission voted Thursday (Feb. 26) to accept a staff recommendation to continue production limits for unallocated gas wells at the greater of 65 percent of wellhead open flow potential or 1.3 million cubic feet per day through the second and third quarters of 1998.

The present production maximums have been in effect since January 1997. Continuation also was recommended by gas producers, including the Oklahoma Independent Petroleum Association, that participated in a technical conference on Feb. 9.

"Continued growth in (gas) demand is seen. There continues to be a market for Oklahoma gas. Market forces still seem to be reliable as controls on all facets of the natural gas industry," Claude McNully, Corporation Commission technical manager, said.

McNully said current production ceilings restrict very few wells since most of Oklahoma's approximately 30,000 wells can't produce enough gas to reach the ceiling. But the high production allowable is necessary to help encourage exploration for gas, he said.

McNully noted that the commission has seen a "substantial drop" in applications for drilling permits.

"Operators tell us they need to be assured that their wells will not be unduly curtailed in order to justify continued drilling in Oklahoma. Absent the feeling that relative stability is being maintained, the level of drilling activity would be even lower," McNully said.

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: TRN3398-15

### **Corporation Commission Cites KCS Railway for Blocking Crossings**

OKLAHOMA CITY -- The Oklahoma Corporation Commission has filed a contempt citation against the Kansas City Southern Railway for illegally blocking railroad crossings in Stilwell, in Adair County.

The citation alleges that the railroad blocked crossings for longer than the allowed 10 minutes 11 times at four locations in or near Stilwell between Jan. 28 and Feb. 6.

An exhibit filed with the citation indicates that on Jan 30, a southbound train blocked the Ash Street crossing for two hours and 30 minutes between 6:45 a.m. and 9:15 a.m. Each of the other violations was for less than an hour, the exhibit indicates.

Oklahoma law allows a fine of up to \$500 for each violation of the 10-minute limit on blocking a motor vehicle crossing.

A hearing on the contempt citation has been scheduled for March 31.

The Kansas City Southern line serves towns in Adair, Sequoyah and Le Flore counties, in far eastern Oklahoma.

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News from the Oklahoma Corporation Commission

Office of Public Information -- Phone: (405) 521-4180 FAX (405) 521-6945

FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: PUD3598-17

**OCC Hearing Will Decide Privacy of Telephone Documents**

OKLAHOMA CITY -- The Oklahoma Corporation Commission will conduct a hearing on Thursday, March 12, to decide whether certain information provided to the commission by Southwestern Bell Telephone is confidential or open to public examination.

The hearing will begin at 9:30 a.m. at the Jim Thorpe State Office Bldg. in Oklahoma City. Parts of the hearing may be closed while documents that Southwestern Bell considers to be confidential are examined and discussed, but the commissioners' decision will be announced publicly, as required by law, Commissioner Bob Anthony said.

Southwestern Bell submitted the information in November 1997 as required by the settlement of a rate case in 1995. The commission staff entered into a confidentiality agreement with Bell regarding the information.

On Feb. 18, in a memorandum to members of the Legislature, Commissioner Anthony said a commission staff report based on the information provided by Southwestern Bell indicates that Southwestern Bell is overcharging customers by \$75 million per year.

A news media request for disclosure of Bell's information under Oklahoma's Open Records Act required the commission to determine if the information is confidential.

"We believe the (commission staff) report is, in its entirety, an open record and we do not believe the information is confidential and excluded from release to the public," Lawrence R. Edmison, Corporation Commission general counsel, said.

However, Edmison noted that state law specifically empowers the commission to determine what is confidential.

"It is our routine practice to treat any information that utilities claim to be confidential as confidential until the commission determines otherwise," Edmison said.

-OCC-

**OKLAHOMA CORPORATION COMMISSION**

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**Ernest G. Johnson, Director**

**Public Utility Division**

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**March 6, 1998**

SUBJECT: CAUSE NO. RM 97000009- The natural gas restructuring rulemaking

RE: Continuation of the collaborative process meetings

Location: Oklahoma City, OK  
Chair: The Public Utility Division ("Staff")

Dates: March 11, 1998; Time: 9:30 a.m.

Dates: March 18, 1998; Time: 9:30 a.m.

Dates: March 25, 1998; Time: 9:30 a.m.

Per the discussion of the participants during the latest collaborative process meeting on February 27, 1998, there appears to be a desire for further collaborative process meetings after the scheduled March 16, 1998 meeting. Accordingly, Staff invites you to attend three round table discussion meetings which will be held in Oklahoma City, OK and chaired by the Public Utility Division ("Staff"). To facilitate a candid and open discussion, Staff will develop a list of issues to be discussed at each meeting. We will prepare a list of issues, drawing from the past meetings; however, we would like to have input from you, as well. The expectation is that you will contact Ken Zimmerman, Andrea Johnson or myself regarding any issues and proposed solutions to those issues you would like to discuss at the round table discussions.

Please note that we will post further correspondence, issue lists and meeting agendas on the **Commission's web site (<http://www.occeweb.com>)**. We will also let you know the location of the meetings as soon as possible. We look forward to hearing from you and seeing you at the collaborative process meetings. If you have any questions please contact my staff. Sincerely, Ernest G. Johnson, Director

Public Utility Division

FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: FD3998-16

[Editors: You may wish to localize this story by checking with gasoline marketers in your area about their plans for upgrading underground storage tank systems to meet new federal environmental safety standards that become effective on Dec. 23, 1998.]

### **EPA Tank Upgrade Rule May Reduce Fuel Sales Network**

OKLAHOMA CITY -- An upcoming U.S. Environmental Protection Agency (EPA) deadline will eliminate some of Oklahoma's 4,375 locations for buying gasoline and diesel fuel, but how many may close won't be known until late this year, the Oklahoma Corporation Commission says.

By Dec. 23, petroleum storage tank owners must replace underground tanks installed before December 1988 or equip the old tanks with the same environmental safety devices that are included in newer tanks systems. Tanks not upgraded by the deadline face immediate closure. The EPA says it won't extend the deadline because tank owners have known about it for 10 years.

"Some operators have or will be closing tanks rather than upgrading them. This shouldn't pose any significant disruption for motorists in urban areas where there are many places to buy gasoline, but it could cause inconvenience in some rural communities where there are fewer choices," Ray Smith, Fuel Division director, said.

The Corporation Commission enforces EPA storage tank regulations in Oklahoma. Commission records indicate that only about 4,800 of approximately 16,000 regulated tanks in Oklahoma have been upgraded to meet the new nationwide environmental protection standards.

"We are urging tank owners to make upgrade decisions now to avoid a last-minute shortage of tank systems and tank installers, but all we can do is warn them that the deadline won't be extended. The decision to upgrade or close is a private business matter," Smith said.

Smith said most of the tank system upgrades in Oklahoma have been done by major gasoline marketers.

(over)

Tank Rules - 2

"We don't know what the small independents, the 'mom and pop' operators, are going to do, and I don't think some of them know either. Upgrades are costly. That's certainly a consideration. Low-volume stations are the most vulnerable. For some tank owners, there may not be enough business and income to justify the expense of a tank system upgrade," Smith said.

The Corporation Commission estimates that the cost options for upgrading a typical three-tank filling station in a metropolitan area would be about \$8,290 for cathodic protection and spill and overfill devices, \$22,680 for relining tanks and replacing lines, or \$45,000 for replacing tanks and lines.

Costs would be greater in rural areas where transportation expense would have to be added, and supply and demand factors as the deadline approaches could further boost costs.

Smith said the Corporation Commission will work with the EPA to enforce the closure requirement for tanks that have not been upgraded by the Dec. 23 deadline.

"We hope the disruption won't be significant, but that's a matter for tank owners to decide," he said.

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For Immediate Release Contact: Patrick K. Petree Reference: Cause No. RM 980000004

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## **Corporation Commission Hosts Roundtable To Jump Start Local Phone Competition**

**Oklahoma City-** The Oklahoma Corporation Commission will host a roundtable on Friday, March 13 to discuss the status of competition in the local telephone exchange market in Oklahoma and what, if any, steps need to be taken to improve or encourage competition.

As a result of the Federal Telecommunications Act of 1996, the legal barriers that prevented consumers from selecting a local exchange company other than the existing provider were removed. The Corporation Commission enacted Oklahoma specific rules to facilitate local competition in March 1996.

Despite these efforts and the approval of numerous interconnection agreements between existing telecommunications providers and prospective competitors, the goals and promises of local competition have not been realized.

The Notice of Inquiry (NOI), which is the official docket of this roundtable, contains 32 questions regarding the status of local competition. The Commission invited all interested parties to submit comments on or before March 10, 1998. All comments will be available for public inspection during regular business hours at the Court Clerk's Office of the Commission, 8:00 a.m. to 4:30 p.m. The roundtable will begin at 9:30 a.m. in Courtroom 301, Third Floor, Jim Thorpe Building, 2101 North Lincoln Boulevard, Oklahoma City, Oklahoma. Time has been set aside at the roundtable for the public to make comments.

Questions concerning the Notice of Inquiry should be directed to Cece Coleman, Assistant General Counsel, Office of General Council, P.O. Box 52000-2000, OKC, OK 73152-2000, Phone (405) 521-4103, or C.Coleman@occemail.com, or to Steve Wilt, Coordinator, Public Utility Division, P.O. Box 52000-2000, OKC, OK 73105-2000, Phone (405) 522-3350, or S.Wilt@occemail.com

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: OCC33098-23

**580 Area Code Calls Must be Placed Directly Beginning April 1**

OKLAHOMA CITY -- Corporation Commissioners Ed Apple, Bob Anthony and Denise Bode remind Oklahoma telephone customers that calls placed to exchanges in the new 580 area code must use that area code designation beginning Wednesday, April 1.

Since last November, when the new area code was activated, calls into the 580 area code zone have been completed using either the 580 or the former 405 area code designation.

Beginning April 1, incorrectly dialed calls will be intercepted and a recorded message will give callers the correct area code information needed for placing the call. The call intercept and information service will continue until June 1. After June 1, a misdialed call will reach an incorrect number or no number.

Commissioner Bode said the commission doesn't expect the April 1 procedure change to cause any problems but wanted to again alert the public to the change. "The transition has gone pretty smoothly, and this is just another transitional step. Oklahomans realize that the need for the new area code is a result of telecommunications growth. Oklahoma just ran out of numbers. This is a good indicator of growth and modernization within the state," she said.

Creation of the 580 area code transferred 236 exchanges from the 405 area code. The 580 area code serves customers in the western half and north-central, south-central and southeastern sections of Oklahoma.

-OCC-

FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: TRN33098-22

### **Statewide Probe Hunts Passenger Transport Rules Violators**

OKLAHOMA CITY -- The Oklahoma Corporation Commission has begun a statewide search for taxicabs and other motor vehicles that are transporting passengers in violation of state and commission license and liability insurance regulations.

Operators of taxis, vans and charter sedans up to six-person capacity that carry passengers for hire between incorporated cities and towns are required to have an intrastate motor carrier license and \$100,000 of liability insurance. Larger vehicles have higher insurance requirements.

Passenger transport vehicles that are licensed by a city or town and operate only within that city or between the city and rural areas are exempt from commission license and insurance regulations.

Jerry Matheson, Transportation Division director, said the special emphasis search for rules violators responds to complaints filed with the Corporation Commission. He said motor carrier enforcement personnel throughout the state will check passenger motor carriers for licenses and proof of insurance and verify documents against a central registry of licensed motor carriers. They may also check advertisements to determine if a company is offering services it is not licensed to provide, he said.

The commission has filed contempt citations against two Oklahoma City companies for transporting passengers between Oklahoma City and other metropolitan area cities without Corporation Commission authority or proof of liability insurance. One company also was cited for advertising intercity transport services without a license to provide those services.

Hearings on those contempt cases are scheduled for April 21.

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: PUD33198-24

### **Some PBX Callers May Not Be Able to Reach 580 Area Code**

OKLAHOMA CITY -- Beginning on April 1, telephone calls placed into the new 580 area code can not be completed if they are placed through a private branch exchange (PBX) system that has not been programmed to recognize the new area code, the Oklahoma Corporation Commission warned Tuesday (March 31).

PBX systems are used mostly by large companies, hotels, and other organizations that have many telephones. Outgoing calls are routed through the PBX system rather than directly through a telephone company central office.

Since the 580 area code was activated last November, calls to that area could be made by using either the 580 or the former 405 area code designation. Beginning April 1, callers to the 580 area code must use the 580 designation. PBX systems that don't recognize the 580 area code can't complete a call to that area code.

Persons unable to reach the 580 area code through a PBX system should contact their local telephone operator, explain the problem, and ask the operator to complete the call. They should also ask the administrator of the PBX system to load the 580 area code into the PBX computer database.

Commission Chairman Ed Apple also has asked Oklahoma telephone customers to alert out-of-state organizations with whom they have contact about the need to include the 580 area code in their PBX systems.

Apple emphasized that the problem of accessing new area codes through PBX systems is not unique to Oklahoma.

"Last year, more than 20 new area codes were added throughout the nation, and it takes awhile for everyone to make adjustments to change. Individuals and organizations are encouraged to notify others with whom they have contact about correct area codes as well as correct telephone numbers," Apple said.

-OCC-

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### FOR IMMEDIATE RELEASE

Contact: Patrick K. Petree Reference: TRN5698-28

### **Enid's 16th Street Rail Crossing Will Close by May 15**

OKLAHOMA CITY -- The Oklahoma Corporation Commission has been notified that the Burlington Northern Santa Fe Railway will close its 16th Street crossing in Enid by May 15.

The railroad also advised the commission that it will move its switching operations from the 10th Street area to the 16th street area within 30 days, making the 10th Street crossing less congested for motorists, G.R. "Buddy" Combs, commission railroad department manager, said.

The Corporation Commission directed the BNSF to close its 16th street crossing and upgrade its 10th street crossing by adding crossing gates and a new crossing surface.

The 16th Street crossing is in the middle of the BNSF rail yard. The commission staff recommended its closure in the interest of public safety because motorists using the crossing have to cross 21 tracks over a total distance of about one city block.

The City of Enid filed, but later withdrew, a protest to the application for closure.

No timetable has been established for upgrading the 10th Street crossing.

In a separate order, the commission approved installation of flashing light signals and gate arms at the Willow Road crossing. Upgrading the Willow Road crossing will cost \$121,500. Federal grade-crossing improvements funds will pay 90 percent of the cost and the City of Enid will pay the remaining 10 percent, commission records indicate.

The Corporation Commission also approved two other Burlington Northern Santa Fe Railway crossings upgrades.

Flashing light signals, gate arms and a new concrete crossing surface will be installed at state highway 132 about a quarter mile east of Carrier, in Garfield County, at a cost of \$148,800. Federal funds will pay 90 percent and state and railroad funds will pay the rest.

Flashing light signals and gate arms will be installed at a county road about six miles east of Altus, in Jackson County, at a cost of \$104,700. Federal funds will pay 90 percent and Jackson County funds will pay the rest.

-OCC-

FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: PUD51498-29

### **Western Farmers Co-op Will Aid 'Distressed' Oil Producers**

OKLAHOMA CITY -- Western Farmers Electric Cooperative is offering a special electric rate for certain oil producers when low oil prices cause economic problems for producers, the Oklahoma Corporation Commission announced.

The special rate is being offered in response to the governor's emergency task force on marginal wells, which asked electric suppliers to develop programs to help marginal-well operators reduce electric power costs when oil prices drop below a certain level.

"Thanks to Western Farmers, marginal-well operators served by rural electric cooperatives may receive the same benefits as those available to operators served by major investor-owned utilities," said Commissioner Denise Bode, a co-chairman of the governor's emergency task force.

The Anadarko-based wholesale electric cooperative has approved a "distressed industry" service rider, which provides credits to operators of marginal-production wells when the price of Oklahoma Sweet crude drops below \$15 per barrel for at least 30 days.

The credits will be recovered through a surcharge that will begin after the price of oil exceeds \$16 per barrel for 30 days.

The special rate will be available through distribution cooperatives that elect to offer it. Western Farmers supplies electric power to 17 rural electric cooperatives, mostly in western Oklahoma.

The Western Farmers program is similar to programs offered by OG&E Electric Services and Public Service Co. of Oklahoma.

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: TRN51898-30

### **KC Southern Railway Fined \$5,500 for Blocking Crossings in Stilwell**

OKLAHOMA CITY -- The Oklahoma Corporation Commission has fined the Kansas City Southern Railway \$5,500 for illegally blocking rail crossings in Stilwell.

The commission order said evidence presented at a public hearing indicated the railroad illegally blocked crossings 22 times between Jan. 1 and March 7. Commission rules prohibit a stopped train from blocking a crossing for more than 10 minutes except in emergency situations.

The commission staff filed a contempt action after Stilwell citizens and school officials complained, and the railroad did not take action after receiving written notice from the commission to stop the illegal blockings.

G.R. "Buddy" Combs, Railroad Department manager, said most of the blockings were caused by one train waiting on a siding for another train to pass. He said the Kansas City Southern has changed its passing procedure so trains meeting in Stilwell can pass each other without either having to stop.

Terry Reardon, KCS Railway general superintendent, told the commission the railroad is considering building a new siding south of Stilwell.

The Kansas City Southern line enters Oklahoma from Arkansas in northern Adair County. It serves shippers in Stilwell, Sallisaw and Poteau before returning to Arkansas in southern LeFlore County.

-OCC-

FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: PUD52798-33

### **Cotton Gin at Delhi Approved for Closure**

OKLAHOMA CITY -- The Oklahoma Corporation Commission has approved closure of the Farmer's Cooperative cotton gin at Delhi, a rural community about 10 miles south of Sayre, in Beckham County.

Don Head, a Farmer's Cooperative officer, told the commission the gin was available for use last year but drew no customers. He said cotton acreage in the area served by the Delhi gin has declined from 4,000 acres to about 400 acres in the last three years. Head said there are 10 active gins within a 30-mile radius of the Delhi gin to process cotton grown in the area.

No one appeared at a commission hearing to oppose the closure application.

Head said the Farmer's Cooperative, which also sells feed, fertilizer and fuel, plans to sell the cotton ginning equipment and convert the building to a facility for drying peanuts.

Commission records indicate that the Delhi gin was established in about 1928. It had a ginning capacity of 8,000 bales for a 100-day ginning season.

The Corporation Commission has regulated the licensing of cotton gins and set rates for public ginning services since 1915.

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: TRN6598-35

### **Three Union Pacific Railroad Crossings Approved for Upgrades**

OKLAHOMA CITY -- The Oklahoma Corporation Commission has approved applications by the Union Pacific Railroad and the Oklahoma Transportation Department for safety upgrades of three railroad crossings, one in Duncan and two in Texas County, in the Oklahoma Panhandle.

Federal funds will pay 90 percent of the cost. The upgrades will be completed within 12 months after construction work orders have been issued.

The crossings approved for safety upgrades are:

Elk Avenue in Duncan, flashing light signals with gate arms and a 50-foot concrete crossing surface. The total estimated cost is \$181,600. Federal funds will pay \$163,440. The City of Duncan will pay \$13,310 and the railroad will pay \$4,850.

A county road about three miles southwest of Hooker, flashing light signals with gate arms. The total estimated cost is \$160,800. Federal funds will pay \$144,720. Texas County funds will pay \$13,130. Railroad funds will pay \$2,950.

A county road about 1.25 miles northeast of Texhoma, flashing light signals with gate arms and a 54-foot concrete crossing surface. The total estimated cost is \$148,800. Federal funds will pay \$133,920. Texas County funds will pay \$11,170 and the railroad will pay \$3,710.

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: FD61298-36

### **OCC Urging Storage Tank Upgrades Before December Deadline**

OKLAHOMA CITY -- The Corporation Commission's Fuel Division is putting everything it has -- registration forms, contractor lists, cost estimates and even an offer of personal assistance -- into a campaign to encourage petroleum storage tank owners to upgrade tanks before a "comply or close" deadline on Dec. 22.

By that date, all underground storage tanks must be replaced or upgraded to conform to required environmental safety standards. So far, only about 25 percent of regulated tanks in Oklahoma have met the upgrade requirements, commission records indicate.

"This Environmental Protection Agency deadline was set 10 years ago. It is no surprise. We're concerned that tank owners will wait until the last minute and not be able to get the services they need to upgrade tanks by the deadline," Ray Smith, Fuel Division director, said.

To encourage action, the commission has mailed an information and assistance packet to about 4,200 tank owners who have not upgraded their tanks or have not reported upgrades to the commission. Tank owners include government entities, school districts and military bases as well as operators of retail motor fuel stations.

A cover letter from Smith warns that the EPA deadline won't be extended, that tanks not in compliance will be closed and that the cost of completing upgrades after the deadline will include substantial fines for non-compliance.

Each packet contains a storage tank registration form with step-by-step instructions for completing it and contact lists for 325 environmental consultants, 157 licensed tank installers, 22 corrosion protection firms and a nationwide list of members of the National Association of Corrosion Engineers.

It also includes EPA cost estimates for various upgrade options and an EPA information booklet on tank requirements. The Corporation Commission even offers to conduct instructional meetings for tank owners who want assistance.

"We're doing everything we can to help tank owners comply with the new regulations," Smith said.

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**News from the Oklahoma Corporation Commission**

**Jim Palmer, Director of Information**

**Phone: (405) 522-2100, FAX: (405) 521-4983**

**June 15, 1998**

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**COMMISSION PREPARES TO OPEN INQUIRY ON COMPLAINTS OF DISCRIMINATION AND ANTI-COMPETITIVE ACTIVITIES IN THE GATHERING OF NATURAL GAS**

**FOR IMMEDIATE RELEASE**

**(OKLAHOMA CITY) - Governor Frank Keating's executive order (98-20) directing the Oklahoma Corporation Commission to begin the process of investigating complaints of discrimination and anti-competitive activities among natural gas gathering systems has drawn unanimous support from the commissioners.**

**Chairman Ed Apple said "the Commission is the appropriate agency to use its rule making authority to conduct hearings and develop rules, including a code of conduct, to regulate activities by natural gas gatherers." He added that a Notice of Inquiry will be issued as soon as possible to address all the concerns in SB 319 which was vetoed by the Governor.**

**Chairman Apple said "the Governor has used good judgment in recommending a better alternative to SB 319."**

**Commissioner Denise Bode, who serves as co-chair of the Interstate Oil and Gas Compact Commission's gas gathering subcommittee, said "when I first came on board at the Corporation Commission I recognized that gas gathering was a problem. Clearly the Governor agrees and now that the legislative smoke has cleared, we should act quickly to fix the problem."**

**As time is of the essence, Chairman Apple believes Oklahoma's Corporation Commission is equipped to handle the investigation and promulgate effective rules for natural gas gathering. The Commissioners will seek proposals for the rules well in advance of the Governor's deadline of January 1, 1999.**

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: OCC62998-38

### **Corporation Commission Combining Fuel, Indemnity Fund Divisions**

OKLAHOMA CITY -- The Oklahoma Corporation Commission will merge its Fuel and Indemnity Fund divisions on July 1 to form the Petroleum Storage Tank Division, Jay T. Edwards, general administrator, announced.

The merger is required by Senate Bill 27, passed earlier this year by the Oklahoma Legislature. The new division will continue the duties of its predecessors to regulate motor fuel quality, enforce state and federal rules for prevention and remediation of pollution caused by leaking petroleum storage tanks, and provide reimbursement for eligible costs of site remediation.

In a related restructuring, the Pipeline Safety Department, a part of the Fuel Division, is being transferred to the commission's Transportation Division.

Edwards said the new division will be organized into four major operational departments: comptroller (financial), technical, administration and fuel inspection. This will eliminate duplication of some administrative functions and provide a single point of public contact for matters pertaining to petroleum products storage, he said.

Thomas H. Tucker, a Corporation Commission attorney with 26 years of state government legal experience, has been named acting director of the new division. Ray Smith, Fuel Division director, will become special operations manager and David Kelley, Indemnity Fund administrator, will become deputy division director.

"The commissioners are planning to have informal meetings with those people who are involved in the passage of this legislation for the purpose of listening to everyone's concerns and to make sure the new division is responsive to the public's needs," Tucker said.

The Fuel Division was created in 1989 by combining the commission's fuel inspection and petroleum storage tank regulation programs. The Fuel Division managed the Oklahoma Petroleum Storage Tank Release Indemnity Program (Indemnity Fund) from its creation in 1989 until 1993 when the Legislature designated the Indemnity Fund as a separate operational entity.

The Indemnity Fund was established to help storage tank owners meet a federal requirement for \$1 million of liability insurance for damage caused by leaking tanks. Funding comes from a 1 cent per gallon assessment on gasoline, diesel fuel and blending materials at the distributor level.

The Fuel and Indemnity Fund divisions have about 90 employees, including 20 field-based fuel inspectors. All employees will be assigned to the new division except the 12 in the Pipeline Safety Department, which is being transferred to the Transportation Division, Edwards said.

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# **News** from the **Oklahoma Corporation Commission**

**Jim Palmer, Director of Information**

**Phone: (405) 522-2100, FAX: (405) 521-4983**

**FOR IMMEDIATE RELEASE....**

**"SLAMMING" COMPLAINTS TO THE OCC CONTINUE TO RIDE THE TIDE OF AWARENESS CREATED BY LAST YEAR'S COMMISSION INQUIRY.**

**(OKLAHOMA CITY) - The Oklahoma Corporation Commission has put into place rules and procedures associated with the problem of "slamming" combined with a program of effective enforcement and public education endorsed by the three OCC members, Bob Anthony, Ed Apple and Denise Bode. The awareness created by the program of public education about slamming is believed responsible for recent figures which show more phone calls to the Commission from Oklahomans complaining about having their long distance provider changed without their permission.**

**Commissioner Denise Bode urged the Commission staff to continue its vigilance on behalf of those affected by the tactics of illegal deception. And Bode thanked the Oklahoma Legislature for responding to the Commission's request for a greater penalty on violators of the Commission's slamming rules from \$500 to \$10,000 per occurrence.**

**Consumer Services Division Director Bill Burnett called the Commission's actions on slamming "fruitful." Burnett said "Consumer Services increased its emphasis on enforcement actions against violators." He points out that contempt actions were filed against five long distance carriers with results ranging from a \$500 settlement to a \$13,000 fine levied by the Commission. A repeat contempt action is pending against one of the carriers with a hearing set for September 28.**

**The number of complaints received by the Commission climbed 610 percent from August of 1997 through January of this year with the greatest increase coming immediately after last fall's Commission hearing.**

**Commission numbers show an average 22 percent monthly increase in slamming complaints since March. The most recent jump from May to June was 6.3 percent.**

**The Corporation Commission has developed a series of new public service radio spots and a new weekly radio program to help educate Oklahomans about the deception involved in both slamming and "cramming." Cramming involves adding phony charges onto billing statements.**

**-occ-**

FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: O&G71098-39

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### **Kersey Named Oil and Gas Inspector for Texas, Cimarron Counties**

OKLAHOMA CITY -- Richard K. Kersey, a Panhandle native and Guymon resident, has been appointed oil and gas field inspector for the Oklahoma Corporation Commission for Texas and Cimarron counties, Mike Battles, Oil and Gas Conservation Division director, announced.

Field inspectors monitor drilling and production operations and well tests, assist operators and enforce state laws and commission rules for oil and gas drilling, production and environmental protection.

Kersey joined the Corporation Commission on June 1 after more than 20 years of work in oil field-related industries in the Oklahoma Panhandle area.

After working four years as a welder for Adams Hardfacing in Guymon, Kersey joined the N.L. McCullough Wireline Co. in Guymon in 1977. He started as a wireline rigger and advanced to senior wireline operator.

In 1985 he became a plant operator for Air Products and Chemical Co. at its helium extraction and processing plant in Gruver, Texas. In 1997, he joined the Weatherford Tool Co. in Liberal, Kan., an oil field tools rental company, as a welder and wireline rigger.

Kersey is a native of Felt and a graduate of Felt High School. He studied mathematics at Central State University in Edmond. He has lived in Guymon the past 25 years.

"Those years in college were the only ones where I have lived outside the Panhandle," Kersey said.

Kersey is married and the father of three children.

-occ-

News from the Oklahoma Corporation Commission

Office of Public Information -- Phone: (405) 521-4180 FAX (405) 521-6945

FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: O&G71598-40

**Conference, Hearing Set for Gas Proration Consideration**

OKLAHOMA CITY -- The Oklahoma Corporation Commission staff has scheduled a technical conference for July 28 to consider proposals for production limits for unallocated gas wells for the fourth quarter of 1998 and the first quarter of 1999.

Staff recommendations and alternate proposals will be presented for consideration by the commissioners at a public hearing on Aug. 27. Commission rules require semiannual reviews of the production caps on unallocated gas wells.

Production limits are designed to give all producers an opportunity to share in the available market for natural gas. The present production limits of 65 percent of wellhead open flow potential or 1.3 million cubic feet of gas per day have been in effect since January 1997.

The Oil and Gas Conservation Division will conduct the July 28 technical conference at

10 a.m. in Room 105, Jim Thorpe Building, 2101 N. Lincoln Blvd., Oklahoma City. The Aug. 27 hearing will begin at 9:30 a.m. in the Commissioners' Courtroom (Room 301), Jim Thorpe Bldg.

Questions concerning the technical conference and hearing should be directed to Claude McNully, Technical Department manager, at (405) 521-2489.

-occ-

FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: PUD72098-41

### **Meetings Set for Discussion of Electric Restructuring Issues**

OKLAHOMA CITY -- The Corporation Commission's Public Utility Division has scheduled 11 meetings for discussion of issues involved in the restructuring of the electric power industry in Oklahoma. The meetings were designed and scheduled jointly by the commission and the legislative staff.

The meetings will give interested parties an opportunity to provide input into a research report the commission must prepare for delivery to the legislature's electric utility task force in September 1999. The report is required by the Oklahoma Electric Restructuring Act of 1997.

An organizational meeting will be held from 10 a.m. to 4 p.m. on Wednesday, July 29, in Room 301, Jim Thorpe State Office Building, 2101 N. Lincoln Blvd., Oklahoma City.

Subsequent meetings will be held through April 1999. Those meetings will be two-day events held in offices of the state Department of Environmental Quality, 707 N. Robinson, in Oklahoma City.

The commission staff also plans to conduct conference calls with participants between the meetings to discuss issues addressed in the meetings, Ernest Johnson, Public Utility Division director, said.

The meeting schedule and issues for discussion:

**July 29**, Organizational. **Aug. 18-19**, Unbundling of Services and Open Retail Access.

**Sept. 1-2**, Reliability and Safety. Retail Open Access and Metering. **Sept. 29-30** (Tentative Date), Retail Open Access and Metering. **Oct. 13-14**, Default Provider. Universal Service. Utility Obligations. **Nov. 3-4**, Stranded Cost and Benefits. Transition and Transition Costs. **Dec. 15-16**, Market Power. **Jan 19-20**, Service Territories and Future Forms of Regulation. **Feb. 9-10**, Consumer Safeguards and Education. Certification. **March 9-10**, Transition and Transition Costs. Stranded Cost and Benefits. **April 13-14**, Models for the Future.

Questions concerning the meetings should be directed to Dr. Kenneth Zimmerman, (405) 522-3364; Michele Craig, (405) 522-3377; or Kathy Sanders, (405) 522-1160; of the commission's Public Utility Division.

-occ-

# **Robert A. Butkin**

## **Oklahoma State Treasurer**

For Immediate Release July 23, 1998

For More Information Contact:

Tim Allen, Treasurer Butkin's Office (405) 522-4212

Drew Bond, Commissioner Bode's Office (405) 521-2267

### **Treasurer, Commissioner Announce**

### **Help For Oil Patch**

**OKLAHOMA CITY --** State Treasurer Robert Butkin and Corporation Commissioner Denise Bode today announced financial help for oil-related businesses suffering from depressed energy prices.

The two state officials urged business owners to consider applying for the Treasurer's Small Business Linked Deposit Program which helps provide low-interest loans to qualifying businesses.

"From the time I reactivated this low-interest loan program in 1995, my administration has worked to make sure qualifying businesses know it's available," Treasurer Butkin said. "I want every small business owner, including those in energy related fields, to know we stand ready to help." Butkin chairs the board which reviews and approves applications for business linked deposit funding.

"Since the oil crisis began in February and the Emergency Energy Task Force acted to address the situation, I have continued to look for ways to help reduce the impact of this crisis, particularly on small producers," Commissioner Bode said. "This is another action that could help soften the blow, but producers have to be made aware of it. I am eager to team up with Treasurer Butkin, who also has a good understanding of this vital industry, to get the word out." Bode served as co-chair of the Governor's Emergency Energy Task Force.

Butkin said eligible businesses must meet a few, simple requirements. "Qualifying businesses must have fewer than 200 employees or gross annual receipts of less than \$4 million," he said. "The money cannot be used exclusively to refinance existing debt, but can be used to preserve existing jobs or create new ones. Businesses can qualify for up to \$1 million, based on \$30,000 per job saved or created."

More than \$5.5 million is presently available for new small business linked deposits which lower loan interest rates by three percentage points. Businesses interested in applying should contact their local financial institution or call the Treasurer's office at (405) 521-3191. Commissioner Bode's office can also be contacted about this or other existing producer relief programs at (405) 521-2267.

For more information, go to the Corporation Commission's Web site at [www.occeweb/text\\_files/ogloan.htm](http://www.occeweb/text_files/ogloan.htm)

## News from the Oklahoma Corporation Commission

Office of Public Information -- Phone: (405) 521-4180 FAX (405) 521-6945

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: PUD72398-42

### **ONG Restructuring Hearing Concludes Friday**

OKLAHOMA CITY -- The Oklahoma Corporation Commission will hear final arguments on Friday (July 24) on Oklahoma Natural Gas Company's proposal for restructuring its gas purchase and transmission services.

The hearing before the commissioners will begin at 8:30 a.m. in Room 301 (Commissioners' Courtroom) of the Jim Thorpe state office building in Oklahoma City.

Restructuring to open gas purchase and transmission services to competition is required by state legislation enacted in 1997. Commission rules require competitive bidding for gas purchased for delivery to Oklahoma City and Tulsa customers for the winter heating season which begins Nov. 1.

ONG is proposing to divide itself into two companies. ONG would remain a regulated utility providing local distribution services. A new company, ONEOK Gas Transmission Co., would handle functions associated with gas acquisition, gathering, storage and transmission.

A commission order is due by July 31 so ONG can issue proposals for bids on Aug. 1.

-occ-

# **News** from the **Oklahoma Corporation Commission**

**Jim Palmer, Director of Information**

**Phone: (405) 522-2100, FAX: (405) 521-4983**

**FOR IMMEDIATE RELEASE...**

## **COMMISSION APPROVES PLAN TO SAVE ONG CUSTOMERS MONEY ON THEIR GAS BILLS**

**(OKLAHOMA CITY) - The Oklahoma Corporation Commission voted 2-1 late Friday, July 31, to adopt an interim order that opens the process of competitive bidding in Oklahoma's natural gas utility industry.**

**Commissioners Bob Anthony and Denise Bode voted in favor of the interim order. Chairman Ed Apple voted no. Instead, Apple asked for a two day extension to review the proposed interim order but his proposal was not supported.**

**The Interim order directs Oklahoma Natural Gas (ONG) to immediately seek competitive bids for part of the winter gas supply for the Oklahoma City and Tulsa metro areas in time for the heating season beginning Nov. 1.**

**Commissioner Denise Bode said "I want all Oklahoma consumers to realize greater benefits from the vast natural gas resource base we have here in Oklahoma. This new plan will guarantee that".**

**Further customer savings should be realized as competitive bidding is scheduled to spread statewide in time for the winter of 1999-2000.**

**Meetings will begin in about two months with the goal of encouraging retail competition for customer delivery of natural gas by October, 1999.**

**-occ-**

# **News** from the Oklahoma Corporation Commission

Office of Public Information — Phone: (405) 521-4180 FAX (405) 521-6945

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: PUD8598-47

## AT&T Will Pay Fine for Slamming an Oklahoma Phone Customer

OKLAHOMA CITY — The Oklahoma Corporation Commission has accepted an AT&T Communications of the Southwest proposal to pay a \$1,500 fine to resolve issues concerning the unauthorized switching of the long-distance service of an Oklahoma telephone customer.

A settlement agreement was reached after the commission's Consumer Services Division filed a contempt citation following investigation of a slamming complaint by Tracy and Jerome Jenkins of Enid.

In a written reponse to the complaint, AT&T said that the switch was made on Feb. 13 based on a written authorization from an outside firm hired by AT&T to enroll long-distance customers. The switch to AT&T long-distance service was rescinded on Feb. 20 and the customer was reimbursed for all related charges and costs on March 15, the AT&T response said.

AT&T also said it no longer employs the outside sales vendor that ordered the long-distance service change.

-OCC-

FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: PUD8598-46

### **OCC Requires Reports on Y2K Computer Adjustments**

OKLAHOMA CITY -- The Oklahoma Corporation Commission has ordered public utilities in Oklahoma to provide information about steps being taken to avoid computer problems that could disrupt utility services in the year 2000.

Utilities will have until Sept. 15 to tell the commission what steps have been taken to prevent problems, what contingency plans have been developed to handle unanticipated computer problems, and what problem-solving help may be available from industry organizations.

The commission decided to require the requested information after many utilities ignored an earlier request to provide it voluntarily. Last September, the commission's Public Utility Division sent letters requesting Y2K (Year 2000) computer adjustment action plans to 516 utilities, but only 143 (27.7 percent) responded, commission court records indicate.

The requested information is necessary to allow the commission to evaluate the sufficiency of actions by each utility to ensure that customers will not be adversely affected by any Y2K (computer) problem, the order said.

-OCC-

FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: OCC8698-48

### **OCC Expresses Disappointment at ONG Appeal**

OKLAHOMA CITY -- The Oklahoma Corporation Commission expressed disappointment Thursday (Aug. 6) that the state's largest gas provider has chosen to appeal a commission order that would result in customer savings this winter.

Oklahoma Natural Gas Co. asked the Oklahoma Supreme Court to overturn the commission's July 31 interim order that requires ONG to put some of its gas service functions out for competitive bids. ONG also filed a motion asking the commission to stay the order.

Commissioner Denise Bode pointed out that the commission remains committed to providing customers of Oklahoma Natural Gas with savings from competitive bidding for natural gas services.

Commissioner Bob Anthony said that "ONG should join other gas and electric utilities in Oklahoma that are already saving their customers money by using competitive bidding."

Both commissioners emphasized that the commission's interim order is designed to allow ONG to work closely with the commission on the best possible way to configure the necessary changes to transition Oklahoma's natural gas utility industry into the era of savings through competitive bidding.

"Time is important to make these customer savings possible by the start of the winter heating season which begins Nov. 1," Bode said. She said she is "committed to responding to the company as it provides the commission with new information supporting any changes, but I would like to see changes made in time allow customers to save on gas costs during the winter season."

Initially, competitive bidding would apply only to gas purchased and transported for use by Oklahoma City and Tulsa area customers, but savings would be realized statewide, the commissioners said.

-OCC

# **News** from the **Oklahoma Corporation Commission**

**Jim Palmer, Director of Information**

**Phone: (405) 522-2100, FAX: (405) 521-4983**

**August 12, 1998**

**FOR IMMEDIATE RELEASE...**

**(OKLAHOMA CITY) - Oklahoma Natural Gas Co. (ONG) President Jim Kneale has indicated his company might drop its (Aug 6) constitutional challenge of a Corporation Commission order to seek competitive bids for this winter's supply of natural gas. Kneale's comments came Wednesday as part of this week's Corporation Commission radio show "it's your Money" on the Oklahoma News Network during discussion of issues raised by the order.**

**In response to a question on the show about ONG's State Supreme Court appeal of the Commission's order, Kneale said "it gets very legally complicated and technically complicated but I think the message is everybody I believe is pretty optimistic we can resolve these issues in a short period of time."**

**The Commission issued its interim order on July 31 as the first step in bringing competitive bidding to the natural gas market in Oklahoma and providing ONG customers with the benefits of lower costs for their gas services.**

**The State Supreme Court is in recess until September 8 and is not expected to act on the ONG appeal before then.**

**-occ-**

# **News** from the **Oklahoma Corporation Commission**

**Jim Palmer, Director of Information**

**Phone: (405) 522-2100, FAX: (405) 521-4983**

**August 13, 1998**

## **NEWS ADVISORY...**

**(OKLAHOMA CITY) - The Oklahoma Corporation Commission has continued its deliberations in the matter of competitive bidding for natural gas services by Oklahoma Natural Gas Company (ONG) until next Wednesday, August 19 at 9:30 a.m.**

**Chairman Ed Apple called for the continuation after nearly four hours of courtroom discussion in which the Commission heard from several parties including ONG, ENOGEX, OCTAGON, TRANSOK and the state Attorney General's office.**

**A motion by ONG to stay the Commission's interim order on competitive bidding issued July 31 and a motion by ENOGEX to reconsider and modify that same order were not acted upon by the Commission.**

**-occ-**

# **News** from the **Oklahoma Corporation Commission**

**Jim Palmer, Director of Information**

**Phone: (405) 522-2100, FAX: (405) 521-4983**

**August 17, 1998**

**FOR IMMEDIATE RELEASE...**

## **OCC FILES MOTION TO DISMISS ONG APPEAL**

**(OKLAHOMA CITY) -The Oklahoma Corporation Commission has filed a motion to dismiss Oklahoma Natural Gas Company's appeal to the state Supreme Court of its July 31 interim order. The Commission's order directed ONG to immediately seek competitive bids for its November 1 winter supply of natural gas for the Oklahoma City and Tulsa metro areas as part of the first steps in a gas service unbundling plan.**

**The Commission's motion to dismiss was filed Monday afternoon, August 17, just eleven days after ONG filed its appeal with the state Supreme Court. The OCC motion asks for a quick dismissal of what the agency called ONG's premature appeal so the critical administrative process of the interim order may continue before the Commission.**

**-occ-**

# **News** from the **Oklahoma Corporation Commission**

**Jim Palmer, Director of Information**

**Phone: (405) 522-2100, FAX: (405) 521-4983**

**August 21, 1998**

**FOR IMMEDIATE RELEASE...**

## **ONG REJECTS COMMISSION PLAN TO OFFER GAS RATE SAVINGS THIS WINTER**

**(OKLAHOMA CITY) - While the Oklahoma Corporation Commission stands ready to continue working with all parties to reach an acceptable agreement with Oklahoma Natural Gas (ONG) to provide savings to consumers, Commissioner Denise Bode said "that option appears to have been closed by the utility's insistence to push its appeal before the State Supreme Court."**

**Commissioner Bode said she "regrets ONG's refusal to move forward with the process that would result in savings for consumers."**

**Bode said "not only does this disadvantage ratepayers but ONG has done a disservice to its own shareholders. The process ordered by the Commission would position ONG for the emerging natural gas marketplace. But it's obvious ONG's decision to take us to court will hold that up for some time."**

**Commissioner Bob Anthony said "Our order follows the rules which were signed by the Governor."**

**Anthony said "I appreciate the diligence and hard work of Commissioner Bode. She tried to reach a settlement with the parties to avoid an appeal. She worked in the public's best interest and they should be made aware of that."**

**-occ-**

# **News** from the **Oklahoma Corporation Commission**

**Jim Palmer, Director of Information**

**Phone: (405) 522-2100, FAX: (405) 521-4983**

**August 21, 1998**

## **OCC MAKES SCHEDULE AND SURVEY CHANGES FOR INQUIRY INTO COMPLAINTS ABOUT NATURAL GAS GATHERING ACTIVITY**

**(OKLAHOMA CITY) - The Oklahoma Corporation Commission has changed its schedule for gas gathering technical conferences and the re-formatting of the gas industry survey by issuing an amended notice of inquiry (NOI).**

**The Commission's NOI stems from Governor Frank Keating's executive order in June directing the OCC to begin an investigation into complaints of discrimination and anti-competitive activities among natural gas gathering systems.**

**Commissioners seek proposals for promulgating effective rules for natural gas gathering well in advance of the Governor's January 1, 1999 deadline.**

**The changes include cancellation of the August 24 technical conference and the September 9 Commission hearing.**

**New dates for the technical conferences will be Monday, September 14 and Monday, September 28. Both conferences will start at 10:00 a.m. in the Commission's courtroom 301, Jim Thorpe Building, 2101 N. Lincoln Blvd., Oklahoma City, Oklahoma 73105.**

**The Commission hearing on the NOI will be Monday, October 19, at 9:30 a.m. in courtroom 301 of the Thorpe Building in Oklahoma City. The official comment period prior to the hearing will extend from September 8 through October 6.**

**The new deadlines for responding to jurisdictional questions raised at the August 14 technical conference are September 8 for initial responses and September 22 for replies to the initial responses.**

**Changes are being considered to the proposed survey form based on comments from the August 14 conference. Those desiring input on amending the survey are asked to be part of a work group meeting August 28 at 9:00 a.m. in the Commission's conference room 105 of the Thorpe Building in Oklahoma City. It is hoped the survey can be sent to Oklahoma oil and gas operators in time for responses in advance of the September 28 technical conference.**

**Questions and comments should be directed to Mike Battles, Director of the Commission's Oil and Gas Conservation Division at (405) 521-2302.**

**-occ-**

# **News** from the Oklahoma Corporation Commission

Office of Public Information — Phone: (405) 521-4180 FAX (405) 521-6945

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: PUD82498-51

## OCC Dismisses 9 Toll-Free Phone Service Applications

OKLAHOMA CITY — The Oklahoma Corporation Commission has dismissed nine applications for toll-free telephone service because the applicants did not meet minimum traffic requirements.

Extended-area service (EAS) between specific exchanges and wide-area calling (WAC) within calling zones eliminate toll charges but allow telephone companies to recover lost toll revenue through higher rates for all customers served by the exchanges.

A commission rule requires that at least half of the customers in a petitioning telephone exchange must make at least five calls a month to other exchanges or calling zones where toll-free calling is sought.

Wide-area calling applications dismissed were from customers in the Boynton, Okemah and Stroud exchanges who were seeking inclusion in the Tulsa wide-area calling circle and customers in the Coyle, Earlsboro and Asher exchanges seeking inclusion in the Oklahoma City calling circle.

Extended-area service applications dismissed had been filed by Perry exchange customers seeking toll-free calling with the Billings, Covington, Enid, Guthrie, Marland, Morrison, Mulhall, Ponca City, Orlando, Red Rock and Stillwater exchanges; Ripley exchange customers seeking connection with the Cushing exchange; and Covington, Douglas and Marshall exchange customers seeking toll-free calling with each other and with the Fairmont and Enid exchanges.

None of the applicants objected to the commission's dismissal orders.

-OCC-

# **News** from the Oklahoma Corporation Commission

Office of Public Information — Phone: (405) 521-4180 FAX (405) 521-6945

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: O&G82798-52

## Corporation Commission Continues Present Gas Production Limits

OKLAHOMA CITY -- The Oklahoma Corporation Commission voted unanimously Thursday (Aug. 27) to continue production limits for unallocated gas wells at the greater of 65 percent of wellhead open flow potential or 1.3 million cubic feet per day for the fourth quarter of 1998 and the first quarter of 1999. The action was recommended by the commission staff.

The present production caps have been in effect since January 1997. They allow full production from most of approximately 29,000 gas wells in Oklahoma since most wells are unable to produce gas up to the allowed limits. The commission staff estimates that fewer than 1,000 wells will be affected by the production caps.

Claude McNully, technical manager, said that far-reaching developments are in progress which will reduce Oklahoma's share of the national gas market. He cited additional Canadian pipeline capacity, increased offshore production and Alaskan North Slope reserves, for which transportation studies are in progress. He said allowing Oklahoma producers to take full advantage of the available gas market is essential to keeping the state's petroleum industry healthy, especially during the present period of depressed oil prices.

"Gas is generally being produced more profitably than oil. We feel that we need to help industry realize maximum profits within the provisions of state statutes and commission rules. In the prevailing climate, we believe that this is what is best for Oklahoma," McNully said.

At a public hearing, spokesmen for Burlington Resources, Vastar Resources, Amoco Production Co., Crescendo Resources and Marathon Oil voiced support for the commission staff's recommendation.

McNully said the Oklahoma Independent Petroleum Association (OIPA) indicated at a technical conference that it would prefer slightly lower limits but would not oppose the present limits.

Commission rules require semiannual reviews and votes on gas production limits for unallocated wells. The reviews occur before the start of the winter heating season and the start of the summer season, when gas-in-storage inventories are rebuilt.

-OCC-

# News from the Oklahoma Corporation Commission

Jim Palmer, Director of Information

Phone: (405) 522-2100, FAX: (405) 521-4983

August 27, 1998

FOR IMMEDIATE RELEASE...

## **OCC APPROVES HEARING SCHEDULE FOR PROPOSED POWER COMPANY MERGER INVOLVING P-S-O**

(OKLAHOMA CITY) - The Oklahoma Corporation Commission has approved a scheduling order to examine the issues involved in a proposed merger involving Public Service Company of Oklahoma.

The case will consist of two hearings. The first hearing on the joint merger proposal of American Electric Power Company, Inc., of Ohio and Central and South West Corporation (parent of Public Service Company of Oklahoma) will be heard before the Commission on October 8 and 9. The hearing will begin at 1:30 p.m. in courtroom B, located on the first floor of the Jim Thorpe building and will be continued until completed.

The Commission will issue an interim order by Wednesday November 12 on the multi-billion dollar proposal after considering how the merger will affect electric competition, the merged company's financial stability and the experience of its managers.

Commissioners will conduct a second hearing on the merger's regulatory plan. That hearing will be on January 20, 21 and 22, 1999, at 9 a.m. in courtroom 301 on the third floor of the Thorpe building. The benefits and costs of the merger and how they will be allocated to Oklahoma ratepayers will be deliberated.

A final Commission order is scheduled for February 10, 1999.

-occ-

# **News** from the Oklahoma Corporation Commission

Office of Public Information — Phone: (405) 521-4180 FAX (405) 521-6945

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FOR IMMEDIATE RELEASE Contact: Jim Palmer, (405) 522-2100

(Reference: OCC83198-54) Patrick K. Petree (405) 521-4180

## Commission Questions Constitutionality of Bell Rate Freeze

OKLAHOMA CITY -- The Oklahoma Corporation Commission, Monday, Aug. 31, formally requested an attorney general's opinion on the constitutionality of legislation prohibiting the agency from reviewing rates charged by Southwestern Bell Telephone Co.

In 1997, the Legislature enacted HB 1815, known as the *Oklahoma Telecommunications Act of 1997*. The law is intended to amend Sections 18 through 34 of the Oklahoma Constitution and contains a provision prohibiting the Commission from initiating or conducting a traditional rate base, rate of return or earnings proceeding for any local exchange telecommunications company which has 15 percent or more of the access lines in the state.

The three commissioners note in their opinion request that this provision violates Article V, Section 51 of the Oklahoma Constitution by granting special privileges to a corporation since Southwestern Bell, as the only company with over 15 percent of the access lines, would be treated differently than the other 44 local exchange companies. The request notes that based on a preliminary review, the Commission's Public Utility Division conservatively estimates that should Bell submit to a traditional rate case, charges would be lowered between \$48 million and \$83 million per year due to the declining cost nature of today's telecommunications market. To meet legal requirements, the Commission must obtain an attorney general opinion, or court decision, before proceeding with a rate case.

"Although large rate reductions may be achieved, under HB1815 the Commission can not proceed until an attorney general or court opinion is obtained. Because our staff estimates the unconstitutional law is costing Bell ratepayers from \$1 to \$1.5 million each week, I hope the attorney general will give us an immediate and favorable answer," Commissioner Bob Anthony said.

Additionally, the opinion request notes that while the legislature has authority to amend Article IX, Sections 18 to 34, it did not properly do so in adopting HB 1815, using very broad, general language without explicitly defining the sections being amended.

The request cites the State Supreme Court decision in *Ethics Commission of State of Oklahoma v. Cullison* which ruled that one constitutional body may not exercise a function expressly set apart for another constitutional body. In HB 1815, the legislature has stripped the Commission of its constitutional authority to review and set rates for the largest local exchange company in the state. This is a violation of Article IV, Section 1 of the Constitution, the request reads.

The Commission said that although HB 1815 does not contain a severability clause, the courts have held that there is a general presumption of severability. The severability clause is a provision added to legislation specifying that if any portion of a bill is removed the remainder will continue in full force and effect. The remaining portions of the Telecommunications Act can stand alone should the rate freeze provision be stricken, the Commission said.

-OCC-

# **News** from the Oklahoma Corporation Commission

Office of Public Information — Phone: (405) 521-4180 FAX (405) 521-6945

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: TRN9198-55

## OCC Approves Shawnee Mall Rail Crossing Project

OKLAHOMA CITY -- The Oklahoma Corporation Commission has approved a contract between the Burlington Northern Santa Fe Railway and the City of Shawnee for installation of a rail crossing surface and mechanical warning and safety devices on a proposed Shawnee Mall frontage road.

Two flasher-light signals and gate arms and a 48-foot concrete crossing surface will be installed where the proposed road crosses the BNSF Shawnee industrial spur track.

The City of Shawnee will pay the estimated \$210,311 cost of the installation and pay the railroad \$2,077 annually for ordinary maintenance and operating expenses, according to records filed with the commission.

The City of Shawnee and the railroad reached agreement on the crossing project in April, subject to approval by the Corporation Commission, which has jurisdiction over the opening, closing and upgrading of railroad crossings.

-OCC-

# **News** from the **Oklahoma Corporation Commission**

**Jim Palmer, Director of Information**

**Phone: (405) 522-2100, FAX: (405) 521-4983**

**September 3, 1998**

**FOR IMMEDIATE RELEASE...**

**OCC CONSUMER SERVICES SEEKS CITATION FOR CONTEMPT AGAINST SOUTHWESTERN BELL**

**(OKLAHOMA CITY) - The Oklahoma Corporation Commission has filed a complaint and notice of citation for contempt against Southwestern Bell involving an allegation of thousands of dollars in overcharges to an Oklahoma business.**

**Bill Burnett, Director of Consumer Services for the Commission, filed the information against Southwestern Bell on Tuesday, September 1. Bell is ordered to appear before an administrative law judge at the Commission at 9:00 a.m. on Wednesday, October 7 for a hearing on the merits.**

**The allegation by Lively Electric Co. of Wewoka, Oklahoma claims Bell charged it monthly since 1981 for radio service it discontinued 17 years ago. The complaint says Bell refused to reimburse Lively Electric for the 17 years of discontinued service.**

**Consumer Services seeks complete reimbursement with interest for the overcharges and a finding of contempt with multiple fines in the maximum amount allowable by law (\$500 per violation per day).**

**-occ-**

# **News** from the Oklahoma Corporation Commission

Office of Public Information — Phone: (405) 521-4180 FAX (405) 521-6945

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: TRN9498-57

## OCC Orders Immediate Repair of Dewey Rail Crossing

OKLAHOMA CITY -- The Oklahoma Corporation Commission Friday (Sept. 4) ordered immediate repair of a railroad crossing in Dewey after an inspection determined that surface deterioration has made the crossing a threat to public safety.

The crossing spans the southbound lane of U.S. Highway 75 between Fourth and Sixth streets.

G.R. (Buddy) Combs, Railroad Department manager, said the track and concrete surface at the crossing have sunk about three to four inches below the surface of the highway.

"This would not be a problem for trains, but it is a problem for motorists who are not aware of the depression," Combs said.

Combs said the South Kansas and Oklahoma Railroad (SK&O) has started making repairs. The commission ordered repairs to be completed by Sept. 11. The crossing is on SK&O track that runs between Caney, Kan., and Tulsa.

-OCC-

# **News** from the **Oklahoma Corporation Commission**

**Jim Palmer, Director of Information**

**Phone: (405) 522-2100, FAX: (405) 521-4983**

**September 8, 1998**

**FOR IMMEDIATE RELEASE...**

## **OCC TV-SHOW READY TO AIR WITH SEPTEMBER SCHEDULE**

**(OKLAHOMA CITY) - The Oklahoma Corporation Commission (OCC) has completed the taping of its first public service television show in preparation for September airing.**

**Entitled "It's Your Money," the 30 minute program is hosted by veteran TV news anchor Jack Bowen and features Commission Chairman Ed Apple and General Administrator Jay Edwards. Thanks to the folks at Multimedia Cable for their very great assistance in the taping and production of the show. And thanks to Cox Cable of Oklahoma City for offering their services and agreeing to air the program in cooperation with Multimedia for the public benefit of Oklahomans.**

**The show is designed to provide the public with some general knowledge of the OCC with emphasis on the many ways the Commission touches peoples lives each day. "It's Your Money" encourages the consumer to talk with the Commission and provides the appropriate contact information on the OCC web site, Consumer Service phone numbers, the Chairman's e-mail and the Commission's mailing address.**

**The program will air simultaneously over Multimedia Channel 35 and Cox Channel 19 in the Oklahoma City and central Oklahoma area on the following schedule:**

**6:30 p.m., Tuesday, September 8, 22, 29 and Thursday September 10 and 24.**

**Information will be provided on future shows.**

# **News** from the Oklahoma Corporation Commission

Office of Public Information — Phone: (405) 521-4180 FAX (405) 521-6945

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: TRN91098-59

## Task Force Issues Guidelines for Closing Rail Crossings

OKLAHOMA CITY — Railroad crossings where major accidents have occurred and those with high accident potential because they are difficult for motorists to see should be considered for closure, a task force investigating railroad crossing safety recommends.

The recommendations don't cite any specific crossings. They are only guidelines for helping evaluate crossings being considered for closure, Jerry Matheson, Oklahoma Corporation Commission transportation director, said.

The task force study was ordered by state House and Senate resolutions. It was coordinated by the Corporation Commission, which regulates the opening, upgrading and closing of railroad crossings. The 14-member task force comprised representatives of federal, state, county and city government agencies, the railroad industry, motor vehicle and highway user groups and the general public.

The accident risk factors are among 12 conditions the task force said should be considered when evaluating a crossing for closure.

The task force recognizes that most crossings over busy traffic routes can't be closed, but it generally supports a federal government goal of closing 25 percent of the nation's 280,000 railroad crossings to reduce accidents at low-use crossings, Matheson said.

The Federal Railroad Administration's close-and-consolidate plan seeks to close low-use crossings, build access roads to alternate crossings and upgrade the safety equipment at those crossings.

In its final report to the legislature, the task force said that a crossing should be considered for closure when two or more train/motor vehicle collisions that resulted in death, serious injury or extensive property damage have occurred during the past five years, or when a pattern of "near miss" incidents has been identified.

Closure also should be considered if motorists can't see the crossing or an approaching train in time to prevent a collision. Corporation Commission rules require a clear roadway view of a railroad crossing from at least 50 feet away and track visibility of at least 250 feet in each direction from the crossing.

The sight distance factor is critical at passive crossings, which have no mechanical signal devices to warn motorists of approaching trains, the task force report said. If the crossing can't

be closed and if there is no funding available for a safety system upgrade, then stop signs, "rumble strips" in pavement and reflective crossbuck posts should be considered as aids to motorist safety at passive crossings, the report said.

The task force report said primary consideration also should be given to the number and speed of trains, the number of motor vehicles using the crossing, whether the crossing is needed for emergency vehicles and the distance to an alternate crossing.

Secondary considerations are the number of tracks at the crossing, the angle of the roadway and track intersection, elevation of the rail crossing in relation to the roadway, the type of warning device at the crossing, proposed property development near the crossing and the use of the crossing by pedestrians, especially near parks, schools and other public places, the report said.

The report also emphasized that crossings used by large vehicles, such as fire trucks and school buses, should have at least 200 feet of "safe" space between the railroad crossing and the nearest roadway intersection.

The task force also recommends long-term studies to gather more precise information on railroad crossing traffic patterns and conditions, more cooperation among city, county, state and federal government agencies on railroad crossing matters and more information programs to increase public awareness of railroad crossing dangers to motorists.

Matheson said the task force's recommendations are intended to aid Oklahoma's railroad crossing safety improvement program that has reduced train/motor vehicle collisions from 293 in 1976 to a low of 80 in 1996. There were 104 train/motor vehicle crossing accidents in 1997.

During this 21-year period, about \$79.9 million has been spent to install 683 flashing-light signals and 492 crossing gate arms, upgrade 325 mechanical safety systems, install 428 crossing surfaces and close 53 crossings, Oklahoma Transportation Department statistics indicate.

Of Oklahoma's 4,681 railroad crossings, 1,936 (41.36 percent) are equipped with mechanical warning and safety devices and 2,745 (58.64 percent) are marked only with crossbucks that identify crossing locations.

Crossing safety systems are upgraded as funds become available, Matheson said. At present, Oklahoma receives \$3.2 million annually in federal funds. The federal funds pay up to 90 percent of the cost of most railroad crossing safety upgrades.

The funds are administered by the state Transportation Department's Office of Rail Programs, subject to approval by the Corporation Commission.

-OCC-

*(This news feature story is available for downloading from the Corporation Commission web site:  
[www.occeweb.com](http://www.occeweb.com))*

# **News** from the **Oklahoma Corporation Commission**

**Jim Palmer, Director of Information**

**Phone: (405) 522-2100, FAX: (405) 521-4983, [www.occeweb.com](http://www.occeweb.com)**

**September 14, 1998**

**FOR IMMEDIATE RELEASE...**

## **BIOREMEDIATION OF OLD TANK SITE FINISHED AHEAD OF SCHEDULE CLEARING WAY FOR FUTURE CANAL AND BRICKTOWN DEVELOPMENT.**

**(OKLAHOMA CITY)-The way has been cleared for future development of the MAPS canal and Bricktown with the successful completion of a major cooperative project by the Oklahoma Corporation Commission (OCC).**

**The OCC's Petroleum Storage Tank Division supervised the removal and bioremediation of approximately 27,000 cubic yards of soil. The Commission's Project Manager, Neil Garrett, said "the soil was impacted for several decades with refined hydrocarbons." The excavation is at the former Rhodes Oil Company site at 310 Southeast 2<sup>nd</sup> street. The site (the size of 2.4 football fields) is immediately adjacent to the north side of I-40 and directly across the street south of the Southwestern Bell Bricktown Ballpark.**

**The bid winning firm of C-P Integrated Services Inc. began excavation on August 26 and remained ahead of schedule with the removal of approximately 18-hundred cubic yards of impacted soil from the site each day.**

**The impacted soil was delivered to the bioremediation site ( 9.3 football fields) about a block south of I-40 just west of Byars Avenue. There it will be spread out, watered, fertilized and turned so the bacteria will degrade the hydrocarbons in the soil.**

**Fresh soil was delivered from near the remediation site to the excavation site and used as back fill.**

**Cleanup of the old oil field and fuel storage site is expected to be finished this week when new soil and fencing of the site makes it ready to turn over to the city for future development. Cost of the project was less than \$360,000.**

**OCC project manager Neil Garrett says cooperation among the Corporation Commission, the City of Oklahoma City, its consultant C.H. Guernsey and Co. and the contractor C-P Integrated Services, Inc. has been "synergetic and smooth as silk."**

**-occ-**

# **News** from the Oklahoma Corporation Commission

Office of Public Information — Phone: (405) 521-4180 FAX (405) 521-6945

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: O&G9198-56

## State Plugged 188 Abandoned Wells in Fiscal 1998

OKLAHOMA CITY -- The Oklahoma Corporation Commission spent or committed \$747,270 in state funds to plug 188 abandoned oil and gas wells in fiscal year 1998, which ended June 30, records indicate.

This compares to \$688,989 spent to plug 226 abandoned wells in fiscal year 1997.

State funds are used when no operator can be found to pay the plugging costs. Money for the state's well plugging fund is provided by the oil and gas industry through excise taxes on production.

Total plugging expenditures for fiscal 1998 may increase as wells awaiting contracts or orders at the end of the year are approved for plugging.

Currently, 179 wells with estimated plugging costs of \$663,944 are in various stages of the bid process, and an additional 50 wells with estimated plugging costs of \$260,876 are awaiting commission orders.

The rate of plugging abandoned wells depends on funds available. As of August 12, the well plugging fund had \$22,630 available. An additional \$34,000 will be added by September, a Corporation Commission accounting report said.

-OCC-

# **News** from the **Oklahoma Corporation Commission**

**Jim Palmer, Director of Information**

**Phone: (405) 522-2100, FAX: (405) 521-4983, [www.occeweb.com](http://www.occeweb.com)**

**September 23, 1998**

**FOR IMMEDIATE RELEASE...**

**ANOTHER MAJOR FINE RECOMMENDED FOR SLAMMING OKLAHOMANS...THIS TIME THE STATE'S ENERGY SECRETARY IS AMONG THE VICTIMS.**

**(OKLAHOMA CITY)-Oklahoma Corporation Commission administrative law judge (ALJ) Robert Goldfield recommends the Commission issue an order adopting his findings in a "slamming" case involving Axces, Inc. Goldfield wants Axces, Inc. fined \$15,000 for two counts of the unauthorized changing of the long distance phone service of two state residents.**

**The complaint filed against Axces, Inc. by the Commission's Director of Consumer Services alleged the company switched the phone services of Frank T. Sleik, Jr. And Carl Michael Smith without their permission. Smith is Oklahoma's Secretary of Energy. The ALJ assessed a fine of \$500 per month per count amounting to \$7,500 each count to be paid within thirty (30) days from issuance of the final order.**

**In addition, judge Goldfield determined that any further "slamming" violations by Axces, Inc. shall result in the revocation of their certificate to do telecommunications business in the state.**

**Goldfield also concluded that all unmanned drop boxes within the state used to solicit letters of authorization shall be removed within thirty (30) days from the date of the order and that failure to do so subjects Axces, Inc. to a fine of \$500 per box per day.**

**-occ-**

# **News** from the Oklahoma Corporation Commission

Office of Public Information — Phone: (405) 521-4180 FAX (405) 521-6945

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: PUD92498-63

## OCC Closes 2 Cotton Gins; Anthony Says Regulation Unnecessary

OKLAHOMA CITY -- The Oklahoma Corporation Commission has approved the official closure of two inactive cotton gins at Willow, in Greer County, but Commissioner Bob Anthony says the commission shouldn't have to take such action.

Willow is a rural community about 13 miles north of Mangum. Neither the Farmers Union Cooperative Gin nor the privately owned Willow Gin processed any cotton in 1997, due to a sharp decrease in cotton production.

Danny L. Cornelius, a former gin manager, told the commission the Farmers Cooperative Gin processed about 400 bales in 1996. He said 2,200 bales are needed to break even financially. Cornelius said Willow area cotton acreage has dropped from about 5,500 acres to between 300 and 400 acres.

Vinson Fite, Willow Gin owner, said his gin processed about 200 bales in 1996. He said much former cotton land has been put into the federal government's Conservation Reserve Program, which allows farmers to receive payments for certain erodible land taken out of production.

No one opposed the closure orders. Gins in Mangum, Granite, Carter, Sayre and Elk City are processing cotton still grown in the Willow area.

"The business climate in Oklahoma suffers from the embarrassing fact that we continue to be the last state in the union to regulate cotton gins as a public utility. For about six of the last 10 years the legislature has ignored recommendations of the Corporation Commission that cotton gins be deregulated," Anthony said.

The legislature directed the Corporation Commission to regulate cotton gins and set rates for public ginning in 1915. There were more than 1,000 gins in 1925 but only about 40 gins today, commission records indicate.

"The waste of time and money to business, farmers and taxpayers goes on because a few rustbucket cotton gin operations still want government regulation to protect them from potential competition," Anthony said.

-occ-

# **News** from the Oklahoma Corporation Commission

Office of Public Information — Phone: (405) 521-4180 FAX (405) 521-6945

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: PUD 92498-62

## Western Union Exits Oklahoma Telephone Market

OKLAHOMA CITY -- Western Union Communications has surrendered its certificate to do business in Oklahoma as a reseller of intrastate toll telephone services.

In its application, the company said the action was part of a year-long plan to exit the prepaid calling card business. The Western Union application said the company has not sold prepaid calling cards in Oklahoma since June 1997.

The Corporation Commission approved revocation of Western Union's Oklahoma certification on the condition that the company publish notices in Oklahoma City and Tulsa newspapers offering to buy back unexpired cards mailed back to Western Union by June 30, 1999.

The commission said the buy-back provision was necessary to protect consumers who had bought special cards that were valid for one year from the date of first use rather than one year from the date of purchase.

Persons holding unused "Historical Telegram Series" prepaid calling cards may apply for a refund of the unused amount by mailing the card to Historical Telegram Series Refund, Attn: Phyllis J. Skene-Stimac, Western Union Communications Inc., 6200 S. Quebec Street, Englewood, CO 80111.

-OCC-

# **News** from the **Oklahoma Corporation Commission**

**Jim Palmer, Director of Information**

**Phone: (405) 522-2100, FAX: (405) 521-4983, [www.occeweb.com](http://www.occeweb.com)**

**September 29, 1998**

## **FOR IMMEDIATE RELEASE...OCC REACHES AGREEMENT WITH SOUTHWESTERN BELL TO CONTINUE PROVIDING PHYSICALLY IMPAIRED CUSTOMERS WITH "VOICE DIAL" SERVICES**

**(OKLAHOMA CITY)-Discussions between the Oklahoma Corporation Commission (OCC) staff and Southwestern Bell (SWB) have led to an agreement to allow SWB to withdraw its "Voice Dial" services effective September 29 while making the service and equipment available to physically impaired customers at no charge.**

**OCC Administrative Law Judge Robert Goldfield recommended approval of SWB's application to withdraw the service only with the agreed stipulations.**

**After talks with the OCC's Consumer Services and Public Utility divisions, Southwestern Bell agreed to make available at no charge a voice-dial Uniden 900 MHz (Model EVX98) telephone device to all physically impaired Voice Dial subscribers. Bell has identified 295 such customers and will contact each customer to offer them the telephone set. SWB will also make the free telephones available to other customers who have physical impairments which make dialing difficult or impossible through February 5, 2001, whether or not they already subscribe to Voice Dial.**

**Other elements of the agreement include Southwestern Bell delivering and programming the telephone sets within seven (7) business days for those needing assistance.**

**Southwestern Bell is required to personally contact all customers who called or wrote the Commission or who complained to SWB regarding its application to discontinue the Voice Dial service and inform them of the availability of the telephone device and other terms of this agreement.**

**Bell will arrange for a replacement telephone for those sending their phone in for repairs during the warranty period and will provide a device comparable to the Uniden if such device is replaced by or unavailable from the manufacturer.**

**As part of the agreement, SWB will not try to recover any of the costs associated with the withdrawal of Voice Dial service from the Oklahoma Universal service Fund (OUSF), including the cost of the phone devices provided to customers. All regular Bell customers will be offered the phone set at cost via a bill message.**

**-occ-**

# **News** from the **Oklahoma Corporation Commission**

**Jim Palmer, Director of Information**

**Phone: (405) 522-2100, FAX: (405) 521-4983, [www.occeweb.com](http://www.occeweb.com)**

**October 7, 1998**

**FOR IMMEDIATE RELEASE...THE OCC IS OPEN FOR COMMENTS ON ITS WEB SITE. TALK TO THE OCC THROUGH "FEEDBACK CORNER" AT [WWW.OCCWEB.COM](http://WWW.OCCWEB.COM)**

**(OKLAHOMA CITY)-The Oklahoma Corporation Commission (OCC) web site contains a wealth of information about the Commission. But something new has been added to the interactive site because the OCC wants to make it easier to talk with the public.**

**OCC General Administrator Jay T. Edwards says "it's called Feedback Corner where additional information on any aspect of the Commission can be requested with a simple click." And Edwards points to another very important part of Feedback Corner. He says "it offers a place for comments about topics of public interest or concern and an opportunity for Oklahomans and those who do business with the Commission to simply say what's on their mind. Comments and requests to Feedback Corner will be forwarded to the appropriate person in the Commission."**

**Edwards says "people who stop at Feedback Corner will also be able to take part in periodic surveys to both express their opinion and help the Commission learn more about the people it serves."**

**The OCC web site already provides the latest news involving the Commission as well as the agency's projects including the important matters of competitive restructuring of telephone, electricity and natural gas utilities, oil and gas exploration and production, petroleum storage tanks, fuel inspections and intrastate transportation.**

**Dates, times and agendas for the Commission's posted open meetings are updated on the website by 4:30 p.m. each business day.**

**Also available on the OCC website are Commission dockets, rules, contacts, helpful numbers and forms, files and documents related to Commission business.**

**Edwards says "Feedback Corner is designed to expand and encourage communication with the people of Oklahoma."**

**-occ-**

# **News** from the **Oklahoma Corporation Commission**

**Jim Palmer, Director of Information**

**Phone: (405) 522-2100, FAX: (405) 521-4983, [www.occeweb.com](http://www.occeweb.com)**

**October 9, 1998**

**FOR IMMEDIATE RELEASE...**

## **OCC FUEL INSPECTORS BUSY PROTECTING OKLAHOMA CONSUMERS**

**(OKLAHOMA CITY)-The Chairman of the Oklahoma Corporation Commission is very pleased with the work of the Commission's field fuel inspectors and staff. Speaking in response to news reports of California consumers learning of pump calibration problems in the Los Angeles area, Chairman Ed Apple says "Commission inspectors work hard to make sure retail gasoline pumps in Oklahoma are constantly monitored to a high level of accuracy."**

**The Oklahoma Corporation Commission employs twenty (20) fuel inspectors trained to check gasoline pumps across the state for both accuracy and quality of product to protect consumers.**

**The field inspectors visit the approximately 4,200 active retail gasoline stations in Oklahoma at least twice a year. Every pump at the station is checked. In addition to their gasoline pump responsibilities, inspectors also test for the octane level of gasoline and check for leaks and water in fuel storage tanks.**

**Chairman Apple suggests that consumers contact the Commission immediately if they have knowledge of a possible problem with a gasoline pump and the amount or quality of fuel dispensed. They should call the Commission's Fuel Inspection Division in Oklahoma City at 521-2487.**

**There is a Corporation Commission inspection sticker on every pump with the year and month of that pump's last inspection and the Commission's phone number.**

**The Commission's annual report shows that there were 157 concerns or questions from Oklahomans about gasoline pump calibration or fuel quality last fiscal year. Most complaints are about pump accuracy and only about one in seven or eight questions fuel quality. Of the 88,965 gasoline pump inspections made during the same time period only 3,424 pumps, or about 3.8 %, were out of calibration. The fuel department checked 6,457 gasoline samples and only 21 were below specifications.**

**Field inspectors have the authority to shut down a fuel pump or stop the sale of a fuel product that is out of tolerance or doesn't meet quality standards.**

**-occ-**

# **News** from the Oklahoma Corporation Commission

Office of Public Information — Phone: (405) 521-4180 FAX (405) 521-6945

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: TRN102298-68

## Rail Crossing Upgrades Worth \$1.1 Million Win OCC Approval

OKLAHOMA CITY -- The Oklahoma Corporation Commission has recently approved four railroad crossing upgrades and two crossing safety system relocations with estimated costs of more than \$1.1 million, records indicate.

The largest project is \$664,020 for flashing-light signals, gate arms and new concrete crossing surfaces at the Rock Creek Road and Lexington Avenue crossings over Burlington Northern Santa Fe Railway (BNSF) tracks in Norman. Federal funds will pay 80 percent of the cost and state funds will pay the rest.

Flashing-light signals, gate arms and a concrete crossing surface will be installed at the North Avenue crossing over Union Pacific Railroad tracks in Vinita at a cost of \$185,500. Federal funds will pay 90 percent of the cost. The Union Pacific and the City of Vinita will pay the rest.

Flashing-light signals and gate arms will be installed at the Breckenridge Road crossing over Union Pacific tracks in North Enid at a cost of \$153,500 with federal funds paying 90 percent of the cost. The railroad will pay the rest.

A \$71,100 project will relocate light signals and gate arms and install a concrete crossing surface at the Scruggs Road crossing over BNSF tracks south of Wynnewood in Murray County. Federal funds will pay 90 percent of the cost and railroad and county or state funds will pay 10 percent.

In El Reno, the city, state and Union Pacific will share the \$59,622 cost of relocating light signals and gate arms from a state highway 81 detour to Jensen Road. The railroad will pay the largest share, \$25,642, records indicate.

In other recent railroad actions, the Corporation Commission approved an agreement between the City of McAlester and the Union Pacific for installation of a crossing surface at the South Avenue crossing and closure of the Seneca Street crossing, the closure of the Fourth Street BNSF crossing in Quapaw and modifications to the light signals and gate arms at the BNSF crossing at F Avenue in Lawton. Commission records do not indicate estimated costs for those three projects.

-OCC-

# **News** from the Oklahoma Corporation Commission

Office of Public Information — Phone: (405) 521-4180 FAX (405) 521-6945

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: PUD102698-69

## Corporation Commission Approves New Cotton Gin Near Blackwell

OKLAHOMA CITY -- The Oklahoma Corporation Commission has granted a license for a new cotton gin near Blackwell to the Grady County Gin Association.

It is the first license granted for a new public cotton gin in Oklahoma since the commission licensed the Williams Gin, near Altus, in August 1992.

The Corporation Commission granted a license earlier this year to the Grady County Gin Association to operate a gin in Minco, but that license allowed the reopening of an existing facility that had been approved for closure in 1997.

Monte Kahle, association board president, said the new gin will be built a mile north of the Interstate Highway 35 and state highway 11 intersection, northwest of Blackwell. He said construction will begin in early 1999. The gin is scheduled to be operational by autumn when the ginning season begins, Kahle said.

Information presented at a commission hearing indicates that the Blackwell gin will be able to process 30 bales of cotton per hour through two gin stands with expansion potential to 45 bales per hour by adding a third gin stand.

The Blackwell gin will be the only public gin north of Interstate Highway 40, commission records indicate. It will serve primarily farmers in north-central Oklahoma where cotton production has resumed in recent years. According to published figures, cotton acreage in Kay County has increased from 600 acres in 1995 to 1,500 acres in 1996 to 3,600 acres in 1997, to 6,400 acres in 1998. Some land in Grant, Garfield and Noble counties also is being planted to cotton.

The Corporation Commission has regulated cotton gins since 1915 when the state Legislature directed the commission to license gins and set rates for public ginning services. Other cotton processing operations, such as cotton seed extraction and sale, are not regulated.

-OCC-

# **News** from the Oklahoma Corporation Commission

Office of Public Information — Phone: (405) 521-4180 FAX (405) 521-6945

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: PUD11-9-98-71

## OCC Seeks Telephone Opinions in Burns Flat, Woodward, Marshall

OKLAHOMA CITY — Four Corporation Commission telecommunications specialists will seek public comments on toll-free telephone service at public meetings in Burns Flat, Woodward and Marshall on Nov. 16-17. The meeting in Marshall will also be for telephone customers in Mulhall.

Extended-area service between specific exchanges and wide-area calling within calling zones eliminate toll charges but allow telephone companies to recover lost toll revenue through higher rates for all customers served by the exchanges.

Sheree King, telecommunications manager; Chantel Mosby, a tariff analyst; Steve Wilt, public utility services coordinator; and Lenora Burdine, a telecommunications attorney, will explain the present rules for extended-area service and wide-area calling and take citizen suggestions regarding possible changes in toll-free calling regulations.

The meeting times and locations are:

**Burns Flat, Monday, Nov. 16, 6:30 p.m.** at the Western Technology Center.

**Woodward, Tuesday, Nov. 17, 11:30 a.m.** at the Woodward Public Schools administration building, 1023 Tenth Street.

**Marshall/Mulhall, Tuesday, Nov. 17, 6:30 p.m.** at the Marshall Community Center, 303 S. Missouri.

Statewide meetings to collect public opinions and suggestions regarding toll-free calling matters were ordered by state House and Senate resolutions. Meetings will be held later this year in Durant, Duncan, Vinita and Stroud. The times and locations for those meetings have not been finalized.

The Corporation Commission also has indicated it will soon issue a Notice of Inquiry seeking written comments on whether changes need to be made in extended-area and wide-area calling rules.

-occ-

# **News** from the Oklahoma Corporation Commission

Office of Public Information — Phone: (405) 521-4180 FAX (405) 521-6945

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: PUD111998-72

## Corporation Commission Will Seek Public Comment on Toll-Free Telephone Service at Meetings in Durant and Duncan

OKLAHOMA CITY — Three Corporation Commission telecommunications specialists will seek public comments on toll-free telephone service at regional public meetings in Durant on Nov. 30 and Duncan on Dec. 1.

Extended-area service between specific exchanges and wide-area service within calling zones eliminate toll charges, but telephone companies are allowed to recover lost toll revenue through higher rates for all customers served by the toll-free exchanges.

Chantel Mosby, a tariff analyst; Steve Wilt, public utility services coordinator; and Lenora Burdine, a telecommunications attorney, will explain the present rules for extended-area and wide-area calling and take public comment and suggestions for possible changes in toll-free calling rules.

The Nov. 30 regional meeting in Durant will begin at 6:30 p.m. in the Seminar Center of the Kiamichi District Vo-Tech School, 810 Waldron.

The Dec. 1 meeting in Duncan will be at 12 noon at the Red River District Vo-Tech School, 3300 West Bois D'Arc.

Statewide meetings to collect public opinions and suggestions regarding toll-free calling matters were ordered by state House and Senate resolutions.

The Corporation Commission also has indicated it will soon issue a Notice of Inquiry seeking written comments on whether changes need to be made in extended-area and wide-area calling rules.

-occ-

# **News** from the **Oklahoma Corporation Commission**

**Jim Palmer, Director of Information**

**Phone: (405) 522-2100, FAX: (405) 522-1623, [www.occeweb.com](http://www.occeweb.com)**

**November 24, 1998**

**FOR IMMEDIATE RELEASE...**

## **OCC CHAIRMAN ISSUES CHALLENGE AND CALLS FOR UNDERSTANDING OF ELDERLY PHONE NEEDS**

**(OKLAHOMA CITY)- Oklahoma Corporation Commission chairman Ed Apple is "greatly concerned" after receiving calls and letters on behalf of some of Oklahoma's older citizens who don't realize they have options when it comes to owning or leasing a telephone. Complaints to the chairman concern the leasing of a telephone through AT&T's equipment provider, Philips Electronics.**

**After Jan. 1, 1984, customers who did not want to buy phones were allowed to lease them from AT&T. Thousands of Oklahomans chose to do that and today an estimated fifty-thousand Oklahomans still lease. An AT&T spokesman says the company got out of the leasing business in 1996 with Philips Electronics eventually obtaining the leases. But the AT&T logo remains on billing and contracts.**

**Some customers through the years have paid several hundred dollars for technologically outdated lease phones when they can buy a new state-of-the-art phone for the annual cost of the lease. Oklahoma residential customers pay AT&T more than \$50 per year to lease a rotary phone.**

**The cases brought to chairman Apple's attention include the long term leasing of a rotary phone leaving the customer at a disadvantage in today's computerized "touch tone" environment. Apple says he understands that many elderly who are reliant on others for care may not be able to read the fine print on the bill which explains their lease options. Others simply may fear making a change in their service.**

**Apple says he challenges AT&T and its equipment provider to find ways to assist elderly Oklahomans in upgrading their phone equipment and helping them to understand the terms of their lease. Apple also wants to make sure that Oklahomans realize they are not required to lease but may instead buy a phone of their choosing and eliminate the monthly lease payment.**

**Oklahomans with questions about their phone leases may contact the Commission's Consumer Services Division at 1-800-522-8154 or 405-521-2331.**

**-occ-**

# **News** from the Oklahoma Corporation Commission

Office of Public Information — Phone: (405) 521-4180 FAX (405) 521-6945

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference:PUD12398-74

## OCC Staff Report Says Southwestern Bell Over-Earning \$91.6 Million Annually

OKLAHOMA CITY – A staff report made public Thursday (Dec. 3) by the Oklahoma Corporation Commission shows Southwestern Bell Telephone is collecting \$91.6 million annually in excess revenue.

The amount includes base operating excess revenue of \$63.6 million and Yellow Page excess revenue of \$28 million.

The revenue estimates were compiled from financial information supplied by Bell as part of the 1995 settlement of a State Supreme Court case in which Bell agreed to furnish the commission with the minimum filing requirements for conducting a rate case. The information reflects Bell operations during 1996.

"It is staff's findings that SWBT's proforma operating results, for the 1996 review year, show a revenue excess of \$91.6 million, inclusive of imputed Yellow Page operating results," the report reads.

Viewed from another perspective, the report says, the operating results indicate that the company earned a 21.44 percent return on equity, net of taxes, during the 1996 review year, exclusive of Yellow Page operating results. The report says that the commission staff is continuing to assess various cost studies provided by Bell to determine which services provided by the company are generating excessive revenue.

Commissioners Ed Apple, Bob Anthony and Denise Bode will discuss the staff report Friday (Dec. 4) as part of an 8:30 a.m. deliberations meeting designed to consider several pending Commission matters.

House Bill 1815, enacted by the Oklahoma Legislature in 1997, prohibits the Corporation Commission from conducting a rate case to consider Southwestern Bell earnings until 2001. On Aug. 31, the Corporation Commission requested an opinion from state Attorney General Drew Edmondson on the constitutionality of the rate case prohibition portion of the law. The attorney general has not yet responded.

-OCC-

# **News** from the Oklahoma Corporation Commission

Office of Public Information — Phone: (405) 521-4180 FAX (405) 521-6945

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: PUD12798-75

## Corporation Commission Will Seek Public Comment on Toll-Free Telephone Service at Meetings in Vinita and Stroud

OKLAHOMA CITY — Three Corporation Commission telecommunications specialists will seek public comments on toll-free telephone service at regional public meetings in Vinita on Dec. 14 and Stroud on Dec. 15.

Extended-area service (EAS) between specific exchanges and wide-area service (WACP) within a calling radius eliminate toll charges, but telephone companies are allowed to recover the cost through additives to monthly rates for all customers served by the toll-free arrangement.

Chantel Mosby, a tariff analyst; Steve Wilt, public utility services coordinator; and Lenora Burdine, a telecommunications attorney, will explain the present rules for extended-area and wide-area calling and take public comment and suggestions for possible changes in toll-free calling rules.

The Dec.14 regional meeting in Vinita will begin at 6:30 p.m. in the meeting room of the Public Service Co. of Oklahoma Building, 125 S. Scraper. The Dec.15 meeting in Stroud will be at noon in connection with a Lions Club meeting at the First United Methodist Church, 324 N. 2nd Ave.

Statewide meetings to collect public opinions and suggestions regarding toll-free calling matters were ordered by state House and Senate resolutions. Discussions and comments provided at the meetings will be used in an EAS and WACP rulemaking pending before the commission.

Written comments regarding the rulemaking (RM98-30) may also be submitted by mailing an original and six copies to the Court Clerk's Office, Oklahoma Corporation Commission, PO Box 52000-2000, Oklahoma City, OK 73152-2000

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# **News** from the Oklahoma Corporation Commission

Office of Public Information — Phone: (405) 521-4180 FAX (405) 521-6945

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: PUD12898-8

## Corporation Commission Adopts Gas Competition Rules

OKLAHOMA CITY — The Oklahoma Corporation Commission on Wednesday (Jan. 28) adopted new natural gas utility rules that change the way natural gas will be bought, transported and sold in Oklahoma.

The rules require the "unbundling," or separation, of integrated gas delivery systems into individual components of gas supply and gas gathering, transmission and storage services, with each priced and available for purchase on an individual basis.

The new rules also require most gas utilities to buy gas through a competitive bidding process administered by the Corporation Commission.

The rules approved Wednesday set requirements and timetables for implementing "upstream" activities — the acquisition, storage and transportation of gas before it enters the distribution system for delivery to customers.

Large gas utilities must file an application for an upstream unbundling plan by April 1, 1998. Smaller utilities and large utilities with fewer than 25,000 Oklahoma customers will have longer periods of time, and utilities serving fewer than 1,000 customers may request a complete waiver of the unbundling requirements.

The rules direct that a competitive bidding process for gas and gas services for the Oklahoma City and Tulsa markets be in place by Nov. 1, 1998, the start of the winter heating season. At least 10 percent of a competitive bid for gas supply will be awarded to an independent producer if the independent producer matches the lowest bid.

Oklahoma Natural Gas Co. serves both the Oklahoma City and Tulsa markets.

The rules also direct gas utilities serving more than 25,000 customers to begin development of "downstream," or retail competition, unbundling plans by Sept. 1, 1998. The target for implementing retail competition, which will give all gas customers the right to choose their providers of gas and gas services, is October 1999.

(over)

Gas Rules-2

Deregulation of gas utility rates and gas service charges under Corporation Commission jurisdiction will not occur until the commission finds that effective competition has been achieved.

The Corporation Commission rules are subject to approval by the Gov. Frank Keating and the state Legislature.

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*Comments by the Commissioners on the natural gas restructuring rules.*

Commissioner Ed Apple:

"I'm optimistic that on the upstream side, there are opportunities for the natural gas industry to provide choice for customers. On the downstream side, as one who lives in a rural area, I have some concerns that we must anticipate that competition will be attracted to the lucrative side of the industry and if it becomes a process of cherry-picking, the commission must be very vigilant to be certain that customers are not abandoned or left without service as a result of a lack of attraction for competition. My concern is that if existing monopoly utilities lose their best customers to competition, those utilities might be left with only their less profitable customers and potentially some rates might increase as a result of competition. So my attention will be directed to seeing that competition does not leave the existing utilities in a vulnerable position."

Commissioner Bob Anthony:

"In both rural and urban areas, school districts, groups of hospitals, grocery store chains, housing developments and other commercial users can negotiate their own rates and choose their own natural gas company under the retail competition rules adopted today. Oklahomans deserve retail natural gas choice. Utility monopolies will treat consumers better if people and businesses are allowed to choose their own gas supplier. Importantly, these rules do not allow deregulation of utility assets or gas distribution rates until the Commission first determines that effective competition has been achieved."

Commissioner Denise Bode:

"Today, Oklahoma took a major step forward for business and consumers by restructuring the natural gas utility industry. This means opening up all gas services to competition to give Oklahomans greater access to this natural gas treasure we have lying under our own ground at even better rates.

"Oklahoma is one of the top three gas producing states in America. Yet, we export 70 percent of the natural gas we produce, unlike Texas and Louisiana which use almost of their gas at home. We want to open opportunities for Oklahoma business to use our gas here. We have not adequately marshaled this resource base to the advantage of Oklahomans.

"The old law provided for monopoly control of gas services. Our new rules will provide for competition, which will lead to a vibrant gas marketplace and, of course, we know that access to energy and low prices is what keeps business here and attracts new business."

# **News** from the **Oklahoma Corporation Commission**

**Jim Palmer, Director of Information**

**Phone: (405) 522-2100, FAX: (405) 522-1623, [www.occeweb.com](http://www.occeweb.com)**

**December 10, 1998**

**FOR IMMEDIATE RELEASE...**

## **CORPORATION COMMISSIONERS OPEN DIALOGUE BETWEEN CONSUMERS AND REGULATED COMPANIES TO REMOVE UNCERTAINTY SURROUNDING REGULATED UTILITY RATES**

**(OKLAHOMA CITY) – Commissioners Ed Apple, Bob Anthony and Denise Bode presided over a discussion Wednesday involving the public, Commission staff, industry representatives and the Attorney General's office regarding the refinement of rules and standards used to review regulated utilities.**

**Commissioner Bode said "It is critical for businesses and consumers alike to know what the standard is and that it will be applied on a regular basis. I support this process, knowing that a consistently applied objective standard promotes consumer knowledge and openness at the commission, while letting businesses better plan for the future."**

**The meeting focused on reports from the Commission's utility staff regarding its internal document to be used as an instructional tool and guide when completing the annual assessment of the six largest regulated utilities in Oklahoma. The document contains a continually evolving eleven point matrix for use in determining the need for utility rate cases.**

**Commissioner Apple has asked staff to put together a reference or "primer" book on the Commission's authority in rate cases.**

**Commissioners and staff say they are constantly searching for improved objective standards to be applied when a regulated utility's rates are in need of adjustment.**

**All three Commissioners agree the Commission works to provide Oklahoma consumers with the most reliable utility services at the lowest possible rates while implementing fairly applied rules with the consistency and certainty needed by businesses. Objective standards ensure the Commission accomplishes these goals while continually and fairly upholding its constitutional duty to regulate monopolies.**

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# **News** from the Oklahoma Corporation Commission

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: PUD121498-75

## Corporation Commission To Initiate ONG Rate Case

OKLAHOMA CITY -- The Oklahoma Corporation Commission's Public Utility Division staff filed an application Monday (Dec. 14) for an investigation and potential reduction of Oklahoma Natural Gas Co.'s rates.

In order to proceed, the application must be signed by two or more commissioners.

The rate case proposal is the first initiated under the division's recently implemented "Review Program Matrix." The three-step program calls for a routine annual assessment of the state's six largest regulated utilities. Other regulated utilities will be routinely reviewed as indicated by changes in market conditions.

An initial study of ONG led staff to move forward to the second step of an application (PUD98-570) calling for a financial review of the company.

Ernest G. Johnson, Public Utility Division director, said the need to investigate the reasonableness of ONG's current rates and charges is indicated by staff's initial assessment of changes in various economic conditions that affect the financial structure and performance of public utilities.

Johnson said changes in the financial marketplace since the commission's last rate change investigation in 1995 have dramatically reduced ONG's return on equity requirement. In addition, he said, the company's cost of debt will be reduced substantially when ONG places \$400 million in new and replacement debt.

"As a result of these cost-of-capital changes, the company's current annual revenue requirement is structured to capture a higher cost of capital than may be currently required," Johnson said in a memorandum to the commissioners.

Johnson also said that numerous business transactions, including ONG's merger with Western Resources, a Kansas-based gas and electric utility; the impact of recent Indian Reservation Tax Incentive legislation and the recent sale of certain gas gathering system assets "could have a substantial bearing upon the reasonableness of the company's current rates and charges. Therefore, the staff is moving to step three, filing for a full rate case review of the company, he said.

Oklahoma Natural Gas Co.'s last rate adjustment was in 1995 when a negotiated settlement of a rate case resulted in net savings to customers of \$6.7 million annually. The settlement included a base rate revenue increase of \$14.9 million. This was offset by changes in ONG's methods of acquiring and pricing gas which produced cost reductions to customers of about \$21.6 million per year.

Oklahoma Natural Gas Co. is Oklahoma's largest gas utility, serving more than 2 million residential and commercial customers.

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# **News** from the **Oklahoma Corporation Commission**

**Jim Palmer, Director of Information**

**Phone: (405) 522-2100, FAX: (405) 522-1623, [www.occeweb](http://www.occeweb)**

**December 22, 1998**

**News Advisory for Assignment Desks and News Directors...**

**Enforcement of EPA deadline for fuel tank upgrades (Video-Photo opportunity)**

**Who: Oklahoma Corporation Commission fuel inspector Connie Wilson**

**What: will lockup some gasoline pumps connected to underground storage tanks which have not met the upgrade deadline of midnight, Dec 22.**

**When: 10:00 a.m. Wednesday, Dec 23.**

**Where: start at Lexington Correctional Center main entrance.**

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# **News** from the Oklahoma Corporation Commission

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: O&G122998-77

## Corporation Commission Plans Oil & Gas Rules Changes

OKLAHOMA CITY – The Oklahoma Corporation Commission has issued notices of oil and gas rulemakings that propose changes in rules governing seismic and stratigraphic testing and noncommercial disposal pit operations and would streamline certain other oil and gas regulatory requirements.

Changes in seismic and stratigraphic testing rules include modifications in permitting and surety requirements, waiver of certain notice requirements and definitions of distance requirements between test hole blasting sites and occupied buildings, water wells and hazardous waste facilities.

Proposed changes in noncommercial disposal pit rules include using the most recent Oklahoma Geological Survey maps for determining pit liner requirements and modifying requirements for pit liner materials and closure schedules for various types of pits at well sites.

Technical conferences for the seismic and pit rules changes will be at 10 a.m. on Jan. 20. A public hearing has been scheduled for 1:30 p.m. on Feb. 17.

Streamlining proposals include administrative approval of unprotected location exception and increased density applications, extension of time limits on certain permits and elimination of annual tests for discovery oil pool wells, unallocated oil wells and oil recovery projects.

A technical conference on the streamlining proposals will be at 10 a.m. on Jan. 19. A public hearing will be held at 9:30 a.m. on Feb. 18. All technical conferences will be in Room 105 and all hearings will be in Room 301 of the Jim Thorpe State Office Building, 2101 N. Lincoln Blvd., Oklahoma City.

Copies of the proposed rules changes are available without cost in Room 254 of the Jim Thorpe Building. Written comments concerning the proposed changes will be accepted by the Corporation Commission court clerk through Feb. 16.

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