

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

Matt Skinner, Public Information

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February 28, 2012

## **MORE THAN A PIPE DREAM**

### *Corporation Commission applauds decision to move ahead with part of Keystone XL project*

Calling it too important to fall victim to politics, the Oklahoma Corporation Commission is praising a decision by TransCanada Corporation to build the southern portion of the Keystone XL pipeline project from Oklahoma to Texas.

Commission Chair Dana Murphy said the project is part of the answer to a long-standing concern of Oklahoma producers and state officials.

“The Commission has long been concerned and held meetings on the problem posed by the fact that the terminal in Cushing, Oklahoma can receive far more oil than it’s capable of shipping out,” said Murphy. “This will help ease that concern.”

Commission Vice Chair Bob Anthony said the decision comes just in time.

“During the delay of a final decision on the entire Keystone XL project, we have seen crude and fuel prices soar, badly needed jobs that the pipeline would create in the U.S. go lacking, and Canada start to explore an alternative plan to sell some of the oil we need to China instead,” Anthony said.

Commissioner Patrice Douglas called company’s decision good news for Oklahoma.

“The southern part of the pipeline is the key needed to unlock the glut of oil now held in storage in Cushing because of a lack of pipeline capacity,” Douglas said. “The project will enable Oklahoma producers to get their oil to market, meaning more usable American oil for the U.S. and a stronger economy for Oklahoma.”

The southern part of the Keystone XL pipeline project will transport oil from Cushing to Gulf coast refineries. Unlike the northern segment of the Keystone XL project, which would start in Canada, the southern segment does not require presidential approval. TransCanada estimates the southern project will create 4,000 jobs.

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All OCC advisories and releases are available at [www.occeweb.com](http://www.occeweb.com)

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

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April 11, 2012

## **CALL FIRST, DIG SAFE**

*Corporation Commission joins with U.S. Department of Transportation in support of National Safe Digging Month*

April is National Safe Digging Month. The Oklahoma Corporation Commission, its Pipeline Safety Department and the U.S. Department of Transportation/Pipeline and Hazardous Materials Safety Administration (DOT/PHMSA) are reminding all Oklahomans of the importance of calling 8-1-1 or 1-800-522-OKIE (CALL OKIE) before starting any project that involves digging.

Corporation Commission Chair Dana Murphy said digging without checking for what may be underground is taking a terrible chance.

“Oklahoma has thousands of miles of buried pipeline and utility cable,” Murphy said. “Whether you’re planning on digging one hole or one hundred, digging without first contacting CALL OKIE or 8-1-1 puts you and others at risk for serious injury and could result in major damage to critical pipelines and utility service.”

Too many Oklahomans don’t realize just how close the danger can be, said Commission Vice Chair Bob Anthony.

“Many people wrongly think that they should only check if they are digging a deep hole,” Anthony said. “You can hit a line even if you’re digging relatively shallow holes, such as those for planting a small tree or a mailbox post. Erosion, soil shifting, and other factors can change how close a line is to the surface.”

Corporation Commissioner Patrice Douglas said Oklahoma has seen its share of digging-related pipeline and cable damage that could have been prevented.

“Taking the time to call 8-1-1 or CALL OKIE before you dig can save lives and prevent property damage. It’s time well spent,” said Douglas.

Both 8-1-1 and CALL OKIE will put the caller in touch with the same free service, which will arrange to have underground lines marked before digging begins. For more information, visit [www.callokie.com](http://www.callokie.com) or [www.call811.com](http://www.call811.com).

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June 6, 2012

## **CREDIT WHERE CREDIT IS DUE**

### *Corporation Commission approves savings for CenterPoint customers*

The Oklahoma Corporation Commission today approved an order giving CenterPoint Energy Oklahoma Gas customers credits totaling more than \$1.8 million. The order also lowers base rates approximately \$24,000 a year.

Corporation Commission Chair Dana Murphy said the order adopts an agreement reached by the Commission's public utility division, CenterPoint, and the attorney general, who represents consumers before the Commission.

"Under the agreement, residential customers will get 70 percent of the credit, or approximately \$1.3 million," said Murphy. "The remaining 30 percent will go to those in the general service, commercial and large commercial rate classes. The settlement is the result of an annual review of CenterPoint's rates that is required by the Commission as part of the rate plan for CenterPoint."

Commission Vice Chair Bob Anthony called the order "an important step."

"This is the result of an alternative ratemaking plan," Anthony noted. "Oklahoma and other states are continuing to develop plans that will help both the company and the consumer respond to changing conditions. Further, as part of this plan there are incentives provided to promote the use of natural gas, a key component of Oklahoma's economy."

Commissioner Patrice Douglas said the credit shows the different approach taken by the Commission in the rate plan for CenterPoint is working.

"Among other things, the entire process is much more streamlined and efficient than what is the case with a traditional rate plan," Douglas said. "The results can be a win/win for both the company and the customer."

Under the credit, it's estimated that the average residential customer using 571 ccf of gas a year will see an annual savings of \$46.50 .

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June 7, 2012

## **MEDIA ADVISORY – OG&E INTERIM RATE INCREASE STOPPED**

The Oklahoma Corporation Commission today granted AARP's request that Oklahoma Gas and Electric (OG&E) not be allowed to implement an interim rate increase of \$24 million. Today's decision has no impact on implementation of a \$50 million reduction in fuel costs to customers. OG&E's initial rate case is still pending.

-OCC-

(All OCC news releases and media advisories are available at [www.occeweb.com](http://www.occeweb.com))

Editors, Producers please note: Here is a link to AARP's request as filed before the Commission

<http://www.occeweb.com/oge/05-25-12%20AARPs%20Motion%20Objecting%20To%20OG&Es%20Notice%20of%20Implementation%20of%20Interim%20Rates.pdf>

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June 18, 2012

## **A STEP FORWARD**

*(Corporation approves rebate program for vehicle CNG conversions, purchases and home fueling stations)*

The Oklahoma Corporation Commission today approved a rebate program that gives more Oklahomans the opportunity to choose motor fuels while boosting the state's economy. Under the program, Oklahomans can receive rebates for the purchase of a vehicle powered by compressed natural gas (CNG), conversion of a vehicle to CNG, and for the purchase of a residential CNG fueling system. While the rebate program will be offered through Oklahoma Natural Gas (ONG), all Oklahomans are eligible for the rebates.

Oklahoma Corporation Commission Chair Dana Murphy praised OCC staff that developed the program.

"The program approved today represents a win for Oklahoma on at least four fronts: It encourages use of Oklahoma's vast natural resources; promotes Oklahoma's role in helping our country achieve energy independence; helps our rural communities by providing access to CNG fueling in remote as well as urban areas; and supports the viability of Oklahoma's local natural gas distribution facilities," Murphy said. "I've continually expressed the need for innovative programs in Oklahoma and encouraged all stakeholders and the OCC to explore and work together on these types of issues. I'm pleased to see our staff and others rise to the challenge and develop a beneficial program that also offers a financial break to Oklahomans who've been hit hard in the pocketbook."

Commission vice Chair Bob Anthony said the program will serve as an incentive to grow the state's CNG infrastructure.

"Promoting natural gas usage in vehicles helps America reduce its dependence on foreign oil and helps our nation's balance of payments. Natural gas is a clean, abundant and economical transportation fuel and its expanded use can provide jobs to millions of Americans. My personal vehicle is CNG, and it's safe and reliable."

Commissioner Patrice Douglas said the program helps support Governor Fallin's Oklahoma First Energy Program.

"A key part of that program is increasing the use of natural gas as a motor fuel," Douglas noted. "While CNG is a great buy at the pump at less than half the price of gasoline, the

higher initial price of buying a CNG vehicle or converting an existing vehicle can be an issue. This program will allow many more Oklahomans to consider a CNG vehicle, giving consumers more options at the pump.

“It’s important to point out that this program is not a rate increase for ONG customers,” Douglas added. “Also, under the law ONG cannot does not make any profit from CNG sales.”

The program will offer rebates of \$2500 for dedicated natural gas vehicles, \$1500 for “dual fuel” natural gas vehicles, and \$2500 for residential systems that will allow for the refueling of a CNG vehicle at home. The program is limited to three rebates per customer per calendar year.

The program will be funded through a 25 cent per gallon-equivalent surcharge at the 25 ONG-owned CNG fueling facilities that are open to the public. Because ONG cannot sell CNG at a profit, with the surcharge the cost of CNG at ONG’s pumps will still be lower than at commercial CNG stations.

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(All OCC news releases and media advisories are available at [www.occeweb.com](http://www.occeweb.com))

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July 9, 2012

## **OG&E RATE CASE SETTLED**

*(Corporation Commission approves settlement, no cost increase for residential consumers)*

What began as a \$73 million dollar rate hike request from Oklahoma Gas and Electric (OG&E) has ended with a settlement that contains no increase for residential customers. Oklahoma Corporation Commission (OCC) today unanimously approved the settlement, which lowers costs for OG&E customers in 9 of 11 customer classes, including residential customers, public schools, and municipalities.

Oklahoma Corporation Commission Chair Dana Murphy praised the work of OCC staff and others that resulted in the settlement agreement.

“This settlement represents a fair, just and reasonable resolution of a difficult case,” Murphy said. “It lowers OG&E’s return on equity, putting it in line with the state’s other regulated electric utilities. It also prevents residential rates from rising and brings other rates closer to the true cost of service.

“This is the result of a good faith effort to settle a case that has gone on for almost a year,” Murphy added. “While I am concerned over the length of time this case has taken and think there are lessons to be learned from that, all the parties to the case are owed thanks for their hard work that resulted in this successful conclusion.”

Corporation Commission Vice Chair Bob Anthony said the settlement ensures safe and reliable service while addressing the concerns of consumers and other parties.

“The Corporation Commission is charged with balancing the needs of the company with the needs of its customers,” Anthony said. “This settlement does that. For example, consumers have the right to switch rate plans annually to choose the plan most advantageous for them. It also includes reports about the costs and benefits of new programs like Smart Grid, and additional rules will be added to better protect customer data and participants in OG&E’s prepay pilot program.”

Corporation Commissioner Patrice Douglas called the settlement “evidence of what can happen when people agree to work together.”

“This is a very fair agreement that holds the line on utility costs borne by families in these challenging economic times while also allowing the company to compete for the

investment capital it needs,” Douglas said. “It balances all the interests the Commission must take into consideration.

“I also want to thank the many members of the general public who took the time to make their voice heard, both in contacting the Commission and appearing at the public hearings on the case,” Douglas added. “Public involvement and input is critically important in these matters.”

Those supporting the settlement included the Attorney General (who represents consumers before the Commission), AARP-Oklahoma, the OCC Public Utility division staff, OG&E, the Oklahoma Industrial Energy Consumers (OIEC), and the OG&E Shareholders Association.

-OCC-

Key Facts:

Original revenue increase request: \$73 million

Settlement revenue increase: \$4.3 million

Examples of Settlement savings by class:

Residential - \$635,632

Power and Light - \$289,515

General Service - \$155,040

Public Schools (Demand and Non-Demand) - \$37,770

A full list is included below.

(All OCC news releases and media advisories are available at [www.occeweb.com](http://www.occeweb.com))

Chart 1 to Supplemental Oral Testimony of Donald R. Rowlett

July 9, 2012

Customer Group	Current Rate Class Revenue	Proposed Revenue Increase	Non-base Rate Rider ROE Reduction	Net Revenue Change	Monthly Customer Impact
<b>Residential</b>	\$ 769,704,136	\$ 458,608	\$ (1,094,240)	\$ (635,632)	\$ (0.09)
<b>General Service</b>	\$ 163,623,721	\$ 47,944	\$ (202,983)	\$ (155,040)	\$ (0.17)
<b>Oil and Gas</b>	\$ 13,514,484	\$ 3,960	\$ (22,968)	\$ (19,008)	\$ (0.34)
<b>Public Schools Non-Demand</b>	\$ 18,411,923	\$ 10,970	\$ (29,732)	\$ (18,762)	\$ (0.65)
<b>Public Schools Demand</b>	\$ 10,006,093	\$ 2,932	\$ (18,451)	\$ (15,519)	\$ (5.85)
<b>Power and Light</b>	\$ 257,329,834	\$ 75,401	\$ (364,916)	\$ (289,515)	\$ (2.30)
<b>Power and Light Time-of-Use</b>	\$ 163,433,629	\$ 47,888	\$ (247,778)	\$ (199,890)	\$ (9.51)
<b>Large Power and Light Time-of-Use</b>	\$ 274,471,027	\$ 163,536	\$ (219,803)	\$ (56,267)	\$ (42.24)
<b>Municipal Pumping</b>	\$ 8,080,534	\$ 2,368	\$ (16,621)	\$ (14,253)	\$ (0.80)
<b>Municipal Lighting</b>	\$ 11,681,155	\$ 1,000,000	\$ (8,704)	\$ 991,296	\$ 372.11
<b>Outdoor Security Lighting</b>	\$ 16,637,838	\$ 2,500,000	\$ (10,449)	\$ 2,489,551	\$ 2.98
<b>Total</b>	<b>\$ 1,706,894,374</b>	<b>\$ 4,313,606</b>	<b>\$ (2,236,644)</b>	<b>\$ 2,076,962</b>	

Date of analysis 6-26-12

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**Patrice Douglas, Commissioner**



**Commissioner**

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7-13-2012

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## DOUGLAS WARNS OF THREATS TO ENERGY SECURITY, CONSUMERS

Oklahoma Corporation Commission Chairman-elect Patrice Douglas warned a U.S. House committee today that America is at a “crossroads” in its move toward energy independence.

In testimony to the House Committee on Oversight and Government Reform in Edmond, Douglas pointed to new Energy Information Administration predictions that the huge gains in domestic oil and natural gas production could mean an end to our dependence on OPEC by 2035. But Douglas warned that “needless or poorly executed regulation” will result in continued reliance on foreign energy.

Douglas urged lawmakers to combat the encroachment of federal regulation of the energy industry in Oklahoma and other states, pointing to the success of state regulation in fostering the growth in development of Oklahoma’s oil and gas resources, while also ensuring the state’s environment is protected.

Douglas also warned of the threat posed to consumer pocketbooks by what she termed “arbitrary” application of federal regulations, citing as an example the Environmental Protection Agency’s rejection of Oklahoma’s plan to deal with regional haze standards, even though the Oklahoma plan would have met the standards even sooner than that proposed by EPA. Douglas warned that if Oklahoma loses its court fight over the issue, the EPA plan will cost Oklahoma families and businesses some \$2 billion.

The committee hearing was hosted by Oklahoma fifth district U.S. Representative James Lankford and held at the University of Central Oklahoma in Edmond. It was one of a number of hearings that the committee is holding in states on the topic of federal regulations that hinder energy development in the U.S. Joining Douglas in testifying before the committee today was Oklahoma Energy Secretary Mike Ming, Triad Energy President Mike McDonald, Oklahoma Independent Petroleum Association Vice President of Regulatory Affairs Brian Woodard, OGE Energy Corp. Vice President for Governance and Environmental Health & Safety Patricia Horn, and Devon Energy Environmental Health & Safety Engineer Joseph Leonard.

Commissioner Douglas’ filed testimony can be found at:

<http://oversight.house.gov/hearing/americas-energy-future-part-i-a-review-of-unnecessary-and-burdensome-regulations/>

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**Patrice Douglas, Commissioner**



**Commissioner**

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8-01-2012

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## DOUGLAS TAKES REINS AT OKLAHOMA CORPORATION COMMISSION

*New Chairman says technology, strategic plan among top goals*

Citing the need for technological innovation, strategic planning, and fighting federal encroachment, Oklahoma Corporation Commissioner Patrice Douglas began service as Commission Chairman today. Douglas was elected chairman in a unanimous vote by the Commission last month. Commissioner Dana Murphy served as Chairman previously.

Douglas said her first focus is a strategic plan for the Commission.

“This will be another step forward in our push to increase efficiency and improving our service to those we serve,” Douglas said. “It will better enable us to prioritize and clearly show the taxpayer where every dollar is going and exactly how it’s being used to serve Oklahoma.”

Douglas said another goal is to take advantage of technology.

“Time is key when it comes to efficient regulation that ensures orderly economic development of such sectors as the energy industry while still protecting the environment, public safety, and the consumer,” Douglas said. “With the help of the Oklahoma Energy Secretary, the Oklahoma Energy Resources Board and the Groundwater Protection Council, we’ve been able to equip our oil and gas field inspectors with laptops and portable internet connectivity, making regulation and service in the field much faster and more efficient. But more needs to be done. Some of our computer systems are old and outdated, wasting time and money.”

Douglas said another concern is the push for increased federal regulation of areas that have been under state jurisdiction.

“These moves are being made on several fronts, including energy production and utilities,” Douglas warned. “Much of what has been proposed is needless and could be devastating to the consumer and the economy in general.”

Douglas is an attorney, banker, and former mayor of Edmond. She was appointed to the Commission by Governor Fallin in 2011. She will begin serving her elected term in January, as she is unopposed in the November election.

Among the areas regulated by the Commission are oil and gas drilling and production, public utility rates and services, petroleum storage tanks, filling stations, pipeline safety and trucking.

-OCC-

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**News from Commissioner Dana Murphy**

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**October 8, 2012**

## **NEW METHODS, NEW QUESTIONS**

*Corporation Commissioner Dana Murphy, State Senator Frank Simpson, the National Association of Royalty Owners, and the Oklahoma Energy Resources Board invite mineral and surface owners, producers and others to attend town hall meeting*

Oklahoma Corporation Commissioner Dana Murphy is hoping for another big turnout at the latest town hall meeting planned for Ardmore on horizontal drilling and related matters. The meeting will be held at 6 p.m. October 18 at the Ardmore Convention Center, 2401 N. Rockford Rd. Similar meetings have been held in other parts of the state.

Commissioner Murphy said the issues raised by the expansion of horizontal drilling by oil and natural gas producers in Oklahoma are of concern to surface owners, mineral owners, producers, and many others.

“These meetings provide a chance for everyone to not only obtain the latest information, but also to ask questions and be heard,” Murphy said. “We have had very large turnouts at meetings in other areas of the state and hope that this will be the largest yet.”

Topics to be addressed include an update on Oklahoma oil and gas activity, development in the Woodford Shale, and the 2011 Shale Reservoir Development Act and its impact on horizontal drilling.

Those participating include the Oklahoma Corporation Commission, State Senator Frank Simpson, the National Association of Royalty Owners, the Oklahoma Energy Resources Board, and XTO Energy.

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**News from Commissioner Dana Murphy**

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**November 26, 2012**

## **KEEPING UP WITH CHANGE**

*Corporation Commission offers seminar for energy professionals, mineral owners*

Oklahoma's energy producers, attorneys, mineral owners and others impacted by the ever-changing oil and gas sector are urged to attend the 2012 Oklahoma Corporation Commission Oil and Gas Institute scheduled for this Friday, November 30, 7:30 a.m. – 4:30 p.m. at in the Oklahoma City Marriott, 3233 NW Expressway, Oklahoma City.

Oklahoma Corporation Commissioner Dana Murphy says the annual Institute comes at a time when the energy industry continues to undergo huge changes.

“I can't think of a time since the start of the industry in Oklahoma when we have seen such dramatic changes taking place in such a short period of time,” said Murphy. “Knowledge is power, and it's absolutely essential that professionals and others involved in the oil and gas industry keep up with all the changes.”

Entitled The Oklahoma Standard: Oklahoma Oil and Gas Conservation Law and Practice, the Institute will offer panel discussions and presentations on challenges and changes in horizontal drilling and development, ethics, environmental issues related to water and air, the OCC administrative law process, surface owner rights, and other areas. The event is co-sponsored by the Oklahoma Bar Association.

The Institute has been approved by the Oklahoma Bar Association Mandatory Continuing Legal Education Commission for 7 hours of continuing legal education credit and by the American Association of Professional Landmanagers for 5.75 hours of continuing education credit.

Registration through Wednesday November 28 is \$75.00, and \$85.00 after Wednesday up to the day of the event. Student registration is \$40.00.

For more information, see the “Hot Topics” section of the Commission's home page, [www.occeweb.com](http://www.occeweb.com) , or call (405) 521-2756

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12/27/2012

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## NEW CHALLENGES, ENDURING PRINCIPLES

*Oklahoma Corporation Commissioner Bob Anthony calls for renewed commitment to guiding principles at the Commission*

(Oklahoma City) Speaking today at his oath of office ceremony, Oklahoma Corporation Commissioner Bob Anthony said while Commission and the state face challenges that were undreamed of when he first took office 23 years ago, what has not and cannot change is a commitment to the principles underlying all the Commission does: honesty, integrity, and openness.

“The bottom line is that we serve the public,” Anthony said. “The duties that comprise that service must always be done with our guiding principles in mind.”

Anthony said much has changed since he first took office.

“In 1989, some pundits said on-shore oil and natural gas production in America was all but done. Thanks to advances in unconventional oil and gas production, America could be the world’s largest oil and natural gas producer in just a few years,” Anthony noted. “When this century first started, Oklahoma had no commercial wind energy. Now we rank in the top ten, the highest ranking state without any government mandates for alternative energy. Utility rate cases decided by the Commission have gone from totals of a few million to hundreds of millions of dollars, and we now face a huge challenge in building a utility infrastructure to meet our energy needs in the future.”

Anthony’s fifth consecutive six year term will begin January 14. Anthony has been a statewide elected official longer than any other current Oklahoma office holder. He has also served longer than any other current utility commissioner in the U.S.

Anthony’s four daughters were small children when he first took the oath of office in January 1989. Today his wife, children, and grandchildren joined Anthony for the ceremony.

-OCC-

EDITORS, PRODUCERS NOTE: Photos of Commissioner Anthony with his children at the first oath of office through today are available at <http://www.bobanthony.com>

Commissioner Anthony’s biography can be found at [http://www.occeweb.com/Comm/Anthony/Bob\\_Anthony\\_Bio.html](http://www.occeweb.com/Comm/Anthony/Bob_Anthony_Bio.html)