

**FILED**  
MAY 29 2018

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CORPORATION COMMISSION  
OF OKLAHOMA

**BEFORE THE CORPORATION COMMISSION OF OKLAHOMA**

IN THE MATTER OF THE APPLICATION OF )  
OKLAHOMA GAS AND ELECTRIC COMPANY )  
FOR AN ORDER OF THE COMMISSION )  
AUTHORIZING APPLICANT TO MODIFY ITS )  
RATES, CHARGES, AND TARIFFS FOR RETAIL )  
ELECTRIC SERVICE IN OKLAHOMA )

CAUSE NO. PUD 201700496

Rebuttal Testimony

of

Jarod Cassada

on behalf of

Oklahoma Gas and Electric Company

May 29, 2018

Jarod Cassada  
*Rebuttal Testimony*

1    **Q.     Would you please state your name and business address?**

2    A.     My name is Jarod Cassada. My business address is 3220 South High Avenue, Oklahoma  
3           City, Oklahoma 73129.

5    **Q.     By whom are you employed and in what capacity?**

6    A.     I am employed by Oklahoma Gas and Electric Company (“OG&E” or “Company”) as  
7           Supervisor, Vegetation Management.

9    **Q.     Please summarize your educational background and professional qualifications.**

10   A.     I obtained a Bachelor’s of Science in Forestry and a Minor in Soils/Agronomy from  
11           Oklahoma State University in 1996 and a Master’s in Business Administration from the  
12           University of Central Oklahoma in 2016. I hold the following industry certifications:  
13           International Society of Arboriculture (“ISA”) Certified Arborist (License No.  
14           MW0422A), ISA Utility Specialist (License No. MW0422AU), and Certified Pesticide  
15           Applicator with the Oklahoma Department of Agriculture (License No. 01020). I have  
16           been a Registered Professional Forester with the Oklahoma Department of Agriculture,  
17           Food and Forestry (“ODAFF”) (License No. 203) and am a graduate of the Oklahoma  
18           Citizens Academy, an academy sponsored by the Oklahoma Municipal League. Prior to  
19           assuming my current position at OG&E in 2011, I was employed by American Electric  
20           Power from 1995 to 2011 in the areas of Transmission or Distribution as a Forester and in  
21           Distribution as Senior Engineer Technician. In those positions, I managed regional  
22           contract line clearance operations and designed electrical facilities to meet the demands  
23           of new and existing customers.

25   **Q.     What are your principal duties and responsibilities for the Company?**

26   A.     I manage vegetation management budgets, contracts and activities on OG&E’s  
27           distribution, transmission and facilities. I ensure compliance with federal and state  
28           vegetation management requirements, particularly statutes, regulations, and rules under  
29           the authority of NERC, the Federal Energy Regulatory Commission (“FERC”), the

1 Oklahoma Corporation Commission (“Commission”) and the Environmental Protection  
2 Agency (“EPA”).

3  
4 **Q. Have you previously filed testimony before the Oklahoma Corporation Commission**  
5 **(“Commission”)?**

6 A. Yes. I testified in OG&E’s last general rate case Cause No. PUD 201500273.  
7

8 **Q. What is the purpose of your Rebuttal Testimony?**

9 A. The purpose of my Rebuttal Testimony is to discuss the vegetation management spend  
10 during the test year and the *pro forma* period, and to rebut the testimony of Oklahoma  
11 Industrial Energy Consumers (“OIEC”) and Oklahoma Energy Resources (“OER”)   
12 witness M. Garret. I will also explain why a *pro forma* adjustment is necessary in this  
13 Cause due to a timing issue that arose between the Order in Cause No. 201500273 and  
14 the level of Vegetation Management spending in this Cause’s Test Year.  
15

16 **Q. Do you agree with Witness Garrett that the test year level is the correct level?**

17 A. No. In his responsive testimony on page 35, lines 9-10, Witness Garrett indicates that the  
18 test year level is roughly the same as the six year average. In his responsive testimony in  
19 previous Cause No PUD 201500273, Garrett recommended that a five year average is  
20 appropriate to set correct levels (Page 58, Lines 5-10). Witness Garrett provides no  
21 models or evidence to support his choice of averages and fails to explain how averages  
22 will address the needs of a system with increasing line clearance costs, increased line  
23 miles and increased number of trees on the system. OG&E maintains that taking an  
24 average cost over time is a faulty approach because the average includes funding levels  
25 that are too low to enable OG&E to clear circuits in a manner our customers have come  
26 to expect and regulators require.

1 Q. **Would you like to respond to Witness Garrett, who on page 34, lines 15-16 of his**  
2 **responsive testimony stated that OG&E provided no testimony as to why the levels**  
3 **actually spent in the test year were not adequate to maintain safe and reliable**  
4 **service?**

5 A. Yes. OG&E does not believe such testimony should be required in this Cause, as this  
6 Commission has already approved the level of spend being requested in this Cause.  
7 OG&E never failed to adequately maintain safe and reliable service.  
8

9 Q. **Please explain the history of the request and awarded vegetation management spend**  
10 **level in Cause No. 201500273.**

11 A. The request in Cause No. 201500273 was intended to fund increased line clearance costs,  
12 increased line miles and increased number of trees on the system. The Final Order in  
13 Cause No. 201500273, determined this level was necessary and would maintain  
14 reliability for the benefit of OG&E customers. Safety and reliability do not exist  
15 independent of cost. The objective is to optimize a level of providing customers safe,  
16 reliable service at a reasonable cost. The case for this request was outlined in Cause No.  
17 PUD 201500273, the request in this Cause reflects the Commission's authorization of  
18 that request to adequately fund the four year cycle, which would have an impact on  
19 reliability.  
20

21 Q. **Please explain why a *pro forma* request was necessary if the Commission authorized**  
22 **the requested level of spend in Cause No. PUD 201500273.**

23 A. The Final Order in Cause No. PUD 201500273 did not occur until roughly nine months  
24 into the test year and halfway through the fiscal year. The Company delayed spending the  
25 additional funds on Vegetation Management until the Final Order. This resulted in  
26 OG&E not spending to the level of Vegetation Management approved in Cause No. PUD  
27 201500273 during the Test Year in this Cause. OG&E maintains that the level approved  
28 in Cause No. PUD 201500273 is appropriate to adequately fund its Vegetation  
29 Management Program, and this *pro forma* adjustment merely adjusts the Test Year level  
30 of spend difference due to this timing difference between the 2017 Fiscal Year and the  
31 September 30, 2017 Test Year.

1 Q. Please provide an overview of the Company's request in this Cause to the actual  
2 level of spending the Company has incurred during the 2017 Fiscal Year.

3 A. OG&E's Vegetation Management program is budgeted from January 1<sup>st</sup> to December 31<sup>st</sup>  
4 of each year. The Vegetation program operates on a fiscal budget, not a test year budget.  
5 Table 1 demonstrates the request in this Cause as it compares to the fiscal year. While the  
6 Test Year level of spend may have been less than what was approved in Cause No. PUD  
7 201500273, Table 1 shows the total spend for calendar year 2017 was actually greater  
8 than what was approved in the last Cause. Using the fiscal year in which the Commission  
9 authorized the spend, OG&E spent \$27,057,311 on Distribution and \$4,175,934 on  
10 Transmission. OG&E has invested a combined \$907,689 more in 2017 than they have  
11 asked to recover in this Cause.

**Table 1**

	Distribution	Transmission	Total
Request PUD 201700496	\$ 25,790,903	\$ 4,534,654	\$ 30,325,556
2017 Fiscal Spend	\$ 27,057,311	\$ 4,175,934	\$ 31,233,245
Difference	\$ (1,266,408)	\$ 358,719	\$ (907,689)

12 Table 2 demonstrates the request in this Cause compared to a twelve month period  
13 including the six month *pro forma* period. If the six month *pro forma* period after the test  
14 year is included as part of the twelve month spend, the results shows that OG&E has  
15 made a strong commitment to the vegetation program and has invested \$3.4 million more  
16 than what is requested in Cause No. 201700496.

**Table 2**

	Distribution	Transmission	Total
Request PUD 201700496	\$ 25,790,903	\$ 4,534,654	\$ 30,325,556
Apr-Dec 2017 Actual	\$ 23,654,649	\$ 3,696,746	\$ 27,351,395
Jan-Mar 2018 Actual	\$ 5,431,414	\$ 947,646	\$ 6,379,060
12 months Actual	\$ 29,086,063	\$ 4,644,392	\$ 33,730,455
Difference	\$ (3,295,160)	\$ (109,738)	\$ (3,404,898)

17  
18  
19 Q. Does this conclude your Rebuttal Testimony?

20 A. Yes.