

BEFORE THE CORPORATION COMMISSION OF THE STATE 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

FILED
MAY 07 2018

COURT CLERK'S OFFICE - OKC
CORPORATION COMMISSION
OF OKLAHOMA



SUMMARY TESTIMONY

OF

ANDREW SCRIBNER

MAY 7, 2018

1 Andrew Scribner is employed by the Public Utility Division (“PUD”) of the Oklahoma
2 Corporation Commission as a Public Utility Regulatory Analyst. Mr. Scribner filed
3 Responsive Testimony in Oklahoma Gas and Electric Company’s (“OG&E” or
4 “Company”) Cause No. PUD 201700496 on May 2, 2018.

5 On January 16, 2018, OG&E filed its Application for an adjustment in its rates, charges,
6 and tariffs for retail electric service in Oklahoma. Mr. Scribner testified that PUD
7 reviewed the Application, testimony of Company witnesses, and Company workpapers.
8 PUD also issued a data request and reviewed the associated responses, interviewed
9 Company personnel, and conducted onsite audits at the Company’s corporate office in
10 Oklahoma City, Oklahoma.

11 Mr. Scribner testified that after reviewing the areas of Non-recoverable Expenses, Dues
12 and Donations, Advertising Expenses, Informational, Instructional, Miscellaneous, and
13 Sales Expenses, and Legal Settlements, PUD recommends the Commission accept
14 OG&E’s proposed Adjustment H-2-34 to decrease OG&E’s operating expenses by
15 \$599,240 to exclude various Non-recoverable Expenses that are not allowed for
16 ratemaking purposes. These expenses are not allowed for ratemaking purposes because
17 they do not facilitate the provision of electric service and may force ratepayers to
18 involuntarily contribute to activities, associations, organizations, and institutions of which
19 they have no knowledge, choice, or direct benefit.

20 Mr. Scribner testified that PUD also recommends the Commission accept PUD’s

1 adjustment No. H-1 to decrease Dues and Donations by \$123,643. This disallowance is
2 necessary as it removes expenses that are not allowed for ratemaking purposes and results
3 in sharing costs that benefit both the ratepayers and the shareholders. PUD determined
4 that certain Chambers of Commerce dues benefit both the ratepayers and shareholders
5 and should be shared between the parties. Therefore, PUD recommends the amount of
6 \$183,538 be divided equally between the ratepayers and shareholders resulting in a
7 disallowance of \$91,769. However, PUD also determined that certain Chambers of
8 Commerce expenses in the amount of \$31,874 did not benefit ratepayers and should be
9 disallowed and removed from OG&E's operating expenses. These two disallowances
10 equal the total recommended adjustment to decrease Dues and Donations by \$123,643.

11 Mr. Scribner testified that PUD further recommends the Commission accept the
12 Company's proposed Adjustment WP H-2-37 that decreases operating expenses by
13 \$1,659,342 in conjunction with PUD's Adjustment No. H-2 that decreases operating
14 expenses by an additional \$40,845. These two adjustments decrease OG&E's operating
15 expenses by a total of \$1,700,187 to exclude various Advertising Expenses that are not
16 allowed for ratemaking purposes. These expenses are not allowed for ratemaking
17 purposes because they are not associated with advertising campaigns related to: (1)
18 protection of health and safety; (2) environmental protection; (3) safe and economic use
19 of electric equipment; or (4) conservation of electricity. PUD determined that in addition
20 to OG&E's proposed Adjustment H-2-37, the Company operating expense contained
21 certain expenses related to its internal safety program that were not proper for inclusion
22 in Advertising Expenses and should be disallowed.

1 Mr. Scribner testified that PUD believes the recommendations made are fair, just,
2 reasonable, and in the public interest.

CERTIFICATE OF SERVICE

I, the undersigned, do hereby certify that on the 2nd day of May, 2018, a true and correct copy of the above and foregoing was sent **electronically**, addressed to the following:

Katy Boren
Jared Haines
Victoria Korreect
A. Chase Snodgrass
Jennifer Lewis
Office of Attorney General
313 NE 21st Street
Oklahoma City, OK 73105
katy.boren@oag.ok.gov
jared.haines@oag.ok.gov
victoria.korreect@oag.ok.gov
chase.snodgrass@oag.ok.gov
jennifer.lewis@oag.ok.gov

Bill Bullard
Williams, Box, Foshee & Bullard, PC
522 Colcord Dr.
Oklahoma City, OK 73102
bullard@wbfblaw.com

Kimber Shoop
Crooks, Stanford & Shoop, PLLC
171 Stone Bridge Blvd
Edmond, OK 73010
ks@crooksstanford.com

J. Eric Turner
DERRYBERRY & NAIFEH, LLP
4800 North Lincoln Blvd.
Oklahoma City, OK 73105
eturner@derryberrylaw.com

Cheryl A. Vaught
Vaught & Conner, PLLC
1900 NW Expressway, Suite 1300
Oklahoma City, OK 73118
cvaught@vcokc.com

William Humes
John D. Rhea
Dominic Williams
OG&E
Post Office Box 321
Oklahoma City, OK 73101-0321
humeswl@oge.com
rheajd@oge.com
williado@oge.com

Curtis M. Long
Conner & Winters, LLP
4000 Williams Center
Tulsa, OK 74172
Clong@cwlaw.com

Jack G. "Chip" Clark, Jr.
Clark Wood & Patten PC
3545 N. W. 58th Street Suite 400
Oklahoma City, OK 73112
cclark@cswp-law.com

Thomas P. Schroedter
Hall Estill Hardwick Gable Golden & Nelson, PC
320 S. Boston
Suite 400
Tulsa, OK 74103
tschroedter@hallestill.com

Jon Laasch
Jacobson & Laasch
212 East Second Street
Edmond, OK 73034
jonlaasch@yahoo.com

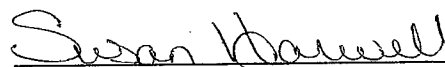
Rick D. Chamberlain
Behrens, Taylor, Wheeler & Chamberlain
Six Northeast 63rd, Suite 400
Oklahoma City, OK 73105
rchamberlain@okenergylaw.com

Ronald E. Stakem
Cheek & Falcone, PLLC
6301 Waterford Blvd., Suite 320
Oklahoma City, OK 73118
rstakem@cheekfalcone.com

Deborah Thompson
OK Energy Firm, PLLC
PO Box 54632
Oklahoma City, OK 73154
dthompson@okenergyfirm.com

Andrew Unsicker
Lanny Zieman
Matthew Zellner
AFLOA/JACE-USFSC
139 Barnes Drive, Suite 1
Tyndall Air Force Base, FL 32403
Andrew.unsicker@us.af.mil
Lanny.zieman.1@us.af.mil
Matthew.zellner@us.af.mil

Jim Roth
Marc Edwards
C. Eric Davis
Phillips Murrah, P.C.
Corporate Tower, 13th Floor
101 N. Robinson
Oklahoma City, OK 73102
Jaroth@phillipsmurrah.com
medwards@phillipsmurrah.com
cedavis@phillipsmurrah.com



TISH COATS, Manager
BARBARA COLBERT, Administrative Assistant
SUSAN HARWELL, Regulatory Analyst
KELI WEBB, Administrative Assistant
OKLAHOMA CORPORATION COMMISSION