

**BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA**

IN THE MATTER OF THE APPLICATION OF )  
OKLAHOMA GAS AND ELECTRIC COMPANY )  
FOR COMMISSION PREAPPROVAL OF NEW )  
GENERATION CAPACITY PURSUANT )  
TO 17 O.S. SECTION 286(C) )

CASE NO. PUD 2023-000038



**RESPONSIVE TESTIMONY**

**OF**

**ANDREW SCRIBNER**

**AUGUST 31, 2023**

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**EXECUTIVE SUMMARY**

1  
2 On May 31, 2023, Oklahoma Gas and Electric Company (“OG&E” or “Company”) filed  
3 its Application for preapproval of new generation capacity pursuant to 17 O.S. § 286(C).  
4 The Public Utility Division (“PUD”) of the Oklahoma Corporation Commission  
5 (“Commission”) reviewed the Application, the workpapers and testimony filed by OG&E  
6 witnesses, and Final Order No. 696007 in Cause No. PUD 201800159. PUD issued data  
7 requests and reviewed the responses provided by OG&E, as well as responses to data  
8 requests issued by the intervenors to this Case. Additionally, PUD conducted virtual and  
9 in-person audit conferences with OG&E personnel to discuss the areas under review in this  
10 filing.

11 After review, PUD recommends the Commission accept OG&E’s proposed Generation  
12 Capacity Rider (“GCR”) tariff schedule, subject to modifications as recommended by  
13 PUD. First, PUD recommends the addition of a three-year effective term to the tariff  
14 schedule to begin upon the first Combustion Turbine units associated with this Case  
15 (“Projects”) entering in-service status. During this term, PUD recommends that the GCR  
16 tariff should terminate either through inclusion of the Projects in a base rate case, by order  
17 of the Commission, or at the end of the three-year term, whichever occurs first.

18 Second, PUD recommends the Commission limit certain expenses the Company proposes  
19 to recover from ratepayers through the GCR tariff. Specifically, PUD recommends the  
20 following limitations be reflected in the language of the proposed GCR tariff:

- 21
- Recovery of the Original Equipment Manufacturer (“OEM”) and Joint Venture

1 (“JV”) contract costs through the proposed GCR tariff be limited to the original bid  
2 price of \$249 million.

- 3 • The Contingency Costs totaling approximately \$18.8 million should not be  
4 recovered through the proposed GCR tariff.
- 5 • The revenue requirement calculation should be revised in relation to any  
6 adjustments to recovery of the Projects’ construction costs through the proposed  
7 GCR tariff as ordered by the Commission.
- 8 • Non-fuel operations and maintenance (“O&M”) expenses should not be recovered  
9 through the proposed GCR tariff.

10 Finally, PUD recommends the Company true-up actual expenses. This true-up will record  
11 expenses associated with the Projects that are in excess of the limitations to cost recovery  
12 through the GCR tariff as ordered by the Commission. These expenses shall be presented  
13 to the Commission for review during the first rate case filed by the Company following  
14 one or both Projects reaching in-service status.

15 **INTRODUCTION**

16 **Q: Please state your name and your business address.**

17 A: My name is Andrew Scribner. My business address is Oklahoma Corporation  
18 Commission, Public Utility Division, Will Rogers Office Building, PUD Suite 414, 2401  
19 North Lincoln Boulevard, Oklahoma City, Oklahoma 73105.

1 **Q: Have you previously testified before the Commission and were your qualifications**  
2 **accepted?**

3 A: Yes. I have previously testified before the Commission and my qualifications were  
4 accepted at that time.

5 **Q: Who employs you and what is your position?**

6 A: I am employed by the Oklahoma Corporation Commission's Public Utility Division as a  
7 Senior Regulatory Analyst.

8 **Q: How long have you been so employed?**

9 A: I have been employed by the Commission since November 2017.

10 **Q: What are your duties and responsibilities with PUD?**

11 A: I conduct research and perform comparative analysis of utility applications, reports,  
12 financial records, and workpapers to ensure that PUD can make accurate recommendations.  
13 I am responsible for the tariff reviews and monthly fuel reviews for regulated electric  
14 utilities, gas utilities, and electric distribution cooperatives. For a complete list of my work  
15 history and educational background, please review the attached curriculum vitae.<sup>1</sup>

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<sup>1</sup> Exhibit AMS-1.

1 **PURPOSE**

2 **Q: What is the purpose of your Responsive Testimony regarding OG&E's Application for**  
3 **preapproval of new generation capacity as filed in Case No. PUD 2023-000038?**

4 **A:** The purpose of my Responsive Testimony is to present PUD's recommendations to the  
5 Commission regarding OG&E's proposed GCR tariff schedule.

6 **PUD'S REVIEW PROCESS**

7 **Q: Please explain PUD's review process in this Case.**

8 **A:** PUD reviewed Final Order 696007 in Cause No. PUD 201800159 and the Direct  
9 Testimony and associated workpapers filed by Company witnesses in this Case. PUD  
10 issued data requests and reviewed the responses, as well as the responses to data requests  
11 issued by other parties to this Case. PUD conducted multiple audit conferences with the  
12 Company to discuss the areas under review in this filing. During these audit conferences,  
13 PUD analysts posed questions to Company witnesses and reviewed documentation  
14 requested both on an informal basis and through data requests.

15 **GCR TARIFF**

16 **Q: Please describe the Company's proposed GCR tariff.**

17 **A:** The proposed GCR tariff schedule will recover the Oklahoma retail jurisdictional portion  
18 of the annual revenue requirement for the generation capacity Projects authorized in Case  
19 No. PUD 2023-000038.<sup>2</sup> The proposed GCR tariff is a rider, as it is applicable to all  
20 Oklahoma retail rate classes except those specifically exempted by special contract and

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<sup>2</sup> Direct Testimony of Gwin Cash, Direct Exhibit GC-1.

1 will be a separate line item charge in the Company's billing system. OG&E proposes to  
2 recover the revenue requirement via a volumetric charge, which will be billed to customers  
3 based on their monthly usage in kWh. Assuming an example billing factor of \$0.002009  
4 per kWh and a monthly usage of 1,100 kWh for a residential customer, the factor would  
5 be multiplied by the customer's usage to arrive at a monthly bill increase of \$2.21.<sup>3</sup>

6 **Q: When would the proposed GCR tariff take effect?**

7 A: OG&E would begin recovering the revenue requirement beginning with the first billing  
8 cycle once the first generation capacity Project has reached in-service status.

9 **Q: Does the proposed GCR tariff include a termination date?**

10 A: No. However, the GCR will continue until the generation capacity Projects are included  
11 in base rates or terminated by order of the Commission. If terminated by order of the  
12 Commission, the Projects will be included in rate base after issuance of a final order in the  
13 next OG&E general rate case.

14 **Q: Does PUD believe a termination date should be included in the GCR tariff?**

15 A: Yes. PUD recommends the addition of a three-year effective term to the tariff schedule to  
16 begin upon the first Project entering in-service status. PUD recommends a three-year term  
17 to be consistent with the relief ordered by the Commission in Cause No. PUD 201800159.  
18 Through this term, PUD recommends that the GCR tariff terminate either through inclusion  
19 of the Projects in a base rate case, by order of the Commission, or at the end of the three-

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<sup>3</sup> Calculation based on Chart 2 in the Direct Testimony of Jason J. Thenmadathil at page 6, line 9.

1 year term, whichever occurs first. A three-year effective term ensures that OG&E files a  
2 rate case in a timely manner to include the Projects in rate base once they have reached in-  
3 service status, and that recovery through the rider does not continue longer than strictly  
4 necessary.

5 **COST RECOVERY LIMITATIONS**

6 **Q: Have prior Commission-approved riders for 17 O.S. § 286(C) requests included cost**  
7 **limitations?**

8 A: Yes. As a result of the Joint Stipulation and Settlement Agreement filed in Cause No. PUD  
9 201800159, a \$20 million cap was placed on the annual O&M expenses OG&E was  
10 allowed to recover through the Generation Capacity Replacement Rider approved in that  
11 case.<sup>4</sup>

12 **Q: Does PUD recommend limitations on recovery of any of the costs associated with the**  
13 **Projects through the proposed GCR tariff?**

14 A: Yes. PUD recommends limitations on recovery of the following costs be reflected in the  
15 language of the proposed GCR tariff::

- 16 • The OEM and JV contract costs should be limited to the original bid price of \$249  
17 million;<sup>5</sup>
- 18 • The Contingency Costs totaling approximately \$18.8 million<sup>6</sup> should not be  
19 recovered through the proposed GCR tariff;

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<sup>4</sup> Joint Stipulation and Settlement Agreement attached to Final Order 696007 in Cause No. PUD 201800159.

<sup>5</sup> Direct Testimony of Matthew J. Schuermann at page 6, lines 20 – 21.

<sup>6</sup> Id. at page 8, line 31, and page 9, line 1.

- 1           • The Company should revise the revenue requirement calculation<sup>7</sup> in relation to any
- 2           limitations on recovery of the Projects' construction costs through the proposed
- 3           GCR tariff as ordered by the Commission; and
- 4           • Non-fuel O&M expenses should not be recovered through the proposed GCR tariff.

5           PUD's analysis regarding the limitations on specific components of the construction costs  
6           associated with the Projects is discussed in the Responsive Testimony of PUD Witness  
7           Trent Campbell filed in this Case. Additionally, PUD's recommendations regarding the  
8           revenue requirement calculation are discussed in the Responsive Testimony of PUD  
9           Witness Farzad Khalili filed in this Case.

10          PUD believes that non-fuel O&M costs associated with the Projects should not be  
11          recoverable through the proposed GCR tariff. In response to a data request issued by the  
12          Oklahoma Attorney General, OG&E stated that the Company does not expect an  
13          incremental O&M increase for the new units relative to the units currently in service at the  
14          Horseshoe Lake Facility.<sup>8</sup> The units currently in service at the Horseshoe Lake Facility  
15          are included in OG&E's rate base, and their associated O&M expenses are being recovered  
16          from ratepayers through base rates. Therefore, based on OG&E's response to the data  
17          request, any level of O&M expenses associated with the Projects incurred during the  
18          pendency of the proposed GCR tariff are currently accounted for through base rate  
19          recovery.

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<sup>7</sup> Direct Testimony of Jason Thenmadathil at page 4, lines 9 – 17.

<sup>8</sup> Response to Data Request AG 02-05.

1 **Q: Does PUD recommend revision of the proposed GCR tariff to include these cost**  
2 **recovery limitations?**

3 A: Yes. PUD recommends OG&E revise the Oklahoma Jurisdiction GCR Annual Revenue  
4 Requirement section of the proposed GCR tariff to reflect the specific limitations on the  
5 annual revenue requirement as ordered by the Commission in this Case. PUD also  
6 recommends elimination of the following language as indicated by the strikethroughs:

7 b. Expenses inclusive of ~~non-fuel operations and maintenance (“O&M”) costs,~~  
8 depreciation, and ad valorem taxes,

9 Elimination of this language will effectuate PUD’s recommended limitation on O&M  
10 recovery through the proposed GCR tariff as discussed previously.

11 **EXPENSE TRUE-UP**

12 **Q: Does PUD recommend any additional revisions to the proposed GCR tariff?**

13 A: Yes. PUD recommends that OG&E true-up actual expenses associated with the Projects.  
14 This true-up will record expenses associated with the Projects that are in excess of the  
15 limitations to cost recovery through the GCR tariff as ordered by the Commission. As  
16 discussed previously, OG&E will be shifting recovery of the Projects from the proposed  
17 GCR tariff into base rates following the first rate case filed after the Projects enter in-  
18 service status. PUD’s recommended true-up will allow interested parties to thoroughly  
19 review and make recommendations to the Commission related to those expenses that have  
20 not been recovered through the proposed GCR tariff.

**RECOMMENDATION**

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**Q: What is the Public Utility Division’s (“PUD”) recommendation to the Oklahoma Corporation Commission (“Commission”) regarding Oklahoma Gas and Electric Company’s (“OG&E” or “Company”) Application for preapproval of new generation capacity as filed in Case No. PUD 2023-000038?**

A: PUD recommends the Commission accept OG&E’s proposed Generation Capacity Rider (“GCR”) tariff schedule, subject to modifications as recommended by PUD. First, PUD recommends the addition of a three-year effective term to the tariff schedule to begin upon the first Combustion Turbine units associated with this Case (“Projects”) entering in-service status. During this term, PUD recommends that the GCR tariff should terminate either through inclusion of the Projects in a base rate case, by order of the Commission, or at the end of the three-year term, whichever occurs first.

Second, PUD recommends the Commission limit certain expenses the Company proposes to recover from ratepayers through the GCR tariff. Specifically, PUD recommends the following limitations be reflected in the language of the proposed GCR tariff:

- Recovery of the Original Equipment Manufacturer and Joint Venture contract costs through the proposed GCR tariff be limited to the original bid price of \$249 million.
- The Contingency Costs totaling approximately \$18.8 million should not be recovered through the proposed GCR tariff.
- The revenue requirement calculation should be revised in relation to any adjustments to recovery of the Projects’ construction costs through the proposed GCR tariff as ordered by the Commission.

- 1           • Non-fuel operations and maintenance expenses should not be recovered through  
2           the proposed GCR tariff.

3           Finally, PUD recommends the Company true-up actual expenses. This true-up will record  
4           expenses associated with the Projects that are in excess of the limitations to cost recovery  
5           through the GCR tariff as ordered by the Commission. These expenses shall be presented  
6           to the Commission for review during the first rate case filed by the Company following  
7           one or both Projects reaching in-service status.

I state, under penalty of perjury under the laws of Oklahoma, that the foregoing is true and correct to the best of my knowledge and belief.

*Andrew Scribner*  
\_\_\_\_\_  
Andrew Scribner

**Oklahoma Gas and Electric Company – Case No. PUD 2023-000038**

**LIST OF EXHIBITS**

AMS-1

*Curriculum Vitae*



# Andrew Scribner

Curriculum Vitae

Exhibit AMS-1

## Contact

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## Work Experience

### Oklahoma Corporation Commission 2017 - Present

Senior Regulatory Analyst, Public Utility Division

- Conduct research and perform comparative analysis of utility applications, reports, financial records, and workpapers.
- Draft testimony for Causes and serve as a peer editor for other Regulatory Analysts.
- Conduct monthly review of utility purchased power and fuel adjustments.
- Perform compliance audits of utility customer billing calculations.
- Lead Analyst responsible for reviewing tariffs submitted by utilities for approval.

### Mary Lynn Mihm, Attorney at Law 2015

Of Counsel

- Performed legal research on a variety of issues pertaining to family law (tax, income assignment orders, and statutory deadlines within which to bring an action).
- Assisted in proofreading documents and drafting legal briefs.
- Drafted pleadings, motions, briefs, and orders in preparation for trial.
- Responsible for compiling documents in preparation for the settlement of cases.

### Mary Lynn Mihm, Attorney at Law 2005 - 2011

Legal Intern

- Corresponded with clients, opposing counsel, and court clerks and deputies.
- Drafted pleadings, motions, briefs, discovery responses, and proposed orders.
- Assisted in trial preparation, including reviewing interrogatories and compiling and organizing client records.
- Attended and assisted in depositions, hearings, and trials.
- Managed case documents and directed discovery requests and responses.

## Education

### University of Oklahoma College of Law 2011 - 2014

- Juris Doctor

### University of Oklahoma 2006 - 2010

- Bachelor of Arts, Letters

## Professional Licenses and Associations

- Oklahoma Bar Association

**CERTIFICATE OF ELECTRONIC SERVICE**

I, the undersigned, do hereby certify that on the 31st day of August 2023, a true and correct copy of the above and foregoing was sent electronically to:

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