

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 02 2018

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CORPORATION COMMISSION
OF OKLAHOMA



RESPONSIVE TESTIMONY

OF

MARYDORIS CASEY

MAY 2, 2018

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INTRODUCTION

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Q: Please state your name and your business address.

A: My name is MaryDoris Casey. My business address is Oklahoma Corporation Commission, Public Utility Division, Jim Thorpe Office Building, Room 580, 2101 North Lincoln Boulevard, Oklahoma City, Oklahoma 73105.

Q: Have you previously testified before the Oklahoma Corporation Commission (“OCC” or “Commission”) and were your qualifications accepted?

A: Yes. I have previously testified before the Commission and my qualifications were accepted.

Q: What is your occupation and who employs you?

A: I am employed by the Public Utility Division (“PUD”) of the Commission as a Public Utility Regulatory Analyst.

Q: How long have you been so employed?

A: I have been employed by PUD since March 2018.

Q: What are your duties and responsibilities with PUD?

A: I conduct research and perform comparative analysis of utility applications, reports, financial records, and workpapers to ensure that PUD can make accurate

1 recommendations. For a complete list of my work history and educational background,
2 please review the attached curriculum vitae.¹

3 **PURPOSE**

4 **Q: What is the purpose of your Responsive Testimony regarding the Application filed by**
5 **Oklahoma Gas and Electric Company (“OG&E” or “Company”) for an Order of**
6 **the Commission authorizing Applicant to modify its rates, charges, and tariffs for**
7 **retail electric service in Oklahoma as filed in Cause No. PUD 201700496?**

8 **A:** The purpose of this Responsive Testimony is to present PUD’s review and
9 recommendations regarding Large Invoices.

10 **EXECUTIVE SUMMARY**

11 On January 16, 2018, Oklahoma Gas & Electric Company (“OG&E” or “Company”) filed
12 its Application for an adjustment in its rates, charges, and tariffs for retail electric service
13 in Oklahoma. The Public Utility Division (“PUD”) reviewed the Application, testimony
14 of Company witnesses, and Company workpapers. PUD also issued a data request and
15 reviewed the response, interviewed Company personnel, and conducted onsite audits at
16 the Company’s corporate office in Oklahoma City, Oklahoma.

17 After PUD’s review of invoices for arithmetical accuracy, vendors and business
18 practices, supporting documentation, and the Company’s accounting methodologies,

¹ Exhibit MDC-1.

1 PUD identified no concerns and therefore PUD recommends no adjustments. PUD
2 believes that this recommendation is fair, just, reasonable, and in the public interest.

3 PUD'S REVIEW PROCESS

4 **Q: Please explain PUD's review process in this Cause.**

5 A: PUD reviewed the Application, schedules, and Testimony of the Company, reviewed
6 prior rate causes, relevant statutes, and Commission rules. PUD issued a data request and
7 reviewed the response. PUD also reviewed the data requests issued by intervenors, as
8 well as the associated responses. Additionally, PUD reviewed Company workpapers,
9 general ledgers, invoices, and other supporting documentation for arithmetical accuracy.
10 PUD also conducted multiple onsite audits at the Company's corporate office in
11 Oklahoma City, Oklahoma, and spoke with Company personnel regarding areas under
12 review.

13 LARGE INVOICES

14 **Q: What are Large Invoices and what is the scope of PUD's review of Large Invoices in**
15 **this Cause?**

16 A: Large Invoices are invoices greater than \$250,000 excluding cost of gas, fuel, purchased
17 power, and taxes. The Company provided a list of Large Invoices paid during the test
18 year in its Application for this Cause.² The scope of PUD's review of Large Invoices is
19 to ensure reasonableness, validate invoices and determine accuracy of accounting entries,

² WP H22.

1 and identify any changes in business practices or vendors that may warrant further review.

2 **Q: How did PUD determine what entries and vendors in Large Invoices to audit?**

3 A: A random sample of vendors and associated invoices were selected from the list of Large
4 Invoices for onsite audits at the Company's corporate office on March 14, 2018, and
5 March 21, 2018.

6 **Q: How did PUD ensure reasonableness, validate invoices and determine accuracy of**
7 **accounting entries, and identify any changes in business practices or vendors?**

8 A: PUD conducted onsite audits at the Company's corporate office in Oklahoma City,
9 Oklahoma, and met with accounting representatives to review the Company's processes
10 and procedures for determining what invoices to accrue and to ensure that costs were
11 properly recorded for the test year. PUD reviewed invoices and supporting documents to
12 verify arithmetical accuracy. PUD did not identify any changes in business practices or
13 vendors that warranted further review.

14 **Q: Were any discrepancies discovered in PUD's review of Large Invoices?**

15 A: There were no discrepancies found during PUD's review of the random sample of entries
16 from the list of Large Invoices.

17 The Company's original list of Large Invoices inappropriately included entries totaling
18 \$2,128,613,675. The entries that should have been excluded from the list of Large
19 Invoices included those identified as cost of gas, fuel and purchased power, taxes,

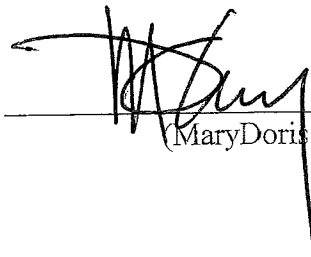
1 Intercompany entries, and Arkansas jurisdictional services. The original total dollar
2 amount of the Company's Large Invoices was \$4,965,258,109; however, after the
3 Company's revision to remove the inappropriate entries, the new total dollar amount of
4 Large Invoices is \$2,836,644,434. This revision does not impact the revenue requirement
5 calculation included in the current rate case filing.

6 **OVERALL RECOMMENDATION**

7 **Q: What is PUD's overall recommendation regarding Large Invoices?**

8 A: PUD recommends no adjustments to the Company's Large Invoices. PUD believes that
9 this recommendation is fair, just, reasonable, and in the public interest.

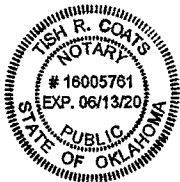
I state, under penalty of perjury under the laws of Oklahoma, that the foregoing is true and correct to the best of my knowledge and belief.



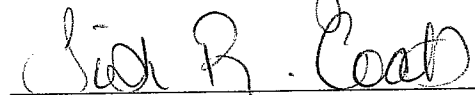
(MaryDoris Casey)

State of Oklahoma
County of Oklahoma

Subscribed and sworn to before me this 2nd day of May, 2018



(Seal, if any)



NOTARY PUBLIC

POD Manager

Title

My Commission Number: 16005761

My Commission Expires: June 13, 2020

Oklahoma Gas and Electric Company – Cause No. PUD 201700496

LIST OF EXHIBITS

MDC-1

Curriculum Vitae



Exhibit MDC-1

Curriculum Vitae of MaryDoris Casey

Jim Thorpe Office Building, Room 580, 2101 N. Lincoln Blvd, Oklahoma City, OK 73105
(405) 521-4114, m.casey@occcemail.com

Work Experience

Oklahoma Corporation Commission, March 2018 – Present

Public Utility Regulatory Analyst

- Prepare exhibits, comments, testimony and interrogatories; Serve as an expert witness in court proceedings; Review reports and orders for technical accuracy; Interpret state and federal laws and commission rules; Analyze utility applications, reports, financial records and cost studies, and make recommendations; Review and develop procedures for and perform fund management, auditing, and requests for funds; Perform compliance audits or reviews; Perform activities related to education of the public regarding utility service options; Research and perform comparative analyses of public utility issues.

Oklahoma Municipal Power Authority (OMPA), 2006 – 2017

Manager, Congestion Hedging

- Managed all OMPA activity in the Southwest Power Pool (SPP) Congestion Hedging Market; Established internal strategies for all auction processes; Analyzed historical data and created forward looking models; Generated reports for presentation to the General Manager and Board of Directors regarding OMPA's Congestion Hedging position; Directly responsible for up to \$10mm (annually) in Congestion Hedging Market activity.

Markets Manager

- Oversaw all market activity for OMPA and the Kansas Power Pool (KPP) in two energy markets - SPP and ERCOT (Electric Reliability Council of Texas); Managed all facets of operations for KPP including load forecasting, power supply and transmission procurement, resource dispatch, and energy accounting; Project Manager directly responsible for OMPA successfully becoming a Qualified Scheduling Entity in ERCOT; Ensured OMPA and KPP contractual obligations were met. Worked closely with executive management, engineers, and consultants to develop strategies and resolve problems; Directly involved in hiring, performance evaluations, training, and supervision of subordinates.

Senior Markets Analyst

- Responsible for evaluating, preparing, and implementing daily power supply transactions for the KPP's member cities; Resource dispatch; Energy settlements and accounting; Prepared monthly billing data for OMPA and KPP; Ad hoc data analysis as requested.

Scheduling Analyst

- Under direction, responsible for evaluating, preparing and accounting of power supply transactions including the preparation and submittal of daily power schedules for OMPA's member cities; Monitor OMPA participants' power requirements to develop effective scheduling parameters, ensuring scheduling at lowest cost while meeting all contractual requirements and optimizing sales of opportunity.

University of Oklahoma Health Sciences Center, 2005 – 2006

Research Technician

- Orchestrated the recruitment of clients for data collection and research participation for two ongoing research projects; Solely responsible for maintaining positive relationships with clients to ensure accurate data collection and future research participation; Managed extensive client databases including confidential record keeping; Regularly demonstrated a high level of organization combined with superior time management to fulfill job objectives; Improved recruitment rate by over 40%, and improved participation retention rate by 90%.
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Education

- **University of Central Oklahoma**

Bachelor of Science, Statistics - 2004

Responsive Testimony – Casey

Oklahoma Gas and Electric Company – Cause No. PUD 201700496

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:

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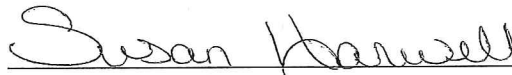
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