

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

FILED
JUN 01 2018

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)

COURT CLERK'S OFFICE - OKC
CORPORATION COMMISSION
OF OKLAHOMA
CAUSE NO. PUD 201700496



SUMMARY REBUTTAL TESTIMONY

OF

GEOFFREY M. RUSH

JUNE 1, 2018

1 Geoffrey Rush is employed by the Public Utility Division ("PUD") of the Oklahoma
2 Corporation Commission ("Commission") as a Public Utility Energy Coordinator. On
3 January 16, 2018, Oklahoma Gas and Electric Company ("OG&E" or "Company") filed
4 its Application for an order of the Commission authorizing the Company to modify its rates,
5 charges, and tariffs for retail electric service in Oklahoma. Mr. Rush testified that PUD
6 reviewed the Application, as well as the testimony and sponsored exhibits of Company
7 witnesses. In addition, Mr. Rush testified that PUD reviewed data requests and responses
8 between all parties in this Cause and conducted onsite audits at the Company's corporate
9 office in Oklahoma City, Oklahoma.

10 On May 2, 2018, Mr. Rush filed Responsive Testimony explaining PUD's review of the
11 following areas: Return on Equity ("ROE"), Cost of Debt and Capital Structure, Short-
12 Term Incentive Compensation ("STP"), Payroll Expense, Amortization of Pension
13 Regulatory Liability, Materials and Supplies, Adjust Coal & Oil to reflect 13 month
14 average, Adjust Gas in Storage to reflect 13 month average, Fuels and Purchased Power
15 Expenses, Unbilled Revenues and Over/Under Recoveries, Prepayments Expense,
16 Outside Services/Attorney Fees, Rate Case Expense and Regulatory Expense.

17 On May 29, 2018, Mr. Rush filed Rebuttal Testimony in response to recommendations
18 regarding Incentive Compensation from Attorney General witness Edwin C. Farrar and
19 OIEC witness Mark Garrett. Both Mr. Farrar and Mr. Garrett recommend the disallowance
20 of 50% of the Company's Short-Term Incentive ("STP") Compensation Plan due to the fact
21 that the plan includes financial objectives. Mr. Rush testified that the inclusion of financial

1 objectives in the Company's STI plan is appropriate because not only do financial objectives
2 provide benefits to the Company, the ratepayers, and the shareholders, having a balanced
3 incentive plan is more conducive in driving successful organizational performance. Mr.
4 Rush testified that he requests the Commission accept his recommendation of allowing
5 full recovery of Short-Term Incentive Compensation.

CERTIFICATE OF SERVICE

I, the undersigned, do hereby certify that on the 1st day of June, 2018, a true and correct copy of the above and foregoing was sent **electronically**, addressed to the following:

Katy Boren
Jared Haines
Victoria Korrect
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.korrect@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@wbfbllaw.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@okenergylaw.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

Jack P. Fite
White, Coffey, & Fite PC
2200 NW 50th Street, Suite 210E
Oklahoma City, OK 73112
jfite@wcgflaw.com



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