

News from the Oklahoma Corporation Commission

Office of Public Information -- Contact: Patrick K. Petree (405) 521-4180

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FOR IMMEDIATE RELEASE Reference:

### **Oklahoma Among Best in Storage Tank Leak Detection, Cleanup**

OKLAHOMA CITY - The Oklahoma Corporation Commission is exceeding the national average in locating and correcting environmental problems caused by leaking underground storage tanks, the federal Environmental Protection Agency (EPA) has determined.

The Corporation Commission regulates about 18,000 underground storage tanks for compliance with state and federal environmental regulations. The tanks are used for containment of petroleum products and other liquids defined by the EPA as hazardous to the environment.

During the federal fiscal year, which ended in October, the commission received leak reports on 18 percent of registered tanks and started cleanup at 87 percent of the leak sites, compared to national averages of leak reports on 15 percent of registered tanks and cleanup starts on 77 percent of leak sites.

"This indicates the Corporation Commission has done a good job of encouraging underground storage tank owners and operators to report releases (leaks from tanks)," the year-end EPA program review report said.

The report also said the Corporation Commission program accomplished a 16 percent increase in the number of underground storage tank leak cleanups started and a 25 percent increase in the number of cleanups completed, putting Oklahoma ahead of the national average in both categories for the 1996 federal fiscal year.

Expenditures from the Leaking Underground Storage Tank Trust Fund, which provides emergency funding for corrective action, increased from about \$58,000 per month in 1995 to about \$100,000 per month in 1996, statistics indicate.

EPA statistics also show that the Corporation Commission has reduced the time lag between tank leaks and cleanup actions. In 1995, leak incidents increased 15.2 percent, cleanup starts increased 17 percent and cleanup completions increased 20 percent. In 1996, leak incidents increased only 9.5 percent while cleanup starts increased 16.4 percent and cleanup completions increased 24.8 percent.

(more)

Storage Tanks - 2

E.R. (Ray) Smith, Corporation Commission Fuel Division director, said further improvement in leaking storage tank cleanup is likely in 1997 through the use of risk-based corrective action, which lets the commission assign cleanup priority according to the risk of damage to human health and the environment. Risk-based assessments began in October 1996 following approval by the Oklahoma Legislature.

The EPA report also said the Oklahoma Petroleum Underground Release Indemnity Fund, also administered by the Corporation Commission, reimbursed tank owners and operators for about \$23.5 million in eligible leaking tank cleanup expenses during the Oklahoma fiscal year, which ended in July.

"The Corporation Commission has taken steps to ensure reasonable reimbursement of corrective action costs through cost control measures such as technical reviews, preapproval of investigative and remedial work and (payment) of maximum reasonable and customary charges," the EPA report said.

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: PUD21997-9

## **OCC Seeks Suggestions on Gas Industry Restructuring**

OKLAHOMA CITY - The Oklahoma Corporation Commission has invited gas utilities, natural gas suppliers and other interested parties to help write rules for restructuring the gas industry in Oklahoma to create a competitive environment.

A Notice of Intent to Solicit Proposed Rules issued Tuesday (Feb. 18) invites rule proposals regarding natural gas sales, distribution and intrastate transportation that address unbundling of services, open access to pipeline transportation, the impact of competition on consumers and methods for ensuring gas services for all customers in a competitive environment.

The rule proposals may be new rules or amendments to existing rules. They will be accepted through March 21.

A technical conference to clarify and further explain issues has been scheduled for Feb. 25. Additional technical conferences for discussion of rule proposals have been scheduled for April 16 and 30, May 13 and 20, and June 4 and 10.

The proposed rules will be considered later in 1997 when the commission opens a formal rulemaking procedure.

Copies of the notice inviting proposed rules (Cause No. RM97000009) are available free of cost from the Commission Court Clerk's Office, Jim Thorpe Bldg., 2101 N. Lincoln Blvd., Oklahoma City. The notice also is available for downloading from the Corporation Commission's Internet home page at <http://www.occeweb.com>

Questions concerning the notice should be directed to Andrea Johnson, Office of General Counsel, phone (405) 521-4101, or by mail at PO Box 52000-2000, Oklahoma City, OK 73152-2000.

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference:O&G22897-13

### **OCC Keeps Same Gas Production Limits for 2nd Quarter of 1997**

OKLAHOMA CITY - The Oklahoma Corporation Commission voted 2-1 Friday (Feb. 28) to continue production limits for most Oklahoma gas wells at the greater of 65 percent of wellhead open flow potential or 1.3 million cubic feet per day for the second quarter of 1997.

Commissioners Bob Anthony and Ed Apple voted to continue the limits, which had been set for production during the first quarter of the year. Chairman Cody L. Graves voted to reduce the limits to the greater of 50 percent or 1 million cubic feet per day, which were in effect for most of 1996.

Continuation of the present production limits was recommended by the commission staff and most industry representatives who filed written comments or participated in a hearing Friday. But the Oklahoma Independent Petroleum Association and Claude McNully, the commission's oil and gas technical manager, also expressed concern that continuing high production limits could make production curtailments difficult in the future.

The limits apply to about 28,000 gas wells, but only about 100 wells can produce as much gas as the limits allow. The remaining wells accrue "underages," a portion of which may be applied as credits and added to future allowables. If the commission were to reduce production limits to much lower levels, well operators could use their underage credits to continue production at present levels.

"Two quarters of operating under present limits (65 percent / 1.3 MMcf) virtually assures most wells the freedom to produce at capacity for the remainder of the year regardless of proration factors set for the remaining two quarters," McNully said.

Graves said his vote to lower the limit reflected a concern for future production considerations.

Those who supported continuing the present production limits said they are necessary to let Oklahoma producers share in the market for gas to replenish storage inventories after the winter heating season and to encourage more gas drilling in Oklahoma.

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference:PUD4497-23

### **New Telephone Rules Address Competition, Universal Service**

OKLAHOMA CITY - The Oklahoma Corporation Commission has adopted and sent to the Legislature for approval new telephone rules that will expedite the transition to a competitive market and ensure telephone service of similar quality and price for everyone in Oklahoma.

The new rules establish a process whereby the commission can determine when telecommunications services become competitive. The new rules allow companies wanting to provide these competitive services to file price lists and make them effective seven days after they are filed.

The rules also allow telephone service providers to avoid traditional rate of return regulation by requesting an alternative form of regulation, such as price caps. They also provide a streamlined approval process for local service tariff changes similar to the approval process in effect for long-distance service providers.

The Corporation Commission would continue to exercise its long-standing authority to suspend or disapprove any proposed pricing plan or tariff change considered not in the public interest.

New rules that ensure uniform telephone service throughout Oklahoma would guarantee the availability of basic telephone service in high-cost areas, such as remote rural locations, at rates similar to those paid by customers in more populated areas.

The universal service rules also would include a lifeline service rate for qualified low-income customers and provide free long-distance calling related to health care services for non-profit hospitals and information and educational services provided by public schools and public libraries.

Corporation Commission Chairman Cody L. Graves said the new rules conform to the federal Telecommunications Act of 1996 and Oklahoma local competition rules adopted last year. They also address the primary issues contained in House Bill 1815, now being considered by the Legislature, Graves said.

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference:PUD42597-26

## **Corporation Commission Finds Southwestern Bell Meets Requirements to Provide Long-Distance Service in Oklahoma**

OKLAHOMA CITY -- By a 2-1 vote, the Oklahoma Corporation Commission ruled Friday (April 25) that Southwestern Bell Telephone has met requirements for becoming a long-distance service provider in Oklahoma.

Commissioners Cody L. Graves and Ed Apple said Southwestern Bell has met the requirements of section 271 of the 1996 federal Telecommunications Act for opening its local exchange territory to competition by signing binding agreements for business and residential local competition and satisfying the requirements of a 14-point "competitive checklist" specified by the Telecommunications Act.

Commissioner Bob Anthony said he didn't believe that local competition exists or that the legal requirements had been met.

The commissioners will draft formal comments and submit them by May 1 to the Federal Communications Commission, which is considering an application by SBC Communications, Southwestern Bell's parent company, to become a long-distance service provider in Oklahoma.

Graves said he is satisfied that Southwestern Bell has offered terms and conditions to potential local exchange service competitors.

"They are probably not to the satisfaction of all parties, but no one has complained to the commission about being blocked in efforts to begin competition, so I have to conclude that the lack of competition in Oklahoma today is a matter of business decisions rather than efforts by Bell to prevent competition," he said.

Apple said that many issues are "gray and murky and open to interpretation."

"But I support the application from the standpoint that Bell has created an environment where local exchange competition can occur. From that perspective, I feel that the 14 points on the checklist have been met," he said.

Anthony said his dissent is based on the Telecommunications Act requirements and "common sense that says local phone service competition obviously does not yet exist."

"It asks specifically if the Bell operating company is providing access and interconnection to its network facilities. If you can't go home right now and change your telephone company -- and you can't -- then local exchange competition doesn't exist, and everyone knows it doesn't exist. Bell's application for long-distance authority in Oklahoma is premature," he said.

Southwestern Bell provides local-exchange telephone service to about 83 percent of Oklahoma telephone customers.

SBC's application for long-distance certification is the second filed by a Bell operating company. Ameritech filed an application in January seeking long-distance authority in Michigan. The Michigan Public Service Commission certified that Ameritech had met requirements for opening its local exchange network to competition, but Ameritech withdrew its application due to a "procedural issue" in its contract with AT&T in Michigan.

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: O&G5997-32

**Corporation Commission Adds 8 Oil and Gas Field Inspectors**

OKLAHOMA CITY -- The Oklahoma Corporation Commission has hired eight oil and gas field inspectors to increase its statewide staff to 59 field-based supervisors and inspectors.

Field inspectors assist operators and enforce state laws and commission rules for oil and gas drilling, production and environmental protection. The inspectors are responsible for monitoring operations of about 88,000 oil wells, 29,000 gas wells and 29,300 underground injection and disposal wells.

"Having the additional inspectors will allow us to respond more quickly to pollution problems and complaints and to industry requests for services, such as witnessing well pluggings," Mike Battles, Oil and Gas Conservation Division director, said.

Battles said additional funding for the division allowed the commission to fill the field inspector positions, which have been vacant for several years. The Oil and Gas Division is funded by a percentage of the state's gross production tax on oil and gas.

The new inspectors and their territories are District 1 (northeast), Michael G. McChesney, Rogers County, and David E. Romines, Okmulgee County; District 2 (northwest), Clifford E. King, Woods and Major counties, Melvin O. McDaniel, Oklahoma County, and George Holden, Cimarron and Texas counties; District 3 (southwest), Johnny E. Edwards, Comanche and a part of Stephens counties; District 4 (southeast), James A. Holly, Latimer and a part of Haskell counties, and Donald W. Hair, a part of Seminole County.

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: O&G5997-33

**OCC Staff Favors Continuation of Present Gas Cap Levels**

OKLAHOMA CITY -- The Oklahoma Corporation Commission's Oil and Gas Conservation Division will recommend continuation of present production limits for unallocated gas wells when the commissioners meet May 28 to consider production allowables for the third quarter of 1997.

The present limits are the greater of 65 percent of wellhead open flow potential or 1.3 million cubic feet per day. Those limits have been in effect for the first two quarters of the year.

Continuation of the present limits was recommended by most producers who attended or filed written comments for a technical conference on May 1. The Oklahoma Independent Petroleum Association recommended reducing the limits to the greater of 50 percent or 1 million cubic feet of gas per day.

The hearing, at 1:30 p.m. in Room 301, Jim Thorpe Bldg., 2101 N. Lincoln Blvd., Oklahoma City, will be the last one for considering gas production allowables on a quarterly basis.

Beginning in September, allowables will be set on a semiannual basis for periods of October through March and April through September.

State law requires the Corporation Commission to set production limits to keep gas supply and demand in balance. Commission rules determine how frequently changes in production limits will be considered.

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: O&G5997-31

## **Daily Oil Production Up, Gas Production Down in February**

OKLAHOMA CITY -- Oklahoma operators produced more oil but less gas per day in February than in January, preliminary statistics compiled by the Oklahoma Corporation Commission indicate.

Daily average oil production in February was 231,887 barrels, compared 226,859 barrels in January, an increase of 2.2 percent. Total February production of 6,492,835 barrels was 7.7 percent below the 7,032,627 barrels in January, due in part to three fewer production days.

Daily average gas production in February was 4.1 billion cubic feet, 10.9 percent less than 4.6 billion cubic feet in January. Total February production was 115.4 bcf, compared to 144.4 bcf in January, a 20.1 percent decrease.

"Since there were fewer production days in February, daily average production is the most accurate measurement of production changes," Larry Claxton, oil and gas statistics manager, said.

The preliminary figures for both months are subject to upward revisions as late production reports are filed with the Oklahoma Tax Commission, Claxton said.

Prices for both oil and gas declined in February. The average price for oil was \$21.48 per barrel, down from \$24.22 in January. The average price for gas was \$2.55 per thousand cubic feet, down from \$3.69 in January.

The top ten oil-producing counties in February (in barrels) were Carter, 815,675; Stephens, 606,779; Osage, 371,069; Grady, 365,867; Garvin, 331,932; Creek, 236,686; Pontotoc, 221,332; Pottawatomie, 217,660; Major, 214,526; Caddo, 209,486.

The top ten gas-producing counties (in billion cubic feet) were Roger Mills, 10.837; Latimer, 9.079; Grady, 8.161; Texas, 7.364; Caddo, 5.974; Custer, 5.470; Pittsburg, 5.087; Washita, 4.749; Major, 4.565; Beckham, 4.528.

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*(Editors: For additional information, contact Larry Claxton, statistics manager, at (405) 521-2273.)*

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: OCC51397-35

**Graves Resigns Corporation Commission Seat**

OKLAHOMA CITY -- Oklahoma Corporation Commissioner Chairman Cody L. Graves announced Tuesday (May 13) that he will resign his seat on the commission effective July 1, the start of the new fiscal year.

He said his decision results from an opinion by the Oklahoma attorney general that pay raises granted by the state Legislature in 1995 and 1996 are invalid because elected officials cannot receive salary adjustments during their terms of office. The two adjustments had raised Graves' salary from \$50,000 to \$76,000, making it equal to the salaries of the other two commissioners. The second adjustment in question raised Commissioner Bob Anthony's salary from \$70,000 to \$76,000. Commissioner Ed Apple was not affected since he was elected after the commissioners' salary schedule had been increased to the \$76,000 level.

"The burden and sacrifice of public service always falls on the families of public servants. My family has certainly given a great deal in the last six years. Given the recent attorney general's opinion regarding commissioners' salaries, I cannot ask them to sacrifice any more. It's time for me to give back to my family," Graves said.

The Oklahoma Attorney General has filed for a declaratory judgment in district court to validate its opinion. The Corporation Commission will take the position in court that the Legislature's amendments to the commissioners' salaries were proper and constitutional, Jay T. Edwards, general administrator, said.

Graves said he chose not to challenge the attorney general's opinion because he does not feel public officials should have a say in determining their compensation. "The salary of a public official should be left to the Legislature ... If the court decides that the Legislature was correct, then we won't have this kind of a problem in the future," he said.

Graves has served as a commissioner since August 15, 1991, when he was appointed by Gov. David Walters to succeed Bob Hopkins, who resigned. Graves was elected to a full six-year term in November 1992. He has served as commission chairman since January 1995.

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Graves Resigns - 2

Gov. Frank Keating will appoint a commissioner to serve the remaining 18 months of Graves' term, which ends in January 1999. Graves said he intends to visit with Keating and offer suggestions on the qualifications a person needs to function effectively as a Corporation Commissioner.

"I have very strong feelings about the good work that is being done here at this agency. I want to do everything I can to ensure that the individuals he considers for this position have some understanding of the issues that are here. I personally feel that at least one of the commissioners ought to be an attorney," said Graves, the only attorney among the present commissioners.

Graves said that he has no plans for his immediate future except to remain in Oklahoma and work in the private sector. But he said he would welcome a future opportunity to resume work in public service.

Prior to his appointment to the Corporation Commission, Graves worked nearly nine years on the staff of

former U.S. Senator David Boren, in Oklahoma and Washington, D.C. He had returned to Oklahoma in 1990 and was working as an associate with the law firm of Crowe and Dunlevy when he was appointed to the Corporation Commission.

The Corporation Commission regulates the oil and gas industry, public utilities, petroleum products quality and storage, gas and hazardous liquid pipeline safety and some aspects of motor carrier and railroad transportation.

Since becoming a commissioner, Graves has been a strong advocate for economic opportunities for the oil and gas industry, a major element of Oklahoma's economy. He has testified before Congress on behalf of the Royalty Simplification Act and led an Oklahoma grassroots campaign against the proposed Btu tax. He also served two years as head of the legal committee of the Interstate Oil and Gas Compact Commission and serves on the Oklahoma Commission on Natural Gas Policy.

Commissioner Apple praised Graves for "the highest level of competence, integrity and professionalism he brought to the job."

"Whatever he chooses to do, I know he will be successful. I do hope that he will choose to come back to public service. Oklahoma has benefited from his leadership," Apple said.

Graves is the ninth Corporation Commissioner in Oklahoma history to resign during a term in office. The others were W.D. Humphrey in 1919, Art. L. Walker in 1923, Paul A. Walker in 1934, Ray O. Weems in 1955, Jan Eric Cartwright in 1979, Bill Dawson in 1982, Bob Hopkins in 1991 and J.C. Watts in 1995.

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: PUD5197-28

### **OCC Symposium Will Look to Future of Gas, Electric Industries**

OKLAHOMA CITY -The Oklahoma Corporation Commission will host an energy utility symposium June 19-20 at the Marriott Hotel in Oklahoma City.

The symposium, entitled "Visions of the Future," will feature seven panel discussions on various aspects of energy utility restructuring.

The symposium is designed to help utility industry officials, government administrators and purchasers of energy, such as cities, schools, hospitals and large companies, look together at the future so they will know what to expect as they plan their energy programs, Ernest Johnson, Corporation Commission public utility director, said.

Panel speakers and moderators include Dr. Jess S. Tatum, Vermont College; Dr. George Bakus, Policy Assessment Corp.; David W. Wirick, National Regulatory Research Institute; and Dr. Bruce E. Tonn, Oak Ridge National Laboratory. Luncheon speakers will be Commissioner Bruce Ellsworth of the New Hampshire Public Service Commission and current president of the National Association of Regulatory Utility Commissioners (NARUC), and Christopher Flavin, Worldwatch Institute.

The Competitive Industry Gaming Model (CIGMOD), a computer simulation game, also will be played at the symposium. CIGMOD has been used successfully to help restructure the United Kingdom's electric industry and is utilized by some of the largest U.S. energy utilities. The game pits participants playing the roles of generating companies, retail companies and consumers against one another to develop various strategies for restructuring gas and electric utilities as those industries move toward an unregulated, competitive environment in the closing years of this century.

The symposium registration fee is \$175 until May 19, and \$250 thereafter. Questions and requests for registration forms and symposium information should be directed to Ronna Spitz at (405) 522-3370 or [www:r.spitz@occemail.com](mailto:r.spitz@occemail.com)

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: O&G52897-45

### **Gas Production Caps Unchanged for 3rd Quarter**

OKLAHOMA CITY -- The Oklahoma Corporation Commission voted Wednesday (May 28) to continue production limits for unallocated gas wells at the greater of 65 percent of wellhead open flow potential or 1.3 million cubic feet per day during the third quarter of 1997.

Those limits have been effect for the first two quarters of the year. The limits will affect fewer than 100 wells since most of Oklahoma's approximately 30,000 gas wells can't produce as much gas as the limits allow.

Continuation of the present limits was recommended by the commission staff and supported by major producers who participated in the quarterly review process. The Oklahoma Independent Petroleum Association recommended lowering the limits to between 40 and 50 percent or 1 million cubic feet per day at a technical conference on May 1.

Claude McNully, Oil and Gas Division technical manager, said that since the high allowables affect only a few wells, they will not cause a glut of gas production or deny any operator access to a pipeline for transporting gas.

The May 28 hearing was the last for setting gas production allowables on a quarterly basis. Beginning in September, the Corporation Commission will review and set production caps semiannually for periods of October through March and April through September, which correspond approximately with the winter heating season and the summer gas inventory replacement period.

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## **Project 1000**

c/o Oklahoma Corporation Commission, PO Box 52000-2000, Oklahoma City, OK 73152

For Immediate Release Contact: Sarah Penn, (405) 521-2824

Reference: ELA6397-48

### **Many College Students Would Welcome Jobs in Oklahoma**

OKLAHOMA CITY -- At least 657 students who are about to complete their college educations would welcome opportunities to use their professional skills on jobs in Oklahoma.

That's how many students attended the second annual Project 1000 Job Fair at the State Capitol for the chance to visit with 96 employers who are interested in hiring college graduates for positions in Oklahoma.

Project 1000 was created early in 1996 by Corporation Commissioner Ed Apple to help keep Oklahoma-educated talent in the state by providing more in-state job opportunities. The job fair, organized and administered by career placement specialists from most Oklahoma colleges and universities, provides a meeting ground for employers and students.

This year's job fair, on April 11, drew students from 25 Oklahoma colleges and 12 out-of-state schools. Some came with resumes and a desire to negotiate. Others came to look, talk and learn, Sarah Penn, aide to Commissioner Apple, said.

Registration records indicate 251 students from the University of Oklahoma participated. Other large delegations were 90 students from Oklahoma State University, 80 from Oklahoma City University and 54 from the University of Central Oklahoma.

Information provided by participants indicated that 320 students came seeking opportunities for careers in business, and 142 sought jobs in engineering. Social sciences, education, and life and physical sciences were other popular job interest areas.

Penn said efforts will be made to track the participants to see how many jobs result from participation in the job fair.

"We have asked both students and participating businesses to keep us informed. We hope that most will," she said.

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FOR IMMEDIATE RELEASE Contact: Dana Boren

Reference: FD6397-46

### **New Technology Speeds Fuel Inspections**

OKLAHOMA CITY-- The person on the service station driveway looking at what appears to be a hand-held calculator may be watching something in gasoline that you can't see.

Corporation Commission fuel inspectors are using this "special vision" to check octane levels at retail stations to help ensure that motorists are getting the grade of gasoline the pump label says they are buying.

The octane checks are made with portable, battery-powered analyzers that use infrared light beams to probe, calculate and compare the molecular structure of the motor fuel, which then determines octane level. Corporation Commission fuel inspectors started using this new technology early in 1996. Oklahoma is one of 15 states using infrared technology for screening octane.

"This has greatly improved our octane testing program because we no longer have to send every sample to Oklahoma City for testing. We can test octane levels in less time and with greater frequency which ultimately means safer fuel for Oklahoma motorists," Ray Smith, Fuel Division director, said.

A screening test on the new portable octane analyzers takes less than one minute and can be completed on site at the service station. In 1971, when Oklahoma began its octane testing program, the only method of inspection was to take samples from retail stations and send them to the fuel laboratory in Oklahoma City for testing in knock engines, which measure fuel combustion efficiency. Turnaround time, including time for the sample to be transported to the lab, could take up to three hours for samples in the Oklahoma City area or up to a day and a half for samples from elsewhere in the state.

The knock engines are still the primary method for octane testing. If a sample fails the octane analyzer screening test, the sample is re-tested in a knock engine to verify results.

The octane analyzer screens the four primary grades of octane: 87 regular, 89 plus, 91 premium and 93 super. It also screens octane levels in gasoline containing ethanol and the intermediate blends of octane, if applicable.

The speed and productivity benefits of the portable analyzers are illustrated by octane testing logs. In fiscal year 1995, when all testing was done in the knock engines, 1,920 tests were completed, an average of 160 tests per month. In the first seven months of this fiscal year, there were 3,143 tests, an average of 449 tests per month.

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FOR IMMEDIATE RELEASE Contact: Dana Boren

Reference: TRN6397-47

**481 Trucks Checked in Panhandle Probe**

OKLAHOMA CITY-- A week-long special emphasis enforcement operation by the Corporation Commission in the Oklahoma Panhandle resulted in 481 truck inspections and 38 citations for various rule infractions.

Five Transportation Division enforcement officers conducted the operation in Boise City, the junction for several state and U.S. highways that are major truck routes linking Kansas, Colorado and Texas.

Special emphasis operations are organized to give enforcement support in areas where there are few enforcement officers, to inspect motor carriers that travel outside the normal working hours of enforcement officers and to concentrate on an area where there are complaints or excessive rule infractions, said Jerry Matheson, Transportation Division director.

A typical inspection consists of checking truck registration, authority, log book, bill of lading and markings. In the past 12 months, six special emphasis operations have been completed across the state.

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News from the Oklahoma Corporation Commission

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FOR IMMEDIATE RELEASE Reference: CSD6697-49

**OCC Warns of 809 Area Code Phone Scam Threat**

OKLAHOMA CITY -- The Oklahoma Corporation Commission warns telephone users to use extreme caution before returning calls to any number with an 809 area code.

The warning is based on information sent on the Internet to Carolyn Lumry, a public utility complaints investigator.

The scam involves leaving messages on Internet e-mail or on telephone answering machines or pagers requesting a return call to a number with an 809 area code. The message encourages the return call by referring to a death in the family, a pending lawsuit over a fictitious debt or some other subject that creates anxiety and encourages a fast response.

The 809 area code serves the Caribbean Islands and is not subject to United States regulations concerning telephone call charges or disclosure of rates.

"Information we have received indicates callers from the U.S. are being charged \$25 per minute and that they usually receive long recorded messages or speak with someone who pretends not to understand the purpose of the call, to keep the caller on the line as long as possible to increase the price of the call," Bill Burnett, Corporation Commission Consumer Services Division director, said.

"We have been told that some people have been charged more than \$100 for a single call, and there is no defense against the charge because the call was placed and no U.S. laws were broken," he said.

Burnett said the Corporation Commission has not received any complaints about the 809 area code scam and does not know if Oklahoma telephone users are being targeted by the scam operators.

"We are just warning people about the possibility of this scam. If a person is not familiar with a phone number or the nature of a call from the 809 area code, the call should not be returned," Burnett said.

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: OCC62597-54

**Denise Bode Appointed to Corporation Commission**

OKLAHOMA CITY -- Denise Bode, president of the Washington-based Independent Petroleum Association of America since 1991, was appointed Tuesday (June 24) by Gov. Frank Keating to a seat on the Oklahoma Corporation Commission.

The panel of three elected commissioners regulates the oil and gas, public utility, petroleum fuels and transportation industries in Oklahoma. Commissioners are appointed to fill in-term vacancies.

Bode succeeds Cody L. Graves, who resigned effective July 1. She was appointed to serve the remainder of Graves' term, which ends in January 1999. She said she "absolutely" will run for election for a full six-year term in 1998.

Bode said she expects to assume full-time Corporation Commission responsibilities by mid August. "But I expect to be in and out of here a lot between now and then to get oriented," she told commission staff directors at an informal briefing.

Keating said Bode, an Oklahoma native, was selected from among 60 people who were considered for the position.

"Denise Bode has an impeccable reputation of leadership and in-depth knowledge of energy issues at both the state and national level, and she has a proven track record respected by consumer groups and those in the energy industry. She is an exceptional addition to the Oklahoma Corporation Commission," Gov. Keating said.

Bode said a desire to return to Oklahoma full-time was a factor in her decision to accept the Corporation Commission appointment. Bode and her husband own a ranch near Geary, in Blaine County.

"This is a crucial juncture in our state's history, in its recovery, its renaissance, from a decade of bad times. So it is a tremendous challenge and responsibility to manage intelligently the significant changes occurring in telecommunications and the energy industry.

(over)

Bode-2

"I have been watching what has been happening nationally as a player in the national debates, and it seems clear that we must act to position Oklahoma to take advantage of these changes, (now that) much responsibility has been delegated back to the states," Bode said.

Bode's appointment marks the first time in Oklahoma history that three Republicans will serve together as commissioners. Bode joins Bob Anthony, elected in 1988 and re-elected in 1994, and Ed Apple, appointed in

1995 to complete the term of J.C. Watts and elected to a full term in 1996.

Bode is the 35th person to serve as a corporation commissioner since 1907, when Oklahoma became a state. She is the 13th commissioner appointed to fill an in-term vacancy and the second woman to serve as a commissioner. Norma Eagleton was appointed in 1979 by Gov. George Nigh. She was later elected but chose not to seek re-election in 1988.

Bode was born in Tulsa and raised in Bartlesville. She received a bachelor's degree in political science from the University of Oklahoma in 1976, a law degree from the George Mason University in 1982 and a master's of law in taxation from the Georgetown University School of Law in 1985.

She served on the staff of former Oklahoma governor and U.S. Senator David Boren from 1976 to 1984. She was a founding partner of a Washington lobbying firm in 1984 and worked seven years as a tax attorney before taking the presidency of the IPAA.

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News from the Oklahoma Corporation Commission

Office of Public Information -- Phone: (405) 521-4180 FAX (405) 521-6945

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: PUD62797-55

### **Corporation Commission Approves Structure for New Area Code**

OKLAHOMA CITY -- The Oklahoma Corporation Commission Thursday (June 26) approved a telephone industry plan for adding a third area code for Oklahoma telephone customers.

The Oklahoma City metropolitan area, comprising the Oklahoma City local calling zone and several exchanges beyond the local calling zone boundaries, will retain the 405 area code. The commissioners added the Stillwater and Perkins exchanges to the metropolitan area proposed by the telephone industry.

The new area code will be assigned to customers outside the Oklahoma City metropolitan area who are now served by the 405 area code. That territory includes north, west, south and extreme southeastern Oklahoma.

The change in area codes will not affect existing local or long-distance calling zones because both the revised 405 area code and the new area code will be in the same LATA (Local Access and Transport Area), a telephone industry service territory.

The new area code number is expected to be assigned by the North American Code Administrator by mid or late July.

The telephone industry and the commission staff recommended keeping the 405 area code for the Oklahoma City metropolitan area due to the area's higher customer density and the correspondingly higher cost of making changes to accommodate a new area code, John Gray, a commission telephone attorney, said.

The transition to use of the new area code will be phased in over an 11-month period, and the telephone industry will be required to provide a customer education program throughout the transition period.

(over)

#### Area Code-2

According to the timetable approved by the Corporation Commission, preparations will begin July 1, and use of the new area code will begin on Nov.1. From November until April 1, 1998, callers can reach destinations in the new area code territory by using either the 405 or the new area code number.

From April 1 until June 1, 1998, incorrectly placed calls will be intercepted and a recorded message will advise callers of the proper area code for reaching desired numbers.

The caller assistance program will end on June 1, 1998.

Southwestern Bell, acting as the Oklahoma Central Office Code Administrator, petitioned for the new area code due to a growing shortage of numbers in the 405 area code, caused mainly by a demand for new numbers for cellular telephones, pagers, fax machines, computers and other modern communications equipment.

The commission staff estimates that adding the new area code will ensure an adequate supply of telephone numbers for six years for the Oklahoma City metropolitan area and eight years for the non-metropolitan area.

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference:

**Union Pacific Railroad Cited for Blocking Crossing**

OKLAHOMA CITY -- The Oklahoma Corporation Commission has filed a contempt action against the Union Pacific Railroad for blocking the 3rd Street crossing in Watova, Okla., a rural community about four miles south of Nowata.

The citation alleges that the Union Pacific illegally blocked the crossing 106 times between November 1996 and April 1997. Oklahoma law prohibits a non-moving train from blocking a crossing for more than 10 minutes. Blocking a crossing from 11 minutes to 24 hours is considered one violation.

G.R. "Buddy" Combs, commission railroad department manager, said most of the violations have involved transferring rail cars to a spur track and leaving them there for various lengths of time. He said the illegal blocking incidents have been documented by two families. Complaints of about 30 additional crossing blockages have been received since the contempt action was filed, he said.

The rail line is the former Missouri Pacific track which crosses northeast Oklahoma from Parsons, Kan., on the north to Van Buren, Ark., on the east.

The maximum fine for a blocked crossing is \$500 per incident, or \$53,000 for 106 violations. A hearing on the contempt citation has been set for 1:30 p.m. on July 30 before an administrative law judge in Oklahoma City.

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: TRN73097-62

## **Safety Upgrades Approved for 9 Railroad Crossings**

OKLAHOMA CITY -- The Oklahoma Corporation Commission has approved contracts for nearly \$1 million in railroad crossing safety upgrades.

The nine projects have an aggregate estimated cost of \$915,700. Federal funds will pay 90 percent. The railroads and city, county or state funds will pay the other 10 percent.

Eight of the upgrades are at Burlington Northern/Santa Fe Railway crossings. They are:

**Enid:** flashing-light signals and gate arms at Chestnut Avenue. The estimated cost is \$95,700. Federal funds will pay \$86,130. The City of Enid will pay \$9,570.

**Grady County:** a 48-foot concrete crossing surface at State Highway 92 about eight miles southwest of Chickasha. The estimated cost is \$29,600. Federal Funds will pay \$26,640. The railroad will pay \$2,960.

**Grady County:** flashing light signals and gate arms and a 39-foot concrete crossing surface and a 32-foot concrete crossing surface, both at State Highway 92 about nine and 10 miles southwest of Chickasha. Estimated cost of the two projects is \$167,700. Federal funds will pay \$150,930. The railroad will pay \$4,200, and state funds will pay \$12,560.

**Kiefer:** flashing-light signals with gate arms at a county road two miles south of Kiefer. The estimated cost is \$75,300. Federal funds will pay \$67,770. Creek County will pay \$7,350.

**Sapulpa:** flashing-light signals and gate arms and restoration of an 80-foot concrete crossing at East Dewey Ave. The estimated cost is \$199,700. Federal funds will pay \$179,730. The railroad will pay \$9,350, and state funds will pay \$10,620.

**Sasakwa:** flashing-light signals and gate arms and a 32-foot concrete crossing surface at State Highway 56 (Broadway) in Sasakwa. The estimated cost is \$105,300. Federal funds will pay \$94,770. The railroad will pay \$1,870, and state funds will pay \$8,660.

**Wetumka:** flashing-light signals and gate arms and a 64-foot concrete crossing surface at State Highway 9 west of Wetumka. The estimated cost is \$119,700. Federal funds will pay \$107,730. The railroad will pay \$3,740, and state funds will pay \$8,230.

The ninth project is in Poteau, at the Kansas City Southern Railway crossing at Grady Street. It will consist of flashing-light signals and gate arms and a 27-foot concrete crossing. The project cost is estimated at \$122,700. Federal funds will pay \$110,430. The City of Poteau will pay \$9,470, and the KC Southern will pay \$2,800.

The contracts allow 12 months for completion, G.R. "Buddy" Combs, Corporation Commission railroad manager, said.

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: O&G9897-69

## Current Gas Production Caps Continue for Winter Heating Season

OKLAHOMA CITY — The Oklahoma Corporation Commission voted Monday (Sept. 8) to continue production limits for unallocated gas wells at the greater of 65 percent of wellhead open flow potential or 1.3 million cubic feet per day from October through March 1998.

The commission order said forecasts of higher gas demand during the winter season make continuation of the present limits appropriate to allow Oklahoma gas producers to share fully in the available gas market and to encourage more domestic gas exploration and production.

Commissioner Denise Bode also noted that gas-producing states need to meet market demand to assure that gas will be available at reasonable prices. "With competition between fuels we are going to see with electricity restructuring, gas must be available at reasonable prices or gas will lose market share," she said.

The commission staff recommended continuation of the present limits, in effect since January. Claude McNully, oil and gas technical manager, said federal Energy Information Administration statistics indicate gas demand will be 3.5 percent higher during the second half of 1997 and 7.3 percent higher in the first quarter of 1998 than in comparable periods in 1996 and 1997.

"The commission wants to convey to the natural gas industry, investors, royalty owners and consumers that it will take all reasonable steps to encourage domestic exploration, production and distribution to meet the needs of the nation's economy in the winter of 1997-98 and maintain incentives for the domestic petroleum industry to drill gas wells in Oklahoma," the order said.

Bode said keeping the present limits supports a state legislative policy to promote deep drilling while protecting other producers. The Oklahoma Legislature recently enacted a law to encourage deep drilling that allows certain new wells a production allowable of 65 percent for three years. Keeping the production cap at 65 percent for all capable wells prevents production discrimination against existing wells.

The commission previously set limits on a quarterly basis, but a rule change approved earlier this year by the Oklahoma Legislature put production limit evaluations on a semiannual basis that approximately corresponds with the winter and summer cycles for natural gas sales.

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: PUD91697-74

## Learn All the Facts Before Buying Telephone Plan, OCC Warns

OKLAHOMA CITY — Telephone customers who are offered low-cost rates for long-distance calls need to learn all the terms and conditions before purchasing any calling plan, the Oklahoma Corporation Commission cautions.

"All calling plans are designed to make money for the seller. Whether the customer benefits depends on whether the offered plan fits his or her needs," Chairman Ed Apple said.

Complaints to the commission's Consumer Services Division indicate telephone customers need to get more information about recurring charges, call restrictions and call destinations to avoid unexpected costs.

- A recurring charge is a fixed charge added to each month's bill regardless of the minutes of calling made at the advertised per-minute rate. A recurring charge virtually assures that the customer's total cost will be more than the promised per-minute rate. For example, if a \$3 recurring charge were added to a plan that offers long-distance calls at 10 cents per minute, a person who uses 20 minutes of calling time ( \$2) would pay \$5, or an average calling cost of 25 cents per minute.

"For a person who doesn't do much long-distance calling, a plan with a higher per-minute charge but no monthly recurring charge would be a better choice," Apple said.

- Call restrictions determine what calls can be made at the advertised rate and what calls will be billed at a higher rate. Often, the advertised low rate is restricted to calls at night and on weekends, or the low rate may not apply until a specified minimum number of callings minutes has been purchased.

- Call destination charges are another form of restriction that the customer needs to understand. Some low long-distance calling rates apply only to interstate calls, which cross state lines. Intrastate calls, which originate and terminate in Oklahoma, are billed at a higher rate.

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Phone Warning - 2

Sheree King, a Corporation Commission telecommunications specialist, warns that even offers of low-cost long-distance calls without changing a primary long-distance carrier contain the risk of unexpected charges. "The carrier might add an 'occasional user' charge, and the call could end up costing far more than the rate charged by the primary carrier," she said.

More than 250 companies are authorized to sell long-distance services in Oklahoma, and they may charge whatever

rates their approved tariffs allow. Tariff filings are public records, but they are complex statistical documents not easily understood by the average telephone customer.

Information about charges and restrictions is supposed to be printed on written solicitations. The information usually appears in small print far away from the low-rate offer being emphasized. That information isn't always volunteered in telephone solicitations for long-distance business.

"Unfortunately, some companies have adopted their own version of 'don't ask, don't tell;' if the customer doesn't ask, the company won't tell about recurring charges and call time and destination restrictions," Apple said.

Apple said the Corporation Commission checks all complaints it receives and takes action when there is evidence of fraud, deception, or violation of commission rules. In extreme cases, a long-distance carrier might be required to surrender its certificate and stop doing business in Oklahoma.

"But in many cases, the problem for customers is just a lack of complete information. It is the responsibility of the telephone customer to ask questions and learn exactly what he or she is buying," Apple said.

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: PUD91697-75

## Corporation Commission Will Probe Telephone 'Slamming' Problem

OKLAHOMA CITY — At the request of Commissioner Denise Bode, The Oklahoma Corporation Commission has scheduled a public hearing on the problem of 'slamming' and other consumer abuses that have resulted from telecommunications reform.

Slamming is the unauthorized switching of telephone customers from one service provider to another.

The hearing is scheduled for Thursday, Oct. 30, at 9:30 a.m. in Room 301, Jim Thorpe Bldg., State Capitol Complex, in Oklahoma City. Written comments for discussion at the hearing will be accepted through Oct. 10. Oral comments from the public will be welcome at the hearing, the commissioners said.

"I am convinced that as consumers we can benefit from competition in the marketplace and have already begun to do so. But competition and the resulting savings have also come at a price: that is, the intrusion in our daily lives of such practices as slamming. My colleagues and I at the Corporation Commission have called for this public inquiry to make sure that Oklahomans don't pay quite such a personal price for the benefits," Bode said.

A Notice of Inquiry issued Tuesday (Sept. 16), notes that while the Corporation Commission has passed rules to open competition in Oklahoma, the agency also is responsible for preventing marketing abuses within the scope of its regulatory jurisdiction.

The Corporation Commission has certified about 250 long-distance resellers, 20 competitive local exchange companies and 25 private pay-telephone service providers to compete in Oklahoma. Additional applications for certification are pending.

Most slamming problems now involve illegal switches of long-distance carriers, but the problem is expected to increase as local-service telephone competition begins, Bode said.

Issues on which comments are invited include setting criteria and penalties for deceptive or misleading practices, steps the commission could take to reduce deceptive advertising and marketing and how the commission can improve its regulatory oversight of local and long-distance telephone companies, telephone service resellers, operator service providers and pay telephone service providers.

Written comments may be filed in the Office of the Corporation Commission Court Clerk.

Questions concerning the Notice of Inquiry should be directed to John Gray, 400 Jim Thorpe Bldg., 2101 N. Lincoln Blvd., Oklahoma City, OK 73105, Phone (405) 521-2322.

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: PUD91997-76

## Boundary Change Keeps Mulhall Exchange in 405 Area Code

OKLAHOMA CITY — The Oklahoma Corporation Commission voted Friday (Sept. 19) to keep the Mulhall telephone exchange in the 405 area code instead of switching it to the new 580 area code on Nov. 1.

Mulhall is 13 miles north of Guthrie in Logan County. The exchange serves about 310 customers, mostly residential.

The change was requested by Southwestern Bell, which noted that Mulhall is the only exchange in the Oklahoma City metropolitan statistical area that was not kept in the 405 area code when new area code boundaries were drawn in June.

Keeping the Mulhall exchange in the 405 area code could reduce the cost of equipment changes for area code realignment, the Southwestern Bell application said. No one opposed the change at a public hearing.

The Mulhall exchange is not in the Oklahoma City local calling circle. Keeping the exchange in the 405 area code will not change its present local or long-distance calling zone.

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: PUD92697-78

## Corporation Commission Proposes Rules for Gas Utility Restructuring

OKLAHOMA CITY — The Oklahoma Corporation Commission has issued a Notice of Proposed Rulemaking (NOPR) for restructuring the gas utility industry in Oklahoma.

The proposed rules provide for the orderly restructuring of the natural gas industry to provide consumer choice, Commissioner Denise Bode said.

The proposed rules include certification procedures for service providers, service reliability requirements and regulatory safeguards to ensure gas service availability and service at reasonable cost for residential and other low-volume gas customers.

The rulemaking schedule includes a special technical conference on Oct. 7 in which the three commissioners may participate informally in rulemaking discussions, including those dealing with gas procurement practices, competitive bidding and affiliate transactions.

The rulemaking notice, issued Sept. 25, indicates that related regulatory proceedings are likely. "The commission recognizes that the transition from regulation of monopoly services providers to competition will be an ongoing process and anticipates that subsequent proceedings and/or other rulemakings may be necessary during the phase of implementation," the notice said.

The proposed rules have been developed during more than a year of consultation with gas providers, customers and other parties since the Corporation Commission issued a Notice of Inquiry seeking rules recommendations and comment in May 1996. Input has included consensus recommendations from a coalition of the largest public utilities and industrial gas customers in Oklahoma.

Written comments on the proposed gas restructuring rules will be accepted through Oct. 31. Other technical conferences are scheduled for Oct. 22, Nov. 5 and Nov. 12. A public hearing has been set for Dec. 3.

Copies of the rulemaking notice and proposed rules are available without cost in the Office of the Corporation Commission Court Clerk, Jim Thorpe Bldg., 2101 N. Lincoln Blvd., Oklahoma City, and on the Corporation Commission's Internet home page at <http://www.eweb.com>.

Inquiries concerning the gas restructuring rulemaking should be directed to Andrea Johnson, assistant general counsel, (405) 521-4101.

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: PUD10/3/97-79

## OCC Approves ONEOK-Western Resources Merger

OKLAHOMA CITY — The Oklahoma Corporation Commission has formally approved a merger of Tulsa-based ONEOK Inc. and Western Resources Inc., Topeka, Kan., that will expand the service territory of Oklahoma Natural Gas Co., a ONEOK subsidiary, and make Western Resources the largest stockholder in ONEOK.

The three commissioners indicated on Sept. 10 that they would approve the proposed merger. An order signed Friday, Oct. 3, accepted a joint agreement reached by ONEOK, Western Resources, the Corporation Commission's public utility staff, the Oklahoma Attorney General and several customers and customer groups that were parties to the merger application. The order also rejected an appeal by Ruth Huffman, a ONEOK stockholder, who claimed that ONEOK had failed to submit evidence that the merger would create savings for Oklahoma customers.

The agreement calls for Oklahoma Natural Gas to acquire the natural gas assets of Western Resources. These include service territories in northeast Oklahoma and much of Kansas that will allow Oklahoma Natural Gas to expand its customer base from 735,000 to about 1.4 million, making ONG the eighth largest gas distribution company in the United States.

Western Resources will receive a combination of common and convertible preferred stock that will make Western Resources the largest equity holder in ONEOK with 45 percent equity interest. Western Resources' electric utility and other lines of business are not a part of the merger agreement.

The Corporation Commission order said the merger agreement protects Oklahoma ratepayers from natural gas rate increases or reductions in services related to the merger. ONG agreed not to curtail services or alter contractual agreements with any Oklahoma customers to serve markets in Kansas acquired through its alliance with Western Resources. ONG also agreed to reduce Oklahoma tariff rates \$1 million after 18 months if the company has not filed an application for a rate change by that time.

The merger also needs approval from the Kansas Corporation Commission.

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[OCC Home Page](#)

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: O&G10/7/97-80

## Corporation Commission Urges Participation in Hearing on Proposed Changes in Guymon-Hugoton Gas Pool Rules

OKLAHOMA CITY — The Oklahoma Corporation Commission is urging oil and gas operators, working interest owners, royalty interest owners and other interested parties to attend a hearing in Oklahoma City on Tuesday, Oct. 28, on proposed rules changes for the Guymon-Hugoton special allocated gas (SAG) pool.

The hearing will begin at 9:30 a.m. in Room 301, Jim Thorpe Bldg., State Capitol Complex, 2101 N. Lincoln Blvd.

The proposed rules changes are designed to reduce time and cost commitments for both the commission staff and gas producers by reducing certain well testing, production reporting and record-keeping requirements that have evolved since the Guymon-Hugoton gas pool was established in 1943.

A key proposal is to raise the minimum allowable level from the present 150,000 cubic feet per day to 500,000 cubic feet per day. The commission staff estimates this would reduce regulatory requirements for about 92 percent of the approximately 1,370 active wells in the Oklahoma part of the Guymon-Hugoton gas field.

At the hearing, the commission will consider both original proposed rules changes and alternate rule amendments offered since the rulemaking notice was issued in February.

Public comment will be accepted through Oct. 31.

-OCC-



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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference:O&G10/9/97-82

## Environmental Seminar Set for Chisholm Trail Vo-Tech

OKLAHOMA CITY — The Oklahoma Corporation Commission's Oil and Gas Conservation Division will present a public seminar on oil and gas environmental protection and remediation at 7 p.m. on Oct. 28 at the Chisholm Trail District Vocational-Technical School, on state highway 33 between Kingfisher and Watonga.

Commission speakers will be Tim Baker, manager of pollution abatement; Larry Fiddler, manager of underground injection control; and Vance LeBeau, manager of field operations. Other presentations will be made by Steve Sowers, manager of environmental restoration for the Oklahoma Energy Resources Board (OERB), and Dru Bower, director of development for People of the West, a mineral rights activist group.

The Corporation Commission is responsible for prevention and cleanup of oil spills and other environmental problems related to oil and gas drilling and production. The OERB is involved in the cleanup and environmental restoration of abandoned well sites.

The meeting was requested by the Citizens Advisory Council to the Oil and Gas Division in response to public concerns about oil and gas environmental safeguards in Kingfisher and Blaine counties, Mike Battles, Oil and Gas Division director, said.

A public forum for questions and discussion will follow the presentations.

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: PUD102097-84

**Corporation Commission Orders PSO Rate Reduction, Refund**

OKLAHOMA CITY -- By a unanimous 3-0 vote, the Oklahoma Corporation Commission Monday (Oct. 20) ordered Public Service Company of Oklahoma (PSO) to reduce its rates by \$35.9 million annually for three years and make a one-time refund of \$29 million to its 473,000 electric utility customers in Oklahoma.

Those requirements are contained in an agreement negotiated by PSO and the commission staff and recommended to the commissioners to close a commission review of PSO's rates that began in July 1996. The agreement also prohibits PSO from seeking a rate increase for three years under present regulatory rules. The three-year moratorium period is retroactive to June 1997.

"This is a fair and reasonable solution, allowing ratepayers to realize significant savings while allowing PSO to prepare for the future," Commissioners Ed Apple, Bob Anthony and Denise Bode said in a joint statement.

The refunds will be made as credits on December bills. About 43 percent of the refund amount will go to residential customers. Commercial customers will receive 33 percent and industrial customers will receive 24 percent.

The commission staff estimates refund amounts at about \$30 for a residential customer with average usage of 13,000 kilowatt-hours annually and \$145 for a commercial customer with average annual usage of 75,000 kilowatt-hours.

Customers who have left the PSO system since July 1997 will have until March 1998 to apply for refunds. They will receive refund checks for as little as \$3.50. Any refund revenue, including refund amounts of less than \$3.50, not claimed by July 1, 1998, will be flowed through PSO's fuel adjustment clause for the benefit of all customers.

A written order formalizing the commissioners' directive is expected later this week.

-OCC-

## Archived News Releases

The following are *Archived* news releases from the Office of Public Information at the Oklahoma Corporation Commission

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: O&G112697-91

### Statewide Meetings Seek Opinions on Cleanup Rules for Old Well Sites

OKLAHOMA CITY -- The Oklahoma Corporation Commission's Oil and Gas Conservation Division will conduct meetings at six locations across the state to gather public comment on abandoned concrete structures at former oil well sites and what should be done about them.

There are no commission rules or state statutes that specifically address the removal of concrete structures, such as rig bases and footings, at well sites abandoned before current site cleanup rules became effective. Public comment is being sought to guide the commission in developing rules that would assign responsibility for removal of the structures.

The rulemaking was ordered by Commissioners Ed Apple, Bob Anthony and Denise Bode after ARCO Oil & Gas Co. refused to remove concrete bases and rig corners and close overgrown reserve pits at three former well sites in rural Cleveland County . At a public hearing on Sept. 30, ARCO contended it has no cleanup obligation because the well sites were properly closed and abandoned in the 1940s in compliance with rules in effect at that time.

Commission staff testimony at the hearing estimated that "tens of thousands" of other well sites were abandoned in compliance with the old rules and still have concrete structures at the sites.

"Although this cause involves only three well sites, resolution of the issue (of cleanup responsibility) may have widespread impact on producers and landowners in this state. Before making such a far-reaching decision, the commission wants input from people (land owners, mineral owners and oil and gas operators who would be) affected by such a policy," the commissioners said in an order issued on Oct. 16.

The public meetings will be held from 6 p.m. until 8 p.m. The locations and dates are:

**Duncan**, Dec. 4, Red River Vocational-Technical School, 3300 West Bois d'arc.

**Enid**, Dec. 16, O.T. Autry Vocational-Technical School, 1201 West Willow.

**Ada**, Dec. 18, Pontotoc County Vocational-Technical School, 601 West 33rd Street.

**Bartlesville**, Dec. 22, Tri-County Vocational-Technical School, 6101 S.E. Nowata Road.

**Sapulpa**, Jan. 6, Salvation Army Community Center, 1721 Hickory.

**Oklahoma City**, Jan. 13, Jim Thorpe Building, Room 105, 2101 N. Lincoln Blvd.

Oil and Gas Conservation Division officials will conduct the meetings.

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: O&G112697-90

**Duncan Oil & Gas Office Open House Set for Dec. 5**

OKLAHOMA CITY -- The Oklahoma Corporation Commission is inviting the public to attend a ribbon cutting ceremony and open house for the commission's new Oil and Gas Division office facility in Duncan on Friday, Dec. 5. from 1 p.m. to 3 p.m.

Commissioners Ed Apple, Bob Anthony and Denise Bode will host the open house at the office's new location at 1020 Willow Street. The office moved from 1016 Maple Street on November 3.

"The ambassadors from the Duncan Chamber of Commerce will help us officially open this new facility. We invite everyone to come by to visit and tour the facility," Apple said.

The Duncan office is headquarters for oil and gas field operations in District 3, which serves the southwest quarter of Oklahoma, south of Interstate 40 and west of Interstate 35 highways. The new location provides about 200 more square feet of floor space and a larger parking area than the previous site.

"We're pleased that we have been able to improve our service to the public and keep our location near the Stephens County Courthouse," Apple said.

The relocated office is in a building built in 1956 for Duncan businessman Paul Jones. The Jones family operated an automobile parts supply store in the building until 1979. The building has housed several other businesses since 1979.

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: TRN12597-92

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**OCC Task Force Will Seek Ways to Make Rail Crossings Safer**

OKLAHOMA CITY -- A special task force formed by the Oklahoma Corporation Commission to seek improvements in railroad crossing safety will begin its work on Dec.10 with a 1:30 p.m. meeting at the Department of Transportation Building (200 NE 21) in Oklahoma City.

[The meeting will be in the Planning Division Conference Room, 3rd Floor, Room A-7.]

The task force was established by Oklahoma House and Senate resolutions. "Our main goal is to develop criteria for crossing consolidations -- the closing of unsafe or unneeded crossings and the upgrading of crossings that remain open," Jerry Matheson, Corporation Commission Transportation director and task force chairman, said.

The 12-member task force includes Corporation Commission and state Department of Transportation (ODOT) officials who administer federal and state rail crossing safety regulations and programs in Oklahoma. Other members represent railroads, city and county governments and highway users. "Every entity interested in rail crossing safety will have a voice, so our recommendations will be equitable to everyone," Matheson said.

The Corporation Commission regulates rail crossing safety and ODOT administers \$3.2 million in federal rail safety funds that Oklahoma receives annually for crossing upgrades.

Joe Kyle, ODOT rail planning and safety manager, said the federal government has set a national goal of reducing redundant (unnecessary) crossings by 25 percent by 2000. He said "corridor projects," which consider traffic and safety factors for specified sections of railroad right-of-way rather than for individual crossings, help rail planners identify crossings for consolidation. Corridor projects in Oklahoma since 1988 have closed 52 crossings and installed 118 signal systems and 111 crossing surfaces at a cost of \$19.3 million, ODOT statistics reveal.

Matheson said the task force also will consider ways to improve safety at many of Oklahoma's 4,300 rail crossings that have crossbuck warning posts but no light or sound signal systems.

Task force members are Matheson, Mike Grimes, Department of Public Safety; Joe Kyle, ODOT; John Kyle, director, Oklahoma Railroad Association; Chuck Mai, American Automobile Association; Louis Mathia, mayor, City of Miami; Robert Painter, an accident reconstructionist; Richard Shaw, president and CEO of the Farmrail System; Troy Streber, Grady County commissioner; Gary Weathers, Operation Lifesaver; Mike Weissmann, division superintendent, Burlington Northern/Santa Fe Railroad; and Leonard West, councilman, City of Norman.

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: PUD12-9-97-(93)

### **New Rules Clear Way for Better 911 Emergency Telephone Service**

OKLAHOMA CITY -- The Oklahoma Corporation Commission has put rules in place that will help communities throughout Oklahoma provide enhanced emergency telephone systems to their residents.

The newly adopted rules establish the requirements and procedures for obtaining money from the Oklahoma E911 Emergency Service Fund, established earlier this year by the Oklahoma Legislature in House Bill 1815 to help pay for the cost of purchasing and installing equipment for enhanced 911 systems.

Regular 911 systems let callers contact emergency service providers, such as police and fire departments, by dialing the three-digit 911 code. Enhanced 911 systems automatically identify the location from which the 911 call was made, to improve response time and efficiency.

Gov. Frank Keating approved the rules on an emergency basis so they could become effective immediately. Application forms and a guide for completing the forms became available from the commission's Public Utility Division on Nov. 3. The forms are for the filing period of Dec. 15, 1997, through Feb. 15, 1998. Permanent rules will be submitted for approval by the governor and the Legislature early next year.

The \$5 million E911 Fund revenue comes from payments made by local-exchange telephone companies. The commission's Public Utility Division will administer the fund.

Assistance is available to governmental entities that have complied with the Nine-One-One Emergency Number Act and is limited to \$25,000 for a single city/town system, \$50,000 for a multi-city/town system, \$100,000 for a county-wide system and \$150,000 for a multi-county system.

E911 Fund money cannot be used for ongoing operating expenses, and applicants must prove they have an adequate source of ongoing funds to operate the enhanced 911 emergency system before they will be considered for E911 Fund assistance, the rules specify.

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The rules also specify that funding preference will be given, in order, to areas of Oklahoma not served by a 911 system before July 1, 1997, upgrades of regular 911 systems to enhanced systems, and expansion of present enhanced 911 systems to include areas not served by any 911 emergency system.

In each category, preference will be given to systems demonstrating the most need, including consideration of the size of the area served and the number of emergency calls handled.

The fund administrator will evaluate each application within 45 days and recommend to the commission whether the application should receive immediate funding, be placed on a waiting list for future funding, or be denied.

The Corporation Commission will make the final determination of the administrator's recommendations after a public hearing.

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*(Editors Note: For details beyond the content of this news release, please contact Maribeth Snapp, deputy general counsel-public utilities, at (405) 521-2259.)*



News from the Oklahoma Corporation Commission

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference:UD123097-96

### **Four Cotton Gins Approved for Closure**

OKLAHOMA CITY -- The Oklahoma Corporation Commission has approved the closure of four cotton gins, three permanently and one temporarily.

The Davidson Cooperative Association received approval to permanently close and dismantle three gins in Tillman County: the Davidson Cooperative Association Gin in Davidson, and the Alpine and Farmers Cooperative Grain and Cotton Co. gins in Frederick.

Phil Whitworth, Davidson Cooperative Association manager, said none of the gins anticipated enough business to make continued operation economically feasible. He said the Davidson gin processed 1,900 bales of cotton last year, down from a peak year of 8,000 bales.

The Alpine gin processed only 300 bales in the last two years, down from its one-season peak of 6,000 bales, and the Farmers Grain and Cotton Co. gin processed 6,500 bales last year, down from its peak of 18,000 bales, Whitworth said.

The Planters Cooperative Association gin at Carter, in Beckham County, was given approval to cease operations for the 1997-98 season due to lack of anticipated business.

Kenneth Hahn, Planters Cooperative Association manager, said the gin at Carter processed 482 bails last year, down from its peak of 6,000 bales, and anticipated processing only from 200 to 250 bales this season.

Hahn said 10 cotton farmers who used the Carter gin last year were notified of plans for temporary closure and that none objected.

The Corporation Commission licenses and sets rates for gins that offer public ginning services. Related activities, such as baling cotton lint and brokering the sale of cotton seed, are not regulated.

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference:FD123097-95

### **Corporation Commission Pipeline Safety Program Earns Top Rating**

OKLAHOMA CITY -- The Oklahoma Corporation Commission's Pipeline Safety Department has received a perfect score in its annual evaluation by the U.S. Department of Transportation's Office of Pipeline Safety.

The evaluation included an audit of 1996 performance records and observation of 1997 enforcement procedures, such as facility field inspections. The evaluation found no deficiencies in about 120 procedures related to program structure, inspection procedures, compliance enforcement, incident investigation and field inspection of natural gas and hazardous-liquid (non-toxic) pipelines.

The Oklahoma program operates with oversight and partial funding from the USDOT's Southwest Region, which also oversees state pipeline safety enforcement in Louisiana, Texas, New Mexico and Arizona.

The Corporation Commission's 12-member Pipeline Safety Department has inspection and enforcement authority over about 35,000 miles of natural gas distribution, gathering and transmission pipelines and about 3,500 miles of hazardous-liquid pipelines.

During 1996, the Pipeline Safety Department spent 869 mandays conducting 147 inspections, investigated 35 pipeline break incidents and found 259 natural gas and 28 hazardous-liquid safety rules violations, mostly failure to maintain proper records. There were 50 percent fewer rules violations in 1996 than in 1995, commission records indicate.

James C. Thomas, USDOT Southwest Region director, said the only weakness in Oklahoma's pipeline safety program is a provision in the Oklahoma Underground Damage Facility Act that exempts certain excavators from having to notify the state's one-call pipeline marking center before digging begins.

The one-call center arranges to have pipeline locations marked to prevent accidental cutting of gas or hazardous liquid pipelines during construction projects. Most excavators are

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required to request pipeline marking 48 hours before construction begins, but excavators involved in large-scale pre-engineered projects, such as sewer line and road building, are not required to request pipeline marking since pipeline locations are included on construction maps.

Dennis Fothergill, Corporation Commission Pipeline Safety Department manager, said pipeline cuts sometimes occur on pre-engineered projects because pipelines are added or relocated after project engineering maps are prepared.

Corporation Commission Chairman Ed Apple said the commission is working with the pipeline industry and the Oklahoma Legislature to amend the Underground Damage Facility Act to eliminate the notification exemption and allow a civil penalty for violations of the notice requirement. Amendments will be proposed during the 1998 legislative session, Apple said.

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: TRN123097-94

### **3 Railroad Crossings in Gage Due Upgrades**

OKLAHOMA CITY -- The Oklahoma Corporation Commission has approved three Burlington Northern/Santa Fe Railroad crossing upgrades in Gage, in Ellis County, at an estimated cost of \$788,600.

Federal rail crossing safety funds will pay \$709,740, or 90 percent, of the cost. The City of Gage, Ellis County, the BN/SF Railroad and state funds will pay the rest.

Gage and Ellis County officials approved the upgrade proposals in 1993, but the projects have been awaiting funding, commission court records indicate.

Crossings due for upgrades are:

h Airport Road: pedestal-mounted flashing light signals and gate arms. Federal funding, \$139,680; City of Gage, \$2,500; Ellis County, \$2,500; BN/SF Railroad, \$10,520.

h Pecan Street: pedestal-mounted flashing light signals and gate arms and two concrete crossing surfaces. Federal funding, \$309,240; City of Gage, \$2,500; Ellis County, \$2,500; BN/SF Railroad, \$29,360.

h State Highway 46 (Main Street): pedestal-mounted flashing light signals and gate arms. Federal funding, \$260,820; state funding, \$28,980.

The Corporation Commission approved the upgrades after determining that they meet state requirements for rail crossing safety devices.

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