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#### **News from Commissioner Dana Murphy**

For Further Information, Contact: Billie Rodely (405) 521-2267

## NEW METHODS, NEW QUESTIONS

Corporation Commissioner Dana Murphy encourages mineral and surface owners, producers and others to attend town hall meeting on horizontal drilling

(Woodward) Oklahoma Corporation Commissioner Dana Murphy is encouraging all interested parties to attend a Town Hall meeting on horizontal drilling in Woodward at 5:30 p.m. Monday, February 8, at the High Plains Technology Center, 3921 34<sup>th</sup> Street.

Commissioner Murphy said the issues raised by the increase in horizontal drilling by natural gas producers in Oklahoma are of concern to surface owners, mineral owners, producers, and many others.

"Previously held meetings in McAlester and Clinton were very well attended, and we want to provide the opportunity for the people of Northwestern Oklahoma," noted Murphy.

In addition to working groups that have been formed at the direction of Commissioner Murphy to address these issues, the Commissioner is also joining with the National Association of Royalty Owners, the Oklahoma Energy Resources Board and others for Town Hall meetings on the subject.

The presentations and discussion will focus on current and future oil and gas development across Oklahoma using horizontal drilling and issues related to such drilling. There will also be substantial time for all attending to ask questions.

-OCC-

**Matt Skinner, Public Information** 

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February 11, 2010

# FIRST FURLOUGH CLOSURE OF CORPORATION COMMISSION OFFICES TOMORROW

(Oklahoma City) All offices of the Oklahoma Corporation Commission (OCC) will be closed statewide tomorrow (Friday, February 12). Employees will be placed on unpaid furlough on that day because of a budget shortfall.

"Every day people from across the state travel to an OCC office to conduct business, so we are doing all we can to get the word out about our closures," said OCC Director of Administration Brooks Mitchell. "Unfortunately, our budget situation has forced us to take this action. The decision to close was taken only after the OCC eliminated 8 percent of its work force and implemented \$400,000 in other spending cuts."

Under the current plan, employees will take unpaid furlough days on February 12, March 19, April 9, April 30, May 14, May 28, June 1, and June 25. All OCC offices will be closed on those days, in order to save an estimated \$100 thousand a day. The plan is subject to change depending on changes in the agency's funding.

The OCC has offices in Oklahoma City and Tulsa, as well as Oil and Gas Division offices in Bristow, Kingfisher, Duncan, and Ada. The agency's responsibilities include regulation of oil and natural gas production, remediation of polluted oil and natural gas production sites, trucking, electric and natural gas utilities, telecommunications, gas stations and fuel storage tanks, remediation of sites polluted by leaking fuel tanks, railroads, pipelines, private water companies, and cotton gins,.

-OCC-

#### **OKLAHOMA**

#### **CORPORATION COMMISSION**

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News from: Commissioner Dana L. Murphy



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March 22, 2010

For Further Information, Contact: Teryl Leslie Williams (405) 521-2267

#### A PLACE AT THE TABLE

Commissioner Dana Murphy selected to participate in the Bush Institute's "Natural Gas Nation" Conference

Oklahoma Corporation Commissioner Dana Murphy will be a member of the Policy Roundtable Thursday at the "Natural Gas Nation" Conference presented by the George W. Bush Institute and the Maguire Energy Institute at the SMU Cox School of Business.

"Natural Gas Nation" will explore the economic, environmental, and national-security implications of North America's increased natural gas supply by bringing together leading authorities in energy, academia and public policy. Among the issues the conference will seek to examine are the potential and expanded use of natural gas, and the related policy and environmental issues.

"I am excited and honored to be representing Oklahoma at a conference that will bring together policy makers, energy industry leaders, and academics from across the nation to tackle the serious energy issues we face," Murphy said. "Oklahoma is the third largest natural gas producer in the nation and will play a critical role in expanding its use to strengthen our nation's economic and energy security and ensure an environmentally responsible energy future."

At the invitation of the Bush Institute, Murphy will be one of seven members of the Policy Roundtable moderated by James K. Glassman, the Executive Director of the George W. Bush Institute. Other conference participants include former President George W. Bush; Daniel Yergin – Chairman, HIS Cambridge Energy Research Associates and Pulitzer Prize winning author; R. James Woolsey – Former Director, Central Intelligence Agency; Emil Pena – Executive Director, Energy and Environmental Systems Institute, Rice University; Lee Boothby - President and CEO of Newfield Exploration Company; Victor Carrillo – Chairman of the Texas Railroad Commission; Regina Hopper – President and CEO of America's Natural Gas Alliance; Randy Foutch – Chairman and CEO of Laredo Petroleum; Richard Kinder – Chairman and CEO of Kinder Morgan; and others. For more information on the "Natural Gas Nation" Conference, go to:

http://georgewbushinstitute.com/events-and media/

http://georgewbushinstitute.com/tag/natural-gas-nation-bush-institute-event/

-OCC-

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March 11, 2010

#### ENSURING A CLEAR CONNECTION

Commissioners approve move to allow time for more work on critical telecommunication issues, public involvement

Citing the need for accurate communication and as much public involvement as possible, the Oklahoma Corporation Commission today unanimously approved a motion providing at least 10 more months of study and participation by all stakeholders to address issues that could impact the availability of phone service throughout Oklahoma. The matter has been commonly referred to as the "statewide toll-free proposal."

Chairman Bob Anthony says the time is warranted to be sure all not only have their voice heard, but that all understand what the issues are.

"There are core issues at stake, such as continuing to have the telecommunications infrastructure that both cell phones and land lines as well as internet access depend upon," Anthony said. "This proposal would have replaced many of the existing charges that telephone companies already factor into the rates they charge customers. These are not new charges but they have been mischaracterized and falsified by those with their own agenda to the point that all the public hears is the falsehood that the Commission is proposing a 'new \$3 tax' per line on the customers' phone bill. The calling circles around Oklahoma City and Tulsa have had a positive economic impact on those metropolitan areas and surrounding communities. I support expanding that benefit to all Oklahomans by making sure they can receive landline and cell phone service at reasonable rates."

Vice Chairman Jeff Cloud noted that while Oklahoma has the two largest toll-free calling areas in the country, there is more that must be done.

"Today's unanimous action was largely symbolic because the Commission has already opened a notice of inquiry which will tackle a myriad of important issues and in my judgment, address the fact that there are 'winners and losers' in our present system. While many small communities enjoy the economic benefit of the large calling areas, there are others who are basically punished simply because of their location outside of the Wide Area Calling Plan (WACP) areas," Cloud said. "I intend to make sure that rural Oklahomans are afforded the same opportunity to enjoy the wide area calling scopes that customers in the urban areas are offered."

(more)

#### (ENSURING, pg 2)

Commissioner Dana Murphy said it's important that all stakeholders understand the problem and be part of the solution.

"This is not an issue of whether you use a landline phone, a cellular phone, or an internet phone service," Murphy said. "The fact is that we're all in this together, because, regardless of the device, all Oklahomans benefit from and need what I call the backbone of the telecommunications system—landline facilities. More time is needed to clearly define the issues, and I believe part of the Commission's role is to make sure everyone has a seat at the table as we work together toward a solution that urban consumers, rural consumers and industry can afford. This is an issue where I think we should find out what customers want, not just tell them what we think they need."

Under today's decision, January 19<sup>th</sup> is the earliest possible date for a decision in the matter.

-OCC-

## OKLAHOMA CORPORATION COMMISSION

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#### **News from Commissioner Dana Murphy**

For Further Information, Contact: Billie Rodely (405) 521- 2267

3/15/2010

## NEW METHODS, NEW QUESTIONS

Corporation Commissioner Dana Murphy encourages mineral and surface owners, producers and others to attend town hall meeting on horizontal drilling

(Woodward) Oklahoma Corporation Commissioner Dana Murphy is encouraging all interested parties to attend a Town Hall meeting on horizontal drilling in Woodward at 5:30 p.m. Monday, March 22, at the High Plains Technology Center, 3921 34<sup>th</sup> Street.

Commissioner Murphy said the issues raised by the increase in horizontal drilling by natural gas producers in Oklahoma are of concern to surface owners, mineral owners, producers, and many others.

"Previously held meetings in McAlester and Clinton were very well attended, and we want to provide the opportunity for the people of Northwestern Oklahoma," noted Murphy.

In addition to working groups that have been formed at the direction of Commissioner Murphy to address these issues, the Commissioner is also joining with the National Association of Royalty Owners, the Oklahoma Energy Resources Board and others for Town Hall meetings on the subject.

The presentations and discussion will focus on current and future oil and gas development across Oklahoma using horizontal drilling and issues related to such drilling. There will also be substantial time for all attending to ask questions.

-OCC-

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**News from: Commissioner Dana Murphy** 

March 10, 2010

For Further Information, Contact: Teryl Williams (405) 521-2822

#### STATEMENT BY

#### OKLAHOMA CORPORATION COMMISSIONER

#### DANA L. MURPHY

In the past few months, the Commission has attempted to completely rework funding mechanisms involving payments among telecommunications carriers for the use of landline facilities for intrastate long distance calls. The Commission has embarked on rulemaking to make statewide long-distance telephone service toll-free. In neither instance has the Commission been provided with the type of well-researched, legally sufficient, economically viable options that should be considered before embarking on such radical changes to our telecommunications environment. Now Staff's filing in Cause No. PUD 201000027 appears to seek even more change in the regulatory landscape before the weed-pulling is finished on the ground we already are trying to tend. While the industry and public are reeling from all that has been proposed, Staff wants to move up by more than one year the date for industry reports on telephone competition. The timing is not right to demand early reports from the state's phone companies on so-called competitive technologies and the whole panoply of new proposals in Staff's application. It's time to put a stop to this willy-nilly approach that has caused so much confusion. It's time to be more thoughtful and better prepared. From the beginning, I stated we needed to be mindful of costs and the effects on consumers and industry, especially in these tough economic times. As one of three commissioners, I say it's time for Staff to reconsider how they are proceeding and for the Commission to take a more thorough, well-reasoned approach.

#### -OCC-

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**April 07, 2010** 

# THIRD FURLOUGH CLOSURE OF CORPORATION COMMISSION OFFICES SCHEDULED FOR FRIDAY

(Oklahoma City) All offices of the Oklahoma Corporation Commission (OCC) will be closed statewide Friday (April 9). Employees will be placed on unpaid furlough on that day because of a budget shortfall.

"Every day people from across the state travel to an OCC office to conduct business, so we are doing all we can to get the word out about our closures," said OCC Director of Administration Brooks Mitchell. "Unfortunately, our budget situation has forced us to take this action. The decision to furlough employees and close the agency was taken only after the OCC eliminated 8 percent of its work force and implemented \$400,000 in other spending cuts."

So far this year, OCC employees have taken unpaid furlough days February 12 and March 19. The remaining scheduled furlough days are April 9, April 30, May 14, May 28, June 1, and June 25. The estimate savings from the closures is \$100 thousand a day. The plan is subject to change depending on changes in the agency's funding.

The OCC has offices in Oklahoma City and Tulsa, as well as Oil and Gas Division offices in Bristow, Kingfisher, Duncan, and Ada. The agency's responsibilities include regulation of oil and natural gas production, remediation of polluted oil and natural gas production sites, trucking, electric and natural gas utilities, telecommunications, gas stations and fuel storage tanks, remediation of sites polluted by leaking fuel tanks, railroads, pipelines, private water companies, and cotton gins,.

-OCC-

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#### **News from Commissioner Dana Murphy**

For Further Information, Contact: Billie Rodely (405) 521-2267

April 14, 2010

## NEW METHODS, NEW QUESTIONS

Corporation Commissioner Dana Murphy encourages mineral and surface owners, producers and others to attend town hall meeting on horizontal drilling

(El Reno) Oklahoma Corporation Commissioner Dana Murphy is encouraging all interested parties to attend a Town Hall meeting on horizontal drilling in El Reno on Monday, April 26 at 5:30 p.m. at the Redlands Community College Conference Center – 1300 S. Country Club Road.

Commissioner Murphy said the issues raised by the increase in horizontal drilling by natural gas producers in Oklahoma are of concern to surface owners, mineral owners, producers, and many others.

"Previously held meetings in McAlester, Clinton and Woodward were very well attended, and we want to provide the same opportunity for the Oklahomans in and around Canadian County," noted Murphy.

In addition to working groups that have been formed at the direction of Commissioner Murphy to address these issues, the Commissioner is also joining with the Oklahoma Mineral Owners' Association, the National Association of Royalty Owners, the Oklahoma Energy Resources Board and others for Town Hall meetings on the subject.

The presentations and discussion will focus upon current and future development across Oklahoma using horizontal drilling and issues related to such drilling. There will also be substantial time for all attending to ask questions.

-OCC-

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May 4, 2010

## COMMISSIONERS ANTHONY AND MURPHY ASK TO DONATE PAY

Oklahoma Corporation Commissioners Bob Anthony and Dana Murphy today informed Gov. Brad Henry they want to each give the state part of their pay to match wage losses experienced by furloughed Commission employees.

They are asking Gov. Henry to accept the money on behalf of the State and direct the funds back to their agency so the money can be used for other Commission costs, pursuant to sections 383 and 384 of Title 60 of the Oklahoma Statutes.

Commissioners may not reduce their pay under state law, Commission General Counsel Andrew Tevington said, so they have opted to write checks back to the government.

"The Commissioners believe it's only fair to be included in the unpaid furlough days the agency's employees have had to take in the second half of this fiscal year," Tevington explained. "Because the furlough days are the result of cuts to the agency, Commissioners Anthony and Murphy have stipulated their gifts go to the specific use and benefit of the agency, rather than to the General Revenue fund."

State law does not allow the Commissioners to make the gifts to their agency without going through the governor, Tevington said.

The state's budget shortfall has forced the Oklahoma Corporation Commission to cut approximately eight percent of the agency's work force, place the Commission's remaining 440 employees on eight unpaid furlough days through June and institute \$400,000 in additional cuts over those mandated for all agencies.

The Commission's budget was cut 18 percent at the beginning of the current fiscal year compared to five to 10 percent for other agencies. The state's current fiscal year ends June 30.

### News

## from Corporation Commissioner Bob Anthony



5/10/2010

Contact: Larry Lago (405) 521-2261 <a href="mailto:l.lago@occemail.com">l.lago@occemail.com</a>

#### SEARCHING FOR THE DEVIL IN THE DETAILS

Anthony tapped to tackle controversial proposed standards that pose trouble for American ratepayers

Oklahoma Corporation Commission Chairman Bob Anthony will play a key role in the debate over a controversial push by the Securities and Exchange Commission (SEC) for the U.S. to join with other countries in accepting financial standards that could severely impact ratepayers' bills. Anthony has been appointed to represent the National Association of Utility Commissioners (NARUC) in meetings in England with representatives of the International Accounting Standards Board (IASB). The appointment was made by NARUC president David Coen.

At issue are the IASB's International Financial Reporting Standards (IFRS). Anthony says they are a cause of concern for American utilities and their customers.

"The very real fear is that these standards, if applied to the U.S. in their current form, could destabilize utility ratemaking. The more financial volatility there is for a utility company, the more difficult it is to ensure reliability with reasonable and stable rates," Anthony said. "Further, utility regulators are charged with making decisions that are fair, reasonable and understandable. It appears this task would be much more difficult, at best, under these proposed standards. It's important to remember that utility companies, customers and regulators are all in the same boat.

"The IFRS are in use by many countries that do not have America's utility regulatory system, so the U.S. must explain its unique circumstances," Anthony added.

Anthony said NARUC is on record as supporting the objective of ensuring that accounting standards properly recognize the regulatory assets and liabilities of utility companies – issues involving some \$80 billion in the U.S. - that are key to determining what utility customers will need to pay.

The first meeting is set for tomorrow (May 11) in London. Anthony will join Federal Energy Regulatory Commissioner Marc Spitzer and Tom McGuiness of Price Waterhouse Coopers in meeting with IASB representatives.

Anthony is the longest serving utility commissioner in the U.S. He serves on the NARUC board and is on the board of the National Regulatory Research Institute. He is a graduate of the Wharton School of Finance and holds Masters degrees from the London School of Economics, Yale and Harvard.

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May 12, 2010

# FIFTH FURLOUGH CLOSURE OF CORPORATION COMMISSION OFFICES SCHEDULED FOR FRIDAY

All offices of the Oklahoma Corporation Commission (OCC) will be closed statewide Friday (May 14). Employees will be placed on unpaid furlough on that day because of a budget shortfall.

"Every day people from across the state travel to an OCC office to conduct business, so we are doing all we can to get the word out about our closures," said OCC Director of Administration Brooks Mitchell. "Unfortunately, our budget situation has forced us to take this action. The decision to furlough employees and close the agency was taken only after the OCC eliminated 8 percent of its work force and implemented \$400,000 in other spending cuts in addition to the monthly cuts all agencies have had to take this fiscal year."

So far this year, OCC employees have taken unpaid furlough days February 12, March 19, April 9 and April 30. The remaining scheduled furlough days are April 30, May 14, May 28, June 1, and June 25. The estimated savings to the Commission's budget from the closures is \$100 thousand per closure. The plan is subject to change depending on changes in the agency's funding.

The OCC has offices in Oklahoma City and Tulsa, as well as Oil and Gas Division offices in Bristow, Kingfisher, Duncan, and Ada. The agency's responsibilities include regulation of oil and natural gas production, trucking, electric and natural gas utilities, telecommunications, gas stations and fuel storage tanks, railroads, pipelines, private water companies, and cotton gins, as well as remediation of polluted oil and natural gas production sites, and remediation of sites polluted by leaking fuel tanks.

-OCC-

Larry Lago, Administrative Aide to Chairman Bob Anthony Phone: (405) 521-2261, Fax: (405) 522-1623, <a href="mailto:l.lago@occemail.com">l.lago@occemail.com</a>

June 2, 2010

#### OKLAHOMA GAINS A VOICE IN SETTING ENERGY AGENDA

Corporation Commission Chairman Bob Anthony joins National Petroleum Council Study

U.S. Energy Secretary Steven Chu has tapped Oklahoma Corporation Commission Chairman Bob Anthony to participate in the North American Gas and Oil Resources Study being undertaken by the National Petroleum Council (NPC). The NPC is responsible for advising, informing and making recommendations to the Secretary of Energy with respect to matters relating to oil and natural gas. For 21 years Anthony has served on the Natural Gas Committee of the National Association of Regulatory Utility Commissioners (NARUC) and is a NARUC board member. He is also past chairman and current board member of the National Regulatory Research Institute.

Anthony serves as the NARUC liaison to the study's coordinating subcommittee, attending the June 2 meeting in Washington D.C.. Other Oklahomans involved with the NPC study are Chesapeake's CEO Aubrey McClendon and Devon's Larry Nichols.

"The National Petroleum Council has a long history of playing a key role in energy forecasting and policy recommendations," Anthony noted. "While the Council's functions are currently under the Department of Energy (DOE) it actually pre-dates the agency by several decades, as it was established in 1946 at the request of President Harry Truman as an outgrowth of the World War II Petroleum Industry Advisory Council. The DOE wasn't created until 1977. Indeed, NPC data and studies were part of an analysis of energy demand I authored in 1972 as a staffer for a Congressional Committee, as well as another energy appraisal I prepared in 1977 at the request of the Library of Congress."

Secretary Chu is requesting that the NPC:

- Reassess North American resource production supply chain and infrastructure potential and the contribution that natural gas can make in a transition to a low-carbon fuel mix.
- Describe the operating practices and technologies that will be used to minimize environmental impacts
- Describe the role of technology in expanding accessible resources
- Advise on policy options that would allow prudent development consistent with government objectives of environmental protection, economy growth and energy security.

Commissioner Anthony said the NPC resource and supply study is of particular importance to Oklahoma.

"In 2009, as demand and prices for natural gas dropped, we saw the value of Oklahoma's natural gas production drop by more than half, or more than \$7 billion in one year, while the value of oil production dropped by \$3 billion," Anthony said. "A \$10 billion cut in economic output is a blow for a country, let alone a state with a Gross State Product of \$150 billon. At the same time, with the growth of solar and wind energy, the role of low-carbon natural gas-fired electrical generation to take up the slack when the wind doesn't blow and the sun doesn't shine is more important than ever."

Anthony is a graduate of the Wharton School of Finance and holds Masters digress from the London School of Economics, Yale and Harvard.

## OKLAHOMA CORPORATION COMMISSION

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#### **News from Commissioner Dana Murphy**

For Further Information, Contact: Teryl Williams (405) 521- 2822

6/15/2010

## MEDIA ADVISORY

Oklahoma Corporation Commissioner Dana Murphy will be meeting with the public and speaking at two events scheduled for this Friday (June 18) in Bartlesville. At 10 a.m. Commissioner Murphy will speak at the weekly Friday Forum. The Forum will be held at the eastside branch of Arvest Bank, 4225 SE Adams Rd.

At 6:30 p.m. on Friday June 18, Commissioner Murphy will speak at the annual meeting of the Oklahoma Landowners Association at the Best Western Weston Inn, 222 SE Washington Blvd., Bartlesville. Commissioner Murphy will be discussing the Commission's responsibilities as regards issues of concern to land owners.

Both events are open to the public, and all are invited to attend...

-OCC-

## News

## from Corporation Commissioner Bob Anthony



6/16/2010 Contact: Larry Lago (405) 521-2261 1.lago@occemail.com

## A GLOBAL PLAYER

Oklahoma takes its place on the world energy stage

An increasing number of countries are looking to Oklahoma as they chart their energy course.

Oklahoma Corporation Commission Chairman Bob Anthony and Oklahoma Deputy Energy Secretary Brad Williams have just returned from Germany, where they were guests of that country's government.

Oklahoma Energy Secretary Bobby Wegener noted that Oklahoma's energy expertise has long captured the world's attention.

"Oklahoma has long been an international leader in conventional oil and gas exploration and production," Wegener said. "Now countries are turning to Oklahoma as we develop our wind, solar, biofuel and shale gas assets, as well as seeking our advice on developing oil and gas and utility infrastructures. Our international status is in part due to the efforts of such people as Chairman Anthony, who has worked to build relations at both the national and international levels working with my office, as well as through his leadership roles in the National Association of Regulatory Utility Commissioners (NARUC), the National Regulatory Research Institute (NRRI) and the National Petroleum Council (NPC). These relationships will continue to benefit Oklahoma in the future."

Commissioner Anthony pointed to the German trip as an example of the changes in the global energy equation, and Oklahoma's place in it.

"We had the honor of being asked to travel to Germany at its government's expense and meet with government officials as well as proponents of Germany's wind, solar and electric car industries," said Anthony. "They were most eager to not only share the lessons they've learned about their energy independence and security, but also to hear what's happening in Oklahoma.

"It's remarkable to think that it was only 7 years ago that the Commission approved Oklahoma's first commercial wind tariff," Anthony observed. "Now we are in the top ten states in commercial wind development, and are on the cutting edge of other energy technologies as well. In the past 7 years, we have accepted invitations to meet with delegations from western and eastern Europe, Asia and Africa."

Chairman Anthony says Oklahoma's international stature as an energy leader will pay economic dividends.

"Energy isn't just a matter of keeping the lights on or the wheels turning," Anthony asserted. "It encompasses all sectors of our economy, with a new emphasis on energy efficiency, the 'smart grid,' and the regulatory aspects of building and paying for utility infrastructure. Oklahoma is well-positioned in those areas, thanks to the efforts of such people as Energy Secretary Wegener and his predecessor, David Fleischaker. They brought to this agency new viewpoints and strategies when it comes to meeting Oklahoma's present and future energy needs, and opened many eyes that had been closed. In the process,

they formed a productive working partnership with the Corporation Commission on energy matters, and strengthened Oklahoma's place on the world stage. I am proud and gratified to be part of such efforts."

**Matt Skinner, Public Information** 

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June 28, 2010

# COMMISSIONERS ANTHONY AND MURPHY DONATE MORE PAY

Oklahoma Corporation Commissioners Bob Anthony and Dana Murphy have informed Governor Brad Henry they plan to again give the state part of their pay based on wage losses experienced by furloughed Commission employees.

As state law forbids the Commissioners from having their pay reduced, the Commissioners have opted to write checks back to the state.

Commission General Counsel Andrew Tevington said the Commissioners' initial request on May 4 covered the four furlough days that had been taken.

"Since that time, employees have had to take four more unpaid furlough days, with the most recent being June 25," Tevington explained. "As in the initial request that Governor Henry granted, the Commissioners are asking the Governor to accept the money on behalf of the State and direct the funds back to their agency so the money can be used for other Commission costs."

The state's budget shortfall has forced the Oklahoma Corporation Commission to cut approximately eight percent of the agency's work force, place the Commission's remaining 440 employees on eight unpaid furlough days through June and institute \$400,000 in cuts in addition to those mandated for all agencies.

The Commission's budget was cut 18 percent at the beginning of the current fiscal year compared to 5 to 10 percent for other agencies. The state's current fiscal year ends June 30.

Including the latest request to the Governor, Commissioner Anthony has donated a total of \$2,300 while Commissioner Murphy has donated a total of \$2,122.

-OCC-

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July 1, 2010

### PAYING LESS, GETTING MORE

Corporation Commission approves "smart" meter program to empower consumers

Calling it an open door to a future in which Oklahomans will have powerful tools at their fingertips to control their energy costs, Oklahoma Corporation Commissioners Bob Anthony and Jeff Cloud today approved the system-wide installation of so-called "smart" meters for Oklahoma Gas and Electric (OG&E) customers. The cost will be offset by the Commission's recent acceptance of OG&E's reduction in the fuel cost passed on to customers.

Commissioner Dana Murphy stressed that although she supports the program's concept and goals, she cannot support immediate preapproval of all the program costs. Instead, she called for the program to be implemented in stages, and would require OG&E to submit to separate review and seek separate approval for each stage.

Commission Chairman Bob Anthony called the deployment of the meters "a huge leap forward for consumers."

"The proposal approved by the Commission today was an agreement that had the enthusiastic support of all the parties to the case, including the Commission's Public Utility Division staff, the Oklahoma Attorney General – who represents the consumer before the Commission, OG&E, and others," Anthony said. "In my 20-plus years on the Commission, I have seldom seen such support for a utility matter. This is obviously a win-win for all concerned, especially the consumer. This starts the process of putting the tools into the hands of consumers that they can use to be more proactive in controlling their electric usage and cost. We have taken a step toward giving people the opportunity to get away from a 'one size fits all' electric rate and choose something that will better fit their lifestyle and budget.

"Also, as a businessman I learned first-hand that timing is everything. Approval of this matter today ensures that the federal government will pay approximately a third of the cost through a grant to the company. In addition to that, the Commission recently accepted from OG&E a mid-term adjustment in its fuel charge which will save the average residential customer \$10 a month, more than offsetting the additional \$1.56 a month charge of the smart meter program."

(more)

#### SMART METER (pg.2)

Vice Chairman Jeff Cloud agreed, saying today's decision sets in motion events which will change things for the better for both the consumer and the company.

"For most of us, the electric bill is something that we receive at the end of the month with the hope that it's not an unpleasant surprise. We really don't know for sure until we open it," said Cloud. "The smart meter is the first giant step toward changing all that. With the smart meter, a door is open toward the day when the consumer will be able to choose a tariff that will be the most cost effective for them, and new tools will be available to the consumer to give them full control over their usage. In fact, the agreement approved today has the first such tool. OG&E has agreed to provide a web portal that will allow consumers to get information on their electric usage that was never available to them before, as the meters will transmit real-time usage data. Of course, all the information in the world doesn't do anyone any good unless they know how to use it, and the agreement approved today requires OG&E to provide consumers the education they need to take advantage of what will be offered. The company also has to 'put its money where its mouth is' under this agreement, and commit to a guaranteed savings to the customer of at least \$22.5 million.

"At the same time, reliability is improved. OG&E has been testing thousands of these meters with customers who volunteered for the program, and has found that not only are customers saving money, restoration of power to homes with smart meters can often be done far faster," Cloud added. "This testing has also ensured that the meters can be put to system-wide use without the problems experienced in other states that pushed adoption of the devices before all the bugs were worked out."

Commissioner Dana Murphy stressed that while she fully supports the program's concept, she cannot support pre-approval of the entire proposal. Instead, she called for a more measured approach to its implementation.

"This agreement pre-approves \$220 million in ratepayer dollars for a project that has yet to prove itself, and no one knows if the actual total price tag may be higher in the end," said Murphy. "As an alternative approach, I proposed that the program and cost recovery be phased-in gradually in stages. This would lessen the immediate impact to the consumer's bill, and would enable review of verifiable data from each phase before going on to the next. Substantiation of data on such concerns as privacy and security as well as cost savings would serve to assure the customer that the program is working and they are getting what they pay for. This can be structured to meet the timeline demands of the federal grant.

(more)

#### SMART METER (pg. 3)

"I think it is reasonable to require OG&E to prove that each stage of the program has lived up to expectations before being allowed to collect ratepayer dollars for the next stage. This is particularly important in light of the fact that that there are other items looming in the near future which will impact ratepayers' bills, ranging from the priority projects recently approved by the Southwest Power Pool to federal mandates that may require costly environmental measures on the part of electric utilities," Murphy added.

Under the agreement, system-wide installation of the smart meters will be complete within 42 months. The charge for the program will be on bills starting in the next billing cycle, and running for the next 42 months. It is estimated the average residential customer using 1100 kilowatt hours a month will pay an additional \$1.56. The reduction in the fuel cost assessed customers will also go into effect in the next billing cycle, which will save the average residential customer about \$10 a month.

The agreement approved and all documents in the case are available at <a href="https://www.occeweb.com">www.occeweb.com</a>.

-OCC-

## News

## from Corporation Commissioner Dana Murphy



7/19/2010

Contact: Teryl Williams (405) 521-2267 t.williams@occemail.com

#### JUST A CLICK AWAY

Corporation Commissioner Dana Murphy announces new tools to save Oklahoma producers time and money

Oklahoma Corporation Commissioner Dana Murphy says a new data system is now available to Oklahoma's oil and gas producers that will save them time and money.

"Nowhere is the expression 'time is money' more accurate than in the oil and gas business," Murphy noted. "The new system will allow a number of forms to be filed online, eliminating the time and cost associated with the old paper-filing system. It also allows for fast posting of all data to the OCC's oil and gas well record website, giving the producers access to the data they need in making decisions which can involve millions of dollars."

Commission Oil and Gas Director Lori Wrotenbery said development of the new system was a joint effort.

"OCC staff have been and are working hard to see the entire system become a reality, but there are also others involved in this project," Wrotenbery said. "We want to thank Oklahoma Secretary of Energy Bobby Wegener and the Groundwater Protection Council for helping to fund this effort, and the producers who worked with us to test the system and ensure it will perform as planned."

The system enables the online filing of completion reports, spud reports, and the application for a commingling permit. The production report filing is currently undergoing testing, and other forms will be added in the near future.

Producers and others wanting to sign up for the on-line filing program need to complete a form that can be downloaded from:

http://www.occeweb.com/Divisions/OG/newweb/affidavit.pdf

## News

## from Corporation Commissioner Bob Anthony



7/20/2010

Contact: Larry Lago (405) 521-2261 l.lago@occemail.com

## YOU GOTTA KNOW THE TERRITORY

Commissioner Bob Anthony reminds utility regulators states are better equipped when it comes to regulation of the oil and gas industry

Oklahoma Corporation Commission Chairman Bob Anthony is stressing to regulators in other states that the push by some groups to have the Environmental Protection Agency (EPA) or another federal entity regulate hydraulic fracturing ignores the fact that local geology and the surrounding geography of natural gas shale formations are unique to the area and require knowledge of both the surface and underground characteristics to ensure safe oil and gas drilling and production.

Anthony's remarks came in an educational presentation on hydraulic fracturing made to members of the National Association of Regulatory Utility Commissioners (NARUC) on Tuesday, July 20. The presentation at NARUC's 2010 summer meeting in Sacramento, California was made at the request of the NARUC Natural Gas Committee.

Last year Anthony was successful in getting NARUC to approve a resolution opposing EPA regulation of the natural gas completion technique known as hydraulic fracturing.

"NARUC members understood just how important natural gas is both as a fuel in its own right and to the future of electrical generation in America, and that the states are best suited for regulation of its production. A 'one size fits all' national approach isn't going to work," Anthony explained. "Since that resolution was approved, there has been so much misinformation put out about hydraulic fracturing that I was more than happy to accept the invitation to speak to the Gas Committee today about the technique.

"There is too much at stake here to simply dismiss this as a policy debate," Anthony said. "Hydraulic fracturing is absolutely essential for the production of natural gas from shale; a resource that we now know is in such great abundance that it can play a major role in decreasing our dependence on foreign oil as well as allowing our electric utilities to increase generation available from renewable resources. Electric utilities have an obligation to serve and they need a reliable backup for days when the sun doesn't shine or the wind doesn't blow hard enough. Natural gas-powered generators can be ramped up or backed off as needed to supply this backup."

Anthony says the attack on hydraulic fracturing is almost unparalleled.

"In my 20-plus years as a Commissioner, I can't think of anything that can compare to the all-out assault on hydraulic fracturing by groups that are obviously using it to put a stop to the tapping of America's abundant natural gas supplies," Anthony said . "Hydraulic fracturing has been used for over 60 years in Oklahoma and other producing states with no documented case of groundwater contamination, but to hear some critics, one would think that it's the worst thing to happen to the environment since the nuclear power accident at Chernobyl."

He noted that hydraulic fracturing is an extremely expensive process that must be engineered to the specific location where it is to be applied and can make a major difference in the amount of hydrocarbons produced from a multi-million dollar investment.

"There is simply too much money and time involved for the application of this process to be taken lightly," Anthony added. "Nor is oil and gas drilling the only area where hydraulic fracturing is used. It is also used to prepare underground formations for the disposal of carbon dioxide and, in parts of the country, used in the completion of water wells.

"State inspectors live in the area and deal with local residents on a daily basis," Anthony added. "In addition to knowledge of the local geological and geography features, the state can put more 'boots on the ground" to enforce drilling and production regulations. And as the third largest natural gas producer in America, Oklahoma is and will continue to be a leader in this area."

Anthony is a member of the NARUC board of directors, a board member and past president of the National Regulatory Research Institute and was recently named by the U.S. Secretary of Energy to a position on the National Petroleum Council.

**Matt Skinner, Public Information** 

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November 15, 2010

### MEDIA ADVISORY – NEWS CONFERENCE

(Tulsa) The Oklahoma Corporation Commission (OCC) will hold a news conference 10:30 a.m., Thursday, November 18 at the OCC's Tulsa office. The office address is 440 S. Houston, Suite 114, Tulsa.

The subject of the news conference will be preparation for the 918/539 area code overlay and the transition to 10-digit dialing.



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December 12, 2010

#### HAZY THINKING

How much should a view cost? The Environmental Protection Agency's answer for Oklahoma might be 'billions of dollars and thousands of jobs.'

At issue is the EPA's push to clear up 'haze' that the agency claims impacts the views in certain national parks and wildlife refuges. While this is surely something worthy of attention, it's important to note that this is not a health issue, but rather one of aesthetics. In Oklahoma, most of the attention is focused on emissions from four coal-fired power plants found to be contributing to the so-called haze.

The Oklahoma Department of Environmental Quality (DEQ) faced the formidable challenge of developing a State Implementation Plan required by the EPA, detailing how Oklahoma intends to combat the problem and meet the mandated standard for visibility. In a recent public meeting the Commission held with DEQ Executive Director Steve Thompson and others on the matter, Director Thompson made a convincing presentation on the logic behind Oklahoma's plan, the massive effort that went into its formulation and its sensitivity to the associated costs for Oklahoma ratepayers.

As explained by Director Thompson, Oklahoma's plan would allow the power plants in question to continue burning low sulfur coal while gradually phasing in a transition to clean-burning natural gas by 2026. This strikes us as a common sense approach.

But 'common sense' is not a term that springs to mind when thinking of federal policy. While nothing is sure yet, all indications are that the EPA will reject Oklahoma's plan simply because it doesn't fit with the arbitrary "because I said so" approach taken by the EPA on this issue. The expectation now is that the EPA will stick with its mandate for the power plants in question to install drastically expensive "scrubbers" on a schedule that ignores the impact on ratepayers.

As those charged with ensuring fair, just, and reasonable electric rates for Oklahoma, we are warning all who will listen that the impact of the EPA's apparently preferred plan on Oklahoma could be devastating. The cost to Oklahoma ratepayers is estimated at over \$2 billion. But making matters even worse is the fact that the actual cost to the state's economy as

a whole may be even greater. The Oklahoma Industrial Energy Consumers organization estimates a large employer who uses 20 megawatts annually would see a yearly increase of almost \$2 million dollars. The average increase for industrial users would be \$775,000 annually. This could easily prompt employers to move elsewhere, costing Oklahoma dearly in jobs and revenue. To add insult to injury, it appears all this would be completely unnecessary under the mandate. DEQ estimates Oklahoma's plan would allow the state to meet the required visibility standards 32 years before the deadline.

The Environmental Protection Agency is expected to issue its decision later this month. Oklahoma's government and its people need to be prepared to unite in opposition if the decision is for a plan that needlessly jeopardizes our economy. The stakes are much too high to let this go without a fight.

Bob Anthony Of Cloud Dana & Druphy

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**December 15, 2010** 

#### A MOVE TO PROTECT THE CONSUMER

(New rules for Oklahoma household moving companies mean changes for both consumers and companies)

Oklahomans looking to hire a household moving company and those offering such services in the state need to be aware of changes in the law that give the consumer more information and protection, and require companies to get the necessary authority for the protection of both the company and its customers.

"The Oklahoma Corporation Commission (OCC) regulates all intrastate transportation of household goods," explains OCC Transportation Division Director Marchi McCartney. "We want to be sure all consumers and the moving companies themselves are aware that state law has new requirements aimed at consumer protection."

Among the items of note in the new regulations:

- All household goods movers must provide the consumer with a written estimate
- All household goods movers must provide the consumer with the Commission's "Moving in Oklahoma" brochure
- All advertising must include the United States Department of Transportation (USDOT) number of the company
- Intra-city moves are now included in the regulations
- All household goods movers must get a certificate from the Oklahoma Corporation Commission

Household goods movers who need to obtain a certificate or need more information can call (405) 521-2251 or contact the OCC's Transportation Division through the web site: www.occeweb.com.

A listing of all authorized household goods movers in Oklahoma is also available through the OCC web site: <a href="www.occeweb.com">www.occeweb.com</a>, and clicking on "Household goods movers" link under "Hot Topics."

If you believe a carrier is operating unlawfully or is advertising services it is not authorized to perform, please contact the Transportation Division at (405) 521-2965 or file a complaint at <a href="https://www.occeweb.com">www.occeweb.com</a> and clicking on the "Complaint" tab.

-OCC-

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**December 20, 2010** 

## MEDIA ADVISORY - CORPORATION COMMISSION APPROVES CHAIRMAN CHANGE

(Oklahoma City) The Oklahoma Corporation Commission (OCC) today elected Commissioner Dana Murphy Chairman of the Commission, effective January 3, 2011. Commissioner Jeff Cloud was reelected Vice Chairman. The recommendations for the positions came from current Chairman Bob Anthony. Vice Chairman Cloud made the motion for approval of the recommendations.

-OCC-

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#### **December 30, 2010**

## COMMISSIONERS APPROVE LOWER INTERIM SERVICE CHARGES FOR TWO RURAL NATURAL GAS UTILITIES

Oklahoma Corporation Commissioners, acting on two separate cases, have approved on an interim basis a reduction in the service charges of the roughly 4,100 Oklahoma customers of Fort Cobb Fuel Authority and its LeAnn Gas division beginning January 1, 2011.

Actual savings will vary depending on how much gas each consumer uses and customer density in different geographic areas within the Fort Cobb and LeAnn systems. Customers with a low usage or very high usage will receive greater reductions. Urban customers will save more than consumers in sparsely populated rural areas, which are more expensive to serve.

The new lower charges include a drop in the monthly non-commodity (non-gas) customer charge for LeAnn Gas from the present \$10 to \$6. For Fort Cobb Fuel customers, the corresponding reduction would be from the current \$8 to \$6.

Also approved at the company's request was a 25 percent reduction applicable to all customers, in a monthly surcharge---from the current \$1 per month to 75 cents---to support Irrigation Engine Replacement Programs. These programs provide many of Fort Cobb's agricultural customers an opportunity to rent natural gas driven motors from the utility to drive their irrigation pumps so they do not turn to electric pumps. This program allows Fort Cobb to retain this important agricultural customer segment, whose use of the system and the corresponding significant revenue it provides to the company helps offset the costs of the other company customers.

The Agricultural Heat Rate for summer peaking gas users was reduced. This includes farmers who use gas to dry crops such as peanuts.

Rimrock System customers will experience an average reduction of 2.23 percent while the Fort Cobb agricultural heating customer will see an average drop of 4.99 percent.

The reduced interim rates, intended to take effect in time to provide maximum winter heating season benefits, are intended to be a first step toward a uniform tariff structure for all of the company's natural gas operations.

In prefiled testimony submitted to the Corporation Commission, Thomas Hartline, Fort Cobb's Chief Executive in Oklahoma, said "One of the objectives we wish to result from this proceeding and the other pending cases involving our...operations is a uniform tariff structure applicable to all of our natural gas operations in Oklahoma."

(Rate cut, pg. 2)

There are pending rate review cases for both Fort Cobb and LeAnn Gas. David Dykeman, director of the Commission's Public Utility Division, emphasized to the Commissioners that a procedural schedule for the pending rate reviews will be submitted to the Commission by Jan 6 and that the objective of the rate reviews will be to help the companies achieve a uniform tariff.

-OCCAll OCC advisories and releases are available at www.occeweb.com



## OKLAHOMA CORPORATION COMMISSION

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#### **News from Commissioner Dana Murphy**

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#### **BUILDING A FUTURE**

Incoming Commission chair Dana Murphy makes economic development, regulatory and technological reforms top priorities

(Oklahoma City) Citing proper funding, regulatory reform and economic development as among her top priorities, Oklahoma Corporation Commissioner Dana Murphy will begin serving as chair of the Commission effective January 3, 2011. She follows Commissioner Bob Anthony as chairman.

"It makes no sense that the only agency charged with fostering the development and regulation of the Oklahoma petroleum industry, the industry which generates some of the most significant revenue for our state, fails to be provided with funding to hire a sufficient number of field inspectors and technical personnel to oversee regulation," Murphy said. "At a time when it is critical to prevent state regulation of Oklahoma oil and gas development from being usurped by one size fits all federal regulation, we must not allow failure to properly fund our agency become a primary reason for agencies like the Environmental Protection Agency (EPA) taking over regulation of the Oklahoma petroleum industry.

"One of my top priorities will be to work with the legislature, the industry and my fellow Commissioners to create a plan to not only tackle the long term funding shortfall of our Commission oil and gas division, but also to bring our state regulatory scheme into the modern technology age with electronic filing of all applications and forms by entities regulated by the Commission. Electronic filing, which already exits in many of our surrounding states, is crucial in offering increased efficiency, effectiveness and responsiveness necessary to both serve the general public and make the state attractive for new business."

Murphy said other challenges faced by the Corporation Commission include the EPA's consideration of moves that would place expensive and unnecessary regulation on key sectors of Oklahoma's economy. Murphy noted the EPA is considering rules to combat regional haze which would be devastating to Oklahoma's utilities and their customers. Moreover, the EPA is continuing to consider whether to regulate hydraulic fracturing, a process used by the oil and gas industry, and one already closely regulated by the Commission.

(more)

#### (MURPHY, pg 2)

She also noted that development of Oklahoma's wind power industry is also a key concern, particularly the expansion of transmission lines across Oklahoma as approved by the Southwest Power Pool.

Murphy began serving as a Commissioner on January 12, 2009 following election in 2008 to a short two year term, completing the unexpired term of former Commissioner Denise Bode. On July 27, 2010, Murphy was elected to a full six year term on the Commission in a primary election, as she faced no opponent on the general election ballot in November 2010. On January 10, 2011, following the gubernatorial inauguration, Murphy will be sworn in for her full six year term as Commissioner in a ceremony at 3 p.m. at the Jim Thorpe Building.

Murphy is a 5<sup>th</sup> generation Oklahoman, a geologist, an attorney, and earlier served as an administrative law judge at the Commission. Among the areas regulated by the Commission are oil and gas drilling and development, public utility rates and services, petroleum storage tanks, motor carriers and pipeline safety.