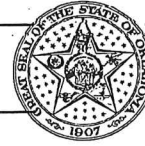


OKLAHOMA CORPORATION COMMISSION
P.O. BOX 52000
OKLAHOMA CITY, OKLAHOMA 73152-2000

580 Jim Thorpe Building
Telephone: (405) 521-4114
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Brandy Wreath, Director
Public Utility Division

**VIA ELECTRONIC MAIL, U.S. MAIL,
& STATE ONLINE FILING SYSTEM**

Cause No. RM 201900001
Fee Notification

February 15, 2019

FILED
FEB 15 2019

The Honorable J. Kevin Stitt
Governor of the State of Oklahoma
Oklahoma State Capitol Building
2300 North Lincoln Boulevard, Room 212
Oklahoma City, Oklahoma 73105

COURT CLERK'S OFFICE - OKC
CORPORATION COMMISSION
OF OKLAHOMA

The Honorable Greg Treat – Treat@oksenate.gov
President Pro Tempore-Senate
Oklahoma State Capitol Building
2300 North Lincoln Boulevard, Room 422
Oklahoma City, Oklahoma 73105

The Honorable Charles McCall – Charles.Mccall@okhouse.gov
Speaker of the House of Representatives
2300 North Lincoln Boulevard, Room 401
Oklahoma City, Oklahoma 73105

The Honorable Tom Gann – Tom.Gann@okhouse.gov
Oklahoma State Capitol Building
2300 North Lincoln Boulevard, Room 434
Oklahoma City, Oklahoma 73105

Secretary Kenneth E. Wagner – Kenneth.Wagner@ee.ok.gov
Secretary of Energy & Environment
204 N. Robinson Ave., Suite 1010
Oklahoma City, Oklahoma 73102

Mr. Jeffrey Cartmell – Jeffrey.Cartmell@gov.ok.gov
Deputy General Counsel
Governor's Office of the State of Oklahoma
Oklahoma State Capitol Building
2300 North Lincoln Boulevard, Room 212
Oklahoma City, Oklahoma 73105

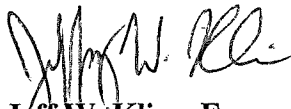
Re: Oklahoma Corporation Commission
Notice of Proposed Establishment of Fees, OAC 165:5-3-42, Wind turbine fee

Dear Governor Stitt, President Pro Tempore Treat, Speaker McCall, Chairman Gann, Secretary Wagner, and Mr. Cartmell:

Enclosed is a copy of the document containing proposed rule OAC 165:5-3-42, Wind turbine fee, dated February 15, 2019, in conjunction with Cause No. RM 201900001, filed at the Oklahoma Corporation Commission ("Commission"). I have also enclosed a copy of an affidavit signed by the Director of the Commission's Public Utility Division regarding proposed rule OAC 165:5-3-42.

The enclosed documents are being submitted to you pursuant to the provisions of 74 O.S. § 3117. Should you have any questions, please contact me at (405) 521-2308 or j.kline@occemail.com.

Sincerely,



Jeff W. Kline, Esq.
Assistant General Counsel
OKLAHOMA CORPORATION COMMISSION

Enc.

- Proposed Rules (Revised)
- Affidavit of Brandy L. Wreath

cc:

- Tim Rhodes
- Commissioner Dana Murphy
- Commissioner Todd Hiett
- Commissioner Bob Anthony
- Brandy L. Wreath
- Maribeth Snapp
- Lindsay Archer
- Susan Conrad
- Katie Lippoldt

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

IN THE MATTER OF A PERMANENT
RULEMAKING OF THE OKLAHOMA
CORPORATION COMMISSION AMENDING
OAC 165:5, RULES OF PRACTICE

CAUSE NO. RM 201900001

PROPOSED RULES (REVISED)
(As of February 12, 2019)

TITLE 165. CORPORATION COMMISSION
CHAPTER 5. RULES OF PRACTICE

165:5-3-42. Wind turbine fee

- (a) Pursuant to 17 O.S. §160.22, an annual fee of \$50.00 shall be assessed on each wind turbine located in the State of Oklahoma.
- (b) For the first year of commercial generation, the fee shall be paid to PUD concurrently with the submission of the annual report, pursuant to OAC 165:35-45-3.
- (c) The wind turbine fee shall be paid to PUD annually on or before March 1 of each year, concurrently with the submission of the annual report, pursuant to OAC 165:35-45-3.
- (d) The wind turbine fee shall not be paid after PUD is notified that the wind energy facility is decommissioned.
- (e) A public utility, as defined in OAC 165:5-3-21, that pays into the PUD Assessment pursuant to 17 O.S. § 180.11 shall not be required to pay the wind turbine fee on a wind turbine owned by the public utility.

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

IN THE MATTER OF A PERMANENT
 RULEMAKING OF THE OKLAHOMA
 CORPORATION COMMISSION AMENDING
 OAC 165:5, RULES OF PRACTICE

CAUSE NO. RM 201900001

AFFIDAVIT OF BRANDY L. WREATH

STATE OF OKLAHOMA)
) ss.
 OKLAHOMA COUNTY)

Brandy L. Wreath, of lawful age, being first duly sworn, deposes and states as follows:

1. That I am Brandy L. Wreath, Director of the Public Utility Division ("PUD") of the Oklahoma Corporation Commission ("Commission"), and my duties in this regard include, among other things, oversight of fees assessed by the Commission's PUD.
2. 17 O.S. § 160.22 provides that "[t]he Corporation Commission shall have the authority to promulgate rules as necessary to implement the provisions of the Oklahoma Wind Energy Development Act and to set fees necessary to carry out the duties and responsibilities of the Commission pursuant to the act."
3. I am familiar with the proposed rule OAC 165:5-3-42, and the establishment and determination of fee in connection with the above-styled matter.
4. Proposed rule OAC 165:5-3-42 would permit the Commission to assess an annual fee of \$50.00 per wind turbine in the State of Oklahoma. The proposed fee would assist in providing funding to PUD for the regulation of the growing number of wind energy facilities in this State that are subject to the Commission's regulation but do not pay into the fee assessment.
5. To develop the wind turbine fee amount, PUD prepared the following expense estimates:
 - a. PUD estimates a minimum cost for full time employee ("FTE") support inclusive of all salary and benefits. This estimate includes processing notices, monitoring notices from the Federal Aviation Administration, answering questions to the public, spot checking build locations, and coordinating with IT representative to post and confirm posting. This estimate minimum costs does *not* include any enforcement issues that may arise.

FTE Approximates		FTE Annual	Weighted Cost
Public Utility Regulatory Analyst	0.5	\$85,000.00	\$42,500.00
Managers	0.25	\$96,000.00	\$24,000.00
Senior/Admin	0.15	\$105,000.00	\$15,750.00
Support Personnel	0.2	\$70,000.00	\$14,000.00
Field CS	0.25	\$96,000.00	\$24,000.00
Phone CS/Inquiries	0.1	\$85,000.00	\$8,500.00
Webmaster/Postings	0.25	\$85,000.00	\$21,250.00
Total FTE	1.7		\$150,000.00

- b. PUD further estimates that it will incur an **annual IT expense of approximately \$10,000.00** for posting, data storage, site maintenance, and public inquiry processing.
- c. PUD further estimates that it will need the services of an attorney from the Commission's Judicial and Legislative Services Division ("JLS"), and that Commission Staff may become involved at times. For Commission Staff, this estimate does not include deliberating counsel or executive assistants. Further, this estimate does not include time associated with legal filings.

FTE Approximates		FTE Annual	Weighted Cost
JLS Attorney	0.25	\$96,000.00	\$24,000.00
JLS Admin	0.05	\$85,000.00	\$4,250.00
Commission Staff (6 FTE total)	0.05	\$125,000.00	\$37,500.00
Total FTE	0.35		\$65,750.00

- d. As a summary, PUD estimates that it will need **\$225,750.00 annually** to properly fund PUD due to the responsibilities and obligations it will incur:

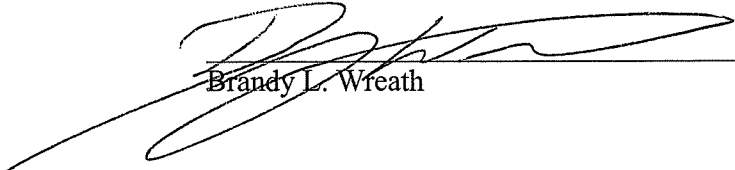
FTE Approximates			Weighted Cost
Total FTE Approx.	2.05		\$215,750.00
Total IT Expense		\$10,000.00	\$10,000.00
			\$225,750.00

6. As of December 2018, there are currently 3,984 (installed wind capacity: 8,072 MW) commercially operating wind turbines in the State of Oklahoma.
7. Some of these wind turbines are owned by public utilities, as defined in OAC 165:5-3-21, that pay into the PUD Fee Assessment, and would therefore be exempt from paying the wind turbine fee. However, these public utility owned wind turbines must still report annually to PUD, and PUD will still be responsible for monitoring and ensuring compliance with the Oklahoma Wind Energy Development Act ("the Act").
8. Using the current number of wind turbines in the State of Oklahoma as a basis point for payment of the proposed fee of \$50.00 per wind turbine, had the fee been effective in 2018, PUD would have received **\$199,200.00 in 2018**. It is important to note that this amount includes wind turbines owned by public utilities; therefore, the exact amount would have been less.
9. Using the above FTE estimate showing that **PUD needs \$225,750.00 annually** to properly perform its duties and obligations currently under the Act, PUD needs the fee to be set at \$56.66 per year, not \$50.00 per year.
10. PUD anticipates that the number of wind turbines in the State of Oklahoma will increase every year for the near future. Currently there are an estimated 895 wind turbines (wind capacity under construction and development: 1,790 MW) under construction and expected to begin commercial operation soon.
11. While the requested \$50.00 per turbine fee does not fully cover PUD's costs to administer its

duties and obligations under the Act, PUD believes that as new turbines begin commercial operation, and begin paying the \$50.00 annual fee, that it will cover a significant portion of its costs in the near future.

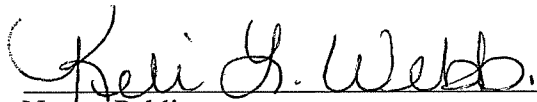
12. PUD believes that a fee of \$50.00 per wind turbine is fair, just, and reasonable.

I hereby certify that the information contained in the above and foregoing *Affidavit* is true and correct to the best of my knowledge and belief.



Brandy L. Wreath

Subscribed and sworn to before me this 15th day of February, 2019.



Notary Public

