

**BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA**

APPLICATION OF OKLAHOMA NATURAL )  
GAS COMPANY, A DIVISION OF ONE GAS, )  
INC., FOR APPROVAL OF ITS )  
PERFORMANCE BASED RATE CHANGE )  
PLAN CALCULATIONS FOR THE TWELVE )  
MONTHS ENDING DECEMBER 31, 2021, )  
ENERGY EFFICIENCY TRUE-UP AND )  
UTILITY INCENTIVE ADJUSTMENTS FOR )  
PROGRAM YEAR 2021, AND CHANGES OR )  
MODIFICATIONS TO ITS TARIFFS )

CAUSE NO. PUD 202 200023

**FILED**  
MAR 15 2022

COURT CLERK'S OFFICE - OKC  
CORPORATION COMMISSION  
OF OKLAHOMA

**DIRECT TESTIMONY**

**OF**

**CHANTEL MILLER**

**ON BEHALF OF**

**OKLAHOMA NATURAL GAS**

**March 15, 2022**

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1 **INTRODUCTION**

2 Q. Please state your name.

3 A. My name is Chantel Miller.

4

5 Q. By whom are you employed and in what capacity?

6 A. I am employed by ONE Gas, Inc. ("ONE Gas") as a Rates Analyst for the ONE  
7 Gas division utilities, which include Oklahoma Natural Gas ("Oklahoma Natural"  
8 or "Company"), Kansas Gas Service and Texas Gas Service.

9

10 Q. Please briefly describe your educational and professional background.

11 A. I received a Bachelor of Science Degree in Accounting from Oral Roberts  
12 University in 2014. I began my career with ONE Gas in April 2018 as a Staff  
13 Accountant. In July 2019, I became a Rates Analyst. Prior to joining ONE Gas, I  
14 worked at Helmerich & Payne, Inc. in various roles including Finance Intern,  
15 Accounts Payable Clerk, and Payroll Accountant from September 2013 to April  
16 2018.

17

18 Q. What are your current responsibilities?

19 A. In my current capacity with ONE Gas, my responsibilities consist of assisting the  
20 division utilities with the review and analysis of company financial data and  
21 records.

22

1 Q. Have you previously testified before the Commission?

2 A. Yes, I have filed testimony in Cause Nos. PUD 202000022 and PUD 202100063.

3

4 **PURPOSE**

5 Q. What is the purpose of your testimony?

6 A. The purpose of my testimony is to address and sponsor pro forma adjustments  
7 for Corporate Materials and Supplies RB-4, Corporate Prepayments RB-6, and  
8 Corporate Support Services/Distrigas E-6.

9

10 **CORPORATE MATERIALS AND SUPPLIES**

11 Q. Please describe pro forma adjustment RB-4, the rate base adjustment to  
12 materials and supplies.

13 A. For the components of working capital included in rate base (such as gas in  
14 storage, materials and supplies, and prepayments), a 13-month average is more  
15 representative of the Company's investment in these items than the balance  
16 recorded in the Company's books at the end of the test year. Pro forma  
17 adjustment RB-4 in the amount of \$(56,828) represents the decrease needed to  
18 reflect the 13-month average.

19

20 **CORPORATE PREPAYMENTS**

21 Q. Please explain pro forma adjustment RB-6.

1 A. Pro forma adjustment RB-6 in the amount of \$240,739 represents the increase  
2 needed to reflect the 13-month average of corporate prepayments allocated to  
3 Oklahoma Natural. By taking the average balance over 13 months, fluctuations  
4 in corporate prepayment accounts during the test year are normalized. The  
5 average 13-month balance has been adjusted to remove aviation insurance  
6 activity. Prepayments are properly included in rate base as they represent an  
7 investment the Company has made in the provision of utility service, similar to  
8 the plant in service assets. The Company maintains a prepayment balance to  
9 cover annual insurance premiums for policies such as general liability,  
10 automobile, workers' compensation, property insurance, as well as, annual  
11 equipment and software maintenance agreements, software license fees and  
12 other miscellaneous prepaid items such as agreements and purchases for  
13 industry related dues, subscriptions, and bulk purchases of company logo paper  
14 and envelopes used for mailings of customer bills, pamphlets, notices, and  
15 brochures.

16

17 **CORPORATE SUPPORT SERVICES/DISTRIGAS**

18 Q. Please explain pro forma adjustment E-6.

19 A. Pro forma adjustment E-6 decreases the Company's test year operating  
20 expenses by \$2,845,237. This adjustment is necessary to remove certain costs  
21 allocated to Oklahoma Natural through the ONE Gas Dstrigas allocation  
22 methodology. For example, adjustments were made to remove governmental

1 relations, civic, and contribution and donation activities. This adjustment also  
2 removes activity such as supplemental executive retirement plan, long-term  
3 incentive compensation (LTI), and corporate aircraft activity, costs for which the  
4 Company has elected not to seek recovery in this case. Additionally, the  
5 Company adjusted short-term incentive (STI) compensation down to 100% of  
6 target. An additional adjustment was made to annualize the December 2021  
7 payroll allocated to Oklahoma Natural through the ONE Gas Distrigas allocation  
8 method.

9  
10 **COST ALLOCATION METHODOLOGY**

11 Q. Has the ONE Gas cost allocation methodology changed since Oklahoma  
12 Natural's last general rate case?

13 A. No. ONE Gas continues to allocate corporate costs using the same cost  
14 allocation methodology applied in Cause No. PUD 202100063, Order No. 721916  
15 which is also the same methodology applied since Cause No. PUD 201500213,  
16 Order No. 648326.

17  
18 **CONCLUSION**

19 Q. In conclusion, are the adjustments that you are sponsoring in the above  
20 testimony necessary to compute rate base and cost of service in the same  
21 manner as the Company's most recent rate case?

1 A. Yes, the proposed adjustments have been made pursuant to Tariff 1201  
2 (Performance Based Rate Change (“PBRC”) Plan), Sections 6(c) and 6(e)(4).  
3 Section 6(c) states, “Rate Base and cost of service shall be computed in the  
4 same manner as in the Company’s last Chapter 70 general rate change  
5 application.” Section 6(e)(4) states that operating expenses shall also be  
6 modified as follows: “The level of salaries and wages, savings plans expenses,  
7 payroll taxes, and other payroll-related expenses for the last month (December)  
8 of the Test Year shall be annualized.” The proposed adjustments in the above  
9 testimony are required to compute rate base and cost of service in the same  
10 manner as in the Company's last Chapter 70 general rate change application.

11

12 Q. Does this conclude your direct testimony?

13 A. Yes, it does.