

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICATION OF FORT COBB FUEL)
AUTHORITY, LLC FOR APPROVAL OF)
SPECIAL REGULATORY TREATMENT FOR)
ABNORMAL GAS SUPPLY COSTS ARISING)
FROM EXTREME WINTER WEATHER AND)
WAIVER OF APPLICABLE PURCHASED GAS)
ADJUSTMENT TARIFFS AND RULES UNDER)
OAC 165:50 SPECIFYING METHODOLOGY FOR)
RECOVERY OF GAS SUPPLY COSTS)

CAUSE NO. PUD 202 100057



APPLICATION

Fort Cobb Fuel Authority, LLC (“Ft Cobb” or the “Company”) for its Application represents and states as follows:

I. PARTIES

Ft Cobb furnishes natural gas service to residential, commercial and industrial customers located in eighteen counties in rural Oklahoma. Its rates, services, practices, and charges in connection therewith are subject to general regulation by the Oklahoma Corporation Commission. Ft Cobb’s principal office is located at P.O. Box 183, 121 Eakly Campus Road, Eakly, Oklahoma 73033.

The names, addresses and telephone numbers of Ft Cobb’s counsel of record are stated below.

II. ALLEGATIONS OF FACT

1. On February 12, 2021, Governor Stitt declared a state-wide emergency due to “[e]xtreme freezing temperatures and severe winter weather including snow, freezing rain, and wind beginning February 7, 2021, and continuing.” In his Declaration, the Governor stated, “There is hereby declared a disaster emergency caused by severe winter weather in *all 77*

Oklahoma counties that threatens the public's peace, health, and safety.” (Emphasis in original).

2. Natural gas markets throughout the area are experiencing a great crisis due to the extreme cold temperatures and abnormal winter weather during the recent weather conditions. Demand for natural gas has escalated radically in area markets, particularly in the Company's LeAnn division operating area, because of the recent weather crisis and prices have risen on the spot and daily index markets accordingly. Pricing for natural gas, which began the month at \$3 per MCF increased ten to one-hundred-fold, exceeding \$300 per MCF. This dramatic increase in spot prices significantly impacted the Purchased Gas costs for Fort Cobb Fuel Authority. Due to the increase, demand on the Company's local distribution system has escalated dramatically.

3. Fort Cobb furnishes natural gas service to residential, commercial and industrial customers located in eighteen rural counties of Oklahoma. Fort Cobb purchases gas from third party non-affiliated gas suppliers and distributes it to their customers. As a regulated natural gas LDC, Fort Cobb Fuel Authority does not take a position on the natural gas commodity. Rather, it acts as a toll road charging for the molecules of gas that transit its system and passing through the cost of the commodity to the customer. Fort Cobb does not make a profit on the cost of the natural gas it only recovers its costs to procure the commodity and the transport of it through the interstate grid to the various city-gates of Fort Cobb. The practices, policies, and judgment for gas procurement used by Ft Cobb were found to be fair, just, reasonable, and its gas expenses were prudently incurred for calendar year 2019 in Order Number 717070 issued on February 25, 2021. Ft Cobb used the same practices, policies and judgement for gas procurement as found by the Commission to be prudent during this period of extremely cold weather during February 2021.

5. Unless the certain regulatory measures referenced below are taken, the higher prices currently prevailing in the market, which Ft Cobb is obliged to pay, will be flowed through directly to Ft Cobb's customers on a monthly basis as provided by the Company's purchased gas adjustment tariff prescribed by the Commission's rules (OAC 165:50).

6. To avoid the expected adverse impact on customers that would otherwise occur, Ft Cobb will present in this Cause specific emergency modifications to existing regulatory requirements for pass-through of gas supply costs during the current weather crisis.

7. Many of the facts supporting Ft Cobb's proposed modifications involve sensitive and confidential contractual banking obligations, market pricing, and evaluations of cost impacts to the Company's customers if no action is taken. Accordingly, Ft Cobb is filing an Emergency Application with this base Application in accordance with OAC 165:5-9-3 and a Motion for Protective Order, so that the Company will be able to maintain confidentiality of certain information it will need to share with the Commission and the Oklahoma Attorney General.

8. Furthermore, the relief Ft Cobb will propose in this Cause will require a waiver of the terms of the Company's existing tariff – particularly the purchased gas adjustment clause – along with a waiver of the provisions of the underlying rules found in OAC 165:50 and approval of modifications to its current tariff including its purchased gas adjustment clause provisions.

WHEREFORE, Ft Cobb requests that the Commission issue an order (1) prescribing modifications to its PGA effective for its May 1,2021 billing to customers necessary to accommodate the recovery of the increased natural gas costs described above which will ensure that the Company's customers receive utility service during the current unprecedented 2021 winter weather event including reasonable commodity costs, other reasonable costs necessary to

APPLICATION OF FT COBB UTILITY CORPORATION, FOR APPROVAL OF SPECIAL REGULATORY TREATMENT FOR ABNORMAL GAS SUPPLY COSTS ARISING FROM EXTREME WINTER WEATHER

ensure stability and reliability of natural gas service; (2) waiving the provisions of the Company's tariffs that would otherwise direct that these costs be passed through to customers in the ordinary course; (3) waiving the provisions of OAC 165:50 to the extent inconsistent with the process proposed herein; (4) modifications to the Company's tariff regarding Collection/Shut-Off Fee; (5) recovery of carrying costs incurred by the Company necessitated by borrowing funds to pay the extraordinary gas costs and; (6) providing such other relief as the Commission may find to be fair, just and reasonable.

Respectfully submitted,

FORT COBB FUEL AUTHORITY, LLC

By: 

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**ATTORNEY FOR FORT COBB FUEL
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CERTIFICATE OF SERVICE

I hereby certify that on the 18th day of March, 2021, a full, true, and correct copy of the above and foregoing instrument was served on the following person by electronic mail to the following:

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Signed,



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