

News from the **Oklahoma Corporation Commission**

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A STEP FORWARD

(Corporation approves rebate program for vehicle CNG conversions, purchases and home fueling stations)

The Oklahoma Corporation Commission today approved a rebate program that gives more Oklahomans the opportunity to choose motor fuels while boosting the state's economy. Under the program, Oklahomans can receive rebates for the purchase of a vehicle powered by compressed natural gas (CNG), conversion of a vehicle to CNG, and for the purchase of a residential CNG fueling system. While the rebate program will be offered through Oklahoma Natural Gas (ONG), all Oklahomans are eligible for the rebates.

Oklahoma Corporation Commission Chair Dana Murphy praised OCC staff that developed the program.

"The program approved today represents a win for Oklahoma on at least four fronts: It encourages use of Oklahoma's vast natural resources; promotes Oklahoma's role in helping our country achieve energy independence; helps our rural communities by providing access to CNG fueling in remote as well as urban areas; and supports the viability of Oklahoma's local natural gas distribution facilities," Murphy said. "I've continually expressed the need for innovative programs in Oklahoma and encouraged all stakeholders and the OCC to explore and work together on these types of issues. I'm pleased to see our staff and others rise to the challenge and develop a beneficial program that also offers a financial break to Oklahomans who've been hit hard in the pocketbook."

Commission vice Chair Bob Anthony said the program will serve as an incentive to grow the state's CNG infrastructure.

"Promoting natural gas usage in vehicles helps America reduce its dependence on foreign oil and helps our nation's balance of payments. Natural gas is a clean, abundant and economical transportation fuel and its expanded use can provide jobs to millions of Americans. My personal vehicle is CNG, and it's safe and reliable."

Commissioner Patrice Douglas said the program helps support Governor Fallin's Oklahoma First Energy Program.

"A key part of that program is increasing the use of natural gas as a motor fuel," Douglas noted. "While CNG is a great buy at the pump at less than half the price of gasoline, the

higher initial price of buying a CNG vehicle or converting an existing vehicle can be an issue. This program will allow many more Oklahomans to consider a CNG vehicle, giving consumers more options at the pump.

“It’s important to point out that this program is not a rate increase for ONG customers,” Douglas added. “Also, under the law ONG cannot does not make any profit from CNG sales.”

The program will offer rebates of \$2500 for dedicated natural gas vehicles, \$1500 for “dual fuel” natural gas vehicles, and \$2500 for residential systems that will allow for the refueling of a CNG vehicle at home. The program is limited to three rebates per customer per calendar year.

The program will be funded through a 25 cent per gallon-equivalent surcharge at the 25 ONG-owned CNG fueling facilities that are open to the public. Because ONG cannot sell CNG at a profit, with the surcharge the cost of CNG at ONG’s pumps will still be lower than at commercial CNG stations.

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