

FILED
JUN 26 2009

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICATION OF OKLAHOMA NATURAL)
GAS COMPANY, A DIVISION OF ONEOK,)
INC., FOR A REVIEW AND CHANGE OR)
MODIFICATION IN ITS RATES, CHARGES,)
TARIFFS, AND TERMS AND CONDITIONS)
OF SERVICE)

COURT CLERK'S OFFICE -- OKC
CORPORATION COMMISSION
OF OKLAHOMA
CAUSE NO. PUD 200900110

APPLICATION

Oklahoma Natural Gas Company, a division of ONEOK, Inc. ("Oklahoma Natural" or the "Company"), in support of this Application for a general rate review, represents and states as follows:

I. PARTIES

Oklahoma Natural is a natural gas public utility serving approximately 840,000 residential, commercial, and industrial customers throughout the State of Oklahoma. Its rates, charges, and terms and conditions of service are subject to regulation by the Commission. Oklahoma Natural's principal office is located at 401 N. Harvey, P.O. Box 401, Oklahoma City, Oklahoma, 73101. The name, address and telephone number of Oklahoma Natural's counsel of record is stated below.

II. ALLEGATION OF FACTS

1. On May 11, 2009, Oklahoma Natural filed a Notice of Intent in this Cause, stating its intent to file a general rate change application on or before June 30, 2009. Pursuant to that Notice, Oklahoma Natural respectfully submits its Application Package as provided by the Commission's Rules and Regulations. This filing meets the requirements of Interim Order No. 550712 issued in Cause No. PUD 200700335.

2. The Commission last conducted an investigation of Oklahoma Natural's rates and earnings in Cause No. PUD 200400610. That investigation, based upon a test year ending July 31, 2004, culminated in a Report of the Administrative Law Judge that was approved by the Commission in Order No. 512287, issued October 4, 2005.

3. Since that time, Oklahoma Natural's investment in rate base has increased by more than \$162 million. The Company's non-gas operating expenses have increased by approximately \$63 million. These and other changes have created substantial costs that were not addressed in the last rate proceeding. As a result, Oklahoma Natural is currently earning less than a reasonable return on the value of plant, property and other assets devoted to public utility service. Oklahoma Natural must receive increased rates and additional revenues in order to provide adequate and reliable gas service and earn a fair, just and reasonable rate of return on investment.

4. By this Application, Oklahoma Natural is requesting an increase in rates to produce sufficient revenue to achieve an 8.811% rate of return on its rate base. This equates to an 11.0% rate of return on equity for the test year ending December 31, 2008, which is a minimum, fair, just and reasonable rate of return on common stockholders' equity.

5. Based upon the foregoing, Oklahoma Natural hereby requests the Commission grant it authority to adjust its base rates to produce additional base revenues in the amount of \$66,082,479 inclusive of income taxes.

6. Oklahoma Natural further requests that the Commission allow the Company to modify its existing tariff riders as necessary, to implement rate schedule 1201, Performance Based Rate Change Plan ("PBRC"), as authorized by Commission Order No. 567498 in Cause No. PUD 200800348, the specifics of the requested modifications are more fully described and supported in the testimony filed herewith.

7. Oklahoma Natural further requests the approval of proposed revisions to its current gas utility rules and rate schedules as further described in the testimony filed with this Application.

8. Oklahoma Natural further requests the approval of rate design and tariff changes as set forth in the testimony and supporting documents filed with this

Application.

9. All schedules, workpapers, and data required to be filed with, or provided to, the Commission pursuant to OAC 165:45-70 are being filed or provided herewith.

III. LEGAL AUTHORITY

Jurisdiction of the Commission in this proceeding is based upon its authority under Article 9, Section 18 of the Oklahoma Constitution, 17 O.S. 2001, §§ 151, *et seq.*, 263-264, and 281-285, OAC 165:45, and OAC 165:70.

IV. RELIEF SOUGHT

Oklahoma Natural respectfully requests that the Commission: commence an audit and investigation of the books, records, and operations of Oklahoma Natural as deemed necessary by the Commission; prescribe rates which will produce an increase of \$66,082,479 in base revenues, inclusive of income taxes, which will afford Oklahoma Natural the opportunity to earn a reasonable rate of return on its property devoted to public utility service in the State of Oklahoma; approve Oklahoma Natural's revised rate design and rate restructuring proposals; approve the proposed tariffs and tariff riders; approve the proposed changes to the Company's internal gas utility rules; and grant such other and further relief that is requested herein and in the testimony in support hereof, or which is deemed necessary and appropriate by the Commission, whether or not such relief is specifically requested.

Respectfully submitted,



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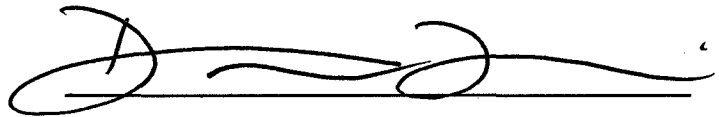
CERTIFICATE OF MAILING

I, Dustin R. Fredrick, hereby certify that a copy of the foregoing document was served by hand delivery on the 26th day of June, 2009 to:

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A handwritten signature in black ink, appearing to read 'Dustin R. Fredrick', written over a horizontal line.

Dustin R. Fredrick