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May 20, 2013

Mr. Steve Thompson
Director, Oklahoma Department of Environmental Quality
P.O. Box 1677
Oklahoma City, OK 73101-1677

Dear Mr. Thompson:

Devon Energy Corporation supports the settlement between Public Service Company of Oklahoma (PSO) and the U.S. Environmental Protection Agency (EPA) addressing the Revision to the Regional Haze State Implementation Plan. Devon requests that the Oklahoma Department of Environmental Quality approve the settlement.

This settlement allows Oklahoma to retain state control and primacy over air regulation. It is also based on the benefits of natural gas, a clean fuel produced locally.

In September 2012, I sent the attached letter on behalf of Devon Energy thanking Governor Fallin for her continued support of the PSO/EPA settlement. In that letter I wrote that the settlement PSO reached allows continued state control of its implementation plan and expanded use of native natural gas while providing PSO the flexibility to continue to operate some of the coal-fired units EPA questioned in its regional haze inquiry. Further, I highlighted the environmental benefits of natural gas which the International Energy Agency has cited as the reason carbon emissions have continued to fall.

Devon's position remains unchanged since the time that letter was written, and we hope that DEQ will approve the settlement.

Thank you for the opportunity to provide comment in this important matter.

Sincerely,

A handwritten signature in black ink, appearing to read "W. Whitsitt". The signature is fluid and cursive, written over a horizontal line.

Cc: Cheryl E. Bradley, ODEQ Air Quality Division



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September 26, 2012

The Honorable Mary Fallin
Governor of Oklahoma
State Capitol Building, Suite 212
2300 North Lincoln Boulevard
Oklahoma City, OK 73105

Dear Governor Fallin:

Your longstanding support of the oil and natural gas industry is very much appreciated. Devon asks for your continued support for expanded use of natural gas, Oklahoma's domestic fuel, arising from the Public Service Company of Oklahoma's (PSO) settlement agreement with the Environmental Protection Agency (EPA).

As you know, in 2011 EPA determined that the most appropriate way to combat regional haze was through an unprecedented Federal Implementation Plan (FIP) which would require specific fuel and emission control options. In order to control its decision-making process, PSO entered into settlement discussions with the EPA and a settlement is currently being finalized. The settlement allows PSO to retire coal units and replace that power through a Power Purchase Agreement that will rely on clean-burning natural gas. According to PSO, this approach is the lowest-cost alternative and would avoid installing expensive scrubbers on an aging coal generation unit.

The settlement PSO reached allows continued state control of its implementation plan and expanded use of native natural gas while providing PSO the flexibility to continue to operate some of the coal-fired units EPA questioned in its regional haze inquiry. Under the settlement, PSO would:

- place emission controls on one coal unit and run it through 2026;
- decommission one coal unit in 2016; and,
- be required to seek purchase power agreements from natural gas and renewable generators.

Devon and other producers in Oklahoma successfully produce significant volumes of natural gas statewide, thanks in large part to the shale gas revolution. A prime example of the industry's success is just 40 miles west of the Capitol in Oklahoma's Cana field. Because of this new development, the US Energy Information Administration's latest data shows that not only does Oklahoma meet its needs, but the state also *exports* more than 63 percent of its production. The bottom line is that Oklahoma producers can meet the state's future increased generation demand.

Certainly the benefits of lower emissions from a cleaner fuel cannot be ignored, either. For example, the International Energy Agency has stated that carbon emissions in the United States fell in 2011, "...primarily due to ongoing switching from coal to natural gas in power generation." Further, EIA month-to-month data reveals that carbon emissions from January to May of this year declined six percent when compared to 2011. Several analysts have credited natural gas as the driving force behind this reduction.

In summary, the settlement PSO entered into with EPA - based on PSO's own business requirements as well as considerations such as those I have outlined - provides an opportunity to take next steps in Oklahoma's clean energy future evolution. Devon supports this approach and thanks you for your continued support of the PSO/EPA settlement.

Sincerely,

A handwritten signature in black ink, appearing to read "W. Whitworth", is written over a horizontal line.

cc: Commission Chair Patrice Douglas
Commission Vice-Chair Bob Anthony
Commissioner Dana Murphy
Secretary of Energy Mike Ming
Secretary of Environment Gary Sherrer
Director Steve Thompson