



## Customers benefit from federal tax reform in OG&E's rate filing

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- Company seeks approval to recover \$390 million investment in new power plant
- Federal tax reform, fiscal discipline reduce company's rate increase request from approximately \$70 million to less than \$2 million
- Oklahoma residential customers to see no bill increase
- Seven, new, high-tech turbines replace aging Eisenhower-era units near Mustang, OK

OKLAHOMA CITY, Jan. 16, 2018 /PRNewswire/ -- Oklahoma Gas and Electric, a subsidiary of Oklahoma City-based OGE Energy Corp. (NYSE: OGE), announced today that it has asked the Oklahoma Corporation Commission to review the company's request to recover its approximately \$390 million investment in the Mustang Energy Center, the first, new, natural-gas fired plant the company has built in more than 30 years. The new plant includes seven, modern quick-start natural-gas turbines that replaced two of the oldest natural gas-fired units in the country.

The company initially planned to seek a rate increase of about \$70 million per year to recover its investment. Following President Donald Trump's signing of federal tax reform in December 2017, the company delayed its filing from late December to today to adjust its proposed filing to ensure customers benefitted from the lower corporate tax rate. The company is now seeking just under \$2 million per year, and the average Oklahoma residential customer will see no monthly bill increase. OG&E's rates today are 24 percent below the national average, placing them among the lowest in the country.

"The president's signing of tax reform in December was fortuitous for customers and the company," said OG&E spokesman Brian Alford. "When it became evident in November that tax reform was a real possibility, we began having conversations at the Oklahoma Corporation Commission about incorporating the benefits of tax reform into our upcoming filing. Today's filing reflects those benefits as well as our ongoing efforts to manage costs, which provide customers with a modern, highly efficient power plant at virtually no impact on monthly electric bills."

The turbines at Mustang, which will generate 462 megawatts of power, are complemented by a diversified portfolio of renewable wind and solar power. Their quick-start capability will allow them to put electricity onto the grid in less than 10 minutes.

"The Mustang Energy Center turbines are more efficient, sustainable and responsive, while continuing to honor its legacy of providing affordable, reliable power," Alford said. "We're also very fortunate to be in a position to repurpose the Mustang site with modern technology. The Mustang location has an existing, skilled workforce and infrastructure, including connection to nine transmission lines, which ensures that energy can be delivered where and when it is most critical. The location is essential to the reliability and resiliency of countless, critical private and government industries, and would play a critical role in restoring our system in times of crisis. Modernizing this facility also avoids the need for, and is far less expensive than, adding a new power plant to our existing fleet."

Alford added that in addition to recovering the Mustang investment, the company's filing also seeks to restore its return on equity, which is currently below the national average for vertically integrated utilities, as well as align its depreciation rates more closely to actual asset lifespans.

### About OG&E

Oklahoma Gas & Electric Company, a subsidiary of OGE Energy Corp. (NYSE: OGE), is Oklahoma's largest electric utility. For more than a century, we have provided customers in Oklahoma and western Arkansas the safe, reliable electricity needed to power their businesses and homes at rates below the national average. Our employees are committed to generating and delivering electricity, protecting the environment and providing excellent service to our 839,000 customers. OG&E has 6,667 MW of electric generation capacity fueled by low-sulfur coal, natural gas, wind and solar. OG&E is recognized as a leader in smart grid technology, leveraging this platform to provide customers with the award-winning SmartHours® program and setting the stage for an electric vehicle program that will include some level of public charging infrastructure, and advanced LED street and security lighting. OG&E employees live, work and volunteer in the communities we serve.

For more information about OG&E, visit us on the Internet at <http://www.oge.com> or follow us on Facebook: [www.facebook.com/ogepower](http://www.facebook.com/ogepower) and Twitter: @OGandE.

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