

BEFORE THE CORPORATION COMMISSION OF OKLAHOMA

IN THE MATTER OF THE APPLICATION OF)
OKLAHOMA GAS AND ELECTRIC COMPANY)
FOR AN ORDER OF THE COMMISSION)
APPROVING THE COMPANY'S 2016 DEMAND)
PORTFOLIO AND AUTHORIZING RECOVERY)
OF THE COSTS OF THE DEMAND PROGRAMS)
THROUGH THE DEMAND PROGRAM RIDER)
IN THE MATTER OF THE APPLICATION OF)

CAUSE NO. PUD 201500247

FILED
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Testimony Summary of B. Dean Pollock

On July 1, 2015 B. Dean Pollock filed Direct Testimony and on October 9, 2015 filed Rebuttal Testimony in Cause No. PUD 201500247 on behalf of Oklahoma Gas and Electric Company ("OG&E"). Mr. Pollock's Direct Testimony explains how the proposed Demand Portfolio was developed and the modifications that were made to existing programs. The total budget for the Demand Portfolio was detailed by program and by year in Table 1, Portfolio Program Costs. The estimated energy and demand savings were also shown in Table2, Planned Demand and Energy Savings, by program and by year. The total cost for the proposed 3-year portfolio is \$103 million and the estimated savings are 81 MW and 240,024 MWH. The recovery of lost net revenues and incentives for all Demand Programs in the proposed portfolio was requested.

The evaluation of the portfolio cost effectiveness as required by OAC 165:35:41-5(c) was discussed and a table was included with the results. The five economic tests included in the California Standard Practice Manual are used to evaluate each program. The proposed portfolio qualifies for a performance incentive based on estimated costs and savings.

A request for research and development funds was made for four R&D projects. The four R&D projects include: a residential project building on the success of the SmartHours Program that evaluates customer interest in more advanced technology, a C&I project that uses "set and forget" technology, a project for a customer engagement approach using behavior based studies and techniques, and finally a project testing technology allowing customers to manage LED light fixtures.

Mr. Pollock's Rebuttal Testimony discusses OG&E's response to portfolio modifications recommended by PUD witness Kathy Champion and also responds to Attorney General witness Ed Farrar about why OG&E did not include its SmartHours Program in the DPR.

Ms. Champion's recommendations stemmed primarily from the 2014 year end evaluation report produced by OG&E's evaluation, measurement and verification (EM&V) contractor, Applied Energy Group (AEG). Each year, OG&E's implementation of its Demand Programs is evaluated and recommendations are suggested to enhance both the process and impact of programs. Mr. Pollock's testimony discusses how OG&E reviews and responds to each recommendation each year. Mr. Pollock's testimony specifically discusses how OG&E was addressing recommendations regarding data quality, staffing and training.

Other recommendations Ms. Champion discussed were reporting on R&D projects, including the SmartHours results in the DPR annual report and recommended OG&E spend the maximum allowed by the rules on its Demand Program portfolio. Mr. Pollock's testimony noted that reports on R&D activity have been included in previous DPR annual reports and that OG&E intends to continue including the reports. Mr. Pollock's testimony points out that the SmartHours program is no longer part of the DPR and the annual reporting of the SmartHours program should not be included in the DPR annual report. Regarding the maximum spend cap for programs, Mr. Pollock's testimony discusses OG&E's intent to mitigate the impact of the DPR on its customers by increasing the DPR spend gradually over the three year portfolio cycle rather than increase it to the maximum spend level for all three years.

Attorney General witness Ed Farrar's testimony recommended that the SmartHours program should continue to be a part of the Company's DPR filing. Mr. Pollock's testimony discusses OG&E's success with the SmartHours program and its intent to continue to maintain the program at current levels while reviewing opportunities to enhance the program and increase participation in the future.