

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

IN THE MATTER OF THE APPLICATION OF)
OKLAHOMA GAS AND ELECTRIC COMPANY)
FOR COMMISSION PREAPPROVAL PURSUANT) Cause No. 201800159
TO 17 O.S. SECTION 286(C) FOR ACQUISITION) PuD
OF CAPACITY THROUGH ASSET PURCHASE)

FILED
DEC 28 2018

APPLICATION

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CORPORATION COMMISSION
OF OKLAHOMA

COMES NOW Oklahoma Gas and Electric Company, hereinafter referred to as "Applicant," "OG&E," or "Company," and in accordance with Article IX, section 18, 17 O.S. § 151 *et seq.*, 17 O.S. § 286(C), and the Commission's rules promulgated thereunder, shows as follows:

I. Applicant

OG&E is an investor-owned electric public utility with plant, property, and other assets dedicated to and for the generation, transmission, distribution, and sale of energy at retail levels within the states of Oklahoma and Arkansas. OG&E is incorporated with the State of Oklahoma, is subject to the regulatory authority of this Commission with respect to its retail rates and charges within the State of Oklahoma, and has the following address as its principal place of business:

321 N. Harvey Avenue
Oklahoma City, Oklahoma 73102

Applicant is represented for the purposes of these proceedings by the following named individuals whose addresses are reflected below:

William L. Humes, OBA No. 15264
John D. Rhea, OBA No. 18984
Patrick D. Shore, OBA No. 8205
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All correspondence, pleadings, and communications with respect to this proceeding should be directed to all named counsel at their respective addresses.

II. Facts

A. On September 18, 2018, OG&E submitted to this Commission its final Integrated Resource Plan (“IRP”). That IRP demonstrates a capacity shortfall for OG&E starting in 2019 and growing through 2028 as follows: 2019 – 168 MWs; 2020 – 305 MWs; 2021 – 362 MWs; 2022 – 396 MWs; 2023 – 438 MWs; 2024 – 615 MWs; 2025 – 673 MWs; 2026 – 786 MWs; 2027 – 831 MWs; and 2028 – 892 MWs.

B. On October 10, 2018, OG&E issued a Request for Proposals for Capacity (“RFP”) seeking bids for projects that will be used to satisfy OG&E’s load and planning reserve obligations as a Load Responsibility Entity with the Southwest Power Pool beginning 2019, 2020, or 2021.

C. Bid responses to the RFP were received on October 22, 2018, and OG&E undertook evaluations of those proposals and engaged in negotiations with bidder(s) which culminated in an asset purchase agreement between OG&E and (1) Oklahoma Cogeneration, LLC; and (2) AES Shady Point, LLC. Oklahoma Cogeneration is a 146 MW, nameplate capacity, natural-gas combined-cycle existing generating facility. AES Shady Point is a 360 MW, nameplate capacity, circulating fluidized bed coal-fired existing generating facility.

D. 17 O.S. § 286(C) provides that an electric utility subject to this Commission’s jurisdiction may file an application seeking approval to construct a new electric generating facility, purchase an existing facility, or enter into a long-term contract for purchased power and capacity and/or energy. To the extent the Commission finds that a need for construction or purchase exists, that facility or contract shall be considered used and useful and costs associated with the facility or contract shall be subject to recovery subject to Commission rules.

III. Legal Authority

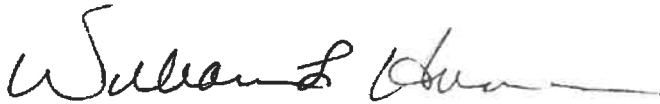
The Commission has jurisdiction in these proceedings and authority to grant the requested relief by virtue of Article IX, Sections 18 and following of the Constitution of the State of Oklahoma, the pertinent Oklahoma Statutes including 17 O.S. § 151, et seq., and 17 O.S. § 286(C), and this Commission’s rules.

IV. Relief Requested

WHEREFORE, the above premises considered, OG&E respectfully requests that the Commission grant the Company's request for preapproval of existing generating facilities Oklahoma Cogeneration and AES Shady Point pursuant to its authority under 17 O.S. §286(C). In addition, OG&E seeks approval of a rider mechanism to collect costs associated with the purchase of these generating facilities.

Respectfully submitted,

OKLAHOMA GAS AND ELECTRIC COMPANY



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