

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)

CAUSE NO. PUD 201 500247

Direct Testimony

of

Bryan J Scott

on behalf of

Oklahoma Gas and Electric Company

July 1, 2015

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CORPORATION COMMISSION
OF OKLAHOMA

Bryan J Scott
Direct Testimony

1 Q. **Would you please state your name and business address?**

2 A. My name is Bryan J. Scott. My business address is 321 N. Harvey Ave., Oklahoma
3 City, Oklahoma 73102.

4
5 Q. **By whom are you employed and in what capacity?**

6 A. I am the Director of Pricing and Load Analysis for Oklahoma Gas and Electric Company
7 (“OG&E” or “Company”).

8
9 Q. **Would you please summarize your educational qualifications and professional
10 experience?**

11 A. I graduated from the University of Tulsa with a Bachelor of Science degree in
12 Economics. I began working at Public Service Company of Oklahoma (“PSO”) in 1979
13 where I held various positions in its Rates Department. In 1994, I joined the Central and
14 South West (“CSW”) Rates Department as Manager of Pricing and Costing. (CSW was
15 the holding company over PSO) In 1995, I became responsible for new pricing programs
16 as Senior Project Manager for Pricing Development for CSW. In 2000, I became the
17 Manager of Texas Retail Pricing for American Electric Power (“AEP”) in preparation for
18 the deregulated market in Texas (AEP assumed control of CSW in 2000). In 2002, I left
19 AEP to become a consultant with B&B Consulting International and then with UtiliPoint
20 International. I subsequently joined OG&E in March, 2008. I have been involved with
21 electricity pricing, costing, rate administration and regulatory issues for over 35 years.

22
23 Q. **Have you previously filed testimony before the Oklahoma Corporation Commission
24 (the “Commission” or “OCC”)?**

25 A. Yes. I have previously filed testimony on behalf of OG&E in Cause Numbers PUD
26 200800398, 200900230, 200900231, 201000037, 201100087, 201200134, 201400286,
27 and 201400307. I have previously submitted testimony on behalf of PSO in proceedings
28 before this Commission. I have also submitted testimony in various proceedings before

1 the Arkansas Public Service Commission, the Louisiana Public Service Commission, the
2 Public Utility Commission of Texas, and the Federal Energy Regulatory Commission.

3
4 **Q. What is the purpose of your testimony?**

5 A. I describe the Company's proposed changes to the Demand Program rider ("DPR"),
6 which is the tariff that allows OG&E to recover the program costs, lost net revenues
7 ("LNR"), and incentives for the demand programs associated with this Comprehensive
8 Demand program filing. I also provide the cost recovery impact to customers that results
9 from the implementation of the Comprehensive Demand programs proposed by the
10 Company for 2016-2018.

11
12 **Q. Please describe the existing mechanism for recovering OG&E's Demand Program
13 costs, the DPR.**

14 A. The existing DPR, last approved in PUD 201200134 is attached as Exhibit BJS-1. The
15 DPR was initially proposed in PUD 200800059, the "Quick Start" proceeding. It was
16 revised in PUD 200900200, OG&E's initial Comprehensive Demand Program filing, and
17 then was modified in PUD 20120134 for changes to OG&E's Comprehensive Demand
18 Portfolio.

19
20 **Q. Why is OG&E proposing changes to the DPR?**

21 A. OG&E needed to make changes to its rider to comply with changes to the Demand
22 Program Rules that will become effective January 1, 2016. For example, separation of
23 cost recovery for Demand Response Programs and Energy Efficiency Programs is now
24 required since High-Volume Electricity Users ("HVEU") may selectively participate in
25 Demand Response Programs or Energy Efficiency Programs or both programs. In
26 addition, OG&E has reviewed the rider utilized by PSO to recover its demand program
27 costs and proposes a modification to the DPR which mirrors PSO's approach. PSO uses
28 two major classes, essentially Residential and Non-Residential, for cost recovery
29 purposes, while the existing DPR for OG&E uses seven classes. OG&E believes PSO's
30 approach is preferable and proposes only two major classes in the DPR, Residential and
31 Non-Residential.

1 Q. **How will ongoing costs for existing Demand Programs (2013-2015) be recovered?**

2 A. The ongoing costs will continue to be recovered utilizing the proposed DPR until those
3 costs are included in base rate determinations in OG&E's next general rate case.
4

5 Q. **Please generally describe the proposed DPR.**

6 A. I will briefly summarize each section of the DPR below. The precise language is
7 contained in the proposed DPR, Exhibit BJS-2.

- 8 • **Effective In:** The Oklahoma retail jurisdiction.
- 9 • **Purpose:** The purpose is to recover the Company's demand portfolio costs including
10 LNR and incentives.
- 11 • **Term:** The revised DPR becomes effective with the billing month of January 2016 to
12 coincide with the launch of the 2016-2018 Demand Portfolio.
- 13 • **Applicability:** The DPR applies to all rate classes, except Lighting classes and
14 Special Contract rates. Specific portions of the DPR may not apply to High Volume
15 Electricity Users ("HVEU") who have chosen to opt-out.
- 16 • **High-Volume Electricity Users Optional Participation:** HVEU may elect to not
17 participate in some or all Demand Programs [see OAC 165:35-41-3 and OAC 165:35-
18 41-4(b)(11)] and will not be charged any of those costs. This is known as opt-out.
19 HVEU must submit notice to the Director of PUD and to the Company within 30
20 days after the Company receives approval of its Demand Portfolio of their intent to
21 opt out. Generally, HVEU who do not initially opt out of the energy efficiency
22 programs are not allowed to subsequently opt out during the three year Demand
23 Portfolio period. Generally, HVEU who opt out of Energy Efficiency programs may
24 opt back in by submitting notice to the Director of PUD and the Company any by
25 paying up front the amount that they would have paid had they not opted-out initially.
26 HVEU may opt out and opt back in to the Demand Response programs without
27 penalty.
- 28 • **Rate Formulas:** The DPR includes two separate rates for each major class of
29 customers. The first rate recovers the costs for the Demand Response Program
30 ("DRP"). The second rate recovers the costs for the Energy Efficiency Program
31 ("EEP"). The DRP rate and EEP rate each have three major components to recover

1 Program Costs, LNR, and Incentives, plus an over/under recovery balance term for
2 true-up purposes and for any prior over/under recovery balances, and a carrying
3 charge term for the over/under recover balances.

- 4 • **Annual Rate Re-determination:** Each July 1, the Company will submit to the
5 Director of PUD recalculated rates for DRP and EEP incorporating the over/under
6 recovery balance and associated carrying charges. The recalculated rates will true-up
7 recovery for the actual program costs, the actual incentives earned if any, and the
8 recomputed lost net revenues. The revised rates for DRP and EEP will be
9 implemented in the October billing month approximately 90 days after the July 1
10 filing.
- 11 • **Interim Adjustment:** If the over/under recovery balance exceed 10% of expected
12 DPR revenues, then the Company or PUD Staff may propose an interim adjustment to
13 the DRP and/or EEP rates.
- 14 • **Attachment 1:** The DPR rates for DRP and EEP for 2016, 2017, and 2018 will be
15 listed for the Major Classes after final approval is received in this Cause. These rates
16 will be established using the approved projected program costs, LNR, and incentives.
17 These rates do not include any projected over/under recovery amounts for the 2016-
18 2018 period, but will include ongoing collections for approved demand programs
19 from the 2013-2015 period. Note that for the 2016-2018 program period, there are no
20 proposed demand response programs.

21
22 Q. **Does the proposed DPR continue to use “prior period” in its cost recovery**
23 **formulas?**

24 A. The proposed DPR no longer uses a “prior period” in its cost recovery formulas. Instead,
25 the projected amounts for program costs, LNR and incentives are included in the initial
26 determination of the DPR cost recovery rate. Then, the re-determination process will
27 compute an Over/Under recovery amount that will be added to the recovery rate.

28
29 Q. **Please describe the Major Classes in the DPR.**

30 A. The two major customer classes are Residential and Non-Residential.

- 31 • **Residential:** All customers billed under any residential tariff.

- 1 • **Non-Residential:** All customers billed under any General Service, Oil/Gas
2 Production, Municipal Pumping, Public Schools, Power and Light, or Large Power
3 and Light tariff.

4 The Major Classes do not include the Outdoor Security Lighting rate class, the Municipal
5 Roadway and Area Lighting rate class, or any Special Contract rates. High Volume
6 Electricity Users who chose to opt-out will not be included in the appropriate Major Class
7 for the computation of DRP or EEP rates.

8
9 **Q. Has OG&E calculated the cost impact to the average Residential customer for each
10 of the three years the 2016-2018 Demand Portfolio programs would be in effect?**

11 **A.** Yes, based on usage of 1,100 kWh per month for the typical residential customer, the
12 monthly cost to residential customers is expected to be \$2.13 in 2016, \$2.29 in 2017 and
13 \$2.46 in 2018. Each year is below the \$2.50 cap as required by the Demand Program
14 Rules. The details of this calculation are found in Exhibit BJS-3. Table 1 shows the
15 projected DPR residential rates and summarizes the impact by year to the typical
16 residential customer's monthly bill.

Table 1. Portfolio Costs and Customer Impacts

		Residential - TOTAL		
<u>Line</u>	<u>Description</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
1	Program Cost	\$ 17,645,332	\$ 19,263,706	\$ 20,931,059
2	Lost Net Revenue	\$ 710,440	\$ 2,182,957	\$ 3,726,439
3	Incentive	\$ 2,265,178	\$ 2,403,320	\$ 2,680,037
4	Total Cost	\$ 20,620,950	\$ 23,849,984	\$ 27,337,535
5	kWh	9,101,833,181	9,238,362,686	9,376,940,132
6	Factor per kWh (4 / 5)	\$ 0.00227	\$ 0.00258	\$ 0.00292
7	Average Monthly Usage - Residential	1,100	1,100	1,100
8	Customer Impact (6 * 7)	\$ 2.49	\$ 2.84	\$ 3.21
9	Program Cost Customer Impact (1 / 5 * 7)	2.13	2.29	2.46
		Non Residential - TOTAL		
<u>Line</u>	<u>Description</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
10	Program Cost	\$ 14,973,790	\$ 15,211,406	\$ 15,132,938
11	Lost Net Revenue	\$ 558,610	\$ 1,665,636	\$ 2,700,826
12	Incentive	\$ 977,042	\$ 954,106	\$ 952,121
13	Total Cost	\$ 16,509,442	\$ 17,831,148	\$ 18,785,885
14	kWh	11,038,664,727	11,274,340,613	11,513,551,637
15	Factor per kWh (13 / 14)	\$ 0.00150	\$ 0.00158	\$ 0.00163
General Service Impact				
16	Average Monthly Usage - General Service	1,800	1,800	1,800
17	Customer Impact (15 * 16)	\$ 2.69	\$ 2.85	\$ 2.94
Power & Light Impact				
18	Average Monthly Usage - Power & Light	43,000	43,000	43,000
19	Customer Impact (15 * 18)	\$ 64.31	\$ 68.01	\$ 70.16

1 Q. Has OG&E calculated the cost impact to the average General Service (“GS”) and
 2 Power & Light (“PL”) customer for each of the three years the 2016 Demand
 3 Portfolio?

4 A. Yes. Table 1 also shows the projected non-residential rates and summarizes the impact by
 5 year to the typical GS and PL customer’s monthly bill. For GS customers based on
 6 typical usage of 1,800 kWh per month, the monthly cost is expected to be \$2.69 in 2016,
 7 \$2.85 in 2017 and \$2.94 in 2018. The monthly cost to the typical PL customer is
 8 expected to be \$64.31 in 2016, \$68.01 in 2017 and \$70.16 in 2018.

1 Q. **What are the expected energy and demand benefits for the three year portfolio**
2 **period?**

3 A. OG&E expects total demand and energy savings to be approximately 81.1 Megawatts
4 (MW) and 240.0 Gigawatt-hours (GWh) in the third year of the comprehensive portfolio.
5 Table 2 summarizes the savings in each year of the portfolio. Savings will continue to be
6 experienced in subsequent years.

Table 2. Demand and Energy Savings Total

All Programs	Planned Demand Savings (MW)	Planned Energy Savings (GWh)
2016	29.2	80.0
2017	62.0	161.2
2018	81.1	240.0

7 Q. **What are Program Costs, Lost Net Revenues, and Incentives?**

8 A. Program Costs, as defined in the Demand Programs Rules (OAC 165:35-41-3), means the
9 expenditures, including expenditures paid to a third-party to deliver a program, incurred
10 by a utility to achieve capacity, energy, and peak demand savings through Demand
11 Programs.

12 Lost Net Revenues, as defined in the Demand Programs Rules (OAC 165:35-41-3),
13 means income from retail sale of electricity forgone by a utility directly resulting from
14 the success of its demand portfolio, less expenses the utility was not required to pay by
15 forgoing the sale.

16 Incentives, as defined in the Demand Programs Rules (OAC 165:35-41-3), means a sum
17 of money a utility may be allowed to recover--in addition to program costs and lost net
18 revenues.

19

20 Q. **Why should the Company recover Lost Net Revenue (“LNR”)?**

21 A. Recovery of LNR removes the disincentive for utilities due to any financial losses as a
22 result of implementation of Demand Programs. During OG&E’s last general rate
23 hearing, the Company set rates based on expected sales to customers. OG&E’s Demand

1 Program Portfolio activities will decrease expected sales to these customers. This results
2 in a decrease in revenues. Recovery of these lost revenues allows the Company to offer
3 Demand Programs without incurring a financial loss.
4

5 **Q. How is Lost Net Revenue calculated?**

6 A. LNR is the income from the retail sale of electricity forgone by a utility resulting from
7 implementation of its Demand Program portfolio. The income forgone is determined by
8 taking the difference between revenues the utility would have received assuming no
9 implementation of the Demand Program Portfolio and revenues the utility actually
10 received after implementation of the Demand Program Portfolio.

11 Revenues the utility would have received assuming no implementation of the Demand
12 Program Portfolio are calculated by multiplying the demand (kW) and energy (kWh)
13 billing determinants that would have been consumed under applicable tariff rate(s) prior
14 to subscription to the Demand Program Portfolio excluding customer charges and riders
15 that have true-up mechanisms (e.g. Fuel Adjustment Clauses).

16 Revenues the utility actually received after implementation of the Demand Program
17 Portfolio are calculated by multiplying the demand and energy billing determinants by
18 applicable tariff rate(s) post subscription to the Demand Program Portfolio, excluding
19 customer charges and riders that have true-up mechanisms (e.g. Fuel Adjustment
20 Clauses).
21

22 **Q. Has the Company calculated the projected LNR for the next three years?**

23 A. Yes. The annual LNR for the proposed demand portfolio is estimated to be \$1,269,050,
24 \$3,848,593 and \$6,427,265 for the years 2016, 2017 and 2018 respectively. The
25 projected LNR amounts are determined on the assumption that OG&E achieves savings
26 as planned. The amounts do not incorporate any general changes in rates and tariffs
27 during the portfolio term. Exhibit BJS-4 shows the calculation of the LNR projections
28 that will be included in the initial DPR rates for each calendar year.

1 Q. **Has the Company modified the calculation for LNR in its proposed DPR to**
2 **incorporate any potential changes resulting from a final order in Cause Number**
3 **PUD 201500153?**

4 A. No. Currently, the PUD 201500153 case is unresolved. After a final order is issued in
5 that Cause, the Company reserves the right to amend its application in the present Cause
6 or revise the proposed DPR tariff.

7

8 Q. **Why should the Company receive incentives?**

9 A. Incentives recognize the opportunity lost to utilities when they redirect capital investment
10 dollars to pay for Demand Programs. The inclusion of incentives offsets the return
11 utilities would have received had the Company used the Demand Program Portfolio
12 money to invest in other capital projects to meet customers' needs. They also recognize
13 there may be additional risks by engaging in Demand Programs (i.e. changes in
14 construction standards, customer adoption rates and preferences, etc.). Incentives also
15 reward utilities for successfully implementing their Demand Portfolio and achieving their
16 portfolio goals. Rule 165:35-41-8 states that a utility is eligible to receive an incentive if
17 its Demand Portfolio achieves each of the following:

18 (1) a minimum of 80% of the individual utility's goal ratio (Verified savings divided
19 by the Projected savings); and

20 (2) a total resource cost test benefit/cost ratio (TRC:B/CR) that is greater than one;
21 and

22 (3) a utility cost (UC) test benefit/cost ratio that is greater than 1.2.

23

24 Q. **How are incentives calculated?**

25 A. Incentives for utilities are calculated by multiplying the goal ratio (verified savings
26 divided by the projected savings) by the maximum incentive percentage of 15 percent of
27 Net Benefit. In calculation of incentives, goal ratios higher than 100 percent shall be
28 treated as 100 percent and goal ratios lower than 80 percent as 0 percent. The incentive
29 for a Demand Portfolio is capped at 15 percent of Net Benefits. Net Benefits equal the
30 difference between total benefits and total cost as calculated for cost effectiveness.

31

1 Q. **Has the Company calculated projected incentives for the three years of this**
2 **proposed demand portfolio filing?**

3 A. Yes. Projected incentives are \$3,242,220, \$3,357,426 and \$3,632,158 for the years 2016,
4 2017 and 2018 respectively. OG&E calculated incentives only on the operations and
5 maintenance (“O&M”) portion of expenses. The calculation of projected incentives is
6 detailed in Exhibit BJS-5.

7 Q. **What are your recommendations to the Commission?**

8 A. OG&E recommends that the Commission approve this revised DPR tariff to recover
9 program costs, lost net revenues, and incentives. OG&E also recommends approval of
10 the initial projections, as shown in Table 1, for the DPR rates.

11

12 Q. **Does this conclude your direct testimony at this time?**

13 A. Yes, it does.

OKLAHOMA GAS AND ELECTRIC COMPANY
 P. O. Box 321
 Oklahoma City, Oklahoma 73101

4th Revised Sheet No. 51.70
 Replacing 3rd Revised Sheet No. 51.70
 Date Issued December 3, 2012

STANDARD PRICING SCHEDULE: DPR
DEMAND PROGRAM RIDER

STATE OF OKLAHOMA

EFFECTIVE IN: The Oklahoma Retail Jurisdiction.

APPLICABLE RATE SCHEDULES: The DPR shall be applied to all Oklahoma jurisdictional rate classes.

TERM: This DPR Tariff shall remain in effect until modified or terminated by the Commission.

PURPOSE: The purpose of the Demand Program Rider (DPR) Tariff is to establish the DPR Rate(s) by which Oklahoma Gas And Electric Company will recover the costs for the specific programs plus the lost revenue and incentives from energy and demand reduction as approved by the Commission in its final order in Cause No. PUD 201200134 and shall become effective the month following approval by the Commission and implementation of the programs. Recovery is limited to: the total budget for the proposed programs; earned program shared benefits and incentives; calculated lost net revenues for total demand and energy reduction; and prior year true-up amounts. The DPR Rate(s) will be calculated to recover those costs over the period in which the DPR Rate(s) will be in effect.

DPR RATE FORMULA: The DPR Rate is a three part design. The first part is the Program Cost factor (PCf) which will apply to all current year participating customers. The second part is the Prior Period Cost Adjustment factor (PPCAf) and will apply to all current and prior year participating customers. The third part is the Demand Program Rider Opt-out Adjustment factor (DPROAf) and will apply only to those Large Power and Light (LPL-1) and Power and Light (PL-1) customers who are high-volume electricity users that elect to Opt-out of some or all Demand Program measures except for the Standard Offer Program (SOP). The DPR, PCf, PPCAf, and DPROAf formulae are shown below (with the PCf, PPCAf and DPROAf Rates shown in Attachment A to this DPR Tariff).

$$DPR = PCf + PPCAf + DPROAf,$$

PART I – Program Cost factor

NOTE: During the Demand Program portfolio cycle beginning on January 1, 2013 and ending on December 31, 2015, following the final order in Cause No. PUD 201200134, the PCf shall be levelized based on the approved Demand Portfolio budget costs.

Rates Authorized by the Oklahoma Corporation Commission:			Public Utilities Division Stamp
(Effective)	(Order No.)	(Cause/Docket No.)	
January 4, 2013	605737	PUD 201200134	APPROVED
August 2, 2012	599558	PUD 201100087	MAR 01 2013
April 2, 2010	573419	PUD 200900200	DIRECTOR OF PUBLIC UTILITY
August 1, 2008	556179	PUD 200800059 (original)	

OKLAHOMA GAS AND ELECTRIC COMPANY
P. O. Box 321
Oklahoma City, Oklahoma 73101

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Replacing 3rd Revised Sheet No. 51.71
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**STANDARD PRICING SCHEDULE: DPR
DEMAND PROGRAM RIDER**

STATE OF OKLAHOMA

$$PCF = (APB + APB_{SOP} * (1 - AP_{SOP})) \div TABU$$

APB = the Annual Program Budget for All Programs excluding the Standard Offer Program and Educational Program

APB_{SOP} = the Annual Program Budget for the Standard Offer Program plus Education Program costs

AP_{SOP} = Allocation Percentage for standard offer program which assigns total standard offer program costs to those customers participating in the standard offer program. (see AP_{SOP} in PART 3 below)

TABU = the Total Annual Billing Units for all Participating Customer Classes, measured in kilowatt-hour (kWh), and are net of all High-Volume Electricity User(s) (HVEU) total annual energy (kWh) that have chosen to not participate in these demand programs regardless of whether HVEU customers elect to participate in the Standard Offer Program.

PART 2 – Prior Period Cost Adjustment factor for each customer class

NOTE: During the Demand Program portfolio cycle beginning on January 1, 2013 and ending on December 31, 2015, following the final order in Cause No. PUD 201200134, OG&E shall recover 0% of the incentives associated with its two demand programs (Smart Hours and Integrated Volt-Var Control) and OG&E shall recover 0% if the lost net revenues associated with the Integrated Volt-Var Control demand response program.

$$PPCAF = [PPSSI + PPLNR + PPOUC + APPC_{SOP}] * CC \div ABU$$

$$PPSSI = PPASB + PPAPI$$

Prior Period Shared Savings and Incentives (PPSSI) are the Prior Period Actual Shared Benefits (PPASB) plus Prior Period Actual Program Incentives (PPAPI) earned as a result of Demand Program implementation. These values are calculated as:

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P. O. Box 321
Oklahoma City, Oklahoma 73101

4th Revised Sheet No. 51.72
Replacing 3rd Revised Sheet No. 51.72
Date Issued December 3, 2012

STANDARD PRICING SCHEDULE: DPR
DEMAND PROGRAM RIDER

STATE OF OKLAHOMA

PPASB = Net Benefit * SP1 (Shared Percentage #1), where:

Net Benefit is calculated for each program where the approved program evaluation test is greater than 1.0

SP1 (Share Percentage #1) is 15%

PPAP1 = Prior Period Actual Program Cost * SP2 (Shared Percentage #2), where:

Prior Period Actual Program Costs for each program where the approved program evaluation test is less than or equal to 1.0

SP2 (Share Percentage #2) is 15%

PPLNR = PPTES * EFC + PPTDS * DC, where:

Prior Period Lost Net Revenue (PPLNR) is the revenues associated with volumetric Prior Period Total Energy Savings (PPTES) and Prior Period Total Demand Savings (PPTDS)

PPTES = Prior Period Total Energy Savings

EFC = Embedded Fix Cost per kWh

PPTDS = Prior Period Total Demand Savings

DC = Demand Charge reflected in current tariffs

PPOUC = EPPRC - APPRC

Prior Period Over/Under Collections (PPOUC) is difference between budgeted revenues and actual costs for the prior year, where:

EPPRC = Expected Prior Period Revenue Collections

APPRC = Actual Prior Period Revenue Collections

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4th Revised Sheet No. 51.73
Replacing 3rd Revised Sheet No. 51.73
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STANDARD PRICING SCHEDULE: DPR
DEMAND PROGRAM RIDER

STATE OF OKLAHOMA

$$APPC_{SOP} = (PPSSI_{SOP} + PPLNR_{SOP}) * (1 - AP_{SOP})$$

Allocated Prior Period Cost for the standard offer program ($APPC_{SOP}$) are all shared savings and incentives and lost net revenues costs assigned to all other customers. An energy allocator is used to apportion these costs to individual customer classes

$PPSSI_{SOP}$ = Prior Period Shared Savings and Incentives (PPSSI) for the standard offer program (see PART 3 below)

$PPLNR_{SOP}$ = Prior Period Lost Net Revenues (PPLNR) for the standard offer program (see PART 3 below)

AP_{SOP} = Allocation Percentage for standard offer program which assigns total standard offer program costs to those customers participating in the standard offer program. (see AP_{SOP} in PART 3 below)

CC = Carrying Costs based on the latest approved cost for long-term debt

ABU = Annual Billing Units for all Participating Customers in the specific class, measured in kilowatt-hour (kWh), are the total calendar year energy for each participating rate class, and are net of all High-Volume Electricity User(s) total annual energy (kWh) that have chosen to not participate in these demand programs.

Part 3 - Demand Program Rider Opt-out Adjustment factor for each customer class

$$DPROAF = \frac{[(PPPC_{SOP} + PPSSI_{SOP} + PPLNR_{SOP}) * AP_{SOP} + PPOUC_{SOP}] * CC}{ABU_{SOP}}$$

AP_{SOP} = Allocation Percentage for standard offer program which assigns total standard offer program costs to those customers participating in the standard offer program. The Allocation Percentage is based on the Annual Billing Units for all Participating Customer classes in the Standard Offer Program (ABU_{SOP}) divided by the summation of TABU plus the Annual Billing Units for all

Rates Authorized by the Oklahoma Corporation Commission:

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OKLAHOMA GAS AND ELECTRIC COMPANY
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4th Revised Sheet No. 51.74
Replacing 3rd Revised Sheet No. 51.74
Date Issued December 3, 2012

STANDARD PRICING SCHEDULE: DPR
DEMAND PROGRAM RIDER

STATE OF OKLAHOMA

Participating Customer classes in the Standard Offer Program (ABU_{SOP}).

PPPC_{SOP} = Prior Period Program Costs for the Standard Offer Programs and Educational Programs

PPSSI_{SOP} = PPASB_{SOP} + PPAPI_{SOP}

Prior Period Shared Savings and Incentives (PPSSI) for the standard offer program are the Prior Period Actual Shared Benefits (PPASB) for the standard offer program plus Prior Period Actual Program Incentives (PPAPI) earned as a result of Demand Program implementation for the standard offer program, including Educational Programs. These values are calculated as:

PPASB_{SOP} = Net Benefit_{SOP} * SP1 (Shared Percentage #1), where:

Net Benefit is calculated for the standard offer program where the approved program evaluation test is greater than 1.0

SP1 (Share Percentage #1) is 15%

PPAPI_{SOP} = Prior Period Actual Program Cost * SP2 (Shared Percentage #2), where:

Prior Period Actual Program Costs for the standard offer program, including Educational Programs, where the approved program evaluation test is less than or equal to 1.0

SP2 (Share Percentage #2) is 15%

PPLNR_{SOP} = PPTES_{SOP} * EFC + PPTDS_{SOP} * DC, where:

PPTES_{SOP} = Prior Period Total Energy Savings for the standard offer program

EFC = Embedded Fix Cost per kWh

Rates Authorized by the Oklahoma Corporation Commission:

Public Utilities Division Stamp

<u>(Effective)</u>	<u>(Order No.)</u>	<u>(Cause/Docket No.)</u>	
January 4, 2013	605737	PUD 201200134	APPROVED
August 2, 2012	599558	PUD 201100087	MAR 01 2013
April 2, 2010	573419	PUD 200900200	DIRECTOR OF PUBLIC UTILITY
August 1, 2008	556179	PUD 200800059 (original)	

OKLAHOMA GAS AND ELECTRIC COMPANY
P. O. Box 321
Oklahoma City, Oklahoma 73101

4th Revised Sheet No. 51.75
Replacing 3rd Revised Sheet No. 51.75
Date Issued December 3, 2012

STANDARD PRICING SCHEDULE: DPR
DEMAND PROGRAM RIDER

STATE OF OKLAHOMA

PPTDS_{SOP} = Prior Period Total Demand Savings for the standard offer program

DC = Demand Charge reflected in current tariffs

PPOUC_{SOP} = EPPRC_{SOP} - APPRC_{SOP}

EPPRC_{SOP} = Expected Prior Period Revenue Collections for the standard offer program

APPRC_{SOP} = Actual Prior Period Revenue Collections for the standard offer program

CC = Carrying Costs based on the latest approved cost for long-term debt

ABU_{SOP} = Annual Billing Units for all Participating Customers in the Standard Offer Program are the total calendar year energy, measured in kilowatt-hour (kWh), for each participating rate class.

Customer Classes (for purposes of this tariff):

Residential = All residential rates

General Service = All General Service rates and Municipal Pumping, excluding: Oil/Gas Production, Outdoor Security Lighting, and Municipal Lighting rates

Oil/Gas Production = All GS Oil/Gas Production rates

Schools Non-Demand = All Public Schools Non-Demand rates

Schools Demand = All Public Schools Demand rates

Power and Light = All Power and Light rates

Large Power and Light = All Large Power and Light rates excluding Special Contract rates and Opt-out customers (defined below)

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P. O. Box 321
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4th Revised Sheet No. 51.76
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STANDARD PRICING SCHEDULE: DPR
DEMAND PROGRAM RIDER

STATE OF OKLAHOMA

INITIAL RATE(S): The DPR Rate(s) shall be submitted to the Commission Staff and shall be accompanied by a set of work papers sufficient to fully document the calculations of the DPR Rate(s). The DPR Rate(s) shall reflect: the projected DPR Program Costs, the prior periods lost net revenues; earned shared savings and incentives. The DPR Rate(s) so determined shall be effective on or after the first billing cycle following the final order in Cause No. PUD 201200134.

ANNUAL RE-DETERMINATION: On or before the end of February of each year, beginning in 2010, re-determined DPR Rate(s) shall be submitted by the Company to the Commission Staff. The re-determined DPR Rate(s) shall be calculated by application of the DPR Rate Formula set out in this DPR Tariff. Each such revised DPR Rate shall be submitted to the Commission Staff and shall be accompanied by a set of work papers sufficient to fully document the calculations of the revised DPR Rate(s) with the new rates being implemented with the first billing cycle in April.

The re-determined DPR Rate(s) shall reflect the projected DPR Program Costs for the 12-month period commencing on January 1 of the current year ("Filing Year"), and the prior period lost net revenues, earned shared savings and incentives, and a true-up of any over or under revenue collections. The true-up adjustment for the first annual re-determined rate(s) will reflect the over-recovery or under-recovery for the 18-month Quick Start program period, July 2008 through December 2009.

The Prior Period Over/Under Amount is the difference between the revenues collected less the expected revenues from the prior period re-determination. The adjustment will be calculated to include the effect of carrying costs using the Company's latest approved cost for long-term debt. In support of the re-determined rate, the utility shall secure or create, and subsequently retain, work papers containing all data needed to substantiate its proposed DPR Rate.

INTERIM ADJUSTMENT: Should a cumulative over-recovery or under-recovery balance arise during any DPR Cycle which exceeds ten percent (10%) of the current DPR expected revenues, included in the most recently submitted rate re-determination under this DPR Tariff, then either the Commission Staff or the Company may propose an interim revision to the currently effective DPR Rate(s).

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OKLAHOMA GAS AND ELECTRIC COMPANY
P. O. Box 321
Oklahoma City, Oklahoma 73101

4th Revised Sheet No. 51.77
Replacing 3rd Revised Sheet No. 51.77
Date Issued December 3, 2012

STANDARD PRICING SCHEDULE: DPR
DEMAND PROGRAM RIDER

STATE OF OKLAHOMA

HIGH-VOLUME ELECTRICITY USERS OPTIONAL PARTICIPATION ADJUSTMENT (HVEU): Existing customers defined by Demand Program Rules (subchapter 41) as a high-volume electricity user may elect to not participate in some or all Demand Programs and the corresponding cost recovery. Existing customers electing not to participate must submit notice of their decision to the director of Public Utility Division and to the Company within thirty (30) days after a Final Order in Cause No. PUD 200900200 in order for a customer to make the opt-out effective. After thirty days from the date of such order, high-volume electric users may no longer opt out until thirty (30)-days before the next true-up period, which is generally defined as a calendar year, and will be subject to true-up factor the next period. A customer electing to opt out will still be responsible for any Prior Period Cost Adjustment factor for past periods when that customer was not opted out and Demand Program Rider Opt out Adjustment factor. The costs that would have been recovered from these opt out customers will be recovered from the remaining jurisdictional retail customers as previously defined in the Customer Classes provision of this tariff.

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OKLAHOMA GAS AND ELECTRIC COMPANY
P. O. Box 321
Oklahoma City, Oklahoma 73101

5th Revised Sheet No. 51.70
Replacing 4th Revised Sheet No. 51.70
Date Issued , xxx

**STANDARD PRICING SCHEDULE: DPR
DEMAND PROGRAM RIDER**

STATE OF OKLAHOMA

EFFECTIVE IN: The Oklahoma Retail Jurisdiction.

PURPOSE: The purpose of the Demand Program Rider (“DPR”) is to recover the costs for the specific programs in the Company’s demand portfolio, lost net revenues, and incentives as approved by the Oklahoma Corporation Commission (“OCC” or “Commission”).

TERM: The DPR shall become effective beginning with the January 2016 billing month and shall remain in effect until modified or terminated by the Commission.

APPLICABILITY: The DPR shall be applied to all Oklahoma jurisdictional rate classes unless specifically excluded. The DPR does not apply to the Outdoor Security Lighting rate class, the Municipal Roadway and Area Lighting rate class, or any Special Contract rate customers. A High Volume Electricity User who chose to opt-out shall be excluded from the corresponding portion(s) of the DPR.

HIGH-VOLUME ELECTRICITY USERS (HVEU) OPTIONAL PARTICIPATION:

Existing customers defined in the Demand Program Rules (OAC 165:35-41-3) as high-volume electricity users may elect to not participate in some or all Demand Programs and the corresponding cost recovery. This is known as “opt-out”.

To opt-out, High-Volume Electricity Users must submit thirty (30) days notice of their opt-out decision to the Director of Public Utility Division of the Commission and to the Company within thirty (30) days after the Company has received final approval of its Demand Portfolio. Thirty (30) days after the Company has received final approval of its Demand Portfolio, High-Volume Electricity Users who participate in more than the demand response portion of the Demand Programs may not opt-out of DPR for the Demand Portfolio period (three years).

High-Volume Electricity Users who participate only in the demand response portion of the Demand Programs may opt-out any time during the Demand Portfolio period (three years). High-Volume Electricity Users who chose to opt out may choose to opt back in, without a charge, only to the demand response portion of the Demand Programs. To opt back in, High-Volume Electricity Users must submit thirty (30) days notice of their opt back in decision to the Director of Public Utility Division of the Commission and to the Company. High-Volume Electricity Users who chose to opt out may not opt back in to more than the demand response portion of the Demand Programs unless they agree to pay an upfront payment which reflects their calculated contribution to the Demand Programs recovery for the Demand Portfolio period.

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**STANDARD PRICING SCHEDULE: DPR
DEMAND PROGRAM RIDER**

STATE OF OKLAHOMA

Once a High Volume Electricity User has opted out of Demand Programs, none of the costs of any Demand Programs shall be charged to such User, including its affiliate or subsidiary listed on such User's opt out notice, unless and until the User chooses to opt back into the Demand Programs.

RATE FORMULAS: The DPR is comprised of two rates for each Major Class: the DRP rate and the EEP rate.

MAJOR CLASSES: DRP and EEP rates will be computed for the two major customer classes identified as follows:

Residential Class: all applicable residential rates;

Non-Residential Class: all applicable General Service rates, Municipal Pumping rates, Oil/Gas Production rates, Public Schools rates, Power and Light rates, and Large Power and Light rates.

DRP: The DRP rate will recover the program costs, incentives, and lost net revenues associated with the Company's demand response programs. The DRP rate for each year shall initially be established based on projected program costs, incentives, and lost net revenues approved in Cause Number PUD 201500xxx. These initial rates are shown by year in Attachment 1.

The DRP will be calculated on a per kilowatt-hour (kWh) basis for each Major Class and is computed as follows:

$$DRP_{Class} = \frac{PCDR_{Class} + IDR_{Class} + LNRDR_{Class} + OUDR_{Class} + CCA_{Class}}{kWhDR_{Class}}$$

$PCDR_{Class}$ = Program Cost for all approved Demand Response programs

IDR_{Class} = Incentives as approved for all approved Demand Response programs

$LNRDR_{Class}$ = Lost Net Revenue is the revenues associated with volumetric Total Energy Savings (TES) and Total Demand Savings (TDS). Lost Net Revenue shall be calculated for each specific Standard Pricing Schedule and the applicable corresponding customers who subscribe to a Demand Response program for each Demand Response program as follows:

$$LNRDR_{Class} = TES * EFC + TDS * DC, \text{ where:}$$

TES = Total Energy Savings

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**STANDARD PRICING SCHEDULE: DPR
DEMAND PROGRAM RIDER**

STATE OF OKLAHOMA

- EFC = Embedded Fix Cost per kWh
- TDS = Total Demand Savings
- DC = Demand Charge reflected in current tariffs

OUDR_{Class} = Over/Under recovery amount for all approved Demand Response programs. OUDR_{Class} is used to reconcile the difference between the amount of revenues actually billed through the respective components and the revenues which have been approved to be recovered through the respective components. The OUDR_{Class} will apply to the following components as follows:

- 1) For the PCDR_{Class}, Over/Under (OUDR_{Class}) amount will be the difference between the amount billed in a twelve-month period from the application of the PCDR_{Class} charge and the actual cost of the approved programs during the same twelve-month period.
- 2) For the IDR_{Class}, Over/Under (OUDR_{Class}) amount will be the difference between the amount billed in a twelve-month period from the application of the IDR_{Class} charge and the earned incentive amount for the same twelve-month period.
- 3) For the LNRDR_{Class}, Over/Under (OUDR_{Class}) amount will be the difference between the amount billed in a twelve-month period from the application of the LNRDR_{Class} charge and the LNRDR_{Class} amount based on verified savings actually incurred during the same twelve-month period. The verified savings will be reviewed by an independent third party evaluator.
- 4) The OUDR_{Class} will also include any amounts from the approved Demand Programs from the prior periods (e.g. 2013-2015) not included in base rates, including, but not limited to, continuing revenue requirements and program costs from demand response programs and continuing lost net revenues. These amounts will cease to be recovered through this DPR beginning with the billing month when these amounts are included for recovery though base rates implemented as a result of OG&E's next general rate case. Any amount included in OUDR_{Class}, but not yet collected through OUDR_{Class}, at the billing month of

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**STANDARD PRICING SCHEDULE: DPR
DEMAND PROGRAM RIDER**

STATE OF OKLAHOMA

implementation of these new base rates, will be recovered through this rider.

5) For the OUDR_{Class}, Over/Under (OUDR_{Class}) amount will be the difference between the amount billed in a twelve-month period from the application of the OUDR_{Class} charge and the Over/Under amount established for the same twelve-month period.

CCA_{Class} = The Carrying Charge Amount is the most recent Commission approved cost of debt rate multiplied by the ending balance of the current month's Over/Under recovery.

kWhDR_{Class} = Projected Oklahoma jurisdictional annual kWh for each Major Class net of the total annual energy (kWh) for all excluded customers.

EEP: The EEP rate will recover the program costs, incentives, and lost net revenues associated with the Company's energy efficiency programs. The EEP rate for each year shall initially be established based on projected program costs, incentives, and lost net revenues approved in Cause Number PUD 201500xxx. These initial rates are shown by year in Attachment 1.

The EEP will be calculated on a per kilowatt-hour (kWh) basis for each Major Class and is computed as follows:

$$EEP_{Class} = \frac{PCEE_{Class} + IEE_{Class} + LNREE_{Class} + OUEE_{Class} + CCA_{Class}}{kWhEE_{Class}}$$

PCEE_{Class} = Program Cost for all approved Energy efficiency programs

IEE_{Class} = Incentives as approved for all approved energy efficiency programs

LNREE_{Class} = Lost Net Revenue is the revenues associated with volumetric Total Energy Savings (TES) and Total Demand Savings (TDS). Lost Net Revenue shall be calculated for each specific Standard Pricing Schedule and the applicable corresponding customers who subscribe to an energy efficiency program for each Energy efficiency program as follows:

$$LNREE_{Class} = TES * EFC + TDS * DC, \text{ where:}$$

TES = Total Energy Savings

EFC = Embedded Fix Cost per kWh

TDS = Total Demand Savings

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**STANDARD PRICING SCHEDULE: DPR
DEMAND PROGRAM RIDER**

STATE OF OKLAHOMA

DC = Demand Charge reflected in current tariffs

OUEE_{Class} = Over/Under recovery amount for all approved energy efficiency programs. OUEE_{Class} is used to reconcile the difference between the amount of revenues actually billed through the respective components and the revenues which have been approved to be recovered through the respective components. The OUEE_{Class} will apply to the following components as follows:

- 1) For the PCEE_{Class}, Over/Under (OUEE_{Class}) amount will be the difference between the amount billed in a twelve-month period from the application of the PCEE_{Class} charge and the actual cost of the approved programs during the same twelve-month period.
- 2) For the IEE_{Class}, Over/Under (OUEE_{Class}) amount will be the difference between the amount billed in a twelve-month period from the application of the IEE_{Class} charge and the earned incentive amount for the same twelve-month period.
- 3) For the LNREE_{Class}, Over/Under (OUEE_{Class}) amount will be the difference between the amount billed in a twelve-month period from the application of the LNREE_{Class} charge and the LNREE_{Class} amount based on verified savings actually incurred during the same twelve-month period. The verified savings will be reviewed by an independent third party evaluator.
- 4) The OUEE_{Class} will also include any amounts from the approved Demand Programs from the prior periods (e.g. 2013-2015) not included in base rates, including, but not limited to, continuing revenue requirements and program costs from energy efficiency programs and continuing lost net revenues. These amounts will cease to be recovered through this DPR beginning with the billing month when these amounts are included for recovery though base rates implemented as a result of OG&E's next general rate case. Any amount included in OUEE_{Class}, but not yet collected through OUEE_{Class}, at the billing month of implementation of these new base rates, will be recovered through this rider.

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DEMAND PROGRAM RIDER**

STATE OF OKLAHOMA

5) For the OUEE_{Class}, Over/Under (OUEE_{Class}) amount will be the difference between the amount billed in a twelve-month period from the application of the OUEE_{Class} charge and the Over/Under amount established for the same twelve-month period.

CCA_{Class} = The Carrying Charge Amount is the most recent Commission approved cost of debt rate multiplied by the ending balance of the current month's Over/Under recovery.

kWhEE_{Class} = Projected Oklahoma jurisdictional annual kWh for each Major Class net of the total annual energy (kWh) for all excluded customers.

ANNUAL RATE RE-DETERMINATION: On or before July 1 of each year, re-determined DRP and EEP rates shall be submitted by the Company to the OCC PUD Staff. The re-determined DRP and EEP rates shall be calculated by application of the Rate Formulas set out in this DPR rider to recover the actual program costs, the actual lost net revenues, the actual incentives earned, and any actual over or under-recovery amounts. Each such revised DRP rate or EEP rate will be submitted to the Commission Staff and accompanied by a set of work papers sufficient to document the calculations of the revised rate. The new revised rates shall be implemented at the first billing cycle in October.

INTERIM ADJUSTMENT: Should a total balance of the Over/Under Recovery accounts exceed +/-10% of the DPR expected revenues during any implementation cycle, included in the most recently submitted rate(s) re-determination under this DPR rider, then either the Company or the OCC PUD Staff may propose an interim revision to the currently effective DRP and/or EEP rate(s).

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**STANDARD PRICING SCHEDULE: DPR
DEMAND PROGRAM RIDER**

STATE OF OKLAHOMA

Attachment 1

DPR Rates in \$/kWh

Major Class		2016	2017	2018
Residential	EEP			
	DRP			
	Total DPR			
Non-Residential	EEP			
	DRP			
	Total DPR			

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Exhibit BJS-3

		Residential - TOTAL		
<u>Line</u>	<u>Description</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
1	Program Cost	\$ 17,645,332	\$ 19,263,706	\$ 20,931,059
2	Lost Net Revenue	\$ 710,440	\$ 2,182,957	\$ 3,726,439
3	Incentive	\$ 2,265,178	\$ 2,403,320	\$ 2,680,037
4	Total Cost	\$ 20,620,950	\$ 23,849,984	\$ 27,337,535
5	kWh	9,101,833,181	9,238,362,686	9,376,940,132
6	Factor per kWh (4 / 5)	\$ 0.00227	\$ 0.00258	\$ 0.00292
7	Average Monthly Usage - Residential	1,100	1,100	1,100
8	Customer Impact (6 * 7)	\$ 2.49	\$ 2.84	\$ 3.21
9	Program Cost Customer Impact (1 / 5 * 7)	2.13	2.29	2.46
		Non Residential - TOTAL		
<u>Line</u>	<u>Description</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
10	Program Cost	\$ 14,973,790	\$ 15,211,406	\$ 15,132,938
11	Lost Net Revenue	\$ 558,610	\$ 1,665,636	\$ 2,700,826
12	Incentive	\$ 977,042	\$ 954,106	\$ 952,121
13	Total Cost	\$ 16,509,442	\$ 17,831,148	\$ 18,785,885
14	kWh	11,038,664,727	11,274,340,613	11,513,551,637
15	Factor per kWh (13 / 14)	\$ 0.00150	\$ 0.00158	\$ 0.00163
General Service Impact				
16	Average Monthly Usage - General Service	1,800	1,800	1,800
17	Customer Impact (15 * 16)	\$ 2.69	\$ 2.85	\$ 2.94
Power & Light Impact				
18	Average Monthly Usage - Power & Light	43,000	43,000	43,000
19	Customer Impact (15 * 18)	\$ 64.31	\$ 68.01	\$ 70.16

Oklahoma Gas and Electric
Demand Program Rider (DPR) Tariff
January 1, 2016 Through December 2018
Lost Net Revenue Calculation

Contribution to Rate Base by Class	Residential	General Service	OGP	Schools Non-Demand	Schools Demand	Power and Light	Large Power and Light
per kWh Saved (net Fuel)	\$ 0.040900	\$ 0.048200	\$ 0.035000	\$ 0.045800	\$ 0.012000	\$ 0.013000	\$ 0.014600
per kW Saved	\$ -	\$ -	\$ -	\$ -	\$ 8.080000	\$ 9.050000	\$ 5.400000

Lost Energy and Demand Sales by Program	Program Year 2016		Program Year 2017		Program Year 2018	
	Lost Demand (kW)	Lost Energy (kWh)	Lost Demand (kW)	Lost Energy (kWh)	Lost Demand (kW)	Lost Energy (kWh)
Weatherization Residential Assistance Program (WRAP)	1,870	6,962,077	1,914	7,255,910	2,406	8,599,997
Residential Home Energy Efficiency Program (HEEP)	6,039	23,499,632	6,550	25,319,354	7,499	27,800,717
Positive Energy-New Home Construction, (PE-NHC)	1,187	1,809,792	1,187	1,809,792	1,187	1,809,792
Commercial Energy Efficiency Program	8,032	42,631,306	7,966	40,923,316	7,947	40,572,897
Education Programs	-	-	-	-	-	-
Integrated Volt Var Control Program	12,120	5,090,400	15,150	5,938,800	-	-
Total All Programs	29,247	79,993,208	32,766	81,247,172	19,039	78,783,403

Program Allocations by Class	Residential	General Service	OGP	Schools Non-Demand	Schools Demand	Power and Light	Large Power and Light	Total
Weatherization Residential Assistance Program (WRAP)	100%							100%
Residential Home Energy Efficiency Program (HEEP)	100%							100%
Positive Energy-New Home Construction, (PE-NHC)	100%							100%
Commercial Energy Efficiency Program		15.5%	0.1%	13.0%	11.6%	44.7%	15.1%	100%
Education Programs	48.5%	8.0%	0.1%	6.7%	6.0%	23.0%	7.8%	100%
Integrated Volt Var Control Program	48.5%	8.0%	0.1%	6.7%	6.0%	23.0%	7.8%	100%
Total All Programs								

Program Year 2016

Lost Net Revenues by Class	Residential	General Service	OGP	Schools Non-Demand	Schools Demand	Power and Light	Large Power and Light	Total Lost Net Revenues
Weatherization Residential Assistance Program (WRAP)	\$ 284,749	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 284,749
Residential Home Energy Efficiency Program (HEEP)	\$ 961,135	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 961,135
Positive Energy-New Home Construction, (PE-NHC)	\$ 74,020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 74,020
Commercial Energy Efficiency Program	\$ -	\$ 317,664	\$ 1,648	\$ 254,045	\$ 66,919	\$ 280,441	\$ 100,371	\$ 1,021,088
Integrated Volt Var Control Program	\$ 100,976	\$ 19,534	\$ 101	\$ 15,622	\$ 9,506	\$ 40,516	\$ 10,851	\$ 197,107
Total All Programs	\$ 1,420,880	\$ 337,198	\$ 1,749	\$ 269,667	\$ 76,426	\$ 320,957	\$ 111,222	\$ 2,538,100

Program Year 2017

Lost Net Revenues by Class	Residential	General Service	OGP	Schools Non-Demand	Schools Demand	Power and Light	Large Power and Light	Total Lost Net Revenues
Weatherization Residential Assistance Program (WRAP)	\$ 296,767	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 296,767

Oklahoma Gas and Electric
 Demand Program Rider (DPR) Tariff
 January 1, 2016 Through December 2018
 Lost Net Revenue Calculation

Residential Home Energy Efficiency Program (HEEP)	\$ 1,035,562	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,035,562
Positive Energy-New Home Construction, (PE-NHC)	\$ 74,020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 74,020
Commercial Energy Efficiency Program	\$ -	\$ 304,937	\$ 1,582	\$ 243,867	\$ 64,478	\$ 270,241	\$ 96,558	\$ -	\$ 981,662
Integrated Volt Var Control Program	\$ 117,805	\$ 22,790	\$ 118	\$ 18,226	\$ 11,579	\$ 49,374	\$ 13,083	\$ -	\$ 232,976
Total All Programs	\$ 1,524,154	\$ 327,727	\$ 1,700	\$ 262,093	\$ 76,057	\$ 319,615	\$ 109,641	\$ -	\$ 2,620,987

Program Year 2018

Lost Net Revenues by Class	Residential	General Service	OGP	Schools Non-Demand	Schools Demand	Power and Light	Large Power and Light	Total Lost Net Revenues
Weatherization Residential Assistance Program (WRAP)	\$ 351,740	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 351,740
Residential Home Energy Efficiency Program (HEEP)	\$ 1,137,049	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,137,049
Positive Energy-New Home Construction, (PE-NHC)	\$ 74,020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 74,020
Commercial Energy Efficiency Program	\$ -	\$ 302,326	\$ 1,569	\$ 241,779	\$ 63,973	\$ 268,130	\$ 95,772	\$ 973,547
Integrated Volt Var Control Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total All Programs	\$ 1,562,810	\$ 302,326	\$ 1,569	\$ 241,779	\$ 63,973	\$ 268,130	\$ 95,772	\$ 2,536,357

Lagged for Staggered Implementation

Lost Net Revenues by Class	Residential	General Service	OGP	Schools Non-Demand	Schools Demand	Power and Light	Large Power and Light	Total Lost Net Revenues
Program Year 2016	\$ 710,440	\$ 168,599.16	\$ 875	\$ 134,834	\$ 38,213	\$ 160,479	\$ 55,611	\$ 1,269,050
Program Year 2017	\$ 2,182,957	\$ 501,062	\$ 2,600	\$ 400,713	\$ 114,454	\$ 480,765	\$ 166,043	\$ 3,848,593
Program Year 2018	\$ 3,726,439	\$ 816,088	\$ 4,234	\$ 652,649	\$ 184,469	\$ 774,637	\$ 268,749	\$ 6,427,265

Notes

- 1) 1/2 of current year annualized savings plus full annualized savings from previous year(s)
- 2) All LNR values are estimates. Prior year activities will affect actual LNR at time of DPR redetermination
- 3) Effects of general changes in rate tariffs will affect LNR values.

	2016	2017	2018
Residential	\$ 710,440	\$ 2,182,957	\$ 3,726,439
Non Residential	\$ 558,610	\$ 1,665,636	\$ 2,700,826

EEPR	2016	2017	2018
Residential	710,440	2,182,957	3,726,439
Non Residential	558,610	1,665,636	2,700,826

DRPR	2016	2017	2018
Residential	-	-	-
Non Residential	-	-	-

Oklahoma Gas and Electric
 Demand Program Rider (DPR) Tariff
 January 1, 2016 Through December 2018
 Shared Benefit and Incentives Calculation

Program	Program Year 2016		Program Year 2017		Program Year 2018		TRC Test Results	UCT Test Results	Incentive SPI = SNB ¹	Achieved %	Incentives Program Year		Incentives Program Year	
	2016	2017	2017	2018	2018	2016					2017	2018		
EE Program Costs														
Weatherization Residential Assistance Program (WRAP)	\$ 5,192,143	\$ 5,417,792	\$ 6,551,102	2.25	1.38	15%	100%	SP1	976,608	1,019,051	1,232,220	1,291,369	1,345,697	
Residential Home Energy Efficiency Program (HHEEP)	\$ 10,003,516	\$ 10,701,270	\$ 11,151,473	1.80	2.06	15%	100%	SP1	1,207,168	1,291,369	1,345,697	45,404	45,404	
Positive Energy-New Home Construction, (PE-NHC)	\$ 1,132,614	\$ 1,133,607	\$ 1,133,607	1.27	3.63	15%	100%	SP1	45,364	45,404	45,404	903,672	891,896	
Commercial Energy Efficiency Program	\$ 13,352,584	\$ 12,853,295	\$ 12,685,800	1.47	1.98	15%	100%	SP1	938,775	903,672	891,896	-	-	
Education Programs	\$ 800,000	\$ 800,000	\$ 800,000	0.00	0.00	15%	100%	SP1	74,304	97,930	116,942	-	-	
IVVC (O&M Expense)	\$ 414,149	\$ 545,831	\$ 651,798	2.20	2.20	15%	100%	SP1	-	-	-	-	-	
R&D	\$ 565,000	\$ 565,000	\$ 565,000	0.00	0.00	15%	100%	SP1	-	-	-	-	-	
Regulatory	\$ 20,000	\$ 120,000	\$ 70,000	0.00	0.00	15%	100%	SP1	-	-	-	-	-	
Total EE Projected Program Costs (by year)	\$ 31,480,006	\$ 32,136,795	\$ 33,608,780						\$ 3,242,220	\$ 3,357,426	\$ 3,632,158	\$ 3,357,426	\$ 3,632,158	
Total Projected Program Costs by year														
	\$ 31,480,006	\$ 32,136,795	\$ 33,608,780						\$ 3,242,220	\$ 3,357,426	\$ 3,632,158	\$ 3,357,426	\$ 3,632,158	

0.485 Residential	\$ 2,265,178	\$ 2,403,320	\$ 2,680,037						\$ 2,265,178	\$ 2,403,320	\$ 2,680,037	\$ 2,403,320	\$ 2,680,037	
0.515 Non-Resid	\$ 977,042	\$ 954,106	\$ 952,121						\$ 977,042	\$ 954,106	\$ 952,121	\$ 954,106	\$ 952,121	
ERPR														
Residential	\$ 2,265,178	\$ 2,403,320	\$ 2,680,037						\$ 2,265,178	\$ 2,403,320	\$ 2,680,037	\$ 2,403,320	\$ 2,680,037	
Non Resid	\$ 977,042	\$ 954,106	\$ 952,121						\$ 977,042	\$ 954,106	\$ 952,121	\$ 954,106	\$ 952,121	
DRPR														
Residential	\$ -	\$ -	\$ -						\$ -	\$ -	\$ -	\$ -	\$ -	
Non Resid	\$ -	\$ -	\$ -						\$ -	\$ -	\$ -	\$ -	\$ -	

1) SNB means Shared Net Benefit