

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

IN THE MATTER OF THE APPLICATION OF )  
OKLAHOMA GAS AND ELECTRIC COMPANY )  
FOR AN ORDER OF THE COMMISSION )  
APPROVING A RECOVERY MECHANISM FOR )  
EXPENDITURES RELATED TO THE )  
OKLAHOMA GRID ENHANCEMENT PLAN )

Cause No. PUD 202000021

**FILED**  
OCT 05 2020

COURT CLERK'S OFFICE - OKLAHOMA  
CORPORATION COMMISSION  
OF OKLAHOMA

**JOINT STIPULATION AND SETTLEMENT AGREEMENT**

COME NOW the undersigned parties to the above entitled Cause ("Stipulating Parties") and present the following Joint Stipulation and Settlement Agreement ("Joint Stipulation") for the Oklahoma Corporation Commission's ("Commission") review and approval as their compromise and settlement of issues in this proceeding. The Stipulating Parties represent to the Commission that this Joint Stipulation represents a fair, just and reasonable settlement of these issues, that they believe the terms and conditions of the Joint Stipulation are in the public interest, and the Stipulating Parties request the Commission issue an order in this cause adopting and approving this Joint Stipulation.

**I. General Recommendations of the Stipulating Parties**

This Joint Stipulation represents a comprehensive settlement to become effective with the issuance of a Commission order approving this Joint Stipulation ("Effective Date"). The Grid Enhancement Mechanism tariff ("Mechanism"), which is attached hereto as Exhibit A, implements the agreements in this Joint Stipulation and the Stipulating Parties recommend it should be approved by the Director of the Public Utility Division ("PUD") of the Commission and become effective on the Effective Date under the following terms of this Joint Stipulation.

A. **Grid Enhancement Mechanism**: The Stipulating Parties agree to a Grid Enhancement Cost Recovery Mechanism ("Mechanism or Rider"), attached hereto as Exhibit A under the following conditions and limitations:

1. Cost recovery through the Mechanism shall be limited to investments which meet the criteria set forth herein, and are placed in service in 2020 and 2021.
2. No O&M expense shall be included in the Mechanism.

3. The Mechanism shall terminate at the issuance of a final order in Oklahoma Gas and Electric Company's ("OG&E" or the "Company") next base rate case or October 31, 2022, whichever first occurs.
4. The cost recovery to be made through this Mechanism shall be capped at \$7,000,000 annually for projects added pursuant to this agreement.
5. Recovery through the Mechanism shall be limited to investments for grid automation and related communication and technology systems. Mechanism recovery shall not include distribution line reliability projects, or system hardening projects that are normal or accelerated distribution replacements, including, but not limited to, pole replacements.
6. The Mechanism will include a Rate of Return at the Company's current Cost of Capital.
7. Cost recovery through the Mechanism may be allowed on investments that have been completed and placed in service, after OG&E has provided the required report(s) to the Stipulating Parties, and they have completed their review specified below.
8. All cost recovery through the Mechanism shall be subject to true-up and refund in the Company's next general rate case. If the Commission determines that a project or projects were not prudently undertaken after a subsequent review in the Company's next general rate case proceeding, the Company shall refund with interest any costs recovered through the Mechanism to customers in the manner prescribed in that general rate case proceeding.
9. Power and Light and Large Power and Light SL1 and SL2 customers shall not be allocated any costs under the Mechanism and any costs that would have been allocated to those classes shall be foregone by the Company during the effectiveness of the Mechanism and shall not be reassigned to other classes under the Mechanism.
10. For customers taking service under a rate that has a demand charge component, the costs shall be charged on a \$/kW basis.
11. The Stipulating Parties agree that low-income customers that qualify for LIHEAP and Senior Citizen discounts shall be exempt from any payment under the



Mechanism and any costs that would have been allocated to those customers shall be foregone by the Company during the effectiveness of the Mechanism, and shall not be reassigned to any other customers or classes under the Mechanism.

B. **Investment Plans:** The Company shall submit to the parties a revised list of investments for inclusion in the Mechanism for 2020 and 2021 within 30 days after the issuance of a final order in this Cause. Such revised list of investments must meet the requirements of this agreement, and all parties to this Cause shall have the ability to provide comments on the items OG&E plans to recover through the Mechanism. Any party to this Cause can object to the projects being included in the list of investments within 30 days of submission. Disagreements not resolved by the parties will be processed by a cause filed by the Company. The review of the items OG&E plans to recover through the Mechanism per the terms of this Stipulation Agreement for spending on specific plant-related items does not negate parties' ability to question prudence in subsequent regulatory proceedings.

C. **Quarterly Reporting for Inclusion in the Mechanism:** Once projects are completed, the Company shall submit information, no more than quarterly, on the completed project for inclusion in the Mechanism. Projects shall be completed and in service, meet the eligibility requirements listed above, and are included in the revised list of investments prior to inclusion in the Mechanism. PUD, and all parties to the Cause shall have 30 days after submission to object to any project or calculation. Disagreements not resolved by the parties will be processed by a cause filed by the Company and items in dispute will not be included for recovery in the Mechanism until resolved. PUD will endeavor to complete its review of quarterly factors within 45 days. Recovery under the Mechanism cannot be implemented until PUD completes its review of the quarterly factor.

D. **No Prudence Determination:**

1. The Stipulating Parties agree that this Settlement does not address the prudence of the Grid Enhancement Plan ("GEP") projects and does not authorize pre-approval or determine prudence of the GEP or any projects contained therein in this Cause. All prudence determinations regarding the GEP and the projects contained therein shall be addressed in a subsequent Chapter 70 base rate case at which time OG&E must show that OG&E's 2020 and 2021 GEP investments

are necessary, beneficial, prudently incurred, and reasonable. If the Commission finds that the GEP investments are not prudent in part or in whole, the Company agrees to refund any disallowed costs collected, with interest, through the Mechanism back to customers.

2. As part of its next Chapter 70 base rate case, OG&E shall present all support for the prudence of any GEP investments, recovered as part of the Mechanism and/or requested for recovery in the rate case. Such support shall be provided in OG&E's direct testimony, exhibits, and work papers. Such support shall include any cost benefit analysis relied upon by the Company to make investment decisions. OG&E shall also include a cost benefit analysis for each investment or project and such additional analysis shall exclude avoided economic harm benefits and calculate costs based on the revenue requirement expected to be paid by customers. The parties to the Cause retain the right to challenge any support or methodology presented by OG&E.

**E. Other Provisions:**

1. OG&E shall file a Chapter 70 base rate case on or before the end of the first quarter of 2022.

2. OG&E agrees to initiate an ongoing public stakeholder process regarding grid modernization, with the first meeting occurring within 90 days of the issuance of a Final Order in this cause.

**II. General Reservations**

The Stipulating Parties represent and agree that, except as specifically provided:

**A. Negotiated Settlement**

This Joint Stipulation represents a negotiated settlement for the purpose of compromising and resolving the issues presented in this Cause.

**B. Authority to Execute**

Each of the undersigned affirmatively represents to the Commission that he or she has fully advised his or her respective client(s) that the execution of this Joint Stipulation constitutes a



resolution of issues which were raised in this proceeding; that no promise, inducement or agreement not herein expressed has been made to any Stipulating Party; that this Joint Stipulation constitutes the entire agreement between and among the Stipulating Parties; and each of the undersigned affirmatively represents that he or she has full authority to execute this Joint Stipulation on behalf of his or her client(s).

C. Joint Stipulation Represents a Balance and Compromise of Positions

The Stipulating Parties stipulate and agree that the agreements contained in this Joint Stipulation have resulted from negotiations among the Stipulating Parties. The Stipulating Parties hereto specifically state and recognize that this Joint Stipulation represents a balancing of positions of each of the Stipulating Parties in consideration for the agreements and commitments made by the other Stipulating Parties in connection therewith. Therefore, in the event that the Commission does not approve and adopt all of the terms of this Joint Stipulation, this Joint Stipulation shall be void and of no force and effect, and no Stipulating Party shall be bound by the agreements or provisions contained herein. The Stipulating Parties agree that neither this Joint Stipulation nor any of the provisions hereof shall become effective unless and until the Commission shall have entered an Order approving all of the terms and provisions as agreed to by the parties to this Joint Stipulation.

D. No Admissions Nor Waivers

The Stipulating Parties agree and represent that the provisions of this Joint Stipulation are intended to relate only to the specific matters referred to herein, and by agreeing to this settlement, no Stipulating Party waives any claim or right which it may otherwise have with respect to any matters not expressly provided for herein. In addition, except as specifically set forth in this Joint Stipulation, none of the signatories hereto shall be deemed to have approved or acquiesced in any legal issue, ratemaking principle, valuation method, cost of service determination, depreciation principle or cost allocation method underlying or allegedly underlying any of the information submitted by the parties to this cause and except as specifically provided in this Joint Stipulation, nothing contained herein shall constitute an admission by any Stipulating Party that any allegation or contention in this proceeding is true or valid or shall constitute a determination by the Commission as to the merits of any allegations or contentions made in this proceeding.

E. No Precedential Value

The Stipulating Parties agree that the provisions of this Joint Stipulation are the result of negotiations based upon the unique circumstances currently represented by the Company's Application and that the processing of this cause sets no precedent for any future causes that the Applicant or others may file with this Commission. The Stipulating Parties further agree and represent that neither this Joint Stipulation nor any Commission order approving the same shall constitute or be cited or referenced as precedent or deemed an admission by any Stipulating Party in any other proceeding except as necessary to enforce its terms before the Commission or any court of competent jurisdiction. The Commission's decision, if it enters an order approving this Joint Stipulation, will be binding only as to the matters decided regarding the issues described in this Joint Stipulation, but the decision will not be binding with respect to similar issues that might arise in other proceedings. A Stipulating Party's support of this Joint Stipulation may differ from its position or testimony in other causes. To the extent there is a difference, the Stipulating Parties are not waiving their respective positions in other causes. Because this is a stipulated agreement, the Stipulating Parties are under no obligation to take the same position as set out in this Joint Stipulation in other dockets.

F. Outstanding Discovery and Motions

As between and among the Stipulating Parties, any pending requests for information or discovery and any motions that may be pending before the Commission are hereby withdrawn.

[Signature pages to follow]

OKLAHOMA GAS AND ELECTRIC COMPANY

Dated: 10.5.2020

By: 

PUBLIC UTILITY DIVISION  
OKLAHOMA CORPORATION COMMISSION

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Geoffrey Rush

OKLAHOMA OFFICE OF THE ATTORNEY GENERAL

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Jared B. Haines

OKLAHOMA INDUSTRIAL ENERGY CONSUMERS

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Thomas P. Schroedter

OG&E SHAREHOLDERS ASSOCIATION

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Ronald E. Stakem

WAL-MART INC.

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Rick Chamberlain

OKLAHOMA GAS AND ELECTRIC COMPANY

Dated: \_\_\_\_\_

By: \_\_\_\_\_

PUBLIC UTILITY DIVISION  
OKLAHOMA CORPORATION COMMISSION

Dated: 10/5/20

By: GM Rush  
Geoffrey Rush

OKLAHOMA OFFICE OF THE ATTORNEY GENERAL

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Jared B. Haines

OKLAHOMA INDUSTRIAL ENERGY CONSUMERS

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Thomas P. Schroedter

OG&E SHAREHOLDERS ASSOCIATION

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Ronald E. Stakem

WAL-MART INC.

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Rick Chamberlain



OKLAHOMA GAS AND ELECTRIC COMPANY

Dated: \_\_\_\_\_

By: \_\_\_\_\_

PUBLIC UTILITY DIVISION  
OKLAHOMA CORPORATION COMMISSION

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Geoffrey Rush

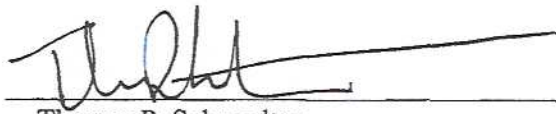
OKLAHOMA OFFICE OF THE ATTORNEY GENERAL

Dated: October 5, 2020

By:   
Jared B. Haines

OKLAHOMA INDUSTRIAL ENERGY CONSUMERS

Dated: October 5, 2020

By:   
Thomas P. Schroedter

OG&E SHAREHOLDERS ASSOCIATION

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Ronald E. Stakem

WAL-MART INC.

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Rick Chamberlain

OKLAHOMA GAS AND ELECTRIC COMPANY

Dated: \_\_\_\_\_

By: \_\_\_\_\_

PUBLIC UTILITY DIVISION  
OKLAHOMA CORPORATION COMMISSION

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Geoffrey Rush

OKLAHOMA OFFICE OF THE ATTORNEY GENERAL

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Jared B. Haines

OKLAHOMA INDUSTRIAL ENERGY CONSUMERS

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Thomas P. Schroedter

OG&E SHAREHOLDERS ASSOCIATION

Dated: \_\_\_\_\_

By: Ronald E. Stakem  
Ronald E. Stakem

WAL-MART INC.

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Rick Chamberlain

OKLAHOMA GAS AND ELECTRIC COMPANY

Dated: \_\_\_\_\_

By: \_\_\_\_\_

PUBLIC UTILITY DIVISION  
OKLAHOMA CORPORATION COMMISSION

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Geoffrey Rush

OKLAHOMA OFFICE OF THE ATTORNEY GENERAL

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Jared B. Haines

OKLAHOMA INDUSTRIAL ENERGY CONSUMERS

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Thomas P. Schroedter


OG&E SHAREHOLDERS ASSOCIATION

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Ronald E. Stakem

WAL-MART INC.

Dated: 10/5/20

By:   
Rick Chamberlain



AARP

Dated: 10/5/2020

By: Deborah R Thompson  
Deborah R. Thompson

FEDERAL EXECUTIVE AGENCIES

Dated: \_\_\_\_\_

By: \_\_\_\_\_

OKLAHOMA SUSTAINABILITY NETWORK

Dated: 10/5/2020

By: Deborah R Thompson  
Deborah R. Thompson

OKLAHOMA MUNICIPAL POWER AUTHORITY

Dated: \_\_\_\_\_

By: \_\_\_\_\_

AARP

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Deborah R. Thompson

FEDERAL EXECUTIVE AGENCIES

Dated: 10-5-2020

By: Robert J. Friedman  
Capt, Robert J. Friedman, USAF

OKLAHOMA SUSTAINABILITY NETWORK

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Deborah R. Thompson

OKLAHOMA MUNICIPAL POWER AUTHORITY

Dated: \_\_\_\_\_

By: \_\_\_\_\_

EXHIBIT A

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

Original Sheet No. 57.00

Date Issued XXXX XX, 20XX

**STANDARD PRICING SCHEDULE: GEM  
GRID ENHANCEMENT MECHANISM**

**STATE OF OKLAHOMA**

**EFFECTIVE IN:** All territory served.

**PURPOSE:** The purpose of the Grid Enhancement Mechanism ("GEM") is to recover the Oklahoma retail jurisdictional portion of the annual revenue requirement for grid enhancement capital expenditures associated with automation and related communication and technology systems as described in Cause No. PUD 202000021 and placed in service in 2020 and 2021. All cost recovery through the Mechanism shall be subject to true-up and refund in the Company's next general rate case.

**APPLICABILITY:** With the exception of the exemptions listed below, the GEM tariff will apply as follows: For distribution grid enhancement expenditures associated with FERC accounts 360 through 363 this mechanism is applicable to all Oklahoma retail rate classes in Service Levels 2, 3, 4 and 5. For distribution grid enhancement expenditures associated with FERC accounts 364 through 368 this mechanism is applicable to all Oklahoma retail rate classes in Service Levels 3, 4 and 5. For intangible, general, and transmission plant grid enhancement expenditures, this mechanism is applicable to all Oklahoma retail rate classes.

**EXEMPTIONS:** Customers subscribed to the Power and Light and Large Power and Light tariffs at Service Levels 1 and 2 and customers who are qualified for LIHEAP program and are subscribed to the LIAP and Senior Citizen Discount programs are exempt from this mechanism and any costs that would have been allocated to those customers shall be foregone by the Company during the effectiveness of the GEM and shall not be reassigned to other customers or classes.

**TERM:** This GEM shall become effective upon a final order of the Commission in Cause No. PUD 202000021 and shall continue until the earlier of either the implementation of rates resulting from a final order in OG&E's next base rate case or October 31, 2022.

**REVENUE REQUIREMENT:** The revenue requirement shall include the return on rate base at the Commission's most recent authorized rate of return of 9.071%, associated depreciation expense, and property taxes. The rate base for the revenue requirement shall include plant-in-service, accumulated depreciation, and any associated accumulated deferred income taxes. The revenue requirement shall not include any operations and maintenance expenses. The annual revenue requirement to be recovered through the Mechanism shall be capped at a total of \$7 million.

**REPORTING REQUIREMENTS:** The Company shall submit a quarterly report of completed and in-service projects to the PUD, and all parties of record in Cause No. PUD 202000021, inclusive of the revenue requirement associated with all in-service projects. The first quarterly report shall be filed within 30 days after the issuance of a final order in Cause No. PUD 202000021. Thereafter, the quarterly reports shall be submitted after the close of each quarter on approximately January 15th, April 15th, July 15th, and October 15th of each year. Each submission shall include a listing of

**Rates Authorized by the Oklahoma Corporation Commission:**  
**(Effective) (Order No.) (Cause/Docket No.)**  
PUD 202000021

Public Utilities Division Stamp



EXHIBIT A

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

Original Sheet No. **57.01**

Date Issued **XXXX XX, 20XX**

**STANDARD PRICING SCHEDULE: GEM  
GRID ENHANCEMENT MECHANISM**

**STATE OF OKLAHOMA**

projects included for recovery, the purpose of each project, and any authorizations for expenditures ("AFE").

**FACTOR REDETERMINATION SCHEDULE:** Factor redeterminations shall be submitted on a quarterly basis along with the report of completed in-service projects. The PUD, and all parties of record in Cause No. PUD 202000021, shall have thirty (30) calendar days to object to any project or calculation. Disagreements not resolved by the parties will be processed by a cause filed by the Company and items in dispute will not be included for recovery in the Mechanism until resolved. The PUD will endeavor to complete its review of the factors within 45 days. Recovery under the Mechanism cannot be implemented until PUD completes its review of the quarterly factor updates. The revised factors will become effective following the PUD's completed review.

**FACTOR CALCULATION:** The Company will calculate the GEM mechanism factors using the following formulas, on a per kilowatt-hour (kWh) basis for non demand-billed customers and on a per kilowatt (kW) basis for demand-billed customers, for each of the major rate classes, combined minor classes, and service level ("SL"). The factor shall reflect actual completed projects in service, with any accumulated over/under amortized over a 3-month period. No projections for upcoming projects may be included in the factor calculation. The GEM factors will be computed as follows:

$$\text{GEM Factor}_{\text{Class and SL}} = \frac{((A * B) * C) + D_{\text{Class and SL}} + ((E * F) + G_{\text{Class and SL}}) + ((H * I) + J_{\text{Class and SL}}) + ((K * L) * M) + N_{\text{Class and SL}}}{O_{\text{Class and SL}}}$$

Where:

A = Transmission Service Level Retail Revenue Requirement;

B = Oklahoma Jurisdiction Transmission Service Level Allocation = 91.0346%;

C = Oklahoma Transmission Service Level Demand Class and SL Allocator;

D = Transmission Service Level Annual True Up;

And

E = Distribution Service Level FERC Accounts 360-363 Revenue Requirement;

F = Distribution Service Level FERC Accounts 360-363 Class and SL Allocator;

G = Distribution Service Level FERC Accounts 360-363 Annual True Up;

And

H = Distribution Service Level FERC Accounts 364-368 Revenue Requirement;

I = Distribution Service Level FERC Accounts 364-368 Class and SL Allocator;

J = Distribution Service Level FERC Accounts 364-368 Annual True Up;

**Rates Authorized by the Oklahoma Corporation Commission:**

Public Utilities Division Stamp

(Effective) (Order No.) (Cause/Docket No.)

PUD 202000021

# EXHIBIT A

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

**Original Sheet No. 57.02**

**Date Issued XXXX XX, 20XX**

## **STANDARD PRICING SCHEDULE: GEM GRID ENHANCEMENT MECHANISM**

**STATE OF OKLAHOMA**

And

*K = General and Intangible Plant Revenue Requirement;*

*L = Oklahoma Jurisdiction General and Intangible Plant Allocation = 91.5044%;*

*M = General and Intangible Plant Class and SL Allocator;*

*N = General and Intangible Plant Annual True Up;*

And

*O = Base kWh for each Applicable non demand-billed Class and SL or Base kW for each Applicable demand-billed Class and adjusted to exclude exempt demands for SL1&2 customers, and exempt kWhs for low income customer and senior discount customer kWhs.*

The revenue requirement items above (A, E, H, and K) shall be calculated as follows:

$$\text{Revenue Requirement} = ((\text{GEMCE} * \text{RORB}) + \text{DE} + \text{AVT})$$

Where:

*GEMCE = Grid Enhancement Mechanism Capital Expenditures as described in the PURPOSE section above;*

*RORB = Authorized Rate of Return on Rate Base = 9.071%;*

*DE = Depreciation Expense associated with such Grid Enhancement Mechanism capital expenditures;*

*AVT = Ad Valorem Taxes associated with such Grid Enhancement Mechanism capital expenditures.*

The total Oklahoma jurisdictional revenue requirement for all GEM cost net of exempt classes (and without any reassignment to other classes) as described in the APPLICABILITY section above, and excluding any true-up balances, shall be subject to a \$7.0 million annual cap.

### **RATE CLASSES:**      The applicable rate classes are as follows:

| Rate Class            | Distribution  | Intangible,<br>General Plant | Transmission |
|-----------------------|---------------|------------------------------|--------------|
| Residential           | SL 2, 3, 4, 5 | All SLs                      | All SLs      |
| General Service       | SL 2, 3, 4, 5 | All SLs                      | All SLs      |
| Power and Light       | SL 3, 4, 5    | SL 3, 4, 5                   | SL 3, 4, 5   |
| Public School Large   | SL 3, 4, 5    | SL 3, 4, 5                   | SL 3, 4, 5   |
| Large Power and Light | SL 3, 4, 5    | SL 3, 4, 5                   | SL 3, 4, 5   |
| Other                 | SL 2, 3, 4, 5 | All SLs                      | All SLs      |

**Rates Authorized by the Oklahoma Corporation Commission:**  
**(Effective)                      (Order No.)                      (Cause/Docket No.)**

**Public Utilities Division Stamp**

PUD 202000021



# EXHIBIT A

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

Original Sheet No. **57.03**

Date Issued **XXXX XX, 20XX**

## STANDARD PRICING SCHEDULE: GEM GRID ENHANCEMENT MECHANISM

STATE OF OKLAHOMA

Combined Minor Rate Classes (Other) = *Oil and Gas Producers + Public Schools Small + Municipal Pumping + Municipal Lighting + Outdoor Security Lighting + LED Lighting; Power and Light = Power and Light Standard, Power and Light Time-of-Use, Back-Up and Maintenance Services*

**BASE CLASS AND OTHER kWh AND kW:** The applicable projected Oklahoma jurisdictional kWh and kW consistent with data from Cause No. PUD 201800140.

**ALLOCATORS:** The transmission, distribution FERC, and intangible and general plant allocators as determined in PUD 201800140.

| Rate Class           | Distribution<br>FERC<br>Accounts 360<br>- 363 | Distribution<br>FERC<br>Accounts<br>364-368 | Intangible,<br>General Plant | Transmission<br>(rebased to<br>100%) |
|----------------------|---|---|------------------------------|--------------------------------------|
| Residential **       | 45.7875%                                      | 60.7752%                                    | 56.8958%                     | 46.7693%                             |
| General Service*     | 8.2041%                                       | 13.4030%                                    | 10.2362%                     | 8.4287%                              |
| Public Schools Large |   |   |                              |                                      |
| Service Level 3      | 0.0435%                                       | 0.0152%                                     | 0.0279%                      | 0.0320%                              |
| Service Level 4      | 0.0825%                                       | 0.0348%                                     | 0.0503%                      | 0.0550%                              |
| Service Level 5      | 0.8352%                                       | 0.8350%                                     | 0.6202%                      | 0.6728%                              |
| Power and Light      |   |   |                              |                                      |
| Service Level 1      | 0.0000%                                       | 0.0000%                                     | 0.0000%                      | 0.0000%                              |
| Service Level 2      | 0.0000%                                       | 0.0000%                                     | 0.0000%                      | 0.0000%                              |
| Service Level 3      | 2.2458%                                       | 0.7951%                                     | 1.8169%                      | 2.4998%                              |
| Service Level 4      | 0.7857%                                       | 0.4010%                                     | 0.6908%                      | 0.9657%                              |
| Service Level 5      | 18.5485%                                      | 19.4188%                                    | 17.0787%                     | 20.7687%                             |
| Large Power & Light  |   |   |                              |                                      |
| Service Level 1      | 0.0000%                                       | 0.0000%                                     | 0.0000%                      | 0.0000%                              |
| Service Level 2      | 0.0000%                                       | 0.0000%                                     | 0.0000%                      | 0.0000%                              |
| Service Level 3      | 1.9711%                                       | 0.6723%                                     | 1.6129%                      | 2.2696%                              |
| Service Level 4      | 0.6533%                                       | 0.2659%                                     | 0.5457%                      | 0.7703%                              |
| Service Level 5      | 0.9529%                                       | 0.7828%                                     | 0.8060%                      | 1.0667%                              |
| Other*               | 3.5957%                                       | 2.6008%                                     | 2.6662%                      | 2.1521%                              |

\* Service Levels 2 through 5 are combined.

\*\* Residential allocators will be adjusted to reflect removal of Low Income and Senior customers and included for review in workpapers submitted to stipulating parties prior to recovery.

Rates Authorized by the Oklahoma Corporation Commission:  
(Effective) (Order No.) (Cause/Docket No.)  
PUD 202000021

Public Utilities Division Stamp



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

Original Sheet No. 57.04

Date Issued XXXX XX, 20XX

**STANDARD PRICING SCHEDULE: GEM  
GRID ENHANCEMENT MECHANISM**

**STATE OF OKLAHOMA**

## GEM Factors

| Class                | \$/kWh    | \$/kW     |
|----------------------|-----------|-----------|
| Residential          | X.XXXXXXX |           |
| General Service*     | X.XXXXXXX |           |
| Public Schools Large |           |           |
| Service Level 3      |           | X.XXXXXXX |
| Service Level 4      |           | X.XXXXXXX |
| Service Level 5      |           | X.XXXXXXX |
| Power and Light      |           |           |
| Service Level 1      |           | X.XXXXXXX |
| Service Level 2      |           | X.XXXXXXX |
| Service Level 3      |           | X.XXXXXXX |
| Service Level 4      |           | X.XXXXXXX |
| Service Level 5      |           | X.XXXXXXX |
| Large Power & Light  |           |           |
| Service Level 1      |           | X.XXXXXXX |
| Service Level 2      |           | X.XXXXXXX |
| Service Level 3      |           | X.XXXXXXX |
| Service Level 4      |           | X.XXXXXXX |
| Service Level 5      |           | X.XXXXXXX |
| Other*               | X.XXXXXXX |           |

Billing Demand shall be determined as defined in, and in accordance with, the Standard Pricing Schedule under which customer receives service.

**Rates Authorized by the Oklahoma Corporation Commission:**

Public Utilities Division Stamp

(Effective) (Order No.) (Cause/Docket No.)

PUD 2020XXXXX