# BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICATION OF OKLAHOMA GAS AND	)
ELECTRIC COMPANY FOR AN ORDER OF	)
THE COMMISSION AUTHORIZING	) CASE NO. PUD 2023000087
APPLICANT TO MODIFY ITS RATES,	)
CHARGES, AND TARIFFS FOR RETAIL	)
ELECTRIC SERVICE IN OKLAHOMA	)

#### RESPONSIVE TESTIMONY

**OF** 

#### SCOTT NORWOOD

#### COST OF SERVICE AND RATE DESIGN ISSUES

RATE DESIGN PHASE

ON BEHALF OF

OKLAHOMA INDUSTRIAL ENERGY CONSUMERS

MAY 3, 2024

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SEC	HUN	PAGE
I.	INT	TRODUCTION3
II.	SUM	MARY OF TESTIMONY4
III.	PRO	POSED VEGETATION MANAGEMENT TRACKER6
IV.	RID	ER FOR TAX CREDITS AND FUEL COST ADJUSTMENT RIDER8
V.	DAY	-AHEAD PRICING TARIFF AND LOAD REDUCTION RIDER12
VI.	ENE	RGIZING RENEWABLE CONNECTIONS TARIFF15
EXH	HBIT	<u>S:</u>
SN-F	RD-1	OG&E's Existing Rider For Tax Credits
SN-I	RD-2	Excerpts from OG&E's 2024 Draft IRP
SN-F	RD-3	PSO's Existing Fuel Cost Adjustment Rider
SN-F	RD-4	OIEC's Recommended Revisions to OG&E's FCA Rider
SN-F	RD-5	OIEC's Recommended Revisions to OG&E's RTC Rider
SN-F	RD-6	OG&E's Existing DAP Tariff
SN-F	RD-7	OG&E's Existing LR Rider
SN-F	RD-8	Excerpts from the Direct Testimony of Jeremy K. Schwartz in
		PUD Cause No. 202100164
SN-F	RD-9	OG&E's Existing ERC Tariff
SN-F	RD-10	OIEC's Recommended Revisions to OG&E's ERC Tariff

1 I. INTRODUCTION 2 3 Q. PLEASE STATE YOUR NAME, TITLE AND BUSINESS ADDRESS. 4 My name is Scott Norwood. I am President of Norwood Energy Consulting, L.L.C. My A. 5 business address is P.O. Box 30197, Austin, Texas 78755-3197. 6 7 WHAT IS YOUR OCCUPATION? Q. 8 I am an energy consultant specializing in the areas of electric utility regulation, resource A. 9 planning and energy procurement. 10 11 ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS CASE? Q. 12 A. I am testifying on behalf of Oklahoma Industrial Energy Consumers ("OIEC"). I also 13 filed testimony on behalf of OIEC in the revenue requirement phase of this proceeding 14 on April 26, 2024. A summary of my background and experiences was provided as 15 Exhibit SN-1 of that previously filed testimony. 16 17 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY? 18 A. The purpose of my testimony is to present my findings and recommendations regarding 19 certain OG&E tariffs and riders, including: 20 1) OG&E's proposed Vegetation Management Tracker mechanism; 21 2) the need to revise OG&E's Rider for Tax Credits ("RTC Rider") to eliminate its applicability to Production Tax Credits ("PTCs") and to revise the Company's 22

1 existing Fuel Cost Adjustment rider ("FCA Rider") to include PTCs produced by 2 all renewable resources; 3) OG&E's proposal to prohibit customers from co-subscribing in the existing 3 4 Day Ahead Pricing ("DAP") and Load Reduction ("LR") tariffs; and 5 4) the need for revisions to OG&E's existing Energizing Renewable Connections ("ERC") tariff to make the program more attractive to customers. 6 7 8 HAVE YOU PREPARED ANY EXHIBITS TO SUPPORT YOUR TESTIMONY? Q. 9 A. Yes. I have prepared 10 exhibits that are attached to my testimony. 10 11 II. **SUMMARY OF TESTIMONY** 12 13 PLEASE SUMMARIZE YOUR RECOMMENDATIONS BASED ON YOUR Q. REVIEW OF OG&E'S RATE INCREASE APPLICATION. 14 15 A. My major recommendations to the Commission are: 16 Proposed Vegetation Management Tracker - I recommend that the Commission 1) deny OG&E's request for approval of a Vegetation Management Tracker because 17 18 the tracker would result in improper piecemeal ratemaking and because the 19 Company's requested increase in vegetation management spending is not reasonable, necessary or expected to benefit customers. 20 21 RTC and FCA Rider - I recommend that OG&E's RTC Rider be revised to 22 2) 23 eliminate its applicability to PTCs and to include State and Federal ITCs unless

otherwise ordered by the Commission. In conjunction with this recommendation, I recommend that OG&E's FCA Rider be revised to include State and Federal PTCs earned from all renewable energy resources with a tax gross up, along with an annual true-up adjustment to account for differences between forecasted and actual PTCs earned in the previous year. I further recommend that PTCs and associated tax gross up amounts be included as a variable component of OG&E's FCA Rider charges, consistent with the existing treatment of PTCs under Public Service Company of Oklahoma's ("PSO") existing FCA Rider and in recognition of the fact that PTCs are directly related to the energy produced by renewable resources. 3) DAP Tariff and LR Rider - I recommend that the Commission reject OG&E's proposed revisions to the existing DAP and LR Tariffs that would eliminate the existing options for customers to simultaneously take service under both tariffs. 4) ERC Tariff - I recommend that OG&E's ERC Tariff be revised to eliminate the 10-year minimum contract term and revise the early termination provision to subscription terms of 5 years or more so that so that the ERC Tariff will be more attractive to customers who are interested in purchasing renewable energy.

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III. PROPOSED VEGETATION MANAGEMENT TRACKER

Q. WHAT IS OG&E'S PROPOSED VEGETATION MANAGEMENT TRACKER?

A. As discussed in my direct testimony, OG&E is requesting approval of a proforma adjustment to increase its TY vegetation management O&M expense by approximately \$28 million.<sup>1</sup> In conjunction with this proposal, OG&E is also requesting approval of a Vegetation Management Tracker mechanism that would allow the Company to defer and record a regulatory asset or liability to account for vegetation management expenses that are above or below the amount set in base rates in this case.<sup>2</sup> OG&E then proposes to present the deferred asset or liability to the Commission for approval and recovery in the Company's next base rate case.<sup>3</sup>

14 Q. IS OG&E'S PROPOSED VEGETATION MANAGEMENT TRACKER

15 **REASONABLE OR NECESSARY?** 

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A. No. As discussed in my Direct Testimony in the revenue requirements phase of this proceeding, OG&E's request to increase the level of Distribution Vegetation Management O&M expenses by \$28.0 million per year is unreasonable and unnecessary due to the fact that vegetation-related outage time on OG&E's system has averaged approximately 27 minutes per year over the last four years while its vegetation O&M spending for the distribution system averaged approximately \$26.33 million per year for

<sup>1</sup> See the Direct Testimony of OG&E witness Robert Shaffer, page 3.

<sup>2</sup> See the Direct Testimony of OG&E witness Jason Thenmadathil, pages 18-19.

the last seven years.<sup>4</sup> The 27 minutes of vegetation-related outage time equates to approximately .005% of total minutes per year, which is a very small impact on OG&E's system reliability.<sup>5</sup> Moreover, the Company does not expect its proposed increase in vegetation management spending to improve vegetation-related outage time in the future,<sup>6</sup> therefore customer benefits of the increased spending would be minimal.

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#### Q. DO YOU HAVE OTHER CONCERNS WITH OG&E'S PROPOSED

#### VEGETATION MANAGEMENT TRACKER?

9 A. Yes. OG&E's proposed Vegetation Management Tracker is a classic example of 10 piecemeal ratemaking which would allow the Company to defer and recover increases in 11 a single category of base rate expenses (i.e., vegetation management) without 12 considering whether there were other categories of cost decreases or revenue increases 13 that offset the increase in vegetation management costs. This piecemeal ratemaking is 14 not appropriate and should not be allowed, particularly in cases such as this where the 15 underlying costs are not reasonable, necessary or beneficial to customers.

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#### Q. WHAT IS YOUR RECOMMENDATION REGARDING OG&E'S PROPOSED

#### VEGETATION MANAGEMENT TRACKER?

19 A. I recommend that the Commission deny OG&E's proposed Vegetation Management 20 Tracker mechanism based on the facts that: 1) OG&E has provided a very high level of

<sup>3</sup> Ibid.

<sup>4</sup> See the Direct Testimony of Scott Norwood, pages 11-12 and Exhibit SN-3.

<sup>5</sup> See the Direct Testimony of Scott Norwood, page 12.

<sup>6</sup> See the Direct Testimony of Scott Norwood, page 13 and Exhibit SN-4.

reliability of more than 99.97% since 2016 with the current level of vegetation management spending<sup>7</sup>, 2) the Company admits that it does not expect that the increased vegetation management spending will reduce outage time for customers<sup>8</sup>, and 3) OG&E projects that reliability of its system will improve without additional vegetation management spending as a result of the \$240 million invested by the Company over the last three years for the weather hardening projects that are designed to help reduce vegetation-related outages on its distribution system.<sup>9</sup>

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#### IV. RIDER FOR TAX CREDITS AND FUEL COST ADJUSTMENT RIDER

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#### Q. WHAT IS THE PURPOSE OF OG&E'S RTC RIDER?

12 A. OG&E's RTC Rider<sup>10</sup> provides a mechanism for the Company to credit customers with
13 State and Federal PTCs and State Investment Tax Credits ("ITCs") produced from
14 renewable energy resources.

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#### Q. DO YOU HAVE ANY CONCERNS WITH OG&E'S RTC RIDER?

17 A. Yes. I have several concerns with OG&E's RTC Rider. First, the RTC Rider does not
18 apply to Federal ITCs which means that unless a new rider is developed, OG&E would
19 be limited to return Federal ITCs to customers during a base rate case. This creates
20 uncertainty as to whether Federal ITCs would be credited fully and on a timely basis

<sup>7</sup> See the Direct Testimony of Scott Norwood, page 12.

<sup>8</sup> See the Direct Testimony of Scott Norwood, page 13 and Exhibit SN-4.

<sup>9</sup> See the Direct Testimony of Scott Norwood, page 14.

<sup>10</sup> See Exhibit SN-RD-1, OG&E's existing RTC Rider.

considering the fact that base rate cases take months to process and typically are filed only every few years.

I am also concerned that OG&E's RTC Rider does not specify the process by which annual calculations of PTC and ITC factors and true-up adjustments would be reviewed and approved, nor does it specify how or when the final review of over-recovery or under-recovery balances under the rider would be conducted to ensure that customers in each class receive the appropriate level of tax credits.

Moreover, the RTC Rider appears to provide wide discretion to the Company for estimating the level of PTCs and ITCs that OG&E is able to use for tax purposes in any year which creates uncertainty in the level of credits provided to customers each year.

My final concern is that OG&E's RTC Rider does not specify that PTC and ITC credits shall include a tax gross up adjustment to reflect the full revenue requirement benefit that the Company receives from PTCs and ITCs.

# Q. WHY IS IT IMPORTANT THAT OG&E HAVE AN EFFECTIVE MECHANISM FOR RETURNING PTCS AND ITCS TO CUSTOMERS ON A TIMELY BASIS? A. OG&E's 2024 Draft Integrated Resource Plan ("2024 IRP") indicates that OG&E plans

to procure up to 750 MW (nameplate) of new solar generation resources by 2027 to meet the forecasted capacity needs of its system.<sup>11</sup> OG&E's forecasted capital cost of these new solar resources is expected to be in the range of \$1.7 billion (\$2,220/kW). <sup>12</sup>

<sup>11</sup> See Exhibit SN-RD-2, Excerpts from OG&E's 2024 Draft IRP.

<sup>12</sup> Ibid.

A primary factor contributing to the selection of solar resources to supply the forecasted capacity needs of OG&E's system is the projected PTC benefits provided by such resources, which are expected to be in the range of \$100 million per vear<sup>13</sup> over the first ten years of commercial operations of the new resources. I am concerned that without a mechanism to credit the full benefit of PTCs to OG&E's customers as they are earned, ratepayers may not realize the benefits that were assumed by the Company in justifying its planned \$1.7 billion investment for new solar resources. DOES OG&E HAVE OTHER EXISTING RIDERS THAT COULD BE USED Q.

9 10 FOR CREDITING PTCS TO CUSTOMERS ON A TIMELY BASIS?

- 11 Yes. OG&E's existing FCA Rider could be used for crediting PTC's produced from A. 12 renewable energy resources.
- Q. DO OTHER OKLAHOMA UTILITIES CREDIT PTCS THROUGH THEIR FCA 14
- 15 RIDERS?

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PSO's existing approved FCA Rider<sup>14</sup> provides for PTCs to be credited to 16 A. Yes. 17 customers as they are earned with a tax gross-up adjustment, and with an annual true-up 18 provision that reflects differences between projected PTCs used for setting FCA Rider 19 charges and the actual PTCs that are earned in each period.

13 The \$100 million per year PTC estimate is based on 750 MW of new solar operating at an annual capacity factor of 50% and a PTC value of \$30/MWh. (750MW x 8760 hours/year x 0.5 x \$30/MWh = \$98.6 million/year) 14 See Exhibit SN-RD-3, PSO's existing FCA Rider.

#### Q. IS PSO'S FCA RIDER A BETTER MECHANISM THAN OG&E'S RTC RIDER

#### FOR HANDLING PTC CREDITS?

Yes. PSO's FCA Rider provides for credits for PTCs earned each year, with tax gross up adjustments, true-up adjustments, and a semi-annual re-determination process. The FCA Rider re-determination process provides for stakeholder review of calculations and assumptions underlying proposed FCA Rider charges, including projected PTC credits amounts, before the new FCA Rider charges are placed into effect. This assures greater transparency, accuracy and timeliness of FCA Rider charges and PTC credits that are returned to customers through the FCA Rider.

Moreover, FCA Rider charges along with underlying PTC credits are subject to final review and approval in hearings pursuant to the Commission's established annual fuel audit process. In these annual fuel audit proceedings, the Company is required to provide testimony and rate filing schedules along with workpapers to support the costs and credits incurred and recovered through the FCA Rider charges, and stakeholders are allowed to conduct discovery and provide responsive testimony to address any concerns that are identified with underlying costs and credits reflected in the FCA rider charges.

For these reasons, OG&E's FCA Rider is a far better rate mechanism than the RTC Rider for handling PTC credits.

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#### Q. ARE THERE OTHER REASONS WHY OG&E'S FCA RIDER WOULD BE A

#### 21 BETTER MECHANISM FOR CREDITING PTCS TO CUSTOMERS?

Yes. OG&E's FCA Rider is designed to recover costs and revenues derived from the production or purchase of energy, and PTCs are derived directly from the production of energy by OG&E's renewable energy resources. Moreover, the energy benefits provided from renewable energy are also reflected in FCA Rider charges and it would be most efficient to address renewable energy benefits and PTCs through the same rate mechanism and in conjunction with the ongoing monthly reporting and annual fuel audit review process that exists for FCA Rider charges.

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# Q. WHAT ARE YOUR RECOMMENDATIONS TO INCLUDE PTC CREDITS AS A COMPONENT OF OG&E'S FCA RIDER CHARGES?

I recommend that OG&E's FCA Rider be revised to include Federal and State PTCs produced from all Company renewable resources as components of the variable energy costs recovered through OG&E's FCA Rider charges. My recommendation will ensure that such credits will be returned to customers as they are earned, along with a tax gross-up adjustment and in a manner that is consistent with the PTC credit provisions of PSO's current Commission-approved FCA Rider. If further recommend that OG&E's RTC Rider be revised to exclude its applicability to PTCs if the Commission adopts my recommendation to include PTC credits in the Company's FCA Rider charges.

#### V. DAY-AHEAD PRICING TARIFF AND LOAD REDUCTION RIDER

<sup>15</sup> See Exhibit SN-RD-4 for OIEC's Recommended Revisions to OG&E's FCA Rider.

Q. IS OG&E PROPOSING REVISIONS TO THE COMPANY'S EXISTING DAY-

AHEAD PRICING TARIFF ("DAP TARIFF") AND LOAD REDUCTION RIDER

3 ("LR RIDER")?

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- 4 A. Yes. OG&E is proposing to modify the Company's DAP tariff and LR Rider to
- 5 eliminate the existing option for participating customers to take service under both rate
- offerings at the same time. It is my understanding that the DAP tariff was initiated in
- 7 2014 while the LR Rider was initiated in 2009.

9 Q. WHAT IS THE PURPOSE OF OG&E'S DAP TARIFF AND LR RIDER?

- 10 A. OG&E's DAP tariff<sup>17</sup> provides customers the option to obtain a portion of their energy
- requirements based on prices in the SPP's day-ahead energy market. The Company's
- 12 LR Rider<sup>18</sup> provides customers the option to obtain rate credits for curtailing load when
- requested by OG&E for any operating or economic purpose.

15 Q. ARE THE SERVICES PROVIDED UNDER OG&E'S DAP AND LR TARIFFS

16 **DIFFERENT?** 

17 A. Yes. The DAP tariff is "energy related" and affects pricing of service on a daily and

hourly basis throughout the year. Customer participation in the DAP tariff provides

energy benefits to OG&E's system by allowing customers to modify their usage in

response to energy market price signals.

<sup>16</sup> See Exhibit SN-RD-5 for OIEC's Recommended Revisions to OG&E's RTC Rider.

<sup>17</sup> See Exhibit SN-RD-6, OG&E's existing DAP Tariff.

<sup>18</sup> See Exhibit SN-RD-7, OG&E's Existing LR Rider.

In contrast, the LR Rider relates to customer load curtailment for a specified number of hours when requested by OG&E. Customer participation in the LR tariff helps OG&E to reduce peak demand or to address operating or economic issues which benefits customers.

- Q. WHAT REASONS HAS OG&E PROVIDED TO JUSTIFY ITS PROPOSAL TO ELIMINATE THE OPTION FOR CUSTOMERS TO CO-SUBSCRIBE TO THE
- **DAP AND LR TARIFFS?** 
  - A. OG&E has indicated that its proposed revisions to eliminate the option for customers to subscribe to both tariffs is based on "customer feedback that indicates co-subscription causes confusion and hinders their ability to respond effectively and efficiently to program signals". <sup>19</sup> In addition, the Company indicates that differences between the way that baseline performance is measured for the two tariffs may also contribute to feedback from customers that they were conflicted on how to optimize their consumption based on the signals provided under each tariff. <sup>20</sup>

Q. DOES THE FACT THAT SOME CUSTOMERS MAY HAVE EXPERIENCED DIFFICULTY IN DECIDING HOW TO BEST OPTIMIZE BENEFITS OF THE DAP AND LR TARIFFS JUSTIFY OG&E'S PROPOSAL TO ELIMINATE THE OPTION FOR CUSTOMERS TO SUBSCRIBE TO BOTH TARIFFS?

*Ibid*.

<sup>19</sup> See Exhibit SN-RD-8, Excerpts from the Direct Testimony of Jeremy K. Schwartz filed in PUD Cause No. 202100164, page 15, lines 10-23.

No. The DAP and LR tariffs provide different services, both of which benefit customers 1 A. 2 and OG&E's system. Customer participation in these tariffs is optional, therefore, 3 customers may choose whether or not to participate if they are uncomfortable with their ability to optimize benefits available under one or both tariffs. The fact that the tariffs 4 5 have been in effect for more than ten years indicates that there is customer interest in 6 both programs. If there is confusion among customers as to how to best extract benefits 7 from the tariffs, OG&E's customer service representatives should be able to assist 8 customers with addressing this confusion. 9 10 Q. WHAT ARE **YOUR** RECOMMENDATIONS REGARDING OG&E'S 11 PROPOSED DAP AND LR TARIFFS? 12 I recommend that the Commission deny OG&E's request to revise the existing DAP A. 13 Tariff and LR Rider and approve the continuation of the existing tariffs so that customers 14 will have the option to continue to co-subscribe to these tariffs. 15 16 VI. **ENERGIZING RENEWABLE CONNECTIONS TARIFF** 17 18 Q. DOES OG&E OFFER ANY TARIFFS FOR CUSTOMERS WHO WISH TO 19 PURCHASE A PORTION OR ALL OF THEIR ENERGY REQUIREMENTS FROM RENEWABLE ENERGY RESOURCES? 20

Yes. OG&E's Energizing Renewable Connections ("ERC") Tariff<sup>21</sup> provides customers the option to purchase up to 100% of their energy requirements and to receive associated Renewable Energy Credits ("RECs") from designated renewable energy resources subject to Program resource quantity limits. The ERC is available to customers with a monthly maximum demand of 2 MW or greater, with a minimum subscription of 1 MW, a required 10-year contract term, and specified early-termination provisions based on the remaining value of the contract as of the termination date.

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#### Q. DO YOU HAVE ANY CONCERNS WITH THE PROVISIONS OF OG&E'S

#### **EXISTING ERC TARIFF?**

11 Yes. I am concerned that the ERC Tariff may be less attractive to OG&E's customers A. 12 who have interest in purchasing renewable energy because of the ERC's minimum 10-13 year purchase term and the potentially costly early-termination provision. To address 14 these concerns, I recommend that the minimum 10-year contract term be revised to 3 15 years and that the early termination provisions of the ERC Tariff be revised to apply only 16 to customer subscriber agreements with terms of greater than five years. This information would allow customers to better evaluate the cost-effectiveness and 17 availability of energy under the ERC Tariff.<sup>22</sup> 18

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#### Q. DOES THAT CONCLUDE YOUR TESTIMONY?

21 A. Yes.

<sup>21</sup> See Exhibit SN-RD-9, OG&E's existing ERC Tariff.

<sup>22</sup> See Exhibit SN-RD-10 for my recommended revisions to OG&E's ERC Tariff.

#### **CERTIFICATE OF MAILING**

This is to certify that on this 3<sup>rd</sup> day of May, 2024, a true and correct copy of the above and foregoing was emailed, addressed to:

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OKLAHOMA GAS AND ELECTRIC COMPANY P. O. Box 321 Oklahoma City, Oklahoma 73101 3<sup>rd</sup> Revised Sheet No. <u>52.20</u> Replacing 2<sup>nd</sup> Revised Sheet No. <u>52.20</u> Date Issued September 8, 2022

STANDARD PRICING SCHEDULE: RTC

STATE OF OKLAHOMA

**Rider for Tax Credits** 

EFFECTIVE IN: All territory served.

<u>PURPOSE</u>: To credit the Oklahoma jurisdictional portion of Federal and State Production Tax Credits (PTC) and State Investment Tax Credits (ITC) received by the Company.

<u>APPLICABILITY</u>: This rider is applicable to all Oklahoma retail rate classes and customers except those specifically exempted by special contract.

<u>TERM</u>: The RTC factor implementation shall remain in effect for as long as the Company receives Production Tax Credits and Investment Tax Credits, or until closed by Commission order.

**PTC FACTOR CALCULATION:** The Company will calculate the PTC Factors using the following formula, on a per kilowatt-hour (kWh) basis, for each of the major rate classes and the combined minor rate classes and will be computed as follows:

$$\frac{Revenue\ Requirement_{Class}}{Sales_{Class}} = ((A*B+C)*D)/E$$

Where:

A = Estimated Federal and State Production Tax Credits projected to be taken for tax purposes during the applicable calendar year.

B = Oklahoma jurisdictional energy allocator of 90.9262%

C = Production Tax Credit Annual True-Up

 $D = Revenue \ Allocator for each \ class \ identified \ above$ 

E = The Base kWh for each Class identified above

And:

a) <u>Estimated Production Tax Credits</u>: The projected Production Tax Credits to be taken for the applicable calendar year shall be based upon the projected Production Tax Credits to be realized from renewable energy projects plus, as applicable, deferred Production Tax Credits from prior years from eligible renewable energy projects.

Rates Authorized b	Public Utilities Division S		
(Effective)	(Order No.)	(Cause/Docket No.)	
October 1, 2022	728277	PUD 202100164	
July 1, 2022		O.S. §17-152	
October 1, 2019	702531	PUD 201800140	
July 1, 2018	679358	PUD 201700496	

Stamp

4<sup>th</sup> Revised Sheet No. <u>52.21</u> Replacing 3<sup>rd</sup> Revised Sheet No. <u>52.21</u> Date Issued <u>September 8, 2022</u>

STANDARD PRICING SCHEDULE: RTC

STATE OF OKLAHOMA

**Rider for Tax Credits** 

b) <u>Revenue Allocator</u>: Determined from the revenues as reflected in the final compliance Proof of Revenue from the Company's most recent general rate case proceeding.

Rate Class	Revenue Requirement Allocator Percentage
Residential	51.0185%
General Service	10.8377%
Power and Light	22.4301%
Large Power and Light	10.6158%
Other	5.0979%

c) <u>Base kWh</u>: The Oklahoma jurisdictional kWh as reflected in the final Schedule H-2 from the Company's most recent general rate case proceeding, adjusted for growth.

Rate Class	H-2 kWh
Residential	9,007,287,768
General Service	1,663,516,440
Power and Light	6,906,311,813
Large Power and Light	6,411,908,254
Other	935,486,806

d) <u>Annual True-Up</u>: The over/under amount which will be the difference between the Prior Period Actual Production Tax Credits received by the Company less the Prior Period PTC Rider credits issued net of the previous Prior Period True-Up.

ITC FACTOR CALCULATION: The Company will calculate the ITC Factors using the following formula, on a per kilowatt-hour (kWh) basis, for each of the major rate classes and the combined minor rate classes and will be computed as follows:

$$\frac{Revenue\ Requirement_{Class}}{Sales_{Class}} = ((A*B+C)*D)/E$$

Rates Authorized by the Oklahoma Corporation Commission:							
(Effective)	(Cause/Docket No.)						
October 1, 2022	728277	PUD 202100164					
July 1, 2022		O.S. §17-152					

1st Revised Sheet No. 52.22 Replacing Original Sheet No. 52.22 Date Issued September 8, 2022

STANDARD PRICING SCHEDULE: RTC

STATE OF OKLAHOMA

**Rider for Tax Credits** 

#### Where:

- A = Estimated State Investment Tax Credits projected to be taken for tax purposes during the applicable calendar year.
- B = Oklahoma jurisdictional energy allocator of 90.9262%
- C = Investment Tax Credit Annual True-Up
- D = Revenue Allocator for each class identified above
- E = The Base kWh for each Class identified above

#### And:

- a) Estimated Investment Tax Credits: The projected Investment Tax Credits to be taken for the applicable calendar year shall be based upon the projected Investment Tax Credits to be realized from generation-related investments plus, as applicable, deferred Investment Tax Credits from prior years from generation-related investments.
- Revenue Allocator: Determined from the revenues as reflected in the final b) compliance Proof of Revenue from the Company's most recent general rate case proceeding.

Rate Class	Revenue Requirement Allocator Percentage
Residential	51.0185%
General Service	10.8377%
Power and Light	22.4301%
Large Power and Light	10.6158%
Other	5.0979%

Rates Authorized by the Oklahoma Corporation Commission:						
(Effective)	(Order No.)	(Cause/Docket No.)				
October 1, 2022	728277	PUD 202100164				
T1 1 2022		O C C17 153				

1<sup>st</sup> Revised Sheet No. <u>52.23</u> Replacing Original Sheet No. <u>52.23</u> Date Issued September 8, 2022

STANDARD PRICING SCHEDULE: RTC

STATE OF OKLAHOMA

Rider for Tax Credits

c) <u>Base kWh</u>: The Oklahoma jurisdictional kWh as reflected in the final Schedule H-2 from the Company's most recent general rate case proceeding, adjusted for growth.

Rate Class	H-2 kWh
Residential	9,007,287,768
General Service	1,663,516,440
Power and Light	6,906,311,813
Large Power and Light	6,411,908,254
Other	935,486,806

d) <u>Annual True-Up</u>: The over/under amount which will be the difference between the Prior Period Actual Investment Tax Credits received by the Company less the Prior Period RTC credits issued net of the previous Prior Period True-Up.

#### **RATE CLASSES:**

Major Rate Classes = Residential, General Service, Power and Light, and Large Power and Light

Combined Minor Rate Classes (Other) = Oil and Gas Producers + Public Schools (Small and Large) + Municipal Pumping + Municipal Lighting + Outdoor Security Lighting + LED Lighting

**ANNUAL RE-DETERMINATION:** On or before November 15 of each year, re-determined PTC and ITC factors will be submitted by the Company to the OCC PUD Staff and shall be implemented on the first billing cycle of January.

**<u>FINAL REVIEW</u>**: The final over/under balance for the PTC and ITC factors will be refunded or collected through the Rider for Fuel Cost Adjustment.

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

October 1, 2022 July 1, 2022

728277

PUD 202100164

O.S. §17-152

9<sup>th</sup> Revised Sheet No. <u>52.24</u> Replacing 8<sup>th</sup> Revised Sheet No. <u>52.24</u> Date Issued <u>September 8, 2022</u>

STANDARD PRICING SCHEDULE: RTC

STATE OF OKLAHOMA

**Rider for Tax Credits** 

#### **BILLING FACTORS (\$ per kWh):**

Rate Class	PTC	ITC			
Residential	(\$0.000078)	\$0.000118			
General Service	(\$0.000087)	\$0.000132			
Power and Light	(\$0.000046)	\$0.000070)			
Large Power and Light	(\$0.000018)	\$0.000027)			
Other	(\$0.000071)	\$0.000109)			

Rates Authorized by the Oklahoma Corporation Commission:								
(Effective)	(Order No.)	(Cause/Docket No.)						
January 1, 2024	728277	PUD 2021000164						
January 1, 2023	728277	PUD 202100164						
October 1, 2022	728277	PUD 202100164						
July 1, 2022		O.S. §17-152						
July 1, 2018	679358	PUD 201700496 (original)						

Public Utilities Division Stamp

Exhibit SN-RD-2 Page 1 of 3



#### INTEGRATED RESOURCE PLAN - DRAFT

OKLAHOMA GAS & ELECTRIC

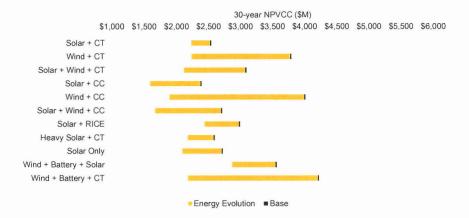
PREPARED 2024
OGE ENERGY CORP

OG&E submits this Integrated Resource Plan (IRP) – Draft in compliance with requirements established pursuant to the Oklahoma Corporation Commission's (OCC) Electric Utility Rules OAC 165:35-37 and the Arkansas Public Service Commission's (APSC) Resource Planning Guidelines for Electric Utilities.

2024 Integrated Resource Plan

OG/E

Figure 18 - Energy Evolution Scenario Assessment



The Sensitivity and Scenario analysis shows that OG&E's preferred plan is the Solar + CT portfolio because it has a low reasonable customer cost in the Base Case and mitigates a variety of potential risks while also providing a diversified portfolio of gas and renewable generation.

Table 14 - OG&E Preferred Plan

Portfolio		Accr	ccredited Capacity (MW)				NMPL.	30-year NPVCC				
Name	Туре	2024 2025 2	2026	2027 202	8 2029	2030	2031	2032	2033 2034	Total*	MW** NP	NPVCC (\$M)
Solar + CT	Solar			450		90	90	180	270	1,080	1,800	\$2,527
	CT			72	7		485		242	1,454	1,583	
	Mkt. Op.***		556							556	556	

<sup>\*</sup>Total = Accredited MW

The portfolios focus on the incremental decisions for OG&E's generation fleet. In addition to the NPVCC of the incremental portfolios, Figure 19 and Figure 20 show the 30-year net present value of OG&E's load cost, existing generation unit net production costs and fixed operations and maintenance (O&M) expenses under the natural gas and CO<sub>2</sub> Tax sensitivities, and Energy Evolution scenario with base case assumptions.

<sup>\*\*</sup>NMPL. MW = Nameplate MW

<sup>\*\*\*</sup>Mkt. Op. = One year Market Opportunity

Exhibit SN-RD-2 Page 3 of 3

2024 Integrated Resource Plan

OGE

Table 6 - Resource Options in 2023\$

Technology	Model	Nameplate Capacity (MW)	Up-front Capital Cost (\$/kW)	Summer Capability (MW)	Fixed O&M Cost (\$/kW-yr)	Variable O&M Cost (\$/MWh)
Wind	Land-Based	250	\$1,940	50	\$42.40	N/A
<b>Batteries</b>	Lithium Ion	100	\$2,130	100	\$30.00	N/A
Solar	Photovoltaic Single Axis	150	\$2,220	90	\$17.40	N/A
Solar/Battery Combo	Single Axis/Lithium Ion	150	\$3,230	150	\$36.00	N/A
RICE	Reciprocating Engine 3x	55	\$1,800	55	\$15.40	\$4.60
	Reciprocating Engine 6x	110	\$1,420	110	\$15.10	\$4.60
	1x LM2500 SCGT	32	\$3,200	29	\$9.10	\$1.70
	12x LM2500 SCGT	389	\$2,660	352	\$9.20	\$1.70
CT Aero	1x LM6000 SCGT	54	\$2,190	50	\$5.60	\$1.40
	8x LM6000 SCGT	428	\$1,870	399	\$5.30	\$1.40
	1x LMS100 SCGT	102	\$2,200	87	\$3.10	\$1.20
	4x LMS100 SCGT	406	\$1,940	347	\$3.90	\$1.20
	1x "E" Class SCGT	86	\$2,030	78	\$7.50	\$7.50
CT Frame	1x "F" Class SCGT	221	\$1,130	211	\$3.30	\$2.10
	1x "G/H" Class SCGT	280	\$930	264	\$3.70	\$2.20
	1x1 J Class	531	\$1,180	503	\$4.10	\$1.50
	1x1 J Class Duct Fired	637	\$990	613	\$4.10	\$2.30
Combined Cycle (CC)	2x1 G/H Class Duct Fired	1001	\$870	944	\$2.90	\$2.30
	2x1 F Class	729	\$1,130	662	\$2.70	\$1.50
	2x1 F Class Duct Fired	880	\$960	828	\$2.80	\$2.30
	1x1 F Class Duct Fired	441	\$1,250	411	\$4.90	\$2.40
Nuclear	Small Modular Reactor (SMR)	320	\$11,720	320	\$234.40	Unknown

Exhibit SN-RD-3 Page 1 of 4

PUBLIC SERVICE COMPANY OF OKLAHOMA P.O. BOX 201 TULSA, OKLAHOMA 74102-0201 16TH REVISED SHEET NO. REPLACING 15TH REVISED SHEET NO.

VISED SHEET NO. 70 - 1

VISED SHEET NO. 70 - 1

EFFECTIVE DATE 1/2/2024

SCHEDULE: FUEL COST ADJUSTMENT RIDER (FCA)

#### **AVAILABILITY**

This Rider is applicable to and becomes a part of each OCC jurisdictional rate schedule in which reference is made to Fuel Cost Adjustment (FCA).

#### FUEL COST ADJUSTMENT

The Fuel Cost Adjustment shall be calculated by multiplying the total retail billing kilowatt-hours (kWh) by the Service Level Fuel Cost Adjustment Factor for the current billing period. The Service Level Fuel Cost Adjustment Factor shall be determined on a semi-annual basis and become effective with the first billing cycle of May and November in the following manner:

$$FA = \frac{FUEL\$}{S} + DEF\$$$

#### WHERE:

FA = The Service Level Fuel Cost Adjustment Factor (expressed in dollars per kWh) to be applied per kWh consumed.

DEF\$ = The retail service level prior month's balance sheet amount for the Unrecovered Fuel Cost divided by the service level annual retail kWh sales.

S = Retail service level kWh sales for the period adjusted for any directly assigned fuel kWh subject to the Fuel Cost Adjustment rider.

#### WHERE:

SYSS = The OCC allowable fuel expense for the period shall be the fuel expense properly recorded in the FERC Account 5010 and FERC Account 5470, along with environmental consumables expenses properly recorded in subaccounts of FERC Accounts 502, 509 and 548. This value will be adjusted to remove any fuel expense incurred to supply off-system sales.

Rates Authorized by the Oklahoma Corporation Commission			
Effective	Order Number	Case / Docket Number	
January 2, 2024	738571	PUD 2022-000093	
January 31, 2022	722410	PUD 202100055	
March 30, 2020	708933	PUD 201900048	
March 29, 2019	692809	PUD 201800097	
February 28, 2017	672864	PUD 201700151	

APPROVED
December 15, 2023
DIRECTOR
of
PUBLIC UTILITY DIVISION

Page 2 of 4

PUBLIC SERVICE COMPANY OF OKLAHOMA P.O. BOX 201 TULSA, OKLAHOMA 74102-0201  $\begin{array}{c} 16 \text{TH REVISED SHEET NO.} & 70 - 2 \\ \text{REPLACING 15TH REVISED SHEET NO.} & 70 - 2 \\ \text{EFFECTIVE DATE} & \frac{1}{2} \frac{2}{2} \frac{2}{2} \frac{2}{2} \end{array}$ 

#### SCHEDULE: FUEL COST ADJUSTMENT RIDER (FCA)

PPES = The energy cost of purchased power for the period shall be the energy-related purchased power expense properly recorded in FERC Account 5550. The purchased power energy cost shall also include the energy-related cost of power purchased from customers, cogeneration and small power production facilities, along with energy-related costs and credits associated with Southwest Power Pool Integrated Market (SPP IM) transactions as recorded in FERC Account 5550. This value will be adjusted to remove any energy-related purchased power costs incurred to supply off-system sales.

PTCS = Estimated net proceeds realized from Federal Production Tax Credits during the applicable calendar year from the Selected Wind Facilities as approved in Cause No. PUD 202000104, with a tax gross up.

PTCSTU = The True-up amount will be the difference between the net proceeds realized from Actual Federal Production Tax Credits less the estimated Federal Production Tax Credits reflected in the FCA factors in the prior calendar year.

DTA\$ = Debt return on the monthly deferred tax asset balance resulting from the unused Selected Wind Facilities Production Tax Credits properly recorded in FERC Accumulated Deferred Income Taxes accounts as approved in Cause No. PUD 202000104.

OSEC = 100% of the margin from off-system sales of electricity and 75% of the margins from standby service.

S = Retail service level kWh sales for the period adjusted for any directly assigned fuel kWh.

SLEF = The service level expansion factor from the most recent line loss study.

U = Total system service level kWh sales at the generator by the Company for the period adjusted for any directly assigned fuel kWh. The OCC jurisdictional amount is defined as OCC jurisdictional kWh sales divided by total company sales exclusive of off-system sales (net system sales).

REC\$ = Net proceeds from the sales of Renewable Energy Credits.

Rates Authorized by the Oklahoma Corporation Commission			
Effective	Order Number	Case / Docket Number	
January 2, 2024	738571	PUD 2022-000093	
January 31, 2022	722410	PUD 202100055	
March 30, 2020	708933	PUD 201900048	
March 29, 2019	692809	PUD 201800097	
February 28, 2017	672864	PUD 201700151	

APPROVED
December 15, 2023
DIRECTOR
of
PUBLIC UTILITY DIVISION

Page 3 of 4

PUBLIC SERVICE COMPANY OF OKLAHOMA P.O. BOX 201 TULSA, OKLAHOMA 74102-0201  $\begin{array}{c} 16 \text{TH REVISED SHEET NO.} & 70 - 3 \\ \text{REPLACING 15TH REVISED SHEET NO.} & 70 - 3 \\ \text{EFFECTIVE DATE} & 1/2/2024 \end{array}$ 

#### SCHEDULE: FUEL COST ADJUSTMENT RIDER (FCA)

GTD\$ = The gas transportation and agency expense plus other fixed fuel costs properly recorded in FERC Account 5010.

PPDS = The capacity cost of purchased power for the period shall be the capacity- or demand-related purchased power expense properly recorded in FERC Account 5550. The purchased power cost shall also include the capacity- or demand-related cost of power purchased from customers, cogeneration and small power production facilities, along with capacity- or demand-related costs and credits associated with SPP IM transactions as recorded in FERC Account 5550. This value will be adjusted to remove any capacity- or demand-related purchased power costs incurred to supply off-system sales.

SLPDA = The service level production demand allocator from the most recent cost of service study.

#### SEMI-ANNUAL RE-DETERMINATION

No later than 45 days before the first billing cycle of May and November, the Company will submit to the Commission Staff, and all other parties who request the information and who abide by the approved confidentiality processes, the re-determined FCA factors for each service level along with information supporting the calculation and expense underlying such re-determined factors. The Company will also facilitate a meeting with the interested parties of record in Case No. PUD 2022-000093 to explain and answer questions regarding the Company's re-determined factors no later than 15 days before the proposed new rates are expected to be placed into effect.

#### SUCCESSOR ACCOUNTS AND SUBACCOUNTS

Successor accounts and subaccounts may be included as appropriate following advance notification to the Oklahoma Corporation Commission, Director of Public Utilities.

#### INTERIM ADJUSTMENT OF FUEL COST ADJUSTMENT FACTOR

In the event that the semi-annual fuel cost adjustment factor over/under-recovered balance is \$50,000,000 or more on a cumulative basis for the rider applicable period, the Company or the Commission Staff may request approval of an interim adjustment to the semi-annual FCA. This interim adjustment amount may include the monthly over-or-under collected amounts (differences between the fuel collected in tariffs

Rates Authorized by the Oklahoma Corporation Commission Effective Order Number Case / Docket Number January 2, 2024 738571 PUD 2022-000093 January 31, 2022 722410 PUD 202100055 PUD 201900048 March 30, 2020 708933 March 29, 2019 692809 PUD 201800097 February 28, 2017 PUD 201700151 672864

APPROVED
December 15, 2023
DIRECTOR
of
PUBLIC UTILITY DIVISION

Page 4 of 4

PUBLIC SERVICE COMPANY OF OKLAHOMA P.O. BOX 201 TULSA, OKLAHOMA 74102-0201 16TH REVISED SHEET NO. REPLACING 15TH REVISED SHEET NO. FFFECTIVE DATE 1/2/2024

#### SCHEDULE: FUEL COST ADJUSTMENT RIDER (FCA)

and the actual fuel expense incurred) that have occurred in the rider applicable period. Any over/under collected balance greater than \$50,000,000 accruing since the most recent change in FCA factors shall be amortized over a period no less than 6 months and may be extended beyond 6 months on a case by case basis. The Company shall notify and provide information supporting proposed interim adjustments to the Commission Staff and the interested parties as set forth above no later than 21 days before such changes are expected to be placed into effect. The Company will also facilitate a meeting with the interested parties of record in Case No. PUD 2022-000093 to explain and answer questions regarding the Company's redetermined factors no later than 10 days before the proposed new rates are expected to be placed into effect. The Director of the Public Utility Division shall review and approve or deny any requested interim FCA adjustments. If approved, the change will become effective with the first billing cycle of the month subsequent to the approval.

#### MONTHLY RATES

Service Level 1	Service Level 2	Service Level 3	Service Level 4/5/6
0.024588	0.027419	0.030374	0.035598

OKLAHOMA GAS AND ELECTRIC COMPANY P. O. Box 321 Oklahoma City, Oklahoma 73101 7<sup>th</sup> Revised Sheet No. <u>50.80</u> Replacing 6<sup>th</sup> Revised Sheet No. <u>50.80</u> Date Issued April 20, 2023

STANDARD PRICING SCHEDULE: FCA RIDER FOR FUEL COST ADJUSTMENT STATE OF OKLAHOMA

**EFFECTIVE IN:** All territory served.

**APPLICABILITY:** This rider is applicable to and becomes a part of each Oklahoma retail rate schedule unless specifically excluded.

**FUEL COST ADJUSTMENT:** The monthly bill as calculated under the stated rates shall be increased for each kilowatt-hour (kWh) consumed by an amount computed in accordance with the following formula:

Semi-Annual Service Level Fuel Cost = FC + TUA

Where: FC

The service level semi-annualized cost of fuel which reflects the applicable seasonal cost differences. The cost shall be the Oklahoma retail share of fuel including production tax credits (PTCs) earned from renewable energy resources with a tax gross up, Air Quality Controls Systems (AQCS) consumables, Off-System Sales fuel costs, revenue credits and purchased power expense. Purchased power expense includes Southwest Power Pool (SPP) Integrated Marketplace (IM) activity. Revenue credits include Off-System Sales revenue and 80% of any Renewable Energy Certificates (REC) sales.

TUA = True-up adjustment for the prior <u>semi-annual</u> cost period.

Where: FC =  $(VFC \times SLEAF) + (FFC \times SLPA) + OJC$ .

VFC = The variable costs of fuel, <u>PTCs earned with a tax gross up</u>, AQCS, SPP IM and purchased power including revenue credits. Variable fuel, AQCS and purchased power costs are recorded in accounts 501, 502, 547, 548, and 555. Revenue credits are recorded in accounts 447, and 456.

credits are recorded in accounts 447, and 456.

SLEAF = Service level energy allocation factor calculated by dividing the service level kWh sales adjusted for losses by the total

<b>Rates Authorized</b>	Rates Authorized by the Oklahoma Corporation Commission:			
(Effective)	(Order No.)	(Cause/Docket No.)	_	
May 1, 2023	733777	PUD 2022000057		
October 1, 2022	728277	PUD 202100164		
October 1, 2019	702531	PUD 201800140		
July 1, 2019		O.S. §17-152		

Public Utilities Division Stamp

OKLAHOMA GAS AND ELECTRIC COMPANY P. O. Box 321 Oklahoma City, Oklahoma 73101 7<sup>th</sup> Revised Sheet No. <u>50.81</u> Replacing 6<sup>th</sup> Revised Sheet No. <u>50.81</u> Date Issued April 20, 2023

## STANDARD PRICING SCHEDULE: FCA RIDER FOR FUEL COST ADJUSTMENT

STATE OF OKLAHOMA

system sales adjusted for losses (losses at	re cal	culated	based
on the latest loss study).			

FFC = Fixed fuel costs including gas transportation, gas storage, and other coal and gas costs.

SLPA = Service level production allocator from last approved cost of service study.

OJC = Oklahoma jurisdiction costs that are to be collected from only the Oklahoma customers. These costs also consist of free service, price response credits and certain wind purchased power costs. These costs are credited for appropriate SPP IM sales. These variable or fixed costs will be allocated to service levels using the SLEAF or the SLPA allocators (rebased to one hundred percent).

Then:

TUA = True-up adjustment is the sum of each service level monthly over-or-under collected amounts (MOU) for the prior <u>semi-annual</u> cost period.

Where:

$$MOU = [MFC - (MFR - PTU)] + UA + CC$$

MFC = The <u>actual</u> monthly service level fuel cost (FC) as calculated above.

MFR = Monthly service level fuel revenue collected under the FCA.
 PTU = The prior period true-up adjustment which is one twelfth of the TUA from the prior cost period.

UA = Service level specific fuel and energy portion of Uncollectible Accounts.

= (BB + EB)/2 \* CCR \* (Days in cost month/365)

Where:

CC

CCR = The Carrying Charge Rate which is the current Oklahoma Corporation Commission approved interest rate for customer deposits held one year or less.

Rates Authorized	Rates Authorized by the Oklahoma Corporation Commission:		
(Effective)	(Order No.)	(Cause/Docket No.)	
May 1, 2023	733777	PUD 2022000057	
October 1, 2022	728277	PUD 202100164	
October 1, 2019	702531	PUD 201800140	
July 1, 2019		O.S. §17-152	

OKLAHOMA GAS AND ELECTRIC COMPANY P. O. Box 321 Oklahoma City, Oklahoma 73101 7<sup>th</sup> Revised Sheet No. <u>50.82</u> Replacing 6<sup>th</sup> Revised Sheet No. <u>50.82</u> Date Issued <u>April 20, 2023</u>

#### STANDARD PRICING SCHEDULE: FCA RIDER FOR FUEL COST ADJUSTMENT

STATE OF OKLAHOMA

BB = Beginning monthly over/under recovery Balance for the current month energy cost period excluding carrying charges.

EB = Ending monthly over/under recovery Balance for the current month energy cost period excluding carrying charges.

Rates Authorized by the Oklahoma Corporation Commission:			
(Effective)	(Order No.)	(Cause/Docket No.)	
May 1, 2023	733777	PUD 2022000057	
October 1, 2022	728277	PUD 202100164	
October 1, 2019	702531	PUD 201800140	
July 1, 2019		O.S. §17-152	

Public Utilities Division Stamp

OKLAHOMA GAS AND ELECTRIC COMPANY P. O. Box 321 Oklahoma City, Oklahoma 73101 6<sup>th</sup> Revised Sheet No. <u>50.82</u> Replacing 5<sup>th</sup> Revised Sheet No. <u>50.82</u> Date Issued April 20, 2023

# STANDARD PRICING SCHEDULE: FCA RIDER FOR FUEL COST ADJUSTMENT

STATE OF OKLAHOMA

The prior cost period is for the previous six months.

FCA<sub>w</sub> = Winter per kWh fuel cost rate for all tariffs. (November through May)

$$FCA_w = \underbrace{FC_w}_{S_w}$$

Where:  $FC_w$  = The winter season portion of the <u>forecasted</u> Annual Service Level Fuel Cost.

S<sub>w</sub> = The service level winter season <u>forecasted</u> Oklahoma retail kWh sales subject to the Fuel Cost Adjustment.

FCA<sub>s</sub> = Summer per kWh fuel cost rate for standard tariffs. (June through October)

$$FCA_s = \frac{FC_s}{S_s}$$

Where:  $FC_s$  = The summer season portion of the <u>forecasted</u> Annual

Service Level Fuel Cost.

S<sub>s</sub> = The service level summer season <u>forecasted</u> Oklahoma retail kWh sales subject to the Fuel Cost Adjustment for all

rates.

FCA<sub>on</sub> = Summer on-peak period fuel cost per kWh

Where: FCA<sub>on</sub> = The forecasted incremental cost adjusted for service level

losses.

FCA<sub>off</sub> = Summer off-peak period fuel cost per kWh

$$FCA_{off} = (\underbrace{(FCA_s * (S_{on} + S_{off})) - (FCA_{on} * S_{on})}_{S_{off}}$$

Where: FCA<sub>s</sub> = Summer per kWh fuel cost rate for standard tariffs.

S<sub>on</sub> = The <u>forecasted</u> service level summer on-peak period Oklahoma retail kWh sales subject to the Fuel Cost

Adjustment.

Rates Authorized l	by the Oklahoma C	Public Utilities Division Stamp	
(Effective)	(Order No.)	(Cause/Docket No.)	_
May 1, 2023	733777	PUD 2022000057	
October 1, 2022	728277	PUD 202100164	
October 1, 2019	702531	PUD 201800140	
July 1, 2018	679358	PUD 201700496	

OKLAHOMA GAS AND ELECTRIC COMPANY P. O. Box 321 Oklahoma City, Oklahoma 73101 6<sup>th</sup> Revised Sheet No. <u>50.83</u> Replacing 5<sup>th</sup> Revised Sheet No. <u>50.83</u> Date Issued April 20, 2023

# STANDARD PRICING SCHEDULE: FCA RIDER FOR FUEL COST ADJUSTMENT

STATE OF OKLAHOMA

S<sub>off</sub> = The <u>forecasted</u> service level summer off-peak period Oklahoma retail kWh sales subject to the Fuel Cost Adjustment.

INTERIM RATE ADJUSTMENT: The semi- annual service level cost per kWh may be adjusted at the request of either the Commission Staff or the Company when the cumulative over-or-under collected balance for the rider applicable period is greater than \$50,000,000. This interim adjustment amount may include the monthly over-or-under collected amounts (differences between the fuel collected in tariffs and the actual fuel expense incurred) that have occurred in the rider applicable period. Any over/under collected balance greater than \$50,000,000 accruing since the most recent change in FCA factors shall be amortized over a period no less than 6 months and may be extended beyond 6 months on a case by case basis. The Commission Staff and the parties of record in the Company's most recent base rate case proceeding shall be notified prior to any change and the Company shall provide the Commission Staff and the parties of record in the Company's most recent base rate case proceeding the information supporting such adjustments, subject to any protective order issued by the Commission.

Stipulating Parties shall be notified at least 15 days prior to the proposed implementation date of an interim adjustment to FCA charges, and the Company shall provide the PUD and Stipulating Parties the information supporting such proposed adjustment at the time notice of the proposed interim adjustment is provided. The Company will also facilitate a meeting with PUD and Stipulating Parties no later than 10 days prior to the proposed effective date of any interim adjustment to FCA charges to explain and answer questions regarding the Company's redetermined factors. The Public Utility Division shall review and approve or deny any requested interim FCA adjustments. If approved, the change will become effective with the first billing cycle of the month subsequent to the approval.

<u>Day-Ahead Pricing and Flex Price</u>: The Fuel Cost Adjustment factors will not apply to the Day-Ahead Pricing (DAP) and Flex Price (FP) customer kWh sales above Customer Baseline Loads. All DAP and FP kWh sales above Customer Baseline Load and associated fuel costs will be excluded from the Fuel Cost Adjustment calculations above.

Off System Sales Of Electricity: One hundred percent (100%) of the Oklahoma jurisdictional share of the net profit from sales will be included in the Fuel Cost Adjustment. The net earnings (or profits) derived from such sales will be the difference between the sales price of the electricity and ancillary services delivered and all costs associated with such sales of electricity and services excluding variable production operation and maintenance expenses.

<u>Semi-Annual Redetermination</u>: Beginning on November 1, 2023, the Company will begin adjusting its FCA factors on a semi-annual basis (on November 1<sup>st</sup> and May 1<sup>st</sup>). At least 21 days prior to November 1<sup>st</sup>

Rates Authorized by the Oklahoma Corporation Commission:			Public Utilities Division Stamp
(Effective)	(Order No.)	(Cause/Docket No.)	
May 1, 2023	733777	PUD 2022000057	
October 1, 2022	728277	PUD 202100164	
October 1, 2019	702531	PUD 201800140	
July 1, 2018	679358	PUD 201700496	

OKLAHOMA GAS AND ELECTRIC COMPANY P. O. Box 321 Oklahoma City, Oklahoma 73101 6<sup>th</sup> Revised Sheet No. <u>50.84</u> Replacing 5<sup>th</sup> Revised Sheet No. <u>50.84</u> Date Issued April 20, 2023

STANDARD PRICING SCHEDULE: FCA RIDER FOR FUEL COST ADJUSTMENT STATE OF OKLAHOMA

and May 1<sup>st</sup> of each year, the Company will submit to the Commission Staff and all other parties of record in the Company's most recent base rate case proceeding the re-determined FCA factors for each service level to be effective the first billing cycle in November and May and the Company shall also provide information supporting such re-determined factors, subject to any protective order issued by the Commission. The Company will also facilitate a meeting with the parties of record in Cause No. PUD 202100164 to explain and answer questions regarding the Company's re-determined factors and may update the proposed factors and supporting information within 15 days prior to November 1<sup>st</sup> or May 1st. The Public Utility Division shall review and approve or deny any requested semi-annual FCA adjustments. If approved, the change will become effective with the first billing cycle of the month subsequent to the approval.

Rates Authorized by the Oklahoma Corporation Commission:			
(Effective)	(Order No.)	(Cause/Docket No.)	
May 1, 2023	733777	PUD 2022000057	
October 1, 2022	728277	PUD 202100164	
October 1, 2019	702531	PUD 201800140	
July 1, 2018	679358	PUD 201700496	

Public Utilities Division Stamp

Public Utilities Division Stamp

OKLAHOMA GAS AND ELECTRIC COMPANY P. O. Box 321 Oklahoma City, Oklahoma 73101 10<sup>th</sup> Revised Sheet No. <u>50.85</u> Replacing 9<sup>th</sup> Revised Sheet No. <u>50.85</u> Date Issued April 20, 2023

STANDARD PRICING SCHEDULE: FCA RIDER FOR FUEL COST ADJUSTMENT

STATE OF OKLAHOMA

## **FCA Factors**

	Service Level				
	1	2	3	4	5
2023					
Winter (Nov – Dec)	\$0.025409	\$0.019917	\$0.025066	\$0.026704	\$0.031754
2024					
Winter (Jan - Apr)	\$0.025409	\$0.019917	\$0.025066	\$0.026704	\$0.031754

Rates Authorized by the Oklahoma Corporation Commission:				
(Effective)	(Order No.)	(Cause/Docket No.)		
November 1, 2023	733777	PUD 2022000057		
May 1, 2023	733777	PUD 2022000057		
January 1, 2023	728277	PUD 202100164		
October 1, 2022	728277	PUD 202100164		

OKLAHOMA GAS AND ELECTRIC COMPANY P. O. Box 321 Oklahoma City, Oklahoma 73101 3<sup>rd</sup> Revised Sheet No. <u>52.20</u> Replacing 2<sup>nd</sup> Revised Sheet No. <u>52.20</u> Date Issued September 8, 2022

STANDARD PRICING SCHEDULE: RTC

STATE OF OKLAHOMA

Rider for Tax Credits

EFFECTIVE IN: All territory served.

<u>PURPOSE</u>: To credit the Oklahoma jurisdictional portion of Federal and State Production Tax Credits (PTC) and State Investment Tax Credits (ITC) received by the Company <u>unless otherwise</u> ordered by the Commission.

**APPLICABILITY:** This rider is applicable to all Oklahoma retail rate classes and customers except those specifically exempted by special contract.

<u>**TERM**</u>: The RTC factor implementation shall remain in effect for as long as the Company receives <u>Production Tax Credits and Investment Tax Credits</u>, or until closed by Commission order.

**PTC FACTOR CALCULATION:** The Company will calculate the PTC Factors using the following formula, on a per kilowatt-hour (kWh) basis, for each of the major rate classes and the combined minor rate classes and will be computed as follows:

$$\frac{Revenue\ Requirement_{Class}}{Sales_{Class}} = ((A*B+C)*D)/E$$

#### Where:

- A = Estimated Federal and State Production Tax Credits projected to be taken for tax purposes during the applicable calendar year.
- B = Oklahoma jurisdictional energy allocator of 90.9262%
- C = Production Tax Credit Annual True-Up
- D = Revenue Allocator for each class identified above
- E = The Base kWh for each Class identified above

#### And:

a) <u>Estimated Production Tax Credits</u>: The projected Production Tax Credits to be taken for the applicable calendar year shall be based upon the projected Production Tax Credits to be realized from renewable energy projects plus, as applicable, deferred Production Tax Credits from prior years from eligible renewable energy projects.

Rates Authorized by the Oklahoma Corporation Commission:			
(Effective)	(Order No.)	(Cause/Docket No.)	
October 1, 2022	728277	PUD 202100164	
July 1, 2022		O.S. §17-152	
October 1, 2019	702531	PUD 201800140	
July 1, 2018	679358	PUD 201700496	

4<sup>th</sup> Revised Sheet No. <u>52.21</u> Replacing 3<sup>rd</sup> Revised Sheet No. <u>52.21</u> Date Issued September 8, 2022

STANDARD PRICING SCHEDULE: RTC

STATE OF OKLAHOMA

**Rider for Tax Credits** 

b) <u>Revenue Allocator</u>: Determined from the revenues as reflected in the final compliance Proof of Revenue from the Company's most recent general rate case proceeding.

Rate Class	Revenue Requirement Allocator Percentage
Residential	51.0185%
General Service	10.8377%
Power and Light	22.4301%
Large Power and Light	10.6158%
Other	5.0979%

c) <u>Base kWh</u>: The Oklahoma jurisdictional kWh as reflected in the final Schedule H-2 from the Company's most recent general rate case proceeding, adjusted for growth.

Rate Class	H-2 kWh
Residential	9,007,287,768
General Service	1,663,516,440
Power and Light	6,906,311,813
Large Power and Light	6,411,908,254
Other	935,486,806

d) <u>Annual True-Up</u>: The over/under amount which will be the difference between the Prior Period Actual Production Tax Credits received by the Company less the Prior Period PTC Rider credits issued net of the previous Prior Period True-Up.

<u>ITC FACTOR CALCULATION</u>: The Company will calculate the ITC Factors using the following formula, on a per kilowatt-hour (kWh) basis, for each of the major rate classes and the combined minor rate classes and will be computed as follows:

$$\frac{Revenue\ Requirement_{Class}}{Sales_{Class}} = ((A*B+C)*D)/E$$

Rates Authorized by the Oklahoma Corporation Commission:			
(Effective)	(Order No.)	(Cause/Docket No.)	
October 1, 2022	728277	PUD 202100164	
July 1, 2022		O.S. §17-152	

1st Revised Sheet No. 52.22 Replacing Original Sheet No. 52.22 Date Issued September 8, 2022

STANDARD PRICING SCHEDULE: RTC

STATE OF OKLAHOMA

**Rider for Tax Credits** 

#### Where:

- A = Estimated Federal and State Investment Tax Credits with a tax gross up received with projected to be taken for tax purposes during the applicable calendar year.
- B = Oklahoma jurisdictional energy allocator of 90.9262%
- C = Investment Tax Credit Annual True-Up
- D = Revenue Allocator for each class identified above
- E = The Base kWh for each Class identified above

#### And:

- Estimated Investment Tax Credits: The projected Investment Tax Credits with a) a tax gross up to be taken for the applicable calendar year shall be based upon the projected Investment Tax Credits to be realized from generation-related investments plus, as applicable, deferred Investment Tax Credits with a tax gross up from prior years from generation-related investments.
- Revenue Allocator: Determined from the revenues as reflected in the final b) compliance Proof of Revenue from the Company's most recent general rate case proceeding.

Rate Class	Revenue Requirement Allocator Percentage
Residential	51.0185%
General Service	10.8377%
Power and Light	22.4301%
Large Power and Light	10.6158%
Other	5.0979%

Rates Authorized by the Oklahoma Corporation Commission: (Effective) (Cause/Docket No.) (Order No.) October 1, 2022 728277 PUD 202100164 O.S. §17-152

1<sup>st</sup> Revised Sheet No. <u>52.23</u> Replacing Original Sheet No. <u>52.23</u> Date Issued September 8, 2022

STANDARD PRICING SCHEDULE: RTC

STATE OF OKLAHOMA

**Rider for Tax Credits** 

c) <u>Base kWh</u>: The Oklahoma jurisdictional kWh as reflected in the final Schedule H-2 from the Company's most recent general rate case proceeding, adjusted for growth.

Rate Class	H-2 kWh
Residential	9,007,287,768
General Service	1,663,516,440
Power and Light	6,906,311,813
Large Power and Light	6,411,908,254
Other	935,486,806

d) <u>Annual True-Up</u>: The over/under amount which will be the difference between the Prior Period Actual Investment Tax Credits <u>with a tax gross up</u> received by the Company less the Prior Period RTC credits issued net of the previous Prior Period True-Up.

## **RATE CLASSES:**

Major Rate Classes = Residential, General Service, Power and Light, and Large Power and Light

Combined Minor Rate Classes (Other) = Oil and Gas Producers + Public Schools (Small and Large) + Municipal Pumping + Municipal Lighting + Outdoor Security Lighting + LED Lighting

**ANNUAL RE-DETERMINATION:** On or before November 15 of each year, re-determined PTC and ITC factors will be submitted by the Company to the OCC PUD Staff and shall be implemented on the first billing cycle of January.

**FINAL REVIEW:** The final over/under balance for the PTC and ITC factors will be refunded or collected through the Rider for Fuel Cost Adjustment and subject to final review and approval by the Commission in the Company's next annual fuel audit proceeding.

Rates Authorized by the Oklahoma Corporation Commission:				
(Effective)	(Order No.)	(Cause/Docket No.)		
October 1, 2022	728277	PUD 202100164		
July 1, 2022		O.S. §17-152		

9<sup>th</sup> Revised Sheet No. <u>52.24</u> Replacing 8<sup>th</sup> Revised Sheet No. <u>52.24</u> Date Issued September 8, 2022

STANDARD PRICING SCHEDULE: RTC

STATE OF OKLAHOMA

Rider for Tax Credits

## **BILLING FACTORS (\$ per kWh):**

Rate Class	PTC	ITC
Residential	(\$0.00078)	\$0.000118
General Service	(\$0.00087)	\$0.000132
Power and Light	(\$0.00046)	\$0.000070)
Large Power and Light	(\$0.00018)	\$0.000027)
Other	(\$0.000071)	\$0.000109)

Rates Authorized by the Oklahoma Corporation Commission:			
(Effective)	(Order No.)	(Cause/Docket No.)	
January 1, 2024	728277	PUD 2021000164	
January 1, 2023	728277	PUD 202100164	
October 1, 2022	728277	PUD 202100164	
July 1, 2022		O.S. §17-152	
July 1, 2018	679358	PUD 201700496 (original)	

OKLAHOMA GAS AND ELECTRIC COMPANY P. O. Box 321 Oklahoma City, Oklahoma 73101 5<sup>th</sup> Revised Sheet No. 33.00 Replacing 4<sup>th</sup> Revised Sheet No. 33.00 Date Issued September 8, 2022

STANDARD PRICING SCHEDULE: DAP

STATE OF OKLAHOMA

DAY-AHEAD PRICING

Code No. DAP

**SERVICE TERRITORY:** Service under this tariff is available in all territories served by OG&E Electric Services (Company), which are within the Oklahoma Corporation Commission's (Commission) jurisdiction.

**AVAILABILITY:** This tariff is available on an annual basis to PL-1, PL-TOU, PS-LG, PS-LG-TOU, LPL-1, LPL-TOU, and OCT-1 customers who execute a written contract for such service, including customers taking service under the Company's Load Reduction Rider (LR). This tariff is not available to customers taking service under the Company's FP, BUS, MS, SS, or IS pricing schedules. At the Company's sole election, the Company may allow other non-residential customers to subscribe to this tariff.

The Company's Rules, Regulations, and Conditions of Service and the Commission's Rules and Regulations apply to service provided under this tariff. This tariff is not available for resale, standby, breakdown, or auxiliary service.

**SERVICE TYPE:** The Company will provide single or three phase service delivered at approximately 60 hertz. The Company shall determine the appropriate voltage(s) for delivery to the customers' premises.

**SERVICE TERMINATION:** A customer may cancel service under this tariff and return to their standard tariff schedule upon giving 30 days written notice to the Company. If the thirtieth day of the notice period does not fall on the last day of the billing month, service will continue under this schedule through the next billing period. A customer may return to another tariff schedule without penalty, and with the same billing determinants (including elapsed time on the billing demand ratchet) which existed prior to taking service under this tariff. Consumption under this tariff will not affect a customer's billing determinants for other tariff schedules.

If a customer terminates service under this tariff, the customer will not be eligible to receive service under this tariff for 12 months after the termination.

**DAY-AHEAD PRICE:** The customer's bill under this tariff will consist of two parts: (1) the Standard Bill component and (2) the hourly price component. The Standard Bill component will be determined by multiplying the Customer's Base Line (CBL) billing determinants by the customer's standard tariff rate(s). The hourly price component will be the sum over all hours of the difference between each hour's actual kilowatt-hour use and the CBL kilowatt-hour use multiplied by the respective hourly Day-Ahead Price. The hourly Day-Ahead Prices will be based on the Southwest Power Pool's hourly Day-Ahead Locational Marginal Price for OGE, OGE's

Rates Authorized by the Oklahoma Corporation Commission:

(Effective)	(Order No.)	(Cause/Docket No.)
October 1, 2022	728277	PUD 202100164
July 1, 2018	679358	PUD 201700496
May 1, 2017	662059	PUD 201500273
March 1, 2014	599558	PUD 201100087

OKLAHOMA GAS AND ELECTRIC COMPANY P. O. Box 321 Oklahoma City, Oklahoma 73101 5<sup>th</sup> Revised Sheet No. 33.01 Replacing 4<sup>th</sup> Revised Sheet No. 33.01 Date Issued September 8, 2022

STANDARD PRICING SCHEDULE: DAP DAY-AHEAD PRICING

STATE OF OKLAHOMA

Code No. DAP

hourly marginal capacity costs, adjustments for service-level loss and the Risk and Recovery Factor.

**PRICE NOTICE:** By a method specified by the Company and by 6:00 p.m. (local time) each day, the Company will make available to Day-Ahead Pricing customers the hourly prices which shall be effective for the following day. The customer will be responsible for obtaining the necessary equipment to receive Day-Ahead Prices.

The Company may make prices available for Saturday through Monday on the previous Friday. More than day-ahead pricing may also be used for the following holidays: New Year's Day, Martin Luther King Day, President's Day, Memorial Day, Independence Day, Labor Day, Veterans' Day, Thanksgiving (Thursday and Friday), and Christmas (including Christmas Eve Day).

Under high-outage-risk circumstances, the Company may not be able to project prices more than one day in advance, and the Company reserves the right to update prices on a one-day-ahead basis.

If, on certain occasions, a customer is unable to receive the Day-Ahead Prices in the manner specified by the Company, the customer shall inform the Company so that prices may be provided. In the event that the Company is unable to post prices by 7:00 p.m. (local time), the previous day's prices shall apply.

**PRICE REDUCTION SUBSEQUENT TO PRICE NOTIFICATION:** Subsequent to providing hourly prices by 6:00 p.m. (local time) of the day before the prices are effective, the Company may decrease its Day-Ahead Prices. The Company shall notify customers of such change in prices as soon as practicable.

CONFIDENTIALITY: Any customer taking service under this tariff shall not disclose to any person, entity, or organization any information regarding the pricing, including, but not limited to, the hourly prices offered under this tariff, without the prior written consent of the Company. Disclosure of such information, including failure to obtain prior written consent before providing such information to Consultant(s) (individuals or entities providing energy use and purchase analysis assistance to the customer) shall result in a material breach of any agreement between such customer and the Company, for which the Company shall be entitled to recover at law and at equity. Such disclosure shall at the Company's sole option, result in suspension of service under this tariff, with a full reimbursement to the Company by the customer of the difference between the applicable standard tariff rates and the rate(s) provided pursuant to this tariff for all use billed pursuant to this tariff.

Rates Authorized by the Oklahoma Corporation Commission:		
(Effective)	(Order No.)	(Cause/Docket No.)
October 1, 2022	728277	PUD 202100164
July 1, 2018	679358	PUD 201700496
May 1, 2017	662059	PUD 201500273
March 1, 2014	599558	PUD 201100087

OKLAHOMA GAS AND ELECTRIC COMPANY P. O. Box 321 Oklahoma City, Oklahoma 73101 5<sup>th</sup> Revised Sheet No. 33.02 Replacing 4<sup>th</sup> Revised Sheet No. 33.02 Date Issued September 8, 2022

STANDARD PRICING SCHEDULE: DAP DAY-AHEAD PRICING

STATE OF OKLAHOMA

Code No. DAP

CUSTOMER BASE LINE (CBL): The CBL (specified by OG&E) represents a subscriber's typical or expected electricity consumption level and pattern, and includes the customer's monthly maximum demand in kW and hourly energy in kWh for 12 consecutive months. For existing customers, the hourly energy of the CBL shall be 12 consecutive months of customer-specific, historical, hourly load information adjusted for calendar day-type matching and other special circumstances that may have affected the customer's usage pattern. The monthly maximum demand is based on a 15-minute interval measure. The 12 monthly maximum demands of the CBL, adjusted per the Power Factor Clause, shall be the 12 monthly billing determinants used to calculate the customer's Standard Bill.

For new customers and existing customers for which hourly load information is not available, the CBL shall be 12 consecutive months of hourly load information which best represents a customer's typical or expected electricity consumption level and pattern. Customer's acceptance of the initial CBL is a precondition for eligibility for this tariff.

At the Company's sole discretion, customers may be permitted to aggregate multiple accounts, under the same ownership, and the same rate, into a single CBL. The CBL includes a table reflecting the summation of the individual account billing demands by month. Where block rates apply, the blocks of the rate shall be multiplied by the number of accounts included in the aggregated CBL.

While a customer is taking service under this tariff, the Company may adjust the CBL to reflect permanent, substantiated changes in operating conditions. These conditions include, but are not limited to: (1) Permanent reductions in the customer's usage due operational changes, (2) Reductions due to demand-side management investment at the customer facility, (3) Additions or upgrades to the transmission and/or distribution facilities required to serve the customer's load, or (4) other conditions that affect the Company's cost of providing service to the customer

STANDARD BILL: The Standard Bill is calculated by applying the otherwise applicable rate (OAR), including all applicable riders and surcharges, to the customer's CBL billing determinants for the billing period. If base rates, riders, or surcharges are subsequently revised, those changes will be reflected in the customer's Standard Bill based on their CBL billing determinants for a given month.

As required by the Company's Terms and Conditions of Service, customers taking service under this tariff may be required to make a one-time contribution or pay a monthly facilities charge sufficient to cover the cost of any transmission and distribution facilities provided by the Company to accommodate the customer's load.

Rates Authorized by the Oklahoma Corporation Commission:			
(Effective)	(Order No.)	(Cause/Docket No.)	
October 1, 2022	728277	PUD 202100164	
July 1, 2018	679358	PUD 201700496	
May 1, 2017	662059	PUD 201500273	
March 1, 2014	599558	PUD 201100087	

OKLAHOMA GAS AND ELECTRIC COMPANY P. O. Box 321 Oklahoma City, Oklahoma 73101 5<sup>th</sup> Revised Sheet No. 33.03 Replacing 4<sup>th</sup> Revised Sheet No. 33.03 Date Issued September 8, 2022

STANDARD PRICING SCHEDULE: DAP

STATE OF OKLAHOMA

DAY-AHEAD PRICING

Code No. DAP

**BILL DETERMINATION:** A bill under this tariff is rendered after each monthly billing period and consists of a Standard Bill amount and a charge (or credit) for incremental (or decremental) energy use based on the difference between a customer's actual use and the customer's CBL in each hour multiplied by the respective hourly energy price provided during the billing period. The monthly bill under this tariff is calculated using the following formula:

 $DAP Bill_{Mo.}$  = Standard  $Bill_{Mo.}$  + DAP Energy Charge

Where:

DAP  $Bill_{Mo}$  = Customer's bill for service under this option in a

specific billing month

Standard Bill Mo = Customer's bill for a specific month on use as defined by the

CBL and billed under the otherwise applicable tariff, inclusive of all applicable riders exclusive of franchise fees

and taxes

DAP Energy Charge =  $\sum [Price_{Hr.} x (Load_{Hr.} - CBL_{Hr.})]$ 

 $\sum$  = Sum over all hours of the monthly billing period

 $Load_{Hr}$  = Customer's actual kWh use in an hour

CBL<sub>Hr.</sub> = Customer Base Line kWh in an hour (Subject to CO-

SUBSCRIPTION of LR tariff for customers who subscribed

to both DAP and LR tariffs)

Price<sub>Hr</sub> = Hourly DAP price based on hourly marginal supply costs.

(Subject to CO-SUBSCRIPTION of LR tariff for customers

who subscribed to both DAP and LR tariffs)

Where:

 $Price_{Hr.} = [(MC_{Hr}) \times LAF] + RRF$ 

Where:

Rates Authorized by the Oklahoma Corporation Commission:		
(Effective)	(Order No.)	(Cause/Docket No.)
October 1, 2022	728277	PUD 202100164
July 1, 2018	679358	PUD 201700496
May 1, 2017	662059	PUD 201500273
March 1, 2014	599558	PUD 201100087

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

5th Revised Sheet No. 33.04 Replacing 4th Revised Sheet No. 33.04 Date Issued September 8, 2022

STANDARD PRICING SCHEDULE: I	AP
DAY-AHEAD PRICING	

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STATE OF OKLAHOMA Code No. DAP

**Public Utilities Division Stamp** 

MC <sub>Hr.</sub>	=	the marginal supply costs for the Hour (includes energy and capacity costs).
RRF	=	The Risk and Recovery Factor = 0.5¢ per kWh.

Loss Adjustment Factor for the appropriate Service Level as determined in the most recent loss study filed by the Company.

POWER FACTOR CLAUSE: In applying the standard tariff Power Factor Clause for the Standard Bill portion of the monthly bill calculation, the Average Power Factor will be based on total monthly consumption. The customer's standard tariff Power Factor Clause provisions will apply in all other respects.

FRANCHISE PAYMENT: The above stated rates do not include any amount for franchise payments levied upon the Company by a municipality. When a municipality, by a franchise or other ordinance, levies or imposes upon the Company franchise payments or fees (based on a percent of gross revenues) to be paid by the Company to the municipality, such franchise payment will be added as a percentage of charges for electric service to the bills of all customers receiving service from the Company within the corporate limits of the municipality exacting said payment.

BEST BILL PROVISION: Customers will be billed on the DAP prices each month during the first year of enrollment on this tariff. At the end of each season the customer's DAP billing will be compared to their previous tariff using the actual usage for the season and, if the amount actually paid is higher than what the customer would have paid under their previous tariff, the customer will receive a credit on their bill equal to the difference between the actually paid and the amount that would have been paid under their previous tariff. The Best Bill Provision will not be available in ensuing years.

LATE PAYMENT CHARGE: A late payment charge in an amount equal to 1.5 percent of the total balance for services and charges remaining unpaid on the due date stated on the bill shall be added to the amount due. The due date as stated on the bill shall be 20 days after the bill is issued.

Rates Authorized by the Oklahoma Corporation Commission:

(Cause/Docket No.) PUD 202100164 PUD 201700496

(Effective) (Order No.) October 1, 2022 728277 July 1, 2018 679358 PUD 201500273 May 1, 2017 662059 March 1, 2014 599558 PUD 201100087

OKLAHOMA GAS AND ELECTRIC COMPANY P. O. Box 321 Oklahoma City, Oklahoma 73101 4<sup>th</sup> Revised Sheet No. <u>51.30</u> Replacing 3<sup>rd</sup> Sheet No. <u>51.30</u> Date Issued September 8, 2022

STANDARD PRICING SCHEDULE: LR

STATE OF OKLAHOMA

LOAD REDUCTION RIDER

This is a rider to the OG&E standard rate schedules. All provisions of those standard rate schedules apply, except as otherwise amended by this rider. The Company, at its sole discretion, may call for curtailment for any operating or economic purpose. Curtailment under this rider is not limited to emergency conditions.

**AVAILABILITY:** This rider is available upon application by the customer and acceptance by the Company to all customers served under a standard rate schedule with an annual on-peak period maximum demand of 200 kW or above. This rider is not available to customers taking service under the Company's BUS, MS, SS, or IS pricing schedule. This rider is available to customers in conjunction with the Day-Ahead Pricing (DAP) tariff or Flex Pricing (FP) tariff subject to the CO-SUBSCRIPTION section of this tariff. This rider shall not apply if a service interruption resulting from system-emergency operating conditions should occur. No resale, breakdown, auxiliary or supplementary service permitted, without approval from the Company.

This rider is available subject to the availability of interval metering equipment at the customer site.

The Company reserves the right to limit the number of subscribed customers or amount of subscribed curtailment load. All such limits will be communicated prior to the beginning of the enrollment period.

**ENROLLMENT PERIOD:** The enrollment period will begin on January 1<sup>st</sup> and end on March 31<sup>st</sup> each year. The Company reserves the right to allow customers to enroll after the enrollment period. If necessary, the Subscription Credit payments will be prorated for late enrollment. No subscription credits will be paid for enrollments that occur after the annual curtailment capability demonstration for that subscription year.

To participate, the Customer and Company must execute an agreement, including declaration of the customer's Subscribed Curtailment Load (SCL), selected notification period and curtailment hours. The Company will post the monthly subscription and curtailment prices in effect for the Contract Period prior to the beginning of the enrollment period.

**SUBSCRIPTION PERIOD:** The Contract Period will be a one-year period beginning April 1 and ending March 31 of the succeeding year. The Company may call for the curtailment of any enrolled customer's load at any time during the annual Contract Period.

**ON-PEAK PERIOD:** The on-peak period is June through September, excluding Saturday, Sunday, observed holidays: Independence Day, Labor Day.

Rates Authorized by the Oklahoma Corporation Commission:		Public Utilities Division Stamp	
(Effective)	(Order No.)	(Cause/Docket No.)	
October 1, 2022	728277	PUD 202100164	
July 1, 2018	679358	PUD 201700496	
May 1, 2017	662059	PUD 201500273	
August 3, 2009	569281	PUD 200800398 (original)	

OKLAHOMA GAS AND ELECTRIC COMPANY P. O. Box 321 Oklahoma City, Oklahoma 73101 4<sup>th</sup> Revised Sheet No. <u>51.31</u> Replacing 3<sup>rd</sup> Sheet No. <u>51.31</u> Date Issued <u>September 8, 2022</u>

STANDARD PRICING SCHEDULE: LR

STATE OF OKLAHOMA

LOAD REDUCTION RIDER

<u>CREDITS</u>: Customers enrolled in this tariff will receive billing credits based on their Subscribed Curtailment Load (Subscription Credits) and load reduction (Performance Credits) during Company called curtailment events.

- Subscription Credits: Subscription Credits will be applied to the customer's bill only during the summer season months of June through September. The credit will be based on the customer Subscribed Curtailment Load and the monthly Subscription Prices.
- 2. <u>Performance Credits</u>: Performance Credits will be applied to the customer's bill during the billing period in which a curtailment is called by the Company. The credit will be calculated based on the difference of the Baseline kWh and Actual kWh during each hour of the curtailment event multiplied by the Curtailment Price communicated to the customer in conjunction with the curtailment notification.

**<u>DETERMINATION OF SUBSCRIPTION CREDITS</u>**: The monthly subscription credits will be calculated and applied to each of the bills from June – September as follows:

Where:

SC	=	Subscription Credit
Loads	=	Customer specified Subscribed Curtailment Load
MSP	=	Monthly Subscription Price
MSPF	=	Monthly Subscription Price Factor: For SCL equal to or greater than 10% of maximum On-Peak period demand = 1.0 For SCL equal to or greater than 15% of maximum On-Peak period demand = 1.1
NPF	=	Notification Period Factor
		If time = 4 Hours then NPF = 1.0 If time = 1 hour then NPF = 1.1

Rates Authorized by the Oklahoma Corporation Commission:			Public Utilities Division Sta
(Effective)	(Order No.)	(Cause/Docket No.)	
October 1, 2022	728277	PUD 202100164	
July 1, 2018	679358	PUD 201700496	
May 1, 2017	662059	PUD 201500273	
August 3, 2009	569281	PUD 200800398 (original)	

OKLAHOMA GAS AND ELECTRIC COMPANY P. O. Box 321 Oklahoma City, Oklahoma 73101 4<sup>th</sup> Revised Sheet No. <u>51.32</u> Replacing 3<sup>rd</sup> Sheet No. <u>51.32</u> Date Issued <u>September 8, 2022</u>

#### STANDARD PRICING SCHEDULE: LR

STATE OF OKLAHOMA

#### LOAD REDUCTION RIDER

CHF = Curtailment Hours Factor

If Hours = 40 then CHF = 1.0
If Hours = 80 then CHF = 1.1
If Hours = 160 then CHF = 1.25

CPF Customer Performance Factor

If Customer is First Year then CPF = 1.0
If Customer is Continuing then CPF = 1.1

If Customer is Direct Load Control then CPF = 1.3

LAF = Applicable service level loss adjustment factor. Approved loss adjustment factor for the customer's service level.

SUBSCRIBED CURTAILMENT LOAD: During the enrollment period, the Customer will designate its SCL. The SCL, specified in kW, is the amount of load the customer expects to reduce during curtailment events. Customer must specify a SCL equal to at least 10% of the customer's maximum demand occurring during the most recent on-peak period. SCL shall be based on actual historical measured on-peak period demands. For new customers and existing customers that do not have actual historical measured on-peak period demand information, the Company will estimate an on-peak period demand that best represents a customer's typical or expected on-peak period demand level. For a customer who subscribed to both DAP (or FP) and LR tariffs, SCL is limited to the customer's CBL (or SCBL) of the DAP (or FP) tariff.

**MONTHLY SUBSCRIPTION PRICE:** The monthly subscription price is determined and published by the Company based on the expected capacity values for the Contract Period. The monthly subscription price will be posted prior to the beginning of the enrollment period.

**MONTHLY SUBSCRIPTION PRICE FACTOR:** If the customer elects an SCL equal to or greater than 15% of their maximum on-peak period demand, they will receive an additional 10% premium of the subscription credit.

**NOTIFICATION TIME FACTOR:** The customer will choose the required notification time period of either 4-hour notification or 1-hour notification. Although the Company endeavors to always give as much notice as possible prior to the curtailment period, the Company will provide

Rates Authorized	thorized by the Oklahoma Corporation Commission:		Public Utilities Division Stamp
(Effective)	(Order No.)	(Cause/Docket No.)	
October 1, 2022	728277	PUD 202100164	_
July 1, 2018	679358	PUD 201700496	
May 1, 2017	662059	PUD 201500273	
August 3, 2009	569281	PUD 200800398 (original)	

OKLAHOMA GAS AND ELECTRIC COMPANY P. O. Box 321 Oklahoma City, Oklahoma 73101 4<sup>th</sup> Revised Sheet No. <u>51.33</u> Replacing 3<sup>rd</sup> Sheet No. <u>51.33</u> Date Issued September 8, 2022

STANDARD PRICING SCHEDULE: LR

STATE OF OKLAHOMA

LOAD REDUCTION RIDER

the notification to a customer with at least the selected notification time. Customers electing to accept a 1-hour notification will receive a 10% premium of the subscription credit.

CURTAILMENT HOURS FACTOR: The customer will choose a curtailment limit of 40 hours, 80 hours, or 160 hours. This will be the maximum number of hours that the Company will call for a curtailment from the customer. Once the customer has been curtailed for the selected number of hours, the customer is no longer obligated to meet the curtailment commitment and will not be assessed the buy-through provision charges. Customers selecting a limit of 80 hours will receive an additional 10% of the subscription credit amount and customers selecting a limit of 160 hours will receive an additional 25% of the subscription credit amount.

<u>CUSTOMER PERFORMANCE FACTOR</u>: Customers enrolling in consecutive years will receive a premium of 10% of the subscription credit in the second and subsequent continuous years of enrollment.

<u>DIRECT LOAD CONTROL</u>: Customers that meet the requirements for direct load control make written application to the Company and are designated by the Company as direct load control participants shall receive a premium of 30% of the subscription credit.

Designation as Direct Load Control is determined by the Company and is subject to the following guidelines:

- The Customer must have a demonstrated load curtailment capability (subscribed curtailment load) of at least 5,000 kW or greater.
- The Customer must have a maximum on-peak period demand of 5,000 kW or greater.
- Customer must provide, at the customer's expense, an agreed upon method of direct control to the Company, available at a Company facility or other agreed upon location, to directly reduce the customer's load by the subscribed curtailment load.
- The Customer must agree to the 1-hour notification window and the Curtailment Limit of 80 hours or more. The corresponding notification time factor (NTF) and curtailment hours factor (CHF) will apply in the determination of the Subscription Credit.
- Any customer who enrolls to have a SCL of 50 MW or greater will be required to be subject
  to Direct Load Control. At the Company's sole discretion, this requirement may be waived
  upon satisfactory demonstration of curtailment performance.

Rates Authorized l	Rates Authorized by the Oklahoma Corporation Commission:		Public Utilities Division Stamp
(Effective)	(Order No.)	(Cause/Docket No.)	_
October 1, 2022	728277	PUD 202100164	_
July 1, 2018	679358	PUD 201700496	
May 1, 2017	662059	PUD 201500273	
August 3, 2009	569281	PUD 200800398 (original)	

OKLAHOMA GAS AND ELECTRIC COMPANY P. O. Box 321 Oklahoma City, Oklahoma 73101 4<sup>th</sup> Revised Sheet No. <u>51.34</u> Replacing 3<sup>rd</sup> Sheet No. <u>51.34</u> Date Issued <u>September 8, 2022</u>

## STANDARD PRICING SCHEDULE: LR

STATE OF OKLAHOMA

LOAD REDUCTION RIDER

An LR event may be called on only the Direct Load Control LR subscribers before
including any other LR customers if load reduction from those additional customers are
not needed at the time the initial event is called by the Company.

**<u>DETERMINATION OF PERFORMANCE CREDITS</u>**: The Performance Credit will be calculated and applied to the Customer's bill for the billing period in which a curtailment is called. The Performance Credit is calculated as follows for each curtailment event.

$$PC = \Sigma_{hour}(kWh_{base} - kWh_{actual}) * Price_{Curtailment} * LAF$$

Where:

PC = Performance Credit, expressed as a credit. If, for any curtailment event, the above calculation results in a negative value (charge), the PC will be \$0.00.

kWh<sub>base</sub> = Baseline kWh for each hour (or portion of an hour) that the curtailment is called.

kWh<sub>actual</sub> = Actual kWh for each hour (or portion of an hour) that the curtailment is called.

Price<sub>curtailment</sub> = Curtailment Price for the event.

LAF = Applicable Service Level Loss Adjustment Factor.

<u>Baseline kWh</u>: The Baseline kWh is calculated as the average kWh in each of the same hours (or portion of hours) from the previous five work days excluding Saturday, Sunday, previous curtailment periods, and the following Company observed holidays: New Year's Day, Martin Luther King Day, Presidents Day, Memorial Day, Independence Day, Labor Day, Veterans' Day, Thanksgiving (Thursday and Friday), and Christmas (including Christmas Eve Day). Under certain circumstances, a customer's specific operations may require an alternate time period for the determination of the average kWh to be used in the determination of the baseline kWh. The Company will assess these circumstances on a case by case basis.

Actual kWh: The Actual kWh metered during each hour (or portion of an hour) during the curtailment event.

<u>Curtailment Price</u>: The Curtailment Price (stated in cents per kWh) for each curtailment event will be communicated to the customer at the time the notification of the event is provided to the customer.

Rates Authorized l	Rates Authorized by the Oklahoma Corporation Commission:		Public Utilities Division Stamp
(Effective)	(Order No.)	(Cause/Docket No.)	
October 1, 2022	728277	PUD 202100164	
July 1, 2018	679358	PUD 201700496	
May 1, 2017	662059	PUD 201500273	
August 3, 2009	569281	PUD 200800398 (original)	

OKLAHOMA GAS AND ELECTRIC COMPANY P. O. Box 321 Oklahoma City, Oklahoma 73101 4<sup>th</sup> Revised Sheet No. <u>51.35</u> Replacing 3<sup>rd</sup> Sheet No. <u>51.35</u> Date Issued September 8, 2022

STANDARD PRICING SCHEDULE: LR

STATE OF OKLAHOMA

LOAD REDUCTION RIDER

The Curtailment Price shall reflect Southwest Power Pool conditions and Locations Marginal Day-Ahead pricing for OG&E and shall be equal to or greater than the posted Minimum Curtailment Price.

BUY-THROUGH CHARGE: In the event that a customer fails to provide a reduction of Subscribed Curtailment Load during any interval of a curtailment event, the customer will be assessed a Buy-Through Charge based on the portion of the Subscribed Curtailment Load not reduced during each hour (or portion of an hour) of the curtailment period. Customers that have met their curtailment obligation (selected curtailment hours) will not be subject to the Buy-Through Charge for any hours in which a curtailment event is called beyond the elected curtailment hours.

**<u>DETERMINATION OF BUY-THROUGH CHARGES</u>**: The Buy-Through Charges are calculated and assessed on the customer's bill for the billing period in which the curtailment is called as follows:

**BTC** =  $\Sigma$  kWh<sub>Buy-Through</sub> \* Price<sub>Curtailment</sub> \* 2.0 \* LAF

Where:

 $kWh_{Buy-Through} =$ 

Buy-Through kWh for each hourly interval. The Buy-Through kWh value is calculated in the following manner:

If  $(kWh_{base} - kWh_{actual}) < 0$ , then  $kWh_{Buy-Through} = SCL$ 

If  $0 < (kWh_{base} - kWh_{actual}) < SCL$ ,

then  $kWh_{Buy-Through} = SCL - (kWh_{base} - kWh_{actual})$ 

If  $(kWh_{base} - kWh_{actual}) > SCL$ , then  $kWh_{Buy-Through} = 0 kWh$ 

Price<sub>curtailment</sub> =

Load Reduction Curtailment Price for each event.

LAF =

Service Level Loss Adjustment Factor.

<u>CO-SUBSCRIPTION</u>: DETERMINATION OF PERFORMANCE CREDIT and DETERMINATION OF BUY-THROUGH CHARGES are not applicable to customers who subscribed to both DAP (or FP) and LR tariffs. For the purpose of DETERMINATION OF PERFORMANCE CREDIT and DETERMINATION OF BUY-THROUGH CHARGES, customers

Rates Authorized by the Oklahoma Corporation Commission:			Public Utilities Division Stamp
(Effective)	(Order No.)	(Cause/Docket No.)	
October 1, 2022	728277	PUD 202100164	
July 1, 2018	679358	PUD 201700496	
May 1, 2017	662059	PUD 201500273	
August 3, 2009	569281	PUD 200800398 (original)	

OKLAHOMA GAS AND ELECTRIC COMPANY P. O. Box 321 Oklahoma City, Oklahoma 73101 4<sup>th</sup> Revised Sheet No. <u>51.36</u> Replacing 3<sup>rd</sup> Sheet No. <u>51.36</u> Date Issued September 8, 2022

STANDARD PRICING SCHEDULE: LR LOAD REDUCTION RIDER STATE OF OKLAHOMA

who subscribed to both DAP (or FP) and LR tariffs shall be credited or charge

who subscribed to both DAP (or FP) and LR tariffs shall be credited or charged in accordance with the DAP (or FP) tariff only with the following modifications to the BILL DETERMINATION:

For all the hours during Load Reduction Event:

CBL<sub>Hr.</sub> (or SCBL) shall be modified by subtracting SCL from the customer's contracted CBL<sub>Hr.</sub> (or SCBL) and deemed to be zero if resulting in a negative value for the hour

Price<sub>Hr</sub> = Price<sub>Curtailment</sub> \* 2 for all incremental energy use

Price<sub>Hr</sub> = Price<sub>Curtailment</sub> for all decremental energy use

**FAILURE TO MEET THE SUBSCRIBED CURTAIL LOAD REDUCTION:** At the Company's sole discretion, Customers that fail to meet the subscribed curtailment load reduction are subject to reductions in the Subscribed Curtailment Load and may be disqualified for participation during the current enrollment period, or for renewal during subsequent enrollment periods.

<u>ADDITIONAL HOURS OF CURTAILMENT</u>: The Company may call for additional hours of curtailment beyond those the customers have subscribed. Customers who have met their subscribed hours of curtailment will be under no obligation to respond. If a customer elects to respond to the request for additional hours of curtailment, they will receive the Performance Credit for any reduction and will not be subject to any Buy-Through Charge.

<u>CURTAILMENT CAPABILITY DEMONSTRATION</u>: The Company reserves the right to execute a curtailment event affecting all enrolled, or a selected group of enrolled, customers during the annual Contract Period. This event will be for the sole purpose of a demonstration of the customer's curtailment capability. The demonstration of curtailment capability event shall be treated as if it were an actual curtailment event in all aspects of notification, measurement, billing and Buy-Through Charges. The hours of curtailment during the event will count toward the customer's total obligation of hours. Following the demonstration event, the Company has the sole discretion to disqualify a customer from participation or to modify the existing SCL based on the results of the Curtailment Capability Demonstration.

#### **SPECIAL CONDITIONS:**

1. <u>Notice for Curtailment</u>: The Company shall always endeavor to give the customer as much notice as possible before the curtailment is to occur and shall never give the customer less than the customer's elected notification period.

Rates Authorized by the Oklahoma Corporation Commission:			Public Utilities Division Stamp
(Effective)	(Order No.)	(Cause/Docket No.)	
October 1, 2022	728277	PUD 202100164	
July 1, 2018	679358	PUD 201700496	
May 1, 2017	662059	PUD 201500273	
August 3, 2009	569281	PUD 200800398 (original)	

OKLAHOMA GAS AND ELECTRIC COMPANY P. O. Box 321 Oklahoma City, Oklahoma 73101 4<sup>th</sup> Revised Sheet No. <u>51.37</u> Replacing 3<sup>rd</sup> Sheet No. <u>51.37</u> Date Issued <u>September 8, 2022</u>

### STANDARD PRICING SCHEDULE: LR

STATE OF OKLAHOMA

## **LOAD REDUCTION RIDER**

- 2. Periods of Curtailment: Periods of Curtailment shall be those times when the Company has called for an enrolled customer's load to be disconnected from the Company's lines. The Company is solely responsible for determining the need for load curtailment requests. The Periods of Curtailment may be called beginning with any 15 minute interval for the duration of not less than four (4) hours. No more than one period of curtailment will be called for any customer in a 24 hour period. Curtailment may be called at any time during the 12-month Contract Period.
- 3. <u>Direct Load Control Equipment</u>: The customer shall be responsible for either an up-front payment or a pay-out over the 12 months of the contract for Company service for any additional equipment necessary to provide OG&E the ability to interrupt the subscribed load from OG&E's system from an OG&E designated control center. Any and all operation and maintenance expenses associated with such equipment will be paid by the customer on an as occurred basis. Failure to remit payment within 30 days shall be cause for removal of the customer's Direct Load Control designation.
- 4. <u>Failure to Curtail</u>: During the re-enrollment period, the Company reserves the right to reduce or refuse re-enrollment of a customer's subscribed curtailment load and the corresponding subscription credits to any customer who has consistently demonstrated the inability to curtail as called for within the curtailment program. The Company retains the right to monitor loads and assess buy-through provisions for each 15-minute interval to ensure customer's conformance to curtailment requirements over the entire curtailment period.
- 5. <u>Customer's Inappropriate Actions</u>: If it is determined at any time by the Company that the customer is manipulating the rider so as to reduce the benefit expected by the Company, the customer is in default and will be removed from this rider without penalty to the Company.
- 6. Restriction: This rider is not available to customers being served under the Back-up Tariff.
- 7. Notification Method: Notification methods include the following: Test messaging, voice mail (able to receive an automated curtailment notice), or e-mail. A customer can choose any or all of these notification vehicles. These are the only means of notification of a curtailment event that a customer will receive. It will be the customer's responsibility to keep any method of notification "current" either by supplying that updated information to the appropriate Company representative or by maintaining updated notification on the Company's approved website.

Rates Authorized by the Oklahoma Corporation Commission:			Public Utilities Division Stamp
(Effective)	(Order No.)	(Cause/Docket No.)	
October 1, 2022	728277	PUD 202100164	
July 1, 2018	679358	PUD 201700496	
May 1, 2017	662059	PUD 201500273	
August 3, 2009	569281	PUD 200800398 (original)	

18<sup>th</sup> Revised Sheet No. <u>51.38</u> Replacing 17<sup>th</sup> Revised Sheet No. <u>51.38</u> Date Issued <u>September 8, 2022</u>

STANDARD PRICING SCHEDULE: LR

STATE OF OKLAHOMA

LOAD REDUCTION RIDER

#### **Contract Year 2024**

#### SUBSCRIPTION PRICE

#### AND

#### MINIMUM PERFORMANCE PRICE NOTIFICATION

The following prices are applicable to the Contract Period Beginning April 1, 2024 and Ending March 31, 2025

Monthly Subscription	Minimum Curtailment
Price \$/kW (SCL)	Price \$/kWh
\$5.79	\$0.21

Prices shall be adjusted by the applicable Service Level Loss Adjustment Factor. The Demand Loss Adjustment Factor shall apply to all subscription prices and the Energy Loss Adjustment Factor shall apply to all Performance Payments and Buy-Through charges.

Service	<b>Demand Loss</b>	<b>Energy Loss</b>
Level	Adjustment Factor	Adjustment Factor
SL1	1.02728	1.03000
SL2	1.03070	1.03391
SL3	1.06182	1.06097
SL4	1.07921	1.07728
SL5	1.08876	1.08468

Rates Authorized by the Oklahoma Corporation Commission:				
(Effective)	(Order No.)	(Cause/Docket No.)		
April 1, 2024	728277	PUD 202100164		
April 1, 2023	728277	PUD 202100164		
October 1, 2022	728277	PUD 202100164		
August 3, 2009	569281	PUD 200800398 (original)		

Exhibit SN-RD-8 Page 1 of 2

#### 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 AUTHORIZING APPLICANT TO MODIFY ITS RATES, CHARGES, AND TARIFFS FOR RETAIL ELECTRIC SERVICE IN OKLAHOMA

CAUSE NO. PUD 202100164

DEC 3 0 2021

COURT CLERK'S OFFICE - OKC
CORPORATION COMMISSION
OF OKLAHOMA

Direct Testimony

of

Jeremy K. Schwartz

on behalf of

Oklahoma Gas and Electric Company

December 30, 2021

Exhibit SN-RD-8 Page 2 of 2

#### Load Reduction ("LR"), DAP, and FP

#### 2 Q. Please discuss the Company's proposed modifications to its LR, DAP, and FP tariffs.

A. All three of these tariffs includes minor modifications on wording that should aid in customer comprehension of program operation. In addition to those changes, the main modifications to these tariffs is related to the ability to co-subscribe to LR while on DAP or FP. This provision has been removed as an option from all three tariffs. The revisions to these tariffs are included in the Company's Application Package as a part of Schedule N.

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#### Q. Why has the Company removed the co-subscription option for DAP or FP with LR?

The Company has received customer feedback that indicates co-subscription causes confusion and hinders their ability to respond effectively and efficiently to program signals. For example, when a DAP customer co-subscribes to LR, the customer receives (1) price signals from the market and (2) load reduction requests during LR events. LR signals focus on absolute load reductions for a multiple hour event while the DAP program publishes prices in hourly granularity. Within an LR event, the hour to hour DAP price varies. This variation does not give a clear signal as to how a customer should respond.

In addition, LR event performance is measured against Baseline kWh that is calculated as the average kWh in each of the same hours (or portion of hours) from the previous five work days whereas DAP is measured against the customers CBL which is contractually established annually. The differences between these two performance criteria may also contribute to the feedback OG&E has received as customers were conflicted on how to optimize their consumption based on the signals provided.

From the program perspective, the two programs are intended to achieve different goals. LR is intended for reduction only, whereas DAP is intended for customers to use energy efficiently based on market prices, which could encourage usage during certain times.

OKLAHOMA GAS AND ELECTRIC COMPANY P. O. Box 321 Oklahoma City, Oklahoma 73101 Original Sheet No. 50.40

Date Issued September 8, 2022

STANDARD PRICING SCHEDULE: ERC
ENERGIZING RENEWABLE CONNECTIONS

STATE OF OKLAHOMA

**EFFECTIVE IN:** All territory served.

<u>PURPOSE</u>: The Energizing Renewable Connections Program ("ERC" or "Program") is an optional Program enabling customers to purchase renewable energy of up to 100% of their energy needs through a subscriber agreement, subject to the Program resource quantity limits.

**ELIGIBILITY:** The ERC is available to customers who execute a corresponding agreement to subscribe for renewable resources. The ERC makes available renewable resources through voluntary participation to customers with a monthly maximum demand of 2 MW or greater. At the Company's sole discretion, customers may be permitted to aggregate multiple accounts under the same ownership for the purposes of meeting the 2 MW requirement. If the customer does not have historical usage, the monthly maximum demand may be estimated by the Company. Other customers may subscribe with approval of the Company. All other provisions of the customers standard pricing schedules shall apply. OG&E reserves the right to limit the amount of energy provided to individual customers under this rider.

Customers subscribe and receive renewable resources from a designated renewable resource at that resource's specific price. Subscription is limited to resources offered by OG&E. OG&E is not required to contract for, acquire, or construct any resources to accommodate subscription to this tariff.

<u>SUBSCRIPTION LEVEL</u>: The minimum subscription is 1,000 kW. Subscription is facility specific and based on the facility listed on this tariff. Customers may subscribe, in increments of 10%, up to 100% of their annual energy. During initial signup the subscriber's annual energy will be determined in one of two ways. If during initial signup the customer has 12 consecutive months of usage history at the address where the subscription is being requested, then the annual energy will be the energy consumed during that 12-month usage history. If the customer does not have 12 consecutive months of usage history at the address where the subscription is being requested, then 12 months of annual energy will be estimated. A customer may change their subscription level only once in any 12-month period. In the event there is a significant and permanent reduction in customer usage the Company, at its sole discretion, may adjust the subscriber's annual energy on which the subscription level is based.

**BILLED PURCHASE QUANTITY:** The quantity of energy that will be purchased by a subscriber for each hour will be computed as follows:

$$QCR_i = \frac{SL}{RP_i} \times \sum AED_{ij}$$

Where

 $QCR_i$  = Quantity Customer Receives in kWh

SL = Subscription Level in kW

 $RP_i$  = Rated Production in kW for Project i

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

OKLAHOMA GAS AND ELECTRIC COMPANY P. O. Box 321 Oklahoma City, Oklahoma 73101 Original Sheet No. 50.41

Date Issued September 8, 2022

STANDARD PRICING SCHEDULE: ERC
ENERGIZING RENEWABLE CONNECTIONS

STATE OF OKLAHOMA

 $AED_{ij}$  = Actual Energy Delivered (production adjusted for line losses) in kWh for Project i (during the j hour as applicable)

i = the ith project on the TABLE 1

j = the jth hour of the month (only applicable to hourly settlement subscribers)

The  $RP_i$  and  $AED_i$  will be determined whenever facility i is brought online.

FCA EXEMPTION (only applicable for non-hourly settlement subscribers): The monthly energy use of a subscribed customer in kWh up to the customer's QCR, whichever is less, are exempt from the Rider for Fuel Cost Adjustment ("FCA"). The monthly energy use of a subscribed customer in kWh in excess of the customer's QCR will be subject to the then current monthly FCA. If a subscribed customer uses less energy in kWh than the customer's QCR, an FCA Exemption credit in kWh shall be made for each kWh of the customer's QCR in excess of energy use of the month. An FCA Exemption credit shall increase the customer's following month's QCR prior to every anniversary date of the customer's subscription. On every anniversary date of the customer's subscription, all FCA Exemption credit on the customer's account shall be exchanged into a monetary credit at the rate of 80% of the customer's last ERC purchase price.

If a customer's total kWh usage is less than their subscribed ERC kWh for the month, an FCA credit shall be made on the customer's actual usage not to exceed the maximum subscription limits. If a customer's total usage is more than their subscribed ERC kWh for the month, an FCA credit shall be applied only to the subscribed ERC kWh level. No FCA kWh credit shall be rolled forward or backward to any previous or future month's customer billing.

**HOURLY SETTLEMENT:** Customers who subscribe to the Program shall be billed under all of their respective applicable rate schedules in addition to the amount due from the Program participation. The amount due monthly from the Program participation shall equal to a subscriber's total QCR for the month multiplied by the applicable subscription price. Customers who subscribe to the Program shall also be entitled to the monthly credit amount equal to the sum of the hourly QCR multiplied by the corresponding Southwest Power Pool ("SPP") Day Ahead market hourly settlement price for all hours of the month.

In lieu of hourly settlement of locational and temporal price differences, a customer may elect to pay for an OG&E established risk premium to be added to the ERC purchase rate. This rate will be updated on an annual basis.

MINIMUM BILL: The minimum monthly customer bill shall be the customer charge and the amount that equals to QCR multiplied by the applicable subscription price, plus any other applicable fees and taxes. The Company shall specify a larger minimum monthly bill, calculated in accordance with the Company's Allowable Expenditure Formula in its Terms and Conditions of Service on file with and approved by the Commission, when necessary to justify the investment required to provide service.

Rates Authorized by the Oklahoma Corporation Commission:			Public Utilities Division Stamp
(Effective)	(Order No.)	(Cause/Docket No.)	
October 1, 2022	728277	PUD 202100164	

OKLAHOMA GAS AND ELECTRIC COMPANY P. O. Box 321 Oklahoma City, Oklahoma 73101 Original Sheet No. 50.42

Date Issued September 8, 2022

STANDARD PRICING SCHEDULE: ERC

STATE OF OKLAHOMA

**ENERGIZING RENEWABLE CONNECTIONS** 

**SUBSCRIPTION TERM:** The minimum term is 10 years. The term for all subscribers will be subject to individual subscriber agreement as shown in Table 1. Participation in this program shall be automatically renewed annually at the end the initial subscriber agreement unless termination from the program is specifically requested by the ERC subscriber or the Company no longer has resources available through this program.

Prices for renewable resources are priced at initial agreement execution; only limited changes to prices are permitted, contract exit window is opened for 30 days if prices are adjusted with costs assessed based upon prices in effect immediately before the proposed change.

**EARLY TERMINATION:** A Customer choosing to terminate its subscription early, shall be subject to an Early Termination Fee. This fee shall be the average of the Net Cost of Participation in the Program for the preceding 12 months (or all preceding months, if less than twelve (12) times the number of months remaining in the term) multiplied by the remaining term of the original subscription. The Net Cost of Participation shall be equal to the subscription payment minus any allocated credits received from the production from the designated resource. If the calculated Net Cost of Participation is less than or equal to zero, then the Net Cost of Participation is zero. Under no circumstance shall the Customer receive a net credit from Company for terminating service under this Rider.

**PRICE:** ERC subscription prices shall be based on individual projects and will follow the formula below or will be a Company owned resource with a levelized energy price. Table 1 includes the pricing information for all projects available for subscription through the ERC tariff.

#### **ERC PPA Formula:**

ERC PPA = SC + CSR + A

Where:

SC = Cost to OG&E of PPA energy (\$/kWh)

CSR\* = Congestion and Settlement rate (\$/kWh) to recover any transmission congestion cost differentials between the customer load node and the ERC project node for delivered energy and settlement timing differentials

\*not applicable to hourly settlement subscribers

A = Administration cost of the program ( $\frac{k}{k}$ )

Pricing of OG&E owned ERC resources shall be based on the subscribers share of the levelized revenue requirement of the specific OG&E facility.

## **OG&E Owned Facility Formula:**

Part 1 – Fixed monthly charge

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

OKLAHOMA GAS AND ELECTRIC COMPANY P. O. Box 321 Oklahoma City, Oklahoma 73101 Original Sheet No. 50.43

Date Issued September 8, 2022

STANDARD PRICING SCHEDULE: ERC

STATE OF OKLAHOMA

#### **ENERGIZING RENEWABLE CONNECTIONS**

$$OGE\ PR_i = \frac{SL}{REP_i} \times LRR_i + A$$

Where

 $OGE PR_i$  = Purchase Rate in kW

SL = Subscription Level in kW

 $LRR_i$  = Monthly Levelized Revenue Requirement for project i

A = Monthly Administration cost of the program

#### Part 2 - CSR\*

Congestion and Settlement kWh charge (updated annually) to recover any transmission congestion cost differentials between the customer load node and the ERC project node for delivered energy and settlement timing differentials

\*not applicable to hourly settlement subscribers

## TABLE 1

<u>No</u>	Project Name	Available Capacity	Minimum Contract Term	Fixed Price
1				
2				
3				

#### RENEWABLE ENERGY CERTIFICATES:

Renewable Energy Credits ("REC") produced by ERC resources will be tracked by the Company, consistent with the level of ERC subscriptions. The Company will retire the credits on behalf of the subscriber with all costs associated with the registration and retirement borne by the requesting subscriber. Alternatively, if requested, RECs associated with energy obtained through this Program can be transferred to the subscriber annually (any costs associated with this transaction shall be borne by the subscriber).

#### **WAITING LIST:**

For the initial ERC project offering, customers will be put on a waiting list on a first-come, first-served basis until customer interest exceeds 100 MW. At that time, the Company may pursue the procurement of a resource(s) to meet the customer need. At any time, if customer interest in the ERC exceeds the currently available limit, these customers will be placed on a waiting list and may be offered the opportunity to subscribe if subscription cancellations or forfeitures occur. Once customer interest

Rates Authorized by the Oklahoma Corporation Commission:			
(Effective)	(Order No.)	(Cause/Docket No.)	
October 1, 2022	728277	PUD 202100164	

OKLAHOMA GAS AND ELECTRIC COMPANY P. O. Box 321 Oklahoma City, Oklahoma 73101 Original Sheet No. 50<u>.44</u>

**Date Issued September 8, 2022** 

STANDARD PRICING SCHEDULE: ERC
ENERGIZING RENEWABLE CONNECTIONS

STATE OF OKLAHOMA

exceeds the currently available ERC resources by 100 MW the Company, at its sole discretion, may obtain additional resources to be offered through this Program.

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

OKLAHOMA GAS AND ELECTRIC COMPANY P. O. Box 321 Oklahoma City, Oklahoma 73101 Original Sheet No. 50<u>.40</u>

Date Issued September 8, 2022

STANDARD PRICING SCHEDULE: ERC
ENERGIZING RENEWABLE CONNECTIONS

STATE OF OKLAHOMA

**EFFECTIVE IN:** All territory served.

<u>PURPOSE</u>: The Energizing Renewable Connections Program ("ERC" or "Program") is an optional Program enabling customers to purchase renewable energy of up to 100% of their energy needs through a subscriber agreement, subject to the Program resource quantity limits.

**ELIGIBILITY:** The ERC is available to customers who execute a corresponding agreement to subscribe for renewable resources. The ERC makes available renewable resources through voluntary participation to customers with a monthly maximum demand of 2 MW or greater. At the Company's sole discretion, customers may be permitted to aggregate multiple accounts under the same ownership for the purposes of meeting the 2 MW requirement. If the customer does not have historical usage, the monthly maximum demand may be estimated by the Company. Other customers may subscribe with approval of the Company. All other provisions of the customers standard pricing schedules shall apply. OG&E reserves the right to limit the amount of energy provided to individual customers under this rider.

Customers subscribe and receive renewable resources from a designated renewable resource at that resource's specific price. Subscription is limited to resources offered by OG&E. OG&E is not required to contract for, acquire, or construct any resources to accommodate subscription to this tariff.

SUBSCRIPTION LEVEL: The minimum subscription is 1,000 kW. Subscription is facility specific and based on the facility listed on this tariff. Customers may subscribe, in increments of 10%, up to 100% of their annual energy. During initial signup the subscriber's annual energy will be determined in one of two ways. If during initial signup the customer has 12 consecutive months of usage history at the address where the subscription is being requested, then the annual energy will be the energy consumed during that 12-month usage history. If the customer does not have 12 consecutive months of usage history at the address where the subscription is being requested, then 12 months of annual energy will be estimated. A customer may change their subscription level only once in any 12-month period. In the event there is a significant and permanent reduction in customer usage the Company, at its sole discretion, may adjust the subscriber's annual energy on which the subscription level is based.

**BILLED PURCHASE QUANTITY:** The quantity of energy that will be purchased by a subscriber for each hour will be computed as follows:

$$QCR_i = \frac{SL}{RP_i} \times \sum AED_{ij}$$

Where

 $QCR_i$  = Quantity Customer Receives in kWh

SL = Subscription Level in kW

 $RP_i$  = Rated Production in kW for Project i

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

OKLAHOMA GAS AND ELECTRIC COMPANY P. O. Box 321 Oklahoma City, Oklahoma 73101 Original Sheet No. 50<u>.41</u>

Date Issued September 8, 2022

STANDARD PRICING SCHEDULE: ERC

STATE OF OKLAHOMA

# ENERGIZING RENEWABLE CONNECTIONS

 $AED_{ij}$  = Actual Energy Delivered (production adjusted for line losses) in kWh for Project i (during the j hour as applicable)

i = the ith project on the TABLE 1

j = the jth hour of the month (only applicable to hourly settlement subscribers)

The  $RP_i$  and  $AED_i$  will be determined whenever facility i is brought online.

FCA EXEMPTION (only applicable for non-hourly settlement subscribers): The monthly energy use of a subscribed customer in kWh up to the customer's QCR, whichever is less, are exempt from the Rider for Fuel Cost Adjustment ("FCA"). The monthly energy use of a subscribed customer in kWh in excess of the customer's QCR will be subject to the then current monthly FCA. If a subscribed customer uses less energy in kWh than the customer's QCR, an FCA Exemption credit in kWh shall be made for each kWh of the customer's QCR in excess of energy use of the month. An FCA Exemption credit shall increase the customer's following month's QCR prior to every anniversary date of the customer's subscription. On every anniversary date of the customer's subscription, all FCA Exemption credit on the customer's account shall be exchanged into a monetary credit at the rate of 80% of the customer's last ERC purchase price.

If a customer's total kWh usage is less than their subscribed ERC kWh for the month, an FCA credit shall be made on the customer's actual usage not to exceed the maximum subscription limits. If a customer's total usage is more than their subscribed ERC kWh for the month, an FCA credit shall be applied only to the subscribed ERC kWh level. No FCA kWh credit shall be rolled forward or backward to any previous or future month's customer billing.

**HOURLY SETTLEMENT:** Customers who subscribe to the Program shall be billed under all of their respective applicable rate schedules in addition to the amount due from the Program participation. The amount due monthly from the Program participation shall equal to a subscriber's total QCR for the month multiplied by the applicable subscription price. Customers who subscribe to the Program shall also be entitled to the monthly credit amount equal to the sum of the hourly QCR multiplied by the corresponding Southwest Power Pool ("SPP") Day Ahead market hourly settlement price for all hours of the month.

In lieu of hourly settlement of locational and temporal price differences, a customer may elect to pay for an OG&E established risk premium to be added to the ERC purchase rate. This rate will be updated on an annual basis.

MINIMUM BILL: The minimum monthly customer bill shall be the customer charge and the amount that equals to QCR multiplied by the applicable subscription price, plus any other applicable fees and taxes. The Company shall specify a larger minimum monthly bill, calculated in accordance with the Company's Allowable Expenditure Formula in its Terms and Conditions of Service on file with and approved by the Commission, when necessary to justify the investment required to provide service.

Rates Authorized by the Oklahoma Corporation Commission:			
(Effective)	(Order No.)	(Cause/Docket No.)	
October 1, 2022	728277	PUD 202100164	

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

Original Sheet No. 50.42

**Date Issued September 8, 2022** 

STANDARD PRICING SCHEDULE: ERC

STATE OF OKLAHOMA

**ENERGIZING RENEWABLE CONNECTIONS** 

**SUBSCRIPTION TERM:** The minimum term is 403 years. The term for all subscribers will be subject to individual subscriber agreement as shown in Table 1. Participation in this program shall be automatically renewed annually at the end the initial subscriber agreement unless termination from the program is specifically requested by the ERC subscriber or the Company no longer has resources available through this program.

Prices for renewable resources are priced at initial agreement execution; only limited changes to prices are permitted, contract exit window is opened for 30 days if prices are adjusted with costs assessed based upon prices in effect immediately before the proposed change.

**EARLY TERMINATION:** A Customer choosing to terminate its subscription early, shall be subject to an Early Termination Fee for subscription terms greater than 5 years. This fee shall be the average of the Net Cost of Participation in the Program for the preceding 12 months (or all preceding months, if less than twelve (12) times the number of months remaining in the term) multiplied by the remaining term of the original subscription. The Net Cost of Participation shall be equal to the subscription payment minus any allocated credits received from the production from the designated resource. If the calculated Net Cost of Participation is less than or equal to zero, then the Net Cost of Participation is zero. Under no circumstance shall the Customer receive a net credit from Company for terminating service under this Rider.

**PRICE:** ERC subscription prices shall be based on individual projects and will follow the formula below or will be a Company owned resource with a levelized energy price. Table 1 includes the pricing information for all projects available for subscription through the ERC tariff.

#### **ERC PPA Formula:**

ERC PPA = SC + CSR + A

Where:

= Cost to OG&E of PPA energy (\$/kWh) SC

CSR\* = Congestion and Settlement rate (\$/kWh) to recover any transmission congestion cost differentials between the customer load node and the ERC project node for delivered energy and settlement timing differentials

\*not applicable to hourly settlement subscribers

= Administration cost of the program (\$/kWh) A

Pricing of OG&E owned ERC resources shall be based on the subscribers share of the levelized revenue requirement of the specific OG&E facility.

#### **OG&E Owned Facility Formula:**

Part 1 – Fixed monthly charge

Rates Authorized by the Oklahoma Corporation Commission: (Effective) (Order No.) (Cause/Docket No.) PUD 202100164

OKLAHOMA GAS AND ELECTRIC COMPANY P. O. Box 321 Oklahoma City, Oklahoma 73101 Original Sheet No. 50<u>.43</u>

Date Issued September 8, 2022

STANDARD PRICING SCHEDULE: ERC

STATE OF OKLAHOMA

#### **ENERGIZING RENEWABLE CONNECTIONS**

$$OGE \ PR_i = \frac{SL}{REP_i} \times LRR_i + A$$

Where

 $OGE PR_i = Purchase Rate in kW$ 

SL = Subscription Level in kW

 $LRR_i$  = Monthly Levelized Revenue Requirement for project i

A = Monthly Administration cost of the program

#### Part 2 - CSR\*

Congestion and Settlement kWh charge (updated annually) to recover any transmission congestion cost differentials between the customer load node and the ERC project node for delivered energy and settlement timing differentials

## TABLE 1

<u>No</u>	Project Name	Available Capacity	Minimum Contract Term	Fixed Price
1				
2				
3				

#### **RENEWABLE ENERGY CERTIFICATES:**

Renewable Energy Credits ("REC") produced by ERC resources will be tracked by the Company, consistent with the level of ERC subscriptions. The Company will retire the credits on behalf of the subscriber with all costs associated with the registration and retirement borne by the requesting subscriber. Alternatively, if requested, RECs associated with energy obtained through this Program can be transferred to the subscriber annually (any costs associated with this transaction shall be borne by the subscriber).

#### **WAITING LIST:**

For the initial ERC project offering, customers will be put on a waiting list on a first-come, first-served basis until customer interest exceeds 100 MW. At that time, the Company may pursue the procurement of a resource(s) to meet the customer need. At any time, if customer interest in the ERC exceeds the currently available limit, these customers will be placed on a waiting list and may be offered the opportunity to subscribe if subscription cancellations or forfeitures occur. Once customer interest

Rates Authorized by the Oklahoma Corporation Commission:				
(Effective)	(Order No.)	(Cause/Docket No.)		
October 1 2022	728277	PUD 202100164		

<sup>\*</sup>not applicable to hourly settlement subscribers

## CASE PUD 2023-000087 ENTRY NO. 195 FILED IN OCC COURT CLERK'S OFFICE ON 05/03/2024 - PAGE 68 OF 68

**EXHIBIT SN-RD10** 

OKLAHOMA GAS AND ELECTRIC COMPANY P. O. Box 321 Oklahoma City, Oklahoma 73101 Original Sheet No. 50<u>.44</u>

STANDARD PRICING SCHEDULE: ERC ENERGIZING RENEWABLE CONNECTIONS

STATE OF OKLAHOMA

Date Issued September 8, 2022

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