

BEFORE THE CORPORATION COMMISSION 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 201800140

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CORPORATION COMMISSION
OF OKLAHOMA

Testimony in Support of the Non-unanimous
Joint Stipulation and Settlement Agreement

of

Donald R. Rowlett

on behalf of

Oklahoma Gas and Electric Company

May 24, 2019

Donald R. Rowlett
Settlement Testimony

1 **Q. Please state your name and business address.**

2 A. My name is Donald R. Rowlett. My business address is 321 North Harvey, Oklahoma
3 City, Oklahoma 73102.

5 **Q. Are you the same Donald R. Rowlett who filed Direct testimony in this Cause?**

6 A. Yes.

8 **Q. What is the purpose of your testimony?**

9 A. The purpose of my testimony is to support the negotiated settlement reached between
10 OG&E and the Public Utility Division Staff ("PUD"), the Office of the Attorney General
11 ("AG"), Oklahoma Industrial Energy Consumers ("OIEC"), OG&E Shareholders
12 Association ("Shareholders"), Federal Executive Agencies ("FEA"), Wal-Mart Stores
13 East, LP and Sam's East, Inc. ("Wal-Mart"), and the AARP (collectively, "the Stipulating
14 Parties") that addressed all issues in this proceeding and is memorialized in the Non-
15 unanimous Joint Stipulation and Settlement Agreement ("the Joint Stipulation").

17 **Q. Could you please give a brief overview of OG&E Application filed on December 31,**
18 **2018?**

19 A. Yes. On December 31, 2018, OG&E filed its Application, testimony and supporting
20 Minimum Filing Requirements ("MFR") to support its request for a general rate case.
21 These documents were based on a test year ending September 30, 2018 and a *pro forma*
22 test year ending March 31, 2019. In that filing, OG&E requested a base rate increase of
23 approximately \$77.6 million.

25 **Q. Please describe the events that led to entering into the Agreement.**

26 A. After the Company's initial filing, PUD and Intervenor engaged in robust discovery
27 surrounding OG&E's Application, Minimum Filing Requirements and Direct testimony.
28 On April 22nd and 29th, PUD and Intervenor filed their Responsive testimony, followed

1 by the Company's Rebuttal testimony on May 6th and 13th. After OG&E's Rebuttal
2 testimony filing, the parties begin engaging in Settlement Negotiations.

3
4 **Q. Could you please describe the Joint Stipulation?**

5 A. Yes. After several meetings, attended by all parties, the Stipulating Parties were able to
6 reach the agreement attached as Settlement Exhibit DRR-1, the Non-unanimous Joint
7 Stipulation and Settlement Agreement. I will discuss each paragraph of the Joint
8 Stipulation below.

9
10 **Q. Please discuss Paragraph 1: No Rate Change.**

11 A. The Stipulating Parties agree that the Company's current base rates will remain in effect
12 for all customer classes and sub-classes and that there will be no change in the
13 Company's base rates.

14
15 **Q. Please discuss Paragraph 2: Return on Equity ("ROE").**

16 A. The Stipulating Parties agree that the cost of capital for purposes of computing
17 Allowance for Funds Used During Construction and the Company's existing Riders that
18 include a full return component will be calculated using the Commission approved ROE
19 of 9.5 percent; and the Company's capital structure and cost of debt which results in a
20 weighted average cost of capital of 7.31%, as filed in the Direct Testimony and
21 Application Package in this Cause.

22
23 **Q. Please discuss Paragraph 3: Environmental Investments.**

24 A. The Stipulating Parties will not object to OG&E's request for findings that installing dry
25 scrubbers at Sooner Units No. 1 and 2 and converting Muskogee Units 4 and 5 to natural
26 gas are prudent, used and useful, and should be fully recovered. As discussed in the
27 direct and rebuttal testimonies of Company witnesses Howell, Burch, and Turner, OG&E
28 is seeking a finding of prudence in this Cause.

29
30 **Q. Please discuss Paragraph 4: Customer Charge.**

1 A. The Stipulating Parties agree that there will be no change to fixed customer charges for
2 the Residential or General Service customer classes.

3
4 Q. **Please discuss Paragraph 5: Depreciation Rates.**

5 A. The Stipulating Parties agree that the Company shall continue to use its current
6 depreciation rates, as approved in Cause No. PUD 201500273. The Stipulating Parties
7 further agree that, since the Company did not have a Commission approved Storage
8 Battery Equipment (FERC 363) depreciation rate, the Company will utilize the
9 Company's proposed rate of 6.67% filed in its depreciation study filed on December 31,
10 2018.

11 Q. **Please discuss Paragraph 6: Regulatory Assets.**

12 A. Commission Order No. 679358 authorized a regulatory asset for OG&E to begin
13 accumulating certain costs incurred subsequent to the date the Sooner scrubbers went into
14 service. The Stipulating Parties agree to an amortization of the Sooner Scrubber
15 regulatory asset of 25 years.

16
17 Q. **Please discuss Paragraph 7: Unprotected Deferred Tax Savings.**

18 A. The Stipulating Parties agree to accelerate the return of unprotected accumulated deferred
19 income tax savings to customers to a period of 10 years.

20
21 Q. **Please discuss Paragraph 8: Pension Tracker.**

22 A. The Stipulating Parties agree, as proposed in Company witness Donald Rowlett's Direct
23 Testimony dated December 31, 2018, pages 14-15, and unopposed by parties, OG&E will
24 be authorized to include changes from 401K matching that result in decreased pension
25 expense in the pension tracker provided such changes are beneficial to customers.

26
27 Q. **Please discuss Paragraph 9: Vance Air Force Base.**

28 A. The Stipulating Parties agree that OG&E will modify the Vance AFB Power
29 Displacement Agreement ("PDA") to change Vance AFB's tariff rate to PL-TOU SL2,
30 with the remainder of the PDA unchanged. A redline copy of the PDA is attached to the
31 Non-unanimous Joint Stipulation as Exhibit A.

1
2 **Q. Please discuss Paragraph 10: Cost of Service.**

3 A. The Stipulating Parties agree that OGE's proposed new allocation of dedicated
4 distribution circuits to SL2 customers in the Company's cost of service study shall not be
5 adopted. The regulatory treatment of the costs of customer dedicated distribution circuits
6 shall be addressed in OGE's next general rate case.
7

8 **Q. Please discuss Paragraph 11: Additional Cost of Service Issues.**

9 A. OG&E, in its next general rate case, will prepare an additional cost of service study with
10 a separate class for customers served pursuant to 17 O.S. § 158.25(E) (referred to as the 1
11 MW exception) who began service with OG&E on or after issuance of a final order in
12 this Cause. OGE will also provide testimony addressing whether or not the load was
13 achieved in accordance with OG&E's filed policies.
14

15 **Q. Please discuss Paragraph 12: Section 408 of OGE's Terms and Conditions of**
16 **Service, Allowable Expenditure Formula.**

17 A. The Stipulating Parties agree that Section 408 of OG&E's Terms and Conditions will
18 explicitly state the current allowable expenditure formula utilized by the Company, with
19 future changes subject to the approval of the Director of the PUD. Further, Section 408
20 shall be amended to require that every contract for electric service for a customer newly
21 acquired under the 1 MW exception shall include a provision such as a minimum bill or
22 performance guarantee to address the possibility of early termination of service and
23 recovery of allowable expenditure costs from such customer.
24

25 **Q. Please discuss Paragraph 13: Tariff Changes.**

26 A. The Stipulating Parties will not oppose any uncontested tariff language changes proposed
27 by OG&E in direct testimony, subject to final review of changes to be set forth in the
28 Company's compliance filing as described below.
29

30 **Q. Please discuss the compliance filing.**

1 A. Upon final order in this Cause, the Company will submit its compliance filing to PUD for
2 review and stamping of tariffs.

3
4 Q. **Will customers see a change in base rates if the Joint Stipulation is approved?**

5 A. No, customers will not see a change in base rates. OG&E's request was for a net increase
6 in base rates of \$77 million and as a result of this stipulation there will be no increase to
7 base rates. Outside of base rates there are changes to certain fees (e.g. meter test fee) and
8 riders (e.g. termination of the Cogen Credit Rider ("CCR")). The most significant of
9 these changes is the termination of the CCR. As discussed in my direct testimony, in
10 January 2019 the CCR began crediting approximately \$71 million to customers. Since the
11 CCR is slated to end with issuance of a final order in this cause, the credit will no longer
12 be reflected on customers' bills. From that aspect, there will be a change in customers'
13 bills as compared to January 2019 levels but no change as compared to December 2018
14 when the case was filed.

15
16 Q. **What are you requesting of this Commission?**

17 A. The Company is requesting that the Commission approve that the Joint Stipulation as
18 fair, just, and reasonable and in the public interest. In addition, OG&E is requesting that
19 the Company's Sooner Scrubbers and Muskogee Conversion projects are declared
20 prudent and used and useful.

21
22 Q. **Does this conclude your testimony?**

23 A. Yes.

Settlement Exhibit DRR-1

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)	CAUSE NO. PUD 201800140
RATES, CHARGES, AND TARIFFS FOR RETAIL)	
ELECTRIC SERVICE IN OKLAHOMA)	

NON-UNANIMOUS JOINT STIPULATION AND SETTLEMENT AGREEMENT

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

I. Jurisdiction of the Commission

The Stipulating Parties agree that the Commission has jurisdiction with respect to the issues presented in this proceeding by virtue of Article IX, §18 *et seq.* of the Oklahoma Constitution, 17 O.S. §152 *et seq.*, 17 O.S. §251 *et seq.*, the Commission's Rules of Practice (OAC 165:5), and the Commission's Electric Utility Rules (OAC 165:35).

II. General Recommendations of the Stipulating Parties

This Joint Stipulation represents a comprehensive settlement to become effective with the issuance of a Commission order approving this Joint Stipulation ("Effective Date"). The attached tariffs and Terms and Conditions of service necessary to implement the agreements in this Joint Stipulation shall be approved by the Director of the Public Utility Division ("PUD") of the Commission and become effective on the Effective Date.

1. **No Rate Change:** The Stipulating Parties agree that the Company's current base rates will remain in effect for all customer classes and sub-classes and that there will be no change in the Company's base rates.

2. **Return on Equity ("ROE"):** The Stipulating Parties agree that the cost of capital for purposes of Allowance for Funds Used During Construction and the Company's existing Riders that include a full return component will be calculated using: 1) the Commission approved ROE of 9.5 percent; and 2) the Company's capital structure and cost of debt, as filed in the Direct Testimony and Application Package in this Cause.

3. **Environmental Investments:** The Stipulating Parties will not object to OG&E's request for findings that installing dry scrubbers at Sooner Units No. 1 and 2 and converting Muskogee Units 4 and 5 to natural gas are prudent, used and useful, and should be fully recovered.

4. **Customer Charge:** The Stipulating Parties agree that there will be no change to fixed customer charges for residential or general service customer classes.

5. **Depreciation Rates:** The Stipulating Parties agree that the Company shall continue to use its current depreciation rates, as approved in Cause No. PUD 201500273. The Stipulating Parties further agree that, since the Company did not have a Commission approved Storage Battery Equipment (FERC 363) depreciation rate, the Company will utilize the Company's proposed rate of 6.67% as found within its depreciation study filed December 31, 2018.

6. **Regulatory Asset:** The Stipulating Parties agree to an amortization of the Sooner Scrubber regulatory asset of 25 years.

7. **Unprotected Deferred Tax Savings:** The Stipulating Parties agree to accelerate the return of unprotected deferred tax savings to customers to a period of 10 years.

8. **Pension Tracker:** The Stipulating Parties agree, as proposed in Company witness Don Rowlett's Direct Testimony dated December 31, 2018, pages 14-15, and unopposed by parties, OG&E will be authorized to pass changes from 401K matching that result in decreased pension expense through the pension tracker provided such changes are beneficial to customers.

9. **Vance Air Force Base:** The Stipulating Parties agree that OG&E will modify the Vance AFB Power Displacement Agreement (PDA) to change Vance AFB's tariff rate to the PL-TOU SL2, with the remainder of the PDA unchanged. The redlined changes to the PDA are attached hereto as Exhibit A.

10. **Cost of Service:** The Stipulating Parties agree that OG&E's proposed new allocation of dedicated distribution circuits to SL2 customers in the Company's cost of service study shall not be adopted. The regulatory treatment of the costs of customer dedicated distribution circuits shall be addressed in OG&E's next general rate case.

11. **Additional Cost of Service Issues:** OG&E, in its next general rate case, will prepare an additional cost of service study with a separate class for customers served pursuant to 17 O.S. § 158.25(E) (referred to as the 1 MW exception) who began service with OG&E on or after issuance of a final order in this Cause. OG&E will also provide testimony addressing whether or not the load was achieved in accordance with OG&E's filed policies.

12. **Section 408 of OGE's Terms and Conditions of Service, Allowable Expenditure Formula:** The Stipulating Parties agree that Section 408 of OG&E's Terms and Conditions will explicitly state the current allowable expenditure formula utilized by the Company, with future changes subject to the approval of the Director of the PUD. Further, Section 408 shall be amended to require that every contract for electric service for a customer newly acquired under the 1 MW exception shall include a provision such as a minimum bill or performance guarantee to address the possibility of early termination of service and recovery of allowable expenditure costs from such customer.

13. **Tariff Changes:** The Stipulating Parties will not oppose any uncontested tariff language changes proposed by OG&E in direct testimony, subject to final review of changes to be set forth in the Company's compliance filing described below.

14. **Timing:** Upon issuance of a Commission order adopting this Joint Stipulation, the Company will file their compliance filing.

III. General Reservations

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

A. Negotiated Settlement

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

B. Authority to Execute

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

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

C. Joint Stipulation Represents a Balance and Compromise of Positions

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

D. No Admissions Nor Waivers

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

E. Precedential Value

The Stipulating Parties agree that the provisions of this Joint Stipulation are the result of

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

F. Outstanding Discovery and Motions

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

OKLAHOMA GAS AND ELECTRIC COMPANY

Dated: 5-23-19

By: 

**PUBLIC UTILITY DIVISION
OKLAHOMA CORPORATION COMMISSION**

Dated: _____

By: _____

OKLAHOMA OFFICE OF THE ATTORNEY GENERAL

Dated: _____

By: _____

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OKLAHOMA GAS AND ELECTRIC COMPANY

Dated: 5-23-19

By: 

PUBLIC UTILITY DIVISION
OKLAHOMA CORPORATION COMMISSION

Dated: 5/24/19

By: 

OKLAHOMA OFFICE OF THE ATTORNEY GENERAL

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Dated: 5-23-19

By: 

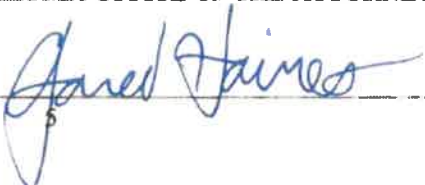
PUBLIC UTILITY DIVISION
OKLAHOMA CORPORATION COMMISSION

Dated: _____

By: _____

OKLAHOMA OFFICE OF THE ATTORNEY GENERAL

Dated: 5/24/19

By: 

OKLAHOMA INDUSTRIAL ENERGY CONSUMERS

Dated: 5-24-19

By: Theresa R. Thompson

OG&E SHAREHOLDERS ASSOCIATION

Dated: _____

By: _____

WAL-MART STORES EAST, LP and SAM'S EAST, INC.

Dated: _____

By: _____

EXCEPT AS TO PARAS. 11 and 12: AARP

Dated: _____

By: _____
Deborah R. Thompson
OK Energy Firm, PLLC

FEDERAL EXECUTIVE AGENCIES

Dated: _____

By: _____

4029065.2:620435:02644

OKLAHOMA INDUSTRIAL ENERGY CONSUMERS

Dated: _____

By: _____

OG&E SHAREHOLDERS ASSOCIATION

Dated: 5-24-19

By: Jack B. Clark Jr.

WAL-MART STORES EAST, LP and SAM'S EAST, INC.

Dated: _____

By: _____

EXCEPT AS TO PARAS. 11 and 12: AARP

Dated: _____

By: _____
Deborah R. Thompson
OK Energy Firm, PLLC

FEDERAL EXECUTIVE AGENCIES

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4029065.2:620435:02644

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Dated: 5/24/19

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Dated: _____

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EXCEPT AS TO PARAS. 11 and 12: AARP

Dated: 5-23-19

By: _____

Deborah R. Thompson

Deborah R. Thompson
OK Energy Firm, PLLC

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Dated: _____

By: _____

OG&E SHAREHOLDERS ASSOCIATION

Dated: _____

By: _____

WAL-MART STORES EAST, LP and SAM'S EAST, INC.

Dated: _____

By: _____

EXCEPT AS TO PARAS. 11 and 12; AARP

Dated: _____

By: _____

Deborah R. Thompson
OK Energy Firm, PLLC

FEDERAL EXECUTIVE AGENCIES

Dated: 24 May 2019

By: 

4029065.2:620435:02644

2014 POWER DISPLACEMENT AGREEMENT
BETWEEN
OKLAHOMA GAS AND ELECTRIC
AND
THE UNITED STATES DEPARTMENT OF DEFENSE
VANCE AIR FORCE BASE AS AMENDED IN 2019

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2014 POWER DISPLACEMENT AGREEMENT

1. **PARTIES:** The Parties to this 2014 Power Displacement Agreement ("2014 PDA") are the United States Department of Defense, acting by and through Vance Air Force Base ("Vance AFB" or "Vance"), and Oklahoma Gas and Electric Company ("OG&E"), an Oklahoma corporation; sometimes hereinafter referred to individually as "Party" or collectively as "Parties."
2. **RECITALS:** The 2014 PDA is made with reference to the following facts, among others:
 - 2.1. On April 30, 1979, Vance AFB entered into a Power Sales Contract (No. EW-78-Y-75-0021) with the United States Department of Energy, Southwestern Power Administration ("Southwestern") for the sale and delivery of federal hydropower with a term that expired May 1, 1997.
 - 2.2. On September 9, 1996, Vance entered into a subsequent Power Sales Contract with Southwestern (No. DE-PM75-96SW00339) for the continuation of sales and delivery of federal hydropower and additional energy services to Vance AFB.
 - 2.3. Vance AFB receives an allocation of federal hydropower peaking energy of 5.9 MW..
 - 2.4. On April 4, 1997 Vance entered into a Service Agent Agreement (No. DE-PM75-97SW000362) with Southwestern so that Southwestern could act as Vance's agent for the purchase of thermal-generated energy as needed to fulfill Vance's load requirements and to negotiate a contract with a utility vendor for the purchase of transmission and ancillary services necessary for the delivery of energy to Vance.
 - 2.5. On June 1, 1998, OG&E and Southwestern entered into Contract No. DE-PM75-98SW00408 specifying the terms and provisions for sale of thermal generating

resources and the delivery of thermal and hydroelectric resources to Vance over the OG&E system. Agreement DE-PM75-98SW00408 was amended May 25, 2012 to extend its term until May 31, 2013.

- 2.6. OG&E entered into agreements with Southwestern to enable Vance to benefit from the hydropower allocated to them by Southwestern without imposing any adverse impact on OG&E's ratepayers or shareholders.
- 2.7. OG&E provided transmission and electricity supply services to Vance under OG&E's wholesale contracts with Southwestern and desires to retain Vance, a critical military installation in the State of Oklahoma, as a customer under new arrangements upon the termination of service agreements Nos. DE-PM75-97SW000362 and DE-PM75-98SW00408.
- 2.8. OG&E submitted a copy of Contract DE-PM75-98SW00408 to FERC on July 2, 1998 in Docket No. ER98-3626-000.
- 2.9. Under federal statute and in accordance with Southwestern's Final Power Allocation (1980 – 1988) as published in the Federal Register Notice 45 Fed.Reg. 19032 (March 24, 1980), Vance may not sell Southwestern-provided power to third parties for resale nor may a third party directly benefit from the delivery of federal power for Vance.
- 2.10. To ensure that Vance can continue to directly benefit, and OG&E and the State of Oklahoma can continue to indirectly benefit from the capacity and associated energy allocated by Southwestern to Vance without causing adverse impacts on OG&E's ratepayers or shareholders, the Parties desire to establish this 2014 PDA for a ten-year term, creating the "2014 PDA". In addition, the Parties desire to establish a billing and crediting methodology to ensure that all appropriate costs, charges, and benefits

of Vance's allocation of hydropower are applied to Vance. The PDA will be deemed effective upon issuance by the Air Force of an Authorization for service to Vance AFB under the areawide utility contract between GSA and OG&E.

2.11. OG&E will bill Vance on a monthly basis under the applicable Oklahoma Corporation Commission ("OCC") approved rate, Standard Pricing Schedule ~~LPLPL~~-TOU schedule, service level 2, attached hereto as Attachment No. 1, as the same may from time to time be amended, plus other charges and credits as specified in this 2014 PDA.

2.12. The Air Force will issue an Authorization under OG&E's GSA Areawide Contract. The Authorization will incorporate this PDA by reference. The Authorization and PDA together will define the contractual relationship between OG&E and the Air Force. The Authorization will be effective for ten years from date of issue.

3. **DEFINITIONS:** The following terms, when used herein with initial capitalization, whether in the singular or the plural, shall have the meanings set forth in the 2014 PDA, in the OG&E Tariff Schedules, or in the Southwest Power Pool, Inc. ("SPP") Open Access Transmission Tariff ("SPP Tariff") then in effect. In the event of a conflict in the definitions between the 2014 PDA, the OG&E Tariff Schedules, and the SPP Tariff, the definition in the 2014 PDA shall prevail.

3.1. 2014 PDA: This 2014 Power Displacement Agreement between OG&E and Vance, as it may be amended or superseded.

3.2. Areawide Contract: Contract entered into between the General Services Administration (GSA) and a utility service supplier to cover utility service needs of Federal agencies within the franchise territory of the supplier. Each areawide

~~contract~~contract includes an "Authorization" form for requesting service, connection, disconnection or change in service.

- 3.3. Authorization: The document executed by an ordering agency and the utility supplier to order service under an areawide utility contract.
- 3.4. Authorized Representative: The representative of a Party designated in accordance with Section 21.
- 3.5. Contract Rate of Demand: The maximum allowable amount of federal hydropower peaking energy that Southwestern can schedule for Vance in a single hour in accordance with the Power Sales Contract.
- 3.6. Delivered Energy: The amount of Peaking Hydro Energy, Supplemental Peaking Hydropower, and Excess Southwestern Energy delivered by Southwestern for the benefit of Vance AFB.
- 3.7. Excess Southwestern Energy: Federal energy available for sale by Southwestern from time to time in addition to the Hydro Peaking Energy and Supplemental Peaking Energy.
- 3.8. Excess Delivered Energy: The amount of Delivered Energy in excess of Vance's Metered Energy in each Time-of-Use Period for a given billing period.
- 3.9. Excess Metered Energy: The amount of kilowatt-hours recorded for Vance's Service Account(s) in each Time-of-Use period in a billing cycle minus the Delivered Energy and Losses.
- 3.10. FERC: Federal Energy Regulatory Commission, or its successor.

- 3.11. Hydro Peaking Energy: Energy generated at reservoir projects under the control of the Department of Army that is made available for sale to Federal Preference Customers by Southwestern.
- 3.12. Losses: A reduction in the amount of Delivered Energy equal to system losses of 3.44 percent (3.44%) as provided by the most recent OG&E loss study based on 2006 test year data.
- 3.13. Metered Energy: The amount of electricity used at Vance AFB aggregated by Time-of-Use period for the following account: 447166
- 3.14. NERC: North American Electric Reliability Corporation or its successor.
- 3.15. Net Billing Energy: Metered energy (in kWh), by season and Time-of-Use period, net of Delivered Energy, with metered Time-of-Use kWh reduced based on Delivered Energy adjusted for Losses.
- 3.16. OCC: Oklahoma Corporation Commission or its successor.
- 3.17. Offset, Offsetting: The reduction of the amount of kilowatt-hours recorded on Vance's Service Account for a particular Time-of-Use period for a particular day within a billing cycle, by the amount of Delivered Energy available during the corresponding Time-of-Use period for the same day and month.
- 3.18. OG&E Tariff: The tariff documents on file with Oklahoma Corporation Commission including the Terms and Conditions of Service, the Standard Pricing Schedules, and Miscellaneous Riders and Charges.
- 3.19. Peaking Contract Demand: As provided for in the Power Sales Contract, the Contract Rate of Demand establishing the maximum amount of Hydro Peaking Energy that may be scheduled in an hour and allocated to Vance by Southwestern.

- 3.20. Peaking Energy: Hydro Peaking Energy equal to 1,200 hours per kilowatt of Peaking Contract Demand (7,080,000 kWh) made available by Southwestern during each contract year, and scheduled pursuant to Section 4 of the Power Sales Contract.
- 3.21. Power Sales Contract or PSA: Contract No. DE-PM75-14SW00678 between United States Department of Energy Southwestern Power Administration and Vance, as the same may be amended, modified or replaced and all updates thereto during the term of the 2014 PDA, so long as all such updates are provided by Vance to OG&E in accordance with Section 11 of the 2014 PDA, Obligations of Vance, wherein Vance and Southwestern have agreed on the terms and conditions regarding the sale of Hydro Peaking Energy and Supplemental Peaking Energy and/or any other agreement(s) between Vance and Southwestern that may provide Excess Southwestern Energy under which Southwestern delivers to OG&E for the benefit of Vance. Contract No. DE-PM75-14SW00678 is attached hereto as Attachment No. 2.
- 3.22. Preference Customers: Customers eligible to receive Federal Energy marketed by Southwestern, limited by law to Federal government agencies, and public bodies such as rural electric cooperatives and municipal utilities.
- 3.23. Scheduling Agent: OG&E, undertaking on Vance's behalf the applicable duties and functions set forth in the Power Sales Contract and SPP Tariff.
- 3.24. Service Account: Identified as OG&E's internal billing and customer account for Vance, CA#447166.
- 3.25. Southwestern Contract Year: The 12-month period beginning on June 1 of each calendar year and extending through May 31 of the following year.
- 3.26. SPP: Southwest Power Pool or its successor.

- 3.27. Southwestern: Southwestern Power Administration, one of four Power Marketing Administrations of the United States Department of Energy. Southwestern markets hydroelectric power in Arkansas, Kansas, Louisiana, Missouri, Oklahoma, and Texas from 24 U.S. Army Corps of Engineers multipurpose dams.
- 3.28. Supplemental Peaking Energy: Hydroelectric energy available from time-to-time for purchase by Vance in addition to the quantity of Peaking Energy allocated to Vance.
- 3.29. Time-of-Use: Time-of-Use period as defined in the applicable OG&E retail tariff schedule.
4. EFFECTIVE DATE AND OCC JURISDICTION:
- 4.1. The 2014 PDA shall become effective as of the first day or the first month following approval of the 2014 PDA by the OCC.
- 4.2. OG&E shall provide Vance with a copy of its filing to the OCC and the subsequent OCC Order addressing the 2014 PDA.
- 4.3. The 2014 PDA shall at all times be subject to such changes or modifications as the OCC, may from time to time, direct in the exercise of its jurisdiction, subject to Section 5.4 of the 2014 PDA.
5. TERM AND TERMINATION:
- 5.1. The 2014 PDA shall remain in effect until a date ten (10) years ("Initial Term") from the Effective Date of the 2014 PDA, subject to earlier termination as provided in Sections 5.2, 5.3, 5.4, or 5.5. The Initial Term may be extended for an additional five (5) years with by the mutual agreement of the Parties.
- 5.2. Either Party may terminate the 2014 PDA by giving written notice to the other Party at least two (2) years prior to the Effective Date of such termination. Termination in

accordance with this provision will not be opposed by the non-terminating Party and will not entitle the non-terminating Party to damages of any type otherwise provided by State or Federal law.

- 5.3. Notwithstanding Section 5.2, or any other provision in the 2014 PDA, Vance may terminate the 2014 PDA at any time by giving OG&E ninety (90) days prior written notice. Termination in accordance with this provision entitles OG&E to compensation for all actual damages suffered as a result of the termination.
- 5.4. If the OCC, or any other regulatory or governmental body or agency or any court of competent jurisdiction, orders that the 2014 PDA or the Power Sales Contract may be interpreted, modified, or extended in such a manner that either Party may be required to incur new or different obligations to the other Party or to third parties not contemplated by the 2014 PDA, then either Party, within six (6) months of the date of such an order, may give the other Party written notice of termination of the 2014 PDA specifying the effective date, which shall not be less than ninety (90) days from the date of said written notice. Such termination shall not be opposed by either Party. Alternatively, the Parties may elect to renegotiate the 2014 PDA to comply with the order. If said renegotiations fail, either Party may terminate the 2014 PDA on ninety (90) days written notice. Such termination shall not be opposed by either Party. Termination in accordance with this provision will not entitle the non-terminating Party to damages of any type otherwise provided by State or Federal law.
- 5.5. If not terminated earlier in accordance with Section 5.2, 5.3, or 5.4 of the 2014 PDA, the 2014 PDA shall terminate on the earlier of ten (10) years from the Effective Date of the 2014 PDA as provided in Section 5.1, or on the termination date of the Power

Sales Contract. Such termination shall not be opposed by either Party. Termination in accordance with this provision will not entitle the non-terminating Party to damages of any type otherwise provided by State or Federal law.

- 5.6. Beginning on the effective date of termination of the 2014 PDA, all obligations to provide Offsets under the 2014 PDA shall cease and Vance shall not claim or assert any continuing right to such Offsets under the 2014 PDA. In no event shall OG&E be required to continue to provide Offsets to Vance beyond the termination date of the 2014 PDA. However, such termination shall not affect obligations incurred but not satisfied prior to such termination, including any payments due and owed but unpaid as of the date of termination for Excess Metered Energy or Excess Delivered Energy.

6. SERVICE AFTER TERMINATION

- 6.1. Should a termination occur, Vance and OG&E will work in good faith to establish follow-on agreements that will facilitate the continued ability of Vance to benefit from deliveries of Southwestern Hydro Peaking Energy.
- 6.2. Upon termination or expiration of this PDA and in the event that OG&E is unwilling or unable to provide delivery of Southwestern Hydro Peaking Energy and load following energy to Vance, OG&E will coordinate with Vance and Southwestern to identify viable alternatives for delivering electricity as needed to fulfill Vance's load requirements.
- 6.3. Should a termination occur and in the absence of other electricity supply arrangements made by Vance, OG&E will utilize reasonable means to provide retail electric service to Vance at the applicable retail rate without regard to the Hydro Peaking Energy.

**7. SCHEDULING THE PEAKING ENERGY, SUPPLEMENTAL PEAKING ENERGY
AND EXCESS SOUTHWESTERN ENERGY:**

7.1. The Scheduling Agent is authorized and directed to:

- 7.1.1. accept title to and receive from Southwestern, for Vance, the Hydro Peaking Energy, Supplemental Peaking Energy and Excess Southwestern Energy purchased by Vance under the terms of the Power Sales Contract;**
- 7.1.2. schedule the Hydro Peaking Energy, Supplemental Peaking Energy and Excess Southwestern Energy purchased by Vance in accordance with provisions established by SPP tariff;**
- 7.1.3. prepare and submit, and receive and accept, all necessary notices and accounting statements; and**
- 7.1.4. act for and on behalf of Vance in regard to matters arising with respect to the scheduling and delivery of the Hydro Peaking Energy, Supplemental Peaking Energy, and Excess Southwestern Energy.**

7.2. The Scheduling Agent will schedule the Hydro Peaking Energy according to the following parameters:

- 7.2.1. energy scheduled in hours-ending 15:00–19:00 on weekdays, excluding NERC holidays, in the summer months, June – September, is equal to the Contract Rate of Demand rounded to the nearest MW;**
- 7.2.2. energy scheduled in the non-summer months, October – May, is scheduled so that the total quantity of Hydro Peaking Energy for the Southwestern Contract Year is equal to 1,200 kWh per kW of Peaking Contract Demand; and**

- 7.2.3. Scheduling of Hydro Peaking Energy shall meet the requirements established in the Southwestern Power Sales Contract Article II, Section 4.
- 7.3. The Scheduling Agent will provide a copy of Vance's month-ahead hourly schedule for the Hydro Peaking Energy for the following month on or before the last business day of each month to Vance AFB.
- 7.3.1. Vance will review the month-ahead Peaking Hydro Power schedule and will notify OG&E of any proposed changes prior to 10:00 am the day proceeding the day on which the daily hourly schedule will be in effect. All actions taken by Vance in this regard shall be consistent with the terms of both this 2014 PDA and the PSA.
- 7.4. Vance's Scheduling Agent shall submit to Southwestern an hourly schedule for Hydro Peaking Energy on or before 2 p.m. of each day with all energy quantities expressed in whole megawatt-hours for the delivery of Peaking Energy during the following day for delivery to the OG&E System.
- 7.5. Hourly schedules for Hydro Peaking Energy may be changed by the Scheduling Agent at any time, and from time to time, upon notice to Southwestern prior to 2 p.m. of the day proceeding the day when the new schedule will be in effect. Provided that, in the event Southwestern adopts Rate Schedule provisions that are different than the provisions set forth in the Power Sales Contract as reflected in the scheduling requirements of Section 7.2 and Section 7.3, the Parties agree that such Rate Schedule provisions shall apply and have precedence.
- 7.6. Vance AFB will notify OG&E in writing of any modifications to Section II.5.(b) of the Power Sales Agreement or Southwestern's Rate Schedule resulting in any changes

to the provisions and protocols for scheduling Hydro Peaking Energy, Supplemental Peaking Energy, and Excess Southwestern Energy.

- 7.7. Upon notice to the Scheduling Agent from Southwestern of the availability of Supplemental Peaking Energy or Excess Southwestern Energy, and the period(s) of time during which such Supplemental Peaking Energy or Excess Southwestern Energy will be available, upon the Scheduling Agent's agreement, Southwestern, or the Scheduling Agent if required by SPP, will submit an hourly schedule to SPP for the delivery of Supplemental Peaking Energy or Excess Southwestern Energy in an amount where the sum of scheduled Peaking Hydropower, Supplemental Peaking Energy and Excess Southwestern Energy is no greater than the Contract Rate of Demand rounded up to the next MW.
- 7.8. In the event Scheduling Agent exercises its option to schedule such Supplemental Peaking Energy or Excess Southwestern Energy as provided for in Section 7.7 hereof, Southwestern will establish with Vance or its Scheduling Agent an hourly schedule for the delivery of Supplemental Peaking Energy or Excess Southwestern Energy to be purchased by Vance in an amount no greater than the Contract Rate of Demand rounded up to the nearest MW.
- 7.9. Vance shall make all necessary arrangements with Southwestern, including, but not limited to, the execution of procedures pursuant to the Power Sales Contract to enable OG&E to act as Vance's Scheduling Agent for purposes of scheduling of the Hydro Peaking Energy, Supplemental Peaking Energy and Excess Southwestern Energy.

7.10. In the event that OG&E fails to schedule in accordance with the provisions provided in this PDA and the Southwestern PSA, OG&E is obligated to provide a credit to Vance equal to the penalties charged by Southwestern to Vance.

8. BILLING CHARGES: The following charges described in Sections 8.1 and 8.2, below, shall be Vance's monthly billing charges for each billing cycle based upon the energy delivered during the billing period.

8.1. OG&E shall bill Vance in accordance to the rates and charges set forth in Standard Pricing Schedule ~~LPLPL~~-TOU, service level 2, including:

8.1.1. Customer Charges;

8.1.2. Capacity Charges applied to Gross Billing Demand (kW), with a minimum demand charge equal to the Vance's SWPA Peaking Contract Rate of Demand as specified in the Power Sales Contract.;

8.1.3. Energy Charges applied to Net Billing Energy; and

8.1.4. Charges defined in Riders applicable to Schedule ~~LPLPL~~-TOU, service level 2, ~~(a representative sample of a monthly bill is provided in Attachment 3).~~

8.1.5. Nothing contained herein shall be construed as affecting in any way the right of the OG&E to unilaterally make application to the OCC or to any other regulatory agency having jurisdiction, for a change in rates, charges, classification, service, Term and Conditions of Service or any rule, regulation or contract relating thereto, excluding the 2014 PDA itself, occurring during the term of this 2014 PDA, OG&E shall, upon the

Effective Date thereof, bill Vance on the basis of such change and Vance agrees to pay such amount billed reflecting such change.

8.1.6. Nothing contained herein shall be construed as affecting in any way the right of Vance, the United States Air Force, or the Federal Executive Agencies, to intervene and fully participate in any rate or other regulatory proceeding before the OCC or any other regulatory agency having jurisdiction, for a change in rates, charges, classification, service, Term and Conditions of Service or any rule, regulation or contract relating thereto, excluding the 2014 PDA itself, occurring during the term of this 2014 PDA.

8.2. In addition to the charges described in Section 8.1, above, OG&E shall charge Vance monthly the Additional Charges, defined below and reflected in the sample bill, to recover OG&E's expenses related to: (i) the administration of the 2014 PDA, (ii) all charges or other costs from the SPP to OG&E as Scheduling Agent for Vance related to OG&E's duties set out in Article 7 of the 2014 PDA or (iv) any other expenses incurred by OG&E which are determined by OG&E to be applicable to the 2014 PDA (collectively "Additional Charges").

9. BILLING OFFSETS AND CHARGES:

9.1. **Billing Offsets.** For each Time-of-Use period within the billing cycle, the kilowatt-hours recorded on the Service Account meters shall be offset by the amount of Delivered Energy for the same Time-of-Use period within that billing cycle, adjusted for Losses.

9.1.1. For any Time-of-Use period within a billing cycle in which there is Excess Delivered Energy, OG&E shall credit Vance for the value of this energy.

The value shall be calculated as the sum of the product of the amount of Excess Delivered Energy for each Time-of-Use time period during that billing cycle, and the applicable Time-of-Use rates as defined in Standard Pricing Schedule ~~LPLPL~~-TOU, service level 2.

9.1.2. For any billing cycle in which there is Excess Metered Energy, Vance shall pay OG&E for such Excess Metered Energy at rates set forth in the OG&E ~~LPLPL~~-TOU service level 2 tariff schedule.

9.1.3. OG&E will provide an attachment to each monthly invoice indicating the amount of Federal energy scheduled in each hour of the billing month, by Time-of-Use time period.

10. OBLIGATIONS OF VANCE:

10.1. Consistent with the terms and procedures of this 2014 PDA, Vance shall use its best efforts to keep OG&E informed of any negotiations regarding modifications or amendments to the Power Sales Contract.

10.2. Vance shall comply with all OG&E tariff rules applicable to Vance.

11. LIMITATION OF OBLIGATIONS OF OG&E: The Power Sales Contract shall not be binding or create any obligations on OG&E except as they are incorporated or related to the terms and conditions of the 2014 PDA. OG&E shall not be obligated to schedule, accept, or provide billing credits for any energy from Southwestern, except as provided pursuant to the 2014 PDA.

12. LIABILITY:

12.1. Except for any loss, damage, claim, cost, charge, or expense resulting from Willful Action, neither Party, its directors or members of its governing bodies, officers,

employees, or contract employees shall be liable to the other Party for any loss, damage, claim, cost, charge, or expense of any kind or nature incurred by the other Party (including direct, indirect, or consequential loss, damage, claim, cost, charge, or expense; and whether or not resulting from the negligence of a Party, its directors or members of its governing bodies, officers, employees, or any person or entity whose negligence would be imputed to such Party) from the engineering, repair, supervision, inspection, testing, protection, operation, maintenance, replacement, reconstruction, use, or ownership of such Party's electric system in connection with the implementation of the 2014 PDA. Except for any loss, damage, claim, cost, charge, or expense resulting from Willful Action, each Party releases the other Party, its directors or members of its governing bodies, officers, and employees from any such liability. No Party shall execute, levy, or otherwise enforce a judgment for such liability, including recording or effecting a judgment lien against the other Party, its directors or members of its governing bodies, officers, and employees.

12.2. For the purpose of this Section 13, Willful Action shall be defined as:

12.2.1. Action taken or not taken by a Party at the direction of its directors or members of its governing bodies, officers, or employees having management or administrative responsibility affecting its performance under the 2014 PDA, as follows:

12.2.1.1. Action which is knowingly or intentionally taken or not taken with conscious indifference to the consequences thereof or with intent that injury or damage would result or would probably result there from.

12.2.1.2. Action which has been determined by final arbitration award or final judgment or judicial decree to be a material default under the 2014 PDA and which occurs or continues beyond the time specified in such arbitration award or judgment or judicial decree for curing such default or, if no time to cure is specified therein, occurs or continues thereafter beyond a reasonable time to cure such default.

12.2.1.3. Action, which is knowingly or intentionally taken or not taken with the knowledge that such action taken or not taken is a material default under the 2014 PDA.

12.3. Willful Action does not include any act or failure to act which is merely involuntary, accidental, or negligent.

12.4. The phrase "employees having management or administrative responsibility," as used in Section 13.2.1, means the employees of a Party who are responsible for one or more of the executive functions of planning, organizing, coordinating, directing, controlling, and supervising such Party's performance under the 2014 PDA with responsibility for results.

12.5. The provisions of this Section 13 shall be binding upon the Parties to the full extent permitted by law.

13. AUDITS:

13.1. Vance may designate its own employee representative(s), or its contracted representative(s) who shall have the right to audit and to examine any calculation of billing credits or billing credit adjustments resulting from any item set forth in the 2014 PDA for a period of three (3) years from the time such billing credits or billing

credit adjustments are made on a monthly billing of Vance. All such audits shall be undertaken at reasonable times and in conformance with generally accepted auditing standards. All costs of such audit shall be borne by Vance. Vance shall not release or use, and it shall cause its auditors not to release or use, OG&E's records or disclose any information contained therein to any third party.

13.2. If, as a result of such an audit, a Party finds that any billing credit or billing credit adjustment should be revised, the findings shall be presented to the Authorized Representatives. If the Authorized Representatives determine that the audit findings should result in a revision of any billing credit or billing credit adjustment, such revisions shall be retroactive to the first billing making such billing credit or billing credit adjustment and shall be made as soon as practical after determination.

14. **NO DEDICATION OF FACILITIES:** Any undertaking by one Party to the other under any provision of the 2014 PDA shall not constitute the dedication of the facilities involved in the 2014 PDA or any portion thereof of either Party to the public or to the other Party, and it is understood and agreed that any such undertaking under any provision of the 2014 PDA by either Party shall cease upon the termination of its obligations hereunder.
15. **NO THIRD PARTY RIGHTS:** The Parties do not intend to create rights in or grant remedies to any third party as a beneficiary of the 2014 PDA or of any duty, covenant, obligation or undertaking established hereunder.
16. **UNCONTROLLABLE FORCES:** Neither Party shall be considered to be in default in the performance of any of its obligations pursuant to the 2014 PDA when a failure of performance shall be due to an uncontrollable force. The term "uncontrollable force" shall mean any cause beyond the control of the Party unable to perform such obligation,

including, but not limited to, failure of or threat of failure of facilities, flood, earthquake, storm, drought, fire, pestilence, lightning and other natural catastrophes, epidemic, famine, war, riot, civil disturbance or disobedience, strike, labor dispute, labor or material shortage, sabotage, government priorities and restraint by court order or public authority, and actions or non-action by or inability to obtain the necessary authorizations or approvals from any governmental agency or authority, which by exercise of due diligence such Party could not reasonably have been expected to avoid and which by exercise of due diligence it has been unable to overcome. Nothing contained in the 2014 PDA shall be construed to require a Party to settle any strike or labor dispute in which it may be involved.

17. **GOVERNING LAW:** The 2014 PDA shall be interpreted, governed by and construed under the laws of the state of Oklahoma or the laws of the United States, as applicable, as if executed and to be performed wholly within the state of Oklahoma.
18. **NON-WAIVER:** Any waiver at any time by either Party of its rights with respect to a default under the 2014 PDA or with respect to any other matter arising in connection with the 2014 PDA shall not be deemed a waiver with respect to any subsequent default or other matter arising in connection therewith. Any delay, short of a statutory period of limitation in assessing or enforcing any right, shall not be deemed a waiver of such right.
19. **ASSIGNMENTS:**
 - 19.1. Neither Party shall voluntarily assign or transfer any right or interest nor delegate any duty under the 2014 PDA, or any part of such rights, interests, or duties, without the written consent of the other Party, except in connection with the sale or merger of a substantial portion of its properties. Any such assignment, transfer, or delegation made without such written consent shall be null and void. Such written consent shall not be

withheld unreasonably. Unless otherwise agreed by the Parties, any assignment or transfer, to be effective, shall provide that the assignee shall assume all duties and obligations of the assignor as set forth in the 2014 PDA.

19.2. The Offsets or billing charges and other provisions of the 2014 PDA shall not apply to any assignment, transfer, or reallocation of all or any portion of the Hydro Peaking Energy, Supplemental Energy and Excess Southwestern Energy.

20. **RELATIONSHIP OF PARTIES:** The covenants, obligations and liability of the Parties are intended to be several and not joint or collective, and nothing contained in the 2014 PDA shall ever be construed to create an association, joint venture, trust or partnership, or to impose a trust or partnership covenant, obligation or liability on or with regard to either Party. Each Party shall be individually and severally responsible for its own covenants, obligations and liabilities as provided in the 2014 PDA. Neither Party shall be under the control of or shall be deemed to control the other Party. Neither Party shall be the agent of or have a right or power to bind the other Party without such other Party's express written consent.

21. **AUTHORIZED REPRESENTATIVES:** Within thirty (30) days after the date of execution of the 2014 PDA, each Party shall designate by written notice to the other Party a representative who is authorized to act on its behalf in the implementation of the 2014 PDA. Either Party may at any time change the designation of its Authorized Representative by written notice to the other Party.

22. **NOTICE:** Either Party may, at any time by notice to the other Party, change the designation or address of the person so specified as the one to receive notices pursuant to the 2014 PDA. All notices issued pursuant the 2014 PDA shall be sent to the following:

22.1. General Notice:

If to Vance Air Force Base:
Name: Tom Patton
Title: 13 USAF AETC 71 CONF/LGC
Address: Vance AFB, Enid OK 73703
Phone: 580-213-6770
e-mail: thomas.patton.1@us.af.mil

If to Oklahoma Gas and Electric Company:
Name: Patrick Saxton
Title: Business Development Director
Address: 321 N. Harvey OKC, OK 73102, MC 207
Phone: 405-553-3918
e-mail: saxtonep@oge.com

22.2. Scheduling:

Real-time

If to Vance Air Force Base:
Name: Roderick Oxford
Title: USAF AETC AETC/A7COE
Address: Randolph AFB, Texas 78150

Phone: (210) 652-9591
e-mail: roderick.oxford@us.af.mil

If to Oklahoma Gas and Electric Company:
Name: Market Operator
Title: Market Operator
Address: 321 N. Harvey OKC, OK 73102-0321
MC 404
Phone: 405-553-3116
e-mail: _gendesk@oge.com

Monthly

If to Vance Air Force Base:
Name: Roderick Oxford
Title: USAF AETC AETC/A7COE
Address: Randolph AFB, Texas 78150

Phone: (210) 652-9591
e-mail: roderick.oxford@us.af.mil

If to Oklahoma Gas and Electric Company:
Name: Darrell Wilson
Title: Supervisor Generation Dispatch
Address: 321 N. Harvey OKC, OK 73102-0321
MC 404
Phone: 405-553-3373
e-mail: wilsondw@oge.com

22.3. Billing:

If to Vance Air Force Base:
Name: Tom Ireland
Title: CTR USAF PAE/CER
Address: Vance AFB, Enid OK 73703

Phone: 580-213-7558
e-mail: thomas.ireland.1.ctr@us.af.mil

If to Oklahoma Gas and Electric Company:
Name: Steve Calvert
Title: _ Sr. Business Account Manager
Address: 321 N. Harvey OKC, OK 73102-0321
M225
Phone: 405-619-6622
e-mail: _calverse@oge.com

22.4. Others:

If to Vance Air Force Base:
Name: Donna Hazlett
Title: USAF AETC 71LRS/CE
Address: Vance AFB, Enid OK 73703
Phone: 580-213-6248

If to Oklahoma Gas and Electric Company:
Name: Patrick Saxton
Title: Business Development Director
Address: 321 N. Harvey OKC, OK 73102, MC 207
Phone: 405-553-3918

e-mail: donita.hazlett.1@us.af.mil

e-mail: saxtonep@oge.com

23. SIGNATURE CLAUSE: The signatories hereto represent that they have been appropriately authorized to enter into the 2014 PDA on behalf of the Party for whom they sign.

OKLAHOMA GAS AND ELECTRIC COMPANY

By _____

UNITED STATES DEPARTMENT OF DEFENSE

By _____

Contracting Officer

AIR EDUCATION AND TRAINING COMMAND

ATTACHMENT NO. 1

Tariff Schedule

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

1st Revised Sheet No. 18.00
Replacing Original Sheet No. 18.00
Date Issued July 19, 2012

STANDARD PRICING SCHEDULE: LPL-TOU
LARGE POWER AND LIGHT TIME-OF-USE

STATE OF OKLAHOMA
Code No. 35

EFFECTIVE IN: All territory served.

AVAILABILITY: Power and light service. Alternating current. Service will be rendered at one location at one voltage. No resale, breakdown, auxiliary or supplementary service permitted. Available, upon qualification by the customer and acceptance by the Company, to any customer who, during the 12 months ending with the current month, has established an annual kWh consumption of 15,000,000 kWh.

APPLICATION OF FUEL COST ADJUSTMENT (FCA): The FCA_{on}, FCA_{off} and FCA_w as defined in the FCA rider shall apply to the energy components within this tariff as follows: The FCA_{on} shall apply to all On-Peak kWh sales; the FCA_{off} shall apply to all Off-Peak kWh sales; and, the FCA_w shall apply to kWh sales during the seven revenue months of November through May.

TRANSMISSION (Service Level 1):

Customer Charge: \$300.00 per bill per month.

Capacity Charge:

Maximum Billing Demand: \$2.77 per kW per month.

Energy Charge:

Summer Season:

On-Peak kWh per month: 8.90¢ per kWh.

Off-Peak kWh per month: 0.80¢ per kWh.

Winter Season:

First 2,000,000 kWh per month: 1.00¢ per kWh.

All additional kWh per month: 0.80¢ per kWh.

DISTRIBUTION SUBSTATION (Service Level 2):

Customer Charge: \$300.00 per bill per month.

Rates Authorized by the Oklahoma Corporation Commission:

(Effective)	(Order No.)	(Cause/Docket No.)
August 2, 2012	599558	PUD 201100087
August 3, 2009	569281	PUD 200800398

Public Utilities Division Stamp

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

3rd Revised Sheet No. 15.40
Replacing 2nd Revised Sheet No. 15.40
Date Issued June 19, 2018

STANDARD PRICING SCHEDULE: PL-TOU
POWER AND LIGHT TIME-OF-USE

STATE OF OKLAHOMA
Code No. 36

EFFECTIVE IN: All territory served.

AVAILABILITY: Power and light service. Alternating current. Service will be rendered at one location at one voltage. No resale, breakdown, auxiliary or supplementary service permitted.

The application of this rate is limited to consumers meeting one of the following conditions:

1) Annual Maximum Kilowatt Demand (AkW) during the last 12 months must be greater than or equal to 10 but less than 400 with a Load Factor of 25% or more. The Load Factor calculation is:

$$\text{Load Factor} = \frac{\text{Total Annual kWh}}{(\text{AkW} \times 8760)}$$

Or

2) AkW must be greater than or equal to 400.

APPLICATION OF FUEL COST ADJUSTMENT (FCA): The FCA_{on}, FCA_{off} and FCA_w as defined in the FCA rider shall apply to the energy components within this tariff as follows: The FCA_{on} shall apply to all On-Peak kWh sales; the FCA_{off} shall apply to all Off-Peak kWh sales; and, the FCA_w shall apply to kWh sales during the seven revenue months of November through May.

TRANSMISSION (Service Level 1):

Customer Charge: \$234.00 per month.

Capacity Charge:

Maximum Billing Demand per kW: \$3.57 per kW per month.

Energy Charge:

Summer Season:

All On-Peak kWh: 5.52c per kWh per month.

All Off-Peak kWh: 0.48c per kWh per month.

Winter Season: All kWh: 0.48c per kWh per month.

Rates Authorized by the Oklahoma Corporation Commission:		
(Effective)	(Order No.)	(Cause/Docket No.)
July 1, 2018	679358	PUD 201700496
May 1, 2017	662059	PUD 201500273
August 2, 2012	599558	PUD 201100087
August 3, 2009	569281	PUD 200800398

Public Utilities Division Stamp

APPROVED
JUN 20 2018
OFFICE OF
PUBLIC UTILITIES DIVISION

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

1st Revised Sheet No. 18.01
Replacing Original Sheet No. 18.01
Date Issued July 19, 2012

**STANDARD PRICING SCHEDULE: LPL-TOU
LARGE POWER AND LIGHT TIME-OF-USE**

**STATE OF OKLAHOMA
Code No. 35**

Capacity Charge:

Maximum Billing Demand: \$3.37 per kW per month.

Energy Charge:

Summer Season:

On-Peak kWh per month: 8.90¢ per kWh per month.

Off-Peak kWh per month: 0.80¢ per kWh per month.

Winter Season:

First 2,000,000 kWh per month: 1.00¢ per kWh.

All additional kWh per month: 0.80¢ per kWh.

DISTRIBUTION (Service Levels 3 and 4):

Customer Charge: \$135.00 per bill per month.

Capacity Charge:

Maximum Billing Demand: \$4.56 per kW per month.

Energy Charge:

Summer Season:

On-Peak kWh per month: 9.00¢ per kWh per month.

Off-Peak kWh per month: 1.00¢ per kWh per month.

Winter Season:

All kWh per month: 1.00¢ per kWh per month.

Rates Authorized by the Oklahoma Corporation Commission:

(Effective)	(Order No.)	(Cause/Docket No.)
August 2, 2012	599558	PUD 201100087
August 3, 2009	569281	PUD 200800398

Public Utilities Division Stamp

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

4th Revised Sheet No. 15.41
Replacing 3rd Revised Sheet No. 15.41
Date Issued June 19, 2018

STANDARD PRICING SCHEDULE: PL-TOU
POWER AND LIGHT TIME-OF-USE

STATE OF OKLAHOMA
Code No. 36

DISTRIBUTION SUBSTATION (Service Level 2):

Customer Charge: \$ 234.00 per month.

Capacity Charge:

Maximum Billing Demand per kW: \$3.95 per kW per month.

Energy Charge:

Summer Season:

All On-Peak kWh: 8.17c per kWh per month.

All Off-Peak kWh: 0.84c per kWh per month.

Winter Season: All kWh: 0.84c per kWh per month.

DISTRIBUTION (Service Level 3):

Customer Charge: \$ 121.00 per month.

Capacity Charge:

Maximum Billing Demand per kW: \$5.39 per kW per month.

Energy Charge:

Summer Season:

All On-Peak kWh: 8.78c per kWh per month.

All Off-Peak kWh: 0.92c per kWh per month.

Winter Season: All kWh: 0.92c per kWh per month.

DISTRIBUTION (Service Level 4):

Customer Charge: \$ 91.00 per month.

Capacity Charge:

Rates Authorized by the Oklahoma Corporation Commission:

<u>(Effective)</u>	<u>(Order No.)</u>	<u>(Cause/Docket No.)</u>
July 1, 2018	679358	PUD 201700496
May 1, 2017	662059	PUD 201500273
August 2, 2012	599558	PUD 201100087
August 3, 2009	569281	PUD 200800398

Public Utilities Division Stamp

APPROVED
June 29, 2018
DIRECTOR
of
PUBLIC UTILITY DIVISION

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

1st Revised Sheet No. 18.02
Replacing Original Sheet No. 18.02
Date Issued July 19, 2012

STANDARD PRICING SCHEDULE: LPL-TOU
LARGE POWER AND LIGHT TIME-OF-USE

STATE OF OKLAHOMA
Code No. 35

SECONDARY (Service Level 5):

Customer Charge: \$77.00 per bill per month.

Capacity Charge:

Maximum Billing Demand: \$5.40 per kW per month.

Energy Charge:

Summer Season:

On-Peak kWh per month: 9.00¢ per kWh per month.

Off-Peak kWh per month: 1.10¢ per kWh per month:

Winter Season:

All kWh per month: 1.10¢ per kWh per month.

DEFINITION OF SEASON:

Summer Season: The five OG&E Revenue Months of June through October.

On-Peak Hours: From June 1 through September 30, beginning each day at 2:00 p.m. until 7:00 p.m. local time, excluding Saturday, Sundays, Independence Day (as observed) and Labor Day.

Off-Peak Hours: All hours not defined as On-Peak hours.

Winter Season: The seven OG&E Revenue Months of November through May of the succeeding year.

DETERMINATION OF MAXIMUM DEMAND: The customer's Maximum Demand shall be the maximum rate at which energy is used for any period of 15 consecutive minutes of the month for which the bill is rendered as shown by the Company's demand meter. In the event a customer taking service under this rate has a demand meter with an interval greater than 15 minutes, the Company shall have a reasonable time to change the metering device.

Rates Authorized by the Oklahoma Corporation Commission:

Public Utilities Division Stamp

<u>(Effective)</u>	<u>(Order No.)</u>	<u>(Cause/Docket No.)</u>
August 2, 2012	599558	PUD 201100087
August 3, 2009	569281	PUD 200800398

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

4th Revised Sheet No. 15.42
Replacing 3rd Revised Sheet No. 15.42
Date Issued June 19, 2018

STANDARD PRICING SCHEDULE: PL-TOU
POWER AND LIGHT TIME-OF-USE

STATE OF OKLAHOMA
Code No. 36

Maximum Billing Demand per kW: \$5.80 per kW per month.

Energy Charge:

Summer Season:

All On-Peak kWh: 8.56¢ per kWh per month.

All Off-Peak kWh: 1.10¢ per kWh per month.

Winter Season: All kWh: 1.10¢ per kWh per month.

SECONDARY (Service Level 5):

Customer Charge: \$79.00 per month.

Capacity Charge:

Maximum Billing Demand per kW: \$ 6.00 per kW per month.

Energy Charge:

Summer Season:

All On-Peak kWh per month: 10.14¢ per kWh per month.

All Off-Peak kWh per month: 1.31¢ per kWh per month.

Winter Season: All kWh: 1.31¢ per kWh per month.

DEFINITION OF SEASON:

Summer Season: The five OG&E Revenue Months of June through October.

On-Peak Hours: From June 1 through September 30, beginning each day at 2:00 p.m. until 7:00 p.m. local time, excluding Saturday, Sundays, Independence Day (as observed) and Labor Day.

Off-Peak Hours: All hours not defined as On-Peak hours.

Winter Season: The seven OG&E Revenue Months of November through May.

Rates Authorized by the Oklahoma Corporation Commission:

(Effective)	(Order No.)	(Cause/Docket No.)
July 1, 2018	679358	PUD 201700496
May 1, 2017	662059	PUD 201500273
August 2, 2012	599558	PUD 201100087
August 3, 2009	569281	PUD 200800398

Public Utilities Division Stamp

APPROVED
June 26, 2018
DIRECTOR
of
PUBLIC UTILITY DIVISION

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

1st Revised Sheet No. 18.03
Replacing Original Sheet No. 18.03
Date Issued July 19, 2012

**STANDARD PRICING SCHEDULE: LPL-TOU
LARGE POWER AND LIGHT TIME-OF-USE**

**STATE OF OKLAHOMA
Code No. 35**

DETERMINATION OF MAXIMUM BILLING DEMAND: The Maximum Billing Demand upon which the capacity charge is based shall be the Maximum Demand as determined above corrected for power factor, as set forth under Power Factor Clause; provided that no Maximum Billing Demand shall be considered as less than 25 percent of the highest Maximum Billing Demand corrected for power factor previously determined during the 12 months ending with the current month.

POWER FACTOR CLAUSE: Effective for the first 12 months after this schedule goes into effect, the power factor shall be as nearly 100 percent as possible, but when the average power factor, as determined by continuous measurement of lagging reactive kilovoltampere hours is less than 85 percent, the Billing Demand shall be determined by multiplying the Maximum Demand, shown by the demand meter for the billing period, by 85 and dividing the product thus obtained by the actual average power factor expressed in percent. The Company may, at its option, use for adjustment, the power factor as determined by test during periods of normal operation of the customer's equipment instead of the average power factor. For all customers with a monthly Maximum Demand of 300 kW or more, the Company shall install suitable measuring equipment to determine the customers' monthly maximum kVAr. The Company may install suitable measuring equipment at the metering point for any customer to determine the customer's monthly maximum kVAr if, in its sole judgment, such equipment is necessary.

POWER FACTOR CLAUSE CHANGE: Effective with the 13th month after rates of this case have gone into effect the consumer shall at all times take and use power in such manner that the power factor shall be as nearly 100 percent as possible, but when the average power factor as determined by continuous measurement of lagging reactive kilovoltampere hours is less than 90 percent, the billing demand shall be determined by multiplying the maximum demand, measured by the demand meter for the billing period, by 90 and dividing the product thus obtained by the actual average power factor expressed in percent periods of normal operation of the consumer's equipment instead of the average power factor. The Company shall install suitable measuring equipment at the metering point to determine the customer's monthly maximum kVAr and monthly maximum kW demands if, in its sole judgment, such equipment is necessary to determine whether the above condition has been met. Customers under this schedule that have a minimum of 300 kW Maximum Demand must have suitable measuring equipment at the metering point to determine the customer's monthly maximum kVAr. For all customers with a monthly Maximum Demand of 300 kW or more, the Company shall install suitable measuring equipment to determine the customer's monthly maximum kVAr. The Company may install suitable measuring equipment at the metering point for any customer to determine the customer's monthly maximum kVAr if, in its sole judgment, such equipment is necessary.

SERVICE LEVELS: For purposes of this rate, the following shall apply:

Rates Authorized by the Oklahoma Corporation Commission:

Public Utilities Division Stamp

(Effective)	(Order No.)	(Cause/Docket No.)
August 2, 2012	599558	PUD 201100087
August 3, 2009	569281	PUD 200800398

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

3rd Revised Sheet No. 15.43
Replacing 2nd Revised Sheet No. 15.43
Date Issued June 19, 2018

STANDARD PRICING SCHEDULE: PL-TOU
POWER AND LIGHT TIME-OF-USE

STATE OF OKLAHOMA
Code No. 36

DETERMINATION OF MAXIMUM DEMAND: The customer's Maximum Demand shall be the maximum rate at which energy is used for any period of 15 consecutive minutes of the month for which the bill is rendered as shown by the Company's demand meter. In the event a customer taking service under this rate has a demand meter with an interval greater than 15 minutes, the Company shall have a reasonable time to change the metering device.

DETERMINATION OF MAXIMUM BILLING DEMAND: The Maximum Billing Demand upon which the capacity charge is based shall be the Maximum Demand as determined above corrected for power factor, as set forth under Power Factor Clause; provided that no Maximum Billing Demand shall be considered as less than 25 percent of the highest Maximum Billing Demand corrected for power factor previously determined during the 12 months ending with the current month.

POWER FACTOR CLAUSE: The consumer shall at all times take and use power in such manner that the power factor shall be as nearly 100 percent as possible, but when the average power factor as determined by continuous measurement of lagging reactive kilovolt-ampere (kVAR) hours is less than 90 percent, the billing demand shall be determined by multiplying the maximum demand, measured by the demand meter for the billing period, by 90 and dividing the product thus obtained by the actual average power factor expressed in percent periods of normal operation of the consumer's equipment instead of the average power factor.

Customers under this schedule that have a minimum of 300 kW Maximum Demand must have suitable measuring equipment at the metering point to determine the customer's monthly maximum kVAR. For all customers with a monthly Maximum Demand of 300 kW or more, the Company shall install suitable measuring equipment to determine the customer's monthly maximum kVAR.

The Company may install suitable measuring equipment at the metering point for any customer to determine the customer's monthly maximum kVAR if, in its sole judgment, such equipment is necessary.

SERVICE LEVELS: For purposes of this rate, the following shall apply:

Service Level 1: Shall mean service at any nominal standard voltage of the Company above 50 kV where service is rendered through a direct tap to the Company's prevailing transmission source.

Service Level 2: Shall mean service at any nominal standard voltage of the Company between 2 kV and 50 kV, both inclusive, where service is rendered through a Company Substation, which has a transmission voltage source, and the point of delivery is at the load side of the substation or from a circuit dedicated to the customer.

Rates Authorized by the Oklahoma Corporation Commission:

Public Utilities Division Stamp

(Effective)	(Order No.)	(Cause/Docket No.)
July 1, 2018	679358	PUD 201700496
May 1, 2017	662059	PUD 201500273
August 2, 2012	599558	PUD 201100087
August 3, 2009	569281	PUD 200800398

APPROVED
June 26, 2018
DIRECTOR

PUBLIC UTILITIES DIVISION

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

1st Revised Sheet No. 18.04
Replacing Original Sheet No. 18.04
Date Issued July 19, 2012

**STANDARD PRICING SCHEDULE: LPL-TOU
LARGE POWER AND LIGHT TIME-OF-USE**

**STATE OF OKLAHOMA
Code No. 35**

Service Level 1: Shall mean service at any nominal standard voltage of the Company above 50 kV where service is rendered through a direct tap to the Company's prevailing transmission source.

Service Level 2: Shall mean service at any nominal standard voltage of the Company between 2 kV and 50 kV, both inclusive, where service is rendered through a Company Substation which has a transmission voltage source and the point of delivery is at the load side of the substation or from a circuit dedicated to the customer.

Service Level 3: Shall mean service at any nominal standard voltage of the Company between 2 kV and 50 kV, both inclusive, by a direct tap to the Company's prevailing distribution source from a circuit not dedicated to the customer.

Service Level 4: Shall mean service at any nominal standard voltage of the Company between 2 kV and 50 kV, both inclusive, where service is rendered through transformation from a Company prevailing distribution voltage source (2 kV to 50 kV) to a lower distribution voltage with metering at distribution voltage.

Service Level 5: Shall mean service at any nominal standard voltage of the Company less than 2,000 volts with metering at less than 2,000 volts.

Metering Adjustment:

If the Company chooses to install its metering equipment on the load side of the customers' transformers, the kWh billed shall be increased by the amount of the transformer losses calculated as follows:

Service Level 1: 0.50 percent of the total kVA rating of the customer's transformers times 730 hours.

Service Level 3: 0.60 percent of the total kVA rating of the customer's transformers times 730 hours.

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:

(Effective)	(Order No.)	(Cause/Docket No.)
August 2, 2012	599558	PUD 201100087
August 3, 2009	569281	PUD 200800398

Public Utilities Division Stamp

12/28/10

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

3rd Revised Sheet No. 15.44
Replacing 2nd Revised Sheet No. 15.44
Date Issued June 19, 2018

**STANDARD PRICING SCHEDULE: PL-TOU
POWER AND LIGHT TIME-OF-USE**

**STATE OF OKLAHOMA
Code No. 36**

Service Level 3: Shall mean service at any nominal standard voltage of the Company between 2 kV and 50 kV, both inclusive, by a direct tap to the Company's prevailing distribution source from a circuit not dedicated to the customer.

Service Level 4: Shall mean service at any nominal standard voltage of the Company between 2 kV and 50 kV, both inclusive, where service is rendered through transformation from a Company prevailing distribution voltage source (2 kV to 50 kV) to a lower distribution voltage with metering at distribution voltage

Service Level 5: Shall mean service at any nominal standard voltage of the Company less than 2,000 volts with metering at less than 2,000 volts.

Metering Adjustment:

If the Company chooses to install its metering equipment on the load side of the customer's transformers, the kWh billed shall be increased by the amount of the transformer losses calculated as follows:

Service Level 1: 0.50 percent of the total kVA rating of the customer's transformers times 730 hours.

Service Level 3: 0.60 percent of the total kVA rating of the customer's transformers times 730 hours.

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.

MINIMUM BILL: The minimum monthly bill shall be the Customer Charge plus the applicable Capacity Charge as computed under the above schedule. 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.

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 approved by the qualified electors of the municipality, levies or imposes upon the Company franchise payments or fees (based upon a percent of gross revenues) to be paid by the Company to the municipality, such franchise payment

Rates Authorized by the Oklahoma Corporation Commission:

Public Utilities Division Stamp

(Effective)	(Order No.)	(Cause/Docket No.)
July 1, 2018	679358	PUD 201700496
May 1, 2017	662059	PUD 201500273
August 2, 2012	599558	PUD 201100087
August 3, 2009	569281	PUD 200800398

APPROVED
JUN 25, 2018
DIRECTOR

PUBLIC UTILITIES DIVISION

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

1st Revised Sheet No. 18.05
Replacing Original Sheet No. 18.05
Date Issued July 19, 2012

**STANDARD PRICING SCHEDULE: LPL-TOU
LARGE POWER AND LIGHT TIME-OF-USE**

**STATE OF OKLAHOMA
Code No. 35**

MINIMUM BILL: The minimum monthly bill shall be the Customer Charge plus the applicable Capacity Charge as computed under the above schedule. 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.

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 approved by the qualified electors of the municipality, levies or imposes upon the Company franchise payments or fees (based upon 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.

RIDERS: All applicable riders apply. Please refer to the Applicability section of individual Riders to determine if it is relevant to this Pricing Schedule.

TERM: The Company, at its option, may require a written contract for a year or longer, subject also to special minimum guarantees, which may be necessary in cases warranted by special circumstances or unusually large investments by the Company. Such special minimum guarantees shall be calculated in accordance with the Company's Allowable Expenditure Formula in its Terms and Conditions of Service filed with and approved by the Commission.

Customers receiving service on the Large Power and Light Time-of-Use Rate will remain on the Large Power and Light Time-of-Use Rate as long as their annual kWh consumption is 15,000,000 kWh or greater.

Rates Authorized by the Oklahoma Corporation Commission:

Public Utilities Division Stamp

(Effective)	(Order No.)	(Cause/Docket No.)
August 2, 2012	599558	PUD 201100087
August 3, 2009	569281	PUD 200800398

9/1

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

3rd Revised Sheet No. 15.45
Replacing 2nd Revised Sheet No. 15.45
Date Issued June 19, 2018

**STANDARD PRICING SCHEDULE: PL-TOU
POWER AND LIGHT TIME-OF-USE**

**STATE OF OKLAHOMA
Code No. 36**

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.

RIDERS: All applicable riders apply. Please refer to the Applicability section of individual Riders to determine if it is relevant to this Pricing Schedule.

TERM: The Company, at its option, may require a written contract for a year or longer, subject also to special minimum guarantees, which may be necessary in cases warranted by special circumstances or unusually large investments by the Company. Such special minimum guarantees shall be calculated in accordance with the Company's Allowable Expenditure Formula in its Terms and Conditions of Service filed with and approved by the Commission.

Customers who request to be changed to the Power and Light Time-of-Use rate from another rate will remain on the Power and Light Time-of-Use for one year before being permitted to change rates again unless they demonstrate a permanent change in electric consumption.

Rates Authorized by the Oklahoma Corporation Commission:

Public Utility Division Stamp

(Effective)	(Order No.)	(Cause/Docket No.)
July 1, 2018	679358	PUD 201700496
May 1, 2017	662059	PUD 201500273
August 2, 2012	599558	PUD 201100087
August 3, 2009	569281	PUD 200800398

APPROVED
June 26, 2018
DIRECTOR

PUBLIC UTILITY DIVISION

ATTACHMENT NO. 2

Power Sales Contract- DE-PM75-14SW00678

ATTACHMENT NO. 3

LPLPL TOU Sample Invoice & Rider Charges

EXAMPLE ONLY																																										
CUSTOMER NAME				SERVICE ADDRESS																																						
VANCE AFB				VANCE AFB																																						
BILLING PERIOD		METER READING		METER CONSTANT	KILOWATT HOURS	ACCOUNT NUMBER																																				
FROM	TO	PREVIOUS	PRESENT																																							
12/31/12	01/31/13	00000	00000	1	1912437	447166																																				
<p>LAST PAYMENT CREDITED \$XXX,XXX.XX ON 02/01/0000</p> <p>LG POWER AND LIGHT TCU DIST. SUBSTATION RATE</p> <p>CUSTOMER CHARGE 300.24</p> <p>ENERGY CHARGE 27,884.37</p> <p>DEMAND CHARGE - SEE BELOW ** 19,883.00</p> <p>COGENERATION CREDIT (621.54) CR</p> <p>FUEL ADJ AMT @ \$0.020455/KWH 38,155.40</p> <p style="text-align: right;"><u>66,641.27</u></p> <p>CURRENT BILL \$ 66,641.27</p> <p>ADMINISTRATION CHARGE \$ 1,828.00</p> <p>ENERGY ADVISOR - LOAD PROFILER - MONTHLY (SEE BELOW) 44.00</p> <p style="text-align: right;">TOTAL AMOUNT DUE \$ 68,493.27</p>																																										
<p>66641.27 ELECTRIC BILL IS SUBJECT TO 1.5% LATE PAYMENT CHARGE (\$1239.62) IF NOT RECEIVED BY 02/21/2013</p>																																										
<table style="width: 100%; border: none;"> <tr> <td style="width: 30%;">*ACTUAL DEMAND</td> <td style="width: 10%;">3575</td> <td style="width: 20%;">POWER FACTOR</td> <td style="width: 10%;">90%</td> <td style="width: 20%;">BILLING DEMAND</td> <td style="width: 10%;">5900</td> </tr> <tr> <td>METERED ENERGY</td> <td></td> <td>1,912,437</td> <td></td> <td></td> <td></td> </tr> <tr> <td>OFF PEAK</td> <td></td> <td>1,912,437</td> <td></td> <td></td> <td></td> </tr> <tr> <td>ADMINISTRATION CHARGE</td> <td></td> <td></td> <td></td> <td>\$</td> <td>24,739.29</td> </tr> <tr> <td>ENERGY ADVISOR - LOAD PROFILER</td> <td></td> <td></td> <td></td> <td>\$</td> <td>1,828.00</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>\$</td> <td>44.00</td> </tr> </table>							*ACTUAL DEMAND	3575	POWER FACTOR	90%	BILLING DEMAND	5900	METERED ENERGY		1,912,437				OFF PEAK		1,912,437				ADMINISTRATION CHARGE				\$	24,739.29	ENERGY ADVISOR - LOAD PROFILER				\$	1,828.00					\$	44.00
*ACTUAL DEMAND	3575	POWER FACTOR	90%	BILLING DEMAND	5900																																					
METERED ENERGY		1,912,437																																								
OFF PEAK		1,912,437																																								
ADMINISTRATION CHARGE				\$	24,739.29																																					
ENERGY ADVISOR - LOAD PROFILER				\$	1,828.00																																					
				\$	44.00																																					
<p>YOUR NEXT SCHEDULED METER READING DATE IS 2/1/2013</p>																																										
<p>PORTION 01</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 20%; text-align: right;">447166</td> <td style="width: 20%; text-align: right;">89,793.09</td> <td style="width: 20%; text-align: center;">2/21/2013</td> <td style="width: 40%; text-align: right;">88,493.47</td> </tr> <tr> <td></td> <td style="text-align: center;">Land-A-Hand Amount</td> <td></td> <td style="text-align: center;">Total Amount Paid</td> </tr> </table> <p style="text-align: center; margin-top: 10px;">MAKE CHECKS PAYABLE TO OG&E</p>							447166	89,793.09	2/21/2013	88,493.47		Land-A-Hand Amount		Total Amount Paid																												
447166	89,793.09	2/21/2013	88,493.47																																							
	Land-A-Hand Amount		Total Amount Paid																																							
<p>VANCE AFB 140 CHANNEL ST APT 201 VANCE AFB, OK 73705-5621</p>				<p>PO BOX 24990 OKLAHOMA CITY OK 73124-0990</p>																																						

EXAMPLE ONLY																																										
CUSTOMER NAME				SERVICE ADDRESS																																						
VANCE AFB				VANCE AFB																																						
BILLING PERIOD		METER READING		METER	KILOWATT HOURS	ACCOUNT NUMBER																																				
FROM	TO	PREVIOUS	PRESENT	CONSTANT																																						
06/29/12	07/31/12	00000	00000	1	2075823	447166																																				
<p>LAST PAYMENT CREDITED \$XXX,XXX.XX ON 00/00/0000</p> <p>LG POWER AND LIGHT TOU DIST. SUBSTATION RATE</p> <p>CUSTOMER CHARGE 300.24</p> <p>ENERGY CHARGE 12,011.00</p> <p>DEMAND CHARGE - SEE BELOW ** 10,883.00</p> <p>COGENERATION CREDIT (875.95) CR</p> <p>ON-PEAK FUEL ADJ AMT @ \$0.060584/KWH (6,685.75)</p> <p>OFF-PEAK FUEL ADJ AMT @ \$0.015441/KWH 40,891.95</p> <p style="text-align: right;">66,744.58</p> <p>CURRENT BILL \$ 66,744.58</p> <p>ADMINISTRATION CHARGE \$ 1,808.00</p> <p>ENERGY ADVISOR - LOAD PROFILER - MONTHLY (SEE BELOW) 44.00</p> <p style="text-align: right;">TOTAL AMOUNT DUE \$ 67,596.58</p>																																										
<p>\$67,596.58 ELECTRIC BILL IS SUBJECT TO 1.5% LATE PAYMENT CHARGE (\$996.17) IF NOT RECEIVED BY 08/21/2012</p>																																										
<table style="width: 100%; border: none;"> <tr> <td style="width: 30%;">**ACTUAL DEMAND</td> <td style="width: 10%;">5225</td> <td style="width: 20%;">POWER FACTOR</td> <td style="width: 10%;">90%</td> <td style="width: 20%;">BILLING DEMAND</td> <td style="width: 10%;">5,000</td> </tr> <tr> <td>METERED ENERGY</td> <td></td> <td>2,698,088</td> <td></td> <td></td> <td></td> </tr> <tr> <td>ON PEAK</td> <td></td> <td>(143,097)</td> <td></td> <td>\$</td> <td>(12,989.05)</td> </tr> <tr> <td>OFF PEAK</td> <td></td> <td>2,222,870</td> <td></td> <td>\$</td> <td>24,809.31</td> </tr> <tr> <td>ADMINISTRATION CHARGE</td> <td></td> <td></td> <td></td> <td>\$</td> <td>1,808.00</td> </tr> <tr> <td>ENERGY ADVISOR - LOAD PROFILER</td> <td></td> <td></td> <td></td> <td>\$</td> <td>44.00</td> </tr> </table>							**ACTUAL DEMAND	5225	POWER FACTOR	90%	BILLING DEMAND	5,000	METERED ENERGY		2,698,088				ON PEAK		(143,097)		\$	(12,989.05)	OFF PEAK		2,222,870		\$	24,809.31	ADMINISTRATION CHARGE				\$	1,808.00	ENERGY ADVISOR - LOAD PROFILER				\$	44.00
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<p>YOUR NEXT SCHEDULED METER READING DATE IS 8/1/2012</p>																																										
<p>PORTION 01</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 20%; text-align: right;">447166</td> <td style="width: 20%; text-align: right;">66,582.75</td> <td style="width: 20%; text-align: right;">8/21/2012</td> <td style="width: 40%; text-align: right;">67,596.58</td> </tr> <tr> <td></td> <td style="text-align: center;">Lend-A-Hand Amount</td> <td style="text-align: center;">Total Amount Paid</td> <td></td> </tr> </table> <p style="text-align: center;">MAKE CHECKS PAYABLE TO OG&E</p>							447166	66,582.75	8/21/2012	67,596.58		Lend-A-Hand Amount	Total Amount Paid																													
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<p>VANCE AFB 140 CHANNEL ST APT 201 VANCE AFB, OK 73705-5621</p>				<p>PO BOX 24990 OKLAHOMA CITY OK 73124-0990</p>																																						

Vance AFB

Applicable Factors as of August 2013

Application of Rates and Riders

Rate Rider Description	Notes	Application	Tariff Sheet		1PL-SL2 Summer		1PL-SL2 Winter	
			Change	Block 1	On-Peak	Off-Peak	Block 1	Block 2
Energy Charge								
Maximum Billing Demand (kW per month)		Net Usage	rate case		\$0.0850	\$0.0850	\$0.0100	\$0.0080
Customer Charge		Per Bill	rate case		\$3.37	\$3.37	\$3.37	\$3.37
		Per Bill	rate case		\$300.00	\$300.00	\$300.00	\$300.00
FCA Rider		Net Usage	annually		\$0.05084	\$0.018441	\$0.023495	\$0.020495
System Hardening Program		N/A	n/a		\$0.00000	\$0.00000	\$0.00000	N/A
Green Power Wind Rider (GPWR)		metered kWh - only if subscribed	n/a					
Security Rider (SR)		metered Energy	rate case		\$0.0000	\$0.0000	\$0.0000	\$0.0000
Annual Public Utility Assessment Fee (APUAF)		Per Bill	annually		\$ 0.24	per bill	\$ 0.24	per bill
Military Base Tariff Credit (MBTC)		metered Energy	rate case		\$0.00036	\$0.00036	\$0.00036	\$0.00036
Renewable Transmission Systems Additions (RTSA)		metered Energy	annually		\$0.000389	\$0.000389	\$0.000389	\$0.000389
Renewable Transmission Systems Additions (RTSA)		metered Energy	annually		\$0.00016	\$0.00016	\$0.00016	\$0.00016
Renewable Transmission Systems Additions (RTSA)		metered Energy	annually		\$0.00076	\$0.00076	\$0.00076	\$0.00076
Load Reduction Rider		Net Usage	n/a					
Copied Credit Rider (CCR)		Net Usage	annually		\$0.000325	\$0.000325	\$0.000325	\$0.000325
Demand Program Rider (DPR)		Net Usage	annually		\$0.001727	\$0.001727	\$0.001727	\$0.001727
Storm Cost Recovery Rider (SCRR)		metered Energy	annually		\$0.000004	\$0.000004	\$0.000004	\$0.000004
Renewable Energy Program (REP)		metered kWh - only if subscribed	n/a					
Smart Grid Rider (SGR)		N/A	n/a		\$0.00000	\$0.00000	\$0.00000	\$0.00000
Conservation Rider (CR)		Net Usage	annually		\$0.001269	\$0.001269	\$0.001269	\$0.001269
Southern Power Pool Cost Tracker (SPCT)		metered Energy	annually		\$0.000565	\$0.000565	\$0.000565	\$0.000565
SPP Transmission System Additions Rider (STSA)		metered Energy	annually		\$0.000141	\$0.000141	\$0.000141	\$0.000141
ADDITIONAL CHARGE		Per Bill	n/a		\$ 1.808.00	per bill	\$ 1.808.00	per bill
ENERGY ADVISOR - LOAD PROFILER		Per Meter			\$ 44.00			
Franchise Fee					3.00%	3.00%	3.00%	3.00%

Metered riders total: \$ 0.002265
 Net Usage riders total: \$0.002671
 Metered riders total: 0.000265
 Net Usage riders total: 0.000944

ATTACHMENT NO. 43

Additional Charges

"This Sheet for Internal Use Only"

Calculations used for Additional Adjustments to Yonico's billing Charges as outlined in Section 8.2 of 2013 POA

Data Used in Baseline Calculations for Admin Recovery Fee:

Year:	10
Contract Term:	

Total Admin Cost Across Term	\$217,025.15
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Internal Calculations of Labor Costs- Not to be shared Externally

Position Description	Staff Accountant	Engineer	Engineer Intern	Engineer Lead Specialist	Engineer Manager	Engineer Senior	Legal Attorney	Legal Senior / Lead Attorney	Regulatory Analyst	Regulatory Director	Regulatory Manager	Sales Manager	Sales Senior Analyst	Sales Lead / Expert Sales
Hourly Labor Rates	\$62.02	\$37.19	\$15.84	\$60.47	\$52.71	\$47.91	\$47.91	\$74.74	\$32.80	\$81.27	\$53.81	\$53.13	\$39.63	\$52.71
Labor Overhead (includes Fringe Benefits & Indirect Overhead)	\$70.70	\$42.40	\$18.06	\$58.94	\$60.09	\$54.62	\$54.62	\$85.20	\$37.39	\$92.64	\$61.34	\$60.57	\$45.18	\$60.09
Fully Loaded Labor Rates	\$132.72	\$79.59	\$33.90	\$129.41	\$112.80	\$102.53	\$102.53	\$159.93	\$70.19	\$173.91	\$115.14	\$113.70	\$84.81	\$112.80
Task #	Activity/Function Performed	Avg Hrs/yr	Avg. Annual Hours Spent on Tasks											
1	Manual Invoicing Services	36												
2	Gen. Scheduling	54	24		2	4								
3	Gen. System Ctrl & Dispatch	52			12	16								
4	FERC Filings	18					14	2			2			
5	Contract Mgt Service	26										6	8	12
6	Contract Review & Reg Approvals	28					10	2	12	2	2			
	Total Hrs/yr	214	36	24	24	14	20	4	12	2	4	6	8	12
Total Avg Annual Labor Cost		\$4,778.02	\$1,910.12	\$813.54	\$3,105.74	\$1,579.19	\$2,050.55	\$639.73	\$942.30	\$347.82	\$460.57	\$582.21	\$578.47	\$21,702.51
														Monthly Cost
														\$1,808.54