

**BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA**

IN THE MATTER OF THE APPLICATION )  
OF OKLAHOMA GAS AND ELECTRIC )  
COMPANY FOR A FINANCING ORDER )  
PURSUANT TO THE FEBRUARY 2021 )  
REGULATED UTILITY CONSUMER )  
PROTECTION ACT APPROVING )  
SECURITIZATION OF COSTS ARISING )  
FROM THE WINTER WEATHER EVENT )  
OF FEBRUARY 2021 )

Cause No. 202100072



Settlement Testimony

of

Gwin Cash

on behalf of

Oklahoma Gas and Electric Company

October 8, 2021

Gwin Cash  
*Settlement Testimony*

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

2 A. My name is Gwin Cash. My business address is 321 North Harvey, Oklahoma City,  
3 Oklahoma, 73102.

4  
5 Q. **Are you the same Gwin Cash that previously filed rebuttal testimony in this  
6 proceeding?**

7 A. Yes.

8  
9 Q. **What is the purpose of your Settlement Testimony?**

10 A. The purpose of my testimony is to support the Joint Stipulation and Settlement Agreement  
11 (“Joint Stipulation”) paragraphs seven and eight and Exhibit A to that agreement. The  
12 Joint Stipulation resolves the issues contained in this Cause and represents a balancing of  
13 interests among the Stipulating Parties. I believe that approval of the Joint Stipulation is  
14 reasonable and in the public interest.

15  
16 Q. **Please discuss paragraph seven in the Joint Stipulation.**

17 A. Paragraph seven incorporates two allocation and pricing modifications recommended by  
18 Oklahoma Industrial Energy Consumers (“OIEC”) witness Brian Collins in his  
19 responsive testimony.

20 The first recommendation is to allocate Winter Event Securitization Mechanism  
21 (“WES”) cost to Service Level (“SL”) classes based on SL daily usage and the daily cost  
22 incurred by OG&E. This adjustment to the filed allocation method is intended to more  
23 closely align cost allocation with how costs were incurred during the Winter Event Period  
24 (“Event”).

25 The second recommendation is to assess WES charges to SL 1 and 2 customers  
26 according to their level of energy actually used during the Event. This is accomplished  
27 by determining each customer’s usage during the Event and dividing by 100,000 kWh to  
28 arrive at a quantity of blocks that each customer will be billed a block rate each month  
29 during the term of the WES. For SL 1 and 2 customers that had less than 100,000 kWh

1 used during the Event and SL 1 and 2 customers that are new to the system after the  
2 Event, a minimum of one block will be assessed the WES block charge. This adjustment  
3 to WES pricing for SL 1 and 2 customers will more closely recognize customer  
4 contributions to energy usage during the Event.

5 Additionally, paragraph seven clarifies that Day-Ahead Pricing and Flex Pricing  
6 customers' customer baseline usage will be utilized instead of actual usage for both  
7 allocation and pricing purposes. This will ensure recognition for payments already made  
8 and credits already received for these customers' usage above and below the customer  
9 baseline.

10 Paragraph seven also clarifies that uncollectible WES amounts will be recorded  
11 by SL and included for recovery in each respective SL class' true-up calculation.  
12

13 **Q. Please discuss paragraph eight and Exhibit A to the Joint Stipulation.**

14 **A.** Paragraph 8 states the WES mechanism is attached to the Joint Stipulation as Exhibit A.  
15 The WES includes the requirements of paragraph seven and also include language to ensure  
16 recovery of revenues from customers such that bond payments will be made in full.  
17 Sections of the mechanism are summarized as follows:

18 • APPLICABILITY:

19 The WES will apply to customer usage for the SL 3, 4, and 5 classes and to fixed  
20 blocks of usage for the SL 1 and 2 classes. Additionally it requires customers that  
21 were either SL 1 or SL 2 during the Event to continue to receive the respective SL  
22 1 or SL 2 pricing

23 • TERM:

24 The WES will remain in effect until the complete repayment and retirement of the  
25 customer backed bonds, or refunding bonds, associated with the Event.

26 • ALLOCATION:

27 The SL energy allocators based on the daily allocation of cost are provided.

28 • STANDARD FACTOR DETERMINATION:

29 This section provides the formula for calculating WES rates on a semi-annual basis  
30 for all SL classes.

31 • NON-STANDARD FACTOR DETERMINATION:

1 This section is triggered when the billing units of any class are projected to be down  
2 by 10% or more and provides a revised formula for calculating WES rates.

3 • INTERIM TRUE-UP:

4 This section allows the Company to submit interim factors outside of the standard  
5 semi-annual timeframe if, at any time, the Company projects an under-recovery of  
6 WES costs that would result in a draw on the Debt Service Reserve subaccount.  
7

8 Q. **Do you believe the Joint Stipulation is fair, just and reasonable, and in the public**  
9 **interest?**

10 A. Yes, I believe the Joint Stipulation is fair, just and reasonable, and in the public interest. I  
11 recommend the Commission approve the Joint Stipulation.  
12

13 Q. **Does this conclude your Settlement Testimony?**

14 A. Yes.