

BEFORE THE CORPORATION COMMISSION OF OKLAHOMA

IN THE MATTER OF THE APPLICATION OF)
BRANDY L. WREATH, DIRECTOR OF THE)
PUBLIC UTILITY DIVISION, FOR)
DETERMINATION OF THE CALCULATION) CAUSE NO. PUD 201500153
OF LOST NET REVENUES AND SHARED)
SAVINGS PURSUANT TO THE DEMAND) ORDER NO. 655284
PROGRAM RIDER OF OKLAHOMA GAS)
AND ELECTRIC COMPANY)

HEARING: June 30, 2015 to July 1, 2015, in Courtroom B
2101 North Lincoln Boulevard, Oklahoma City, Oklahoma 73105
Before Jacqueline T. Miller, Administrative Law Judge

HEARING ON August 10, 2016, in Courtroom 301
STIPULATION: 2101 North Lincoln Boulevard, Oklahoma City, Oklahoma 73105
Before Commissioners *en banc*

APPEARANCES: William J. Bullard and Patrick D. Shore, Attorneys *representing*
Oklahoma Gas and Electric Company;
Natasha M. Scott, Deputy General Counsel *representing* Public Utility
Division, Oklahoma Corporation Commission;
Ronald E. Stakem and Jack G. Clark, Jr., Attorneys *representing* OG&E
Shareholders Association;
Thomas P. Schroedter and Jennifer H. Castillo *representing* Oklahoma
Industrial Energy Consumers;
Dara Derryberry, Assistant Attorney General *representing*
the Office of the Attorney General, State of Oklahoma.

**FINAL ORDER APPROVING JOINT STIPULATION AND
SETTLEMENT AGREEMENT**

BY THE COMMISSION:

The Oklahoma Corporation Commission (“Commission”) being regularly in session and the undersigned Commissioners present and participating, there comes on for consideration and action the Application of Brandy L. Wreath, Director of the Public Utility Division, for a determination of the calculation of lost net revenues and shared savings pursuant to the Demand Program Rider (“DPR”) of Oklahoma Gas and Electric Company (“OG&E” or the “Company”).

PROCEDURAL HISTORY

On April 14, 2015, Brandy L. Wreath, Director of the Public Utility Division (“PUD”) filed an Application initiating this Cause and Kathy Champion filed Direct Testimony on behalf of the PUD. On April 16, 2015, Oklahoma Industrial Energy Consumers (“OIEC”) filed an Entry of Appearance. PUD filed a Motion for Order Prescribing Notice and a Motion for Order

to Establish Procedural Schedule on April 16, 2015. On April 17, 2015, the Oklahoma Attorney General (“AG”) filed his Entry of Appearance and the OG&E Shareholders Association (“Shareholders”) filed its Entry of Appearance.

The Commission issued Order No. 640562, Order Establishing Procedural Schedule on May 12, 2015. On May 12, 2015, OG&E filed the Responsive Testimony of Philip R. Bartholomew, Donald R. Rowlett, Angela M. Nichols, and Dr. Ahmad Faruqui. On May 21, 2015, the Shareholders filed a Statement of Position and OIEC filed a Statement of Position.

On June 2, 2015, Edwin C. Farrar filed Rebuttal Testimony on behalf of the AG. The Commission issued Order No. 641492, Order Granting Motion for Order Prescribing Notice on June 4, 2015. On June 5, 2015, Kathy Champion filed Rebuttal Testimony on behalf of the PUD. On June 11, 2015, the AG filed Objections and Responses to Data Requests and Motion for Protective Order. On June 15, 2015, the Attorney General, Shareholders and PUD filed Exhibit Lists and OG&E filed a Witness and Exhibit List. Also on June 15, 2015, the AG filed a Summary of the Rebuttal Testimony of Edwin C. Farrar; the PUD filed Summary Testimony of Kathy Champion; and OG&E filed Testimony Summaries of Philip R. Bartholomew, Donald R. Rowlett, Angela M. Nichols, and Dr. Ahmad Faruqui. On June 16, 2015, the AG filed Objections and Responses to Data Requests and Motion for Protective Order. On June 26, 2015, OG&E filed Affidavits of Publication from *The Oklahoman* and the *Tulsa World*. On June 29, 2015, OG&E filed a Response.

The hearing on the merits was held June 30, 2015 to July 1, 2015. On July 1, 2015, the Administrative (“ALJ”) filed her Oral Recommendation noting that the Cause was taken under advisement.

On August 5, 2015, the Commission issued Order No. 643826 Dismissing the AG’s Objections to Data Requests and Motions for Protective Order. In addition, OG&E filed a Post Hearing Brief and a Proposed Report of the ALJ. Also on August 5, 2016, Shareholders filed a Post Hearing Brief and a Proposed Report of the ALJ. The AG and PUD filed Proposed Findings of Fact and Conclusions of Law and Brief in Support. OIEC and PUD filed Reply to OG&E’s Response.

On September 18, 2015, the AG filed its Entry of Appearance for Eric Davis and on October 8, 2015, the AG filed its Entry of Appearance for Dara Derryberry. On December 14, 2015, OG&E filed the Notice of Withdrawal as Counsel for Stephanie Houle and on December 30, 2015, AG filed Notice of Withdrawal as Counsel for Jerry Sanger.

On March 28, 2016, the ALJ filed her Report and Recommendation of the Administrative Law Judge.

On April 11, 2016, OG&E filed Exceptions to the Report and Recommendations of the ALJ and PUD filed Partial Exceptions to the Report and Recommendation of the ALJ. Also on April 11, 2016, OG&E and PUD filed Motions for Oral Argument to hear the Exceptions and a Notice of Hearing.

On April 18, 2016, OIEC filed Response to the PUD’s Partial Exceptions and OG&E’s Exceptions to the Report and Recommendation of the Administrative Law Judge.

On June 29, 2016, the AG filed Notice of Withdrawal as Counsel for Eric Davis. On July 20, 2016, PUD filed a Notice of Hearing for Motion for Oral Arguments.

On August 9, 2016, the Joint Stipulation and Settlement Agreement (“Joint Stipulation”) was filed.

On August 10, 2016, a hearing before the Commission *en banc* was held on the Joint Stipulation, and the Commission took the matter under advisement.

THE JOINT STIPULATION AND SETTLEMENT AGREEMENT

The Joint Stipulation filed in this Cause on August 9, 2016, is attached hereto as Exhibit “A” and incorporated by reference. In the Joint Stipulation, the Stipulating Parties agree to certain underlying facts that are relevant to the consideration of this Cause and to terms that resolve the issues presented within the Cause. Those agreed-to terms are summarized as follows:

1) OG&E agrees to file a new cause to amend the DPR tariff for 2016-2018;

2) In that new cause, the Stipulating Parties agree to advocate that the DPR tariff for 2016-2018 contain certain definitions for interpreting the calculation of lost net revenues for the program period 2016-2018:

“Total Energy Savings” will be defined as “the Verified savings calculated according to OAC 165:35-41-3”;

“Embedded Fixed Cost per kWh” will be defined as “the seasonal base energy price per kWh as reflected in current tariffs”;

3) OG&E agrees to file the new cause within sixty (60) days of the issuance of a final order of the Commission in this Cause; and

4) OG&E will recover the lost net revenues resulting from the success of the SmartHours Demand Programs in 2013, 2014, and 2015 through the DPR in the following amounts:

a) \$10,100,000 for the 2013 program year;

b) \$10,100,000 for the 2014 program year; and

c) \$10,100,000 for the 2015 program year.

SUMMARY OF EVIDENCE

Kathy Champion

Kathy Champion, Public Utility Rate Analyst, testified on behalf of PUD. Ms. Champion testified that she filed direct and rebuttal testimony in this Cause and provided oral testimony during the hearing on the merits held on June 30 and July 1, 2015. Ms. Champion also provided testimony in support of the Joint Stipulation during the August 10, 2016 hearing before the Commission *en banc*.

Ms. Champion testified that she participated in the development of the Joint Stipulation and its terms. Ms. Champion provided explanation of each of the various sections of the Joint Stipulation. She explained that Section II sets forth a summary of the occurrences leading up to the filing of PUD's Application in this Cause. Ms. Champion offered testimony correcting a scrivener's error in Section II.4 of the Joint Stipulation. Specifically, she stated that OG&E's requested LNR for its demand programs was approximately \$14.23 million, rather than \$14.3 million as reflected in Section II.4 of the Joint Stipulation. Ms. Champion further testified to a mathematical error in Section II.6. She explained that the difference between PUD's calculation and that of OG&E for LNR and shared savings was an estimate of \$1.88 million, rather than \$2.05 million as stated in the Joint Stipulation. Ms. Champion confirmed that the corrected figures have been agreed upon by the Stipulating Parties, and those figures should be incorporated into the Joint Stipulation.

Ms. Champion also testified to the Stipulating Parties' agreement to the terms set forth in Section III. She explained that the Stipulating Parties have agreed that OG&E will file a new cause to amend the DPR tariff for the 2016-2018 program cycle. Within the new cause, the Stipulating Parties will advocate that the DPR tariff for 2016-2018 contain the definitions of Total Energy Savings and Embedded Fixed Cost per kWh found in Section III.2 of the Joint Stipulation. She further confirmed that the Stipulating Parties agree that OG&E will file the new cause within sixty (60) days of the issuance of a final Commission order in this Cause. Lastly, with respect to the terms of the Joint Stipulation, Ms. Champion testified that OG&E will recover LNR resulting from the success of the SmartHours Demand Programs in 2013, 2014, and 2015 through the DPR in the following amounts: \$10,100,000 for the 2013 program year; \$10,100,000 for the 2014 program year; and \$10,100,000 for the 2015 program year.

Finally, Ms. Champion testified that PUD believes the Joint Stipulation to be fair, just, and reasonable and in the public interest.

Donald R. Rowlett

Mr. Donald R. Rowlett presented oral testimony on behalf of the Company stating that, although he believes the Company's calculation of lost net revenue ("LNR") was properly made and that he disagreed with PUD Staff's calculation, he recognized that Staff's interpretation of the tariff language at issue was made in good faith and, further, that the LNR recovery provided in the Joint Stipulation represents a reasonable resolution of the outstanding issues.

Mr. Rowlett stated that the Company agrees to accept recovery for the LNR and shared savings for the DPR energy efficiency programs in 2013 as detailed in Section II.6 of the Joint Stipulation that are based on Staff's methodology. The Company further agrees to accept recovery for the LNR for the SmartHours demand reduction program in 2013, 2014, and 2015 as set forth in Section III.3 of the Joint Stipulation. The 2013 amount described therein is consistent with the SmartHours LNR calculated by the Company, but modified to compensate the Company for only SmartHours activity in the summer months, June through October, as requested by Staff. The 2014 and 2015 amounts in that regard are agreed to by the Stipulating Parties.

Mr. Rowlett stated the Company also agreed to seek Commission approval to modify the language in the DPR tariff as described in Section III.2 of the Joint Stipulation. Mr. Rowlett

acknowledged that the modifications described in Section III.2 are consistent with Staff's preferred methodology and will result in the Company receiving less revenue than originally anticipated for the 2016-2018 activities. The Company further agreed with Staff Witness Champion that the pending OG&E rate case is unaffected by either the agreed recovery amounts for the 2013-2015 DPR period or the prospective recovery for the 2016-2018 DPR period.

Finally, Mr. Rowlett stated his belief that the Joint Stipulation is fair, just, and reasonable and in the public interest.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

Based upon the record in this Cause, and upon a full and final consideration thereof, the Commission makes the following findings and conclusions:

THE COMMISSION FINDS that it has jurisdiction of this proceeding pursuant to Article IX, section 18, of the Oklahoma Constitution, and 17 O.S. §§ 151 and 152.

THE COMMISSION FURTHER FINDS that notice has been properly given pursuant to the relevant law and Commission rules.

THE COMMISSION FURTHER FINDS that the Stipulating Parties have executed a Joint Stipulation and Settlement Agreement, filed with the Commission on August 9, 2016, attached hereto as Exhibit "A", and incorporated herein by reference. The Commission further finds that the Joint Stipulation has been signed by representatives for the Public Utility Division, OG&E, and the OG&E Shareholders Association. The Commission further finds that although the Joint Stipulation was not signed by representatives for the Oklahoma Industrial Energy Consumers or the Oklahoma Attorney General's Office, neither of those entities oppose the Joint Stipulation and Settlement Agreement.

THE COMMISSION FURTHER FINDS that based upon the evidence and testimony submitted, the Joint Stipulation is fair, just, and reasonable, and in the public interest, and should be adopted in all respects.

THE COMMISSION FURTHER FINDS that the Joint Stipulation represents a comprehensive settlement to become effective with the issuance of a final order in this Cause.

THE COMMISSION FURTHER FINDS, pursuant to the Stipulating Parties' agreement, that OG&E will file a new cause to amend the DPR tariff for 2016-2018; the Stipulating Parties will advocate that the DPR tariff for 2016-2018 contain definitions as set forth in the Joint Stipulation for interpreting the calculation of lost net revenues for the program period 2016-2018; OG&E agrees to file a new cause within sixty (60) days of the issuance of a final order of the Commission in this Cause; OG&E will recover lost net revenues resulting from the success of the SmartHours Demand Programs in 2013, 2014, and 2015 in amounts of: \$10,100,00 for the 2013 program year; \$10,100,000 for the 2014 program year; and \$10,100,000 for the 2015 program year.

THE COMMISSION FURTHER FINDS that based upon the oral testimony provided during the hearing of the present Cause, the following change to information contained in

Section II.4 of the Joint Stipulation should be recognized: Correction of a scrivener's error changing \$14.3 million to \$14.23 million.

THE COMMISSION FURTHER FINDS that based upon the oral testimony provided during the hearing of the present Cause, the following change to information contained in Section II.6 of the Joint Stipulation should be recognized: Correction of a mathematical error changing \$2.05 million to \$1.88 million.

THE COMMISSION FURTHER FINDS that because the Joint Stipulation is adopted in its entirety by the Commission, it is unnecessary to consider PUD's Partial Exceptions to the Report and Recommendation of the Administrative Law Judge and OG&E's Exceptions to the Report and Recommendation of the Administrative Law Judge as those issues are now moot.

THE COMMISSION FURTHER FINDS that based upon the record in this Cause, including the pleadings, evidence, testimony, and statements presented by the Parties, there is substantial evidence to support the Commission's findings herein.

ORDER

THE COMMISSION THEREFORE ORDERS that notice has been properly given and is sufficient according to applicable law and the Commission rules.

THE COMMISSION FURTHER ORDERS that the Joint Stipulation and Settlement Agreement executed by the Stipulating Parties and filed August 9, 2016, attached hereto as Exhibit "A" and incorporated herein by reference (as corrected herein), is fair, just, reasonable, and in the public interest, and shall be, and is hereby approved and adopted in its entirety.

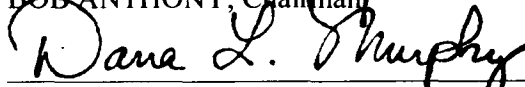
THE COMMISSION FURTHER ORDERS that OG&E will file a new cause to amend the DPR tariff for 2016-2018; the Stipulating Parties will advocate that the DPR tariff for 2016-2018 contain definitions as set forth in the Joint Stipulation for interpreting the calculation of lost net revenues for the program period 2016-2018; OG&E will file a new cause within sixty (60) days of the issuance of a final order of the Commission in this Cause; and that OG&E is allowed to recover lost net revenues resulting from the success of the SmartHours Demand Programs in 2013, 2014, and 2015 in amounts of: \$10,100,000 for the 2013 program year; \$10,100,000 for the 2014 program year; and \$10,100,000 for the 2015 program year.

THIS ORDER SHALL BE EFFECTIVE immediately.

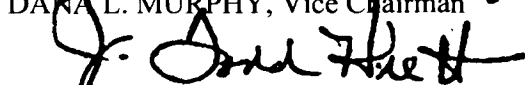
OKLAHOMA CORPORATION COMMISSION



BOB ANTHONY, Chairman



DANA L. MURPHY, Vice Chairman



J. TODD HIATT, Commissioner

CERTIFICATION

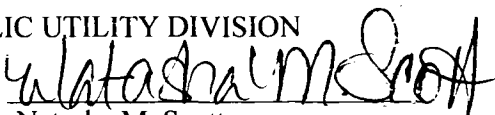
DONE AND PERFORMED by the Commissioners participating in the making of this Order as shown by their signatures above this 16 day of August, 2016.

[Seal]



PEGGY MITCHELL, Commission Secretary

AGREED AND APPROVED TO:


PUBLIC UTILITY DIVISION

By: 
Natasha M. Scott
Attorney for the Public Utility Division

OKLAHOMA GAS AND ELECTRIC COMPANY

By: 
Kimber L. Shoop
William J. Bullard
Attorneys for Oklahoma Gas and Electric Company

OG&E SHAREHOLDERS ASSOCIATION

By: 
Ronald E. Stakem
Jack G. Clark, Jr.
Attorneys for OG&E Shareholders Association

FILE
AUG 09 2016

BEFORE THE CORPORATION COMMISSION OF OKLAHOMA

COURT CLERK'S OFFICE - OKC
CORPORATION COMMISSION
OF OKLAHOMA

IN THE MATTER OF THE APPLICATION OF)
BRANDY L. WREATH, DIRECTOR OF THE)
PUBLIC UTILITY DIVISION, FOR)
DETERMINATION OF THE CALCULATION)
OF LOST NET REVENUES AND SHARED)
SAVINGS PURSUANT TO THE DEMAND)
PROGRAM RIDER OF OKLAHOMA GAS)
AND ELECTRIC COMPANY)

CAUSE NO. PUD 201500153

JOINT STIPULATION AND SETTLEMENT AGREEMENT

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

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 and 17 O.S. §§151 *et seq.*

II. Stipulated Facts

1. On July 2, 2012, Oklahoma Gas and Electric Company ("OG&E", "Company" or "Applicant") filed an Application in Cause No. PUD 201200134 seeking an order of the Commission approving OG&E's 2013 Demand Portfolio and authorizing recovery of the costs of the associated Demand Programs through the Demand Program Rider ("DPR"). OG&E filed an Amended Application on July 16, 2012.
2. OG&E proposed a program cycle of January 1, 2013 through December 31, 2015, and the Demand Portfolio was implemented in January 2013. The Demand Portfolio is comprised of the following ten (10) Demand Programs: 1) weatherization residential assistance program; 2) commercial lighting program; 3) home energy efficiency program; 4) positive energy-new home construction; 5) geothermal heating, cooling and water heating program; 6) commercial energy efficiency program; 7) education program; 8) industrial energy efficiency program; 9) SmartHours program; and 10) integrated volt var control program ("IVVC").

3. As reflected in Commission Order No. 605737, issued on December 20, 2012 and the Joint Stipulation and Settlement Agreement ("Stipulation") attached thereto, the stipulating parties in that Cause agreed that OG&E would recover 100 percent of the lost net revenues resulting from the success of the Demand Portfolio, less expenses that OG&E was not required to pay for the foregone sales. The Stipulation stated that these lost net revenues were to be recovered through OG&E's DPR and that the Public Utility Division staff of the Commission ("PUD") was to review and verify the lost net revenues, actual calculated shared savings and actual program costs in the Demand Portfolio true-up balance in the DPR. The Stipulation also stated that OG&E would not recover any lost revenues associated with IVVC.
4. In March 2014, PUD undertook its review of OG&E's claimed lost net revenues and shared savings for the 2013 program year. OG&E requested to recover approximately \$14.3 million in lost net revenues for its Demand Programs. OG&E requested approximately \$3.03 million for its Energy Efficiency programs and another estimated \$11.2 million in lost net revenues for its Demand Response SmartHours tariff programs. OG&E also requested \$3.3 million in shared savings from its Energy Efficiency Demand Programs.
5. For the Energy Efficiency programs, the Company filed projections of lost revenues and shared savings. For both lost revenues and shared savings the recovery through the DPR was delayed to allow those calculations to be made based on the actual performance of the programs. Using estimates of program performance does not follow the provisions of the DPR tariff.
6. For Energy Efficiency programs, net kWh savings were to be used for both the lost revenue and shared savings calculations. PUD's calculation of lost revenues, using actual net kWh savings, resulted in approximately \$2.6 million compared to the Company's \$3.03 million. PUD's calculation of shared savings resulted in approximately \$1.85 million compared to the Company's \$3.3 million. The total difference between PUD's calculation and that of the Company for the lost revenue and the shared savings was an estimate of \$2.05 million.
7. For the Demand Response SmartHours tariff programs, OG&E interpreted the DPR as providing for a revenue difference calculation deriving from a baseline set of revenues. The Company's calculation included a projection of what OG&E customers would have paid had those customers remained on OG&E's standard tariff, less revenues actually derived from customer participation in OG&E's SmartHours program. The resulting difference between the projection and the actual SmartHours revenues was claimed by OG&E as lost net revenues.
8. PUD disagreed that the calculation methodology used by OG&E for the Demand Response SmartHours programs comported with the calculation formula outlined in the DPR. PUD contended that, pursuant to the DPR, lost net revenues were to be calculated by multiplying the Demand Program savings by an embedded fixed cost factor.

9. While OG&E's calculation of Demand Response SmartHours programs produced lost net revenues totaling approximately \$11.2 million for 2013, PUD's calculation resulted in lost net revenues of approximately \$4.3 million for 2013, a difference of approximately \$6.9 million.
10. On April 14, 2015, PUD filed the Application initiating this Cause and requested that the Commission issue an order determining the proper calculation methodology for OG&E's lost net revenue pursuant to the DPR.

III. Terms of the Joint Stipulation and Settlement Agreement

It is hereby stipulated and agreed by and between the Stipulating Parties as follows:

1. This Settlement Agreement represents a comprehensive settlement to become effective with the issuance of a final order approving all elements of this Settlement Agreement.
2. OG&E agrees to file a new cause to amend the DPR tariff for 2016-2018 approved by the Commission in Order No. 648327, Cause No. PUD 201500247. The Stipulating Parties agree to advocate that the DPR tariff for 2016-2018 contain the following definitions for interpreting the calculation of lost net revenues for the program period 2016-2018:
 - Total Energy Savings = the Verified savings calculated according to OAC 165:35-41-3 (definition for Verified savings)
 - Embedded Fixed Cost per kWh = the seasonal base energy price per kWh as reflected in current tariffsOG&E agrees to file the new cause within sixty (60) days of the issuance of a final order of the Commission in this Cause.
3. OG&E will recover the lost net revenues resulting from the success of the SmartHours Demand Programs in 2013, 2014 and 2015 through the DPR in the following amounts: \$10,100,000 for the 2013 program year; \$10,100,000 for the 2014 program year; and \$10,100,000 for the 2015 program year.

IV. General Reservations

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 counsel of record 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 counsel of record affirmatively represents that he or she has full authority to execute this Joint Stipulation on behalf of his or her client(s).

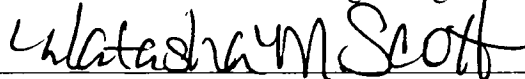
C. **Balance/Compromise of Positions.** The Stipulating Parties stipulate and agree that the agreements contained in this Joint Stipulation have resulted from negotiations among the Stipulating Parties. The Stipulating Parties hereto specifically state and recognize that this Joint Stipulation represents 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 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. **Admissions and 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 may otherwise exist with respect to any matters not expressly provided for herein. In addition, 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 Party that any allegation or contention in this proceeding is true or valid or shall constitute a determination by the Commission as to the merits of any allegations or contentions made in this proceeding.

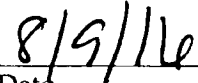
E. **No Precedential Value.** The Stipulating Parties agree that the provisions of this Joint Stipulation are the result of negotiations based upon the unique circumstances currently represented by the Applicant and that this Cause sets no precedent for any future causes that the Applicant or others may file with this Commission. The Stipulating Parties further agree and represent that this Joint Stipulation (and any Commission Order approving the same) shall not constitute nor be cited as precedent nor deemed an admission by any Stipulating Party in any other proceeding except as necessary to enforce its terms before the Commission or any state court of competent jurisdiction. The Commission's decision, if it enters an order consistent with 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 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. **Discovery.** 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.


WHEREFORE, the Stipulating Parties hereby submit this Joint Stipulation and Settlement Agreement to the Commission as their negotiated settlement of this proceeding with respect to all issues raised within the Application filed herein, and respectfully request the Commission to issue an Order approving the recommendations of this Joint Stipulation and Settlement Agreement, which will result in an Order granting the relief requested in the Application.



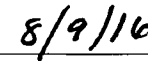
Natasha M. Scott
PUBLIC UTILITY DIVISION



Date



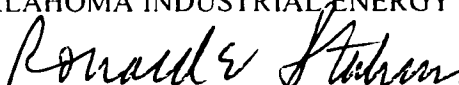
Kimber L. Shoop
OKLAHOMA GAS AND ELECTRIC COMPANY



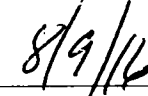
Date

Dara Derryberry
OKLAHOMA OFFICE OF THE ATTORNEY GENERAL

Date

Jennifer H. Castillo
OKLAHOMA INDUSTRIAL ENERGY CONSUMERS


Ronald E. Stakem
OG&E SHAREHOLDERS ASSOCIATION

Date


Date