

News from the **Oklahoma Corporation Commission**

Matt Skinner, Public Information

Phone: (405) 521-4180 m.skinner@occcemail.com

December 22, 2008

A GOOD WAY TO START THE NEW YEAR

Oklahoma Corporation Commission Chairman Jeff Cloud today had words of praise for the Commission and staff of the OCC's Public Utility Division and OG&E officials for their work to lower fuel costs borne by OG&E customers.

"Some months ago, OG&E agreed to hold off on immediately passing through all its fuel costs in the hopes that those costs would come down. As most know, natural gas prices have indeed decreased. OG&E has been required to use data from October 31st in setting its fuel recovery rate for the new year. But in a great example of being proactive to benefit ratepayers, the utility requested that the requirement be waived to allow OG&E to instead use the much lower costs as of December 31st. The OCC staff, demonstrating the flexibility needed in dealing with today's volatile energy costs, has granted that request."

Cloud said fuel costs have grown to be a major part of the customer's bill.

"Not that many years ago, fuel costs were a relatively minor consideration. But now they make up the majority of one's bill. Fuel costs are not like the rates for service which are directly under the jurisdiction of the Commission. While the Commission can and does audit fuel costs to be sure the law is followed, the actual cost of fuel is set by the market. State law allows the utility to pass its fuel costs on to the consumer, at no profit."

Commissioner Bob Anthony said the agreement between OG&E and the Commission will more rapidly reflect dropping fuel costs on customer bills.

"This change in the OG&E tariff will help bring immediate relief to consumers," Anthony said.

Commissioner Jim Roth called OG&E's handling of its fuel costs "noteworthy."

"We appreciate OG&E's effort to put ratepayers first," said Roth.