

News from the Oklahoma Corporation Commission

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COMMISSION APPROVES CREDIT FOR OG&E CUSTOMERS

Agreement means savings for ratepayers

As the result of an order approved today by the Oklahoma Corporation Commission, Oklahoma Gas and Electric Company customers will begin receiving a monthly credit in January. Specifically, today's order gives final approval to a stipulated agreement regarding the establishment of a new OG&E cogeneration credit rider.

Commission Chairman Denise Bode said the credit is partly the result of the new cogeneration contract between OG&E and PowerSmith, which was approved by the Commission earlier this year.

"When we approved the PowerSmith contract in August, I called it a 'win-win', in part because it helped ensure affordable, reliable power for all of OG&E customers and would save them money," said Bode. "Today's approval of the new credit rider reflects those savings."

Vice-Chairman Bob Anthony noted the balance of the savings comes from reductions in the contract between OG&E and AES Shady Point.

"The AES facility at Poteau provides a double benefit to the state by burning Oklahoma coal and making electricity available to OG&E," Anthony explained. "Capacity charges for the plant decline over the life of the contract. Nearly \$50 million of the \$80 million annual reduction reflected in today's order is the result of the most recent recalculation these capacity charges."

Commissioner Jeff Cloud praised the work of all those involved in formulating the stipulated agreement on the new credit rider.

"Commission staff, the Attorney General's office, representatives of the Oklahoma Industrial Energy Consumers (OIEC), OG&E, and AES Shady Point should be congratulated for their successful effort," said Cloud. "Their hard work will benefit all of OG&E's Oklahoma customers."

It is estimated that under the new cogeneration credit rider, an OG&E residential customer using 1,000 kilowatt hours will save approximately \$5 a month.

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