



News from the Oklahoma Corporation Commission

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Corporation Commission approves settlement in Oklahoma Gas & Electric rate case *Customers to get refund, lower rates*

The Oklahoma Corporation Commission today gave unanimous approval to a settlement in the Oklahoma Gas and Electric (OG&E) rate case that is the largest single rate reduction for an Oklahoma electric utility.

Commission Chairman Dana Murphy called the agreement a win-win for all concerned.

“The settlement will cut rates by \$64 million and refund to customers \$18.5 million in tax savings from federal tax reform,” Murphy said. “The timing of this couldn’t be better, as the savings will begin at a time when electric bills are the highest because of the summer heat.

“Commissioners always encourage the parties in a rate case to work toward a solution that is in the public interest.” Murphy noted. “This is in the best interest of all involved. Reliable service at reasonable rates is the result the Commission seeks in all rate cases, and the Commission’s Public Utility Division, the Attorney General, OG&E and the other parties to the case obviously worked hard to achieve that. There is always much give and take in efforts such as this, and I deeply appreciate the willingness to work together for the greater good.”

Commission Vice Chair Todd Hiatt said the settlement is especially notable because it comes at a time of rising costs for both the utilities and customers.

“It wasn’t all that long ago that people commonly referred to their electric bill as ‘the light bill,’ Hiatt said. “As our technology has advanced, the need for efficient, reliable and affordable delivery of electricity has increased drastically, and will continue to grow in the future. In light of the demand for the infrastructure needed to keep pace and the increasing cost of much of

what's needed, it is a rare opportunity to put money back into the pockets of ratepayers, and the sooner, the better. That is why we moved quickly to give this settlement the careful review needed, and are now able to give our approval less than a week after it was first presented to us.”

Commissioner Bob Anthony called the settlement “a rate reduction for all utility customers, not just the rich and powerful.”

“In December of last year, when the Tax Cuts and Jobs Act was still pending legislation, I sent a message to all U.S. utility regulators calling attention to the fact that without immediate action by state utility commissions to protect consumers, regulated utilities could over-collect billions in federal taxes on their customers’ bills,” said Anthony. “As I’ve said before, utilities should not be allowed to keep a windfall tax gain at the expense of consumers. The refund and rate reductions we’ve approved for OG&E customers today will have a direct impact on the pocketbooks of Oklahoma families and businesses – large and small. These are real savings. This is real money. I look forward to similar savings for customers of the state’s other regulated utilities.”

Under the agreement, the average residential customer will receive a one-time tax credit and monthly rate reduction totaling an estimated \$18.70 in July. Subsequent average monthly rate savings will be approximately \$4.40.

The Final Order approving the rate reduction and tax refund can be found here:

<http://imaging.occeweb.com/AP/Orders/occ30096436.pdf>

Commissioner Anthony’s separate concurring opinion in the case can be found here:

<http://imaging.occeweb.com/AP/CaseFiles/occ30096499.pdf>