

# **News** from the **Oklahoma Corporation Commission**

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## **SOARING ENERGY PRICES IMPACTING MORE THAN YOUR DRIVING**

*Commissioners want to take a closer look at fuel and other costs paid by electric customers*

(Oklahoma City) Noting the ever-higher fuel costs and other items that are being passed through to electric customers, the Oklahoma Corporation Commission today gave unanimous approval to a move aimed at ultimately allowing the Commission to scrutinize such charges more closely.

Commissioner Bode says today's action is the result of discussions that began years ago.

"The Commission took similar action in relation to natural gas utilities a few years ago," noted Bode. "This ability will assist the Commission in promoting reliable electricity at the most affordable prices. While Oklahoma still has some of the lowest electricity rates in the nation, that advantage has been eroded by the fact that the cost of the fuel needed to power the generators has been steadily rising. As a result, Oklahomans have seen the total amount of their bill increase, as those fuel costs are passed through to the consumer under the Fuel Adjustment Clause (FAC). Given this, it is vitally important the Commission be able to set the 'rules of the road' when it comes to the bidding and purchasing of fuel by the electric utilities, and provide certainty to consumers that they are getting the best deal possible."

Commission Chairman Bob Anthony noted that "the cost of fuel used to generate electricity is now more than half of the electric bills paid by business and residential customers.

"Because Oklahomans are paying \$100's of millions annually for these fuel charges, they deserve to know that only fair, just and prudently incurred costs are allowed," Anthony continued. "The Corporation Commission should do a better job of auditing fuel costs, especially when an electric utility is dealing with its affiliate and is not using competitive bidding. As we speak, there are major companies eyeing Oklahoma for possible expansion, initial location, or to possibly leave the state. Their energy costs play a major role in such decisions. They need to know we are doing all we can to ensure such costs are proper."

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**Commissioner Jeff Cloud said he's pleased with the positive reaction to the Commission's move.**

**"The Commission will be very interested in the suggestions and feedback that will be generated in response to this inquiry," said Cloud.**

**"I look forward to receiving that information, which will be vital to arriving at a decision regarding the future processes that will affect the Commission, the regulated utilities involved and consumers," he added.**

**Specifically, the Commission today approved a Notice of Inquiry (NOI), which sets in motion the process of developing rules to govern the prudent purchase of fuel, purchased power, gas or coal transportation, and gas storage by Oklahoma's electric utilities, as well as review of those matters by the Commission.**

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