

News from the Oklahoma Corporation Commission

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TOUGH TIMES, TOUGH DECISIONS

Commissioners praise cooperative effort in OG&E rate case

(Oklahoma City) The Oklahoma Corporation is expected to vote Friday on a Final Order approving the settlement agreement in the Oklahoma Gas and Electric (OG&E) rate case. The Commissioners held a hearing on the matter today and concluded today's session by instructing the Commission Referee in the case to prepare the Final Order for a vote on Friday.

The Commissioners had words of praise for the cooperative effort that resulted in the settlement agreement.

Commission Chairman Bob Anthony said the settlement clearly addresses the need to provide electric service that is both reliable and affordable.

“Under the settlement, the total residential bill will stay about the same as it is now, as appropriate changes will be made in the rates and fuel charges for OG&E,” Anthony said. “Most importantly, OG&E has indicated it can and will provide safe and reliable electric service to its Oklahoma customers under the new billing rates.”

Commissioner Jeff Cloud called the effort an example of working in the public interest.

“Divergent interests came together, and working against the backdrop of a very difficult economy, each made the tough decision to give up something for the greater good,” said Cloud. “It is noteworthy that those asking the Commission to approve the measure not only include the Public Utility Division and OG&E, but also the Attorney General's office – which represents the consumer before the Commission – and Oklahoma Industrial Energy Consumers (OIEC), which represents large industrial customers.”

Commissioner Dana Murphy says the decision by the parties to work together couldn't have come at a better time.

“Both at home and on the job, the economy has us all counting our pennies and looking for ways to save. The effort at a compromise means a savings of hundreds of thousands of dollars by avoiding the expense of a protracted rate hearing. It is obvious there was a tremendous effort on the part of all concerned to work together, spurred by the realization that we live in a very difficult economic climate,” Murphy said. “A decision for any rate increase is a very tough one, particularly given Oklahomans' current financial worries. We have to carefully balance Oklahoma's present and future power needs, the impact on the consumer, and the company's need for the means to provide reliable service.”

Those asking for approval of the agreement are: The Oklahoma Attorney General's Office, the Public Utility Division of the Oklahoma Corporation Commission, Oklahoma Gas and Electric, Oklahoma Industrial Energy Consumers, OG&E Shareholders Association, Wal-Mart Stores East, LP and Sam's East, Inc., AES Shady Point, LLC, and PowerSmith Cogeneration Project.

OG&E originally asked for a \$110 million dollar annual rate increase. The settlement calls for a \$48 million dollar rate increase, and changes in the fuel adjustment charge which would minimize or negate the impact of the rate increase on the average customer.

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