

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

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## **OG&E RATE CASE SETTLED**

*(Corporation Commission approves settlement, no cost increase for residential consumers)*

What began as a \$73 million dollar rate hike request from Oklahoma Gas and Electric (OG&E) has ended with a settlement that contains no increase for residential customers. Oklahoma Corporation Commission (OCC) today unanimously approved the settlement, which lowers costs for OG&E customers in 9 of 11 customer classes, including residential customers, public schools, and municipalities.

Oklahoma Corporation Commission Chair Dana Murphy praised the work of OCC staff and others that resulted in the settlement agreement.

“This settlement represents a fair, just and reasonable resolution of a difficult case,” Murphy said. “It lowers OG&E’s return on equity, putting it in line with the state’s other regulated electric utilities. It also prevents residential rates from rising and brings other rates closer to the true cost of service.

“This is the result of a good faith effort to settle a case that has gone on for almost a year,” Murphy added. “While I am concerned over the length of time this case has taken and think there are lessons to be learned from that, all the parties to the case are owed thanks for their hard work that resulted in this successful conclusion.”

Corporation Commission Vice Chair Bob Anthony said the settlement ensures safe and reliable service while addressing the concerns of consumers and other parties.

“The Corporation Commission is charged with balancing the needs of the company with the needs of its customers,” Anthony said. “This settlement does that. For example, consumers have the right to switch rate plans annually to choose the plan most advantageous for them. It also includes reports about the costs and benefits of new programs like Smart Grid, and additional rules will be added to better protect customer data and participants in OG&E’s prepay pilot program.”

Corporation Commissioner Patrice Douglas called the settlement “evidence of what can happen when people agree to work together.”

“This is a very fair agreement that holds the line on utility costs borne by families in these challenging economic times while also allowing the company to compete for the

investment capital it needs,” Douglas said. “It balances all the interests the Commission must take into consideration.

“I also want to thank the many members of the general public who took the time to make their voice heard, both in contacting the Commission and appearing at the public hearings on the case,” Douglas added. “Public involvement and input is critically important in these matters.”

Those supporting the settlement included the Attorney General (who represents consumers before the Commission), AARP-Oklahoma, the OCC Public Utility division staff, OG&E, the Oklahoma Industrial Energy Consumers (OIEC), and the OG&E Shareholders Association.

-OCC-

Key Facts:

Original revenue increase request: \$73 million

Settlement revenue increase: \$4.3 million

Examples of Settlement savings by class:

Residential - \$635,632

Power and Light - \$289,515

General Service - \$155,040

Public Schools (Demand and Non-Demand) - \$37,770

A full list is included below.

(All OCC news releases and media advisories are available at [www.occeweb.com](http://www.occeweb.com))

Chart 1 to Supplemental Oral Testimony of Donald R. Rowlett

July 9, 2012

Customer Group	Current Rate Class Revenue	Proposed Revenue Increase	Non-base Rate Rider ROE Reduction	Net Revenue Change	Monthly Customer Impact
<b>Residential</b>	\$ 769,704,136	\$ 458,608	\$ (1,094,240)	\$ (635,632)	\$ (0.09)
<b>General Service</b>	\$ 163,623,721	\$ 47,944	\$ (202,983)	\$ (155,040)	\$ (0.17)
<b>Oil and Gas</b>	\$ 13,514,484	\$ 3,960	\$ (22,968)	\$ (19,008)	\$ (0.34)
<b>Public Schools Non-Demand</b>	\$ 18,411,923	\$ 10,970	\$ (29,732)	\$ (18,762)	\$ (0.65)
<b>Public Schools Demand</b>	\$ 10,006,093	\$ 2,932	\$ (18,451)	\$ (15,519)	\$ (5.85)
<b>Power and Light</b>	\$ 257,329,834	\$ 75,401	\$ (364,916)	\$ (289,515)	\$ (2.30)
<b>Power and Light Time-of-Use</b>	\$ 163,433,629	\$ 47,888	\$ (247,778)	\$ (199,890)	\$ (9.51)
<b>Large Power and Light Time-of-Use</b>	\$ 274,471,027	\$ 163,536	\$ (219,803)	\$ (56,267)	\$ (42.24)
<b>Municipal Pumping</b>	\$ 8,080,534	\$ 2,368	\$ (16,621)	\$ (14,253)	\$ (0.80)
<b>Municipal Lighting</b>	\$ 11,681,155	\$ 1,000,000	\$ (8,704)	\$ 991,296	\$ 372.11
<b>Outdoor Security Lighting</b>	\$ 16,637,838	\$ 2,500,000	\$ (10,449)	\$ 2,489,551	\$ 2.98
<b>Total</b>	<b>\$ 1,706,894,374</b>	<b>\$ 4,313,606</b>	<b>\$ (2,236,644)</b>	<b>\$ 2,076,962</b>	

Date of analysis 6-26-12