

**BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA**

APPLICATION OF PUBLIC SERVICE COMPANY )  
OF OKLAHOMA (“PSO”) FOR APPROVAL OF A )  
FINANCING ORDER FOR THE COLLECTION OF )  
INCREASED COSTS, CAUSED BY THE EXTREME )  
WINTER WEATHER AND CONTAINED IN THE )  
REGULATORY ASSET AUTHORIZED BY ORDER )  
717625, INCLUDING AN APPROPRIATE )  
CARRYING COST, AND SUCH OTHER RELIEF )  
AS THE COMMISSION DEEMS PSO IS ENTITLED )

CAUSE NO. PUD 202100076

**FILED**  
JAN 04 2022

COURT CLERK'S OFFICE - OKC  
CORPORATION COMMISSION  
OF OKLAHOMA

**AARP STATEMENT ON JOINT STIPULATION AND SETTLEMENT AGREEMENT**

COMES NOW AARP, by and through its undersigned counsel, and hereby provides this its Statement on Joint Stipulation and Settlement Agreement. Certain parties in this matter filed a non-unanimous Joint Stipulation and Settlement Agreement (Settlement Agreement) on January 4, 2022. The Administrative Law Judge is scheduled to hear this matter on January 5, 2022, and for the benefit of the Commission, AARP provides the following:

AARP is the nation’s largest nonprofit, nonpartisan organization dedicated to empowering people 50 and older to choose how they live as they age. With a nationwide presence and nearly 38 million members, AARP strengthens communities and advocates for what matters most to families: health security, financial stability, and personal fulfillment. AARP has approximately 400,000 members residing in Oklahoma representing all segments of the socio-economic scale. A substantial percentage of AARP’s members live on fixed or limited incomes and depend on reliable and affordable electric and natural gas service for economic security, health, and personal welfare.

The extreme winter weather event that occurred in February 2021 is set to increase customers’ rates for decades to come. Utilities have been given the green light to pay billions of dollars to entities unknown to the public. The record in these cases lack specific detailed analysis

related to billions in costs that will be borne by Oklahomans. As AARP has raised before, who can take action to help customers – the Legislature, the Attorney General, the Corporation Commission? Importantly, the February 2021 Regulated Utility Consumer Protection Act (Act) (74 O.S. § 9070 *et seq.*) only allows the Commission to authorize securitization of certain categories of costs (as described in the Act) should the Corporation Commission determine such costs “would otherwise be recoverable from customers as fair, just and reasonable expenses and prudently incurred.”<sup>1</sup> (Emphasis added.) Consequently, it is *critical* that the Corporation Commission carefully review the costs and actions of the utility to determine that any costs approved for recovery are fair, just and reasonable, and were prudently incurred. The major question is does the Commission have a record before it that provides it not only details of such costs but evaluates whether those costs are the result of prudent action and are fair, just and reasonable as required by the Act.

The Settlement Agreement, as with the stipulation filed and subsequently adopted by the Commission in Order No. 722254 in Cause No. PUD 2021-72 (OG&E’s securitization case), contains an allocation methodology that differs from normal utility recovery of gas and power costs and is prejudicial to the residential customer class. Like in the OG&E case, AARP requests the Commission reject the allocation methodology set forth in the Settlement Agreement and instead adopt the allocation as set forth in the Company’s testimony to recover funds with a per kWh charge (i.e., energy charge) based on total kWh used by class over the covered period. This is consistent with current monthly fuel cost allocation and reflects the decreased usage during the winter storm of larger customers (because many were not open or operating due to the weather) by allocating costs on actual usage by customer class during the storm. Therefore, lower usage is

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<sup>1</sup> 74 O.S. § 9073(E).

already reflected with a smaller allocation than normal usage by large customers during the winter weather event and should be recovered on a kWh basis.

In this instance, **the allocation methodology reflected in the Settlement Agreement as advocated by OIEC in this Cause, shifts an additional 4% or approximately \$30,000,000 in additional costs to residential customers.** The Commission should reject the request to shift more of the winter storm cost recovery to residential ratepayers, especially in light of the recent increase in PSO's rates from Order No. 722410 which also adopted an allocation methodology that was preferential to large customers with a 4.2% rate reduction at the expense of residential customers with a 5.2% rate increase.

Respectfully submitted,

  
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**CERTIFICATE OF SERVICE**

This is to certify that a true and correct copy of the above and foregoing document was delivered via e-mail on the 4<sup>th</sup> day of January 2022, to the following:

<b>Name</b>	<b>Party</b>	<b>Email Address</b>
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