

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

146
DM
APPLICATION OF PUBLIC SERVICE)
COMPANY OF OKLAHOMA, AN)
OKLAHOMA CORPORATION, FOR AN) CAUSE NO. PUD 201800097
ADJUSTMENT IN ITS RATES AND CHARGES)
AND THE ELECTRIC SERVICE RULES,)
REGULATIONS AND CONDITIONS OF)
SERVICE FOR ELECTRIC SERVICE IN THE) ORDER NO. **692809**
STATE OF OKLAHOMA AND TO APPROVE A)
PERFORMANCED BASE RATE PROPOSAL)

HEARING: March 4, 2019, in Courtroom 301
2101 North Lincoln Boulevard, Oklahoma City, Oklahoma 73105
Before Dustin R. Murer, Administrative Law Judge

APPEARANCES: Jack P. Fite and Joann S. Worthington, Attorneys *representing* Public
Service Company of Oklahoma
Jared B. Haines and A. Chase Snodgrass, Assistant Attorneys General
representing Office of Attorney General, State of Oklahoma
Thomas P. Schroedter, Attorney *representing* Oklahoma Industrial
Energy Consumers
Rick D. Chamberlain, Attorney *representing* Wal-Mart Stores East, LP,
and Sam's East, Inc.
Deborah R. Thompson, Attorney *representing* AARP
Kenneth A. Tillotson and Michael L. Velez, Assistant General Counsels
representing Public Utility Division, Oklahoma Corporation
Commission
Kyle J. Smith, Attorney *representing* The United
States Department of Defense and all other Federal Executive Agencies
James R. Moore, Attorney *representing* International Brotherhood of
Electrical Workers, Local 1002, AFL-CIO
Cheryl A. Vaught, Scot A. Conner and Jon W. Laasch, Attorneys
representing Oneta Power, LLC

**FINAL ORDER APPROVING JOINT STIPULATION
AND SETTLEMENT AGREEMENT**

BY THE COMMISSION:

The Corporation Commission ("Commission") of the State of Oklahoma being regularly in session and the undersigned Commissioners present and participating, there comes on for consideration and action the Joint Stipulation and Settlement Agreement ("Joint Stipulation") executed between Public Service Company of Oklahoma ("PSO" or "Company"), the Public Utility Division of the Commission ("PUD"), Oklahoma Industrial Energy Consumers ("OIEC"), Wal-Mart Stores East, LP and Sam's East, Inc. (collectively,

“Wal-Mart”) and AARP (collectively, “Stipulating Parties”). A copy of the Joint Stipulation is attached hereto as Attachment “A” and incorporated herein by reference.

I. PROCEDURAL HISTORY

On August 10, 2018, pursuant to OAC 165:70-3-7, PSO filed a Notice of Intent stating that it would file an application seeking to modify the rates and charges for electric service for PSO’s Oklahoma jurisdiction customers. The procedural history is attached hereto as Attachment “B”.

II. SUMMARY OF EVIDENCE

Documents filed in this Cause are contained in records kept by the Court Clerk of the Commission. Testimony was offered at the Hearing on the Merits. Witnesses testifying in support of the Joint Stipulation were Matthew A. Horeled and Geoffrey M. Rush. The entirety of the testimony offered is contained in the transcript of these proceedings.

III. FINDINGS OF FACT AND CONCLUSIONS OF LAW

Based upon the Commission’s review and evaluation of the pleadings, testimony of witnesses, the Joint Stipulation and evidence contained in the record of this Cause, and upon a full and final consideration thereof, the Commission makes the following findings of fact and conclusions of law:

A. Jurisdiction

PSO is an Oklahoma corporation authorized to do business in the State of Oklahoma. The Commission finds that PSO is a public utility with plant, property, and other assets dedicated to generation, transmission, distribution, and sale of electric power and energy within the State of Oklahoma. This Commission has jurisdiction over this Cause by virtue of the provisions of Article IX, Section 18 of the Constitution of the State of Oklahoma and 17 O.S. §§ 151, *et seq.*

B. Notice

Due and proper notice of these proceedings was given as required by law and Order No. 686214.

C. Test Year

The test year in this Cause is the twelve-month period ending March 31, 2018. The Commission finds that 17 O.S. § 284 requires the Commission to give effect to certain known and measurable changes occurring or reasonably certain to occur within six-months of the test year end. The Commission finds that the Joint Stipulation took into consideration the requirements of 17 O.S. § 284.

D. Summary of the Testimony in Support of the Joint Stipulation

Mr. Matthew A. Horeled, Vice President, Regulatory and Finance for Public Service Company of Oklahoma, testified on behalf of PSO in support of the Joint Stipulation and Settlement Agreement.

Mr. Horeled testified that, as in any rate case, the recommended revenue deficiencies changed after responsive and rebuttal testimony was filed. The approximate revenue deficiencies being recommended by the various parties were PSO's \$91 million, PUD's \$49 million, and AG's \$34 million. OIEC had a revenue surplus of \$6.7 million.

The Joint Stipulation reflects a revenue deficiency of \$46 million. Mr. Horeled further testified that the \$46 million of new base rate revenue will be supplemented with additional revenues to be derived from an expanded Southwest Power Pool ("SPP") Transmission Cost ("SPPTC") Tariff and a Distribution Reliability and Safety Rider ("DRS Rider"). The Joint Stipulation provided rate impact mitigation by replacing the ten-year amortization approved by the Commission in Cause No. PUD 201700572 (Order No. 680821), for use in the Excess Tax Reserve Rider, with a five-year amortization period.

Mr. Horeled described the settlement process. According to Mr. Horeled, the Preliminary Order (Order No. 686214) scheduled a Settlement Conference for February 12, 2019. Even though all parties did not attend the Settlement Conference, PUD, AG, AARP, Wal-Mart/Sam's, OIEC and Oneta engaged in good faith negotiations. Although resolution of the Cause was not reached on February 12th, the parties continued discussions, both in person and by conference call, on February 19th. These discussions eventually led to the filing of the Joint Stipulation on February 27, 2019. On March 1, 2019, Wal-Mart/Sam's executed the Joint Stipulation. No party opposed the stipulation.

Mr. Horeled testified that the following terms are contained in the Joint Stipulation:

(a) The Stipulating Parties request that the Commission find a base rate revenue deficiency of \$46 million based upon a return on equity of 9.40 percent, and a return on rate base of 6.97 percent.

(b) The Stipulating Parties agree the base rate increase will be distributed, on an equal percentage basis, to all customer classes.

(c) The Stipulating Parties request that the current depreciation rates remain in effect.

(d) The Stipulating Parties request that the Commission approve a SPP Transmission Cost Tariff ("SPPTC Tariff") and a Distribution Reliability and Safety Rider ("DRS Rider"). The DRS Rider and the SPPTC Tariff approved in this Cause will continue until rates are effective in the next Chapter 70 base rate case.

(e) The Stipulating Parties agree that PSO will file a Chapter 70 base rate case no earlier than October of 2020, and no later than October of 2021. The Stipulating Parties further agree that PSO will not seek Commission approval of either a performance base rate change plan (“PBR”) or a cost recovery mechanism for Grid Modernization that would deviate from the requirements of Chapter 70 prior to October of 2020.

(f) The Stipulating Parties agree that any increase in base rates for customers in the SL-1, SL-2, or SL-3 rate classes shall be applied to the demand charge portion of the rate.

(g) The Stipulating Parties agree that in PSO’s next Chapter 70 base rate filing, PSO will provide a comparison between PSO’s and the other AEP electric operating company affiliates’ monthly fixed portion of residential customer’s bills. The comparison will include cost components by Federal Energy Regulatory Commission (“FERC”) account and the proportion reflected within the monthly fixed portion of the bill.

(h) The Stipulating Parties request that the Commission change the excess accumulated deferred income tax amortization ten-year period approved by the Commission in Cause No. PUD 201700572 (Order No. 680821) for use in the Excess Tax Reserve Rider, to a five-year amortization period and adjust the current Excess Tax Reserve Rider to reflect the five-year amortization period.

(i) The Stipulating Parties request that the Commission approve some amendments to the Fuel Cost Adjustment Rider (“FCA”). The information submitted for any FCA factor change will be provided, pursuant to proper confidentiality measures, to parties requesting such information at least fifteen days prior to new FCA factors going in to effect.

(j) The Stipulating Parties agree that all uncontested tariff changes proposed by PSO shall be considered approved.

In response to a question regarding the customer impact if the Commission approves the Joint Stipulation, Mr. Horeled testified that the increase for each class was shown in Table 1 of his testimony filed on March 1, 2019.¹ According to Mr. Horeled, the total bill increase for residential customers would be 2.28 percent, 1.88 percent for commercial customers, 1.37 percent for SL-3 customers, 1.17 percent for SL-2 customers, and 1.06 percent for SL-1 customers.

Mr. Horeled testified that the Joint Stipulation helped negate the effects of regulatory lag due to the SPPTC Tariff being expanded to include all FERC-approved SPP Open Access Transmission Tariff (“OATT”) charges billed to PSO by the SPP, and the DRS Rider will also help off-set the impact of regulatory lag by providing a revenue requirement of up to \$5 million annually for qualifying distribution investment. According to Mr. Horeled, the DRS Rider will allow PSO to make investments for distribution projects that are directly related to reliability and/or safety that are not normal distribution replacement projects. Mr. Horeled testified that these

¹ A table illustrating how the revenue requirement will be allocated to the customer classes is attached hereto as Attachment “C”.

riders will help increase cash-flow for PSO, which in turn will give PSO a better opportunity to earn its authorized return.

Mr. Horeled testified that the Joint Stipulation addressed some controversial issues but left others unchanged. For example, depreciation is addressed in 1(c) which states the current rates will remain in effect. The proposals for a PBR and Grid Modernization are addressed in 1(e) where it is stated that PSO will not seek Commission approval of a PBR or a cost recovery mechanism for Grid Modernization prior to October 2020. The expansion of the SPPTC Tariff and the implementation of the DRS Rider provided in the Joint Stipulation partially address the regulatory lag issue that a PBR and cost recovery for Grid Modernization were meant to address.

Mr. Horeled testified that if any issue was not addressed in the Joint Stipulation, then there is no proposed change to its current treatment. Therefore, the off-system sales sharing would remain unchanged, the depreciation rate for Oklaunion would remain unchanged, and there would be no change in the amount of storm expense collected through base rates if the Joint Stipulation is approved. Because the Joint Stipulation did not address rate base adjustments, there will not be an adjustment to rate base for pensions and Other Post Employment Benefits if the Joint Stipulation is approved.

Mr. Horeled further testified that Section 1(b) stated that the base rate increase will be distributed on an equal percentage basis to all customer classes. The increase is 6.94 percent with the actual customer impact being considerably less due to the change in the amortization period of excess accumulated deferred income tax from ten to five years.

Mr. Horeled testified that the SPPTC Tariff would be expanded to include all of Schedules 1A, 9, 11, and 12 of the FERC-approved SPP OATT. The SPPTC factors will be determined on an annual basis for each major rate class. PSO will submit to PUD, and other interested parties who agree to abide by approved confidentiality processes, information to justify the new factors. The actual determination of the reasonableness of the expenses will be determined in PSO's next base rate case.

According to Mr. Horeled, the DRS Rider will recover the capital-related costs (excluding operation and maintenance costs) of investments made for safety and reliability. Normal distribution replacements will not be subject to cost recovery pursuant to the DRS Rider which is capped at \$5 million a year. PSO will submit its DRS plan, no more often than semi-annually, with the projects PSO believes are subject to the rider. This information will be provided to PUD and interested parties for their review. There is a 30-day time frame to make an objection to a project being placed in the DRS Rider. If the objection cannot be resolved, a filed cause will determine the dispute. This process is not to be confused with a determination of prudence. Prudence will be determined in a base rate case filed pursuant to Chapter 70.

Regarding the FCA Rider, there were no changes to the actual formula itself. Mr. Horeled testified that there are some language clarifications and a provision, like the SPPTC Tariff, which allows other interested parties to receive information when there is a need to change the fuel factors.

Mr. Horeled testified that approval of the Joint Stipulation was in the public interest and will result in customers having fair, just and reasonable rates with no subsequent change in base rates earlier than April of 2021. Approval will also aid in diminishing regulatory lag for cost recovery of FERC-approved SPP OATT expenses and the lag in earning a return on certain distribution investments, both of which will improve PSO's cash flow and aid in allowing PSO to earn its authorized return.

Mr. Geoffrey M. Rush, Public Utility Energy Manager for PUD, testified in support of the Joint Stipulation. Mr. Rush testified that PUD performed a complete audit of PSO and participated in all aspects of the settlement discussions. Mr. Rush was familiar with the terms of the Joint Stipulation and the tariffs attached to the Joint Stipulation. Mr. Rush had read the testimony in support of the Joint Stipulation of PSO witness Mr. Horeled and agreed with the testimony. PUD recommended approval of the Joint Stipulation as it is in the best interest of the customers and PSO. According to Mr. Rush, approval of the Joint Stipulation would result in rates that are fair, just and reasonable.

E. Joint Stipulation and Settlement Agreement

The Commission finds that the Stipulating Parties to this proceeding have executed and submitted to the Commission a Joint Stipulation filed with the Commission on February 27, 2019, a copy of which is attached to this Order as Attachment "A" and incorporated herein by reference. The Commission further finds, based upon the evidence and testimony submitted at the hearing on the merits in this proceeding, that the Joint Stipulation reflects a full, final and complete settlement by the Stipulating Parties of all issues pending in this proceeding.

Pursuant to the terms of the Joint Stipulation, the Commission further finds that:

- (a) A base rate revenue deficiency of \$46 million exists based upon a return on equity of 9.40 percent and a return on rate base of 6.97 percent.
- (b) The base rate increase will be distributed on an equal percentage basis to all customer classes.
- (c) The current depreciation rates will remain in effect.
- (d) The Commission hereby approves the Southwest Power Pool Transmission Cost Tariff and the Distribution Reliability and Safety Rider attached hereto and incorporated herein. The DRS Rider and the SPPTC Tariff approved in this Cause will continue until rates are effective in the next Chapter 70 base rate case.
- (e) PSO will file a Chapter 70 base rate case no earlier than October of 2020 and no later than October of 2021. PSO will not seek Commission approval of either a performance base rate change plan or a cost recovery mechanism for Grid Modernization that would deviate from the requirements of Chapter 70 prior to October of 2020.

- (f) Any increase in base rates for customers in SL-1, SL-2, or SL-3 rate classes shall be applied to the demand charge portion of the rate.
- (g) In PSO's next Chapter 70 base rate filing, PSO will provide a comparison between PSO's and the other AEP electric operating company affiliates' monthly fixed portion of residential customer's bills. The comparison will include cost components by FERC account and the proportion reflected within the monthly fixed portion of the bill.
- (h) The Commission finds that the excess accumulated deferred income tax amortization ten-year period approved by the Commission in Cause No. PUD 201700572 (Order No. 680821) for use in the Excess Tax Reserve Rider is hereby changed to a five-year amortization period. The current Excess Tax Reserve Rider shall be adjusted to reflect the five-year amortization period.
- (i) The Commission approves the attached Fuel Cost Adjustment Rider which is incorporated herein. The information submitted for any FCA factor change will be provided pursuant to proper confidentiality measures to parties requesting such information at least fifteen days prior to new FCA factors going in to effect.
- (j) All uncontested tariff changes proposed by PSO shall be considered approved.

The Commission further finds that the Joint Stipulation results in PSO only being allowed to recover prudently incurred costs and that PSO's allowed rate of return on equity is reasonable.

The Commission further finds that the provisions of the Joint Stipulation, attached hereto as Attachment "A", are fair, just and reasonable and should therefore be approved.

ORDER

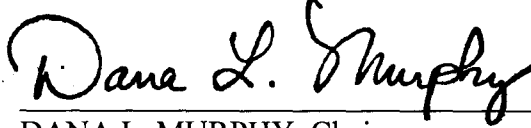
THE COMMISSION THEREFORE ORDERS that the provisions of the Joint Stipulation and Settlement Agreement, attached hereto as Attachment "A", are fair, just and reasonable and are hereby approved.

THE COMMISSION FURTHER ORDERS that the revenue requirement approved by this Order will be allocated to the customer classes as set forth on Attachment "C"

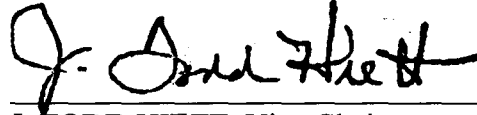
THE COMMISSION FURTHER ORDERS that the rates, charges and tariffs reflecting the terms of this Order be and the same are hereby approved and shall become effective with the first regular billing cycle after the Company submitted filed tariffs to the Commission that conform with this Order and the tariffs have been reviewed and approved by the Director of the Public Utility Division.

THIS ORDER SHALL BE EFFECTIVE immediately.

OKLAHOMA CORPORATION COMMISSION



DANA L. MURPHY, Chairman



J. TODD HIETT, Vice Chairman

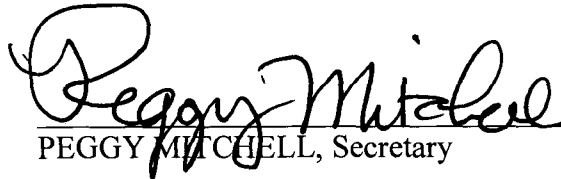


BOB ANTHONY, Commissioner

CERTIFICATION

DONE AND PERFORMED by the Commissioners participating in the making of this
Order, as shown by their signatures above, this 14 day of March, 2019.

[seal]



PEGGY MITCHELL, Secretary

REPORT OF ADMINISTRATIVE LAW JUDGE

The foregoing findings, conclusions and order are the report and recommendation of the
undersigned Administrative Law Judge.



DUSTIN R. MURER

Administrative Law Judge

3-8-19

Date

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICATION OF PUBLIC SERVICE)
COMPANY OF OKLAHOMA, AN)
OKLAHOMA CORPORATION, FOR)
AN ADJUSTMENT IN ITS RATES AND)
CHARGES AND THE ELECTRIC)
SERVICE RULES, REGULATIONS AND)
CONDITIONS OF SERVICE FOR)
ELECTRIC SERVICE IN THE STATE)
OF OKLAHOMA AND TO APPROVE A)
PERFORMANCED BASE RATE)
PROPOSAL)

CAUSE NO. PUD 201800097

FILED

FEB 27 2019

COURT CLERK'S OFFICE - OKC
CORPORATION COMMISSION
OF OKLAHOMA

JOINT STIPULATION AND SETTLEMENT AGREEMENT

COME NOW the undersigned parties to the above entitled cause and present the following Joint Stipulation and Settlement Agreement ("Joint Stipulation") for the Commission's review and approval as their compromise and settlement of all issues in this proceeding between the parties to this Joint Stipulation ("Stipulating Parties"). The Stipulating Parties represent to the Commission that this Joint Stipulation represents a fair, just and reasonable settlement of these issues, that the terms and conditions of the Joint Stipulation are in the public interest, and the Stipulating Parties urge the Commission to issue an Order in this Cause adopting and approving this Joint Stipulation.

It is hereby stipulated and agreed by and between the Stipulating Parties as follows:

TERMS OF THE JOINT STIPULATION AND SETTLEMENT AGREEMENT

Effective with the final order of the Oklahoma Corporation Commission ("OCC") approving all elements of this Joint Stipulation:

1. Revenue requirement and distribution, tariffs, and other agreements.
 - (a) The Stipulating Parties request the Commission find a base rate revenue deficiency of \$46 million based upon a return on equity of 9.40 percent and a return on rate base of 6.97 percent.
 - (b) The Stipulating Parties agree the base rate increase will be distributed on an equal percentage basis to all customer classes.
 - (c) The Stipulating Parties request that the current depreciation rates will remain in effect.
 - (d) The Stipulating Parties request the Commission approve a Southwest Power Pool Transmission Cost Tariff (SPPTC Tariff) and a Distribution Reliability and Safety Rider (DRS Rider) attached hereto and incorporated herein as if fully set forth. The

DRS Rider and the SPPTC Tariff approved in this cause will continue until rates are effective in the next Chapter 70 base rate case.

- (e) The Stipulating Parties agree that PSO will file a Chapter 70 base rate case no earlier than October of 2020 and no later than October of 2021. The Stipulating Parties further agree that PSO will not seek Commission approval of either a Performance base rate change plan or a cost recovery mechanism for Grid Modernization that would deviate from the requirements of Chapter 70 prior to October of 2020.
- (f) The Stipulating Parties agree that any increase in base rates for customers in SL-1, SL-2, or SL-3 rate classes shall be applied to the demand charge portion of the rate.
- (g) The Stipulating Parties agree that in PSO's next Chapter 70 base rate filing, PSO will provide a comparison between PSO's and the other AEP electric operating company affiliates' monthly fixed portion of residential customer's bills. The comparison will include cost components by FERC account and the proportion reflected within the monthly fixed portion of the bill.
- (h) The Stipulating Parties request the Commission change the excess accumulated deferred income tax amortization ten-year period approved by the Commission in Cause PUD 201700572 (Order No. 680821) for use in the Excess Tax Reserve Rider to a five-year amortization period and to adjust the current Excess Tax Reserve Rider to reflect the five-year amortization period.
- (i) The Stipulating Parties request the Commission to approve the attached Fuel Clause Adjustment (FAC) Rider which is incorporated herein as if fully set forth. The information submitted for any FAC factor change will be provided pursuant to proper confidentiality measures to parties requesting such information at least fifteen days prior to new FAC factors going in to effect.
- (j) The Stipulating Parties agree that all uncontested tariff changes proposed by PSO shall be considered approved.

2. Discovery and Motions.

As between and among the Stipulating Parties, all pending requests for discovery, and all motions pending before either the Commission or the Administrative Law Judge are hereby withdrawn.

3. General Reservations.

The Stipulating Parties represent and agree that, except as specifically otherwise provided herein:

- (a) This Joint Stipulation represents a negotiated settlement for the purpose of compromising and settling all issues which were raised relating to this proceeding.
- (b) Each of the undersigned counsel of record affirmatively represents that he or she has full authority to execute this Joint Stipulation on behalf of their client(s).
- (c) None of the signatories hereto shall be prejudiced or bound by the terms of this Joint Stipulation in the event the Commission does not approve this Joint Stipulation nor shall any of the Stipulating Parties be prejudiced or bound by the terms of this Joint Stipulation should any appeal of a Commission order adopting this Joint Stipulation be filed with the Oklahoma Supreme Court.
- (d) Nothing contained herein shall constitute an admission by any party that any allegation or contention in these proceedings as to any of the foregoing matters is true or valid and shall not in any respect constitute a determination by the Commission as to the merits of any allegations or contentions made in this rate proceeding.
- (e) The Stipulating Parties agree that the provisions of this Joint Stipulation are the result of extensive negotiations, and the terms and conditions of this Joint Stipulation are interdependent. The Stipulating Parties agree that settling the issues in this Joint Stipulation is in the public interest and, for that reason, they have entered into this Joint Stipulation to settle among themselves the issues in this Joint Stipulation. This Joint Stipulation shall not constitute nor be cited as a precedent nor deemed an admission by any Stipulating Party in any other proceeding except as necessary to enforce its terms before the Commission or any state court of competent jurisdiction. The Commission's decision, if it enters an order consistent with this Joint Stipulation, will be binding as to the matters decided regarding the issues described in this Joint Stipulation, but the decision will not be binding with respect to similar issues that might arise in other proceedings. A Stipulating Party's support of this Joint Stipulation may differ from its position or testimony in other causes. To the extent there is a difference, the Stipulating Parties are not waiving their positions in other causes. Because this is a stipulated agreement, the Stipulating Parties are under no obligation to take the same position as set out in this Joint Stipulation in other dockets.

4. Non- Severability.

The Stipulating Parties stipulate and agree that the agreements contained in this Joint Stipulation have resulted from negotiations among the Stipulating Parties and are interrelated and


interdependent. The Stipulating Parties hereto specifically state and recognize that this Joint Stipulation represents a balancing of positions of each of the Stipulating Parties in consideration for the agreements and commitments made by the other Stipulating Parties in connection therewith. Therefore, in the event that the Commission does not approve and adopt the terms of this Joint Stipulation in total and without modification or condition (provided, however, that the affected party or parties may consent to such modification or condition), this Joint Stipulation shall be void and of no force and effect, and no Stipulating Party shall be bound by the agreements or provisions contained herein. The Stipulating Parties agree that neither this Joint Stipulation nor any of the provisions hereof shall become effective unless and until the Commission shall have entered an Order approving all of the terms and provisions as agreed by the parties to this Joint Stipulation and such Order becomes final and non-appealable.

WHEREFORE, the Stipulating Parties hereby submit this Joint Stipulation and Settlement Agreement to the Commission as their negotiated settlement of this proceeding with respect to all issues which were raised with respect to this Application, and respectfully request the Commission to issue an Order approving this Joint Stipulation and Settlement Agreement.

**PUBLIC UTILITY DIVISION
OKLAHOMA CORPORATION COMMISSION**

By: 
Brandy Wreath, Director, Public Utility Division

PUBLIC SERVICE COMPANY OF OKLAHOMA

By: 
Jack P. Fite
Joann S. Worthington
Attorneys for Public Service Company of
Oklahoma

**Michael Hunter
ATTORNEY GENERAL OF THE
STATE OF OKLAHOMA**

By: The Attorney General does not oppose
Jared B. Haines the settlement.
Assistant Attorney General

Cause No. PUD 201800097
Joint Stipulation and Settlement

Page 5 of 5

LOMA INDUSTRIAL ENERGY CONSUMERS



Thomas P. Schroedter
Hall, Estill, Hardwick, Gable, Golden & Nelson

WAL-MART STORES EAST, LP

By: _____
Rick D. Chamberlain

SAM'S EAST, INC.

By: _____
Rick D. Chamberlain

AARP

By: 
Deborah Thompson

and Settlement Agreement

PUBLIC SERVICE COMPANY OF OKLAHOMA

P.O. BOX 201

TULSA, OKLAHOMA 74102-0201

PHONE: 1-888-216-3523

5TH REVISED SHEET NO. 75-1

REPLACING 4TH REVISED SHEET NO. 75-1

EFFECTIVE DATE XX/XX/2019

SCHEDULE: SOUTHWEST POWER POOL TRANSMISSION COST (SPPTC) TARIFF**AVAILABILITY**

This Tariff is applicable to and becomes part of each OCC jurisdictional rate schedule and will apply to applicable energy consumption or maximum billing demand of retail customers served at all service levels and to facilities, premises and loads of retail customer. The SPPTC Tracker approved in PUD 201800097 will continue until rates become effective in PSO's next Chapter 70 base rate case.

This Tariff includes the following projected Southwest Power Pool (SPP) expenses lawfully charged in the FERC-approved SPP Open Access Transmission Tariff (OATT) subject to these amounts included in PSO's base rate revenue requirement. Effective with the implementation of this SPPTC tariff, refunds and costs from prior periods for previously untracked SPP OATT expenses are excluded.

	Base Rate Recovery
Schedule 1A (NITS Admin)	11,541,651
Schedule 9 (NITS Net)	54,290,196
Schedule 11 (Base Plan - Affiliated and OK Transco)	10,223,963
Schedule 11 (Base Plan - 3rd Party including SWEPCO)	-
Schedule 12 (FERC Assessment)	2,237,216
Total SPP Expense - Base Rate Recovery	78,293,026

The SPPTC shall be calculated on the customer's bill by multiplying the total billing kilowatt-hours (kWh) for each customer in the residential and commercial major rate class and by maximum billing demand for the industrial major rate classes by the SPPTC Factor for that customer's class for the current month. For service billed under applicable rate schedules for which there is not metering, the monthly usage shall be estimated by the Company and the SPPTC Factor shall be applied to the estimated usage.

The SPPTC Factors shall be determined on an annual basis for each major rate class. The factors shall include the upcoming period's projected SPP Base Plan expenses plus an over or under recovery of actual expenses compared to revenues received under the Tariff for the prior period.

Rates Authorized by the Oklahoma Corporation Commission

Effective	Order Number	Cause / Docket Number
April, 2019		PUD 201800097
February 28, 2018	672864	PUD 201700151
December 30, 2016	657877/658529	PUD 201500208
April 30, 2015	639314	PUD 201300217
December 30, 2011	591185	PUD 201100106

and Settlement Agreement

PUBLIC SERVICE COMPANY OF OKLAHOMA

P.O. BOX 201

TULSA, OKLAHOMA 74102-0201

PHONE: 1-888-216-3523

5TH REVISED SHEET NO. 75 - 2

REPLACING 4TH REVISED SHEET NO. 75 - 2

EFFECTIVE DATE XX/XX/2019

SCHEDULE: SOUTHWEST POWER POOL TRANSMISSION COST (SPPTC) TARIFF**Method of Calculation for SPPTC Factor:**

An SPPTC Factor is calculated annually for each major rate class using the applicable billing determinant, either per kWh or per maximum demand depending on the major rate class. The formula for the SPPTC Factor is as follows:

$$\text{SPPTC Factor} = \frac{(\text{SPP Expenses} * \text{Class Transmission Allocator}) + \text{True-up}}{\text{Applicable Billing Determinant by Major Rate Class}}$$

where,

SPP Expenses = Projected Southwest Power Pool (SPP) expenses for Schedule 1A, Schedule 9, Schedule 11, and Schedule 12, subject to the amounts recovered in PSO's base rate revenue requirement as set forth above, allocated to the Oklahoma retail jurisdiction using the jurisdictional transmission allocators approved in PUD Cause No. 201800097.

Class Transmission Allocator = the class transmission allocator for each major rate class within the Oklahoma retail jurisdiction approved in PUD Cause No. 201800097.

True-up = Over or under recovery of the previous period's actual SPP Expenses compared to SPPTC revenues by major rate class.

Billing Determinant by Major Rate Class = Projected applicable billing determinant for each major class, either kWh or maximum demand for the twelve month effective period of the SPPTC Factors.

Annual Re-determination:

Beginning in 2019, effective with the implementation of this tariff, and continuing each year thereafter, the Company will submit to the Commission Staff and all other parties who request the information and abide by the approved confidentiality process, the re-determined SPPTC factors 11 months following the implementation of the PUD approved SPPTC. Calculations for the re-determined factors shall be made by the application of the SPPTC formula set forth in this tariff. The Company shall provide information sufficient to document and support the reasonableness of the projected SPP Expenses, the True-up amounts during the previous period, and the re-determined SPPTC rates with each annual re-determination.

With the submission, the Company shall provide the projected revenue impact of the annual SPP Expense re-determination for each major customer class. The Company shall also provide any information or studies regarding the economic benefit or analysis to customers associated with the eligible incremented SPP expenses.

Rates Authorized by the Oklahoma Corporation Commission

Effective	Order Number	Cause / Docket Number
April, 2019		PUD 201800097
February 28, 2018	672864	PUD 201700151
December 30, 2016	657877/658529	PUD 201500208
April 30, 2015	639314	PUD 201300217
December 30, 2011	591185	PUD 201100106

and Settlement Agreement

PUBLIC SERVICE COMPANY OF OKLAHOMA**P.O. BOX 201****TULSA, OKLAHOMA 74102-0201****PHONE: 1-888-216-3523****5TH REVISED SHEET NO. 75 - 3****REPLACING 4TH REVISED SHEET NO. 75 - 3****EFFECTIVE DATE XX/XX/2019****SCHEDULE: SOUTHWEST POWER POOL TRANSMISSION COST (SPPTC) TARIFF**

The Company will address the reasonableness of SPP Expenses collected through the SPPTC during PSO's next base rate case. Based on the review by the Commission Staff and parties in the next base rate case, any over or under recovery of SPP Expenses collected through the SPPTC shall be refunded to or collected from customers with interest calculated at the applicable Commission established interest rate applied to customer deposits for deposits held one year or less, or the interest rate applied to customer deposits held for more than one year.

The Company will provide to the Commission Staff the monthly over/under recovery of SPP expenses recovered in the tariff. Should a cumulative over-recovery or under-recovery balance arise during any SPPTC cycle which exceeds ten percent (10%) of the annual SPP Expenses reflected in the current SPPTC, then either the Commission Staff or the Company may propose an interim revision to the currently effective SPPTC rate. Should an increase exceed fifty percent (50%) of the last approved increase, the Commission will require a broader review of the SPPTC filing.

Rates Authorized by the Oklahoma Corporation Commission

Effective	Order Number	Cause / Docket Number
April, 2019		PUD 201800097
February 28, 2018	672864	PUD 201700151
December 30, 2016	657877/658529	PUD 201500208
April 30, 2015	639314	PUD 201300217
December 30, 2011	591185	PUD 201100106

and Settlement Agreement

PUBLIC SERVICE COMPANY OF OKLAHOMA

P.O. BOX 201

TULSA, OKLAHOMA 74102-0201

PHONE: 1-888-216-3523

5TH REVISED SHEET NO. 75 - 4

REPLACING 4TH REVISED SHEET NO. 75 - 4

EFFECTIVE DATE XX/XX/2019

SCHEDULE: SOUTHWEST POWER POOL TRANSMISSION COST (SPPTC) TARIFF

Supplemental Page						
Southwest Power Pool Transmission Cost Factors SPPTC						
Effective	Residential	Commercial	Industrial		Industrial	Industrial
Date	Secondary	SL 4&5	SL 3		SL 2	SL 1
12/20/2011	\$0.000754	\$0.000572	\$0.000439		\$0.000358	\$0.000327
11/28/2012	\$0.001329	\$0.000985	\$0.000757		\$0.000590	\$0.000559
09/27/2013	\$0.002230	\$0.001659	\$0.001291		\$0.000970	\$0.000911
09/29/2014	\$0.002554	\$0.001918	\$0.001505		\$0.001080	\$0.001040
	Residential	Commercial	Industrial	Industrial	Industrial	Industrial
	Secondary	SL 4&5	SL 3 kWh	SL 3 kW	SL 2 kW	SL 1 kW
* 04/30/2015	\$0.002554	\$0.001918	\$0.001505	\$0.74	\$0.55	\$0.40
09/29/2015	\$0.003221	\$0.002365	\$0.001815	\$0.87	\$0.56	\$0.50
09/28/2016	\$0.003773	\$0.002739	\$0.002015	\$0.94	\$0.67	\$0.53
12/30/2016	\$0.003802	\$0.002744	\$0.001830	\$0.85	\$0.68	\$0.62
09/27/2017	\$0.005378	\$0.003999	\$0.002426	\$1.17	\$1.08	\$0.70
** 2/28/2018	\$0.005539	\$0.004172	\$0.002413	\$1.18	\$1.14	\$0.80
09/27/2018	\$0.004762	\$0.003693	\$0.002310	\$1.14	\$1.05	\$0.54
*starting with compliance tariffs from PUD 201300217, SPPTC charges for SL 1, 2, & 3 will be						
billed based on maximum monthly billing demands. PSO will maintain a SL 3 kWh rate to be						
applied to the new Primary Non-Demand rate code 299 only.						
**updated transmission allocation factors for eligible SPPTC expense based on compliance						
Docket No. 201700151						

Rates Authorized by the Oklahoma Corporation Commission

Effective	Order Number	Cause / Docket Number
April, 2019		PUD 201800097
February 28, 2018	672864	PUD 201700151
December 30, 2016	657877/658529	PUD 201500208
April 30, 2015	639314	PUD 201300217
December 30, 2011	591185	PUD 201100106

PUBLIC SERVICE COMPANY OF OKLAHOMA
P.O. BOX 201
TULSA, OKLAHOMA 74102-0201
PHONE: 1-888-216-3523
KIND OF SERVICE: ELECTRIC

ORIGINAL SHEET NO. XX-X

EFFECTIVE DATE X/X/2019

SCHEDULE: DISTRIBUTION RELIABILITY AND SAFETY RIDER (DRS Rider)

PURPOSE

The Distribution Reliability and Safety Rider will allow for special recovery of distribution projects related to safety and reliability. Recovery is limited to (1) distribution projects that are not normal distribution replacements, (2) recovery of capital related costs (i.e., no operations and maintenance expense), (3) distribution projects directly related to reliability and/or safety, and (4) a revenue requirement capped at \$5 million per year.

PSO will submit, no more than semi-annually, proposed projects to PUD and all interested parties, for review. PUD will review the projects and issue a letter that projects meet the purpose of this tariff. Any party can object to projects being included within 30 days of submission to PUD. Disagreements will be processed through a filed cause if parties cannot reach agreement.

Once projects are complete, the company may submit information, no more than quarterly, on the completed project for inclusion in the rider. Projects shall be completed and in service prior to inclusion in the rider. PUD, and all listed parties, shall have 30 days after submission to file an objection to any project.

All projects are subject to a prudence determination in PSO's next base rate case proceeding. This tariff will be effective until the issuance of an order in the next Chapter 70 base rate case unless otherwise ordered by the Commission.

AVAILABILITY

This DRS Rider is applicable to and becomes part of each OCC jurisdictional rate schedule. This Rider is applicable to energy consumption of retail customers served at secondary and primary service levels and to facilities, premises and loads of such retail customers.

For service billed under applicable rate schedules for which there is not metering, the monthly kilowatt-hour (kWh) usage shall be estimated by the Company and the DRS Factor shall be applied to the estimated kWh usage.

The DRS shall be calculated by multiplying the total billing kWh for each customer by the DRS Factor for that customer's class for the current month.

The DRS Factor shall be determined on a quarterly basis for each major rate class to incorporate the previous quarter's DRS capital costs expended and adjusted by any over or under recovery of costs from a previous three month billing period and applied to the billings for the next quarter. The filings will occur on or before the 20th of the month in the months of Month 1, Month 4, Month 7, and Month 10,

Rates Authorized by the Oklahoma Corporation Commission

Effective	Order Number	Cause / Docket Number
XX/XX/2019		PUD 201800097

PUBLIC SERVICE COMPANY OF OKLAHOMA
P.O. BOX 201
TULSA, OKLAHOMA 74102-0201
PHONE: 1-888-216-3523
KIND OF SERVICE: ELECTRIC

ORIGINAL SHEET NO. XX-X

EFFECTIVE DATE X/X/2019

SCHEDULE: DISTRIBUTION RELIABILITY AND SAFETY RIDER (DRS Rider)

requesting to become effective with the first billing cycle of Month 4, Month 7, Month 10, and Month 1, respectively. The eligible DRS revenue requirement is limited to \$5.0 million per year. The DRS Factor will be calculated in accordance with the following methodology and will be applied to each kWh sold.

Method of Calculation For DRS Factor

A DRS Factor is calculated quarterly for each major rate class. The formula for the DRS Factor is as follows:

$$\text{DRS Factor (\$ per kWh)} = \frac{\text{Distribution Reliability and Safety Project Capital Carrying Costs (DRSCC)}}{\text{Forecasted kWh Sales by Major Rate Class.}}$$

Method of Calculation For DRS Project Capital Carrying Costs

The DRS Project Capital Carrying Costs includes the carrying charge on the capital costs of projects approved by PUD for recovery in this tariff. The amount is limited to \$5.0 million per year carrying charge and is calculated as follows.

$$\text{DRSCC} = (\text{DC} + \text{DRSTU}) * \text{DAFI, where:}$$

DRSCC = Distribution Reliability and Safety Capital Carrying Costs for the preceding quarter (\$). The eligible system reliability capital carrying costs are calculated as follows:

$$\text{DC} = \text{DSRCI} * \text{CCR (subject to a \$5.0 million annual cap), where:}$$

DSRCI = Actual cumulative distribution reliability and safety project capital costs.

CCR = Company's Carrying Charge Rate reflects the return on equity, the cost rate for long-term debt, and the capital structure ratios approved in PUD Cause No. 201800097. Applicable depreciation expense and ad valorem tax expense is also included in the CCR.

Rates Authorized by the Oklahoma Corporation Commission

Effective
XX/XX/2019

Order Number

Cause / Docket Number
PUD 201800097

PUBLIC SERVICE COMPANY OF OKLAHOMA
P.O. BOX 201
TULSA, OKLAHOMA 74102-0201
PHONE: 1-888-216-3523
KIND OF SERVICE: ELECTRIC

ORIGINAL SHEET NO. XX-X

EFFECTIVE DATE X/X/2019

SCHEDULE: DISTRIBUTION RELIABILITY AND SAFETY RIDER (DRS Rider)

DRSTU = Distribution Reliability and Safety True-up amount to correct for any variance between actual DRS capital carrying costs approved for DRS recovery and the actual revenue received from the DRSCC component of the DRS. The calculation will be updated quarterly, which will determine the DRSTU for the following quarter. The calculation will be performed as follows:

$DRSTU = DRSR - ADRSR$, where:

DRSR = Actual revenue received from the application of the DRSCC component of the DSR Factor.

ADRSR = Actual DCAR which the Company intended to recover for the same period.

DAFI = Distribution Allocation Factor for each major rate class from the Company's cost allocation study provided in PUD Cause No. 201800097 are as follows:

Class	Weighted MDD
Residential	56.2904%
Commercial SL4/5	34.0659%
SL3	9.6437%
SL2	0.0000%
SL1	0.0000%
Total	100.0000%

The Company will submit to the Commission Staff the requested DRS Quarterly Factor approximately XX days preceding the requested effective date. The Director of the Public Utility Division will approve the requested DRS Factor to become effective with the first billing cycle of the requested billing

Rates Authorized by the Oklahoma Corporation Commission

Effective XX/XX/2019	Order Number	Cause / Docket Number PUD 201800097
-------------------------	--------------	--

PUBLIC SERVICE COMPANY OF OKLAHOMA
P.O. BOX 201
TULSA, OKLAHOMA 74102-0201
PHONE: 1-888-216-3523
KIND OF SERVICE: ELECTRIC

ORIGINAL SHEET NO. XX-X

EFFECTIVE DATE X/X/2019

SCHEDULE: DISTRIBUTION RELIABILITY AND SAFETY RIDER (DRS Rider)

month. The DRS Factor will remain in effect for three months and will expire unless a request for updated DRS Factor is filed by the Company.

Rates Authorized by the Oklahoma Corporation Commission

Effective	Order Number	Cause / Docket Number
XX/XX/2019		PUD 201800097

and Settlement Agreement

PUBLIC SERVICE COMPANY OF OKLAHOMA**P.O. BOX 201****TULSA, OKLAHOMA 74102-0201****PHONE: 1-888-216-3523****KIND OF SERVICE: ELECTRIC****ORIGINAL SHEET NO. 80-1****EFFECTIVE DATE 08/28/2018**

SCHEDULE: TAX CUT AND JOBS ACT OF 2017 ADJUSTMENT RIDER (EXCESS TAX RESERVE)

PURPOSE

This rider provides retail customers with certain tax benefits associated with the Tax Cut and Jobs Act of 2017 that reduces the maximum corporate income tax rate from 35 percent to 21 percent beginning January 1, 2018. Excess Tax Reserve (ETR) rider flows back to customers the estimated Excess Accumulated Deferred Income Tax (ADIT) amounts.

APPLICABILITY

The ETR Adjustment becomes part of each OCC jurisdictional rate schedule in compliance with the Final Order in Docket No. PUD 201700572 (Order), is applicable to Base Rate Charges of retail customers served at all service levels and to facilities, premises and loads of retail customers, and will remain in effect until the refund has been distributed per the Order. The initial ETR Adjustment factor begins with bills rendered on and after August 28, 2018, through the last December 2018 billing cycle. Subsequent ETR Adjustment factors will refund an annual amount over a twelve-month period beginning in January each year. The factor provides for an adjustment to the monthly Base Rate Charges calculated by multiplying the total of the Base Rate Charges contained in the applicable rate schedule by the corresponding percentage.

DETERMINATION OF BASE RATE CHARGES

Base Rate Charges as used herein includes all charges billed in accordance with the Monthly Rate section of the applicable rate schedule which includes, where applicable, the Base Service Charge, the Energy Charge, the Demand Charge, any Minimum Bill Charge, the Reactive Power Charge, and for the lighting tariff schedules, the Facilities Charge. The Adjustment also applies to Standby and Supplemental Service Charges. The Adjustment does not apply to fuel charges or other monthly rider charges.

ANNUAL ADJUSTMENT

The rider will be recalculated annually to (1) reflect the updated base rate charges reflected in the percentage reduction and (2) account for the over or under refund of the prior annual tax benefit. Interim adjustments may be determined as ordered by the Commission.

Rates Authorized by the Oklahoma Corporation Commission

Effective	Order Number	Cause / Docket Number
August 28, 2018	680821	PUD 201700572

and Settlement Agreement

PUBLIC SERVICE COMPANY OF OKLAHOMA**P.O. BOX 201****TULSA, OKLAHOMA 74102-0201****PHONE: 1-888-216-3523****KIND OF SERVICE: ELECTRIC****ORIGINAL SHEET NO. 80-2****EFFECTIVE DATE 08/28/2018**

SCHEDULE: TAX CUT AND JOBS ACT OF 2017 ADJUSTMENT RIDER (EXCESS TAX RESERVE)

Supplemental Page**Excess Tax Reserve (ETR) Adjustment Factors****Public Service Company of Oklahoma**

ETR Adjustment Factors (% of Base Rate Charge)

<u>Period</u>	<u>Service Level 1</u>	<u>Service Level 2</u>	<u>Service Level 3</u>	<u>Service Level 4/5</u>	<u>Service Level 6</u>
Sep - Dec 2018	-9.645%	-9.645%	-9.645%	-9.645%	-9.645%
Jan - Dec 2019	-2.618%	-2.618%	-2.618%	-2.618%	-2.618%
Apr - Dec 2019	-5.234%	-5.234%	-5.234%	-5.234%	-5.234%

Rates Authorized by the Oklahoma Corporation Commission**Effective
August 28, 2018****Order Number
680821****Cause / Docket Number
PUD 201700572**

and Settlement Agreement

PUBLIC SERVICE COMPANY OF OKLAHOMA

P.O. BOX 201

TULSA, OKLAHOMA 74102-0201

PHONE: 1-888-216-3523

KIND OF SERVICE: ELECTRIC

6TH REVISED SHEET NO. 70 - 1

REPLACING 5TH REVISED SHEET NO. 70 - 1A

EFFECTIVE DATE XX/XX/2019

SCHEDULE: FUEL COST ADJUSTMENT RIDER (FCA)**AVAILABILITY**

This Rider is applicable to and becomes a part of each OCC jurisdictional rate schedule in which reference is made to Fuel Cost Adjustment (FCA).

FUEL COST ADJUSTMENT

The Fuel Cost Adjustment shall be calculated by multiplying the total billing kilowatt-hours (kWh) by the Service Level Fuel Cost Adjustment Factor for the current billing period. The Service Level Fuel Cost Adjustment Factor shall be determined on an annual basis and become effective with the October billing cycle in the following manner:

$$FA = \frac{FUEL\$}{S} + DEF\$$$

WHERE:

FA = The Service Level Fuel Cost Adjustment Factor (expressed in dollars per kWh) to be applied per kWh consumed.

DEF\$ = The service level prior month's balance sheet amount for the Unrecovered Fuel Cost divided by the service level annual retail kWh sales.

S = Retail service level kWh sales for the period adjusted for any directly assigned fuel kWh subject to the Fuel Cost Adjustment rider.

$$FUEL\$ = (SYSS\$ + PPE\$ - OSEC) \times ((S \times SLEF)/U) + ((GTD\$ + PPD\$ - REC\$) \times SLPDA)$$

WHERE:

SYSS\$ = The OCC allowable fuel expense for the period shall be the fuel expense properly recorded in the FERC Account 5010 and FERC Account 5470, along with environmental consumables expenses properly recorded in subaccounts of FERC Accounts 502, 509 and 548. This value will be adjusted to remove any fuel expense incurred to supply off-system sales.

Rates Authorized by the Oklahoma Corporation Commission

Effective	Order Number	Cause / Docket Number
April, 2019		PUD 201800097
February 28, 2017	672864	PUD 201700151
December 30, 2016	657877/658529	PUD 201500208
April 30, 2015	639314	PUD 201300217
January 31, 2011	581748	PUD 201000050

and Settlement Agreement

PUBLIC SERVICE COMPANY OF OKLAHOMA**P.O. BOX 201****TULSA, OKLAHOMA 74102-0201****PHONE: 1-888-216-3523****KIND OF SERVICE: ELECTRIC****6TH REVISED SHEET NO. 70 - 2****REPLACING 5TH REVISED SHEET NO. 70 - 2A****EFFECTIVE DATE XX/XX/2019****SCHEDULE: FUEL COST ADJUSTMENT RIDER (FCA)**

PPES = The energy cost of purchased power for the period shall be the energy-related purchased power expense properly recorded in FERC Account 5550. The purchased power energy cost shall also include the energy-related cost of power purchased from customers, cogeneration and small power production facilities, along with energy-related costs and credits associated with Southwest Power Pool Integrated Market (SPP IM) transactions as recorded in FERC Account 5550. This value will be adjusted to remove any energy-related purchased power costs incurred to supply off-system sales.

PPD\$ = The capacity cost of purchased power for the period shall be the capacity- or demand-related purchased power expense properly recorded in FERC Account 5550. The purchased power cost shall also include the capacity- or demand-related cost of power purchased from customers, cogeneration and small power production facilities, along with capacity- or demand-related costs and credits associated with SPP IM transactions as recorded in FERC Account 5550. This value will be adjusted to remove any capacity- or demand-related purchased power costs incurred to supply off-system sales.

REC\$ = Proceeds from the sales of Renewable Energy Credits.

OSEC = 90% of the margin from off-system sales of electricity and 75% of the margins from standby service.

S = Retail service level kWh sales for the period adjusted for any directly assigned fuel kWh.

U = Total system service level kWh sales at the generator by the Company for the period adjusted for any directly assigned fuel kWh. The OCC jurisdictional amount is defined as OCC jurisdictional kWh sales divided by total company sales exclusive of off-system sales (net system sales).

SLEF = The service level expansion factor from the most recent line loss study.

SLPDA = The service level production demand allocator from the most recent cost of service study.

GTD\$ = The gas transportation and agency expense plus other fixed fuel costs properly recorded in FERC Account 5010.

Rates Authorized by the Oklahoma Corporation Commission

Effective	Order Number	Cause / Docket Number
April, 2019		PUD 201800097
February 28, 2017	672864	PUD 201700151
December 30, 2016	657877/658529	PUD 201500208
April 30, 2015	639314	PUD 201300217
January 31, 2011	581748	PUD 201000050

and Settlement Agreement

PUBLIC SERVICE COMPANY OF OKLAHOMA**P.O. BOX 201****TULSA, OKLAHOMA 74102-0201****PHONE: 1-888-216-3523****KIND OF SERVICE: ELECTRIC****6TH REVISED SHEET NO. 70 - 3****REPLACING 5TH REVISED SHEET NO. 70 - 3A****EFFECTIVE DATE XX/XX/2019****SCHEDULE: FUEL COST ADJUSTMENT RIDER (FCA)****ANNUAL REDETERMINATION**

On or before September 1 of each year, the Company will submit to the Commission Staff, and all other parties who request the information and who abide by the approved confidentiality processes, the re-determined FCA factors for each service level to be effective the first billing cycle in October along with information supporting the calculation and expense underlying such re-determined factors. The Company will also facilitate a meeting with the interested parties of record in Cause No. PUD 201800097 to explain and answer questions regarding the Company's re-determined factors no later than 15 days before the proposed new rates are expected to be placed into effect.

SUCCESSOR ACCOUNTS AND SUBACCOUNTS

Successor accounts and subaccounts may be included as appropriate following advance notification to the Oklahoma Corporation Commission, Director of Public Utilities.

INTERIM ADJUSTMENT OF FUEL COST ADJUSTMENT FACTOR

In the event that the annual fuel cost adjustment factor over/under-recovered balance is \$50,000,000 or more on a cumulative basis, the Company or the Commission Staff may request approval of an interim adjustment to the annual FCA. The interim adjustment will be based on the remaining months of the rider applicable period in which the interim FCA is to be applied. The Company shall notify and provide information supporting proposed interim adjustments to the Commission Staff and the interested parties as set forth above no later than 21 days before such changes are expected to be placed into effect. The Director of the Public Utility Division shall review and approve or deny any requested interim FCA adjustments. If approved, the change will become effective with the first billing cycle of the month subsequent to the approval.

MONTHLY RATES

Service Level 1	Service Level 2	Service Level 3	Service Level 4/5/6
0.027053	0.029350	0.031861	0.036605

Rates Authorized by the Oklahoma Corporation Commission

Effective	Order Number	Cause / Docket Number
April, 2019		PUD 201800097
February 28, 2017	672864	PUD 201700151
December 30, 2016	657877/658529	PUD 201500208
April 30, 2015	639314	PUD 201300217
January 31, 2011	581748	PUD 201000050

Page 27 of 36
FILED
MAR 01 2019

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

COURT CLERK'S OFFICE - OKC
CORPORATION COMMISSION
OF OKLAHOMA

APPLICATION OF PUBLIC SERVICE COMPANY)
OF OKLAHOMA, AN OKLAHOMA)
CORPORATION, FOR AN ADJUSTMENT IN ITS)
RATES AND CHARGES AND THE ELECTRIC)
SERVICE RULES, REGULATIONS AND)
CONDITIONS OF SERVICE FOR ELECTRIC)
SERVICE IN THE STATE OF OKLAHOMA AND)
TO APPROVE A PERFORMANCED BASE RATE)
PROPOSAL)

CAUSE NO. PUD 201800097

**AMENDMENT TO JOINT STIPULATION AND SETTLEMENT AGREEMENT BY
WAL-MART STORES EAST, LP, AND SAM'S EAST, INC.**

Wal-Mart Stores East, LP, and Sam's East, Inc., hereby enter an amendment to
the Joint Stipulation And Settlement Agreement filed February 27, 2019, evidencing
their support of the agreement. See Attachment "A" hereto.

Respectfully submitted,

By



Rick D. Chamberlain

Oklahoma Bar Association No. 11255

State Bar of Texas No. 24081827

BEHRENS, WHEELER & CHAMBERLAIN

6 N.E. 63rd Street, Suite 400

Oklahoma City, OK 73105

Tel.: (405) 848-1014

Fax: (405) 848-3155

E-mail: rchamberlain@okenergylaw.com

ATTORNEY FOR INTERVENORS,
WAL-MART STORES EAST, LP,
AND SAM'S EAST, INC.

**AMENDMENT TO JOINT STIPULATION
AND SETTLEMENT AGREEMENT BY
WAL-MART STORES EAST, LP,
AND SAM'S EAST, INC.,
CAUSE NO. PUD 201800097**

CERTIFICATE OF SERVICE

I hereby certify that on the 1st day of March 2019, a true and correct copy of the foregoing instrument was served upon the following by means of the U.S. mail, postage prepaid, electronic mail and/or hand-delivery:

Public Service Company of Oklahoma

Joann S Worthington
jstevenson@aep.com
Jack P Fite
jfite@wcgflaw.com

OIEC

Thomas P Schroedter
tschroedter@hallestill.com

**U.S. Dept. of Defense/Federal
Executive Agencies**

Kyle J Smith
kyle.j.smith124.civ@mail.mil

Oneta Power, LLC

Cheryl A Vaught
cvaught@vcokc.com
Scot A Conner
sconner@vcokc.com
Jon Laasch
jonlaasch@yahoo.com

Oklahoma Attorney General

Jared B Haines
Jared.haines@oag.ok.gov
Chase Snodgrass
Chase.snodgrass@oag.ok.gov

AARP

Deborah R Thompson
dthompson@okenergyfirm.com

IBEW Local 1002

James R Moore
James.moore@moorelawok.com

Public Utility Division

Kenneth A Tillotson
k.tillotson@occemail.com
Michael Velez
m.velez@occemail.com



Cause No. PUD 201800097
Joint Stipulation and Settlement

Page 5 of 5

IOMA INDUSTRIAL ENERGY CONSUMERS



Thomas P. Schroedter
Hall, Estill, Hardwick, Gable, Golden & Nelson

WAL-MART STORES EAST, LP

By: 


Rick D. Chamberlain

SAM'S EAST, INC.

By: 

Rick D. Chamberlain

AARP

By: 

Deborah Thompson

ATTACHMENT "B"

I. PROCEDURAL HISTORY

1. On August 10, 2018, PSO filed a Notice of Intent to make an adjustment in its rates and charges and the electric service rules, regulations and conditions of service in the State of Oklahoma and to approve a performed base rate proposal.

2. On August 14, 2018, Jared B. Haines and A. Chase Snodgrass filed an Entry of Appearance on behalf of the Attorney General of the State of Oklahoma ("Attorney General").

3. On August 17, 2018, a Notice of Hearing for the Prehearing Conference was filed, setting the Prehearing Conference for hearing on September 6, 2018.

4. On September 6, 2018, the Prehearing Conference was continued by agreement of the parties to September 13, 2018.

5. Also on September 6, 2018, Thomas P. Schroedter filed an Entry of Appearance on behalf of Oklahoma Industrial Energy Consumers ("OIEC").

6. On September 13, 2018, the Prehearing Conference was continued by agreement of the parties to September 20, 2018.

7. On September 18, 2018, PSO filed a Motion for Protective Order along with a Notice of Hearing setting the Motion for Protective Order for hearing on September 27, 2018.

8. On September 20, 2018, the Prehearing Conference was continued by agreement of the parties to September 27, 2018.

9. On September 26, 2018, PSO filed the Direct Testimonies of Peggy I. Simmons, Steven L. Fate, William P. Zarakas, Randall W. Hamlett, John O. Aaron, Steven F. Baker, Scott A. Ritz, Adrien M. McKenzie, David A. Davis, David J. Wathen, Monte A. McMahon, Wayman L. Smith, C. Richard Ross, Brian J. Frantz and Earlyne Reynolds. PSO also filed Application Package (Schedules) Volume 1 of 1 as well as a Supplemental Package (Workpapers) Volumes 1 through 4.

10. On September 27, 2018, the Motion for Protective Order was heard and recommended. The Prehearing Conference was also heard and the Administrative Law Judge ("ALJ") took the matter under advisement.

11. On October 4, 2018, PSO filed the Application.

12. On October 5, 2018, Rick D. Chamberlain filed an Entry of Appearance on behalf of Wal-Mart Stores East, LP, and Sam's East, Inc. ("Wal-Mart").

13. On October 11, 2018, Deborah R. Thompson filed an Entry of Appearance on behalf of AARP.

14. On October 16, 2018, the Commission issued Order No. 684974, Order Granting Motion for Protective Order.

15. On October 17, 2018, PUD filed Public Utility Division's Response Regarding Applicant's Compliance with the Minimum Filing Requirements.

16. On November 7, 2018, the Commission issued Order No. 686214, Preliminary Order setting the schedule for the processing of this Cause, and also prescribing the notice requirements for this Cause.

17. On November 14, 2018, PSO filed an Errata to the Testimonies of Steven L. Fate, Scott A. Ritz and William P. Zarakas.

18. On December 12, 2018, PSO filed an Errata to the Testimonies of Steven L. Fate, Scott A. Ritz, Randall W. Hamlett and John O. Aaron.

19. On December 13, 2018, the United States Department of Defense and all Other Federal Executive Agencies ("DoD/FEA") filed an Entry of Appearance.

20. Also on December 13, 2018, DoD/FEA filed a Notice of Appearance of Local Counsel, Motion to Admit Out-of-State Attorney and for Waiver of Certain Requirements for Local Counsel along with a Notice of Hearing setting the Motion to Admit Out-of-State Attorney and for Waiver of Certain Requirements for Local Counsel for hearing on December 20, 2018.

21. On December 20, 2018, the Motion to Admit Out-of-State Attorney and for Waiver of Certain Requirements for Local Counsel was heard and recommended.

22. On December 31, 2018, a Motion to Intervene of International Brotherhood of Electrical Workers, Local 1002, AFL-CIO ("IBEW") was filed, along with a Notice of Hearing setting the Motion to Intervene of International Brotherhood of Electrical Workers, Local 1002, AFL-CIO for hearing on January 10, 2019.

23. Also on December 31, 2018, James R. Moore filed an Entry of Appearance on behalf of IBEW.

24. On January 2, 2019, the Attorney General, OIEC, Wal-Mart, DoD/FEA, AARP and PUD filed their respective Major Issues Lists.

25. Also on January 2, 2019, the DoD/FEA filed the United States Department of Defense and all Other Federal Executive Agencies' Notice of Filing Certificate of Compliance.

26. On January 4, 2019, Cheryl A. Vaught, Scot A. Conner and Jon W. Laasch filed an Entry of Appearance on behalf of Oneta Power, LLC ("Oneta").

27. On January 10, 2019, PSO filed the Summaries of Direct Testimonies of David J. Wathen, Wayman L. Smith, Peggy I. Simmons, C. Richard Ross, William P. Zarakas, John O. Aaron, Steven F. Baker, David A. Davis, Scott A. Ritz, Steven L. Fate, Adrien M. McKenzie, Monte A. McMahon, Randall W. Hamlett, Brian J. Frantz and Earlyne Reynolds.

28. Also on January 10, 2019, the Motion to Intervene of International Brotherhood of Electrical Workers, Local 1002, AFL-CIO was heard and recommended.

29. On January 11, 2019, the following documents were filed:

- a. Responsive Testimonies of Andrew Scribner, Chris Bertus, Elbert D. Thomas, Isaac D. Stroup, Jason Lawter, Kathy Champion, Linh N. Pham, McKlein Aguirre, MaryDoris Casey, Matthew J. Patton, Kiran Patel, Geoffrey M. Rush and David Melvin for PUD; and PUD's Revenue Requirement Prepared by Zachary Quintero;
- b. Responsive Testimonies of Mark E. Garrett and Scott Norwood for OIEC;
- c. Responsive Testimonies of David C. Parcell and David J. Garrett for OIEC and Wal-Mart; and
- d. Responsive Testimonies of William W. Dunkel, Marlon F. Griffing, Ph.D., Edwin C. Farrar, Todd F., Bohrmann and James B. Alexander for the Attorney General.

30. On January 15, 2019, the Commission issued Order No. 689722, Order Granting Motion to Admit Out-of-State Attorney and for Waiver of Certain Requirements for Local Counsel.

31. Also on January 15, 2019, the following documents were filed:

- a. Summaries of Testimony of Matthew J. Patton, MaryDoris Casey, McKlein Aguirre, Linh N. Pham, Kiran Patel, Kathy Champion, Jason Lawter, Isaac D. Stroup, Geoffrey M. Rush, Elbert D. Thomas, David Melvin, Chris Bertus and Andrew Scribner for PUD;
- b. Responsive Testimony Summary (Revenue Requirement) of David J. Garrett and Responsive Testimony Summary of David C. Parcell for OIEC and Wal-Mart;
- c. Summaries of Responsive Testimony (Revenue Requirement) of Mark E. Garrett and Scott Norwood for OIEC;
- d. Summaries of Responsive Testimony of Todd F. Bohrmann and James B. Alexander Regarding Revenue Requirement Issues for the Attorney General; and
- e. Summaries of Responsive Testimony of Marlon F. Griffing, Ph.D., William W. Dunkel and Edwin C. Farrar for the Attorney General.

32. On January 18, 2019, Responsive Testimony of Ron Nelson Regarding Rate Design and Formula Rates for AARP; Responsive Testimonies for Rate Design of Mark E. Garrett and Scott Norwood for OIEC; Cost of Service and Rate Design Responsive Testimony of

Kathy Champion and Responsive Testimonies of Zachary Quintero and Jason C. Chaplin for PUD; Responsive Rate Design Testimony and Exhibits of Gregory W. Tillman for Wal-Mart; and Rate Design Testimonies of James B. Alexander and Todd F. Bohrmann for the Attorney General were filed.

33. On January 22, 2019, DoD/FEA and IBEW filed their respective Statements of Position.

34. On January 23, 2019, the following documents were filed:

- a. Summaries of Responsive Testimony of Scott Norwood and Mark E. Garrett for OIEC;
- b. Summary of Responsive Rate Design Testimony and Exhibits of Gregory W. Tillman for Wal-Mart;
- c. Summary of the Responsive Testimony of Ron Nelson on behalf of AARP Regarding Rate Design and Formula Rates;
- d. Summary of Responsive Testimony of Todd F. Bohrmann Regarding Rate Design Issues for the Attorney General;
- e. Errata to the Responsive Testimony of Marlon F. Griffing, Ph.D. for the Attorney General;
- f. Summary of the Responsive Testimony of James B. Alexander Regarding Rate Design Issues for the Attorney General; and
- g. Statement of Position for Oneta.

35. On January 24, 2019, Summary Testimonies of Zachary Quintero and Jason C. Chaplin and the Cost of Service and Rate Design Summary Testimony of Kathy Champion for PUD were filed.

36. Also on January 24, 2019, a Motion to Associate Counsel for Gerardo Noel Huerta on behalf of PSO was filed along with a Notice of Hearing setting the Motion to Associate Counsel for hearing on January 31, 2019.

37. On January 28, 2019, James B. Moore on behalf of IBEW filed a Notice of Change of Address.

38. On January 29, 2019, PSO filed a Motion to Associate Counsel for William O. Coe, along with a Notice of Hearing setting the Motion to Associate Counsel for hearing on February 7, 2019.

39. On January 31, 2019, PSO filed an Amended Notice of Hearing setting the Motion to Associate Counsel for William O. Coe for hearing on January 31, 2019.

40. Also on January 31, 2019, the Commission issued Order No. 690633, Order Granting Motion to Intervene of International Brotherhood of Electrical Workers, Local 1002, AFL-CIO.

41. Also on January 31, 2019, the Motion to Associate Counsel regarding Gerardo Noel Huerta and the Motion to Associate Counsel regarding William O. Coe were heard and recommended.

42. On February 8, 2019, the following documents were filed:

- a. Rebuttal Testimony of Mark E. Garrett on behalf of OIEC;
- b. Supplemental and Rebuttal Testimony of Chris Bertus for PUD;
- c. Rebuttal Testimonies of Zachary Quintero, Andrew Scribner, Geoffrey M. Rush, MaryDoris Casey and Jason C. Chaplin for PUD; and
- d. Rebuttal Testimonies of Janet P. Smith, John O. Aaron, Steven F. Baker, Scott A. Ritz, Matthew A. Horeled, William P. Zarakas, Peggy I. Simmons, Adrien M. McKenzie, David A. Davis, Wayman L. Smith, Monte A. McMahon, David J. Wathen, Chad M. Burnett, A. Naim Hakimi, Brian J. Frantz, C. Richard Ross, Randall W. Hamlett and Earlyne Reynolds for PSO.

43. On February 12, 2019, the following documents were filed:

- a. Rebuttal Summary Testimonies of Zachary Quintero, MaryDoris Casey, Jason C. Chaplin, Geoffrey M. Rush, Chris Bertus and Andrew Scribner for PUD;
- b. Summary of Rebuttal Testimonies of Janet P. Smith, Randall W. Hamlett, A. Naim Hakimi, Brian J. Frantz, Earlyne Reynolds, David A. Davis, Steven F. Baker, John O. Aaron, Chad M. Burnett, William P. Zarakas, David J. Wathen, Wayman L. Smith, Peggy I. Simmons, C. Richard Ross, Scott A. Ritz, Monte A. McMahon, Adrien M. McKenzie and Matthew A. Horeled; and
- c. Summary Rebuttal Testimony of Mark E. Garrett for OIEC.

44. On February 13, 2019, Public Comments were filed.

45. On February 14, 2019, the Commission issued Order No. 691376, Order Granting Motion to Associate Counsel regarding William O. Coe and Order No. 691377, Order Granting Motion to Associate Counsel regarding Gerardo Noel Huerta.

46. On February 15, 2019, Proof of Publication and Customer Notice was filed by PSO.

47. On February 22, 2019, Public Comments were filed.

48. On February 25, 2019, All Parties Issues List was filed.

49. On February 27, 2019, a Joint Stipulation and Settlement Agreement was filed.

50. On February 28, 2019, the Prehearing Conference was heard and recommended.

51. Also on March 1, 2019, the Testimony in Support of Joint Stipulation and Settlement Agreement of Matthew A. Horeled on behalf of PSO was filed.

52. On March 4, 2019, this Cause came on for Hearing on the Merits before the ALJ, and the ALJ recommended the Joint Stipulation and Settlement Agreement.

PUBLIC SERVICE COMPANY OF OKLAHOMA
Settlement Revenue Distribution

Attachment "C"

Customer Group	PRESENT			SETTLEMENT				Total Revenue	Total Revenue Difference	Total % Difference
	Base Revenue w/Spec Contr	Fuel & Rider Revenue	Total Revenue	Base Rate Increase \$	Base Rate Increase %	ETR Acceleration \$	ETR Acceleration %			
Residential										
LURS	\$ 1,555,632	\$ 561,832	\$ 2,117,465	\$ 107,894	6.94%	\$ (45,947)	-2.95%	\$ 2,179,412	\$ 61,948	2.93%
RS	336,902,336	251,880,465	588,782,801	23,366,584	6.94%	(9,950,609)	-2.95%	602,198,776	13,415,975	2.28%
RS TOD	15,320,988	12,010,858	27,331,846	1,062,620	6.94%	(452,514)	-2.95%	27,941,952	610,106	2.23%
Total RS	\$ 353,778,957	\$ 264,453,155	\$ 618,232,112	\$ 24,537,098	6.94%	\$ (10,449,070)	-2.95%	\$ 632,320,140	\$ 14,088,028	2.28%
Commercial										
LUGS	\$ 53,776,417	\$ 48,297,260	\$ 102,073,677	\$ 3,729,779	6.94%	\$ (1,588,318)	-2.95%	\$ 104,215,138	\$ 2,141,461	2.10%
GS	107,783,944	123,884,171	231,668,115	7,475,587	6.94%	(3,183,462)	-2.95%	235,960,239	4,292,124	1.85%
PL	39,292,925	60,938,052	100,230,977	2,725,245	6.94%	(1,160,540)	-2.95%	101,795,683	1,564,705	1.56%
Primary ND	831,931	837,869	1,669,799	57,700	6.94%	(24,572)	-2.95%	1,702,928	33,129	1.98%
MS	464,538	639,582	1,104,120	32,219	6.94%	(13,720)	-2.95%	1,122,618	18,499	1.68%
MP	271,934	484,070	756,004	18,861	6.94%	(8,032)	-2.95%	766,833	10,829	1.43%
Commercial Total	\$ 202,421,688	\$ 235,081,004	\$ 437,502,693	\$ 14,039,390	6.94%	\$ (5,978,644)	-2.95%	\$ 445,563,439	\$ 8,060,747	1.84%
Lighting										
GSL	\$ 18,363	\$ 15,239	\$ 33,601	\$ 1,274	6.94%	\$ (542)	-2.95%	\$ 34,333	\$ 731	2.18%
OL	689,392	745,619	1,435,010	47,814	6.94%	(20,362)	-2.95%	1,462,463	27,453	1.91%
SL / NR	11,122,884	2,902,243	14,025,127	771,451	6.94%	(328,521)	-2.95%	14,468,057	442,931	3.16%
MSL	1,943,602	1,819,444	3,763,046	134,803	6.94%	(57,405)	-2.95%	3,840,443	77,397	2.06%
TS	84,811	69,249	154,060	5,882	6.94%	(2,505)	-2.95%	157,437	3,377	2.19%
Total Lighting	\$ 13,859,051	\$ 5,551,793	\$ 19,410,844	\$ 961,224	6.94%	\$ (409,335)	-2.95%	\$ 19,962,733	\$ 551,889	2.84%
Industrial										
LPL 3 Total	\$ 45,739,001	\$ 86,786,422	\$ 132,525,422	\$ 3,172,327	6.94%	\$ (1,350,928)	-2.95%	\$ 134,346,820	\$ 1,821,398	1.37%
LPL 2 Total	37,464,186	90,398,117	127,862,303	2,598,409	6.94%	(1,106,527)	-2.95%	129,354,185	1,491,882	1.17%
LPL 1 Total	9,970,877	27,422,944	37,393,821	691,552	6.94%	(294,496)	-2.95%	37,790,877	397,056	1.06%
Total Industrial	\$ 93,174,064	\$ 204,607,483	\$ 297,781,546	\$ 6,462,287	6.94%	\$ (2,751,951)	-2.95%	\$ 301,491,882	\$ 3,710,336	1.25%
Total Retail	\$ 663,233,760	\$ 709,693,435	\$ 1,372,927,195	\$ 46,000,000	6.94%	\$ (19,589,000)	-2.95%	\$ 1,399,338,195	\$ 26,411,000	1.92%