

The Daily Ardmoreite

117 West Broadway
Ardmore, OK 7340
(580) 223-2200

FILED
JUN 24 2009

State of Oklahoma

COURT CLERK'S OFFICE - OKC
CORPORATION COMMISSION
OF OKLAHOMA

NO. 16090
BEFORE THE
CORPORATION
COMMISSION OF THE
STATE OF
OKLAHOMA
IN THE MATTER OF)
THE APPLICATION OF)
OKLAHOMA GAS AND)
ELECTRIC COMPANY)
FOR AN ORDER OF)
THE COMMISSION)
AUTHORIZING)
APPLICANT TO)
MODIFY ITS RATES,)
CHARGES, AND)
TARIFFS FOR RETAIL)
ELECTRIC SERVICE)
IN OKLAHOMA)

CAUSE NO. PUD
200800398

NOTICE OF HEARING

NOTICE IS HEREBY GIVEN that Oklahoma Gas and Electric Company ("OG&E" or "Company") has filed an Application in this cause seeking to increase its rates and charges for retail electric service to Oklahoma jurisdiction customers and seeking approval of the Commission for the filing of appropriate tariffs reflecting such increases in rates. OG&E notified the Commission of its intent to file an Application seeking to change its rates and charges on December 12, 2008, pursuant to OAC 165:70-3-7, and thereafter, on February 27, 2009, the Company filed its Application and supporting documentation in compliance with the Commission's Minimum Standard Filing Requirements, OAC 165:70. In its Application OG&E proposes:

I, ARLENE AUSTIN, of lawful age, being duly sworn upon oath, deposed and says: That I am the Clerk of the Daily Ardmoreite, a daily newspaper printed and published in the City of Ardmore, County of Carter, and State of Oklahoma, and that the advertisement referred to, a true and printed copy is hereunto attached, was published in said Daily Ardmoreite in consecutive issues on the following dates to wit:

- 1st insertion 06/16/09
- 2nd insertion 06/23/09
- 3rd insertion
- 4th insertion

That said newspaper has been published continuously and uninterruptedly in said county during a period of one-hundred and four consecutive weeks prior to the publication of the attached notice or advertisement; that it has been admitted to the United States mail as publication (second-class) mail matter, that it has a general paid circulation, and publishes news of general interest, and otherwise conforms with all of the statutes of the State of Oklahoma governing legal publication.

Legal # 16090 CASE PUD200800398,

Publication Fee \$507.34

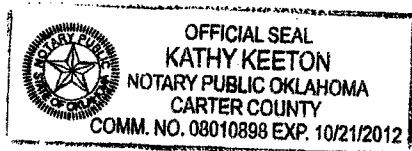
Arleen Austin, Authorized Agent

SUBSCRIBED and sworn to before me this 23rd

day of JUNE, 2009.

Commission #08010898 Expires 10/21/2012

Kathy Keeton



1. to implement a general rate increase of \$110,325,328 effective in the month of September, 2009;
2. to include approximately \$1.6 billion in OG&E rate base for capital investments made since rates were last reviewed and approved based on a 2004 test year;
3. to recognize O&M expenses that have increased since rates were last reviewed and approved based on a 2004 test year;
4. to recognize all known and measurable changes;
5. to terminate the previously approved riders for the Redbud generating facility (approved in Order No. 559892 in Cause No. PUD 200800086) and the Centennial Wind Farm (approved in Order No. 524078 in Cause Nos. PUD 200500059 and 200500177) and include such costs in base rates;
6. to move all current costs contained within the Security Rider (which was originally approved in Order No. 499043 in Cause No. PUD 200200168) into base rates while preserving the Security Rider for recovery of future security costs;
7. to modify the Cogeneration Credit Rider;
8. to terminate the Chain Account Aggregation Rider;
9. to terminate OG&E's Performance Award for Curtailed Energy rider ("PACE"), Curtail-

- Centennial wind Farm (approved in Order No. 524078 in Cause Nos. PUD 200500059 and 200500177) and include such costs in base rates;
6. to move all current costs contained within the Security Rider (which was originally approved in Order No. 499043 in Cause No. PUD 200200168) into base rates while preserving the Security Rider for recovery of future security costs;
 7. to modify the Co-generation Credit Rider;
 8. to terminate the Chain Account Aggregation Rider;
 9. to terminate OG&E's Performance Award for Curtailed Energy rider ("PACE"), Curtailment Rider ("CR") and Interruptible Rider ("IR") and replace these three riders with a Load Reduction rider;
 10. to establish a test year ending September 30, 2008, with pro forma adjustments;
 11. to implement a SmartPower recovery rider to recover costs associated with OG&E's SmartPower deployment in Norman, Oklahoma;
 12. to seek waiver of OAC 165:35-21-21(3) to allow for remote disconnection of service for advanced meters used in SmartPower deployment;
 13. to seek certain changes to OG&E's terms and conditions of service, including but not limited to, changes necessary to allow pre-paid billing, remote connect/disconnect, and paperless billing;
 14. to seek changes to existing rate tariffs, including but not limited to:
 - a. modifying the Residential customer charges, kWh block structures, and energy prices;
 - b. increasing the discount for residential customers who qualify for the LIHEAP rider and also renaming the LIHEAP rider the Low Income Assistance Program ("LIAP") rider;
 - c. modifying the Company's Time-of-Use ("TOU") tariffs, including adjustment of embedded fuel by time period;
 - d. modifying the General Service customer charges, the peak season kWh price, and kWh block prices;
 - e. modifying the Oil and Gas Producers ("OGP") rate tariff;
 - f. modifying the Public Schools - Non-Demand ("PS-ND") and Public Schools-Demand ("PS-D") rate tariffs;
 - g. terminating the Oil and Gas Producers Levelized ("OGP-LEV"),

35-21-21(3) to allow for remote disconnection of service for advanced meters used in SmartPower deployment;

13. to seek certain changes to OG&E's terms and conditions of service, including but not limited to, changes necessary to allow pre-paid billing, remote connect/disconnect, and paperless billing;

14. to seek changes to existing rate tariffs, including but not limited to:

a. modifying the Residential customer charges, kWh block structures, and energy prices;

b. increasing the discount for residential customers who qualify for the LIHEAP rider and also renaming the LIHEAP rider the Low Income Assistance Program ("LIAP") rider;

c. modifying the Company's Time-of-Use ("TOU") tariffs, including adjustment of embedded fuel by time period;

d. modifying the General Service customer charges, the peak season kWh price, and kWh block prices;

e. modifying the Oil and Gas Producers ("OGP") rate tariff;

f. modifying the Public Schools - Non-Demand ("PS-ND") and Public Schools-Demand ("PS-D") rate tariffs;

g. terminating the Oil and Gas Producers Levelized ("OGP-LEV"),

Public Schools-Non-Demand Compressed

Time-of-Use ("PS-ND-C-TOU"),

Public Schools-Demand

Compressed

Time-of-Use ("PS-D-C-TOU");

Power and Light

Oil and Gas Producers ("PL-OGP"),

Power and Light Levelized Demand ("PL-LEV"), and

Large Power and Light Levelized

Demand ("LPL-LEV") rate

tariffs;

h. modifying the Municipal Water Pumping ("PM") rate tariffs;

i. modifying Large Power and Light ("LPL") rate tariffs;

j. modifying the Power & Light ("PL") tariff;

k. increasing the power factor for

LPL TOU, PL, PL TOU, PS-D, and

PS-D-TOU customers from 80

percent to 90 percent;

l. modifying Municipal Roadway

and Area Lighting ("LM") and Outdoor

Security Lighting ("OSL") rate tariffs;

m. modifying

QF-1 and QF-2

power factor for LPL TOU, PL, PL TOU, PS-D, and PS-D-TOU customers from 80 percent to 90 percent;

l. modifying Municipal Roadway and Area Lighting ("LM") and Outdoor Security Lighting ("OSL") rate tariffs;

m. modifying QF-1 and QF-2 rate tariffs;

n. modifying the Day-Ahead Pricing ("DAP") program;

15. to seek approval of a new normalized 1CP average and excess production demand allocator;

16. to seek approval of a new weather normalization methodology;

17. to seek approval of the proposed "zero intercept" study; and

18. to establish two Variable Peak Pricing tariffs (one for residential customers and one for general service customers) to be used in OG&E's SmartPower deployment in Norman, Oklahoma.

NOTICE IS FURTHER GIVEN that, irrespective of the relief prayed for by OG&E in its Application, the Commission in this proceeding shall not be limited to matters described in said Application, but may inquire into all matters within the jurisdiction of the Commission involving the rates, services, practices, earnings and charges of OG&E and shall exercise its right to make any and all adjustments in and restructuring of rates, classifications and charges deemed appropriate by it, and in that connection shall not be limited to any method or means of effecting the same, but shall prescribe such rates and charges as may be just and proper and reasonable under the evidence and circumstances.

NOTICE IS FURTHER GIVEN that all interested persons may appear and be heard and the Commission shall, after hearing, issue such orders and grant such relief as it deems fair, reasonable, necessary, proper and equitable in the premises, whether or not specifically requested in the Application.

NOTICE IS FURTHER GIVEN that the hearing on the merits shall be heard before the Commission *en banc*, with a Referee. The hearing shall commence on July 22, 2009, at 9:30 am and continue each business day thereafter until the record is closed. The hearing shall be conducted each business day between 9:30 am and 5:30 pm, unless otherwise directed by the Commission. The hearing will be held in Room 301 located on the third (3rd) floor of the Jim Thorpe Office Building, unless otherwise directed by the Commission.

NOTICE IS FURTHER GIVEN that this Notice of Hearing shall be given, at OG&E's expense, by publishing this Notice of Hearing for the hearing on the merits of

the third (3rd) floor of the Jim Thorpe Office Building, unless otherwise directed by the Commission.

NOTICE IS FURTHER GIVEN that this Notice of Hearing shall be given, at OG&E's expense, by publishing this Notice of Hearing for the hearing on the merits of this proceeding in two newspapers of general circulation within the State of Oklahoma (*The Oklahoman* and the *Tulsa World*) and in newspapers of general circulation once each week for two (2) consecutive weeks with the first publication being at least fifteen (15) days prior to the hearing on the merits in the following Oklahoma counties in which OG&E has customers: Alfalfa, Bryan, Dewey, Ellis, Grant, Jefferson, Johnston, Love, Major, Marshall, Woods and Woodward. This Notice of Hearing shall further be given by regular or personal service at least fifteen (15) days prior to the hearing, to all parties of record including the Attorney General of the State of Oklahoma. Notice of this hearing shall be given to all Oklahoma retail customers of OG&E by using a customer bill insert beginning the week of June 4, 2009, with the last mailing to complete a billing cycle to occur on or about July 4, 2009. Said notice shall contain the date and time of the hearing, and a statement that all interested persons may appear at the hearing and make public comment. Proofs of Publication and mailing shall be submitted for the record herein.

NOTICE IS FURTHER GIVEN that for further information concerning this action, contact William J. Bullard, Patrick D. Shore or Kimber L. Shoop, 321 North Harvey, P.O. Box 321, Oklahoma City, Oklahoma 73101, phone 405-553-3182, attorneys for Oklahoma Gas and Electric Company, or James L. Myles, Deputy General Counsel for the Oklahoma Corporation Commission, P.O. Box 52000, Oklahoma City, Oklahoma 73152-2000, phone 405-521-2308, attorney for the Staff of the Public Utility Division of the Oklahoma Corporation Commission.

OKLAHOMA
CORPORATION
COMMISSION
BOB ANTHONY,
Chairman
JEFF CLOUD,
Vice-Chairman
DANA L. MURPHY,
Commissioner
DONE AND PER-
FORMED ON THIS
29TH DAY OF MAY,
2009
BY ORDER OF THE
COMMISSION:
PEGGY MITCHELL,
Commission Secretary
(Published in
The Ardmoreite
June 16 & 23, 2009)