

STANDARD PRICING SCHEDULE: FCA
RIDER FOR FUEL COST ADJUSTMENT

STATE OF OKLAHOMA

EFFECTIVE IN: All territory served.

APPLICABILITY: This rider is applicable to and becomes a part of each Oklahoma retail rate schedule unless specifically excluded. The rider applicable period is each calendar year.

FUEL COST ADJUSTMENT: The monthly bill as calculated under the stated rates shall be increased or decreased for each kilowatt-hour (kWh) consumed by an amount computed in accordance with the following formula:

$$FCA = \frac{(FC + TUA)}{S} - B$$

- Where:
- FCA = The service level adjustment per kWh sold.
 - FC = The service level annualized cost of fuel which may reflect the applicable seasonal cost differences. The cost shall be the Oklahoma retail share of fuel and purchased power expense excluding Powersmith and AES capacity and O&M charges.
 - TUA = True-up adjustment for the prior historical cost period.
 - B = The base cost of fuel per kWh.
 - S = The service level annualized Oklahoma retail kWh sales subject to the Fuel Cost Adjustment.

Where:

$$FC = (VFC \times SLEAF) + (FFC \times SLPA) + OJC$$

VFC = The variable fuel costs of fuel and purchased power costs in accounts 501, 547 and 555.

SLEAF = Service level energy allocation factor calculated by dividing the service level kWh sales with losses by the total system sales with losses (losses are calculated based on the latest loss study).

Rates Authorized by the Oklahoma Corporation Commission:
(Effective) (Order No.) (Cause/Docket No.)
August 3, 2009 569281 PUD 200800398

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FFC = Fixed fuel costs including gas transportation, gas storage, and other coal and gas costs.

SLPA = Service level production allocator from last test year cost of service study.

OJC = Oklahoma jurisdiction costs that are to be collected from only the Oklahoma customers, such as cogeneration capacity, energy, and variable O&M. These costs also consist of free service, price response credits, fuel and energy portion of uncollectible accounts and wind purchased power costs. These variable or fixed costs, except for the fuel and energy portion of uncollectible accounts, will be allocated to service levels using the SLEAF or the SLPA allocators (rebased to one hundred percent). These costs exclude AES and Powersmith capacity and O&M included in base rates. Cost recovery for uncollectible accounts shall be allocated to the service level of the customer causing the charge off.

This annual service level cost per kWh (FC/S) may be adjusted periodically but not more frequently than quarterly when the Company determines that its cost levels have changed and are expected to remain at the new level for the foreseeable future, or the monthly over-or-under collected amounts for the rider applicable period have become greater than five percent of the annual Oklahoma jurisdictional fuel cost (FC). This interim adjustment amount may include the monthly over-or-under collected amounts (differences between the fuel collected in tariffs and the actual fuel expense incurred) that have occurred in the rider applicable period. The FC and S components will be based on the remaining months of the rider applicable period in which the interim FCA is to be applied. The Commission Staff shall be notified prior to any change.

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Then:

TUA = True-up adjustment is the sum of each service level monthly over-or-under collected amounts (MOU) for the prior historical cost period.

Where:

$$\text{MOU} = [\text{MFC} - (\text{MFR} - \text{PTU})] * [1 + (\text{CCR} * (20 - \text{J}/12))]$$

MFC = The monthly service level fuel cost (FC) as calculated above.

MFR = Monthly service level fuel revenue collected under the base rate plus the FCA.

PTU = The prior period true-up adjustment which is one twelfth of the TUA from the prior historical cost period.

CCR = The carrying charge rate which is the current Oklahoma Corporation Commission approved interest rate for customer deposits held one year or less.

J = The month of the historical cost period. (November is 1 through October which is 12)

The historical cost period is the twelve months ending October of each year immediately preceding the filing year.

The interest on the Deferred Fuel Balance (Ending (Over)/Under Balance) at the end of October 2005 will be incorporated into the TUA for the calculation of the FCA effective January 2006 (per Cause No. 200500151, Order 516261, page 88).

Day-Ahead Pricing: The Fuel Cost Adjustment factor will not apply to the Day-Ahead Pricing (DAP) customer kWh sales above Customer Baseline Loads. All DAP kWh sales above Customer Baseline Load and associated fuel costs will be excluded from the Fuel Cost Adjustment calculations above.

Off System Sales Of Electricity: The cost of fuel and the associated kWh with non-jurisdictionally allocated firm sales and spot-market off-system sales of electricity will be excluded from the Fuel Cost Adjustment calculations.

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