

STANDARD PRICING SCHEDULE: LR
LOAD REDUCTION RIDER

STATE OF OKLAHOMA

This is a rider to the OG&E standard rate schedules. All provisions of those standard rate schedules apply, except as otherwise amended by this rider. The Company, at its sole discretion, may call for curtailment for any operating or economic purpose. The use is not limited to emergency conditions.

This rider becomes effective on January 1, 2010 and applies to the contract period beginning April 1, 2010. The rider shall remain in effect until canceled or modified by order.

AVAILABILITY: This rider is available upon application by the customer and acceptance by the Company to all customers served under a standard rate schedule with an annual on-peak period maximum demand of 200 kW or above. This rider is available to eligible customers in conjunction with the Day-Ahead Pricing Tariff (DAP) subject to special conditions, as defined within the DAP tariff. This rider shall not apply if a service interruption resulting from system-emergency operating conditions should occur. No resale, breakdown, auxiliary or supplementary service permitted, without approval from the Company.

This rider is available subject to the availability of interval metering equipment at the customer site.

ENROLLMENT PERIOD: The enrollment period will begin on January 1st and end on March 31st each year. In order to participate, the Customer and Company must execute an agreement, including declaration of the customer's Subscribed Curtailment Load, selected notification period and curtailment hours. This agreement must be executed during the enlistment period. The Company will post the monthly subscription prices in effect for the contract period prior to the beginning of the enrollment period. The Company reserves the right to limit the number of subscribed customers or amount of subscribed curtailment load. All such limits will be communicated prior to the beginning of the enrollment period.

SUBSCRIPTION PERIOD: The Contract Period will be a one-year period beginning April 1 and ending March 31 of the succeeding year. The Company may call for the curtailment of any enrolled customer's load at any time during the annual Contract Period.

ON-PEAK PERIOD: The on-peak period is June through September, excluding Saturday, Sunday, observed holidays: Independence Day, Labor Day.

CREDITS: Customers enrolled in this tariff will receive billing credits based on their Subscribed Curtailment Load (Subscription Credits) and load reduction (Performance Credits) during Company called curtailment events.

1. **Subscription Credits:** Subscription Credits will be applied to the customer's bill during the summer season months of June through September. The credit will be based on the

Rates Authorized by the Oklahoma Corporation Commission:
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JUL 30 2009

DIRECTOR OF
PUBLIC UTILITIES

STANDARD PRICING SCHEDULE: LR
LOAD REDUCTION RIDER

STATE OF OKLAHOMA

customer Subscribed Curtailment Load and the monthly Subscription Prices posted by the company prior to the enrollment period.

2. **Performance Credits:** Performance Credits will be applied to the customer's bill during the billing period in which a curtailment is called by the Company. The credit will be calculated based on the difference of the baseline energy and actual measured energy during each hour of the curtailment event multiplied by the Curtailment Price communicated to the customer in conjunction with the curtailment notification. Minimum Curtailment Prices are posted prior to the enrollment period.

DETERMINATION OF SUBSCRIPTION CREDITS: The monthly subscription credits will be calculated and applied to each of the bills from June – September as follows:

$$SC = Load_s * MSP * NPF * CHF * CPF * LAF$$

Where

SC = Subscription Credit

Load_s = Customer specified Subscribed Curtailment Load.

MSP = Monthly Subscription Price per KW.

NPF = Notification Period Factor.

If time = 4 Hours then NPF = 1.0

If time = 30 Minutes then NPF = 1.1

CHF = Curtailment Hours Factor.

If Hours = 120 then CHF = 1.0

If Hours = 240 then CHF = 1.25

CPF = Customer Performance Factor.

If Customer is First Year then CPF = 1.0

If Customer is Continuing then CPF = 1.1

If Customer is Direct Load Control then CPF = 1.3

LAF = Applicable service level loss adjustment factor. Approved loss adjustment factor for the customer's service level.

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JUL 30 2009

DIRECTOR OF
PUBLIC UTILITIES

STANDARD PRICING SCHEDULE: LR
LOAD REDUCTION RIDER

STATE OF OKLAHOMA

Designation as Direct Load Control is determined by the Company and is subject to the following guidelines:

- The Customer must have a demonstrated load curtailment capability (subscribed curtailment load) of at least 5,000 KW or greater.
- The Customer must have a maximum on-peak period demand of 5,000 KW or greater.
- Customer must provide, at the customer's expense, an agreed upon method of direct control to the Company, available at a Company facility or other agreed upon location, to directly reduce the customer's load by the subscribed curtailment load.
- The Customer must agree to the 30-minute notification window and the curtailment limit of 120 Hours. The corresponding notification time factor (NTF) and curtailment hours factor (CHF) will apply in the determination of the Subscription Credit.

DETERMINATION OF PERFORMANCE CREDITS: The Performance Credit will be calculated and applied to the Customer's bill for the billing period in which a curtailment is called. The Performance Credit is calculated as follows for each curtailment event.

$$PC = \sum_{\text{hour}} (kWh_{\text{base}} - kWh_{\text{actual}}) * Price_{\text{curtailment}} * LAF$$

Where

PC = Performance Credit, expressed as a credit. If, for any curtailment event, the above calculation results in a negative value (charge), the PC will be \$0.00.

kWh_{base} = Baseline kWh for each hour (or portion of an hour) that the curtailment is called.

kWh_{actual} = Actual kWh for each hour (or portion of an hour) that the curtailment is called.

Price_{curtailment} = Curtailment Price for the event.

LAF = Applicable Service Level Loss Adjustment Factor.

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August 3, 2009 569281 PUD 200800398

APPROVED
Public Utilities Division Stamp

JUL 30 2009

DIRECTOR OF
PUBLIC UTILITIES

STANDARD PRICING SCHEDULE: LR
LOAD REDUCTION RIDER

STATE OF OKLAHOMA

Baseline kWh: The baseline kWh is calculated as the average kWh in each of the same hours (or portion of hours) from the previous five work days excluding Saturday, Sunday, previous curtailment periods, and the following Company observed holidays: New Years Day, Martin Luther King Day, Presidents Day, Memorial Day, Independence Day, Labor Day, Veterans' Day, Thanksgiving (Thursday and Friday), and Christmas (including Christmas Eve Day). Under certain circumstances, a customer's specific operations may require an alternate time period for the determination of the average kWh to be used in the determination of the baseline kWh. The Company will assess these circumstances on a case by case basis.

Actual kWh: The actual kWh metered during each hour (or portion of an hour) during the curtailment event.

Curtailment Price: The Curtailment Price (stated in cents per kWh) for each curtailment event will be communicated to the customer at the time the notification of the event is provided to the customer. The Curtailment Price will reflect current system and Power Pool conditions and will be equal to or greater than the Minimum Curtailment Price.

The Minimum Curtailment Price for a contract period will be published prior to the beginning of the enrollment period.

BUY-THROUGH CHARGE: In the event that a customer, with a subscribed curtailment load greater than 0 kW, fails to provide a reduction of Subscribed Curtailment Load during any interval of a curtailment event, the customer will be assessed a Buy-Through Charge based on the portion of the Subscribed Curtailment Load not reduced during each hour (or portion of an hour) of the curtailment period. Customers that have elected a Subscribed Curtailment Load of 0 KW will not be subject to the Buy-Through Charge. Customers that have met their curtailment obligation (selected curtailment hours) will not be subject to the Buy-Through Charge for any hours in which a curtailment event is called beyond the elected curtailment hours.

DETERMINATION OF BUY-THROUGH CHARGES: The Buy-Through Charges are calculated and assessed on the customer's bill for the billing period in which the curtailment is called as follows:

$$BTC = \sum_{\text{hour}} kWh_{\text{Buy-Through}} * Price_{\text{Curtailment}} * 2.0 * LAF$$

Where

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August 3, 2009 569281 PUD 200800398

APPROVED
Public Utilities Division Stamp

JUL 30 2009

DIRECTOR OF
PUBLIC UTILITIES

STANDARD PRICING SCHEDULE: LR
LOAD REDUCTION RIDER

STATE OF OKLAHOMA

BTC = Buy-Through Charge expressed as a charge.

$kWh_{\text{Buy-Through}}$ = Buy-Through kWh.

The Buy-Through kWh value is calculated in the following manner:

If $(kWh_{\text{base}} - kWh_{\text{actual}}) < Load_s$ then

$$kWh_{\text{Buy-Through}} = Load_s - (kWh_{\text{base}} - kWh_{\text{actual}})$$

If $(kWh_{\text{base}} - kWh_{\text{actual}}) > Load_s$ then

$$kWh_{\text{Buy-Through}} = 0$$

Price_{curtailment} = Curtailment Price for each event.

LAF = Service Level Loss Adjustment Factor.

FAILURE TO CONSISTENTLY MEET THE SUBSCRIBED CURTAIL LOAD REDUCTION: At the Company's discretion, Customers that consistently fail to meet the subscribed curtailment load reduction are subject to reductions in the Subscribed Curtailment Load or may be disqualified for renewal during subsequent enrollment periods.

ADDITIONAL HOURS OF CURTAILMENT: The Company may call for additional hours of curtailment beyond those the customers have subscribed. Customers who have met their subscribed hours of curtailment will be under no obligation to respond. If a customer elects to respond to the request for additional hours of curtailment, they will receive the Performance Credit for any reduction and will not be subject to any Buy-Through Charge.

DEMONSTRATION OF CURTAILMENT CAPABILITY: The Company reserves the right to execute a curtailment event affecting all enrolled, or a selected group of enrolled, customers during the initial 60 days of the contract period. This event will be for the sole purpose of a demonstration of the customer's curtailment capability. The demonstration of curtailment capability event shall be treated as if it were an actual curtailment event in all aspects of notification, measurement, billing and Buy-Through Charges. The hours of curtailment during the event will count toward the customer's total obligation of hours. Following the demonstration event, the customer and Company may agree to increase or decrease the Subscribed Curtailment Load based on the results of the demonstration of capability.

SPECIAL CONDITIONS:

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

APPROVED

JUL 30 2009

DIRECTOR OF
PUBLIC UTILITIES

STANDARD PRICING SCHEDULE: LR
LOAD REDUCTION RIDER

STATE OF OKLAHOMA

1. Notice for Curtailment: The Company shall always endeavor to give the customer as much notice as possible before the curtailment is to occur and shall never give the customer less than the customer's elected notification period.
2. Periods of Curtailment: Periods of Curtailment shall be those times when the Company has called for an enrolled customer's load to be disconnected from the Company's lines. The Company is solely responsible for determining the need for load curtailment requests. The Periods of Curtailment may be called beginning with any 15 minute interval for the duration of not less than four (4) hours. No more than one period of curtailment will be called for any customer in a 24 hour period. Any Period of Curtailment for any customer shall not exceed eight (8) hours in length. Curtailment may be required at any time during the 12 month contract period.
3. DAP Customers: An enrolled customer which is also a Day Ahead Pricing (DAP) customer shall be governed by the DAP customer's participation and buy-through provisions as defined in the DAP tariffs.
4. Direct Load Control Equipment: The customer shall be responsible for either an up-front payment or a pay-out over the 12 months of the contract for Company service for any additional equipment necessary to provide OG&E the ability to interrupt the subscribed load from OG&E's system from an OG&E designated control center. Any and all operation and maintenance expenses associated with such equipment will be paid by the customer on an as occurred basis. Failure to remit payment within 30 days shall be cause for removal of the customer's Direct Load Control designation.
5. Failure to Curtail: During the re-enrollment period, the Company reserves the right to reduce or refuse re-enrollment of a customer's subscribed curtailment load and the corresponding subscription credits to any customer who has consistently demonstrated the inability to curtail as called for within the curtailment program. The Company retains the right to monitor loads and assess buy-through provisions for each 15-minute interval to ensure customer's conformance to curtailment requirements over the entire curtailment period.
6. Customer's Inappropriate Actions: If it is determined at any time by the Company that the customer is manipulating the rider so as to reduce the benefit expected by the Company, the customer is in default and will be removed from this rider without penalty to the Company.
7. Equipment: The Company will install, own, and maintain special metering equipment required for this service. In circumstances where the required metering equipment is not available at a customer location, the Company, at its option, may require a prepayment from the customer to cover such investment.

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August 3, 2009 569281 PUD 200800398

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JUL 30 2009

DIRECTOR OF
PUBLIC UTILITIES

OKLAHOMA GAS AND ELECTRIC COMPANY
P. O. Box 321
Oklahoma City, Oklahoma 73101

Original Sheet No. 51.37
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STANDARD PRICING SCHEDULE: LR
LOAD REDUCTION RIDER

STATE OF OKLAHOMA

8. Restriction: This rider is not available to customers being served under the Back-up Tariff.
9. Notification Method: Notification methods include the following: Alphanumeric pager (must be compatible technology to the pager system used by OG&E), voice mail (able to receive an automated curtailment notice), fax, or e-mail. A customer can choose up to three of these notification vehicles. These are the only means of notification that a customer will receive. It will be the customer's responsibility to keep any method of notification "current" either by supplying that updated information to the appropriate Company representative or by maintaining updated notification on the Company's approved website.

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