

**STANDARD PRICING SCHEDULE: SGR
SMART GRID RIDER**

STATE OF OKLAHOMA

EFFECTIVE IN: All territory served.

PURPOSE: Recover the annual revenue requirement associated with the Positive Energy® Smart Grid Program which includes guaranteed O&M reductions resulting from deployment of Smart Grid technology.

APPLICABILITY: Applicable to all customers taking service at Service Levels (SL) 3, 4, & 5.

SMART GRID RIDER FACTOR (SGRF) CALCULATIONS: The following formula for the SGRF calculates the charges on a per kilowatt-hour (kWh) basis for each of the major rate classes and the combined minor rate classes (Other).

$$\text{SGRF Class} = \frac{(A - B) * C}{D} ; (\$ \text{ per kWh})$$

Where:

Major Rate Classes = *Residential, General Service, Power and Light, and Large Power and Light.*

Combined Minor Rate Classes (Other) = *Municipal Lighting + Municipal Pumping + Outdoor Security Lighting + Public Schools (demand and non-demand) + Oil and Gas Producers.*

A = *Smart Grid Rider "Levelized" Revenue Requirement*

The revenue requirement will be based on the Rate of Return (adjusted for income taxes) and Distribution Demand allocator approved in OG&E's most recent general rate case. The revenue requirement will be based on the capped Smart Grid expenditures that are not recovered in existing rates or riders.

2010	2011	2012	2013
\$ 14,538,271	\$ 32,612,554	\$ 44,092,219	\$ 52,118,839

B = *Guaranteed O&M Reductions*

The "Levelized" Revenue Requirement (A) will be reduced by the following O&M reductions resulting from Smart Grid technology:

2010	2011	2012	2013
\$171,396	\$3,583,566	\$6,689,943	\$11,756,752

Rates Authorized by the Oklahoma Corporation Commission:
(Effective) July 1, 2010 **(Order No.)** 576595 **(Cause/Docket No.)** PUD 201000029

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C = Applicable Distribution Demand Allocator Percentage

Class (SL 3, 4, 5 only)	Allocator Percentage*
Residential	52.4453
General Service	9.7129
Power and Light	27.5218
Large Power and Light	4.4769
Other	5.8431

*Adjusted to exclude jurisdictions not at issue

D = Projected Oklahoma Jurisdictional base kWh for each Class identified above

SMART GRID RIDER FACTORS (\$ per kWh): The following factors will be applied to customer billing during each of the applicable years of this rider.

Class (SL 3, 4, 5 only)	2010	2011	2012	2013
Residential	0.001772	0.001829	0.002294	0.002435
General Service	0.001668	0.001726	0.002173	0.002319
Power and Light	0.001113	0.001171	0.001532	0.001684
Large Power and Light	0.000739	0.000797	0.001099	0.001255
Other	0.001590	0.002224	0.002627	0.002251

ANNUAL REPORTING: A report will be submitted to the OCC PUD each year by March 1st. The report will summarize (by month) the prior period actual rider revenues collected and the revenue requirement associated with the Smart Grid Program.

TRUE-UP PROVISION: The Company shall provide to the OCC PUD a final report before April 30, 2014. The report shall summarize the actual collected revenues and the actual revenue requirement for the SGR term. Any over/under recovery will be refunded or collected through the Rider for Fuel Cost Adjustment.

TERM: The SGR will become effective the first billing cycle in July 2010 and will continue through the last billing cycle in December 2013.

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