

STANDARD PRICING SCHEDULE

STATE OF OKLAHOMA

TERMS AND CONDITIONS OF SERVICE FOR STANDBY SERVICES

I. SUBSCRIPTION PROVISIONS

The Company offers the following Standby Services: Supplemental Service (SS); Back-Up Service (BUS) with or without the Interruptible Service Rider (IS) and Maintenance Service (MS). These services may be taken in many different combinations as election to any, some, or all of the services is discretionary with the customer.

The customer must provide written notification of its intent to subscribe to one or more of these Standby Services. As a part of this notification, the customer shall indicate, as applicable to the services elected, what the contract value of Contracted Back-Up Service kW, Contracted Maintenance Service kW and Interruptible Contracted Demand will be. Additionally, the customer must nominate the kilowatt level of Supplemental Service required if this service is elected.

The Company will provide standard form contracts for the customer to execute. At the end of an initial facility start-up period of not more than six months, the customer may reset the contracted for and/or nominated values of Standby Services kilowatts required. Thereafter, the Standard Rate Schedule Term provisions shall apply.

Since each of the three Standard Rate Schedules may be taken separately or together, it is intended for the Customer Charge to be collected only once. It is also intended for all kilowatt-hours (kWh) purchased from the Company during a monthly billing period to be applied in a singular administrative process through the blocked-step energy charge, if applicable.

Each Standby Services rate schedule imposes a responsibility for its portion of the Cost of Local Facilities. It is the intent of the rate schedules to collect only once for the total amount of the dedicated facility investment.

II. METERING

The customer shall allow the Company to make all necessary arrangements to determine, by metering, the following amounts:

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

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| Customer Load: | The kilowatt (kW) demand and kilowatthour (kWh) energy of customer usage regardless of whether it is served by the customer's own generation facility(ies) or by the Company. |
| Customer Net Generation: | The kW demand and kWh energy net output from the customer's generating facility(ies). |
| Customer Purchase/Sale: (Interconnection) | The kW demand and kWh energy served by the Company or delivered to the Company from the customer's generation facility(ies). |

The Company shall install, own and maintain the metering equipment necessary to measure two of the amounts described above. Upon installation of the metering, the customer shall initially compensate the Company for any metering investment costs that are in addition to the cost of metering of standard full requirements retail service. Furthermore, the customer shall make monthly compensation for operation and maintenance expenses associated with any and all metering required beyond normal, full requirements retail service.

Due to the inability to accurately measure low levels of electricity flow at the point of interconnection between the Company and the customer, the Customer Purchase/Sale metering option may require the installation of additional equipment, or the customer and Company may mutually agree upon interpretive results at low purchase/sale electricity levels.

III. REACTIVE POWER REQUIREMENTS

For Service Voltage Level 1 and 2 customers, as defined in the corresponding tariffs, a voltage schedule shall be maintained, within the capabilities of the customer's system, according to the direction of the Company system dispatcher. If failure to provide this service results in the Company being required to install switched static VAR compensation facilities due to the operations of the customer, the customer shall pay the Company for all reasonable costs of the installation and maintenance of

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such facilities. The customer shall specify that its generator(s) shall be capable of operating at a 90 percent power factor at maximum kilowatt rating.

At all times for Service Voltage Level 3, 4 or 5 customers, the maximum 15 minute interval kVAr flow, either in or out, at the interconnection is limited to 0.05 kVAr per contract kW. Failure to stay consistently within this range may require additional interconnection facilities to be installed by the Company and paid for by the customer.

IV. SIMULTANEOUS BUY/SELL

In establishing interconnection agreements, parallel operating guidelines, purchase agreements and standby service arrangements with customers in accordance with 18 C.F.R. Sections 292.101 et seq., it is not the Company's intent to simultaneously sell electricity at system-wide average costs and to re-purchase the same electricity at avoided costs. Any condition which allows for this to occur, potentially or actually, shall not be permitted.

V. OPERATING AGREEMENT

The Company will furnish each customer operating in parallel with the Company a copy of its "Guidelines for Operating, Metering and Protective Relaying for Interconnection of Cogenerators, Small Power Producers and other non-Company Sources of Generation to the OG&E System" (hereinafter "Guidelines").

The Guidelines shall serve as a compliance starting point toward establishing interconnection with the Company. Specific operating agreements in addition to the Guidelines may be required to both meet the parallel operators' needs as well as the needs of the other electric customers with whom the Company's electric system is shared.

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