

STANDARD PRICING SCHEDULE: EEP
ENERGY EFFICIENCY PROGRAM RIDER 2019-2021

STATE OF OKLAHOMA

EFFECTIVE IN: The Oklahoma Retail Jurisdiction.

PURPOSE: The purpose of the 2019-2021 Energy Efficiency Program Rider (“EEP”) is to recover the Programs Costs, Lost Net Revenues (“LNR”), and Incentives of the Company’s 2019-2021 demand portfolio as approved by the Oklahoma Corporation Commission (“OCC” or “Commission”).

TERM: The EEP shall become effective beginning with the January 2019 billing month and shall remain in effect until completion of all Annual True-ups discussed in this Tariff unless otherwise modified or terminated by the Commission.

APPLICABILITY: The EEP shall be applied to all Oklahoma jurisdictional rate classes unless specifically excluded. The excluded rate classes include the Outdoor Security Lighting rate class, the Municipal Roadway and Area Lighting rate class, LED Lighting, or any Special Contract rate customers. A High Volume Electricity User who chose to opt-out shall be excluded from the corresponding portion(s) of the EEP and will be considered an excluded customer.

HIGH-VOLUME ELECTRICITY USERS OPTIONAL PARTICIPATION:

Existing customers defined in the Demand Program Rules (OAC 165:35-41-3) as high-volume electricity users may elect to not participate in some or all Demand Programs and the corresponding cost recovery. This is known as “opt-out”.

To opt-out, High-Volume Electricity Users must submit notice of their opt-out decision to the Director of Public Utility Division of the Commission and to the Company within thirty (30) days after the Company has received final approval of its Demand Portfolio. Thirty (30) days after the Company has received final approval of its Demand Portfolio, High-Volume Electricity Users who participate in more than the demand response portion of the Demand Programs may not opt-out of EEP for the Demand Portfolio period.

High-Volume Electricity Users who participate only in the demand response portion of the Demand Programs may opt-out any time during the Demand Portfolio period. High-Volume Electricity Users who chose to opt out may choose to opt back in, without a charge, only to the demand response portion of the Demand Programs. To opt back in, High-Volume Electricity Users must submit thirty (30) days’ notice of their opt back in decision to the Director of Public Utility Division of the Commission and to the Company. High-Volume Electricity Users who chose to opt out may not opt back in to more than the demand response portion of the Demand Programs unless they agree to pay an upfront payment which reflects their calculated contribution to the Demand Programs recovery for the Demand Portfolio period.

Once a High-Volume Electricity User has opted out of Demand Programs, none of the costs of any Demand Programs shall be charged to such User, including its affiliate or subsidiary listed on such User’s opt out notice, unless and until the User chooses to opt back into the Demand Programs.

MAJOR CLASSES: Energy Efficiency Program (“EEP”) rates will be computed for the two (2) major customer classes identified as follows:

Rates Authorized by the Oklahoma Corporation Commission:

<u>(Effective)</u>	<u>(Order No.)</u>	<u>(Cause/Docket No.)</u>
January 1, 2019	688933	PUD 201800074 (original)

Public Utilities Division Stamp

APPROVED
January 9, 2018
DIRECTOR

of
PUBLIC UTILITY DIVISION

STANDARD PRICING SCHEDULE: EEP
ENERGY EFFICENCY PROGRAM RIDER 2019-2021

STATE OF OKLAHOMA

Residential Class: all applicable Residential rates;

Non-Residential Class: all applicable General Service rates, Municipal Pumping rates, Oil/Gas Production rates, Public Schools rates, Power and Light rates, and Large Power and Light rates.

EEP: The EEP rates will recover the program costs and incentives associated with the Company’s energy efficiency programs. The EEP rates for each year shall initially be established based on projected program costs and incentives approved in Cause Number PUD 201800074. Table 1 shows each year’s projected amounts of program costs and incentives, which are the basis for calculating the EEP rates. These amounts are also shown in Attachment 1. The EEP rate is calculated by dividing the sum of program costs and incentives by kWh.

Table 1. Projected Program Costs, Incentives, kWh, and EEP Rate

Residential Class	2019	2020	2021
Program Cost (PCEE)	\$18,352,218	\$18,448,587	\$18,545,216
Incentives (IEE)	\$2,737,958	\$2,744,853	\$2,763,127
kWh (kWhEE)	8,795,778,328	8,883,736,111	8,972,573,472
EEP Rate	\$0.002398	\$0.002386	\$0.002375
Non-Residential Class			
Program Cost (PCEE)	\$18,110,418	\$18,402,244	\$18,618,689
Incentives (IEE)	\$2,663,188	\$2,699,522	\$2,735,708
kWh (kWhEE)	11,260,548,146	11,373,153,627	11,486,885,164
EEP Rate	\$0.001845	\$0.001855	\$0.001859

$kWhEE_{Class} =$ Projected Oklahoma jurisdictional annual kWh for each Major Class net of the total annual energy (kWh) for all excluded rate classes and customers.

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STATE OF OKLAHOMA

EEPLNR: The EEPLNR rate will recover the LNR associated with the Company’s energy efficiency programs. The EEPLNR rates shall be established, for each year of the program, based on the LNR associated with the energy efficiency programs approved in Cause Number PUD 201800074 multiplied by 2.0 as shown in Attachment 1. The EEPLNR amounts to be recovered each year and the resulting EEPLNR rates are shown by year in Table 2. The EEPLNR rate is calculated by dividing EEPLNR by kWh.

Table 2. Projected LNR, kWh, and EEPLNR Rate

Residential Class	2019	2020	2021
Total LNR (EEPLNR)	\$2,736,292	\$2,738,300	\$2,694,719
kWh (kWhEE)	8,795,778,328	8,883,736,111	8,972,573,472
EEPLNR Rate	\$0.000311	\$0.000308	\$0.000300
Non-Residential Class			
Total LNR (EEPLNR)	\$4,262,337	\$3,605,177	\$4,180,447
kWh (kWhEE)	11,260,548,146	11,373,153,627	11,486,885,164
EEPLNR Rate	\$0.000379	\$0.000317	\$0.000364

$kWhEE_{Class} =$ Projected Oklahoma jurisdictional annual kWh for each Major Class net of the total annual energy (kWh) for all excluded rate classes and customers.

IN THE EVENT OF A GENERAL RATE CASE: The occurrence of a base rate proceeding, or issuance of a base rate order will not result in any change or recalculation or reset of LNR, the EEPLNR rate, or the EEP rate.

ANNUAL TRUE-UP: The purpose of the Annual True-up is to reconcile the projected amounts for Program Costs, Incentives, and LNR for each program year shown in Attachment 1 with the actual Program Costs, Incentives, and LNR. The Annual True-up amounts for Program Costs and Incentives shall be the difference between the amounts recovered through the EEP Tariff for Program Costs and Incentives, and the actual Program Costs and Incentives for the same period. The Annual True-up amounts for LNR shall be the difference between the EEPLNR calculated based on the Verified Savings (OAC 165:35-41-3) and the actual EEPLNR for the same period. The total Annual True-up amounts shall be incorporated into the EEP and EEPLNR factors in Table 1 and 2 in this tariff.

Annual True-up amounts shall be included for recovery beginning in January of each year following review of the Verified Savings. For example, the Annual True-up for 2019 program implementation will be recovered beginning January 2021. This tariff will become inactive upon completion of the refund or recovery of all Annual True-up amounts.

Before implementation of any Annual True-up factors, the Company will submit to the Director of the Public Utility Division on or before July 1 of each applicable year a report on the performance

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of the previous year's Demand Portfolio, as required in OAC 165:35-41-7, showing the Verified Savings and a set of work papers documenting the calculations of that period's annual true-up amount. The Public Utility Division shall endeavor to complete its review of each Annual True-up amount on or before September 30 of each year.

Annual True-up factors for Residential and Non-Residential are shown in Attachment 2 of this tariff.

EEP ANNUAL TRUE-UP: EEP Annual True-up ("EEPTU") factor calculations for Program Costs and Incentives for each program year is as follows:

$$EEPTU_{Class} = (PCEE_{Class} + IEE_{Class} - PIR_{Class}) \div kWhEE_{Class}; \text{ where,}$$

$PCEE_{Class}$ = Actual Program Costs for each portfolio year approved energy efficiency programs.

IEE_{Class} = Actual Incentives for each portfolio year approved energy efficiency programs. Incentives shall be calculated according to OAC 165:35-41-8.

PIR_{Class} = Actual revenue collected for Program Costs and Incentives through the EEP Tariff

EEPLNR ANNUAL TRUE-UP: EEPLNR Annual True-up ("EEPLNRTU") factor calculations for each portfolio program year is as follows:

$$EEPLNRTU_{Class} = (VEEPLNR_{Class} - AEEPLNR_{Class}) \div kWhEE_{Class}; \text{ where,}$$

$VEEPLNR_{Class}$ = LNR that has been updated to reflect the LNR based on the EM&V of program performance for the purposes of calculating the Annual True-up. The VEEPLNR shall be calculated based upon the Verified Savings (kWh and kW) multiplied by the applicable base rates (less customer charges). A 2.0 multiplier will be applied to establish VEEPLNR recovery amounts.

$AEEPLNR_{Class}$ = Actual revenue collected for LNR through the EEP Tariff.

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Attachment 1

Total Program Cost, Incentive, LNR, and kWh are projected and recovered by the Company as follows:

Residential	2019	2020	2021
Program Cost (PCEE)	\$18,352,218	\$18,448,587	\$18,545,216
Incentives (IEE)	\$2,737,958	\$2,744,853	\$2,763,127
LNR	\$1,368,146	\$1,369,150	\$1,347,360
Multiplier	2.0	2.0	2.0
EEPLNR	\$2,736,292	\$2,738,300	\$2,694,719
kWh (kWhEE)	8,795,778,328	8,883,736,111	8,972,573,472
Non-Residential			
Program Cost (PCEE)	\$18,110,418	\$18,402,244	\$18,618,689
Incentives (IEE)	\$2,663,188	\$2,699,522	\$2,735,708
LNR	\$2,131,168	\$1,802,589	\$2,090,223
Multiplier	2.0	2.0	2.0
EEPLNR	\$4,262,337	\$3,605,177	\$4,180,447
kWh (kWhEE)	11,260,548,146	11,373,153,627	11,486,885,164
Total*			
Program Cost (PCEE)	\$36,462,637	\$36,850,831	\$37,163,905
Incentives (IEE)	\$5,401,146	\$5,444,375	\$5,498,836
Total EEPLNR	\$6,998,629	\$6,343,477	\$6,875,166

*Subject to Annual True-up

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