

# OG&E FUEL FAQs

Updated January 11, 2023

## Frequently Asked Questions

### Why is my bill increasing?

- Every monthly customer bill includes the direct cost of fuel.
- The price of natural gas has increased this year. Most electric companies, like OG&E, use natural gas to power their generation fleets, and it has become more expensive to generate electricity.

### What is OG&E doing to limit the impact to customers of the high cost of fuel?

- OG&E has a team whose role is to ensure the cost our customers pay for fuel is as low as possible.
- OG&E uses a variety of strategies when purchasing fuel to minimize the impact on customers like:
  - “First of Month” pricing, where a portion of fuel is purchased at a set price at the first of the month to address volatility over a specific time-period.
  - Adding additional fuel storage options to provide certainty in the price and amount of fuel on hand.
- As a participant in the wholesale market of the Southwest Power Pool, our customers enjoy the lowest-cost generation available from a 14-state region every day.

### Do you offer payment assistance?

- We offer payment assistance programs and pricing options to help customers manage their bills. If you are concerned about paying your bill, please contact Customer Service at 405-272-9741 (Oklahoma City) or 800-272-9741 (all other areas).
- The Low Income Assistance Program (“LIAP”) can help offset the impact of bill increases on our most vulnerable customers. The credit was recently increased by \$3 and now amounts to \$13 per month for qualifying customers. The credit appears as “LIAP CREDIT” under the

“Residential Rate” on your bill. The credit applies to all individually metered residential customers who are certified to OG&E by Oklahoma Department of Human Services for payments under the federally funded Low Income Home Energy Assistance Program (LIHEAP). Once certified, customers receive the credit for the next 24 billing months. Learn more: [Low Income Home Energy Assistance Program – LIHEAP \(oklahoma.gov\)](https://oklahoma.gov/energy/low-income-home-energy-assistance-program).

## How does OG&E help customers manage their bill and energy usage?

- We know the financial impact this has on our customers and remain committed to our long track record of providing program offerings like [Average Monthly Billing](#), [SmartHours™](#) and [Guaranteed Flat Bill](#) to help customers manage both their monthly bill and energy usage.
- We offer a variety of home [Energy Efficiency Programs](#) that provide energy-saving options, services and incentives to all customers at no additional cost.

## Is OG&E profiting from fuel costs?

- No. OG&E cannot profit from fuel purchases. We have a team of people whose role is to ensure the cost our customers pay for fuel is as low as possible.

## Why is this happening now?

- Regulated electric companies like OG&E are required to notify the Oklahoma Corporation Commission (OCC) in order to change their annual Fuel Cost Adjustment factor, which typically happens in January, and this year has resulted in an increase to customer bills. The fuel factor is used to calculate the fuel charge each month on customer bills.
- Electric companies can also notify the OCC and request that factors be changed when the cumulative over-or-under balance is greater than \$50 million. This is known as an interim fuel factor change. OG&E made an interim adjustment in October 2022 to address an under-recovery of fuel costs already incurred earlier in 2022. If fuel costs decrease, OG&E refunds to customers the amount over-collected and reduces the fuel cost factored into each monthly bill, which last occurred in June 2020.

## When was the last time fuel costs were adjusted?

- Prior to the recent January adjustment, fuel factors were last changed in October 2022. The adjustment was designed to cover fuel costs incurred through August 2022 but did not address continuing fuel expenses that cost more than the current fuel factor. While natural gas prices are expected to moderate somewhat in 2023, the average price is still expected to be higher than the prices used in the existing fuel cost factor.

## Does the Oklahoma Corporation Commission review fuel costs?

- Yes. The Oklahoma Corporation Commission (OCC) has a thorough and transparent process to review fuel costs of electric companies. Annually, the OCC conducts a Fuel Prudence review of OG&E's fuel cost.

Visit [OGE.com/fuel](https://oge.com/fuel) to learn more about what this means for you.



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