

Fellow Citizens of Norman,

Upon reviewing survey results indicating the desire for Normanites to take to the polls again regarding applicable franchise agreements in Norman, I filed an initiative petition as a private citizen in August to place OG&E's Norman franchise agreement on a ballot for future consideration by neighbors. My primary motivation for doing this was to give OG&E the time to educate the citizens of Norman about the franchise agreement while they are collecting signatures. As misinformation has now surfaced during the gathering of signatures, I'd like to ensure facts are made clear to all residents regarding franchise background and history, initiatives procedures, and my personal decision-making as part of this process. The City of Norman, as an organization, has had no part in the solicitation of signatures or associated actions.

In January of 2023, only around three percent of our city's population went to the polls to decide on renewing the OG&E franchise agreement. That is why I think that we as citizens need more education on what is a Franchise Agreement. Simply put, it is an agreement between the City of Norman and OG&E to allow OG&E to access our rights of way when they need to maintain, repair or change their electric lines or supporting equipment. Per that agreement, they pay the City of Norman a fee. That fee is about \$3,000,000 per year. The City has franchise agreements with Oklahoma Natural Gas, and other utilities and service providers. It is not a new idea; Norman has been renewing this agreement since the early 1900s. Fees collected are deposited into the City's General Fund – the chief operating fund of the City.

Why do we have to vote for a Franchise Agreement, you ask? Franchise agreements are a result of Oklahoma Supreme Court findings which have consistently held that a franchise is required when streets or rights-of-way are used by a public utility. The Oklahoma Constitution says that Franchise Agreements must be approved by the qualified voters of the municipality.

Why do we vote on a 25 year agreement, you may also ask? The OG&E 25-year term franchise agreement requested of Norman allows for long-term infrastructure planning and implementation. It is not unique; it is the length that is requested for all OG&E franchise agreements and has been since before statehood. Electric infrastructure is extremely expensive. Most electric assets have a useful life of 25 to 100 years. Infrastructure can only be financed by the utility accessing debt and equity investors who recognize the long term nature of the underlying investments and their related franchise agreements. The long term nature of a franchise agreement provides the incentive and protections which enable OG&E and its shareholders to make costly and

sensible investments in Norman's electric grid ensuring safe, reliable and affordable energy.

This is easily illustrated by the February tornado here in Norman. In order to keep Washington Elementary School open while electric service was being restored to the area, OG&E provided a generator and the fuel to provide electricity for the school. OG&E also partnered with the Irving Middle School Solar Club and built a solar array for the students at a cost of about \$90,000. This is a STEAM project for Norman Public Schools and a Research and Development project for OG&E.

OG&E has been a good partner to Norman through the years, and since January's election, they have continued to partner with the City in good faith to minimize any disruptions in service that might be caused by operating without an agreement, while also committing to better understand the concerns of the citizens by coordinating a series of informational townhall-styled events at public facilities in an effort to make sure all questions are answered. They have continued to pay the City of Norman a fee in lieu of, but equal to the franchise fee.

The will of the people is reflected in adequate numbers at the polls. As a 45 year resident of Norman, and someone who cares deeply about the well-being and future of our community, I firmly believe that reconsidering dependable electric service for homes and businesses in our city should take immediate priority. We take initiative in making that happen through the ongoing petition to see an OG&E Franchise vote in March 2024.

For your thoughtful consideration,

Larry Heikkila