

OKLAHOMA GAS AND ELECTRIC COMPANY

OPEN ACCESS

TRANSMISSION TARIFF

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I. COMMON SERVICE PROVISIONS

1 Definitions

1.1 Affiliate:

With respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

1.2 Ancillary Services:

Those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.

1.3 Annual Transmission Costs:

The total annual cost of the Transmission System for purposes of Network Integration Transmission Service shall be the amount specified in Attachment H until amended by the Transmission Provider or modified by the Commission.

1.4 Application:

A request by an Eligible Customer for transmission service pursuant to the

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provisions of the Tariff.

1.5 Commission:

The Federal Energy Regulatory Commission.

1.6 Completed Application:

An Application that satisfies all of the information and other requirements of the Tariff, including any required deposit.

1.7 Control Area:

An electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to:

1. match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);
2. maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice;
3. maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and
4. provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

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1.8 Curtailment:

A reduction in firm or non-firm transmission service in response to a transfer capability shortage as a result of system reliability conditions.

1.9 Delivering Party:

The entity supplying capacity and energy to be transmitted at Point(s) of Receipt.

1.10 Designated Agent:

Any entity that performs actions or functions on behalf of the Transmission Provider, an Eligible Customer, or the Transmission Customer required under the Tariff.

1.11 Direct Assignment Facilities:

Facilities or portions of facilities that are constructed by the Transmission Provider for the sole use/benefit of a particular Transmission Customer requesting service under the Tariff. Direct Assignment Facilities shall be specified in the Service Agreement that governs service to the Transmission Customer and shall be subject to Commission approval.

1.12 Eligible Customer:

- i. Any electric utility (including the Transmission Provider and any

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power marketer), Federal power marketing agency, or any person generating electric energy for sale for resale is an Eligible Customer under the Tariff. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico. However, with respect to transmission service that the Commission is prohibited from ordering by Section 212(h) of the Federal Power Act, such entity is eligible only if the service is provided pursuant to a state requirement that the Transmission Provider offer the unbundled transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider.

- ii. Any retail customer taking unbundled transmission service pursuant to a state requirement that the Transmission Provider offer the transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider, is an Eligible Customer under the Tariff.

1.13 Facilities Study:

An engineering study conducted by the Transmission Provider to determine the required modifications to the Transmission Provider's Transmission System, including the cost and scheduled completion date for such modifications, that will be required to provide the requested transmission

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service.

1.14 Firm Point-To-Point Transmission Service:

Transmission Service under this Tariff that is reserved and/or scheduled between specified Points of Receipt and Delivery pursuant to Part II of this Tariff.

1.15 Good Utility Practice:

Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region, including those practices required by Federal Power Act section 215(a)(4).

1.16 Interruption:

A reduction in non-firm transmission service due to economic reasons pursuant to Section 14.7.

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1.17 Load Ratio Share:

Ratio of a Transmission Customer's Network Load to the Transmission Provider's total load computed in accordance with Sections 34.2 and 34.3 of the Network Integration Transmission Service under Part III of the Tariff and calculated on a rolling twelve month basis.

1.18 Load Shedding:

The systematic reduction of system demand by temporarily decreasing load in response to transmission system or area capacity shortages, system instability, or voltage control considerations under Part III of the Tariff.

1.19 Long-Term Firm Point-To-Point Transmission Service:

Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of one year or more.

1.20 Native Load Customers:

The wholesale and retail power customers of the Transmission Provider on whose behalf the Transmission Provider, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate the Transmission Provider's system to meet the reliable electric needs of such customers.

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1.21 Network Customer:

An entity receiving transmission service pursuant to the terms of the Transmission Provider's Network Integration Transmission Service under Part III of the Tariff.

1.22 Network Integration Transmission Service:

The transmission service provided under Part III of the Tariff.

1.23 Network Load:

The load that a Network Customer designates for Network Integration Transmission Service under Part III of the Tariff. The Network Customer's Network Load shall include all load served by the output of any Network Resources designated by the Network Customer. A Network Customer may elect to designate less than its total load as Network Load but may not designate only part of the load at a discrete Point of Delivery. Where a Eligible Customer has elected not to designate a particular load at discrete points of delivery as Network Load, the Eligible Customer is responsible for making separate arrangements under Part II of the Tariff for any Point-To-Point Transmission Service that may be necessary for such non-designated load.

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1.24 Network Operating Agreement:

An executed agreement that contains the terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Network Integration Transmission Service under Part III of the Tariff.

1.25 Network Operating Committee:

A group made up of representatives from the Network Customer(s) and the Transmission Provider established to coordinate operating criteria and other technical considerations required for implementation of Network Integration Transmission Service under Part III of this Tariff.

1.26 Network Resource:

Any designated generating resource owned, purchased or leased by a Network Customer under the Network Integration Transmission Service Tariff.

Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a Commission-approved reserve sharing program.

1.27 Network Upgrades:

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Modifications or additions to transmission-related facilities that are integrated with and support the Transmission Provider's overall Transmission System for the general benefit of all users of such Transmission System.

1.28 Non-Firm Point-To-Point Transmission Service:

Point-To-Point Transmission Service under the Tariff that is reserved and scheduled on an as-available basis and is subject to Curtailment or Interruption as set forth in Section 14.7 under Part II of this Tariff. Non-Firm Point-To-Point Transmission Service is available on a stand-alone basis for periods ranging from one hour to one month.

1.29 Non-Firm Sale:

An energy sale for which receipt or delivery may be interrupted for any reason or no reason, without liability on the part of either the buyer or seller.

1.30 Open Access Same-Time Information System (OASIS):

The information system and standards of conduct contained in Part 37 of the Commission's regulations and all additional requirements implemented by subsequent Commission orders dealing with OASIS.

1.31 Part I:

Tariff Definitions and Common Service Provisions contained in Sections 2

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through 12.

1.32 Part II:

Tariff Sections 13 through 27 pertaining to Point-To-Point Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.33 Part III:

Tariff Sections 28 through 35 pertaining to Network Integration Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.34 Parties:

The Transmission Provider and the Transmission Customer receiving service under the Tariff.

1.35 Point(s) of Delivery:

Point(s) on the Transmission Provider's Transmission System where capacity and energy transmitted by the Transmission Provider will be made available to the Receiving Party under Part II of the Tariff. The Point(s) of Delivery shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.

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1.36 Point(s) of Receipt:

Point(s) of interconnection on the Transmission Provider's Transmission System where capacity and energy will be made available to the Transmission Provider by the Delivering Party under Part II of the Tariff. The Point(s) of Receipt shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.

1.37 Point-To-Point Transmission Service:

The reservation and transmission of capacity and energy on either a firm or non-firm basis from the Point(s) of Receipt to the Point(s) of Delivery under Part II of the Tariff.

1.38 Power Purchaser:

The entity that is purchasing the capacity and energy to be transmitted under the Tariff.

1.39 Pre-Confirmed Application:

An Application that commits the Eligible Customer to execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.

1.40 Receiving Party:

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The entity receiving the capacity and energy transmitted by the Transmission Provider to Point(s) of Delivery.

1.41 Regional Transmission Group (RTG):

A voluntary organization of transmission owners, transmission users and other entities approved by the Commission to efficiently coordinate transmission planning (and expansion), operation and use on a regional (and interregional) basis.

1.42 Reserved Capacity:

The maximum amount of capacity and energy that the Transmission Provider agrees to transmit for the Transmission Customer over the Transmission Provider's Transmission System between the Point(s) of Receipt and the Point(s) of Delivery under Part II of the Tariff. Reserved Capacity shall be expressed in terms of whole megawatts on a sixty (60) minute interval (commencing on the clock hour) basis.

1.43 Service Agreement:

The initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and the Transmission Provider for service under the Tariff.

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1.44 Service Commencement Date:

The date the Transmission Provider begins to provide service pursuant to the terms of an executed Service Agreement, or the date the Transmission Provider begins to provide service in accordance with Section 15.3 or Section 29.1 under the Tariff.

1.45 Short-Term Firm Point-To-Point Transmission Service:

Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of less than one year.

1.46 System Condition

A specified condition on the Transmission Provider's system or on a neighboring system, such as a constrained transmission element or flowgate, that may trigger Curtailment of Long-Term Firm Point-to-Point Transmission Service using the curtailment priority pursuant to Section 13.6. Such conditions must be identified in the Transmission Customer's Service Agreement.

1.47 System Impact Study:

An assessment by the Transmission Provider of (i) the adequacy of the Transmission System to accommodate a request for either Firm Point-To-Point Transmission Service or Network Integration Transmission Service and

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(ii) whether any additional costs may be incurred in order to provide transmission service.

1.48 Third-Party Sale:

Any sale for resale in interstate commerce to a Power Purchaser that is not designated as part of Network Load under the Network Integration Transmission Service.

1.49 Transmission Customer:

Any Eligible Customer (or its Designated Agent) that (i) executes a Service Agreement, or (ii) requests in writing that the Transmission Provider file with the Commission, a proposed unexecuted Service Agreement to receive transmission service under Part II of the Tariff. This term is used in the Part I Common Service Provisions to include customers receiving transmission service under Part II and Part III of this Tariff.

1.50 Transmission Provider:

The public utility (or its Designated Agent) that owns, controls, or operates facilities used for the transmission of electric energy in interstate commerce and provides transmission service under the Tariff.

1.51 Transmission Provider's Monthly Transmission System Peak:

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The maximum firm usage of the Transmission Provider's Transmission System in a calendar month.

1.52 Transmission Service:

Point-To-Point Transmission Service provided under Part II of the Tariff on a firm and non-firm basis.

1.53 Transmission System:

The facilities owned, controlled or operated by the Transmission Provider that are used to provide transmission service under Part II and Part III of the Tariff.

2 Initial Allocation and Renewal Procedures

2.1 Initial Allocation of Available Transfer Capability:

For purposes of determining whether existing capability on the Transmission Provider's Transmission System is adequate to accommodate a request for firm service under this Tariff, all Completed Applications for new firm transmission service received during the initial sixty (60) day period commencing with the effective date of the Tariff will be deemed to have been filed simultaneously. A lottery system conducted by an independent party shall be used to assign priorities for Completed Applications filed simultaneously. All Completed Applications for firm transmission service received after the initial sixty (60) day period shall be assigned a priority

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pursuant to Section 13.2.

2.2 Reservation Priority For Existing Firm Service Customers:

Existing firm service customers (wholesale requirements and transmission-only, with a contract term of five years or more), have the right to continue to take transmission service from the Transmission Provider when the contract expires, rolls over or is renewed. This transmission reservation priority is independent of whether the existing customer continues to purchase capacity and energy from the Transmission Provider or elects to purchase capacity and energy from another supplier. If at the end of the contract term, the Transmission Provider's Transmission System cannot accommodate all of the requests for transmission service, the existing firm service customer must agree to accept a contract term at least equal to the longest competing request by any new Eligible Customer and to pay the current just and reasonable rate, as approved by the Commission, for such service; provided that, the firm service customer shall have a right of first refusal at the end of such service only if the new contract is for five years or more. The existing firm service customer must provide notice to the Transmission Provider whether it will exercise its right of first refusal no less than one year prior to the expiration date of its transmission service agreement. This transmission reservation

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priority for existing firm service customers is an ongoing right that may be exercised at the end of all firm contract terms of five years or longer. Service agreements subject to a right of first refusal entered into prior to [the date of the Transmission Provider's filing adopting the reformed rollover language herein in compliance with Order No. 890] or associated with a transmission service request received prior to July 13, 2007, unless terminated, will become subject to the five year/one year requirement on the first rollover date after [the date of the Transmission Provider's filing adopting the reformed rollover language herein in compliance with Order No. 890]; provided that, the one-year notice requirement shall apply to such service agreements with five years or more left in their terms as of the [date of the Transmission Provider's filing adopting the reformed rollover language herein in compliance with Order No. 890].

3 Ancillary Services

Ancillary Services are needed with transmission service to maintain reliability within and among the Control Areas affected by the transmission service. The Transmission Provider is required to provide (or offer to arrange with the local Control Area operator as discussed below), and the Transmission Customer is required to purchase, the following Ancillary Services (i) Scheduling,

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System Control and Dispatch, and (ii) Reactive Supply and Voltage Control from Generation or Other Sources.

The Transmission Provider is required to offer to provide (or offer to arrange with the local Control Area operator as discussed below) the following Ancillary Services only to the Transmission Customer serving load within the Transmission Provider's Control Area (i) Regulation and Frequency Response, (ii) Energy Imbalance, (iii) Operating Reserve - Spinning, and (iv) Operating Reserve - Supplemental. The Transmission Customer serving load within the Transmission Provider's Control Area is required to acquire these Ancillary Services, whether from the Transmission Provider, from a third party, or by self-supply.

The Transmission Provider is required to provide (or offer to arrange with the local Control Area Operator as discussed below), to the extent it is physically feasible to do so from its resources or from resources available to it, Generator Imbalance Service when Transmission Service is used to deliver energy from a generator located within its Control Area. The Transmission Customer using Transmission Service to delivery energy from a generator located within the Transmission Provider's Control Area is required to acquire Generator Imbalance Service, whether from the Transmission Provider, from a third party, or by self-

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supply.

The Transmission Customer may not decline the Transmission Provider's offer of Ancillary Services unless it demonstrates that it has acquired the Ancillary Services from another source. The Transmission Customer must list in its Application which Ancillary Services it will purchase from the Transmission Provider. A Transmission Customer that exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or an Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved is required to pay for all of the Ancillary Services identified in this section that were provided by the Transmission Provider associated with the unreserved service. The Transmission Customer or Eligible Customer will pay for Ancillary Services based on the amount of transmission service it used but did not reserve.

If the Transmission Provider is a public utility providing transmission service but is not a Control Area operator, it may be unable to provide some or all of the Ancillary Services. In this case, the Transmission Provider can fulfill its obligation to provide Ancillary Services by acting as the Transmission Customer's agent to secure these Ancillary Services from the Control Area operator. The Transmission Customer may elect to (i) have the Transmission Provider act as its

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agent, (ii) secure the Ancillary Services directly from the Control Area operator, or (iii) secure the Ancillary Services (discussed in Schedules 3, 4, 5, 6 and 9) from a third party or by self-supply when technically feasible.

The Transmission Provider shall specify the rate treatment and all related terms and conditions in the event of an unauthorized use of Ancillary Services by the Transmission Customer.

The specific Ancillary Services, prices and/or compensation methods are described on the Schedules that are attached to and made a part of the Tariff.

Three principal requirements apply to discounts for Ancillary Services provided by the Transmission Provider in conjunction with its provision of transmission service as follows: (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. A discount agreed upon for an Ancillary Service must be offered for the same period to all Eligible Customers on the Transmission Provider's system. Sections 3.1 through 3.7 below list the seven Ancillary Services.

3.1 Scheduling, System Control and Dispatch Service:

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The rates and/or methodology are described in Schedule 1.

3.2 Reactive Supply and Voltage Control from Generation or Other Sources Service:

The rates and/or methodology are described in Schedule 2.

3.3 Regulation and Frequency Response Service:

Where applicable the rates and/or methodology are described in Schedule 3.

3.4 Energy Imbalance Service:

Where applicable the rates and/or methodology are described in Schedule 4.

3.5 Operating Reserve - Spinning Reserve Service:

Where applicable the rates and/or methodology are described in Schedule 5.

3.6 Operating Reserve - Supplemental Reserve Service:

Where applicable the rates and/or methodology are described in Schedule 6.

3.7 Generator Imbalance Service:

Where applicable the rates and/or methodology are described in Schedule 9.

4 Open Access Same-Time Information System (OASIS)

Terms and conditions regarding Open Access Same-Time Information System and standards of conduct are set forth in 18 CFR § 37 of the Commission's regulations (Open Access Same-Time Information System and Standards of

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Conduct for Public Utilities) and 18 C.F.R. § 38 of the Commission's regulations (Business Practice Standards and Communication Protocols for Public Utilities).

In the event available transfer capability as posted on the OASIS is insufficient to accommodate a request for firm transmission service, additional studies may be required as provided by this Tariff pursuant to Sections 19 and 32.

The Transmission Provider shall post on OASIS and its public website an electronic link to all rules, standards and practices that (i) relate to the terms and conditions of transmission service, (ii) are not subject to a North American Energy Standards Board (NAESB) copyright restriction, and (iii) are not otherwise included in this Tariff. The Transmission Provider shall post on OASIS and on its public website an electronic link to the NAESB website where any rules, standards and practices that are protected by copyright may be obtained. The Transmission Provider shall also post on OASIS and its public website an electronic link to a statement of the process by which the Transmission Provider shall add, delete or otherwise modify the rules, standards and practices that are not included in this tariff. Such process shall set forth the means by which the Transmission Provider shall provide reasonable advance notice to Transmission Customers and Eligible Customers of any such additions, deletions or modifications, the associated effective date, and any additional implementation procedures that the

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Transmission Provider deems appropriate.

5 Local Furnishing Bonds

5.1 Transmission Providers That Own Facilities Financed by Local Furnishing Bonds:

This provision is applicable only to Transmission Providers that have financed facilities for the local furnishing of electric energy with tax-exempt bonds, as described in Section 142(f) of the Internal Revenue Code ("local furnishing bonds"). Notwithstanding any other provision of this Tariff, the Transmission Provider shall not be required to provide transmission service to any Eligible Customer pursuant to this Tariff if the provision of such transmission service would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance the Transmission Provider's facilities that would be used in providing such transmission service.

5.2 Alternative Procedures for Requesting Transmission Service:

- (i) If the Transmission Provider determines that the provision of transmission service requested by an Eligible Customer would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance its facilities that would be used in providing such transmission service, it shall advise the Eligible Customer within thirty (30) days of receipt of the Completed Application.

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- (ii) If the Eligible Customer thereafter renews its request for the same transmission service referred to in (i) by tendering an application under Section 211 of the Federal Power Act, the Transmission Provider, within ten (10) days of receiving a copy of the Section 211 application, will waive its rights to a request for service under Section 213(a) of the Federal Power Act and to the issuance of a proposed order under Section 212(c) of the Federal Power Act. The Commission, upon receipt of the Transmission Provider's waiver of its rights to a request for service under Section 213(a) of the Federal Power Act and to the issuance of a proposed order under Section 212(c) of the Federal Power Act, shall issue an order under Section 211 of the Federal Power Act. Upon issuance of the order under Section 211 of the Federal Power Act, the Transmission Provider shall be required to provide the requested transmission service in accordance with the terms and conditions of this Tariff.

6 Reciprocity

A Transmission Customer receiving transmission service under this Tariff agrees to provide comparable transmission service that it is capable of providing to

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the Transmission Provider on similar terms and conditions over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer's corporate Affiliates. A Transmission Customer that is a member of, or takes transmission service from, a power pool, Regional Transmission Group, Regional Transmission Organization (RTO), Independent System Operator (ISO) or other transmission organization approved by the Commission for the operation of transmission facilities also agrees to provide comparable transmission service to the transmission-owning members of such power pool and Regional Transmission Group, RTO, ISO or other transmission organization on similar terms and conditions over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer's corporate Affiliates.

This reciprocity requirement applies not only to the Transmission Customer that obtains transmission service under the Tariff, but also to all parties to a transaction that involves the use of transmission service under the Tariff, including the power seller, buyer and any intermediary, such as a power marketer. This

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reciprocity requirement also applies to any Eligible Customer that owns, controls or operates transmission facilities that uses an intermediary, such as a power marketer, to request transmission service under the Tariff. If the Transmission Customer does not own, control or operate transmission facilities, it must include in its Application a sworn statement of one of its duly authorized officers or other representatives that the purpose of its Application is not to assist an Eligible Customer to avoid the requirements of this provision.

7 Billing and Payment

7.1 Billing Procedure:

Within a reasonable time after the first day of each month, the Transmission Provider shall submit an invoice to the Transmission Customer for the charges for all services furnished under the Tariff during the preceding month. The invoice shall be paid by the Transmission Customer within twenty (20) days of receipt. All payments shall be made in immediately available funds payable to the Transmission Provider, or by wire transfer to a bank named by the Transmission Provider.

7.2 Interest on Unpaid Balances:

Interest on any unpaid amounts (including amounts placed in escrow) shall be calculated in accordance with the methodology specified for interest on

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refunds in the Commission's regulations at 18 C.F.R. 35.19a(a)(2)(iii).

Interest on delinquent amounts shall be calculated from the due date of the bill to the date of payment. When payments are made by mail, bills shall be considered as having been paid on the date of receipt by the Transmission Provider.

7.3 Customer Default:

In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to the Transmission Provider on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after the Transmission Provider notifies the Transmission Customer to cure such failure, a default by the Transmission Customer shall be deemed to exist.

Upon the occurrence of a default, the Transmission Provider may initiate a proceeding with the Commission to terminate service but shall not terminate service until the Commission so approves any such request. In the event of a billing dispute between the Transmission Provider and the Transmission Customer, the Transmission Provider will continue to provide service under the Service Agreement as long as the Transmission Customer (i) continues to make all payments not in dispute, and (ii) pays into an independent escrow

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account the portion of the invoice in dispute, pending resolution of such dispute. If the Transmission Customer fails to meet these two requirements for continuation of service, then the Transmission Provider may provide notice to the Transmission Customer of its intention to suspend service in sixty (60) days, in accordance with Commission policy.

8 Accounting for the Transmission Provider's Use of the Tariff

The Transmission Provider shall record the following amounts, as outlined below.

8.1 Transmission Revenues:

Include in a separate operating revenue account or subaccount the revenues it receives from Transmission Service when making Third-Party Sales under Part II of the Tariff.

8.2 Study Costs and Revenues:

Include in a separate transmission operating expense account or subaccount, costs properly chargeable to expense that are incurred to perform any System Impact Studies or Facilities Studies which the Transmission Provider conducts to determine if it must construct new transmission facilities or upgrades necessary for its own uses, including making Third-Party Sales under the Tariff; and include in a separate operating revenue account or subaccount the

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revenues received for System Impact Studies or Facilities Studies performed when such amounts are separately stated and identified in the Transmission Customer's billing under the Tariff.

9 Regulatory Filings

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the right of the Transmission Provider to unilaterally make application to the Commission for a change in rates, terms and conditions, charges, classification of service, Service Agreement, rule or regulation under Section 205 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the ability of any Party receiving service under the Tariff to exercise its rights under the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

10 Force Majeure and Indemnification

10.1 Force Majeure:

An event of Force Majeure means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any Curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian

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authorities, or any other cause beyond a Party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing.

Neither the Transmission Provider nor the Transmission Customer will be considered in default as to any obligation under this Tariff if prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance under this Tariff is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Tariff.

10.2 Indemnification:

The Transmission Customer shall at all times indemnify, defend, and save the Transmission Provider harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Transmission Provider's performance of its obligations under this Tariff on behalf of the Transmission Customer, except in cases of negligence or intentional wrongdoing by the Transmission Provider.

11 Creditworthiness

The Transmission Provider will specify its Creditworthiness procedures in

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Attachment L.

12 Dispute Resolution Procedures

12.1 Internal Dispute Resolution Procedures:

Any dispute between a Transmission Customer and the Transmission Provider involving transmission service under the Tariff (excluding applications for rate changes or other changes to the Tariff, or to any Service Agreement entered into under the Tariff, which shall be presented directly to the Commission for resolution) shall be referred to a designated senior representative of the Transmission Provider and a senior representative of the Transmission Customer for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days or such other period as the Parties may agree upon by mutual agreement, such dispute may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.

12.2 External Arbitration Procedures:

Any arbitration initiated under the Tariff shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) days of the referral of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-

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member arbitration panel. The two arbitrators so chosen shall within twenty (20) days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and any applicable Commission regulations or Regional Transmission Group rules.

12.3 Arbitration Decisions:

Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the Tariff and any Service Agreement entered into under the Tariff and shall have no power to modify or change any of the above in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any

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court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act and/or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with the Commission if it affects jurisdictional rates, terms and conditions of service or facilities.

12.4 Costs:

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable:

1. the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or
2. one half the cost of the single arbitrator jointly chosen by the Parties.

12.5 Rights Under The Federal Power Act:

Nothing in this section shall restrict the rights of any party to file a Complaint with the Commission under relevant provisions of the Federal Power Act.

II. POINT-TO-POINT TRANSMISSION SERVICE

Preamble

Non-Firm Point-To-Point, Short-Term Firm Point-To-Point and Long-Term Firm Point-To-Point Transmission Service are not available under this Tariff where such

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service is available under the Southwest Power Pool (SPP) open access transmission tariff. If such SPP transmission tariff is not in effect or is not binding on the Transmission Provider, then Non-Firm Point-To-Point, Short-Term Firm Point-To-Point and Long-Term Firm Point-To-Point Transmission Service shall be provided under this Tariff. The Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service pursuant to the applicable terms and conditions of this Tariff. Point-To-Point Transmission Service is for the receipt of capacity and energy at designated Point(s) of Receipt and the transfer of such capacity and energy to designated Point(s) of Delivery.

13 Nature of Firm Point-To-Point Transmission Service

13.1 Term:

The minimum term of Firm Point-To-Point Transmission Service shall be one day and the maximum term shall be specified in the Service Agreement.

13.2 Reservation Priority:

- (i) Long-Term Firm Point-To-Point Transmission Service shall be available on a first-come, first-served basis, i.e., in the chronological sequence in which each Transmission Customer has requested service.
- (ii) Reservations for Short-Term Firm Point-To-Point Transmission

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Service will be conditional based upon the length of the requested transaction or reservation. However, Pre-Confirmed Applications for Short-Term Point-to-Point Transmission Service will receive priority over earlier-submitted requests that are not Pre-Confirmed and that have equal or shorter duration. Among requests or reservations with the same duration and, as relevant, pre-confirmation status (pre-confirmed, confirmed, or not confirmed), priority will be given to an Eligible Customer's request or reservation that offers the highest price, followed by the date and time of the request or reservation.

- (iii) If the Transmission System becomes oversubscribed, requests for service may preempt competing reservations up to the following conditional reservation deadlines: one day before the commencement of daily service, one week before the commencement of weekly service, and one month before the commencement of monthly service. Before the conditional reservation deadline, if available transfer capability is insufficient to satisfy all requests and reservations, an Eligible Customer with a reservation for shorter term service or equal duration service

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and lower price has the right of first refusal to match any longer term request or equal duration service with a higher price before losing its reservation priority. A longer term competing request for Short-Term Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in section 13.8) from being notified by the Transmission Provider of a longer-term competing request for Short-Term Firm Point-To-Point Transmission Service. When a longer duration request preempts multiple shorter duration reservations, the shorter duration reservations shall have simultaneous opportunities to exercise the right of first refusal. Duration, price and time of response will be used to determine the order by which the multiple shorter duration reservations will be able to exercise the right of first refusal. After the conditional reservation deadline, service will commence pursuant to the terms of Part II of the Tariff.

(iv) Firm Point-To-Point Transmission Service will always have a

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reservation priority over Non-Firm Point-To-Point Transmission Service under the Tariff. All Long-Term Firm Point-To-Point Transmission Service will have equal reservation priority with Native Load Customers and Network Customers. Reservation priorities for existing firm service customers are provided in Section 2.2.

13.3 Use of Firm Transmission Service by the Transmission Provider:

The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under (i) agreements executed on or after May 14, 2007 or (ii) agreements executed prior to the aforementioned date that the Commission requires to be unbundled, by the date specified by the Commission. The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of the Point-To-Point Transmission Service to make Third-Party Sales.

13.4 Service Agreements:

The Transmission Provider shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it submits a Completed Application for Long-Term Firm Point-To-Point Transmission Service. The Transmission Provider shall offer a standard form

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Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it first submits a Completed Application for Short-Term Firm Point-To-Point Transmission Service pursuant to the Tariff. Executed Service Agreements that contain the information required under the Tariff shall be filed with the Commission in compliance with applicable Commission regulations. An Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved and that has not executed a Service Agreement will be deemed, for purposes of assessing any appropriate charges and penalties, to have executed the appropriate Service Agreement. The Service Agreement shall, when applicable, specify any conditional curtailment options selected by the Transmission Customer. Where the Service Agreement contains conditional curtailment options and is subject to a biennial reassessment as described in Section 15.4, the Transmission Provider shall provide the Transmission Customer notice of any changes to the curtailment conditions no less than 90 days prior to the date for imposition of new curtailment conditions. Concurrent with such notice, the Transmission Provider shall provide the Transmission Customer with the reassessment study and a narrative description of the study, including the reasons for changes to the number of

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hours per year or System Conditions under which conditional curtailment may occur.

13.5 Transmission Customer Obligations for Facility Additions or Redispatch Costs:

In cases where the Transmission Provider determines that the Transmission System is not capable of providing Firm Point-To-Point Transmission Service without (1) degrading or impairing the reliability of service to Native Load Customers, Network Customers and other Transmission Customers taking Firm Point-To-Point Transmission Service, or (2) interfering with the Transmission Provider's ability to meet prior firm contractual commitments to others, the Transmission Provider will be obligated to expand or upgrade its Transmission System pursuant to the terms of Section 15.4. The Transmission Customer must agree to compensate the Transmission Provider for any necessary transmission facility additions pursuant to the terms of Section 27. To the extent the Transmission Provider can relieve any system constraint by redispatching the Transmission Provider's resources, it shall do so, provided that the Eligible Customer agrees to compensate the Transmission Provider pursuant to the terms of Section 27 and agrees to either (i) compensate the Transmission Provider for any necessary transmission facility additions or (ii)

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accept the service subject to a biennial reassessment by the Transmission Provider of redispatch requirements as described in Section 15.4. Any redispatch, Network Upgrade or Direct Assignment Facilities costs to be charged to the Transmission Customer on an incremental basis under the Tariff will be specified in the Service Agreement prior to initiating service.

13.6 Curtailment of Firm Transmission Service:

In the event that a Curtailment on the Transmission Provider's Transmission System, or a portion thereof, is required to maintain reliable operation of such system and the system directly and indirectly interconnected with Transmission Provider's Transmission System, Curtailments will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint. Transmission Provider may elect to implement such Curtailments pursuant to the Transmission Loading Relief procedures specified in Attachment J. If multiple transactions require Curtailment, to the extent practicable and consistent with Good Utility Practice, the Transmission Provider will curtail service to Network Customers and Transmission Customers taking Firm Point-To-Point Transmission Service on a basis comparable to the curtailment of service to the Transmission Provider's Native Load Customers. All Curtailments will be made on a non-discriminatory

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basis, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. Long-Term Firm Point-to-Point Service subject to conditions described in Section 15.4 shall be curtailed with secondary service in cases where the conditions apply, but otherwise will be curtailed on a pro rata basis with other Firm Transmission Service. When the Transmission Provider determines that an electrical emergency exists on its Transmission System and implements emergency procedures to Curtail Firm Transmission Service, the Transmission Customer shall make the required reductions upon request of the Transmission Provider. However, the Transmission Provider reserves the right to Curtail, in whole or in part, any Firm Transmission Service provided under the Tariff when, in the Transmission Provider's sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of its Transmission System. The Transmission Provider will notify all affected Transmission Customers in a timely manner of any scheduled Curtailments.

13.7 Classification of Firm Transmission Service:

- (a) The Transmission Customer taking Firm Point-To-Point Transmission Service may (1) change its Receipt and Delivery Points to obtain service on a non-firm basis consistent with the

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terms of Section 22.1 or (2) request a modification of the Points of Receipt or Delivery on a firm basis pursuant to the terms of Section 22.2.

- (b) The Transmission Customer may purchase transmission service to make sales of capacity and energy from multiple generating units that are on the Transmission Provider's Transmission System. For such a purchase of transmission service, the resources will be designated as multiple Points of Receipt, unless the multiple generating units are at the same generating plant in which case the units would be treated as a single Point of Receipt.
- (c) The Transmission Provider shall provide firm deliveries of capacity and energy from the Point(s) of Receipt to the Point(s) of Delivery. Each Point of Receipt at which firm transmission capacity is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Transmission Service along with a corresponding capacity reservation associated with each Point of Receipt. Points of Receipt and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm

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Transmission. Each Point of Delivery at which firm transfer capability is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Transmission Service along with a corresponding capacity reservation associated with each Point of Delivery. Points of Delivery and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Transmission. The greater of either (1) the sum of the capacity reservations at the Point(s) of Receipt, or (2) the sum of the capacity reservations at the Point(s) of Delivery shall be the Transmission Customer's Reserved Capacity. The Transmission Customer will be billed for its Reserved Capacity under the terms of Schedule 7. The Transmission Customer may not exceed its firm capacity reserved at each Point of Receipt and each Point of Delivery except as otherwise specified in Section 22. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer (including Third-Party Sales by the Transmission Provider) exceeds its firm reserved capacity at any

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Point of Receipt or Point of Delivery or uses Transmission

Service at a Point of Receipt or Point of Delivery that it has not reserved.

13.8 Scheduling of Firm Point-To-Point Transmission Service:

Schedules for the Transmission Customer's Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 10:00 a.m. or a reasonable time that is generally accepted in the region and is consistently adhered to by the Transmission Provider of the day prior to commencement of such service. Schedules submitted after 10:00 a.m. will be accommodated, if practicable. Hour-to-hour schedules of any capacity and energy that is to be delivered must be stated in increments of 1,000 kW per hour or a reasonable increment that is generally accepted in the region and is consistently adhered to by the Transmission Provider. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their service requests at a common point of receipt into units of 1,000 kW per hour for scheduling and billing purposes. Scheduling changes will be permitted up to twenty (20) minutes or a reasonable time that is generally accepted in the region and is consistently

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adhered to by the Transmission Provider before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

14 Nature of Non-Firm Point-To-Point Transmission Service

14.1 Term:

Non-Firm Point-To-Point Transmission Service will be available for periods ranging from one (1) hour to one (1) month. However, a Purchaser of Non-Firm Point-To-Point Transmission Service will be entitled to reserve a sequential term of service (such as a sequential monthly term without having to wait for the initial term to expire before requesting another monthly term) so that the total time period for which the reservation applies is greater than one month, subject to the requirements of Section 18.3.

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14.2 Reservation Priority:

Non-Firm Point-To-Point Transmission Service shall be available from transfer capability in excess of that needed for reliable service to Native Load Customers, Network Customers and other Transmission Customers taking Long-Term and Short-Term Firm Point-To-Point Transmission Service. A higher priority will be assigned first to requests or reservations with a longer duration of service and second to Pre-Confirmed Applications. In the event the Transmission System is constrained, competing requests of the same Pre-Confirmation status and equal duration will be prioritized based on the highest price offered by the Eligible Customer for the Transmission Service. Eligible Customers that have already reserved shorter term service have the right of first refusal to match any longer term request before being preempted. A longer term competing request for Non-Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request: (a) immediately for hourly Non-Firm Point-To-Point Transmission Service after notification by the Transmission Provider; and, (b) within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in section 14.6) for Non-Firm Point-To-Point Transmission Service other than hourly transactions after

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notification by the Transmission Provider. Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have the lowest reservation priority under the Tariff.

14.3 Use of Non-Firm Point-To-Point Transmission Service by the Transmission Provider:

The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under (i) agreements executed on or after May 14, 2007 or (ii) agreements executed prior to the aforementioned date that the Commission requires to be unbundled, by the date specified by the Commission. The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of Non-Firm Point-To-Point Transmission Service to make Third-Party Sales.

14.4 Service Agreements:

The Transmission Provider shall offer a standard form Non-Firm Point-To-Point Transmission Service Agreement (Attachment B) to an Eligible Customer when it first submits a Completed Application for Non-Firm Point-

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To-Point Transmission Service pursuant to the Tariff. Executed Service Agreements that contain the information required under the Tariff shall be filed with the Commission in compliance with applicable Commission regulations.

14.5 Classification of Non-Firm Point-To-Point Transmission Service:

Non-Firm Point-To-Point Transmission Service shall be offered under terms and conditions contained in Part II of the Tariff. The Transmission Provider undertakes no obligation under the Tariff to plan its Transmission System in order to have sufficient capacity for Non-Firm Point-To-Point Transmission Service. Parties requesting Non-Firm Point-To-Point Transmission Service for the transmission of firm power do so with the full realization that such service is subject to availability and to Curtailment or Interruption under the terms of the Tariff. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer (including Third-Party Sales by the Transmission Provider) exceeds its non-firm capacity reservation. Non-Firm Point-To-Point Transmission Service shall include transmission of energy on an hourly basis and transmission of scheduled short-term capacity and energy on a daily, weekly or monthly basis, but not to exceed one month's reservation for any

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one Application, under Schedule 8.

14.6 Scheduling of Non-Firm Point-To-Point Transmission Service:

Schedules for Non-Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 2:00 p.m. or a reasonable time that is generally accepted in the region and is consistently adhered to by the Transmission Provider of the day prior to commencement of such service.

Schedules submitted after 2:00 p.m. will be accommodated, if practicable.

Hour-to-hour schedules of energy that is to be delivered must be stated in increments of 1,000 kW per hour or a reasonable increment that is generally accepted in the region and is consistently adhered to by the Transmission Provider. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their schedules at a common Point of Receipt into units of 1,000 kW per hour. Scheduling changes will be permitted up to twenty (20) minutes or a reasonable time that is generally accepted in the region and is consistently adhered to by the Transmission Provider before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification.

The Transmission Provider will furnish to the Delivering Party's system

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operator, hour-to-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

14.7 Curtailment or Interruption of Service:

The Transmission Provider reserves the right to Curtail, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for reliability reasons when an emergency or other unforeseen condition threatens to impair or degrade the reliability of its Transmission System or the systems directly and indirectly interconnected with Transmission Provider's Transmission System. Transmission Provider may elect to implement such Curtailments pursuant to the Transmission Loading Relief procedures specified in Attachment J. The Transmission Provider reserves the right to Interrupt, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for economic reasons in order to accommodate (1) a request for Firm Transmission Service, (2) a request for Non-Firm Point-To-

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Point Transmission Service of greater duration, (3) a request for Non-Firm Point-To-Point Transmission Service of equal duration with a higher price, (4) transmission service for Network Customers from non-designated resources, or (5) transmission service for Firm Point-to-Point Transmission Service during conditional curtailment periods as described in Section 15.4. The Transmission Provider also will discontinue or reduce service to the Transmission Customer to the extent that deliveries for transmission are discontinued or reduced at the Point(s) of Receipt. Where required, Curtailments or Interruptions will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. If multiple transactions require Curtailment or Interruption, to the extent practicable and consistent with Good Utility Practice, Curtailments or Interruptions will be made to transactions of the shortest term (e.g., hourly non-firm transactions will be Curtailed or Interrupted before daily non-firm transactions and daily non-firm transactions will be Curtailed or Interrupted before weekly non-firm transactions). Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm

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Point-To-Point Transmission Service under the Tariff. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have a lower priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. The Transmission Provider will provide advance notice of Curtailment or Interruption where such notice can be provided consistent with Good Utility Practice.

15 Service Availability

15.1 General Conditions:

The Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service over, on or across its Transmission System to any Transmission Customer that has met the requirements of Section 16.

15.2 Determination of Available Transfer Capability:

A description of the Transmission Provider's specific methodology for assessing available transfer capability posted on the Transmission Provider's OASIS (Section 4) is contained in Attachment C of the Tariff. In the event sufficient transfer capability may not exist to accommodate a service request, the Transmission Provider will respond by performing a System Impact Study.

15.3 Initiating Service in the Absence of an Executed Service Agreement:

If the Transmission Provider and the Transmission Customer requesting Firm

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or Non-Firm Point-To-Point Transmission Service cannot agree on all the terms and conditions of the Point-To-Point Service Agreement, the Transmission Provider shall file with the Commission, within thirty (30) days after the date the Transmission Customer provides written notification directing the Transmission Provider to file, an unexecuted Point-To-Point Service Agreement containing terms and conditions deemed appropriate by the Transmission Provider for such requested Transmission Service. The Transmission Provider shall commence providing Transmission Service subject to the Transmission Customer agreeing to (i) compensate the Transmission Provider at whatever rate the Commission ultimately determines to be just and reasonable, and (ii) comply with the terms and conditions of the Tariff including posting appropriate security deposits in accordance with the terms of Section 17.3.

15.4 Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System, Redispatch or Conditional Curtailment:

- (a) If the Transmission Provider determines that it cannot accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use due

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diligence to expand or modify its Transmission System to provide the requested Firm Transmission Service, consistent with its planning obligations in Attachment K, provided the Transmission Customer agrees to compensate the Transmission Provider for such costs pursuant to the terms of Section 27. The Transmission Provider will conform to Good Utility Practice and its planning obligations in Attachment K, in determining the need for new facilities and in the design and construction of such facilities. The obligation applies only to those facilities that the Transmission Provider has the right to expand or modify.

- (b) If the Transmission Provider determines that it cannot accommodate a Completed Application for Long-Term Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use due diligence to provide redispatch from its own resources until (i) Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide the redispatch, or (iii) the Transmission Customer

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terminates the service because of redispatch changes resulting from the reassessment. A Transmission Provider shall not unreasonably deny self-provided redispatch or redispatch arranged by the Transmission Customer from a third party resource.

- (c) If the Transmission Provider determines that it cannot accommodate a Completed Application for Long-Term Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will offer the Firm Transmission Service with the condition that the Transmission Provider may curtail the service prior to the curtailment of other Firm Transmission Service for a specified number of hours per year or during System Condition(s). If the Transmission Customer accepts the service, the Transmission Provider will use due diligence to provide the service until (i) Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide such service, or (iii) the Transmission Customer terminates the service because

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the reassessment increased the number of hours per year of conditional curtailment or changed the System Conditions.

15.5 Deferral of Service:

The Transmission Provider may defer providing service until it completes construction of new transmission facilities or upgrades needed to provide Firm Point-To-Point Transmission Service whenever the Transmission Provider determines that providing the requested service would, without such new facilities or upgrades, impair or degrade reliability to any existing firm services.

15.6 Other Transmission Service Schedules:

Eligible Customers receiving transmission service under other agreements on file with the Commission may continue to receive transmission service under those agreements until such time as those agreements may be modified by the Commission.

15.7 Real Power Losses:

Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Transmission Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. The

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applicable Real Power Loss factors are as follows: Three (3) percent for capacity and three (3) percent for energy.

16 Transmission Customer Responsibilities

16.1 Conditions Required of Transmission Customers:

Point-To-Point Transmission Service shall be provided by the Transmission Provider only if the following conditions are satisfied by the Transmission Customer:

- (a) The Transmission Customer has pending a Completed Application for service;
- (b) The Transmission Customer meets the creditworthiness criteria set forth in Section 11;
- (c) The Transmission Customer will have arrangements in place for any other transmission service necessary to effect the delivery from the generating source to the Transmission Provider prior to the time service under Part II of the Tariff commences;
- (d) The Transmission Customer agrees to pay for any facilities constructed and chargeable to such Transmission Customer under Part II of the Tariff, whether or not the Transmission Customer takes service for the full term of its reservation;

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- (e) The Transmission Customer provides the information required by the Transmission Provider's planning process established in Attachment K; and
- (f) The Transmission Customer has executed a Point-To-Point Service Agreement or has agreed to receive service pursuant to Section 15.3.

16.2 Transmission Customer Responsibility for Third-Party Arrangements:

Any scheduling arrangements that may be required by other electric systems shall be the responsibility of the Transmission Customer requesting service. The Transmission Customer shall provide, unless waived by the Transmission Provider, notification to the Transmission Provider identifying such systems and authorizing them to schedule the capacity and energy to be transmitted by the Transmission Provider pursuant to Part II of the Tariff on behalf of the Receiving Party at the Point of Delivery or the Delivering Party at the Point of Receipt. However, the Transmission Provider will undertake reasonable efforts to assist the Transmission Customer in making such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

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17 Procedures for Arranging Firm Point-To-Point Transmission Service

17.1 Application:

A request for Firm Point-To-Point Transmission Service for periods of one year or longer must contain a written Application to: Manager of Transmission Operations, Oklahoma Gas and Electric Company, PO Box 321 M/C MW14, Oklahoma City, OK 73101-0321, at least sixty (60) days in advance of the calendar month in which service is to commence. The Transmission Provider will consider requests for such firm service on shorter notice when feasible. Requests for firm service for periods of less than one year shall be subject to expedited procedures that shall be negotiated between the Parties within the time constraints provided in Section 17.5. All Firm Point-To-Point Transmission Service requests should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the priority of the Application.

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17.2 Completed Application:

A Completed Application shall provide all of the information included in 18 CFR, 2.20 including but not limited to the following:

- (i) The identity, address, telephone number and facsimile number of the entity requesting service;
- (ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) The location of the Point(s) of Receipt and Point(s) of Delivery and the identities of the Delivering Parties and the Receiving Parties;
- (iv) The location of the generating facility(ies) supplying the capacity and energy and the location of the load ultimately served by the capacity and energy transmitted. The Transmission Provider will treat this information as confidential except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice or pursuant to RTG transmission information sharing agreements. The Transmission Provider shall treat this information consistent with the standards of conduct

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- contained in Part 37 of the Commission's regulations;
- (v) A description of the supply characteristics of the capacity and energy to be delivered;
 - (vi) An estimate of the capacity and energy expected to be delivered to the Receiving Party;
 - (vii) The Service Commencement Date and the term of the requested Transmission Service;
 - (viii) The transmission capacity requested for each Point of Receipt and each Point of Delivery on the Transmission Provider's Transmission System; customers may combine their requests for service in order to satisfy the minimum transmission capacity requirement;
 - (ix) A statement indicating that, if the Eligible Customer submits a Pre-Confirmed Application, the Eligible Customer will execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service; and
 - (x) Any additional information required by the Transmission Provider's planning process established in Attachment K.

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The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

17.3 Deposit:

A Completed Application for Firm Point-To-Point Transmission Service also shall include a deposit of either one month's charge for Reserved Capacity or the full charge for Reserved Capacity for service requests of less than one month. If the Application is rejected by the Transmission Provider because it does not meet the conditions for service as set forth herein, or in the case of requests for service arising in connection with losing bidders in a Request For Proposals (RFP), said deposit shall be returned with interest less any reasonable costs incurred by the Transmission Provider in connection with the review of the losing bidder's Application. The deposit also will be returned with interest less any reasonable costs incurred by the Transmission Provider if the Transmission Provider is unable to complete new facilities needed to provide the service. If an Application is withdrawn or the Eligible Customer decides not to enter into a Service Agreement for Firm Point-To-Point Transmission Service, the deposit shall be refunded in full, with interest, less reasonable costs incurred by the Transmission Provider to the extent such costs have not already been recovered by the Transmission Provider from the

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Eligible Customer. The Transmission Provider will provide to the Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which the Eligible Customer may contest if there is a dispute concerning the deducted costs. Deposits associated with construction of new facilities are subject to the provisions of Section 19. If a Service Agreement for Firm Point-To-Point Transmission Service is executed, the deposit, with interest, will be returned to the Transmission Customer upon expiration or termination of the Service Agreement for Firm Point-To-Point Transmission Service. Applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR 35.19a(a)(2)(iii), and shall be calculated from the day the deposit check is credited to the Transmission Provider's account.

17.4 Notice of Deficient Application:

If an Application fails to meet the requirements of the Tariff, the Transmission Provider shall notify the entity requesting service within fifteen (15) days of receipt of the reasons for such failure. The Transmission Provider will attempt to remedy minor deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application, along with any

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deposit, with interest. Upon receipt of a new or revised Application that fully complies with the requirements of Part II of the Tariff, the Eligible Customer shall be assigned a new priority consistent with the date of the new or revised Application.

17.5 Response to a Completed Application:

Following receipt of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider shall make a determination of available transfer capability as required in Section 15.2. The Transmission Provider shall notify the Eligible Customer as soon as practicable, but not later than thirty (30) days after the date of receipt of a Completed Application either (i) if it will be able to provide service without performing a System Impact Study or (ii) if such a study is needed to evaluate the impact of the Application pursuant to Section 19.1. Responses by the Transmission Provider must be made as soon as practicable to all completed applications (including applications by its own merchant function) and the timing of such responses must be made on a non-discriminatory basis.

17.6 Execution of Service Agreement:

Whenever the Transmission Provider determines that a System Impact Study is not required and that the service can be provided, it shall notify the Eligible

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Customer as soon as practicable but no later than thirty (30) days after receipt of the Completed Application. Where a System Impact Study is required, the provisions of Section 19 will govern the execution of a Service Agreement. Failure of an Eligible Customer to execute and return the Service Agreement or request the filing of an unexecuted service agreement pursuant to Section 15.3, within fifteen (15) days after it is tendered by the Transmission Provider will be deemed a withdrawal and termination of the Application and any deposit submitted shall be refunded with interest. Nothing herein limits the right of an Eligible Customer to file another Application after such withdrawal and termination.

17.7 Extensions for Commencement of Service:

The Transmission Customer can obtain, subject to availability, up to five (5) one-year extensions for the commencement of service. The Transmission Customer may postpone service by paying a non-refundable annual reservation fee equal to one-month's charge for Firm Transmission Service for each year or fraction thereof within 15 days of notifying the Transmission Provider it intends to extend the commencement of service. If during any extension for the commencement of service an Eligible Customer submits a Completed Application for Firm Transmission Service, and such request can

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be satisfied only by releasing all or part of the Transmission Customer's Reserved Capacity, the original Reserved Capacity will be released unless the following condition is satisfied. Within thirty (30) days, the original Transmission Customer agrees to pay the Firm Point-To-Point transmission rate for its Reserved Capacity concurrent with the new Service Commencement Date. In the event the Transmission Customer elects to release the Reserved Capacity, the reservation fees or portions thereof previously paid will be forfeited.

18 Procedures for Arranging Non-Firm Point-To-Point Transmission Service

18.1 Application:

Eligible Customers seeking Non-Firm Point-To-Point Transmission Service must submit a Completed Application to the Transmission Provider.

Applications should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the service priority of the Application.

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18.2 Completed Application:

A Completed Application shall provide all of the information included in 18 CFR § 2.20 including but not limited to the following:

- (i) The identity, address, telephone number and facsimile number of the entity requesting service;
- (ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) The Point(s) of Receipt and the Point(s) of Delivery;
- (iv) The maximum amount of capacity requested at each Point of Receipt and Point of Delivery; and
- (v) The proposed dates and hours for initiating and terminating transmission service hereunder.

In addition to the information specified above, when required to properly evaluate system conditions, the Transmission Provider also may ask the Transmission Customer to provide the following:

- (vi) The electrical location of the initial source of the power to be transmitted pursuant to the Transmission Customer's request for service; and
- (vii) The electrical location of the ultimate load.

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The Transmission Provider will treat this information in (vi) and (vii) as confidential at the request of the Transmission Customer except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice, or pursuant to RTG transmission information sharing agreements. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

(viii) A statement indicating that, if the Eligible Customer submits a Pre-Confirmed Application, the Eligible Customer will execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.

18.3 Reservation of Non-Firm Point-To-Point Transmission Service:

Requests for monthly service shall be submitted no earlier than sixty (60) days before service is to commence; requests for weekly service shall be submitted no earlier than fourteen (14) days before service is to commence, requests for daily service shall be submitted no earlier than two (2) days before service is to commence, and requests for hourly service shall be submitted no earlier than noon the day before service is to commence. Requests for service

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received later than 2:00 p.m. prior to the day service is scheduled to commence will be accommodated if practicable or such reasonable times that are generally accepted in the region and are consistently adhered to by the Transmission Provider.

18.4 Determination of Available Transfer Capability:

Following receipt of a tendered schedule the Transmission Provider will make a determination on a non-discriminatory basis of available transfer capability pursuant to Section 15.2. Such determination shall be made as soon as reasonably practicable after receipt, but not later than the following time periods for the following terms of service (i) thirty (30) minutes for hourly service, (ii) thirty (30) minutes for daily service, (iii) four (4) hours for weekly service, and (iv) two (2) days for monthly service, or such reasonable times that are generally accepted in the region and are consistently adhered to by the Transmission Provider.

19 Additional Study Procedures For Firm Point-To-Point Transmission Service Requests

19.1 Notice of Need for System Impact Study:

After receiving a request for service, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for

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completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. Once informed, the Eligible Customer shall timely notify the Transmission Provider if it elects to have the Transmission Provider study redispatch or conditional curtailment as part of the System Impact Study. If notification is provided prior to tender of the System Impact Study Agreement, the Eligible Customer can avoid the costs associated with the study of these options. The Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned with interest.

19.2 System Impact Study Agreement and Cost Reimbursement:

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- (i) The System Impact Study Agreement will clearly specify the Transmission Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.
- (ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the requests for service, the costs of that study shall be pro-rated among the Eligible Customers.
- (iii) For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall

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record the cost of the System Impact Studies pursuant to Section 20.

19.3 System Impact Study Procedures:

Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify (1) any system constraints, identified with specificity by transmission element or flowgate, (2) redispatch options (when requested by an Eligible Customer) including an estimate of the cost of redispatch, (3) conditional curtailment options (when requested by an Eligible Customer) including the number of hours per year and the System Conditions during which conditional curtailment may occur, and (4) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. For customers requesting the study of redispatch options, the System Impact Study shall (1) identify all resources located within the Transmission Provider's Control Area that can significantly contribute toward relieving the system constraint and (2) provide a measurement of each resource's impact on the system constraint. If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such

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resource in the System Impact Study. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer as soon as the System Impact Study is complete. The Transmission Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request the filing of an unexecuted Service Agreement pursuant to Section 15.3, or the Application shall be deemed terminated and withdrawn.

19.4 Facilities Study Procedures:

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If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Transmission Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate

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of (i) the cost of Direct Assignment Facilities to be charged to the Transmission Customer, (ii) the Transmission Customer's appropriate share of the cost of any required Network Upgrades as determined pursuant to the provisions of Part II of the Tariff, and (iii) the time required to complete such construction and initiate the requested service. The Transmission Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Transmission Customer shall have thirty (30) days to execute a Service Agreement or request the filing of an unexecuted Service Agreement and provide the required letter of credit or other form of security or the request will no longer be a Completed Application and shall be deemed terminated and withdrawn.

19.5 Facilities Study Modifications:

Any change in design arising from inability to site or construct facilities as proposed will require development of a revised good faith estimate. New good faith estimates also will be required in the event of new statutory or regulatory requirements that are effective before the completion of

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construction or other circumstances beyond the control of the Transmission Provider that significantly affect the final cost of new facilities or upgrades to be charged to the Transmission Customer pursuant to the provisions of Part II of the Tariff.

19.6 Due Diligence in Completing New Facilities:

The Transmission Provider shall use due diligence to add necessary facilities or upgrade its Transmission System within a reasonable time. The Transmission Provider will not upgrade its existing or planned Transmission System in order to provide the requested Firm Point-To-Point Transmission Service if doing so would impair system reliability or otherwise impair or degrade existing firm service.

19.7 Partial Interim Service:

If the Transmission Provider determines that it will not have adequate transfer capability to satisfy the full amount of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider nonetheless shall be obligated to offer and provide the portion of the requested Firm Point-To-Point Transmission Service that can be accommodated without addition of any facilities and through redispatch. However, the Transmission Provider shall not be obligated to provide the incremental amount of requested Firm

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Point-To-Point Transmission Service that requires the addition of facilities or upgrades to the Transmission System until such facilities or upgrades have been placed in service.

19.8 Expedited Procedures for New Facilities:

In lieu of the procedures set forth above, the Eligible Customer shall have the option to expedite the process by requesting the Transmission Provider to tender at one time, together with the results of required studies, an "Expedited Service Agreement" pursuant to which the Eligible Customer would agree to compensate the Transmission Provider for all costs incurred pursuant to the terms of the Tariff. In order to exercise this option, the Eligible Customer shall request in writing an expedited Service Agreement covering all of the above-specified items within thirty (30) days of receiving the results of the System Impact Study identifying needed facility additions or upgrades or costs incurred in providing the requested service. While the Transmission Provider agrees to provide the Eligible Customer with its best estimate of the new facility costs and other charges that may be incurred, such estimate shall not be binding and the Eligible Customer must agree in writing to compensate the Transmission Provider for all costs incurred pursuant to the provisions of the Tariff. The Eligible Customer shall execute and return such an Expedited

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Service Agreement within fifteen (15) days of its receipt or the Eligible Customer's request for service will cease to be a Completed Application and will be deemed terminated and withdrawn.

19.9 Penalties for Failure to Meet Study Deadlines:

Sections 19.3 and 19.4 require a Transmission Provider to use due diligence to meet 60-day study completion deadlines for System Impact Studies and Facilities Studies.

- (i) The Transmission Provider is required to file a notice with the Commission in the event that more than twenty (20) percent of non-Affiliates' System Impact Studies and Facilities Studies completed by the Transmission Provider in any two consecutive calendar quarters are not completed within the 60-day study completion deadlines. Such notice must be filed within thirty (30) days of the end of the calendar quarter triggering the notice requirement.
- (ii) For the purposes of calculating the percent of non-Affiliates' System Impact Studies and Facilities Studies processed outside of the 60-day study completion deadlines, the Transmission Provider shall consider all System Impact Studies and Facilities Studies

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that it completes for non-Affiliates during the calendar quarter.

The percentage should be calculated by dividing the number of those studies which are completed on time by the total number of completed studies. The Transmission Provider may provide an explanation in its notification filing to the Commission if it believes there are extenuating circumstances that prevented it from meeting the 60-day study completion deadlines.

- (iii) The Transmission Provider is subject to an operational penalty if it completes ten (10) percent or more of non-Affiliates' System Impact Studies and Facilities Studies outside of the 60-day study completion deadlines for each of the two calendar quarters immediately following the quarter that triggered its notification filing to the Commission. The operational penalty will be assessed for each calendar quarter for which an operational penalty applies, starting with the calendar quarter immediately following the quarter that triggered the Transmission Provider's notification filing to the Commission. The operational penalty will continue to be assessed each quarter until the Transmission Provider completes at least ninety (90) percent of all non-

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Affiliates' System Impact Studies and Facilities Studies within the 60-day deadline.

- (iv) For penalties assessed in accordance with subsection (iii) above, the penalty amount for each System Impact Study or Facilities Study shall be equal to \$500 for each day the Transmission Provider takes to complete that study beyond the 60-day deadline.

20 Procedures if The Transmission Provider is Unable to Complete New Transmission Facilities for Firm Point-To-Point Transmission Service

20.1 Delays in Construction of New Facilities:

If any event occurs that will materially affect the time for completion of new facilities, or the ability to complete them, the Transmission Provider shall promptly notify the Transmission Customer. In such circumstances, the Transmission Provider shall within thirty (30) days of notifying the Transmission Customer of such delays, convene a technical meeting with the Transmission Customer to evaluate the alternatives available to the Transmission Customer. The Transmission Provider also shall make available to the Transmission Customer studies and work papers related to the delay, including all information that is in the possession of the Transmission Provider that is reasonably needed by the Transmission Customer to evaluate any alternatives.

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20.2 Alternatives to the Original Facility Additions:

When the review process of Section 20.1 determines that one or more alternatives exist to the originally planned construction project, the Transmission Provider shall present such alternatives for consideration by the Transmission Customer. If, upon review of any alternatives, the Transmission Customer desires to maintain its Completed Application subject to construction of the alternative facilities, it may request the Transmission Provider to submit a revised Service Agreement for Firm Point-To-Point Transmission Service. If the alternative approach solely involves Non-Firm Point-To-Point Transmission Service, the Transmission Provider shall promptly tender a Service Agreement for Non-Firm Point-To-Point Transmission Service providing for the service. In the event the Transmission Provider concludes that no reasonable alternative exists and the Transmission Customer disagrees, the Transmission Customer may seek relief under the dispute resolution procedures pursuant to Section 12 or it may refer the dispute to the Commission for resolution.

20.3 Refund Obligation for Unfinished Facility Additions:

If the Transmission Provider and the Transmission Customer mutually agree that no other reasonable alternatives exist and the requested service cannot be

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provided out of existing capability under the conditions of Part II of the Tariff, the obligation to provide the requested Firm Point-To-Point Transmission Service shall terminate and any deposit made by the Transmission Customer shall be returned with interest pursuant to Commission regulations 35.19a(a)(2)(iii). However, the Transmission Customer shall be responsible for all prudently incurred costs by the Transmission Provider through the time construction was suspended.

21 Provisions Relating to Transmission Construction and Services on the Systems of Other Utilities

21.1 Responsibility for Third-Party System Additions:

The Transmission Provider shall not be responsible for making arrangements for any necessary engineering, permitting, and construction of transmission or distribution facilities on the system(s) of any other entity or for obtaining any regulatory approval for such facilities. The Transmission Provider will undertake reasonable efforts to assist the Transmission Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

21.2 Coordination of Third-Party System Additions:

In circumstances where the need for transmission facilities or upgrades is identified pursuant to the provisions of Part II of the Tariff, and if such

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upgrades further require the addition of transmission facilities on other systems, the Transmission Provider shall have the right to coordinate construction on its own system with the construction required by others. The Transmission Provider, after consultation with the Transmission Customer and representatives of such other systems, may defer construction of its new transmission facilities, if the new transmission facilities on another system cannot be completed in a timely manner. The Transmission Provider shall notify the Transmission Customer in writing of the basis for any decision to defer construction and the specific problems which must be resolved before it will initiate or resume construction of new facilities. Within sixty (60) days of receiving written notification by the Transmission Provider of its intent to defer construction pursuant to this section, the Transmission Customer may challenge the decision in accordance with the dispute resolution procedures pursuant to Section 12 or it may refer the dispute to the Commission for resolution.

22 Changes in Service Specifications

22.1 Modifications On a Non-Firm Basis:

The Transmission Customer taking Firm Point-To-Point Transmission Service may request the Transmission Provider to provide transmission service on a

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non-firm basis over Receipt and Delivery Points other than those specified in the Service Agreement ("Secondary Receipt and Delivery Points"), in amounts not to exceed its firm capacity reservation, without incurring an additional Non-Firm Point-To-Point Transmission Service charge or executing a new Service Agreement, subject to the following conditions.

- (a) Service provided over Secondary Receipt and Delivery Points will be non-firm only, on an as-available basis and will not displace any firm or non-firm service reserved or scheduled by third-parties under the Tariff or by the Transmission Provider on behalf of its Native Load Customers.
- (b) The sum of all Firm and non-firm Point-To-Point Transmission Service provided to the Transmission Customer at any time pursuant to this section shall not exceed the Reserved Capacity in the relevant Service Agreement under which such services are provided.
- (c) The Transmission Customer shall retain its right to schedule Firm Point-To-Point Transmission Service at the Receipt and Delivery Points specified in the relevant Service Agreement in the amount of its original capacity reservation.

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- (d) Service over Secondary Receipt and Delivery Points on a non-firm basis shall not require the filing of an Application for Non-Firm Point-To-Point Transmission Service under the Tariff. However, all other requirements of Part II of the Tariff (except as to transmission rates) shall apply to transmission service on a non-firm basis over Secondary Receipt and Delivery Points.

22.2 Modification On a Firm Basis:

Any request by a Transmission Customer to modify Receipt and Delivery Points on a firm basis shall be treated as a new request for service in accordance with Section 17 hereof, except that such Transmission Customer shall not be obligated to pay any additional deposit if the capacity reservation does not exceed the amount reserved in the existing Service Agreement.

While such new request is pending, the Transmission Customer shall retain its priority for service at the existing firm Receipt and Delivery Points specified in its Service Agreement.

23 Sale or Assignment of Transmission Service

23.1 Procedures for Assignment or Transfer of Service:

Subject to Commission approval of any necessary filings, a Transmission Customer may sell, assign, or transfer all or a portion of its rights under its

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Service Agreement, but only to another Eligible Customer (the Assignee).

The Transmission Customer that sells, assigns or transfers its rights under its Service Agreement is hereafter referred to as the Reseller. Compensation to Resellers shall not exceed the higher of (i) the original rate paid by the Reseller, (ii) the Transmission Provider's maximum rate on file at the time of the assignment, or (iii) the Reseller's opportunity cost capped at the Transmission Provider's cost of expansion; provided that, for service prior to October 1, 2010, compensation to Resellers shall be at rates established by agreement between the Reseller and the Assignee.

The Assignee must execute a service agreement with the Transmission Provider governing reassignments of transmission service prior to the date on which the reassigned service commences. The Transmission Provider shall charge the Reseller, as appropriate at the rate stated in the Reseller's Service Agreement with the Transmission Provider or the associated OASIS schedule and credit the Reseller with the price reflected in the Assignee's Service Agreement with the Transmission Provider or the associated OASIS schedule; provided that, such credit shall be reversed in the event of non-payment by the Assignee. If the Assignee does not request any change in the Point(s) of Receipt or the Point(s) of Delivery, or a change in any other term or condition

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set forth in the original Service Agreement, the Assignee will receive the same services as did the Reseller and the priority of service for the Assignee will be the same as that of the Reseller. The Assignee will be subject to all terms and conditions of this Tariff. If the Assignee requests a change in service, the reservation priority of service will be determined by the Transmission Provider pursuant to Section 13.2.

23.2 Limitations on Assignment or Transfer of Service:

If the Assignee requests a change in the Point(s) of Receipt or Point(s) of Delivery, or a change in any other specifications set forth in the original Service Agreement, the Transmission Provider will consent to such change subject to the provisions of the Tariff, provided that the change will not impair the operation and reliability of the Transmission Provider's generation, transmission, or distribution systems. The Assignee shall compensate the Transmission Provider for performing any System Impact Study needed to evaluate the capability of the Transmission System to accommodate the proposed change and any additional costs resulting from such change. The Reseller shall remain liable for the performance of all obligations under the Service Agreement, except as specifically agreed to by the Transmission Provider and the Reseller through an amendment to the Service Agreement.

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23.3 Information on Assignment or Transfer of Service:

In accordance with Section 4, all sales or assignments of capacity must be conducted through or otherwise posted on the Transmission Provider's OASIS on or before the date the reassigned service commences and are subject to Section 23.1. Resellers may also use the Transmission Provider's OASIS to post transmission capacity available for resale.

24 Metering and Power Factor Correction at Receipt and Delivery Points(s)

24.1 Transmission Customer Obligations:

Unless otherwise agreed, the Transmission Customer shall be responsible for installing and maintaining compatible metering and communications equipment to accurately account for the capacity and energy being transmitted under Part II of the Tariff and to communicate the information to the Transmission Provider. Such equipment shall remain the property of the Transmission Customer.

24.2 Transmission Provider Access to Metering Data:

The Transmission Provider shall have access to metering data, which may reasonably be required to facilitate measurements and billing under the Service Agreement.

24.3 Power Factor:

Unless otherwise agreed, the Transmission Customer is required to maintain a

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power factor within the same range as the Transmission Provider pursuant to Good Utility Practices. The power factor requirements are specified in the Service Agreement where applicable.

25 Compensation for Transmission Service

Rates for Firm and Non-Firm Point-To-Point Transmission Service are provided in the Schedules appended to the Tariff: Firm Point-To-Point Transmission Service (Schedule 7); and Non-Firm Point-To-Point Transmission Service (Schedule 8). The Transmission Provider shall use Part II of the Tariff to make its Third-Party Sales. The Transmission Provider shall account for such use at the applicable Tariff rates, pursuant to Section 8.

26 Stranded Cost Recovery

The Transmission Provider may seek to recover stranded costs from the Transmission Customer pursuant to this Tariff in accordance with the terms, conditions and procedures set forth in FERC Order No. 888. However, the Transmission Provider must separately file any specific proposed stranded cost charge under Section 205 of the Federal Power Act.

27 Compensation for New Facilities and Redispatch Costs

Whenever a System Impact Study performed by the Transmission Provider in connection with the provision of Firm Point-To-Point Transmission Service identifies the need for new facilities, the Transmission Customer shall be

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responsible for such costs to the extent consistent with Commission policy.

Whenever a System Impact Study performed by the Transmission Provider identifies capacity constraints that may be relieved by redispatching the Transmission Provider's resources to eliminate such constraints, the Transmission Customer shall be responsible for the redispatch costs to the extent consistent with Commission policy.

III. NETWORK INTEGRATION TRANSMISSION SERVICE

Preamble

Network Integration Transmission Service is not available under this Tariff when such service is available under the Southwest Power Pool (SPP) open access transmission tariff. If such tariff is not in effect or is not binding, Network Integration Transmission Service shall be provided under this Tariff. The Transmission Provider will provide Network Integration Transmission Service pursuant to the applicable terms and conditions contained in the Tariff and Service Agreement. Network Integration Transmission Service allows the Network Customer to integrate, economically dispatch and regulate its current and planned Network Resources to serve its Network Load in a manner comparable to that in which the Transmission Provider utilizes its Transmission System to serve its Native Load Customers. Network Integration Transmission Service also may be used by the Network Customer to deliver economy energy purchases to its

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Network Load from non-designated resources on an as-available basis without additional charge. Transmission service for sales to non-designated loads will be provided pursuant to the applicable terms and conditions of Part II of the Tariff.

28 Nature of Network Integration Transmission Service

28.1 Scope of Service:

Network Integration Transmission Service is a transmission service that allows Network Customers to efficiently and economically utilize their Network Resources (as well as other non-designated generation resources) to serve their Network Load located in the Transmission Provider's Control Area and any additional load that may be designated pursuant to Section 31.3 of the Tariff. The Network Customer taking Network Integration Transmission Service must obtain or provide Ancillary Services pursuant to Section 3.

28.2 Transmission Provider Responsibilities:

The Transmission Provider will plan, construct, operate and maintain its Transmission System in accordance with Good Utility Practice and its planning obligations in Attachment K in order to provide the Network Customer with Network Integration Transmission Service over the Transmission Provider's Transmission System. The Transmission Provider, on behalf of its Native Load Customers, shall be required to designate

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resources and loads in the same manner as any Network Customer under Part III of this Tariff. This information must be consistent with the information used by the Transmission Provider to calculate available transfer capability. The Transmission Provider shall include the Network Customer's Network Load in its Transmission System planning and shall, consistent with Good Utility Practice and Attachment K, endeavor to construct and place into service sufficient transfer capability to deliver the Network Customer's Network Resources to serve its Network Load on a basis comparable to the Transmission Provider's delivery of its own generating and purchased resources to its Native Load Customers.

28.3 Network Integration Transmission Service:

The Transmission Provider will provide firm transmission service over its Transmission System to the Network Customer for the delivery of capacity and energy from its designated Network Resources to service its Network Loads on a basis that is comparable to the Transmission Provider's use of the Transmission System to reliably serve its Native Load Customers.

28.4 Secondary Service:

The Network Customer may use the Transmission Provider's Transmission System to deliver energy to its Network Loads from resources that have not

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been designated as Network Resources. Such energy shall be transmitted, on an as-available basis, at no additional charge. Secondary service shall not require the filing of an Application for Network Integration Transmission Service under the Tariff. However, all other requirements of Part III of the Tariff (except for transmission rates) shall apply to secondary service. Deliveries from resources other than Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under Part II of the Tariff.

28.5 Real Power Losses:

Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Network Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. The applicable Real Power Loss factors are as follows: Three (3) percent for capacity and three (3) percent for energy..

28.6 Restrictions on Use of Service:

The Network Customer shall not use Network Integration Transmission Service for (i) sales of capacity and energy to non-designated loads, or (ii) direct or indirect provision of transmission service by the Network Customer

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to third parties. All Network Customers taking Network Integration Transmission Service shall use Point-To-Point Transmission Service under Part II of the Tariff for any Third-Party Sale which requires use of the Transmission Provider's Transmission System. The Transmission Provider shall specify any appropriate charges and penalties and all related terms and conditions applicable in the event that a Network Customer uses Network Integration Transmission Service or secondary service pursuant to Section 28.4 to facilitate a wholesale sale that does not serve a Network Load.

29 Initiating Service

29.1 Condition Precedent for Receiving Service:

Subject to the terms and conditions of Part III of the Tariff, the Transmission Provider will provide Network Integration Transmission Service to any Eligible Customer, provided that (i) the Eligible Customer completes an Application for service as provided under Part III of the Tariff, (ii) the Eligible Customer and the Transmission Provider complete the technical arrangements set forth in Sections 29.3 and 29.4, (iii) the Eligible Customer executes a Service Agreement pursuant to Attachment F for service under Part III of the Tariff or requests in writing that the Transmission Provider file a proposed unexecuted Service Agreement with the Commission, and (iv) the Eligible

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Customer executes a Network Operating Agreement with the Transmission Provider pursuant to Attachment G, or requests in writing that the Transmission Provider file a proposed unexecuted Network Operating Agreement.

29.2 Application Procedures:

An Eligible Customer requesting service under Part III of the Tariff must submit an Application, with a deposit approximating the charge for one month of service, to the Transmission Provider as far as possible in advance of the month in which service is to commence. Unless subject to the procedures in Section 2, Completed Applications for Network Integration Transmission Service will be assigned a priority according to the date and time the Application is received, with the earliest Application receiving the highest priority. Applications should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the service priority of the Application. A

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Completed Application shall provide all of the information included in 18

CFR § 2.20 including but not limited to the following:

- (i) The identity, address, telephone number and facsimile number of the party requesting service;
- (ii) A statement that the party requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) A description of the Network Load at each delivery point. This description should separately identify and provide the Eligible Customer's best estimate of the total loads to be served at each transmission voltage level, and the loads to be served from each Transmission Provider substation at the same transmission voltage level. The description should include a ten (10) year forecast of summer and winter load and resource requirements beginning with the first year after the service is scheduled to commence;
- (iv) The amount and location of any interruptible loads included in the Network Load. This shall include the summer and winter capacity requirements for each interruptible load (had such load not been interruptible), that portion of the load subject to

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interruption, the conditions under which an interruption can be implemented and any limitations on the amount and frequency of interruptions. An Eligible Customer should identify the amount of interruptible customer load (if any) included in the 10 year load forecast provided in response to (iii) above;

(v) A description of Network Resources (current and 10-year projection). For each on-system Network Resource, such description shall include:

- Unit size and amount of capacity from that unit to be designated as Network Resource
- VAR capability (both leading and lagging) of all generators
- Operating restrictions
 - Any periods of restricted operations throughout the year
 - Maintenance schedules
 - Minimum loading level of unit
 - Normal operating level of unit
 - Any must-run unit designations required for system reliability or contract reasons
- Approximate variable generating cost (\$/MWH) for

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redispatch computations

- Arrangements governing sale and delivery of power to third parties from generating facilities located in the Transmission Provider Control Area, where only a portion of unit output is designated as a Network Resource;

For each off-system Network Resource, such description shall include:

- Identification of the Network Resource as an off-system resource
- Amount of power to which the customer has rights
- Identification of the control area from which the power will originate
- Delivery point(s) to the Transmission Provider's Transmission System
- Transmission arrangements on the external transmission system(s)
- Operating restrictions, if any
 - Any periods of restricted operations throughout the year
 - Maintenance schedules

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- Minimum loading level of unit
 - Normal operating level of unit
 - Any must-run unit designations required for system reliability or contract reasons
 - Approximate variable generating cost (\$/MWH) for redispatch computations;
- (vi) Description of Eligible Customer's transmission system:
- Load flow and stability data, such as real and reactive parts of the load, lines, transformers, reactive devices and load type, including normal and emergency ratings of all transmission equipment in a load flow format compatible with that used by the Transmission Provider
 - Operating restrictions needed for reliability
 - Operating guides employed by system operators
 - Contractual restrictions or committed uses of the Eligible Customer's transmission system, other than the Eligible Customer's Network Loads and Resources
 - Location of Network Resources described in subsection (v) above

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- 10 year projection of system expansions or upgrades
 - Transmission System maps that include any proposed expansions or upgrades
 - Thermal ratings of Eligible Customer's Control Area ties with other Control Areas;
- (vii) Service Commencement Date and the term of the requested Network Integration Transmission Service. The minimum term for Network Integration Transmission Service is one year;
- (viii) A statement signed by an authorized officer from or agent of the Network Customer attesting that all of the network resources listed pursuant to Section 29.2(v) satisfy the following conditions:
- (1) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and (2) the Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-

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interruptible basis; and

- (ix) Any additional information required of the Transmission Customer as specified in the Transmission Provider's planning process established in Attachment K.

Unless the Parties agree to a different time frame, the Transmission Provider must acknowledge the request within ten (10) days of receipt. The acknowledgement must include a date by which a response, including a Service Agreement, will be sent to the Eligible Customer. If an Application fails to meet the requirements of this section, the Transmission Provider shall notify the Eligible Customer requesting service within fifteen (15) days of receipt and specify the reasons for such failure. Wherever possible, the Transmission Provider will attempt to remedy deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application without prejudice to the Eligible Customer filing a new or revised Application that fully complies with the requirements of this section. The Eligible Customer will be assigned a new priority consistent with the date of the new or revised Application. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the

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Commission's regulations.

29.3 Technical Arrangements to be Completed Prior to Commencement of Service:

Network Integration Transmission Service shall not commence until the Transmission Provider and the Network Customer, or a third party, have completed installation of all equipment specified under the Network Operating Agreement consistent with Good Utility Practice and any additional requirements reasonably and consistently imposed to ensure the reliable operation of the Transmission System. The Transmission Provider shall exercise reasonable efforts, in coordination with the Network Customer, to complete such arrangements as soon as practicable taking into consideration the Service Commencement Date.

29.4 Network Customer Facilities:

The provision of Network Integration Transmission Service shall be conditioned upon the Network Customer's constructing, maintaining and operating the facilities on its side of each delivery point or interconnection necessary to reliably deliver capacity and energy from the Transmission Provider's Transmission System to the Network Customer. The Network Customer shall be solely responsible for constructing or installing all facilities

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on the Network Customer's side of each such delivery point or interconnection.

29.5 Filing of Service Agreement:

The Transmission Provider will file Service Agreements with the Commission in compliance with applicable Commission regulations.

30 Network Resources

30.1 Designation of Network Resources:

Network Resources shall include all generation owned, purchased or leased by the Network Customer designated to serve Network Load under the Tariff.

Network Resources may not include resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis. Any owned or purchased resources that were serving the Network Customer's loads under firm agreements entered into on or before the Service Commencement Date shall initially be designated as Network Resources until the Network Customer terminates the designation of such resources.

30.2 Designation of New Network Resources:

The Network Customer may designate a new Network Resource by providing

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the Transmission Provider with as much advance notice as practicable. A designation of a new Network Resource must be made through the Transmission Provider's OASIS by a request for modification of service pursuant to an Application under Section 29. This request must include a statement that the new network resource satisfies the following conditions: (1) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and (2) The Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis. The Network Customer's request will be deemed deficient if it does not include this statement and the Transmission Provider will follow the procedures for a deficient application as described in Section 29.2 of the Tariff.

30.3 Termination of Network Resources:

The Network Customer may terminate the designation of all or part of a generating resource as a Network Resource by providing notification to the

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Transmission Provider through OASIS as soon as reasonably practicable, but not later than the firm scheduling deadline for the period of termination. Any request for termination of Network Resource status must be submitted on OASIS, and should indicate whether the request is for indefinite or temporary termination. A request for indefinite termination of Network Resource status must indicate the date and time that the termination is to be effective, and the identification and capacity of the resource(s) or portions thereof to be indefinitely terminated. A request for temporary termination of Network Resource status must include the following:

- (i) Effective date and time of temporary termination;
- (ii) Effective date and time of redesignation, following period of temporary termination;
- (iii) Identification and capacity of resource(s) or portions thereof to be temporarily terminated;
- (iv) Resource description and attestation for redesignating the network resource following the temporary termination, in accordance with Section 30.2; and
- (v) Identification of any related transmission service requests to be evaluated concomitantly with the request for temporary

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termination, such that the requests for undesignation and the request for these related transmission service requests must be approved or denied as a single request. The evaluation of these related transmission service requests must take into account the termination of the network resources identified in (iii) above, as well as all competing transmission service requests of higher priority.

As part of a temporary termination, a Network Customer may only redesignate the same resource that was originally designated, or a portion thereof.

Requests to redesignate a different resource and/or a resource with increased capacity will be deemed deficient and the Transmission Provider will follow the procedures for a deficient application as described in Section 29.2 of the Tariff.

30.4 Operation of Network Resources:

The Network Customer shall not operate its designated Network Resources located in the Network Customer's or Transmission Provider's Control Area such that the output of those facilities exceeds its designated Network Load, plus Non-Firm Sales delivered pursuant to Part II of the Tariff, plus losses, plus power sales under a Commission-approved reserve sharing program.

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This limitation shall not apply to changes in the operation of a Transmission Customer's Network Resources at the request of the Transmission Provider to respond to an emergency or other unforeseen condition which may impair or degrade the reliability of the Transmission System. For all Network Resources not physically connected with the Transmission Provider's Transmission System, the Network Customer may not schedule delivery of energy in excess of the Network Resource's capacity, as specified in the Network Customer's Application pursuant to Section 29, unless the Network Customer supports such delivery within the Transmission Provider's Transmission System by either obtaining Point-to-Point Transmission Service or utilizing secondary service pursuant to Section 28.4. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Network Customer's schedule at the delivery point for a Network Resource not physically interconnected with the Transmission Provider's Transmission System exceeds the Network Resource's designated capacity, excluding energy delivered using secondary service or Point-to-Point Transmission Service.

30.5 Network Customer Redispatch Obligation:

As a condition to receiving Network Integration Transmission Service, the

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Network Customer agrees to redispatch its Network Resources as requested by the Transmission Provider pursuant to Section 33.2. To the extent practical, the redispatch of resources pursuant to this section shall be on a least cost, non-discriminatory basis between all Network Customers, and the Transmission Provider.

30.6 Transmission Arrangements for Network Resources Not Physically Interconnected With The Transmission Provider:

The Network Customer shall be responsible for any arrangements necessary to deliver capacity and energy from a Network Resource not physically interconnected with the Transmission Provider's Transmission System. The Transmission Provider will undertake reasonable efforts to assist the Network Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other entity pursuant to Good Utility Practice.

30.7 Limitation on Designation of Network Resources:

The Network Customer must demonstrate that it owns or has committed to purchase generation pursuant to an executed contract in order to designate a generating resource as a Network Resource. Alternatively, the Network Customer may establish that execution of a contract is contingent upon the

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availability of transmission service under Part III of the Tariff.

30.8 Use of Interface Capacity by the Network Customer:

There is no limitation upon a Network Customer's use of the Transmission Provider's Transmission System at any particular interface to integrate the Network Customer's Network Resources (or substitute economy purchases) with its Network Loads. However, a Network Customer's use of the Transmission Provider's total interface capacity with other transmission systems may not exceed the Network Customer's Load.

30.9 Network Customer Owned Transmission Facilities:

The Network Customer that owns existing transmission facilities that are integrated with the Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. In order to receive such consideration the Network Customer must demonstrate that its transmission facilities are integrated into the plans or operations of the Transmission Provider, to serve its power and transmission customers. For facilities added by the Network Customer subsequent to the May 14, 2007, the Network Customer shall receive credit for such transmission facilities added if such facilities are integrated into the operations of the Transmission Provider's facilities; provided however, the Network

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Customer's transmission facilities shall be presumed to be integrated if such transmission facilities, if owned by the Transmission Provider, would be eligible for inclusion in the Transmission Provider's annual transmission revenue requirement as specified in Attachment H. Calculation of any credit under this subsection shall be addressed in either the Network Customer's Service Agreement or any other agreement between the Parties.

31 Designation of Network Load

31.1 Network Load:

The Network Customer must designate the individual Network Loads on whose behalf the Transmission Provider will provide Network Integration Transmission Service. The Network Loads shall be specified in the Service Agreement.

31.2 New Network Loads Connected With the Transmission Provider:

The Network Customer shall provide the Transmission Provider with as much advance notice as reasonably practicable of the designation of new Network Load that will be added to its Transmission System. A designation of new Network Load must be made through a modification of service pursuant to a new Application. The Transmission Provider will use due diligence to install any transmission facilities required to interconnect a new Network Load

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designated by the Network Customer. The costs of new facilities required to interconnect a new Network Load shall be determined in accordance with the procedures provided in Section 32.4 and shall be charged to the Network Customer in accordance with Commission policies.

31.3 Network Load Not Physically Interconnected with the Transmission Provider:

This section applies to both initial designation pursuant to Section 31.1 and the subsequent addition of new Network Load not physically interconnected with the Transmission Provider. To the extent that the Network Customer desires to obtain transmission service for a load outside the Transmission Provider's Transmission System, the Network Customer shall have the option of (1) electing to include the entire load as Network Load for all purposes under Part III of the Tariff and designating Network Resources in connection with such additional Network Load, or (2) excluding that entire load from its Network Load and purchasing Point-To-Point Transmission Service under Part II of the Tariff. To the extent that the Network Customer gives notice of its intent to add a new Network Load as part of its Network Load pursuant to this section the request must be made through a modification of service pursuant to a new Application.

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31.4 New Interconnection Points:

To the extent the Network Customer desires to add a new Delivery Point or interconnection point between the Transmission Provider's Transmission System and a Network Load, the Network Customer shall provide the Transmission Provider with as much advance notice as reasonably practicable.

31.5 Changes in Service Requests:

Under no circumstances shall the Network Customer's decision to cancel or delay a requested change in Network Integration Transmission Service (e.g. the addition of a new Network Resource or designation of a new Network Load) in any way relieve the Network Customer of its obligation to pay the costs of transmission facilities constructed by the Transmission Provider and charged to the Network Customer as reflected in the Service Agreement.

However, the Transmission Provider must treat any requested change in Network Integration Transmission Service in a non-discriminatory manner.

31.6 Annual Load and Resource Information Updates:

The Network Customer shall provide the Transmission Provider with annual updates of Network Load and Network Resource forecasts consistent with those included in its Application for Network Integration Transmission Service under Part III of the Tariff including, but not limited to, any

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information provided under section 29.2(ix) pursuant to the Transmission Provider's planning process in Attachment K. The Network Customer also shall provide the Transmission Provider with timely written notice of material changes in any other information provided in its Application relating to the Network Customer's Network Load, Network Resources, its transmission system or other aspects of its facilities or operations affecting the Transmission Provider's ability to provide reliable service.

32 Additional Study Procedures For Network Integration Transmission Service Requests

32.1 Notice of Need for System Impact Study:

After receiving a request for service, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. In such cases, the Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System

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Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest.

32.2 System Impact Study Agreement and Cost Reimbursement:

- (i) The System Impact Study Agreement will clearly specify the Transmission Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.

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- (ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the service requests, the costs of that study shall be pro-rated among the Eligible Customers.
- (iii) For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 8.

32.3 System Impact Study Procedures:

Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify (a) any system constraints, identified with specificity by transmission element or flowgate, (2) redispatch options (when requested by an Eligible Customer) including, to the extent possible, an estimate of the cost or redispatch, (3) available options for installation of automatic devices to curtail service (when requested by an Eligible Customer), and (4) additional Direct Assignment Facilities or Network Upgrades required to provide the requested

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service. For customers requesting the study of redispatch options, the System Impact Study shall (1) identify all resources located within the Transmission Provider's Control Area that can significantly contribute toward relieving the system constraint and (2) provide a measurement of each resource's impact on the system constraint. If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer as soon as the System Impact Study is complete. The Transmission Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new

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transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request the filing of an unexecuted Service Agreement, or the Application shall be deemed terminated and withdrawn.

32.4 Facilities Study Procedures:

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty

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(60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Eligible Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Eligible Customer, (ii) the Eligible Customer's appropriate share of the cost of any required Network Upgrades, and (iii) the time required to complete such construction and initiate the requested service. The Eligible Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Eligible Customer shall have thirty (30) days to execute a Service Agreement or request the filing of an unexecuted Service Agreement and provide the required letter of credit or other form of security or the request no longer will be a Completed Application and shall be deemed terminated and withdrawn.

32.5 Penalties for Failure to Meet Study Deadlines:

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Section 19.9 defines penalties that apply for failure to meet the 60-day study completion due diligence deadlines for System Impact Studies and Facilities Studies under Part II of the Tariff. These same requirements and penalties apply to service under Part III of the Tariff.

33 Load Shedding and Curtailments

33.1 Procedures:

Prior to the Service Commencement Date, the Transmission Provider and the Network Customer shall establish Load Shedding and Curtailment procedures pursuant to the Network Operating Agreement with the objective of responding to contingencies on the Transmission System and on systems directly and indirectly interconnected with Transmission Provider's Transmission System. The Parties will implement such programs during any period when the Transmission Provider determines that a system contingency exists and such procedures are necessary to alleviate such contingency. The Transmission Provider will notify all affected Network Customers in a timely manner of any scheduled Curtailment.

33.2 Transmission Constraints:

During any period when the Transmission Provider determines that a transmission constraint exists on the Transmission System, and such constraint

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may impair the reliability of the Transmission Provider's system, the Transmission Provider will take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of the Transmission Provider's system. To the extent the Transmission Provider determines that the reliability of the Transmission System can be maintained by redispatching resources, the Transmission Provider will initiate procedures pursuant to the Network Operating Agreement to redispatch all Network Resources and the Transmission Provider's own resources on a least-cost basis without regard to the ownership of such resources. Any redispatch under this section may not unduly discriminate between the Transmission Provider's use of the Transmission System on behalf of its Native Load Customers and any Network Customer's use of the Transmission System to serve its designated Network Load.

33.3 Cost Responsibility for Relieving Transmission Constraints:

Whenever the Transmission Provider implements least-cost redispatch procedures in response to a transmission constraint, the Transmission Provider and Network Customers will each bear a proportionate share of the total redispatch cost based on their respective Load Ratio Shares.

33.4 Curtailments of Scheduled Deliveries:

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If a transmission constraint on the Transmission Provider's Transmission System cannot be relieved through the implementation of least-cost redispatch procedures and the Transmission Provider determines that it is necessary to Curtail scheduled deliveries, the Parties shall Curtail such schedules in accordance with the Network Operating Agreement or pursuant to the Transmission Loading Relief procedures specified in Attachment J.

33.5 Allocation of Curtailments:

The Transmission Provider shall, on a non-discriminatory basis, Curtail the transaction(s) that effectively relieve the constraint. However, to the extent practicable and consistent with Good Utility Practice, any Curtailment will be shared by the Transmission Provider and Network Customer in proportion to their respective Load Ratio Shares. The Transmission Provider shall not direct the Network Customer to Curtail schedules to an extent greater than the Transmission Provider would Curtail the Transmission Provider's schedules under similar circumstances.

33.6 Load Shedding:

To the extent that a system contingency exists on the Transmission Provider's Transmission System and the Transmission Provider determines that it is

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necessary for the Transmission Provider and the Network Customer to shed load, the Parties shall shed load in accordance with previously established procedures under the Network Operating Agreement.

33.7 System Reliability:

Notwithstanding any other provisions of this Tariff, the Transmission Provider reserves the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to Curtail Network Integration Transmission Service without liability on the Transmission Provider's part for the purpose of making necessary adjustments to, changes in, or repairs on its lines, substations and facilities, and in cases where the continuance of Network Integration Transmission Service would endanger persons or property. In the event of any adverse condition(s) or disturbance(s) on the Transmission Provider's Transmission System or on any other system(s) directly or indirectly interconnected with the Transmission Provider's Transmission System, the Transmission Provider, consistent with Good Utility Practice, also may Curtail Network Integration Transmission Service in order to (i) limit the extent or damage of the adverse condition(s) or disturbance(s), (ii) prevent damage to generating or transmission facilities, or (iii) expedite restoration of service.

The Transmission Provider will give the Network Customer as much advance

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notice as is practicable in the event of such Curtailment. Any Curtailment of Network Integration Transmission Service will be not unduly discriminatory relative to the Transmission Provider's use of the Transmission System on behalf of its Native Load Customers. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that the Network Customer fails to respond to established Load Shedding and Curtailment procedures.

34 Rates and Charges

The Network Customer shall pay the Transmission Provider for any Direct Assignment Facilities, Ancillary Services, and applicable study costs, consistent with Commission policy, along with the following:

34.1 Monthly Demand Charge:

The Network Customer shall pay a monthly Demand Charge, which shall be determined by multiplying its Load Ratio Share times one twelfth (1/12) of the Transmission Provider's Annual Transmission Revenue Requirement specified in Schedule H.

34.2 Determination of Network Customer's Monthly Network Load:

The Network Customer's monthly Network Load is its hourly load (including its designated Network Load not physically interconnected with the

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Transmission Provider under Section 31.3) coincident with the Transmission Provider's Monthly Transmission System Peak.

34.3 Determination of Transmission Provider's Monthly Transmission System Load:

The Transmission Provider's monthly Transmission System load is the Transmission Provider's Monthly Transmission System Peak minus the coincident peak usage of all Firm Point-To-Point Transmission Service customers pursuant to Part II of this Tariff plus the Reserved Capacity of all Firm Point-To-Point Transmission Service customers.

34.4 Redispatch Charge:

The Network Customer shall pay a Load Ratio Share of any redispatch costs allocated between the Network Customer and the Transmission Provider pursuant to Section 33. To the extent that the Transmission Provider incurs an obligation to the Network Customer for redispatch costs in accordance with Section 33, such amounts shall be credited against the Network Customer's bill for the applicable month.

34.5 Stranded Cost Recovery:

The Transmission Provider may seek to recover stranded costs from the Network Customer pursuant to this Tariff in accordance with the terms,

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conditions and procedures set forth in FERC Order No. 888. However, the Transmission Provider must separately file any proposal to recover stranded costs under Section 205 of the Federal Power Act.

34.6 Transmission Revenue Credit:

Monthly charges to Network Customers receiving Network Integration Transmission Service shall be reduced to reflect revenues received by the Transmission Provider from Non-Firm Point-To-Point Transmission Service customers and Short-Term Firm Point-To-Point Transmission Service customers, as well as revenues imputed for the Transmission Provider's short-term or non-firm transmission uses, which will be credited at the applicable transmission rate as posted on the OASIS.

35 Operating Arrangements

35.1 Operation under The Network Operating Agreement:

The Network Customer shall plan, construct, operate and maintain its facilities in accordance with Good Utility Practice and in conformance with the Network Operating Agreement.

35.2 Network Operating Agreement:

The terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the

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implementation of Part III of the Tariff shall be specified in the Network Operating Agreement. The Network Operating Agreement shall provide for the Parties to (i) operate and maintain equipment necessary for integrating the Network Customer within the Transmission Provider's Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment), (ii) transfer data between the Transmission Provider and the Network Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside the Transmission Provider's Transmission System, interchange schedules, unit outputs for redispatch required under Section 33, voltage schedules, loss factors and other real time data), (iii) use software programs required for data links and constraint dispatching, (iv) exchange data on forecasted loads and resources necessary for long-term planning, and (v) address any other technical and operational considerations required for implementation of Part III of the Tariff, including scheduling protocols. The Network Operating Agreement will recognize that the Network Customer shall either (i) operate as a Control Area under applicable guidelines of the Electric Reliability Organization (ERO) as defined in 18 C.F.R. § 39.1, (ii) satisfy its Control Area requirements,

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including all necessary Ancillary Services, by contracting with the Transmission Provider, or (iii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with another entity, consistent with Good Utility Practice, which satisfies the applicable reliability guidelines of the ERO. The Transmission Provider shall not unreasonably refuse to accept contractual arrangements with another entity for Ancillary Services. The Network Operating Agreement is included in Attachment G.

35.3 Network Operating Committee:

A Network Operating Committee (Committee) shall be established to coordinate operating criteria for the Parties' respective responsibilities under the Network Operating Agreement. Each Network Customer shall be entitled to have at least one representative on the Committee. The Committee shall meet from time to time as need requires, but no less than once each calendar year.

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SCHEDULE 1

Scheduling, System Control and Dispatch Service

This service is required to schedule the movement of power through, out of, within, or into a Control Area. This service can be provided only by the operator of the Control Area in which the transmission facilities used for transmission service are located. Scheduling, System Control and Dispatch Service is to be provided directly by the Transmission Provider (if the Transmission Provider is the Control Area operator) or indirectly by the Transmission Provider making arrangements with the Control Area operator that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from the Transmission Provider or the Control Area operator. A Transmission Customer purchasing Scheduling, System Control and Dispatch Service will be required to purchase an amount of Scheduling, System Control and Dispatch Service equal to the Transmission Customer's Reserved Capacity for Point-To-Point Transmission Service or the Transmission Customer Network Load responsibility for Network Integration Transmission Service. The charges for Scheduling, System Control and Dispatch Service are to be based on the rates set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

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The Transmission Customer shall compensate the Transmission Provider each month for this service up to the sum of the applicable charges set forth below:

- 1) Yearly delivery: One-twelfth of the demand charge of \$0.9741/kW of Reserved Capacity per year.
- 2) Monthly delivery: \$0.0812/kW of Reserved Capacity per month.
- 3) Weekly delivery: \$0.0187/kW of Reserved Capacity per week.
- 4) Weekday delivery: \$0.0038/kW of Reserved Capacity per day. Weekend and Holiday delivery: \$0.0027/kW of Reserved Capacity per day. The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.
- 5) Hourly delivery: The basic charge shall be that agreed upon by the Parties at the time this service is reserved and in no event shall exceed \$0.1110/MWh. The total demand charge in any day, pursuant to a reservation for hourly delivery, shall not exceed the Weekend and Holiday Delivery rate specified in section (4) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week.
- 6) Discounts: Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS.

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SCHEDULE 2

Reactive Supply and Voltage Control from Generation or Other Sources Service

In order to maintain transmission voltages on the Transmission Provider's transmission facilities within acceptable limits, generation facilities and non-generation resources capable of providing this service that are under the control of the control area operator are operated to produce (or absorb) reactive power. Thus, Reactive Supply and Voltage Control from Generation or Other Sources Service must be provided for each transaction on the Transmission Provider's transmission facilities. The amount of Reactive Supply and Voltage Control from Generation or Other Sources Service that must be supplied with respect to the Transmission Customer's transaction will be determined based on the reactive power support necessary to maintain transmission voltages within limits that are generally accepted in the region and consistently adhered to by the Transmission Provider.

Reactive Supply and Voltage Control from Generation or Other Sources Service is to be provided directly by the Transmission Provider (if the Transmission Provider is the Control Area operator) or indirectly by the Transmission Provider making arrangements with the Control Area operator that performs this service for the Transmission Provider's Transmission System. A Transmission Customer purchasing Reactive Supply and Voltage Control from Generating Sources Service will be required to purchase an amount

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of Reactive Supply and Voltage Control from Generation Sources Services equal to the Transmission Customer's Reserved Capacity for Point -To-Point Transmission Service or the Transmission Customer Network Load responsibility for Network Integration Transmission Service. The Transmission Customer must purchase this service from the Transmission Provider or the Control Area operator. The charges for such service will be based on the rates set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by the Control Area operator.

The Transmission Customer shall compensate the Transmission Provider each month for this service up to the sum of the applicable charges set forth below:

- 1) Yearly delivery: One-twelfth of the demand charge of \$0.7309/kW of Reserved Capacity per year.
- 2) Monthly delivery: \$0.0609/kW of Reserved Capacity per month.
- 3) Weekly delivery: \$0.0141 of Reserved Capacity per week.
- 4) Weekday delivery: \$0.0028/kW of Reserved Capacity per day. Weekend and Holiday delivery: \$0.0020/kW of Reserved Capacity per day. The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.
- 5) Hourly delivery: The basic charge shall be that agreed upon by the Parties at the time this service is reserved and in no event shall exceed \$0.0837/MWH. The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed

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the Weekend and Holiday Delivery rate specified in section (4) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week.

6) Discounts: Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS.

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SCHEDULE 3

Regulation and Frequency Response Service

Regulation and Frequency Response Service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled Interconnection frequency at sixty cycles per second (60 Hz). Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generating control equipment) and by other non-generation resources capable of providing this service as necessary to follow the moment-by-moment changes in load. The obligation to maintain this balance between resources and load lies with the Transmission Provider (or the Control Area operator that performs this function for the Transmission Provider). The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation. A Transmission Customer purchasing Regulation and Frequency Response Service will be required to purchase an amount of Regulation and Frequency Response Service equal to 1.03 percent of the Transmission Customer's Reserved Capacity for Point-To-Point Transmission Service or 1.03 percent of the Transmission

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Customer's monthly Network Load Responsibility for Network Integration Service. The billing determinants for this service shall be reduced by any portion of the 1.03 percent purchase obligation that a Transmission Customer obtains from third parties or supplies itself. The amount of and charges for Regulation and Frequency Response Service are set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The Transmission Customer shall compensate the Transmission Provider each month for this service up to the sum of the applicable charges set forth below:

- 1) Yearly delivery: One-twelfth of the demand charge of \$43.7200/kW of applicable billing determinates per year.
- 2) Monthly delivery: \$3.6433/kW of applicable billing determinates per month.
- 3) Weekly delivery: \$0.8408/kW of applicable billing determinates per week.
- 4) Weekday delivery: \$0.1682/kW of applicable billing determinates per day. Weekend and Holiday delivery: \$0.1201/kW of applicable billing determinates per day. The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of applicable billing determinates in any day during such week.

5) Hourly delivery: The basic charge shall be that agreed upon by the Parties at the time this service is reserved and in no event shall exceed \$0.0515/MWH. The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the Weekend and Holiday Delivery rate specified in section (4) above times the highest amount in kilowatts of applicable billing determinates in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly of

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Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of applicable billing determinates in any hour during such week.

6) Discounts: Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS.

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SCHEDULE 4

Energy Imbalance Service

Energy Imbalance Service within the Southwest Power Pool (“SPP”) area is provided through the SPP Energy Imbalance Service Market (“EIS Market”), and the Transmission Customer may rely on its participation in the EIS Market to fulfill its obligation with respect to Energy Imbalance Service under this Tariff. Energy Imbalance Service is not available under this Tariff.

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SCHEDULE 4A

Reserve Sharing Energy Charges

I. Purpose

The purpose of this Schedule 4A is to set forth the rates to be charged by Oklahoma Gas and Electric Company (“OG&E”) for Reserve Sharing Energy, which is energy provided by OG&E in response to an activation of the Southwest Power Pool, Inc.’s (“SPP”) Reserve Sharing System in accordance with the SPP Open Access Transmission Tariff (“SPP OATT”) and the SPP Criteria.

II. General Terms

2.0 Payment will be financial, and accounting for Reserve Sharing Energy will be in whole megawatt-hours.

2.1 In addition to the charges outlined below, the Market Participant within the OG&E Balancing Authority Area registered for the resource causing the need to activate the Reserve Sharing System shall pay transmission charges associated with the delivery of Reserve Sharing Energy pursuant to the provisions of the SPP OATT.

2.2 The point of receipt for Reserve Sharing Energy shall be the resource used to supply such Reserve Sharing Energy.

III. Definitions

3.0 As used in this Schedule 4A, the term “Locational Imbalance Price” (“LIP”) shall have the meaning ascribed to such term in the SPP OATT and shall refer to the LIP for the unit responding to the reserve sharing event.

3.1 As used in this Schedule 4A, the terms “Balancing Authority Area,” “Reserve Sharing Activation,” “Reserve Sharing Group,” and “Reserve Sharing System” shall have the meaning ascribed to such terms in the SPP OATT.

3.2 As used in this Schedule 4A, the term “incremental cost” shall mean any cost that would not have been incurred if the Reserve Sharing Energy had not been supplied, including the cost of fuel, operation and maintenance costs, energy provided for electric losses, start-up and shut-down costs, emission costs for any resource(s) utilized to respond to the Reserve Sharing Activation; cost of purchased power; and any other cost that would not have been otherwise incurred if the Reserve Sharing Energy had not been supplied. The term “incremental costs” does not include the cost of Transmission Service or capacity.

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IV. Rates

The rate to be charged by OG&E when supplying Reserve Sharing Energy shall be the greater of: (i) the LIP per megawatt-hour or (ii) 110% of the incremental cost of the resource(s) used to provide such service. When Reserve Sharing Energy is provided through a purchase of power by OG&E from a third party, the adder to the incremental cost of such purchased power shall not exceed one mill per kilowatt hour.

V. Billing and Payment

OG&E shall submit to SPP the invoices for all Reserve Sharing Energy provided by OG&E under this Schedule 4A.

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SCHEDULE 5

Operating Reserve - Spinning Reserve Service

Spinning Reserve Service is needed to serve load immediately in the event of a system contingency. Spinning Reserve Service may be provided by generating units that are on-line and loaded at less than maximum output and by non-generation resources capable of providing this service. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Spinning Reserve Service obligation. A Transmission Customer purchasing Spinning Reserve Service will be required to purchase an amount of Spinning Reserve Service equal to 0.83 percent of the Transmission Customer's Reserved Capacity for Point-To-Point Transmission Service or 0.83 percent of the Transmission Customer's monthly Network Load Responsibility for Network Integration Service. The billing determinants for this service shall be reduced by any portion of the 0.83 percent purchase obligation that a Transmission Customer obtains from third parties or supplies itself. The amount of and charges for Spinning Reserve Service are set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area

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operator.

The Transmission Customer shall compensate the Transmission Provider each month for this service up to the sum of the applicable charges set forth below:

- 1) Yearly delivery: One-twelfth of the demand charge of \$43.7200/kW of applicable billing determinates per year.
- 2) Monthly delivery: \$3.6400/kW of applicable billing determinates per month.
- 3) Weekly delivery: \$0.8408/kW of applicable billing determinates per week.
- 4) Weekday delivery: \$0.1682/kW of applicable billing determinates per day. Weekend and Holiday delivery: \$0.1201/kW of applicable billing determinates per day. The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of applicable billing determinates in any day during such week.
- 5) Hourly delivery: The basic charge shall be that agreed upon by the Parties at the time this service is reserved and in no event shall exceed \$0.0415/MWH. The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the Weekend and Holiday rate specified in section (4) above times the highest amount in kilowatts of applicable billing determinates in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of applicable billing determinates in any hour during such week.
- 6) Discounts: Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS.

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Vice President of Power Delivery

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Filed to comply with order of the Federal Energy Regulatory Commission, *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, FERC Stats. & Regs. ¶ 31,241 (2007), *order on reh'g*, Order No. 890-A, 121 FERC ¶ 61,297 (2007).

SCHEDULE 6

Operating Reserve - Supplemental Reserve Service

Supplemental Reserve Service is needed to serve load in the event of a system contingency; however, it is not available immediately to serve load but rather within a short period of time. Supplemental Reserve Service may be provided by generating units that are on-line but unloaded, by quick-start generation or by interruptible load or other non-generation resources capable of providing this service. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Supplemental Reserve Service obligation. A Transmission Customer purchasing Supplemental Service will be required to purchase an amount of Supplemental Service equal to 1.85 percent of the Transmission Customer's Reserved Capacity for Point-To-Point Transmission Service or 1.85 percent of the Transmission Customer's monthly Network Load Responsibility for Network Integration Service. The billing determinants for this service shall be reduced by any portion of the 1.85 percent purchase obligation that a Transmission Customer obtains from third parties or supplies itself. The amount of and charges for Supplemental Reserve Service are set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the

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Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The Transmission Customer shall compensate the Transmission Provider each month for this service up to the sum of the applicable charges set forth below:

- 1) Yearly delivery: One-twelfth of the demand charge of \$19.2400/kW of applicable billing determinates per year.
- 2) Monthly delivery: \$1.6033/kW of applicable billing determinates per month.
- 3) Weekly delivery: \$0.3700/kW of applicable billing determinates per week.
- 4) Weekday delivery: \$0.0740/kW of applicable billing determinates per day. Weekend and Holiday delivery: \$0.0529/kW of applicable billing determinates per day. The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of applicable billing determinates in any day during such week.
- 5) Hourly delivery: The basic charge shall be that agreed upon by the Parties at the time this service is reserved and in no event shall exceed \$0.0407/MWH. The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the Weekend and Holiday Delivery rate specified in section (4) above times the highest amount in kilowatts of applicable billing determinates in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of applicable billing determinates in any hour during such week.
- 6) Discounts: Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS.

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SCHEDULE 7

Long-Term Firm and Short-Term Firm Point-To-Point Transmission Service

These Point-to-Point charges shall be calculated using the Existing Zonal Annual Transmission Revenue Requirement (“ATRR”) for OG&E as specified on Line 7a, Column 3, Section I, Table 1 of Attachment H of the Southwest Power Pool (“SPP”) Open Access Transmission Tariff (“OATT”). OG&E’s Existing Zonal ATRR is calculated using: (1) the rate formula set forth in Attachment H, Addendum 2-A (“OG&E Formula Rate”) of this Tariff; and (2) the OG&E Formula Rate Implementation Protocols set forth in Attachment H, Addendum 2-B of this Tariff (“OG&E Implementation Protocols”). Pursuant to the OG&E Implementation Protocols, the results of the formula rate shall be posted on the SPP website by September 1, as it may be updated on December 1, of each calendar year and shall be effective on January 1 of the following year.

The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity at the sum of the applicable charges set forth below:

- 1) **Yearly delivery:** the Existing Zonal ATRR as listed on Line 7a, Column 3 of Attachment H, Section I, Table 1, of the SPP OATT divided by the 12-CP divisor identified on page 1, line 4 of the OG&E Formula Rate /kW of Reserved Capacity per year.
- 2) **Monthly delivery:** the yearly delivery charge divided by 12 for the \$/kW

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of Reserved Capacity per month.

3) **Weekly delivery:** the yearly delivery charge divided by 52 for the \$/kW of Reserved Capacity per week.

4) **Weekday delivery:** the weekly delivery charge divided by 5 for the \$/kW of Reserved Capacity per day.

Weekend and Holiday delivery: the weekly delivery charge divided by 7 for the \$/kW of Reserved Capacity per day.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

5) **Discounts:** Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible

Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

- 6) **Resales:** The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by section 23.1 of the Tariff.
- 7) **Transmission Revenue Credit:** Monthly charges to Long-Term Firm Point-To-Point Transmission Service customers being provided service under this schedule shall be reduced to reflect revenues received by the Transmission Provider from Non-Firm Point-To-Point Transmission Service customers and Short-Term Firm Point-To-Point Transmission Service customers as well as revenues imputed for the Transmission Provider's short-term or non-firm transmission uses, which will be credited at the applicable transmission rate as posted on the OASIS.
- 8) Transmission Service will be provided by the Transmission Provider over facilities below 69 kilovolts on a direct assignment, customer specific embedded cost basis.

SCHEDULE 8

Non-Firm Point-To-Point Transmission Service

These Point-to-Point charges shall be calculated using the Existing Zonal Annual Transmission Revenue Requirement (“ATRR”) for OG&E as specified on Line 7a, Column 3, Section I, Table 1 of Attachment H of the Southwest Power Pool (“SPP”) Open Access Transmission Tariff (“OATT”). OG&E’s Existing Zonal ATRR is calculated using: (1) the rate formula set forth in Attachment H, Addendum 2-A (“OG&E Formula Rate”) of this Tariff; and (2) the OG&E Formula Rate Implementation Protocols set forth in Attachment H, Addendum 2-B of this Tariff (“OG&E Implementation Protocols”). Pursuant to the OG&E Implementation Protocols, the results of the formula rate shall be posted on the SPP website by September 1, as it may be updated on December 1, of each calendar year and shall be effective on January 1 of the following year.

The Transmission Customer shall compensate the Transmission Provider for Non-Firm Point-To-Point Transmission Service up to the sum of the applicable charges set forth below:

- 1) **Monthly delivery:** the yearly delivery charge for Long-Term Firm and Short-Term Firm Point-to-Point service specified in Schedule 7 of this tariff divided by 12 for the \$/kW of Reserved Capacity per month.
- 2) **Weekly delivery:** the yearly delivery charge for Long-Term Firm and Short-Term Firm Point-to-Point service specified in Schedule 7 of this tariff

divided by 52 for the \$/kW of Reserved Capacity per week.

- 3) **Weekday delivery:** the weekly delivery charge divided by 5 for the \$/kW of Reserved Capacity per day.

Weekend and Holiday delivery: the weekly delivery charge divided by 7 for the \$/kW of Reserved Capacity per day.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

- 4) **Hourly delivery:** The basic charge shall be that agreed upon by the Parties at the time this service is reserved and in no event shall exceed the weekend and holiday delivery charge divided by 24 for the \$/MW of Reserved Capacity per hour. The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the Weekend and Holiday Delivery rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week.

- 5) **Discounts:** Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.
- 6) **Resales:** The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by section 23.1 of the Tariff.
- 7) Transmission Service will be provided by the Transmission Provider over facilities below 69 kilovolts on a direct assignment, customer specific embedded cost basis.

SCHEDULE 9

Generator Imbalance Service

Generator Imbalance Service is not available under this Tariff. Procedures for obtaining imbalance services are set forth in the Southwest Power Pool (SPP) open access transmission tariff.

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[RESERVED FOR FUTURE USE]

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ATTACHMENT A

**Form Of Service Agreement For
Firm Point-To-Point Transmission Service**

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between _____ (the Transmission Provider), and _____ ("Transmission Customer").
- 2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Firm Point-To-Point Transmission Service under the Tariff.
- 3.0 The Transmission Customer has provided to the Transmission Provider an Application deposit in accordance with the provisions of Section 17.3 of the Tariff.
- 4.0 Service under this agreement shall commence on the later of (1) the requested service commencement date, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service under this agreement shall terminate on such date as mutually agreed upon by the parties.
- 5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.
- 6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

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Transmission Provider:

Transmission Customer:

7.0 The Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By: _____
Name Title Date

Transmission Customer:

By: _____
Name Title Date

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Specifications For Long-Term Firm Point-To-Point
Transmission Service

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.

3.0 Point(s) of Receipt: _____

Delivering Party: _____

4.0 Point(s) of Delivery: _____

Receiving Party: _____

5.0 Maximum amount of capacity and energy to be transmitted (Reserved Capacity): _____

6.0 Designation of party(ies) subject to reciprocal service obligation: _____

7.0 Name(s) of any Intervening Systems providing transmission service: _____

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8.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)

8.1 Transmission Charge: _____

8.2 System Impact and/or Facilities Study Charge(s):

8.3 Direct Assignment Facilities Charge: _____

8.4 Ancillary Services Charges: _____

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ATTACHMENT A-1

**Form Of Service Agreement For
The Resale, Reassignment Or Transfer Of
Point-To-Point Transmission Service**

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between _____ (the Transmission Provider), and _____ (the Assignee).
- 2.0 The Assignee has been determined by the Transmission Provider to be an Eligible Customer under the Tariff pursuant to which the transmission service rights to be transferred were originally obtained.
- 3.0 The terms and conditions for the transaction entered into under this Service Agreement shall be subject to the terms and conditions of Part II of the Transmission Provider's Tariff, except for those terms and conditions negotiated by the Reseller of the reassigned transmission capacity (pursuant to Section 23.1 of this Tariff) and the Assignee, to include: contract effective and termination dates, the amount of reassigned capacity or energy, point(s) of receipt and delivery. Changes by the Assignee to the Reseller's Points of Receipt and Points of Delivery will be subject to the provisions of Section 23.2 of this Tariff.
- 4.0 The Transmission Provider shall credit the Reseller for the price reflected in the Assignee's Service Agreement or the associated OASIS schedule.
- 5.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

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Transmission Provider:

Assignee:

6.0 The Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By: _____
Name Title Date

Assignee:

By: _____
Name Title Date

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Specifications For The Resale, Reassignment Or Transfer of
Long-Term Firm Point-To-Point Transmission Service

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.

3.0 Point(s) of Receipt: _____

Delivering Party: _____

4.0 Point(s) of Delivery: _____

Receiving Party: _____

5.0 Maximum amount of reassigned capacity: _____

6.0 Designation of party(ies) subject to reciprocal service obligation: _____

7.0 Name(s) of any Intervening Systems providing transmission service: _____

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8.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)

8.1 Transmission Charge: _____

8.2 System Impact and/or Facilities Study Charge(s):

8.3 Direct Assignment Facilities Charge: _____

8.4 Ancillary Services Charges: _____

9.0 Name of Reseller of the reassigned transmission capacity:

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ATTACHMENT B

Form Of Service Agreement For Non-Firm Point-To-Point Transmission Service

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between _____ (the Transmission Provider), and _____ (Transmission Customer).
- 2.0 The Transmission Customer has been determined by the Transmission Provider to be a Transmission Customer under Part II of the Tariff and has filed a Completed Application for Non-Firm Point-To-Point Transmission Service in accordance with Section 18.2 of the Tariff.
- 3.0 Service under this Agreement shall be provided by the Transmission Provider upon request by an authorized representative of the Transmission Customer.
- 4.0 The Transmission Customer agrees to supply information the Transmission Provider deems reasonably necessary in accordance with Good Utility Practice in order for it to provide the requested service.
- 5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Non-Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.
- 6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

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Transmission Provider:

Transmission Customer:

7.0 The Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By: _____
Name Title Date

Transmission Customer:

By: _____
Name Title Date

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ATTACHMENT C

Methodology To Assess Available Transfer Capability

SPP performs all assessments of Available Transfer Capability, and any such assessments related to the OG&E system will be performed by SPP pursuant to the SPP OATT.

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ATTACHMENT D

Methodology for Completing a System Impact Study

System Impact Studies will be performed by Southwest Power Pool, Inc. pursuant to the terms and conditions of the Southwest Power Pool open access transmission tariff. Such Studies will take into account the Transmission Planning Process to be included as Attachment K to this Tariff.

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ATTACHMENT E

Index Of Point-To-Point Transmission Service Customers

| <u>Customer</u> | <u>Date of Service Agreement</u> |
|-----------------|--------------------------------------|
|-----------------|--------------------------------------|

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ATTACHMENT F

Form Of Service Agreement For Network Integration Transmission Service

This Service Agreement, dated as of _____, is entered into, by and between Oklahoma Gas and Electric Company (the "Company" or "OG&E"), and _____ ("Transmission Customer"). The Company and Transmission Customer may be hereinafter referred to individually as "Party" and collectively as "Parties".

WHEREAS, the Transmission Customer has been determined by the Company to have a completed Application for Network Integration Transmission Service under the Company's Open Access Transmission Tariff ("Tariff").

WHEREAS, the Transmission Customer has provided an Application deposit in the amount of \$ _____, which will be applied to charges under this Agreement in accordance with the provisions of Section 29.2 of this Tariff.

NOW THEREFORE, the Company and Transmission Customer agree as follows:

ARTICLE I SCOPE OF SERVICE AGREEMENT

- 1.1 The Company agrees to provide and the Transmission Customer agrees to take and pay for Network Integration Service in accordance with the provisions of Part III of the Tariff and this Service Agreement, as they may be amended from time to time.
- 1.2 The Tariff, Specifications for Network Integration Service attached hereto, and Network Operating Agreement are incorporated herein and made a part hereof.

ARTICLE II TERM OF SERVICE AGREEMENT

- 2.1 Service under this Service Agreement shall commence on the later of: (1) _____, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other

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date as it is permitted to become effective by the Commission. Service under this Service Agreement shall terminate on _____.

ARTICLE III
NOTICES

3.1 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

OG&E:

Transmission Customer:

ARTICLE IV
MISCELLANEOUS

- 4.1 Governing Law - This Service Agreement shall be interpreted, construed and enforced in accordance with the laws of the State of Oklahoma, except to the extent that such laws may be preempted by the laws of the United States of America.
- 4.2 Amendments - This Service Agreement may be amended upon mutual agreement of the Parties, which amendment shall be reduced to writing and executed by both Parties and filed with the Commission.
- 4.3 Severability - In the event any of the terms, covenants or conditions of this Service Agreement, or any amendment hereto, or the application of any such terms, covenants or conditions shall be held invalid as to any party or circumstance by any court having jurisdiction, all other terms, covenants and conditions of this Service Agreement or any amendment hereto and their application shall not be affected thereby and shall remain in full force and effect.

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Vice President of Power Delivery

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Filed to comply with order of the Federal Energy Regulatory Commission, *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, FERC Stats. & Regs. ¶ 31,241 (2007), *order on reh'g*, Order No. 890-A, 121 FERC ¶ 61,297 (2007).

- 4.4 No Dedication of Facilities - Any undertaking by one Party to another Party under any provision of this Agreement shall not constitute the dedication of the electric system, or any portion thereof, of the undertaking Party to the public or to the other Party, and it is understood and agreed that any such undertaking by any Party shall cease upon termination of this Service Agreement.
- 4.5 Relationship of Parties - Nothing contained herein shall be construed to create an association, joint venture, trust or partnership, or impose a trust or partnership covenant, obligation or liability on or with regard to any one or more of the Parties. Each Party shall be individually responsible for its own covenants, obligations and liabilities under this Agreement.
- 4.6 Interconnection with Other Systems - Nothing contained in this Service Agreement shall restrict or limit either Party from establishing, altering or terminating interconnection points with any entity not a party to this Service Agreement or amending or entering into such agreements.
- 4.7 Waivers - Any waiver at any time by either Party of its rights with respect to a default under this Service Agreement, or with respect to any other matter arising in connection with this Service Agreement, shall not be deemed a waiver with respect to any other or subsequent default or matter.
- 4.8 Tariff Governs - In the event that any irreconcilable difference exists between the Network Integration Service Tariff and this Service Agreement, the language of the relevant Tariff shall govern.
- 4.9 Entire Agreement Between Parties - The Company's Open Access Transmission Tariff and this Service Agreement constitute the entire agreement between the Parties with respect to the subject matter hereof, and there are no other understandings or agreements between the Parties with respect thereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

OG&E:

By: _____
Name Title Date

Issued by: Melvin H. Perkins, Jr.
Vice President of Power Delivery

Effective: March 17, 2008

Issued on: April 15, 2008

Filed to comply with order of the Federal Energy Regulatory Commission, *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, FERC Stats. & Regs. ¶ 31,241 (2007), *order on reh'g*, Order No. 890-A, 121 FERC ¶ 61,297 (2007).

Transmission Customer:

By: _____
Name Title Date

Specifications For Network Integration Transmission Service

1.0 Term of Network Service: _____

Start Date: _____

Termination Date: _____

2.0 Description of capacity and/or energy to be transmitted by Company across the Company's Transmission System (including electric control area in which the transaction originates).

3.0 Network Resources

(1) Transmission Customer Generation Owned:

| Resource | Capacity | Capacity Designated as Network Resource |
|----------|----------|---|
|----------|----------|---|

(2) Transmission Customer Generation Purchased:

| Source | Capacity |
|--------|----------|
|--------|----------|

Total Network Resources: (1) + (2) = _____

4.0 Network Load

(1) Transmission Customer Network Load Exclusive of Member System Load:

| Network Load | Transmission Voltage Level |
|--------------|----------------------------|
|--------------|----------------------------|

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(2) Member Systems Loads Designated as Network Load

| Member Systems Load | Transmission Voltage Level |
|---------------------|----------------------------|
|---------------------|----------------------------|

Total Network Load: (1) + (2) = _____

5.0 Designation of party subject to reciprocal service obligation:

6.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff).

6.1 Twelve Month Rolling Average of Load Ratio Share of Annual Transmission Revenue Requirement:

6.2 Facilities Study Charge:

6.3 Direct Assignment Facilities Charge:

6.4 Ancillary Services Charge:

6.5 Redispatch Charges:

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ATTACHMENT G

Standard Form of Network Operating Agreement

This Network Operating Agreement (NOA), dated as of _____, 1996, is entered into by and between Oklahoma Gas and Electric Company (the “Company” or “OG&E”), organized and existing under the laws of the State of Oklahoma and _____ (Transmission Customer), a corporation organized and existing under the laws of the State of _____. The Transmission Customer and the Company hereinafter are also referred individually as “Party” and collectively as “Parties.”

In consideration of the promises and mutual covenants and agreements herein contained, the Company and Transmission Customer do covenant and agree as follows:

1. Purpose of Agreement

By this agreement, the Company and Transmission Customer agree that the provisions of this NOA and the Network Integration Transmission Service Agreement govern the Company’s provision of Network Integration Transmission Service to the Transmission Customer in accordance with the Open Access Transmission Tariff (Tariff) as it may be amended from time to time. This NOA requires the Parties to: (i) operate and maintain equipment necessary for incorporating the Transmission Customer within the Company’s transmission system (including, but not limited to, remote terminal units, metering, communications equipment, and relaying equipment); (ii) transfer data (including, but not limited to, when necessary, heat rates and operational characteristics of Network Resources, generation schedules for Network Resources, interchange schedules, unit outputs for redispatch required under Section 33.2 of the Tariff, voltage schedules, loss factors and other real time data) between their respective control centers; (iii) use software programs required for data links and constraint dispatching; (iv) when necessary, exchange data on forecasted loads and resources necessary for planning and operation; and (v) address any other technical and operational considerations required for implementation of the Tariff, including scheduling protocols.

2. Definitions

Unless specified herein, capitalized terms shall refer to terms defined in the Tariff. This NOA will be revised as necessary to incorporate changes to the Company’s

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Control Area requirements.

3. Control Area

The Transmission Customer shall: (i) operate as a control area under applicable guidelines of the North American Electric Reliability Council (NERC) and the Southwest Power Pool (SPP) or (ii) satisfy its control area requirements, including all Ancillary Services, by contracting with the Company or (iii) satisfy its control area requirements, including all Ancillary Services, by providing them itself or contracting with another entity which can satisfy those requirements in a manner that is consistent with Good Utility Practice and satisfies NERC and SPP requirements. The Transmission Customer shall plan, construct, operate and maintain its facilities and system in accordance with Good Utility Practice, which shall include, but not be limited to, all applicable guidelines of NERC and SPP as they may be modified from time to time, and any generally accepted practices in the region that are consistently adhered to by the Company.

4. Network Operating Committee

(a) Network Operating Committee - The Company and Transmission Customer shall each appoint a member and an alternate to a Network Operating Committee, and so notify the other party of such appointment in writing. Such appointments may be changed at any time by similar notice. Each member and alternate shall be a responsible person working with the day to day operations of their respective system. The Network Operating Committee shall meet as necessary to carry out the duties set forth herein. The Network Operating Committee shall hold meetings at the request of either the Company or Transmission Customer, at a time and place agreed upon by the members of the Network Operating Committee.

(b) Responsibilities - The Network Operating Committee shall coordinate operating criteria for the parties' respective responsibilities under the Tariff including: (i) standards for the design, operation, and maintenance of the facilities necessary to integrate Transmission Customer electric systems with the Company's Transmission System (including, but not limited to, remote terminal units, metering, communications equipment, and relaying equipment); (ii) information transfers between control centers (including, but not limited to, when necessary, operational characteristics of Network Resources, generation schedules for Network Resources, interchange schedules, unit outputs for dispatch, voltage schedules, loss factors, and other real-time data); (iii) software programs required for data links and constraint dispatching; (iv) information required for long-term

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planning; (v) load curtailment procedures in the event of transmission constraints or system emergencies; (vi) least-cost redispatch procedures; and (vii) other technical and operational considerations required for implementation of this Tariff. The Network Operating Committee shall have no power to amend or alter the provisions of this Network Operating Agreement or the Service Agreement.

5. Load Following

The Company shall be responsible for the continuous balancing of resources (generation and interchange) with load for its Control Area. The Transmission Customer shall be responsible for the dispatch and operation of its resources to meet its network loads. The Transmission Customer shall obtain this service by: (a) purchasing Regulation and Frequency Response Service from the Company pursuant to Schedule 3 of the Tariff; or (b) obtaining such service from its own generation or from third-party generation capable of supplying such service, in a manner that is consistent with Good Utility Practice and that satisfies NERC and SPP standards.

6. System Protection

The Company will be responsible for having adequate operating reserves or other system protection facilities available in order to maintain the integrity of its transmission facilities in the event of (i) unscheduled outages of a portion of its transmission facilities or facilities connected to the Company's service territory or (ii) unscheduled interruption of energy deliveries to the Company's transmission facilities. The Transmission Customer will be responsible for providing reserve capacity required for its resources. The amount of System Protection that must be supplied with respect to the Transmission Customer's transaction will be determined based on NERC and SPP or other relevant criteria. The Transmission Customer may elect to supply itself or arrange with a third party to provide resources that are sufficient to satisfy the system protection needs of the Transmission Customer. Operation and dispatch of such resources must be coordinated with the Company or other entity that maintains operating reserves and other system protection facilities for the Company's service territory.

7. Redispatch to Manage Transmission System Constraints

In the event that The Company determines that operation must be modified due to a transmission constraint on the Company's Transmission System, and such constraint may jeopardize the security of the Transmission System, the provisions of Section 33.2 of the Tariff for redispatch and/or interruptions and curtailment

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will be implemented.

8. Maintenance of Facilities

(a) The Network Operating Committee shall establish procedures to coordinate the maintenance schedules of the generating resources and transmission and substation facilities, to the greatest extent practical, to ensure sufficient transmission resources are available to maintain system reliability and reliability of service. The Transmission Customer shall provide to the Company the maintenance schedules and planned outages of each Network Resource on a periodic, updated basis as established by the Network Operating Committee. Such information shall include, but not be limited to, the expected time the unit will be separated from the system and the time at the unit will be separated from the system and the time at which the unit is available for (i) parallel operation, (ii) loading, and (iii) if applicable, to be put on automatic generation control.

(b) The Transmission Customer shall be subject to the established procedures of the Company, regarding (i) the planning and scheduling of any maintenance of its facilities; (ii) the removal from service or the return to service of any Network Resource, transmission line, or substation facility (operated at 69 kV and above); and (iii) notification to the Company of the occurrence of any unscheduled or forced outages of the Transmission Customer's facilities.

9. Load Shedding

(a) The Parties shall coordinate and update their respective emergency plans and procedures as required and shall implement load shedding programs to maintain the reliability and integrity of the Control Area, as provided in Section 33.6 of the Tariff. Load shedding shall include: (i) automatic load shedding; (ii) manual load shedding; and (iii) rotating interruption of customer load. The Company will order load shedding to maintain the relative sizes of load served, unless otherwise required by circumstances beyond the control of the Company or the Transmission Customer. Automatic load shedding devices will operate without notice. When manual load shedding or rotating interruptions are necessary, the Company shall notify the Transmission Customer's dispatchers or schedulers of the required action and the Transmission Customer shall comply immediately.

(b) The Transmission Customer shall, at its own expense, provide, operate, and maintain in service high-speed, under frequency load-shedding equipment. The Transmission Customer's equipment shall be: (i) compatible and coordinated with the Company's load shedding equipment; and (ii) set for the amount of load to be shed, with frequency trips and tripping time consistent with the procedures of the

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Company. In the event the Company modifies the load-shedding system, the Transmission Customer shall, at its expense, make changes to the equipment and setting of such equipment, as required. The Transmission Customer shall test and inspect the load-shedding equipment within ninety (90) days of taking Network Integration Transmission Service under the Tariff and thereafter on a periodic basis consistent with the testing procedures of the Company and provide a written report to the Company. The Company may request a test of the load-shedding equipment with reasonable notice.

10. Recognition of Flow of Power and Energy

(a) The Parties recognize that: (i) the Company's transmission system is, and will be, directly or indirectly interconnected with transmission systems owned or operated by other; (ii) the flow of power and energy between such systems will be controlled by the physical and electrical characteristics of the facilities involved and the manner in which they are operated; and (iii) part of the power and energy being delivered under this NOA may flow through such other systems rather than through the facilities of the Company. The Network Operating Committee shall, from time to time as necessary, determine methods and take reasonably appropriate action to assure maximum delivery of power and energy at the points of receipt and delivery as may be established by the Parties.

(b) Each Party will at all times cooperate with other interconnection or modification of an existing interconnection between that Party's system and the system of a third party, may cause adverse effects on the system of the other party. The Party making such interconnection or modification shall minimize, or otherwise compensate for, adverse operational effects to the other party's system.

11. Service Conditions

The Parties recognize that operating and technical problems may arise in the control of the frequency and in the flow of real and reactive power over the interconnected transmission systems. The Network Operating Committee may adopt operating rules and procedures as necessary to assure that, as completely as practical, the delivery and receipt of real and reactive power and energy hereunder shall be accomplished in a manner that causes the least interference with such interconnected systems. A Transmission Customer interconnecting with the Company's Transmission System is obligated to follow the same practices and procedures for interconnection and operation that the Company uses for its own load and resources. Where the Transmission Customer purchases Ancillary Services from third parties, the Transmission Customer shall have the

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responsibility to secure contractual arrangements with such third parties that are consistent with the Tariff, this Network Operating Agreement, and any applicable rules and procedures of the Network Operating Committee.

12. Data, Information, and Reports

(a) The Transmission Customer shall, upon request, provide the Company with such reports and information concerning its network operation as are reasonably necessary to enable the Company to operate its transmission system adequately.

(b) Scheduling - - Hourly imports from outside of the Company's Control Area, in whole megawatts, are prescheduled with the Company by voice or other methods established by the Network Operating Committee. Hourly transactions, and forecasts of generation and load from within the Company's Control Area, are prescheduled by voice or other methods as established by the Network Operating Committee. Schedules can be changed in this same manner no later than twenty (20) minutes before the schedules go into effect. The Transmission Customer shall notify the Company of intended imports into the Control Area for the next normal business day(s) by voice, or other established means, no later than 10:00 AM. No later than 2:00 PM of each normal business day, the Transmission Customer shall finalize import preschedule by voice and transmit all the preschedules and hourly load forecasts in a format specified by the Company. The Transmission Customer shall keep the Company informed in a timely manner, of any events which require or may cause changes to its current daily transaction schedules and load forecasts as provided in accordance with this Section.

(c) Annual Forecast - - In accordance with a schedule to be determined by the Company, the Transmission Customer shall update on a yearly basis its load and resource forecast pursuant to Sections 29.2 and 31.6 of the Tariff by providing the Company with a nonbinding load shape(s) in a format specified by the Company.

(d) Monthly Forecast - - Not later than five (5) days before the end of the month, the Transmission Customer shall update the forecast for the following month specifying purchase, generation, maximum demand, total monthly energy, and System Protection Service from the Company or third party.

(e) The Transmission Customer shall telemeter to the Company information including but not limited to watts, vars, generator status, generator breaker status, generator terminal voltage and high side transformer voltage, unless otherwise agreed.

(f) The Transmission Customer shall provide generating resource characteristics to the Company as necessary to implement redispatch, and constraint and reserve management.

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13. Metering

- (a) The Company or Transmission Customer shall install and maintain revenue meters and communication equipment compatible with the Company's meter reading system at Transmission Customer's expense. All such equipment installed by Transmission Customer shall conform to the Company's standards for similar installations. Revenue quality meters shall be installed at the high voltage bus at the point of interconnection between the Transmission Customer's facility and the Company's system. The meters shall measure and record both real power (watts) and reactive power (vars) flow and line losses, if applicable, in both directions. Meters not installed at the high voltage bus or at the point of interconnection shall be adjusted for line losses, recorded by meters that compensate for transformation loss or increased by two (2) percent per transformation.
- (b) The Company shall read or retrieve meter data on the first work day after the end of each billing cycle or such other date as may be required to carry out the provision of this Tariff. The Company shall process the meter data and determine energy imbalances, accounting, and billing using such meter data.
- (c) The meter owner shall test revenue meters for power deliveries made at 69 kV and above at least once a year and within ten (10) business days after a request by the other Party. The other Party will be afforded the opportunity to be present during the meter test. For meters owned by the Company, the Transmission Customer may request a meter test by calling the designated customer account representative of the Company and shall pay for the cost of the requested test if the meter has been tested within the previous twelve (12) months. The Parties present at the meter test shall estimate the amount of capacity and energy created during the meter test. The meter owner shall immediately repair, adjust, or replace any meter or associated equipment found to be defective or inaccurate. An inaccurate meter is one that exceeds 2% of the calibrated standards.
- (d) The Company shall adjust the recorded data to compensate for the effect of an inaccurate meter. Such adjustment shall be made for a maximum period of thirty (30) days prior to the date of the test or to the period during which such inaccuracy may be determined to have existed, whichever period is shorter. No adjustment prior to the beginning of the next preceding month shall be made except by agreement of the Parties. Should any meter fail to register, the Company shall estimate, from the best information available, the demand created, energy flow, and var flows during the period of the failure. The Company shall, as soon as possible, correct the Transmission Customer's bills affected by the inaccurate meter. That correction, when made, shall constitute full adjustment of any claim

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arising out of the inaccurate meter for the period of the correction.

14. Communications

(a) The Company or Transmission Customer shall install and maintain at Transmission Customer's expense necessary equipment for scheduling. All such equipment installed by Transmission Customer shall conform to the Company's standards for similar installations.

(b) The Company or Transmission Customer shall install and maintain at Transmission Customer's expense telemetry equipment communicating between its generating resources and the Company. All such equipment installed by Transmission Customer shall conform to the Company's standards for similar installations.

15. Operation of Transmission Customer Generation Resources

The Transmission Customer shall operate its generating resources in a manner similar to that of the Company including following voltage schedules, free governor response, meeting power factor requirements at the point of interconnection with the Company's system, and such other criteria as may be developed by the Company or the Network Operating Committee. The Transmission Customer shall pay the cost of modification of the Company's computer hardware and software to accommodate the operation of the Transmission Customer's resources.

16. Assignment

This NOA shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns, but shall not be assigned by either Party, except to successors to all or substantially all of the electric properties and assets of such Party, without the written consent of the other.

17. Notice

Any notice or request made to or by either Party regarding this NOA shall be made to the representative of the other Party as indicated in the Network Integration Transmission Service Agreement.

18. The Tariff and the Network Integration Transmission Service Agreement are incorporated herein and made a part hereof.

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IN WITNESS WHEREOF, the Parties have caused this NOA to be executed by their respective authorized officials.

COMPANY:

By: _____
Name Title Date

Transmission Customer:

By: _____
Name Title Date

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Vice President of Power Delivery

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ATTACHMENT H

Annual Transmission Revenue Requirement For Network Integration Transmission Service

1. The Annual Transmission Revenue Requirement for purposes of the Network Integration Transmission Service shall be the Existing Zonal Annual Transmission Revenue Requirement (“ATRR”) for OG&E as specified on Line 7a, Column 3, Section I, Table 1 of Attachment H of the Southwest Power Pool (“SPP”) Open Access Transmission Tariff (“OATT”). OG&E’s Existing Zonal ATRR is calculated using: (1) the rate formula set forth in Attachment H, Addendum 2-A (“OG&E Formula Rate”) of this Tariff; and (2) the OG&E Formula Rate Implementation Protocols set forth in Attachment H, Addendum 2-B of this Tariff (“OG&E Implementation Protocols”).
2. Subject to the OG&E Implementation Protocols, the Existing Zonal ATRR that results from the application of the OG&E Formula Rate shall be posted on the SPP website by September 1, as it may be updated on December 1, of each calendar year and shall be effective on January 1 of the following year.
3. Network Integration Transmission Service will be provided by the Transmission Provider over facilities below 69 kilovolts on a direct assignment, customer specific embedded cost basis.

**Rate Formula Template
Utilizing FERC Form 1 for the 12 months ended**

(Enter whether "Projected Data" or "Actual Data")

mm/dd/yyyy

Oklahoma Gas and Electric Company

Index of Worksheets

| <u>Worksheet</u> | <u>Description</u> |
|------------------|--|
| 1 | |
| 2 | Attachment H - Addendum 2-A Rate Formula Template Utilizing FERC Form 1 for the 12 months ended mm/dd/yyyy and " Data" |
| 3 | Worksheet A Account 454, Rent from Electric Property |
| 4 | Account 456, Other Electric Revenues |
| 4 | Account 456.1, Revenues from Transmission of Electricity of Others, Current Year Less Credits |
| 5 | Revenue from Grandfathered Interzonal Transactions and amounts received from SPP for PTP service |
| 6 | Worksheet B Transmission Network Load (MW) |
| 7 | Worksheet C Account 281, Accumulated Deferred Income Taxes - Accelerated Amortization Property |
| 8 | Account 282, Accumulated Deferred Income Taxes - Other Property |
| 9 | Account 283, Accumulated Deferred Income Taxes - Other |
| 10 | Account 190, Accumulated Deferred Income Taxes |
| 11 | Account 255, Accumulated Deferred Investment Tax Credits |
| 12 | Worksheet D Account 928, Regulatory Commission Expense Allocations |
| 13 | Account 930.1, General Advertising Allocations (safety related only to trans.) |
| 14 | Account 930.2, Miscellaneous General Expenses |
| 15 | Transmission Lease Payments |
| 16 | Worksheet E Adjustments to Transmission Expense to Reflect TO's LSE Cost Responsibility |
| 17 | Worksheet F Calculate Return and Income Taxes with hypothetical 100 basis point ROE increase |
| 18 | Calculate Net Plant Carrying Charge Rate (Fixed Charge Rate or FCR) with hypothetical 100 basis point ROE increase |
| 19 | Determine the Additional Revenue Requirement and Revenue Credit for facilities receiving incentives |
| 20 | Worksheet G Determine the Revenue Requirement for SPP OATT Related Upgrades including Base Plan Upgrades, Transmission Service Upgrades, Sponsored or Economic Portfolio Upgrades and Generator Interconnection Facilities |
| 21 | Worksheet H Transmission Plant Adjustments |
| 22 | Worksheet I Plant Held for Future Use |
| 23 | Worksheet J Development of Composite State Income Tax Rates |
| 24 | Worksheet K 13 Month Balances for Plant & Accumulated Depreciation, Material & Stores and Debt & Equity |
| 25 | Account 165, Prepayments Calculation |
| 26 | Long Term Debt Cost Calculation |
| 27 | Worksheet L True-Up Adjustment with Interest for Prior Year, Prior Period, Base Plan Projects and Prepayment Calculation |
| 28 | Worksheet M Depreciation Rates |
| 29 | Worksheet N Unfunded Reserves Calculation |
| 30 | Worksheet O Amortizations for Extraordinary O&M and Storm Costs |

Rate Formula Template
 Utilizing FERC Form 1 for the 12 months ended
 (Enter whether "Projected Data" or "Actual Data")

mm/dd/yyyy

OKLAHOMA GAS AND ELECTRIC COMPANY

For rates effective mmm dd, yyyy

| <u>Line No.</u> | | | <u>Transmission Amount</u> |
|-----------------|---|-------------------------------------|---------------------------------|
| 1 | BASE PLAN REVENUE REQUIREMENT | (Addendum 2-A, ln 17 + ln 18) | \$ - |
| 2 | OG&E ZONAL REVENUE REQUIREMENT for SPP OATT Attachment H, Sec. 1, Col. 3 | (Addendum 2-A, ln 21) | - |
| 3 | DIVISOR | | |
| 4 | TO's Transmission Network Load | (Worksheet B, ln 14) | - |
| 5 | RATES | | |
| 6 | Annual Cost (\$/kW/Yr) | (ln 2 / ln 4) | - |
| 7 | P-to-P Rate (\$/kW/Mo) | (ln 6 / 12) | - |
| | | | <u>Peak</u> |
| 8 | Weekly P-To-P Rate (\$/kW/Wk) | (ln 6 / 52; ln 6 / 52) | <u>Off-Peak</u> - |
| 9 | Daily P-To-P Rate (\$/kW/Day) | (ln 8 / 5; ln 8 / 7) | - Capped at weekly rate |
| 10 | Hourly P-To-P Rate (\$/MWh) | (ln 9 / 16; ln 9 / 24 both x 1,000) | - Capped at weekly & daily rate |

Rate Formula Template
 Utilizing FERC Form 1 for the 12 months Ended
 (Enter whether "Projected Data" or "Actual Data")

mm/dd/yyyy

OKLAHOMA GAS AND ELECTRIC COMPANY

| Line No. | | | | | Transmission Amount |
|----------|---|--|--------------|------------------|---------------------|
| 11 | REVENUE REQUIREMENT (w/o incentives) | (In 117) | | | \$ - |
| 12 | REVENUE CREDITS | (Note A) | | | |
| 13 | | | <u>Total</u> | <u>Allocator</u> | |
| 14 | Other Transmission Revenue | (Worksheet A) | - | DA 1.00000 | \$ - |
| 15 | Total Revenue Credits | | - | | \$ - |
| 16 | NET REVENUE REQUIREMENT (w/o incentives) | (In 11 less In 15) | | | \$ - |
| 17 | SPP OATT RELATED UPGRADES REVENUE REQUIREMENT | (Worksheet G) (Note X) | | | \$ - |
| 18 | SPP OATT RELATED UPGRADES REV. REQ. TRUE-UP | (Worksheet L) | | | \$ - |
| 19 | PRIOR YEAR TRUE-UP ADJUSTMENT w/INTEREST | (Worksheet L) | | | \$ - |
| 20 | ADDITIONAL REVENUE REQUIREMENT (w/ incentives) | (Note C) & (Worksheet F, In 61) | | | \$ - |
| 21 | OG&E ZONAL REVENUE REQUIREMENT for SPP OATT Attachment H, Sec. 1, Col. 3 | (In 16 - In 17 - In 18 - In 19 + In 20) | | | \$ - |
| 22 | NET PLANT CARRYING CHARGE (w/o incentives) | (Note B) | | | |
| 23 | Annual Rate | ((In 16 / In 46) x 100) | | | 0.00% |
| 24 | Monthly Rate | (In 23 / 12) | | | 0.00% |
| 25 | NET PLANT CARRYING CHARGE, W/O DEPRECIATION (w/o incentives) | (Note B) | | | |
| 26 | Annual Rate | (((In 16 - In 92) / In 46) x 100) | | | 0.00% |
| 27 | NET PLANT CARRYING CHARGE, W/O DEPRECIATION, INCOME TAXES AND RETURN | (Note B) | | | |
| 28 | Annual Rate | (((In 16 - Ins 92 - In 115 - In 116) / Ins 46) x 100) | | | 0.00% |

Issued by: Melvin H. Perkins, Jr.
 Vice President of Power Delivery

Issued on: April 24, 2009

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Rate Formula Template
 Utilizing FERC Form 1 for the 12 months Ended mm/dd/yyyy
 (Enter whether "Projected Data" or "Actual Data") 0

OKLAHOMA GAS AND ELECTRIC COMPANY

| | (1) | (2) | (3) | (4) | (5) |
|----------|--|--|-----------------|---------------------|---------------------------|
| | <u>RATE BASE CALCULATION</u> | <u>Data Sources</u> (See "General Notes") | <u>TO Total</u> | <u>Allocator</u> | <u>Total Transmission</u> |
| Line No. | | | | | |
| 29 | GROSS PLANT IN SERVICE | | | | |
| 30 | Production | (Worksheet K) | - | NA | |
| 31 | Transmission | (Worksheet K) | - | TP 0.00000 | - |
| 32 | Distribution | (Worksheet K) | - | NA | |
| 33 | General Plant | (Worksheet K) (Note J) | - | W/S 0.00000 | - |
| 34 | Intangible Plant | (Worksheet K) (Note V) | - | W/S 0.00000 | - |
| 35 | TOTAL GROSS PLANT | (sum Ins 30 to 34) | - | | - |
| 36 | GROSS PLANT ALLOCATOR | (In 35 - Col. 5 / Col. 3) | | GP= 0.000000 | |
| 37 | ACCUMULATED DEPRECIATION | | | | |
| 38 | Production | (Worksheet K) | - | NA | |
| 39 | Transmission | (Worksheet K) | - | TP 0.00000 | - |
| 40 | Distribution | (Worksheet K) | - | NA | |
| 41 | General Plant | (Worksheet K) (Note J) | - | W/S 0.00000 | - |
| 42 | Intangible Plant | (Worksheet K) (Note V) | - | W/S 0.00000 | - |
| 43 | TOTAL ACCUMULATED DEPRECIATION | (sum Ins 38 to 42) | - | | - |
| 44 | NET PLANT IN SERVICE | | | | |
| 45 | Production | (In 30 - In 38) | - | NA | |
| 46 | Transmission | (In 31 - In 39) | - | | - |
| 47 | Distribution | (In 32 - In 40) | - | NA | |
| 48 | General Plant | (In 33 - In 41) | - | | - |
| 49 | Intangible Plant | (In 34 - In 42) | - | | - |
| 50 | TOTAL NET PLANT IN SERVICE | (sum Ins 45 to 49) | - | | - |
| 51 | NET PLANT ALLOCATOR | (In 50 - Col. 5 / Col. 3) | | NP= 0.000000 | |
| 52 | ADJUSTMENTS TO RATE BASE | (Note D) | | | |
| 53 | Account No. 281 | (Worksheet C) | - | | - |
| 54 | Account No. 282 | (Worksheet C) | - | | - |
| 55 | Account No. 283 | (Worksheet C) | - | | - |
| 56 | Account No. 190 | (Worksheet C) | - | | - |
| 57 | Account No. 255 | (Worksheet C) | - | | - |
| 58 | Unfunded Reserves | (Worksheet N) | - | DA 1.00000 | - |
| 59 | TOTAL ADJUSTMENTS | (sum Ins 53 to 57) | - | | - |
| 60 | UNAMORTIZED ABANDONED PLANT | (Note R) | 0 | DA 1.00000 | 0 |
| 61 | LAND HELD FOR FUTURE USE | (Worksheet I) (Note F) | - | TP 0.00000 | - |
| 62 | WORKING CAPITAL | (Note G) | | | |
| 63 | CWC | (1/8 * In 90) | - | | - |
| 64 | Materials & Supplies -- Transmission Related | (Worksheet K) (Note S) | - | TP 0.00000 | - |
| 65 | Prepayments (Account 165) | (Worksheet K) | - | GP 0.00000 | - |
| 66 | TOTAL WORKING CAPITAL | (sum Ins 63 to 65) | - | | - |
| 67 | RATE BASE (sum Ins 50, 59, 60, 61, 66) | | - | | - |

Rate Formula Template
 Utilizing FERC Form 1 for the 12 months Ended
 (Enter whether "Projected Data" or "Actual Data")

mm/dd/yyyy
 0

OKLAHOMA GAS AND ELECTRIC COMPANY

| Line No. | (1) EXPENSE, TAXES, RETURN & REVENUE REQUIREMENTS CALCULATION | (2) Data Sources (See "General Notes") | (3) TO Total | (4) Allocator | (5) Total Transmission |
|--|---|--|-----------------|------------------|------------------------------|
| OPERATION & MAINTENANCE EXPENSE | | | | | |
| 68 | Transmission | 321.112.b | | | |
| 68a | Less Extraordinary & Storm Cost Amortization | (Worksheet O) | - | | |
| 69 | Less expenses for LSE cost responsibility | (Worksheet E, In 14) | | | |
| 70 | Less Account 561 (Load Dispatching) | 321.84-92.b (Note P & U) | | | |
| 71 | Less Account 565 | 321.96.b (Note I) | | | |
| 72 | Plus Acct 565 native load, zonal or pool | (Note I) | | | |
| 73 | Transmission Subtotal | (In 68-In 68a-In 69-In 70-In 71+In 72) | - | TP 0.00000 | - |
| 74 | Administrative and General | 323.197.b (Note J) | | NA | |
| 75 | Less: Acct. 924, Property Insurance | 323.185.b | | NA | |
| 76 | Less: Acct. 928, Reg. Com. Exp. | 323.189.b | | NA | |
| 77 | Less: Acct. 930.1, Gen. Advert. Exp. | 323.191.b | | NA | |
| 78 | Less: Acct. 930.2, Misc. General Exp. | 323.192.b | | | |
| 79 | Less: PBOP amount included in Line 73 | (Note T) | | | |
| 80 | Balance of A & G | (In 74 - sum In 75 to In 79) | - | W/S 0.00000 | - |
| 81 | Plus: Acct. 924 | (In 75) | - | GP 0.00000 | - |
| 82 | Plus: Acct. 928 - Transmission Direct Assigned | (Note K) (Worksheet D) | - | DA 1.00000 | - |
| 83 | Plus: Acct. 928 - Transmission Allocated | (Note K) (Worksheet D) | - | DA 1.00000 | - |
| 84 | Plus: Acct. 930.1 - Transmission Direct Assigned | (Note K) (Worksheet D) | - | DA 1.00000 | - |
| 85 | Plus: Acct. 930.1 - Transmission Allocated | (Note K) (Worksheet D) | - | DA 1.00000 | - |
| 86 | Plus: Acct. 930.2 - Adj. Misc. General Expenses | (Worksheet D) | - | W/S 0.00000 | - |
| 87 | Plus: PBOP Amount | (Note T) | - | W/S 0.00000 | - |
| 88 | A & G Subtotal | (sum Ins 80 to 87) | - | | - |
| 89 | Transmission Lease Payments | (Worksheet D) | - | DA 1.00000 | - |
| 90 | TOTAL O & M EXPENSE | (In 73 + In 88 + In 89) | - | | - |
| DEPRECIATION AND AMORTIZATION EXPENSE | | | | | |
| 92 | Transmission | 336.7.b | | TP 0.00000 | - |
| 93 | Plus: Extraordinary & Storm Cost O&M Amortization | (Worksheet O) (Note W) | - | TP 0.00000 | - |
| 94 | Plus: Recovery of Abandoned Incentive Plant | (Note R) | 0 | DA 1.00000 | 0 |
| 95 | General | 336.10.b | | W/S 0.00000 | - |
| 96 | Intangible | 336.1.f | | W/S 0.00000 | - |
| 97 | TOTAL DEPRECIATION AND AMORTIZATION | (sum Ins 92 to 96) | - | | - |
| TAXES OTHER THAN INCOME | | | | | |
| 98 | Labor Related | (Note L) | | | |
| 99 | Payroll | 263.i | | W/S 0.00000 | - |
| 100 | Plant Related | | | | |
| 102 | Property | 263.i | | GP 0.00000 | - |
| 103 | Gross Receipts | 263.i | | | |
| 104 | Other | 263.i | | GP 0.00000 | - |
| 105 | TOTAL OTHER TAXES | In 100 + (sum Ins 102 to 104) | - | | - |
| INCOME TAXES | | | | | |
| 106 | | (Note M) | | | |
| 107 | $T=1 - \{(1 - SIT) * (1 - FIT)\} / (1 - SIT * FIT * p) =$ | | 0.00% | | |
| 108 | $CIT=(T/1-T) * (1-(WCLTD/R)) =$ | | 0.00% | | |
| 109 | where WCLTD=(In 137) and R= (In 140) | | | | |
| 110 | and FIT, SIT & p are as given in Note M. | | | | |
| 111 | $1 / (1 - T) =$ (from In 107) | | - | | |
| 112 | Amortized Investment Tax Credit | 266.8.f (enter negative) | | | |
| 113 | Income Tax Calculation | (In 108 * In 116) | - | NA | - |
| 114 | ITC adjustment | (In 111 * In 112) | - | NP | - |
| 115 | TOTAL INCOME TAXES | (sum Ins 113 to 114) | - | | - |
| 116 | RETURN (Rate Base * Rate of Return) | (In 67 * In 140) | - | NA | - |
| 117 | REVENUE REQUIREMENT (sum Ins 90, 97, 105, 115, 116) | | - | | - |

Rate Formula Template
 Utilizing FERC Form 1 for the 12 months Ended
 (Enter whether "Projected Data" or "Actual Data")

mm/dd/yyyy
 \$0.00

OKLAHOMA GAS AND ELECTRIC COMPANY

SUPPORTING CALCULATIONS

| In No. | (1) | (2) | (3) | (4) | (5) |
|--------|--|------------------------------|------|----------------------|-----------------|
| | TRANSMISSION PLANT INCLUDED IN SPP TARIFF | | | | |
| 118 | Total transmission plant | (In 31) | | | - |
| 119 | Less transmission plant excluded from SPP Tariff | (Worksheet H) (Note N) | | | - |
| 120 | Less Production Related Transmission Facilities | (Worksheet H) (Note O) | | | - |
| 121 | Transmission plant included in SPP Tariff | (In 118 - In 119 - In 120) | | | - |
| 122 | Percent of transmission plant in SPP Tariff | (In 121 / In 118) | | TP= | 0.00000 |
| | WAGES & SALARY ALLOCATOR (W/S) | | | | |
| 124 | Production | 354.20.b | | NA | - |
| 125 | Transmission | 354.21.b | | TP 0.00000 | - |
| 126 | Distribution | 354.23.b | | NA | - |
| 127 | Other (Excludes A&G) | 354.24,25,26.b | | NA | - |
| 128 | Total | (sum Ins 124 to 127) | 0 | | - |
| 129 | Transmission related amount | (In 128 - Col. 5 / Col. 3) | | W/S= | 0.00000 |
| | RETURN (R) | | | | |
| 131 | Preferred Dividends | (118.29.c) (positive number) | | | - |
| 132 | Development of Common Stock: | | | | |
| 133 | Long Term Debt | (Worksheet K) (Note Q) | | 0.00% | - |
| 134 | Preferred Stock | (Worksheet K) (Note Q) | | 0.00% | - |
| 135 | Common Stock | (Worksheet K) (Note Q) | | 0.00% | - |
| 136 | Total | (sum Ins 133 to 135) | | | - |
| | | | | Cost (Note Q) | Weighted |
| 137 | Long Term Debt | | \$ - | 0.00% | 0.0000 |
| 138 | Preferred Stock | 112.3.c | - | 0.00% | 0.0000 |
| 139 | Common Stock | | - | 0.00% | 0.0000 |
| 140 | Total (sum Ins 137 to 139) | | - | | R 0.0000 |

Rate Formula Template
 Utilizing FERC Form 1 for the 12 months Ended mm/dd/yyyy
 (Enter whether "Projected Data" or "Actual Data") 0

OKLAHOMA GAS AND ELECTRIC COMPANY

Notes

- General Notes: a) References to data from Form 1 are indicated as: page#.line#.col.#
 b) If transmission owner ("TO") functionalizes its costs to transmission on its books, those costs are shown above and on any supporting workpapers rather than using the allocations above.

Note Letter

- A** The revenues credited shall include a) amounts received directly from the SPP for service under this tariff reflecting the TO's integrated transmission facilities and b) amounts from customers taking service under grandfathered agreements. Revenues associated with FERC annual charges, gross receipts taxes, ancillary services or facilities excluded from the definition of transmission facilities under this tariff shall not be included as revenue credits. Revenues from coincident peak loads included in the DIVISOR are also not included as revenue credits unless this revenue is offset by a corresponding expense. See Worksheet A for details.
- B** The annual and monthly net plant carrying charges on page 2 are to be used to compute the revenue requirement for directly assigned transmission facilities, Base Plan Upgrades, Transmission Service Upgrades, Sponsored, Economic Portfolio Upgrades and Generator Interconnection Facilities, etc. whose revenue requirement is calculated in Worksheet G and recovered pursuant to Attachments J and Z, or successor attachments, of the SPP OATT.
- C** This additional revenue requirement is determined using a net plant carrying charge (fixed carrying charge or FCR) approach. Worksheet F shows the calculation of the additional revenue requirements for each project receiving incentive rate treatment, as accepted by FERC. These individual additional revenue requirements shall be summed, for the relevant year, and included here. When calculating the Baseline ATRR, the "Relevant Year" is the year being trued-up. When calculating the Projected ATRR, the "Relevant Year" is the year being projected
- D** Reflects the transmission related portion of balances in Accounts 281, 282, 283, 190 and 255 as adjusted by any amounts in contra accounts identified as regulatory assets or liabilities related to FASB 106 or 109. Balance of Account 255 is reduced by prior flow throughs and completely excluded if the utility chose to utilize amortization of tax credits against taxable income as discussed in Note M. Transmission allocations shall be shown on Worksheet C, including amounts excluded through direct assignment to incentive plant, as shown on separate workpapers.
- E** Reserved for future use.
- F** Identified as being only transmission related or functionally booked to transmission.
- G** Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission on line 90. Prepayments are limited to electric related items.
- H** Reserved for future use
- I** Only include transmission costs paid to others by the TO for which the transmission customer under the tariff receives a benefit (such as the payment of Base Plan Charges allocated to the TO's zone and not otherwise recovered by SPP from customers). Charges related to Base Plan Upgrades under Attachment J, Future Roll-Ins under Attachment Z and replacement of Existing Facilities are to be included. Direct Assignment Facilities, Economic Upgrades, Requested Upgrades and generator related to Network Upgrades (as defined in Attachment J) are to be excluded.
- J** General Plant and Administrative and General expenses will be functionalized based on the indicated allocator on each line.
- K** Includes all Regulatory Commission expense itemized in FERC Form 1 at 351.h. Show in Worksheet D how these expense items are allocated to transmission. FERC Assessment Fees and Annual Charges shall not be allocated to transmission. Account 930.1 shall include only safety-related advertising cost booked to the account.
- L** Includes only FICA, unemployment, highway, property and other assessments charged in the relevant year. When calculating the Baseline ATRR, the "Relevant Year" is the year being trued-up. When calculating the Projected ATRR, the "Relevant Year" is the year being projected. Gross receipts tax and taxes related to income are excluded.
- M** The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and $p = \frac{\text{percentage of federal income tax deductible for state income taxes}}{\text{percentage of federal income tax deductible for state purposes}}$. If the utility is taxed in more than one state it must attach a work paper showing the name of each state and how the blended or composite SIT was developed. Furthermore, a utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) (In 112) multiplied by $(1/1-T)$. If the applicable tax rates are zero enter 0.
- | | | | |
|------------------|-------|-------|---|
| Inputs Required: | FIT = | 0.00% | |
| | SIT = | 0.00% | (State Income Tax Rate or Composite SIT - Worksheet J) |
| | p = | 0.00% | (percent of federal income tax deductible for state purposes) |
- N** Removes the dollars of plant booked to transmission plant that is excluded from the Tariff because it does not meet the Tariff's definition of Transmission Facilities or is otherwise not eligible to be recovered under this Tariff.
- O** Removes the dollars of plant booked to transmission (e.g. step-up transformers) that are included in the development of OATT ancillary services rate; and not already removed in Note N above.
- P** Removes the dollars of expense booked to transmission accounts included in the development of OATT ancillary services rates, including all of Account No. 561.
- Q** Long Term Debt cost rate calculated in Section V of Worksheet K. Preferred Stock cost rate = preferred dividends (In 131) / preferred outstanding (In 138). Common Stock cost rate (ROE) = 11.10%, the rate accepted by FERC in Docket No. ER08-281 It includes an additional 50 basis points for the TO remaining a member of the SPP RTO. This rate shall not change until a new rate is accepted by FERC in a subsequent filing under the FPA, including Sections 205 and 206. The percentage of equity used in determining the weighted cost of equity for OG&E for purposes of the Settlement Formula Rate shall not exceed 56% ("Equity Cap") as accepted by FERC in Docket No. ER09-281 regardless of OG&E's actual percentage of equity. To the extent OG&E's actual percentage of equity exceeds the Equity Cap, such amount in excess of the Equity Cap shall be treated as Long-Term Debt for purposes of the Settlement Formula Rate. The Equity Cap shall not change until a new Equity Cap is accepted by FERC in a subsequent filing under the FPA, including Sections 205 and 206. Include in the interest on Debt from Associated Companies only the interest on Long-Term Debt.
- R** OG&E must make the appropriate filing at FERC before inputting or changing amounts on lines 60 & 94 (abandoned plant).
- S** The Formula Rate will functionalize Material and Supplies for Construction on the basis of a single-year usage ratio in accordance with the most recent FERC Form 1, and will true-up these costs based on the trued-up year's Form 1. M&S for Construction will utilize 13 month average balances as reflected in Worksheet K, Section II and exclude any M&S booked in Account 107.
- T** PBOP base amount, initially set at \$12,400,000, shall not be changed absent a separate filing made with the FERC.
- U** Transmission Service Study and Generation Interconnection Study costs shall be recorded in FERC Accounts 561.6 and 561.7, respectively. Costs of studies performed by SPP on behalf of OG&E, costs of studies performed by OG&E at SPP's request, reimbursement of study costs from SPP for studies performed by OG&E at SPP's request and studies for OG&E's retail load shall be recorded in FERC Accounts 561.6 & 561.7. FERC Accounts 561.6 and 561.7 are excluded from the Formula Rate.

Rate Formula Template
Utilizing FERC Form 1 for the 12 months Ended mm/dd/yyyy
(Enter whether "Projected Data" or "Actual Data") 0

Attachment H
Addendum 2-A
Page 7 of 7

OKLAHOMA GAS AND ELECTRIC COMPANY

Notes - continued

- V Accumulated Amortization for Intangible Plant shall be reflected as a Rate Base Adjustment under "Accumulated Depreciation".
W OG&E may only include the amortization of transmission-related extraordinary property losses if; (1) OG&E makes a filing with the Oklahoma Corporation Commission requesting approval for the new amount to be recovered and the amortization period and (2) OG&E makes a single issue FPA Section 205 filing that requests the same recovery treatment from the FERC. OG&E shall be obligated to make such a single issue FPA Section 205 filing whenever it requests amortized extraordinary property loss costs recovery from the Oklahoma Corporation Commission.
X SPP OATT Related Upgrades include Base Plan Upgrades, Sponsored, Economic Portfolio Upgrades, Transmission Service Upgrades and Generator Interconnection Facilities, etc. whose individual Revenue Requirements are calculated and summarized in Worksheet L. The sum of the individual Revenue Requirements is credited to zonal network customers on line 17 above.

List of Allocators:

| | | |
|---------------------|-----|----------|
| Direct Assigned | DA | 1.000000 |
| Gross Plant | GP | 0.000000 |
| Net Plant | NP | 0.000000 |
| Trans. Plant in SPP | TP | 0.000000 |
| Wages & Salaries | W/S | 0.000000 |
| No Allocator | NA | |

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Vice President of Power Delivery

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OKLAHOMA GAS AND ELECTRIC COMPANY

Worksheet A

Line
 No.

I. Account 454, Rent from Electric Property - Relevant Year = 0 (Note 1)
 (Revenue related to transmission facilities for pole attachments, rentals, etc. Provide data sources and explanations in Section V, Notes below)

| | <u>Data Sources</u> | <u>0</u> <u>YE Balance</u> | <u>GP</u> <u>Allocator</u> | <u>Allocated to</u> <u>Transmission</u> |
|---|-----------------------------|-------------------------------|--|--|
| 1 | Rent from Electric Property | 300.19.b | 0.0000% | \$0 |
| 2 | | | | |
| 3 | | | | |
| 4 | | | | |
| | | | Net Account 454 - Credited as transmission pole rentals = | \$0 |

II. Account 456, Other Electric Revenue - Relevant Year = 0 (Notes 1 & 2)
 (Other electric revenues including miscellaneous transmission revenues. Provide data sources and explanations in Section V, Notes below)

| | <u>(A)</u> <u>0</u> <u>YE Balance</u> | <u>(B)</u> <u>Power</u> <u>Production</u> | <u>(C)</u> <u>Distribution</u> | <u>(D)</u> <u>Utility</u> <u>Commercial</u> | <u>(E)</u> <u>Utility A & G</u> | <u>(F)</u> <u>Miscellaneous</u> | <u>(G)</u> <u>Transmission</u> <u>(Load in Divisor)</u> | <u>(H)</u> <u>Other</u> <u>Transmission</u> |
|----|--|---|-----------------------------------|---|--|------------------------------------|--|---|
| 5 | 300.22.b | | | | | | | |
| 6 | Miscellaneous - McClain Adder | | | | | | | |
| 7 | Miscellaneous - Scrap Sales | | | | | | | |
| 8 | Miscellaneous | | | | | | | |
| 9 | Miscellaneous - Honeywell Energy Management | | | | | | | |
| 10 | Miscellaneous - Sale of Residual Oil | | | | | | | |
| 11 | Reimbursed Payroll Costs | | | | | | | |
| 12 | Remuneration Sales Taxes Collection - Oklahoma | | | | | | | |
| 13 | Franchise & Privilege Tax Adjustment | | | | | | | |
| 14 | Oil Lease & Royalties | | | | | | | |
| 15 | Pace Payments | | | | | | | |
| 16 | Transmission Service Revenues - from OG&E LSE | | | | | | | |
| 17 | Transmission Service Revenues - Unbundled OK & AR | | | | | | | |
| 18 | Transmission Service Revenues - Direct Assigned Facilities | | | | | | | |
| 19 | Salvage Clearing | | | | | | | |
| 20 | Off-System Sales Credit - Oklahoma | | | | | | | |
| 21 | Renewable Energy Certificate Sales - OK & AR | | | | | | | |
| 22 | | | | | | | | |
| 23 | | | | | | | | |
| 24 | | | | | | | | |
| 25 | | | | | | | | |
| 26 | TOTALS (Sum Ins 6 - 25) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 27 | | | | | | | | |
| | | | | | | | Net Account 454 - Credited as Transmission Revenues [(A)-(B)-(C)-(D)-(E)-(F)-(G)] = | \$0 |

OKLAHOMA GAS AND ELECTRIC COMPANY

Worksheet A

III. Account 456.1, Revenues from Transmission of Electricity of Others - Relevant Year = **0** (Notes 1 & 3) 328-330.Total.n
 (Provide data sources and any detailed explanations necessary in Section V, Notes below)

**Transmission
 (Load in Divisor)**

Less:

| | | |
|----|--|---|
| 28 | TO's LSE Direct Assignment Revenue Credits | |
| 29 | TO's LSE Sponsored (Requested or Economic) Upgrade Revenue Credits | |
| 30 | TO's LSE Network Upgrades for Generation Interconnection - Credits | |
| 31 | TO's Point-To-Point Revenue for GFA's Associated with Load Included in the Divisor | |
| 32 | Network Service Revenue (Schedule 9) Associated With Load Included in the Divisor | |
| 33 | TO's Revenue Associated with Transmission Plant Excluded From SPP Tariff | |
| 34 | Wholesale Distribution charges | |
| 35 | TO's LSE Revenue from Ancillary Services Provided | |
| 36 | Network Service Ancillary Revenues (Schedule 1) Associated With Load Included in the Divisor | |
| 37 | | |
| 38 | | |
| 39 | | |
| 40 | Total Revenues Adjusted from Account 456.1 (Revenues retained by OG&E for load included in the divisor) = | 0 (Sum Ins 28 thru 39) \$0 |

41 **Net Account 456.1 Included in Template (PTP revenues to be credited) =** [[328-330.Total.n) - In 40] **\$0**

IV. Revenue from Grandfathered Interzonal Transactions - Revelant Year = **0** (Note 3)
 (Provide data sources and any detailed explanations necessary in Section V, Notes below)

| | | |
|----|---|---|
| 42 | Revenues from Grandfathered Interzonal Transactions | 0 |
| 43 | | |
| 44 | Revenues received from SPP for PTP service | 0 |
| 45 | | |

46 **Sum of Parts I, II & III** (Addendum 2-A, In 14) **\$0**

V. Notes (Provide data sources for Sections I, II, III and IV along with any detailed explanations necessary.)

- 47 1. When calculating the Baseline ATRR, the "Revelant Year" is the year being trued-up. When calculating the Projected ATRR, the "Revelant Year" is the year of the most recent FERC Form 1.
- 48 2. Section II, Other Electric Revenues reflects revenues received from SPP for Directly Assigned Upgrades and Other Transmission Revenues to be credited to customers. of this Attachment H - Addendum 2-A.
- 49 3. Section III, Net Account 456.1 reflects SPP Point-to-Point revenues to be credited to customers.

OKLAHOMA GAS AND ELECTRIC COMPANY

Worksheet B

I. Transmission Network Load (MW)

| Line No. | Month, Day and Year ¹ | Hour Ending ¹ | OG&E Peak Load | WFEC Peak Load | OMPA Peak Load | AECI/KAMO Peak Load | | | | TO's Transmission Peak Load ¹ |
|----------|----------------------------------|--------------------------|----------------|----------------|----------------|---------------------|--|--|--|--|
| 1 | | | | | | | | | | 0 |
| 2 | | | | | | | | | | 0 |
| 3 | | | | | | | | | | 0 |
| 4 | | | | | | | | | | 0 |
| 5 | | | | | | | | | | 0 |
| 6 | | | | | | | | | | 0 |
| 7 | | | | | | | | | | 0 |
| 8 | | | | | | | | | | 0 |
| 9 | | | | | | | | | | 0 |
| 10 | | | | | | | | | | 0 |
| 11 | | | | | | | | | | 0 |
| 12 | | | | | | | | | | 0 |
| 13 | | Total | 0 | 0 | 0 | 0 | | | | 0 |
| 14 | | 12-CP | 0 | 0 | 0 | 0 | | | | 0 |

II. Notes

- 1 These are the dates, hour ending and loads at the time of the TO's transmission peak, as reported in FERC Form 1, page 400. Peak Load for Point-to-Point services sold under the SPP Tariff are not reflected in the totals above. Revenues from Point-to-Point services are shared according to Attachment L of the SPP OATT and revenues received provide revenue credits to network customers.
- 2 "GFA PTP Scheduled Load" is the firm load in kW scheduled by Grandfathered Agreements' (GFA) customers taking firm point-to-point (PTP) service at the time of TO's monthly transmission peak load. Details are as follows:

| Ln No. | Month, Day and Year | Hour ending | | | | | | | | GFA PTP Scheduled Load |
|--------|---------------------|-------------|--|--|--|--|--|--|--|------------------------|
| 15 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 16 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 17 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 18 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 19 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 20 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 21 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 22 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 23 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 24 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 25 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 26 | 0-Jan-00 | 0 | | | | | | | | 0 |

- 3 "GFA PTP Contract Demand" is the contract demand in kW for GFA customers taking firm PTP service at the time of TO's monthly peak load. Details are as follows:

| Ln No. | Month, Day and Year | Hour ending | | | | | | | | GFA PTP Contract Demand |
|--------|---------------------|-------------|--|--|--|--|--|--|--|-------------------------|
| 27 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 28 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 29 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 30 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 31 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 32 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 33 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 34 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 35 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 36 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 37 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 38 | 0-Jan-00 | 0 | | | | | | | | 0 |

OKLAHOMA GAS AND ELECTRIC COMPANY

Worksheet B

II. Notes (cont.)

4 "Non-Firm Sales in TO's Zone" are non-firm loads in kW at the time of, and include in, TO's monthly transmission system peak load associated with sales to customers in TO's zone. Details are as follows:

| Line No. | Month, Day and Year | Hour ending | | | | | | | | Non-Firm Sales in TO's Zone |
|----------|---------------------|-------------|--|--|--|--|--|--|--|-----------------------------|
| 39 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 40 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 41 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 42 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 43 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 44 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 45 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 46 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 47 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 48 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 49 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 50 | 0-Jan-00 | 0 | | | | | | | | 0 |

5 "Non-TO Generation" in kW is load served by non-TO generators operating synchronously with the TO's transmission system. Details are as follows:

| Line No. | Month, Day and Year | Hour ending | | | | | | | | Non-Firm Sales in TO's Zone |
|----------|---------------------|-------------|--|--|--|--|--|--|--|-----------------------------|
| 51 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 52 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 53 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 54 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 55 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 56 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 57 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 58 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 59 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 60 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 61 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 62 | 0-Jan-00 | 0 | | | | | | | | 0 |

6 "Non-TO Load in TO's Zone" is load in kW for firm-service customers in TO's zone that is electronically transferred to other TO zones. Details are as follows:

| Line No. | Month, Day and Year | Hour ending | | | | | | | | Non-TO Load in TO's Zone |
|----------|---------------------|-------------|--|--|--|--|--|--|--|--------------------------|
| 63 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 64 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 65 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 66 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 67 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 68 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 69 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 70 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 71 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 72 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 73 | 0-Jan-00 | 0 | | | | | | | | 0 |
| 74 | 0-Jan-00 | 0 | | | | | | | | 0 |

OKLAHOMA GAS AND ELECTRIC COMPANY

Worksheet C

I. Account 281 - ADIT - Accelerated Amortization Property

Relevant Year = (Note 2)

| Line No. | (A) <u>Identification</u> | (B) <u>Relevant Year Average of BOY and EOY Balance</u> | (C) <u>100% Non-Transmission Related</u> | (D) <u>100% Related to facilities excluded in Worksheet H</u> | (E) <u>100% Transmission Related</u> | (F) <u>Plant Related</u> | (G) <u>Labor Related</u> | (H) <u>Total Included in Ratebase (E)+(F)+(G)</u> | (I) <u>Description / Justification</u> |
|----------|---|--|---|--|---|-----------------------------|-----------------------------|--|---|
| 1 | | | | | | | | | |
| 2 | | | | | | | | | |
| 3 | | | | | | | | | |
| 4 | | | | | | | | | |
| 5 | | | | | | | | | |
| 6 | | | | | | | | | |
| 7 | | | | | | | | | |
| 8 | | | | | | | | | |
| 9 | | | | | | | | | |
| 10 | | | | | | | | | |
| 11 | | | | | | | | | |
| 12 | | | | | | | | | |
| 13 | | | | | | | | | |
| 14 | | | | | | | | | |
| 15 | | | | | | | | | |
| 16 | | | | | | | | | |
| 17 | | | | | | | | | |
| 18 | | | | | | | | | |
| 19 | | | | | | | | | |
| 20 | | | | | | | | | |
| 21 | | | | | | | | | |
| 22 | | | | | | | | | |
| 23 | | | | | | | | | |
| 24 | Subtotal - Form 1, p273 | - | - | - | - | - | - | - | |
| 25 | Less FASB 109 Above if not separately removed | - | - | - | - | - | - | - | |
| 26 | Less FASB 106 Above if not separately removed | - | - | - | - | - | - | - | |
| 27 | Total (In 24 - In 25 - In 26) | - | - | - | - | - | - | - | |
| 28 | Transmission Allocator [GP or W/S] | | 0.0000% | 0.0000% | 100.0000% | 0.0000% | 0.0000% | | |
| 29 | Total (In 27 * In 28) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

II. Account 282 - ADIT - Other Property

Relevant Year = **0** (Note 2)

| Line No. | (A) <u>Identification</u> | (B) <u>Relevant Year Average of BOY and EOY Balance</u> | (C) <u>100% Non-Transmission Related</u> | (D) <u>100% Related to facilities excluded in Worksheet H</u> | (E) <u>100% Transmission Related</u> | (F) <u>Plant Related</u> | (G) <u>Labor Related</u> | (H) <u>Total Included in Ratebase (E)+(F)+(G)</u> | (I) <u>Description / Justification</u> |
|----------|---|--|---|--|---|-----------------------------|-----------------------------|--|---|
| 30 | | | | | | | | | |
| 31 | | | | | | | | | |
| 32 | | | | | | | | | |
| 33 | | | | | | | | | |
| 34 | | | | | | | | | |
| 35 | | | | | | | | | |
| 36 | | | | | | | | | |
| 37 | | | | | | | | | |
| 38 | | | | | | | | | |
| 39 | | | | | | | | | |
| 40 | | | | | | | | | |
| 41 | | | | | | | | | |
| 42 | | | | | | | | | |
| 43 | | | | | | | | | |
| 44 | | | | | | | | | |
| 45 | | | | | | | | | |
| 46 | | | | | | | | | |
| 47 | | | | | | | | | |
| 48 | | | | | | | | | |
| 49 | | | | | | | | | |
| 50 | | | | | | | | | |
| 51 | Subtotal - Form 1, p275 | - | - | - | - | - | - | - | |
| 52 | Less FASB 109 Above if not separately removed | - | - | - | - | - | - | - | |
| 53 | Less FASB 106 Above if not separately removed | - | - | - | - | - | - | - | |
| 54 | Total (In 51 - In 52 - In 53) | - | - | - | - | - | - | - | |
| 55 | Transmission Allocator [GP or W/S] | | 0.0000% | 0.0000% | 100.0000% | 0.0000% | 0.0000% | | |
| 56 | Total (In 54 * In 55) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

OKLAHOMA GAS AND ELECTRIC COMPANY

Worksheet C

**III. Account 283 - ADIT - Other
 (A)**

| Line No. | (B) Relevant Year Average of BOY and EOY Balance | Relevant Year = (C) 100% Non-Transmission Related | 0 (D) 100% Related to facilities excluded in Worksheet H | (Note 2) (E) 100% Transmission Related | (F) Plant Related | (G) Labor Related | (H) Total Included in Ratebase (E)+(F)+(G) | (I) Description / Justification |
|----------|---|---|--|--|-------------------------|-------------------------|---|------------------------------------|
| 57 | Accumulated Deferred Income Tax: | | | | | | | |
| 58 | - | - | - | - | - | - | - | |
| 59 | - | - | - | - | - | - | - | |
| 60 | - | - | - | - | - | - | - | |
| 61 | - | - | - | - | - | - | - | |
| 62 | - | - | - | - | - | - | - | |
| 63 | - | - | - | - | - | - | - | |
| 64 | - | - | - | - | - | - | - | |
| 65 | - | - | - | - | - | - | - | |
| 66 | - | - | - | - | - | - | - | |
| 67 | - | - | - | - | - | - | - | |
| 68 | - | - | - | - | - | - | - | |
| 69 | - | - | - | - | - | - | - | |
| 70 | - | - | - | - | - | - | - | |
| 71 | - | - | - | - | - | - | - | |
| 72 | - | - | - | - | - | - | - | |
| 73 | - | - | - | - | - | - | - | |
| 74 | - | - | - | - | - | - | - | |
| 75 | - | - | - | - | - | - | - | |
| 76 | - | - | - | - | - | - | - | |
| 77 | - | - | - | - | - | - | - | |
| 78 | - | - | - | - | - | - | - | |
| 79 | - | - | - | - | - | - | - | |
| 80 | - | - | - | - | - | - | - | |
| 81 | - | - | - | - | - | - | - | |
| 82 | - | - | - | - | - | - | - | |
| 83 | - | - | - | - | - | - | - | |
| 84 | - | - | - | - | - | - | - | |
| 85 | - | - | - | - | - | - | - | |
| 86 | - | - | - | - | - | - | - | |
| 87 | - | - | - | - | - | - | - | |
| 88 | - | - | - | - | - | - | - | |
| 89 | - | - | - | - | - | - | - | |
| 90 | - | - | - | - | - | - | - | |
| 91 | - | - | - | - | - | - | - | |
| 92 | - | - | - | - | - | - | - | |
| 93 | - | - | - | - | - | - | - | |
| 94 | - | - | - | - | - | - | - | |
| 95 | - | - | - | - | - | - | - | |
| 96 | - | - | - | - | - | - | - | |
| 97 | - | - | - | - | - | - | - | |
| 98 | - | - | - | - | - | - | - | |
| 99 | - | - | - | - | - | - | - | |
| 100 | - | - | - | - | - | - | - | |
| 101 | - | - | - | - | - | - | - | |
| 102 | - | - | - | - | - | - | - | |
| 103 | - | - | - | - | - | - | - | |
| 104 | - | - | - | - | - | - | - | |
| 105 | - | - | - | - | - | - | - | |
| 106 | - | - | - | - | - | - | - | |
| 107 | - | - | - | - | - | - | - | |
| 108 | - | - | - | - | - | - | - | |
| 109 | Subtotal - Form 1, p277.9.k | - | - | - | - | - | - | |
| 110 | Less FASB 109 Above if not separately removed | - | - | - | - | - | - | |
| 111 | Less FASB 106 Above if not separately removed | - | - | - | - | - | - | |
| 112 | Total (In 109 - In 110 - In 111) | - | - | - | - | - | - | |
| 113 | Transmission Allocator [GP or W/S] | 0.0000% | 0.0000% | 100.0000% | 0.0000% | 0.0000% | | |
| 114 | Total (In 112 * In 113) | 0 | 0 | 0 | 0 | 0 | 0 | |

OKLAHOMA GAS AND ELECTRIC COMPANY

Worksheet C

IV. Account 190 - ADIT

Relevant Year = **0** (Note 2)

| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) |
|-----------------------|---|--------------------------------------|---|----------------------------------|----------------------|----------------------|---|------------------------------------|
| <u>Identification</u> | <u>Relevant Year Average of BOY and EOY Balance</u> | <u>100% Non-Transmission Related</u> | <u>100% Related to facilities excluded in Worksheet H</u> | <u>100% Transmission Related</u> | <u>Plant Related</u> | <u>Labor Related</u> | <u>Total Included in Ratebase (E)+(F)+(G)</u> | <u>Description / Justification</u> |
| Line No. | | | | | | | | |
| 115 | | - | - | - | - | - | - | |
| 116 | | - | - | - | - | - | - | |
| 117 | | - | - | - | - | - | - | |
| 118 | | - | - | - | - | - | - | |
| 119 | | - | - | - | - | - | - | |
| 120 | | - | - | - | - | - | - | |
| 121 | | - | - | - | - | - | - | |
| 122 | | - | - | - | - | - | - | |
| 123 | | - | - | - | - | - | - | |
| 124 | | - | - | - | - | - | - | |
| 125 | | - | - | - | - | - | - | |
| 126 | | - | - | - | - | - | - | |
| 127 | | - | - | - | - | - | - | |
| 128 | | - | - | - | - | - | - | |
| 129 | | - | - | - | - | - | - | |
| 130 | | - | - | - | - | - | - | |
| 131 | | - | - | - | - | - | - | |
| 132 | | - | - | - | - | - | - | |
| 133 | | - | - | - | - | - | - | |
| 134 | | - | - | - | - | - | - | |
| 135 | | - | - | - | - | - | - | |
| 136 | | - | - | - | - | - | - | |
| 137 | | - | - | - | - | - | - | |
| 138 | | - | - | - | - | - | - | |
| 139 | | - | - | - | - | - | - | |
| 140 | | - | - | - | - | - | - | |
| 141 | | - | - | - | - | - | - | |
| 142 | | - | - | - | - | - | - | |
| 143 | | - | - | - | - | - | - | |
| 144 | | - | - | - | - | - | - | |
| 145 | | - | - | - | - | - | - | |
| 146 | | - | - | - | - | - | - | |
| 147 | | - | - | - | - | - | - | |
| 148 | | - | - | - | - | - | - | |
| 149 | | - | - | - | - | - | - | |
| 150 | | - | - | - | - | - | - | |
| 151 | Subtotal - Form 1, p234.8.c | - | - | - | - | - | - | |
| 152 | Less FASB 109 Above if not separately removed | - | - | - | - | - | - | |
| 153 | Less FASB 106 Above if not separately removed | - | - | - | - | - | - | |
| 154 | Total (In 151 - In 152 - In 153) | - | - | - | - | - | - | |
| 155 | Transmission Allocator [GP or W/S] | 0.0000% | 0.0000% | 100.0000% | 0.0000% | 0.0000% | | |
| 156 | Total (In 154 * In 155) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

OKLAHOMA GAS AND ELECTRIC COMPANY

Worksheet C

V. Account 255 - Accumulated Deferred Investment Tax Credits

Relevant Year = 0 (Note 2)

| Line No. | (A) <u>Identification</u> | (B) <u>Relevant Year Average of BOY and EOY Balance</u> | (C) <u>100% Non-Transmission Related</u> | (D) <u>100% Related to facilities excluded in Worksheet H</u> | (E) <u>100% Transmission Related</u> | (F) <u>Plant Related</u> | (G) <u>Labor Related</u> | (H) <u>Total Included in Ratebase (E)+(F)+(G)</u> |
|----------|---|--|---|--|---|---------------------------------|---------------------------------|--|
| 157 | | - | - | - | - | - | - | |
| 158 | | - | - | - | - | - | - | |
| 159 | | - | - | - | - | - | - | |
| 160 | | - | - | - | - | - | - | |
| 161 | | - | - | - | - | - | - | |
| 162 | | - | - | - | - | - | - | |
| 163 | | - | - | - | - | - | - | |
| 164 | | - | - | - | - | - | - | |
| 165 | | - | - | - | - | - | - | |
| 166 | | - | - | - | - | - | - | |
| 167 | | - | - | - | - | - | - | |
| 168 | | - | - | - | - | - | - | |
| 169 | | - | - | - | - | - | - | |
| 170 | | - | - | - | - | - | - | |
| 171 | | - | - | - | - | - | - | |
| 172 | | - | - | - | - | - | - | |
| 173 | | - | - | - | - | - | - | |
| 174 | | - | - | - | - | - | - | |
| 175 | | - | - | - | - | - | - | |
| 176 | Subtotal - Form 1, p267.8.h | - | - | - | - | - | - | |
| 177 | Less FASB 109 Above if not separately removed | - | - | - | - | - | - | |
| 178 | Less FASB 106 Above if not separately removed | - | - | - | - | - | - | |
| 179 | Less Post 1971 ITC Property Under F2 Option | - | - | - | - | - | - | |
| 180 | Total (In 176 - In 177 - In 178 - In 179) | - | - | - | - | - | - | |
| 181 | Transmission Allocator [GP or W/S] | | 0.0000% | 0.0000% | 100.0000% | 0.0000% | 0.0000% | |
| 182 | Total (In 180 * In 181) | | 0 | 0 | 0 | 0 | 0 | |

- NOTE:
1. A worksheet will be provided to support the average of beginning and ending balances for items in ADIT Accounts 281, 282, 283, 190 & 255.
 2. When calculating the Baseline ATRR, the "Relevant Year" is the year being trued-up. When calculating the Projected ATRR, the "Relevant Year" is the year of the most recent FERC Form 1.

OKLAHOMA GAS AND ELECTRIC COMPANY

Worksheet D

III. Transmission Lease Payments

Relevant Year =

| (A) <u>Item No.</u> | (B) <u>Description</u> | (C) <u>Expense</u> |
|------------------------|---------------------------|-----------------------|
| | | |

Total Transmission Lease Payments

IV. Account 930.2 - Misc. General Expenses

Relevant Year =

| <u>Item No.</u> | <u>Description</u> | <u>Date Sources</u> | <u>TO Total</u> | <u>Explanation</u> |
|-----------------|---|-----------------------|-----------------|--------------------|
| 1 | Miscellaneous General Expenses | 323.192.b | | |
| 2 | Less: Industry Association Dues | 335.1.b | | |
| 3 | Plus: EEI Dues | | | |
| 4 | Plus: SPP Dues | | | |
| 5 | Adjusted Miscellaneous General Expenses | (In 1-In 2+In 3+In 4) | 0 | |

NOTE:

1. When calculating the Baseline ATRR, the "Relevant Year" is the year being tried-up. When calculating the Projected ATRR, the "Relevant Year" is the year of the most recent FERC Form 1.
2. All Industry Assn. Dues shall be removed from Acct. 930.2 and the Formula Rate except for EEI and SPP.
3. In sections I and II, the explanation will include why the cost is related to transmission service as the basis for the allocation

OKLAHOMA GAS AND ELECTRIC COMPANY

Worksheet E

Additional Revenue Requirement from Adjustments to Transmission Expense to Reflect TO's LSE Cost Responsibility

| | | | Relevant Year |
|----|---|----------------------------|---------------|
| 1 | Other Expenses: | | |
| 2 | Direct Assignment Charge | | |
| 3 | Sponsored (Requested or Economic) Upgrades Charge | | |
| 4 | Firm and Non-Firm Point-To-Point Charges | | |
| 5 | Base Plan Charges | | |
| 6 | Schedule 9 Charges | | |
| 7 | SPP Schedule 1-A | | |
| 8 | SPP Annual Assessment | | |
| 9 | NERC Assessment | | |
| 10 | Ancillary Services Expenses | | |
| 11 | Other | | |
| 12 | Other | | |
| 13 | Other | | |
| 14 | Total | (Sum of Ins 2 through 13) | \$ - |

Notes:

1. When calculating the Baseline ATRR, the "Relevant Year" is the year being tried-up. When calculating the Projected ATRR, the "Relevant Year" is the year of the most recent FERC Form No. 1.
2. Adjustment to charges that are booked to transmission accounts that are the responsibility of the TO's LSE.

Issued by: Melvin H. Perkins, Jr.
Vice President of Power Delivery

Issued on: April 24, 2009

Effective: July 1, 2008

OKLAHOMA GAS AND ELECTRIC COMPANY

Worksheet F

I. Calculate Return and Income Taxes with hypothetical 100 basis point ROE increase.

| | | | | |
|--|---|----------|-------------|----------------------|
| A. Determine "R" with hypothetical 100 basis point increase in ROE. | | | | |
| Line No. | | | | |
| 1 | ROE w/o incentives (Addendum 2-A, In 139) | | | 0.00% |
| 2 | ROE with additional 100 basis point incentive | | | 1.00% |
| 3 | Determine R (cost of long term debt, cost of preferred stock and percent is from Addendum 2-A, Ins 137 through 139) | | | |
| 4 | | <u>%</u> | <u>Cost</u> | <u>Weighted cost</u> |
| 5 | Long Term Debt | 0.00% | 0.0000 | 0.0000 |
| 6 | Preferred Stock | 0.00% | 0.0000 | 0.0000 |
| 7 | Common Stock | 0.00% | 0.0100 | <u>0.0000</u> |
| | | | R = | 0.0000 |

B. Determine Return using "R" with hypothetical 100 basis point ROE increase.

| | | |
|----|---------------------------------|---|
| 8 | Rate Base (Addendum 2-A, In 67) | - |
| 9 | R (from A. above) | - |
| 10 | Return (Rate Base x R) | - |

C. Determine Income Taxes using Return with hypothetical 100 basis point ROE increase.

| | | |
|----|---------------------------------------|-------|
| 11 | Return (from B. above) | - |
| 12 | CIT (Addendum 2-A, In 108) | 0.00% |
| 13 | Income Tax Calculation (Return x CIT) | - |
| 14 | ITC Adjustment (Addendum 2-A, In 114) | - |
| 15 | Income Taxes | - |

II. Calculate Net Plant Carrying Charge Rate (NPCC) with hypothetical 100 basis point ROE increase.

A. Determine Net Revenue Requirement less Return and Income Taxes.

| | | |
|----|--|---|
| 16 | Net Revenue Requirement (Addendum 2-A, In 16) | - |
| 17 | Return (Addendum 2-A, In 116) | - |
| 18 | Income Taxes (Addendum 2-A, In 115) | - |
| 19 | Net Revenue Requirement, Less Return and Taxes | - |

B. Determine Net Revenue Requirement with hypothetical 100 basis point increase in ROE.

| | | |
|----|---|---|
| 20 | Net Revenue Requirement, Less Return and Taxes | - |
| 21 | Return (from I.B. above) | - |
| 22 | Income Taxes (from I.C. above) | - |
| 23 | Net Revenue Requirement, with 100 Basis Point ROE increase | - |
| 24 | Transmission Plant Depreciation Expense (Addendum 2-A, Ins 92) | - |
| 25 | Net Rev. Req, w/100 Basis Point ROE increase, less Depreciation | - |

C. Determine NPCC with hypothetical 100 basis point ROE increase.

| | | |
|----|--|---|
| 26 | Net Transmission Plant (Addendum 2-A, Ins 46) | - |
| 27 | Net Revenue Requirement, with 100 Basis Point ROE increase | - |
| 28 | NPCC with 100 Basis Point increase in ROE | 0.00% |
| 29 | | |
| 30 | Net Rev. Req, w/100 Basis Point ROE increase, less Dep. | - |
| 31 | NPCC with 100 Basis Point ROE increase, less Depreciation | 0.00% (use when no CIAC is associated with facilities receiving incentives) |
| 32 | NPCC w/o 100 Basis Point ROE increase, less Depreciation | 0.00% (Addendum 2-A, In 26) |
| 33 | NPCC w/o Return, income taxes and Depreciation | 0.00% (use when CIAC is associated with facilities receiving incentives) |
| 34 | 100 basis point ROE increase (line 31 - 32) | 0.00% |

III. Calculation of Composite Depreciation Rate.

| | | |
|----|---|-------|
| 35 | Transmission Plant @ Beginning of Period (p.206, In 58, col. b) | |
| 36 | Transmission Plant @ End of Period (p.207, In 58, col. g) | |
| 37 | | - |
| 38 | Average Balance of Transmission Investment | - |
| 39 | Annual Depreciation (p.336, In 7, col. f) | |
| 40 | Composite Depreciation Rate | 0.00% |
| 41 | Depreciable Life for Composite Depreciation Rate | - |
| 42 | Depreciable Life Rounded to Nearest Whole Year | |

NOTE:

Incentives shall not be included in the revenue requirement calculation unless approved by the FERC in a separate single issue filing.

OKLAHOMA GAS AND ELECTRIC COMPANY

Worksheet F

IV. Summary of Additional Revenue Requirements Detailed in Section V below.

| SUMMARY OF ADDITIONAL REVENUE REQUIREMENT FOR FACILITIES RECEIVING INCENTIVES | | | | | |
|---|-----------|-----------------------------|------------|------------|-----------------------------|
| Line No. | Proj. No. | Project Description Summary | In-Service | Investment | Additional Rev. Requirement |
| 43 | 1 | | | | \$ - |
| 44 | 2 | | | | |
| 45 | 3 | | | | |
| 46 | 4 | | | | |
| 47 | 5 | | | | |
| 48 | 6 | | | | |
| 49 | 7 | | | | |
| 50 | 8 | | | | |
| 51 | 9 | | | | |
| 52 | 10 | | | | |
| 53 | 11 | | | | |
| 54 | 12 | | | | |
| 55 | 13 | | | | |
| 56 | 14 | | | | |
| 57 | 15 | | | | |
| 58 | 16 | | | | |
| 59 | | | | | |
| 60 | | | | | |
| 61 | | TOTALS | | \$ - | \$ - |

Issued by: Melvin H. Perkins, Jr.
 Vice President of Power Delivery

Issued on: April 24, 2009

Effective: July 1, 2008

OKLAHOMA GAS AND ELECTRIC COMPANY

Worksheet F

V. Determine the Additional Revenue Requirement for facilities receiving incentives.

A. Facilities receiving incentives

Project 1. Approved by FERC in Docket No. [redacted] (e.g. ER05-925-000)

Each individual facilities receiving incentives will have a separate sheet in this section.

| Line No. | Details | | | | | |
|----------|------------|--------------|---------------------|--|----------------------|--|
| | Investment | Current Year | Service Year (yyyy) | ROE increase accepted by FERC (Basis Points) | Service Month (1-12) | NPCC w/o incentives, less depreciation |
| 62 | - | - | - | - | - | 0.00% |
| 63 | - | - | - | - | - | 0.00% |
| 64 | - | - | - | - | - | - |
| 65 | - | - | - | - | - | - |
| 66 | - | - | - | - | - | - |
| 67 | - | - | - | - | - | - |
| 68 | - | - | - | - | - | - |
| 69 | - | - | - | - | - | - |
| 70 | - | - | - | - | - | - |
| 71 | - | - | - | - | - | - |
| 72 | - | - | - | - | - | - |
| 73 | - | - | - | - | - | - |
| 74 | - | - | - | - | - | - |
| 75 | - | - | - | - | - | - |
| 76 | - | - | - | - | - | - |
| 77 | - | - | - | - | - | - |
| 78 | - | - | - | - | - | - |
| 79 | - | - | - | - | - | - |
| 80 | - | - | - | - | - | - |
| 81 | - | - | - | - | - | - |
| 82 | - | - | - | - | - | - |
| 83 | - | - | - | - | - | - |
| 84 | - | - | - | - | - | - |
| 85 | - | - | - | - | - | - |
| 86 | - | - | - | - | - | - |
| 87 | - | - | - | - | - | - |
| 88 | - | - | - | - | - | - |
| 89 | - | - | - | - | - | - |
| 90 | - | - | - | - | - | - |
| 91 | - | - | - | - | - | - |
| 92 | - | - | - | - | - | - |
| 93 | - | - | - | - | - | - |
| 94 | - | - | - | - | - | - |
| 95 | - | - | - | - | - | - |
| 96 | - | - | - | - | - | - |
| 97 | - | - | - | - | - | - |
| 98 | - | - | - | - | - | - |
| 99 | - | - | - | - | - | - |
| 100 | - | - | - | - | - | - |
| 101 | - | - | - | - | - | - |
| 102 | - | - | - | - | - | - |
| 103 | - | - | - | - | - | - |
| 104 | - | - | - | - | - | - |
| 105 | - | - | - | - | - | - |
| 106 | - | - | - | - | - | - |
| 107 | - | - | - | - | - | - |
| 108 | - | - | - | - | - | - |
| 109 | - | - | - | - | - | - |
| 110 | - | - | - | - | - | - |
| 111 | - | - | - | - | - | - |
| 112 | - | - | - | - | - | - |
| 113 | - | - | - | - | - | - |
| 114 | - | - | - | - | - | - |
| 115 | - | - | - | - | - | - |
| 116 | - | - | - | - | - | - |
| 117 | - | - | - | - | - | - |
| 118 | - | - | - | - | - | - |
| 119 | - | - | - | - | - | - |
| 120 | - | - | - | - | - | - |
| 121 | - | - | - | - | - | - |
| 122 | - | - | - | - | - | - |
| 123 | - | - | - | - | - | - |
| 124 | - | - | - | - | - | - |
| 125 | - | - | - | - | - | - |
| 126 | - | - | - | - | - | - |
| 127 | - | - | - | - | - | - |
| 128 | - | - | - | - | - | - |
| 129 | - | - | - | - | - | - |
| 130 | - | - | - | - | - | - |
| 131 | | | | | | |
| 132 | | | | | | |
| 133 | | | | | | \$ - |

OKLAHOMA GAS AND ELECTRIC COMPANY

Worksheet G

I. Project Summary

| A. BASE PLAN UPGRADE ANNUAL TRANSMISSION REVENUE REQUIREMENT SUMMARY | | | | |
|---|-----------------------------|------------|------------|------|
| Proj. No. | Project Description Summary | In-Service | Investment | ATRR |
| 1 | | | | |
| 2 | | | | |
| 3 | | | | |
| 4 | | | | |
| 5 | | | | |
| 6 | | | | |
| 7 | | | | |
| 8 | | | | |
| 9 | | | | |
| 10 | | | | |
| 11 | | | | |
| 12 | | | | |
| 13 | | | | |
| 14 | | | | |
| 15 | | | | |
| 16 | | | | |
| 17 | | | | |
| 18 | | | | |
| 19 | | | | |
| 20 | | | | |
| BASE PLAN UPGRADE TOTALS | | | \$ - | \$ - |

| B. TRANSMISSION SERVICE UPGRADE ANNUAL TRANSMISSION REVENUE REQUIREMENT SUMMARY | | | | |
|--|-----------------------------|------------|------------|------|
| Proj. No. | Project Description Summary | In-Service | Investment | ATRR |
| 1 | | | | |
| 2 | | | | |
| 3 | | | | |
| 4 | | | | |
| 5 | | | | |
| 6 | | | | |
| 7 | | | | |
| TRANSMISSION SERVICE UPGRADE TOTALS | | | | |

| C. SPONSORED OR ECONOMIC PORTFOLIO UPGRADE ANNUAL TRANSMISSION REVENUE REQUIREMENT SUMMARY | | | | |
|---|-----------------------------|------------|------------|------|
| Proj. No. | Project Description Summary | In-Service | Investment | ATRR |
| 1 | | | | |
| 2 | | | | |
| 3 | | | | |
| 4 | | | | |
| 5 | | | | |
| 6 | | | | |
| 7 | | | | |
| SPONSORED OR ECONOMIC PORTFOLIO UPGRADE TOTALS | | | | |

| D. GENERATOR INTERCONNECTION FACILITIES ANNUAL TRANSMISSION REVENUE REQUIREMENT SUMMARY | | | | |
|--|-----------------------------|------------|------------|------|
| Proj. No. | Project Description Summary | In-Service | Investment | ATRR |
| 1 | | | | |
| 2 | | | | |
| 3 | | | | |
| 4 | | | | |
| 5 | | | | |
| 6 | | | | |
| 7 | | | | |
| GENERATOR INTERCONNECTION FACILITIES TOTALS | | | | |

TOTAL SPP OATT RELATED UPGRADES REVENUE REQUIREMENT (Sum of Parts A, B, C & D above) \$ -

NOTES:

1. Base Plan Upgrades and Economic Portfolio revenue requirement are estimates and will be true-up to actual amounts in the True-up Adjustment.
2. Base Plan and Economic Portfolio revenue requirements in the Summaries will be provided to SPP for their Cost Allocation calculations

OKLAHOMA GAS AND ELECTRIC COMPANY

Worksheet G

II. Determine the Revenue Requirement for SPP OATT Related Upgrades including Base Plan Upgrades, Transmission Service Upgrades, Sponsored or Economic Portfolio Upgrades and Generator Interconnection Facilities.

A. Base Plan facilities.

Project 1: Each individual Base Plan project will have a separate sheet in this section.

The calculated Rev. Req. from TO's and Other Zones shown below are only valid for Investment Year matching Current Year. Values prior and subsequent to Current Year will change as Attachment H-1 is updated. These changes will not result in a refund or additional charge related to years prior to Current Year.

Line No.

| | | Details | | | | |
|----|----------------------|-------------------|--|----------------------------|---------------------|------------------------------|
| 1 | Investment | \$ - | Current Year | | | |
| 2 | Service Year (yyyy) | | NPCC w/o incentives, less depreciation | | | 0.00% |
| 3 | Service Month (1-12) | - | | | | |
| 4 | Useful Life | | Annual Depreciation Expense | (Investment / Useful Life) | \$ - | |
| 5 | CIAC (Yes or No) | | | | | |
| 6 | Investment Year | Beginning Balance | Depreciation Expense | Ending Balance | Revenue Requirement | Rev. Req. for SPP Allocation |
| 7 | | | | | | |
| 8 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 9 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 10 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 11 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 12 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 13 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 14 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 15 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 16 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 17 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 18 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 19 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 20 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 21 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 22 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 23 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 24 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 25 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 26 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 27 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 28 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 29 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 30 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 31 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 32 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 33 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 34 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 35 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 36 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 37 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 38 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 39 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 40 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 41 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 42 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 43 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 44 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 45 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 46 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 47 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 48 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 49 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 50 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 51 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 52 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 53 | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 54 | Project Totals | | | | \$ - | \$ - |

OKLAHOMA GAS AND ELECTRIC COMPANY

Worksheet G

B. Transmission Service Upgrades.

Project 1: Each individual Transmission Service Upgrade will have a separate sheet in this section.

The calculated Rev. Req. from Customers and Credit shown below are only valid for Investment Year matching Current Year. Values prior and subsequent to Current Year will change as Attachment H-1 is updated. These changes will not result in a refund or additional charge related to years prior to Current Year.

| Line No. | Details | | | | | |
|----------|-----------------|-------------------|----------------------|----------------|---------------------|------------------------------|
| | Investment Year | Beginning Balance | Depreciation Expense | Ending Balance | Revenue Requirement | Rev. Req. for SPP Allocation |
| 55 | | | | | | |
| 56 | | | | | | |
| 57 | | | | | | |
| 58 | | | | | | |
| 59 | | | | | | |
| 60 | | | | | | |
| 61 | | | | | | |
| 62 | | | | | | |
| 63 | | | | | | |
| 64 | | | | | | |
| 65 | | | | | | |
| 66 | | | | | | |
| 67 | | | | | | |
| 68 | | | | | | |
| 69 | | | | | | |
| 70 | | | | | | |
| 71 | | | | | | |
| 72 | | | | | | |
| 73 | | | | | | |
| 74 | | | | | | |
| 75 | | | | | | |
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| 79 | | | | | | |
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| 82 | | | | | | |
| 83 | | | | | | |
| 84 | | | | | | |
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| 86 | | | | | | |
| 87 | | | | | | |
| 88 | | | | | | |
| 89 | | | | | | |
| 90 | | | | | | |
| 91 | | | | | | |
| 92 | | | | | | |
| 93 | | | | | | |
| 94 | | | | | | |
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| 97 | | | | | | |
| 98 | | | | | | |
| 99 | | | | | | |
| 100 | | | | | | |
| 101 | | | | | | |
| 102 | | | | | | |
| 103 | | | | | | |
| 104 | | | | | | |
| 105 | | | | | | |
| 106 | | | | | | |
| 107 | | | | | | |
| 108 | | | | | | |
| 109 | | | | | | |
| 110 | | | | | | |
| 111 | | | | | | |
| 112 | | | | | | |
| 113 | | | | | | |
| 114 | | | | | | |

OKLAHOMA GAS AND ELECTRIC COMPANY

Worksheet G

C. Sponsored or Economic Portfolio Upgrades.

Project 1: Each individual Sponsored Upgrade or Economic Portfolio Upgrade will have a separate sheet in this section.

The calculated Rev. Req. from Sponsor and Credit shown below are only valid for Investment Year matching Current Year. Values prior and subsequent to Current Year will change as Attachment H-1 is updated. These changes will not result in a refund or additional charge related to years prior to Current Year.

| Line No. | Details | | | | | |
|----------|------------------------|--------------------------|--|-----------------------|----------------------------|-------------------------------------|
| 115 | Investment | - | Current Year | | | |
| 116 | Service Year (yyyy) | | NPCC w/o incentives, less depreciation | | 0.00% | |
| 117 | Service Month (1-12) | - | Rev. Req. allocated to Sponsoring Entity | | 100.00% | |
| 118 | Useful Life | | Annual Depreciation Expense (Investment / Useful Life) | | - | |
| 119 | CIAC (Yes or No) | | | | | |
| 120 | Investment Year | Beginning Balance | Depreciation Expense | Ending Balance | Revenue Requirement | Rev. Req. for SPP Allocation |
| 121 | - | - | - | - | \$ - | \$ - |
| 122 | - | - | - | - | - | \$ - |
| 123 | - | - | - | - | - | \$ - |
| 124 | - | - | - | - | - | \$ - |
| 125 | - | - | - | - | - | \$ - |
| 126 | - | - | - | - | - | \$ - |
| 127 | - | - | - | - | - | \$ - |
| 128 | - | - | - | - | - | \$ - |
| 129 | - | - | - | - | - | \$ - |
| 130 | - | - | - | - | - | \$ - |
| 131 | - | - | - | - | - | \$ - |
| 132 | - | - | - | - | - | \$ - |
| 133 | - | - | - | - | - | \$ - |
| 134 | - | - | - | - | - | \$ - |
| 135 | - | - | - | - | - | \$ - |
| 136 | - | - | - | - | - | \$ - |
| 137 | - | - | - | - | - | \$ - |
| 138 | - | - | - | - | - | \$ - |
| 139 | - | - | - | - | - | \$ - |
| 140 | - | - | - | - | - | \$ - |
| 141 | - | - | - | - | - | \$ - |
| 142 | - | - | - | - | - | \$ - |
| 143 | - | - | - | - | - | \$ - |
| 144 | - | - | - | - | - | \$ - |
| 145 | - | - | - | - | - | \$ - |
| 146 | - | - | - | - | - | \$ - |
| 147 | - | - | - | - | - | \$ - |
| 148 | - | - | - | - | - | \$ - |
| 149 | - | - | - | - | - | \$ - |
| 150 | - | - | - | - | - | \$ - |
| 151 | - | - | - | - | - | \$ - |
| 152 | - | - | - | - | - | \$ - |
| 153 | - | - | - | - | - | \$ - |
| 154 | - | - | - | - | - | \$ - |
| 155 | - | - | - | - | - | \$ - |
| 156 | - | - | - | - | - | \$ - |
| 157 | - | - | - | - | - | \$ - |
| 158 | - | - | - | - | - | \$ - |
| 159 | - | - | - | - | - | \$ - |
| 160 | - | - | - | - | - | \$ - |
| 161 | - | - | - | - | - | \$ - |
| 162 | - | - | - | - | - | \$ - |
| 163 | - | - | - | - | - | \$ - |
| 164 | - | - | - | - | - | \$ - |
| 165 | - | - | - | - | - | \$ - |
| 166 | - | - | - | - | - | \$ - |
| 167 | - | - | - | - | - | \$ - |
| 168 | - | - | - | - | - | \$ - |
| 169 | - | - | - | - | - | \$ - |
| 170 | - | - | - | - | - | \$ - |
| 171 | - | - | - | - | - | \$ - |
| 172 | - | - | - | - | - | \$ - |
| 173 | .... | .... | ..... | ..... | .... | .... |

OKLAHOMA GAS AND ELECTRIC COMPANY

Worksheet G

D. Generator Interconnect Upgrades.

Project 1: Each individual project will have a separate sheet in this section.

The calculated Rev. Req. from Generator and Credit shown below are only valid for Investment Year matching Current Year. Values prior and subsequent to Current Year will change as Attachment H-1 is updated. These changes will not result in a refund or additional charge related to years prior to Current Year.

| Line No. | Details | | | | | |
|----------|------------------------|--------------------------|--|-----------------------|----------------------------|-------------------------------------|
| 175 | Investment | - | Current Year | | | |
| 176 | Service Year (yyyy) | | NPCC w/o incentives, less depreciation | | 0.00% | |
| 177 | Service Month (1-12) | - | Rev. Req. allocated to TO's Zone | | 100.00% | |
| 178 | Useful Life | | Annual Depreciation Expense (Investment / Useful Life) | | - | |
| 179 | CIAC (Yes or No) | | | | | |
| 180 | | | | | | |
| 181 | Investment Year | Beginning Balance | Depreciation Expense | Ending Balance | Revenue Requirement | Rev. Req. for SPP Allocation |
| 182 | - | - | - | - | \$ - | \$ - |
| 183 | - | - | - | - | - | \$ - |
| 184 | - | - | - | - | - | \$ - |
| 185 | - | - | - | - | - | \$ - |
| 186 | - | - | - | - | - | \$ - |
| 187 | - | - | - | - | - | \$ - |
| 188 | - | - | - | - | - | \$ - |
| 189 | - | - | - | - | - | \$ - |
| 190 | - | - | - | - | - | \$ - |
| 191 | - | - | - | - | - | \$ - |
| 192 | - | - | - | - | - | \$ - |
| 193 | - | - | - | - | - | \$ - |
| 194 | - | - | - | - | - | \$ - |
| 195 | - | - | - | - | - | \$ - |
| 196 | - | - | - | - | - | \$ - |
| 197 | - | - | - | - | - | \$ - |
| 198 | - | - | - | - | - | \$ - |
| 199 | - | - | - | - | - | \$ - |
| 200 | - | - | - | - | - | \$ - |
| 201 | - | - | - | - | - | \$ - |
| 202 | - | - | - | - | - | \$ - |
| 203 | - | - | - | - | - | \$ - |
| 204 | - | - | - | - | - | \$ - |
| 205 | - | - | - | - | - | \$ - |
| 206 | - | - | - | - | - | \$ - |
| 207 | - | - | - | - | - | \$ - |
| 208 | - | - | - | - | - | \$ - |
| 209 | - | - | - | - | - | \$ - |
| 210 | - | - | - | - | - | \$ - |
| 211 | - | - | - | - | - | \$ - |
| 212 | - | - | - | - | - | \$ - |
| 213 | - | - | - | - | - | \$ - |
| 214 | - | - | - | - | - | \$ - |
| 215 | - | - | - | - | - | \$ - |
| 216 | - | - | - | - | - | \$ - |
| 217 | - | - | - | - | - | \$ - |
| 218 | - | - | - | - | - | \$ - |
| 219 | - | - | - | - | - | \$ - |
| 220 | - | - | - | - | - | \$ - |
| 221 | - | - | - | - | - | \$ - |
| 222 | - | - | - | - | - | \$ - |
| 223 | - | - | - | - | - | \$ - |
| 224 | - | - | - | - | - | \$ - |
| 225 | - | - | - | - | - | \$ - |
| 226 | - | - | - | - | - | \$ - |
| 227 | - | - | - | - | - | \$ - |
| 228 | - | - | - | - | - | \$ - |
| 229 | - | - | - | - | - | \$ - |
| 230 | - | - | - | - | - | \$ - |
| 231 | - | - | - | - | - | \$ - |
| 232 | - | - | - | - | - | \$ - |
| 233 | .... | .... | ..... | ..... | .... | .... |
| 234 | | | | | | |

OKLAHOMA GAS AND ELECTRIC COMPANY

Worksheet H - Transmission Plant Adjustments

I. Transmission Plant Adjusted for SPP Tariff

| | (A) | (B) |
|----------|---|---------------|
| Line No. | <u>Plant Description</u> | <u>Amount</u> |
| 1 | Radial Lines | |
| 2 | | |
| 3 | Other Adjustments - Transfers: | |
| 4 | Distribution Assets Reclassified as Transmission Assets | |
| 5 | Transmission Assets Reclassified as Distribution Assets | |
| 6 | | |
| 7 | Plant Transfers Excluded from SPP Tariff (line 119) | \$ - |
| 8 | | |
| 9 | | |

II. Production Related Transmission Facilities

| | (A) | (B) |
|----------|---|---------------|
| Line No. | <u>Plant Description</u> | <u>Amount</u> |
| 10 | Generation Radial Ties (Centennial) | |
| 11 | Generation Step Up Transformers (GSU's) and Related Equipment | |
| 12 | | |
| 13 | Total (line 120) | \$ - |

Issued by: Melvin H. Perkins, Jr.
 Vice President of Power Delivery

Issued on: April 24, 2009

Effective: July 1, 2008

OKLAHOMA GAS AND ELECTRIC COMPANY

Worksheet I - Account 105 - Electric Plant Held for Use

Form I - Page 214 Detail

I. Non-Transmission

| Line No. | LOC CODE &/OR REG | PLANT NAME | ACQUISITION DATE | ACQUISITION VALUE | ACCUM DEPR | AVG BOY and EOY | EST. YEAR IN SERVICE | COMMENT |
|----------|-------------------|------------------------|------------------|-------------------|------------|-----------------|----------------------|---------|
| 1 | | | | | | | | |
| 2 | | | | | | | | |
| 3 | | | | | | | | |
| 4 | | | | | | | | |
| 5 | | | | | | | | |
| 6 | | | | | | | | |
| 7 | | | | | | | | |
| 8 | | | | | | | | |
| 9 | | | | | | | | |
| 10 | | | | | | | | |
| 11 | | | | | | | | |
| 12 | | | | | | | | |
| 13 | | | | | | | | |
| 14 | | | | | | | | |
| 15 | | | | | | | | |
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| 17 | | | | | | | | |
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| 22 | | | | | | | | |
| 23 | | | | | | | | |
| 24 | | | | | | | | |
| 25 | | | | | | | | |
| 26 | | | | | | | | |
| 27 | | | | | | | | |
| 28 | | | | | | | | |
| 29 | | | | | | | | |
| 30 | | | | | | | | |
| 31 | | | | | | | | |
| 32 | | | | | | | | |
| 33 | | | | | | | | |
| 34 | | | | | | | | |
| 35 | | | | | | | | |
| 36 | | | | | | | | |
| 37 | | | | | | | | |
| 38 | | | | | | | | |
| 39 | | | | | | | | |
| 40 | | TOTAL ARKANSAS | | 0 | | 0 | | |
| 41 | | TOTAL OKLAHOMA | | 0 | | 0 | | |
| 42 | | TOTAL ALL | | <u>0</u> | | <u>0</u> | | |
| 43 | | | | | | | | |
| 44 | | | | | | | | |
| 45 | | NON TRANSMISSION TOTAL | | <u> </u> | | | | |

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OKLAHOMA GAS AND ELECTRIC COMPANY

Worksheet I - Account 105 - Electric Plant Held for Use

II. Transmission

| Line No. | LOC CODE &/OR REG | PLANT NAME | ACQUISITION DATE | ACQUISITION VALUE | ACCUM DEPR | AVG BOY and EOY | EST. YEAR IN SERVICE | COMMENT |
|----------|-------------------|--------------------------|------------------|-------------------|------------|-----------------|----------------------|---------|
| 46 | | | | | | | | |
| 47 | | | | | | | | |
| 48 | | | | | | | | |
| 49 | | | | | | | | |
| 50 | | | | | | | | |
| 51 | | | | | | | | |
| 52 | | | | | | | | |
| 53 | | | | | | | | |
| 54 | | | | | | | | |
| 55 | | | | | | | | |
| 56 | | | | | | | | |
| 57 | | | | | | | | |
| 58 | | | | | | | | |
| 59 | | | | | | | | |
| 60 | | | | | | | | |
| 61 | | | | | | | | |
| 62 | | TOTAL ARKANSAS | | 0 | | 0 | | |
| 63 | | TOTAL OKLAHOMA | | <u>0</u> | | <u>0</u> | | |
| 64 | | TOTAL ALL | | 0 | | 0 | | |
| 65 | | | | | | | | |
| 66 | | | | | | | | |
| 67 | | TRANSMISSION ONLY | (line 61) | <u>0</u> | | | | |
| 68 | | | | | | | | |
| 69 | | TOTAL COMPANY | Form I, p.214 | <u><u>0</u></u> | | | | |

NOTE:

1. To be included in transmission rate base, the land held for future use must be estimated to be in service within 10 years
2. When calculating the Baseline ATRR, use data from the year being trued-up to calculate "AVG BOY and EOY"; when calculating the Projected ATRR, use data from the most recent FERC Form 1 to calculate the "AVG BOY and EOY."

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OKLAHOMA GAS AND ELECTRIC COMPANY

Worksheet J - Tax Apportionments by State

I. DEVELOPMENT OF COMPOSITE STATE INCOME TAX RATES

| Line No. | | For Tax Year yyyy | |
|----------|----------------------------------|-------------------|----------------|
| 1 | State Income Tax Rate - Oklahoma | Note 1 | |
| 2 | Apportionment Factor | Note 2 | |
| 3 | Oklahoma State Income Tax Rate | (In 1 * In 2) | 0.0000% |
| 4 | State Income Tax Rate - Arkansas | | |
| 5 | Apportionment Factor | Note 2 | |
| 6 | Arkansas State Income Tax Rate | (In 4 * In 5) | 0.0000% |
| 7 | Total State Income Tax Rate | (sum In 3 & In 6) | <u>0.0000%</u> |

Note 1: The Oklahoma State Income Tax Rate of 6% is reduced to 5.66% due to the deductibility of Oklahoma State Income Taxes on the State Income Tax Return.

Note 2: Apportionment Factors are to be based on most recent annual income tax filings as calculated in Parts II. & III. Below

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OKLAHOMA GAS AND ELECTRIC COMPANY

Worksheet J - Tax Apportionments by State

II. Calculation of Oklahoma Apportionment Factor

| | <u>Column A</u> Total Within Oklahoma | <u>Column B</u> Without Oklahoma | <u>A divided by B</u> Percentage Within Oklahoma |
|--|---|--|--|
| 1. Value of real and tangible personal property used in the unitary business (by averaging the value at the beginning and ending of the tax period): | | | |
| (a) Owned property (at original cost): | | | |
| (I) Inventories | | | |
| (II) Depreciable property | | | |
| (III) Land | | | |
| (IV) Total of section 1(a) | - | - | |
| (b) Rented property (capitalize at 8 times net rental paid) | | | |
| (c) TOTAL (sum of 1(a) and 1(b)) | - | - | 0.0000% |
| 2. (a) Payroll | | | |
| (b) Less: Officers salaries | | | |
| (c) TOTAL (subtract 2(b) from 2(a)) | - | - | 0.0000% |
| 3. Sales: | | | |
| (a) Sales delivered or shipped to Oklahoma purchasers: | | | |
| (I) Shipped from outside Oklahoma | | | |
| (II) Shipped from within Oklahoma | | | |
| (b) Sales shipped from Oklahoma to: | | | |
| (I) The United States Government | | | |
| (II) Purchasers in a state or country where the corporation is not taxable (i.e. under Public Law 85-272) | | | |
| (c) TOTAL (sum of 3(a) and 3(b)) | - | | 0.0000% |
| TOTAL PERCENTAGES (sum of items 1(c), 2(c) and 3(c)) | | | 0.0000% |
| Average of TOTAL PERCENTAGES (1/3 of total percent) | | | 0.0000% |

III. Calculation of Arkansas Apportionment Factor

| | <u>(A)</u> <u>Amounts in</u> <u>Arkansas</u> | <u>(B)</u> <u>Total Amounts</u> | <u>(C)</u> <u>Percentage (A)/</u> <u>(B)</u> |
|--|--|------------------------------------|--|
| 1. Property Used in Business: | | | |
| (a) Tangible Assets Used in Business and Inventories | | | |
| Less Construction in Progress: | | | |
| 1. Amount Beginning of Year: | | | |
| 2. Amount End of Year | | | |
| 3. Total: (sum of 1(a) 1 and 1(a) 2) | - | - | |
| 4. Average Tangible Assets: (divide 1(a) 3 by 2) | - | - | |
| (b) Rental Property: (8 times annual rent) | - | - | |
| (c) Average Value of Intangible Property: | - | - | |
| (d) TOTAL PROPERTY (sum of lines 1(a) 4, 1(b) and 1(c)) | - | - | 0.000000% |
| 2. Salaries, Wages, Commissions and Other Compensation Related to the Production of Business Income: | | | 0.000000% |
| 3. Sales/Receipts: | | | |
| (a) Destination Shipped From Within Arkansas: | | | |
| (b) Destination Shipped From Without Arkansas | | | |
| (c) Origin Shipped From Within Arkansas to U.S. Govt: | | | |
| (d) Origin Shipped From Within Arkansas to Other Non-taxable Jurisdictions: | | | |
| (e) Other Gross Receipts: | | | |
| (f) TOTAL SALES / RECEIPTS: (sum of lines 3(a) to 3(e)) | - | | 0.000000% |
| DOUBLE WEIGHTED (Applies to tax years beginning on or after January 1, 1995) (Column C, Line 3(f) times 2) | | | 0.000000% |
| 4. TOTAL PERCENTAGES: (Column C sum of lines 1(d), 2 and 3(g)) | | | 0.000000% |
| 5. Average of TOTAL PERCENTAGES (Column C, Line 4 divided 4) | | | 0.000000% |

OKLAHOMA GAS AND ELECTRIC COMPANY

Worksheet K - 13 Month Average Balances and Long Term Debt Costs

I. Plant Additions & Accumulated Depreciation Balances

| Gross Plant (Note 1) | | | | | | | | | | | | | | |
|----------------------|---------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------------------|-----------------------|
| Line No. | End. Balance Dec-08 | Jan-09 | Feb-09 | Mar-09 | Apr-09 | May-09 | Jun-09 | Jul-09 | Aug-09 | Sep-09 | Oct-09 | Nov-09 | End. Balance Dec-09 | 13 Months Avg Balance |
| 1 | Intangible | | | | | | | | | | | | | 0 |
| 2 | Production-Redbud | | | | | | | | | | | | | 0 |
| 3 | Production | | | | | | | | | | | | | 0 |
| 4 | Transmission | | | | | | | | | | | | | 0 |
| 5 | Distribution | | | | | | | | | | | | | 0 |
| 6 | General Plant | | | | | | | | | | | | | 0 |
| 7 | Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| Accumulated Depreciation and Amortization (Note 2) | | | | | | | | | | | | | | |
|--|---------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------------------|-----------------------|
| Line No. | End. Balance Dec-08 | Jan-09 | Feb-09 | Mar-09 | Apr-09 | May-09 | Jun-09 | Jul-09 | Aug-09 | Sep-09 | Oct-09 | Nov-09 | End. Balance Dec-09 | 13 Months Avg Balance |
| 8 | Intangible | | | | | | | | | | | | | 0 |
| 9 | Production-Redbud | | | | | | | | | | | | | 0 |
| 10 | Production | | | | | | | | | | | | | 0 |
| 11 | Transmission | | | | | | | | | | | | | 0 |
| 12 | Distribution | | | | | | | | | | | | | 0 |
| 13 | General Plant | | | | | | | | | | | | | 0 |
| 14 | Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| Net Plant (Gross Plant less Accumulated Depreciation and Amortization) | | | | | | | | | | | | | | |
|--|---------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------------------|-----------------------|
| Line No. | End. Balance Dec-08 | Jan-09 | Feb-09 | Mar-09 | Apr-09 | May-09 | Jun-09 | Jul-09 | Aug-09 | Sep-09 | Oct-09 | Nov-09 | End. Balance Dec-09 | 13 Months Avg Balance |
| 15 | Intangible | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 16 | Production-Redbud | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 17 | Production | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 18 | Transmission | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 19 | Distribution | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20 | General Plant | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21 | Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Notes:

- When calculating the Baseline ATRR, use the actual 13 month account balances for the year being true-up. When calculating the Projected ATRR, the values for "Gross Plant" shall include net plant additions.
- When calculating the Projected ATRR, the values for Accumulated Depreciation and Amortization shall include both accumulated depreciation and amortization on new plant projected to be in service as well as the accumulated depreciation and amortization on existing plant through the end of the projected year.

OKLAHOMA GAS AND ELECTRIC COMPANY

Worksheet K

II. Material and Supplies for Construction Balances

| | End Balance Dec-06 | Jan-07 | Feb-07 | Mar-07 | Apr-07 | May-07 | Jun-07 | Jul-07 | Aug-07 | Sep-07 | Oct-07 | Nov-07 | End Balance Dec-07 | 13 Months Avg. Balance |
|------------------------|-----------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------------------|---------------------------|
| 22 Production O&M | | | | | | | | | | | | | | 0 |
| 23 Transmission O&M | | | | | | | | | | | | | | 0 |
| 24 Distribution O&M | | | | | | | | | | | | | | 0 |
| 25 Prod. Construction | | | | | | | | | | | | | | 0 |
| 26 Trans. Construction | | | | | | | | | | | | | | 0 |
| 27 Dist. Construction | | | | | | | | | | | | | | 0 |
| 28 Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Notes:

- When calculating the Baseline ATRR, use the actual 13 month account balances for the year being trued-up. When calculating the Projected ATRR, use the 13 month account balances ending December of the most recent FERC Form No. 1.
- Transmission O&M (ln 23) and Transmission Construction (ln 26) are summed and reflected on page 3 of 6, line 64 of the Attachment H - Addendum 2-A.

III. Debt and Equity Balances

| | End Balance Dec-06 | Jan-07 | Feb-07 | Mar-07 | Apr-07 | May-07 | Jun-07 | Jul-07 | Aug-07 | Sep-07 | Oct-07 | Nov-07 | End Balance Dec-07 | 13 Months Avg. Balance |
|--------------------------------|-----------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------------------|---------------------------|
| 29 Long Term Debt (Face Value) | | | | | | | | | | | | | | - |
| 30 Propriety Capital | | | | | | | | | | | | | | - |
| 31 Less: Acct. 204 | | | | | | | | | | | | | | - |
| 32 Less: Acct. 216.1 | | | | | | | | | | | | | | - |
| 33 Less: Acct. 219 | | | | | | | | | | | | | | - |
| 34 Common Stock | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 35 LTD / (LTD + Common Stock) | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | #DIV/0! |

Notes:

- Outstanding Long Term Debt are reported in Accts. 221-224 (112.18-21.c & d) and the calculation shall include only current period costs and shall not include any deferred costs, (except as authorized by FERC), interest rate hedging costs/gains/losses, or credit facility expenses related to short-term indebtedness. Remove the value of any hedge contracts from Accts. 222-224 (257.h) for this purpose.
- When calculating the Baseline ATRR, use the actual 13 month account balances for the year being trued-up. When calculating the Projected ATRR, use the 13 month account balances ending December of the most recent FERC Form No. 1.

OKLAHOMA GAS AND ELECTRIC COMPANY

Worksheet K

IV. Account 165 - Prepayments

| | BOY Balance Relevant Year | EOY Balance Relevant Year | Average Balance |
|----------------|------------------------------|------------------------------|--------------------|
| 36 | (111.57.d) | (111.57.c) | |
| 37 Prepayments | | | 0 |

Notes:

1. When calculating the Baseline ATRR, the "Relevant Year" is the year being trued-up. When calculating the Projected ATRR, the "Relevant Year" is the year of the most recent FERC Form No. 1.

V. Long-Term Debt Costs

| | Accounts | Reference | Calculation | Comments / Explanations |
|----|--|-----------------------------|---------------|---|
| 38 | Acct 427 - Long-term interest expense | (117.62.c) | | |
| 39 | Acct. 428 - Amortization of debt discount and expense | (117.63.c) | | |
| 40 | Acct. 428.1 - Amortization of loss on reacquired debt | (117.64.c) | | |
| 41 | Acct. 430 - Interest on Long-term debt to Associated Companies in Acct. 223 (112.20.c) | (117.67.c) | | (per note on pg 450.1 for pg 256, col. i) |
| 42 | Less: Acct. 429 - Premium on debt discount | (117.65.c) (enter negative) | | |
| 43 | Less: Acct. 429.1 - Amortization of gain on reacquired debt | (117.66.c) (enter negative) | | |
| 44 | Total Long Term Interest | (sum lns 38 to 43) | \$ - | |
| 45 | Average of the 13 month balances outstanding long-term debt | (ln 29) | \$ - | |
| 46 | LONG TERM DEBT COST | (ln 44 / ln 45) | 0.000% | |

Notes:

1. Unless approved in a Section 205 filing by FERC, gains and losses on interest rate hedging on long term debt shall not be flowed through interest expense; and the value of hedge contracts shall not be included in long term debt balances.

OKLAHOMA GAS AND ELECTRIC COMPANY

Worksheet L - True-Up Adjustment with interest for Prior Year, Prior Period, Base Plan Projects and Prepayment Calculation.

Line
 No.

I. Prior Year True-Up with Interest Calculation

This section will calculate the interest on the True-up Adjustment (refund or surcharge) for the Prior Rate Year.

| | | | Rate Year |
|---|---|------|-----------|
| 1 | Projected Revenue Requirement | | |
| 2 | Baseline Revenue Requirement | | 0 |
| 3 | True Up Adjustment Without Interest (TUA) | \$ - | |

4 Average Interest Rate on Amount of Refunds or Surcharges
 5 calculated per Section V below **0.0000%**

| | | [A] | [B] | [C] | [D] | [E] |
|---|-------------|--------------------|----------------------|---------------|----------------------|-----------------------------|
| | <u>Year</u> | <u>Amount</u> | <u>Interest Rate</u> | <u>Months</u> | <u>Interest</u> | <u>Refund / (Surcharge)</u> |
| | | | | | cols [A] x [B] x [C] | cols [A] + [D] |
| 6 | 0 | 6 months interest | \$ - | 0.0000% | 6 \$ - | \$ - |
| 7 | 1 | 12 months interest | \$ - | 0.0000% | 12 \$ - | \$ - |
| 8 | 2 | 6 months interest | \$ - | 0.0000% | 6 \$ - | \$ - |

II. Prior Period Correction True-Up with Interest Calculation

This section will calculate the interest on the True-up Adjustment (refund or surcharge) on a correction made in a Prior Period.

| | | | Correction Rate Year |
|----|---|------|-------------------------|
| 9 | Baseline Revenue Requirement | \$ - | 0 |
| 10 | Revised Baseline Revenue Requirement | \$ - | 0 |
| 11 | True Up Adjustment Without Interest (TUA) | \$ - | |

12 Average Interest Rate on Amount of Refunds or Surcharges
 13 calculated per Section V below **0.0000%**

| | | [A] | [B] | [C] | [D] | [E] |
|----|--|-------------------|----------------------|---------------|----------------------|-----------------------------|
| | <u>Year</u> | <u>Amount</u> | <u>Interest Rate</u> | <u>Months</u> | <u>Interest</u> | <u>Refund / (Surcharge)</u> |
| | | | | | cols [A] x [B] x [C] | cols [A] + [D] |
| 14 | | 6 months interest | \$ - | 0.0000% | 6 \$ - | \$ - |
| 15 | | months interest | \$ - | 0.0000% | \$ - | \$ - |
| 16 | | 6 months interest | \$ - | 0.0000% | 6 \$ - | \$ - |
| 17 | TOTAL PRIOR YEAR TRUE-UP ADJUSTMENT | | (ln 8[E] + ln 16[E]) | | | \$ - |

OKLAHOMA GAS AND ELECTRIC COMPANY

Worksheet L

III. Base Plan Upgrade True-Up Calculations

This section will calculate the interest on the True-up Adjustment (refund or surcharge) for the Prior Rate Year on Base Plan Upgrade Projects.

18 Average Interest Rate on Amount of Refunds or Surcharges calculated per Section V below.

| Proj. No. | | Projected ATRR - Prior Year (1) | Baseline ATRR - Prior Year (2) | True-Up Adjustment Without Interest | Refund / (Surcharge) 0 | Refund / (Surcharge) 1 | Refund / (Surcharge) 2 |
|-----------|----|------------------------------------|-----------------------------------|--|---------------------------|---------------------------|---------------------------|
| 19 | 1 | \$ | - \$ | - \$ | - \$ | - \$ | - \$ |
| 20 | 2 | \$ | - \$ | - \$ | - \$ | - \$ | - \$ |
| 21 | 3 | \$ | - \$ | - \$ | - \$ | - \$ | - \$ |
| 22 | 4 | \$ | - \$ | - \$ | - \$ | - \$ | - \$ |
| 23 | 5 | \$ | - \$ | - \$ | - \$ | - \$ | - \$ |
| 24 | 6 | \$ | - \$ | - \$ | - \$ | - \$ | - \$ |
| 25 | 7 | \$ | - \$ | - \$ | - \$ | - \$ | - \$ |
| 26 | 8 | \$ | - \$ | - \$ | - \$ | - \$ | - \$ |
| 27 | 9 | \$ | - \$ | - \$ | - \$ | - \$ | - \$ |
| 28 | 10 | \$ | - \$ | - \$ | - \$ | - \$ | - \$ |

29 **TOTAL PRIOR YEAR BASE PLAN UPGRADE PROJECTS TRUE-UP ADJUSTMENT** (sum In 19 thru In 28) \$ -

NOTE: (1) Projected ATRR for individual Base Plan Projects comes from the Prior Year's Projected ATRR calculation, Worksheet G - Summary page
 (2) Baseline ATRR for individual Base Plan Projects comes from the Prior Year Baseline ATRR calculation, Worksheet G - Summary page

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OKLAHOMA GAS AND ELECTRIC COMPANY

Worksheet L

IV. Calculation of Optional Prepayment and Prepayment Credit

| | | "Customer 1" | "Customer 2" | "Customer 3" | "Customer 4" |
|----|--|--------------|--------------|--------------|--------------|
| 30 | Prepayment Amount | | | | |
| 31 | TUA with first year's interest | \$ - | \$ - | \$ - | \$ - |
| 32 | Line 31 plus 6 Months of year 2 Interest | \$ - | \$ - | \$ - | \$ - |
| 33 | Customer's Load in year preceeding the current Rate Year | | | | |
| 34 | System Load in year preceeding the current Rate Year | | | | |
| 35 | Amount of Prepayment | \$ - | \$ - | \$ - | \$ - |
| 36 | Prepayment Adjustment (Note 1) | | | | |
| 37 | Customer's Load applicable in the current Rate Year | | | | |
| 38 | System Load applicable in the current Rate Year | | | | |
| 39 | "Prepayment Adjustment" | \$ - | \$ - | \$ - | \$ - |
| 40 | Line 39 plus 6 Months Interest | \$ - | \$ - | \$ - | \$ - |
| 41 | Prepayment Credit | | | | |
| 42 | Total TUA with interest | \$ - | \$ - | \$ - | \$ - |
| 43 | Monthly Prepayment Credit | \$ - | \$ - | \$ - | \$ - |

Note:

- The Prepayment Adjustment is made to reflect any difference between the Network Customer's load ratio share percentage used to determine the Prepayment and the actual load ratio share percentage applicable in the Rate Year during which the True-Up Adjustment would otherwise have been collected.

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OKLAHOMA GAS AND ELECTRIC COMPANY

Worksheet L

V. Average Interest Rate / Debt Cost Calculations

| | | | [A] FERC Quarterly Interest Rate | [B] OG&E Short Term Debt Rate | [C] Rate for Surcharges (lesser of A or B) | [D] Rate for Refunds (column A) |
|----|--|------|--|-------------------------------------|--|---------------------------------------|
| 44 | Quarter | Year | | | | |
| | 3rd | 0 | | | 0.00% | 0.00% |
| 45 | 4th | 0 | | | 0.00% | 0.00% |
| 46 | 1st | 1 | | | 0.00% | 0.00% |
| 47 | 2nd | 1 | | | 0.00% | 0.00% |
| 48 | Average Interest Rate Applicable to Surcharges from column [C] | | | 0.00% | | |
| 49 | Average Interest Rate Applicable to Refunds from column [D] | | | 0.00% | | |

NOTE: (1) The FERC Quarterly Interest Rate in column [A] is the interest applicable to the quarter indicated.
 (2) The OG&E Short Term Debt Rate in column [B] is the weighted average Short Term Debt cost applicable to the quarter indicated.

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OKLAHOMA GAS AND ELECTRIC COMPANY

Worksheet M - Depreciation Rates

Source: 2006 Form I, page 337.1 & 337.2, column (e)

| <u>Transmission Plant Account</u> | <u>Account Description</u> | <u>Rate</u> |
|---------------------------------------|------------------------------------|-------------|
| 350 | Land and Land Rights | 1.56% |
| 352 | Structures and Improvements | 0.92% |
| 353 | Station Equipment | 1.79% |
| 354 | Towers and Fixtures | 1.81% |
| 355 | Poles and Fixtures | 3.65% |
| 356 | Overhead Conductors and Devices | 3.13% |
| 358 | Underground Conductors and Devices | |

| <u>General Plant Account</u> | <u>Account Description</u> | <u>Rate</u> |
|----------------------------------|----------------------------------|-------------|
| 389 | Land and Land Rights | 2.19% |
| 390 | Structures and Improvements | 3.19% |
| 391 | Office Furniture and Equipment | 5.01% |
| 392 | Transportation Equipment | 10.99% |
| 393 | Stores Equipment | 2.89% |
| 394 | Tools, Shop and Garage Equipment | 5.32% |
| 395 | Laboratory Equipment | 9.77% |
| 396 | Power Operated Equipment | 1.78% |
| 397 | Communication Equipment | 5.34% |
| 398 | Miscellaneous Equipment | 3.50% |
| Intangibles | | 10.28% |

Note: These rates are fixed and will be changed only by a separate FPA 205 filing.

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OKLAHOMA GAS AND ELECTRIC COMPANY

Worksheet N - Unfunded Reserves

I. Labor Related

| Line No. | Account No. | Account Title | Beginning Balance | Ending Balance | Average |
|----------|-------------|--|-------------------|----------------|----------|
| 1 | 228.2 | Accumulated Provision for Injuries and Damages | | \$ | - |
| 2 | 242 | Severance | | \$ | - |
| 3 | 242 | Accrued Vacation Pay | | \$ | - |
| 4 | 242 | Workers Compensation | | \$ | - |
| 5 | 242 | Post Retirement Life Insurance | | \$ | - |
| 6 | 242 | Incentive Compensation | | \$ | - |
| 7 | 242 | Public Liability | | \$ | - |
| 8 | 242 | Miscellaneous | | \$ | - |
| 9 | xxx | Reserved for future | | \$ | - |
| 10 | | Sub-Total | \$ - | \$ - | \$ - |
| 11 | | Wage & Salary Allocator | | | 0.000000 |
| 12 | | Total Labor Related Reserves (In 10 times In 11) | | \$ | - |

II. Plant Related

| | | | | | |
|----|-----|--|------|------|----------|
| 13 | xxx | Reserved for future | \$ - | \$ - | \$ - |
| 14 | xxx | Reserved for future | \$ - | \$ - | \$ - |
| 15 | xxx | Reserved for future | \$ - | \$ - | \$ - |
| 16 | | Sub-Total | \$ - | \$ - | \$ - |
| 17 | | Gross Plant Allocator | | | 0.000000 |
| 18 | | Total Labor Related Reserves (In 16 times In 17) | | \$ | - |
| 19 | | TOTAL REDUCTION TO RATE BASE (negative of In 12 plus In 18) | | \$ | - |

Note:

The average of the beginning and ending balances of reserves that are unfunded (i.e. not set aside in an escrow) and whose balances have been included in the expenses recovered under the formula, will be deducted from rate base. This total will be represented as a negative amount on Line 58 of the Data tab.

OKLAHOMA GAS AND ELECTRIC COMPANY

Worksheet O - Amortizations

I. Extraordinary O&M Amortization

| Line No. | Justification | FERC Docket No | Effective Year | Amortization Term (yrs) | Beginning O&M Expense | Annual Amortization | Annual Year End Balance |
|----------|--------------------------------------|----------------|----------------|-------------------------|-----------------------|---------------------|-------------------------|
| 1 | | | | | \$ | - | \$ - |
| 2 | | | | | \$ | - | \$ - |
| 3 | | | | | \$ | - | \$ - |
| 4 | | | | | \$ | - | \$ - |
| 5 | | | | | \$ | - | \$ - |
| 6 | | | | | \$ | - | \$ - |
| 7 | | | | | \$ | - | \$ - |
| 8 | | | | | \$ | - | \$ - |
| 9 | | | | | \$ | - | \$ - |
| 10 | | | | | \$ | - | \$ - |
| 11 | | | | | \$ | - | \$ - |
| 12 | Total Extraordinary O&M Amortization | | | | \$ | - | \$ - |

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OKLAHOMA GAS AND ELECTRIC COMPANY

Worksheet O - Amortizations

II. Storm Cost Amortization

| | Justification | FERC Docket No | Effective Year | Amortization Term (yrs) | Beginning O&M Expense | Annual Amortization | Annual Year End Balance |
|----|--------------------------------|--------------------------------|------------------------|----------------------------|--------------------------|------------------------|----------------------------|
| 13 | 2007 Ice Storm expenses | | | | \$ | - | \$ - |
| 14 | | | | | \$ | - | \$ - |
| 15 | | | | | \$ | - | \$ - |
| 16 | | | | | \$ | - | \$ - |
| 17 | | | | | \$ | - | \$ - |
| 18 | | | | | \$ | - | \$ - |
| 19 | | | | | \$ | - | \$ - |
| 20 | | | | | \$ | - | \$ - |
| 21 | | | | | \$ | - | \$ - |
| 22 | | | | | \$ | - | \$ - |
| 23 | | | | | \$ | - | \$ - |
| 24 | | | | | \$ | - | \$ - |
| 25 | | | | | \$ | - | \$ - |
| 26 | Total Storm Costs Amortization | | | | \$ | - | \$ - |
| 27 | TOTAL AMORTIZATIONS | (entered in Data tab on In 93) | (sum of Ins 12 and 26) | | \$ | - | \$ - |

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ATTACHMENT H - ADDENDUM 2-B
OG&E FORMULA RATE IMPLEMENTATION PROTOCOLS

I. Annual Update and True-Up Adjustments

- 1.1 The formula rate template contained in Attachment H - Addendum 2-A and these Formula Rate Implementation Protocols (“Protocols”) together comprise the filed rate (“Formula Rate”) of Oklahoma Gas and Electric Company (“OG&E”) for transmission service under the Open Access Transmission Tariff (“OATT”) of the Southwest Power Pool, Inc. (“SPP”). OG&E shall follow the instructions specified in the Formula Rate to calculate its Annual Transmission Revenue Requirements (“ATRR”), rates for its Point-to-Point transmission service, and the ATRR associated with each of OG&E’s Base Plan Upgrades.
- 1.2 The Formula Rate shall initially be effective for service on and after July 1, 2008, through December 31, 2008, and shall be applicable thereafter for services in subsequent years on and after January 1 of each calendar year through December 31 of that calendar year (“Rate Year”). The purpose of these protocols is to establish a set of procedures that may be used by Interested Parties (as defined in Section 1.3(a)(4) herein) to review and challenge Annual Updates and True-Up Adjustments, as defined herein. Provided, however, (i) nothing herein shall limit the rights of OG&E or any Interested Party to initiate a proceeding at the Federal Energy Regulatory Commission (“Commission”) at any time with respect to the Formula Rate consistent with the Party’s rights under the Federal Power Act (“FPA”) and the Commission’s regulations and (ii) the provisions of these Protocols applicable to review and challenge of Annual Updates and True-Up Adjustments shall not apply to proceedings other than (a) Formal Challenges initiated in accordance with the procedures set forth herein and/or (b) proceedings initiated *sua sponte* by FERC challenging a True-Up Adjustment, and shall not be relied upon to alter any Party’s rights or obligations under the FPA and the Commission’s regulations in proceedings other than such Formal Challenges and/or proceedings initiated *sua sponte* by FERC challenging a True-Up Adjustment. The term “Party” or “Parties” is defined to include OG&E and/or one or more Interested Parties.
- 1.3 Posting of Annual Update and Related Procedures
- (a) On or before September 1 of each calendar year (unless September 1 falls on a weekend or a holiday recognized by the Commission, in which case the date shall be the next business day), OG&E:
- (1) shall recalculate the ATRR by removing the 13-month average net plant balances from the most recent Baseline ATRR and replacing them with projected 13-month average net plant balances for the following Rate Year (the “Projected ATRR”). (The “OG&E ZONAL REVENUE REQUIREMENT for SPP OATT Attachment H, Sec. 1, Col. 3” is the Projected ATRR, adjusted to take account of any related True-Up Adjustment(s).) OG&E shall also calculate the rates for its Point-to-Point transmission service, and shall calculate the ATRR associated with each of OG&E’s Base Plan Upgrades, for the new Rate Year in accordance with the

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Formula Rate. (The calculations described in this Section 1.3(a)(1) are collectively referred to as the “Annual Update.”)

(2) shall provide such Annual Update and supporting information to SPP, for posting on the publicly accessible portion of the SPP website (the date of such posting to be the “Posting Date”). For purposes of these Protocols, “supporting information” shall include, at minimum, a data-populated Formula Rate template in a fully-functioning Excel file (and/or as applicable, other native format) showing all calculations, any supporting calculations and workpapers that demonstrate or explain information not otherwise set out in OG&E’s FERC Form No. 1 or the Formula Rate template, a Portable Document Format version of the data-populated Formula Rate template described above, and a side-by-side comparison of the Formula Rate template components (by line) as compared to the most recent Baseline ATRR (as defined in Section 1.4(a));

(3) shall provide SPP with the ATRR associated with each of OG&E’s Base Plan Upgrades such that SPP can calculate Base Plan Zonal ATRRs and the Base Plan Region-wide ATRR;

(4) shall provide the Annual Update and supporting information identified in Section 1.3(a)(2) above, and detailed information concerning the projected 13-month average net plant balances (including project-specific information for planned additions), upon written request, including a standing request for all future Annual Updates and supporting information, to (i) any entity that is or may become a customer taking Network Integration Transmission Service and/or Point-to-Point Transmission Service on the OG&E facilities operated by SPP; (ii) any entity served under the SPP OATT; (iii) any affected state and federal regulatory authorities; and (iv) FERC staff (collectively, “Interested Parties”);

(5) shall notify SPP transmission customers taking Network Integration Transmission Service and/or Point-to-Point Transmission Service on the OG&E facilities operated by SPP, affected regulatory commissions, and other parties that have made a request in accordance with Section 1.3(a)(4), of the Annual Update posting via email and/or United States mail to the most recent address provided to OG&E;

(b) After the Posting Date and before October 1 of each calendar year, OG&E shall convene a meeting (“Customer Meeting”) to afford Interested Parties an opportunity to discuss and become better informed regarding the Annual Update. OG&E will provide at least fifteen days’ notice of the Customer Meeting via a notice included with the Annual Update and posted on the SPP website; and

(c) After the Customer Meeting and before November 1 for each calendar year, OG&E shall provide timely notice of any errors found in the review process, any updates to the projections of 13-month average net plant balances, resolutions of Preliminary Challenges and/or proceedings provided for in section 3.6, and/or any corrections to that year’s True-Up Adjustment that are agreed to by OG&E and an Interested Party, and Interested

Parties may object in writing by November 8 to any such proposed corrections or updates. Notice shall be accomplished by providing such information to SPP for posting on the publicly accessible portion of the SPP website and by providing e-mail notice of such posting to any Interested Party that has submitted a request for information pursuant to Section 2.1. No later than November 15 of each calendar year, OG&E shall modify the Annual Update to reflect uncontested corrections and updates, and shall cause a revised Annual Update to be posted on the SPP website no later than December 1. At that time, OG&E shall also provide SPP with any updated ATRR associated with each of OG&E's Base Plan Upgrades such that SPP can calculate Base Plan Zonal ATRRs and the Base Plan Region-wide ATRR.

1.4 On June 1 of each calendar year (unless June 1 falls on a weekend or a holiday recognized by the FERC, in which case the date shall be the next business day) (the "Publication Date"), OG&E shall, in accordance with the Formula Rate, calculate the Baseline ATRR for the Rate Year that has most recently concluded, reconcile the Projected ATRR with the Baseline ATRR for the corresponding Rate Year and calculate the amount of any over- or under-recovery (all of which, plus any corrections pursuant to Section 1.10 or any changes to account for the resolution of any Preliminary Challenge, Formal Challenge, or a proceeding initiated *sua sponte* by FERC challenging a True-Up Adjustment, to the extent such changes have not been reflected in a prior Annual Update, shall be considered the "True-Up Adjustment"). On the Publication Date, OG&E shall submit the True-Up Adjustment to FERC for informational purposes only. The informational filing shall not require any action by the Commission.¹ On or before the Publication Date, OG&E shall follow the procedures set forth in Sections 1.3(a)(2)-(5) for disseminating the True-Up Adjustment and supporting information (as defined in Section 1.3(a)(2)). The True-Up Adjustment:

(a) shall, to the extent specified in the Formula Rate, be based upon data properly recorded in the appropriate accounts, consistent with FERC accounting policies and accounting practices, in (i) OG&E's FERC Form No. 1 for the most recent calendar year (*i.e.*, the most recently completed Rate Year), and (ii) the books and records of OG&E.² (The ATRR determined using these data shall be termed the "Baseline ATRR".);

¹ The transmittal letter accompanying the informational filing shall inform the Commission that the True-Up Adjustment is not intended to be subject to the Commission's notice requirements and it is not intended for the Commission to take action accepting the informational filing, and shall inform the Commission regarding the procedures contained in these Protocols for review and challenge of the True-Up Adjustment. If the Commission issues a notice of or an order accepting the informational filing, OG&E shall advise the Commission of the challenge process in these Protocols and shall work with the Settling Parties to seek rescission of such actions. No Commission action on the informational filing shall affect any rights under the Formula Rate or these Protocols.

² It is the intent of the Formula Rate, including the supporting explanations and allocations described therein, that each input to the Formula Rate will be either taken directly from the FERC Form No. 1 or reconcilable to the FERC Form No. 1 by the application of clearly identified and supported information. Where the reconciliation is provided through a worksheet included in the filed Formula Rate template, the inputs to the worksheet must meet this transparency standard, and doing so will satisfy this transparency requirement for the amounts that are output from the worksheet and input to the main body of the Formula Rate.

(b) shall identify and provide an explanation of (i) any changes in OG&E accounting policies, practices or procedures (including changes resulting from revisions to FERC's Uniform System of Accounts and/or Form No. 1 reporting requirements) from those in effect during the calendar year upon which the most recent Baseline ATRR was based and that have an impact on the Formula Rate or the calculations under the Formula Rate ("Accounting Changes"), and (ii) any known changes in the SPP OATT from the provisions of the SPP OATT in effect during the calendar year upon which the most recent Baseline ATRR was based and that have an impact on the Formula Rate or the calculations under the Formula Rate ("Tariff Changes"). To the extent Interested Parties, during the review process provided for by these Protocols, identify additional changes in OG&E accounting policies, practices or procedures (including changes resulting from revisions to FERC's Uniform System of Accounts and/or Form No. 1 reporting requirements) or in the SPP OATT that depart from those in effect during the calendar year upon which the most recent Baseline ATRR was based and that have an impact on the Formula Rate or the calculations under the Formula Rate, those additional changes shall also be considered Accounting Changes or Tariff Changes, as applicable; and

(c) shall,

(1) for the True-Up Adjustment to be filed in June of 2009, which shall apply to the rate period commencing July 1, 2008, and ending December 31, 2008 ("Transition Period"), be computed as one-half (1/2) of the difference produced by subtracting the Baseline ATRR for calendar year 2008 from the Projected ATRR for calendar year 2008.³ The amount of any under- or over-recovery shall be recovered or refunded, as appropriate, in accordance with Worksheet L of the Formula Rate; and

(2) beginning with the True-Up Adjustment to be filed in June of 2010, compare the Projected ATRR for the most recently completed Rate Year and the Baseline ATRR for that Rate Year ("most recent Baseline ATRR") to determine the amount to be refunded or surcharged during the subsequent Rate Year in order to true-up the Projected ATRR calculated in the prior year's Annual Update to the most recent Baseline ATRR. The amount of any under- or over-recovery shall be recovered or refunded, as appropriate, in accordance with Worksheet L of the Formula Rate.

1.5 Interested Parties may review and challenge the True-Up Adjustment with respect to, among other grounds enumerated in these Protocols, the prudence of any costs and expenditures included for recovery in the most recent Baseline ATRR, provided, however that the initial burden to raise a serious doubt as to the prudence of any cost or expenditure shall be upon the Interested Party raising the challenge.

³ The Projected ATRR for calendar year 2008 is the ATRR that was projected using the formula filed by OG&E, as modified by OG&E's compliance filing, and which was incorporated into Attachment H, Section I.1, of the SPP OATT by SPP's filing on October 17, 2008, in Docket No. ER09-89-000, *et al.* The Projected ATRR for calendar year 2008 was \$94,758,543.

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- 1.6 Interest on any over-recovery of the net revenue requirement shall be determined in accordance with Worksheet L. Interest on any under-recovery of the net revenue requirement shall be determined using the interest rate equal to OG&E's actual short-term debt costs capped at the applicable FERC refund interest rate as set forth in Worksheet L.
- 1.7 After posting of the True-Up Adjustment, a Network Customer in the OG&E zone may elect to prepay amounts calculated to be owed in accordance with Part I of Formula Rate Worksheet L and limit interest charges that would otherwise apply pursuant to Section 1.6. In the event of such election, such Prepayment shall be made on or before June 30 of the year in which the True-Up Adjustment is computed, and such Prepayment amount shall be subject to a Prepayment Adjustment. The Prepayment and the Prepayment Adjustment shall be calculated pursuant to Part IV of the Formula Rate Worksheet L. Such Prepayment Adjustment shall be reflected as a charge or credit in the first monthly billing for transmission services subsequent to the determination of the Network Customer's 12 CP demand and the TO's Transmission Network Load for the applicable Rate Year.
- 1.8 Neither the Annual Update nor the True-Up Adjustment shall seek to modify the Formula Rate and neither the Annual Update nor the True-Up Adjustment shall be subject to challenge by a Party seeking to modify the Formula Rate (*i.e.*, all such modifications to the structure of the Formula Rate and the stated values specified in Section 1.9 herein will require, as applicable, an appropriate filing with the FERC pursuant to FPA Section 205 or Section 206).
- 1.9 A change to the Formula Rate inputs related to (i) the rate of return on equity ("ROE"), (ii) depreciation and/or amortizations, (iii) storm damage deferrals, (iv) extraordinary property losses or other deferred costs, and (v) costs of post-employment benefits other than pensions ("PBOP") may not be made absent an appropriate filing with the FERC pursuant to Federal Power Act Section 205 or Section 206; provided, however, that OG&E may make a limited Section 205 filing to revise its depreciation rates and/or amortizations, extraordinary property losses or other deferred costs, PBOP expenses, its recovery of storm damage deferrals, or to reflect nominal changes to the FERC Form 1 reporting requirements (*i.e.*, changes in account descriptions or line numbers that do not reflect changes in the nature or type of costs or expenses recorded therein), in which the sole issue for examination shall be whether the proposed change is just and reasonable and not unduly discriminatory or preferential.
- 1.10 If OG&E files any corrections to its FERC Form 1 that would affect the application of the Formula Rate, such corrections shall be accounted for in the True-Up Adjustment for the next effective Rate Year, and any resulting refunds or surcharges that are the result of such correction(s) shall be included, with interest pursuant to Worksheet L from the beginning of the Rate Year(s) affected by the correction, in that True-Up Adjustment. If OG&E makes corrections to its books and records or otherwise identifies an error that would alter input data entered in the Formula Rate that are not derived from the FERC Form 1 for the current or any prior Rate Year, such corrections shall be accounted for in the True-Up Adjustment for the next effective Rate Year, and any resulting refunds or surcharges that are the result of such correction(s) shall be included, with interest pursuant to Worksheet L from the beginning of the Rate Year(s) affected by the correction, in that True-Up

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Adjustment. Provided, however, that this provision shall not bar the recognition of corrections more promptly through resolution of challenges to any then-pending True-Up Adjustment pursuant to sections 3.6 or where the Parties otherwise agree.

II. Review Procedures

2.1 Each Annual True-Up Adjustment shall be subject to the following review procedures (“Review Procedures”):

(a) Each year, after the Publication Date and before July 1, OG&E will convene a meeting (“True-Up Meeting”) to afford Interested Parties an opportunity to discuss and become better informed regarding the True-Up Adjustment. OG&E will provide at least fifteen days’ notice of the True-Up Meeting via a notice included with the True-Up Adjustment and posted on the SPP website;

(b) Interested Parties will have one-hundred and thirty-five (135) days after the Publication Date to serve reasonable information requests on OG&E concerning the (i) the True-Up Adjustment for the relevant Rate Year, (ii) the Projected ATRR for the Rate Year that is the subject of the True-Up Adjustment, and (iii) the Projected ATRR for the subsequent calendar year, which will issue on or about September 1 following the True-Up Adjustment. Such information requests shall be limited to what is necessary to determine if OG&E has properly calculated and reasonably applied the Formula Rate according to its terms, including the procedures in this Attachment H - Addendum 2-B (including the extent and effect of any Accounting Changes and Tariff Changes, and including corrections pursuant to Section 1.10). Such information request may include requests for information concerning whether costs were prudently incurred (as provided for in Section 1.5) and whether the relevant True-Up Adjustment or Projected ATRR satisfies the requirements set forth at Sections 1.3 and 1.4 of these Protocols.

Such information requests shall not solicit information that solely relates to inputs that are stated values (as identified in Section 1.9) or cost allocation methods that have been determined by any final order by the Commission with respect to the Formula Rate (including an order accepting a settlement), except that such information requests shall be permitted if they seek to determine if there has been a material change in circumstances or to confirm consistency with the applicable order (and associated settlement, if any). In addition, such information requests shall not solicit information related to True-Up Adjustments from prior years except to determine whether and how a prior year’s approach on a given matter was the same or different from the current year’s approach, or in connection with corrections pursuant to Section 1.10;

(c) OG&E shall make a good faith effort to respond to information requests issued pursuant to Section 2.1(b) within fifteen (15) business days of receipt of such requests. Information requests received after 5 p.m. CPT shall be considered received the next business day. OG&E’s responses to information requests shall not be entitled to protection as privileged settlement communications; provided, however, that: (a) any communications between OG&E and any Interested Party in connection with efforts to negotiate a resolution of a Preliminary Challenge or Formal Challenge shall be entitled to

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such protection; (b) if OG&E's response to an information request contains proprietary or trade secret information or critical energy infrastructure information, OG&E and the Interested Party or Parties receiving such information shall enter into appropriate arrangements to protect the confidentiality of such information; and (c) nothing herein shall require OG&E to provide information that is protected by the attorney-client privilege, the attorney work product doctrine, or any other legally recognized privilege. Nothing in these Protocols shall alter or affect any Party's right to offer into evidence or otherwise use information obtained pursuant to the Review Procedures provided for in these Protocols in any proceeding before the Commission or any other forum in accordance with the Commission's Rules of Practice and Procedure or other applicable rules of evidence, nor shall these Protocols alter or affect any Party's right to oppose such use of information obtained pursuant to the Review Procedures provided for in these Protocols. The fact that information was obtained pursuant to the Review Procedures provided for in these Protocols shall not be grounds for opposing the use of such information in any proceeding before the Commission or any other forum;

(d) To the extent OG&E and any Interested Party are unable to resolve disputes related to information requests submitted in accordance with these Review Procedures, OG&E or any Interested Party may petition FERC to appoint an Administrative Law Judge as a discovery master. The discovery master shall have the authority to issue binding orders to resolve discovery disputes and to compel the production of documents or other information or materials in accordance with the Review Procedures and FERC's Rules of Practice and Procedure;

(e) Any Interested Party shall have until the later of one hundred and eighty (180) days after the Publication Date or fifteen (15) days after OG&E's last response to reasonable information requests submitted pursuant to Section 2.1(b) above ("Review Period") to review the True-Up Adjustment and to notify OG&E in writing of any specific challenges to the True-Up Adjustment, including any corrections pursuant to Section 1.10 and any Accounting Changes or Tariff Changes ("Preliminary Challenges"). Preliminary Challenges shall include supporting documentation (or references to documentation provided in discovery). Other challenges, including challenges to the Formula Rate itself, shall not be considered "Preliminary Challenges" for purposes of these Review Procedures; and,

(f) OG&E shall provide a written response to any Preliminary Challenge within fifteen (15) days of receipt, and such response shall include supporting documentation (or references to documentation provided in discovery).

III. Resolution of Challenges.

For each True-Up Adjustment:

- 3.1 If OG&E and any Interested Party(ies) have not resolved all Preliminary Challenges within forty-five (45) days of the date of written notice of a Preliminary Challenge provided for in Section 2.1(e), senior management of the interested party(ies) and OG&E

shall negotiate in good faith to attempt to resolve the Preliminary Challenge. If such negotiations fail to resolve all Preliminary Challenges within seventy-five (75) days of the date of written notice of a Preliminary Challenge (the time period commencing on the date of written notice of a Preliminary Challenge and ending 75 days thereafter is the "Resolution Period"), the Interested Party(ies) may file a complaint at the FERC pursuant to 18 C.F.R. § 385.206 challenging the True-Up Adjustment (including any corrections or Accounting Changes or Tariff Changes), with regard to such Preliminary Challenge(s) ("Formal Challenge"). Notwithstanding the foregoing, upon written agreement of OG&E, a Formal Challenge may be brought at any time.

- 3.2 If OG&E and an Interested Party agree upon a resolution to a Preliminary Challenge to a True-Up Adjustment by November 1, and such resolution is not objected to by any Interested Party, OG&E shall recalculate the True-Up Adjustment to reflect such resolution, which shall be reflected in the Annual Update for the following Rate Year as provided in Section 1.3(c).
- 3.3 In the event that an Interested Party has filed a Preliminary Challenge, such party may file a Formal Challenge within thirty (30) days after the end of the Resolution Period, unless OG&E and the party agree in writing to extend such time to permit further negotiations. The contents of such Formal Challenge need not be limited to issues that were the subject of Preliminary Challenge(s) submitted by the Interested Party with respect to the current True-Up Adjustment. In the event that an Interested Party did not file a Preliminary Challenge, such party may file a Formal Challenge within two hundred eighty-five days after the Publication Date. A copy of any Formal Challenge shall be served on OG&E by electronic service on the date of such filing. A party may not, thereafter, file a Formal Challenge as to the disputed Preliminary Challenge(s) for the then effective Rate Year. Failure to pursue a Preliminary Challenge or lodge a Formal Challenge regarding a Preliminary Challenge(s) as to a given True-Up Adjustment shall not bar the pursuit of any Preliminary Challenge or the lodging of a Formal Challenge as to such Preliminary Challenge(s) with regard to a subsequent True-Up Adjustment.
- 3.4 Any response by OG&E to a Formal Challenge must be submitted to the FERC within thirty (30) days of the date of the filing of the Formal Challenge, and shall be served on the filing party(ies) by electronic service on the date of such filing.
- 3.5 In any Formal Challenge proceeding or proceeding initiated *sua sponte* by FERC challenging a True-Up Adjustment (including any corrections pursuant to Section 1.10 or any Accounting Changes or Tariff Changes contained therein), OG&E shall bear the burden of proving that it has reasonably adopted and applied any Accounting Changes or Tariff Changes; and that it has properly calculated and reasonably applied the Formula Rate pursuant to the Formula Rate and these Protocols, including compliance with the specific requirements set forth in Sections 1.4 and 1.5 of these Protocols, provided, however, that challenges to the prudence of costs shall be subject to Section 1.5 of these Protocols.
- 3.6 With regard to any changes, including to the data inputs (including but not limited to revisions to OG&E's FERC Form 1), resulting from the resolution of Preliminary

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Challenges, Formal Challenges initiated pursuant to Sections 3.1 or 3.3 above, or proceedings initiated *sua sponte* by FERC, where such resolution occurs on or after the Publication Date and before November 1, OG&E shall recalculate the then-pending True-Up Adjustment to take such changes into account, and which shall be reflected in the Annual Update for the following Rate Year. Where such resolution occurs on or after November 1 and before the subsequent Publication Date, OG&E shall incorporate any such changes into the next True-Up Adjustment. This reconciliation mechanism shall apply in lieu of mid-year adjustments to rates. However, in the event that the Formula Rate is replaced by a stated rate, actual refunds or surcharges (with interest pursuant to Worksheet L) shall be made no later than thirty (30) days after the effective date of the stated rate established by FERC.

- 3.7 Any refunds or surcharges attributable to changes resulting from the resolution of Preliminary Challenges, Formal Challenges initiated pursuant to Sections 3.1 or 3.3 above, or proceedings initiated *sua sponte* by FERC shall be calculated, with interest (pursuant to Worksheet L), from January 1 of the Rate Year that is the subject of the challenged True-Up Adjustment (except as to corrections applicable to a prior Rate Year which are governed by Section 1.10), and shall be reflected through the process provided in Section 3.6.

ATTACHMENT I

Index Of Network Integration Transmission Service Customers

| <u>Customer</u> | <u>Date of Service Agreement</u> |
|--------------------------------------|--------------------------------------|
| Purcell, Oklahoma | April 4, 1997 |
| Southwest Power Administration (SPA) | April 27, 1997 |
| Paris, Arkansas | May 13, 1997 |
| City of Geary, Oklahoma | July 7, 1998 |

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Filed to comply with order of the Federal Energy Regulatory Commission, *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, FERC Stats. & Regs. ¶ 31,241 (2007), *order on reh'g*, Order No. 890-A, 121 FERC ¶ 61,297 (2007).

ATTACHMENT J

Procedures for Addressing Parallel Flows

Procedures for addressing parallel flows and curtailment of transmission transactions on the OG&E transmission system are administered by SPP pursuant to the SPP OATT.

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ATTACHMENT K

Transmission Planning Process

This Attachment K to OG&E's Tariff describes OG&E's Transmission Planning Process and how OG&E's process satisfies the nine principles applicable to each Transmission Owner's Transmission Planning Process.

I. Regional Planning Process

OG&E is a signatory of the SPP Membership Agreement and a full member of the SPP Regional Transmission Organization (RTO). OG&E has transferred operational control of its transmission facilities to the SPP Reliability Coordinator (RC). OG&E requests approval of all planned transmission maintenance outages from the SPP RC.

OG&E's Tariff is closed to new point-to-point transmission service. However, OG&E continues to administer several existing long-term network service agreements. SPP performs OG&E's Transmission Service Provider (TSP) function under the SPP OATT. This includes accepting or denying requests for new transmission service on the OG&E transmission system.

SPP performs OG&E's Planning Coordinator function. SPP coordinates development of transmission planning models, transmission expansion planning, transmission assessments, aggregation studies for transmission service/generator interconnection, and flowgate determination. OG&E participates in all of these processes.

OG&E complies with Order No. 890's nine principles on a regional basis by supporting and actively participating in the SPP RTO and in SPP's planning process.

II. Local Planning Process

A. Annual Process

Interested parties may submit to OG&E at any time: (1) information relevant to their transmission service needs; and/or (2) proposals for local transmission projects. Each year, on May 1, OG&E will post on its OASIS website a draft "Transmission Expansion Plan," a forward-looking document that outlines transmission projects being

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considered. Parties eligible to receive Critical Energy Infrastructure Information (CEII) will have access to the posting.

On June 1, OG&E will hold a Planning Summit for all interested parties to discuss the draft Transmission Expansion Plan. Interested parties will then have until July 1 to submit written comments to OG&E concerning the draft.

By August 1 of each year, OG&E will post on its OASIS website a final Transmission Expansion Plan, which will address any meaningful proposals or alternatives identified by interested parties. OG&E will attach to the final Transmission Expansion Plan all written comments OG&E receives from interested parties.

Interested parties may raise any outstanding issues as part of the SPP transmission planning process. Specifically, parties may raise issues with OG&E's Transmission Expansion Plan at SPP's annual August Planning Summit meeting.

B. Nine Planning Principles

OG&E's local planning process complies with Order No. 890's nine planning principles.

1. OG&E's local planning process complies with the Coordination Principle by providing for an annual meeting, followed by an opportunity for written comments, which allows customers and other stakeholders to participate in the development of OG&E's local transmission plans. OG&E will participate in local area meetings organized by SPP, and parties interested in OG&E's local planning also may participate in these SPP local area meetings.

2. OG&E complies with the Openness Principle by: posting a public redacted version of its draft Transmission Expansion Plan on its OASIS website; inviting all interested parties to attend the annual OG&E Planning Summit; and inviting all interested parties to submit comments on OG&E's draft Transmission Expansion Plan. OG&E will develop Critical Energy Infrastructure Information (CEII) controls similar to those adopted by SPP in Attachment O to the SPP OATT, including a confidentiality agreement that must be executed by each company to access certain materials and data related to local planning. A copy of the confidentiality agreement will be posted on the OG&E OASIS. The public redacted version of the OG&E Transmission Expansion Plan will include a CEII disclaimer and instructions on how to obtain a complete version of

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the OG&E Transmission Expansion Plan.

3. OG&E satisfies the Transparency Principle by posting annually a draft Transmission Expansion Plan, which discloses basic planning criteria, planning assumptions, and planning data, as well as study methodology, criteria, and processes and the status of any upgrades. OG&E will post its annual Form 715 filing, which identifies each of the OG&E company-specific planning criteria. OG&E will post and update quarterly the status of upgrades identified in the OG&E Transmission Expansion Plan. OG&E's local planning process allows for the participation of demand resources on a basis comparable to other resources.

4. OG&E's local planning process complies with the Information Exchange Principle. Interested parties may submit to OG&E at any time: (1) information relevant to their transmission service needs; and/or (2) proposals for local transmission projects. In addition, interested parties are invited to an annual Planning Summit to discuss OG&E's draft Transmission Expansion Plan and may submit written comments on the draft.

5. OG&E satisfies the Comparability Principle by allowing all interested parties to participate in the annual Planning Summit and by considering all written comments. Additionally, in creating its Transmission Expansion Plan, OG&E considers all customer proposals and, where appropriate, treats customer demand resources as comparable to the service provided by comparable generation resources.

6. OG&E complies with the Dispute Resolution Principle by coordinating its local planning process with the SPP planning process. Disputes that arise as part of OG&E's local planning process can be raised and addressed as part of the SPP planning process. Any dispute that persists will be addressed through SPP's dispute resolution process, as defined in Section 12 of the SPP OATT.

7. OG&E is a member of the SPP RTO and complies with the Regional Participation Principle by supporting and participating in the SPP planning process.

8. OG&E complies with the Economic Planning Studies Principle by participating in the SPP OATT and the SPP planning process. Requests for economic planning studies should be submitted to SPP and processed pursuant to the SPP OATT.

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9. OG&E complies with the Cost Allocation Principle as a member of SPP subject to the SPP OATT and its cost allocation rules.

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ATTACHMENT L

Creditworthiness Procedures

The Transmission Provider will apply the creditworthiness provisions for service under the Southwest Power Pool, Inc. Open Access Transmission Tariff for service under this Tariff.

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ATTACHMENT M

Service Agreement for Ancillary Services

- 1.0 This Service Agreement, dated as of _____, _____, is entered into, by and between Oklahoma Gas & Electric Company ("Transmission Owner"), and _____ ("Customer").
- 2.0 The Customer obtains Network Integration Transmission Service or Point to Point Transmission Service over Transmission Owner's transmission facilities under the open access transmission tariff ("OATT") administered by the Southwest Power Pool ("SPP"). The SPP OATT provides that a Transmission Customer shall arrange for Ancillary Services 3 through 6 under the relevant SPP member's open access transmission service tariff. OG&E's open access transmission service tariff ("Tariff") provides that a transmission customer may purchase the required Ancillary Services from OG&E or self-supply those services.
- 3.0 This Service Agreement, including any Appendix hereto, memorializes the terms and conditions under which Customer shall take or self-supply such Ancillary Services under the OG&E Tariff. Customer shall comply with the OG&E Tariff in the event Customer takes ancillary services from OG&E. Any service not self-supplied shall be taken and paid for under the OG&E Tariff.
- 4.0 Service under this agreement shall commence on the date that the Network Integration Transmission Service Agreement or Point to Point Transmission Service Agreement between SPP and Customer becomes effective, or such other date as it is permitted to become effective by the Commission. This Service Agreement shall terminate on _____.
- 5.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Owner:

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Customer:

- 6.0 Nothing herein shall change Customer's obligations under the SPP OATT.
- 7.0 The OG&E Tariff is incorporated herein and made a part hereof.
- 8.0 If Customer elects to self-supply Ancillary Services, such conditions of self-supply shall be attached as an Appendix hereto.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Owner:

By: _____
 Name Title Date

Customer:

By: _____
 Name Title Date

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ATTACHMENT N

TRANSMISSION DEFINITION

I. Introduction

Transmission Facilities shall be the facilities which meet the criteria specified in this Attachment and which are used by the Transmission Provider to provide transmission service under Part II and Part III of the Tariff.

II. Criteria for Inclusion of Facilities

Transmission Facilities shall include all facilities that meet the following criteria:

1. All existing non-radial power lines, substations, and associated facilities, operated at 60 kV or above, plus all radial lines and associated facilities operated at or above 60 kV that serve two or more eligible customers not Affiliates of each other. For the purpose of the application of this criterion, "open loops" are radial lines. Additionally, at such time an existing radial is incorporated into a looped transmission circuit, that existing radial would be eligible for inclusion in rates on the same basis as the remainder of the facilities in the loop.
2. All facilities that are utilized for interconnecting the various internal zones to each other as well as those facilities that interconnect SPP with other surrounding entities.
3. Control equipment and facilities necessary to control and protect facilities qualifying as Transmission Facilities.
4. For substations connected to power lines qualifying as Transmission facilities, where power is transformed from a voltage higher than 60 kV to a voltage lower than 60 kV, facilities on the high voltage side of the transformer will be included with the exception of transformer isolation equipment.
5. The portion of the direct-current interconnections with areas outside of the SPP region (DC ties) that are owned by a Transmission Owner in the SPP region, including those portions of the DC tie that operate at a voltage lower than 60 kV.
6. All facilities operated below 60 kV that have been determined to be transmission pursuant to the seven (7) factor test set forth in FERC Order No. 888, 61 Fed Reg. 21,540, 21,620 (1996), or any applicable successor test.

III. Excluded Facilities

The following facilities shall not constitute Transmission Facilities:

1. Generator step-up transformers and generator leads;
2. Radial lines from a generating station to a single substation or switching station on the Transmission System; and
3. Direct Assignment Facilities.