
Denise Bode, Vice-Chairman



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02-14-06

BODE PUSHES FOR NATIONAL ACTION ON PHONE RECORD PROTECTION

Protecting personal information is in the national interest

(Washington DC) Responding to a call for action from Oklahoma Corporation Commissioner Denise Bode, the telecommunications committee of the National Association of Regulatory Utility Commissioners (NARUC) has unanimously approved a resolution to encourage the efforts of Congress and the FCC in nationwide protection of personal telephone records.

“By working at both the National and State levels, we can fully assure that Oklahomans are protected from the piracy that these companies are perpetrating,” said Bode, a committee member and co-author of the resolution.

“FCC Chairman Martin has told me he is requesting from Congress additional enforcement authority for the FCC to protect telephone records and to prosecute violations in response to the outpouring of complaints from consumers and state commissions, and pledged the FCC would work closely with the states to combat this attack on privacy.”

Private companies providing access to cell phone records nationwide are being investigated by the FCC to determine how they are gaining access to these records. Early indications show bribes and fraud may have played a key role.

Bode noted that action is being taken on the state level as well, and that it isn't only cellular records that are potential targets.

“Because many of these companies are outside of Oklahoma, I have encouraged the FCC to act. But until the FCC can act, Commissioners Anthony, Cloud and I are moving to protect billing, service, and privacy by working with providers within Oklahoma,” said Bode. “Our proposed rule would cover all telecommunication providers, from standard telephone service to VOIP (Voice Over Internet Protocol) telephone providers.”

NARUC is a non-profit organization founded in 1889 made up of state governmental officials responsible for the regulation of utilities and carriers nationwide. NARUC's mission is to serve the public interest by improving the quality and effectiveness of public utility regulation.

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All OCC and Commissioner releases are available on the OCC web site, www.occeweb.com

News from the **Oklahoma Corporation Commission**

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February 23, 2006

COMMISSION KEEPS THE GREEN LIGHT ON FOR NATURAL GAS PRODUCTION

(Proration decision continues policy based on natural gas demand, supply concerns)

(Oklahoma City) – Citing the continuation of a tight natural gas market and continued nation-wide concerns regarding the nation’s natural gas supplies, the Oklahoma Corporation Commission today approved an order giving those with unallocated gas wells in Oklahoma the green light to produce as much product as possible.

Commission Chairman Jeff Cloud said the order is aimed at helping Oklahoma’s consumers and energy producers.

“While the Commission cannot regulate the price of natural gas, it certainly can and does play a vital role in its production, under its mandate to see that Oklahoma’s oil and gas resources are developed and produced wisely,” noted Cloud. “Today’s order is aimed at continuing Oklahoma’s vital role in keeping as much Oklahoma natural gas flowing as possible in this time of tight market supplies. While Oklahoma’s natural gas production cannot make up for what was lost because of last year’s hurricanes, if not for Oklahoma, the entire nation would be facing even higher prices and tighter supplies.”

Commission Vice-Chairman Denise Bode noted today’s order continues a policy that began some six years ago, when Commissioners first began warning of a looming natural gas crisis.

“We saw the warning signs back in 2000,” Bode said. “In fact, we convened a natural gas summit in the summer of 2000 because there was so much concern over what the future would hold. Allowing the unallocated wells to produce as much as possible was and is based on those concerns as well as our responsibility to see that this natural resource is produced properly for the benefit of Oklahoma.”

Commissioner Bob Anthony said the Commission has also taken other steps in light of natural gas supply concerns.

"The Commission instituted several changes in its procedures to remove administrative barriers to the Oklahoma oil and natural gas production so critical to our nation, while maintaining environmental safeguards," said Anthony. "This has played a role Oklahoma’s in current designation as the second largest land-based natural gas

(more)

(GAS, pg 2)

production state.”

Specifically, the Commission proration order issued Thursday will continue to allow unallocated gas wells in Oklahoma to produce the greater of 65 percent of calculated absolute open flow (CAOF) or 2 million cubic feet per day.

In practical terms, those numbers are the maximum amount the best well can produce in Oklahoma.

-OCC-

(All OCC advisories and news releases are available at the Commission web site www.occ.state.ok.us)

Lifeline and Link Up low-income telephone support programs in Oklahoma

Low-income Oklahomans may apply for reduced cost wireline or wireless phone service through designated telephone companies. The low income support programs that allow reduced costs for both phone installation and monthly phone service are basic Lifeline and Link Up and Enhanced Lifeline and Link Up. The Enhanced programs are available only on Tribal Lands. The basic Lifeline and Link Up are available only on non-tribal lands. Below you will find definitions, eligibility requirements and how to apply for both.

Lifeline and Link Up are discount support mechanisms to ensure quality telecommunications services are available to all qualifying low-income consumers at just, reasonable and affordable rates. These two programs combine to provide low-income households with discounts for the installation of phone service (known as Link Up) and monthly phone bills (known as Lifeline) at their principal place of residence. The program applies to either a wireline or wireless phone service provided by a participating carrier (eligible telecommunications carrier or ETC).

Benefits of Lifeline/Link Up support programs

Basic Lifeline discounts on phone bills can be up to \$10.00 per month. The basic Link-Up program pays for one-half of your wireline or wireless installation or activation fee, not including the handset, up to \$30. Consumers living on tribal lands may qualify for additional Lifeline and Link-Up discounts. (see below)

Enhanced Lifeline/Link Up for Tribal Lands in Oklahoma

In the summer of 2000, the Federal Communications Commission (FCC) issued what is referred to as its “12th Report and Order” which estimated that in portions of the nation, notably those on reservations or near reservation lands, as much as 40% of the families were without telephone service in the home. In response, the FCC authorized a fourth tier of enhancement to be paid through the Lifeline and Link-Up programs. Eligibility requirements were expanded and the program was named Enhanced Lifeline and Link Up.

Tribal Lands Defined

The Enhanced Lifeline and Link Up programs include low-income consumers on Tribal Lands in Oklahoma and other states. Tribal Lands are defined as any federally recognized Indian Tribe’s Reservation (The Osage Nation) or former reservation in Oklahoma or an Indian Allotment. The areas of the state where consumers may apply for Enhanced Lifeline and Link Up include the entire state of Oklahoma except for the panhandle and portions of the extreme southwest and northwest corners of the state.

Areas of Oklahoma “Not” eligible for Enhanced Lifeline/Link Up. All other areas of the state are eligible.

Panhandle—Cimarron, Texas, and Beaver counties

Northwest corner of Oklahoma--Harper, Woods and Alfalfa counties and the western half of Ellis county

Southwest corner of Oklahoma—Greer, Harmon and Jackson counties as well as the area of Beckham county south of the North Fork of the Red River known as “the leased district.”

Benefits of Enhanced Lifeline/Link Up support programs

Qualified Enhanced Lifeline consumers living on Tribal Lands are provided with additional discounts on monthly basic phone service. Depending on current rates, eligible subscribers on Tribal Lands may receive local phone service for as little as \$1 a month.

Eligible Enhanced Link-Up consumers receive a one-time initial hook-up discount of up to 50% of the first \$60 of your bill for a maximum of \$30. Enhanced Link-Up for qualified consumers on Tribal Lands with installation costs above \$60, receive an additional discount of up to \$70 for a maximum of \$100. For example, an installation fee of from \$60 to \$130 would only cost a consumer on Tribal Lands \$30.

Eligibility for Basic and Enhanced Lifeline/Link Up Support

You must be eligible for or a participant in at least one of the following programs:

- **Bureau of Indian Affairs General Assistance**
- **Tribally-Administered Temporary Assistance for Needy Families (TTANF)**
- **Head Start Programs (under income qualifying eligibility provision only)**
- **The National School Lunch Program's Free Lunch Program**
- **Medical Assistance and/or Medicaid**
- **Food Stamps**
- **Supplemental Security Income (SSI)**
- **Federal Public Housing Assistance (Section 8)**
- **Low-Income Home Energy Assistance Program (LIHEAP)**
- **Temporary Assistance to Needy Families**
- **Participate in or receive assistance or benefits, as certified by the state Department of Rehabilitation Services, under a program providing vocational rehabilitation, including aid to the hearing impaired: or,**
- **Participate in or receive assistance or benefits, as certified by the Oklahoma Tax Commission, pursuant to the Sales Tax Relief Act, 68 O.S., 5011 *et seq.***

Applications

You will be required to fill out an application and show documentation of your qualification for at least one of the qualifying assistance programs.

You should contact your local telephone company for information on whether you qualify for the Lifeline/Link Up or the Enhanced Lifeline/Linkup programs and how to apply. State Qualifying information is also available on the Universal Service Administrative Company's (USAC) web site, www.lifelinesupport.org, in your local phone directory, or you can call USAC toll free at 1-888-641-8722.

In Oklahoma, the following telephone companies are designated as eligible to offer Lifeline/Link Up support programs:

Oklahoma Incumbent Local Exchange Companies Designated as ETCs

[\(Click Here For the Latest Listing\)](#)

News from the **Oklahoma Corporation Commission**

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March 01, 2006

A PRICE BREAK

(Commissioners approve lower gas charge for ONG customers, expected savings about 13 million dollars)

(Oklahoma City) – The Oklahoma Corporation Commission today gave unanimous approval to a lower fuel charge for Oklahoma Natural Gas (ONG) customers, with an estimated total savings of about \$13 million. The fuel charge is called the Purchased Gas Adjustment, or PGA, and is a “pass-through” allowed by state law to the consumer of what ONG paid for the gas.

Commission Chairman Jeff Cloud says it’s another sign the natural gas market has begun a return to normalcy.

“No agency, federal or state, has jurisdiction over energy prices,” explained Cloud. “They are set by market forces. Natural gas prices had already been rising when Hurricanes Katrina and Rita hit, and the sudden loss of about a quarter of the nation’s natural gas production at a time when supplies were already rather tight caused national prices to skyrocket. They peaked at over \$15 a dekatherm in December, but began declining as much of the nation enjoyed a fairly warm winter, demand did not meet expectations, and the Gulf wells began to come back on-line. However, it is important to note that even as prices come down, they still remain high on an historic basis, and this nation still faces problems when it comes to meeting natural gas demand in the future.”

Commissioner Denise Bode agreed.

“While it’s wonderful to see ONG address the concerns of Commissioners on behalf of the consumer, the fact remains that this nation is still in a precarious position when it comes to its energy needs, particularly in regards to natural gas. The current push to import Liquefied Natural Gas (LNG) to solve the problem is like a debtor borrowing more money to get out of debt. Increasing our dependence on foreign energy is simply not the answer. We must do more to encourage development of America’s natural gas resources, as we have in Oklahoma by reducing red tape. As a result, Oklahoma is now the number 2 gas producing state in the nation. At the same time, gas and electric utilities, and those who regulate them, must exercise vigilance on behalf of the consumer when it comes to controlling fuel costs as much as possible. I want to assure consumers we will be vigilant in closely examining ONG’s gas purchasing practices to be sure Oklahomans are getting the best deal possible.”

(more)

(PGA, pg 2.)

Commissioner Bob Anthony said ONG's latest request to lower its PGA is a welcome answer to concerns he raised in January.

"Consumers have been crying out for relief, and I appreciate OCC staff and the company for being responsive. We saw natural gas prices falling on the national market, but that amount was not immediately reflected in ONG's PGA, which has been filed on a quarterly basis. This latest PGA reduction request comes only a few weeks after ONG asked for, and was granted, a lower PGA. I thank the company for responding to the concern I raised in January regarding the fact that ONG was basing its PGA on a projected quarterly price, and as a result the gas charge borne by ONG customers did not come down as quickly as the national market prices."

Today's decision will lower the ONG purchased gas adjustment borne by the customer to approximately \$8.45 per dekatherm, a drop from the previous PGA of approximately \$9.58 per dekatherm. It's estimated the average residential customer will save about 11 dollars a month under the new PGA. ONG will file a new PGA in April.

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(All OCC advisories and news releases are available at the Commission web site www.occ.state.ok.us)

News from the **Oklahoma Corporation Commission**

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March 3, 2006

E911 SERVICE FOR MURRAY COUNTY

Corporation Commissioners approve funding for 911 upgrades that will allow callers to be located

(Oklahoma City) The Oklahoma Corporation Commission today approved a payment of \$104,739 from its E-911 fund to help pay for an E911 upgrade for Murray County's existing basic 911 system.

The "E" in "E911" stands for "Enhanced", meaning the 911 system can identify the location of the caller so police, fire, medical or other emergency responders may be dispatched quickly to the scene.

Commission Chairman Jeff Cloud said the money will allow Murray County to have a system that will permit 9-1-1 dispatchers to determine the location of incoming emergency calls.

"The E911 fund has been one of the most important safety assistance programs administered by the commission," said Cloud. "The money approved today for Murray County is somewhat historic, in that it is the last of the fund. Murray County's was the final request for fund monies, and the amount approved today is the fund's final balance."

Commissioner Denise Bode said the fund was instituted about 8 years ago.

"Since its inception in 1998, the fund has provided money for E-911 systems in all parts of Oklahoma," noted Bode. "These are systems that can quite literally mean the difference between life and death for some."

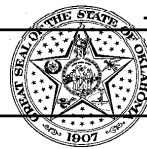
Commissioner Bob Anthony agreed, saying the importance of E-911 systems cannot be exaggerated.

"In an emergency, every second counts," said Anthony. "In many many cases, those needing help are unable to tell the dispatcher where they are. Having a system that allows emergency responders to find the person in such instances is invaluable."

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NEWS FROM: Denise Bode, Vice-Chairman



Contact: A.J. Ferate (405) 521-2822

WINDS OF CHANGE

Commissioner Denise Bode says things continue to get better when it comes to Oklahoma's energy portfolio

(Oklahoma City) When Corporation Commissioner Denise Bode became the first Oklahoma Gas and Electric (OG&E) customer to sign up for the firm's then-brand-new wind power option, she did so with the firm belief that time would prove Oklahoma's wind is a valuable energy resource. It hasn't taken long to see that become a reality.

"It's been a little more than two years since the Commission approved the program, and in that time, we have moved from being virtually unranked in the nation when it came to wind power to this week being ranked as fifth highest by the American Wind Energy Association," said Bode.



Commissioner Bode with children of employees at the Blue Canyon Wind Farm near Lawton.

"Oklahoma now has about 475 megawatts of wind-generated electricity, with more on the way."

Bode is chairman of the Oklahoma Wind Power Assessment Committee/Renewable Energy Task Force that was charged by the legislature with studying alternative energy potential in Oklahoma and making recommendations for legislative policy.

"The Committee's work has shown that renewable energy is viable in Oklahoma and its development should be supported," noted Bode. "While fossil fuels enabled our industrial development and will continue to provide a substantial share of our energy requirements, global economic development

and other factors have strained traditional fuel supplies and as we all know, prices have increased. Renewable resources, such as wind, are becoming more competitive as a result. The continued development of renewable energy will enhance our energy security and help protect our economic growth."

Bode says its important to understand that renewable energy such as wind has taken its place in what can be viewed as "Oklahoma's energy portfolio."

(more)

(Wind, pg. 2)

“Certainly oil and natural gas production is and will continue to be a vital part of the state’s energy portfolio,” said Bode. “The oil and gas business forms the historical basis for the Sooner State’s position as an energy leader. But fossil fuels, wind power, and bio-mass can now be combined into an energy portfolio that will ensure Oklahoma remains an energy leader in the future.”

The Oklahoma Wind Power Assessment Committee/Renewable Energy Task Force reports and recommendations can be found at <http://www.occ.state.ok.us/Alternative%20Energy.htm>.

NEWS FROM: Denise Bode, Vice-Chairman



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April 4, 2006

REAL HEROS

The loss of America's energy leadership concerns more than oil, says Bode

(Midland, Texas) The loss of America's role as an energy leader in the world impacts more than just the price at the pump, asserts Corporation Commissioner Denise Bode.

Speaking at the Hearst Energy Awards presentation in Midland, Texas, Bode said that while the loss of 1.6 million barrels a day of domestic production and the 75,000 people who lost their jobs since the last crash in 1998 pose sobering and worrisome statistics, "it is the loss of spirit and example" that troubles her just as much.



Commissioner Bode addresses attendees at the Hearst Energy Awards

"What frightened me most about the historical 1998 crash in the domestic oil industry was the impact on the dwindling number of people who have followed in the footsteps of the pioneers of the industry, those who committed themselves and their fortunes to public service, be it in Congress, in building schools and entire towns, or in the creation of foundations that have left a lasting legacy of work that has sought to build a better world for our children," said Bode.

"Our children need that example now more than ever in this fast-paced society, a society that has replaced the values that made for true heroes with the false values of the notorious

and dishonorable in the celebrity world," she said.

But Bode added it is the spirit that still exists in the domestic energy industry that can both restore America's energy leadership and continue to help with society's ills.

"These are people of character; the kind that, as Charles de Gaulle said, '...find a special attractiveness in difficulty, since it is only by coming to grips with difficulty that he can realize his potential,' " said Bode.

The Hearst Energy Awards honor significant achievements and contributions of the oil and gas industry. Oklahomans who are past recipients include Commissioner Bode and former U.S. Senator and University of Oklahoma President David Boren.

(end)

Denise Bode, Vice-Chairman



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April 28, 2006

**STATEMENT OF VICE-CHAIRMAN DENISE BODE REGARDING THE DAYTON
TIRE PLANT**

“Less than 2 years ago, the Corporation Commission took steps to satisfy Dayton Tire officials who said the Oklahoma City plant faced closure without an agreement for low cost steam. Commissioners were able to formulate a package that satisfied the concerns of Dayton, steam provider PowerSmith, and Oklahoma Gas and Electric, which buys electricity from PowerSmith.

“All involved thought the hard work was worth the effort.

“The end result is that it bought the plant time and kept hundreds of Oklahomans working. It is my fervent hope that history will repeat itself, and efforts to save the plant will be successful.”

On August 27, 2004, the Commission approved a Cogeneration plant agreement between Powersmith and OG&E. The order provided that OG&E will buy needed electricity from PowerSmith’s cogeneration facility, and the facility would continue to provide steam to the Dayton Tire manufacturing plant, all at a savings to ratepayers.

Based on the numbers provided the Commission by officials during the case, the Dayton plant has an 800 million dollar annual impact on the state’s economy.

News from the **Oklahoma Corporation Commission**

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April 28, 2006

KEEPING THE LIGHTS ON

New Commission "reliability report card" shows how electric utilities are doing

(Oklahoma City) The Oklahoma Corporation Commission's annual Reliability Scorecard has been released, giving Oklahomans who are customers of regulated electric utilities the ability to see how their respective company is doing when it comes to providing reliable service.

Commission Chairman Jeff Cloud said the Scorecard is part of an effort aimed at helping both the utilities and their customers.

"The full reliability report from each utility includes a required description of the utility's program for analyzing and improving its worst-performing circuits as well as a review of the results of past programs," said Cloud. "The bottom line is that it is a tool that can be used by both the customer and company in evaluating performance and planning improvements aimed at minimizing the frequency and duration of electric service interruptions."

Commissioner Denise Bode said the Scorecard graphically illustrates the need for infrastructure improvement.

"While there were several wide spread severe storms that occurred during the reporting period (2005) that did influence the estimates toward the negative side, anyone looking at this Scorecard can see there is a problem," said Bode. "The good news is that the Commission has been working with the regulated electric utilities over the past year to ensure they have the resources they need to make critical infrastructure improvements in order to provide, at the best possible price, the reliable service so critical to the future of our high-tech economy."

Commissioner Bob Anthony Commissioner Bob Anthony said the report introduces an amount of market influence into an otherwise regulated monopoly industry.

"The reliability report shows where each of these companies stands in regards to other electric utilities in the state and gives them an incentive to remain at the top of the service quality list," said Anthony. "At the same time, as the agency charged with the difficult task of ensuring reliable service at rates that are 'fair just and reasonable' for both the consumer and the company, the Reliability Report provides us an illustrative, valuable 'real world' snapshot."

A summation of the 2006 Reliability Scorecard is attached.

2006 RELIABILITY SCORECARD

What is the Reliability Scorecard?

The Reliability Scorecard was ordered by the Corporation Commission in order to provide a tool regulators, businesses, and residential consumers can use to monitor the performance of Oklahoma's regulated electric utilities, with an emphasis on noting what, if any, improvements have to be made and once implemented, whether such improvements are effective. The Scorecard is required under [Commission rules on electric reliability](#). These rules contain a number of terms that may be unfamiliar to many. For [definitions, click here](#).

This is the second year for the scorecard.

What companies does the Scorecard cover?

The following companies provided data pursuant to those rules:

COMPANY	OKLAHOMA CUSTOMERS AT YEAR-END	
	2004	2005
Oklahoma Gas & Electric Co. ¹	664,678	682,808
Public Service Co. of Oklahoma	505,633	510,325
Northeast Oklahoma Electric Coop., Inc.	36,598	37,260
Verdigris Valley Electric Coop., Inc.	28,900 ³	32,290
Canadian Valley Electric Coop.	21,600	22,208
Xcel Energy	9,436	9,434
Empire District Electric Co. ²	5,665	5,641
Arkansas Valley Electric Coop., Corp.	52,989 ⁴	4,299

¹ OG&E used its average number of Oklahoma customers for 2005 (670,164) in its computations.

² Empire District used a customer count of 6,885 in its computations because, while that number included customers outside of Oklahoma, all were served using the same circuits.

³ Verdigris Valley used an estimated 30,000 customers in its computations.

⁴ Arkansas Valley reported system-wide data for 2004.

How is the Scorecard compiled?

The Scorecard is compiled from data detailing such things as the number of customer interruptions and the total number of customers served. This data is used to formulate indices used nationwide to measure electric utility company reliability. These indices are

part of the Institute of Electrical and Electronic Engineers (IEEE) standard. These indices are:

SAIFI – which stands for System Average Interruption Frequency Index

SAIDI – which stands for System Average Interruption Duration Frequency Index

What's the difference between the two indices?

SAIDI (“D” – duration) measures the total length of the interruptions in hours or minutes per year.

SAIFI (“F” – frequency) measures how many interruptions occurred.

Here are the formulas used for each index:

$$\text{SAIDI} = \frac{\text{Sum of all customer interruption durations}}{\text{Total number of customers served}}$$

$$\text{SAIFI} = \frac{\text{Total number of customer interruptions}}{\text{Total number of customers served}}$$

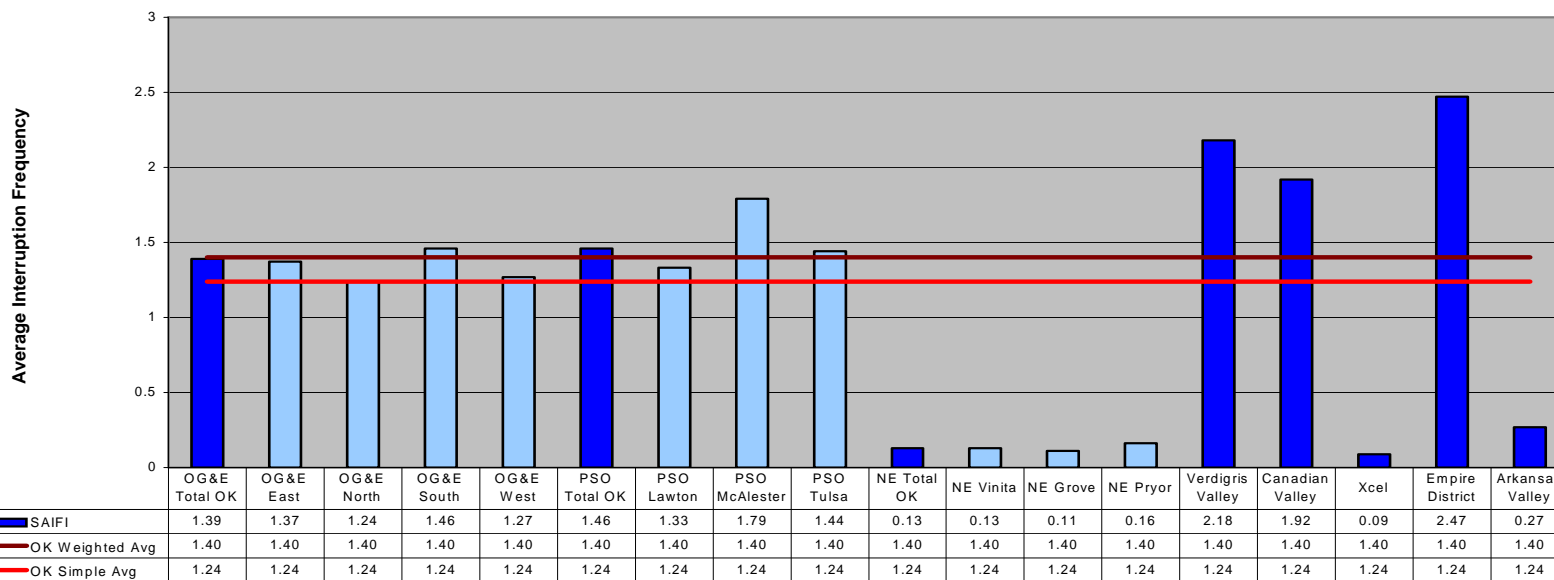
It is important to understand that SAIFI and SAIDI are what are called “weighted performance indices.” They stress the performance of the worst performing circuits, and the utility company’s performance during “major events” (e.g., severe storms) that last less than 24 hours.

Data points for each company that provided the SAIDI and SAIFI indices for year 2005 and the prior 5 years were plotted. The SAIDI and SAIFI indices were plotted in order to present a visual comparison among the companies. Since there is not a standard to measure the companies’ performance against, averages for the state for both SAIDI and SAIFI were calculated using the data provided by each company.

The worst performing circuits were provided according to the rules. These will be monitored and the date that they are removed from the list will be noted.

The SAIFI and SAIDI reliability indices are based on 12 months of system performance data ending December, 2005, and exclude "Major Events" as defined by OAC 165:35-25-13. The Oklahoma Average SAIFI and SAIDI were estimated by first computing a weighted average of the combined data for each statistic, and second computing a simple (unweighted) average in a similar manner.

Chart 1. All Electric Companies - 2005 SAIFI



Company

Please note that several wide spread severe storms occurred during 2005 that resulted in outages of either 10% or more customers in an operating district affected, or outage duration of more than 24 hours, but not both. These outages only narrowly missed exclusion from these computations as “major events” (see OAC 165:35-25-13), and negatively impacted estimates of system reliability. Examples of these occurrences include tornados, ice storms, and wide spread areas of high winds. The impact of these events is evident in Charts 1a and 2a.

Chart 1a. All Electric Companies - Comparison of 2004 and 2005 SAIFI Values

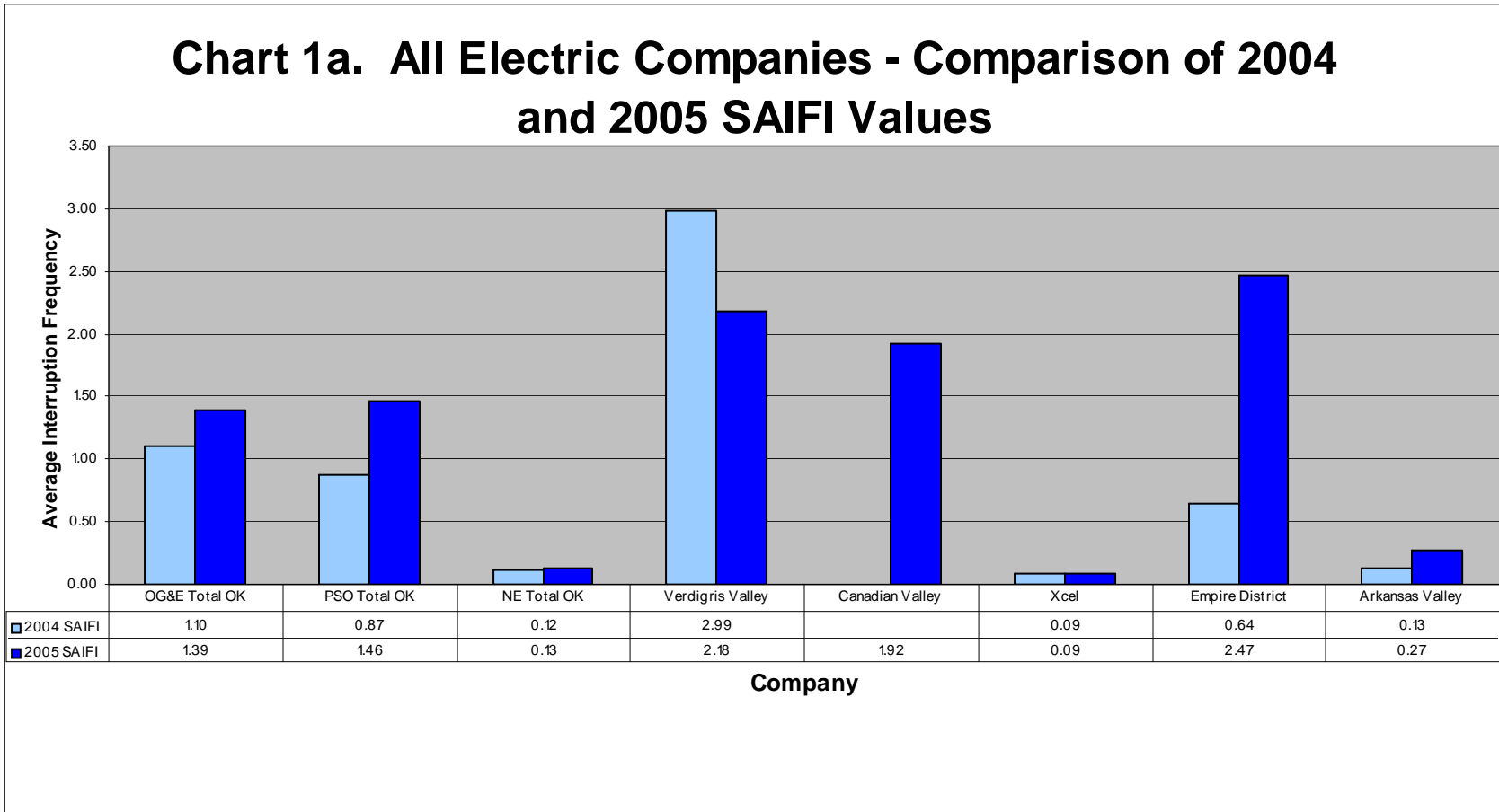
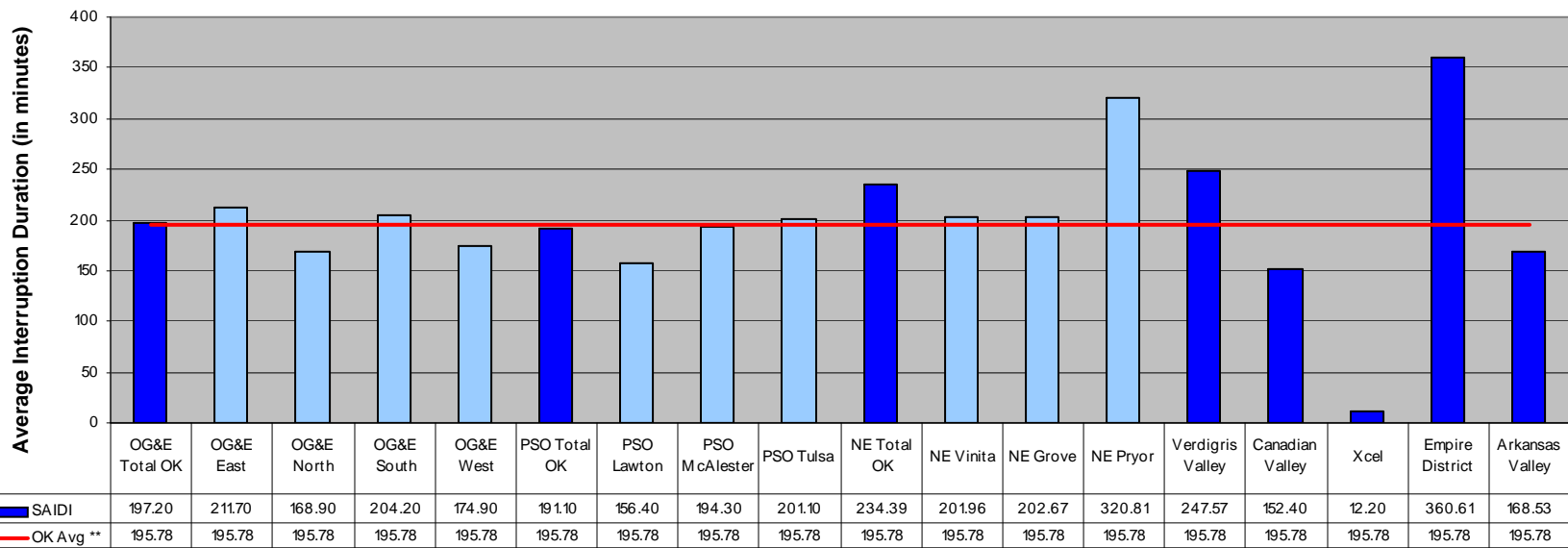


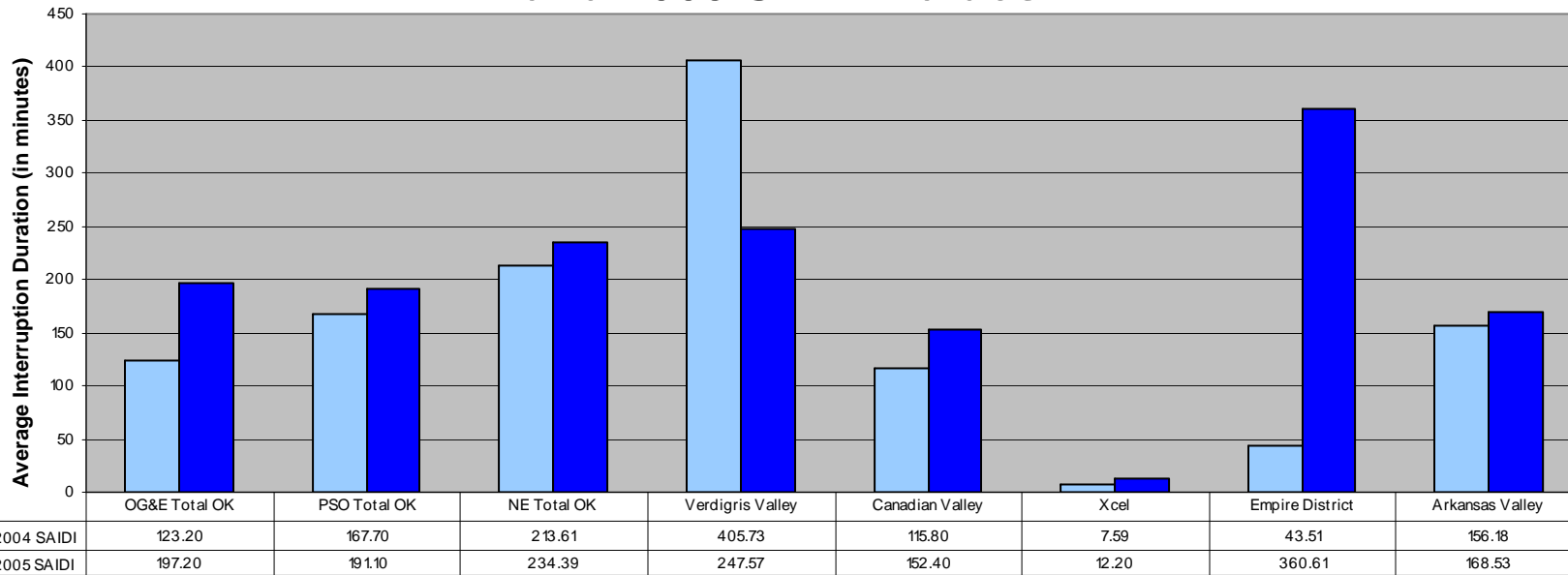
Chart 2. All Electric Companies -- 2005 SAIDI*



Company

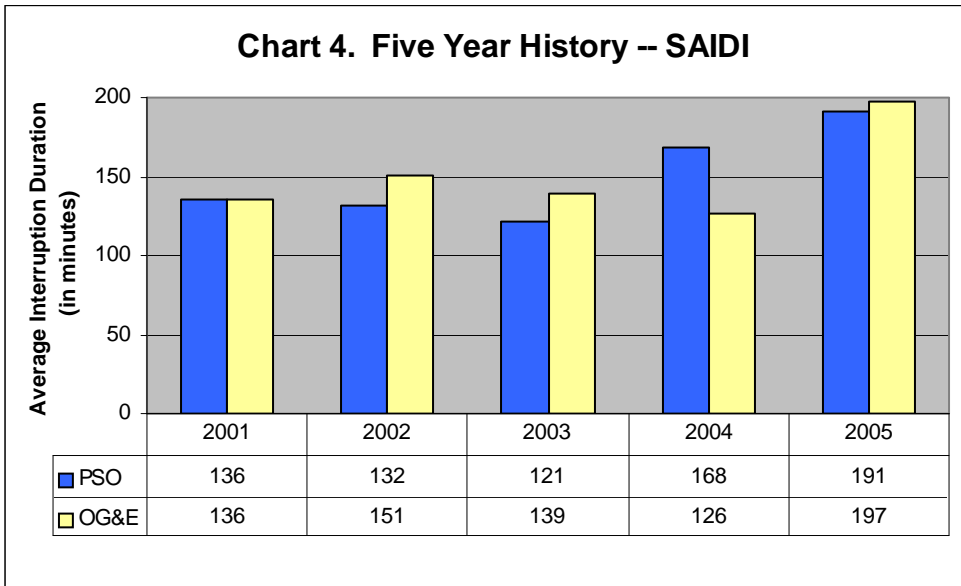
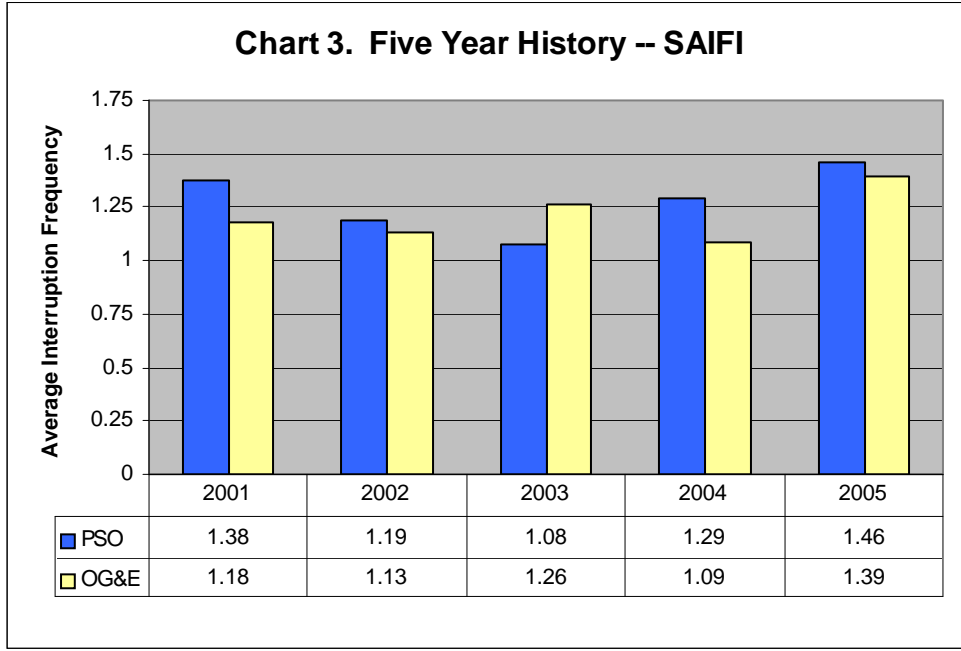
** Both the weighted and simple averages are approximately 195.

Chart 2a. All Electric Companies - Comparison of 2004 and 2005 SAIDI Values



Company

The five Year History of both SAIFI and SAIDI data, provided by OG&E and PSO, is displayed in Charts 3 and 4. The Oklahoma Average was calculated as a simple average using information provided by the reporting companies.



Commission Rules Summary

OAC 165:35-25-14. Reliability program

Each utility shall design and maintain a program to limit the frequency and duration of electric service interruptions. The program should include inspection, maintenance, repair and replacement standards that ensure service restoration as well as preventive and emergency maintenance; and should give special emphasis to the improvement of the worst performing circuits in each region. The program should include at a minimum:

- (1) The age, distribution and location of equipment on each circuit.
- (2) The number, density and location of customers on each circuit.
- (3) The location and density of trees on the system.
- (4) An annual vegetation management plan
- (5) The impacts on distribution system reliability of animals, wind, storms, ice and auto accidents.

OAC 165:35-25-20. Annual reliability report

Each utility shall submit an annual reliability report to the Commission by March 1st of each year, beginning March 1, 2005. The Commission may request additional data, however, the report shall include the following:

- (1) A description of all vegetation management performed by the utility for the previous calendar year and the vegetation management it plans to perform for the current year.
 - (2) SAIDI and SAIFI (and to the maximum extent practicable, MAIFI) values computed for the entire service territory and displayed in tabular form.
 - (3) SAIDI and SAIFI (and to the maximum extent practicable, MAIFI) values computed for each of the utility's regions and displayed in tabular form.
- (4) A detailed report for each major event that is not included in the calculation of the reliability indices. The major event report shall include the interruption cause or causes, date, regional location, percentages of customers without service in that region as a result of the event, the time or time frame in which service was lost to 10% or more of that region, the time the last customer's service was restored in that region, and any other details that the utility or the Commission believes will further justify the exclusion of the event from the calculations.
- (5) A description of the program the utility has in place for analyzing and improving worst performing circuits and a summary of the results of the program for the reporting year.
- (6) A description and map identifying the utility's service regions or operations divisions, documentation and illustration of any changes in region boundaries as defined by the utility, and justification for such changes.

- (7) For each utility with less than 100,000 customers, the utility must show the data used to calculate as well as the calculation of the rural adjusted minimum performance level.

Definitions

Definitions are given here to aid the user in understanding the factors that affect index calculation. Many of these definitions were taken directly from IEEE Std 100-1996. If there is a conflict between the definitions in this guide and IEEE Std 100-1996, the definitions in this guide take precedence. Others are given because they have a new interpretation within this guide or have not been defined before.

Distribution system: That portion of an electric system that delivers electric energy from transformation points on the transmission system to the customer. *Note:* The distribution system is generally considered to be anything from the distribution substation fence to the customer meter. Often the initial over current protection and voltage regulator are within the substation fence.

Duration interruption: The period (measured in seconds, or minutes, or hours, or days) from the initiation of an interruption to a customer or other facility until service has been restored to that customer or facility. An interruption may require step-restoration tracking to provide reliable index calculation. It may be desirable to record the duration of each interruption.

Major event: A catastrophic event that exceeds design limits of the electric power system and that is characterized by the following (as defined by the utility):

- a) Extensive damage to the electric power system;
- b) More than a specified percentage of customers simultaneously out of service;
- c) Service restoration times longer than specified.

Some examples are extreme weather, such as a one in five year event, or earthquakes.

Denise Bode, Vice Chairman



Contact: A.J. Ferate (405) 521-2822

Jun 1, 2006

REFINING OKLAHOMA'S ENERGY

Bill awaiting Governor's signature strengthens Oklahoma's energy future

(Oklahoma City) Oklahoma Corporation Commissioner Denise Bode and State Representative Lee Denney say Oklahoma stands ready to take the lead in securing America's energy future, now that a bill laying out the welcome mat to additional refining capacity is awaiting the Governor's signature.

Commissioner Bode worked with Representative Denney on the measure. Bode said passage of HB2810 in the closing hours of the Oklahoma legislature's regular session is good news for Oklahoma's economy, and especially Oklahoma drivers.

"The bill encourages badly needed refinery expansion and construction in Oklahoma," explained Bode. "The principle way to lower the cost of gasoline is by increasing our ability to refine crude oil in this country. Oklahoma stands poised to take the lead among states to build and upgrade refineries. For more than 10 years, we have been warning the country about the danger posed by a lack of refining capacity. Last year's hurricanes provided proof of the validity of those warnings as fuel prices skyrocketed.

"At the same time, the measure stands to create many good-paying jobs in Oklahoma," added Bode.

Representative Denney said the bill could also strengthen the nation's security.

"Much of the nation's refining capacity is in the hurricane-prone region," Denney pointed out. "HB2810 makes Oklahoma more attractive to energy companies looking to locate refineries in the more secure interior of the country."

Among other things, the bill streamlines the permit process for prospective refineries, and provides various financial incentives.

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June 7, 2006

REFINING OKLAHOMA'S ENERGY

Bill signed by Governor today strengthens Oklahoma's energy future

(Oklahoma City) Oklahoma Corporation Commissioner Denise Bode and State Representative Lee Denney say Oklahoma stands ready to take the lead in securing America's energy future, now that the Governor has signed a bill laying out the welcome mat to additional refining capacity.

Commissioner Bode worked with Representative Denney on the measure. Bode said passage of HB2810 in the closing hours of the Oklahoma legislature's regular session, combined with the Governor's signature is good news for Oklahoma's economy, and especially Oklahoma drivers.

"The bill encourages badly needed refinery expansion and construction in Oklahoma," explained Bode. "The principle way to lower the cost of gasoline is by increasing our ability to refine crude oil in this country. Oklahoma stands poised to take the lead among states to build and upgrade refineries. For more than 10 years, we have been warning the country about the danger posed by a lack of refining capacity. Last year's hurricanes provided proof of the validity of those warnings as fuel prices skyrocketed.

"At the same time, the measure stands to create many good-paying jobs in Oklahoma," added Bode.

Representative Denney said the bill signed into law strengthens the nation's security.

"Much of the nation's refining capacity is in the hurricane-prone region," Denney pointed out. "HB2810 makes Oklahoma more attractive to energy companies looking to locate refineries in the more secure interior of the country."

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(end)

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Denise Bode, Vice Chairman



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Jun 21, 2006

The Mid-America Regulatory Conference (MARC) today announced the election of Oklahoma Corporation Commissioner Denise Bode to the position of Vice-President of MARC.

Bode, the first Oklahoman to hold the position, said it is a “true honor” to serve as MARC vice president.

“As an organization composed of utility and transportation regulators from the Mid-America region, MARC serves a vital role in ensuring the public is represented and informed when it comes to matters that can impact the wallets of millions across the entire region, and that the best ideas be shared,” said Bode. “Gone are the days when each state could simply ‘do it’s own thing’ without regard for its neighbors. In terms of utility and transportation regulation, there are times when if someone in Missouri sneezes, someone in Oklahoma catches a cold. It is critical that Oklahoma have a place at the table in such an organization.”

The Mid-America Regulatory Conference was formed in 1956. The member states include Oklahoma, Texas, Missouri, Arkansas, Kansas, Nebraska, North Dakota, South Dakota, Minnesota, Iowa, Wisconsin, Illinois, Indiana and Ohio.

Commission Bode is also chair of the Regional State Committee of the Southwest Power Pool, a member of the Intergovernmental Advisory Committee of the Federal Communications Commission (FCC), Chair of the Subcommittee on Critical Infrastructure for the Interstate Oil and Gas Compact Commission, and Chair of the National Association of Regulatory Utility Commissioners (NARUC) Foundation.

News from the **Oklahoma Corporation Commission**

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June 30, 2006

SUMMER SAVINGS

Natural gas market correction means savings for utility customers

(Oklahoma City) Oklahoma Corporation Commissioners say they are pleased to see utility customers benefiting from the drop in natural gas prices.

Oklahoma Natural Gas (ONG) today became the latest company to receive Commission approval to reduce the fuel portion of its customers' bills.

Oklahoma Corporation Commission Chairman Jeff Cloud said in the past month, ONG, Public Service Company of Oklahoma (PSO), Oklahoma Gas and Electric Company (OG&E), and Arkansas Oklahoma Gas Corporation (AOG) made filings with the Commission to lower the fuel costs borne by customers.

“We are seeing market forces at work when it comes to natural gas,” noted Cloud. “Since spiking at over \$15 a dekatherm in December after the hurricanes ravaged oil and gas production in the Gulf, prices have gradually come down as producers in Oklahoma and elsewhere stepped up and Gulf production has begun to come back on-line. The utility companies in question have done the right thing and moved as quickly as they could to readjust their fuel charges accordingly.”

But Cloud noted consumers need to be aware and pro-active.

“There can be no doubt that the days when fuel costs were only a minor part of our utility bills are over. It is vitally important that all of us take whatever steps we can to conserve and hold the line as much as possible on our utility usage. There are plenty of simple steps we can take at home and on the job to save energy. These are available from many sources, including utility companies, the Oklahoma Energy Resources Board (www.oerb.com) and the U.S. Department of Energy (www.doe.gov).

“At the same time, we must continue to broaden our approach to meeting our energy needs. There is no magic bullet. The answer lies in using a balance of established and developing fuels and technologies.”

Vice-Chairman Denise Bode says the improving market is good news for consumers.

“We are seeing the results of natural gas supply overcoming demand in prices all across the state. With prices dropping on average \$22 at OG&E, \$6.28 on PSO electric bills, and today’s approval of an average residential savings of a \$1.60 drop in the natural gas charge at ONG, we should look forward to more affordable utility bills this summer.”

(more)

(SAVINGS, pg. 2)

Commissioner Bob Anthony noted that by far the largest cost on a utility bill is the price of natural gas, whether delivered directly to the consumer or used as fuel in the generation of electricity.

“I thank ONG for their willingness to voluntarily work with the Commission to get a \$1 per thousand cubic foot price reduction on customer bills one month earlier than would have been the case under the company’s normal tariff schedule for passing through costs from previous months,” Anthony said. “Utility companies pass through the price of fuel they actually pay with no mark-up. I commend them for getting these savings to their customers as quickly as possible.”

Under Oklahoma law, regulated electric and natural gas companies can “pass-through” their fuel costs to the customer at no profit. For natural gas companies, this is called the Purchased Gas Adjustment (PGA). For electric companies, the charge is called a Fuel Adjustment Clause (FAC). These charges are separate from the rates for utility service that are controlled by Corporation Commission.

Here is a breakdown of the anticipated fuel savings to the average residential customer from the recent filings:

ONG – Anticipated July savings: \$1.60
AOG - Anticipated July Savings: \$1.90
PSO – Anticipated July savings: \$6.28
OG&E - Anticipated July savings: \$22.00
AOG - Anticipated July Savings: \$1.90

-OCC-

(All OCC advisories and news releases are available at the Commission web site www.occ.state.ok.us)

News from the Oklahoma Corporation Commission

Matt Skinner, Public Information

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July 06, 2006

EMPLOYEES HONORED

The Oklahoma Corporation Commission has honored staffers of the agency's Petroleum Storage Tank (PST) Division with a Certificate of Commendation for their work in planning and hosting the annual national convention of PST Administrators in June. The convention had been scheduled for Biloxi, Mississippi, but Hurricane Katrina left the federal and state officials with no place to go. The Commission's PST's division volunteered to do all the work necessary to move the convention to Oklahoma City. All who attended the June event agree it was a tremendous success.



Left to right: Commission Chairman Jeff Cloud, Kayla Douglas, Kay Anderson, Lindy Sproul, Nancy Broyles, Commissioner Denise Bode, Susan Adlamini, Terin Morris, Robyn Strickland, and Commissioner Bob Anthony. (not pictured: Sheryl Moore-Jones, Bob Mares, Kim Massey, and Cara Parent)

-OCC-

(All OCC advisories and news releases are available at the Commission web site www.occ.state.ok.us)

Commissioner Denise Bode



Contact: A.J. Ferate (405) 521-2822

OKLAHOMA CRITICAL TO AMERICA'S ENERGY FUTURE
World events put Sooner energy production at center stage

(Oklahoma City) Oklahoma Corporation Commissioner Denise Bode says the growing tensions in the Middle East and Pacific Rim are placing even greater importance on Oklahoma energy production.

Bode said she is grateful for those energy producers who hung on through the tough times.

"Less than 10 years ago, I and others were testifying before Congress and urging them to develop a policy to stop the decimation of our domestic energy industry, arguing that the loss of the industry was national security issue. Not much was done on the federal level, but on the state level, we adopted policies to help the industry survive in Oklahoma."

"Now, more than ever, Oklahoma's role in national security cannot be overstated."

Commissioner Bode says as volatile as prices at the pump are now, it would be even worse without Oklahoma's energy industry.

"Fuel prices continue upward in response to violent actions on the part of Hezbollah, Hamas, and Kim Jong Il. Oklahoma can and will go a long way to support our nation by continuing to produce not only oil & gas, but to further explore Oklahoma's bright future in alternative energy as well. With the new biodiesel plant in Durant, several ethanol plants expected to come online in the next few years, and a growing wind power industry, Oklahoma is leading the way in the fight to greatly reduce America's dependence on foreign energy."

The possibility of a new refinery in Cushing would also go a long way towards protecting the United States, according to Bode.

"When Representative Lee Denney and I began work on HB 2810, the goal was to expand Oklahoma's refining capacity. Over three billion dollars in investment and jobs would come to Oklahoma as a result, not to mention the benefit of lower costs at the gas pump for Oklahoma drivers. Also, this goes further than Oklahoma's borders. We have an opportunity to build the first refinery in this nation in over 30 years. A new refinery would go a long way towards making the U.S. more secure, and assuring the United States has enough capacity to supply itself for years to come."

-OCC-

FOR IMMEDIATE RELEASE

Contact: James Spiegelman
Director of Communications
The Aspen Institute
Tel. 202-736-3849

**OKLAHOMA CORPORATION COMMISSION CHAIRMAN JEFF CLOUD NAMED TO THE
ASPEN INSTITUTE'S SECOND CLASS OF ASPEN-RODEL FELLOWS**

Washington, DC, September 11, 2006—Following an eight-month search involving input from more than 1,400 business, political, and civic leaders, the Aspen Institute has selected Oklahoma Corporation Commission Chairman Jeff Cloud as one of 24 top young elected officials for a fellowship program honoring public leaders.

This class of 24 Fellows, drawn from the ranks of federal, state, and local governments, and representing 21 states, forms the second two-year class of the Aspen-Rodel Fellowships in Public Leadership, designed to bring together “the very best of the nation's emerging leaders” to discuss broad issues of democratic governance and effective public service.

In addition to his current position, Mr. Cloud has also held high-level staff positions with a governor, two members of Congress, and the mayor of Oklahoma City. He has a degree in petroleum land management from the University of Oklahoma and a law degree from Oklahoma City University.

Former Congressman Mickey Edwards, the program's director, said the new fellowship class “represents the true promise of America—an outstanding group of young leaders with a clear commitment to putting the nation's interest ahead of partisan considerations.” Edwards said the selection process involved looking for young officials who had not only earned reputations for thoughtfulness and intelligence, but who had also been recognized for “their willingness to cross party lines and their ability to remain focused on the ideals that had led them into public service in the first place.”

The Institute's Rodel Fellowships in Leadership program brings together bipartisan groups of public officials judged to be the rising stars of American politics. The Fellows are selected in a months-long nomination and selection process that involves more than 1,400 business, professional, and civic leaders, and an advisory committee of more than 50 leading political figures.

This class of Fellows will meet for the first time in late November 2006 for a three-day conversation centered on the underlying values and principles of a democratic society.

— MORE —

This second class includes 12 Republicans and 12 Democrats, bringing the total number of Rodel Fellows to 48, drawn from 34 states, including members of Congress, as well as state and local officials.

Congressman Edwards described the program's goals as twofold: "in a political world in which partisanship has become increasingly bitter and public decision-making has become increasingly polarized, we're working to help a new generation of public leaders build lasting relationships across party lines, and at the same time, we're trying to sharpen the focus of the political conversation on our common goals as members of a diverse democracy."

Aspen Institute President Walter Isaacson said the Rodel Fellows "represent the best hope for America's future—upcoming leaders committed to working together for the common good."

These are the 24 young leaders selected as among the very best, brightest, and most promising members of America's emerging political leadership:

Texas State Representative **Rafael Anchia**;
Andre Bauer, Lieutenant Governor of South Carolina;
Laura Brod, Assistant Majority Leader of the Minnesota state House of Representatives;
Bronx Borough President **Adolfo Carrión, Jr.**;
Jeff Cloud, chairman of the Oklahoma Corporation Commission;
Eric Garcetti, president of the Los Angeles City Council;
San Francisco District Attorney **Kamala Harris**;
Jon Husted, Speaker of the Ohio House of Representatives;
Judge Dianne Jones, Dallas County Criminal Court;
New Jersey State Senator **Ellen Karcher**;
Chuck Larson, former Iowa State Representative and State Senator;
Lisa Madigan, Attorney General of Illinois;
Delaware State Treasurer **Jack Markell**;
Vermont Secretary of State **Deborah Markowitz**;
Lynette Boggs McDonald, county commissioner, Nevada;
Rob McKenna, Washington State Attorney General;
Indiana Secretary of State **Todd Rokita**;
Andrew Roraback, Connecticut State Senate;
State Representative **Deborah Ross** of North Carolina;
Pennsylvania State Representative **Josh Shapiro**;
Greg Stanton, Phoenix City Council;
Arizona State Representative **Leah Landrum Taylor**;
Kansas Secretary of State **Ron Thornburgh**;
Darren White, Sheriff of Bernalillo County (Albuquerque), New Mexico.

The Aspen Institute-Rodel Fellowships in Public Leadership seeks to enhance our democracy by identifying and bringing together the nation's most promising young political leaders to explore, through study and conversation, the underlying values and

principles of western democracy, the relationship between individuals and their community, and the responsibilities of public leadership; to support and inspire political leaders committed to sustaining the vision of a political system based on thoughtful and civil bipartisan dialogue; and to help America's brightest young leaders achieve their fullest potential in public service.

For additional information concerning the Aspen Institute-Rodel Fellowships in Public Leadership, please contact the program's assistant director, Ms. Gia Regan, at 202-736-2525 or at gia.regan@aspeninstitute.org. In addition, more information on Rodel Fellows and the program can be found at www.aspeninstitute.org/rodel.

The Aspen Institute, founded in 1950, is an international nonprofit dedicated to fostering enlightened leadership and open-minded dialogue. Through seminars, policy programs, conferences and leadership development initiatives, the Institute and its international partners seek to promote nonpartisan inquiry and an appreciation for timeless values. The Institute is headquartered in Washington, DC, and has campuses in Aspen, Colorado, and on the Wye River on Maryland's Eastern Shore. Its international network includes partner Aspen Institutes in Berlin, Rome, Lyon, Tokyo, and New Delhi, and leadership programs in Africa and Central America.

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News from the **Oklahoma Corporation Commission**

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September 22, 2006

Commissioner Bob Anthony elected to NRRI leadership position

Oklahoma Corporation Commissioner Bob Anthony has been elected Vice Chair of the Board of Directors of the National Regulatory Research Institute (NRRI).

The NRRI Board is responsible for establishing the annual research agenda and budget of the NRRI. The NRRI provides research, training, and technical assistance to state regulatory commissions in the areas of electricity, natural gas, water, telecommunications, consumer protection, and commission structure and operations. The NRRI is the official research arm of the National Association of Regulatory Utility Commissioners (NARUC).

Commissioner Anthony is on the NARUC Gas Committee and has been on the NRRI Board for the past two years. He was first elected to the Oklahoma Corporation Commission in 1988.

-OCC-

All OCC advisories and releases are available at www.occeweb.com