

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICATION OF PUBLIC SERVICE ) CAUSE NO. PUD 200500515  
 COMPANY OF OKLAHOMA FOR )  
 APPROVAL OF A RELIABILITY COST )  
 ADJUSTMENT (RCA) RIDER TARIFF ) ORDER NO. **519944**

HEARING: February 3, 2006  
 Before Maribeth D. Snapp, Administrative Law Judge

APPEARANCES: Jack P. Fite, Attorney for Public Service Company of Oklahoma  
 Teryl L. Williams, Assistant General Counsel and David B. Dykeman,  
 Deputy General Counsel for Public Utility Division, Oklahoma  
 Corporation Commission  
 Elizabeth Ryan, Assistant Attorney General for Office  
 of Attorney General

**FINAL ORDER**

BY THE COMMISSION:

The Oklahoma Corporation Commission (“Commission”) being regularly in session and the undersigned Commissioners being present and participating, the above entitled cause comes on for decision and order by the Commission.

**I. PROCEDURAL HISTORY**

On December 21, 2005, Public Service Company of Oklahoma (“PSO”) filed an Application requesting the Commission to approve a Reliability Cost Adjustment Tariff Rider that would add a Distribution Underground Allocator, would move the Lighting class to the Secondary Rate Class, and allow an approximate 70-day review period before a change in the Reliability Cost Adjustment Quarterly Factor would be implemented.

The Attorney General’s Office filed an Entry of Appearance on December 28, 2005.

This Commission issued Order No. 517956 Prescribing a Procedural Schedule on January 12, 2006 and Order No. 518022 Prescribing Notice on January 13, 2006. The Commission found that notice should be given to all parties of record in Cause No. PUD 200500218.

**II. SUMMARY OF EVIDENCE**

Mr. Alan Decker adopted the prefiled testimony of Kathy J. Champion, Principal Regulatory Consultant for American Electric Power Service Corporation, on behalf of PSO. He

explained that PSO filed the current cause because the Reliability Cost Adjustment (“RCA”) approved by the Commission by Order No. 515349 in Cause No. PUD 200500218 included overhead to underground line conversion costs (“UG”). The addition of UG necessitated changes to the RCA that were not discussed in testimony in the previous docket. Therefore, PSO decided to file this Application to address the inclusion of UG in the RCA as well as some other relatively minor issues. The annual amount to be included in the rider, \$23.685 million, would not be changed by the granting of the Application.

Mr. Decker further testified that the amended tariff would increase the review time from 45 to 70 days.

The UG costs were allocated to the classes using the distribution Underground Allocator (A/C366-367) used in PSO’s last rate case (PUD 200300076). This was the same methodology previously approved by the Commission for the Distribution Overhead Allocator (A/C593).

Mr. Decker testified that PSO was proposing to eliminating Lighting as a separate class and include those customers within the residential and commercial classes. This change was being proposed because of the higher than expected impact on Lighting customers which resulted from having them in a separate class.

Ms. Karen Forbes, Public Utility Regulatory Analyst in the Economic Research and Analyses Group for the Public Utility Division of the Oklahoma Corporation Commission, testified on behalf of the Commission’s Staff. Ms. Forbes recommended approval to extend PSO’s RCA Rider Tariff to include recovery of costs associated with the undergrounding of its aerial lines and to apply the appropriate Distribution Allocation Factor for undergrounding. Based upon Staff’s discovery, PSO’s testimony and proposed calculations within PSO’s Application, and consistent with Final Order No. 515349 issued in Cause No. PUD 200500218, authorizing the Vegetation Management Rider, it appeared to Staff the calculations to include undergrounding of overhead facility’s costs were reasonable.

Ms. Forbes further testified that Staff recommended approval of PSO’s proposed changes for the review time from 45 to 70 days and approval of PSO’s Lighting class being eliminated as a separate class and included with the residential and commercial classes.

The Attorney General filed a Statement of Position recommending the approval of the Application.

### **III. FINDINGS OF FACT AND CONCLUSIONS OF LAW**

The Commission finds it has jurisdiction pursuant to 17 O.S. § 152 *et seq.* and that notice was given as ordered.

The Commission further finds the requested changes proposed by PSO to the Reliability Cost Adjustment Tariff Rider should be approved.

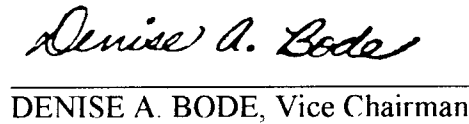
**ORDER**

IT IS THEREFORE THE ORDER OF THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA that Public Service Company of Oklahoma is authorized to implement the Reliability Cost Adjustment (RCA) Rider as requested.

IT IS FURTHER ORDERED that PSO shall file a Reliability Cost Adjustment (RCA) Rider with the Commission, which will be effective beginning with the next regular billing cycle after approval by the Director of the Public Utility Division of the Oklahoma Corporation Commission.

OKLAHOMA CORPORATION COMMISSION

  
JEFF CLOUD, Chairman

  
DENISE A. BODE, Vice Chairman

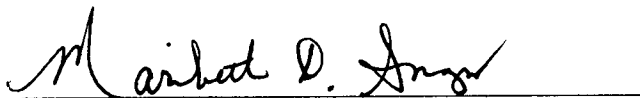
  
BOB ANTHONY, Commissioner

DONE AND PERFORMED THIS 16 DAY OF FEBRUARY, 2006, BY ORDER OF THE COMMISSION:

  
PEGGY MITCHELL, Secretary

**REPORT OF THE ADMINISTRATIVE LAW JUDGE**

The foregoing Findings and Order are the Report and Recommendations of the Administrative Law Judge.

  
MARIBETH D. SNAPP  
Administrative Law Judge

2-3-06  
Date