

BEFORE THE CORPORATION COMMISSION OF OKLAHOMA

IN THE MATTER OF THE APPLICATION OF)
OKLAHOMA GAS AND ELECTRIC COMPANY FOR) CAUSE NO. PUD 202100072
A FINANCING ORDER PURSUANT TO THE)
FEBRUARY 2021 REGULATED UTILITY)
CONSUMER PROTECTION ACT APPROVING)
SECURITIZATION OF COSTS ARISING FROM THE)
WINTER WEATHER EVENT OF FEBRUARY 2021)

Dissenting Opinion Continuation by Commissioner Bob Anthony

The results are in, and they show that the true impact on OG&E customers of securitizing the February 2021 winter storm costs using ratepayer-backed bonds was grossly misrepresented.

FACTS:

- The average monthly impact on customer bills will actually be *57% higher* than the \$2.12 deceitfully announced by the two commissioners who approved the bond financing.
- The much-touted “low” 2.58% bond interest rate actually topped out at 5.087% near the end of the bonds’ ridiculously-long, multi-decade term.
- The bogus claims of securitization “savings” conspicuously disintegrate in the face of about \$600 million in interest expenses – some \$300 million *more* than was so optimistically forecast.

In short, the results of OG&E’s winter storm bond issuance are simply horrifying. The Oklahoma Corporation Commission’s open-ended financing order failed to protect consumers and left all the risk for rising interest rates on ratepayers. At an interest rate twice what was originally promoted, not to mention millions more in costly incentives and fees, over time OG&E customers will actually be charged almost twice what they supposedly “owe” for the power they used during the February 2021 winter storm. And that’s on top of the astronomically inflated fuel prices at the core of it all which will now go largely uninvestigated.

No wonder 13 of the 15 states impacted by the 2021 winter storm rejected the costly Texas/Oklahoma securitization bond approach for their largest electric utilities.

The detrimental financial consequences for ratepayers are all the more heartbreaking as Oklahomans struggle with runaway inflation in so many other areas of their household budgets. As I repeatedly argued in December and January, it didn’t have to be this way. The insiders and special interests have had their way, and it’s the ratepayers who will pay – literally for generations!

July 18, 2022