

OGE ENERGY CORP
Form 8-K
January 16, 2004

FORM 8-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): January 16, 2004

Commission file number 1-12579

OGE ENERGY CORP.

(Exact name of registrant as specified in its charter)

Oklahoma
(State or other jurisdiction of
incorporation or organization)

73-1481638
(I.R.S. Employer
Identification No.)

Edgar Filing: OGE ENERGY CORP - Form 8-K

OKLAHOMA CITY OGE Energy Corp. (NYSE: OGE) today announced that its Oklahoma Gas and Electric Company subsidiary has withdrawn its request for a \$91 million rate increase.

The company said its decision is due to the delay in acquiring a 77 percent interest in the NRG McClain power plant located near Newcastle, Okla. The Federal Energy Regulatory Commission, which has yet to approve OG&E's acquisition of the plant, today discussed a procedural timeframe that would produce a decision on the acquisition late this summer.

While we fully intend to complete our acquisition of the McClain plant, we believe it is in the best interest of our customers, the Oklahoma Corporation Commission, and the company to withdraw our current case, then re-file at a later date, said Brian Alford, OG&E spokesman.

Despite pulling the case, OG&E is honoring its commitment to customer savings that it agreed to in its 2002 Oklahoma rate settlement. In that agreement, the company guaranteed customers at least \$25 million per year in savings over a three-year period that would be created by fuel cost savings from the new plant and allowing costly power-purchase contracts to expire.

While we do not yet own the highly efficient McClain facility, we have entered into an agreement to purchase low-cost power from it, Alford said. This low-priced power, combined with savings created by reductions in purchase power contracts, allows us to pass on about \$2 million per month in savings to our customers.

Alford added that while all customers are benefiting from the savings, which started Jan. 1, schools and small businesses would not see the additional savings that the company's rate case had outlined. We regret that we will be unable to pass on additional savings to schools, non profit organizations and small businesses this year, Alford said. These groups can rest assured, however, that we intend to seek additional savings for them in our revised filing.

OG&E serves approximately 720,000 customers in a service territory spanning 30,000 square miles in Oklahoma and western Arkansas. OGE Energy also is the parent company of Enogex Inc., a natural gas pipeline business with principal operations in Oklahoma and Arkansas.