BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

IN THE MATTER OF THE APPLICATION OF OKLAHOMA GAS AND ELECTRIC COMPANY FOR COMMISSION APPROVAL OF ELECTRIC SERVICE AGREEMENTS AND PREAPPROVAL OF CAPACITY PURCHASE AGREEMENTS PURSUANT TO 17 O.S. § 286(C)	)))))))	Case No. PUD2026-000031

Redacted Direct Testimony

of

John P. Laws

on behalf of

Oklahoma Gas and Electric Company

May 1, 2026

Q. **Please state your name and business address.**

A. My name is John P. Laws. My business address is 321 North Harvey, Oklahoma City, Oklahoma 73102.

Q. **By whom are you employed and in what capacity?**

A. I am employed by Oklahoma Gas and Electric Company ("OG&E" or "Company") as its Chief Commercial Officer.

Q. **Please summarize your professional qualifications and educational background.**

A. I have over 25 years of experience in executive leadership, with a proven track record in corporate strategy, corporate finance, and corporate development to include negotiations with counterparties on matters such as strategic commercial contract arrangements, asset portfolio construction, capital formation and mergers and acquisitions.

Most recently, I served as a consultant to OG&E and advised on certain negotiations with counterparties related to the Company's power procurement efforts and large new loads. Previously, I served on the Cabinet of Governor J. Kevin Stitt as Secretary of Budget and State Chief Financial Officer. In this capacity, I advised Governor Stitt and his administration on state policy, fiscal strategy, and legislative matters among other duties.

Prior to that role, I was employed by Enable Midstream Partners, LP, and its predecessors, where I held several leadership positions, most recently as Executive Vice President, Chief Financial Officer, and Treasurer. In that role, my responsibilities included overseeing finance, treasury, accounting, external reporting, internal audit, investor relations, and risk management functions.

Prior to Enable Midstream, I served as Director of Corporate Development at OGE Energy Corp. In that role, I evaluated strategic alternatives for certain assets, developed business strategies and negotiated asset acquisitions, including the OU Spirit wind generation facility and the Redbud combined-cycle gas-fired power plant.

Earlier in my career, I had experience as a principal investor with Hunt Private Equity Group, Inc., a Dallas, TX-based private equity firm, where I originated, evaluated, and executed leveraged buyout and growth capital investment opportunities on behalf of the firm. I began my career with Arthur Andersen LLP, where my duties included performing valuation analyses for public and privately-held business interests.

I earned a Master of Business Administration from the McCombs School of Business at The University of Texas at Austin and a Bachelor of Business Administration in Finance from the University of Oklahoma.

Q. **Have you previously testified before this Commission?**

A. Yes. As a witness for OG&E, I previously submitted testimony in Case No PUD 2025-000038.

Q. **What is the purpose of your testimony?**

A. The purpose of my testimony is to support the Company's request for relief in this Application and (i) explain the business arrangement contemplated by the special contracts between Alliance Site & Grid, LLC, a wholly-owned subsidiary of Google, LLC ("Google"), to serve three new Oklahoma data centers to be built and operated by Google; (ii) provide an overview of the agreements between Google and OG&E; and (iii) discuss the customer protections embedded in these agreements.

Q. **What is the general business arrangement supported by the special contracts?**

A. Google identified certain project sites in the State of Oklahoma for the development of three new data centers ("New Oklahoma Data Centers") and has entered into contracts with OG&E for electric service at each of the sites (each an "ESA" and, collectively, the "ESAs"). In addition to the contracts for electric service to the three sites, OG&E and Google entered into separate contracts whereby (i) Google will fund one hundred percent (100%) of the dedicated transmission infrastructure investments necessary to connect each site to the grid ("Preliminary Agreements") and (ii) OG&E will contract for a portion of the generation capacity required to serve the need identified in the Company's 2025 IRP

through capacity purchase agreements ("CPAs") with Google that are priced below market rates, as described by witness Schuermann.

The aggregate contract demand across the New Oklahoma Data Centers reaches approximately [redacted] by 2036, with the ability to scale further from that point. OG&E seeks to serve the New Oklahoma Data Centers with both Company sourced and Customer provided sources of generation resources and protect other customers from adverse rate impacts associated with serving the New Oklahoma Data Centers.

Q. **Can you explain the negotiation process between OG&E and Google?**

A. Yes. Google and OG&E began negotiations in earnest in the first half of 2025. Google's objectives for seeking service with OG&E are driven by a desire for operations in a state oriented toward economic development where it had an established footprint, speed to service for its data centers, fair cost allocation, working with a utility that has a strong reputation for providing safe and reliable service, and the Company's openness to consider Google's Supplemental Resources. OG&E's priorities include ensuring that it can safely and reliably serve its customers, together with the addition of Google, in a manner that will protect existing customers from costs necessary to solely serve the large Google load, and that shareholders will earn a reasonable return on the investments made to serve Google.

The negotiations of the commercial terms were complex and took a number of months to reach an agreement in principle that was documented in a Memorandum of Understanding ("MOU"), which was executed by the parties on November 4, 2025. This MOU served as the framework for the development of the definitive ESAs and CPAs which are at the center of this case.

Q. **Can you please describe the Preliminary Agreements?**

A. Yes. In parallel with the negotiations of the commercial terms, the parties entered into certain Preliminary Agreements that require Google to pay for one hundred percent (100%) of the costs of dedicated transmission infrastructure investments necessary to provide electric service to each site as a Contribution in Aid of Construction ("CIAC") payment. By requiring these costs to be paid as a CIAC they do not result in an increase to OG&E's rate base, which ensures that existing customers will not bear any of the costs for dedicated

transmission infrastructure necessary to connect the Google sites to the grid. Through these Preliminary Agreements, Google has paid approximately [redacted] to OG&E to date and is expected to agree to pay an additional [redacted], for certain additional scopes for one of the sites, for a total of approximately [redacted] as a CIAC. The scope of work covered by the Preliminary Agreements will, upon the effective date of the ESAs, be incorporated into and governed by the ESAs.

Q. **What led to the Company and Google entering into the CPAs?**

A. One factor that the parties discussed was OG&E's current need for generation capacity to serve all of its customers, including Google. Through the course of those discussions, Google shared that it had made a long-term financial commitment, in the form of a Purchase Power Agreement ("PPA"), to facilitate the development and construction of two solar facilities located in the state of Oklahoma (each a "Supplemental Resource" and, collectively the "Supplemental Resources"). In addition, Google shared that the rights to the accredited capacity from those facilities are contracted to Google and had not yet been sold to a load responsible entity. Because of this, Google had the ability and offered to transact the capacity from these facilities to OG&E. These resources, their contribution to OG&E's capacity needs and cost competitiveness, as offered by Google relative to other resources are discussed in detail by OG&E witness Schuermann.

ENERGY SERVICE AGREEMENTS

Q. **Please provide an overview of the key terms of the Energy Services Agreements.**

A. There is one ESA for each of the three Google sites. Other than contractual terms that are specific to each site, the ESAs are substantially the same. The ESAs provide the basic terms for OG&E's provision of retail electric service to the sites. In addition to standard terms, the ESAs provide other key terms and conditions, which include:

- Conditions to Effectiveness
- Term and Contract Demand
- Rates for Service
- Minimum Charges
- Supplemental Resource Administrative Charge
- Early Termination and Capacity Reduction
- T&D Costs

- Collateral
- Additional Customer Protections

Q. **Please explain the Conditions to Effectiveness.**

A. Prior to operationalizing the ESAs, certain conditions must be met, or waived, prior to [redacted]. These conditions include a final order by the OCC approving each ESA as a special contract; the execution of the CPAs by Google and OG&E; and a final order by the OCC and the Arkansas Public Service Commission, as may be required for the effectiveness and cost recovery in rates of the CPAs.

Q. **Please explain the Term and Contract Demand.**

A. The total contract term for each site is comprised of the "Pre-Commissioning Period", the "Commissioning Period", the "Load Ramp Period", and the "Initial Term". The Pre-Commissioning Period begins once all conditions to effectiveness are met and continues until the start of the Commissioning Period. The Commissioning Period begins on the date that permanent electric service is made available to a site and concludes prior to the start of the Load Ramp Period. The Load Ramp Period represents the period of time specified in each ESA where OG&E is obligated to make available certain levels of contract demand to the site at increasing amounts of contract demand. The Initial Term period begins with the conclusion of the Load Ramp Period and continues for [redacted] years for each site, subject to any extension or early termination. OG&E's obligation for electric service during the Commissioning Period, Load Ramp Period and Initial Term is subject to the Contract Demand Schedule in each ESA.

The Commissioning Period for each site is estimated to be:

[redacted]

The Load Ramp Period for each of the Sites is:

[redacted]

[redacted]

Accordingly, the total estimated period where Google will take electric service from OG&E, subject to any extensions or early termination, for each Site shall be as follows:

[redacted]

Q. **Please explain the Rates for Service.**

A. Under the terms of the ESAs and subject to the Minimum Charges described further below, the rates for service shall be billed pursuant to the Large Power and Light Time of Use ("LPL-TOU") tariff at Service Level 1, inclusive of the rider for fuel cost adjustment ("FCA") and all other applicable riders and modifications. If, during the term of the ESAs, either (i) a new large load tariff or pricing schedule proposed by Company is approved by the OCC, (ii) a customer rate class included as a new subset under the LPL-TOU tariff is approved by the OCC, or (iii) a successor to the LPL-TOU tariff is approved by the OCC and is applicable to Google, then the Google's rates for service shall be subject to change as appropriate to reflect the applicable tariff. In the event Google is migrated to a new tariff, all other non-rate terms and conditions of the ESAs will remain in full effect.

Q. **Please explain the Minimum Charges.**

A. In order to protect all other customers from stranded costs in the event Google's data center load at any of the sites is less than certain contractual thresholds, Google is required to pay a certain monthly minimum charge regardless of the energy consumed in a given monthly period. The monthly minimum charges (collectively, the "Minimum Charges") will be equal to: (i) the Customer Charge (as defined in the applicable tariff); (ii) the Winter Event Securitization charge (as defined in the Winter Event Securitization Mechanism tariff and billed as one block); (iii) the Minimum Billing Demand Charge; (iv) the Minimum Billing Energy Charge; and (v) any rider that serves as a base rate revenue recovery mechanism for periods in between general rate case filings. Applicable riders include the Generation

Capacity Rider, Grid Enhancement Mechanism (if applicable), Interim Rate Rider, and capacity-related costs included in the FCA rider using the applicable charges and (x) the higher of the Minimum Billing Demand or actual measured demand, and (y) the higher of the Minimum Billing Energy or actual measured energy. The amounts due under all other applicable riders shall be calculated using the applicable charge and Google's actual measured energy and demand.

The Minimum Billing Demand shall never be less than [redacted] of the Contract Demand corresponding to the monthly billing cycle. The Minimum Billing Demand and the Minimum Billing Energy are discussed further by Company Witness Cash.

Q. **Please explain the Supplemental Resource Administrative Charge.**

A. Separate from the capacity payment that the Company will make to Google for the capacity rights to the Supplemental Resources under the CPAs, Google will pay the Company a Supplemental Resource Administrative Charge in the amount of [redacted] per megawatt-hour (MWh) of energy generated by each Supplemental Resource on a monthly basis up to the actual measured energy consumption for all three sites.

Q. **Please explain the Early Termination and Capacity Reduction terms.**

A. In order to protect existing customers in the event that Google elects (i) to terminate an ESA early or (ii) a one-time reduction of up to [redacted] of the Maximum Contract Demand under an ESA, Google will prepay [redacted] of the Minimum Charges for the remainder of the Initial Contract Term impacted by such early termination or capacity reduction in the form of a one-time fee in order to make any such election effective. Any such early termination exit fee or capacity reduction fee shall be subject to a [redacted] written notice and shall not be given at any time prior to the end of the [redacted] year of the ESA's Initial Term. For this reason, the amount of Minimum Charges associated with any early termination exit fee or capacity reduction fee will not exceed [redacted] years of Minimum Charges. The contract also provides that no early termination exit fee or capacity reduction fee will be less than [redacted] of Minimum Charges.

Q. **Please explain the T&D costs.**

A. The scope of work covered by the Preliminary Agreements will, upon the effective date of the ESAs, be incorporated into and governed by the ESAs. Similar to the Preliminary Agreements, the ESAs require that any other dedicated transmission infrastructure costs to provide electric service to the Customer's facilities will be paid by Google as a CIAC.

Q. **Please explain the Collateral.**

A. As security for Google's obligations, the ESAs require Google to provide credit support in the form of (i) a cash deposit, (ii) an irrevocable standby letter of credit or (iii) a Parental Company Guarantee, from a credit worthy guarantor, in addition to any security deposits or other credit support required by the Company's General Terms and Conditions. For purposes of the ESAs, a creditworthy guarantor has (1) a credit rating of at least BBB- from S&P and Baa3 from Moody's and [redacted].

The amount of credit support to be provided pursuant to the ESAs is [redacted] of the Minimum Charges for the Load Ramp Period and the Initial Term or, during any Renewal Term, the then-current Renewal Term, determined as of the date permanent electric service is made available to the site. The initial aggregate value of the Parental Company Guarantees being provided by Google's parent company, Alphabet Inc., in support of the ESAs is approximately [redacted].

Q. **Please explain the Additional Customer Protections.**

A. In addition to the customer protections embedded in the ESAs described above, Google agrees and acknowledges that any potential adverse rate impact to other customer rate classes as a result of the costs of providing service to their facilities, will be analyzed, reviewed, and addressed by the OCC in each general rate case proceeding and each annual prudency review proceeding of OG&E's FCA rider subsequent to the effective date of the ESAs to ensure that the ESAs and the transactions contemplated thereunder do not result in any adverse rate impact to other customer rate classes. Next, the ESAs require the parties to work in good faith to address potential negative financial impacts to OG&E related to

the treatment of contractual payments under any future CPA or PPA to serve Google. [redacted]

CUSTOMER PROTECTIONS BENCHMARKING

Q. **Do the ESAs discussed in this case protect OG&E's existing customers**?

A. Yes.

Q. **Are the customer protection contractual provisions included in the ESAs in this case on par with what has been proposed or settled in other jurisdictions?**

A. Yes. The key provisions I have highlighted above include a number of customer protections. Customer protections in the ESAs work to protect against key risks including fair cost allocation, stranded costs, and customer default.

The mechanisms by which the ESAs ensure fair cost allocation, thereby protecting other customers from increased costs attributed directly to Google are described by OG&E witness Cash. In addition to the mechanisms described by witness Cash, it is important to note that the ESAs also provide the ability for Google to migrate to a new tariff, such as a new large load tariff, should it be applicable.

The contract provisions protecting against the risk of stranded costs are the long-term nature of the contracts, billing minimums, early exit fees and capacity reduction fees, which, when taken together, provide a long-term stable stream of revenues that cover their revenue requirement should Google not take service above the minimum levels provided in the contract. In addition, with the Customer paying upfront for all costs of dedicated transmission infrastructure necessary to connect the Google sites to the grid, customers can be assured that costs related to this dedicated infrastructure will never be a part of OG&E's rate base and therefore have no risk of being a stranded cost that would ultimately be borne by other customers.

Finally, these ESAs have the unique attribute of Google as a counterparty. Google is one of the largest and most well-known data center operators globally, with strong ties

to and significant investment in Oklahoma. In addition, Google is in a rare category from a customer perspective in that its parent company and guarantor under the ESAs and CPAs, Alphabet Inc., is one of the largest constituents of the S&P 500 stock market indices and holds credit ratings from S&P Global Ratings and Moody's Investors Service, Inc. of AA+ and Aa2, respectively. These elements significantly reduce the risk of contractual default under the contracts, providing other customers with a level of assurance rarely obtained by any new customer that has been added to the system.

Further observations and comparisons of these special provisions to national trends and other jurisdictions are discussed by Matthew DeCourcey, of Charles River Associates, on behalf of the Company.

Q. **Are you sponsoring any exhibits?**

A. Yes. I am sponsoring the three ESAs as confidential exhibits, which consist of:

- Confidential Exhibit JPL-1 – ESA – Site A
- Confidential Exhibit JPL-2 – ESA – Site B
- Confidential Exhibit JPL-3 – ESA – Site C

Q. **Does this conclude your direct testimony?**

A. Yes.

CERTIFICATE OF SERVICE

I hereby certify that on the 1st day of May 2026, a true and correct copy of the foregoing was electronically served via the Electronic Case Filing System to those on the Official Electronic Case Filing Service List, or via electronic mail to the following persons:

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A. Chase Snodgrass

AFFIDAVIT

STATE OF OKLAHOMA)
)
COUNTY OF OKLAHOMA)

On the 30th day of April 2026, before me appeared John Laws, to me personally known, who, being by me first duly sworn, states that he is the Chief Commercial Officer for Oklahoma Gas and Electric Company ("OG&E") and acknowledges that he has read the above and foregoing document and believes that the statements therein are true and correct to the best of his information, knowledge, and belief.

Print John P. Laws

Signature John P. Laws

Subscribed and sworn to before me this 30th day of April, 2026.

Harrison L. Burton
Notary Public

My commission expires: 10-17-2026

Seal

HARRISON L. BURTON NOTARY # 14009452 EXP. 10/17/26 PUBLIC STATE OF OKLAHOMA