

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

IN THE MATTER OF THE APPLICATION OF)
OKLAHOMA GAS AND ELECTRIC COMPANY) Case No. PUD2025-000038
FOR COMMISSION PREAPPROVAL OF NEW)
GENERATION CAPACITY PURSUANT TO)
17 O.S. § 286(C) AND RIDER COST RECOVERY)

Direct Testimony

of

Gwin Cash

on behalf of

Oklahoma Gas and Electric Company

May 19, 2025

Gwin Cash
Direct Testimony

1 Q. **Please state your name, position, by whom you are employed, and your business**
2 **address.**

3 A. My name is Gwin Cash. I am the Manager of Pricing and Rate Administration for
4 Oklahoma Gas and Electric Company (“OG&E” or “Company”). My business address is
5 321 N. Harvey, Oklahoma City, Oklahoma, 73102.
6

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

8 A. I have worked for OG&E in various capacities for over 21 years. I joined the Company’s
9 regulatory department in January 2015 as the Rate Administration Manager and in July of
10 2017 I assumed additional responsibilities as the manager of Cost of Service. In May of
11 2023 I became the manager of Pricing and Rate Administration. My Pricing
12 responsibilities include oversight of the department’s development of rates and charges in
13 the Company’s retail electric tariffs. My Rate Administration responsibilities include
14 maintaining OG&E’s tariffs on file with the regulatory commissions and ensuring
15 consistent application of these tariffs in the manner in which they are intended. Additional
16 duties include computing rider factors and monthly retail revenue reporting. Prior to
17 joining OG&E’s regulatory department, I worked as a Senior Business Analyst in OG&E’s
18 Sales and Customer Support department and as a Workforce Analyst in OG&E’s Customer
19 Service department. I received a Bachelor of Science in Applied Mathematics with a
20 Specialization in Computing from the University of California, Los Angeles in 1999.
21

22 Q. **Have you previously testified before the Oklahoma Corporation Commission**
23 **(“OCC”) or any other regulatory commission?**

24 A. Yes. I have testified before the OCC in the following Cases: PUD 2023-000087, PUD
25 2023-000038, PUD 2021-000164, PUD 2021-000072, PUD 2020-000021, PUD 2018-
26 000140, PUD 2017-000496, and PUD 2015-000273. I have also testified in multiple cases
27 before the Arkansas Public Service Commission.

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

2 A. The purpose of my testimony is to support updates to the Generation Capacity Rider that
3 will accommodate the specific capacity resources requested in this Case.
4

5 Q. **Please give a brief overview of this tariff.**

6 A. This tariff, named the Generation Capacity Rider (“GCR”) was previously approved in
7 Case No. PUD 2023-000038 and currently allows for recovery of Company-owned
8 capacity projects approved by the Commission.
9

10 Q. **What updates to the GCR is the Company proposing at this time?**

11 A. The Company is requesting to update the GCR to allow for cost recovery of the following
12 additional items:

- 13 • construction work in progress (“CWIP”) and recovery of the annual revenue
14 requirement for new natural gas fired generation capacity projects,
- 15 • capacity purchase agreement (“CPA”) payments, and
- 16 • return on the CPAs.
17

18 Q. **In what sections of the GCR tariff are the updates reflected?**

19 A. These changes necessitated updates to the PURPOSE, TERM, and GCR FACTOR
20 CALCULATION sections. These changes to the tariff can be viewed in Exhibit GC-1 and
21 a clean version of the tariff is attached as Exhibit GC-2.
22

23 Q. **Please summarize the updates to the PURPOSE section of the GCR rider?**

24 A. The PURPOSE section was updated to reflect the Company’s request for additional cost
25 recovery items in this case, specifically the request for CWIP, the request for CPA costs,
26 and the request for a return on each CPA.
27

28 Q. **Please summarize the updates to the TERM section of the GCR rider?**

29 A. The TERM section was updated to clarify the different term lengths for the different cost
30 items requested for recovery. For Company-owned natural gas-fired generation capacity
31 projects, recovery of CWIP will commence the first billing cycle of the month after the

1 Commission authorizes the GCR. Recovery of CWIP will continue (with annual factor
2 updates to reflect increasing CWIP) until such time that the natural gas-fired generation
3 capacity projects are placed in service, at which time recovery of CWIP will cease and the
4 GCR will begin recovery of the annual revenue requirement for the Company-owned
5 natural gas generation facilities. Recovery of the annual revenue requirement will continue
6 until the natural gas-fired generation capacity projects are included in base rates. The
7 recovery term was updated to begin as soon as the amended GCR is approved to reflect
8 CWIP recovery. The cost recovery term length of Company owned facilities will remain
9 unchanged.

10 Additionally, the TERM section is updated to reflect that cost recovery of CPA
11 contracts, including a return, will begin and end with the term of the CPA contracts.

12 OG&E is not proposing any changes to the recovery of Horseshoe Lake units 11 &
13 12. OG&E has added language to clarify the distinction between what was approved by
14 the Commission for Horseshoe Lake units 11 & 12 in Case No. PUD 2023-000038 and
15 what is being requested in this case for Horseshoe Lake units 13 & 14.

16
17 **Q. Please summarize the updates to the GCR FACTOR CALCULATION section of the**
18 **GCR rider?**

19 **A.** This section provides the formula that is the calculation of the GCR factors themselves. In
20 this formula the description of the Oklahoma Jurisdiction GCR Annual Revenue
21 Requirement component was updated to include the additional cost items requested.

22
23 **Q. Are there any other updates to the GCR rider?**

24 **A.** There is one minor, yet noteworthy, item to be discussed. As recovery has not yet begun
25 through the GCR rider the Company does not consider it as having become effective,
26 although already having been previously authorized by the Commission in a previous Case.
27 Therefore the Company is proposing to continue to reflect the rider sheets as Original
28 instead of first revised.

1 Q. **What is your recommendation to the Commission?**

2 A. I recommend the Commission approve the updates to “PURPOSE,” “TERM,” and “GCR
3 FACTOR CALCULATION” sections of the GCR tariff that reflect the Company’s request
4 for recovery of the additional cost items associated with new natural gas fired generation
5 capacity projects (both CWIP recovery and the inclusion of the annual revenue requirement
6 after the units are placed in service), and the CPA contracts including a return on those
7 contracts.

8

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

10 A. Yes.

CERTIFICATE OF SERVICE

I hereby certify that on the 19th day of May 2025, 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:

Oklahoma Corporation Commission

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Deborah R. Thompson

OKLAHOMA GAS AND ELECTRIC COMPANY
 P. O. Box 321
 Oklahoma City, Oklahoma 73101

Direct Exhibit GC-1
 Original Sheet No. 52.30

Date Issued XXXX XX, 202X

STANDARD PRICING SCHEDULE: GCR
Generation Capacity Rider

STATE OF OKLAHOMA

EFFECTIVE IN: All territory served.

PURPOSE: The purpose of this rider is to recover the Oklahoma retail jurisdictional portion of ~~the annual revenue requirement for the generation capacity projects authorized in Cause No. PUD 202300XXX~~ costs authorized by the Commission for recovery through this GCR tariff associated with each the following:

- The annual revenue requirement for the Company-owned generation capacity projects Horseshoe Lake units 11 and 12 (“HL 11 & 12”) authorized in Case No. PUD 2023-000038;
- Construction Work in Progress (“CWIP”) related to financing costs associated with any Company-owned natural gas-fired generation capacity project;
- The annual revenue requirement for Company-owned natural gas-fired generation capacity projects;
- Capacity Purchase Agreements (“CPA”);
and
- A return on each CPAs.

APPLICABILITY: This rider is applicable to all Oklahoma retail rate classes and customers except those specifically exempted by special contract.

TERM: ~~The GCR will begin recovery of costs following~~

- For Company-owned natural gas-fired generation capacity projects, recovery of CWIP will commence the first billing cycle of the month followingafter the first generation capacity project that reaches in-service status. The GCRCommission authorizes the GCR. Recovery of CWIP will continue until such time that the natural gas-fired generation capacity projects authorizedfor-are placed in service, at which time recovery through this riderof CWIP will cease and the GCR will begin recovery of the annual revenue requirement for the Company-owned natural gas generation facilities. Recovery of the annual revenue requirement will continue until the natural gas-fired generation capacity projects are included in base rates or terminated by order of the Commission. If terminated by order of the Commission, the Generating-Facilitiesnatural gas-fired generation capacity projects shall be included in rate base after receiving a final order approving new rates in the next OG&E general rate case proceeding.
- For the Horseshoe Lake 11 & 12 units, the GCR will begin recovery of costs the first billing cycle of the month after the Horseshoe Lake 11 & 12 units are placed in service. Recovery will continue until such time that the Horseshoe Lake 11 & 12 units are included in base rates or terminated by order of the Commission. If terminated by order of the Commission, the Horseshoe Lake 11 & 12 units shall be included in rate base after

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Public Utilities Division Stamp

(Effective)	(Order No.)	(Cause/Docket No.)
XXXX 1, 202X	XXXXXX	PUD 202300XXX (original)

OKLAHOMA GAS AND ELECTRIC COMPANY
 P. O. Box 321
 Oklahoma City, Oklahoma 73101

Direct Exhibit GC-1
 Original Sheet No. 52.31

Date Issued XXXX XX, 202X

STANDARD PRICING SCHEDULE: GCR
Generation Capacity Rider

STATE OF OKLAHOMA

receiving a final order approving new rates in the next OG&E general rate case proceeding.

- For each CPA, recovery of costs, including the authorized return, will begin the first month a CPA contract takes effect and will continue for the term of the contract.

GCR FACTOR CALCULATION: GCR factors shall be calculated using the following formula, on a per kilowatt-hour (kWh) basis, for each of the major rate classes and the combined minor rate classes:

$$GCR\ Factor_{class} = \frac{(A + B \frac{(A + B) * C_{class}}{D} + C + D) * E_{class}}{F}$$

Where:

A = Oklahoma jurisdictional portion of a return on CWIP

B = Oklahoma jurisdictional portion of the Annual Revenue Requirement for each Company-owned generation asset that has reached in-service status

~~B = Annual True-Up~~

C = Oklahoma jurisdictional portion of each CPA, inclusive of a return on each CPA

D = Annual True-Up

E = Oklahoma jurisdictional rate class Production Demand Allocator

DF = Projected annual kWh for each class

~~And:~~

Oklahoma Jurisdiction GCR and where:

A) Annual Revenue Requirement: ~~includes~~

- Return on the capital investment calculated using the Company's most recently approved weighted average cost of capital ("WACC"),
- Expenses inclusive of non-fuel operations and maintenance ("O&M") costs, depreciation, and ad valorem taxes,
- Investment tax credits. These tax credits will not be included for recovery in the Rider for Tax Credits tariff until such time that the projects associated with this rider are authorized for recovery in base rates.

B) Annual True-Up: ~~The is the~~ over or under amount/balance and will be the difference between actual revenue requirement and the ~~Prior Period~~ GCR factor revenues net of the ~~previous Prior Period~~ prior factor Annual True-Up.

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Direct Exhibit GC-1
 Original Sheet No. 52.32

Date Issued XXXX XX, 202X

STANDARD PRICING SCHEDULE: GCR
Generation Capacity Rider

STATE OF OKLAHOMA

C) **Allocation Factor:** The most recently approved production demand allocation factor, adjusted to exclude jurisdictions not at issue.

Rate Class	Allocator Percentage*
Residential	46. 9201 <u>0508</u> %
General Service	9.69448 <u>7.7316</u> %
Power and Light	24.464022 <u>22.9876</u> %
Large Power and Light	15.496019 <u>0125</u> %
Other	3. 4255 <u>2175</u> %

*Adjusted to exclude jurisdictions not at issue

D) **Projected kWh:** The applicable annual Oklahoma jurisdictional kWh for each GCR class as determined by the Company.

RATE CLASSES:

Major Rate Classes = *Residential, General Service, Power and Light (inclusive of Supplemental, Backup, and Maintenance Service rates), and Large Power and Light (inclusive of Outside Certified Territory customers)*

Combined Minor Rate Classes (Other) = *Oil and Gas Producers + Public Schools (Small and Large) + Municipal Pumping + Municipal Lighting + Outdoor Security Lighting + LED Lighting*

ANNUAL RE-DETERMINATION: On or before August 15 of each year, re-calculated GCR factors shall be submitted by the Company to the Public Utility Division for review and shall be implemented the first billing cycle of October.

FINAL REVIEW: The final over/under balance for the GCR will be refunded or collected through the Rider for Fuel Cost Adjustment.

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OKLAHOMA GAS AND ELECTRIC COMPANY
 P. O. Box 321
 Oklahoma City, Oklahoma 73101

Direct Exhibit GC-1
~~4th Revised~~Original Sheet No. 52.33
 Replacing ~~3rd Revised~~ Sheet No. 52.33
 Date Issued ~~September 19, 2019~~XXXX
XX, 202X

STANDARD PRICING SCHEDULE: GCR
 Generation Capacity Rider

STATE OF OKLAHOMA

Attachment A

XXXX 1, 202X – XXXX XX, 202X GCR FACTORS

Class	\$ per kWh
Residential	\$X.XXXXXX
General Service	\$X.XXXXXX
Power and Light	\$X.XXXXXX
Large Power and Light	\$X.XXXXXX
Other	\$X.XXXXXX

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OKLAHOMA GAS AND ELECTRIC COMPANY
P. O. Box 321
Oklahoma City, Oklahoma 73101

Direct Exhibit GC-2
Original Sheet No. 52.30

Date Issued XXXX XX, 202X

STANDARD PRICING SCHEDULE: GCR
Generation Capacity Rider

STATE OF OKLAHOMA

EFFECTIVE IN: All territory served.

PURPOSE: The purpose of this rider is to recover the Oklahoma retail jurisdictional portion of costs authorized by the Commission for recovery through this GCR tariff associated with each the following:

- The annual revenue requirement for the Company-owned generation capacity projects Horseshoe Lake units 11 and 12 (“HL 11 & 12”) authorized in Case No. PUD 2023-000038;
- Construction Work in Progress (“CWIP”) related to financing costs associated with any Company-owned natural gas-fired generation capacity project;
- The annual revenue requirement for Company-owned natural gas-fired generation capacity projects;
- Capacity Purchase Agreements (“CPA”);
and
- A return on each CPAs.

APPLICABILITY: This rider is applicable to all Oklahoma retail rate classes and customers except those specifically exempted by special contract.

TERM:

- For Company-owned natural gas-fired generation capacity projects, recovery of CWIP will commence the first billing cycle of the month after the Commission authorizes the GCR. Recovery of CWIP will continue until such time that the natural gas-fired generation capacity projects are placed in service, at which time recovery of CWIP will cease and the GCR will begin recovery of the annual revenue requirement for the Company-owned natural gas generation facilities. Recovery of the annual revenue requirement will continue until the natural gas-fired generation capacity projects are included in base rates or terminated by order of the Commission. If terminated by order of the Commission, the natural gas-fired generation capacity projects shall be included in rate base after receiving a final order approving new rates in the next OG&E general rate case proceeding.
- For the Horseshoe Lake 11 & 12 units, the GCR will begin recovery of costs the first billing cycle of the month after the Horseshoe Lake 11 & 12 units are placed in service. Recovery will continue until such time that the Horseshoe Lake 11 & 12 units are included in base rates or terminated by order of the Commission. If terminated by order of the Commission, the Horseshoe Lake 11 & 12 units shall be included in rate base after receiving a final order approving new rates in the next OG&E general rate case proceeding.

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Date Issued XXXX XX, 202X

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- For each CPA, recovery of costs, including the authorized return, will begin the first month a CPA contract takes effect and will continue for the term of the contract.

GCR FACTOR CALCULATION: GCR factors shall be calculated using the following formula, on a per kilowatt-hour (kWh) basis, for each of the major rate classes and the combined minor rate classes:

$$GCR\ Factor_{class} = \frac{(A + B + C + D) * E_{class}}{F}$$

Where:

- A = Oklahoma jurisdictional portion of a return on CWIP
- B = Oklahoma jurisdictional portion of the Annual Revenue Requirement for each Company-owned generation asset that has reached in-service status
- C = Oklahoma jurisdictional portion of each CPA, inclusive of a return on each CPA
- D = Annual True-Up
- E = Oklahoma jurisdictional rate class Production Demand Allocator
- F = Projected annual kWh for each class

and where:

- A) **Annual Revenue Requirement** includes
 - a. Return on the capital investment calculated using the Company's most recently approved weighted average cost of capital ("WACC"),
 - b. Expenses inclusive of non-fuel operations and maintenance ("O&M") costs, depreciation, and ad valorem taxes,
 - c. Investment tax credits. These tax credits will not be included for recovery in the Rider for Tax Credits tariff until such time that the projects associated with this rider are authorized for recovery in base rates.
- B) **Annual True-Up** is the over or under balance and will be the difference between actual revenue requirement and the GCR factor revenues net of the prior factor Annual True-Up.

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STANDARD PRICING SCHEDULE: GCR
Generation Capacity Rider

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C) Allocation Factor: The most recently approved production demand allocation factor, adjusted to exclude jurisdictions not at issue.

Rate Class	Allocator Percentage*
Residential	46.0508%
General Service	8.7316%
Power and Light	22.9876%
Large Power and Light	19.0125%
Other	3.2175%

*Adjusted to exclude jurisdictions not at issue

D) Projected kWh: The applicable annual Oklahoma jurisdictional kWh for each GCR class as determined by the Company.

RATE CLASSES:

Major Rate Classes = *Residential, General Service, Power and Light (inclusive of Supplemental, Backup, and Maintenance Service rates), and Large Power and Light (inclusive of Outside Certified Territory customers)*

Combined Minor Rate Classes (Other) = *Oil and Gas Producers + Public Schools (Small and Large) + Municipal Pumping + Municipal Lighting + Outdoor Security Lighting + LED Lighting*

ANNUAL RE-DETERMINATION: On or before August 15 of each year, re-calculated GCR factors shall be submitted by the Company to the Public Utility Division for review and shall be implemented the first billing cycle of October.

FINAL REVIEW: The final over/under balance for the GCR will be refunded or collected through the Rider for Fuel Cost Adjustment.

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STANDARD PRICING SCHEDULE: GCR
Generation Capacity Rider

STATE OF OKLAHOMA

Attachment A

XXXX 1, 202X – XXXX XX, 202X GCR FACTORS

Class	\$ per kWh
Residential	\$X.XXXXXX
General Service	\$X.XXXXXX
Power and Light	\$X.XXXXXX
Large Power and Light	\$X.XXXXXX
Other	\$X.XXXXXX

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