

BEFORE THE
ARKANSAS PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF OKLAHOMA GAS AND ELECTRIC)	
COMPANY, FOR APPROVAL OF A)	DOCKET NO. 16-052-U
GENERAL CHANGE IN RATES, CHARGES)	
AND TARIFFS)	

SURREBUTTAL EXHIBITS

OF

MATTHEW S. KLUCHER
DIRECTOR, RATES AND DEMAND RESOURCES

ON BEHALF OF THE GENERAL STAFF OF THE
ARKANSAS PUBLIC SERVICE COMMISSION

MARCH 30, 2017

Line No.	Description	Total Company	Other Jurisdiction	Arkansas Jurisdiction	Residential Service	General Service	Power & Light	Power & Light TOU	Municipal Pumping	Athletic Field Lighting	Lighting
1	RATE BASE										
2	GROSS PLANT IN SERVICE	9,773,423,395	8,995,525,121	777,898,274	310,783,021	89,348,796	217,928,812	134,824,623	651,168	863,631	23,498,223
3	ACCUMULATED DERPRECIATION	3,888,033,928	3,576,802,930	311,230,998	124,838,147	35,978,360	85,341,823	55,090,119	226,951	290,442	9,465,155
4	NET PLANT	5,885,389,467	5,418,722,191	466,667,275	185,944,873	53,370,435	132,586,989	79,734,504	424,217	573,188	14,033,068
5	WORKING CAPITAL ASSETS	440,490,777	396,482,605	44,008,172	15,867,659	4,629,049	12,602,938	10,088,533	32,159	33,066	754,769
6	OTHER RATE BASE ITEMS	100,222,430	91,717,308	8,505,122	3,337,451	971,391	2,323,112	1,807,404	2,460	2,353	60,950
7	TOTAL RATE BASE	6,426,102,674	5,906,922,104	519,180,569	205,149,983	58,970,876	147,513,039	91,630,441	458,836	608,607	14,848,788
8	NON-FUEL OPERATING REVENUES										
9	RETAIL PRESENT RATE SCHEDULE REV	1,258,701,086	1,173,364,971	85,336,115	30,861,067	9,518,040	24,749,924	17,112,925	56,598	50,596	2,986,964
10	OTHER OPERATING REVENUES	16,435,643	16,109,462	326,181	173,153	35,010	73,802	38,072	373	393	5,378
11	TOTAL OPERATING REVENUE	1,275,136,729	1,189,474,434	85,662,296	31,034,221	9,553,050	24,823,727	17,150,997	56,970	50,989	2,992,342
12	EXPENSES										
13	OPERATION & MAINTENANCE EXPENSE	386,195,050	347,258,609	38,936,441	17,351,037	4,666,139	10,127,604	6,330,339	33,440	35,205	392,677
14	DEPRECIATION & AMORTIZATION EXPENSE	301,168,404	277,634,207	23,534,197	9,229,881	2,636,846	6,371,808	4,106,358	18,994	22,910	1,147,401
15	TAXES OTHER THAN INCOME TAXES	80,466,699	73,739,229	6,727,471	2,633,728	751,621	1,901,656	1,285,987	5,072	6,103	143,304
16	TOTAL OPERATING EXPENSES	767,830,153	698,632,045	69,198,109	29,214,645	8,054,605	18,401,067	11,722,684	57,507	64,218	1,683,382
17	INCOME TAXES	116,616,465	116,813,629	(197,163)	(1,916,036)	(168,167)	628,357	954,669	(6,092)	(12,991)	323,097
18	TOTAL EXPENSES	884,446,619	815,445,673	69,000,945	27,298,609	7,886,438	19,029,424	12,677,353	51,414	51,227	2,006,479
19	OPERATING INCOME	390,690,111	374,028,760	16,661,350	3,735,611	1,666,612	5,794,303	4,473,644	5,556	(238)	985,863
20	Earned Return on Rate Base	6.080%	6.332%	3.209%	1.821%	2.826%	3.928%	4.882%	1.211%	-0.039%	6.639%
21	<u>COST OF SERVICE REVENUE REQUIREMENT</u>										
22	Required Return on Rate Base			5.360%	5.360%	5.360%	5.360%	5.360%	5.360%	5.360%	5.360%
23	Required Operating Income (L7*L22)			27,828,079	10,996,039	3,160,839	7,906,699	4,911,392	24,594	32,621	795,895
24	Income Deficiency/(Surplus) (L23 - L19)			11,166,728	7,260,428	1,494,227	2,112,396	437,747	19,038	32,860	(189,968)
25	Revenue Conversion Factor			1.62716	1.62977	1.62384	1.62139	1.62139	1.62137	1.62137	1.62137
26	Revenue Deficiency/(Surplus) (L24*L25)			18,170,086	11,832,791	2,426,385	3,425,014	709,759	30,868	53,278	(308,008)
27	Rate Schedule Revenue Requirement (L9 + L26)			103,506,201	42,693,859	11,944,426	28,174,939	17,822,684	87,465	103,874	2,678,956
28	Fuel Revenues @ Present Rates			62,947,816	17,781,470	5,414,557	19,394,616	19,542,498	30,570	24,198	759,907
29	Other Riders @ Present Rates			20,292,209	6,903,104	2,077,992	6,377,331	4,738,814	8,376	6,758	179,835
30	Other Riders @ Proposed Rates			10,551,167	3,896,222	1,161,022	3,288,375	2,099,218	5,050	4,125	97,155
31	Expiring Riders @ Present Rates			9,741,043	3,006,882	916,970	3,088,956	2,639,596	3,326	2,633	82,680
32	% Increase on Present Rate Schedule Revenue (L26 / L9)			21.29%	38.34%	25.49%	13.84%	4.15%	54.54%	105.30%	-10.31%
33	% Increase on Present Rate Sch Rev + Fuel Rev (L26 / ((L9+L28))			12.25%	24.33%	16.25%	7.76%	1.94%	35.41%	71.23%	-8.22%
34	% Increase on Pres Rate Sch Rev + Fuel Rev + Other Riders ((L26-L31) / ((L11+L28+L29))			4.99%	15.84%	8.86%	0.66%	-4.66%	28.71%	61.80%	-9.94%
35	Total Revenue Requirement (L10+L27+L28+L30)			177,331,364	64,544,703	18,555,014	50,931,731	39,502,471	123,458	132,590	3,541,397
	<u>PROPOSED REVENUE REQUIREMENT</u>										
36	Proposed Base Rate Revenue Requirement			103,506,201	39,761,399	11,944,426	28,659,616	19,932,887	73,205	65,026	3,069,643
37	Total Proposed Revenue Requirement (L10+L36+L28+L30)			177,331,364	61,612,243	18,555,014	51,416,408	41,612,674	109,198	93,743	3,932,084
38	% Increase on Total Revenue Requirement			4.99%	10.58%	8.86%	1.62%	0.44%	13.85%	14.40%	0.00%

Staff's Direct COS Study Results By Rate Class

Rate Class (a)	COS Rate Schedule Revenue Requirement (b)	Present Rate Schedule Revenues						Total Revenue Requirement			
		Without Expiring Rider Revenues			With Expiring Rider Revenues						
		Current (c)	Net Increase (d)=(b)-(c)	% Change (e)=(d)/(c)	Current (f)	Net Increase (g)=(b)-(f)	% Change (h)=(g)/(f)	Current (i)	COS (j)	Net Increase (k)=(j)-(i)	% Change (l)=(k)/(i)
Residential S/L 5	\$38,636,902	\$28,536,404	\$10,100,498	35.4%	\$31,226,598	\$7,410,304	23.7%	\$50,770,900	\$58,181,204	\$7,410,304	14.6%
Residential TOU	\$671,454	\$406,730	\$264,724	65.1%	\$452,439	\$219,015	48.4%	\$785,952	\$1,004,968	\$219,015	27.9%
Residential VPP	\$3,385,502	\$1,917,933	\$1,467,569	76.5%	\$2,188,913	\$1,196,590	54.7%	\$4,161,942	\$5,358,531	\$1,196,590	28.8%
Total Res	\$42,693,859	\$30,861,067	\$11,832,791	38.3%	\$33,867,950	\$8,825,909	26.1%	\$55,718,794	\$64,544,703	\$8,825,909	15.8%
General Service S/L 2	\$0	\$0	\$0	-	\$0	\$0	-	\$0	\$0	\$0	-
General Service S/L 3	\$26,517	\$20,988	\$5,529	26.3%	\$24,010	\$2,507	10.4%	\$43,829	\$46,336	\$2,507	5.7%
General Service S/L 5	\$11,236,073	\$9,000,380	\$2,235,694	24.8%	\$9,845,909	\$1,390,164	14.1%	\$15,941,352	\$17,331,516	\$1,390,164	8.7%
General Service TOU	\$131,649	\$114,156	\$17,494	15.3%	\$127,800	\$3,849	3.0%	\$225,221	\$229,070	\$3,849	1.7%
General Service VPP	\$550,186	\$382,517	\$167,669	43.8%	\$437,292	\$112,895	25.8%	\$835,198	\$948,092	\$112,895	13.5%
Total GS	\$11,944,426	\$9,518,040	\$2,426,385	25.5%	\$10,435,010	\$1,509,415	14.5%	\$17,045,599	\$18,555,014	\$1,509,415	8.9%
Power&Light S/L 1	\$0	\$0	\$0	-	\$0	\$0	-	\$0	\$0	\$0	-
Power&Light S/L 2	\$1,196,599	\$1,314,810	(\$118,211)	-9.0%	\$1,482,689	(\$286,090)	-19.3%	\$3,039,397	\$2,753,308	(\$286,090)	-9.4%
Power&Light S/L 3	\$7,555,338	\$6,753,480	\$801,857	11.9%	\$7,702,238	(\$146,901)	-1.9%	\$14,676,421	\$14,529,520	(\$146,901)	-1.0%
Power&Light S/L 4	\$120,327	\$164,527	(\$44,200)	-26.9%	\$172,013	(\$51,687)	-30.0%	\$220,540	\$168,854	(\$51,687)	-23.4%
Power&Light S/L 5	\$19,302,676	\$16,517,107	\$2,785,569	16.9%	\$18,481,940	\$820,735	4.4%	\$32,659,314	\$33,480,050	\$820,735	2.5%
Total Power&Light	\$28,174,939	\$24,749,924	\$3,425,014	13.8%	\$27,838,880	\$336,058	1.2%	\$50,595,673	\$50,931,731	\$336,058	0.7%
PL TOU S/L 1	\$6,393,786	\$6,780,392	(\$386,606)	-5.7%	\$7,773,758	(\$1,379,972)	-17.8%	\$18,700,642	\$17,320,670	(\$1,379,972)	-7.4%
PL TOU S/L 2	\$937,128	\$1,040,267	(\$103,139)	-9.9%	\$1,258,353	(\$321,225)	-25.5%	\$2,569,120	\$2,247,895	(\$321,225)	-12.5%
PL TOU S/L 3	\$6,920,209	\$6,315,166	\$605,043	9.6%	\$7,329,215	(\$409,006)	-5.6%	\$13,843,191	\$13,434,185	(\$409,006)	-3.0%
PL TOU S/L 4	\$0	\$0	\$0	-	\$0	\$0	-	\$0	\$0	\$0	-
PL TOU S/L 5	\$3,571,562	\$2,977,101	\$594,461	20.0%	\$3,391,196	\$180,365	5.3%	\$6,319,356	\$6,499,721	\$180,365	2.9%
Total PL TOU	\$17,822,684	\$17,112,925	\$709,759	4.1%	\$19,752,521	(\$1,929,838)	-9.8%	\$41,432,309	\$39,502,471	(\$1,929,838)	-4.7%
MP S/L 4	\$0	\$0	\$0	-	\$0	\$0	-	\$0	\$0	\$0	-
MP S/L 5	\$87,465	\$56,598	\$30,868	54.5%	\$59,924	\$27,541	46.0%	\$95,916	\$123,458	\$27,541	28.7%
Total MP	\$87,465	\$56,598	\$30,868	54.5%	\$59,924	\$27,541	46.0%	\$95,916	\$123,458	\$27,541	28.7%
Ath Field Lighting	\$103,874	\$50,596	\$53,278	105.3%	\$53,229	\$50,645	95.1%	\$81,945	\$132,590	\$50,645	61.8%
Total AFL	\$103,874	\$50,596	\$53,278	105.3%	\$53,229	\$50,645	95.1%	\$81,945	\$132,590	\$50,645	61.8%
Municipal Lighting	\$919,414	\$1,057,315	(\$137,901)	-13.0%	\$1,083,231	(\$163,817)	-15.1%	\$1,353,702	\$1,189,885	(\$163,817)	-12.1%
Outdoor Lighting	\$1,759,542	\$1,929,649	(\$170,107)	-8.8%	\$1,986,412	(\$226,870)	-11.4%	\$2,578,382	\$2,351,512	(\$226,870)	-8.8%
Total Lighting	\$2,678,956	\$2,986,964	(\$308,008)	-10.3%	\$3,069,643	(\$390,688)	-12.7%	\$3,932,084	\$3,541,397	(\$390,688)	-9.9%
Total Arkansas	\$103,506,201	\$85,336,115	\$18,170,086	21.3%	\$95,077,158	\$8,429,043	8.9%	\$168,902,321	\$177,331,364	\$8,429,043	5.0%

Revenue Allocation - Staff's Proposed Revenue Requirement for Rate Design by Rate Class

Rate Class (a)	COS Rate Schedule Revenue Requirement (b)	Proposed Rate Schedule Revenue Requirement (c)	Present Rate Schedule Revenue						Total Revenue Requirement			
			Without Expiring Rider Revenues			With Expiring Rider Revenues						
			Current (d)	Net Increase (e)=(c)-(d)	% Change (f)=(e)/(d)	Current (g)	Net Increase (h)=(c)-(g)	% Change (i)=(h)/(g)	Current (j)	Proposed (k)	Net Increase (l)=(k)-(j)	% Change (m)=(l)/(j)
Residential S/L 5	\$38,636,902	\$36,174,785	\$28,536,404	\$7,638,381	26.8%	\$31,226,598	\$4,948,187	15.8%	\$50,770,900	\$55,719,087	\$4,948,187	9.7%
Residential TOU	\$671,454	\$598,685	\$406,730	\$191,955	47.2%	\$452,439	\$146,246	32.3%	\$785,952	\$932,199	\$146,246	18.6%
Residential VPP	\$3,385,502	\$2,987,928	\$1,917,933	\$1,069,995	55.8%	\$2,188,913	\$799,016	36.5%	\$4,161,942	\$4,960,957	\$799,016	19.2%
Total Res	\$42,693,859	\$39,761,399	\$30,861,067	\$8,900,331	28.8%	\$33,867,950	\$5,893,449	17.4%	\$55,718,794	\$61,612,243	\$5,893,449	10.6%
General Service S/L 2	\$0	\$0	\$0	\$0	-	\$0	\$0	-	\$0	\$0	\$0	-
General Service S/L 3	\$26,517	\$26,517	\$20,988	\$5,529	26.3%	\$24,010	\$2,507	10.4%	\$43,829	\$46,336	\$2,507	5.7%
General Service S/L 5	\$11,236,073	\$11,236,073	\$9,000,380	\$2,235,694	24.8%	\$9,845,909	\$1,390,164	14.1%	\$15,941,352	\$17,331,516	\$1,390,164	8.7%
General Service TOU	\$131,649	\$131,649	\$114,156	\$17,494	15.3%	\$127,800	\$3,849	3.0%	\$225,221	\$229,070	\$3,849	1.7%
General Service VPP	\$550,186	\$550,186	\$382,517	\$167,669	43.8%	\$437,292	\$112,895	25.8%	\$835,198	\$948,092	\$112,895	13.5%
Total GS	\$11,944,426	\$11,944,426	\$9,518,040	\$2,426,385	25.5%	\$10,435,010	\$1,509,415	14.5%	\$17,045,599	\$18,555,014	\$1,509,415	8.9%
Power&Light S/L 1	\$0	\$0	\$0	\$0	-	\$0	\$0	-	\$0	\$0	\$0	-
Power&Light S/L 2	\$1,196,599	\$1,482,689	\$1,314,810	\$167,879	12.8%	\$1,482,689	\$0	0.0%	\$3,039,397	\$3,039,397	\$0	0.0%
Power&Light S/L 3	\$7,555,338	\$7,702,238	\$6,753,480	\$948,758	14.0%	\$7,702,238	\$0	0.0%	\$14,676,421	\$14,676,421	\$0	0.0%
Power&Light S/L 4	\$120,327	\$172,013	\$164,527	\$7,486	4.6%	\$172,013	\$0	0.0%	\$220,540	\$220,540	\$0	0.0%
Power&Light S/L 5	\$19,302,676	\$19,302,676	\$16,517,107	\$2,785,569	16.9%	\$18,481,940	\$820,735	4.4%	\$32,659,314	\$33,480,050	\$820,735	2.5%
Total Power&Light	\$28,174,939	\$28,659,616	\$24,749,924	\$3,909,691	15.8%	\$27,838,880	\$820,735	2.9%	\$50,595,673	\$51,416,408	\$820,735	1.6%
PL TOU S/L 1	\$6,393,786	\$7,773,758	\$6,780,392	\$993,366	14.7%	\$7,773,758	\$0	0.0%	\$18,700,642	\$18,700,642	\$0	0.0%
PL TOU S/L 2	\$937,128	\$1,258,353	\$1,040,267	\$218,086	21.0%	\$1,258,353	\$0	0.0%	\$2,569,120	\$2,569,120	\$0	0.0%
PL TOU S/L 3	\$6,920,209	\$7,329,215	\$6,315,166	\$1,014,049	16.1%	\$7,329,215	\$0	0.0%	\$13,843,191	\$13,843,191	\$0	0.0%
PL TOU S/L 4	\$0	\$0	\$0	\$0	-	\$0	\$0	-	\$0	\$0	\$0	-
PL TOU S/L 5	\$3,571,562	\$3,571,562	\$2,977,101	\$594,461	20.0%	\$3,391,196	\$180,365	5.3%	\$6,319,356	\$6,499,721	\$180,365	2.9%
Total PL TOU	\$17,822,684	\$19,932,887	\$17,112,925	\$2,819,961	16.5%	\$19,752,521	\$180,365	0.9%	\$41,432,309	\$41,612,674	\$180,365	0.4%
MP S/L 4	\$0	\$0	\$0	\$0	-	\$0	\$0	-	\$0	\$0	\$0	-
MP S/L 5	\$87,465	\$73,205	\$56,598	\$16,607	29.3%	\$59,924	\$13,281	22.2%	\$95,916	\$109,198	\$13,281	13.8%
Total MP	\$87,465	\$73,205	\$56,598	\$16,607	29.3%	\$59,924	\$13,281	22.2%	\$95,916	\$109,198	\$13,281	13.8%
Ath Field Lighting	\$103,874	\$65,026	\$50,596	\$14,430	28.5%	\$53,229	\$11,797	22.2%	\$81,945	\$93,743	\$11,797	14.4%
Total AFL	\$103,874	\$65,026	\$50,596	\$14,430	28.5%	\$53,229	\$11,797	22.2%	\$81,945	\$93,743	\$11,797	14.4%
Municipal Lighting	\$919,414	\$1,083,231	\$1,057,315	\$25,916	2.5%	\$1,083,231	\$0	0.0%	\$1,353,702	\$1,353,702	\$0	0.0%
Outdoor Lighting	\$1,759,542	\$1,986,412	\$1,929,649	\$56,763	2.9%	\$1,986,412	\$0	0.0%	\$2,578,382	\$2,578,382	\$0	0.0%
Total Lighting	\$2,678,956	\$3,069,643	\$2,986,964	\$82,680	2.8%	\$3,069,643	\$0	0.0%	\$3,932,084	\$3,932,084	\$0	0.0%
Total Arkansas	\$103,506,201	\$103,506,201	\$85,336,115	\$18,170,086	21.3%	\$95,077,158	\$8,429,043	8.9%	\$168,902,321	\$177,331,364	\$8,429,043	5.0%

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been served on all parties of record by electronic means via the Commission's Electronic Filing System this 30th day of March, 2017.

/s/ Justin A. Hinton
Justin A. Hinton