

Arkansas Public Service Commission

Docket Summary Cover Sheet

**(For all dockets other than Rate Cases, "TD", "C" and "TF" Dockets
Must be filed with each new docket filed at the Commission**

STYLE OF DOCKET: (Style may be changed by Secretary of Commission) **Docket Number:**

IN THE MATTER OF AN INTERIM RATE SCHEDULE OF OKLAHOMA GAS AND ELECTRIC COMPANY IMPOSING A SURCHARGE TO RECOVER ALL INVESTMENTS AND EXPENSES INCURRED THROUGH COMPLIANCE WITH LEGISLATIVE OR ADMINISTRATIVE RULES, REGULATIONS OR REQUIREMENTS RELATING TO THE PUBLIC HEALTH, SAFETY, OR THE ENVIROMENT UNDER THE FEDERAL CLEAN AIR ACT FOR CERTAIN OF ITS EXISTING GENERATION FACILITIES	15-034-U
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DOCKET DESIGNATOR: U A R P RELATED DOCKETS:

Nature of Action: (See second sheet)

PETITIONER/INITIATING PARTY*	ATTORNEYS' NAME, ADDRESS, PHONE, FAX AND E-MAIL
Oklahoma Gas and Electric Company 321 N. Harvey Avenue Oklahoma City, Oklahoma 73102	Lawrence E. Chisenhall, Jr. Chisenhall, Nestrud & Julian, P.A. Attorneys for Oklahoma Gas and Electric Company 400 West Capitol Avenue 2840 Regions Center Little Rock, Arkansas 72201 (501)-372-5800 lchisenhall@cnjlaw.com

*If the initiating party is not a jurisdictional utility in Arkansas, please provide mailing address, phone, fax and e-mail for the company

Pursuant to Rule 3.04 of the Commission's Rules of Practice and Procedure, please provide name, address, phone, fax, e-mail of at least one, but not more than two names to appear on the Service List for this docket

Lawrence E. Chisenhall, Jr. Chisenhall, Nestrud & Julian, P.A. Attorneys for Oklahoma Gas and Electric Company 400 West Capitol Avenue 2840 Regions Center Little Rock, Arkansas 72201 (501)-372-5800 lchisenhall@cnjlaw.com	Sheri Richard Director Revenue Requirements Oklahoma Gas and Electric Company 321 N. Harvey Avenue Oklahoma City, Oklahoma 73102 405-553-3747 reginfor@oge.com
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Write a brief statement, limited to the space provided herein describing the case that you are filing.
 Please provide enough information to assure that the nature of your docket is clear.

Oklahoma and Gas Electric Company, ("OG&E" or "Company"), pursuant to Act 310 of 1981, as amended, Ark. Code Ann. §23-4-501 et seq. ("Act 310") hereby files with the Arkansas Public Service Commission ("APSC" or "Commission") an interim rate schedule for the application of a surcharge on its customers' bills in Arkansas to recover investments and expenses that the Company has reasonably incurred as a direct result of legislative or regulatory requirements relating to the protection of the public health, safety, or the environment.

Form completed by: LEC Date: 1/29/2016

Representing: OG&E

NATURE OF ACTION: Please choose at least one, but no more than three docket types

<input type="checkbox"/> Accounting	<input type="checkbox"/> Lifeline/link up
<input type="checkbox"/> Acquisition/Sales	<input type="checkbox"/> Market Power
<input checked="" type="checkbox"/> Act 310 of 1981 (Surcharge)	<input type="checkbox"/> Merger/Transfer
<input type="checkbox"/> Act 821 of 1987 (Cooperatives Rate Change)	<input type="checkbox"/> Municipal Franchise Tax
<input type="checkbox"/> Administrative Procedures	<input type="checkbox"/> Net Metering
<input type="checkbox"/> Affiliate Rules	<input type="checkbox"/> Nuclear Decommissioning
<input type="checkbox"/> Annual Reports/Assessment	<input type="checkbox"/> One Call
<input type="checkbox"/> Ar Energy Conservation Act (Efficiency Programs)	<input type="checkbox"/> Pipeline Safety
<input type="checkbox"/> Arbitration	<input type="checkbox"/> Pole attachment issues
<input type="checkbox"/> Arkansas High Cost Fund	<input type="checkbox"/> Protective Order
<input type="checkbox"/> Arkansas Intralata Toll Pool	<input type="checkbox"/> Public Utility Holding Company Act
<input type="checkbox"/> Arkansas Universal Service Fund	<input type="checkbox"/> Public Utility Regulatory Policy Act
<input type="checkbox"/> ARSI Arkansas Relay Service, Inc.	<input type="checkbox"/> Purchase Power
<input type="checkbox"/> Auto Adjustment	<input type="checkbox"/> Railroad
<input type="checkbox"/> Avoided Cost	<input type="checkbox"/> Rates
<input type="checkbox"/> CCN Cancellation	<input type="checkbox"/> Refund
<input type="checkbox"/> CCN Facility	<input type="checkbox"/> Reports
<input type="checkbox"/> CCN License	<input type="checkbox"/> Resource Plan
<input type="checkbox"/> CECPN	<input type="checkbox"/> Restructuring
<input type="checkbox"/> Cost of Gas/Energy seasonal/unscheduled	<input type="checkbox"/> Retail
<input type="checkbox"/> Customer release/Abandonment	<input type="checkbox"/> River Crossing
<input type="checkbox"/> Declaratory Judgment	<input type="checkbox"/> Regional Transmission Organization
<input type="checkbox"/> Depreciation	<input type="checkbox"/> Rulemaking
<input type="checkbox"/> Dialing/Numbering	<input type="checkbox"/> Service Quality
<input type="checkbox"/> Disabilities Act of 1990	<input type="checkbox"/> Shielded Outdoor Lighting
<input type="checkbox"/> Earnings Review	<input type="checkbox"/> Show Cause
<input type="checkbox"/> Eligible Telecommunications Carrier Designation	<input type="checkbox"/> Stranded Costs
<input type="checkbox"/> Energy Policy Act	<input type="checkbox"/> Sustainable Energy Resources
<input type="checkbox"/> Energy/Fuel Purchasing Practices	<input type="checkbox"/> Terms and Conditions
<input type="checkbox"/> EWG Exempt Wholesale Generator	<input type="checkbox"/> Territory/release/unallocated territory
<input type="checkbox"/> Extended Area Service	<input type="checkbox"/> Transition costs
<input type="checkbox"/> Extension of Telecommunications Facilities Fund	<input type="checkbox"/> Unbundling
<input type="checkbox"/> Extraordinary Property Loss	<input type="checkbox"/> USOA (Uniform System of Accounts)
<input type="checkbox"/> FCC	<input type="checkbox"/> Waiver/Exemption
<input type="checkbox"/> Finance (Bonds/issue & sell; stock; prom note)	<input type="checkbox"/> Weather
<input type="checkbox"/> Grand Gulf	<input type="checkbox"/> Wholesale
<input type="checkbox"/> Integrated Resource Planning	<input type="checkbox"/> Wholesale Rate Adjustment
<input type="checkbox"/> Interconnection Agreements	
<input type="checkbox"/> Interest/Customer Deposit	
<input type="checkbox"/> Investigation/Inquiry	

BEFORE THE
ARKANSAS PUBLIC SERVICE COMMISSION

IN THE MATTER OF AN INTERIM RATE SCHEDULE)	
OF OKLAHOMA GAS AND ELECTRIC COMPANY)	
IMPOSING A SURCHARGE TO RECOVER ALL)	DOCKET NO. 15-034-U
INVESTMENTS AND EXPENSES INCURRED THROUGH)	
COMPLIANCE WITH LEGISLATIVE OR ADMINISTRATIVE)	
RULES, REGULATIONS OR REQUIREMENTS RELATING)	
TO THE PUBLIC HEALTH, SAFETY, OR THE ENVIROMENT)	
UNDER THE FEDERAL CLEAN AIR ACT FOR CERTAIN OF)	
ITS EXISTING GENERATION FACILITIES)	

NOTICE OF FILING OF AN INTERIM RATE SCHEDULE PURSUANT TO
ACT 310 OF 1981, AS AMENDED

COMES NOW Oklahoma and Gas Electric Company, (hereinafter referred to as “OG&E” or “Company”) and, pursuant to Act 310 of 1981, as amended, Ark. Code Ann. §23-4-501 *et seq.* (“Act 310”) hereby files with the Arkansas Public Service Commission (“APSC” or “Commission”) an interim rate schedule for the application of a surcharge on its customers’ bills in Arkansas to recover investments and expenses that the Company has reasonably incurred as a direct result of legislative or regulatory requirements relating to the protection of the public health, safety, or the environment. In support of its filing, OG&E states as follows:

1. OG&E is an investor owned corporation organized under the laws of the State of Oklahoma. It is qualified to conduct business in the State of Arkansas. The Company is a public utility as defined by Ark. Code Ann. §23-1-101 *et seq.* and, as much, is subject to the jurisdiction of the Commission. Its principal place of business is located at 321 N. Harvey Avenue, Oklahoma City, Oklahoma 73102. A copy of the Company’s Articles of Incorporation has previously been filed with the

Commission in this docket (Docket No. 15-034-U) on May 20, 2015 and, pursuant to the provisions of Section 3.05 of the Commission's Rules of Practice and Procedure, such Articles are incorporated herein by reference.

2. OG&E's property consists of facilities for the generation, transmission and distribution of electric power and energy to retail and wholesale customers in its service areas in Oklahoma and Arkansas. OG&E provides electric service to approximately 822,000 total retail customers, of which approximately 66,000 are located in Arkansas.

3. OG&E's coal-fueled and natural gas-fired generation facilities produce steam that is used to operate turbines that create electricity for its customers. Because the Company burns these fossil fuels in its boilers, the operations of those generating facilities are regulated by the Oklahoma Department of Environmental Quality and the United States Environmental Protection Agency ("EPA").

4. The EPA has promulgated rules under the Federal Clean Air Act ("CAA") (i.e., the Regional Haze Rule" and the Mercury and Air Toxics Standards Rule ("MATS")) that require OG&E to take steps to limit emissions of nitrogen oxides ("NO_x") and also requires emission limits for Mercury under MATS.

5. OG&E previously filed to recover costs related to NO_x emission controls under the provisions of Act 310, as amended, in this docket on May 8, 2015. A Stipulation and Settlement Agreement among all the parties to that proceeding was approved by the Commission in Order No. 7 in Docket 15-034-U issued on December 2, 2015. Among the provisions of the Settlement Agreement, the parties agreed not to oppose up to two updated Act 310 surcharge filings by the Company associated with updated investments and expenses associated with the NO_x emission reduction efforts addressed in the Company's initial filing of May 8, 2015.

6. The Direct Testimony of OG&E's witness, Ms. Sheri Richard, filed with this notice explains that the updated and amended investments and expenses associated with NO_x emissions compliance are included in this first updated filing, as allowed by Order No. 7 in this docket. Ms. Richard explains the calculation of the revenue requirement associated with these investments and expenses, the nature of the investments and expenses and the customer impact.

7. Under the MATS rule, OG&E is required to take steps to meet new emissions limits for Mercury on its generation units. OG&E's units are required to operate in compliance with established limits, terms and conditions of the MATS rule when its regulatory deadline is reached. In order to achieve the emissions limit for Mercury, OG&E is installing Activated Charcoal Injection ("ACI") systems on all of its coal units. The compliance deadline for MATS emission is April 16, 2016.

8. Pursuant to the provisions of Act 310, as amended by Act 1000 of 2015, codified as Ark. Code Ann. §23-4-501 *et seq.*, OG&E is seeking recovery of all expenses and investments associated with the installation and operation of facilities and equipment required to meet the emissions standards required under MATS. Such investments and expenses are the result of legislative requirements or regulations; relate to the protection of public health, safety or environment; have been reasonably incurred and are not recovered in existing rates; were not reasonably known or measurable for inclusion in the Company's last rate case; cannot otherwise be recovered in a prompt and timely manner; and are either mandatory or a condition for continued operation of a utility facility.

9. Ms. Richard addresses each of the Act 310 requirements to the specific MATS compliance investment or expense. She calculates the revenue requirement and the customer impact and she supports the inclusion and recovery of the MATS revenue requirement through OG&E's current Environmental Compliance Plan Rider ("ECP"). Ms. Richard's Direct Testimony also shows, by rate class, the allocation of the rates contained in the ECP Rider. The interim surcharge rates will remain in effect

until superseded by a subsequent Act 310 filing or until the effective date of new rates implemented as a result of a general rate proceeding. As provided in Act 310, the surcharge collected through the ECP Rider is subject to refund. The same statute allows the Commission to require reasonable security to assure the prompt payment of any refunds that may be ordered. OG&E respectfully requests that no security be found to be necessary, as addressed by Ms. Richard, to assure prompt payments of any refunds that may be ordered by the Commission after its review of OG&E's Act 310 filing and the ECP Rider.

10. In connection with this filing, OG&E intends to comply with the procedures set out by the Commission in its Order No. 4 in Docket No. 09-059-U, except to the extent such directives were specific to said docket. Such procedures are intended to facilitate Act 310 investigations by the Commission's General Staff and are addressed in the Company's Direct Testimony.

11. OG&E requests that the following individuals be included on the service list for this docket:

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WHEREFORE, Oklahoma Gas and Electric Company respectfully requests that, pursuant to Ark. Code Ann. §23-4-501 *et seq.*, the Commission take notice and review OG&E's Act 310 surcharge filing and supporting documents and accept OG&E's recovery of its necessary investments and expenses through the ECP Rider as filed, while it remains in effect subject to refund, that it waive the necessity of any security relative to any possible refunds, and that it grant OG&E all other necessary and proper relief.

Respectfully submitted,

By: 

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Company

CERTIFICATE OF SERVICE

I, Lawrence E. Chisenhall, Jr., do hereby certify that a copy of the foregoing was served upon all parties of record via the APSC EFS this 29th day of January, 2016.

/s/ Lawrence E. Chisenhall, Jr.
Lawrence E. Chisenhall, Jr.