BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

IN THE MATTER OF THE APPLICATION OF OKLAHOMA GAS AND ELECTRIC COMPANY FOR AN ORDER OF THE COMMISSION APPROVING A RECOVERY MECHANISM FOR EXPENDITURES RELATED TO THE OKLAHOMA GRID ENHANCEMENT PLAN	)	**CAUSE NO. PUD 202000021**

Responsive Testimony of

Michael P. Gorman

Managing Principal

Brubaker & Associates, Inc.

On behalf of

Federal Executive Agencies

August 25, 2020

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Responsive Testimony of Michael P. Gorman

Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A Michael P. Gorman. My business address is 16690 Swingley Ridge Road, Suite 140, Chesterfield, MO 63017.

Q WHAT IS YOUR OCCUPATION?

A I am a consultant in the field of public utility regulation and a Managing Principal with the firm of Brubaker & Associates, Inc. ("BAI"), energy, economic and regulatory consultants.

Q PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.

A This information is included in Appendix A to my testimony.

Q ON WHOSE BEHALF ARE YOU APPEARING IN THIS PROCEEDING?

A I am testifying on behalf of the Federal Executive Agencies ("FEA"), consisting of certain agencies of the United States government which have offices, facilities, and/or installations in the service area of Oklahoma Gas and Electric Company ("OG&E" or "Company"), from whom they purchase electricity and energy services.

Q WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A I will respond to OG&E's proposal to implemental a rider mechanism to recover capital expenditures associated with the Oklahoma Grid Enhancement Plan ("GEP").

Q PLEASE SUMMARIZE YOUR RECOMMENDATIONS AND CONCLUSIONS.

A In my testimony, I address the Company's proposal for a GEP Mechanism to adjust prices and bills to customers to reflect additional charges for GEP-related investments. My recommendations concern the following:

1. OG&E has not established the need to recover additional revenues in a GEP Mechanism. Indeed, based on the evidence in its filing, OG&E has not established that the revenue collected in base rates will not be adequate to provide it a fair opportunity to recover its GEP capital plan costs.

2. If a GEP Mechanism is approved, I recommend several adjustments in the development of revenue requirement, adjustments in the allocation of the reconciliation component of the GEP Mechanism across rate classes, and propose to modify the GEP Mechanism charge per class, from a kWh charge, to a kW charge for classes that largely pay for distribution and transmission services in demand charges.

3. With respect to the revenue requirement measurement for GEP incremental investments, I propose the following changes:

    a. Modify the rate base to an incremental rate base formula by tracking accumulated depreciation reserve changes over time for the amount of investments recorded in the same FERC accounts that the GEP investments will be recorded. This will ensure that the GEP Mechanism tracks changes in the net plant in-service rather than the gross plant in-service, for the FERC accounts where GEP investments will be recorded.

    b. I recommend modifying the authorized return on equity used in the GEP Mechanism to track today's much lower capital market costs relative to OG&E's last base rate case, and to reflect reduced cost recovery risk associated with the implementation of the GEP Mechanism.

c. Finally, I recommend an adjustment to the cost of debt used in measuring the GEP revenue requirement to track OG&E's incremental debt costs, rather than embedded debt costs. OG&E's embedded debt costs include many bond issues that were issued before 2015, which had much higher debt costs than the current market would require, and these higher embedded debt costs are already being recovered in OG&E's base rates. So GEP Mechanism debt costs should reflect OG&E's incremental cost of debt, or debt issued after January 1, 2020.

d. With respect to the reconciliation component of the GEP Mechanism formula, I recommend the reconciliation piece be allocated across rate classes using the same rate case allocation factor as the GEP revenue requirement for capital investments. OG&E's formula did not specify the class allocator for the reconciliation factor.

e. I also recommend that GEP Mechanism charges for rate classes that bill for distribution service in a demand charge, equate the class allocated portion of the GEP revenue requirement into a demand charge for the rate. The Company's proposal for a kWh charge does not recognize the fixed cost nature of GEP investments.

I. COMPANY PROPOSAL

Q PLEASE DESCRIBE OG&E'S PROPOSED GEP MECHANISM.

A OG&E is proposing a five-year GEP Mechanism to recover incremental costs associated with qualifying investments related to the proposed GEP.

OG&E witness Zachary Gladhill outlines planned grid modernization capital expenditures over the five-year period, 2020-2024, in the proposed GEP. As outlined by witness Gladhill, OG&E is planning $810 million of annual capital expenditures over this five-year period, starting at $89 million in 2020, and averaging $180 million each year from 2021 through 2024.

OG&E witness Donald Rowlett outlines the Company's proposed methodology of establishing a revenue requirement for the GEP qualifying plant investment that can be recovered through a proposed GEP Mechanism. As outlined on Direct Exhibit DRR-2, the Company would develop a GEP revenue requirement based on the pre-tax rate of return, incremental investment, depreciation expense, and ad valorem taxes related to qualifying GEP investments. The Company would estimate the monthly average in-service rate base of qualifying GEP investment, and develop a revenue requirement that would then be subject to recovery through the GEP Mechanism.

OG&E witness Gwin Cash then outlines the Company's proposed method of allocating the GEP revenue requirement across rate classes, and producing a class-specific GEP factor stated as a $/kWh charge. OG&E witness Cash states that the OG&E plan and the related recovery process will impose a charge on customers for recovery of actual projects that have been completed and placed in-service.[1] The Company proposes to present to the Commission a report on completed GEP projects that have been placed in-service, and recovery of the costs associated with those completed projects will only commence after the report has been submitted to the Commission.

OG&E witness Cash states that a GEP cost allocation would be based on a blended allocator for distribution FERC accounts 360-363 and a different blended allocator for distribution FERC accounts 364-368. Witness Cash states that these accounts were separated and will be allocated consistent with cost allocation from Cause No. PUD 201800140. Witness Cash also proposes that transmission and general and intangible plant costs will be based on the allocations used in Cause No. PUD 201800140 as well.

[1]Direct Testimony of Gwin Cash at 3.

II. GEP MECHANISM

Q IS THE COMPANY'S PROPOSAL TO ENACT THE GEP MECHANISM APPROPRIATE?

A No. I do not take issue specifically with the need and economic benefit to customers of the proposed GEP capital investments. My primary issues in this case are whether or not the Company's proposed GEP Mechanism is needed to support the GEP, and provide OG&E recovery of its full cost of service, and the design of a fair and balanced GEP Mechanism.

Q IS THE GEP MECHANISM NEEDED TO PROVIDE OG&E RECOVERY OF ITS COSTS OF SERVICE?

A For reasons outlined in this testimony, the proposed GEP Mechanism has not been proven to be necessary in order to ensure that OG&E is provided adequate revenue from retail customers in order to support its investment in all rate base facilities used to provide service to retail customers, including its GEP investments proposed to be recovered in the GEP Mechanism. Indeed, while the GEP will undertake capital investments in grid enhancement projects, there is no evidence in the Company's filing that those additions to plant in-service will result in an increase in total retail rate base, or whether the GEP investment impact on rate base will be offset, at least in part, by known annual reductions to total rate base caused by increase in accumulated depreciation reserve for the same FERC accounts where the GEP plant additions will be recorded. Likewise, it is not known to what degree operating costs may be lowered as a result of the GEP investments.

Consequently, the Company's filing is devoid of any evidence that base rates will not be adequate to provide fair cost of service recovery during the five-year GEP capital plan.

Q PLEASE EXPLAIN HOW THE COMPANY'S EXISTING BASE RATES CAN PRODUCE ADEQUATE REVENUES IN ORDER TO PROVIDE OG&E FAIR COMPENSATION FOR ITS IN-SERVICE ASSETS EACH YEAR OVER THE NEXT FIVE YEARS.

A The Company's rate base for the FERC accounts where the GEP investments will be recorded, will increase total rate base because the capital investment will increase "gross" plant in-service during the period the GEP capital investments are made. However, accumulated depreciation reserves for these same FERC plant accounts will be increased as the Company recovers depreciation expense for the same FERC accounts under which the GEP investments will be recorded. This roll-forward or annual increase to accumulated depreciation reserve for these FERC accounts will decrease the "net" plant in-service value and rate base value of the GEP investments stated by FERC account.

As such, GEP capital investments will increase total rate base, but the buildup of accumulated depreciation reserve for the same GEP FERC accounts will decrease rate base. If the GEP Mechanism is approved, it should only include the revenue requirement associated with the <u>net increase</u> in "net" plant in-service for the FERC accounts where the GEP investments will be recorded.

It is net plant in-service that increases rate base, not the gross plant investment that tracks only GEP capital investments without consideration of the roll-forward of changes to accumulated depreciation for the total FERC accounts. If the GEP Mechanism is approved, it should be modified to track changes in GEP "net" plant in-service by the FERC accounts where the GEP investments will be recorded.

Q DO THE COMPANY'S FINANCIAL STATEMENTS INDICATE THERE WILL BE SIGNIFICANT OFFSET TO THE FERC ACCOUNTS FOR ROLL-FORWARD OR BUILDUP OF ACCUMULATED DEPRECIATION FOR THE SAME FERC ACCOUNTS IN WHICH THE GEP INVESTMENTS WILL BE RECORDED?

A Yes. As outlined above, OG&E witness Gladhill outlines $810 million of annual plant capital expenditures related to the Grid Plan anticipated to be made over a five-year period. As outlined on my Direct Exhibit MPG-1, at year-end 2019, the Company is currently recovering approximately $120 million of <u>annual</u> depreciation expense for the same FERC accounts that these grid plant investments will be recorded based on 2019 FERC account balances. The annual recovery of depreciation expense for these same FERC accounts will increase each year if the proposed GEP Mechanism is put into effect, and additional depreciation expense is recovered from customers in this surcharge mechanism. Simply reflecting the amount of depreciation expense recovered in base rates, the $120 million per year of depreciation expense recoverable will increase accumulated depreciation by more than $600 million over the proposed five-year recovery period. As such, the proposed $810 million of proposed grid plant investment will only increase the net plant component of grid FERC accounts and rate base by less than $210 million. Under the Company's proposed GEP, it will increase customers' rates as though its rate base for the FERC accounts where the GEP investments are recorded, will increase by $810 million. This significant overstatement of changes in costs that will be produced by GEP investments, under OG&E's proposal, will produce excessive charges to retail customers.

Q ARE THERE OTHER FACTORS THAT WOULD DIMINISH THE NEED FOR OG&E'S PROPOSED INCREMENTAL GEP REVENUES?

A Yes, a few. First, in its last base rate case, OG&E acknowledged that its customers were growing each year. This customer growth produced additional revenues beyond the revenue that was anticipated when it was setting rates. Growth in revenues from new customers will provide additional revenue to the Company, and reduce or eliminate the need to adjust rates even if its rate base is growing over time.

Second, the Company projects operating savings associated with the modernization of its grid system. These operating expense reductions will offset, in part, the increase in revenue requirement necessary to fully recover the revenue requirement for capital investment. As such, the Company's proposed GEP investment, which only ties to increases in revenue requirement related to growth in rate base, ignores reductions in operating costs created by the system modernization.

Third, in OG&E's last rate case, its overall rate of return was based on an embedded debt cost of 4.8%. As shown on my Direct Exhibit MPG-2, this embedded debt cost reflects debt issues taking place well before the last rate case. Indeed, approximately $1.8 billion of $2.8 billion of debt was issued before 2015, at interest rates ranging from 3.9% to 6.65%. These interest rates are in excess of the marginal interest rate to OG&E for new debt issues currently and likely over the next five years.

As OG&E makes incremental plant investment as part of its GEP, it will issue new debt at current market interest rates to fund those new plant investments. As such, OG&E's actual costs of these incremental plant investments, if an OG&E GEP rider is approved, should reflect its incremental debt cost, not its embedded debt cost. OG&E's marginal interest rate right now is probably below 3%, as opposed to the 4.8% embedded debt cost. OG&E should track its marginal interest rates for use in the GEP Mechanism if it is approved. Its embedded debt costs, which largely reflect debt issues before 2015, are costs that are already being recovered in base rates, and do not reflect incremental debt costs associated with the GEP plant investments.

As outlined below, I am assuming that OG&E's marginal cost of debt will average around 3.5% over the next five years. However, the GEP Mechanism should be adjusted to reflect only the actual embedded cost of debt for debt issues made after January 1, 2020.

II.A. Revised GEP Surcharge Revenue Requirement

Q HOW CAN THE COMPANY'S GEP REVENUE REQUIREMENT METHODOLOGY AND SURCHARGE BE CORRECTED TO ENSURE THAT CUSTOMERS ARE CHARGED NO MORE THAN A FAIR AND REASONABLE COST FOR SERVICES PROVIDED?

A I propose adjustments to the Company's GEP revenue requirement to accommodate the roll-forward of accumulated depreciation reserve and track net plant in-service changes for the FERC accounts where the proposed GEP investment will be recorded. As noted above, changes in GEP "net" plant in-service will cause changes in total rate base, not changes in GEP "gross" plant investment.

As outlined on my Direct Exhibit MPG-3, I have shown the Company's development of revenue requirement for calendar year 2020 through calendar year 2024, and I have added a few lines to more accurately estimate the incremental revenue requirement caused by the proposed GEP investments. Specifically, I have allowed for a monthly tracking of increases in accumulated depreciation for depreciation expense recorded on plant investments at year-end 2019. This is a point in time where all the plant investments recorded in the FERC accounts that will be used to record GEP investments are being recovered in base rates. To the extent

GEP incremental investments are moved to a GEP Mechanism, then the depreciation expense recovered in base rates should be used to offset the incremental plant investments, which now will be charged to customers in the GEP Mechanism, as opposed to base rate recovery. As such, this change in the GEP Mechanism will track net plant in-service changes for the FERC accounts in which GEP investments will be recorded.

I also propose tracking changes in accumulated deferred income tax ("ADIT") on the same embedded depreciation expense recoveries. To be conservative, I am assuming that these book depreciation expenses are not offset by tax depreciation expenses because the embedded plant is fully depreciated for tax purposes. This has the effect of reducing the amount of deferred tax offset to the rate base, caused by rolling forward accumulated depreciation. Again, this is a conservative assumption where more accurate tracking of changes in ADIT for embedded depreciation expense would produce a more accurate estimate.

With these changes, the incremental revenue requirement associated with GEP plant investments can be tracked in the GEP Mechanism. This results in net plant in-service increases for GEP investments based on the FERC accounts where these infrastructure investments will be recorded being recovered in the GEP Mechanism. This more accurate measurement of incremental revenue requirement, above that already being recovered in base rates, will ensure that the combination of GEP charges and base rate charges to customers results in no more than fair and reasonable combined charges to retail customers.

Q HOW DID YOU DEVELOP THE EMBEDDED DEPRECIATION EXPENSE ON THE FERC ACCOUNTS FOR WHICH GEP INVESTMENTS WILL BE RECORDED?

A I did this by using the Oklahoma approved depreciation rates, and the 2019 gross plant balances for the specific FERC accounts. The development of depreciation expense by FERC account is developed in my Direct Exhibit MPG-1.

Q ARE YOU PROPOSING ANY OTHER ADJUSTMENTS TO THE GEP MECHANISM?

A Yes. The overall rate of return used to develop these GEP investments should be adjusted as follows:

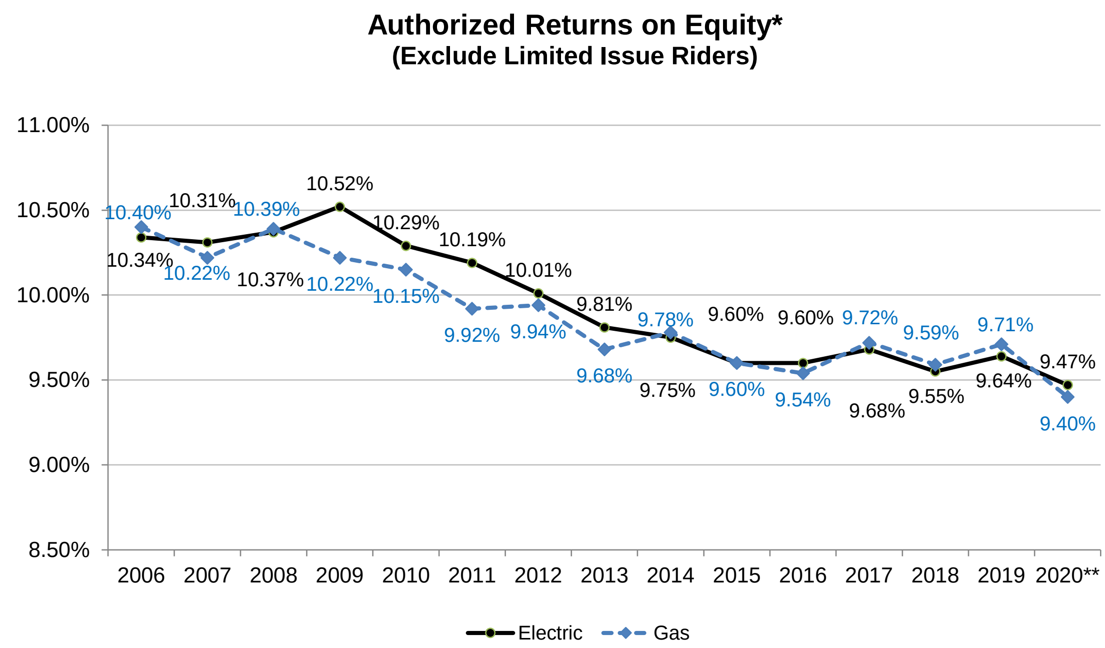
1. The authorized return on equity should be adjusted downward to reflect the reconciliation and increase in base rate recovery outside of a general rate case. The Company's last authorized return on equity of 9.5% should be reduced by at least 25 basis points, to 9.25%, to reflect the transfer of cost recovery risk from the Company to ratepayers for the GEP investment. These 25 basis points reasonably track the changes in authorized returns on equity for electric utilities since OG&E's last base rate case.

2. The embedded cost of debt should be based on incremental debt costs as opposed to OG&E's embedded debt costs. As outlined below, the Company's more expensive embedded debt cost is already built into base rates and is currently being recovered from customers. The cost of debt on incremental GEP investments will track the Company's incremental or marginal cost of debt, which is significantly lower than OG&E's embedded debt cost. I have approximated OG&E's embedded cost of debt to be 3.5%, as opposed to its embedded cost of debt of 4.8%. As outlined on my Direct Exhibit MPG-4, A-rated and Baa-rated utility bond yields are ranging around 3.0% to 4.0% throughout 2020. OG&E's Moody's bond rating is A3, which means its marginal interest rate should fall probably at the midpoint of the A and Baa yields. I also added approximately 20 basis points for issuance costs to produce a marginal embedded debt cost going forward. While I am using this for illustrative purposes, the actual embedded debt cost used in the GEP Mechanism should track OG&E's actual marginal cost of debt for all debt issues made after January 1, 2020.

Q PLEASE PROVIDE YOUR EVIDENCE THAT AUTHORIZED RETURNS ON EQUITY FOR ELECTRIC UTILITY COMPANIES HAVE DROPPED BY APPROXIMATELY 25 BASIS POINTS SINCE OG&E'S LAST RATE CASE.

A The authorized returns on equity for electric utility companies made over the last 10 to 15 years are shown in Figure 1 below.

FIGURE 1



Source and Notes:
[1] *S&P Global Market Intelligenc* e, RRA Regulatory Focus, Major Rate Case Decisions -- January - June 2020, July 22, 2020 at page 1.
* Electric Returns exclude Limited Issue Riders.
* RRA excludes the 2017 Alaska ENSTAR decision from its calculations.
**Data represents January - June.

As shown in the figure above, since OG&E's last rate case in 2017/2019, industry authorized returns on equity have dropped from around 9.7% down to around 9.42%. This represents approximately a 28 basis point decline in authorized return on equity, which I have rounded to 0.25%. OG&E's return on equity should be set at its marginal cost of equity along with its marginal cost of debt. This will ensure that customers do not pay excessive prices on incremental investments on GEP-related infrastructure improvements and OG&E will be fairly compensated for those investments.

Q DOES THIS TREND IN AUTHORIZED RETURNS ON EQUITY PROVIDE THE COMMISSION INFORMATION NECESSARY TO ENSURE THAT THE RETURN ON EQUITY USED IN A GEP MECHANISM IS FAIR AND REASONABLE TO RATEPAYERS AND INVESTORS?

A Yes. The trend in authorized returns on equity shows that regulatory commissions within rate case proceedings are reducing the authorized returns on equity for electric utility companies in response to declining capital market costs. Since OG&E's last rate case, the decline in authorized returns on equity has been between 25 and 30 basis points. Baa and A rated utility bonds have declined by 80 to 100 basis points in 2020 alone.

This observable market evidence indicates that the rate of return for qualifying GEP investments that will be recovered through a GEP Mechanism should be reflective of OG&E's current market cost of equity, which is at least 25 basis points lower now than it was in its last base rate case. This decline in capital market costs is in addition to their cost recovery risk reduction that would benefit OG&E's investors, if an automatic rate adjustment mechanism is approved for recovery of these material capital investments.

For these reasons, I recommend a return on equity of 9.25% for the GEP investments, which should remain in effect until OG&E files its next base rate case. At which point, the return on equity can be set prospectively based on what the Commission finds to be OG&E's current market cost of equity during the period rates will be in effect.

II.B. Allocation and GEP Mechanism Factor

Q DO YOU HAVE CONCERNS ABOUT THE STRUCTURE OF THE GEP CHARGES?

A Yes. I have two primary concerns. First is the use of kWh billing units for all classes. Distribution costs, like other fixed costs, are normally collected primarily through customer and demand charges for customers with demand meters. Therefore, for customer classes with demand billing units, it would be more appropriate to set the GEP rates at demand rates, i.e., on kW-month, rather than on energy rates, a kWh charge. This better matches how distribution costs are recovered in current base rates and collected from customers in classes with demand charges.

Q WHAT IS THE SECOND CONCERN YOU HAVE WITH THE GEP SURCHARGE?

A The second concern deals with the proper allocation of the GEP reconciliation costs as proposed by the Company in its GEP factor formula. The GEP factor formula shown on Direct Exhibit GC-1, Original Sheet No. 57.01, is replicated below.

$$GEP\ Factor_{\text{Class and SL}} = \frac{(A * B * C + D) + (E * F + G) + (H * I + J) + (K * L * M + N)}{O}$$

Where:

A = *Transmission Retail Revenue Requirement*;
B = *Oklahoma Jurisdiction Transmission Allocation = 91.0346%*;
C = *Oklahoma Transmission Demand Class and SL Allocator*;
D = *Transmission Annual True Up*;
And
E = *Distribution FERC Accounts 360-363 Revenue Requirement*;
F = *Distribution FERC Accounts 360-363 Class and SL Allocator*;
G = *Distribution FERC Accounts 360-363 Annual True Up*;
And
H = *Distribution FERC Accounts 364-368 Revenue Requirement*;
I = *Distribution FERC Accounts 364:368 Class and SL Allocator*;
J = *Distribution FERC Accounts 364-368 Annual True Up*;
And
K = *General and Intangible Plant Revenue Requirement*;
L = *Oklahoma Jurisdiction General and Intangible Plant Allocation = 91.5044*%;
M = *General and Intangible Plant Class and SL Allocator*;
N = *General and Intangible Plant Annual True Up*;

And
O = *Base kWh for each Applicable Class and SL*

That lengthy formula effectively groups costs by transmission, distribution accounts 360-363, distribution accounts 364-368, and general and intangible plant, and then seeks to allocate them to the classes based on the allocators discussed above and shown on Direct Exhibit GC-1, Original Sheet No. 57.02.

My concern is with the annual true-up factors, identified as Factors D, G, J, and N, and how they will be calculated and applied under the formula. Unless such annual true-up amounts are already segregated and stated separately by rate class and service level, which does not appear to be the case when used in the formula, then the formula will be in error.

Q HOW CAN THE GEP FACTOR FORMULA BE CORRECTED TO PROPERLY ALLOCATE ACROSS RATE CLASSES THE ANNUAL TRUE-UP FACTORS?

A If the true-up amounts are stated as *total* dollar amounts for each of the four Factors D, G, J, and N, then the formula should be restated as follows:

$$\text{GEP Factor}_{\text{Class and SL}} = \frac{[(A * B + D) * C)] + [(E + G) * F] + [(H + J) * I)] + [(K * L + N) * M]}{O}$$

Restatement of the formula as identified above will cause Factors D, G, J and N to be allocated to the classes and service levels according to allocation Factors C, F, I and M, respectively, and will have the proper effect of allocating the various total true-up costs to the classes and service levels, similar to the various revenue requirements.

II.C. GEP Mechanism is Not Balanced Policy

Q DO YOU BELIEVE THE PROPOSED ADJUSTMENTS YOU ARE MAKING TO THE GEP MECHANISM ARE FAIR AND REASONABLE TO BOTH OG&E AND ITS CUSTOMERS?

A Yes. GEP is a break from traditional cost of service, which provides OG&E an enhanced cost recovery mechanism of GEP-related capital investments. However, these charges to customers will increase their rates outside of a traditional rate case. As such, cost recovery risk will shift from the Company to customers, because rates will increase to customers without a full review of whether or not a change in base rates is necessary based on the GEP investments. As such, this non-traditional regulatory mechanism should be implemented carefully, to ensure that customer protections remain intact to the greatest extent possible.

Q PLEASE OUTLINE WHY YOU BELIEVE THAT THE GEP MECHANISM COULD ERODE PRICING PROTECTIONS FOR CUSTOMERS.

A Creation of the GEP will amount to a form of single-issue ratemaking. This is because the Company proposes large capital investments that will increase rates, but which are also expected to reduce operating costs. Yet, the operating costs do not necessarily flow to customers directly, and may offset, in part, the need for rate increases through the GEP. As Company witness Rowlett explains at page 5 of his direct testimony, the mechanism:

> allows OG&E to begin recovery of the revenue requirement associated with the capital investments including the return on (debt cost and equity return), the return of (depreciation expense), as well as taxes associated with the investment. The Mechanism will not include any operation and maintenance costs.

Because the Mechanism does not reflect operational savings produced through the GEP investments, customers will pay the incremental cost of the capital investments, but will not receive the benefit of operational savings until OG&E's next base rate case.

Q DOES THE COMPANY INDICATE THAT THERE WILL BE OPERATIONAL SAVINGS ASSOCIATED WITH ITS PLAN?

A Yes. For example, Company witness Patrick Dalton suggests this at page 9 of his direct testimony, lines 22-24:

> For example, near-term benefits include reliability and operational efficiencies, while future benefits include improved DER [Distributed Energy Resources] and electric vehicle ("EV") integration.

Depending on the extent of these operational savings, at least a portion of the potential cost increase to customers is avoidable. Proper ratemaking looks at all of the utility's costs and revenues, not just items that are increasing. Focusing on a single issue, in this case increased grid enhancement investment costs, without factoring in cost savings associated with such enhancements, as well as other operating cost savings, provides a distorted picture of the utility's overall need for additional revenue.

Q DOES THIS CONCLUDE YOUR RESPONSIVE TESTIMONY?

A Yes, it does.

Qualifications of Michael P. Gorman

Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A Michael P. Gorman. My business address is 16690 Swingley Ridge Road, Suite 140, Chesterfield, MO 63017.

Q PLEASE STATE YOUR OCCUPATION.

A I am a consultant in the field of public utility regulation and a Managing Principal with the firm of Brubaker & Associates, Inc. ("BAI"), energy, economic and regulatory consultants.

Q PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND WORK EXPERIENCE.

A In 1983 I received a Bachelor of Science Degree in Electrical Engineering from Southern Illinois University, and in 1986, I received a Master's Degree in Business Administration with a concentration in Finance from the University of Illinois at Springfield. I have also completed several graduate level economics courses.

In August of 1983, I accepted an analyst position with the Illinois Commerce Commission ("ICC"). In this position, I performed a variety of analyses for both formal and informal investigations before the ICC, including: marginal cost of energy, central dispatch, avoided cost of energy, annual system production costs, and working capital. In October of 1986, I was promoted to the position of Senior Analyst. In this position, I assumed the additional responsibilities of technical leader on projects, and my areas of responsibility were expanded to include utility financial modeling and financial analyses.

In 1987, I was promoted to Director of the Financial Analysis Department. In this position, I was responsible for all financial analyses conducted by the Staff. Among other things, I conducted analyses and sponsored testimony before the ICC on rate of return, financial integrity, financial modeling and related issues. I also supervised the development of all Staff analyses and testimony on these same issues. In addition, I supervised the Staff's review and recommendations to the Commission concerning utility plans to issue debt and equity securities.

In August of 1989, I accepted a position with Merrill-Lynch as a financial consultant. After receiving all required securities licenses, I worked with individual investors and small businesses in evaluating and selecting investments suitable to their requirements.

In September of 1990, I accepted a position with Drazen-Brubaker & Associates, Inc. ("DBA"). In April 1995, the firm of Brubaker & Associates, Inc. was formed. It includes most of the former DBA principals and Staff. Since 1990, I have performed various analyses and sponsored testimony on cost of capital, cost/benefits of utility mergers and acquisitions, utility reorganizations, level of operating expenses and rate base, cost of service studies, and analyses relating to industrial jobs and economic development. I also participated in a study used to revise the financial policy for the municipal utility in Kansas City, Kansas.

At BAI, I also have extensive experience working with large energy users to distribute and critically evaluate responses to requests for proposals ("RFPs") for electric, steam, and gas energy supply from competitive energy suppliers. These analyses include the evaluation of gas supply and delivery charges, cogeneration and/or combined cycle unit feasibility studies, and the evaluation of third-party asset/supply management agreements. I have participated in rate cases on rate design and class cost of service for electric, natural gas, water and wastewater utilities. I have also analyzed commodity pricing indices and forward pricing methods for third party supply agreements, and have also conducted regional electric market price forecasts.

In addition to our main office in St. Louis, the firm also has branch offices in Phoenix, Arizona and Corpus Christi, Texas.

Q HAVE YOU EVER TESTIFIED BEFORE A REGULATORY BODY?

A Yes. I have sponsored testimony on cost of capital, revenue requirements, cost of service and other issues before the Federal Energy Regulatory Commission and numerous state regulatory commissions including: Alaska, Arkansas, Arizona, California, Colorado, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Michigan, Mississippi, Missouri, Montana, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, South Carolina, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming, and before the provincial regulatory boards in Alberta and Nova Scotia, Canada. I have also sponsored testimony before the Board of Public Utilities in Kansas City, Kansas; presented rate setting position reports to the regulatory board of the municipal utility in Austin, Texas, and Salt River Project, Arizona, on behalf of industrial customers; and negotiated rate disputes for industrial customers of the Municipal Electric Authority of Georgia in the LaGrange, Georgia district.

Q PLEASE DESCRIBE ANY PROFESSIONAL REGISTRATIONS OR ORGANIZATIONS TO WHICH YOU BELONG.

A I earned the designation of Chartered Financial Analyst (“CFA”) from the CFA Institute. The CFA charter was awarded after successfully completing three examinations which covered the subject areas of financial accounting, economics, fixed income and equity valuation and professional and ethical conduct. I am a member of the CFA Institute's Financial Analyst Society.

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STATE OF MISSOURI)
) **SS**
COUNTY OF ST. LOUIS)

Affidavit of Michael P. Gorman

Michael P. Gorman, being first duly sworn, on his oath states:

1. My name is Michael P. Gorman. I am a consultant with Brubaker & Associates, Inc., having its principal place of business at 16690 Swingley Ridge Road, Suite 140, Chesterfield, Missouri 63017. We have been retained by Federal Executive Agencies in this proceeding on their behalf.

2. Attached hereto and made a part hereof for all purposes are my responsive testimony and exhibits which were prepared in written form for introduction into evidence in the Corporation Commission of Oklahoma, Cause No. PUD 202000021.

3. I hereby swear and affirm that the testimony and exhibits are true and correct and that they show the matters and things that they purport to show.

Michael P. Gorman

Subscribed and sworn to before me this 24th day of August, 2020.

TAMMY S. KLOSSNER
Notary Public - Notary Seal
STATE OF MISSOURI
St. Charles County
My Commission Expires: Mar. 18, 2023
Commission # 15024862

Tammy S. Klossner
Notary Public

Oklahoma Gas and Electric Company

Depreciation Expense
(Distribution)

Line	FERC Account (1)	Gross Plant-In-Service[1] (2)	Depreciation Rate[2] (3)	2019 Depreciation Expense (4)
Distribution Cap-Ex 1				
1	360	$13,919,534	0.90%	$125,276
2	361	$7,869,605	1.47%	115,683
3	362	$702,418,067	1.83%	12,854,251
4	363	$415,127	0.00%	0
5	Total			13,095,210
6	Monthly			1,091,267
Distribution Cap-Ex 2				
7	364	$694,592,341	2.74%	19,031,830
8	365	$571,462,667	2.66%	15,200,907
9	366	$245,608,473	1.81%	4,445,513
10	367	$862,743,032	1.83%	15,788,197
11	368	$534,206,667	2.82%	15,064,628
12	Total			69,531,076
13	Monthly			5,794,256
O Cap-Ex				
14	303	$215,284,633	10.00%	21,528,463
15	391	$69,135,577	20.00%	13,827,115
16	397	$33,627,782	10.00%	3,362,778
17	Total			38,718,357
18	Monthly			3,226,530
19	**Total**	**$3,951,283,505**		**$121,344,642**

Sources:
[1]Oklahoma Gas and Electric Company 2019 FERC Form 1 pages 204 - 207.
[2]Assumptions tab of AG 3-24_Att_Supplement.xlsx.

Oklahoma Gas and Electric Company

Embedded Cost of Debt[1]

Line	Description	Date of Issue (1)	Date of Maturity (2)	"Baa"-rated Yield[2] (3)	"A"-rated Yield[2] (4)	Interest Rate (5)	Principal (6)	Premiums or (Discounts) (7)	Underwriting Fees And Expenses (8)	Net Proceeds (9)	Net Proceeds Per Unit (10)	Proceeds as % of Par (11)	Cost of Money (12)	Value Outstanding (13)	Annual Cost (14)
	Other Long Term Debt														
1	July 15, 2027	7/15/1997	7/15/2027	7.87%	7.48%	6.65%	124,950,000	-	1,221,235	123,728,765	990.23	99.02%	6.73%	124,950,000	8,409,135
2	April 15, 2028	4/15/1998	4/15/2028	7.37%	7.16%	6.50%	100,000,000	(1,569,000)	1,060,222	97,370,778	973.71	97.37%	6.70%	100,000,000	6,700,000
3	January 15, 2036	1/15/2006	1/15/2036	6.06%	5.75%	5.75%	110,000,000	(453,200)	1,160,053	108,386,747	985.33	98.53%	5.85%	110,000,000	6,435,000
4	February 1, 2038	2/1/2008	2/1/2038	6.59%	6.21%	6.45%	200,000,000	(1,078,000)	2,042,154	196,879,846	984.40	98.44%	6.57%	200,000,000	13,140,000
5	June 1, 2040	6/1/2010	6/1/2040	6.20%	5.49%	5.85%	250,000,000	(1,605,000)	2,535,743	245,859,257	983.44	98.34%	5.97%	250,000,000	14,925,000
6	May 15, 2041	5/15/2011	5/15/2041	5.74%	5.32%	5.25%	250,000,000	(1,527,500)	2,551,385	245,921,115	983.68	98.37%	5.36%	250,000,000	13,400,000
7	May 1, 2043	5/1/2013	5/1/2043	4.64%	4.16%	3.90%	250,000,000	(85,000)	2,539,696	247,375,304	989.50	98.95%	3.96%	250,000,000	9,900,000
8	March 15, 2044	3/15/2014	3/15/2044	5.00%	4.51%	4.55%	250,000,000	(808,622)	2,683,750	246,507,628	986.03	98.60%	4.64%	250,000,000	11,600,000
9	December 15, 2044	12/15/2014	12/15/2044	4.70%	3.95%	4.00%	250,000,000	(4,465,000)	2,665,548	242,869,452	971.48	97.15%	4.17%	250,000,000	10,425,000
10	April 1, 2047	4/1/2017	4/1/2047	4.51%	4.12%	4.15%	300,000,000	(204,000)	3,369,604	296,426,396	988.09	98.81%	4.22%	300,000,000	12,660,000
11	August 15, 2047	8/15/2017	8/15/2047	4.23%	3.86%	3.85%	300,000,000	(954,000)	3,328,218	295,717,782	985.73	98.57%	3.93%	300,000,000	11,790,000
12	August 15, 2028	8/15/2018	8/15/2028	4.64%	4.26%	3.80%	400,000,000	(756,000)	3,233,735	396,010,265	990.03	99.00%	3.92%	400,000,000	15,680,000
13	Tinker Debt - August 31, 2062	9/2/2012	8/31/2062	4.80%	4.01%	3.80%	9,612,282	-	-	9,612,282	1,000.00	100.00%	3.80%	9,612,282	365,267
	Pollution Control Bonds														
14	January 01, 2025	1/25/1995	1/1/2025			1.61%	47,000,000	-	305,230	46,694,770	993.51	99.35%	1.64%	47,000,000	770,800
15	January 01, 2025	1/25/1995	1/1/2025			1.57%	32,400,000	-	269,482	32,130,518	991.68	99.17%	1.61%	32,400,000	521,640
16	June 01, 2027	6/1/1997	6/1/2027			1.61%	56,000,000	-	272,063	55,727,937	995.14	99.51%	1.63%	56,000,000	912,800
	Adjustments														
17	Unamortized Premiums, (Discounts) and Expenses													(33,837,027)	
18	Unamortized (Loss) Gain on Reacquired Debt													(11,204,137)	
19	Amortization of Loss (Gain) on Reacquired Debt														845,898
20	Total Long Term Debt						2,929,962,282	(13,505,322)	29,238,118	2,887,218,842				2,884,921,118	138,480,540
21	Embedded Cost of Long Term Debt														4.80%

Sources:

[1] Cause No. PUD 201700496, W/P F-3.

[2] Prior to 2006, Mergent Bond Record. 2006 - 2018, https://credittrends.moodys.com/.

Oklahoma Gas and Electric Company

Adjusted Pro forma Adjustments - Rate Base[1]
Oklahoma Grid Enhancement
2020
CAUSE NO. PUD 202000XXX

Line	Description	Month 1 (1)	Month 2 (2)	Month 3 (3)	Month 4 (4)	Month 5 (5)	Month 6 (6)	Month 7 (7)	Month 8 (8)	Month 9 (9)	Month 10 (10)	Month 11 (11)	Month 12 (12)	Total (13)
	Rate Base													
1	Plant in Service	$ -	$ -	$ -	$ 958,222	$ 1,916,444	$ 2,874,667	$ 3,832,889	$ 4,791,111	$ 5,749,333	$ 6,707,556	$ 7,665,778	$ 8,624,000	$ 8,624,000
2	Accumulated Provision for Depreciation (New Plant)	$ -	$ -	$ -	$ (1,435)	$ (4,305)	$ (8,611)	$ (14,352)	$ (21,527)	$ (30,138)	$ (40,184)	$ (51,666)	$ (64,582)	$ (64,582)
3	Accumulated Provision for Depreciation (Embedded Plant)[2]				$ (1,091,267)	$ (2,182,535)	$ (3,273,802)	$ (4,365,070)	$ (5,456,337)	$ (6,547,605)	$ (7,638,872)	$ (8,730,140)	$ (9,821,407)	$ (9,821,407)
4	ADIT Liability	$ -	$ -	$ -	$ 281,109	$ 561,429	$ 840,795	$ 1,118,984	$ 1,395,688	$ 1,670,444	$ 1,942,477	$ 2,210,242	$ 2,469,099	$ 2,469,099
5	Total Rate Base	$ -	$ -	$ -	$ 146,629	$ 291,033	$ 433,048	$ 572,451	$ 708,935	$ 842,034	$ 970,976	$ 1,094,214	$ 1,207,110	$ 1,207,110
6	*Rate of Return*	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	
7	**Total Return on Rate Base**	**-**	**-**	**-**	**1,012**	**2,009**	**2,990**	**3,952**	**4,894**	**5,813**	**6,703**	**7,554**	**8,334**	**43,262**
	Expenses/Credits													
8	O&M Expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9	Depreciation Expense	$ -	$ -	$ -	$ 1,435	$ 2,870	$ 4,305	$ 5,741	$ 7,176	$ 8,611	$ 10,046	$ 11,481	$ 12,916	$ 64,582
10	Property Taxes	$ -	$ -	$ -	$ 520	$ 1,041	$ 1,561	$ 2,081	$ 2,602	$ 3,122	$ 3,642	$ 4,163	$ 4,683	$ 23,414
11	**Total Expenses**	**$ -**	**$ -**	**$ -**	**$ 1,955**	**$ 3,911**	**$ 5,866**	**$ 7,822**	**$ 9,777**	**$ 11,733**	**$ 13,688**	**$ 15,644**	**$ 17,599**	**$ 87,996**
12	**Revenue Requirement @ 100%**	**$ -**	**$ -**	**$ -**	**$ 2,968**	**$ 5,920**	**$ 8,856**	**$ 11,774**	**$ 14,672**	**$ 17,546**	**$ 20,392**	**$ 23,198**	**$ 25,933**	**$ 131,258**
13	**OK Jurisdictional Allocation %**	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
14	**OK Revenue Requirement**	**$ -**	**$ -**	**$ -**	**$ 2,968**	**$ 5,920**	**$ 8,856**	**$ 11,774**	**$ 14,672**	**$ 17,546**	**$ 20,392**	**$ 23,198**	**$ 25,933**	**$ 131,257.81**
	ADIT Calculation													
15	Book Depreciation[2]	$ -	$ -	$ -	$ 1,092,703	$ 1,094,138	$ 1,095,573	$ 1,097,008	$ 1,098,443	$ 1,099,878	$ 1,101,314	$ 1,102,749	$ 1,104,184	
16	Tax Depreciation	$ -	$ -	$ -	$ 3,993	$ 8,484	$ 13,618	$ 19,606	$ 26,793	$ 35,776	$ 47,754	$ 65,721	$ 101,654	
17	Tax Rate	$ 0	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	
18	Difference b/w book and tax depreciation	$ -	$ -	$ -	$ 1,088,710	$ 1,085,654	$ 1,081,955	$ 1,077,402	$ 1,071,650	$ 1,064,102	$ 1,053,559	$ 1,037,028	$ 1,002,530	
19	Monthly Deferred Income Tax	$ -	$ -	$ -	$ 281,109	$ 280,320	$ 279,365	$ 278,189	$ 276,704	$ 274,755	$ 272,033	$ 267,765	$ 258,857	
20	ADIT Liability	$ -	$ -	$ -	$ 281,109	$ 561,429	$ 840,795	$ 1,118,984	$ 1,395,688	$ 1,670,444	$ 1,942,477	$ 2,210,242	$ 2,469,099	

Sources:
[1]AG 3-24_Att_Supplement.xlsx.
[2]Direct Exhibit MPG-1.

Oklahoma Gas and Electric Company

Adjusted Pro forma Adjustments - Rate Base[1]
Oklahoma Grid Enhancement
2020
CAUSE NO. PUD 202000XXX

Line	Description	Month 1 (1)	Month 2 (2)	Month 3 (3)	Month 4 (4)	Month 5 (5)	Month 6 (6)	Month 7 (7)	Month 8 (8)	Month 9 (9)	Month 10 (10)	Month 11 (11)	Month 12 (12)	Total (13)
	Rate Base													
1	Plant in Service	$ -	$ -	$ -	$ 7,752,889	$ 15,505,778	$ 23,258,667	$ 31,011,556	$ 38,764,444	$ 46,517,333	$ 54,270,222	$ 62,023,111	$ 69,776,000	$ 69,776,000
2	Accumulated Provision for Depreciation (New Plant)				$ (17,146)	$ (51,439)	$ (102,878)	$ (171,464)	$ (257,196)	$ (360,074)	$ (480,098)	$ (617,269)	$ (771,587)	$ (771,587)
3	Accumulated Provision for Depreciation (Embedded Plant)[2]				$ (5,794,256)	$ (11,588,513)	$ (17,382,769)	$ (23,177,025)	$ (28,971,282)	$ (34,765,538)	$ (40,559,794)	$ (46,354,051)	$ (52,148,307)	$ (52,148,307)
4	ADIT Liability	$ -	$ -	$ -	$ 1,492,186	$ 2,979,417	$ 4,460,350	$ 5,933,199	$ 7,395,462	$ 8,843,385	$ 10,270,712	$ 11,664,933	$ 12,988,512	$ 12,988,512
5	Total Rate Base	$ -	$ -	$ -	$ 3,433,673	$ 6,845,243	$ 10,233,369	$ 13,596,266	$ 16,931,429	$ 20,235,106	$ 23,501,042	$ 26,716,724	$ 29,844,618	$ 29,844,618
6	*Rate of Return*	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	
7	**Total Return on Rate Base**	**-**	**-**	**-**	**23,705**	**47,258**	**70,648**	**93,865**	**116,890**	**139,697**	**162,245**	**184,445**	**206,039**	**1,044,791**
	Expenses/Credits													
8	O&M Expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9	Depreciation Expense	$ -	$ -	$ -	$ 17,146	$ 34,293	$ 51,439	$ 68,585	$ 85,732	$ 102,878	$ 120,025	$ 137,171	$ 154,317	$ 771,587
10	Property Taxes	$ -	$ -	$ -	$ 4,210	$ 8,420	$ 12,629	$ 16,839	$ 21,049	$ 25,259	$ 29,469	$ 33,679	$ 37,888	$ 189,442
11	**Total Expenses**	**$ -**	**$ -**	**$ -**	**$ 21,356**	**$ 42,712**	**$ 64,069**	**$ 85,425**	**$ 106,781**	**$ 128,137**	**$ 149,493**	**$ 170,850**	**$ 192,206**	**$ 961,029**
12	**Revenue Requirement @ 100%**	**$ -**	**$ -**	**$ -**	**$ 45,061**	**$ 89,970**	**$ 134,717**	**$ 179,290**	**$ 223,671**	**$ 267,835**	**$ 311,738**	**$ 355,294**	**$ 398,244**	**$ 2,005,819**
13	**OK Jurisdictional Allocation %**	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
14	**OK Revenue Requirement**	**$ -**	**$ -**	**$ -**	**$ 45,061**	**$ 89,970**	**$ 134,717**	**$ 179,290**	**$ 223,671**	**$ 267,835**	**$ 311,738**	**$ 355,294**	**$ 398,244**	**$ 2,005,819**
	ADIT Calculation													
15	Book Depreciation[2]	$ -	$ -	$ -	$ 5,811,403	$ 5,828,549	$ 5,845,695	$ 5,862,842	$ 5,879,988	$ 5,897,135	$ 5,914,281	$ 5,931,427	$ 5,948,574	
16	Tax Depreciation	$ -	$ -	$ -	$ 32,304	$ 68,645	$ 110,179	$ 158,634	$ 216,781	$ 289,464	$ 386,375	$ 531,742	$ 822,475	
17	Tax Rate	$ 0	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	
18	Difference b/w book and tax depreciation	$ -	$ -	$ -	$ 5,779,099	$ 5,759,904	$ 5,735,517	$ 5,704,208	$ 5,663,207	$ 5,607,670	$ 5,527,906	$ 5,399,685	$ 5,126,098	
19	Monthly Deferred Income Tax	$ -	$ -	$ -	$ 1,492,186	$ 1,487,230	$ 1,480,933	$ 1,472,849	$ 1,462,263	$ 1,447,923	$ 1,427,327	$ 1,394,220	$ 1,323,579	
20	ADIT Liability	$ -	$ -	$ -	$ 1,492,186	$ 2,979,417	$ 4,460,350	$ 5,933,199	$ 7,395,462	$ 8,843,385	$ 10,270,712	$ 11,664,933	$ 12,988,512	

Sources:
[1] AG 3-24_Att_Supplement.xlsx.
[2] Direct Exhibit MPG-1.

Oklahoma Gas and Electric Company

Adjusted Pro forma Adjustments - Rate Base[1]
Oklahoma Grid Enhancement
2020
CAUSE NO. PUD 202000XXX

Line	Description	Month 1 (1)	Month 2 (2)	Month 3 (3)	Month 4 (4)	Month 5 (5)	Month 6 (6)	Month 7 (7)	Month 8 (8)	Month 9 (9)	Month 10 (10)	Month 11 (11)	Month 12 (12)	Total (13)
	Rate Base													
1	Plant in Service	$ -	$ -	$ -	$ 266,667	$ 533,333	$ 800,000	$ 1,066,667	$ 1,333,333	$ 1,600,000	$ 1,866,667	$ 2,133,333	$ 2,400,000	$ 2,400,000
2	Accumulated Provision for Depreciation (New Plant)	$ -	$ -	$ -	$ (2,426)	$ (7,278)	$ (14,556)	$ (24,259)	$ (36,389)	$ (50,944)	$ (67,926)	$ (87,333)	$ (109,167)	$ (109,167)
3	Accumulated Provision for Depreciation (Embedded Plant)[2]				$ (3,226,530)	$ (6,453,059)	$ (9,679,589)	$ (12,906,119)	$ (16,132,649)	$ (19,359,178)	$ (22,585,708)	$ (25,812,238)	$ (29,038,768)	$ (29,038,768)
4	ADIT Liability	$ -	$ -	$ -	$ 831,313	$ 1,660,534	$ 2,487,274	$ 3,311,016	$ 4,131,036	$ 4,946,244	$ 5,754,830	$ 6,553,169	$ 7,330,386	$ 7,330,386
5	Total Rate Base	$ -	$ -	$ -	$ (2,130,976)	$ (4,266,470)	$ (6,406,871)	$ (8,552,695)	$ (10,704,669)	$ (12,863,879)	$ (15,032,137)	$ (17,213,069)	$ (19,417,548)	$ (19,417,548)
6	*Rate of Return*	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	
7	**Total Return on Rate Base**	**-**	**-**	**-**	**(14,712)**	**(29,454)**	**(44,231)**	**(59,045)**	**(73,902)**	**(88,809)**	**(103,778)**	**(118,834)**	**(134,053)**	**(666,818)**
	Expenses/Credits													
8	O&M Expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9	Depreciation Expense	$ -	$ -	$ -	$ 2,426	$ 4,852	$ 7,278	$ 9,704	$ 12,130	$ 14,556	$ 16,981	$ 19,407	$ 21,833	$ 109,167
10	Property Taxes	$ -	$ -	$ -	$ 145	$ 290	$ 434	$ 579	$ 724	$ 869	$ 1,014	$ 1,158	$ 1,303	$ 6,516
11	**Total Expenses**	**$ -**	**$ -**	**$ -**	**$ 2,571**	**$ 5,141**	**$ 7,712**	**$ 10,283**	**$ 12,854**	**$ 15,424**	**$ 17,995**	**$ 20,566**	**$ 23,137**	**$ 115,683**
12	**Revenue Requirement @ 100%**	**$ -**	**$ -**	**$ -**	**$ (12,141)**	**$ (24,313)**	**$ (36,519)**	**$ (48,762)**	**$ (61,048)**	**$ (73,384)**	**$ (85,783)**	**$ (98,268)**	**$ (110,917)**	**$ (551,136)**
13	**OK Jurisdictional Allocation % ***	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%
14	**OK Revenue Requirement**	**$ -**	**$ -**	**$ -**	**$ (11,109)**	**$ (22,248)**	**$ (33,417)**	**$ (44,620)**	**$ (55,862)**	**$ (67,150)**	**$ (78,495)**	**$ (89,920)**	**$ (101,494)**	**$ (504,313)**
	ADIT Calculation													
15	Book Depreciation[2]	$ -	$ -	$ -	$ 3,228,956	$ 3,231,382	$ 3,233,808	$ 3,236,233	$ 3,238,659	$ 3,241,085	$ 3,243,511	$ 3,245,937	$ 3,248,363	
16	Tax Depreciation	$ -	$ -	$ -	$ 9,358	$ 19,887	$ 31,919	$ 45,957	$ 62,802	$ 83,858	$ 111,933	$ 154,046	$ 238,272	
17	Tax Rate	$ 0	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	
18	Difference b/w book AND tax depreciation	$ -	$ -	$ -	$ 3,219,597	$ 3,211,495	$ 3,201,889	$ 3,190,277	$ 3,175,858	$ 3,157,227	$ 3,131,578	$ 3,091,891	$ 3,010,091	
19	Monthly Deferred Income Tax	$ -	$ -	$ -	$ 831,313	$ 829,221	$ 826,740	$ 823,742	$ 820,019	$ 815,209	$ 808,586	$ 798,339	$ 777,218	
20	ADIT Liability	$ -	$ -	$ -	$ 831,313	$ 1,660,534	$ 2,487,274	$ 3,311,016	$ 4,131,036	$ 4,946,244	$ 5,754,830	$ 6,553,169	$ 7,330,386	

*These FERC items are allocated using the Supervised O&M allocator in the COS. Per PUD 2018-140, the OK Retail percentage of Supervised O&M is 91.5044%

Sources:
[1]AG 3-24_Att_Supplement.xlsx.
[2]Direct Exhibit MPG-1.

$182,741

Oklahoma Gas and Electric Company

Adjusted Pro forma Adjustments - Rate Base[1]
Oklahoma Grid Enhancement
2021
Cause No. PUD 202000XXX

Line	Description	Month 1 (1)	Month 2 (2)	Month 3 (3)	Month 4 (4)	Month 5 (5)	Month 6 (6)	Month 7 (7)	Month 8 (8)	Month 9 (9)	Month 10 (10)	Month 11 (11)	Month 12 (12)	Total (13)
	Rate Base													
1	Plant in Service	$ 9,778,083	$ 10,932,167	$ 12,086,250	$ 13,240,333	$ 14,394,417	$ 15,548,500	$ 16,702,583	$ 17,856,667	$ 19,010,750	$ 20,164,833	$ 21,318,917	$ 22,473,000	$ 22,473,000
2	Accumulated Provision for Depreciation (New Plant)	$ (79,227)	$ (95,600)	$ (113,702)	$ (133,533)	$ (155,092)	$ (178,379)	$ (203,395)	$ (230,139)	$ (258,612)	$ (288,814)	$ (320,744)	$ (354,402)	$ (354,402)
3	Accumulated Provision for Depreciation (Embedded Plant)[2]	$ (10,912,675)	$ (12,003,942)	$ (13,095,210)	$ (14,186,477)	$ (15,277,745)	$ (16,369,012)	$ (17,460,280)	$ (18,551,547)	$ (19,642,814)	$ (20,734,082)	$ (21,825,349)	$ (22,916,617)	$ (22,916,617)
4	ADIT Liability	$ 2,740,323	$ 3,010,977	$ 3,280,961	$ 3,550,149	$ 3,818,386	$ 4,085,473	$ 4,351,145	$ 4,615,027	$ 4,876,563	$ 5,134,819	$ 5,387,935	$ 5,630,323	$ 5,630,323
5	Total Rate Base	$ 1,526,505	$ 1,843,601	$ 2,158,299	$ 2,470,472	$ 2,779,967	$ 3,086,582	$ 3,390,054	$ 3,690,008	$ 3,985,886	$ 4,276,757	$ 4,560,759	$ 4,832,304	$ 4,832,304
6	*Rate of Return*	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	
7	**Total Return on Rate Base**	**10,539**	**12,728**	**14,900**	**17,055**	**19,192**	**21,309**	**23,404**	**25,475**	**27,517**	**29,526**	**31,486**	**33,361**	**266,492**
	Expenses/Credits													
8	O&M Expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9	Depreciation Expense	$ 14,645	$ 16,373	$ 18,102	$ 19,830	$ 21,559	$ 23,287	$ 25,016	$ 26,744	$ 28,473	$ 30,201	$ 31,930	$ 33,658	$ 289,820
10	Property Taxes	$ 5,309	$ 5,936	$ 6,563	$ 7,190	$ 7,816	$ 8,443	$ 9,070	$ 9,696	$ 10,323	$ 10,950	$ 11,576	$ 12,203	$ 105,074
11	**Total Expenses**	**$ 19,954**	**$ 22,310**	**$ 24,665**	**$ 27,020**	**$ 29,375**	**$ 31,730**	**$ 34,085**	**$ 36,441**	**$ 38,796**	**$ 41,151**	**$ 43,506**	**$ 45,861**	**$ 394,894**
12	**Revenue Requirement @ 100%**	**$ 30,493**	**$ 35,037**	**$ 39,565**	**$ 44,075**	**$ 48,567**	**$ 53,039**	**$ 57,489**	**$ 61,915**	**$ 66,313**	**$ 70,676**	**$ 74,992**	**$ 79,222**	**$ 661,386**
13	**OK Jurisdictional Allocation %**	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
14	**OK Revenue Requirement**	**$ 30,493**	**$ 35,037**	**$ 39,565**	**$ 44,075**	**$ 48,567**	**$ 53,039**	**$ 57,489**	**$ 61,915**	**$ 66,313**	**$ 70,676**	**$ 74,992**	**$ 79,222**	**$ 661,386**
	ADIT Calculation													
15	Book Depreciation[2]	$ 1,105,912	$ 1,107,641	$ 1,109,369	$ 1,111,098	$ 1,112,826	$ 1,114,555	$ 1,116,283	$ 1,118,012	$ 1,119,740	$ 1,121,469	$ 1,123,197	$ 1,124,926	
16	Tax Depreciation	$ 55,487	$ 59,421	$ 63,749	$ 68,558	$ 73,968	$ 80,150	$ 87,363	$ 96,019	$ 106,838	$ 121,264	$ 142,904	$ 186,182	
17	Tax Rate	$ 0	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	
18	Difference b/w book and tax depreciation	$ 1,050,425	$ 1,048,219	$ 1,045,620	$ 1,042,540	$ 1,038,859	$ 1,034,405	$ 1,028,920	$ 1,021,993	$ 1,012,902	$ 1,000,204	$ 980,294	$ 938,744	
19	Monthly Deferred Income Tax	$ 271,224	$ 270,654	$ 269,983	$ 269,188	$ 268,237	$ 267,087	$ 265,671	$ 263,883	$ 261,535	$ 258,257	$ 253,116	$ 242,388	
20	ADIT Liability	$ 271,224	$ 541,878	$ 811,862	$ 1,081,050	$ 1,349,287	$ 1,616,375	$ 1,882,046	$ 2,145,929	$ 2,407,464	$ 2,665,721	$ 2,918,836	$ 3,161,224	

Sources:
[1]AG 3-24_Att_Supplement.xlsx.
[2]Direct Exhibit MPG-1.

Oklahoma Gas and Electric Company

Adjusted Pro forma Adjustments - Rate Base[1]
Oklahoma Grid Enhancement
2021
Cause No. PUD 202000XXX

Line	Description	Month 1 (1)	Month 2 (2)	Month 3 (3)	Month 4 (4)	Month 5 (5)	Month 6 (6)	Month 7 (7)	Month 8 (8)	Month 9 (9)	Month 10 (10)	Month 11 (11)	Month 12 (12)	Total (13)
	Rate Base													
1	Plant in Service	$ 79,113,583	$ 88,451,167	$ 97,788,750	$ 107,126,333	$ 116,463,917	$ 125,801,500	$ 135,139,083	$ 144,476,667	$ 153,814,250	$ 163,151,833	$ 172,489,417	$ 181,827,000	$ 181,827,000
2	Accumulated Provision for Depreciation (New Plant)	$ (946,555)	$ (1,142,175)	$ (1,358,445)	$ (1,595,367)	$ (1,852,940)	$ (2,131,164)	$ (2,430,039)	$ (2,749,565)	$ (3,089,742)	$ (3,450,570)	$ (3,832,050)	$ (4,234,180)	$ (4,234,180)
3	Accumulated Provision for Depreciation (Embedded Plant)[2]	$ (57,942,563)	$ (63,736,820)	$ (69,531,076)	$ (75,325,332)	$ (81,119,589)	$ (86,913,845)	$ (92,708,101)	$ (98,502,358)	$ (104,296,614)	$ (110,090,870)	$ (115,885,127)	$ (121,679,383)	$ (121,679,383)
4	ADIT Liability	$ 14,413,871	$ 15,836,343	$ 17,255,107	$ 18,669,156	$ 20,077,236	$ 21,477,733	$ 22,868,492	$ 24,246,502	$ 25,607,240	$ 26,943,174	$ 28,239,233	$ 29,450,211	$ 29,450,211
5	Total Rate Base	$ 34,638,336	$ 39,408,516	$ 44,154,335	$ 48,874,790	$ 53,568,625	$ 58,234,224	$ 62,869,436	$ 67,471,246	$ 72,035,134	$ 76,553,566	$ 81,011,473	$ 85,363,648	$ 85,363,648
6	*Rate of Return*	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	
7	**Total Return on Rate Base**	**239,133**	**272,065**	**304,829**	**337,418**	**369,823**	**402,033**	**434,033**	**465,802**	**497,310**	**528,504**	**559,280**	**589,326**	**4,999,556**
	Expenses/Credits													
8	O&M Expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9	Depreciation Expense	$ 174,968	$ 195,620	$ 216,271	$ 236,922	$ 257,573	$ 278,224	$ 298,875	$ 319,526	$ 340,177	$ 360,828	$ 381,479	$ 402,131	$ 3,462,594
10	Property Taxes	$ 42,959	$ 48,029	$ 53,099	$ 58,170	$ 63,240	$ 68,310	$ 73,381	$ 78,451	$ 83,521	$ 88,591	$ 93,662	$ 98,732	$ 850,144
11	**Total Expenses**	**$ 217,927**	**$ 243,649**	**$ 269,370**	**$ 295,091**	**$ 320,813**	**$ 346,534**	**$ 372,256**	**$ 397,977**	**$ 423,698**	**$ 449,420**	**$ 475,141**	**$ 500,863**	**$ 4,312,738**
12	**Revenue Requirement @ 100%**	**$ 457,060**	**$ 515,714**	**$ 574,199**	**$ 632,509**	**$ 690,635**	**$ 748,567**	**$ 806,288**	**$ 863,779**	**$ 921,008**	**$ 977,924**	**$ 1,034,421**	**$ 1,090,189**	**$ 9,312,294**
13	**OK Jurisdictional Allocation %**	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
14	**OK Revenue Requirement**	**$ 457,060**	**$ 515,714**	**$ 574,199**	**$ 632,509**	**$ 690,635**	**$ 748,567**	**$ 806,288**	**$ 863,779**	**$ 921,008**	**$ 977,924**	**$ 1,034,421**	**$ 1,090,189**	**$ 9,312,294**
	ADIT Calculation													
15	Book Depreciation[2]	$ 5,969,225	$ 5,989,876	$ 6,010,527	$ 6,031,178	$ 6,051,829	$ 6,072,480	$ 6,093,131	$ 6,113,782	$ 6,134,434	$ 6,155,085	$ 6,175,736	$ 6,196,387	
16	Tax Depreciation	$ 448,941	$ 480,773	$ 515,789	$ 554,696	$ 598,466	$ 648,489	$ 706,849	$ 776,880	$ 864,420	$ 981,140	$ 1,156,220	$ 1,506,379	
17	Tax Rate	$ 0	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	
18	Difference b/w book and tax depreciation	$ 5,520,284	$ 5,509,102	$ 5,494,738	$ 5,476,482	$ 5,453,363	$ 5,423,992	$ 5,386,283	$ 5,336,902	$ 5,270,013	$ 5,173,945	$ 5,019,516	$ 4,690,008	
19	Monthly Deferred Income Tax	$ 1,425,359	$ 1,422,472	$ 1,418,763	$ 1,414,050	$ 1,408,080	$ 1,400,496	$ 1,390,760	$ 1,378,009	$ 1,360,739	$ 1,335,933	$ 1,296,059	$ 1,210,979	
20	ADIT Liability	$ 1,425,359	$ 2,847,832	$ 4,266,595	$ 5,680,645	$ 7,088,725	$ 8,489,221	$ 9,879,981	$ 11,257,990	$ 12,618,729	$ 13,954,662	$ 15,250,721	$ 16,461,700	

Sources:
[1]AG 3-24_Att_Supplement.xlsx.
[2]Direct Exhibit MPG-1.

Oklahoma Gas and Electric Company

Adjusted Pro forma Adjustments - Rate Base[1]
Oklahoma Grid Enhancement
2021
Cause No. PUD 202000XXX

Line	Description	Month 1 (1)	Month 2 (2)	Month 3 (3)	Month 4 (4)	Month 5 (5)	Month 6 (6)	Month 7 (7)	Month 8 (8)	Month 9 (9)	Month 10 (10)	Month 11 (11)	Month 12 (12)	Total (13)
	Rate Base													
1	Plant in Service	$ 6,441,667	$ 10,483,333	$ 14,525,000	$ 18,566,667	$ 22,608,333	$ 26,650,000	$ 30,691,667	$ 34,733,333	$ 38,775,000	$ 42,816,667	$ 46,858,333	$ 50,900,000	$ 50,900,000
2	Accumulated Provision for Depreciation (New Plant)	$ (167,250)	$ (261,583)	$ (392,167)	$ (559,000)	$ (762,083)	$ (1,001,417)	$ (1,277,000)	$ (1,588,833)	$ (1,936,917)	$ (2,321,250)	$ (2,741,833)	$ (3,198,667)	$ (3,198,667)
3	Accumulated Provision for Depreciation (Embedded Plant)[2]	$ (32,265,297)	$ (35,491,827)	$ (38,718,357)	$ (41,944,887)	$ (45,171,416)	$ (48,397,946)	$ (51,624,476)	$ (54,851,006)	$ (58,077,535)	$ (61,304,065)	$ (64,530,595)	$ (67,757,125)	$ (67,757,125)
4	ADIT Liability	$ 8,135,926	$ 8,928,405	$ 9,705,582	$ 10,464,717	$ 11,202,385	$ 11,914,181	$ 12,594,234	$ 13,234,324	$ 13,822,118	$ 14,337,066	$ 14,738,065	$ 14,901,805	$ 14,901,805
5	Total Rate Base	$ (17,854,955)	$ (16,341,672)	$ (14,879,942)	$ (13,472,503)	$ (12,122,782)	$ (10,835,182)	$ (9,615,575)	$ (8,472,182)	$ (7,417,334)	$ (6,471,582)	$ (5,676,030)	$ (5,153,986)	$ (5,153,986)
6	*Rate of Return*	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	
7	**Total Return on Rate Base**	**(123,266)**	**(112,818)**	**(102,727)**	**(93,010)**	**(83,692)**	**(74,803)**	**(66,383)**	**(58,490)**	**(51,207)**	**(44,678)**	**(39,186)**	**(35,582)**	**(885,842)**
	Expenses/Credits													
8	O&M Expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9	Depreciation Expense	$ 58,083	$ 94,333	$ 130,583	$ 166,833	$ 203,083	$ 239,333	$ 275,583	$ 311,833	$ 348,083	$ 384,333	$ 420,583	$ 456,833	$ 3,089,500
10	Property Taxes	$ 3,498	$ 5,692	$ 7,887	$ 10,082	$ 12,276	$ 14,471	$ 16,666	$ 18,860	$ 21,055	$ 23,249	$ 25,444	$ 27,639	$ 186,819
11	**Total Expenses**	**$ 61,581**	**$ 100,026**	**$ 138,470**	**$ 176,915**	**$ 215,360**	**$ 253,804**	**$ 292,249**	**$ 330,694**	**$ 369,138**	**$ 407,583**	**$ 446,027**	**$ 484,472**	**$ 3,276,319**
12	**Revenue Requirement @ 100%**	**$ (61,684)**	**$ (12,792)**	**$ 35,744**	**$ 83,905**	**$ 131,667**	**$ 179,001**	**$ 225,866**	**$ 272,204**	**$ 317,931**	**$ 362,905**	**$ 406,842**	**$ 448,890**	**$ 2,390,478**
13	**OK Jurisdictional Allocation % ***	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%
14	**OK Revenue Requirement**	**$ (56,444)**	**$ (11,706)**	**$ 32,707**	**$ 76,776**	**$ 120,481**	**$ 163,794**	**$ 206,677**	**$ 249,079**	**$ 290,921**	**$ 332,074**	**$ 372,278**	**$ 410,754**	**$ 2,187,392**
	ADIT Calculation													
15	Book Depreciation[2]	$ 3,284,613	$ 3,320,863	$ 3,357,113	$ 3,393,363	$ 3,429,613	$ 3,465,863	$ 3,502,113	$ 3,538,363	$ 3,574,613	$ 3,610,863	$ 3,647,113	$ 3,683,363	
16	Tax Depreciation	$ 164,835	$ 251,665	$ 347,178	$ 453,304	$ 572,695	$ 709,142	$ 868,331	$ 1,059,357	$ 1,298,140	$ 1,616,517	$ 2,094,082	$ 3,049,213	
17	Tax Rate	$ 0	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	
18	Difference b/w book AND tax depreciation	$ 3,119,778	$ 3,069,198	$ 3,009,935	$ 2,940,059	$ 2,856,918	$ 2,756,721	$ 2,633,782	$ 2,479,006	$ 2,276,473	$ 1,994,346	$ 1,553,031	$ 634,150	
19	Monthly Deferred Income Tax	$ 805,539	$ 792,479	$ 777,177	$ 759,135	$ 737,668	$ 711,796	$ 680,053	$ 640,089	$ 587,795	$ 514,948	$ 400,999	$ 163,740	
20	ADIT Liability	$ 805,539	$ 1,598,018	$ 2,375,196	$ 3,134,331	$ 3,871,998	$ 4,583,795	$ 5,263,848	$ 5,903,937	$ 6,491,732	$ 7,006,680	$ 7,407,679	$ 7,571,419	

*These FERC items are allocated using the Supervised O&M allocator in the COS. Per PUD 2018-140, the OK Retail percentage of Supervised O&M is 91.5044%

[1] AG 3-24_Att_Supplement.xlsx.
[2] Direct Exhibit MPG-1.

Oklahoma Gas and Electric Company

Adjusted Pro forma Adjustments - Rate Base[1]
Oklahoma Grid Enhancement
2022
Cause No. PUD 202000XXX

Line	Description	Month 1 (1)	Month 2 (2)	Month 3 (3)	Month 4 (4)	Month 5 (5)	Month 6 (6)	Month 7 (7)	Month 8 (8)	Month 9 (9)	Month 10 (10)	Month 11 (11)	Month 12 (12)	Total (13)
	Rate Base													
1	Plant in Service	$ 23,850,750	$ 25,228,500	$ 26,606,250	$ 27,984,000	$ 29,361,750	$ 30,739,500	$ 32,117,250	$ 33,495,000	$ 34,872,750	$ 36,250,500	$ 37,628,250	$ 39,006,000	$ 39,006,000
2	Accumulated Provision for Depreciation (New Plant)	$ (390,124)	$ (427,909)	$ (467,758)	$ (509,671)	$ (553,646)	$ (599,686)	$ (647,789)	$ (697,955)	$ (750,185)	$ (804,478)	$ (860,835)	$ (919,256)	$ (919,256)
3	Accumulated Provision for Depreciation (Embedded Plant)[2]	$ (24,007,884)	$ (25,099,152)	$ (26,190,419)	$ (27,281,687)	$ (28,372,954)	$ (29,464,222)	$ (30,555,489)	$ (31,646,757)	$ (32,738,024)	$ (33,829,292)	$ (34,920,559)	$ (36,011,826)	$ (36,011,826)
4	ADIT Liability	$ 5,886,302	$ 6,141,602	$ 6,396,101	$ 6,649,650	$ 6,902,064	$ 7,153,105	$ 7,402,456	$ 7,649,671	$ 7,894,085	$ 8,134,584	$ 8,368,946	$ 8,590,500	$ 8,590,500
5	Total Rate Base	$ 5,339,044	$ 5,843,041	$ 6,344,173	$ 6,842,292	$ 7,337,213	$ 7,828,698	$ 8,316,428	$ 8,799,960	$ 9,278,626	$ 9,751,314	$ 10,215,802	$ 10,665,418	$ 10,665,418
6	*Rate of Return*	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	
7	**Total Return on Rate Base**	**36,859**	**40,339**	**43,798**	**47,237**	**50,654**	**54,047**	**57,414**	**60,752**	**64,057**	**67,320**	**70,527**	**73,631**	**666,637**
	Expenses/Credits													
8	O&M Expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9	Depreciation Expense	$ 35,722	$ 37,785	$ 39,849	$ 41,912	$ 43,976	$ 46,039	$ 48,103	$ 50,166	$ 52,230	$ 54,293	$ 56,357	$ 58,420	$ 564,854
10	Property Taxes	$ 12,951	$ 13,699	$ 14,447	$ 15,195	$ 15,943	$ 16,692	$ 17,440	$ 18,188	$ 18,936	$ 19,684	$ 20,432	$ 21,180	$ 204,787
11	**Total Expenses**	**$ 48,673**	**$ 51,484**	**$ 54,296**	**$ 57,108**	**$ 59,919**	**$ 62,731**	**$ 65,543**	**$ 68,354**	**$ 71,166**	**$ 73,977**	**$ 76,789**	**$ 79,601**	**$ 769,641**
12	**Revenue Requirement @ 100%**	**$ 85,532**	**$ 91,823**	**$ 98,094**	**$ 104,345**	**$ 110,573**	**$ 116,778**	**$ 122,957**	**$ 129,107**	**$ 135,223**	**$ 141,298**	**$ 147,316**	**$ 153,232**	**$ 1,436,278**
13	**OK Jurisdictional Allocation %**	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
14	**OK Revenue Requirement**	**$ 85,532**	**$ 91,823**	**$ 98,094**	**$ 104,345**	**$ 110,573**	**$ 116,778**	**$ 122,957**	**$ 129,107**	**$ 135,223**	**$ 141,298**	**$ 147,316**	**$ 153,232**	**$ 1,436,278**
	ADIT Calculation													
15	Book Depreciation[2]	$ 1,126,989	$ 1,129,053	$ 1,131,116	$ 1,133,180	$ 1,135,243	$ 1,137,307	$ 1,139,370	$ 1,141,434	$ 1,143,497	$ 1,145,561	$ 1,147,624	$ 1,149,688	
16	Tax Depreciation	$ 135,604	$ 140,301	$ 145,468	$ 151,208	$ 157,666	$ 165,047	$ 173,658	$ 183,991	$ 196,908	$ 214,130	$ 239,962	$ 291,628	
17	Tax Rate	$ 0	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	
18	Difference b/w book and tax depreciation	$ 991,385	$ 988,752	$ 985,649	$ 981,972	$ 977,577	$ 972,260	$ 965,712	$ 957,443	$ 946,590	$ 931,431	$ 907,662	$ 858,060	
19	Monthly Deferred Income Tax	$ 255,980	$ 255,300	$ 254,498	$ 253,549	$ 252,414	$ 251,041	$ 249,351	$ 247,216	$ 244,413	$ 240,499	$ 234,362	$ 221,554	
20	ADIT Liability	$ 255,980	$ 511,279	$ 765,778	$ 1,019,327	$ 1,271,741	$ 1,522,782	$ 1,772,133	$ 2,019,349	$ 2,263,762	$ 2,504,261	$ 2,738,623	$ 2,960,178	

Sources:
[1]AG 3-24_Att_Supplement.xlsx.
[2]Direct Exhibit MPG-1.

Oklahoma Gas and Electric Company

Adjusted Pro forma Adjustments - Rate Base[1]
Oklahoma Grid Enhancement
2022
Cause No. PUD 202000XXX

Line	Description	Month 1 (1)	Month 2 (2)	Month 3 (3)	Month 4 (4)	Month 5 (5)	Month 6 (6)	Month 7 (7)	Month 8 (8)	Month 9 (9)	Month 10 (10)	Month 11 (11)	Month 12 (12)	Total (13)
	Rate Base													
1	Plant in Service	$ 192,974,250	$ 204,121,500	$ 215,268,750	$ 226,416,000	$ 237,563,250	$ 248,710,500	$ 259,857,750	$ 271,005,000	$ 282,152,250	$ 293,299,500	$ 304,446,750	$ 315,594,000	$ 315,594,000
2	Accumulated Provision for Depreciation (New Plant)	$ (4,660,964)	$ (5,112,401)	$ (5,588,492)	$ (6,089,236)	$ (6,614,633)	$ (7,164,684)	$ (7,739,388)	$ (8,338,746)	$ (8,962,757)	$ (9,611,421)	$ (10,284,739)	$ (10,982,710)	$ (10,982,710)
3	Accumulated Provision for Depreciation (Embedded Plant[2])	$ (127,473,639)	$ (133,267,896)	$ (139,062,152)	$ (144,856,408)	$ (150,650,665)	$ (156,444,921)	$ (162,239,177)	$ (168,033,434)	$ (173,827,690)	$ (179,621,946)	$ (185,416,203)	$ (191,210,459)	$ (191,210,459)
4	ADIT Liability	$ 30,773,218	$ 32,092,777	$ 33,407,909	$ 34,717,413	$ 36,019,792	$ 37,313,116	$ 38,594,817	$ 39,861,297	$ 41,107,158	$ 42,323,407	$ 43,492,054	$ 44,559,132	$ 44,559,132
5	Total Rate Base	$ 91,612,864	$ 97,833,980	$ 104,026,015	$ 110,187,769	$ 116,317,744	$ 122,414,011	$ 128,474,002	$ 134,494,117	$ 140,468,962	$ 146,389,540	$ 152,237,863	$ 157,959,963	$ 157,959,963
6	*Rate of Return*	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	
7	**Total Return on Rate Base**	**632,469**	**675,418**	**718,166**	**760,705**	**803,025**	**845,112**	**886,948**	**928,509**	**969,758**	**1,010,632**	**1,051,007**	**1,090,511**	**10,372,259**
	Expenses/Credits													
8	O&M Expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9	Depreciation Expense	$ 426,784	$ 451,437	$ 476,091	$ 500,744	$ 525,397	$ 550,051	$ 574,704	$ 599,358	$ 624,011	$ 648,664	$ 673,318	$ 697,971	$ 6,748,529
10	Property Taxes	$ 104,785	$ 110,838	$ 116,891	$ 122,944	$ 128,997	$ 135,050	$ 141,103	$ 147,156	$ 153,209	$ 159,262	$ 165,315	$ 171,368	$ 1,656,915
11	**Total Expenses**	**$ 531,569**	**$ 562,275**	**$ 592,982**	**$ 623,688**	**$ 654,394**	**$ 685,101**	**$ 715,807**	**$ 746,513**	**$ 777,220**	**$ 807,926**	**$ 838,632**	**$ 869,339**	**$ 8,405,445**
12	**Revenue Requirement @ 100%**	**$ 1,164,038**	**$ 1,237,693**	**$ 1,311,148**	**$ 1,384,393**	**$ 1,457,419**	**$ 1,530,212**	**$ 1,602,755**	**$ 1,675,022**	**$ 1,746,977**	**$ 1,818,558**	**$ 1,889,639**	**$ 1,959,849**	**$ 18,777,704**
13	**OK Jurisdictional Allocation %**	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
14	**OK Revenue Requirement**	**$ 1,164,038**	**$ 1,237,693**	**$ 1,311,148**	**$ 1,384,393**	**$ 1,457,419**	**$ 1,530,212**	**$ 1,602,755**	**$ 1,675,022**	**$ 1,746,977**	**$ 1,818,558**	**$ 1,889,639**	**$ 1,959,849**	**$ 18,777,704**
	ADIT Calculation													
15	Book Depreciation[2]	$ 6,221,040	$ 6,245,694	$ 6,270,347	$ 6,295,000	$ 6,319,654	$ 6,344,307	$ 6,368,960	$ 6,393,614	$ 6,418,267	$ 6,442,921	$ 6,467,574	$ 6,492,227	
16	Tax Depreciation	$ 1,097,161	$ 1,135,163	$ 1,176,965	$ 1,223,412	$ 1,275,664	$ 1,335,382	$ 1,405,052	$ 1,488,656	$ 1,593,162	$ 1,732,503	$ 1,941,514	$ 2,359,535	
17	Tax Rate	$ 0	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	
18	Difference b/w book and tax depreciation	$ 5,123,880	$ 5,110,531	$ 5,093,382	$ 5,071,589	$ 5,043,989	$ 5,008,925	$ 4,963,908	$ 4,904,957	$ 4,825,105	$ 4,710,418	$ 4,526,060	$ 4,132,692	
19	Monthly Deferred Income Tax	$ 1,323,006	$ 1,319,560	$ 1,315,132	$ 1,309,504	$ 1,302,378	$ 1,293,325	$ 1,281,701	$ 1,266,480	$ 1,245,861	$ 1,216,249	$ 1,168,647	$ 1,067,078	
20	ADIT Liability	$ 1,323,006	$ 2,642,566	$ 3,957,697	$ 5,267,202	$ 6,569,580	$ 7,862,905	$ 9,144,606	$ 10,411,085	$ 11,656,947	$ 12,873,196	$ 14,041,842	$ 15,108,920	

Sources:
[1]AG 3-24_Att_Supplement.xlsx.
[2]Direct Exhibit MPG-1.

Oklahoma Gas and Electric Company

Adjusted Pro forma Adjustments - Rate Base[1]
Oklahoma Grid Enhancement
2022
Cause No. PUD 202000XXX

Line	Description	Month 1 (1)	Month 2 (2)	Month 3 (3)	Month 4 (4)	Month 5 (5)	Month 6 (6)	Month 7 (7)	Month 8 (8)	Month 9 (9)	Month 10 (10)	Month 11 (11)	Month 12 (12)	Total (13)
	Rate Base													
1	Plant in Service	$ 53,791,667	$ 56,683,333	$ 59,575,000	$ 62,466,667	$ 65,358,333	$ 68,250,000	$ 71,141,667	$ 74,033,333	$ 76,925,000	$ 79,816,667	$ 82,708,333	$ 85,600,000	$ 85,600,000
2	Accumulated Provision for Depreciation (New Plant)	$ (3,682,097)	$ (4,192,125)	$ (4,728,750)	$ (5,291,972)	$ (5,881,792)	$ (6,498,208)	$ (7,141,222)	$ (7,810,833)	$ (8,507,042)	$ (9,229,847)	$ (9,979,250)	$ (10,755,250)	$ (10,755,250)
3	Accumulated Provision for Depreciation (Embedded Plant)[2]	$ (70,983,654)	$ (74,210,184)	$ (77,436,714)	$ (80,663,244)	$ (83,889,773)	$ (87,116,303)	$ (90,342,833)	$ (93,569,363)	$ (96,795,892)	$ (100,022,422)	$ (103,248,952)	$ (106,475,481)	$ (106,475,481)
4	ADIT Liability	$ 15,468,828	$ 16,025,789	$ 16,570,998	$ 17,102,385	$ 17,617,363	$ 18,112,607	$ 18,583,685	$ 19,024,388	$ 19,425,408	$ 19,771,225	$ 20,030,807	$ 20,111,049	$ 20,111,049
5	Total Rate Base	$ (5,405,257)	$ (5,693,186)	$ (6,019,466)	$ (6,386,164)	$ (6,795,869)	$ (7,251,904)	$ (7,758,704)	$ (8,322,474)	$ (8,952,526)	$ (9,664,377)	$ (10,489,061)	$ (11,519,683)	$ (11,519,683)
6	*Rate of Return*	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	
7	**Total Return on Rate Base**	**(37,316)**	**(39,304)**	**(41,557)**	**(44,088)**	**(46,917)**	**(50,065)**	**(53,564)**	**(57,456)**	**(61,806)**	**(66,720)**	**(72,414)**	**(79,529)**	**(650,735)**
	Expenses/Credits													
8	O&M Expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9	Depreciation Expense	$ 483,431	$ 510,028	$ 536,625	$ 563,222	$ 589,819	$ 616,417	$ 643,014	$ 669,611	$ 696,208	$ 722,806	$ 749,403	$ 776,000	$ 7,556,583
10	Property Taxes	$ 29,209	$ 30,779	$ 32,349	$ 33,919	$ 35,490	$ 37,060	$ 38,630	$ 40,200	$ 41,770	$ 43,340	$ 44,911	$ 46,481	$ 454,138
11	**Total Expenses**	**$ 512,639**	**$ 540,807**	**$ 568,974**	**$ 597,142**	**$ 625,309**	**$ 653,476**	**$ 681,644**	**$ 709,811**	**$ 737,979**	**$ 766,146**	**$ 794,313**	**$ 822,481**	**$ 8,010,721**
12	**Revenue Requirement @ 100%**	**$ 475,323**	**$ 501,503**	**$ 527,418**	**$ 553,053**	**$ 578,392**	**$ 603,411**	**$ 628,080**	**$ 652,355**	**$ 676,173**	**$ 699,426**	**$ 721,900**	**$ 742,952**	**$ 7,359,986**
13	**OK Jurisdictional Allocation % ***	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%
14	**OK Revenue Requirement**	**$ 434,942**	**$ 458,897**	**$ 482,610**	**$ 506,068**	**$ 529,254**	**$ 552,148**	**$ 574,721**	**$ 596,934**	**$ 618,728**	**$ 640,005**	**$ 660,570**	**$ 679,834**	**$ 6,734,711**
	ADIT Calculation													
15	Book Depreciation[2]	$ 3,709,960	$ 3,736,558	$ 3,763,155	$ 3,789,752	$ 3,816,349	$ 3,842,946	$ 3,869,544	$ 3,896,141	$ 3,922,738	$ 3,949,335	$ 3,975,933	$ 4,002,530	
16	Tax Depreciation	$ 1,513,936	$ 1,579,496	$ 1,651,612	$ 1,731,742	$ 1,821,887	$ 1,924,910	$ 2,045,104	$ 2,189,337	$ 2,369,628	$ 2,610,016	$ 2,970,597	$ 3,691,761	
17	Tax Rate	$ 0	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	
18	Difference b/w book AND tax depreciation	$ 2,196,025	$ 2,157,061	$ 2,111,542	$ 2,058,010	$ 1,994,462	$ 1,918,036	$ 1,824,439	$ 1,706,804	$ 1,553,110	$ 1,339,320	$ 1,005,335	$ 310,769	
19	Monthly Deferred Income Tax	$ 567,022	$ 556,962	$ 545,209	$ 531,386	$ 514,978	$ 495,245	$ 471,078	$ 440,704	$ 401,019	$ 345,818	$ 259,582	$ 80,242	
20	ADIT Liability	$ 567,022	$ 1,123,984	$ 1,669,193	$ 2,200,579	$ 2,715,557	$ 3,210,802	$ 3,681,880	$ 4,122,583	$ 4,523,602	$ 4,869,420	$ 5,129,002	$ 5,209,244	

*These FERC items are allocated using the Supervised O&M allocator in the COS. Per PUD 2018-140, the OK Retail percentage of Supervised O&M is 91.5044%

Sources:
[1] AG 3-24_Att_Supplement.xlsx.
[2] Direct Exhibit MPG-1.

Oklahoma Gas and Electric Company

Adjusted Pro forma Adjustments - Rate Base[1]
Oklahoma Grid Enhancement
2023
Cause No. PUD 202000XXX

Line	Description	Month 1 (1)	Month 2 (2)	Month 3 (3)	Month 4 (4)	Month 5 (5)	Month 6 (6)	Month 7 (7)	Month 8 (8)	Month 9 (9)	Month 10 (10)	Month 11 (11)	Month 12 (12)	Total (13)
	Rate Base													
1	Plant in Service	$ 40,383,750	$ 41,761,500	$ 43,139,250	$ 44,517,000	$ 45,894,750	$ 47,272,500	$ 48,650,250	$ 50,028,000	$ 51,405,750	$ 52,783,500	$ 54,161,250	$ 55,539,000	$ 55,539,000
2	Accumulated Provision for Depreciation (New Plant)	$ (979,739)	$ (1,042,287)	$ (1,106,898)	$ (1,173,572)	$ (1,242,310)	$ (1,313,111)	$ (1,385,976)	$ (1,460,904)	$ (1,537,896)	$ (1,616,951)	$ (1,698,070)	$ (1,781,252)	$ (1,781,252)
3	Accumulated Provision for Depreciation (Embedded Plant[2])	$ (37,103,094)	$ (38,194,361)	$ (39,285,629)	$ (40,376,896)	$ (41,468,164)	$ (42,559,431)	$ (43,650,699)	$ (44,741,966)	$ (45,833,234)	$ (46,924,501)	$ (48,015,769)	$ (49,107,036)	$ (49,107,036)
4	ADIT Liability	$ 8,829,736	$ 9,068,291	$ 9,306,045	$ 9,542,850	$ 9,778,520	$ 10,012,817	$ 10,245,423	$ 10,475,894	$ 10,703,563	$ 10,927,318	$ 11,144,936	$ 11,349,746	$ 11,349,746
5	Total Rate Base	$ 11,130,652	$ 11,593,143	$ 12,052,769	$ 12,509,382	$ 12,962,796	$ 13,412,774	$ 13,858,998	$ 14,301,024	$ 14,738,183	$ 15,169,366	$ 15,592,347	$ 16,000,457	$ 16,000,457
6	*Rate of Return*	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	
7	**Total Return on Rate Base**	**76,843**	**80,036**	**83,209**	**86,361**	**89,491**	**92,598**	**95,679**	**98,730**	**101,748**	**104,725**	**107,645**	**110,463**	**1,127,528**
	Expenses/Credits													
8	O&M Expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9	Depreciation Expense	$ 60,484	$ 62,547	$ 64,611	$ 66,674	$ 68,738	$ 70,801	$ 72,865	$ 74,928	$ 76,992	$ 79,055	$ 81,119	$ 83,182	$ 861,997
10	Property Taxes	$ 21,928	$ 22,676	$ 23,425	$ 24,173	$ 24,921	$ 25,669	$ 26,417	$ 27,165	$ 27,913	$ 28,661	$ 29,410	$ 30,158	$ 312,516
11	**Total Expenses**	**$ 82,412**	**$ 85,224**	**$ 88,035**	**$ 90,847**	**$ 93,659**	**$ 96,470**	**$ 99,282**	**$ 102,094**	**$ 104,905**	**$ 107,717**	**$ 110,528**	**$ 113,340**	**$ 1,174,513**
12	**Revenue Requirement @ 100%**	**$ 159,255**	**$ 165,260**	**$ 171,244**	**$ 177,208**	**$ 183,150**	**$ 189,068**	**$ 194,960**	**$ 200,824**	**$ 206,653**	**$ 212,442**	**$ 218,173**	**$ 223,803**	**$ 2,302,041**
13	**OK Jurisdictional Allocation %**	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
14	**OK Revenue Requirement**	**$ 159,255**	**$ 165,260**	**$ 171,244**	**$ 177,208**	**$ 183,150**	**$ 189,068**	**$ 194,960**	**$ 200,824**	**$ 206,653**	**$ 212,442**	**$ 218,173**	**$ 223,803**	**$ 2,302,041**
	ADIT Calculation													
15	Book Depreciation[2]	$ 1,151,751	$ 1,153,815	$ 1,155,878	$ 1,157,942	$ 1,160,005	$ 1,162,069	$ 1,164,132	$ 1,166,196	$ 1,168,259	$ 1,170,323	$ 1,172,386	$ 1,174,450	
16	Tax Depreciation	$ 225,215	$ 229,912	$ 235,079	$ 240,819	$ 247,278	$ 254,658	$ 263,269	$ 273,603	$ 286,519	$ 303,741	$ 329,574	$ 381,239	
17	Tax Rate	$ 0	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	
18	Difference b/w book and tax depreciation	$ 926,536	$ 923,903	$ 920,799	$ 917,122	$ 912,728	$ 907,410	$ 900,863	$ 892,593	$ 881,740	$ 866,582	$ 842,813	$ 793,210	
19	Monthly Deferred Income Tax	$ 239,235	$ 238,555	$ 237,754	$ 236,805	$ 235,670	$ 234,297	$ 232,606	$ 230,471	$ 227,669	$ 223,755	$ 217,618	$ 204,810	
20	ADIT Liability	$ 239,235	$ 477,791	$ 715,545	$ 952,349	$ 1,188,019	$ 1,422,316	$ 1,654,923	$ 1,885,394	$ 2,113,063	$ 2,336,818	$ 2,554,435	$ 2,759,245	

Sources:
[1]AG 3-24_Att_Supplement.xlsx.
[2]Direct Exhibit MPG-1.

Oklahoma Gas and Electric Company

Adjusted Pro forma Adjustments - Rate Base[1]
Oklahoma Grid Enhancement
2023
Cause No. PUD 202000XXX

Line	Description	Month 1 (1)	Month 2 (2)	Month 3 (3)	Month 4 (4)	Month 5 (5)	Month 6 (6)	Month 7 (7)	Month 8 (8)	Month 9 (9)	Month 10 (10)	Month 11 (11)	Month 12 (12)	Total (13)
	Rate Base													
1	Plant in Service	$ 326,741,250	$ 337,888,500	$ 349,035,750	$ 360,183,000	$ 371,330,250	$ 382,477,500	$ 393,624,750	$ 404,772,000	$ 415,919,250	$ 427,066,500	$ 438,213,750	$ 449,361,000	$ 449,361,000
2	Accumulated Provision for Depreciation (New Plant)	$ (11,705,334)	$ (12,452,612)	$ (13,224,543)	$ (14,021,127)	$ (14,842,365)	$ (15,688,256)	$ (16,558,801)	$ (17,453,999)	$ (18,373,850)	$ (19,318,355)	$ (20,287,513)	$ (21,281,325)	$ (21,281,325)
3	Accumulated Provision for Depreciation (Embedded Plant)[2]	$ (197,004,715)	$ (202,798,971)	$ (208,593,228)	$ (214,387,484)	$ (220,181,740)	$ (225,975,997)	$ (231,770,253)	$ (237,564,509)	$ (243,358,766)	$ (249,153,022)	$ (254,947,278)	$ (260,741,535)	$ (260,741,535)
4	ADIT Liability	$ 45,771,317	$ 46,980,057	$ 48,184,368	$ 49,383,052	$ 50,574,610	$ 51,757,115	$ 52,927,995	$ 54,083,655	$ 55,218,696	$ 56,324,125	$ 57,381,951	$ 58,338,209	$ 58,338,209
5	Total Rate Base	$ 163,802,518	$ 169,616,974	$ 175,402,348	$ 181,157,441	$ 186,880,755	$ 192,570,362	$ 198,223,691	$ 203,837,146	$ 209,405,330	$ 214,919,247	$ 220,360,910	$ 225,676,349	$ 225,676,349
6	**Rate of Return**	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	
7	Total Return on Rate Base	**1,130,846**	**1,170,987**	**1,210,928**	**1,250,660**	**1,290,172**	**1,329,451**	**1,368,480**	**1,407,234**	**1,445,675**	**1,483,741**	**1,521,309**	**1,558,005**	**16,167,489**
	Expenses/Credits													
8	O&M Expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9	Depreciation Expense	$ 722,624	$ 747,278	$ 771,931	$ 796,585	$ 821,238	$ 845,891	$ 870,545	$ 895,198	$ 919,851	$ 944,505	$ 969,158	$ 993,812	$ 10,298,615
10	Property Taxes	$ 177,420	$ 183,473	$ 189,526	$ 195,579	$ 201,632	$ 207,685	$ 213,738	$ 219,791	$ 225,844	$ 231,897	$ 237,950	$ 244,003	$ 2,528,541
11	Total Expenses	**$ 900,045**	**$ 930,751**	**$ 961,458**	**$ 992,164**	**$ 1,022,870**	**$ 1,053,577**	**$ 1,084,283**	**$ 1,114,989**	**$ 1,145,696**	**$ 1,176,402**	**$ 1,207,108**	**$ 1,237,815**	**$ 12,827,156**
12	**Revenue Requirement @ 100%**	**$ 2,030,891**	**$ 2,101,739**	**$ 2,172,386**	**$ 2,242,823**	**$ 2,313,042**	**$ 2,383,028**	**$ 2,452,763**	**$ 2,522,223**	**$ 2,591,370**	**$ 2,660,143**	**$ 2,728,417**	**$ 2,795,820**	**$ 28,994,645**
13	**OK Jurisdictional Allocation %**	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
14	OK Revenue Requirement	**$ 2,030,891**	**$ 2,101,739**	**$ 2,172,386**	**$ 2,242,823**	**$ 2,313,042**	**$ 2,383,028**	**$ 2,452,763**	**$ 2,522,223**	**$ 2,591,370**	**$ 2,660,143**	**$ 2,728,417**	**$ 2,795,820**	**$ 28,994,645**
	ADIT Calculation													
15	Book Depreciation[2]	$ 6,516,881	$ 6,541,534	$ 6,566,187	$ 6,590,841	$ 6,615,494	$ 6,640,148	$ 6,664,801	$ 6,689,454	$ 6,714,108	$ 6,738,761	$ 6,763,414	$ 6,788,068	
16	Tax Depreciation	$ 1,822,198	$ 1,860,200	$ 1,902,002	$ 1,948,449	$ 2,000,701	$ 2,060,419	$ 2,130,089	$ 2,213,693	$ 2,318,199	$ 2,457,540	$ 2,666,550	$ 3,084,572	
17	Tax Rate	$ 0	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	
18	Difference b/w book and tax depreciation	$ 4,694,683	$ 4,681,335	$ 4,664,186	$ 4,642,392	$ 4,614,793	$ 4,579,729	$ 4,534,712	$ 4,475,761	$ 4,395,909	$ 4,281,222	$ 4,096,864	$ 3,703,496	
19	Monthly Deferred Income Tax	$ 1,212,186	$ 1,208,739	$ 1,204,311	$ 1,198,684	$ 1,191,558	$ 1,182,504	$ 1,170,881	$ 1,155,659	$ 1,135,041	$ 1,105,429	$ 1,057,827	$ 956,257	
20	ADIT Liability	$ 1,212,186	$ 2,420,925	$ 3,625,237	$ 4,823,921	$ 6,015,479	$ 7,197,983	$ 8,368,864	$ 9,524,523	$ 10,659,565	$ 11,764,993	$ 12,822,820	$ 13,779,077	

Sources:
[1]AG 3-24_Att_Supplement.xlsx.
[2]Direct Exhibit MPG-1.

Oklahoma Gas and Electric Company

Adjusted Pro forma Adjustments - Rate Base[1]
Oklahoma Grid Enhancement
2023
Cause No. PUD 202000XXX

Line	Description	Month 1 (1)	Month 2 (2)	Month 3 (3)	Month 4 (4)	Month 5 (5)	Month 6 (6)
	Rate Base						
1	Plant in Service	$ 88,491,667	$ 91,383,333	$ 94,275,000	$ 97,166,667	$ 100,058,333	$ 102,950,000
2	Accumulated Provision for Depreciation (New Plant)	$ (11,557,847)	$ (12,387,042)	$ (13,242,833)	$ (14,125,222)	$ (15,034,208)	$ (15,969,792)
3	Accumulated Provision for Depreciation (Embedded Plant)[2]	$ (109,702,011)	$ (112,928,541)	$ (116,155,071)	$ (119,381,600)	$ (122,608,130)	$ (125,834,660)
4	ADIT Liability	$ 20,675,093	$ 21,229,077	$ 21,771,308	$ 22,299,716	$ 22,811,716	$ 23,303,983
5	Total Rate Base	$ (12,093,099)	$ (12,703,172)	$ (13,351,596)	$ (14,040,440)	$ (14,772,289)	$ (15,550,468)
6	*Rate of Return*	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%
7	**Total Return on Rate Base**	**(83,487)**	**(87,699)**	**(92,176)**	**(96,931)**	**(101,984)**	**(107,356)**
	Expenses/Credits						
8	O&M Expense	$ -	$ -	$ -	$ -	$ -	$ -
9	Depreciation Expense	$ 802,597	$ 829,194	$ 855,792	$ 882,389	$ 908,986	$ 935,583
10	Property Taxes	$ 48,051	$ 49,621	$ 51,191	$ 52,762	$ 54,332	$ 55,902
11	**Total Expenses**	**$ 850,648**	**$ 878,816**	**$ 906,983**	**$ 935,150**	**$ 963,318**	**$ 991,485**
12	**Revenue Requirement @ 100%**	**$ 767,161**	**$ 791,117**	**$ 814,807**	**$ 838,219**	**$ 861,334**	**$ 884,129**
13	**OK Jurisdictional Allocation % ***	92%	92%	92%	92%	92%	92%
14	**OK Revenue Requirement**	**$ 701,986**	**$ 723,906**	**$ 745,585**	**$ 767,007**	**$ 788,159**	**$ 809,017**
	ADIT Calculation						
15	Book Depreciation[2]	$ 4,029,127	$ 4,055,724	$ 4,082,321	$ 4,108,919	$ 4,135,516	$ 4,162,113
16	Tax Depreciation	$ 1,844,636	$ 1,910,196	$ 1,982,312	$ 2,062,442	$ 2,152,587	$ 2,255,610
17	Tax Rate	$ 0	25.82%	25.82%	25.82%	25.82%	25.82%
18	Difference b/w book AND tax depreciation	$ 2,184,491	$ 2,145,528	$ 2,100,009	$ 2,046,477	$ 1,982,929	$ 1,906,503
19	Monthly Deferred Income Tax	$ 564,044	$ 553,984	$ 542,231	$ 528,409	$ 512,000	$ 492,267
20	ADIT Liability	$ 564,044	$ 1,118,028	$ 1,660,259	$ 2,188,668	$ 2,700,668	$ 3,192,934

Line	Description	Month 7 (7)	Month 8 (8)	Month 9 (9)	Month 10 (10)	Month 11 (11)	Month 12 (12)	Total (13)
	Rate Base							
1	Plant in Service	$ 105,841,667	$ 108,733,333	$ 111,625,000	$ 114,516,667	$ 117,408,333	$ 120,300,000	$ 120,300,000
2	Accumulated Provision for Depreciation (New Plant)	$ (16,931,972)	$ (17,920,750)	$ (18,936,125)	$ (19,978,097)	$ (21,046,667)	$ (22,141,833)	$ (22,141,833)
3	Accumulated Provision for Depreciation (Embedded Plant)[2]	$ (129,061,190)	$ (132,287,719)	$ (135,514,249)	$ (138,740,779)	$ (141,967,309)	$ (145,193,838)	$ (145,193,838)
4	ADIT Liability	$ 23,772,083	$ 24,209,808	$ 24,607,850	$ 24,950,689	$ 25,207,293	$ 25,284,557	$ 25,284,557
5	Total Rate Base	$ (16,379,413)	$ (17,265,328)	$ (18,217,525)	$ (19,251,520)	$ (20,398,349)	$ (21,751,115)	$ (21,751,115)
6	*Rate of Return*	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	
7	**Total Return on Rate Base**	**(113,079)**	**(119,195)**	**(125,769)**	**(132,907)**	**(140,824)**	**(150,164)**	**(1,351,570)**
	Expenses/Credits							
8	O&M Expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9	Depreciation Expense	$ 962,181	$ 988,778	$ 1,015,375	$ 1,041,972	$ 1,068,569	$ 1,095,167	$ 11,386,583
10	Property Taxes	$ 57,472	$ 59,042	$ 60,612	$ 62,183	$ 63,753	$ 65,323	$ 680,243
11	**Total Expenses**	**$ 1,019,653**	**$ 1,047,820**	**$ 1,075,987**	**$ 1,104,155**	**$ 1,132,322**	**$ 1,160,490**	**$ 12,066,827**
12	**Revenue Requirement @ 100%**	**$ 906,574**	**$ 928,625**	**$ 950,219**	**$ 971,248**	**$ 991,498**	**$ 1,010,326**	**$ 10,715,256**
13	**OK Jurisdictional Allocation % ***	92%	92%	92%	92%	92%	92%	92%
14	**OK Revenue Requirement**	**$ 829,555**	**$ 849,733**	**$ 869,492**	**$ 888,734**	**$ 907,264**	**$ 924,493**	**$ 9,804,931**
	ADIT Calculation							
15	Book Depreciation[2]	$ 4,188,710	$ 4,215,308	$ 4,241,905	$ 4,268,502	$ 4,295,099	$ 4,321,696	
16	Tax Depreciation	$ 2,375,804	$ 2,520,037	$ 2,700,328	$ 2,940,716	$ 3,301,297	$ 4,022,461	
17	Tax Rate	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	
18	Difference b/w book AND tax depreciation	$ 1,812,906	$ 1,695,271	$ 1,541,577	$ 1,327,786	$ 993,802	$ 299,236	
19	Monthly Deferred Income Tax	$ 468,100	$ 437,726	$ 398,041	$ 342,840	$ 256,604	$ 77,264	
20	ADIT Liability	$ 3,661,034	$ 4,098,760	$ 4,496,801	$ 4,839,641	$ 5,096,244	$ 5,173,508	

*These FERC items are allocated using the Supervised O&M allocator in the COS. Per PUD 2018-140, the OK Retail percentage of Supervised O&M is 91.5044%

Sources:
[1]AG 3-24_Att_Supplement.xlsx.
[2]Direct Exhibit MPG-1.

Oklahoma Gas and Electric Company

Adjusted Pro forma Adjustments - Rate Base[1]
Oklahoma Grid Enhancement
2024
Cause No. PUD 202000XXX

Line	Description	Month 1 (1)	Month 2 (2)	Month 3 (3)	Month 4 (4)	Month 5 (5)	Month 6 (6)	Month 7 (7)	Month 8 (8)	Month 9 (9)	Month 10 (10)	Month 11 (11)	Month 12 (12)	Total (13)
	Rate Base													
1	Plant in Service	$ 56,916,750	$ 58,294,500	$ 59,672,250	$ 61,050,000	$ 62,427,750	$ 63,805,500	$ 65,183,250	$ 66,561,000	$ 67,938,750	$ 69,316,500	$ 70,694,250	$ 72,072,000	$ 72,072,000
2	Accumulated Provision for Depreciation (New Plant)	$ (1,866,498)	$ (1,953,807)	$ (2,043,180)	$ (2,134,616)	$ (2,228,116)	$ (2,323,679)	$ (2,421,306)	$ (2,520,996)	$ (2,622,750)	$ (2,726,567)	$ (2,832,448)	$ (2,940,392)	$ (2,940,392)
3	Accumulated Provision for Depreciation (Embedded Plant)[2]	$ (50,198,304)	$ (51,289,571)	$ (52,380,839)	$ (53,472,106)	$ (54,563,373)	$ (55,654,641)	$ (56,745,908)	$ (57,837,176)	$ (58,928,443)	$ (60,019,711)	$ (61,110,978)	$ (62,202,246)	$ (62,202,246)
4	ADIT Liability	$ 11,573,973	$ 11,797,520	$ 12,020,266	$ 12,242,062	$ 12,462,724	$ 12,682,013	$ 12,899,611	$ 13,115,074	$ 13,327,734	$ 13,536,481	$ 13,739,090	$ 13,928,892	$ 13,928,892
5	Total Rate Base	$ 16,425,921	$ 16,848,642	$ 17,268,497	$ 17,685,340	$ 18,098,984	$ 18,509,192	$ 18,915,646	$ 19,317,902	$ 19,715,291	$ 20,106,703	$ 20,489,914	$ 20,858,255	$ 20,858,255
6	*Rate of Return*	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	
7	**Total Return on Rate Base**	**113,400**	**116,318**	**119,217**	**122,095**	**124,950**	**127,782**	**130,588**	**133,365**	**136,109**	**138,811**	**141,457**	**143,999**	**1,548,091**
	Expenses/Credits													
8	O&M Expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9	Depreciation Expense	$ 85,246	$ 87,309	$ 89,373	$ 91,436	$ 93,500	$ 95,563	$ 97,627	$ 99,690	$ 101,754	$ 103,817	$ 105,881	$ 107,944	$ 1,159,140
10	Property Taxes	$ 30,906	$ 31,654	$ 32,402	$ 33,150	$ 33,898	$ 34,646	$ 35,395	$ 36,143	$ 36,891	$ 37,639	$ 38,387	$ 39,135	$ 420,245
11	**Total Expenses**	**$ 116,152**	**$ 118,963**	**$ 121,775**	**$ 124,586**	**$ 127,398**	**$ 130,210**	**$ 133,021**	**$ 135,833**	**$ 138,644**	**$ 141,456**	**$ 144,268**	**$ 147,079**	**$ 1,579,385**
12	**Revenue Requirement @ 100%**	**$ 229,551**	**$ 235,281**	**$ 240,992**	**$ 246,681**	**$ 252,348**	**$ 257,992**	**$ 263,609**	**$ 269,198**	**$ 274,753**	**$ 280,267**	**$ 285,724**	**$ 291,079**	**$ 3,127,476**
13	**OK Jurisdictional Allocation %**	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
14	**OK Revenue Requirement**	**$ 229,551**	**$ 235,281**	**$ 240,992**	**$ 246,681**	**$ 252,348**	**$ 257,992**	**$ 263,609**	**$ 269,198**	**$ 274,753**	**$ 280,267**	**$ 285,724**	**$ 291,079**	**$ 3,127,476**
	ADIT Calculation													
15	Book Depreciation[2]	$ 1,176,513	$ 1,178,577	$ 1,180,640	$ 1,182,704	$ 1,184,767	$ 1,186,831	$ 1,188,894	$ 1,190,958	$ 1,193,021	$ 1,195,085	$ 1,197,148	$ 1,199,212	
16	Tax Depreciation	$ 308,103	$ 312,800	$ 317,966	$ 323,707	$ 330,165	$ 337,546	$ 346,157	$ 356,490	$ 369,406	$ 386,628	$ 412,461	$ 464,127	
17	Tax Rate	$ 0	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	
18	Difference b/w book and tax depreciation	$ 868,410	$ 865,777	$ 862,674	$ 858,997	$ 854,602	$ 849,285	$ 842,737	$ 834,468	$ 823,615	$ 808,457	$ 784,687	$ 735,085	
19	Monthly Deferred Income Tax	$ 224,227	$ 223,547	$ 222,746	$ 221,796	$ 220,662	$ 219,289	$ 217,598	$ 215,463	$ 212,661	$ 208,747	$ 202,609	$ 189,802	
20	ADIT Liability	$ 224,227	$ 447,774	$ 670,520	$ 892,316	$ 1,112,978	$ 1,332,267	$ 1,549,865	$ 1,765,328	$ 1,977,989	$ 2,186,735	$ 2,389,345	$ 2,579,147	

Sources:
[1]AG 3-24_Att_Supplement.xlsx.
[2]Direct Exhibit MPG-1.

Oklahoma Gas and Electric Company

Adjusted Pro forma Adjustments - Rate Base[1]
Oklahoma Grid Enhancement
2024
Cause No. PUD 202000XXX

Line	Description	Month 1 (1)	Month 2 (2)	Month 3 (3)	Month 4 (4)	Month 5 (5)	Month 6 (6)	Month 7 (7)	Month 8 (8)	Month 9 (9)	Month 10 (10)	Month 11 (11)	Month 12 (12)	Total (13)
	Rate Base													
1	Plant in Service	$ 460,508,250	$ 471,655,500	$ 482,802,750	$ 493,950,000	$ 505,097,250	$ 516,244,500	$ 527,391,750	$ 538,539,000	$ 549,686,250	$ 560,833,500	$ 571,980,750	$ 583,128,000	$ 583,128,000
2	Accumulated Provision for Depreciation (New Plant)	$ (22,299,790)	$ (23,342,908)	$ (24,410,680)	$ (25,503,105)	$ (26,620,183)	$ (27,761,915)	$ (28,928,300)	$ (30,119,338)	$ (31,335,030)	$ (32,575,375)	$ (33,840,374)	$ (35,130,026)	$ (35,130,026)
3	Accumulated Provision for Depreciation (Embedded Plant[2])	$ (266,535,791)	$ (272,330,047)	$ (278,124,304)	$ (283,918,560)	$ (289,712,816)	$ (295,507,073)	$ (301,301,329)	$ (307,095,585)	$ (312,889,842)	$ (318,684,098)	$ (324,478,354)	$ (330,272,611)	$ (330,272,611)
4	ADIT Liability	$ 59,453,621	$ 60,565,588	$ 61,673,126	$ 62,775,037	$ 63,869,822	$ 64,955,553	$ 66,029,661	$ 67,088,547	$ 68,126,815	$ 69,135,470	$ 70,096,524	$ 70,956,008	$ 70,956,008
5	Total Rate Base	$ 231,126,291	$ 236,548,132	$ 241,940,893	$ 247,303,372	$ 252,634,073	$ 257,931,066	$ 263,191,782	$ 268,412,623	$ 273,588,193	$ 278,709,497	$ 283,758,545	$ 288,681,371	$ 288,681,371
6	*Rate of Return*	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	
7	**Total Return on Rate Base**	**1,595,630**	**1,633,061**	**1,670,291**	**1,707,312**	**1,744,114**	**1,780,683**	**1,817,001**	**1,853,045**	**1,888,775**	**1,924,131**	**1,958,988**	**1,992,974**	**21,566,007**
	Expenses/Credits													
8	O&M Expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9	Depreciation Expense	$ 1,018,465	$ 1,043,118	$ 1,067,772	$ 1,092,425	$ 1,117,078	$ 1,141,732	$ 1,166,385	$ 1,191,039	$ 1,215,692	$ 1,240,345	$ 1,264,999	$ 1,289,652	$ 13,848,701
10	Property Taxes	$ 250,056	$ 256,109	$ 262,162	$ 268,215	$ 274,268	$ 280,321	$ 286,374	$ 292,427	$ 298,480	$ 304,533	$ 310,586	$ 316,639	$ 3,400,167
11	**Total Expenses**	**$ 1,268,521**	**$ 1,299,227**	**$ 1,329,934**	**$ 1,360,640**	**$ 1,391,346**	**$ 1,422,053**	**$ 1,452,759**	**$ 1,483,465**	**$ 1,514,172**	**$ 1,544,878**	**$ 1,575,584**	**$ 1,606,291**	**$ 17,248,868**
12	**Revenue Requirement @ 100%**	**$ 2,864,151**	**$ 2,932,288**	**$ 3,000,225**	**$ 3,067,952**	**$ 3,135,460**	**$ 3,202,735**	**$ 3,269,760**	**$ 3,336,510**	**$ 3,402,947**	**$ 3,469,009**	**$ 3,534,573**	**$ 3,599,265**	**$ 38,814,875**
13	**OK Jurisdictional Allocation %**	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
14	**OK Revenue Requirement**	**$ 2,864,151**	**$ 2,932,288**	**$ 3,000,225**	**$ 3,067,952**	**$ 3,135,460**	**$ 3,202,735**	**$ 3,269,760**	**$ 3,336,510**	**$ 3,402,947**	**$ 3,469,009**	**$ 3,534,573**	**$ 3,599,265**	**$ 38,814,875**
	ADIT Calculation													
15	Book Depreciation[2]	$ 6,812,721	$ 6,837,375	$ 6,862,028	$ 6,886,681	$ 6,911,335	$ 6,935,988	$ 6,960,641	$ 6,985,295	$ 7,009,948	$ 7,034,602	$ 7,059,255	$ 7,083,908	
16	Tax Depreciation	$ 2,492,831	$ 2,530,833	$ 2,572,636	$ 2,619,082	$ 2,671,335	$ 2,731,053	$ 2,800,723	$ 2,884,327	$ 2,988,833	$ 3,128,173	$ 3,337,184	$ 3,755,206	
17	Tax Rate	$ 0	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	
18	Difference b/w book and tax depreciation	$ 4,319,890	$ 4,306,541	$ 4,289,392	$ 4,267,599	$ 4,239,999	$ 4,204,935	$ 4,159,918	$ 4,100,967	$ 4,021,115	$ 3,906,428	$ 3,722,071	$ 3,328,702	
19	Monthly Deferred Income Tax	$ 1,115,413	$ 1,111,966	$ 1,107,538	$ 1,101,911	$ 1,094,785	$ 1,085,731	$ 1,074,108	$ 1,058,886	$ 1,038,268	$ 1,008,655	$ 961,054	$ 859,484	
20	ADIT Liability	$ 1,115,413	$ 2,227,379	$ 3,334,917	$ 4,436,828	$ 5,531,613	$ 6,617,344	$ 7,691,452	$ 8,750,338	$ 9,788,606	$ 10,797,262	$ 11,758,315	$ 12,617,799	

Sources:
[1]AG 3-24_Att_Supplement.xlsx.
[2]Direct Exhibit MPG-1.

Oklahoma Gas and Electric Company

Adjusted Pro forma Adjustments - Rate Base[1]
Oklahoma Grid Enhancement
2024
Cause No. PUD 202000XXX

Line	Description	Month 1 (1)	Month 2 (2)	Month 3 (3)	Month 4 (4)	Month 5 (5)	Month 6 (6)
	Rate Base						
1	Plant in Service	$ 123,191,667	$ 126,083,333	$ 128,975,000	$ 131,866,667	$ 134,758,333	$ 137,650,000
2	Accumulated Provision for Depreciation (New Plant)	$ (23,263,597)	$ (24,411,958)	$ (25,586,917)	$ (26,788,472)	$ (28,016,625)	$ (29,271,375)
3	Accumulated Provision for Depreciation (Embedded Plant[2])	$ (148,420,368)	$ (151,646,898)	$ (154,873,428)	$ (158,099,957)	$ (161,326,487)	$ (164,553,017)
4	ADIT Liability	$ 25,883,349	$ 26,472,080	$ 27,049,059	$ 27,612,215	$ 28,158,963	$ 28,685,977
5	Total Rate Base	$ (22,608,950)	$ (23,503,442)	$ (24,436,286)	$ (25,409,548)	$ (26,425,816)	$ (27,488,415)
6	*Rate of Return*	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%
7	**Total Return on Rate Base**	**(156,086)**	**(162,261)**	**(168,701)**	**(175,420)**	**(182,436)**	**(189,772)**
	Expenses/Credits						
8	O&M Expense	$ -	$ -	$ -	$ -	$ -	$ -
9	Depreciation Expense	$ 1,121,764	$ 1,148,361	$ 1,174,958	$ 1,201,556	$ 1,228,153	$ 1,254,750
10	Property Taxes	$ 66,893	$ 68,463	$ 70,033	$ 71,604	$ 73,174	$ 74,744
11	**Total Expenses**	**$ 1,188,657**	**$ 1,216,824**	**$ 1,244,992**	**$ 1,273,159**	**$ 1,301,327**	**$ 1,329,494**
12	**Revenue Requirement @ 100%**	**$ 1,032,571**	**$ 1,054,563**	**$ 1,076,291**	**$ 1,097,739**	**$ 1,118,890**	**$ 1,139,722**
13	**OK Jurisdictional Allocation % ***	92%	92%	92%	92%	92%	92%
14	**OK Revenue Requirement**	**$ 944,848**	**$ 964,972**	**$ 984,853**	**$ 1,004,479**	**$ 1,023,834**	**$ 1,042,896**
	ADIT Calculation						
15	Book Depreciation[2]	$ 4,348,294	$ 4,374,891	$ 4,401,488	$ 4,428,085	$ 4,454,683	$ 4,481,280
16	Tax Depreciation	$ 2,029,228	$ 2,094,789	$ 2,166,905	$ 2,247,034	$ 2,337,180	$ 2,440,203
17	Tax Rate	$ 0	25.82%	25.82%	25.82%	25.82%	25.82%
18	Difference b/w book AND tax depreciation	$ 2,319,065	$ 2,280,102	$ 2,234,583	$ 2,181,051	$ 2,117,503	$ 2,041,077
19	Monthly Deferred Income Tax	$ 598,792	$ 588,732	$ 576,978	$ 563,156	$ 546,748	$ 527,014
20	ADIT Liability	$ 598,792	$ 1,187,523	$ 1,764,502	$ 2,327,658	$ 2,874,406	$ 3,401,420

Line	Description	Month 7 (7)	Month 8 (8)	Month 9 (9)	Month 10 (10)	Month 11 (11)	Month 12 (12)	Total (13)
	Rate Base							
1	Plant in Service	$ 140,541,667	$ 143,433,333	$ 146,325,000	$ 149,216,667	$ 152,108,333	$ 155,000,000	$ 155,000,000
2	Accumulated Provision for Depreciation (New Plant)	$ (30,552,722)	$ (31,860,667)	$ (33,195,208)	$ (34,556,347)	$ (35,944,083)	$ (37,358,417)	$ (37,358,417)
3	Accumulated Provision for Depreciation (Embedded Plant[2])	$ (167,779,547)	$ (171,006,076)	$ (174,232,606)	$ (177,459,136)	$ (180,685,666)	$ (183,912,195)	$ (183,912,195)
4	ADIT Liability	$ 29,188,824	$ 29,661,297	$ 30,094,086	$ 30,471,673	$ 30,763,025	$ 30,875,036	$ 30,875,036
5	Total Rate Base	$ (28,601,778)	$ (29,772,113)	$ (31,008,728)	$ (32,327,143)	$ (33,758,391)	$ (35,395,576)	$ (35,395,576)
6	*Rate of Return*	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	
7	**Total Return on Rate Base**	**(197,459)**	**(205,538)**	**(214,075)**	**(223,177)**	**(233,058)**	**(244,361)**	**(2,352,346)**
	Expenses/Credits							
8	O&M Expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9	Depreciation Expense	$ 1,281,347	$ 1,307,944	$ 1,334,542	$ 1,361,139	$ 1,387,736	$ 1,414,333	$ 15,216,583
10	Property Taxes	$ 76,314	$ 77,884	$ 79,454	$ 81,025	$ 82,595	$ 84,165	$ 906,348
11	**Total Expenses**	**$ 1,357,661**	**$ 1,385,829**	**$ 1,413,996**	**$ 1,442,164**	**$ 1,470,331**	**$ 1,498,498**	**$ 16,122,932**
12	**Revenue Requirement @ 100%**	**$ 1,160,203**	**$ 1,180,291**	**$ 1,199,921**	**$ 1,218,986**	**$ 1,237,273**	**$ 1,254,137**	**$ 13,770,586**
13	**OK Jurisdictional Allocation % ***	92%	92%	92%	92%	92%	92%	92%
14	**OK Revenue Requirement**	**$ 1,061,637**	**$ 1,080,018**	**$ 1,097,980**	**$ 1,115,426**	**$ 1,132,159**	**$ 1,147,591**	**$ 12,600,692**
	ADIT Calculation							
15	Book Depreciation[2]	$ 4,507,877	$ 4,534,474	$ 4,561,071	$ 4,587,669	$ 4,614,266	$ 4,640,863	
16	Tax Depreciation	$ 2,560,397	$ 2,704,629	$ 2,884,920	$ 3,125,308	$ 3,485,890	$ 4,207,053	
17	Tax Rate	25.82%	25.82%	25.82%	25.82%	25.82%	25.82%	
18	Difference b/w book AND tax depreciation	$ 1,947,480	$ 1,829,845	$ 1,676,151	$ 1,462,361	$ 1,128,376	$ 433,810	
19	Monthly Deferred Income Tax	$ 502,847	$ 472,473	$ 432,789	$ 377,587	$ 291,351	$ 112,011	
20	ADIT Liability	$ 3,904,267	$ 4,376,740	$ 4,809,529	$ 5,187,116	$ 5,478,468	$ 5,590,479	

*These FERC items are allocated using the Supervised O&M allocator in the COS. Per PUD 2018-140, the OK Retail percentage of Supervised O&M is 91.5044%

Sources:
[1] AG 3-24_Att_Supplement.xlsx.
[2] Direct Exhibit MPG-1.

Oklahoma Gas and Electric Company

Monthly "A" and "Baa" Utility Bond Yields

Line	Month	"A" Rated Utility Bond Yield[1] (1)	"Baa" Rated Utility Bond Yield[1] (2)
1	January 2018	3.86%	4.18%
2	February	4.09%	4.42%
3	March	4.13%	4.52%
4	April	4.17%	4.58%
5	May	4.28%	4.71%
6	June	4.28%	4.71%
7	July	4.27%	4.67%
8	August	4.26%	4.64%
9	September	4.32%	4.74%
10	October	4.45%	4.91%
11	November	4.52%	5.03%
12	December	4.37%	4.92%
13	January 2019	4.35%	4.91%
14	February	4.25%	4.76%
15	March	4.16%	4.65%
16	April	4.08%	4.55%
17	May	3.98%	4.47%
18	June	3.82%	4.31%
19	July	3.69%	4.13%
20	August	3.29%	3.63%
21	September	3.37%	3.71%
22	October	3.39%	3.72%
23	November	3.43%	3.76%
24	December	3.40%	3.73%
25	January 2020	3.29%	3.60%
26	February	3.11%	3.42%
27	March	3.50%	3.96%
28	April	3.19%	3.82%
29	May	3.14%	3.64%
30	June	3.07%	3.44%
31	July	2.74%	3.09%
32	6-month Average ending June 2018	4.13%	4.52%
33	6-month Average ending July 2020	3.13%	3.56%

Source:
[1] http://credittrends.moodys.com/.

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