

BEFORE THE CORPORATION COMMISSION OF OKLAHOMA

IN THE MATTER OF THE APPLICATION OF)
OKLAHOMA GAS AND ELECTRIC COMPANY)
FOR AN ORDER OF THE COMMISSION)
AUTHORIZING APPLICANT TO MODIFY ITS) CAUSE NO. PUD 201700496
RATES, CHARGES, AND TARIFFS FOR RETAIL)
ELECTRIC SERVICE IN OKLAHOMA)

APPLICATION

COMES NOW Oklahoma Gas and Electric Company, hereinafter referred to as "Applicant," "OG&E," or "Company," and in accordance with 17 O.S. §152 and the Commission's rules promulgated thereunder, alleges and shows as follows:

I. Parties.

OG&E is an investor owned electric public utility with plant, property, and other assets dedicated to and for the generation, production, transmission, distribution and sale of electric power and energy at wholesale and retail levels within the states of Oklahoma and Arkansas. OG&E is incorporated within the State of Oklahoma, is subject to the regulatory authority of this Commission with respect to its retail rates and charges within the State of Oklahoma, and has the following address as its principal place of business:

321 N. Harvey Avenue
Oklahoma City, Oklahoma 73102

Applicant is represented for the purpose of these proceedings by the following named individuals whose addresses are reflected below:

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All correspondence, pleadings and communications with respect to this proceeding should be directed to all named counsel at their respective addresses.

II. Facts.

A. Applicant's current base rates and charges were approved by the Commission in Cause No. PUD 201500273 by its Order No. 662059 issued March 20, 2017, based on a test year ending June 30, 2015. Applicant is not earning sufficient operating income to produce a fair and reasonable return on capital or a fair and reasonable return on the value of its plant, property and

other assets dedicated to public utility service within the state of Oklahoma. Applicant must have increased rates and consequent additional revenues if Applicant is to continue to provide adequate and reliable electric service and earn a fair, just, and reasonable rate of return on its investment.

B. On November 9, 2017, pursuant to OAC 165:70-3-7 of the Commission's Minimum Standard Filing Requirements, OG&E filed its Notice of Intent, advising the Commission of its intent to file an Application seeking Commission review of OG&E's rates, charges and tariffs for retail electric service within the State of Oklahoma.

C. OG&E brings this Application, based upon a test year ending September 30, 2017, to initiate proceedings to review the rates, charges and tariffs of OG&E, and for the establishment of fair and reasonable rates and charges upon completion of the Commission's review. OG&E tenders with the filing of this Application its complete Application Package as required by OAC 165:70-3-1, and following the filing of the Application Package, the Company will provide the Public Utility Division its Supplemental Package as required by OAC 165:70-5-20.

D. OG&E is requesting a change in its rates that will result in an increase of approximately \$1.86 million when compared to OG&E's rates that were implemented in May of 2017. OG&E expects this change will be effective no later than mid July 2018. The request is for rates sufficient to achieve a 9.90 percent return on 53% percent equity, which Applicant believes to be a fair, just, and reasonable rate.

E. OG&E's primary purpose for seeking a change in rates is to recover the costs associated with the Mustang Modernization project, an increased Return on Equity, updated

depreciation expense, and to address issues associated with the newly enacted Tax and Jobs Act of 2017.

III. Legal Authority.

The Commission has jurisdiction in these proceedings by virtue of Article IX, Sections 18 through 35 of the Constitution of the State of Oklahoma, the Oklahoma statutes, including 17 O.S. §151 *et seq.*, 17 O.S. §250 *et seq.*, and the Commission's rules.

IV. Relief Requested.

WHEREFORE, premises considered, OG&E requests that the Commission, issue an order authorizing Applicant to adjust its retail rates subject to the jurisdiction of the Commission by the amount hereinabove set forth, authorizing Applicant to file changes in tariffs and terms and conditions of service, as well as all other relief requested in the testimony and exhibits filed by OG&E in this cause and for such other and further relief as the Commission deems appropriate under the circumstances.

Respectfully submitted,

OKLAHOMA GAS AND ELECTRIC COMPANY



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CERTIFICATE OF SERVICE

This is to certify that on the 16th day of January, 2018, a true and correct copy of the above and foregoing motion was transmitted to the following:

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