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 AUTHORIZING APPLICANT TO MODIFY ITS RATES, CHARGES, AND TARIFFS FOR RETAIL ELECTRIC SERVICE IN OKLAHOMA	)))))))	CASE NO. PUD 2023-000087

Rebuttal Testimony

of

Dane A. Watson

on behalf of

Oklahoma Gas and Electric Company

May 17, 2024

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EXECUTIVE SUMMARY

In this testimony, I respond to the responsive testimonies filed by Oklahoma Industrial Energy Consumers (OIEC) witnesses David Garrett; Oklahoma Public Utility Department PUD) witness William Dunkel; and Federal Executive Agencies (FEA) witness Brian Andrews on depreciation related issues. Specifically, the issues I will address relate to life spans of various generation facilities, production net salvage, mass property service lives including intangible plant, mass property net salvage percentages including the most appropriate net salvage methodology and various other issues discussed by Mr. Dunkel.

I address Mr. Dunkel's assertion that my net salvage proposals are designed to raise depreciation accrual rates to customers, and that I seek to change Commission policy in my production net salvage recommendations. First, I show the extreme position that Mr. Dunkel uses in his analysis are unfounded and at levels beyond any other recommendation in this case.

Second, I respond to his unsupported assertions that I am attempting to reset Commission policy. My recommendations are based on moderate positions that are well-supported by the Company's data. I follow accepted industry procedures and I disagree with the implication that I wish to make dramatic changes in the Commission's positions. I address production net salvage proposals raised by Mr. Garrett and Mr. Dunkel that are not representative of the net salvage rates experienced by the Company for its interim retirements in production and other production.

Third, I address Mr. Garrett's proposal to remove interim retirements from the computations for production plant. This contradicts recent Commission decisions and Mr. Garrett's proposals in multiple proceedings before this Commission.[1]

Fourth, I examine the life recommendations made by various intervenors for intangible, transmission, distribution and general property. Mr. Garrett and Mr. Dunkel advocate life extensions for intangible assets that do not mirror the characteristics of the

[1] Public Service Company of Oklahoma: PUD 2022-00093; PUD 202100055; PUD 201800097; PUD 201700151; and PUD 201500208; Oklahoma Gas and Electric: PUD 202100164; PUD 201800140; and PUD 201700496 and Empire District Electric: PUD 201500273

software in each group. For transmission and distribution accounts, Mr. Garrett's calculations and subsequent recommendations are flawed. His choices of experience bands include 25 years of data (1972-1996) that the Company has no record of. This serves to make it appear the assets last longer than reality, and he bases his life recommendations on this incorrect analysis. [2]

Fifth, I respond to life recommendations by Mr. Dunkel and Mr. Andrews that rely overly on statistical fitting and fail to incorporate important information from Company subject matter experts ("SMEs"). Company SMEs add further information on items software lives and smart meters in other testimony provided in this case.

On the subject of transmission and distribution net salvage, Mr. Garrett and Mr. Andrews adopt my recommendations. Mr. Dunkel uses an alternative net salvage analysis (that, to my knowledge, has never been accepted by this Commission, nor advocated by any authoritative text) and recommends net salvage positions that I believe are incorrect, such as reductions (less negative net salvage) for transmission accounts 354, 355, and 356. Sixth, I address Mr. Dunkel's net salvage recommendations, which if adopted, would dramatically shift the Commission's policy on net salvage recovery in depreciation rates.

Seventh, I discuss the impact of an early shut down of the Company's coal plants as suggested by Mr. Norwood and the corresponding increase in depreciation expense if the shutdown of coal plants were to occur in 2038. Finally, I address flawed accrual computations made by Mr. Garrett[3] and Mr. Dunkel[4] who fail to incorporate reserve reallocation for production and other production property – making their calculations incorrect.

I. INTRODUCTION AND PURPOSE

Q. Please state your name and business address.

A. My name is Dane A. Watson. I am the Managing Partner of the Alliance Consulting Group. My business address is 1410 Avenue K, Suite 1105B, Plano, Texas 75074. Alliance Consulting Group provides depreciation consulting and expert services to the utility

[2] Rebuttal Exhibit DAW-3, DAW-4, DAW-5, DAW-6, DAW-7 and DAW-8.
[3] Rebuttal Exhibit DAW-9.
[4] Rebuttal Exhibit DAW-10.

industry. Alliance Consulting Group has specialized education and expertise in this area and has been serving clients for 20 years.

Q. On whose behalf are you filing this rebuttal testimony?

A. I am a testifying on behalf of Oklahoma Gas and Electric ("OG&E" or the "Company.")

Q. Have you previously provided testimony in this proceeding?

A. Yes. I provided direct testimony with OG&E's application on December 29, 2023.

Q. What is the purpose of your rebuttal testimony in this case?

A. The purpose of my rebuttal testimony is to rebut the positions of Oklahoma Industrial Energy Customers("OIEC") witness David J. Garrett, Oklahoma Corporation Witness, Public Utility Division ("PUD") witness William W. Dunkel, and Federal Executive Agencies ("FEA") witness Brian C. Andrews on the topic of depreciation. Specifically, in the sections that follow, I discuss:

1) Mr. Dunkel's statements that I am seeking to change Commission policy and the depreciation study process that I employ in all my depreciation studies, which is much more comprehensive, theoretically correct, and accurate than a simple observation of the statistics.
2) Mr. Garrett's and Mr. Dunkel's recommendation to reject the Company's proposed net salvage rates for production and other production plant. I also address Mr. Dunkel's claim that the Company's proposed net salvage rates are excessive.
3) Mr. Garrett's recommendation to remove interim retirements from the depreciation study.
4) The authoritative guidance on the various life analysis methods that can be used in a depreciation study. Specific life parameters for various plant accounts proposed by OIEC witness D. Garrett, PUD witness Dunkel and FEA witness Andrews that differ from those used to develop depreciation rates in the depreciation study I sponsor as OG&E Exhibit DAW-2 to my Direct Testimony.

5) Specific net salvage parameters for various plant accounts proposed by PUD witness Dunkel that differ from those used to develop depreciation rates in the depreciation study I sponsor as OG&E Exhibit DAW-2 to my Direct Testimony.

6) Computation of the impact to depreciation expense of an early shutdown of the Company's coal plants, as suggested by OIEC Witness Norwood.

7) Correction of Intervenor computed Accrual Rates.

I do not address the terminal life spans for wind and solar facilities. That issue will be covered by Company witnesses Kelly Riley and Robert Doupe. Company witness David Kenyon provides information about the appropriate average service lives for intangible software in Account 303.1 and Account 303.2. Finally, Company witness Ryan Einer discusses the life of Account 370 – Smart Meters.

Q. Do you sponsor any exhibits?

A. Yes. I am sponsoring the Depreciation Study conducted by Alliance Consulting Group for OG&E. The exhibits I present are shown in the listing below:

Rebuttal Exhibit DAW-1	Discovery response PUD 03-07
Rebuttal Exhibit DAW-2	Summary of retirement units by account
Rebuttal Exhibit DAW-3	Comparison of Account 355 - Observed Life Table using witness Garrett's non-existent 1972-2022 experience band compared to the actual longest experience band of 1997-2022.
Rebuttal Exhibit DAW-4	Comparison of Account 356 - Observed Life Table using witness Garrett's non-existent 1972-2022 experience band compared to the actual longest experience band of 1997-2022.
Rebuttal Exhibit DAW-5	Comparison of Account 364 - Observed Life Table using witness Garrett's non-existent 1972-2022 experience band compared to the actual longest experience band of 1997-2022.
Rebuttal Exhibit DAW-6	Comparison of Account 367 - Observed Life Table using witness Garrett's non-existent 1972-2022 experience band

		compared to the actual longest experience band of 1997-2022.
	Rebuttal Exhibit DAW-7	Comparison of Account 368 - Observed Life Table using witness Garrett's non-existent 1972-2022 experience band compared to the actual longest experience band of 1997-2022.
	Rebuttal Exhibit DAW-8	Comparison of Account 373 - Observed Life Table using witness Garrett's non-existent 1972-2022 experience band compared to the actual longest experience band of 1997-2022.
	Rebuttal Exhibit DAW-9	OIEC Accrual computations
	Rebuttal Exhibit DAW-10	PUD Accrual computations

Q. Were the exhibits you are sponsoring prepared by you or under your direct supervision?

A. Yes, they were.

II. DUNKEL CLAIMS OF CHANGE IN COMMISSION POLICY

Q. What is your goal in setting depreciation rates of OG&E in this proceeding?

A. My goal in this case is to set accurate depreciation rates that follow accepted standards and reflect the actual lives and net salvage characteristics of the assets.

Q. Are there any area of agreement in computing OG&E's depreciation rates?

A. Yes. All witnesses use the same depreciation system to develop their proposed rates: Straight line, broad group, remaining life. However, there are multiple issues raised by intervenors that I will elaborate on in each section below.

Q. Mr. Dunkel states that you seek to change Commission policy on computing net salvage[5]. Is that an accurate statement?

A. No. He misinterprets my position to imply I am proposing a dramatic shift in computing net salvage. That is not the case. The function group that he challenges is production and other production assets.

Q. What is your recommendation for production net salvage rates in this proceeding?

A. As I state in my direct testimony, "In prior proceedings, the dismantlement studies presented were controversial and became a focus in settlement agreements. In this proceeding, the Company has not conducted a dismantling study. In order to maintain a position more similar to the Company's settled rates, we propose the use of conservative interim removal cost percentages as a proxy for terminal retirement closure removal costs and dismantling costs."[6]

Q. How did the Intervenors respond to your recommendation?

A. FEA witness Andrews adopted my proposed production net salvage rates in his recommendations. OIEC witness Garrett recommends retention of the current production net salvage rates from the settlement agreement in the last case. PUD Witness Dunkel takes the same position, making several statements regarding my recommendations with which I respectfully disagree. I will address those statements further in this section.

Q. Do the currently approved rates from the last case provide a reasonable basis for OG&E's production net salvage?

A. No. This application should be considered on its own merit, without using the settled rates from the last proceeding as a gold standard. Plus, I do not believe depreciation rates from OG&E's last rate case contain enough interim removal costs in calculating production net salvage.

[5] Dunkel Responsive testimony, "Mr. Watson proposes two improper policies", p 35-37.
[6] Watson Direct, p. 11 Lines 9-13.

Q. Mr. Dunkel makes a statement in his testimony, "Terminal Dismantling Costs are Lower Than Interim Costs."[7] Do you agree with that statement?

A. No. Mr. Dunkel believes it will be less costly to tear down a retired plant than to replace various components over the life of the assets. Mr. Dunkel provides two examples of discussing how boiler tubes and hydraulic shears have lower costs if done through terminal dismantling as opposed to interim dismantling. These examples do not rise to the level of proof for supporting the statement in general. There are, in fact, a number of reasons why interim dismantling costs might be lower than terminal dismantling costs. A site could have environmental issues, ash ponds, and or asbestos components that require specialized removal procedures during terminal dismantlement. Also, when a power plant is in operation, the cost of replacing an asset will be allocated between capital additions for the replacement and interim removal cost for the removal of the old asset. In a terminal situation, all labor and equipment rental will be charged to removal cost. In other words, some common cost between installation and removal (such as mobilization, equipment, etc.) will be shared in the interim replacement instead of fully charged to removal. A single example does not prove a point, and Mr. Dunkel's statement should be regarded as merely his opinion, not a proven fact.

Q. Have you seen other utilities use the proxy approach that you suggest?

A. Yes. I enumerate some examples in the response to PUD 3-07,[8] where a regulatory commission accepted the use of interim net salvage as a proxy for terminal net salvage. As the preparations for this case went forward, I discussed with the Company the proxy approach using interim retirements net salvage only as a substitute for terminal net salvage in this proceeding.

Q. Is the Commission concerned about both components of production net salvage-interim net salvage and terminal net salvage?

A. Yes. In a recent proceeding PUD 202100163, I performed a depreciation study for The Empire District Electric Company. The Company had not conducted a dismantling study,

[7] Dunkel Responsive Testimony, p.5, line 6.
[8] *See* Rebuttal Exhibit DAW-1.

and I recommended only interim net salvage with no terminal component. In the settlement agreement approved by the Commission, the company agreed to perform a dismantlement/decommissioning study and PUD witness JoRay McCoy endorsed the idea of including terminal net salvage in depreciation rates. Mr. McCoy stated that "if terminal net salvage is not included in depreciation rates decommissioning costs must be recouped at the time of retirement, rather than over the life of the asset which would lead to rate shock and intergenerational inequity."[9]

Q. Is Mr. Dunkel correct in his critiques of your net salvage proposals for production plant and other production plant?

A. No. He states, "the full impact of the 'proxy' proposal is $184 million per year."[10] The reality of my proposal for is shown below in Figure 1:[11]

Figure 1 – Summary Of Steam Production & Other Plant Accrual Rates

Direct Exhibit DAW-2

Function	Accrual Current Rates	Accrual Proposed Rates	Difference
Steam Production Plant	90,713,068	100,261,931	9,548,862
Other Production Plant	77,544,134	86,999,795	9,455,661
Total	168,257,202	187,261,725	19,004,523

The total increase I recommend is based on changes in plant investment, interim retirement curves, and net salvage recommendations. This total increase of $19 million is dramatically different than the increase Mr. Dunkel states of $184 million simply for the change in net salvage recommendations.

Q. How did Mr. Dunkel derive his value?

In his calculations to attempt to discredit my proposal, Mr. Dunkel used dramatically higher net salvage factors than what I am recommending in this case. For example, Mr. Dunkel's

[9] Id, p. 8
[10] Dunkel, p. 39 Line 1.
[11] Exhibit DAW-2, Appendix B

computations use -101, -117, and -322 percent net salvage for accounts 315, 342, and 345 respectively. Meaning the net salvage amounts would be more than the cost of the asset retired for accounts 315 and 342. In the case of account 345, his computations assume the net salvage would be more than three times the cost of the retired asset. Mr. Dunkel uses an extreme position - using negative salvage values that differ dramatically from the Company's proposals. His computations in WWD-15 are based on levels that no one in this case is proposing. The extreme positions Mr. Dunkel incorporates in many accounts are shown in the table below in Figure 2.

Figure 2: Company Proposed Net Salvage vs. Exhibit WWD-15 Net Salvage

Account	Company Proposed Net Salvage	Exhibit WWD-15 Net Salvage
Account 311- Structures & Improvements	-5%	-52%
Account 312 Boiler Plant Equipment	-5%	-61%
Account 314 Turbogenerator Equipment	-5%	-58%
Account 315- Accessory Electric Equipment	-5%	-101%
Account 316- Miscellaneous Power Plant Equip	-5%	-8%
Account 341 Structures and Improvements	-5%	-52%
Account 341 Wind	-5%	-5%
Account 341 Solar	-2%	-2%
Account 342- Fuel Holders	-5%	-117%
Account 343 Prime Movers	-5%	-34%
Account 343 LTSA	0%	0%
Account 344 Generators	-5%	-35%

Account 344 Wind	-5%	-8%
Account 344 Solar	0%	0%
Account 345 Accessory Electric Equipment	-5%	-322%
Account 345 Wind	-5%	-11%
Account 345 Solar	0%	0%
Account 346 Misc Power Equipment	-5%	-14%
Account 346 Wind	-3%	-3%

I recommended net salvage factors that were conservative, in the same range as those currently approved and reasonable for both interim and terminal retirements. Mr. Dunkel's number rises to a shock and awe level but does not represent a position advocated by any party in this case.

Q. What about Mr. Dunkel's statement that your proposal for Account 312 produces an increase of 137% in annual depreciation expense[12]?

A. Mr. Dunkel's statement about the results of my proposal for Account 312 is inaccurate. His computation is flawed because (as discussed above) Mr. Dunkel's computations modeled a negative 61 percent net salvage factor when in fact, I only proposed a negative 5 percent. The total increase based on my recommendation is less than $4 million in total as compared to the existing depreciation expense. There is no recommendation in the record to increase depreciation expense for this account by nearly $79 million, as Mr. Dunkel discussed. The actual result for this account is shown below in Figure 13.

Figure 3: Account 312 Proposed Change vs. Dunkel p. 40 Figure 13

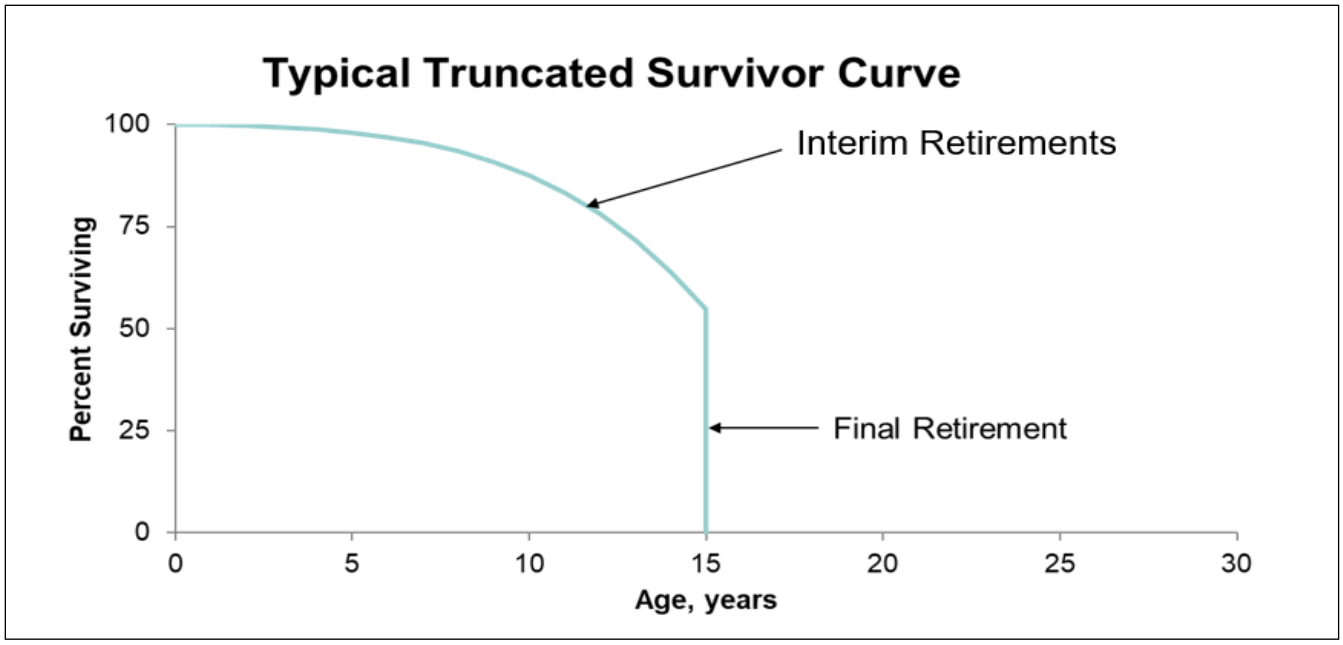
Function	Current Rates[13]	Company Proposed Rates	% Change	Dunkel, p. 40 Figure 13
Account 312	57,285,584	61,101,006	6.66%	135,957,981

[12] Dunkel, p. 40, Figure 13
[13] Current and Proposed rates Exhibit DAW-2. Appendix B

III. INTERIM RETIREMENTS IN PRODUCTION PLANT DEPRECIATION RATES

Q. What is an interim retirement curve?

A. An interim retirement curve is used to model generation property retirements that may occur before the facility becomes fully retired. An example of a life span and interim retirement application is shown below.



Interim retirement curves were used to model the retirement of individual assets within primary plant accounts for each generating unit prior to the terminal retirement of the facility. The life span procedure assumes all assets are depreciated (straight-line) for the same number of periods and retire at the same time (the terminal retirement date). Adding interim retirement curves to the procedure reflects the fact that some of the assets at a power plant will not survive to the end of the life of the facility and should be depreciated (straight-line) more quickly and retired earlier than the terminal life of the facility. The goal of interim retirement curves is to project how many of the assets that are currently in service will retire each year in the future using historical analysis and judgment. By applying interim retirements, recognition is given to the obvious fact that generating units will have retirements of depreciable property before the end of their lives.

Although interim retirements have been recognized in the study, interim additions (i.e., future additions) have been excluded from the study. The estimated amount of future additions might or might not occur. However, there is no uncertainty as to whether the full

level of interim retirements will happen. The assets that are being modeled for retirement are already in rate base. Depreciation rates using interim retirements are known and measurable in the same way that setting depreciation rates for transmission or distribution property using Iowa Curves is known and measurable. There is no depreciable asset that is expected to live forever. All assets at a power plant will retire at some point. Interim retirements simply model when those retirements will occur in the same way that is done for transmission or distribution assets.

Q. What positions do the intervenors recommend?

A. PUD witness Dunkel and FEA witness Andrews incorporate interim retirements in their recommendations. OIEC witness Garrett rejects the inclusion of interim retirements in computing depreciation rates.[14]

Q. Is the method Mr. Garrett proposes the appropriate method for computing depreciation rates for production property?

A. No, Mr. Garrett's proposal would change the truncated survivor curve to a rectangle. In other words, it would model all assets lasting the full length of the plant's life span. There is no legitimate question that capital assets will have to be replaced over the life of the generating units. Therefore, Mr. Garrett's recommendation does not create an accurate model.

Q. Does Mr. Garrett's assumption that all assets at a generating unit will last until the unit retires line up with the Company's experience?

A. No. In Exhibit DAW-2, Appendix E, I show the interim retirements that have occurred over the period 1991-2022. The retirements for production and other production during that time frame total $540.1 million. Out of the Company's total production and other production plant, 9.82 percent of the assets will retire before the unit's terminal retirement date.[15]

[14] Garrett Responsive testimony p. 10-15.
[15] % Interim retirements = interim retirement/ Total plant = 540,124,627/5,501,831,609 = 9.82%

Q. Are there some jurisdictions that reject interim retirements as Mr. Garrett recommends?

A. Out of the hundreds of cases that I have participated in, the only jurisdiction that I am aware of that accepts the position advocated by Mr. Garrett is the Public Utility Commission of Texas based on their historical precedent. The single example Mr. Garrett offers is not a bellwether for the rest of the utility industry.

Q. Do some of the authoritative treatises on utility depreciation offer guidance on the subject of interim retirements?

A. Yes. Two of the most widely cited texts on depreciation are Public Utility Depreciation Practices [16] and Depreciation Systems[17]. One or both texts are cited by all Intervenors on the subject of depreciation. Each text, Public Utility Depreciation Practices[18] and Depreciation Systems[19], devotes a chapter on the subject and how to estimate interim retirements.

Q. Has Mr. Garrett included interim retirements in his recommended depreciation rates in other proceedings before this Commission?

A. Yes. Some of his testimonies are found on his website[20]. The ones before this Commission that include interim retirements are listed below:

Public Service Company of Oklahoma: PUD 2022-00093; PUD 202100055; PUD 201800097; PUD 201700151; and PUD 201500208

Oklahoma Gas and Electric: PUD 202100164; PUD 201800140; and PUD 201700496.

Empire District Electric: PUD 201500273

In some Oklahoma proceedings, his recommendations did not include generation assets such as Empire District, PUD 201800133.

[16] Public Utility Depreciation Practices, National Association of Regulatory Commissioners, 1996.
[17] Depreciation Systems, by Drs. F. K. Wolf and W.C. Fitch, Iowa State Press, 1994.
[18] Public Utility Depreciation Practices, Chapter 10, p. 141-156.

[19] Depreciation Systems, Chapter 13, p. 255-259. by Drs. F. K. Wolf and W.C. Fitch, Iowa State Press, 1994.

[20] https://www.resolveuc.com/representative-engagements

Q. Do you agree with Mr. Garrett's position on interim retirements?

A. No. Given the number of proceedings Mr. Garrett has participated in and presented testimony which included interim retirements, I find his position on this subject is inconsistent and disingenuous. I recommend inclusion of interim retirements in depreciation calculations as PUD witness Dunkel and FEA witness Andrews have done.

IV. LIFE ESTIMATION INTANGIBLE, TRANSMISSION, AND DISTRIBUTION PROPERTY

Q. Are there differences in position in the recommended life for some of the Company's assets?

A. Yes. There are several different positions among the parties. However, no other individual in this case conducted the necessary steps to perform a comprehensive depreciation study, in my opinion.

Q. Please describe your depreciation study approach.

A. The purpose of a depreciation study is to determine the life and net salvage characteristics associated with assets currently in service. In my decades of experience, I have found that the necessary activities can be categorized into four phases. The four phases, as stated in my Direct Testimony are: Data Collection, Analysis, Evaluation, and Calculation.[21] I began each of the studies by collecting the historical data to be used in the analysis. After the data had been assembled, I performed analyses to determine the life and net salvage percentage for the different property groups being studied. As part of this process, I conferred with field personnel, engineers, and managers responsible for the installation, operation, and removal of the assets to gain their input into the operation, maintenance, and salvage of the assets. The information obtained from field personnel, engineers, and managerial personnel, combined with the analytical results, is then evaluated to determine how the results of the historical asset activity analysis, in conjunction with OG&E's operational experience, should be applied. In addition, I also brought to the results my nearly 40 years of experience as an engineer and depreciation analyst in selecting rational lives and net salvage for utility assets. Using all of these resources, I determined the most

[21] Direct Testimony of Dane A. Watson at 16-17.

appropriate lives and net salvage factors, and then calculated the depreciation rate for each function.

Q. Please explain the importance of reflecting the input from subject matter experts in the results and observing activities in the field.

A. As stated above, as part of the depreciation study process, I conferred with field personnel, engineers, and managers responsible for the installation, operation, and removal of the assets to gain their input into the operation, maintenance, removal, and salvage of the assets. The information obtained from field personnel, engineers, and managerial personnel, combined with the study results, is then evaluated to determine how the results of the historical asset activity analysis, in conjunction with OG&E's current and future expectations for the operation of the assets, should be applied.

The determination of the life and net salvage parameters of assets is not simply done by a simplistic evaluation of history. Characteristics may change over time; recent history may not be fully reflected in the statistics and the past may not always be the same as the future. The goal of determining the life and net salvage for an account is to project as accurately as possible the future life and net salvage (i.e. the life and net salvage characteristics the assets will exhibit over their remaining lives), not simply the historical activity. With that said, care must be given to ensure that the projection of recent and future changes do not cross the line into speculation. In my depreciation study, I only used known activities and facts to guide my recommendations, and I did not speculate on improbable future outcomes to set depreciation rates.

Understanding how the system is operated and the characteristics of the specific assets is important for an analyst to get a better understanding of the assets that are being studied and an understanding of the actual drivers "behind" the accounting information being analyzed. Key information from Subject Matter Experts ("SMEs") or recent and future changes in operations can be pivotal for a depreciation analyst.

In its 1996 edition of the publication *Public Utility Depreciation Practices*, the National Association of Regulatory Utility Commissioners ("NARUC") advises against strict reliance on historical data and fitting, stating:

> Depreciation analysts should avoid becoming ensnared in the historical life study and relying solely on mathematical solutions. The reason for making an historic life analysis is to develop a sufficient understanding of history in order to evaluate whether it is a reasonable predictor of the future. The importance of being aware of circumstances having direct bearing on the reason for making an historical life analysis cannot be understated. The analyst should become familiar with the physical plant under study and its operating environment, including talking with the field people who use the equipment being studied.[22]

Q. Did any intervenor witness incorporate information from company SMEs in forming their life recommendations?

A. I could find little in the record that would suggest they did. Neither OIEC witness D. Garrett nor FEA witness Andrews made any mention of this vital depreciation study input. PUD witness Dunkel states that he had discussions with OG&E personnel in 2022 and 2018 in prior depreciation cases.[23] However, his life recommendations do not incorporate information from Company SMEs that I consider of vital importance. I will discuss this more in the account specific section of this testimony.

An example of where the intervenors ignore important information is found in the analysis for Account 368-Line Transformers. My interview notes state, that "Operationally, with the increased demands and electrification, the existing transformers are run at higher loading and would tend to shorten the life. They load pattern for transformers has changed such that the transformers are not cooling off at night – shortening the life of the transformers… They are failing many more transformers than the past."[24] The Intervenors proposals for a longer life for this account do not incorporate operational experience and expectations that would suggest an operationally shorter life, not longer.

[22] NARUC, *Public Utility Depreciation Practices*, at 126 (1996).
[23] Dunkel Responsive Testimony, p 2, lines 1-9.
[24] Watson Direct WP, Interview Notes. Or could quote depreciation study which is done later in account specific section.

Q. Is OG&E filing rebuttal testimony in this case that contains some of the recommendations of SMEs that support your recommendations?

A. Yes. Importantly, OG&E is providing rebuttal testimony in a few key areas. First, OG&E is filing the testimony of Witnesses Kelly Riley and Robert Doupe to support the 25-year life for OG&E's existing wind facilities and why 30 years is not the appropriate life to use. Also, Witness Doupe testifies that the last time this Commission made a decision on the appropriate service lives for OG&E's existing wind facilities, both the Administrative Law Judge and the Commission rejected 30 years lives for the OG&E wind farms and instead imposed a 25-year life.

Second, OG&E is filing testimony of Witness Ryan Einer, who supports the 15-year life of Account 370 Smart Meters. He confirms what I was told during my interviews with SMEs about the appropriate operational average service lives expectations for smart meters.

Third, OG&E is filing testimony of Witness David Kenyon, who explains how the average service lives for software contained in Account 303.1 and Account 303.2 should not be increased.

Q. What other factors did the Intervenors fail to consider in their recommendations?

A . One must incorporate the shorter life expectations for individual retirement units (assets) within each account as compared to his recommendations. A summary of retirement units by account is presented in Rebuttal Exhibit DAW-2. If the majority of the dollars in a particular account are associated with assets that have projected lives between 20 and 40 years, an overall life for the account of 60 years for that account will not be reasonable. This is true even if mathematical curve matching on historical data for that account over the last 80 years mechanically produces a 60-year overall life. Simply recommending the output of a statistical model without validating against operational realities or reasonable norms is not an accurate way to set asset lives.

Q. Would you describe the global errors in the Intervenors' analysis?

A. Yes. The flaws in the Intervenors' analysis include:

- Violated the principles behind actuarial analysis by only using one placement and experience band (the full band) thereby not analyzing trends in life through time.
- Recommended material changes in life based on the Observed Life Tables in cases where there was not a statistically valid sample.
- As discussed above (and in the individual accounts), ignored both company-specific operational information and reasonable engineering expectations for the life of assets.
- One intervenor, OIEC witness Garrett, used a non-existent experience band as his only band that included 25 or more years with no retirements. This skewed his analytical results and ultimately his recommendations.

Key Elements of Life Analysis

Q. **What are the key elements in the actuarial life analysis?**

A. This life analysis requires that the account be examined across various time frames. The placement and experience bands are the primary technique used in the life analysis to construct life tables and are used by depreciation analysts to observe changes over time. The data used to construct an observed life table is matched against various survivor curve with an average life. The goal is to find a reasonable match between the two sources.

Q. **What does the placement band analyze?**

A. The placement bands are a group of vintages that show the composite retirement history from the asset's installation to the present. The placement band illustrates changes in technology and materials that occur.

Q. What does the experience band analyze?

A. The experience band is a composite retirement history of all vintages during a select period of time. These can be helpful in isolating the effects on the group of assets over a specified period of time.

Q. How are these bands used?

A. The depreciation analyst will evaluate the data in the placement and experience bands in various ways, generally using what is referred to as rolling bands and shrinking bands.

This helps identify trends in the data. The selection of band width is also an important aspect of the analysis. Ultimately, various curve fits are made that assist the depreciation analyst in evaluating and recommending an average service life ("ASL") and associated dispersion pattern.

Q. **How does not using multiple bands make the ultimate results less accurate?**

A. Banding is a way of combining a number of years of data for analysis. It allows for the creation of a statistically valid analysis, averaging historical experience and smoothing of the experience over time. As stated in the NARUC depreciation manual, there are three reasons to use bands: (1) to increase the sample size; (2) to smooth the observed data; and (3) to identify trends.[25] One of the most important reasons, when there is a statistically valid sample, to review multiple bands is to see trends in life over time. The lack of analyzing multiple bands (as the intervenors have done based on their lack of discussion of bands in their testimonies) will keep any trends from being seen.

Sufficient Data for Life Analysis

Q. Are there accounts where the is not sufficient history (i.e., not a statistically valid sample)?

A. Yes. Those are noted in the Depreciation Study report and in the following account discussions, as appropriate. When there is not a statistically valid sample, (as is the case for some accounts for OG&E), some of the benefits to performing an actuarial analysis are mitigated or absent. In those cases, operational information is critical in making reasonable recommendations.

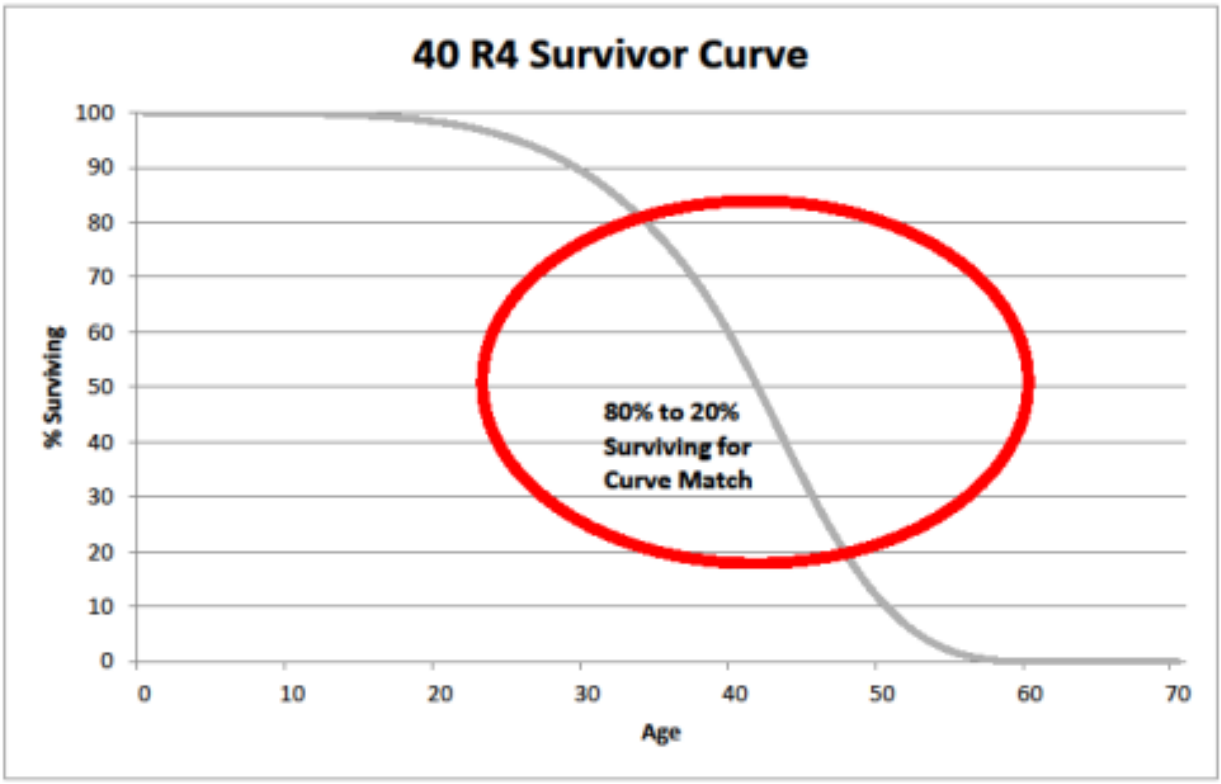
Q. Are there any industry standard texts that provide guidance on what is considered to be adequate or sufficient history for performing an actuarial analysis?

A. Yes. The NARUC publication cited by various intervenor witnesses states that a band width needs to include enough data to provide some confidence in the reliability of the resulting curve fit and be narrow enough to see if there is an emerging trend. It also goes on to say that, for longer life plant (e.g., conduit), widths of ten or more years may be

[25] NARUC, *Public Utility Depreciation Practices*, at 113.

necessary.[26] I would note that the OG&E database is at the low end of this range with 26 years and that the "or more years may be necessary" statement is particularly applicable for long-lived accounts. As discussed below, there can be little confidence that the selections by Intervenor witnesses represent the history and future of the assets in the various accounts. As the noted treatise, Depreciation Systems, explains, "Often the middle section of the curve (that section ranging from approximately 80% to 20% surviving) is given more weight than the first and last sections. The middle section is relatively straight and is the portion of the curve that often best characterizes the survivor curve."[27] This is depicted in the illustrative graph, OG&E Graph DAW-3 (Rebuttal), provided below.

OG&E Graph DAW-3 (Rebuttal)

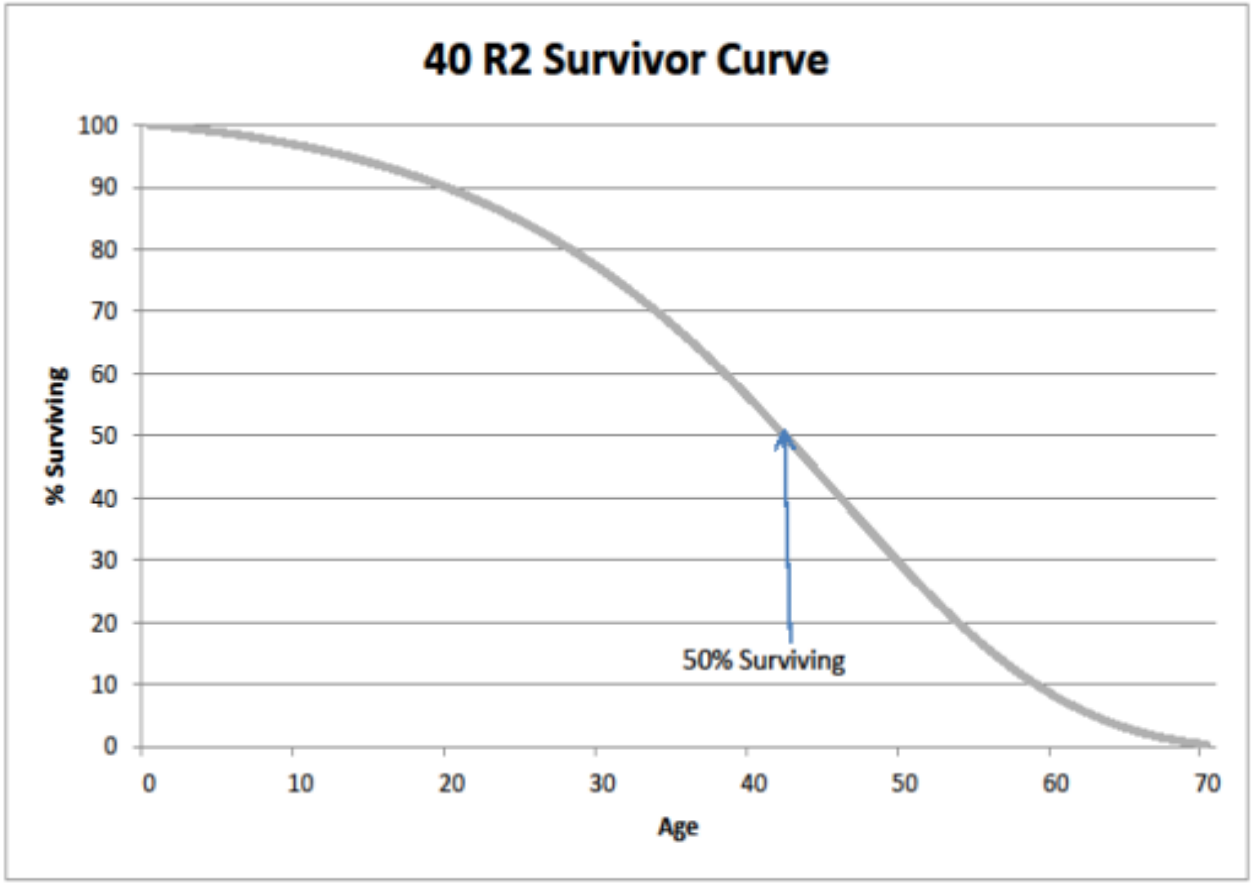


Additionally, the NARUC depreciation manual discusses a stub curve, which is an observed survivor curve that does not reach 0% surviving, stating "it is desirable to have

[26] NARUC, *Public Utility Depreciation Practices*, at 115
[27] DEPRECIATION SYSTEMS at 46-47.

the stub curve drop below 50% surviving."[28] The below illustrative graph, OG&E Graph DAW-4 (Rebuttal), indicates where the desired 50% and below area is on a survivor curve.

OG&E Graph DAW-4 (Rebuttal)



I discuss this in more detail in the life analysis account section below and illustrate how on some occasions Intervenor witnesses inappropriately relied upon survivor curves that do not have any "middle section" and numerous stub curves that are not even below the 70% surviving discussed above in a perfect statistical sample as discussed in the doctoral dissertation of Harold Cowles (1957) and later noted in Depreciation Systems.[29] In addition to NARUC's 50% guidance, the treatise Depreciation Systems teaches that even in a perfect world where the data is statistically complete, the observed life table should at least drop below 70% to have any chance of differentiating between curves.[30] "Longer

[28] NARUC, *Public Utility Depreciation Practices*, at 120.
[29] DEPRECIATION SYSTEMS at 49.
[30] *Id.*

stub curves (i.e. those with 40% or less surviving) were fit with a high degree of accuracy."[31]

While I agree, less weight should be given to points at the bottom of the curve compared to other points along the curve, this data should not be completely excluded from the analysis. *Depreciation Systems* provides authoritative guidance as to what part of the curve to match:

> After plotting the observed curve, the analyst should first visually match the plotted data to make an initial judgment about the type curve that may be good fits. The analyst also must decide which points or section of the curve should be given the most weight. Points at the end of the curve are often based on fewer exposures and may be given less weight than the points based on larger samples. The weight placed on those points will depend on the size of the exposures. Often the middle section of the curve (that section ranging from approximately 80 percent to 20 percent surviving) is given more weight than the first and last sections. This middle section is relatively straight and is the portion of the curve that often best characterizes the survivor curve.[32]

Erroneous Experience Band

Q. What band(s) did witness Garrett use in his life analysis?

A. Based on witness Garrett's testimony, his analyses used an erroneous experience band as shown below in Figure 4[33]: The experience band looks at the available (or specified) years of historical retirements to determine a pattern of retirements through time that is used to compare to the standard retirement patterns in the industry (i.e., Iowa Curves). The Company's retirement experience is only available back to 1997. Using a longer period (as Mr. Garrett did) would skew the retirement pattern since the older years without information would be assumed to have no retirements.

Figure 4 – Erroneous Experience Bands

Account	OIEC Placement Band	OIEC Experience Band	Year actuarial data begins
355[34]	1958-2022	1972-2022	1997
356[35]	1958-2022	1972-2022	1997

[31] *Id.*
[32] F.K. Wolf and W. C. Fitch, *Depreciation Systems*, at 46–47 (1994) (emphasis added).
[33] See witness Garrett's Exhibit DGJ-2-12
[34] Rebuttal Exhibit DAW-3
[35] Rebuttal Exhibit DAW-4

364[36]	1958-2022	1972-2022	1997
367[37]	1958-2022	1972-2022	1997
368[38]	1958-2022	1972-2022	1997
373[39]	1958-2022	1972-2022	1997

Q. Has Mr. Garrett made this error before?

A. Yes. In case 20200051-GU and 20200166-GU, in a case for Peoples Gas before the Florida Public Service Commission, Mr. Garrett presented results based on an experience band of 1970-2020. However, the Company's actuarial data began in 1983, which rendered his analysis incorrect. That case resulted in a settlement agreement where all lives I recommended were incorporated in the depreciation accrual rates. Mr. Garrett makes the same error in this case which renders his proposed life parameters incorrect in this proceeding.

Q. Would you expand on the issue with using an experience band starting in 1972?

A. Yes. Witness Garrett's life analysis experience bands of 1972-2022 include periods where no OG&E history is available. The Company's available actuarial history begins in 1997, consistent with other depreciation studies the Company has presented before this Commission. Witness Garrett's inclusion of experience band periods where data does not exist (1972-1996) makes it appear (incorrectly) that the Company had no retirements of any kind during those periods. This created a flawed analysis that witness Garrett then used as the basis of his recommendations.

Q. Has OG&E used historical data prior to 1997 in its previous Study?

A. No. Consistent with the current Study, the Company retirement history ends in transaction year 1997 for all accounts.

[36] Rebuttal Exhibit DAW-5

[37] Rebuttal Exhibit DAW-6

[38] Rebuttal Exhibit DAW-7

[39] Rebuttal Exhibit DAW-8

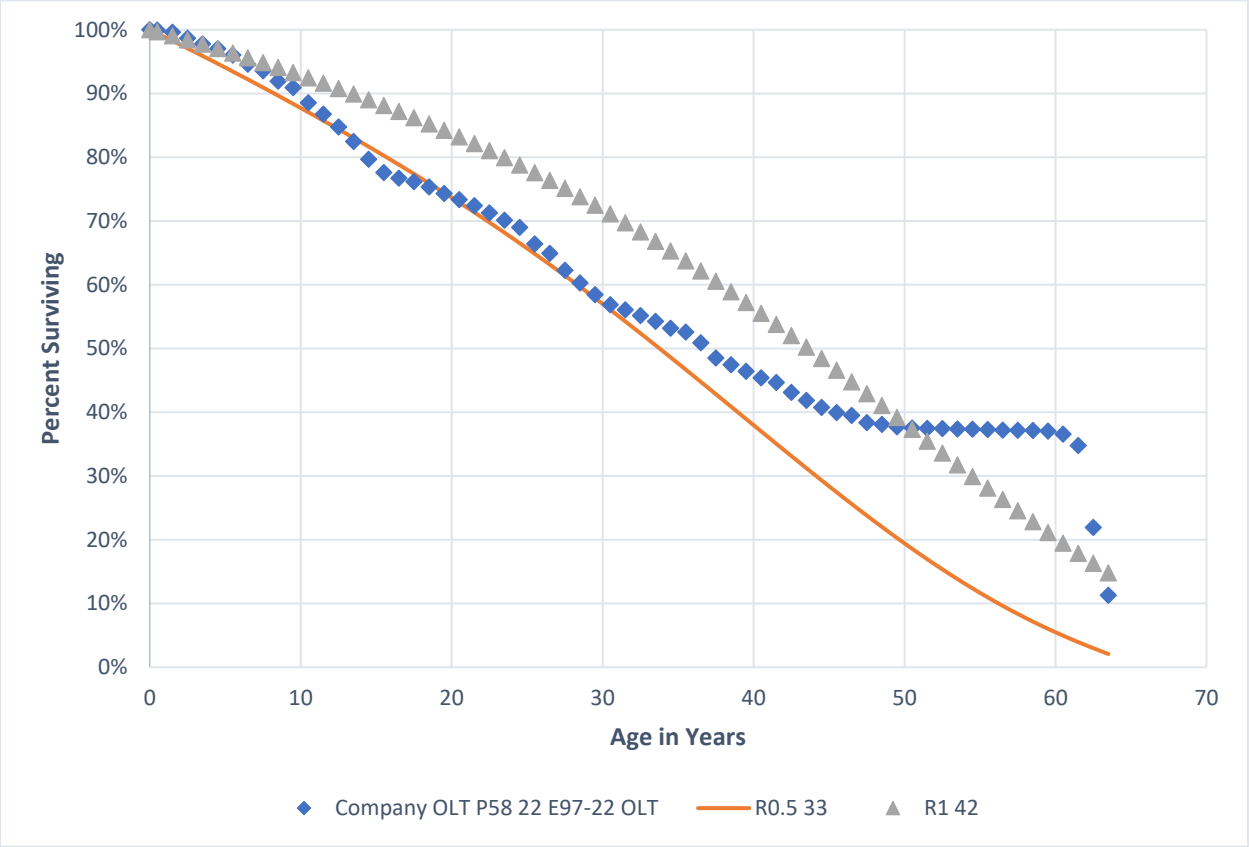
Q. Why does it matter if the experience band uses 1972-2022 instead of the correct 1997-2022?

A. The use of the non-existent years creates different results in the observed life table if the experience band is the incorrect 1972-2022 as compared to the actual 1997-2022 range. In some accounts, the difference can be large. For example, in Account 373-Street Lighting, the wider experience band of 1972-2022 (of which the first 25 years do not exist in reality) produced curve points as much as **16.59 percent** higher than the correct 1997-2022 band. See my Rebuttal Exhibit DAW-8 to show the computations for Account 373-Street Lighting. This may not seem significant on the surface; it can erroneously move the life observed in the analysis by several years in the graphical analysis. Additionally, given witness Garrett's reliance on mathematical fitting, the life with the best least squares curve fit between a proposed curve and the observed life table will also erroneously change if curve points related to Company experience are overstated by including the blank years. In the individual account discussions, I will show how using the correct experience band can calculate statistical matches that are better under my recommendation than witness Garrett's.

Q. Would you demonstrate how using this erroneous experience band will skew the results of the graphical analysis?

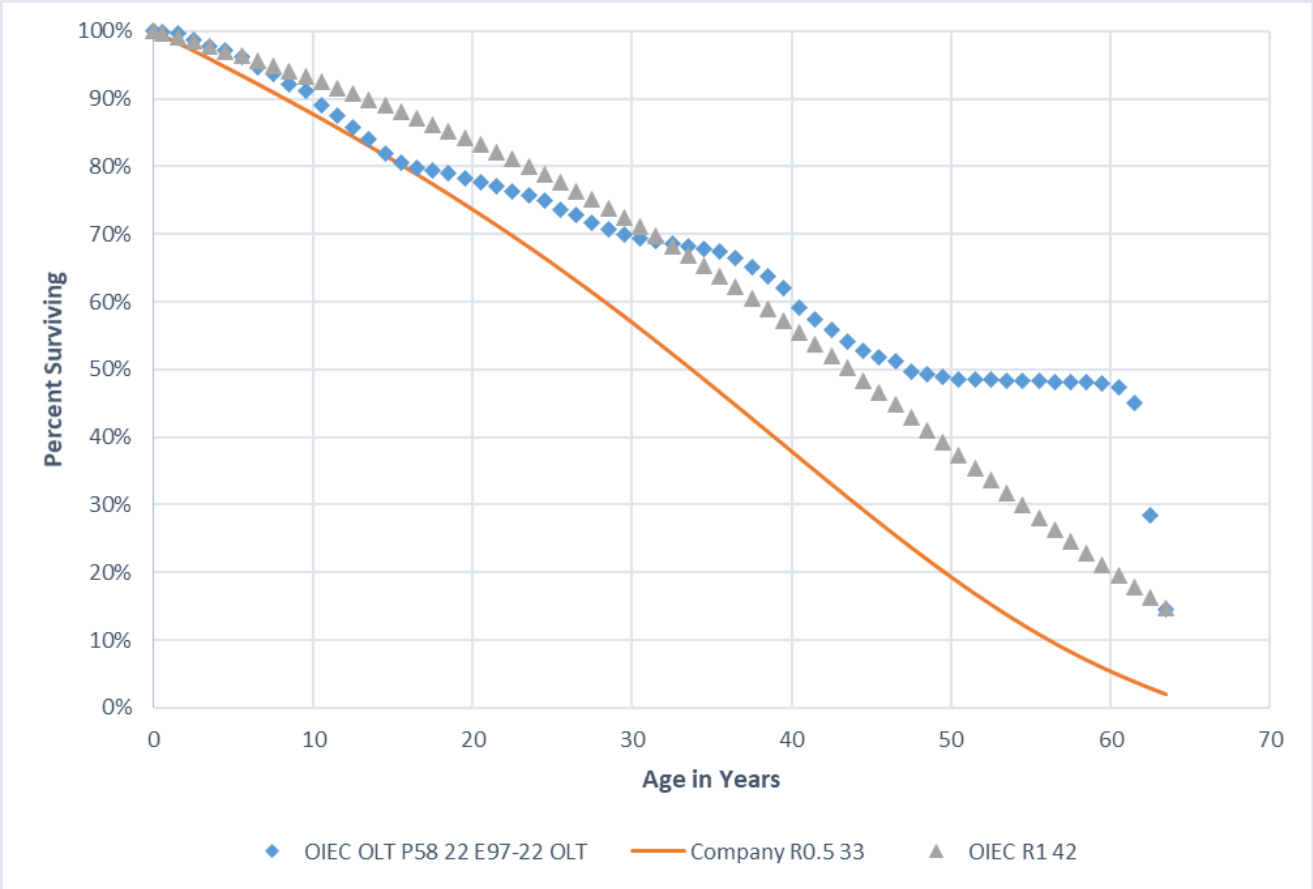
A. Yes. Below is my recommendation and witness Garrett's recommendation for Account 373-Street Lighting using the correct experience band. The blue colored curve is the Company's observed life data, the orange curve is my proposed curve, and the grey curve Mr. Garrett's proposal.

Account 373 – Comparison of Correct OLT, Company Proposed. and OIEC Proposal



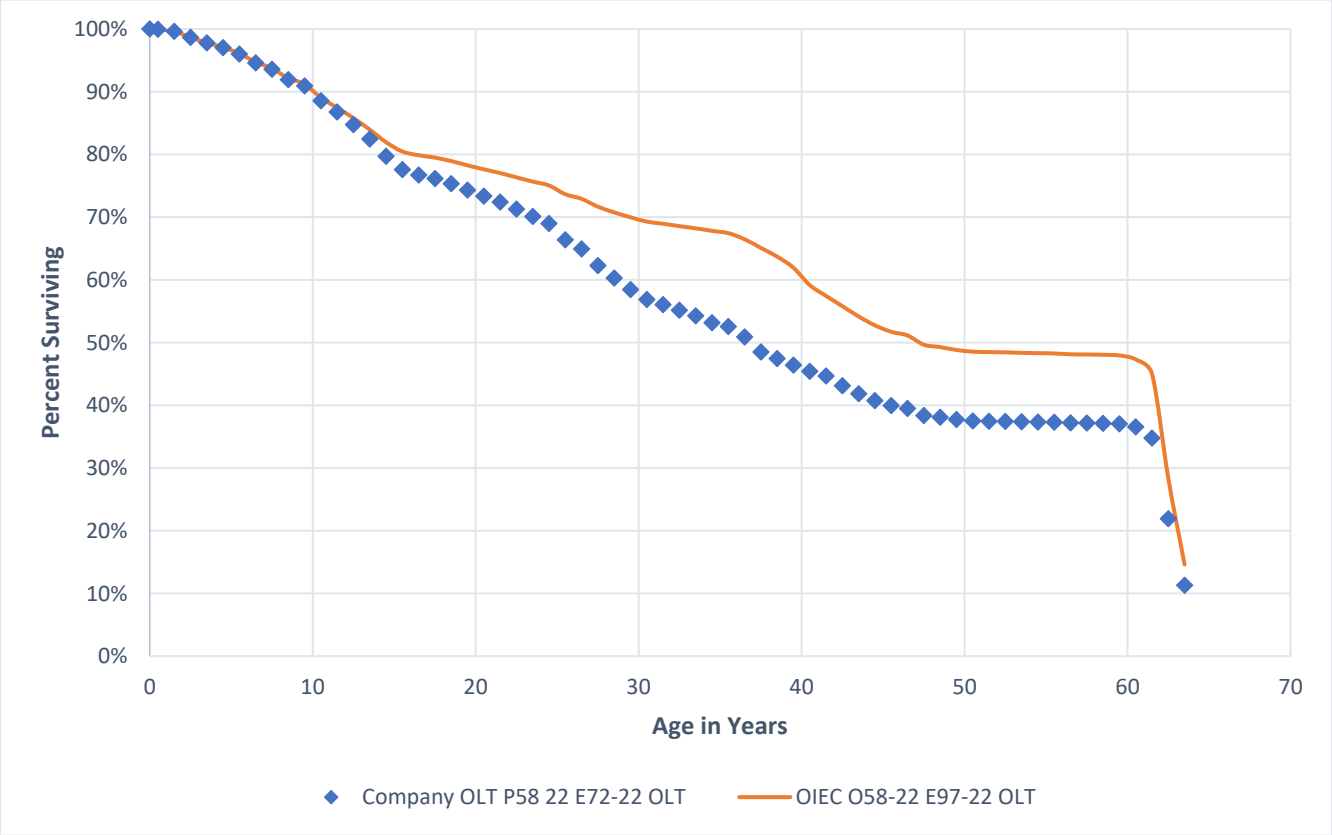
As seen, my recommendation is a much better match to the Company's actual experience. Next is a graph comparing my and witness Garrett's recommendations using his erroneous band.

Account 373 OIEC OLT, Company Proposed. and OIEC Proposal



1 Using the erroneous band, witness Garrett's recommendation would appear to be a better match,
2 however, it based on inaccurate calculations. Demonstrated another way, the graph below shows
3 the observed life table data points using the correct calculation (i.e. the actual range of Company
4 experience) and using witness Garrett's erroneous band.

Account 373 Correct OLT and OIEC Observed Life Table



Simply using an erroneous experience band in his calculation skewed the data to incorrectly suggest a longer life than is experienced by the Company in reality. For this reason (among others), witness Garrett's life recommendations should not be accepted.

V. SPECIFIC ACCOUNT PROPOSED LIFE PARAMETERS TRANSMISSION AND DISTRIBUTION

Account 350.2 - Transmission Land Rights

Q. **What assets are in this account?**

A. This account includes the cost of rights of way in connection with transmission plant. The balance in this account is $132.0 million.

Q. **What are the various life proposals being proposed by each party?**

A. The proposed lives recommended by other parties are shown in the Figure 5 below.

Figure 5 - Account 350.2 Proposed Lives

Company Existing	Company Proposed	OIEC Proposed	PUD Proposed	FEA Proposed
75 S4	75 S4	75 S4	75 S4	85 S5

FEA witness Mr. Andrews recommends a 10-year increase in the life of this account. The other intervenors use the Company's proposed life to compute depreciation rates.

Q. What support does Mr. Andrews offer to support his recommendation?

A. Mr. Andrews performs actuarial analysis over the available period, along with a ranking by sum of squares difference between different curve shapes and the observed life table for this account.[40] The various curves included in the ranking range from 77 years to 19,052 years. .[41]

Q. How much data is available for life analysis?

A. Over the period 1997-2002 only $119,000 has retired. That is 0.09% of the total plant balance.[42] The observed life table for this account ends at 99.46% surviving. The retirement data for this account does not meet criteria offered by the learned treatises that I discuss earlier in this testimony.

Mr. Andrews' proposal should be rejected because there is insufficient information for a meaningful actuarial analysis. Further, there are no operational facts and circumstances that might support a 13.3% increase in the average life for this account since the last study.

Account 352- Transmission Station Structures and Improvements

Q. **What assets are in this account?**

A. This account includes the cost of structures and improvements in connection with building station control, security systems, yard improvements, protective fencing, and other structures for transmission plant. There is approximately $9.0 million in this account.

[40] Andrews responsive testimony. Exhibit BCA-2
[41] Andrews, Exhibit BCA-2, page 1,
[42] % Retired = Total retirements/ Plant Balance 12-31-22 = 118,770 / 131.963.405 = .09%

Q. **What are the various life proposals being proposed by each party?**

A. The proposed lives recommended by each party are shown in the Figure 6 below.

Figure 6 - Account 352 Proposed Lives

Company Existing	Company Proposed	OIEC Proposed	PUD Proposed	FEA Proposed
70 S3	70 S3	70 S3	70 S3	75 S3

FEA witness Mr. Andrews recommends a 5-year increase in the life of this account. The other intervenors use the Company's proposed life to compute depreciation rates.

Q. What support does Mr. Andrews offer to support his recommendation?

A. Mr. Andrews performs actuarial analysis over the available period, along with a ranking by sum of squares difference between different curve shapes and the observed life table for this account.[43] The various curves included in the ranking range from 71 years to 1,637 years.[44]

Q. How much data is available for life analysis?

A. Over the period 1997-2002 only $43 thousand has retired. That is 0.48% of the total plant balance.[45] The observed life table for this account ends at 95.28% surviving. The retirement data for this account does not meet the minimum criteria offered by the learned treatises that I discuss earlier in this testimony. This is also evidenced by the tremendous variation in lives that are seen in the sum of the squared difference results (i.e., 77 years to 1,637 years). In my opinion, the data is too sparse to be statistically significant. For this reason, I retained the approved life and curve since there was no statistically valid data on which to recommend a change. Mr. Andrews' proposal should be rejected because there is insufficient information for a meaningful actuarial analysis. Further, there are no operational facts and circumstances that might support a 7.14% increase in the average life for this account.

[43] Andrews responsive testimony. Exhibit BCA-3
[44] Andrews, Exhibit BCA-3, page 1.
[45] % Retired = Total retirements/ Plant Balance 12-31-22 = 43,398 / 9,042,721 = .48%

Account 353- Transmission Station Equipment

Q. **What assets are in this account?**

A. This account includes the cost of transformers, capacitor banks, circuit breakers, cubicle switchgear, equipment foundation, station controls, and station wiring for transmission plant. There is approximately $954.4 million in this account.

Q. **What are the various life proposals being proposed by each party?**

A. The proposed lives recommended by each party are shown in the Figure 7 below.

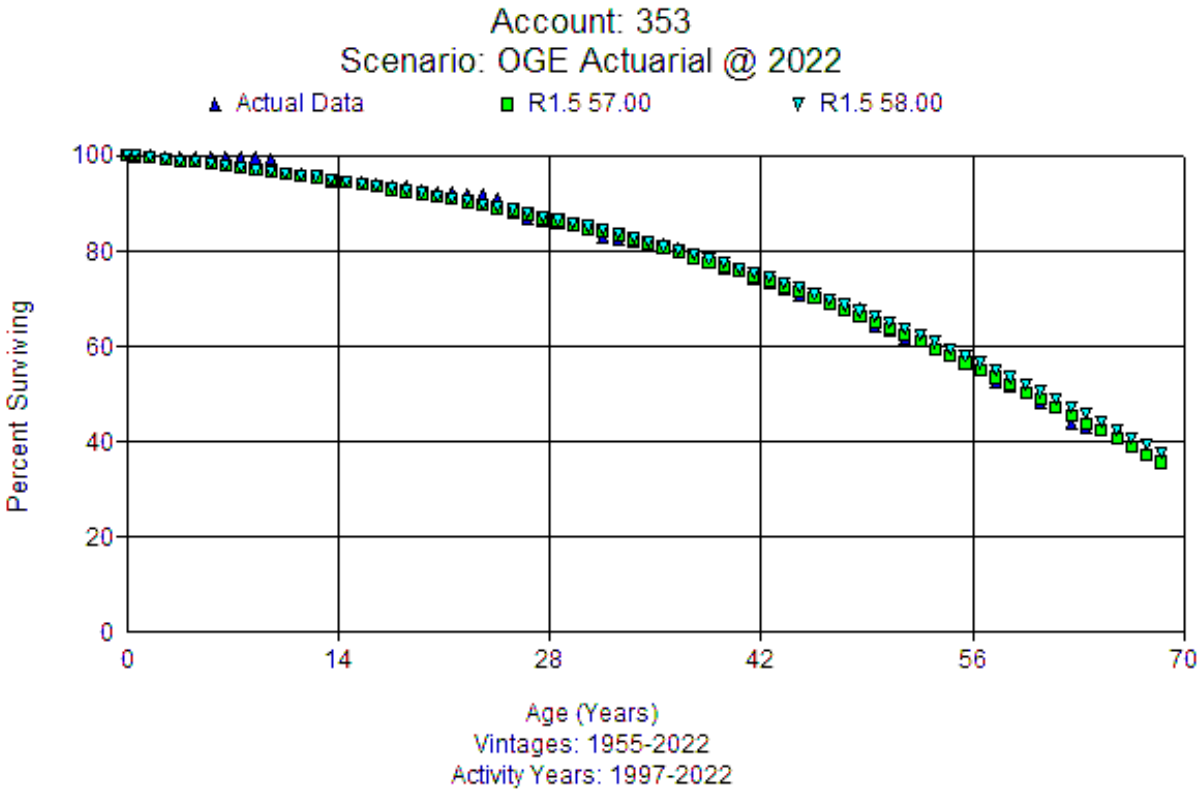
Figure 7 - Account 353 Proposed Lives

Company Existing	Company Proposed	OIEC Proposed	PUD Proposed	FEA Proposed
55 R1.5	57 R1.5	57 R1.5	57 R1.5	58 R1.5

FEA witness Mr. Andrews recommends a 1-year increase in the life of this account. The other intervenors use the Company's proposed life to compute depreciation rates.

Q. **What about the position recommended by FEA witness Andrews?**

A. Mr. Andrews recommends the same type curve with one year longer average service life. The results are virtually indistinguishable between the two recommendations as shown in the graph below.



Q. **What are placement and experience bands that you use to analyze these accounts?**

A. As defined in Public Utility Depreciation Practices, "Placement bands show, for a group of vintages, the composite retirement history from the property's placement in service to the present… Unfortunately, placement bands yield fairly complete curves only for the oldest vintages. The newest vintages, presumably of greater interest in forecasting, yield the shortest stub curves". Experience bands show the composite history for all vintages during a set activity of years. These bands allow the analyst to isolate the effects of the operating environment over time."[46]

Q. **What are placement and experience bands did you run for each account?**

A. For each account, I ran an overall band, usually from the first vintage in service, 1958 to 2022 with experience from 1997-2022. I also ran a medium width band, placement band 1975-2022 with experience from 1997-2022. This made the stub curve shorter, but it also shows the characteristics of new assets. Finally, I ran the shortest band from 1997-2022

[46] Public Utility Depreciation Practices, p. 114.

for placement and experience. As noted above in Public Utility Depreciation Practices. "The newest vintages, presumably of greater interest in forecasting, yield the shortest stub curves".[47]

I have run other placement and experience bands with the same result, which are so close that one cannot distinguish between the two. Given the close proximity of the recommendations, the Company would suggest recommending my proposed rate as it would be reasonable for this account.

Account 355- Transmission Poles and Fixtures

Q. **What assets are in this account?**

A. This account includes equipment foundation and different kinds of poles for transmission plant. There is approximately $1.1 billion in this account as of December 31, 2022. The current approved life for this account is 69 R0.5.

Q. **What are the various life proposals being proposed by each party?**

A. The proposed lives recommended by each party are shown in the Figure 8 below.

Figure 8 - Account 355 Proposed Lives

Company Existing	Company Proposed	OIEC Proposed	PUD Proposed	FEA Proposed
69 R0.5	75 R1	81 R1.5	75 R1	76 R1

OIEC Witness Garrett's recommendations are based on a flawed actuarial analysis as discussed earlier in this testimony. PUD Witness Dunkel does not recommend an alternative position, and FEA witness Andrews recommends a one-year change in the proposed life for this account.

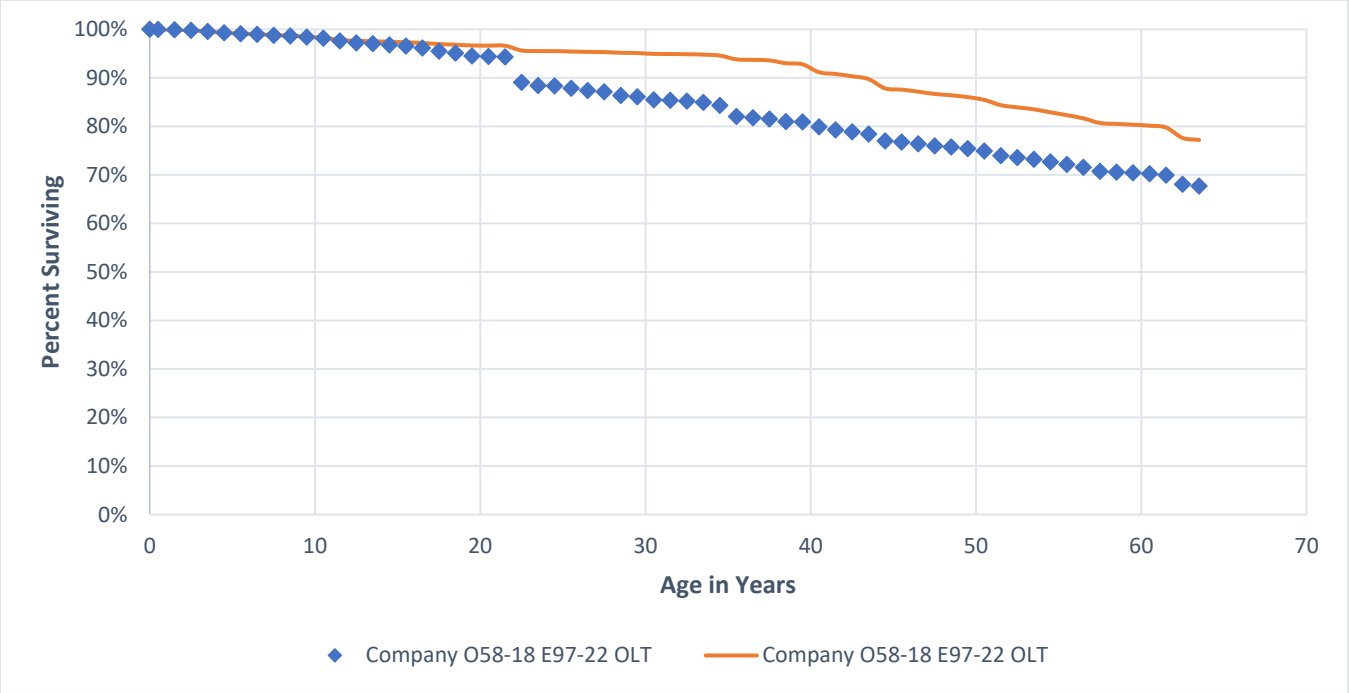
Q. What support does Mr. Garrett offer to support his recommendation?

A. As discussed above, Mr. Garrett performs actuarial analysis using an incorrect experience band.[48] This means that Mr. Garrett uses years without any retirement data, and this

[47] Id.
[48] Garrett responsive testimony, pages 21-23. Exhibit DJG-2-12, pages 1 and 2.

produces flawed results. The blue line in the graph below represents the Company's computation of Company history. The orange line shows Mr. Garrett's representation of Company history. By including years with no retirement experience, Mr. Garrett's orange curve makes it appear that assets **last longer** than they do in reality. As can be seen in the graph below, Mr. Garrett's flawed life table overstates the Company's retirement experience. his flawed experience band overstates the observed life table over many periods in the Company's history.

Account 355 – Comparison of Company and OIEC Observed Life Table[49]

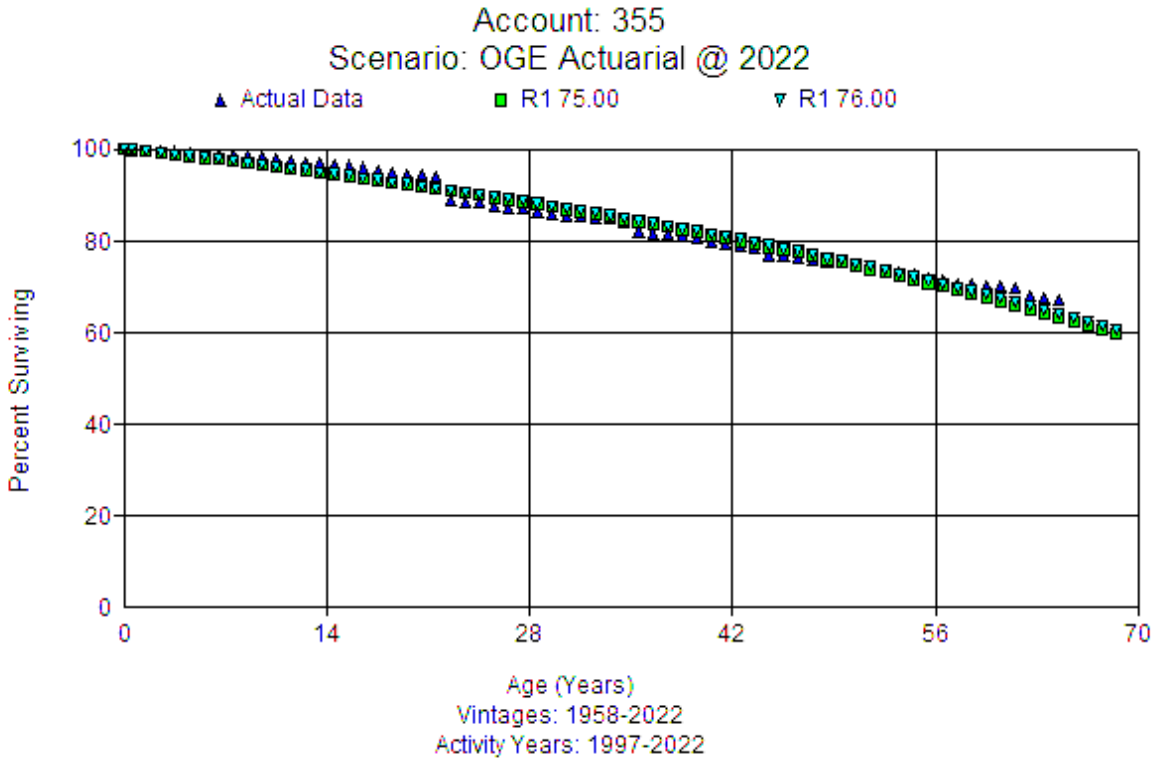


Given the incorrect observed life table, Mr. Garrett's testimony on curve fitting Account 355[50] is flawed and should be rejected.

Q. **What about the position recommended by FEA witness Andrews?**

A. Mr. Andrews recommends the same type curve with one year longer average service life. The results are virtually indistinguishable between the two recommendations as shown in the graph below.

[49] Rebuttal Exhibit DAW-3.
[50] Garrett responsive testimony. P 21-23.



I have run other placement and experience bands with the same result, which are so close that one cannot distinguish between the two. Given the close proximity of the recommendations, the Company would suggest recommending my proposed rate as it would be reasonable for this account.

Account 356- Transmission Overhead Conductors and Devices

Q. **What assets are in this account?**

A. This account includes overhead conductors and devices for transmission plant. There is approximately $693.7 million in this account as of December 31, 2022.

Q. **What are the various life proposals being proposed by each party?**

A. The proposed lives recommended by each party are shown in the Figure 9 below.

Account 356 Proposed Lives

Company Existing	Company Proposed	OIEC Proposed	PUD Proposed	FEA Proposed
70 R3	75 R3	79 R3	75 R3	76 R3

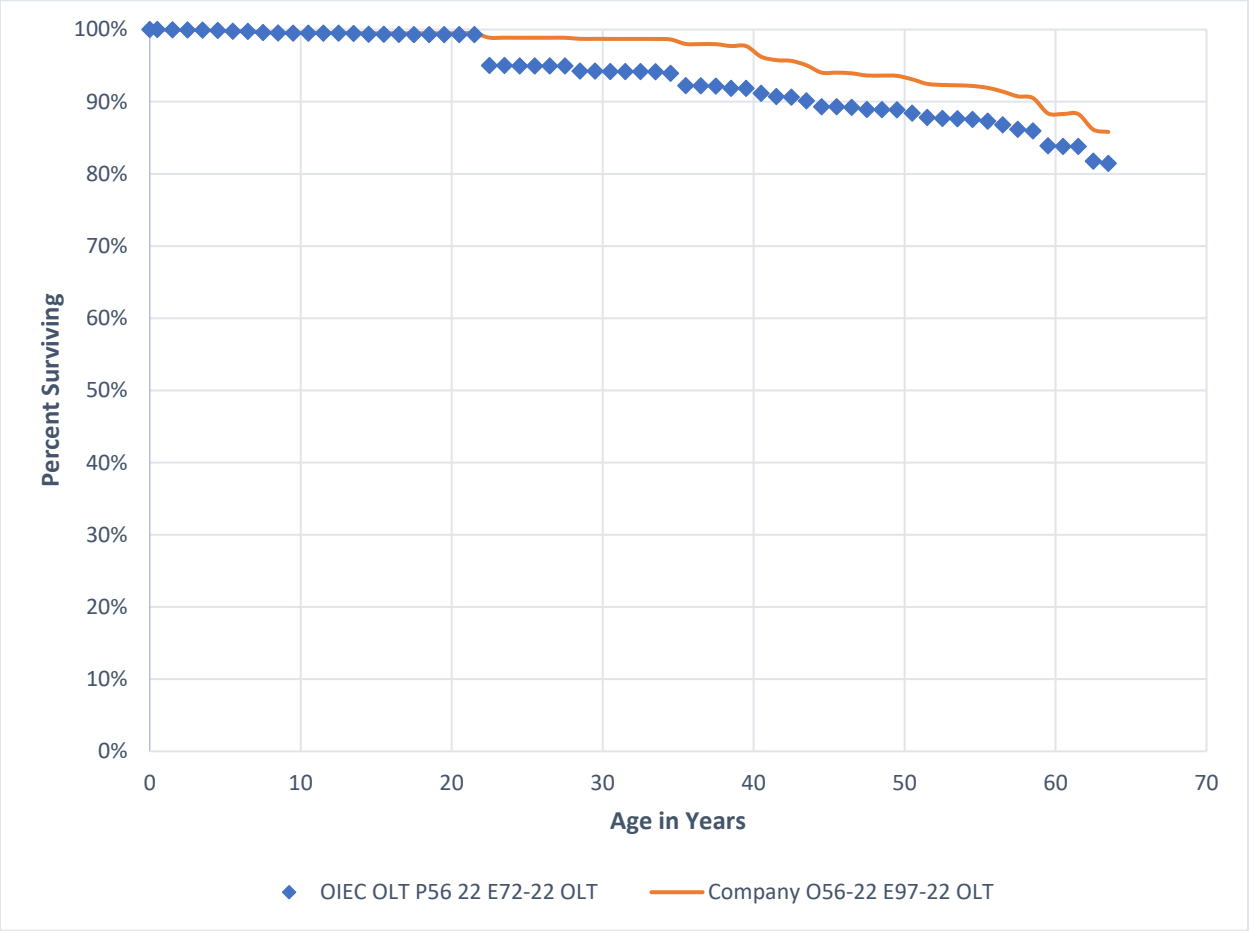
OIEC Witness Garrett's recommendations are based on a flawed actuarial analysis as discussed earlier in this testimony. PUD Witness Dunkel does not recommend an alternative position, and FEA witness Andrews recommends a one-year change in the proposed life for this account.

Q. What support does Mr. Garrett offer to support his recommendation?

A. Mr. Garrett performs actuarial analysis using an incorrect observed life table.[51] Just as he did in Account 355, Mr. Garrett uses years without any retirement data in his analysis that produces flawed results. The blue line in the graph below represents the Company's computation of Company history. The orange line shows Mr. Garrett's representation of Company history. By including years with no retirement experience, Mr. Garrett's orange curve makes it appear that assets **last longer** than they do in reality. As can be seen in the graph below, Mr. Garrett's flawed life table overstates the Company's retirement experience. Also note that the header in his graph on page 24 of his responsive testimony mistakenly shows account 362- Station Equipment.

[51] Garrett responsive testimony, pages 23-25. Exhibit DJG-2-12, pages 3 and 4.

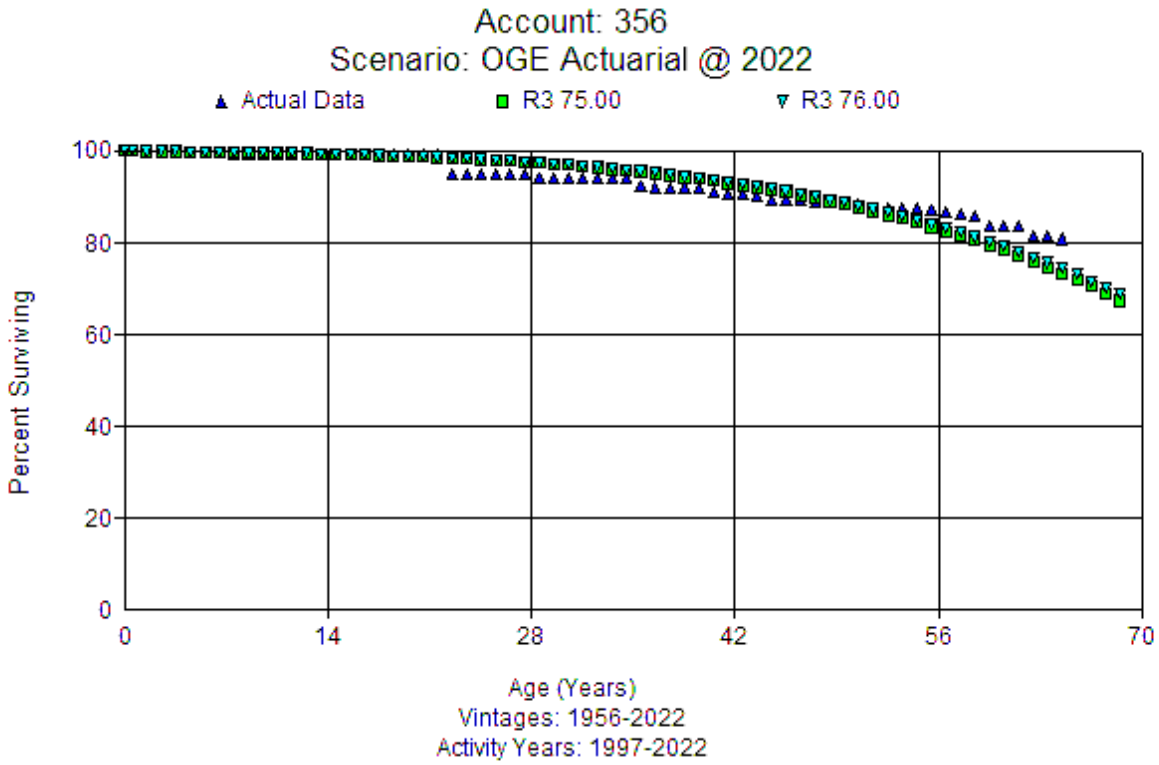
Account 356 – Comparison of Company and OIEC Observed Life Table[52]



Q. **What about the position recommended by FEA witness Andrews?**

A. Mr. Andrews recommends the same type curve with one year longer average service life. The results are virtually indistinguishable between the two recommendations as shown in the graph below.

[52] Rebuttal Exhibit DAW-4.



I have run other placement and experience bands with the same result, which are so close that one cannot distinguish between the two. Given the close proximity of the recommendations, the Company would suggest recommending my proposed rate as it would be reasonable for this account.

Account 360.2- Distribution Land Rights

Q. **What assets are in this account?**

A. This account contains right of way for distribution plant. At December 31, 2022, there was approximately $6.5 million in this account.

Q. **What are the various life proposals being proposed by each party?**

A. The proposed lives recommended by other parties are shown in the Figure 10 below.

Figure 10 - Account 360.2 Proposed Lives

Company Existing	Company Proposed	OIEC Proposed	PUD Proposed	FEA Proposed
75 S4	75 S4	75 S4	75 S4	85 R5

FEA witness Mr. Andrews recommends a 10-year increase in the life of this account. The other intervenors use the Company's proposed life to compute depreciation rates.

Q. What support does Mr. Andrews offer to support his recommendation?

A. Mr. Andrews performs actuarial analysis over the available period, along with a ranking by sum of squares difference between different curve shapes and the observed life table for this account.[53] The various curves included in the ranking range from 76 years to 9,492 years.

Q. How much data is available for life analysis?

A. Over the period 1997-2002 only $7,730 has retired. That is 0.12% of the total plant balance.[54] The observed life table for this account ends at 98.92% surviving. The retirement data for this account does not meet the minimum criteria offered by the learned treatises that I discuss earlier in this testimony. This is also evidenced by the tremendous variation in lives that are seen in the sum of the squared difference results (i.e., 76 years to 9,492 years)[55]. In my opinion, the data is too sparse to be statistically significant. For this reason, I retained the approved life and curve since there was no statistically valid data on which to recommend a change.

Mr. Andrews' proposal should be rejected because there is insufficient information for a meaningful actuarial analysis. Further, there are no operational facts and circumstances that might support a 13.3% increase in the average life for this account.

[53] Andrews responsive testimony. Exhibit BCA-6
[54] % Retired = Total retirements/ Plant Balance 12-31-22 = 7,730 / 6,459.925 = .12%
[55] Andrews, Exhibit BCA-6, Page 2.

Account 362-Distribution Station Equipment

Q. **What assets are in this account?**

A. This grouping contains switchboards, station wiring, transformers, and a wide variety of other equipment, from circuit breakers to switchgear, for distribution plant. At December 31, 2022, there was approximately $877.6 million in this account.

Q. **What are the various life proposals being proposed by each party?**

A. The proposed lives recommended by each party are shown in the Figure 11 below.

Figure 11 - Account 362 Proposed Lives

Company Existing	Company Proposed	OIEC Proposed	PUD Proposed	FEA Proposed
61 R2	61 R2	61 R2	61 R2	64 R1.5

FEA witness Mr. Andrews recommends a 3-year increase in the life with a different dispersion curve for this account. The other intervenors use the Company's proposed life to compute depreciation rates.

Q. Is there important SME input that Mr. Andrews ignores?

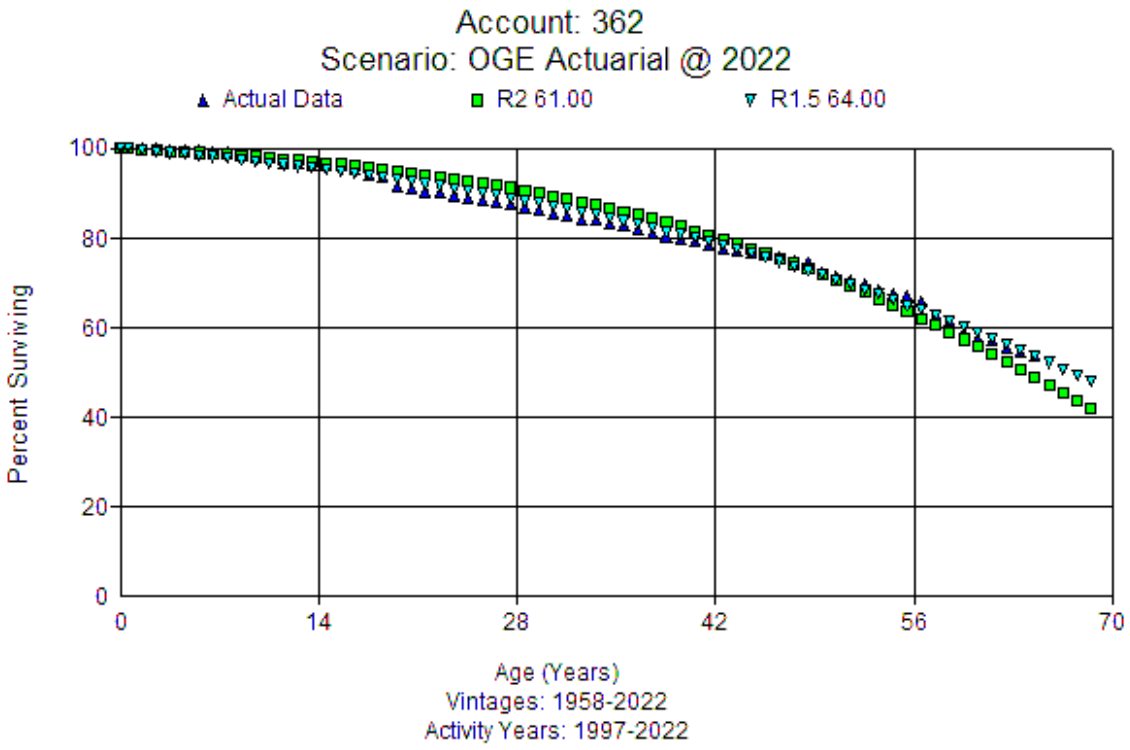
A. Yes. In my depreciation study. I note the following operational factors[56]:

> Company SMEs report that transmission station equipment generally has longer life than distribution station equipment. The components in this account have different life characteristics. From an operational perspective, Company SMEs report the following lives for various components: power transformers 40-50 years or more; circuit breakers 30 years or more; oil circuit breakers would have a longer life than vacuum; and some other equipment between 25 to 30 years. Company SMEs believe there is no operational reason for the life of this account to change.

[56] Watson Direct, Exhibit DAW-2, p. 59

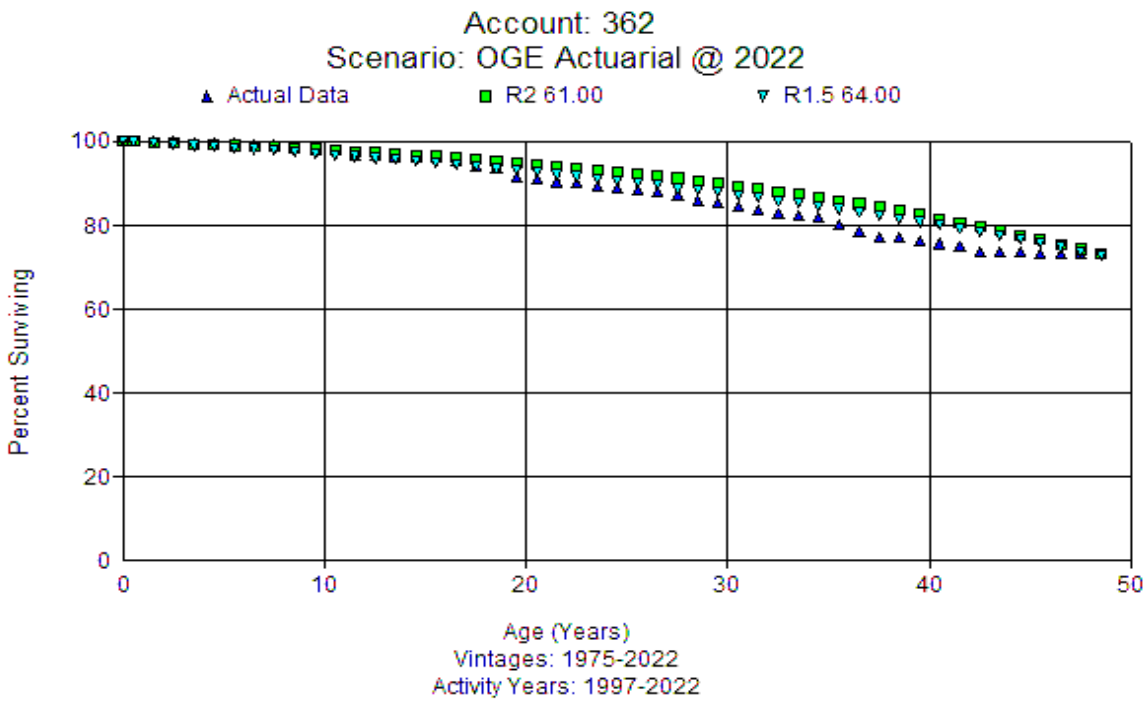
Q. **What do graphs over various bands show to compare your proposal to Mr. Andrews'?**

A. The overall band: placement 1958-2022 and experience 1997-2022, below shows a close match between the competing proposals. The Company's actuarial data is shown in dark blue, the Company's proposal is shown in green, and FEA's proposal is shown in aqua.

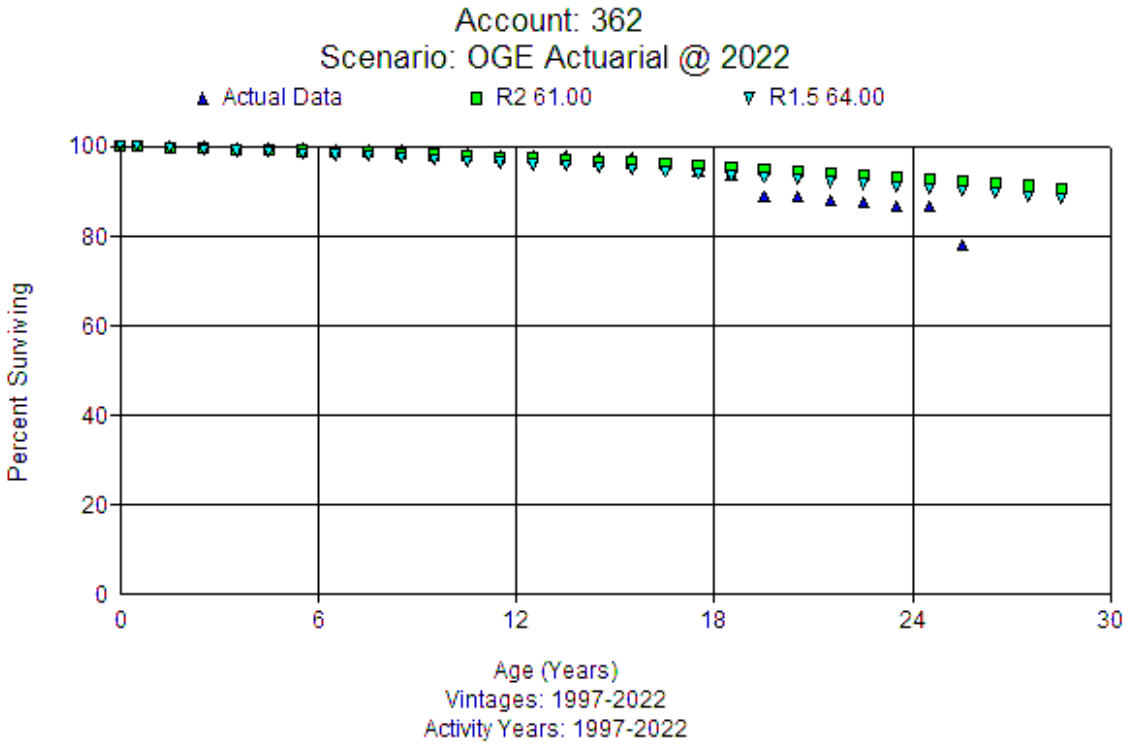


Q. **What do shorter bands show for this account?**

A. In the medium width band (placement 1975-2022, experience 1997-2022), both proposed curves show a longer life than the Company's experience demonstrates. In other words, the actual data from the Company reflect more retirements than either recommendation (which suggests a shorter experienced life than either recommendation).



1 In the shorter band (placement 1997-2022, experience 1997-2022), both proposed curves
2 show a longer life than the Company's actual experience demonstrates.



Q. **What is the significance of a shorter life in medium and more narrow bands?**

A. The surviving plant is relatively young, with an average age of 15.01 years. The retirements available have an average age of 27.38 years.[57] This account has many different retirement units, with lives that vary greatly. Company SMEs believe there is no operational reason to increase the life for this account. Given the assets' retirement pattern and lower lives seen in the medium and most recent bands, I believe the Company's proposal better matches the expectations for this account than FEA's.

Account 364- Distribution Poles, Towers and Fixtures

Q. **What assets are in this account?**

A. This account contains poles, towers, and fixtures for distribution plant, which are predominantly made of wood. At December 31, 2022, there was approximately $787.0 million in this account.

Q. **What are the various life proposals being proposed by each party?**

A. The proposed lives recommended by each party are shown in the Figure 12 below.

Figure 12 - Account 364 Proposed Lives

Company Existing	Company Proposed	OIEC Proposed	PUD Proposed	FEA Proposed
60 R1	55 R1	62 R1.5	60 R1	58 R1

OIEC Witness Garrett's recommendations are based on a flawed actuarial analysis as discussed earlier in this testimony. PUD Witness Dunkel recommend a longer life by five years, and FEA witness Andrews recommends a three-year change in the proposed life for this account.

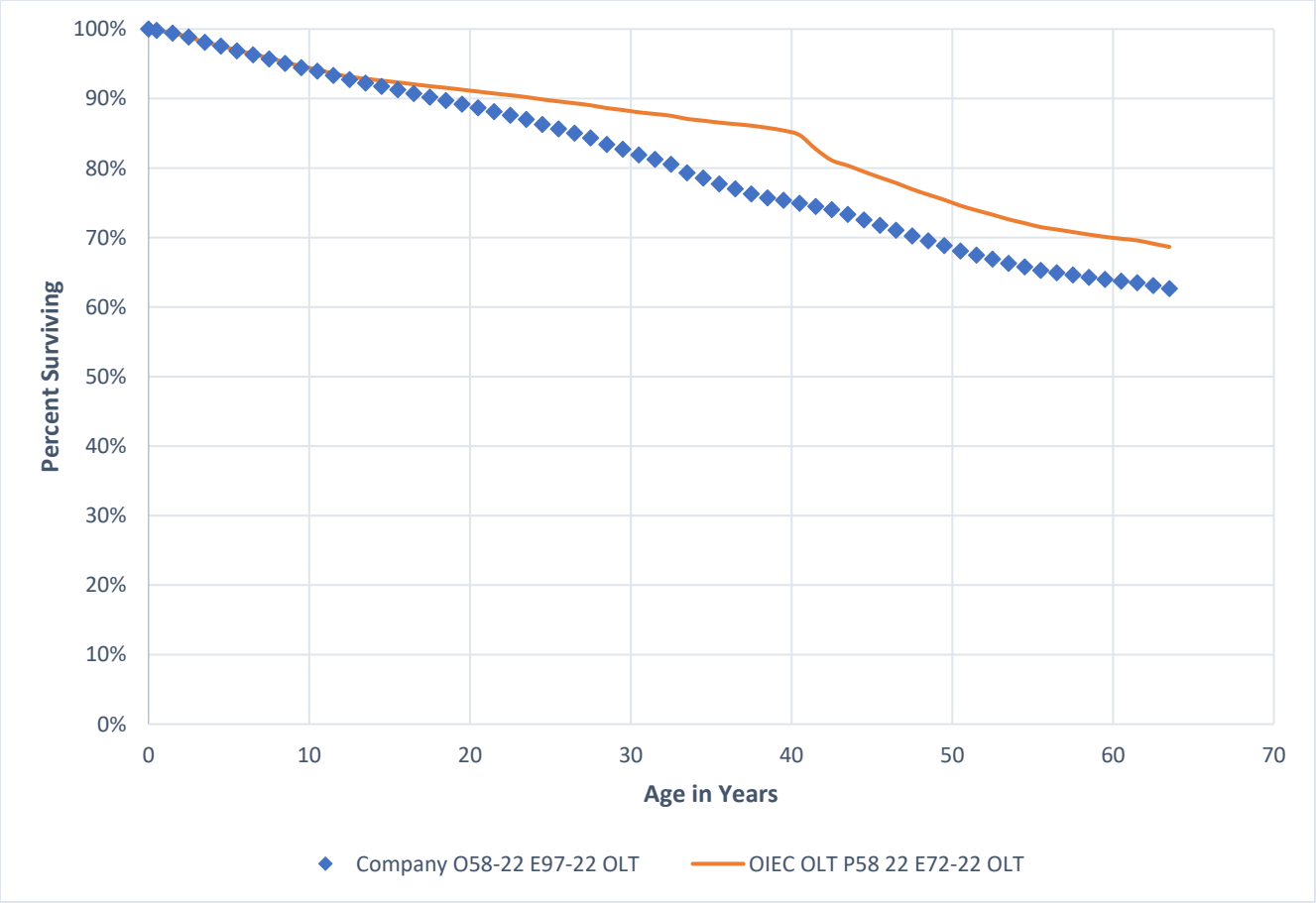
Q. What support does Mr. Garrett offer to support his recommendation?

A. Mr. Garrett performs actuarial analysis using an incorrect observed life table.[58] Just as he did in Account 355 and 356, Mr. Garrett uses years without any retirement data in his

[57] Watson Direct Workpapers, Folder Averages.
[58] Garrett responsive testimony, pages 23-25. Exhibit DJG-2-12, pages 3 and 4.

analysis that produces flawed results. The blue line in the graph below represents the Company's computation of Company history. The orange line shows Mr. Garrett's representation of Company history. By including years with no retirement experience, Mr. Garrett's orange curve makes it appear that assets **last longer** than they do in reality. As can be seen in the graph below, Mr. Garrett's flawed life table overstates the Company's retirement experience. Given the flaws in OIEC's analysis, I recommend rejection of their life proposal.

Account 364 – Comparison of Company and OIEC Observed Life Table[59]



Q. Is there important SME input that the intervenors ignore?

A. Yes. In my depreciation study. I note the following operational factors[60]:

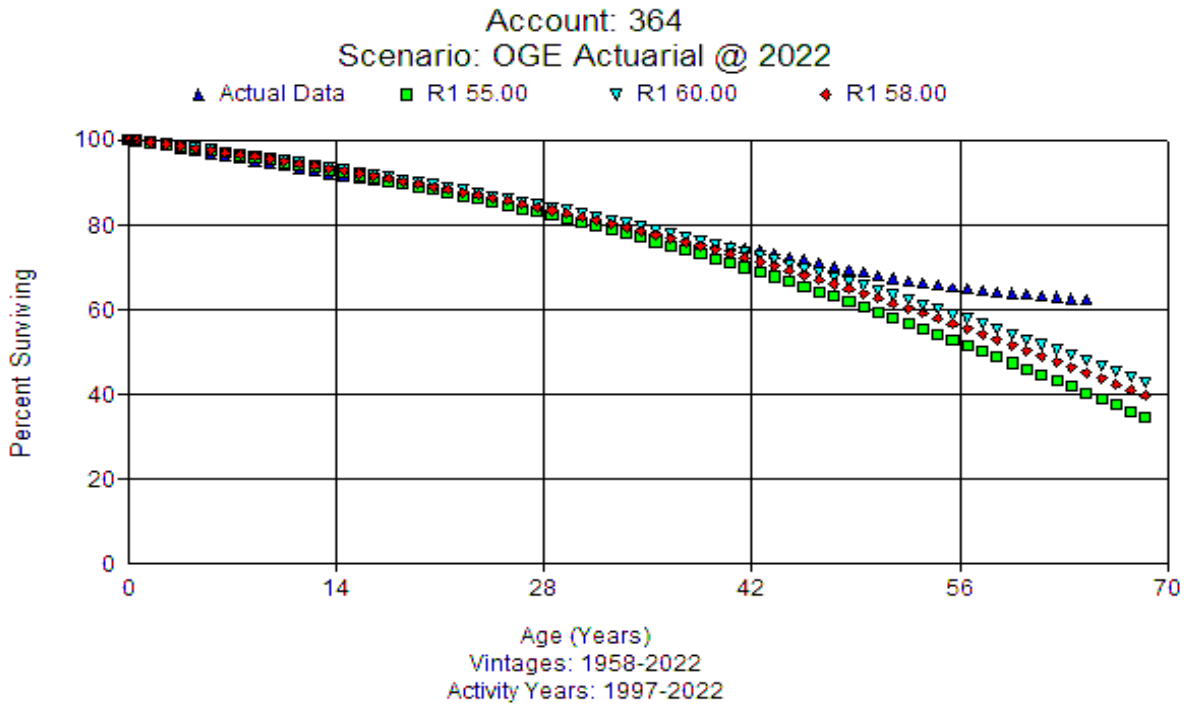
[59] Rebuttal Exhibit DAW-5.
[60] Watson Direct, Exhibit DAW-2, p. 61

Company SMEs report that there are few steel distribution structures and nearly no composite. They started a pole restoration program through Osmos. Their pole replacements are increasing based on the inspection program. In 2023, the inspected poles have produced a 13.7% failure rate for poles which will have to be replaced or trussed. 92% of the rejects are restored. They trussed 8,500 poles and replaced 730 poles out of 728,000 in total. Company SMEs report that there are very few poles that have lived past 60 years and that less than 15% of the poles on system are 60 years old or older. Company SMEs report that poles have a dramatic failure rate after 60 years. With the increased replacements due to the inspection program and the physical data on the poles, Company SMEs believe that a decrease in the life is operationally reasonable.

Q. **What do graphs over various bands show to compare your proposal to Mr. Dunkel and Mr. Andrews?**

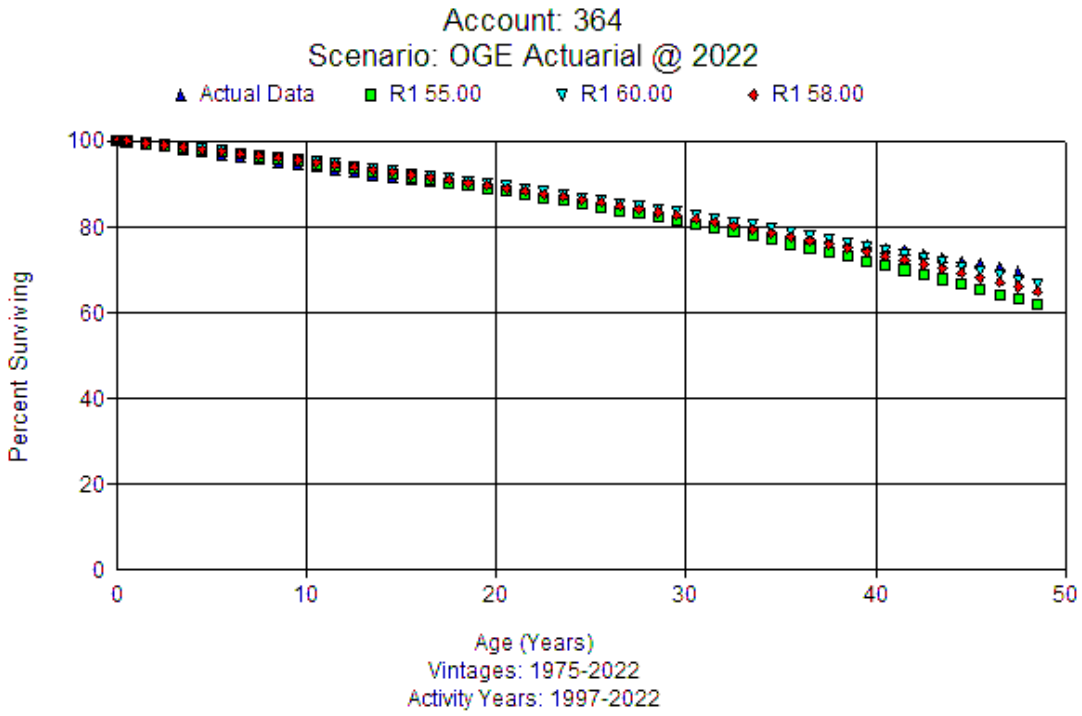
A. I have chosen not to plot OIEC's recommendation, given the flaws in their actuarial analysis. The overall band below shows a close match between the competing proposals. The Company's actuarial data is shown in dark blue, the Company's proposal is shown in green, PUD's proposal is shown in aqua, and FEA's proposal is shown in red.

The overall band below shows a close match between the competing proposals.

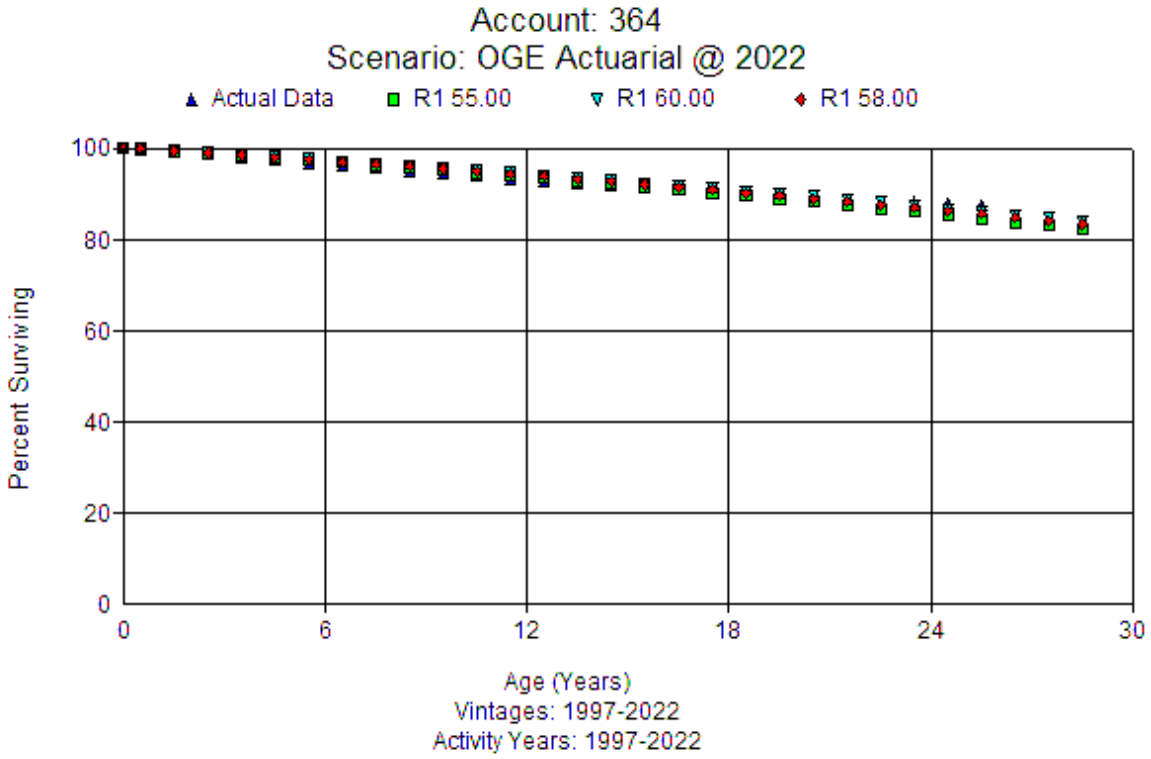


Q. **What do shorter bands show for this account?**

A. In the medium width band (placement 1975-2022, experience 1997-2022), both proposed curves show a longer life than the Company's experience demonstrates. In other words, the actual data from the Company reflect more retirements than either recommendation (which suggests a shorter experienced life than either recommendation).



In the shorter band (placement 1997-2022, experience 1997-2022), both proposed curves show a longer life than the Company's experience demonstrates.



Q. **What is the significance of a shorter life in medium and more narrow bands?**

A. The surviving plant is relatively young, with an average age of 15.01 years. The retirements available have an average age of 27.38 years.[61] More recent placement and experience bands are more indicative of the projected life estimates. SMEs note that there will be increased replacements due to the inspection program and appurtenances on the poles. Moving the life longer is not operationally reasonable. Given the assets' retirement pattern and increasing replacements, I believe the Company's proposal better matches the expectations for this account than FEA's.

Account 365- Distribution Overhead Conductors

Q. **What assets are in this account?**

A. This account consists of overhead (OH) conductor of various thickness, as well as various switches and reclosers. At December 31, 2022, there was approximately $1.1 billion in the account.

[61] Watson Direct Workpapers, Folder Averages.

Q. **What are the various life proposals being proposed by each party?**

A. The proposed lives recommended by each party are shown in the Figure 13 below.

Figure 13 - Account 365 Proposed Lives

Company Existing	Company Proposed	OIEC Proposed	PUD Proposed	FEA Proposed
60 R0.5	60 R0.5	60 R0.5	60 R0.5	64 R0.5

FEA witness Mr. Andrews recommends a 4-year increase in the life with a different dispersion curve for this account. The other intervenors use the Company's proposed life to compute depreciation rates.

Q. Is there important SME input that the intervenors ignore?

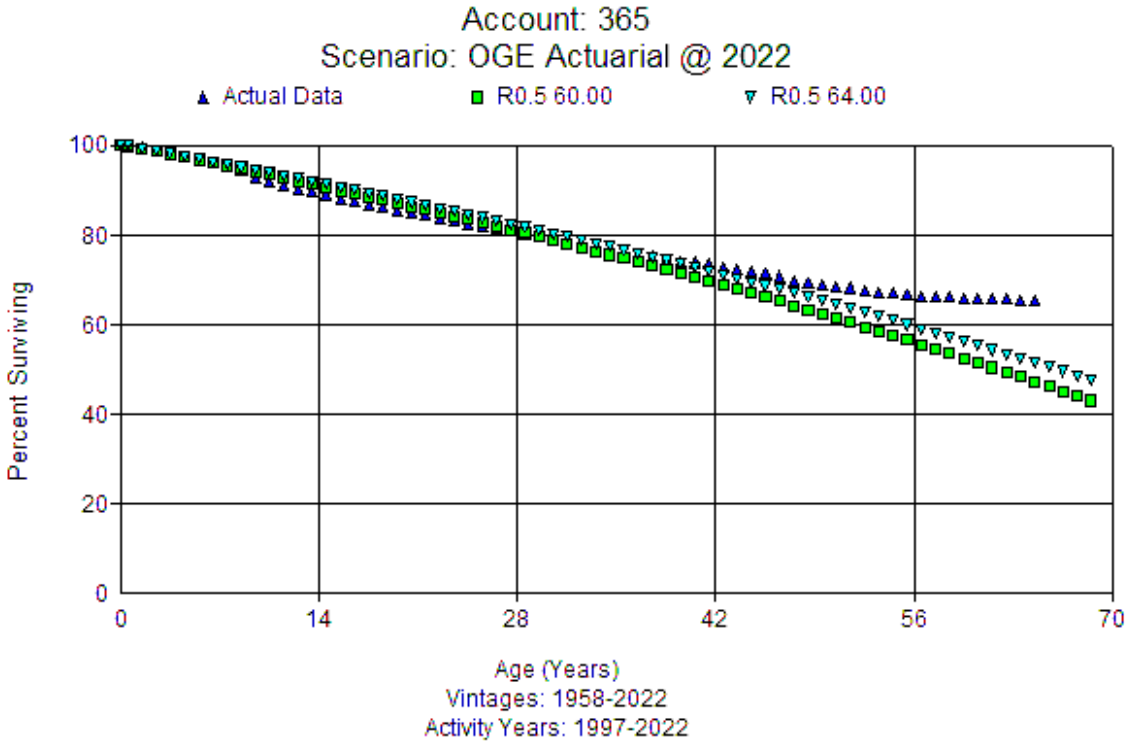
A. Yes. In my depreciation study. I note the following operational factors[62]:

> Company SMEs state that there is no operational reason that the life should be increasing. As part of their grid enhancement program, the Company has been replacing more conductor than in the past. The pole inspection program also inspects conductor (e.g., looking for multiple splices, obsolete conductor, etc.). In the past, there were many years that did not have as robust an inspection program. Company SMEs expect more replacements in the future than seen in history. DRP (Distribution Line Reliability Program) will likely trigger more retirements and replacements.

Q. **What do graphs over various placement bands show to compare your proposal to Mr. Andrews'?**

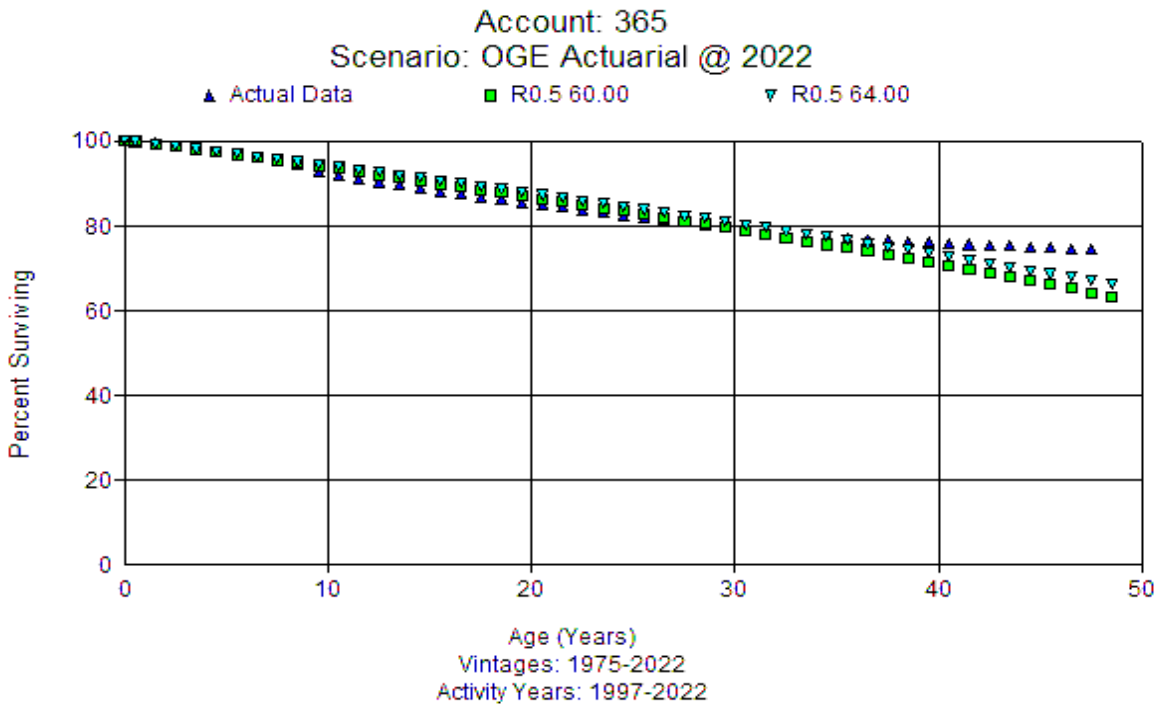
A. The overall band below shows a close match between the competing proposals. The Company's actuarial data is shown in dark blue, the Company's proposal is shown in green, and FEA's proposal is shown in aqua.

[62] Watson Direct, Exhibit DAW-2, p. 62

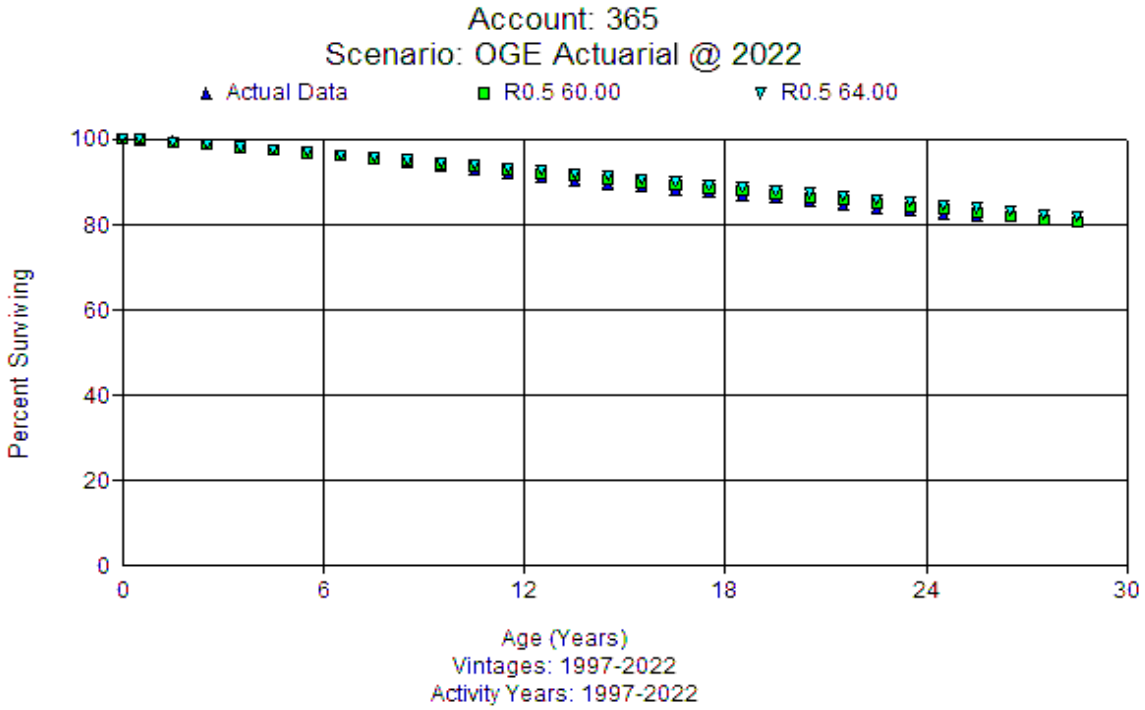


1 Q. **What do shorter bands show for this account?**

2 A. In the medium width band (placement 1975-2022, experience 1997-2022), both proposed
3 curves show a longer life than the Company's experience demonstrates. In other words,
4 the actual data from the Company reflect more retirements than either recommendation
5 (which suggests a shorter experienced life than either recommendation).



1 In the shorter band, (placement 1997-2022, experience 1997-2022) both proposed curves
2 show a longer life than the Company's experience demonstrates.



Q. **What is the significance of a shorter life in medium and more narrow bands?**

A. The surviving plant is relatively young, with an average age of 11.07 years. The retirements available have an average age of 18.86 years.[63] More recent placement and experience bands are more indicative of the projected life estimates. SMEs note that there is no operational reason to increase the life, given grid enhancements and the distribution line reliability program. Given the assets' retirement pattern, I believe the Company's proposal better matches the expectations for this account than FEA's.

Account 367- Underground Conductors and Devices

Q. **What assets are in this account?**

A. This account consists of underground conductor, switches, and switchgear for distribution plant. At December 31, 2022, there was approximately $971.7 million in this account.

Q. **What are the various life proposals being proposed by each party?**

A. The proposed lives recommended by each party are shown in the Figure 14 below.

Figure 14 - Account 367 Proposed Lives

Company Existing	Company Proposed	OIEC Proposed	PUD Proposed	FEA Proposed
65 R2.5	55 R2.5	60 R2.5	65 R2.5	60 R2.5

OIEC Witness Garrett's recommendations are based on a flawed actuarial analysis as discussed earlier in this testimony. PUD Witness Dunkel recommends a life 10 years longer than my recommendations, and FEA witness Andrews recommends a 5-year change in the proposed life for this account.

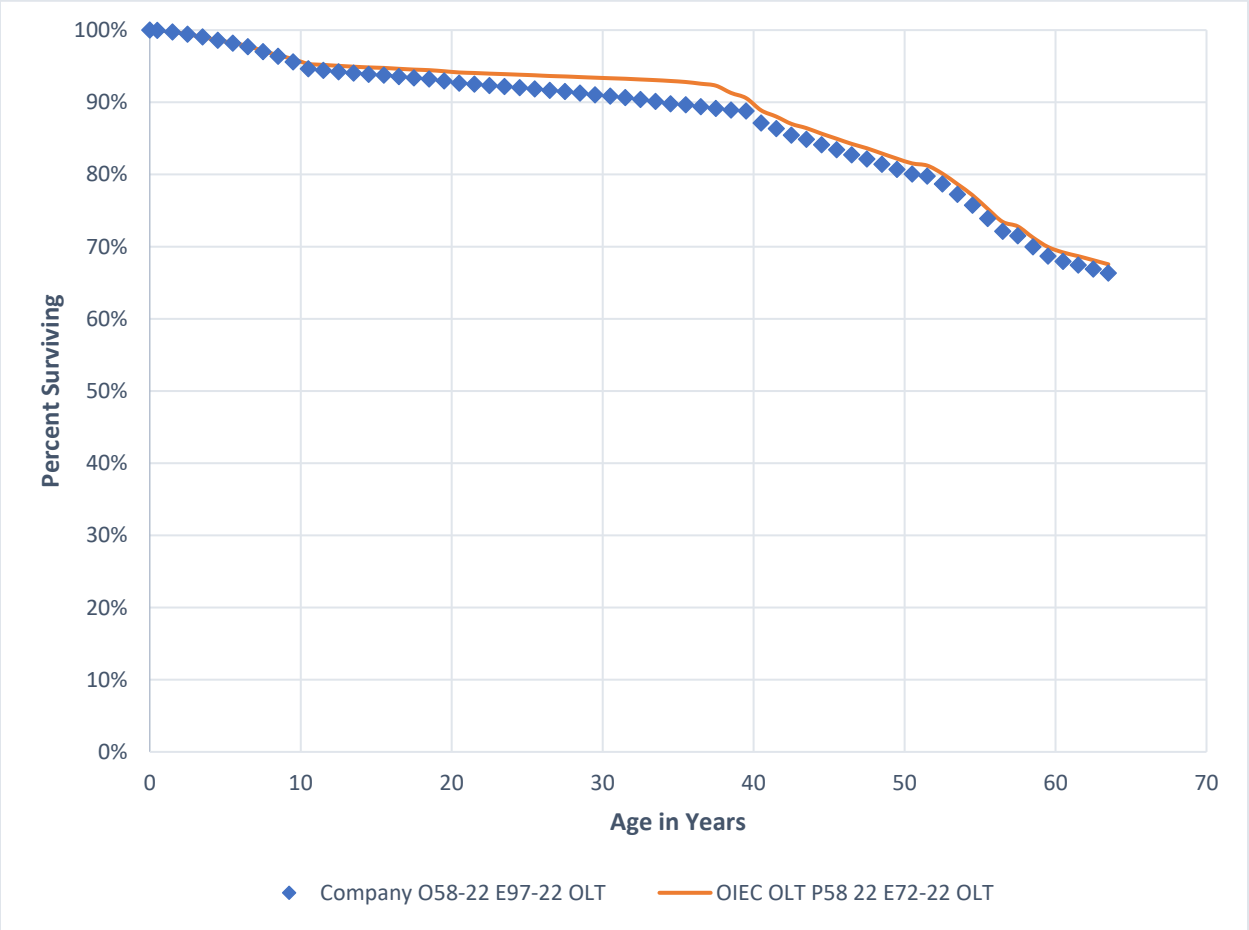
Q. What support does Mr. Garrett offer to support his recommendation?

A. Mr. Garrett performs actuarial analysis using an incorrect observed life table.[64] Just as he did in Account 355, 356, and 364, Mr. Garrett uses years without any retirement data in his analysis that produces flawed results. The blue line in the graph below represents the

[63] Watson Direct Workpapers, Folder Averages.
[64] Garrett responsive testimony, pages 23-25. Exhibit DJG-2-12, pages 3 and 4.

Company's computation of Company history. The orange line shows Mr. Garrett's representation of Company history. By including years with no retirement experience, Mr. Garrett's orange curve makes it appear that assets **last longer** than they do in reality. As can be seen in the graph below, Mr. Garrett's flawed life table overstates the Company's retirement experience.

Account 367 – Comparison of Company and OIEC Observed Life Table[65]



Given the flaws in Mr. Garrett's analysis, I recommend rejection of his proposed life for this account.

[65] Rebuttal Exhibit DAW-6.

Q. Is there important SME input that the Intervenors ignore?

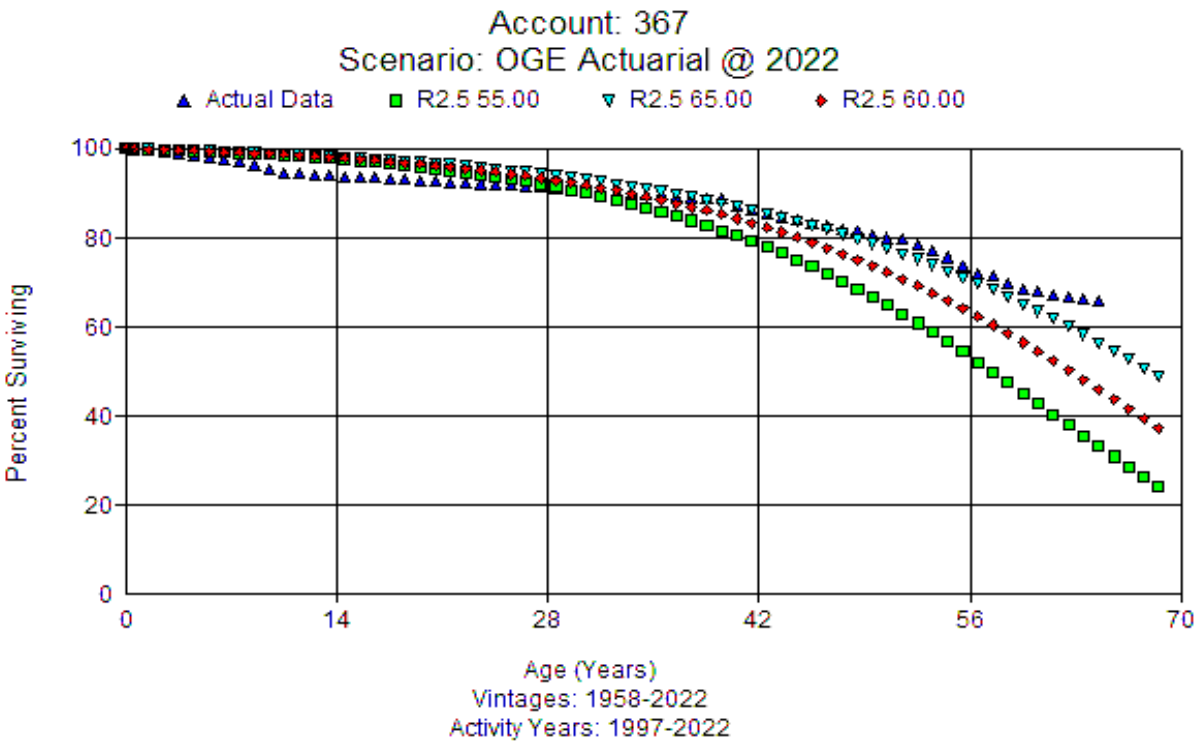
A. Yes. In my depreciation study. I note the following operational factors[66]:

> The company stopped using X06 conductor in the 1970s, but a small amount remains. After this, the Company moved to a coated concentric neutral conductor (XLP) which Company SMEs expect to last 40 to 50 years. Since 2000, X06 will be replaced with 2 failures or other cable with 3 failures. Company SMEs seldom (if ever) see cable that is 55 years old and do not recommend a longer operational life for this account. The actuarial analysis does not extend very far on the observed life table, which gives the false impression that a longer life than existing might be a reasonable proposal. If there were more experience years in the observation band, the Company SMEs' operational experience would be more apparent.

Q. **What do graphs over various placement bands show to compare your proposal to Mr. Dunkel and Mr. Andrews?**

A. I have chosen not to plot OIEC's recommendation, given the flaws in their actuarial analysis. The overall band below shows a close match between the competing proposals. The Company's actuarial data is shown in dark blue, the Company's proposal is shown in green, PUD's proposal is shown in aqua, and FEA's proposal is shown in red.

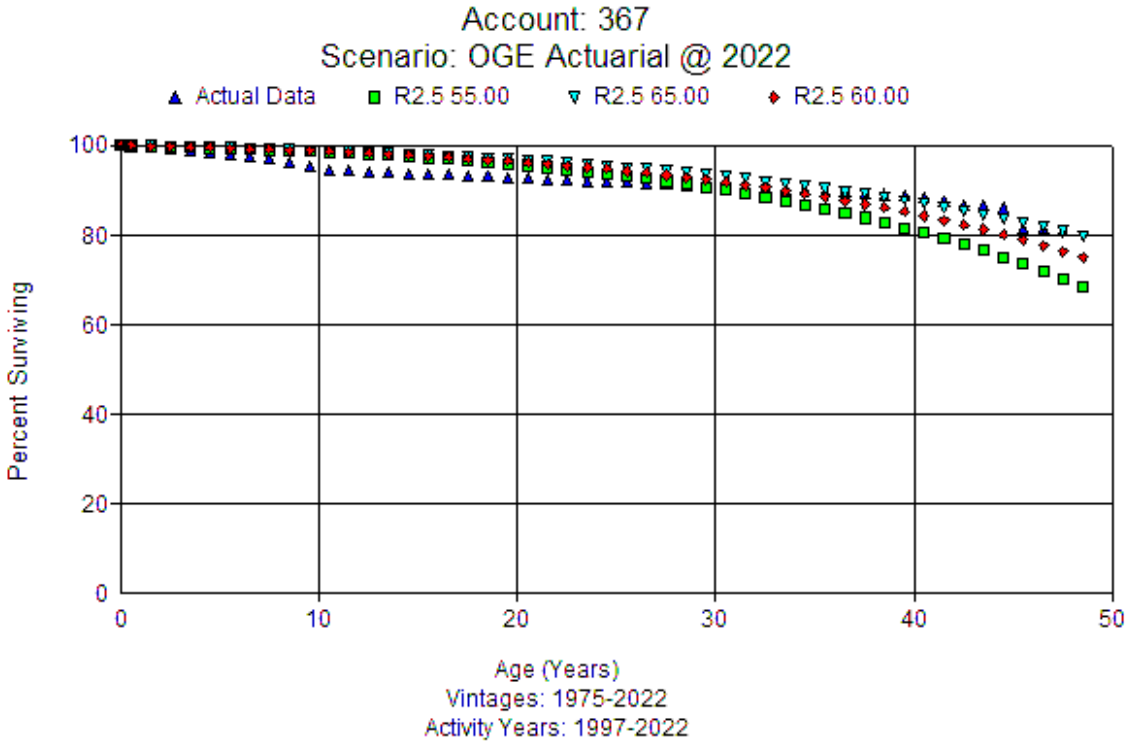
[66] Watson Direct, Exhibit DAW-2, p. 65



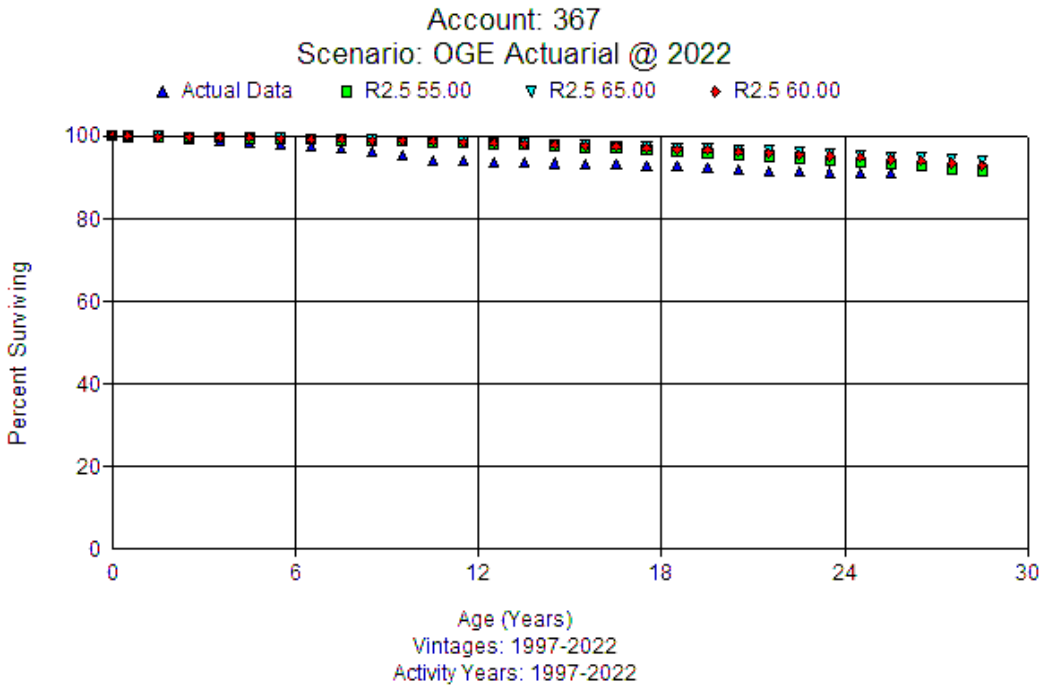
1 Q. **What do shorter bands show for this account?**

2 A. In the medium width band (placement 1975-2022, experience 1997-2022), both proposed

3 curves show a longer life than the Company's experience demonstrates.



In the shorter band (placement 1997-2022, experience 1997-2022), both proposed curves show a longer life than the Company's experience demonstrates.



Q. **What is the significance of a shorter life in medium and more narrow bands?**

A. The surviving plant is relatively young, with an average age of 15.81 years. The retirements available have an average age of 15.06 years.[67] More recent placement and experience bands are more indicative of the projected life estimates. SMEs note that there are multiple forces to reduce the life of this account. Cable in the ground is not achieving a 65-year life according to operations personnel and is validated by shorter bands. Given the assets' retirement pattern, I believe the Company's proposal better matches the expectations for this account than FEA's.

Account 368- Line Transformers

Q. **What assets are in this account?**

A. This account consists of line transformers, regulators, and capacitors. At December 31, 2022, there was approximately $670.5 million in this account.

Q. **What are the various life proposals being proposed by each party?**

A. The proposed lives recommended by each party are shown in the Figure 15 below.

Figure 15 – Account 368 Proposed Lives

Company Existing	Company Proposed	OIEC Proposed	PUD Proposed	FEA Proposed
48 O1	40 R0.5	48 R1	45 R0.5	48 O1

OIEC Witness Garrett's recommendations are based on a flawed actuarial analysis as discussed earlier in this testimony. PUD Witness Dunkel recommends a life 5 years longer than the Company proposal, and FEA witness Andrews recommends an 8-year change in the proposed life for this account.

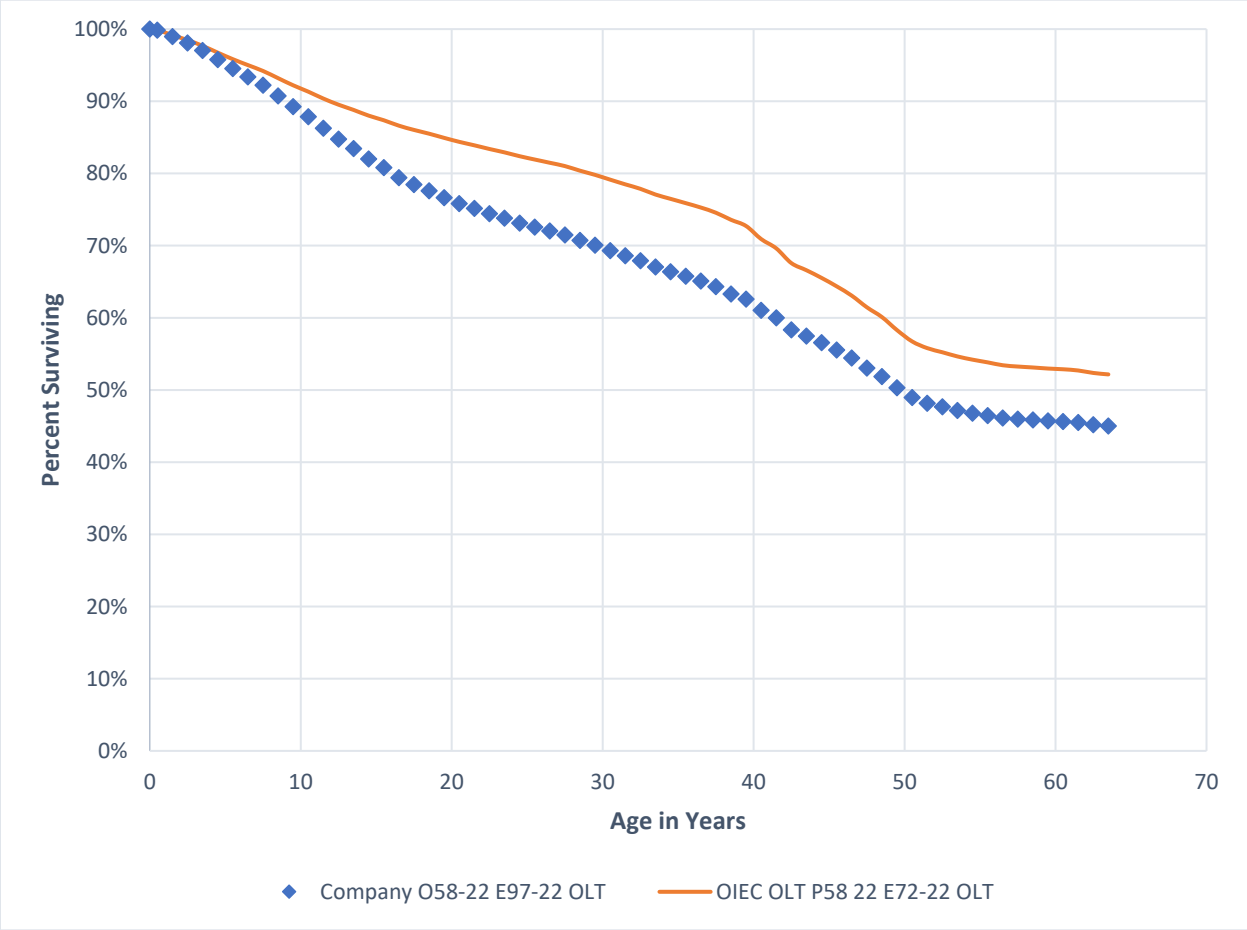
Q. What support does Mr. Garrett offer to support his recommendation?

A. Mr. Garrett performs actuarial analysis using an incorrect observed life table.[68] Just as he did in Account 355, 356, 364, and 367, Mr. Garrett uses years without any retirement data

[67] Watson Direct Workpapers, Folder Averages.
[68] Garrett responsive testimony, pages 23-25. Exhibit DJG-2-12, pages 3 and 4.

in his analysis that produces flawed results. The blue line in the graph below represents the Company's computation of Company history. The orange line shows Mr. Garrett's representation of Company history. By including years with no retirement experience, Mr. Garrett's orange curve makes it appear that assets **last longer** than they do in reality. Mr. Garrett uses least squares analysis fitting for his proposed life based on flawed data, rendering his entire analysis incorrect.

Account 368 – Comparison of Company and OIEC Observed Life Table[69]



Q. Is there important SME input that the Intervenors ignore?

A. Yes. In my depreciation study. I note the following operational factors[70]:

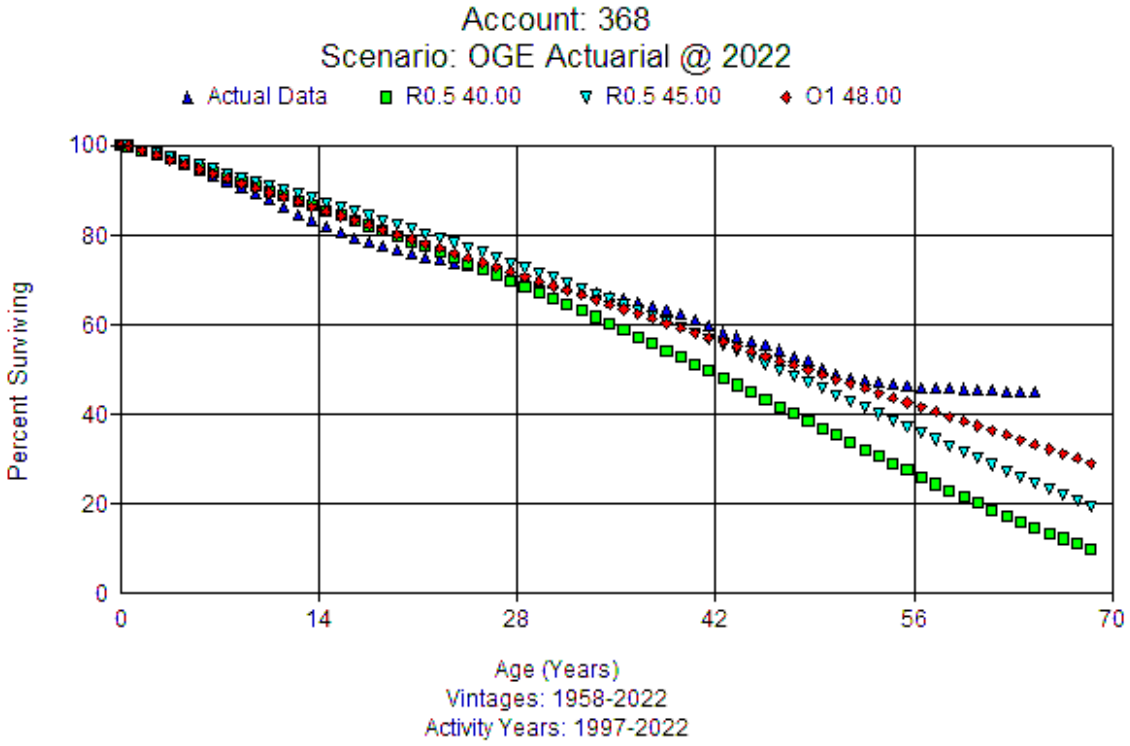
> Company SMEs state that operationally, with the increased demands and electrification, the existing transformers are run at higher loading which tends to shorten the life. Company personnel report that the load pattern for transformers

[69] Rebuttal Exhibit DAW-7.
[70] Watson Direct, Exhibit DAW-2, p. 67

has changed such that the transformers are not cooling off at night, another factor which shortens the life of the transformers. Many more transformers are failing now than in the past. Company SMEs do not expect that there is much difference in the life of overhead and pad mount transformers.

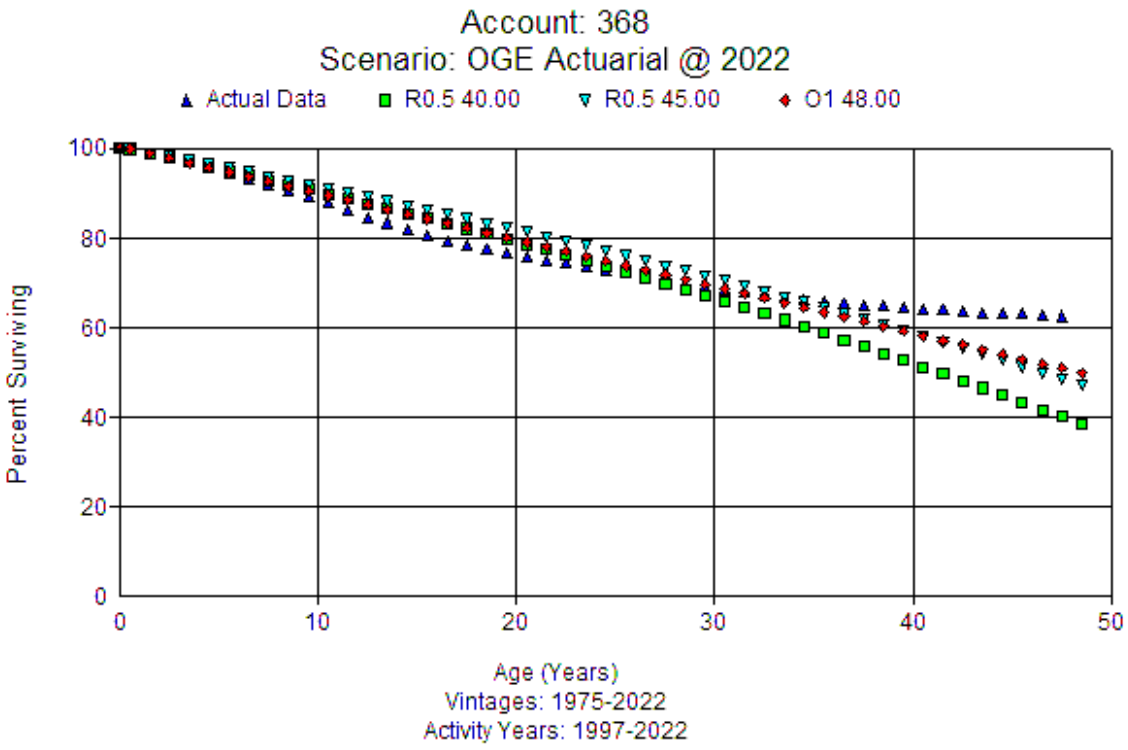
Q. **What do graphs over various placement bands show to compare your proposal to Mr. Dunkel and Mr. Andrews?**

A. I have chosen not to plot OIEC's recommendation, given the flaws in their actuarial analysis. The overall band below shows a close match between the competing proposals. The Company's actuarial data is shown in dark blue, the Company's proposal is shown in green, PUD's proposal is shown in aqua, and FEA's proposal is shown in red.

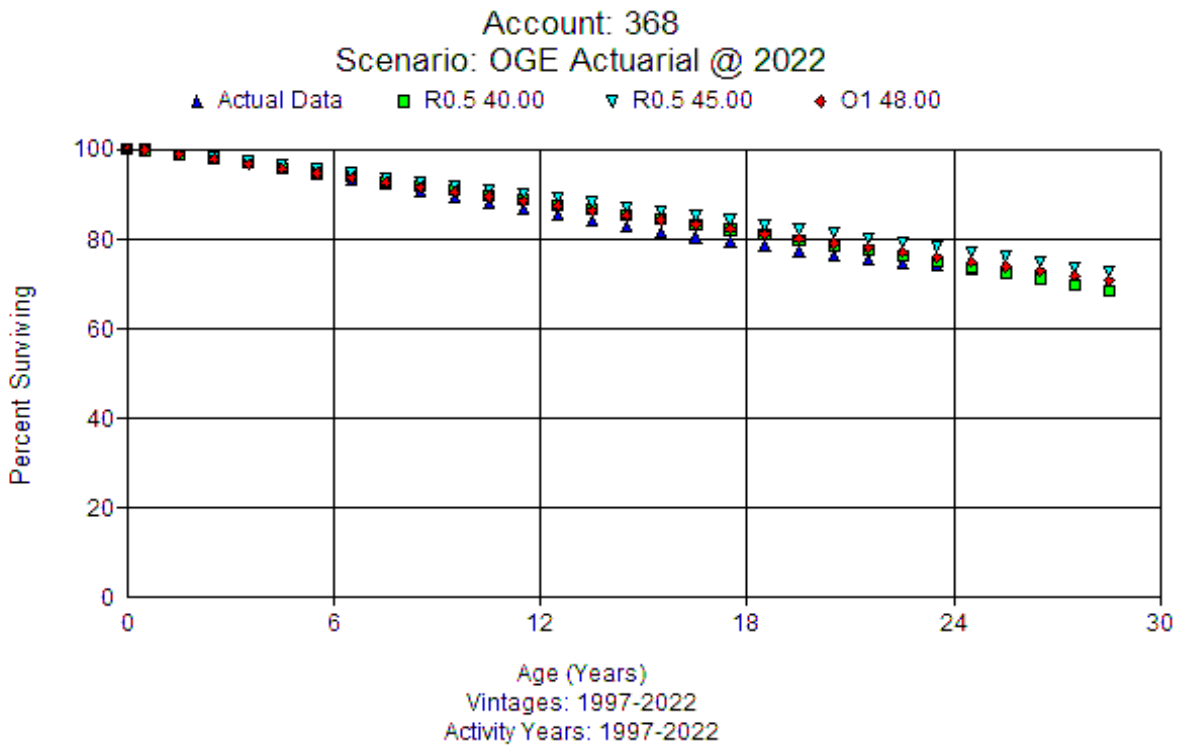


Q. **What do shorter bands show for this account?**

A. In the medium width band (placement 1975-2022, experience 1997-2022), though it is hard to distinguish, the Company's proposed curve is a closer match through age 30.



In the shorter band, (placement 1997-2022, experience 1997-2022), both proposed curves show a longer life than the Company's experience demonstrates. In other words, the actual data from the Company reflect more retirements than either recommendation (which suggests a shorter experienced life than either recommendation).



Q. **What is the significance of a shorter life in medium and more narrow bands?**

A. The surviving plant is relatively young, with an average age of 15.63 years. The retirements available have an average age of 20.06 years.[71] I note the fitting in other bands in the depreciation study.

> In the mid-placement and experience band, we see a good fit to about 60 percent surviving with the R0.5 40. Based on the actuarial analysis, the type of assets in this account, Company input, and judgment, the Study recommends a decrease in the life to 40-years and moving to an R0.5 dispersion. [72]

Given failure rates due to ever increasing temperatures, I do not think an increase in proposed life over the Company's recommendation is warranted. Given the assets' retirement pattern, I believe the Company's proposal better matches the expectations for this account than PUD's or FEA's.

[71] Watson Direct Workpapers, Folder Averages.
[72] Watson Direct, Exhibit DAW-2, page 67.

Account 370- Smart Meters

Q. **What assets are in this account?**

A. This account includes all smart meters. At December 31, 2022, there was approximately $185.0 million in this account.

Q. **What are the various life proposals being proposed by each party?**

A. The proposed lives recommended by each party are shown in the Figure 16 below.

Figure 16 – Various Life Proposals

Company Existing	Company Proposed	OIEC Proposed	PUD Proposed	FEA Proposed
20 R3	15 R3	15 R3	20 R3	15 R3

PUD witness Mr. Dunkel recommends a 5-year increase in the life of this account compared to my proposal. The other intervenors use the Company's proposed life to compute depreciation rates.

Q. Is there important SME input that Mr. Dunkel ignores?

A. Yes. In my depreciation study. I note the following operational factors[73]:

> Company SMEs report that the manufacturer states the life of smart meters is 15-20 years, however the Company has been seeing a much faster failure rate. The main failures they have seen are in the 8-10 year range. Three-fourths of the smart meters from the initial deployment are still in service, which is a higher than normal failure rate. Company SMEs report that they have replaced 23% of the active population in the last 11 years. The meters they use are not designed for the heat and many meters are on the west side of the house, resulting in capacitor failure from sun exposure. Given that the Company is not achieving the higher end life of 20 years from the manufacturer, Company personnel believe that the current life is too long for the electronics in the smart meters given their experience. A 15 year life is backed up by the operational data.

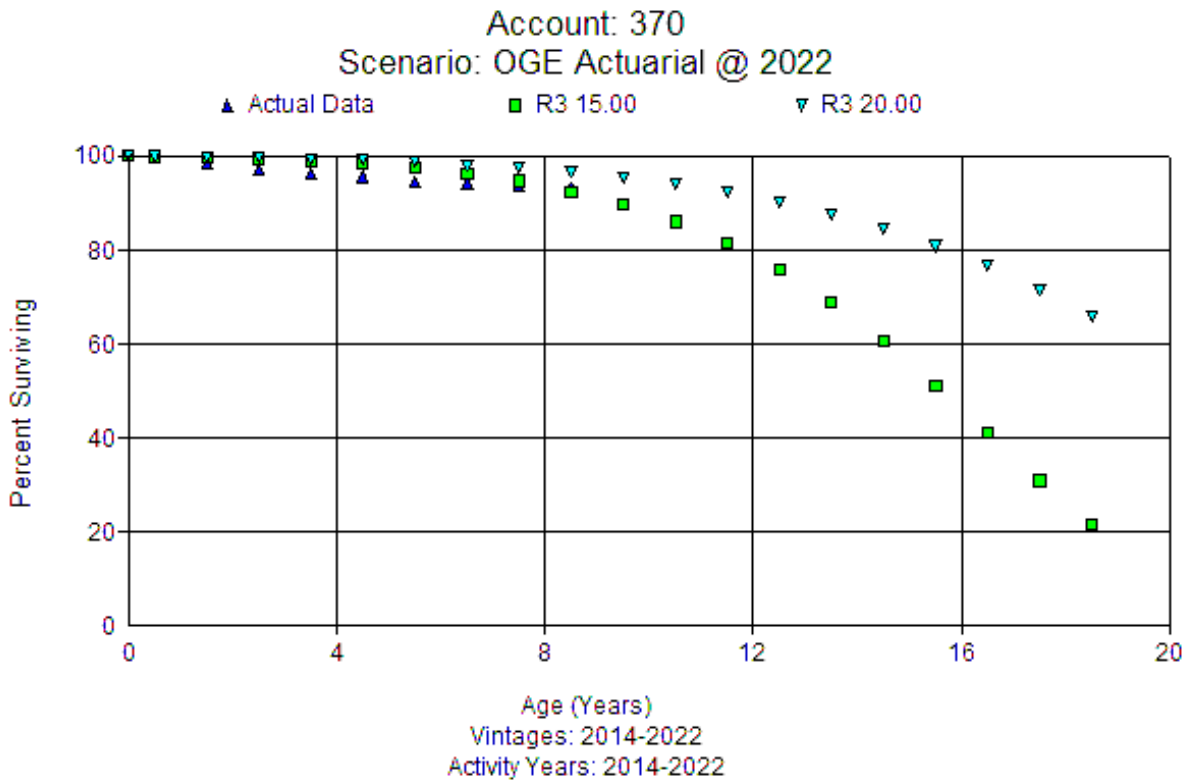
[73] Watson Direct, Exhibit DAW-2, p. 69

Q. Is OG&E filing rebuttal testimony in this case that supports your interview notes and the SME's report that you used in your depreciation study?

A. Yes. OG&E witness Ryan Einer is providing testimony that supports the 15-year life for the meters in Account 370.

Q. Does actuarial data support the shorter life noted by SMEs?

A. Yes. The graph below shows placement and experience from 2014-2022 for this account. The dark blue triangles represent the Company's actual data. The green squares show the Company's proposal and the aqua upside down triangles show PUD's proposal. The band Mr. Dunkel shows in his testimony does not examine more recent periods that demonstrate the SME's operational factors.



Q. Has the Company used the current 20-year life in prior cases?

A. The 20-year life only has been used since the Company's last general rate case. The depreciation rates set in that last general rate case were based on a settlement and the Commission did not make a specific determination about the appropriate average service life for this account. As Figure 17 below shows, a 15-year life was used for most of the

recent past. The proposed life in this case reflects more recent failure data and input from Company SMEs.

Figure 17 – Account 370 History

Case	Approved Life	Proposed Life
2015-00273	15 S2.5	15 S2.5
2017-00496	15 S2.5	15 S2.5
2018-00140	15 S2.5	15 S2.5
2021-00164	20 R3	17 R3

Q. Are there other considerations to incorporate?

A. Yes. The average age of investment is 8.47 years, meaning that a period such as shown above is representative of the future of this account.

Q. Do other Company witnesses provide input on the operational aspects of this account?

A. Company witness Ryan Einer discusses the operational consideration for this account and reasoning behind my recommended 15-year life with a R3 dispersion. For operational reasons, actuarial analysis, and the characteristics of the assets in this account, I believe the Company's proposed life for meters is a more reasonable proposal than recommended by Mr. Dunkel. Thus, the Company's proposed life of 15 years with a R3 dispersion should be adopted.

Account 373 Street Lighting and Signal Systems

Q. **What assets are in this account?**

A. This account includes all distribution streetlights, conductor, conduit, luminaire, and standards. At December 31, 2022, there was approximately $316.8 million in this account.

Q. **What are the various life proposals being proposed by each party?**

A. The proposed lives recommended by each party are shown in the Figure 18 below.

Figure 18 - Account 373 Proposed Lives

Company Existing	Company Proposed	OIEC Proposed	PUD Proposed	FEA Proposed
35 R1	33 R0.5	42 R1	33 R0.5	33 R0.5

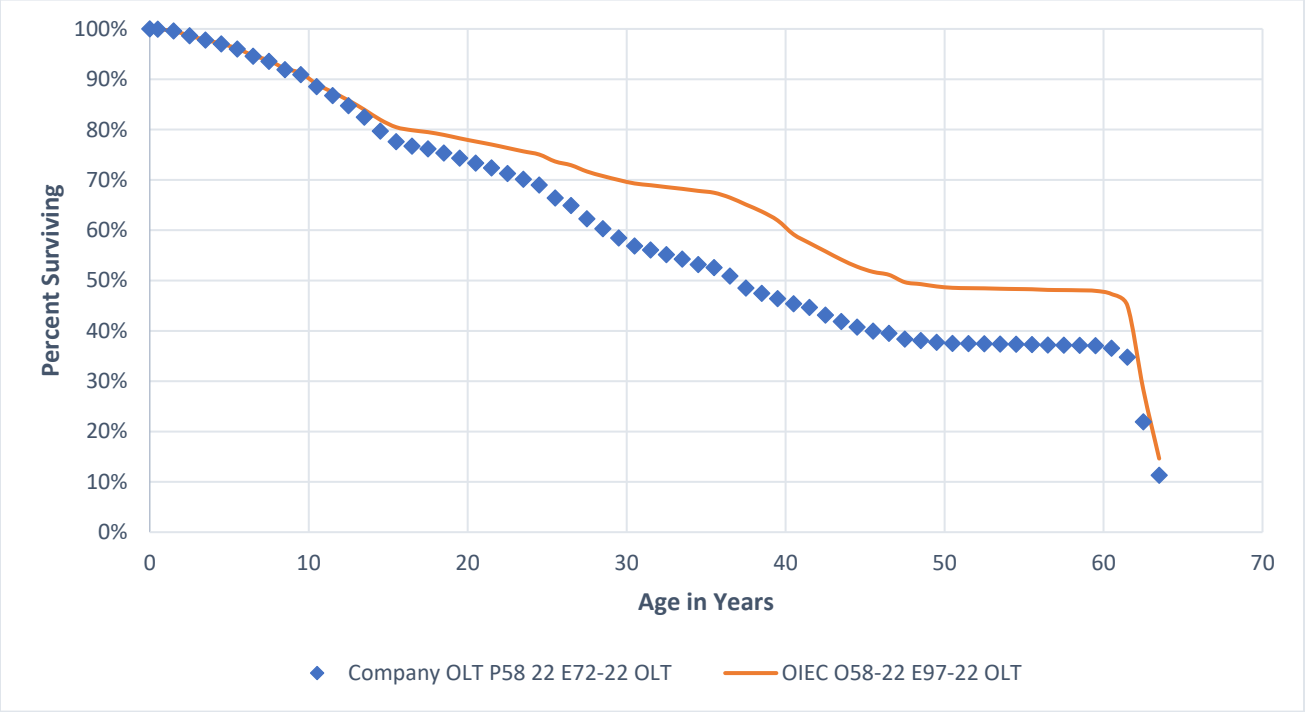
OIEC witness Mr. Garrett recommends a 9-year increase in the life of this account compared to my proposal. The other intervenors use the Company's proposed life to compute depreciation rates.

Q. What support does Mr. Garrett offer to support his recommendation?

A. Mr. Garrett performs actuarial analysis using an observed life table.[74] Just as he did in Account 355, 356, 364, 367 and 368, Mr. Garrett uses years without any retirement data in his analysis that produces flawed results. The blue line in the graph below represents the Company's computation of Company history. The orange line shows Mr. Garrett's representation of Company history. By including years with no retirement experience, Mr. Garrett's orange curve makes it appear that assets **last longer** than they do in reality.[75] Mr. Garrett uses least squares analysis fitting for his proposed life based on flawed data, rendering his entire analysis incorrect.

[74] Garrett responsive testimony, Exhibit DJG-2-12, pages 11 and 12.
[75] See Rebuttal Exhibit DAW-R-8.

Account 373 – Comparison of Company and OIEC Observed Life Table



Given the incorrect observed life table, Mr. Garrett's testimony on curve fitting Account 373[76] is flawed and should be rejected.

Q. Is there important SME input that Mr. Garrett ignores?

A. Yes. In my depreciation study. I note the following operational factors[77]:

> Company SMEs report that for the past four years they have been converting to LED using an attrition-based model. Company personnel report that poles will last longer than the light itself. Manufacturers warranty lights and controllers for 10 years, and old bulbs would be replaced under O&M. LED bulbs are replaced under capital, because the entire head must be replaced. The change to LED will create a shorter average life for the account than in the past as more lights are moved to LED. The Company is targeting around 50% LED by the end of 2023.
>
> Company SMEs report many electronic components in an LED bulb that could make it more sensitive to failure than older style bulb. It takes more work to replace an LED bulb than the older style. Old style lights used bulb extractors to extract the old light, but replacement for LED bulb requires the full head for LED, more time to climb the poles, and higher removal cost as well as a longer duration of time.

[76] Garrett responsive testimony. P 31-33.
[77] Watson Direct, Exhibit DAW-2, p. 72

Given that no other intervenor disagreed with the Company's proposed life for this account, the Company's proposal should be adopted.

Proposed Life Parameters Software

Q. **What assets are in included in Account 303?**

A. This account consists of intangible software. Currently OG&E divides this account into two groups- one with a five-year life and another with a 10-year life. I propose to retain the current lives. FEA agrees with both proposals. OIEC and PUD proposes changes to one or both sub-accounts. Company witness David Kenyon provides rebuttal testimony on the use of assets in both account and explains why the Company's proposal in this case is a reasonable one.

Account 303.1 Intangible Plant

Q. **What assets are in this account?**

A. This account consists of intangible software. The balance in this account is approximately $113.9 million. The average age of this account is 2.36 years. While there may be some assets that are older, the average of the group is at a reasonable value for a 5-year asset.

Q. **What are the various life proposals being proposed by each party?**

A. The proposed lives recommended by each party are shown in the Figure 19 below.

Figure 19 - Account 303.1 Proposed Lives

Company Existing	Company Proposed	OIEC Proposed	PUD Proposed	FEA Proposed
5 SQ	5 SQ	10 SQ	10 SQ	5 SQ

Q. **In your experience how do regulated companies determine the life for software assets?**

A. In my experience as a depreciation expert and former property accounting manager, each project manager determines the life for a particular project based on the application and its usage with other systems. There are times an asset may cease use earlier than projected,

and others where the life of a project might be extended based on the ancillary systems it relates to.

Q. **How do most utilities handle assets in Account 303?**

A. My clients use sub-accounts with varying lives, just as OG&E does. The periods vary by each entity.

Q. **What types of software projects are in this account?**

A. Company witness David Kenyon addresses the particular assets in this category and discusses why the retention of the current five-year life is the most logical course of action.

Q. **Does PUD witness Mr. Dunkel offer any additional information?**

A. He claims there are Company systems that date from calendar year 1998 that are still in service. Those assets he refers to are in the fully accrued category and are not included in the rate computation for this account. In looking at the workpapers filed by myself and all intervenors, the oldest assets in this subgroup are from 2009. Mr. Dunkel's remarks do not align with the characteristics of this account. I recommend retention of the current life of 5 years for this account, as supported by Mr. Kenyon.

Account 303.2 Intangible Plant

Q. **What assets are in this account?**

A. This account consists of intangible software. The existing life is 10 SQ. The balance in this account is approximately $148.8 million. There is an additional $73.3 million in assets that are fully accrued. The average age of this account is 5.85 years. (This excludes fully accrued plant. While there may be some assets that are older, the average of the group is at a reasonable value for a 10-year asset.

Q. **Are customers harmed by having fully accrued assets in the Company's rate base?**

A. No. Some of the assets may have remained in service longer due to changes in the life of a larger system they are linked to. If an asset is fully accrued, the rate base amount is 0

and the depreciation accrual is 0. The same situation may occur with other kinds of property, and it does not mean there is a problem in the Company's record keeping.

Q. **What are the various life proposals being proposed by each party?**

A. The proposed lives recommended by each party are shown in the Figure 20 below.

Figure 20 - Account 303.2 Proposed Lives

Company Existing	Company Proposed	OIEC Proposed	PUD Proposed	FEA Proposed
10 SQ	10 SQ	15 SQ	10 SQ	10 SQ

Q. **Does OG&E use the same process to determine asset lives for this subgroup?**

A. Yes. Each project manager determines the life for a particular project based on the application and its usage with other systems. There are times an asset may cease use earlier than projected, and others where the life of a project might be extended based on the ancillary systems it relates to.

Q. **What types of software projects are in this account?**

A. Company witness David Kenyon addresses the particular assets in this category and discusses why the retention of the current ten-year life is the most logical course of action.

Q. **What do you recommend?**

A. I recommend retention of the current lives for these accounts. The Company will continue to monitor its plant in service for these groups.

VI. TRANSMISSION AND DISTRIBUTION NET SALVAGE RECOMMENDATIONS

A. Transmission, Distribution Net Salvage Depreciation Rates

Q. What are the intervenors' various net salvage recommendations for Transmission, Distribution and General property?

A. FEA and OIEC incorporate my proposed net salvage rates in their rate computations. PUD witness Mr. Dunkel concurs with the general plant net salvage rates but has several disagreements with my net salvage recommendations for transmission and distribution accounts.

Q. Would you summarize some of the rhetoric Mr. Dunkel uses to try to discredit your net salvage recommendation for Transmission and Distribution?

A. Yes. On a global basis, Mr. Dunkel introduces several concepts (which I disagree with):

- "The policy Mr. Watson presents is to charge current ratepayers for future inflation"[78]
- He asserts that "Public Utility Depreciation Practices" do not support my proposal for traditional net salvage.[79]
- "Mr. Watson is proposing an abuse of monopoly power."[80]
- He brings up references to AROs and SFAS 143 to support his points.[81]
- Mr. Dunkel states "Charging for Future Inflation is Contrary to the 'Original Cost Requirement'".[82]
- Mr. Dunkel states "Mr. Watson's Removal Cost Method is a "Future Reproduction Cost".[83]
- "Mr. Watson does not disclose the full impact of charging for future inflation."[84]

[78] Dunkel., p 42 lines 14
[79] Dunkel, p. 43 lines 8-18.
[80] Dunkel, p. 44 lines 17-18
[81] Dunkel, p. 47 Footnote 88
[82] Dunkel. P 48, line 5-6
[83] Dunkel. P 49, line 11
[84] Dunkel, p. 50 lines 6-7

- "The full impact of Mr. Watson's proxy proposal and including future inflation is $400 million per year increase."[85]

Q. Are your net salvage recommendations for Transmission and Distribution accounts a dramatic shift from current levels?

A. No. Out of 21 accounts, 9 accounts retain the current net salvage parameter. The largest change is a move from -58 to -65 percent for Account 355. Other accounts have a change of 4 or 5 basis points.[86] My recommendations are a gradual movement, rather than the "abuse of monopoly power" [87] as Mr. Dunkel claims.

Q. Please summarize the removal cost argument presented by Mr. Dunkel in his testimony.

A. Mr. Dunkel's arguments appear to rise from many pages criticizing the industry-standard net salvage analysis accepted by this Commission, across the country, at FERC and discussed in all authoritative guidance. There is no evidence or discussion in Mr. Dunkel's testimony or work papers that support or justify the changes he made to my recommendations. The only discussion he has about his actual recommendations is to simply point to his rate calculation schedule[88] for his recommended net salvage factors. The rationale of why Mr. Dunkel increases (i.e., less negative) net salvage factors by 5 basis points for 6 accounts, increases (i.e., less negative) two accounts by 20 and 30 basis points is not in the record. He also decreases two very small account by 10 basis points. To summarize Mr. Dunkel's testimony, it is clear that his personal belief is that the net salvage analysis method that utilities have been using and Commissions accepting for decades is wrong, but he provides no evidence of why he made the counter recommendations that he did.

Q. Would you address some of the myriad arguments made by Mr. Dunkel?

A. Yes. There are a number of areas where Mr. Dunkel's arguments and logic are flawed.

[85] Dunkel, p. 55, line 1-2
[86] Watson, Exhibit DAW-2, Appendix C.
[87] Dunkel, p. 44 lines 17-18
[88] Dunkel, p. 35 lines 2-3

- First, Mr. Dunkel's recommendation would create significant intergenerational inequity between generations of customers and create an "economic time bomb" that will go off in the face of future customers.
- Second, although Mr. Dunkel claims that his approach prevents the abuse of monopoly power, the reality is that his proposal will cost customers over the lives of the assets significantly more (both in a current dollar and future dollar basis) as compared to the Company's recommendation. His recommendation's sole benefit is to reduce current depreciation expense.
- Third, in spite of Mr. Dunkel claim, my approach is not inconsistent with FERC policy and SFAS 143
- Fourth, Mr. Dunkel's discussion contradicts all authoritative depreciation guidance. Mr. Dunkel's suggestion that the straight-line method of recovering net salvage is not appropriate for negative net salvage [89]is simply untenable. All authoritative texts and training on depreciation since the 1960's through today have continued to recommend the straight-line depreciation method for life and net salvage (even though net salvage continues to be more and more negative).
- Fifth, Mr. Dunkel is conflating a "pay as you go" approach to removal cost[90] with accrual accounting.
- Sixth, Mr. Dunkel suggests that the net salvage factors I recommend are "introductory" rates when in fact, there is no evidence that is true.
- Seventh, in his "inflation" arguments, Mr. Dunkel ignores the requirement to estimate future net salvage in depreciation rate calculations using the remaining life approach (used both in the Study and by Mr. Dunkel).

Q. Why would Mr. Dunkel's concept create intergenerational inequities?

A. As discussed above, Mr. Dunkel inappropriately dismisses the rate base effects (and future maintenance costs) in his argument that "purchasing power" adjusting removal cost expense is good for current and future customers. The reality is that, under his proposal, future customers will pay more for removal cost in depreciation expense than current

[89] Dunkel, p. 43-44.
[90] Dunkel, p. 12, line 1 through p. 14, line 2

customers. Future customers will also have a higher rate base (lower depreciation expense means higher net book value), which will require that they pay more for carrying the cost of the net book value of the assets. Future customers will also pay more in maintenance expense for the assets as the assets age. Finally, future customers will pay more for subsequent new assets used to serve them that are capitalized at a higher cost. Adding all these higher costs together shows that future customers are not benefited by Mr. Dunkel's alternative method, but instead are hurt by his position, which will result in those future customers bearing an unfairly large shift in costs.

Q. Please provide an analogy for the intergenerational inequity problem caused by Mr. Dunkel's proposal to reject historic precedent and the well-established methodology in favor of his pay as you go approach.

A. A good analogy for Mr. Dunkel's removal cost proposals as compared to the well-established methodology (and the Company's proposal) is a balloon mortgage or a reverse mortgage opposed to a fixed rate mortgage for a homeowner. Under the existing removal cost paradigm of the Commission and the Company, the recovery of removal costs could be viewed as a fixed rate mortgage. In a fixed rate mortgage, the total future cost of the mortgage is paid evenly over the life of the loan. The current paradigm is that the estimated amount of removal cost required to remove assets at the end of their lives (parallel to the total mortgage cost) is accrued evenly or on a straight-line basis over the expected life of the assets (parallel to the loan period). The effect of adopting Mr. Dunkel's different paradigm on ratepayers is in effect to move from a fixed rate mortgage to a balloon mortgage. Under a balloon mortgage, a small payment sufficient to cover interest is paid each year until the balloon payment for the actual loaned amount is required. Paying this balloon payment will be a significant problem unless the holder of the mortgage has been saving during the life of the loan for the eventual balloon payment. Mr. Dunkel's plan would have the Company accrue each year a small amount that would only cover a small portion of the necessary removal cost. Unfortunately, as with the balloon mortgage, this does not allow the Company to "save" for the dramatically higher cost to remove larger quantities of assets at future costs. Customers paying these "balloon payment removal costs" will be customers who are using the asset at the end of or after its useful life. The

effect that this proposal has on the Company is clear. It will prevent the Company from accruing a reasonable level of removal cost on a consistent basis over the useful life of the plant asset. The effect of Mr. Dunkel's proposal on future ratepayers is also clear. Customers' grandchildren will be forced to pay a disproportional share of the removal costs of assets that they are using.

Q. Does the Company's straight-line method create intergenerational inequities?

A. No. In the same way as depreciation expense for assets is shared ratably by current and future customers, the straight-line approach used by the Company spread net salvage costs or benefits to all customers evenly.

Q. Is Mr. Dunkel's characterization of his method as consistent with FERC and SFAS 143 accurate?

A. No. FERC has not recommended or adopted Mr. Dunkel's SFAS 143 approach. I testified in the hearings leading up to the release of FERC Order 631. FERC's intent was only to provide a mechanism for utilities to satisfy their Securities and Exchange ("SEC") requirements related to SFAS 143 without requiring a second set of books in order to report under FERC Form 1 or 2.

Q. Please explain FERC's stance on SFAS 143.

A. The FERC has made no change in the treatment of non-legal ARO accruals or in the way it treats removal cost under rate regulation. In FERC Order 631, Section D: Accounting for Cost of Removal That Does Not Constitute a Legal Obligation, Paragraph 36, the FERC states,

> Under the existing requirements of the Uniform Systems of Accounts removal costs that are not asset retirement obligations are included as a component of the depreciation expense and recorded in accumulated depreciation. The Commission notes that certain jurisdictional entities may have been receiving specific allowances for cost of removal for non-legal retirement obligations as a specific component in their rates approved by their regulators. The Commission did not propose any changes to its existing accounting requirements for cost of removal for non-legal retirement obligations. Accordingly, jurisdictional entities are accounting for such costs consistent with the requirements of the Uniform Systems of Accounts under

> Part 101 for public utilities and licensees, Part 201 for natural gas companies and Part 352 for oil pipeline companies.

The FERC did not see a need to change the traditional process. As a matter of fact, FERC received comments suggesting the SFAS 143 concept be applied to regulated utility assets. This was firmly rejected by FERC (FERC Order 631 Paragraph 37):

> "However, this issue is beyond the scope of this rule and we are not convinced that there is a need to fundamentally change accounting concepts at this time."

The FERC was attempting to develop a financial presentation that would be acceptable to the SEC, the FERC, and the financial markets and not to change the course of history or long-established rate making practices. The FERC was presented with the issues surrounding the non-ARO cost of removal and yet did not see the need to address the concerns raised by the commenter. FERC also states that adopting SFAS 143 for rate regulation would "fundamentally change accounting concepts". Simply put, the FERC felt the rules in place were sufficient and a fundamental change in accounting concepts was not warranted.

Q. Please explain how Mr. Dunkel's method contradicts authoritative guidance.

A. Mr. Dunkel's approach of establishing net salvage rates based on the present net value cost to remove assets that will not be retired for many years ignores all authoritative utility depreciation sources. These sources unanimously agree that projecting the cost to remove assets at the end of their lives is a necessary factor in establishing net salvage rates. For example, NARUC's "Public Utility Depreciation Practices" supports the use of estimated future salvage and removal cost as part of the depreciation calculation. The publication, "Public Utility Depreciation Practices" (1996 Edition) published by the National Association of Regulatory Utility Commissioners ("NARUC") states:

> Under presently accepted concepts, the amount of depreciation to be accrued over the life of an asset is its original cost less net salvage. Net salvage is the difference between the gross salvage that will be realized when the asset is disposed of and the cost of retiring it. Positive net salvage occurs when gross salvage exceeds cost of retirement, and negative net salvage occurs when cost of retirement exceeds gross salvage. **Net salvage is expressed as a percentage of plant retired by dividing the dollars of net salvage by the dollars of original cost of plant retired**. The goal of accounting for net salvage is to

allocate the net cost of an asset to accounting periods, making do allowance for the net salvage, positive or negative. This concept carries with it the premise that property ownership includes the responsibility for the property's ultimate abandonment or removal. Hence, if current users benefit from its use, **they should pay their pro rata share of the costs involved in the abandonment or removal of the property** and also receive their pro rata share of the benefits of the proceeds realized.

This treatment of net salvage is in harmony with generally accepted accounting principles and tends to remove from the income statement any fluctuations caused by erratic, although necessary, abandonment and removal operations. It also has the advantage that **current customers pay or receive a fair share of cost associated with the property devoted to their service, even though the costs may be estimated.**[91] (Emphasis added.)

Also, two of the most widely regarded experts on depreciation, Frank Wolf and Chester Fitch, state in their 1994 treatise Depreciation Systems:

Effect of Inflation on the Salvage Ratio: One inherent characteristic of the salvage ratios is that the numerator and denominator are measured in different units; the numerator is measured in dollars at the time of retirement while the denominator is measured in dollars at the time of installation.[92] (Emphasis added.)

Drs. Wolf and Fitch further explain the importance of recognizing the future cost to retire current assets as follows:

Negative salvage is a common occurrence. With inflation, the cost of retiring long-lived property, such as a water main, may exceed the original installed cost. Decommissioning cost of nuclear power plants is an example of large negative salvage. The matching principle specifies that all costs incurred to produce a service should be matched against the revenue produced. Estimated future costs of retiring of an asset currently in service must be accrued and allocated as part of the current expenses. … The accounting treatment of these future costs is clear. They are part of the current cost of using the asset and must be matched against revenue. While the current consumers would say they should not pay for future costs, it would be unfair to the future users if these costs were postponed. Some say that although the current consumers should pay for the future cost, that the future value of the payments, calculated at some reasonable

[91] NARUC Public Utility Depreciation Practices, Page 18.

[92] See Depreciation Systems, page 53.

interest rate, should equal the retirement cost. Studies show that the salvage is often "more negative" than forecasters had predicted.[93]

The Company has adhered to these teachings and well-established methodologies by including future estimated removal costs in its proposed depreciation rates – Mr. Dunkel has not.

Q. Is there any confusion among regulatory authorities regarding the correct treatment of removal costs?

A. No. Nearly every Commission in the country adopts the same approach as this Commission has always adopted, which is to include future estimated removal costs in net salvage rates. It is this precedent and sound policy on which I have relied to develop the proposed net salvage rates for the Company's assets in this case.

Q. Did Mr. Dunkel present similar arguments in the Company's last case?

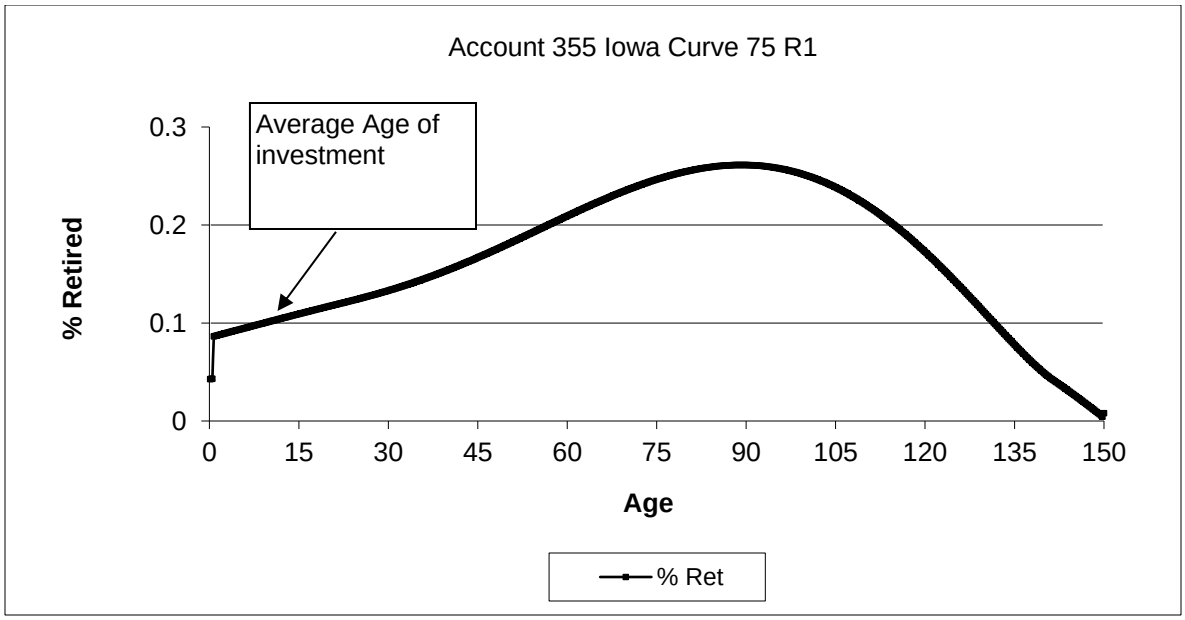
A. Yes. The settlement agreement did not adopt his present value recommendations. In the 22 months since the Company's last depreciation study, I can think of no facts or circumstances that would change Commission policy on this issue.

Q. Please demonstrate how the traditional method of net salvage works using one of the Company's plant accounts.

A. For a group of assets using an Iowa curve, there is a range of services lives. Some assets will retire prior to the average service life and others will retire later. For Account 355 Transmission Poles Towers and Fixtures, the proposed life for this account is 75 years with a R1 dispersion. Mr. Dunkel does not propose an alternative recommendation, so I will use my proposed curve and life as an example. A graph of the proposed curve for Account 355 is shown below. The average age of investment for this account is 12.90 years and the average age of retirements is 26.14 years.[94]

[93] See Depreciation Systems, pages 7 and 8.

[94] Watson WP, Folder Averages.



Q. Does the dispersion of service lives for a property group demonstrate that net salvage costs will be higher in some years than others?

A. Yes, the highest point on the curve occurs at age 90. Given the average age of retirements now compared to further along the life of the account, retirements and the resulting removal costs will increase with time. Not only will the removal cost increase but under accrual accounting, the Company would accrue for the higher removal cost that will be incurred in later years.

Q. Mr. Dunkel discusses that Account 356 has much more being accrued for removal cost than is being spent. Is this abnormal?

A. No. Account 356 has nearly $700 million in assets. The average age of the assets is less than half the expected average service life. Very few retirements (and little resulting removal cost) would occur in the first part of the life of the account. In fact, over the last 5 years, less than $1.4 million has retired, which is only 0.2% of the total in the account. Under accrual accounting, a higher level of accrual is necessary to "fund" the 99.8% of remaining retirements (which will be much larger in the future) that will incur removal cost. Mr. Dunkel's comparison of a pay as you go approach with accrual accounting to supposedly demonstrate the excessive removal cost accrual is misplaced.

Q. What other state regulatory commissions have adopted the Commission's practice of including estimated removal cost in the net salvage calculation?

A. Nearly all states have historically approved the inclusion of estimated removal cost in the calculation of net salvage rates. With respect to Pennsylvania, it is worth noting that the Indiana Regulatory Commission noted that Pennsylvania's practice is required under a 1962 court order interpreting a Pennsylvania law.[95]

Q. Has Mr. Dunkel made this or similar proposals in other proceedings?

A. Yes. Mr. Dunkel has made similar recommendations during his long career, but few Commissions have adopted his approach.

Q. What policy do you propose for net salvage?

A. The Company and I follow the Uniform System of Accounts to credit gross salvage and cost of removal as stated below.

> At the time of retirement of depreciable electric utility plant, this account shall be charged with the book cost of the property retired and the cost of removal and shall be credited with the salvage value and any other amounts recovered, such as insurance. When retirement, costs of removal and salvage are entered originally in retirement work orders, the net total of such work orders may be included in a separate subaccount. Upon completion of the work order, the proper distribution to subdivisions of this account shall be made. Separate subsidiary records shall be maintained.[96]

This is an accounting rule, not a policy. All regulated utilities that follow the FERC USA are required to follow this rule.

Q. What does Mr. Dunkel state regarding your position on net salvage?

A. Mr. Dunkel states, "The policy Mr. Watson presents is to charge current ratepayers for future inflation." He takes the information in my testimony and report out of context to imply I wish to change Commission policy and practice. I respond to this statement in the response to PUD 4-4.

[95] Final Order, Indiana Public Regulatory Commission, Cause No. 42359, page 65.
[96] https://pubs.naruc.org/pub.cfm?id=5377303E-2354-D714-5142-4CEAB526C6A7

Q. What is your response to Mr. Dunkel's claims on inflation?

A. The response to PUD 4-4 states

> No inflation-based assumptions were made in computing net salvage. The statement quoted from Mr. Watson's study in the question points out that the process of estimating net salvage combines two items which are determined at different points in time. The original cost of an asset is determined from the installation date of an asset. The removal cost that occurs for that asset at some point in the future is impacted by many factors as discussed in Exhibit DAW-2, page 80 and 83-85. One of the primary impacts that causes removal cost to change is increases in labor costs which is driven by inflation. This reality is intrinsic in all net salvage computations, but no specific inflation impact or adjustment is made. The Company follows the Code of Federal Regulations as it refers to net salvage and no mention of inflation is included in the CFR documentation. Removal requirements, along with the asset costs themselves, are recovered on a straight-line basis over the life of the assets (as per Commission rules).

Q. Is this treatment supported by other treatises on depreciation?

A. Yes. Public Utility Depreciation Practices, which is quoted by all witnesses on depreciation, states the following:[97]

> Historically, most regulatory commissions have required that both gross salvage and cost of removal be reflected in depreciation rates. The theory behind this requirement is that, since the original cost recovered through depreciation should be reduced by that amount. Closely associated with this reasoning are the accounting principle that revenues must by matched with costs and the regulatory principle that utility customers who benefit from the consumption of plant pay for the cost of that plant, no more, no less. The application of the latter principle also requires that the estimated cost of removal of plant be recovered over its life.

Q. Is there other authoritative guidance to support the Company's treatment of net salvage in depreciation rates?

A. Yes. In spite of Mr. Dunkel's objections to estimating future net salvage (which would of necessity consider the cost at a future date), this approach is an industry accepted and necessary fact. Depreciation Systems[98] states: "Note that the estimate of the net salvage requires an estimate of both the residual value of the asset and the retirement cost of that

[97] Public Utility Depreciation Practices, p 157.
[98] Depreciation Systems p. 7

asset at the *end* of the life." (emphasis in original). It also states[99]: "Estimated future costs of retiring of an asset currently in service must by accrued and allocated as part of the current expense." (emphasis added).

Q. Are there other substantive reasons that the estimated future removal cost must be used in the depreciation rate calculations?

A. Yes. The depreciation system used in both the study and by Mr. Dunkel (i.e., Straight-line, Average Life Group, Remaining Life) require in the formula for calculating the depreciation rate the future net salvage value. [100] Mr. Dunkel's remarks that I seek to reset policy are another misrepresentation of my recommendations.

Q. Do you agree with Mr. Dunkel's statement that your proposal for the Transmission and Distribution accounts produce a 73% increase and 113% increase, respectively, at full impact[101] in annual depreciation expense?

A. No. Mr. Dunkel makes a far reaching (and unsupportable) assumption that the Company will file future depreciation studies that incorporate dramatically more negative net salvage factors than what is currently proposed. There is nothing in the record that would suggest that is the case. His speculative calculations should be discounted. The reality of my study is that my recommended net salvage factors have very modest changes from the currently approved factors and were based on a number of factors, not just a simple average. Mr. Dunkel's computations modeled negative salvage percentages that are well over 100 percent. Below Figure 20 shows the change in depreciation expense in total my study recommends as compared to the implausible factors Mr. Dunkel use for his calculation to try to discredit my recommendations.

[99] ibid
[100] Public Utility Depreciation Practices, p. 63-65, Depreciation Systems, p. 105.
[101] Dunkel. P. 55, Figure 19.

Figure 20 - Change in Depreciation Expense

Function	Current Rates[102]	Company Proposed Rates	% Change	Dunkel, p. 55 Figure 19
Transmission	63,825,227	62,559,272	-1.98%	110,446.530
Distribution	$149,218,719	178,229,924	19.44%	318,138,090

Q. What net salvage values does Mr. Dunkel use for his computations in Figure 19 in his critiques of your net salvage proposals for transmission and distribution plant?

A. The extreme positions Mr. Dunkel uses in Exhibit WWD-18 are below in Figure 21:

Figure 21 – Net Salvage Comparison

Account	Company Approved Net Salvage	Company Proposed Net Salvage	Exhibit WWD-18 Net Salvage
Account 352	-6%	-10%	-140%
Account 353	-15%	-20%	-68%
Account 354	-20%	-20%	-61%
Account 355	-58%	-65%	-224%
Account 356	-51%	-55%	-138%
Account 361	-10%	-10%	-140%
Account 362	-30%	-35%	-160%
Account 364	-60%	-65%	-129%
Account 365	-50%	-55%	-132%
Account 366	-20%	-25%	-133%
Account 367	-50%	-55%	-126%
Account 368	-60%	-65%	-154%
Account 369	-30%	-35%	-192%
Account 370 Smart Meters	-10%	-10%	-134%
Account 370 Metering Equip	-10%	-10%	0%
Account 373	-50	-55%	-114%

[102] Current and Proposed rates Exhibit DAW-2. Appendix B

Mr. Dunkel's numbers, like those in his production scenario, are not based on any proposal in the record. Mr. Dunkel presents an extreme number, presumably for shock and awe purposes. The values used in Exhibit WWD-18 do not represent a position advocated by any party in this case. I did not recommend the average experience net salvage that Mr. Dunkel employs. Rather I used judgment to make a modest movement in the net salvage factors. Mr. Dunkel took the average in recent years for his scenario.

Q. Are there different positions among the parties regarding net salvage for transmission and distribution accounts?

A. Yes. All parties agree on net salvage parameters for general plant. For transmission and general plant, OIEC and FEA use the same net salvage parameters that I propose. Only PUD witness Dunkel recommends changes to my proposals. The differences in position are shown in the table below. I discuss Mr. Dunkel's methodology and my problems with his analysis earlier in this testimony. Figure 22 below compares the differences in the recommendations. I will discuss each account separately.

Figure 22 - Net Salvage Comparison: Transmission and Distribution Accounts

		Existing	**Company Proposed**	**PUD Proposed**
		Net	Net	Net
Account	Description	Salvage %	Salvage %	Salvage %
352	Structure & Improvements	-6%	-10%	-20%
354	Towers & Fixtures	-20%	-20%	-15%
355	Poles & Fixtures	-58%	-65%	-45%
356	Overhead Conductors & Devices	-51%	-55%	-25%
Distribution Plant				
361	Structures & Improvements	-10%	-10%	-20%
365	Overhead Conductors & Devices	-50%	-55%	-50%
366	Underground Conduit	-20%	-25%	-20%
367	Underground Conductors & Devices	-50%	-55%	-50%
368	Line Transformers	-60%	-65%	-60%
369	Services	-30%	-35%	-30%

Account 352 Structures and Improvements

Q. Will you summarize the proposals regarding net salvage for Account 352- Structures and Improvements?

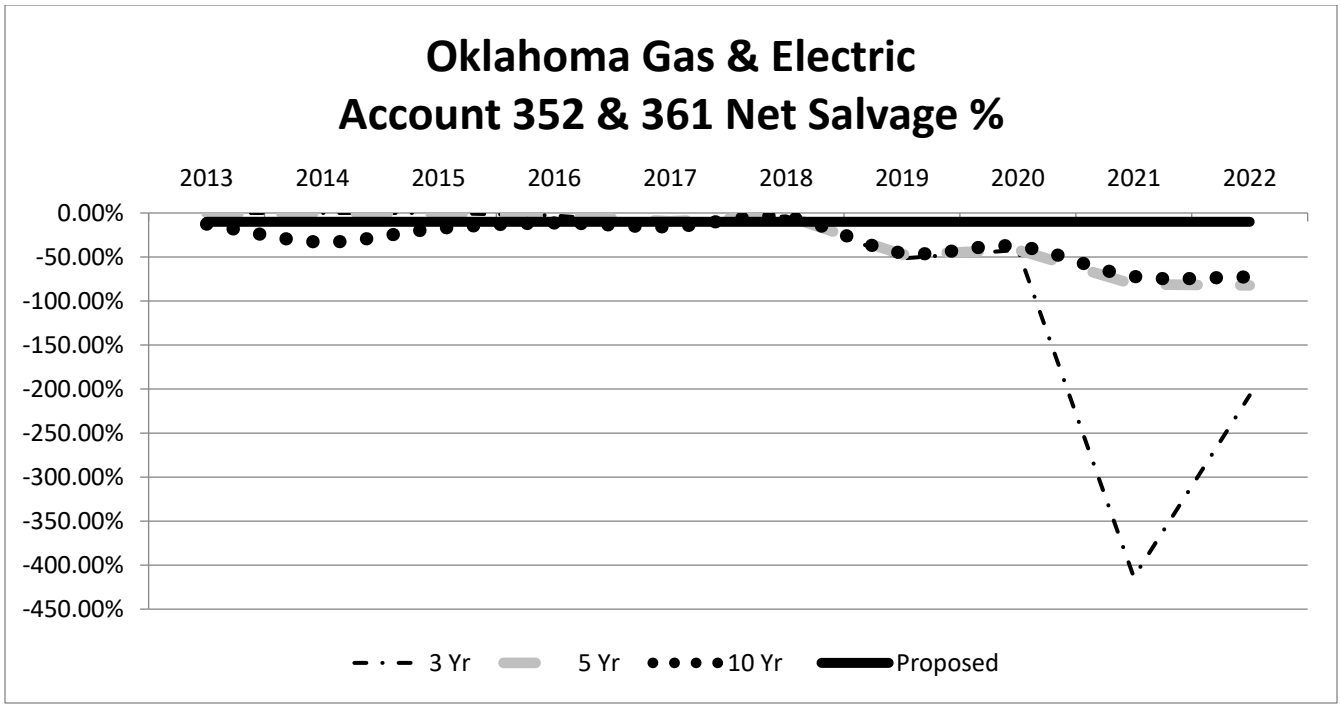
A. Yes. The approved net salvage is negative 6 percent. The Company is proposing to move to negative 10 percent net salvage for this account. Mr. Dunkel proposes to increase the negative net salvage to negative 20 percent. Although I believe my recommended net salvage is more appropriate, the Company would be willing to accept his proposal for this account. Mr. Dunkel offers nothing in the record (either in his testimony or work papers) to explain how he came to his recommendation.

Q. Can you demonstrate the Company's net salvage results for this account?

A. Yes. The details for this account are shown in Direct Exhibit DAW-2, Appendix E.

352 & 361 Year	Net Salv. %	2- yr. Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
2013	0%	0%	0%	0%	0%	0%	0%	-35%	-35%	-35%
2014	0%	0%	0%	0%	0%	0%	0%	0%	-21%	-21%
2015	0%	0%	0%	0%	0%	0%	0%	0%	0%	-10%
2016	-64%	-4%	-3%	-3%	-3%	-3%	-3%	-3%	-3%	-2%
2017	-39%	-42%	-12%	-10%	-9%	-9%	-9%	-9%	-9%	-9%
2018	-2%	-3%	-4%	-3%	-3%	-3%	-3%	-3%	-3%	-3%
2019	NA	-52%	-52%	-52%	-47%	-46%	-45%	-45%	-45%	-45%
2020	0%	-207%	-42%	-42%	-42%	-39%	-38%	-38%	-38%	-38%
2021	NA	-207%	-414%	-82%	-81%	-81%	-75%	-73%	-73%	-73%
2022	NA	NA	-207%	-414%	-82%	-81%	-81%	-75%	-73%	-73%

Note that the data is sparse. The symbol NA in the table above means there were no retirements over those periods, and the ratio of net salvage and retirements is undefined. The graph below illustrates OG&E's net salvage experience for the past 10 years. The solid black line is my proposed -10 percent, which is more above (more negative) than the recent 3-, 5-, and 10-year averages.



Account 354 Towers and Fixtures

Q. Will you summarize the proposals regarding net salvage for Account 354- Towers and Fixtures?

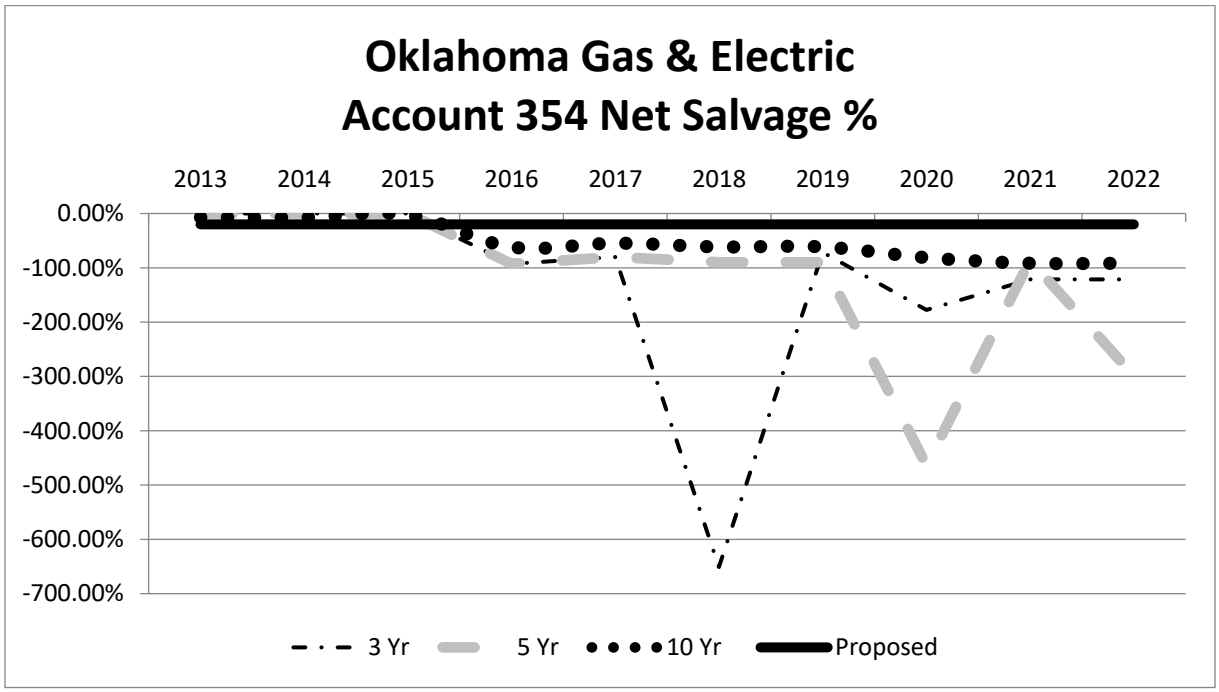
A. Yes. The approved net salvage is negative 20 percent. The Company is proposing to retain the existing net salvage. Mr. Dunkel proposed to reduce the negative net salvage to negative 15 percent. His testimony and work papers do not provide any discussion or rationale for how he reached his conclusion.

Q. Can you demonstrate the Company's net salvage results for this account?

A. Yes. The details for this account are shown in Direct Exhibit DAW-2, Appendix E. As I prepared this table for my testimony, I realized that Account 354 had some incorrect formulae for the moving average percentages. I have corrected that issue, and the revised data is found in the table below.

354 Year	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
2013	NA	NA	0%	0%	0%	0%	-4%	-7%	-7%	-7%
2014	NA	NA	NA	0%	0%	0%	0%	-4%	-7%	-7%
2015	0%	0%	0%	0%	0%	0%	0%	0%	-1%	-3%
2016	NA	-93%	-93%	-93%	-93%	-88%	-60%	-60%	-60%	-62%
2017	0%	-579%	-80%	-80%	-80%	-80%	-76%	-55%	-55%	-55%
2018	NA	-72%	-651%	-90%	-90%	-90%	-90%	-86%	-61%	-61%
2019	NA	NA	-72%	-651%	-90%	-90%	-90%	-90%	-86%	-61%
2020	0%	0%	-178%	-51%	-464%	-85%	-85%	-85%	-85%	-81%
2021	NA	-121%	-121%	-299%	-86%	-499%	-92%	-92%	-92%	-92%
2022	NA	NA	-121%	-121%	-299%	-86%	-499%	-92%	-92%	-92%

Note that the data is sparse. The symbol NA in the table above means there were no retirements over those periods, and the ratio of net salvage and retirements is undefined. The graph below illustrates OG&E's net salvage experience for the past 10 years. The solid black line is my proposed -20 percent, which is more above (more negative) than the recent 3-, 5-, and 10-year averages.



With the exception of the first years in this data which are less negative due to sparse data, this supports that my proposal to retain the existing net salvage of negative 20 percent. Mr. Dunkel's proposed negative 15 percent recommendation is contradicted by Company experience in this account. Therefore, I recommend adoption of the Company's proposed negative 20 percent for this account, which is also the existing net salvage parameter.

Account 355 Poles and Fixtures

Q. Will you summarize the proposals regarding net salvage for Account 355- Poles and Fixtures?

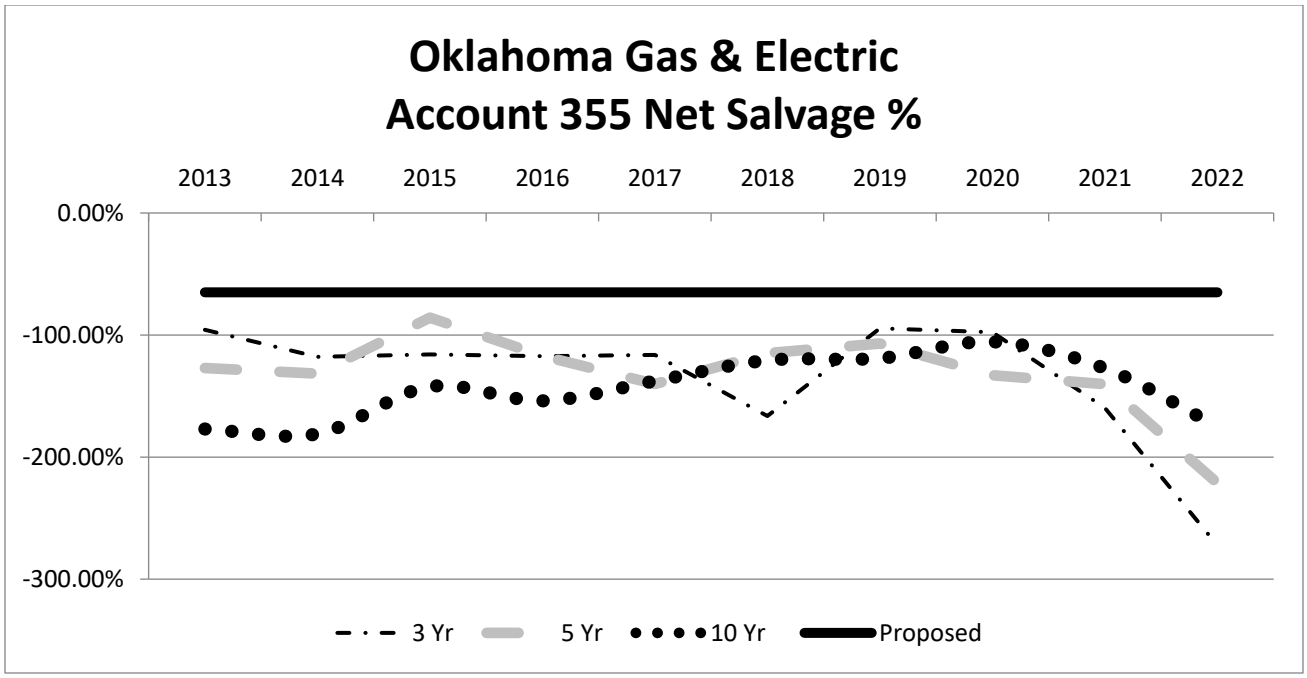
A. Yes. The approved net salvage is negative 58 percent. The Company is proposing to increase the amount of negative net salvage to negative 65 percent. Mr. Dunkel proposed to reduce the negative net salvage to negative 45 percent, below the current approved level. His testimony and work papers do not provide any discussion or rationale for how he reached his conclusion.

Q. Can you demonstrate the Company's net salvage results for this account?

A. Yes. The details for this account are shown in Direct Exhibit DAW-2, Appendix E.

355 Year	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
2013	-295%	-117%	-96%	-134%	-127%	-157%	-178%	-179%	-190%	-177%
2014	-121%	-197%	-118%	-101%	-132%	-126%	-151%	-170%	-171%	-181%
2015	-56%	-75%	-116%	-92%	-86%	-108%	-107%	-126%	-142%	-142%
2016	-329%	-116%	-117%	-146%	-117%	-107%	-126%	-123%	-140%	-154%
2017	-116%	-196%	-116%	-117%	-140%	-117%	-108%	-125%	-122%	-138%
2018	-100%	-110%	-166%	-114%	-115%	-135%	-115%	-108%	-123%	-121%
2019	-7%	-73%	-95%	-148%	-107%	-109%	-129%	-111%	-104%	-119%
2020	-111%	-97%	-98%	-103%	-133%	-108%	-110%	-125%	-111%	-106%
2021	-401%	-179%	-160%	-147%	-140%	-163%	-131%	-130%	-143%	-127%
2022	-687%	-542%	-272%	-248%	-221%	-200%	-214%	-170%	-165%	-175%

The graph below illustrates OG&E's net salvage experience for the past 10 years. The solid black line is my proposal of negative 65 percent, which is more above (more negative) than the recent 3-, 5-, and 10-year averages.



Q. Mr. Dunkel maintains that the full impact of your recommendation for this account is an increase of 109 percent.[103] How do you respond?

A. Mr. Dunkel's computations in his Figure 15 are based on negative 224% net salvage, which is an outlier from the Company recommendation and proposals by other intervenors, including Mr. Dunkel's proposed negative 15 percent for this account. The current net salvage for this account is negative 58 percent and I propose negative 65 percent, which OIEC and FEA use in their proposed rate computations. Mr. Dunkel's computation are based on unrealistic levels that skews the number in Mr. Dunkel's Figure 19 to an unrealistic level to discredit the gradual change that I proposed for this account.

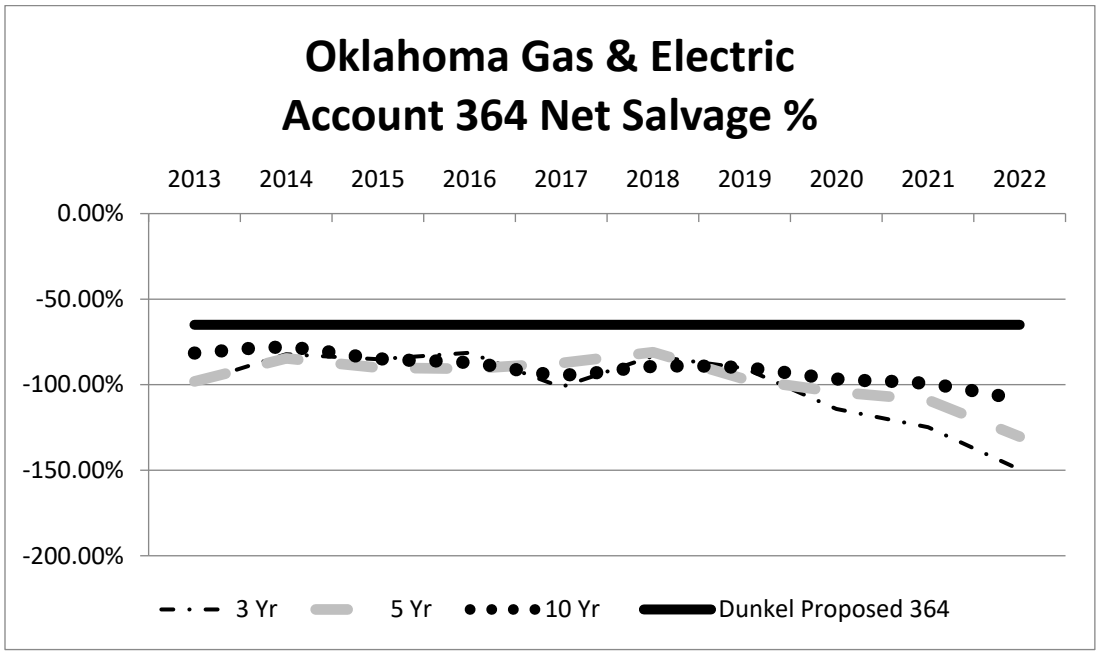
Q. Is there another account similar to Account 355?

A. Yes. Account 364, Distribution Poles Towers and Fixtures is similar in nature to Account 355. The differences come from pole height, material, and increased voltages for transmission assets. In my experience Account 355 and 364 may have similar net salvage percentages, with transmission usually being higher.

[103] Dunkel, p. 53, Figure 15

Q. What does Mr. Dunkel recommend for Account 364?

A. For that account, Mr. Dunkel uses the Company's proposed negative 65 percent.[104] The net salvage graph for Account 364 is shown below.



I see a similar trend with negative net salvage increasing over time. I find Mr. Dunkel's proposal inconsistent, ignoring the obvious trends in this account.

Q. Do you agree with Mr. Dunkel's proposal of negative 45 percent for this account?

A. No. As Mr. Dunkel points out, the Final Order in Cause No. PUD 20210064 was rendered one year and eight months ago.[105] In that period of time, I cannot understand how Mr. Dunkel feels that the Company's negative net salvage should be reduced by **13** basis points based on very little additional data. I recommend adoption of the Company's proposal of negative 65 percent for this account.

[104] Dunkel, Exhibit WWD-19.
[105] Dunkel, p. 11, lines 1-2.

Account 356 Overhead Conductor

Q. Will you summarize the proposals regarding net salvage for Account 356- Overhead Conductor?

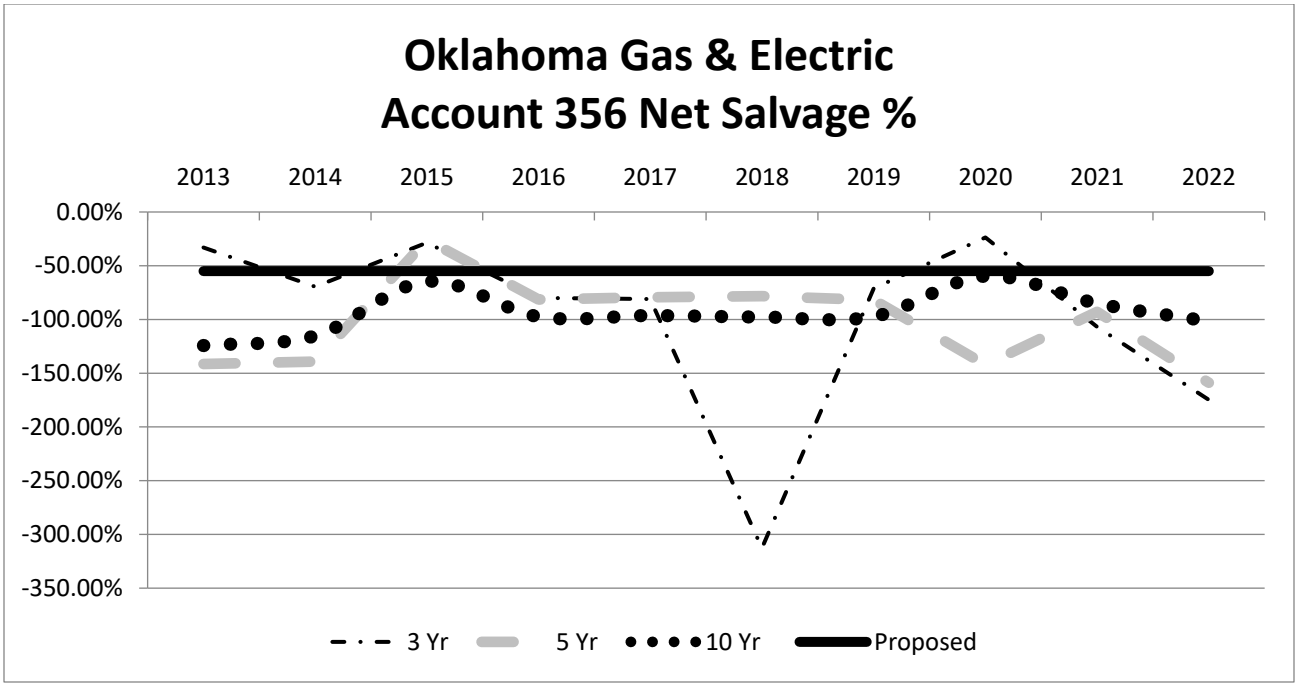
A. Yes. The approved net salvage is 51 percent. The Company is proposing to move slightly to negative 55 percent net salvage. Mr. Dunkel proposed to reduce the negative net salvage to negative 25 percent, some 26 percent below the current approved depreciation parameter. Mr. Dunkel's testimony and work papers do not provide any discussion or rationale for how he reached his conclusion.

Q. Can you demonstrate how the Company's net salvage results for this account?

A. Yes. The details for this account are shown in Direct Exhibit DAW-2, Appendix E.

356 Year	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
2013	-135%	-100%	-33%	-181%	-141%	-134%	-126%	-129%	-129%	-124%
2014	-50%	-70%	-70%	-39%	-139%	-124%	-118%	-113%	-115%	-115%
2015	-20%	-24%	-29%	-30%	-26%	-58%	-66%	-64%	-63%	-65%
2016	-1894%	-84%	-80%	-82%	-81%	-71%	-101%	-101%	-99%	-97%
2017	-54%	-451%	-81%	-77%	-79%	-79%	-69%	-98%	-98%	-96%
2018	-90%	-70%	-313%	-82%	-78%	-80%	-80%	-70%	-97%	-98%
2019	-338%	-92%	-71%	-313%	-82%	-78%	-80%	-80%	-71%	-97%
2020	-2%	-3%	-24%	-31%	-142%	-66%	-64%	-66%	-66%	-60%
2021	-758%	-106%	-107%	-103%	-93%	-192%	-87%	-84%	-86%	-85%
2022	-668%	-713%	-175%	-175%	-159%	-138%	-228%	-105%	-101%	-102%

The graph below illustrates OG&E's net salvage experience for the past 10 years. The solid black line is my proposed -55 percent, which is more above (more negative) than most of the recent 3-, 5-, and 10-year averages.



Q. Is there another account similar to Account 356?

A. Yes. Account 365, Distribution Overhead Conductor is similar in nature to Account 355. The differences come from pole height, conductor thickness, and increased voltages for transmission assets. In my experience Account 356 and 365 may have similar net salvage percentages, with transmission usually being higher.

Q. What does Mr. Dunkel recommend for Account 365?

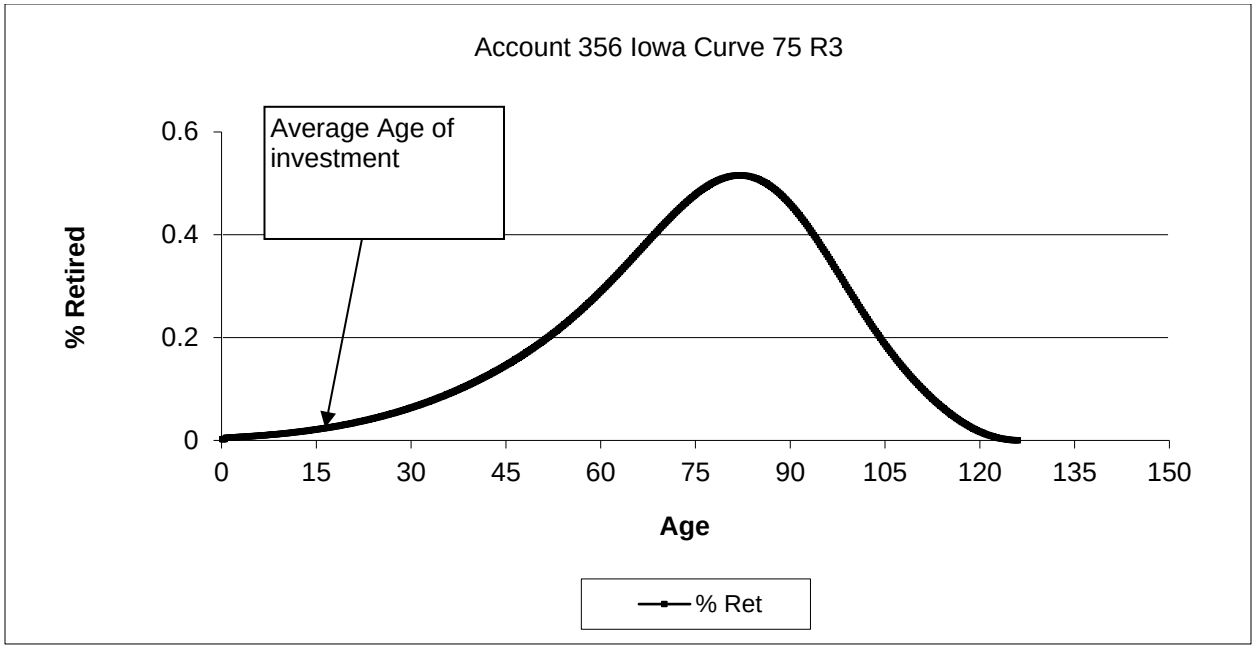
A. For that account, Mr. Dunkel uses the Company's existing negative 50 percent.[106] I critique his recommendation in the detailed account discussion section below. However, in this account, his proposed negative 25 percent does not match the Company's experience and would create intergenerational inequities.

Q. Mr. Dunkel maintains that the OG&E is collecting 11 times the actual cost of removal in your recommendations.[107] How do you respond?

A. Mr. Dunkel's computations in his Figure 1 are based on experienced removal cost over time. For a group of assets using an Iowa curve, there is a range of services lives. Some

[106] Dunkel, Exhibit WWD-19.
[107] Dunkel, p. 12-14

assets will retire prior to the average service life and others will retire later. For Account 356 Transmission Overhead Conductor. the proposed life for this account is 75 years with a R3 dispersion which is not reflected in recent years' removal cost. The average age of investment is 15.82 years. The average age of retirements is 35.28 years.[108] A graph showing the retirement pattern for Account 356 is shown below.



As the graph shows more retirements will occur as the property ages and the accrual for net salvage will come closer to the actual expenditures. Customers are being treated fairly under the current traditional net salvage approach the Company utilizes.

Q. Do you agree with Mr. Dunkel's proposal of negative 25 percent for this account?

A. No. As Mr. Dunkel points out, the Final Order in Cause No. PUD 20210064 was rendered one year and eight months ago.[109] In that period of time, I cannot understand how Mr. Dunkel feels that the Company's negative net salvage should be reduced by **26** basis points based on limited additional data. I recommend adoption of the Company's proposal of negative 55 percent for this account.

[108] Watson WP, Folder Averages.
[109] Dunkel, p. 11, lines 1-2.

Account 361 Structures and Improvements

Q. Will you summarize the proposals regarding net salvage for Account 361- Structures and Improvements?

A. Yes. The approved net salvage is negative 10 percent. The Company is proposing to retain that amount for this account. Mr. Dunkel proposes to increase the negative net salvage to negative 20 percent. While I believe my recommendation is more appropriate, the Company would be willing to accept this proposal for this account. Mr. Dunkel's testimony and work papers do not provide any discussion or rationale for how he reached his conclusion.

Q. Can you demonstrate how the Company's net salvage results for this account?

A. Yes. Because of sparse data, the Company modeled Accounts 352 and 361 together. The testimony above for Account 352 applies here.

Account 365 Overhead Conductor

Q. Will you summarize the proposals regarding net salvage for Account 365- Overhead Conductor?

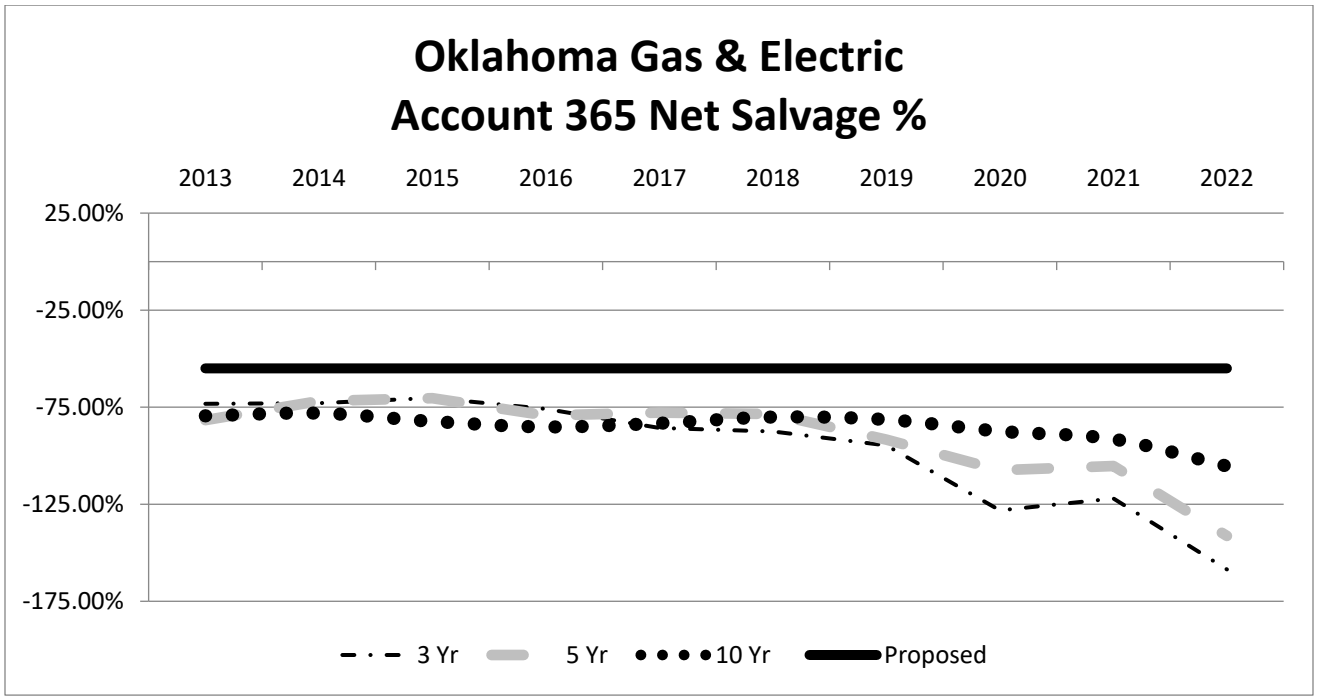
A. Yes. The approved net salvage is 50 percent. The Company is proposing to increase the negative net salvage for this account to negative 55 percent. Mr. Dunkel proposes to retain the current net salvage percentage. His testimony and work papers do not provide any discussion or rationale for how he reached his conclusion.

Q. Can you demonstrate how the Company's net salvage results for this account?

A. Yes. The details for this account are shown in Direct Exhibit DAW-2, Appendix E.

365 Year	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
2013	-79%	-85%	-73%	-77%	-82%	-88%	-90%	-87%	-81%	-79%
2014	-52%	-65%	-73%	-68%	-72%	-76%	-82%	-84%	-83%	-78%
2015	-80%	-66%	-70%	-75%	-70%	-73%	-77%	-82%	-84%	-82%
2016	-96%	-88%	-76%	-77%	-79%	-75%	-77%	-79%	-84%	-85%
2017	-82%	-88%	-86%	-78%	-78%	-80%	-76%	-77%	-80%	-83%
2018	-85%	-83%	-88%	-86%	-79%	-79%	-80%	-77%	-78%	-80%
2019	-126%	-106%	-95%	-95%	-92%	-84%	-84%	-85%	-81%	-81%
2020	-168%	-148%	-128%	-111%	-107%	-102%	-94%	-92%	-92%	-87%
2021	-87%	-120%	-122%	-114%	-105%	-103%	-100%	-93%	-91%	-91%
2022	-231%	-155%	-159%	-152%	-141%	-128%	-123%	-117%	-108%	-105%

The graph below illustrates OG&E's net salvage experience for the past 10 years. The solid black line is my proposed -55 percent, which is more above (more negative) than the recent 3-, 5-, and 10-year averages.



This supports that approved net salvage of 55 percent, which has been consistently experienced by OG&E over the most recent 10 years. Mr. Dunkel proposed to retain the existing negative 50 percent. However, historical experience in this account does not support his recommendation. His recommendations for net salvage in this account do not incorporate the Company's recent experience and should be rejected. I recommend adoption of the Company's proposal of negative 65 percent for this account.

Account 366 Underground Conduit

Q. Will you summarize the proposals regarding net salvage for Account 366-Underground Conduit?

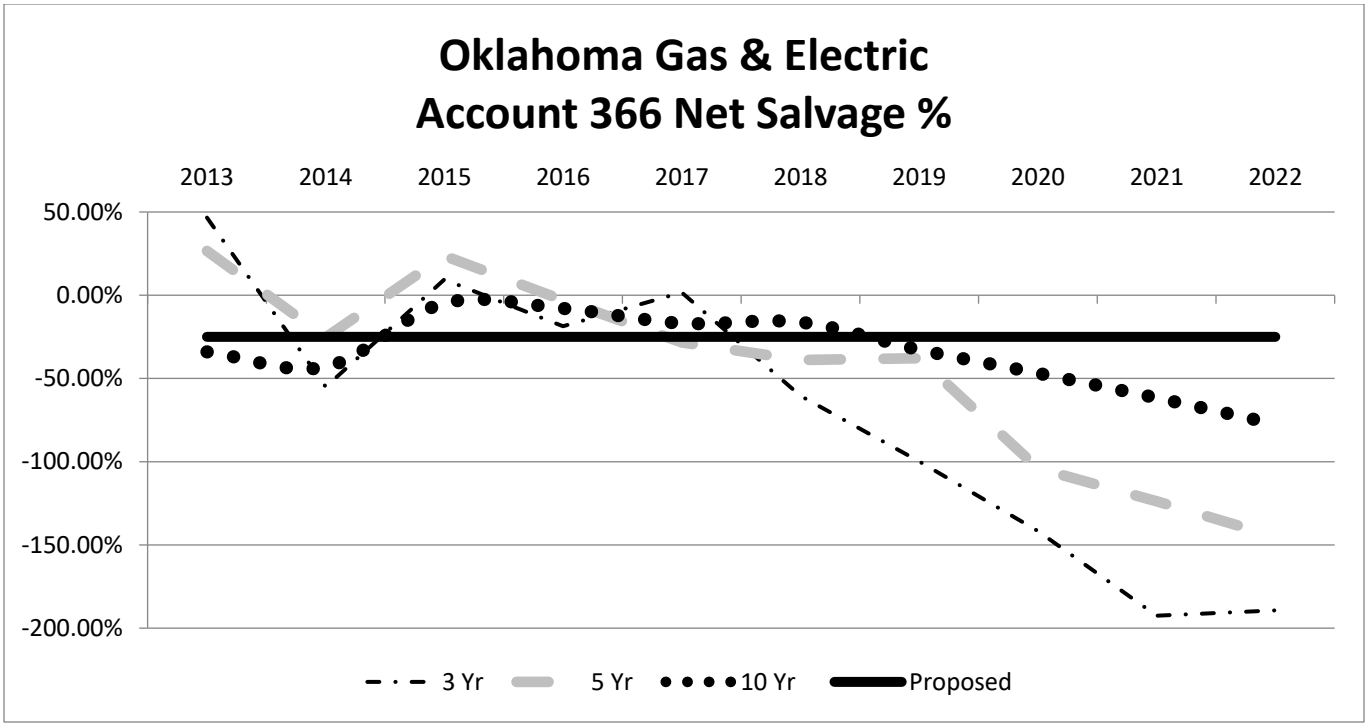
A. Yes. The approved net salvage is 20 percent. The Company is proposing to increase the negative net salvage for this account to negative 25 percent. Mr. Dunkel proposes to retain the current net salvage percentage. His testimony and work papers do not provide any discussion or rationale for how he reached his conclusion.

Q. Can you demonstrate the Company's net salvage results for this account?

A. Yes. The details for this account are shown in Direct Exhibit DAW-2, Appendix E.

366 Year	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
2013	43%	44%	47%	32%	27%	9%	-1%	-7%	-34%	-34%
2014	-152%	-89%	-55%	-24%	-25%	-22%	-31%	-29%	-32%	-43%
2015	197%	0%	9%	16%	24%	18%	16%	6%	0%	-5%
2016	-47%	50%	-19%	-10%	-3%	6%	3%	3%	-4%	-8%
2017	-89%	-67%	2%	-37%	-28%	-21%	-11%	-12%	-12%	-17%
2018	-47%	-68%	-60%	-11%	-39%	-32%	-25%	-16%	-17%	-16%
2019	-192%	-106%	-100%	-84%	-38%	-58%	-50%	-43%	-33%	-33%
2020	-273%	-224%	-142%	-125%	-104%	-59%	-74%	-66%	-58%	-47%
2021	-117%	-193%	-193%	-137%	-124%	-105%	-64%	-77%	-69%	-62%
2022	-183%	-152%	-189%	-190%	-145%	-132%	-113%	-75%	-85%	-77%

The graph below illustrates OG&E's net salvage experience for the past 10 years. The solid black line is my proposed -25 percent, which is more above (more negative) for most of the recent 3-, 5-, and 10-year averages.



This supports that my recommended net salvage for this account should be negative 25 percent when viewing the most recent trends in this account. Mr. Dunkel proposes to retain the existing negative 20 percent. However, historical experience in this account does not support his recommendation. His recommendations for net salvage in this account do not incorporate the Company's recent experience and should be rejected. I recommend adoption of the Company's proposal of negative 25 percent for this account.

Account 367 Underground Conductors and Devices

Q. Will you summarize the proposals regarding net salvage for Account 367-Underground Conductors and Devices?

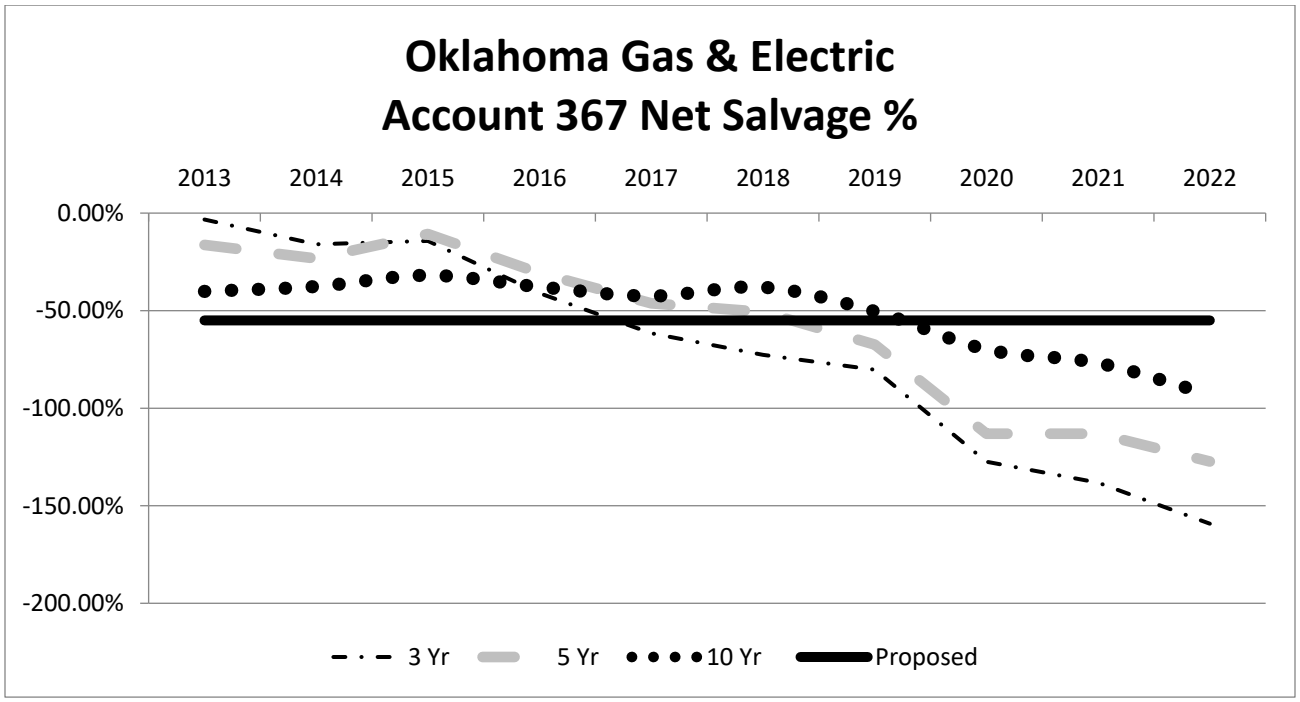
A. Yes. The approved net salvage is 50 percent. The Company is a slight movement to negative 55 percent. Mr. Dunkel proposes to retain the current level of negative net salvage, His testimony and work papers do not provide any discussion or rationale for how he reached his conclusion.

Q. Can you demonstrate how the Company's net salvage results for this account?

A. Yes. The details for this account are shown in Direct Exhibit DAW-2, Appendix E.

367 Year	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
2013	-4%	-5%	-3%	-21%	-16%	-30%	-35%	-38%	-39%	-40%
2014	-29%	-19%	-16%	-13%	-23%	-20%	-30%	-34%	-37%	-38%
2015	-5%	-18%	-14%	-13%	-11%	-19%	-17%	-26%	-29%	-32%
2016	-84%	-47%	-41%	-35%	-31%	-27%	-32%	-29%	-35%	-38%
2017	-96%	-89%	-62%	-53%	-46%	-42%	-37%	-41%	-38%	-43%
2018	-41%	-66%	-73%	-56%	-51%	-45%	-42%	-38%	-41%	-38%
2019	-100%	-75%	-80%	-81%	-67%	-61%	-56%	-52%	-48%	-50%
2020	-263%	-166%	-127%	-121%	-113%	-96%	-87%	-80%	-75%	-70%
2021	-88%	-161%	-138%	-116%	-113%	-108%	-95%	-87%	-81%	-77%
2022	-156%	-127%	-159%	-144%	-127%	-123%	-118%	-106%	-99%	-93%

The graph below illustrates OG&E's net salvage experience for the past 10 years. The solid black line is my proposed -55 percent, which is more above (more negative) than the recent 3-, 5-, and 10-year averages.



This supports my recommendation of negative 55 percent for this account. My proposed negative 55 percent has been consistently experienced by OG&E over the most recent 10 years and should be approved.

Mr. Dunkel proposed to retain the existing negative net salvage to negative 50 percent. However, historical experience in this account does not support his recommendation. His recommendations for net salvage in this account do not incorporate

the Company's recent experience and should be rejected. I recommend adoption of the Company's proposal of negative 55 percent for this account.

Account 368 Line Transformers

Q. Will you summarize the proposals regarding net salvage for Account 368- Line Transformers?

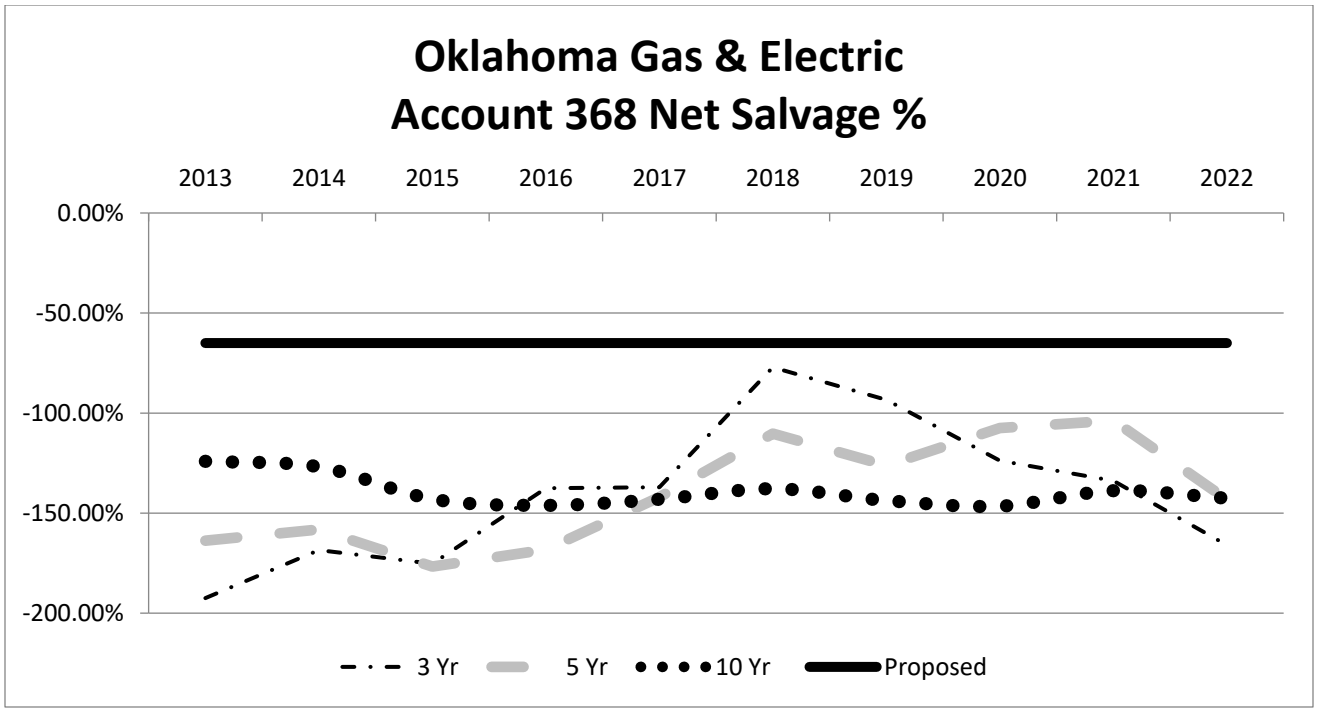
A. Yes. The approved net salvage is 60 percent. The Company is proposing to move slightly to negative 65 percent. Mr. Dunkel proposes to retain the current net salvage rate for this account. His testimony and work papers do not provide any discussion or rationale for how he reached his conclusion.

Q. Can you demonstrate how the Company's net salvage results for this account?

A. Yes. The details for this account are shown in Direct Exhibit DAW-2, Appendix E.

368 Year	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
2013	-226%	-217%	-192%	-178%	-164%	-156%	-150%	-140%	-132%	-124%
2014	-85%	-149%	-169%	-165%	-158%	-150%	-145%	-141%	-134%	-127%
2015	-228%	-153%	-175%	-183%	-177%	-169%	-161%	-155%	-150%	-143%
2016	-102%	-168%	-138%	-158%	-168%	-166%	-161%	-154%	-150%	-146%
2017	-75%	-88%	-137%	-123%	-142%	-153%	-154%	-151%	-146%	-143%
2018	-52%	-64%	-77%	-118%	-110%	-129%	-141%	-143%	-141%	-138%
2019	-175%	-105%	-93%	-96%	-126%	-118%	-133%	-144%	-145%	-144%
2020	-162%	-168%	-124%	-109%	-107%	-131%	-123%	-136%	-145%	-147%
2021	-87%	-118%	-134%	-112%	-104%	-103%	-124%	-118%	-130%	-139%
2022	-273%	-167%	-166%	-168%	-143%	-130%	-126%	-141%	-133%	-143%

The graph below illustrates OG&E's net salvage experience for the past 10 years. The solid black line is my proposed -65 percent, which is more above (more negative) than the recent 3-, 5-, and 10-year averages.



This shows that my proposal of negative 65 percent is conservative compared to recent experience. It is a small change, and my proposed -65 percent has been consistently experienced by OG&E over the most recent 10 years and should be approved. Mr. Dunkel proposes to retain the existing negative 60 percent. However, historical experience in this account does not support his recommendation. I recommend adoption of the Company's proposal of negative 65 percent for this account.

Account 369 Services

Q. Will you summarize the proposals regarding net salvage for Account 369- Services?

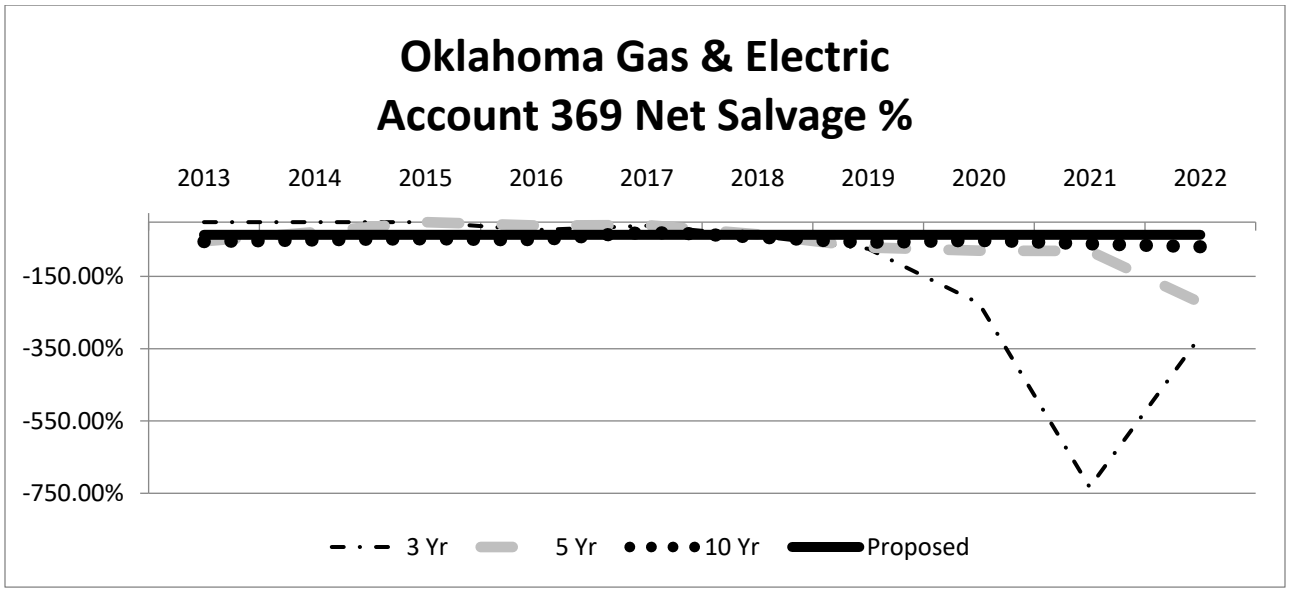
A. Yes. The approved net salvage is 30 percent. The Company is proposing to move slightly to negative 35 percent. Mr. Dunkel proposes to retain the current net salvage rate for this account. His testimony and work papers do not provide any discussion or rationale for how he reached his conclusion.

Q. Can you demonstrate how the Company's net salvage results for this account?

A. Yes. The details for this account are shown in Direct Exhibit DAW-2, Appendix E. A summary of results in shown in the table below.

369 Year	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
2013	0%	0%	0%	-31%	-53%	-53%	-54%	-54%	-54%	-54%
2014	0%	0%	0%	0%	-28%	-48%	-48%	-49%	-49%	-49%
2015	0%	0%	0%	0%	0%	-25%	-45%	-45%	-46%	-46%
2016	-79%	-36%	-22%	-14%	-10%	-6%	-29%	-47%	-47%	-48%
2017	-5%	-10%	-10%	-9%	-8%	-7%	-6%	-17%	-29%	-30%
2018	-107%	-36%	-38%	-36%	-34%	-31%	-28%	-24%	-33%	-41%
2019	-1027%	-213%	-73%	-74%	-70%	-66%	-61%	-55%	-47%	-55%
2020	-500%	-888%	-224%	-79%	-79%	-75%	-71%	-66%	-59%	-51%
2021	-127%	-317%	-733%	-220%	-80%	-80%	-76%	-71%	-66%	-60%
2022	-311%	-201%	-316%	-683%	-223%	-82%	-82%	-77%	-73%	-68%

The graph below illustrates OG&E's net salvage experience for the past 10 years. The solid black line is my proposed -35 percent, which is more above (more negative) than the many results from the recent 3-, 5-, and 10-year averages.



The approved net salvage is -30 percent. I propose a slight adjustment to negative 35 percent net salvage, whereas Mr. Dunkel proposes to retain the existing negative 30 percent. His recommendations for net salvage in this account do not incorporate the Company's recent experience and should be rejected. I recommend adoption of the Company's proposal of negative 35 percent for this account.

VII. IMPACT OF EARLY RETIREMENTS OF COAL PLANTS

Q. One of the intervenors proposed that OG&E should study early retirement of the Company's coal units, and in response, OG&E witness Riley identified the end of 2038 as an appropriate retirement date given new environmental regulations. Would that have a material impact on depreciation expense?

A. Yes. The Company asked me to perform that computation as part of this rebuttal testimony. Early retirement of those generating units at the end of 2038 would cause a material increase in depreciation expense.

Q. How much would the accrual rates change?

A. Figure 23 below shows a comparison of the rates for the coal plants only.

Figure 23 – Accrual Rate Change

Coal Plant at 12/31/22	Accrual Current Rates	Accrual Proposed Rates	Accrual 2038 Retirement
2,281,512,858	47,040,194	60,450,910	90,686,396

All of the assets are booked in steam production. If the coal units were to retire in 2038, the proposed accrual rates would be $30.2 million over my proposed rates, and $43.6 million over the Company's existing rates. These computations are shown in my workpapers.

VIII. FLAWS IN INTERVENOR COMPUTATIONS FOR DEPRECIATION ACCRUAL RATES

Q. Are the Intervenor rate computations accurate?

A. OIEC and PUD computations are incorrect. The rates computed by FEA witness Andrews match his proposed parameters and incorporate the production and other production reallocation.

Q. Are the rates computed by OIEC accurate?

A. No. Mr. Garrett has the following flaws in his computations: incorrect remaining life for account 303.1, used wrong remaining life for Horseshoe Lake 7, and failed to incorporate

reserve reallocation. In account 303.1 Mr. Garrett incorrectly included fully accrued software. The correct remaining life and accrual rate should be 7.46 years and 8.29% respectively. Mr. Garrett computed a longer remaining life of 7.95 years which produced a rate of 7.78 for that account.

Q. Have you corrected the OIEC recommended accrual rates?

A. Yes, correctly performing the reserve reallocation makes a substantial difference in the rates. The results of the analysis are shown in Figure 24 below. See Rebuttal Exhibit DAW-R-9. The detailed computations are in my workpapers.

Figure 24 – Corrected OIEC Recommended Accrual Rates

Function	Company Proposed	OIEC Exhibit DJG-2-1	OIEC Corrected
Intangible Plant	$ 38,800,197	16,406,753	17,644,781
Steam Production	100,261,931	86,932,252	90,039,851
Other Production	86,999,795	64,697,594	64,117,080
Transmission	62,559,272	60,037,025	60,036,679
Distribution	178,229,924	162,965,669	162,963,741
General	34,738,050	34,738,050	34,738,050
Total	$ 501,589,168	425,777,344	429,540,183

Q. Are the rates computed by PUD accurate?

A. No. Mr. Dunkel has the following flaws in his computations: used the wrong remaining life for Horseshoe Lake 7 and failed to incorporate reserve reallocation. In addition, Mr. Dunkel does not provide a basis for his production and other net salvage selections by generating unit. For production, the values differ for many units from the settlement agreement without explaining the basis for those values.

Q. Have you corrected the PUD recommended accrual rates?

A. Yes, correctly performing the reserve reallocation makes a substantial difference in the rates. The results of the analysis are shown in Figure 25 below. See Exhibit DAW-R-10, and the detailed computations are in my workpapers.

Figure 25 – Corrected PUD Recommended Accrual Rates

Function	Company Proposed	WWD-19	WWD Corrected
Intangible Plant	$ 38,800,197	24,393,648	24,666,178
Steam Production	100,261,931	93,094,144	95,819,580
Other Production	86,999,799	71,887,498	72,148,364
Transmission	62,559,036	55,572,898	55,572,898
Distribution	178,229,924	156,712,818	156,710,415
General	34,738,050	34,738,050	34,738,050
Total	$ 501,588,936	436,399,056	439,655,484

Q. The intervenor computations produce wildly different number for production and other production. Does that sound right?

A. Yes, because the intervenors are proposing different positions. OIEC proposes removal of interim retirements from accrual rate computations, estimating all assets at a generating unit will last until the unit retires. That makes a large difference. Differences in production and other production position are shown below in Figure 26

Figure 26 – Differences in Production and Other Production

Issue	OIEC	PUD	FEA
Production Interim Retirement	No	Yes	Yes
Life of Wind and Solar – 25 years	No	No	No
Production and Other Production Net Salvage	No	No	Adopt Company position

IX. CONCLUSION

Q. Please summarize the conclusions you have reached as a result of your review of the Intervenor recommendations.

A. I recommend that the Company's proposed depreciation rates in my direct testimony be adopted. I have addressed Mr. Dunkel's criticisms of my proposals and allegations that I seek to reset Commission policy. Other Company witnesses and I present facts and around the lives of Company assets, from wind and solar, intangible plant, transmission and distribution plant that rebut the intervenors' recommendations for various asset groups. We address various proposal for production, other production, transmission and distribution salvage presented by the intervenors. We request that OG&E's depreciation rates should be set at my recommended amounts in order to recover the Company's total investment in property over the estimated remaining life of the assets. We also request that the reserve reallocation proposed for steam production and other production plant be approved as shown in the depreciation study in Appendix F.

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

A. Yes.

Rebuttal Exhibit DAW-1

Public Utility Division - Staff

Data Request PUD 03-07

Docket No. PUD2023-000087

PUD 03-07

Regarding production facilities, page 11 of the Watson Direct states:
"However, we are proposing the use of conservative interim removal cost percentages as a proxy for terminal retirement closure removal costs and dismantling costs."
(a) Provide any analysis which supports the use of the interim removal cost percentages as a proxy for terminal retirement removal costs and dismantling costs.
(b) Provide a comparison of the terminal retirement removal and dismantling percentages produced for OGE by using the interim removal costs as a proxy, compared to the terminal retirement removal and dismantling percentages approved by the Commission in the last OGE case which was not settled.

Response*

a. Please see the workpapers provided on the Company's OneDrive for the requested information. Also, see the response to OIEC 6-2. Mr. Watson used his professional judgment to make this determination to use interim net salvage as a proxy for terminal net salvage. In many cases, terminal net salvage estimates are much higher than the removal cost being requested in this case, such as Georgia Power in Case 44280, Upper Peninsula Power Company in Docket U-18457, Southwestern Public Service in New Mexico Docket 19-00170-UT, and Consumers Energy in Docket U-20849. Some regulators have adopted this position such as Chugach Electric in RCA Docket U-22-034 and Municipal Power and Light in RCA Docket 18-121.

b. The Company has never had an order in an Oklahoma rate case that approved terminal retirement removal and dismantling net salvage percentages separately in order to derive the Company's depreciation accrual rates. When computing depreciation rates, a total net salvage rate has been approved by the Commission in the past. Please see attachment PUD 3-7(b)_Att1, for the comparison.

Response provided by: Dane Watson
Response provided on: 2/20/2024
Contact & Phone No: Peggy Millspaugh -- (405) 553-3504

*By responding to these Data Requests, OG&E is not indicating that the provided information is relevant, or material and OG&E is not waiving any objection as to relevance or materiality or confidentiality of the information or documents provided or the admissibility of such information or documents in this or in any other proceeding.

Rebuttal Exhibit DAW-2

Summary of Retirement Units

Row Labels	Plant Balance
E350.2	**131,963,405.14**
LAND RIGHTS	131,339,766.03
RADIAL - Land Rights	623,639.11
E352	**8,927,120.29**
STRUCT.& IMPROVEMENTS	45,902.13
Structures	8,881,218.16
E353	**954,383,732.06**
AIR DUCT SYSTEM	190,540.58
AIR SWITCHES	64,288,715.10
BATTERY CHARGING	2,166,454.88
BUS	32,612,894.48
BUS COMPARTMENT	870.83
CABLE OR CONDUCTOR	41,541,621.31
CAPACITOR BANK	9,026,718.98
CIRCUIT BREAKER	192,191,980.71
COMMUNICATION SYSTEM	6,151,441.48
CONDENSER,SYNCHRON.	31,297.62
CONDUIT	1,857,763.92
CONTROL INSTALLATION	148,838,139.00
CRITICAL SPARE - TRANSFORMER	3,300,007.45
Critical Spares - Control Installation	-
ELECTRONIC SECURITY SYSTEMS	1,541,656.84
FENCE AND WALLS	20,665,130.31
FIRE PROTECTION	232,148.44
FUSING EQUIPMENT	1,176,364.86
GSU (Generation Step-Up) TRANSFORMERS	43,219,493.96
INSTALLATION & OVERHEADS	21,557,435.61
LIGHTING SYSTEM	597,202.39
LIGHTNING ARRESTERS	16,821,377.97
Meters	3,238,987.22
MOTOR	22,694.58
MOTOR GENERTOR SET	263,153.21
OIL PURIFIER	1,896,750.32
REACTOR OR RESISTOR	35,553,311.55
STORAGE BATTERY	4,721,655.76
Substation Monitoring System	7,411,214.55
SUBSTRUCTURE/GROUNDS	23,667,099.97
SUPERSTRUCTURE	73,987,506.61
SWITCHGEAR	718,372.36
TELEMETERING EQUIP.	802,527.80
TRANSFORMERS	176,545,220.54
UNIT STATION	1,763.36
VOLTAGE REGULATOR	605,987.73
WAVE TRAP	16,938,229.78
E355	**1,117,114,273.57**
CONCRETE POLES	998,376.15
CRITICAL SPARE - SPECIAL STRUCTURE	135,800.26

Rebuttal Exhibit DAW-2

Summary of Retirement Units

Row Labels	Plant Balance
CRITICAL SPARE - STEEL POLES	613,378.08
GUYS	40,157,184.99
INSULATOR, BRACED POST	9,604,867.99
POLES-35' OR LESS	8,107,375.93
POLES-40'	2,871,048.01
POLES-45'	2,150,777.11
POLES-50'	1,366,859.64
POLES-55'	3,880,906.55
POLES-60'	8,439,817.24
POLES-65'	7,890,189.09
POLES-70'	6,255,566.68
POLES-75'	6,329,590.73
POLES-80' OR MORE	37,866,824.68
RADIAL - GUYS	2,045,066.85
RADIAL - INSULATOR, BRACED POST	155,063.98
RADIAL - POLES 40'	174,208.63
RADIAL - POLES 45'	107,888.69
RADIAL - POLES 50'	146,746.20
RADIAL - POLES 55'	333,164.43
RADIAL - POLES 60'	694,588.19
RADIAL - POLES 65'	701,002.10
RADIAL - POLES 70'	553,083.05
RADIAL - POLES 75'	859,154.75
RADIAL - POLES 80' OR MORE	2,073,058.76
RADIAL - STEEL CROSSARMS	1,869,322.41
RADIAL - STEEL POLES	17,170,082.27
RADIAL - WOOD CROSSARMS	2,120,906.58
SPECIAL STRUCTURE	6,617,043.48
STEEL CROSSARMS	68,678,428.40
STEEL POLES	848,490,099.79
WOOD CROSSARMS	27,656,801.88
E356	**693,683,860.20**
ARRESTERS	106,117.47
CIRCUIT BREAKERS	181,828.71
CONDUCTOR	618,959,575.06
CRITICAL SPARE - SWITCHES	26,768.63
METERING DEVICES	248,796.28
OPGW FIBER OPTIC CABLE	48,901,255.92
RADIAL - ARRESTERS	0.84
RADIAL - CONDUCTOR	9,320,237.58
RADIAL - FIBER OPTIC CABLE	386,407.73
RADIAL - SWITCHES, LINE	2,103,768.70
SWITCHES,LINE	13,396,653.19
WAVE TRAPS	52,450.09
E360.2	**6,459,925.11**
LAND RIGHTS	6,459,925.11
E362	**877,615,427.60**

Rebuttal Exhibit DAW-2

Summary of Retirement Units

Row Labels	Plant Balance
AIR SWITCHES	20,828,322.42
BATTERY CHARGING	3,257,996.54
BUS	26,050,235.64
BUS COMPARTMENT	63,337.54
CABLE OR CONDUCTOR	39,914,270.40
CAPACITOR BANK	3,610,540.59
CIRCUIT BREAKER	85,844,980.43
COMMUNICATION SYSTEM	7,243,095.30
CONDUIT	2,624,582.25
CONTROL INSTALLATION	97,878,563.50
CRITICAL SPARE - COMMUNICATION SYSTEM	182.84
CRITICAL SPARE - FENCE AND WALLS	411.41
CRITICAL SPARE - TRANSFORMERS	3,747.80
CRITICAL SPARE - VOLTAGE REGULATOR	50,410.95
CRITICAL SPARE - WAVE TRAP	28,062.15
Critical Spares - Control Installation	4,085,047.85
ELECTRONIC SECURITY SYSTEMS	158,107.30
FENCE AND WALLS	11,539,425.25
FIRE PROTECTION	107,708.98
FUSING EQUIPMENT	8,721,822.89
GENERATION STEPUP TRANSFORMERS	240,811.16
INSTALLATION & OVERHEADS	233,255,283.89
LIGHTING SYSTEM	979,155.71
LIGHTNING ARRESTERS	14,364,532.14
Meters	1,645,427.71
MOTOR GENERATOR SET	8,898.17
OIL PURIFIER	3,525,375.33
REACTOR OR RESISTOR	324,271.49
SG Reclosers Sub - OK	599,243.90
SG LTC Controllers - OK	1,073,968.74
STORAGE BATTERY	8,797,062.18
Substation Monitoring System	58,458.27
SUBSTRUCTURE/GROUNDS	17,551,277.20
SUPERSTRUCTURE	23,065,331.89
SWITCHGEAR	3,692,289.10
TELEMETERING EQUIP.	267,438.46
TRANSFORMERS	254,250,872.25
UNIT STATION	18,093.16
VOLTAGE REGULATOR	1,329,760.46
WAVE TRAP	557,024.36
E364	**786,956,008.40**
CROSSARMS	311,685,234.12
GUYS	51,614,357.75
STEEL CROSSARMS	39,256.00
STEEL POLES	127,883.26
TRANSFORMER MOUNTINGS	13,260,401.09
WOOD POLES	410,228,876.18

Rebuttal Exhibit DAW-2

Summary of Retirement Units

Row Labels	Plant Balance
E365	**1,101,396,815.92**
ARRESTERS	248,779,707.57
CIRCUIT BREAKERS	214,629,819.12
CONDUCTOR	528,906,713.85
CRITICAL SPARE - ARRESTORS	3,153.58
CRITICAL SPARE - CONDUCTORS	415,927.24
OIL CIRCUIT BREAKER	19,847,339.97
SG Reclosers Line - OK	6,622,580.57
SG Capacitor Bank Controllers - AR	587,482.95
SG Capacitor Bank Controllers - OK	5,179,718.53
SG Faulted Circuit Indicators - OK	108,815.41
SWITCHES,LINE	76,315,557.13
E367	**971,654,866.20**
AUTO.SWITCHGEAR	2,045,049.38
CONDUCTORS	883,540,745.87
PADM. SW. OR CUB.	43,671,206.24
PEDESTALS	41,811,149.66
SUBMERSIBLE METAL ENCLOSED FUSE CABINET	91,951.39
SWITCHES,LINE	494,763.66
E368	**670,460,795.83**
CRITICAL SPARE - PADMOUNT - 167 KVA OR LESS	17,458.85
CRITICAL SPARE - PADMOUNT - 225 KVA	31,809.76
CRITICAL SPARE - PADMOUNT - 250 KVA	8,409.57
CRITICAL SPARE - PADMOUNT - 333 KVA	18,007.33
CRITICAL SPARE - PADMOUNT - 750 KVA	7,358.39
CRITICAL SPARE - PADMOUNT - 7500 KVA	160,373.40
CRITICAL SPARE - POLEMOUNT - 167 KVA OR LESS	517,497.07
LINE CAP.-DIST. CAP	18,337,220.56
NETWORK PROTECTOR	1,943,839.60
PADMOUNT - 1000 KVA	15,655,845.82
PADMOUNT - 1500 KVA	14,943,574.08
PADMOUNT - 167 KVA OR LESS	147,480,887.25
PADMOUNT - 225 KVA	803,603.95
PADMOUNT - 2500 KVA	18,465,224.43
PADMOUNT - 300 KVA	36,079,561.75
PADMOUNT - 3750 KVA	1,778,480.74
PADMOUNT - 500 KVA	31,530,205.94
PADMOUNT - 5000 KVA	3,416,033.30
PADMOUNT - 750 KVA	20,284,784.92
PADMOUNT - 7500 KVA	524,278.34
POLEMOUNT - 1000 KVA	258,359.79
POLEMOUNT - 1500 KVA	151,168.67
POLEMOUNT - 1667 KVA	41,949.27
POLEMOUNT - 167 KVA OR LESS	332,193,194.15
POLEMOUNT - 250 KVA	2,450,488.87
POLEMOUNT - 2500 KVA	188,204.85
POLEMOUNT - 333 KVA	853,180.07

Rebuttal Exhibit DAW-2

Summary of Retirement Units

Row Labels	Plant Balance
POLEMOUNT - 500 KVA	2,844,611.62
POLEMOUNT - 750 KVA	80,066.74
POLEMOUNT - 833 KVA	245,795.60
UG NETWORK TRANSF.	1,754,376.00
VOLTAGE REGULATORS	17,394,945.15
E370	**184,961,833.00**
CT OR PT - 5 TO 50KV	1,442,332.99
SG 12s Meters	707,041.26
SG 12s Meters - AR	25,617.86
SG 16 320 Meters	3,932,552.82
SG 16 320 Meters - AR	243,950.99
SG 16s Meters	960,979.59
SG 1s Meters	287,435.68
SG 2s 320 Meters	374,375.62
SG 2s 320 Meters - AR	251,669.57
SG 2s Meters	70,610,683.25
SG 2s Meters - AR	6,291,958.06
SG 3s Meters	10,073.44
SG 3s Meters - AR	102.30
SG 4s Meters	95,112.77
SG 9s Meters	4,269,193.63
SG 9s Meters - AR	39,002.34
SG Network Meters	153,548.17
SMART METERS	95,266,202.66
E373	**316,836,038.04**
DECORATIVE LIGHT AERIAL CABLE	2,540.31
DECORATIVE LIGHT LINE SWITCHES	16,341.75
DECORATIVE LIGHT STEEL POLES	1,732,343.77
DECORATIVE LIGHT UG CABLE	1,524,185.37
LED LIGHTING - SECURITY	43,241,759.69
LED LIGHTING - STREET	61,365,496.90
LED LIGHTING (2015 & PRIOR)	450,527.38
SECURITY LIGHT AERIAL CABLE	590,434.34
SECURITY LIGHT FIXTURES	237,896.92
SECURITY LIGHT LINE SWITCHES	238,539.79
SECURITY LIGHT STEEL POLES	4,178,476.43
SECURITY LIGHT UG CABLE	8,973,107.10
STREET LIGHT AERIAL CABLE	10,268,071.04
STREET LIGHT FIXTURES	56,644,131.30
STREET LIGHT LINE SWITCHES	5,068,372.31
STREET LIGHT STEEL POLES	49,558,928.90
STREET LIGHT UG CABLE	72,744,884.74

Rebuttal Exhibit DAW-3

OG&E Account 355
Comparison of Company vs OIEC Life Table Results

[1]	[2]	[3]	[4]
	Company	**OIEC**	
Age	**P58-22 E97-22 OLT**	**P58-22 E72-22 OLT**	
(Years)	**% Surv**	**% Surv**	**% Difference**
0.0	100.00%	100.00%	0.00%
0.5	99.98%	99.98%	0.00%
1.5	99.90%	99.90%	0.00%
2.5	99.78%	99.79%	-0.01%
3.5	99.53%	99.54%	-0.01%
4.5	99.26%	99.29%	-0.03%
5.5	99.08%	99.11%	-0.03%
6.5	98.96%	99.00%	-0.04%
7.5	98.76%	98.81%	-0.05%
8.5	98.63%	98.69%	-0.06%
9.5	98.38%	98.45%	-0.07%
10.5	98.15%	98.25%	-0.10%
11.5	97.59%	97.82%	-0.23%
12.5	97.19%	97.62%	-0.43%
13.5	97.04%	97.54%	-0.50%
14.5	96.79%	97.42%	-0.63%
15.5	96.53%	97.32%	-0.79%
16.5	96.13%	97.18%	-1.05%
17.5	95.47%	96.95%	-1.48%
18.5	95.09%	96.83%	-1.74%
19.5	94.51%	96.66%	-2.15%
20.5	94.41%	96.63%	-2.22%
21.5	94.30%	96.61%	-2.31%
22.5	89.05%	95.63%	-6.58%
23.5	88.39%	95.51%	-7.12%
24.5	88.34%	95.50%	-7.16%
25.5	87.82%	95.42%	-7.60%
26.5	87.38%	95.35%	-7.97%
27.5	87.12%	95.30%	-8.18%
28.5	86.36%	95.16%	-8.80%
29.5	86.09%	95.10%	-9.01%
30.5	85.45%	94.93%	-9.48%
31.5	85.35%	94.91%	-9.56%
32.5	85.19%	94.86%	-9.67%
33.5	84.93%	94.78%	-9.85%

Rebuttal Exhibit DAW-3

OG&E Account 355
Comparison of Company vs OIEC Life Table Results

[1]	[2]	[3]	[4]
	Company	**OIEC**	
Age	**P58-22 E97-22 OLT**	**P58-22 E72-22 OLT**	
(Years)	**% Surv**	**% Surv**	**% Difference**
34.5	84.32%	94.58%	-10.26%
35.5	82.03%	93.80%	-11.77%
36.5	81.78%	93.70%	-11.92%
37.5	81.49%	93.59%	-12.10%
38.5	80.97%	93.00%	-12.04%
39.5	80.90%	92.79%	-11.89%
40.5	79.90%	91.15%	-11.25%
41.5	79.27%	90.78%	-11.51%
42.5	78.87%	90.32%	-11.45%
43.5	78.42%	89.73%	-11.31%
44.5	76.99%	87.82%	-10.83%
45.5	76.75%	87.56%	-10.81%
46.5	76.40%	87.15%	-10.75%
47.5	75.98%	86.67%	-10.70%
48.5	75.75%	86.41%	-10.66%
49.5	75.40%	86.02%	-10.62%
50.5	74.90%	85.45%	-10.55%
51.5	73.95%	84.36%	-10.41%
52.5	73.56%	83.91%	-10.35%
53.5	73.21%	83.51%	-10.30%
54.5	72.67%	82.89%	-10.23%
55.5	72.14%	82.30%	-10.16%
56.5	71.56%	81.64%	-10.08%
57.5	70.74%	80.69%	-9.95%
58.5	70.57%	80.50%	-9.93%
59.5	70.43%	80.34%	-9.91%
60.5	70.24%	80.13%	-9.89%
61.5	69.92%	79.76%	-9.84%
62.5	68.04%	77.62%	-9.58%
63.5	67.67%	77.20%	-9.53%
64.5	67.08%		

Rebuttal Exhibit DAW-4

OG&E Account 356
Comparison of Company vs OIEC Life Table Results

[1] Age (Years)	[2] Company P56-22 E97-22 OLT % Surv	[3] OIEC P56-22 E72-22 OLT % Surv	[4] % Difference
0.0	100.00%	100.00%	0.00%
0.5	100.00%	100.00%	0.00%
1.5	99.96%	99.96%	0.00%
2.5	99.95%	99.95%	0.00%
3.5	99.91%	99.91%	0.00%
4.5	99.88%	99.89%	-0.01%
5.5	99.75%	99.77%	-0.02%
6.5	99.74%	99.76%	-0.02%
7.5	99.58%	99.61%	-0.03%
8.5	99.53%	99.56%	-0.03%
9.5	99.50%	99.54%	-0.04%
10.5	99.50%	99.54%	-0.04%
11.5	99.50%	99.54%	-0.04%
12.5	99.49%	99.53%	-0.04%
13.5	99.46%	99.52%	-0.06%
14.5	99.33%	99.48%	-0.15%
15.5	99.33%	99.48%	-0.15%
16.5	99.31%	99.48%	-0.17%
17.5	99.31%	99.48%	-0.17%
18.5	99.31%	99.48%	-0.17%
19.5	99.29%	99.47%	-0.18%
20.5	99.29%	99.47%	-0.18%
21.5	99.29%	99.47%	-0.18%
22.5	95.03%	98.87%	-3.84%
23.5	95.02%	98.87%	-3.85%
24.5	94.95%	98.86%	-3.91%
25.5	94.95%	98.86%	-3.91%
26.5	94.95%	98.86%	-3.91%
27.5	94.95%	98.86%	-3.91%
28.5	94.23%	98.71%	-4.48%
29.5	94.23%	98.71%	-4.48%
30.5	94.18%	98.70%	-4.52%
31.5	94.18%	98.70%	-4.52%
32.5	94.18%	98.70%	-4.52%

Rebuttal Exhibit DAW-4

OG&E Account 356
Comparison of Company vs OIEC Life Table Results

[1]	[2]	[3]	[4]
Age (Years)	**Company P56-22 E97-22 OLT % Surv**	**OIEC P56-22 E72-22 OLT % Surv**	**% Difference**
33.5	94.16%	98.69%	-4.53%
34.5	93.94%	98.62%	-4.68%
35.5	92.24%	98.00%	-5.77%
36.5	92.20%	97.98%	-5.78%
37.5	92.16%	97.97%	-5.81%
38.5	91.85%	97.71%	-5.86%
39.5	91.85%	97.71%	-5.86%
40.5	91.16%	96.23%	-5.07%
41.5	90.72%	95.76%	-5.04%
42.5	90.63%	95.65%	-5.03%
43.5	90.13%	95.05%	-4.92%
44.5	89.30%	94.03%	-4.73%
45.5	89.30%	94.03%	-4.73%
46.5	89.20%	93.93%	-4.73%
47.5	88.92%	93.63%	-4.71%
48.5	88.91%	93.62%	-4.71%
49.5	88.87%	93.58%	-4.71%
50.5	88.41%	93.10%	-4.69%
51.5	87.82%	92.47%	-4.65%
52.5	87.68%	92.32%	-4.65%
53.5	87.63%	92.27%	-4.64%
54.5	87.54%	92.18%	-4.64%
55.5	87.30%	91.92%	-4.62%
56.5	86.80%	91.40%	-4.60%
57.5	86.17%	90.74%	-4.57%
58.5	85.95%	90.51%	-4.56%
59.5	83.88%	88.38%	-4.50%
60.5	83.80%	88.30%	-4.50%
61.5	83.79%	88.29%	-4.50%
62.5	81.75%	86.14%	-4.39%
63.5	81.44%	85.81%	-4.37%

Rebuttal Exhibit DAW-5

OG&E Account 364
Comparison of Company vs OIEC Life Table Results

[1] Age (Years)	[2] Company P58-22 E97-22 OLT % Surv	[3] OIEC P58-22 E72-22 OLT % Surv	[4] % Difference
0.0	100.00%	100.00%	0.00%
0.5	99.80%	99.80%	0.00%
1.5	99.42%	99.42%	0.00%
2.5	98.83%	98.84%	-0.01%
3.5	98.09%	98.11%	-0.02%
4.5	97.54%	97.58%	-0.04%
5.5	96.86%	96.94%	-0.08%
6.5	96.27%	96.38%	-0.11%
7.5	95.70%	95.84%	-0.14%
8.5	95.06%	95.23%	-0.17%
9.5	94.44%	94.65%	-0.21%
10.5	93.93%	94.17%	-0.24%
11.5	93.31%	93.58%	-0.27%
12.5	92.73%	93.14%	-0.41%
13.5	92.22%	92.85%	-0.63%
14.5	91.74%	92.58%	-0.84%
15.5	91.27%	92.33%	-1.06%
16.5	90.72%	92.05%	-1.33%
17.5	90.20%	91.78%	-1.58%
18.5	89.72%	91.54%	-1.82%
19.5	89.19%	91.27%	-2.08%
20.5	88.66%	91.00%	-2.34%
21.5	88.11%	90.73%	-2.62%
22.5	87.58%	90.48%	-2.90%
23.5	87.01%	90.21%	-3.20%
24.5	86.27%	89.87%	-3.60%
25.5	85.63%	89.59%	-3.96%
26.5	85.02%	89.32%	-4.30%
27.5	84.34%	89.03%	-4.69%
28.5	83.38%	88.63%	-5.25%
29.5	82.72%	88.35%	-5.63%
30.5	81.89%	88.02%	-6.13%
31.5	81.25%	87.78%	-6.53%

Rebuttal Exhibit DAW-5

OG&E Account 364
Comparison of Company vs OIEC Life Table Results

[1]	[2]	[3]	[4]
	Company	**OIEC**	
Age	**P58-22 E97-22 OLT**	**P58-22 E72-22 OLT**	
(Years)	**% Surv**	**% Surv**	**% Difference**
32.5	80.55%	87.52%	-6.97%
33.5	79.30%	87.07%	-7.77%
34.5	78.56%	86.82%	-8.26%
35.5	77.71%	86.54%	-8.83%
36.5	77.01%	86.32%	-9.32%
37.5	76.28%	86.10%	-9.82%
38.5	75.70%	85.78%	-10.08%
39.5	75.36%	85.40%	-10.04%
40.5	74.92%	84.74%	-9.82%
41.5	74.48%	82.74%	-8.26%
42.5	74.02%	81.11%	-7.09%
43.5	73.33%	80.35%	-7.02%
44.5	72.54%	79.48%	-6.94%
45.5	71.77%	78.64%	-6.87%
46.5	71.04%	77.85%	-6.81%
47.5	70.22%	76.95%	-6.73%
48.5	69.51%	76.17%	-6.66%
49.5	68.84%	75.43%	-6.59%
50.5	68.07%	74.59%	-6.52%
51.5	67.46%	73.92%	-6.46%
52.5	66.89%	73.29%	-6.40%
53.5	66.27%	72.62%	-6.35%
54.5	65.77%	72.07%	-6.30%
55.5	65.27%	71.51%	-6.24%
56.5	64.94%	71.16%	-6.22%
57.5	64.61%	70.80%	-6.19%
58.5	64.27%	70.43%	-6.16%
59.5	63.98%	70.10%	-6.12%
60.5	63.73%	69.83%	-6.10%
61.5	63.51%	69.59%	-6.08%
62.5	63.08%	69.12%	-6.04%
63.5	62.66%	68.66%	-6.00%
64.5	62.30%		

Rebuttal Exhibit DAW-6

OG&E Account 367
Comparison of Company vs OIEC Life Table Results

[1]	[2]	[3]	[4]
Age (Years)	**Company P58-22 E97-22 OLT % Surv**	**OIEC P58-22 E72-22 OLT % Surv**	**% Difference**
0.0	100.00%	100.00%	0.00%
0.5	99.96%	99.96%	0.00%
1.5	99.75%	99.75%	0.00%
2.5	99.42%	99.42%	0.00%
3.5	99.04%	99.04%	0.00%
4.5	98.58%	98.60%	-0.02%
5.5	98.19%	98.23%	-0.04%
6.5	97.70%	97.78%	-0.08%
7.5	97.01%	97.12%	-0.12%
8.5	96.38%	96.52%	-0.14%
9.5	95.60%	95.98%	-0.38%
10.5	94.64%	95.33%	-0.70%
11.5	94.42%	95.18%	-0.76%
12.5	94.22%	95.05%	-0.83%
13.5	94.04%	94.93%	-0.89%
14.5	93.87%	94.83%	-0.96%
15.5	93.76%	94.76%	-1.00%
16.5	93.56%	94.64%	-1.08%
17.5	93.37%	94.53%	-1.16%
18.5	93.23%	94.45%	-1.22%
19.5	92.96%	94.30%	-1.34%
20.5	92.65%	94.13%	-1.48%
21.5	92.51%	94.06%	-1.56%
22.5	92.31%	93.97%	-1.66%
23.5	92.18%	93.90%	-1.73%
24.5	92.02%	93.82%	-1.80%
25.5	91.85%	93.74%	-1.89%
26.5	91.64%	93.64%	-2.00%
27.5	91.50%	93.58%	-2.08%
28.5	91.26%	93.49%	-2.23%
29.5	91.04%	93.41%	-2.37%
30.5	90.84%	93.33%	-2.49%
31.5	90.65%	93.26%	-2.61%

Rebuttal Exhibit DAW-6

OG&E Account 367
Comparison of Company vs OIEC Life Table Results

[1]	[2]	[3]	[4]
	Company	**OIEC**	
Age	**P58-22 E97-22 OLT**	**P58-22 E72-22 OLT**	
(Years)	**% Surv**	**% Surv**	**% Difference**
32.5	90.38%	93.16%	-2.78%
33.5	90.13%	93.07%	-2.94%
34.5	89.78%	92.95%	-3.17%
35.5	89.64%	92.81%	-3.17%
36.5	89.40%	92.57%	-3.17%
37.5	89.13%	92.30%	-3.17%
38.5	88.92%	91.30%	-2.38%
39.5	88.78%	90.58%	-1.80%
40.5	87.12%	88.88%	-1.76%
41.5	86.35%	88.02%	-1.67%
42.5	85.45%	87.01%	-1.56%
43.5	84.86%	86.42%	-1.56%
44.5	84.11%	85.65%	-1.54%
45.5	83.42%	84.95%	-1.53%
46.5	82.72%	84.23%	-1.51%
47.5	82.13%	83.63%	-1.50%
48.5	81.40%	82.90%	-1.50%
49.5	80.71%	82.19%	-1.48%
50.5	80.06%	81.53%	-1.47%
51.5	79.77%	81.23%	-1.46%
52.5	78.68%	80.12%	-1.44%
53.5	77.25%	78.66%	-1.41%
54.5	75.74%	77.12%	-1.38%
55.5	73.89%	75.24%	-1.35%
56.5	72.11%	73.43%	-1.32%
57.5	71.49%	72.80%	-1.31%
58.5	69.97%	71.26%	-1.29%
59.5	68.69%	69.95%	-1.26%
60.5	67.95%	69.20%	-1.25%
61.5	67.44%	68.68%	-1.24%
62.5	66.89%	68.12%	-1.23%
63.5	66.33%	67.55%	-1.22%
64.5	65.79%		

Rebuttal Exhibit DAW-7

OG&E Account 368
Comparison of Company vs OIEC Life Table Results

[1] Age (Years)	[2] Company P58-22 E97-22 OLT % Surv	[3] OIEC P58-22 E72-22 OLT % Surv	[4] % Difference
0.0	100.00%	100.00%	0.00%
0.5	99.86%	99.88%	-0.02%
1.5	98.95%	99.16%	-0.21%
2.5	98.08%	98.48%	-0.40%
3.5	97.04%	97.68%	-0.64%
4.5	95.78%	96.74%	-0.96%
5.5	94.52%	95.83%	-1.31%
6.5	93.38%	95.01%	-1.64%
7.5	92.23%	94.20%	-1.97%
8.5	90.74%	93.20%	-2.46%
9.5	89.24%	92.21%	-2.97%
10.5	87.85%	91.33%	-3.48%
11.5	86.25%	90.37%	-4.12%
12.5	84.75%	89.53%	-4.78%
13.5	83.45%	88.80%	-5.35%
14.5	82.01%	88.01%	-6.00%
15.5	80.80%	87.37%	-6.57%
16.5	79.42%	86.62%	-7.21%
17.5	78.45%	86.03%	-7.58%
18.5	77.59%	85.51%	-7.92%
19.5	76.64%	84.93%	-8.29%
20.5	75.83%	84.38%	-8.55%
21.5	75.15%	83.90%	-8.76%
22.5	74.42%	83.39%	-8.97%
23.5	73.81%	82.92%	-9.11%
24.5	73.12%	82.39%	-9.27%
25.5	72.56%	81.93%	-9.38%
26.5	72.02%	81.48%	-9.46%
27.5	71.47%	81.02%	-9.55%
28.5	70.71%	80.38%	-9.67%
29.5	70.06%	79.80%	-9.74%
30.5	69.31%	79.14%	-9.83%
31.5	68.58%	78.49%	-9.91%
32.5	67.90%	77.87%	-9.97%
33.5	67.04%	77.08%	-10.04%
34.5	66.38%	76.48%	-10.10%

Rebuttal Exhibit DAW-7

OG&E Account 368
Comparison of Company vs OIEC Life Table Results

[1]	[2]	[3]	[4]
Age (Years)	**Company P58-22 E97-22 OLT % Surv**	**OIEC P58-22 E72-22 OLT % Surv**	**% Difference**
35.5	65.75%	75.89%	-10.15%
36.5	65.09%	75.28%	-10.19%
37.5	64.32%	74.56%	-10.24%
38.5	63.30%	73.58%	-10.28%
39.5	62.58%	72.72%	-10.14%
40.5	61.04%	70.91%	-9.88%
41.5	59.98%	69.62%	-9.64%
42.5	58.32%	67.58%	-9.26%
43.5	57.47%	66.59%	-9.12%
44.5	56.55%	65.53%	-8.98%
45.5	55.55%	64.36%	-8.81%
46.5	54.43%	63.07%	-8.64%
47.5	53.04%	61.46%	-8.42%
48.5	51.86%	60.10%	-8.24%
49.5	50.30%	58.29%	-7.99%
50.5	48.96%	56.73%	-7.77%
51.5	48.16%	55.80%	-7.64%
52.5	47.66%	55.23%	-7.57%
53.5	47.16%	54.65%	-7.49%
54.5	46.77%	54.20%	-7.43%
55.5	46.46%	53.83%	-7.37%
56.5	46.11%	53.43%	-7.32%
57.5	45.96%	53.25%	-7.29%
58.5	45.84%	53.12%	-7.28%
59.5	45.71%	52.97%	-7.26%
60.5	45.63%	52.87%	-7.24%
61.5	45.48%	52.70%	-7.22%
62.5	45.19%	52.36%	-7.17%
63.5	45.01%	52.16%	-7.15%
64.5	44.91%		

Rebuttal Exhibit DAW-8

OG&E Account 373
Comparison of Company vs OIEC Life Table Results

[1] Age (Years)	[2] Company P58-22 E97-22 OLT % Surv	[3] OIEC P58-22 E72-22 OLT % Surv	[4] % Difference
0.0	100.00%	100.00%	0.00%
0.5	99.94%	99.94%	0.00%
1.5	99.61%	99.61%	0.00%
2.5	98.65%	98.66%	-0.01%
3.5	97.78%	97.81%	-0.03%
4.5	97.01%	97.07%	-0.06%
5.5	96.01%	96.10%	-0.09%
6.5	94.59%	94.72%	-0.13%
7.5	93.56%	93.73%	-0.17%
8.5	91.92%	92.13%	-0.21%
9.5	90.93%	91.23%	-0.30%
10.5	88.54%	89.05%	-0.51%
11.5	86.77%	87.43%	-0.66%
12.5	84.74%	85.80%	-1.06%
13.5	82.46%	83.95%	-1.49%
14.5	79.69%	81.95%	-2.26%
15.5	77.58%	80.47%	-2.89%
16.5	76.72%	79.87%	-3.16%
17.5	76.16%	79.49%	-3.33%
18.5	75.34%	78.94%	-3.60%
19.5	74.31%	78.26%	-3.95%
20.5	73.35%	77.63%	-4.28%
21.5	72.39%	77.03%	-4.64%
22.5	71.27%	76.35%	-5.08%
23.5	70.12%	75.67%	-5.55%
24.5	68.98%	75.04%	-6.06%
25.5	66.39%	73.66%	-7.27%
26.5	64.91%	72.92%	-8.01%
27.5	62.27%	71.67%	-9.40%
28.5	60.29%	70.77%	-10.48%
29.5	58.46%	69.98%	-11.52%
30.5	56.86%	69.29%	-12.43%
31.5	56.06%	68.95%	-12.89%
32.5	55.16%	68.57%	-13.41%
33.5	54.27%	68.22%	-13.95%
34.5	53.17%	67.82%	-14.65%
35.5	52.56%	67.45%	-14.89%

Rebuttal Exhibit DAW-8

OG&E Account 373
Comparison of Company vs OIEC Life Table Results

[1]	[2]	[3]	[4]
	Company	**OIEC**	
Age	**P58-22 E97-22 OLT**	**P58-22 E72-22 OLT**	
(Years)	**% Surv**	**% Surv**	**% Difference**
36.5	50.90%	66.48%	-15.58%
37.5	48.51%	65.10%	-16.59%
38.5	47.46%	63.71%	-16.25%
39.5	46.42%	61.94%	-15.52%
40.5	45.41%	59.17%	-13.77%
41.5	44.67%	57.45%	-12.78%
42.5	43.12%	55.81%	-12.69%
43.5	41.85%	54.17%	-12.32%
44.5	40.76%	52.75%	-11.99%
45.5	39.96%	51.72%	-11.76%
46.5	39.51%	51.14%	-11.63%
47.5	38.37%	49.67%	-11.30%
48.5	38.08%	49.29%	-11.21%
49.5	37.73%	48.83%	-11.10%
50.5	37.52%	48.56%	-11.04%
51.5	37.46%	48.49%	-11.03%
52.5	37.43%	48.45%	-11.02%
53.5	37.37%	48.37%	-11.00%
54.5	37.33%	48.32%	-10.99%
55.5	37.29%	48.27%	-10.98%
56.5	37.20%	48.14%	-10.95%
57.5	37.17%	48.11%	-10.94%
58.5	37.13%	48.06%	-10.93%
59.5	37.05%	47.95%	-10.90%
60.5	36.56%	47.32%	-10.77%
61.5	34.79%	45.03%	-10.24%
62.5	21.93%	28.38%	-6.46%
63.5	11.30%	14.63%	-3.33%
64.5	4.85%		

OKLAHOMA GAS AND ELECTRIC COMPANY

COMPARISON OF ANNUAL DEPRECIATION ACCRUAL AMOUNTS AND RATES
RELATED TO ELECTRIC PLANT AS OF DECEMBER 31, 2022
OIEC RECOMMENDED

ACCOUNT	Plant Balance	Current Accrual Oklahoma	OIEC Proposal Accrual Oklahoma	Difference	Exhibit DJG-2-1 Garrett Summary	Difference
	$	$	$	$	$	$
INTANGIBLE PLANT	337,559,274	29,115,125	17,644,781	(11,470,344)	16,406,753	(1,238,028)
STEAM PRODUCTION PLANT	3,289,782,854	90,713,068	90,039,851	(673,217)	86,932,252	(3,107,599)
OTHER PRODUCTION PLANT	2,212,048,754	77,544,134	64,117,080	(13,427,054)	64,697,594	580,514
TRANSMISSION PLANT	3,080,153,781	63,825,227	60,036,679	(3,788,547)	60,037,025	346
DISTRIBUTION PLANT	5,623,596,842	149,218,749	162,963,741	13,744,992	162,965,669	1,928
GENERAL PLANT	542,565,943	33,750,850	34,738,050	987,200	34,738,050	0
DEPRECIABLE ELECTRIC PLANT	15,085,707,448	444,167,153	429,540,183	(14,626,970)	425,777,344	(3,762,839)

OKLAHOMA GAS AND ELECTRIC COMPANY

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PRODUCTION AND OTHER PRODUCTION REALLOCATED WITHIN EACH GROUP
ALL FUNCTIONS REALLOCATED WITHIN EACH GROUP
TRANSMISSION, DISTRIBUTION, AND GENERAL RESERVE PER BOOK
OIEC RECOMMENDED

	ACCOUNT (1)	Plant Balance	Reallocated Book Reserve	Net Salvage %	Net Salvage Amount	Unaccrued Balance	Remaining Life	Accrual Amount	Annual Accrual Rate
	INTANGIBLE PLANT								
302	FRANCHISES AND CONSENTS	1,551,188	830,287	0.00%	0	720,901	10.85	66,413	4.28%
303.1	MISCELLANEOUS INTANGIBLE PLANT - SOFTWARE - 5-YEAR	113,907,272	43,455,282	0.00%	0	70,451,990	7.46	9,445,966	8.29%
303.2	MISCELLANEOUS INTANGIBLE PLANT - SOFTWARE - 10-YEAR								
	FULLY DEPRECIATED	73,273,842	73,273,842						
	AMORTIZED	148,826,972	79,876,570	0.00%	0	68,950,402	8.48	8,132,403	5.46%
	TOTAL SOFTWARE - 10-YEAR	337,559,274	197,435,981	0.00%	0	140,123,293		17,644,781	
	TOTAL INTANGIBLE PLANT								
	STEAM PRODUCTION PLANT								
310.2	**RIGHTS OF WAY**	28,509	28,227	0.00%	0	282	1.00	282	0.99%
	HORSESHOE LAKE 6	78,916	77,484	0.00%	0	1,432	8.00	179	0.23%
	SEMINOLE 1	18,934	15,129	0.00%	0	3,805	20.00	190	1.00%
	MUSKOGEE 4	813,704	414,043	0.00%	0	399,661	22.00	18,166	2.23%
	SOONER 1	940,063	534,882		0	405,181	51.00	18,818	2.00%
	TOTAL RIGHTS OF WAY								
311	**STRUCTURES AND IMPROVEMENTS**								
	HORSESHOE LAKE 6	201,906	154,882	0.00%	0	47,024	1.00	47,024	23.29%
	HORSESHOE LAKE 7	2,807,502	2,797,956	-1.00%	(28,075)	37,621	2.00	18,810	0.67%
	HORSESHOE LAKE 8	28,618,552	20,766,378	-1.00%	(286,186)	8,138,360	5.00	1,627,672	5.69%
	SEMINOLE 1	26,448,745	17,613,617	-1.00%	(264,487)	9,099,615	8.00	1,137,452	4.30%
	SEMINOLE 2	3,799,406	2,357,796	-2.00%	(75,988)	1,517,598	10.00	151,760	3.99%
	SEMINOLE 3	8,154,375	6,485,497	-2.00%	(163,088)	1,831,966	12.00	152,664	1.87%
	MUSKOGEE 4	69,811,751	26,352,281	-2.00%	(1,396,235)	44,855,706	20.00	2,242,785	3.21%
	MUSKOGEE 5	7,451,169	4,750,955	-3.00%	(223,535)	2,923,749	21.00	139,226	1.87%
	MUSKOGEE 6	58,954,946	33,972,175	-4.00%	(2,358,198)	27,340,969	27.00	1,012,628	1.72%
	SOONER 1	151,399,419	72,384,528	-2.00%	(3,027,988)	82,042,879	22.00	3,729,222	2.46%
	SOONER 2	12,655,397	9,235,330	-3.00%	(379,662)	3,799,729	23.00	165,206	1.31%
	RIVER VALLEY 1	61,139,973	35,843,027	-3.00%	(1,834,199)	27,131,146	26.00	1,043,506	1.71%
	RIVER VALLEY 2	54,656	24,260	-4.00%	(2,186)	32,583	26.00	1,253	2.29%
	TOTAL STRUCTURES AND IMPROVEMENTS	431,497,798	232,738,682		(10,039,827)	208,798,943		11,469,208	2.66%
312	**BOILER PLANT EQUIPMENT**								
	HORSESHOE LAKE 6	20,996,286	18,680,396	0.00%	0	2,315,890	1.00	2,315,890	11.03%
	HORSESHOE LAKE 7	15,246,822	14,533,271	-1.00%	(152,468)	866,019	2.00	433,010	2.84%
	HORSESHOE LAKE 8	22,959,876	18,184,318	-1.00%	(229,599)	5,005,157	5.00	1,001,031	4.36%
	SEMINOLE 1	59,087,267	39,206,222	-1.00%	(590,873)	20,471,917	8.00	2,558,990	4.33%
	SEMINOLE 2	49,105,513	32,600,061	-2.00%	(982,110)	17,487,562	10.00	1,748,756	3.56%
	SEMINOLE 3	68,970,927	45,854,589	-2.00%	(1,379,419)	24,495,757	12.00	2,041,313	2.96%
	MUSKOGEE 4	127,239,724	62,001,788	-2.00%	(2,544,794)	67,782,731	20.00	3,389,137	2.66%
	MUSKOGEE 5	118,189,382	63,891,529	-3.00%	(3,545,681)	57,843,535	21.00	2,754,454	2.33%
	MUSKOGEE 6	301,242,531	162,154,678	-4.00%	(12,049,701)	151,137,554	27.00	5,597,687	1.86%
	SOONER 1	549,266,125	188,689,577	-2.00%	(10,985,323)	371,561,871	22.00	16,889,176	3.07%
	SOONER 2	369,243,742	133,597,651	-3.00%	(11,077,312)	246,723,403	23.00	10,727,104	2.91%
	RIVER VALLEY 1	221,271,646	125,369,226	-3.00%	(6,638,149)	102,540,570	26.00	3,943,868	1.78%
	RIVER VALLEY 2	121,987,581	72,686,076	-4.00%	(4,879,503)	54,181,008	26.00	2,083,885	1.71%

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ALL FUNCTIONS REALLOCATED WITHIN EACH GROUP
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OIEC RECOMMENDED

	ACCOUNT	Plant Balance	Reallocated Book Reserve	Net Salvage %	Net Salvage Amount	Unaccrued Balance	Remaining Life	Accrual Amount	Annual Accrual Rate
	TOTAL BOILER PLANT EQUIPMENT	2,044,807,422	977,449,380		(55,054,933)	1,122,412,975		55,484,302	2.71%
314	**TURBOGENERATOR UNITS**								
	HORSESHOE LAKE 6	10,842,200	8,913,373	0.00%	0	1,928,827	1.00	1,928,827	17.79%
	HORSESHOE LAKE 7	10,985,415	10,223,027	-1.00%	(109,854)	872,242	2.00	436,121	3.97%
	HORSESHOE LAKE 8	29,108,074	21,306,593	-1.00%	(291,081)	8,092,561	5.00	1,618,512	5.56%
	SEMINOLE 1	32,468,391	24,122,661	-1.00%	(324,684)	8,670,414	8.00	1,083,802	3.34%
	SEMINOLE 2	44,903,852	28,309,262	-2.00%	(898,077)	17,492,667	10.00	1,749,267	3.90%
	SEMINOLE 3	32,494,674	21,987,292	-2.00%	(649,893)	11,157,276	12.00	929,773	2.86%
	MUSKOGEE 4	71,581,697	29,873,503	-2.00%	(1,431,634)	43,139,827	20.00	2,156,991	3.01%
	MUSKOGEE 5	52,439,504	30,052,236	-3.00%	(1,573,185)	23,960,453	21.00	1,140,974	2.18%
	MUSKOGEE 6	94,009,241	45,306,008	-4.00%	(3,760,370)	52,463,602	27.00	1,943,096	2.07%
	SOONER 1	43,344,918	23,424,426	-2.00%	(866,898)	20,787,391	22.00	944,881	2.18%
	SOONER 2	49,136,488	25,387,134	-3.00%	(1,474,095)	25,223,448	23.00	1,096,672	2.23%
	RIVER VALLEY 1	53,028,756	25,455,403	-3.00%	(1,590,863)	29,164,216	26.00	1,121,701	2.12%
	RIVER VALLEY 2	30,735,122	16,789,494	-4.00%	(1,229,405)	15,175,033	26.00	583,655	1.90%
	TOTAL TURBOGENERATOR UNITS	555,078,332	311,150,414		(14,200,039)	258,127,957		16,734,272	3.01%
315	**ACCESSORY ELECTRIC EQUIPMENT**								
	HORSESHOE LAKE 6	3,348,719	2,863,824	0.00%	0	484,895	1.00	484,895	14.48%
	HORSESHOE LAKE 7	2,377,714	2,051,016	-1.00%	(23,777)	350,475	2.00	175,238	7.37%
	HORSESHOE LAKE 8	2,799,956	2,508,029	-1.00%	(28,000)	319,926	5.00	63,985	2.29%
	SEMINOLE 1	4,042,504	3,229,911	-1.00%	(40,425)	853,018	4.48	190,382	4.71%
	SEMINOLE 2	3,287,888	1,800,551	-2.00%	(65,758)	1,553,095	10.00	155,309	4.72%
	SEMINOLE 3	5,362,861	4,162,713	-2.00%	(107,257)	1,307,405	12.00	108,950	2.03%
	MUSKOGEE 4	34,848,214	19,537,542	-2.00%	(696,964)	16,007,637	20.00	800,382	2.30%
	MUSKOGEE 5	12,449,797	8,644,153	-3.00%	(373,494)	4,179,138	21.00	199,007	1.60%
	MUSKOGEE 6	44,124,866	28,263,314	-4.00%	(1,764,995)	17,626,546	27.00	652,835	1.48%
	SOONER 1	25,739,512	18,011,461	-2.00%	(514,790)	8,242,842	22.00	374,675	1.46%
	SOONER 2	13,215,686	9,421,374	-3.00%	(396,471)	4,190,783	23.00	182,208	1.38%
	RIVER VALLEY 1	41,676,296	23,186,787	-3.00%	(1,250,289)	19,739,798	26.00	759,223	1.82%
	RIVER VALLEY 2	1,565,529	219,076	-4.00%	(62,621)	1,409,074	26.00	54,195	3.46%
	TOTAL ACCESSORY ELECTRIC EQUIPMENT	194,839,542	123,899,752		(5,324,840)	76,264,630		4,201,283	2.16%
316	**MISCELLANEOUS POWER PLANT EQUIPMENT**								
	HORSESHOE LAKE 6	2,111,076	1,876,747	0.00%	0	234,329	1.00	234,329	11.10%
	HORSESHOE LAKE 7	1,116,214	1,057,055	-1.00%	(11,162)	70,321	2.00	35,161	3.15%
	HORSESHOE LAKE 8	3,830,753	1,875,140	-1.00%	(38,308)	1,993,921	5.00	398,784	10.41%
	SEMINOLE 1	4,188,322	3,005,320	-1.00%	(41,883)	1,224,885	8.00	153,111	3.66%
	SEMINOLE 2	21,726	20,778	-2.00%	(435)	1,382	10.00	138	0.64%
	SEMINOLE 3	300,618	171,304	-2.00%	(6,012)	135,327	12.00	11,277	3.75%
	MUSKOGEE 4	10,582,057	3,802,549	-2.00%	(211,641)	6,991,149	20.00	349,557	3.30%
	MUSKOGEE 5	703,624	417,395	-3.00%	(21,109)	307,338	21.00	14,635	2.08%
	MUSKOGEE 6	4,642,616	2,761,509	-4.00%	(185,705)	2,066,812	27.00	76,549	1.65%
	SOONER 1	9,176,698	3,198,178	-2.00%	(183,534)	6,162,054	22.00	280,093	3.05%
	SOONER 2	2,423,736	1,443,990	-3.00%	(72,712)	1,052,458	23.00	45,759	1.89%
	RIVER VALLEY 1	20,631,345	10,455,040	-3.00%	(618,940)	10,795,246	26.00	415,202	2.01%
	RIVER VALLEY 2	32,329	1,037	-3.00%	(970)	32,262	26.00	1,241	3.84%
	POWER SUPPLY SERVICES	2,858,584	911,152	-5.00%	(142,929)	2,090,361	18.00	116,131	4.06%
	TOTAL MISCELLANEOUS POWER PLANT EQUIPMENT	62,619,698	30,997,193		(1,535,340)	33,157,845		2,131,968	3.40%
	TOTAL STEAM PRODUCTION PLANT	**3,289,782,854**	**1,676,770,304**		**(86,154,979)**	**1,699,167,530**		**90,039,851**	

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	ACCOUNT	Plant Balance	Reallocated Book Reserve	Net Salvage %	Net Salvage Amount	Unaccrued Balance	Remaining Life	Accrual Amount	Annual Accrual Rate
	OTHER PRODUCTION PLANT								
340.2	RIGHTS OF WAY								
	MUSTANG CTs	10,815	8,949	0.00%	0	1,866	32.00	58	0.54%
341	STRUCTURES AND IMPROVEMENTS								
	REDBUD 1	34,235,763	15,424,623	-1.00%	(342,358)	19,153,498	27.00	709,389	2.07%
	REDBUD 2	318,306	69,678	-1.00%	(3,183)	251,811	27.00	9,326	2.93%
	REDBUD 3	265,177	62,057	-1.00%	(2,652)	205,772	27.00	7,621	2.87%
	REDBUD 4	288,878	72,051	-1.00%	(2,889)	219,716	27.00	8,138	2.82%
	HORSESHOE LAKE 9 AND 10	1,201,774	879,536	0.00%	0	322,238	13.00	24,788	2.06%
	TINKER	1,781,246	1,307,791	0.00%	0	473,455	3.00	157,818	8.86%
	MCCLAIN GAS 1	11,750,959	4,904,570	-1.00%	(117,510)	6,963,899	13.00	535,685	4.56%
	MCCLAIN GAS 2	1,788,683	930,853	-1.00%	(17,887)	875,717	24.00	36,488	2.04%
	MCCLAIN STEAM 1	1,070,785	493,603	-1.00%	(10,708)	587,890	24.00	24,495	2.29%
	FRONTIER 1	8,395,038	5,050,045	-2.00%	(167,901)	3,512,895	26.00	135,111	1.61%
	MUSTANG CTs	43,721,045	8,867,634	-1.00%	(437,210)	35,290,622	32.00	1,102,832	2.52%
	TOTAL STRUCTURES AND IMPROVEMENTS	104,817,655	38,062,439		(1,102,297)	67,857,512		2,751,691	
341	STRUCTURES AND IMPROVEMENTS - WIND								
	CENTENNIAL	3,014,587	1,432,217	-1.00%	(30,146)	1,612,516	14.00	115,180	3.82%
	OU SPIRIT	5,228,646	2,517,532	-2.00%	(104,573)	2,815,687	17.00	165,629	3.17%
	CROSSROADS	11,538,638	4,707,322	-2.00%	(230,773)	7,062,088	19.00	371,689	3.22%
	TOTAL STRUCTURES AND IMPROVEMENTS - WIND	19,781,871	8,657,071		(365,492)	11,490,291		652,497	
341	STRUCTURES AND IMPROVEMENTS - SOLAR	4,465,531	525,249	0.00%	0	3,940,282	21.82	180,611	4.04%
342	FUEL HOLDERS, PRODUCERS AND ACCESSORIES								
	REDBUD 1	12,117,606	5,638,132	-1.00%	(121,176)	6,600,650	27.00	244,469	2.02%
	REDBUD 2	690,651	324,530	-1.00%	(6,907)	373,028	27.00	13,816	2.00%
	REDBUD 3	691,292	324,789	-1.00%	(6,913)	373,416	27.00	13,830	2.00%
	REDBUD 4	719,786	331,828	-1.00%	(7,198)	395,156	27.00	14,635	2.03%
	TINKER	167,151	149,349	0.00%	0	17,802	3.00	5,934	3.55%
	MCCLAIN GAS 1	354,085	197,288	-1.00%	(3,541)	160,337	24.00	6,681	1.89%
	MCCLAIN GAS 2	260,457	139,503	-1.00%	(2,605)	123,558	24.00	5,148	1.98%
	FRONTIER 1	978,948	752,576	-2.00%	(19,579)	245,951	26.00	9,460	0.97%
	MUSTANG CTs	7,657,023	1,307,062	-1.00%	(76,570)	6,426,531	32.00	200,829	2.62%
	TOTAL FUEL HOLDERS, PRODUCERS AND ACCESSORIES	23,636,999	9,165,057		(244,488)	14,716,430		514,802	
343	PRIME MOVERS								
	REDBUD 1	93,479,687	36,399,390	-1.00%	(934,797)	58,015,094	27.00	2,148,707	2.30%
	REDBUD 2	67,426,482	28,798,691	-1.00%	(674,265)	39,302,056	27.00	1,455,632	2.16%
	REDBUD 3	67,539,780	28,919,347	-1.00%	(675,398)	39,295,830	27.00	1,455,401	2.15%
	REDBUD 4	61,546,829	26,665,368	-1.00%	(615,468)	35,496,930	27.00	1,314,701	2.14%
	HORSESHOE LAKE 9 AND 10	8,902,621	5,424,885	0.00%	0	3,477,736	13.00	267,518	3.00%
	TINKER	4,550,058	3,602,736	0.00%	0	947,322	3.00	315,774	6.94%
	MCCLAIN GAS 1	110,863,190	53,504,736	-1.00%	(1,108,632)	58,467,086	24.00	2,436,129	2.20%
	MCCLAIN GAS 2	105,433,620	55,003,755	-1.00%	(1,054,336)	51,484,201	24.00	2,145,175	2.03%
	MCCLAIN STEAM 1	52,753,857	29,924,818	-1.00%	(527,539)	23,356,578	24.00	973,191	1.84%
	FRONTIER 1	65,667,528	40,953,101	-2.00%	(1,313,351)	26,027,777	26.00	1,001,068	1.52%
	MUSTANG CTs	263,333,261	44,736,725	-1.00%	(2,633,333)	221,229,869	32.00	6,913,433	2.63%
	TOTAL PRIME MOVERS	901,496,913	353,933,552		(9,537,118)	557,100,479		20,426,729	

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	ACCOUNT	Plant Balance	Reallocated Book Reserve	Net Salvage %	Net Salvage Amount	Unaccrued Balance	Remaining Life	Accrual Amount	Annual Accrual Rate
	LTSA								
343.1	6-YEAR								
	REDBUD 1	6,096,068	4,760,245	0.00%	0	1,335,823	2.50	534,329	8.77%
	REDBUD 2	13,864,899	10,826,704	0.00%	0	3,038,195	2.50	1,215,278	8.77%
	REDBUD 3	13,998,897	10,931,339	0.00%	0	3,067,558	2.50	1,227,023	8.77%
	REDBUD 4	5,993,168	4,679,894	0.00%	0	1,313,274	2.50	525,310	8.77%
	MCCLAIN GAS 1	15,798,603	12,336,678	0.00%	0	3,461,925	2.50	1,384,770	8.77%
	MCCLAIN GAS 2	15,810,675	12,346,105	0.00%	0	3,464,570	2.50	1,385,828	8.77%
	Total 6 - YR	71,562,310	55,880,965		0	15,681,345		6,272,538	
343.2	20-YEAR								
	REDBUD 1	1,490,678	1,446,720	0.00%	0	43,958	5.50	7,992	0.54%
	REDBUD 2	1,490,678	1,446,720	0.00%	0	43,958	5.50	7,992	0.54%
	REDBUD 3	1,490,678	1,446,720	0.00%	0	43,958	5.50	7,992	0.54%
	REDBUD 4	1,490,678	1,446,720	0.00%	0	43,958	5.50	7,992	0.54%
	Total 20-Yr	5,962,712	5,786,881		0	175,830		31,969	
343.3	30-YEAR								
	MCCLAIN GAS 1	349,749	288,715	0.00%	0	61,034	11.50	5,307	1.52%
	MCCLAIN GAS 2	343,590	283,631	0.00%	0	59,959	11.50	5,214	1.52%
	Total 30-YR	693,339	572,346		0	120,993		10,521	
	TOTAL LTSA	78,218,361	62,240,192		0	15,978,168		6,315,028	
	TOTAL ACCOUNT 343	979,715,274	416,173,744		-9,537,118	573,078,647		26,741,758	
344	GENERATORS								
	REDBUD 1	717,218	304,886	-1.00%	(7,172)	419,504	27.00	15,537	2.17%
	REDBUD 3	23,199	8,782	-1.00%	(232)	14,649	27.00	543	2.34%
	REDBUD 4	23,035	8,720	-1.00%	(230)	14,545	27.00	539	2.34%
	HORSESHOE LAKE 9 AND 10	36,135,688	26,748,647	0.00%	0	9,387,041	13.00	722,080	2.00%
	TINKER	3,366,088	2,995,482	0.00%	0	370,606	3.00	123,535	3.67%
	FRONTIER 1	8,118,041	6,236,477	-2.00%	(162,361)	2,043,925	26.00	78,612	0.97%
	MUSTANG CTs	31,405,980	5,346,403	-1.00%	(314,060)	26,373,637	32.00	824,176	2.62%
	TOTAL GENERATORS	79,789,249	41,649,398		(484,055)	38,623,906		1,765,023	
344	GENERATORS - WIND								
	CENTENNIAL	185,423,873	104,262,777	-1.00%	(1,854,239)	83,015,335	14.00	5,929,667	3.20%
	OU SPIRIT	237,888,863	112,967,461	-2.00%	(4,757,777)	129,679,179	17.00	7,628,187	3.21%
	CROSSROADS	349,390,682	140,961,939	-2.00%	(6,987,814)	215,416,557	19.00	11,337,714	3.24%
	TOTAL GENERATORS - WIND	772,703,418	358,192,177		(13,599,830)	428,111,071		24,895,567	
344	GENERATORS - SOLAR	39,650,005	6,040,496	0.00%	0	33,609,509	20.63	1,629,134	4.11%
345	ACCESSORY ELECTRIC EQUIPMENT								
	REDBUD 1	13,173,539	5,863,580	-1.00%	(131,735)	7,441,694	27.00	275,618	2.09%
	REDBUD 2	9,557,253	4,360,220	-1.00%	(95,573)	5,292,605	27.00	196,022	2.05%
	REDBUD 3	9,330,337	4,286,840	-1.00%	(93,303)	5,136,801	27.00	190,252	2.04%
	REDBUD 4	9,593,118	4,388,029	-1.00%	(95,931)	5,301,020	27.00	196,334	2.05%
	HORSESHOE LAKE 9 AND 10	4,874,594	3,749,908	0.00%	0	1,124,686	13.00	86,514	1.77%
	TINKER	3,078,637	2,977,966	0.00%	0	100,671	3.00	33,557	1.09%
	MCCLAIN GAS 1	7,224,119	3,437,138	-1.00%	(72,241)	3,859,222	24.00	160,801	2.23%
	MCCLAIN GAS 2	6,049,899	3,332,103	-1.00%	(60,499)	2,778,295	24.00	115,762	1.91%
	MCCLAIN STEAM 1	3,740,436	2,124,302	-1.00%	(37,404)	1,653,539	24.00	68,897	1.84%
	FRONTIER 1	7,857,363	5,667,096	-2.00%	(157,147)	2,347,414	26.00	90,285	1.15%
	MUSTANG CTs	25,263,658	4,441,749	-1.00%	(252,637)	21,074,546	32.00	658,580	2.61%

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OIEC RECOMMENDED

	ACCOUNT	Plant Balance	Reallocated Book Reserve	Net Salvage %	Net Salvage Amount	Unaccrued Balance	Remaining Life	Accrual Amount	Annual Accrual Rate
	TOTAL ACCESSORY ELECTRIC EQUIPMENT	99,742,953	44,628,930		(996,471)	56,110,493		2,072,623	0
345	ACCESSORY ELECTRIC EQUIPMENT - WIND								
	CENTENNIAL	2,324,844	684,936	-1.00%	(23,248)	1,663,156	14.00	118,797	5.11%
	OU SPIRIT	4,871,019	877,307	-2.00%	(97,420)	4,091,132	17.00	240,655	4.94%
	CROSSROADS	45,877,900	17,679,164	-2.00%	(917,558)	29,116,294	19.00	1,532,437	3.34%
	TOTAL ACCESSORY ELECTRIC EQUIPMENT - WIND	53,073,763	19,241,407		(1,038,227)	34,870,583		1,891,888	0
345	ACCESSORY ELECTRIC EQUIPMENT - SOLAR	9,653,560	1,267,497	0.00%	0	8,386,063	21.64	387,589	4.01%
346	MISCELLANEOUS POWER PLANT EQUIPMENT								
	REDBUD 1	2,774,340	893,821	-1.00%	(27,743)	1,908,262	27.00	70,676	2.55%
	REDBUD 2	18,098	6,681	-1.00%	(181)	11,598	27.00	430	2.37%
	REDBUD 3	13,800	2,647	-1.00%	(138)	11,291	27.00	418	3.03%
	REDBUD 4	20,045	4,575	-1.00%	(200)	15,671	27.00	580	2.90%
	HORSESHOE LAKE 9 AND 10	1,033,095	797,312	0.00%	0	235,783	13.00	18,137	1.76%
	TINKER	61,581	24,614	0.00%	0	36,967	3.00	12,322	20.01%
	MCCLAIN GAS 1	5,975,450	2,802,548	-1.00%	(59,755)	3,232,656	24.00	134,694	2.25%
	FRONTIER 1	5,299,221	2,907,321	-2.00%	(105,984)	2,497,884	26.00	96,072	1.81%
	MUSTANG CTs	7,704,785	1,175,707	-1.00%	(77,048)	6,606,126	32.00	206,441	2.68%
	TOTAL MISCELLANEOUS POWER PLANT EQUIPMENT	22,900,415	8,615,227		(271,050)	14,556,238		539,772	
346	MISCELLANEOUS POWER PLANT EQUIPMENT - WIND								
	CENTENNIAL	885,860	365,623	-1.00%	(8,859)	529,095	14.00	37,793	4.27%
	OU SPIRIT	658,794	114,407	-2.00%	(13,176)	557,563	17.00	32,798	4.98%
	CROSSROADS	562,592	127,787	-2.00%	(11,252)	446,057	19.00	23,477	4.17%
	TOTAL MISCELLANEOUS POWER PLANT EQUIPMENT - WIND	2,107,246	607,817		(33,286)	1,532,715		94,067	
	TOTAL OTHER PRODUCTION PLANT	**2,212,048,754**	**952,835,459**		**-27,672,312**	**1,286,885,607**		**64,117,080**	

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	ACCOUNT	Plant Balance	Per Book Reserve	Net Salvage %	Net Salvage Amount	Unaccrued Balance	Remaining Life	Accrual Amount	Annual Accrual Rate
350.2	LAND RIGHTS	131,963,405	26,357,019	0.00%	0	105,606,386	58.21	1,814,290	1.37%
352.0	STRUCTURES AND IMPROVEMENTS	9,042,721	2,184,920	-10.00%	(904,272)	7,762,073	55.93	138,791	1.53%
353.0	STATION EQUIPMENT	954,383,732	202,724,022	-20.00%	(190,876,746)	942,536,456	46.50	20,269,880	2.12%
354.0	TOWERS AND FIXTURES	173,271,523	60,653,413	-20.00%	(34,654,305)	147,272,414	54.02	2,726,420	1.57%
355.0	POLES AND FIXTURES	1,117,698,049	284,310,845	-65.00%	(726,503,732)	1,559,890,936	70.91	21,997,954	1.97%
356.0	OVERHEAD CONDUCTORS AND DEVICES	693,683,857	234,327,621	-55.00%	(381,526,121)	840,882,358	64.24	13,089,344	1.89%
358.0	UNDERGROUND CONDUCTORS AND DEVICES	110,494	112,091	0.00%	0	(1,597)	6.76	(236)	0.00%
	TOTAL TRANSMISSION PLANT	**3,080,153,781**	**810,669,931**		**(1,334,465,176)**	**3,603,949,026**		**60,036,443**	
	DISTRIBUTION PLANT								
360.2	LAND RIGHTS	6,459,925	1,856,485	0.00%	0	4,603,440	54.55	84,383	1.31%
361.0	STRUCTURES AND IMPROVEMENTS	7,971,930	2,384,771	-10.00%	(797,193)	6,384,352	52.94	120,585	1.51%
362.0	STATION EQUIPMENT	877,615,427	199,661,000	-35.00%	(307,165,399)	985,119,827	48.55	20,291,014	2.31%
363.0	STORAGE BATTERY	851,046	173,818	0.00%	0	677,228	11.52	58,780	6.91%
364.0	POLES, TOWERS AND FIXTURES	786,956,009	304,180,726	-65.00%	(511,521,406)	994,296,689	48.67	20,429,024	2.60%
365.0	OVERHEAD CONDUCTORS AND DEVICES	1,101,396,821	231,506,879	-55.00%	(605,768,252)	1,475,658,194	53.38	27,644,482	2.51%
366.0	UNDERGROUND CONDUIT	335,409,588	88,577,525	-25.00%	(83,852,397)	330,684,460	53.10	6,227,440	1.86%
367.0	UNDERGROUND CONDUCTORS AND DEVICES	971,654,868	280,382,265	-55.00%	(534,410,177)	1,225,682,780	45.96	26,665,900	2.74%
368.0	LINE TRANSFORMERS	670,460,796	128,190,027	-65.00%	(435,799,517)	978,070,286	37.56	26,042,490	3.88%
369.0	SERVICES	266,118,193	149,026,905	-35.00%	(93,141,368)	210,232,656	45.47	4,623,710	1.74%
	METERS								
370.0	METERS - SMART METERS	184,961,833	93,760,342	-10.00%	(18,496,183)	109,697,674	7.52	14,596,513	7.89%
370.1	METERS - METERING EQUIPMENT	39,490,060	26,311,722	-10.00%	(3,949,006)	17,127,344	21.22	807,233	2.04%
	TOTAL METERS								
371.0	INSTALLATIONS ON CUSTOMERS' PREMISES	57,414,311	42,421,298	0.00%	0	14,993,013	6.45	2,324,969	4.05%
373.0	STREET LIGHTING AND SIGNAL SYSTEMS	316,836,035	47,184,922	-55.00%	(174,259,819)	443,910,932	34.02	13,047,218	4.12%
	TOTAL DISTRIBUTION PLANT	**5,623,596,842**	**1,595,618,685**		**(2,769,160,718)**	**6,797,138,875**		**162,963,741**	
	GENERAL PLANT								
389.2	LAND RIGHTS	178,598	88,692	0.00%	0	89,906	23.96	3,753	2.10%
390.0	STRUCTURES AND IMPROVEMENTS	228,678,766	64,711,425	-5.00%	(11,433,938)	175,401,279	39.49	4,441,385	1.94%
	OFFICE FURNITURE AND EQUIPMENT								
391.0	OFFICE FURNITURE AND EQUIPMENT	19,379,183	5,810,415	0.00%	0	13,568,767	6.95	1,951,594	10.07%
391.1	COMPUTER EQUIPMENT	74,525,311	42,563,446	0.00%	0	31,961,865	2.19	14,591,706	19.58%
	TOTAL OFFICE AND FURNITURE EQUIPMENT	93,904,494	48,373,862		0	45,530,632		16,543,300	
	TRANSPORTATION EQUIPMENT				0				
392.1	CARS AND TRUCKS	27,059,844	14,972,932	10.00%	2,705,984	9,380,928	4.97	1,887,734	6.98%
392.5	HEAVY TRUCKS	78,137,483	32,340,212	10.00%	7,813,748	37,983,523	8.05	4,720,062	6.04%
392.6	TRAILERS	10,015,704	3,582,039	10.00%	1,001,570	5,432,095	17.91	303,320	3.03%
	TOTAL TRANSPORTATION EQUIPMENT	115,213,031	50,895,183		11,521,303	52,796,545		6,911,115	
393.0	STORES EQUIPMENT	1,198,089	208,600	0.00%	0	989,489	16.95	58,387	4.87%
394.0	TOOLS, SHOP AND GARAGE EQUIPMENT	28,819,877	5,855,631	0.00%	0	22,964,246	18.79	1,222,160	4.24%
395.0	LABORATORY EQUIPMENT	11,310,063	4,348,664	0.00%	0	6,961,399	9.64	722,112	6.38%
396.0	POWER OPERATED EQUIPMENT	16,256,047	6,536,704	15.00%	2,438,407	7,280,936	9.88	737,212	4.54%

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									Annual
397.0	COMMUNICATION EQUIPMENT	34,537,031	19,729,114	0.00%	0	14,807,917	4.17	3,547,456	10.27%
398.0	MISCELLANEOUS EQUIPMENT	12,469,947	4,862,439	0.00%	0	7,607,508	13.80	551,169	4.42%
	TOTAL GENERAL PLANT	**542,565,943**	**205,610,313**		**2,525,772**	**334,429,858**		**34,738,050**	
	TOTAL DEPRECIABLE ELECTRIC PLANT	**15,085,707,448**	**5,438,940,672**		**(4,214,927,413)**	**13,861,694,189**		**429,539,947**	

NOTES:

1) ACCOUNTS BELOW WILL HAVE THE FOLLOWING RATES .

303.4 MISCELLANEOUS INTANGIBLE PLANT - SAP S4 SOFTWARE	6.67%
311-316 NEW UNITS AT HORSESHOE LAKE ARE PROJECTED TO HAVE A RATE OF	3.00%
358 WHEN PLANT IS ADDED WHERE THE PLANT BALANCE IS GREATER THAN ACCUMULATED DEPRECIATION PROPOSED	2.22%

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	ACCOUNT (1)	Plant Balance	Oklahoma Accrual rate	Current Oklahoma $	Proposed Accrual rate	Proposal Accrual $	Difference
	INTANGIBLE PLANT						
302.00	FRANCHISES AND CONSENTS	1,551,188	4.48	69,493	4.28%	66,413	-3,081
303.1	MISCELLANEOUS INTANGIBLE PLANT - SOFTWARE - 5-YEAR	113,907,272	15.87	18,077,084	8.29%	9,445,966	-8,631,118
303.2	MISCELLANEOUS INTANGIBLE PLANT - SOFTWARE - 10-YEAR						
	FULLY DEPRECIATED	73,273,842					
	AMORTIZED	148,826,972	7.37	10,968,548	5.46%	8,132,403	(2,836,145)
	TOTAL SOFTWARE - 10-YEAR	222,100,814					
	TOTAL INTANGIBLE PLANT	337,559,274		18,146,577		17,644,781	(11,470,344)
	STEAM PRODUCTION PLANT						
310.2	RIGHTS OF WAY						
	HORSESHOE LAKE 6	28,509	0.99	282	0.99%	282	(0)
	SEMINOLE 1	78,916	2.11	1,665	0.23%	179	(1,486)
	MUSKOGEE 4	18,934	2.68	507	1.00%	190	(317)
	SOONER 1	813,704	3.18	25,876	2.23%	18,166	(7,709)
	TOTAL RIGHTS OF WAY	940,063	3.01	28,331	2.00%	18,818	(9,513)
311	STRUCTURES AND IMPROVEMENTS						
	HORSESHOE LAKE 6	201,906	23.29	47,024	23.29%	47,024	0
	HORSESHOE LAKE 7	2,807,502	0.67	18,810	0.67%	18,810	0
	HORSESHOE LAKE 8	28,618,552	7.67	2,195,043	5.69%	1,627,672	(567,371)
	SEMINOLE 1	26,448,745	4.07	1,076,464	4.30%	1,137,452	60,988
	SEMINOLE 2	3,799,406	3.43	130,320	3.99%	151,760	21,440
	SEMINOLE 3	8,154,375	1.70	138,624	1.87%	152,664	14,039
	MUSKOGEE 4	69,811,751	3.44	2,401,524	3.21%	2,242,785	(158,739)
	MUSKOGEE 5	7,451,169	1.99	148,278	1.87%	139,226	(9,052)
	MUSKOGEE 6	58,954,946	1.22	719,250	1.72%	1,012,628	293,378
	SOONER 1	151,399,419	2.22	3,361,067	2.46%	3,729,222	368,155
	SOONER 2	12,655,397	1.13	143,006	1.31%	165,206	22,200
	RIVER VALLEY 1	61,139,973	0.36	220,104	1.71%	1,043,506	823,402
	RIVER VALLEY 2	54,656	0.25	137	2.29%	1,253	1,117
	TOTAL STRUCTURES AND IMPROVEMENTS	431,497,798	3.01	10,599,652	2.66%	11,469,208	869,556
312	BOILER PLANT EQUIPMENT						
	HORSESHOE LAKE 6	20,996,286	11.03	2,315,890	11.03%	2,315,890	0
	HORSESHOE LAKE 7	15,246,822	2.84	433,010	2.84%	433,010	0
	HORSESHOE LAKE 8	22,959,876	5.13	1,177,842	4.36%	1,001,031	(176,810)
	SEMINOLE 1	59,087,267	6.55	3,870,216	4.33%	2,558,990	(1,311,226)
	SEMINOLE 2	49,105,513	5.18	2,543,666	3.56%	1,748,756	(794,909)
	SEMINOLE 3	68,970,927	3.82	2,634,689	2.96%	2,041,313	(593,376)
	MUSKOGEE 4	127,239,724	3.77	4,796,938	2.66%	3,389,137	(1,407,801)
	MUSKOGEE 5	118,189,382	2.91	3,439,311	2.33%	2,754,454	(684,857)
	MUSKOGEE 6	301,242,531	1.83	5,512,738	1.86%	5,597,687	84,949
	SOONER 1	549,266,125	3.31	18,180,709	3.07%	16,889,176	(1,291,533)
	SOONER 2	369,243,742	2.94	10,855,766	2.91%	10,727,104	(128,662)
	RIVER VALLEY 1	221,271,646	0.43	951,468	1.78%	3,943,868	2,992,400
	RIVER VALLEY 2	121,987,581	0.47	573,342	1.71%	2,083,885	1,510,543

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	ACCOUNT (1)	Plant Balance	Oklahoma Accrual rate	Current Oklahoma $	Proposed Accrual rate	Proposal Accrual $	Difference
	TOTAL BOILER PLANT EQUIPMENT	2,044,807,422		57,285,584	2.71%	55,484,302	(1,801,283)
314	TURBOGENERATOR UNITS						
	HORSESHOE LAKE 6	10,842,200	17.79	1,928,827	17.79%	1,928,827	0
	HORSESHOE LAKE 7	10,985,415	3.97	436,121	3.97%	436,121	(0)
	HORSESHOE LAKE 8	29,108,074	9.57	2,785,643	5.56%	1,618,512	(1,167,130)
	SEMINOLE 1	32,468,391	3.72	1,207,824	3.34%	1,083,802	(124,022)
	SEMINOLE 2	44,903,852	4.59	2,061,087	3.90%	1,749,267	(311,820)
	SEMINOLE 3	32,494,674	2.39	776,623	2.86%	929,773	153,150
	MUSKOGEE 4	71,581,697	3.27	2,340,721	3.01%	2,156,991	(183,730)
	MUSKOGEE 5	52,439,504	2.14	1,122,205	2.18%	1,140,974	18,769
	MUSKOGEE 6	94,009,241	2.60	2,444,240	2.07%	1,943,096	(501,144)
	SOONER 1	43,344,918	1.83	793,212	2.18%	944,881	151,669
	SOONER 2	49,136,488	2.43	1,194,017	2.23%	1,096,672	(97,345)
	RIVER VALLEY 1	53,028,756	0.41	217,418	2.12%	1,121,701	904,283
	RIVER VALLEY 2	30,735,122	0.50	153,676	1.90%	583,655	429,980
	TOTAL TURBOGENERATOR UNITS	555,078,332		17,461,614	3.01%	16,734,272	(727,342)
315	ACCESSORY ELECTRIC EQUIPMENT						
	HORSESHOE LAKE 6	3,348,719	14.48	484,895	14.48%	484,895	0
	HORSESHOE LAKE 7	2,377,714	7.37	175,238	7.37%	175,238	0
	HORSESHOE LAKE 8	2,799,956	4.26	119,278	2.29%	63,985	(55,293)
	SEMINOLE 1	4,042,504	3.67	148,360	4.71%	190,382	42,022
	SEMINOLE 2	3,287,888	7.16	235,413	4.72%	155,309	(80,103)
	SEMINOLE 3	5,362,861	1.82	97,604	2.03%	108,950	11,346
	MUSKOGEE 4	34,848,214	3.00	1,045,446	2.30%	800,382	(245,065)
	MUSKOGEE 5	12,449,797	1.68	209,157	1.60%	199,007	(10,150)
	MUSKOGEE 6	44,124,866	1.27	560,386	1.48%	652,835	92,449
	SOONER 1	25,739,512	1.27	326,892	1.46%	374,675	47,783
	SOONER 2	13,215,686	1.58	208,808	1.38%	182,208	(26,600)
	RIVER VALLEY 1	41,676,296	0.28	116,694	1.82%	759,223	642,529
	RIVER VALLEY 2	1,565,529	1.13	17,690	3.46%	54,195	36,505
	TOTAL ACCESSORY ELECTRIC EQUIPMENT	194,839,542		3,745,859	2.16%	4,201,283	455,424
316	MISCELLANEOUS POWER PLANT EQUIPMENT						
	HORSESHOE LAKE 6	2,111,076	11.10	234,329	11.10%	234,329	0
	HORSESHOE LAKE 7	1,116,214	3.15	35,161	3.15%	35,161	0
	HORSESHOE LAKE 8	3,830,753	2.94	112,624	10.41%	398,784	286,160
	SEMINOLE 1	4,188,322	4.89	204,809	3.66%	153,111	(51,698)
	SEMINOLE 2	21,726	7.49	1,627	0.64%	138	(1,489)
	SEMINOLE 3	300,618	2.96	8,898	3.75%	11,277	2,379
	MUSKOGEE 4	10,582,057	4.44	469,843	3.30%	349,557	(120,286)
	MUSKOGEE 5	703,624	1.89	13,298	2.08%	14,635	1,337
	MUSKOGEE 6	4,642,616	1.75	81,246	1.65%	76,549	(4,697)
	SOONER 1	9,176,698	3.17	290,901	3.05%	280,093	(10,808)
	SOONER 2	2,423,736	2.16	52,353	1.89%	45,759	(6,594)
	RIVER VALLEY 1	20,631,345	0.19	39,200	2.01%	415,202	376,002
	RIVER VALLEY 2	32,329			3.84%	1,241	1,241
	POWER SUPPLY SERVICES	2,858,584	1.67	47,738	4.06%	116,131	68,393
	TOTAL MISCELLANEOUS POWER PLANT EQUIPMENT	62,619,698		1,592,028		2,131,968	539,939

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	ACCOUNT (1)	Plant Balance	Oklahoma Accrual rate	Current Oklahoma $	Proposed Accrual rate	Proposal Accrual $	Difference
	TOTAL STEAM PRODUCTION PLANT	**3,289,782,854**		**90,713,068**		**90,039,851**	**(673,217)**
	OTHER PRODUCTION PLANT						
340.2	RIGHTS OF WAY						
	MUSTANG CTs	10,815	0.00	0	0.54%	58	58
341	STRUCTURES AND IMPROVEMENTS						
	REDBUD 1	34,235,763	2.11	722,375	2.07%	709,389	(12,986)
	REDBUD 2	318,306	3.33	10,600	2.93%	9,326	(1,273)
	REDBUD 3	265,177	3.44	9,122	2.87%	7,621	(1,501)
	REDBUD 4	288,878	3.32	9,591	2.82%	8,138	(1,453)
	HORSESHOE LAKE 9 AND 10	1,201,774	3.14	37,736	2.06%	24,788	(12,948)
	TINKER	1,781,246	8.86	157,818	8.86%	157,818	0
	MCCLAIN GAS 1	11,750,959	2.56	300,825	4.56%	535,685	234,860
	MCCLAIN GAS 2	1,788,683	1.59	28,440	2.04%	36,488	8,048
	MCCLAIN STEAM 1	1,070,785	1.83	19,595	2.29%	24,495	4,900
	FRONTIER 1	8,395,038	2.44	204,839	1.61%	135,111	(69,728)
	MUSTANG CTs	43,721,045	2.83	1,237,306	2.52%	1,102,832	(134,474)
	TOTAL STRUCTURES AND IMPROVEMENTS	104,817,655		2,738,246		2,751,691	13,446
341	STRUCTURES AND IMPROVEMENTS - WIND						
	CENTENNIAL	3,014,587	3.22	97,070	3.82%	115,180	18,110
	OU SPIRIT	5,228,646	3.22	168,362	3.17%	165,629	(2,734)
	CROSSROADS	11,538,638	3.48	401,545	3.22%	371,689	(29,856)
	TOTAL STRUCTURES AND IMPROVEMENTS - WIND	19,781,871		666,977		652,497	(14,479)
341	STRUCTURES AND IMPROVEMENTS - SOLAR	4,465,531	2.74	122,356	4.04%	180,611	58,255
342	FUEL HOLDERS, PRODUCERS AND ACCESSORIES						
	REDBUD 1	12,117,606	1.87	226,599	2.02%	244,469	17,869
	REDBUD 2	690,651	1.82	12,570	2.00%	13,816	1,246
	REDBUD 3	691,292	1.82	12,582	2.00%	13,830	1,249
	REDBUD 4	719,786	1.88	13,532	2.03%	14,635	1,103
	TINKER	167,151	3.55	5,934	3.55%	5,934	0
	MCCLAIN GAS 1	354,085	1.53	5,418	1.89%	6,681	1,263
	MCCLAIN GAS 2	260,457	1.63	4,245	1.98%	5,148	903
	FRONTIER 1	978,948	1.37	13,412	0.97%	9,460	(3,952)
	MUSTANG CTs	7,657,023	2.74	209,802	2.62%	200,829	(8,973)
	TOTAL FUEL HOLDERS, PRODUCERS AND ACCESSORIES	23,636,999		504,093		514,802	10,708
343	PRIME MOVERS						
	REDBUD 1	93,479,687	2.92	2,729,607	2.30%	2,148,707	(580,900)
	REDBUD 2	67,426,482	2.65	1,786,802	2.16%	1,455,632	(331,170)
	REDBUD 3	67,539,780	2.44	1,647,971	2.15%	1,455,401	(192,570)
	REDBUD 4	61,546,829	2.57	1,581,754	2.14%	1,314,701	(267,052)
	HORSESHOE LAKE 9 AND 10	8,902,621	4.37	389,045	3.00%	267,518	(121,526)
	TINKER	4,550,058	6.94	315,774	6.94%	315,774	0
	MCCLAIN GAS 1	110,863,190	2.15	2,383,559	2.20%	2,436,129	52,570
	MCCLAIN GAS 2	105,433,620	1.99	2,098,129	2.03%	2,145,175	47,046
	MCCLAIN STEAM 1	52,753,857	1.55	817,685	1.84%	973,191	155,506

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	ACCOUNT (1)	Plant Balance	Oklahoma Accrual rate	Current Oklahoma $	Proposed Accrual rate	Proposal Accrual $	Difference
	FRONTIER 1	65,667,528	2.35	1,543,187	1.52%	1,001,068	(542,119)
	MUSTANG CTs	263,333,261	3.00	7,899,998	2.63%	6,913,433	(986,564)
	TOTAL PRIME MOVERS	901,496,913		23,193,508		20,426,729	(2,766,779)
	LTSA						
343.1	20-YEAR						
	REDBUD 1	1,490,678	7.70	114,782	0.54%	7,992	(106,790)
	REDBUD 2	1,490,678	4.89	72,894	0.54%	7,992	(64,902)
	REDBUD 3	1,490,678	1.85	27,578	0.54%	7,992	(19,585)
	REDBUD 4	1,490,678	3.95	58,882	0.54%	7,992	(50,889)
	20 YR Total	5,962,712		274,136		31,969	(242,167)
343.2	6-YEAR						
	REDBUD 1	6,096,068	20.98	1,278,955	8.77%	534,329	(744,626)
	REDBUD 2	13,864,899	19.96	2,767,434	8.77%	1,215,278	(1,552,156)
	REDBUD 3	13,998,897	18.86	2,640,192	8.77%	1,227,023	(1,413,169)
	REDBUD 4	5,993,168	19.62	1,175,860	8.77%	525,310	(650,550)
	MCCLAIN GAS 1	15,798,603	15.94	2,518,297	8.77%	1,384,770	(1,133,527)
	MCCLAIN GAS 2	15,810,675	16.14	2,551,843	8.77%	1,385,828	(1,166,015)
	6 Yr Total	71,562,310		12,932,581		6,272,538	(6,660,043)
	30-YEAR						
	MCCLAIN GAS 1	349,749	2.15	7,520	1.52%	5,307	(2,212)
	MCCLAIN GAS 2	343,590	1.99	6,837	1.52%	5,214	(1,624)
	Total 30-YR	693,339		14,357		10,521	(3,836)
	TOTAL LTSA	78,218,361		13,221,073		6,315,028	(6,906,045)
344	GENERATORS						
	REDBUD 1	717,218	2.88	20,656	2.17%	15,537	(5,119)
	REDBUD 3	23,199	2.85	661	2.34%	543	(119)
	REDBUD 4	23,035	2.81	647	2.34%	539	(109)
	HORSESHOE LAKE 9 AND 10	36,135,688	3.79	1,369,543	2.00%	722,080	(647,462)
	TINKER	3,366,088	3.67	123,535	3.67%	123,535	0
	FRONTIER 1	8,118,041	1.39	112,841	0.97%	78,612	(34,228)
	MUSTANG CTs	31,405,980	2.89	907,633	2.62%	824,176	(83,457)
	TOTAL GENERATORS	79,789,249		2,535,516		1,765,023	(770,493)
344	GENERATORS - WIND						
	CENTENNIAL	185,423,873	3.27	6,063,361	3.20%	5,929,667	(133,694)
	OU SPIRIT	237,888,863	3.72	8,849,466	3.21%	7,628,187	(1,221,279)
	CROSSROADS	349,390,682	3.73	13,032,272	3.24%	11,337,714	(1,694,559)
	TOTAL GENERATORS - WIND	772,703,418		27,945,099		24,895,567	(3,049,531)
344	GENERATORS - SOLAR	39,650,005	3.21	1,272,765	4.11%	1,629,134	356,368
345	ACCESSORY ELECTRIC EQUIPMENT						
	REDBUD 1	13,173,539	2.10	276,644	2.09%	275,618	(1,026)
	REDBUD 2	9,557,253	1.82	173,942	2.05%	196,022	22,080
	REDBUD 3	9,330,337	1.79	167,013	2.04%	190,252	23,239

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	ACCOUNT (1)	Plant Balance	Oklahoma Accrual rate	Current Oklahoma $	Proposed Accrual rate	Proposal Accrual $	Difference
	REDBUD 4	9,593,118	1.79	171,717	2.05%	196,334	24,617
	HORSESHOE LAKE 9 AND 10	4,874,594	3.28	159,887	1.77%	86,514	(73,372)
	TINKER	3,078,637	1.09	33,557	1.09%	33,557	0
	MCCLAIN GAS 1	7,224,119	1.96	141,593	2.23%	160,801	19,208
	MCCLAIN GAS 2	6,049,899	1.47	88,934	1.91%	115,762	26,829
	MCCLAIN STEAM 1	3,740,436	1.32	49,374	1.84%	68,897	19,524
	FRONTIER 1	7,857,363	1.43	112,360	1.15%	90,285	(22,075)
	MUSTANG CTs	25,263,658	2.83	714,962	2.61%	658,580	(56,382)
	TOTAL ACCESSORY ELECTRIC EQUIPMENT	99,742,953		2,089,982		2,072,623	(17,358)
345	ACCESSORY ELECTRIC EQUIPMENT - WIND						
	CENTENNIAL	2,324,844	5.32	123,682	5.11%	118,797	(4,885)
	OU SPIRIT	4,871,019	5.92	288,364	4.94%	240,655	(47,709)
	CROSSROADS	45,877,900	4.04	1,853,467	3.34%	1,532,437	(321,031)
	TOTAL ACCESSORY ELECTRIC EQUIPMENT - WIND	53,073,763		2,265,513		1,891,888	(373,625)
345	ACCESSORY ELECTRIC EQUIPMENT - SOLAR	9,653,560	2.77	267,404	4.01%	387,589	120,185
346	MISCELLANEOUS POWER PLANT EQUIPMENT						
	REDBUD 1	2,774,340	3.12	86,559	2.55%	70,676	(15,883)
	REDBUD 2	18,098	2.85	516	2.37%	430	(86)
	REDBUD 3	13,800	3.44	475	3.03%	418	(57)
	REDBUD 4	20,045	3.27	655	2.90%	580	(75)
	HORSESHOE LAKE 9 AND 10	1,033,095	2.93	30,270	1.76%	18,137	(12,132)
	TINKER	61,581	20.01	12,322	20.01%	12,322	0
	MCCLAIN GAS 1	5,975,450	2.53	151,179	2.25%	134,694	(16,485)
	FRONTIER 1	5,299,221	2.10	111,284	1.81%	96,072	(15,211)
	MUSTANG CTs	7,704,785	3.02	232,685	2.68%	206,441	(26,243)
	TOTAL MISCELLANEOUS POWER PLANT EQUIPMENT	22,900,415		625,944	0	539,772	(86,173)
346	MISCELLANEOUS POWER PLANT EQUIPMENT - WIND						
	CENTENNIAL	885,860	4.46	39,509	4.27%	37,793	(1,717)
	OU SPIRIT	658,794	4.68	30,832	4.98%	32,798	1,966
	CROSSROADS	562,592	4.50	25,317	4.17%	23,477	(1,840)
	TOTAL MISCELLANEOUS POWER PLANT EQUIPMENT - WIND	2,107,246		95,658	0 0	94,067	(1,591)
	TOTAL OTHER PRODUCTION PLANT	**2,212,048,754**		**77,544,134**		**64,117,080**	**(13,427,054)**
	TRANSMISSION PLANT						
350.2	LAND RIGHTS	131,963,405	1.40	1,847,488	1.37%	1,814,290	(33,198)
352	STRUCTURES AND IMPROVEMENTS	9,042,721	1.44	130,215	1.53%	138,791	8,576
353	STATION EQUIPMENT	954,383,732	2.13	20,328,373	2.12%	20,269,880	(58,493)
354	TOWERS AND FIXTURES	173,271,523	1.58	2,737,690	1.57%	2,726,420	(11,270)
355	POLES AND FIXTURES	1,117,698,049	2.16	24,142,278	1.97%	21,997,954	(2,144,324)
356	OVERHEAD CONDUCTORS AND DEVICES	693,683,857	2.11	14,636,729	1.89%	13,089,344	(1,547,385)
358	UNDERGROUND CONDUCTORS AND DEVICES	110,494	2.22	2,453	0.00%	0	(2,453)
	TOTAL TRANSMISSION PLANT	**3,080,153,781**		**63,825,227**		**60,036,679**	**(3,788,547)**

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	ACCOUNT (1)	Plant Balance	Oklahoma Accrual rate	Current Oklahoma $	Proposed Accrual rate	Proposal Accrual $	Difference
	DISTRIBUTION PLANT						
360.2	LAND RIGHTS	6,459,925	1.27	82,041	1.31%	84,383	2,341
361	STRUCTURES AND IMPROVEMENTS	7,971,930	1.47	117,187	1.51%	120,585	3,397
362	STATION EQUIPMENT	877,615,427	2.18	19,132,016	2.31%	20,291,014	1,158,998
363	STORAGE BATTERY	851,046	6.75	57,446	6.91%	58,780	1,334
364	POLES, TOWERS AND FIXTURES	786,956,009	2.47	19,437,813	2.60%	20,429,024	991,211
365	OVERHEAD CONDUCTORS AND DEVICES	1,101,396,821	2.36	25,992,965	2.51%	27,644,482	1,651,517
366	UNDERGROUND CONDUIT	335,409,588	1.70	5,701,963	1.86%	6,227,440	525,477
367	UNDERGROUND CONDUCTORS AND DEVICES	971,654,868	2.35	22,833,889	2.74%	26,665,900	3,832,011
368	LINE TRANSFORMERS	670,460,796	3.59	24,069,543	3.88%	26,042,490	1,972,948
369	SERVICES	266,118,193	1.87	4,976,410	1.74%	4,623,710	(352,700)
	METERS						
370	METERS - SMART METERS	184,961,833	4.48	8,286,290	7.89%	14,596,513	6,310,223
370.1	METERS - METERING EQUIPMENT	39,490,060	5.59	2,207,494	2.04%	807,233	(1,400,261)
	TOTAL METERS	224,451,893		10,493,784		15,403,746	4,909,962
371	INSTALLATIONS ON CUSTOMERS' PREMISES	57,414,311	4.04	2,319,538	4.05%	2,324,969	5,431
373	STREET LIGHTING AND SIGNAL SYSTEMS	316,836,035	4.42	14,004,153	4.12%	13,047,218	(956,934)
	TOTAL DISTRIBUTION PLANT	**5,623,596,842**		**149,218,749**		**162,963,741**	**13,744,992**
	GENERAL PLANT						
389.2	LAND RIGHTS	178,598	2.24	4,001	2.10%	3,753	(248)
390	STRUCTURES AND IMPROVEMENTS	228,678,766	1.48	3,384,446	1.94%	4,441,385	1,056,939
	OFFICE FURNITURE AND EQUIPMENT						
391	OFFICE FURNITURE AND EQUIPMENT	19,379,183	8.14	1,577,465	10.07%	1,951,594	374,128
391.1	COMPUTER EQUIPMENT	74,525,311	21.69	16,164,540	19.58%	14,591,706	(1,572,834)
	TOTAL OFFICE AND FURNITURE EQUIPMENT	93,904,494		17,742,005		16,543,300	(1,198,706)
	TRANSPORTATION EQUIPMENT						
392.1	CARS AND TRUCKS	27,059,844	5.04	1,363,816	6.98%	1,887,734	523,918
392.5	HEAVY TRUCKS	78,137,483	5.30	4,141,287	6.04%	4,720,062	578,775
392.6	TRAILERS	10,015,704	3.23	323,507	3.03%	303,320	(20,187)
	TOTAL TRANSPORTATION EQUIPMENT	115,213,031		5,828,610		6,911,115	1,082,505
393	STORES EQUIPMENT	1,198,089	5.48	65,655	4.87%	58,387	(7,268)
394	TOOLS, SHOP AND GARAGE EQUIPMENT	28,819,877	5.07	1,461,168	4.24%	1,222,160	(239,008)
395	LABORATORY EQUIPMENT	11,310,063	8.75	989,631	6.38%	722,112	(267,518)
396	POWER OPERATED EQUIPMENT	16,256,047	3.48	565,710	4.54%	737,212	171,502
397	COMMUNICATION EQUIPMENT	34,537,031	9.99	3,450,249	10.27%	3,547,456	97,207

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	ACCOUNT (1)	Plant Balance	Oklahoma Accrual rate	Current Oklahoma $	Proposed Accrual rate	Proposal Accrual $	Difference
398	MISCELLANEOUS EQUIPMENT	12,469,947	2.08	259,375	4.42%	551,169	291,794
	TOTAL GENERAL PLANT	**542,565,943**		**33,750,850**		**34,738,050**	**987,200**
	TOTAL DEPRECIABLE ELECTRIC PLANT	**15,085,707,448**		**433,198,605**		**429,540,183**	**(14,626,970)**

NOTES:

1) ACCOUNTS BELOW WILL HAVE THE FOLLOWING RATES .

303.4 MISCELLANEOUS INTANGIBLE PLANT - SAP S4 SOFTWARE	6.67%
311-316 NEW UNITS AT HORSESHOE LAKE ARE PROJECTED TO HAVE A RATE OF	3.00%
358 WHEN PLANT IS ADDED WHERE THE PLANT BALANCE IS GREATER THAN ACCUMULATED DEPRECIATION PROPOSED RATE IS	2.22%

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	ACCOUNT	PROBABLE RETIREMENT DATE	EXISTING SURVIVOR CURVE		EXISTING NET SALVAGE PERCENT	COMPANY PROPOSED ASL	COMPANY PROPOSED SURVIVOR CURVE	COMPANY PROPOSED NET SALVAGE PERCENT	Terminal Life	OIEC PROPOSED ASL	OIEC PROPOSED SURVIVOI CURVE	OIEC PROPOSED NET SALVAGE PERCENT
	(1)	(2)	(3)		(4)							
	INTANGIBLE PLANT											
302.0	FRANCHISES AND CONSENTS		25-SQ		0	25	SQ	0		25	SQ	0
303.1	MISCELLANEOUS INTANGIBLE PLANT - SOFTWARE - 5-YEAR		5-SQ		0	5	SQ	0		10	SQ	0
303.2	MISCELLANEOUS INTANGIBLE PLANT - SOFTWARE - 10-YEAR											
	FULLY DEPRECIATED					10	SQ	0		15	SQ	0
	AMORTIZED		10-SQ		0							
	TOTAL SOFTWARE - 10-YEAR											
	TOTAL INTANGIBLE PLANT											
	STEAM PRODUCTION PLANT											
310.2	RIGHTS OF WAY											
	HORSESHOE LAKE 6	12-2023	100-S4	*	0	100	S4	0		NA	NA	0.00%
	SEMINOLE 1	12-2030	100-S4	*	0	100	S4	0		NA	NA	0.00%
	MUSKOGEE 4	12-2042	100-S4	*	0	100	S4	0		NA	NA	0.00%
	SOONER 1	12-2044	100-S4	*	0	100	S4	0		NA	NA	0.00%
	TOTAL RIGHTS OF WAY											
311.0	STRUCTURES AND IMPROVEMENTS											
	HORSESHOE LAKE 6	12-2023	105-R1.5	*	0	100	R1	-5		NA	NA	0.00%
	HORSESHOE LAKE 7	12-2024	105-R1.5	*	(1)	100	R1			NA	NA	-1.00%
	HORSESHOE LAKE 8	12-2027	105-R1.5	*	(1)	100	R1			NA	NA	-1.00%
	SEMINOLE 1	12-2030	105-R1.5	*	(1)	100	R1			NA	NA	-1.00%
	SEMINOLE 2	12-2032	105-R1.5	*	(2)	100	R1			NA	NA	-2.00%
	SEMINOLE 3	12-2034	105-R1.5	*	(2)	100	R1			NA	NA	-2.00%
	MUSKOGEE 4	12-2042	105-R1.5	*	(2)	100	R1			NA	NA	-2.00%
	MUSKOGEE 5	12-2043	105-R1.5	*	(3)	100	R1			NA	NA	-3.00%
	MUSKOGEE 6	12-2049	105-R1.5	*	(4)	100	R1			NA	NA	-4.00%
	SOONER 1	12-2044	105-R1.5	*	(2)	100	R1			NA	NA	-2.00%
	SOONER 2	12-2045	105-R1.5	*	(3)	100	R1			NA	NA	-3.00%
	RIVER VALLEY 1	12-2048	105-R1.5	*	(3)	100	R1			NA	NA	-3.00%
	RIVER VALLEY 2	12-2048	105-R1.5	*	(4)	100	R1			NA	NA	-4.00%
	TOTAL STRUCTURES AND IMPROVEMENTS											
312.0	BOILER PLANT EQUIPMENT									NA	NA	
	HORSESHOE LAKE 6	12-2023	85-R1	*	0	85	R1	-5		NA	NA	0.00%
	HORSESHOE LAKE 7	12-2024	85-R1	*	(1)	85	R1			NA	NA	-1.00%
	HORSESHOE LAKE 8	12-2027	85-R1	*	(1)	85	R1			NA	NA	-1.00%
	SEMINOLE 1	12-2030	85-R1	*	(1)	85	R1			NA	NA	-1.00%
	SEMINOLE 2	12-2032	85-R1	*	(2)	85	R1			NA	NA	-2.00%
	SEMINOLE 3	12-2034	85-R1	*	(2)	85	R1			NA	NA	-2.00%
	MUSKOGEE 4	12-2042	85-R1	*	(2)	85	R1			NA	NA	-2.00%
	MUSKOGEE 5	12-2043	85-R1	*	(3)	85	R1			NA	NA	-3.00%
	MUSKOGEE 6	12-2049	85-R1	*	(4)	85	R1			NA	NA	-4.00%
	SOONER 1	12-2044	85-R1	*	(2)	85	R1			NA	NA	-2.00%
	SOONER 2	12-2045	85-R1	*	(3)	85	R1			NA	NA	-3.00%
	RIVER VALLEY 1	12-2048	85-R1	*	(3)	85	R1			NA	NA	-3.00%
	RIVER VALLEY 2	12-2048	85-R1	*	(4)	85	R1			NA	NA	-4.00%
	TOTAL BOILER PLANT EQUIPMENT											
314.0	TURBOGENERATOR UNITS											
	HORSESHOE LAKE 6	12-2023	60-R1	*	0	60	R1	-5		NA	NA	0.00%
	HORSESHOE LAKE 7	12-2024	60-R1	*	(1)	60	R1			NA	NA	-1.00%
	HORSESHOE LAKE 8	12-2027	60-R1	*	(1)	60	R1			NA	NA	-1.00%
	SEMINOLE 1	12-2030	60-R1	*	(1)	60	R1			NA	NA	-1.00%

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	(1)	(2)	(3)		(4)							
	SEMINOLE 2	12-2032	60-R1	*	(2)	60	R1				NA NA	-2.00%
	SEMINOLE 3	12-2034	60-R1	*	(2)	60	R1				NA NA	-2.00%
	MUSKOGEE 4	12-2042	60-R1	*	(2)	60	R1				NA NA	-2.00%
	MUSKOGEE 5	12-2043	60-R1	*	(3)	60	R1				NA NA	-3.00%
	MUSKOGEE 6	12-2049	60-R1	*	(4)	60	R1				NA NA	-4.00%
	SOONER 1	12-2044	60-R1	*	(2)	60	R1				NA NA	-2.00%
	SOONER 2	12-2045	60-R1	*	(3)	60	R1				NA NA	-3.00%
	RIVER VALLEY 1	12-2048	60-R1	*	(3)	60	R1				NA NA	-3.00%
	RIVER VALLEY 2	12-2048	60-R1	*	(4)	60	R1				NA NA	-4.00%
	TOTAL TURBOGENERATOR UNITS											
315.0	ACCESSORY ELECTRIC EQUIPMENT											
	HORSESHOE LAKE 6	12-2023	75-R2.5	*	0	75	R2.5	-5			NA NA	0.00%
	HORSESHOE LAKE 7	12-2024	75-R2.5	*	(1)	75	R2.5				NA NA	-1.00%
	HORSESHOE LAKE 8	12-2027	75-R2.5	*	(1)	75	R2.5				NA NA	-1.00%
	SEMINOLE 1	12-2030	75-R2.5	*	(1)	75	R2.5				NA NA	-1.00%
	SEMINOLE 2	12-2032	75-R2.5	*	(2)	75	R2.5				NA NA	-2.00%
	SEMINOLE 3	12-2034	75-R2.5	*	(2)	75	R2.5				NA NA	-2.00%
	MUSKOGEE 4	12-2042	75-R2.5	*	(2)	75	R2.5				NA NA	-2.00%
	MUSKOGEE 5	12-2043	75-R2.5	*	(3)	75	R2.5				NA NA	-3.00%
	MUSKOGEE 6	12-2049	75-R2.5	*	(4)	75	R2.5				NA NA	-4.00%
	SOONER 1	12-2044	75-R2.5	*	(2)	75	R2.5				NA NA	-2.00%
	SOONER 2	12-2045	75-R2.5	*	(3)	75	R2.5				NA NA	-3.00%
	RIVER VALLEY 1	12-2048	75-R2.5	*	(3)	75	R2.5				NA NA	-3.00%
	RIVER VALLEY 2	12-2048	75-R2.5	*	(4)	75	R2.5				NA NA	-4.00%
	TOTAL ACCESSORY ELECTRIC EQUIPMENT											
316.0	MISCELLANEOUS POWER PLANT EQUIPMENT											
	HORSESHOE LAKE 6	12-2023	55-R0.5	*	0	24	S1	-5			NA NA	0.00%
	HORSESHOE LAKE 7	12-2024	55-R0.5	*	(1)	24	S1				NA NA	-1.00%
	HORSESHOE LAKE 8	12-2027	55-R0.5	*	(1)	24	S1				NA NA	-1.00%
	SEMINOLE 1	12-2030	55-R0.5	*	(1)	24	S1				NA NA	-1.00%
	SEMINOLE 2	12-2032	55-R0.5	*	(2)	24	S1				NA NA	-2.00%
	SEMINOLE 3	12-2034	55-R0.5	*	(2)	24	S1				NA NA	-2.00%
	MUSKOGEE 4	12-2042	55-R0.5	*	(2)	24	S1				NA NA	-2.00%
	MUSKOGEE 5	12-2043	55-R0.5	*	(3)	24	S1				NA NA	-3.00%
	MUSKOGEE 6	12-2049	55-R0.5	*	(4)	24	S1				NA NA	-4.00%
	SOONER 1	12-2044	55-R0.5	*	(2)	24	S1				NA NA	-2.00%
	SOONER 2	12-2045	55-R0.5	*	(3)	24	S1				NA NA	-3.00%
	RIVER VALLEY 1	12-2048	55-R0.5	*	(3)	24	S1				NA NA	-3.00%
	RIVER VALLEY 2										NA NA	-3.00%
	POWER SUPPLY SERVICES		55-R0.5		(5)	24	S1				NA NA	-5.00%
	TOTAL MISCELLANEOUS POWER PLANT EQUIPMENT											
	TOTAL STEAM PRODUCTION PLANT											
	OTHER PRODUCTION PLANT											
340.2	RIGHTS OF WAY											
	MUSTANG CTs	12-2054	75-S4	*	0	75	S4	0			NA NA	
341.0	STRUCTURES AND IMPROVEMENTS											
	REDBUD 1	12-2049	55-R3	*	(1)	55	R3	-5			NA NA	-1.00%
	REDBUD 2	12-2049	55-R3	*	(1)	55	R3				NA NA	-1.00%
	REDBUD 3	12-2049	55-R3	*	(1)	55	R3				NA NA	-1.00%
	REDBUD 4	12-2049	55-R3	*	(1)	55	R3				NA NA	-1.00%
	HORSESHOE LAKE 9 AND 10	12-2035	55-R3	*	0	55	R3				NA NA	0.00%
	TINKER	12-2025	55-R3	*	0	55	R3				NA NA	0.00%

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	(1)	(2)	(3)		(4)							
	MCCLAIN GAS 1	12-2046	55-R3	*	(1)	55	R3				NA NA	-1.00%
	MCCLAIN GAS 2	12-2046	55-R3	*	(1)	55	R3				NA NA	-1.00%
	MCCLAIN STEAM 1	12-2046	55-R3	*	(1)	55	R3				NA NA	-1.00%
	FRONTIER 1	12-2048	55-R3	*	(2)	55	R3				NA NA	-2.00%
	MUSTANG CTs	12-2054	55-R3	*	(1)	55	R3				NA NA	-1.00%
	TOTAL STRUCTURES AND IMPROVEMENTS											
341.0	STRUCTURES AND IMPROVEMENTS - WIND											
	CENTENNIAL	12-2036	45-S1.5	*	(1)	45	S1.5	-5	30 Years		NA NA	-1.00%
	OU SPIRIT	12-2039	45-S1.5	*	(2)	45	S1.5		30 Years		NA NA	-2.00%
	CROSSROADS	12-2041	45-S1.5	*	(2)	45	S1.5		30 Years		NA NA	-2.00%
	TOTAL STRUCTURES AND IMPROVEMENTS - WIND											
341.0	STRUCTURES AND IMPROVEMENTS - SOLAR		35-S2		0	35	S2	-2	30 Years		NA NA	0.00%
342.0	FUEL HOLDERS, PRODUCERS AND ACCESSORIES											
	REDBUD 1	12-2049	55-R4	*	(1)	55	R4	-5			NA NA	-1.00%
	REDBUD 2	12-2049	55-R4	*	(1)	55	R4				NA NA	-1.00%
	REDBUD 3	12-2049	55-R4	*	(1)	55	R4				NA NA	-1.00%
	REDBUD 4	12-2049	55-R4	*	(1)	55	R4				NA NA	-1.00%
	TINKER	12-2025	55-R4	*	0	55	R4				NA NA	0.00%
	MCCLAIN GAS 1	12-2046	55-R4	*	(1)	55	R4				NA NA	-1.00%
	MCCLAIN GAS 2	12-2046	55-R4	*	(1)	55	R4				NA NA	-1.00%
	FRONTIER 1	12-2048	55-R4	*	(2)	55	R4				NA NA	-2.00%
	MUSTANG CTs	12-2054	55-R4	*	(1)	55	R4				NA NA	-1.00%
	TOTAL FUEL HOLDERS, PRODUCERS AND ACCESSORIES											
343.0	PRIME MOVERS											
	REDBUD 1	12-2049	40-R2.5	*	(1)	40	R2.5	-5			NA NA	-1.00%
	REDBUD 2	12-2049	40-R2.5	*	(1)	40	R2.5				NA NA	-1.00%
	REDBUD 3	12-2049	40-R2.5	*	(1)	40	R2.5				NA NA	-1.00%
	REDBUD 4	12-2049	40-R2.5	*	(1)	40	R2.5				NA NA	-1.00%
	HORSESHOE LAKE 9 AND 10	12-2035	40-R2.5	*	0	40	R2.5				NA NA	0.00%
	TINKER	12-2025	40-R2.5	*	0	40	R2.5				NA NA	0.00%
	MCCLAIN GAS 1	12-2046	40-R2.5	*	(1)	40	R2.5				NA NA	-1.00%
	MCCLAIN GAS 2	12-2046	40-R2.5	*	(1)	40	R2.5				NA NA	-1.00%
	MCCLAIN STEAM 1	12-2046	40-R2.5	*	(1)	40	R2.5				NA NA	-1.00%
	FRONTIER 1	12-2048	40-R2.5	*	(2)	40	R2.5				NA NA	-2.00%
	MUSTANG CTs	12-2054	40-R2.5	*	(1)	40	R2.5				NA NA	-1.00%
	TOTAL PRIME MOVERS											
	LTSA											
343.1	6-YEAR											
	REDBUD 1		5-SQ		0	6	SQ	0			NA NA	0.00%
	REDBUD 2		5-SQ		0	6	SQ				NA NA	0.00%
	REDBUD 3		5-SQ		0	6	SQ				NA NA	0.00%
	REDBUD 4		5-SQ		0	6	SQ				NA NA	0.00%
	MCCLAIN GAS 1		5-SQ		0	6	SQ				NA NA	0.00%
	MCCLAIN GAS 2		5-SQ		0	6	SQ				NA NA	0.00%
343.2	20-YEAR											
	REDBUD 1		20-SQ		0	20	SQ				NA NA	0.00%
	REDBUD 2		20-SQ		0	20	SQ				NA NA	0.00%
	REDBUD 3		20-SQ		0	20	SQ				NA NA	0.00%
	REDBUD 4		20-SQ		0	20	SQ				NA NA	0.00%
	TOTAL LTSA											
	30-YEAR											
	MCCLAIN GAS 1		30-SQ		0	30	SQ				NA NA	0.00%

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	(1)	(2)	(3)		(4)							
	MCCLAIN GAS 2		30 SQ		0		30 SQ				NA NA	0.00%
	TOTAL ACCOUNT 343											
344.0	GENERATORS											
	REDBUD 1	12-2049	55-R2	*	(1)		55 R2	-5			NA NA	-1.00%
	REDBUD 3	12-2049	55-R2	*	(1)		55 R2				NA NA	-1.00%
	REDBUD 4	12-2049	55-R2	*	(1)		55 R2				NA NA	-1.00%
	HORSESHOE LAKE 9 AND 10	12-2035	55-R2	*	0		55 R2				NA NA	0.00%
	TINKER	12-2025	55-R2	*	0		55 R2				NA NA	0.00%
	FRONTIER 1	12-2048	55-R2	*	(2)		55 R2				NA NA	-2.00%
	MUSTANG CTs	12-2054	55-R2	*	(1)		55 R2				NA NA	-1.00%
	TOTAL GENERATORS											
344.0	GENERATORS - WIND											
	CENTENNIAL	12-2036	40-S0.5	*	(1)		40 S0.5	-5	30 Years		NA NA	-1.00%
	OU SPIRIT	12-2039	40-S0.5	*	(2)		40 S0.5		30 Years		NA NA	-2.00%
	CROSSROADS	12-2041	40-S0.5	*	(2)		40 S0.5		30 Years		NA NA	-2.00%
	TOTAL GENERATORS - WIND											
344.0	GENERATORS - SOLAR		30-S2.5		0		30 S2.5	0	30 Years		NA NA	0.00%
345.0	ACCESSORY ELECTRIC EQUIPMENT											
	REDBUD 1	12-2049	60-R2.5	*	(1)		60 R3	-5			NA NA	-1.00%
	REDBUD 2	12-2049	60-R2.5	*	(1)		60 R3				NA NA	-1.00%
	REDBUD 3	12-2049	60-R2.5	*	(1)		60 R3				NA NA	-1.00%
	REDBUD 4	12-2049	60-R2.5	*	(1)		60 R3				NA NA	-1.00%
	HORSESHOE LAKE 9 AND 10	12-2035	60-R2.5	*	0		60 R3				NA NA	0.00%
	TINKER	12-2025	60-R2.5	*	0		60 R3				NA NA	0.00%
	MCCLAIN GAS 1	12-2046	60-R2.5	*	(1)		60 R3				NA NA	-1.00%
	MCCLAIN GAS 2	12-2046	60-R2.5	*	(1)		60 R3				NA NA	-1.00%
	MCCLAIN STEAM 1	12-2046	60-R2.5	*	(1)		60 R3				NA NA	-1.00%
	FRONTIER 1	12-2048	60-R2.5	*	(2)		60 R3				NA NA	-2.00%
	MUSTANG CTs	12-2054	60-R2.5	*	(1)		60 R3				NA NA	-1.00%
	TOTAL ACCESSORY ELECTRIC EQUIPMENT											
345.0	ACCESSORY ELECTRIC EQUIPMENT - WIND											
	CENTENNIAL	12-2036	35-S0	*	(1)		35 S0	-5	30 Years		NA NA	-1.00%
	OU SPIRIT	12-2039	35-S0	*	(2)		35 S0		30 Years		NA NA	-2.00%
	CROSSROADS	12-2041	35-S0	*	(2)		35 S0		30 Years		NA NA	-2.00%
	TOTAL ACCESSORY ELECTRIC EQUIPMENT - WIND											
345.0	ACCESSORY ELECTRIC EQUIPMENT - SOLAR		35-S2.5		0		35 S2.5	0	30 Years		NA NA	0.00%
346.0	MISCELLANEOUS POWER PLANT EQUIPMENT											
	REDBUD 1	12-2049	45-R2	*	(1)		24 S1	-5			NA NA	-1.00%
	REDBUD 2	12-2049	45-R2	*	(1)		24 S1				NA NA	-1.00%
	REDBUD 3	12-2049	45-R2	*	(1)		24 S1				NA NA	-1.00%
	REDBUD 4	12-2049	45-R2	*	(1)		24 S1				NA NA	-1.00%
	HORSESHOE LAKE 9 AND 10	12-2035	45-R2	*	0		24 S1				NA NA	0.00%
	TINKER	12-2025	45-R2	*	0		24 S1				NA NA	0.00%
	MCCLAIN GAS 1	12-2046	45-R2	*	(1)		24 S1				NA NA	-1.00%
	FRONTIER 1	12-2048	45-R2	*	(2)		24 S1				NA NA	-2.00%
	MUSTANG CTs	12-2054	45-R2	*	(1)		24 S1				NA NA	-1.00%
	TOTAL MISCELLANEOUS POWER PLANT EQUIPMENT											
346.0	MISCELLANEOUS POWER PLANT EQUIPMENT - WIND											

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	(1)	(2)	(3)		(4)							
	CENTENNIAL	12-2036	35-R2	*	(1)	24	S1	-3	30 Years		NA NA	-1.00%
	OU SPIRIT	12-2039	35-R2	*	(2)	24	S1		30 Years		NA NA	-2.00%
	CROSSROADS	12-2041	35-R2	*	(2)	24	S1		30 Years		NA NA	-2.00%
	TOTAL MISCELLANEOUS POWER PLANT EQUIPMENT - WIND											
	TOTAL OTHER PRODUCTION PLANT											
	TRANSMISSION PLANT											
350.2	LAND RIGHTS		75-S4		0	75	S4	0				0
352.0	STRUCTURES AND IMPROVEMENTS		70-S3		(6)	70	S3	-10			70 S3	-10
353.0	STATION EQUIPMENT		55-R1.5		(15)	57	R1.5	-20			57 R1.5	-20
354.0	TOWERS AND FIXTURES		75-R4		(20)	75	R4	-20			75 R4	-20
355.0	POLES AND FIXTURES		69-R0.5		(58)	75	R1	-65			81 R1.5	-65
356.0	OVERHEAD CONDUCTORS AND DEVICES		70-R3		(51)	75	R3	-55			79 R3	-55
358.0	UNDERGROUND CONDUCTORS AND DEVICES		45-S2.5		0	45	S2.5	0			45 S2.5	0
	TOTAL TRANSMISSION PLANT											
	DISTRIBUTION PLANT											
360.2	LAND RIGHTS		75-S4		0	75	S4	0			75 S4	0
361.0	STRUCTURES AND IMPROVEMENTS		70-R2.5		(10)	70	R2.5	-10			70 R2.5	-10
362.0	STATION EQUIPMENT		61-R2		(30)	61	R2	-35			61 R2	-35
363.0	STORAGE BATTERY		15-L3		0	15	L3	0			15 L3	0
364.0	POLES, TOWERS AND FIXTURES	Could leave	60-R1		(60)	55	R1	-65			62 R1.5	-65
365.0	OVERHEAD CONDUCTORS AND DEVICES		60-R0.5		(50)	60	R0.5	-55			60 R0.5	-55
366.0	UNDERGROUND CONDUIT		65-R2.5		(20)	65	R2.5	-25			65 R2.5	-25
367.0	UNDERGROUND CONDUCTORS AND DEVICES	Could leave	65-R2.5		(50)	55	R2.5	-55			60 R2.5	-55
368.0	LINE TRANSFORMERS		48-O1		(60)	40	R0.5	-65			48 R1	-65
369.0	SERVICES		60-R4		(30)	68	R4	-35			68 R4	-35
	METERS											
370.0	METERS - SMART METERS		20-R3		(10)	15	R3	-10			15 R3	-10
370.1	METERS - METERING EQUIPMENT		15-L0		(10)	30	L0	-10			30 L0	-10
	TOTAL METERS											
371.0	INSTALLATIONS ON CUSTOMERS' PREMISES		15-R3		0	15	SQ	0			15 SQ	0
373.0	STREET LIGHTING AND SIGNAL SYSTEMS		35-R1		(50)	33	R0.5	-55			42 R1	-55
	TOTAL DISTRIBUTION PLANT											
	GENERAL PLANT											
389.2	LAND RIGHTS		55-R4		0	55	R4	0			55 R4	0
390.0	STRUCTURES AND IMPROVEMENTS		50-R1		9	50	R1	-5			50 R1	-5
	OFFICE FURNITURE AND EQUIPMENT											
391.0	OFFICE FURNITURE AND EQUIPMENT		15-SQ		0	15	SQ	0			15 SQ	0
391.1	COMPUTER EQUIPMENT		5-SQ		0	5	SQ	0			5 SQ	0
	TOTAL OFFICE AND FURNITURE EQUIPMENT											
	TRANSPORTATION EQUIPMENT											
392.1	CARS AND TRUCKS		11-L3		10	11	L3	10			11 L3	10
392.5	HEAVY TRUCKS		13-L2.5		10	13	L2.5	10			13 L2.5	10
392.6	TRAILERS		24-S1		10	24	S1	10			24 S1	10
	TOTAL TRANSPORTATION EQUIPMENT											

OKLAHOMA GAS AND ELECTRIC COMPANY

COMPARISON OF PARAMETERS
RELATED TO ELECTRIC PLANT AS OF DECEMBER 31, 2022

	ACCOUNT	PROBABLE RETIREMENT DATE	EXISTING SURVIVOR CURVE	EXISTING NET SALVAGE PERCENT	COMPANY PROPOSED ASL	COMPANY PROPOSED SURVIVOR CURVE	COMPANY PROPOSED NET SALVAGE PERCENT	OIEC PROPOSED Terminal Life	OIEC PROPOSED ASL	OIEC PROPOSED SURVIVOI CURVE	OIEC PROPOSED NET SALVAGE PERCENT
	(1)	(2)	(3)	(4)							
393.0	STORES EQUIPMENT		25-SQ	0	25	SQ	0			25 SQ	0
394.0	TOOLS, SHOP AND GARAGE EQUIPMENT		25-SQ	0	25	SQ	0			25 SQ	0
395.0	LABORATORY EQUIPMENT		20-SQ	0	20	SQ	0			20 SQ	0
396.0	POWER OPERATED EQUIPMENT		20-L2	15	15	L0.5	15			15 L0.5	15
397.0	COMMUNICATION EQUIPMENT		10-SQ	0	10	SQ	0			10 SQ	0
398.0	MISCELLANEOUS EQUIPMENT		20-SQ	0	20	SQ	0			20 SQ	0
	TOTAL GENERAL PLANT										
	TOTAL DEPRECIABLE ELECTRIC PLANT										

* INDICATES LIFE SPAN PROCEDURE WAS USED. CURVE SHOWN IS INTERIM SURVIVOR CURVE.
** NEW ASSETS IN ACCOUNT 358.00 WILL USE AN ACCRUAL RATE OF 2.22%.

NOTES:
1) NEW ACCOUNTS WILL BE ESTABLISHED AFTER DECEMBER 31, 2022 WITH THE FOLLOWING RATES .

	RATE
303.3 MISCELLANEOUS INTANGIBLE PLANT - BROADBAND LICENSING	5.00
303.4 MISCELLANEOUS INTANGIBLE PLANT - SAP S4 SOFTWARE	6.67

2) THE ACCRUAL RATE FOR NEW FIBER OPTIC ASSETS IN ACCOUNT 397.3 WILL BE 2.53% BASED ON A 40-YEAR LIFE.

OKLAHOMA GAS AND ELECTRIC COMPANY

COMPARISON OF ANNUAL DEPRECIATION ACCRUAL AMOUNTS AND RATES
RELATED TO ELECTRIC PLANT AS OF DECEMBER 31, 2022
PRODUCTION AND OTHER PRODUCTION REALLOCATED
TRANSMISSION, DISTRIBUTION, AND GENERAL RESERVE PER BOOK

ACCOUNT	Plant Balance	Current Accrual Oklahoma	PUD Proposal Accrual Oklahoma	Difference	Exhibit WWD-19 Dunkel Summary	Difference
	$	$	$	$	$	$
INTANGIBLE PLANT	337,559,274	29,115,125	24,666,178	(4,448,947)	24,393,648	(272,530)
STEAM PRODUCTION PLANT	3,289,782,854	90,713,068	95,819,580	5,106,512	93,094,144	(2,725,436)
OTHER PRODUCTION PLANT	2,212,048,754	77,544,134	72,148,364	(5,395,770)	71,887,498	(260,866)
TRANSMISSION PLANT	3,080,153,781	63,825,227	55,572,898	(8,252,329)	55,572,898	0
DISTRIBUTION PLANT	5,623,596,842	149,218,749	156,710,415	7,491,666	156,712,818	2,403
GENERAL PLANT	542,565,943	33,750,850	34,738,050	987,200	34,738,050	0
DEPRECIABLE ELECTRIC PLANT	15,085,707,448	444,167,153	439,655,484	(4,511,669)	436,399,056	(3,256,428)

OKLAHOMA GAS AND ELECTRIC COMPANY

COMPUTATION OF ANNUAL DEPRECIATION ACCRUAL AMOUNTS AND RATES
RELATED TO ELECTRIC PLANT AS OF DECEMBER 31, 2022

PRODUCTION AND OTHER PRODUCTION REALLOCATED WITHIN EACH GROUP
ALL FUNCTIONS REALLOCATED WITHIN EACH GROUP
TRANSMISSION, DISTRIBUTION, AND GENERAL RESERVE PER BOOK
PUD RECOMMENDED

	ACCOUNT (1)	Plant Balance	Reallocated Book Reserve	Net Salvage %	Net Salvage Amount	Unaccrued Balance	Remaining Life	Accrual Amount	Annual Accrual Rate
	INTANGIBLE PLANT								
302	FRANCHISES AND CONSENTS	1,551,188	830,287	0.00%	0	720,901	10.85	66,413	4.28%
303.1	MISCELLANEOUS INTANGIBLE PLANT - SOFTWARE - 5-YEAR	113,907,272	43,455,282	0.00%	0	70,451,990	7.46	9,445,966	8.29%
303.2	MISCELLANEOUS INTANGIBLE PLANT - SOFTWARE - 10-YEAR								
	FULLY DEPRECIATED	73,273,842	73,273,842						
	AMORTIZED	148,826,972	79,876,570	0.00%	0	68,950,402	4.55	15,153,799	10.18%
	TOTAL SOFTWARE - 10-YEAR	337,559,274	197,435,981	0.00%	0	140,123,293		24,666,178	
	TOTAL INTANGIBLE PLANT								
	STEAM PRODUCTION PLANT								
310.2	**RIGHTS OF WAY**	28,509	28,227	0.00%	0	282	1.00	282	0.99%
	HORSESHOE LAKE 6	78,916	78,773	0.00%	0	143	8.00	18	0.02%
	SEMINOLE 1	18,934	15,442	0.00%	0	3,492	20.00	175	0.92%
	MUSKOGEE 4	813,704	422,608	0.00%	0	391,096	22.00	17,777	2.18%
	SOONER 1	940,063	545,050		0	395,013	51.00	18,252	1.94%
	TOTAL RIGHTS OF WAY								
311	**STRUCTURES AND IMPROVEMENTS**								
	HORSESHOE LAKE 6	201,906	155,609	-0.36%	(727)	47,024	1.00	47,024	23.29%
	HORSESHOE LAKE 7	2,807,502	2,794,026	-0.86%	(24,145)	37,621	2.00	18,810	0.67%
	HORSESHOE LAKE 8	28,618,552	20,448,181	-0.81%	(231,810)	8,402,181	4.97	1,691,571	5.91%
	SEMINOLE 1	26,448,745	17,805,045	-1.13%	(298,871)	8,942,570	7.89	1,133,282	4.28%
	SEMINOLE 2	3,799,406	2,364,511	-1.64%	(62,310)	1,497,205	9.81	152,661	4.02%
	SEMINOLE 3	8,154,375	6,485,255	-1.69%	(137,809)	1,806,929	11.68	154,688	1.90%
	MUSKOGEE 4	69,811,751	26,396,923	-2.41%	(1,682,463)	45,097,291	19.32	2,334,415	3.34%
	MUSKOGEE 5	7,451,169	4,726,812	-3.14%	(233,967)	2,958,324	20.05	147,548	1.98%
	MUSKOGEE 6	58,954,946	33,535,945	-3.91%	(2,305,138)	27,724,140	25.41	1,091,238	1.85%
	SOONER 1	151,399,419	72,145,988	-2.30%	(3,482,187)	82,735,617	21.06	3,928,658	2.59%
	SOONER 2	12,655,397	9,124,660	-2.73%	(345,492)	3,876,229	21.73	178,422	1.41%
	RIVER VALLEY 1	61,139,973	35,625,143	-3.48%	(2,127,671)	27,642,501	24.61	1,123,185	1.84%
	RIVER VALLEY 2	54,656	24,032	-3.82%	(2,088)	32,712	24.83	1,317	2.41%
	TOTAL STRUCTURES AND IMPROVEMENTS	431,497,798	231,632,130		(10,934,678)	210,800,346		12,002,820	2.78%
312	**BOILER PLANT EQUIPMENT**								
	HORSESHOE LAKE 6	20,996,286	18,755,982	-0.36%	(75,587)	2,315,890	1.00	2,315,890	11.03%
	HORSESHOE LAKE 7	15,246,822	14,511,925	-0.86%	(131,123)	866,019	2.00	433,010	2.84%
	HORSESHOE LAKE 8	22,959,876	18,253,216	-0.81%	(185,975)	4,892,635	4.94	989,858	4.31%
	SEMINOLE 1	59,087,267	39,574,349	-1.13%	(667,686)	20,180,604	7.87	2,563,836	4.34%
	SEMINOLE 2	49,105,513	32,632,439	-1.64%	(805,330)	17,278,404	9.77	1,768,782	3.60%
	SEMINOLE 3	68,970,927	45,769,344	-1.69%	(1,165,609)	24,367,192	11.64	2,092,527	3.03%
	MUSKOGEE 4	127,239,724	61,784,220	-2.41%	(3,066,477)	68,521,981	19.02	3,602,724	2.83%
	MUSKOGEE 5	118,189,382	63,405,748	-3.14%	(3,711,147)	58,494,780	19.88	2,942,861	2.49%
	MUSKOGEE 6	301,242,531	159,657,636	-3.91%	(11,778,583)	153,363,478	25.02	6,129,840	2.03%
	SOONER 1	549,266,125	187,784,442	-2.30%	(12,633,121)	374,114,803	20.97	17,837,043	3.25%
	SOONER 2	369,243,742	132,126,723	-2.73%	(10,080,354)	247,197,374	21.82	11,326,526	3.07%

OKLAHOMA GAS AND ELECTRIC COMPANY

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PRODUCTION AND OTHER PRODUCTION REALLOCATED WITHIN EACH GROUP
ALL FUNCTIONS REALLOCATED WITHIN EACH GROUP
TRANSMISSION, DISTRIBUTION, AND GENERAL RESERVE PER BOOK
PUD RECOMMENDED

	ACCOUNT	Plant Balance	Reallocated Book Reserve	Net Salvage %	Net Salvage Amount	Unaccrued Balance	Remaining Life	Accrual Amount	Annual Accrual Rate
	RIVER VALLEY 1	221,271,646	124,152,017	-3.48%	(7,700,253)	104,819,882	24.24	4,323,594	1.95%
	RIVER VALLEY 2	121,987,581	71,499,691	-3.82%	(4,659,926)	55,147,816	24.20	2,279,109	1.87%
	TOTAL BOILER PLANT EQUIPMENT	2,044,807,422	969,907,732		(56,661,170)	1,131,560,860		58,605,599	2.87%
314	**TURBOGENERATOR UNITS**								
	HORSESHOE LAKE 6	10,842,200	8,952,405	-0.36%	(39,032)	1,928,827	1.00	1,928,827	17.79%
	HORSESHOE LAKE 7	10,985,415	10,207,648	-0.86%	(94,475)	872,242	2.00	436,121	3.97%
	HORSESHOE LAKE 8	29,108,074	21,402,774	-0.81%	(235,775)	7,941,076	4.91	1,618,865	5.56%
	SEMINOLE 1	32,468,391	24,179,344	-1.13%	(366,893)	8,655,940	7.72	1,121,363	3.45%
	SEMINOLE 2	44,903,852	28,154,833	-1.64%	(736,423)	17,485,443	9.57	1,827,837	4.07%
	SEMINOLE 3	32,494,674	21,803,093	-1.69%	(549,160)	11,240,741	11.44	982,642	3.02%
	MUSKOGEE 4	71,581,697	29,639,008	-2.41%	(1,725,119)	43,667,808	18.64	2,342,173	3.27%
	MUSKOGEE 5	52,439,504	29,675,394	-3.14%	(1,646,600)	24,410,710	18.95	1,288,294	2.46%
	MUSKOGEE 6	94,009,241	44,699,825	-3.91%	(3,675,761)	52,985,177	23.61	2,244,424	2.39%
	SOONER 1	43,344,918	23,155,737	-2.30%	(996,933)	21,186,114	19.78	1,071,075	2.47%
	SOONER 2	49,136,488	24,977,198	-2.73%	(1,341,426)	25,500,716	20.54	1,241,687	2.53%
	RIVER VALLEY 1	53,028,756	25,190,265	-3.48%	(1,845,401)	29,683,891	23.00	1,290,868	2.43%
	RIVER VALLEY 2	30,735,122	16,496,051	-3.82%	(1,174,082)	15,413,153	22.79	676,188	2.20%
	TOTAL TURBOGENERATOR UNITS	555,078,332	308,533,575		(14,427,080)	260,971,837		18,070,366	3.26%
315	**ACCESSORY ELECTRIC EQUIPMENT**								
	HORSESHOE LAKE 6	3,348,719	2,875,880	-0.36%	(12,055)	484,895	1.00	484,895	14.48%
	HORSESHOE LAKE 7	2,377,714	2,047,687	-0.86%	(20,448)	350,475	2.00	175,238	7.37%
	HORSESHOE LAKE 8	2,799,956	2,521,564	-0.81%	(22,680)	301,072	4.94	60,949	2.18%
	SEMINOLE 1	4,042,504	3,286,072	-1.13%	(45,680)	802,112	4.45	180,446	4.46%
	SEMINOLE 2	3,287,888	1,823,454	-1.64%	(53,921)	1,518,356	9.81	154,789	4.71%
	SEMINOLE 3	5,362,861	4,217,436	-1.69%	(90,632)	1,236,057	11.71	105,550	1.97%
	MUSKOGEE 4	34,848,214	20,021,495	-2.41%	(839,842)	15,666,561	18.98	825,230	2.37%
	MUSKOGEE 5	12,449,797	8,848,976	-3.14%	(390,924)	3,991,745	19.41	205,624	1.65%
	MUSKOGEE 6	44,124,866	29,030,854	-3.91%	(1,725,282)	16,819,295	24.77	678,987	1.54%
	SOONER 1	25,739,512	18,483,876	-2.30%	(592,009)	7,847,645	20.24	387,756	1.51%
	SOONER 2	13,215,686	9,627,415	-2.73%	(360,788)	3,949,060	21.03	187,770	1.42%
	RIVER VALLEY 1	41,676,296	23,864,005	-3.48%	(1,450,335)	19,262,626	24.49	786,499	1.89%
	RIVER VALLEY 2	1,565,529	224,118	-3.82%	(59,803)	1,401,214	25.50	54,951	3.51%
	TOTAL ACCESSORY ELECTRIC EQUIPMENT	194,839,542	126,872,831		(5,664,401)	73,631,111		4,288,682	2.20%
316	**MISCELLANEOUS POWER PLANT EQUIPMENT**								
	HORSESHOE LAKE 6	2,111,076	1,884,346	-0.36%	(7,600)	234,329	1.00	234,329	11.10%
	HORSESHOE LAKE 7	1,116,214	1,055,492	-0.86%	(9,599)	70,321	2.00	35,161	3.15%
	HORSESHOE LAKE 8	3,830,753	1,884,879	-0.81%	(31,029)	1,976,903	4.41	448,143	11.70%
	SEMINOLE 1	4,188,322	3,102,979	-1.13%	(47,328)	1,132,671	4.78	237,010	5.66%
	SEMINOLE 2	21,726	21,821	-1.64%	(356)	261	1.38	189	0.87%
	SEMINOLE 3	300,618	186,631	-1.69%	(5,080)	119,067	8.58	13,874	4.62%
	MUSKOGEE 4	10,582,057	4,669,687	-2.41%	(255,028)	6,167,398	13.34	462,166	4.37%
	MUSKOGEE 5	703,624	563,911	-3.14%	(22,094)	161,807	5.99	27,015	3.84%
	MUSKOGEE 6	4,642,616	4,059,546	-3.91%	(181,526)	764,597	6.72	113,715	2.45%
	SOONER 1	9,176,698	4,156,129	-2.30%	(211,064)	5,231,633	13.71	381,460	4.16%
	SOONER 2	2,423,736	1,925,841	-2.73%	(66,168)	564,063	6.69	84,360	3.48%
	RIVER VALLEY 1	20,631,345	14,927,543	-3.48%	(717,971)	6,421,773	9.52	674,779	3.27%
	RIVER VALLEY 2	32,329	1,795	-3.82%	(1,235)	31,769	20.94	1,517	4.69%
	POWER SUPPLY SERVICES	2,858,584	838,386	-5.00%	(142,929)	2,163,128	18.00	120,143	4.20%

OKLAHOMA GAS AND ELECTRIC COMPANY

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ALL FUNCTIONS REALLOCATED WITHIN EACH GROUP
TRANSMISSION, DISTRIBUTION, AND GENERAL RESERVE PER BOOK
PUD RECOMMENDED

	ACCOUNT	Plant Balance	Reallocated Book Reserve	Net Salvage %	Net Salvage Amount	Unaccrued Balance	Remaining Life	Accrual Amount	Annual Accrual Rate
	TOTAL MISCELLANEOUS POWER PLANT EQUIPMENT	62,619,698	39,278,986		(1,699,008)	25,039,720		2,833,861	4.53%
	TOTAL STEAM PRODUCTION PLANT	**3,289,782,854**	**1,676,770,304**		**(89,386,337)**	**1,702,398,888**		**95,819,580**	
	OTHER PRODUCTION PLANT								
340.2	RIGHTS OF WAY								
	MUSTANG CTs	10,815	8,754	0.00%	0	2,061	32.00	64	0.60%
341	STRUCTURES AND IMPROVEMENTS								
	REDBUD 1	34,235,763	15,468,243	-1.00%	(342,358)	19,109,877	25.54	748,091	2.19%
	REDBUD 2	318,306	69,610	-1.00%	(3,183)	251,879	26.25	9,595	3.01%
	REDBUD 3	265,177	61,989	-1.00%	(2,652)	205,840	26.22	7,851	2.96%
	REDBUD 4	288,878	71,988	-1.00%	(2,889)	219,779	26.18	8,395	2.91%
	HORSESHOE LAKE 9 AND 10	1,201,774	863,102	0.00%	0	338,672	12.65	26,767	2.23%
	TINKER	1,781,246	1,307,791	0.00%	0	473,455	3.00	157,818	8.86%
	MCCLAIN GAS 1	11,750,959	4,885,360	-1.00%	(117,510)	6,983,109	12.65	551,911	4.70%
	MCCLAIN GAS 2	1,788,683	929,457	-1.00%	(17,887)	877,113	23.04	38,072	2.13%
	MCCLAIN STEAM 1	1,070,785	492,647	-1.00%	(10,708)	588,846	22.85	25,771	2.41%
	FRONTIER 1	8,395,038	5,234,431	-2.00%	(167,901)	3,328,508	22.05	150,939	1.80%
	MUSTANG CTs	43,721,045	9,548,121	-1.00%	(437,210)	34,610,134	30.25	1,144,026	2.62%
	TOTAL STRUCTURES AND IMPROVEMENTS	104,817,655	38,932,739		(1,102,297)	66,987,213		2,869,235	
341	STRUCTURES AND IMPROVEMENTS - WIND								
	CENTENNIAL	3,014,587	1,445,393	-1.00%	(30,146)	1,599,340	12.82	124,776	4.14%
	OU SPIRIT	5,228,646	2,563,157	-2.00%	(104,573)	2,770,062	15.42	179,665	3.44%
	CROSSROADS	11,538,638	4,690,768	-2.00%	(230,773)	7,078,642	18.12	390,596	3.39%
	TOTAL STRUCTURES AND IMPROVEMENTS - WIND	19,781,871	8,699,318		(365,492)	11,448,045		695,037	
341	STRUCTURES AND IMPROVEMENTS - SOLAR	4,465,531	486,446	0.00%	0	3,979,085	25.11	158,472	3.55%
342	FUEL HOLDERS, PRODUCERS AND ACCESSORIES								
	REDBUD 1	12,117,606	5,628,393	-1.00%	(121,176)	6,610,389	26.18	252,453	2.08%
	REDBUD 2	690,651	324,011	-1.00%	(6,907)	373,546	26.17	14,273	2.07%
	REDBUD 3	691,292	324,268	-1.00%	(6,913)	373,937	26.17	14,287	2.07%
	REDBUD 4	719,786	331,215	-1.00%	(7,198)	395,769	26.20	15,108	2.10%
	TINKER	167,151	149,349	0.00%	0	17,802	3.00	5,938	3.55%
	MCCLAIN GAS 1	354,085	196,726	-1.00%	(3,541)	160,900	23.18	6,940	1.96%
	MCCLAIN GAS 2	260,457	139,159	-1.00%	(2,605)	123,902	23.20	5,341	2.05%
	FRONTIER 1	978,948	799,082	-2.00%	(19,579)	199,445	20.71	9,632	0.98%
	MUSTANG CTs	7,657,023	1,300,970	-1.00%	(76,570)	6,432,623	31.56	203,849	2.66%
	TOTAL FUEL HOLDERS, PRODUCERS AND ACCESSORIES	23,636,999	9,193,175		(244,488)	14,688,312		527,822	
343	PRIME MOVERS								
	REDBUD 1	93,479,687	38,069,408	-1.00%	(934,797)	56,345,076	23.30	2,418,711	2.59%
	REDBUD 2	67,426,482	6,506,225	-1.00%	(674,265)	61,594,522	25.28	2,436,584	3.61%
	REDBUD 3	67,539,780	30,286,740	-1.00%	(675,398)	37,928,438	22.97	1,651,022	2.44%
	REDBUD 4	61,546,829	27,921,657	-1.00%	(615,468)	34,240,640	22.94	1,492,410	2.42%
	HORSESHOE LAKE 9 AND 10	8,902,621	5,434,553	0.00%	0	3,468,068	11.75	295,163	3.32%
	TINKER	4,550,058	3,602,736	0.00%	0	947,322	3.00	315,774	6.94%
	MCCLAIN GAS 1	110,863,190	55,312,404	-1.00%	(1,108,632)	56,659,418	20.61	2,749,290	2.48%
	MCCLAIN GAS 2	105,433,620	57,001,360	-1.00%	(1,054,336)	49,486,596	20.27	2,441,039	2.32%

OKLAHOMA GAS AND ELECTRIC COMPANY

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PRODUCTION AND OTHER PRODUCTION REALLOCATED WITHIN EACH GROUP
ALL FUNCTIONS REALLOCATED WITHIN EACH GROUP
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PUD RECOMMENDED

	ACCOUNT	Plant Balance	Reallocated Book Reserve	Net Salvage %	Net Salvage Amount	Unaccrued Balance	Remaining Life	Accrual Amount	Annual Accrual Rate
	MCCLAIN STEAM 1	52,753,857	31,118,367	-1.00%	(527,539)	22,163,029	19.83	1,117,639	2.12%
	FRONTIER 1	65,667,528	47,311,552	-2.00%	(1,313,351)	19,669,327	15.85	1,240,728	1.89%
	MUSTANG CTs	263,333,261	47,598,208	-1.00%	(2,633,333)	218,368,385	28.59	7,637,378	2.90%
	TOTAL PRIME MOVERS	901,496,913	350,163,209		(9,537,118)	560,870,822		23,795,738	
	LTSA								
343.1	6-YEAR								
	REDBUD 1	6,096,068	4,656,661	0.00%	0	1,439,407	2.50	575,763	9.44%
	REDBUD 2	13,864,899	10,591,112	0.00%	0	3,273,787	2.50	1,309,515	9.44%
	REDBUD 3	13,998,897	10,693,470	0.00%	0	3,305,427	2.50	1,322,171	9.44%
	REDBUD 4	5,993,168	4,578,058	0.00%	0	1,415,110	2.50	566,044	9.44%
	MCCLAIN GAS 1	15,798,603	12,068,229	0.00%	0	3,730,374	2.50	1,492,150	9.44%
	MCCLAIN GAS 2	15,810,675	12,077,450	0.00%	0	3,733,225	2.50	1,493,290	9.44%
	Total 6 - YR	71,562,310	54,664,980		0	16,897,330		6,758,932	
343.2	20-YEAR								
	REDBUD 1	1,490,678	1,415,239	0.00%	0	75,439	5.50	13,716	0.92%
	REDBUD 2	1,490,678	1,415,239	0.00%	0	75,439	5.50	13,716	0.92%
	REDBUD 3	1,490,678	1,415,239	0.00%	0	75,439	5.50	13,716	0.92%
	REDBUD 4	1,490,678	1,415,239	0.00%	0	75,439	5.50	13,716	0.92%
	Total 20-Yr	5,962,712	5,660,957		0	301,755		54,864	
343.3	30-YEAR								
	MCCLAIN GAS 1	349,749	282,433	0.00%	0	67,316	11.50	5,854	1.67%
	MCCLAIN GAS 2	343,590	277,459	0.00%	0	66,131	11.50	5,751	1.67%
	Total 30-YR	693,339	559,892		0	133,447		11,604	
	TOTAL LTSA	78,218,361	60,885,829		0	17,332,531		6,825,400	
	TOTAL ACCOUNT 343	979,715,274	411,049,038		-9,537,118	578,203,353		30,621,139	
344	GENERATORS								
	REDBUD 1	717,218	300,131	-1.00%	(7,172)	424,259	24.98	16,984	2.37%
	REDBUD 3	23,199	8,643	-1.00%	(232)	14,788	25.17	588	2.53%
	REDBUD 4	23,035	8,582	-1.00%	(230)	14,684	25.17	583	2.53%
	HORSESHOE LAKE 9 AND 10	36,135,688	25,952,124	0.00%	0	10,183,564	12.50	814,996	2.26%
	TINKER	3,366,088	2,995,482	0.00%	0	370,606	3.00	123,535	3.67%
	FRONTIER 1	8,118,041	6,248,311	-2.00%	(162,361)	2,032,090	20.99	96,823	1.19%
	MUSTANG CTs	31,405,980	5,344,378	-1.00%	(314,060)	26,375,662	29.89	882,405	2.81%
	TOTAL GENERATORS	79,789,249	40,857,651		(484,055)	39,415,653		1,935,915	
344	GENERATORS - WIND								
	CENTENNIAL	185,423,873	104,035,429	-1.00%	(1,854,239)	83,242,683	12.16	6,848,372	3.69%
	OU SPIRIT	237,888,863	114,148,017	-2.00%	(4,757,777)	128,498,623	14.65	8,773,699	3.69%
	CROSSROADS	349,390,682	140,132,122	-2.00%	(6,987,814)	216,246,373	17.08	12,658,095	3.62%
	TOTAL GENERATORS - WIND	772,703,418	358,315,568		(13,599,830)	427,987,679		28,280,166	
344	GENERATORS - SOLAR	39,650,005	6,119,908	0.00%	0	33,530,097	22.35	1,500,541	3.78%
345	ACCESSORY ELECTRIC EQUIPMENT								
	REDBUD 1	13,173,539	5,839,181	-1.00%	(131,735)	7,466,093	25.88	288,478	2.19%
	REDBUD 2	9,557,253	4,341,878	-1.00%	(95,573)	5,310,948	25.86	205,366	2.15%
	REDBUD 3	9,330,337	4,269,028	-1.00%	(93,303)	5,154,613	25.85	199,394	2.14%

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	ACCOUNT	Plant Balance	Reallocated Book Reserve	Net Salvage %	Net Salvage Amount	Unaccrued Balance	Remaining Life	Accrual Amount	Annual Accrual Rate
	REDBUD 4	9,593,118	4,369,550	-1.00%	(95,931)	5,319,500	25.86	205,714	2.14%
	HORSESHOE LAKE 9 AND 10	4,874,594	3,673,014	0.00%	0	1,201,580	12.72	94,444	1.94%
	TINKER	3,078,637	2,977,966	0.00%	0	100,671	3.00	33,557	1.09%
	MCCLAIN GAS 1	7,224,119	3,409,410	-1.00%	(72,241)	3,886,951	23.10	168,267	2.33%
	MCCLAIN GAS 2	6,049,899	3,306,350	-1.00%	(60,499)	2,804,048	22.95	122,157	2.02%
	MCCLAIN STEAM 1	3,740,436	2,108,507	-1.00%	(37,404)	1,669,333	22.90	72,883	1.95%
	FRONTIER 1	7,857,363	5,755,000	-2.00%	(157,147)	2,259,510	22.62	99,884	1.27%
	MUSTANG CTs	25,263,658	4,446,227	-1.00%	(252,637)	21,070,068	31.10	677,437	2.68%
	TOTAL ACCESSORY ELECTRIC EQUIPMENT	99,742,953	44,496,110		(996,471)	56,243,314		2,167,580	0
345	ACCESSORY ELECTRIC EQUIPMENT - WIND								
	CENTENNIAL	2,324,844	694,538	-1.00%	(23,248)	1,653,555	12.41	133,287	5.73%
	OU SPIRIT	4,871,019	918,662	-2.00%	(97,420)	4,049,778	15.04	269,189	5.53%
	CROSSROADS	45,877,900	17,397,775	-2.00%	(917,558)	29,397,683	16.31	1,801,984	3.93%
	TOTAL ACCESSORY ELECTRIC EQUIPMENT - WIND	53,073,763	19,010,974		(1,038,227)	35,101,016		2,204,460	0
345	ACCESSORY ELECTRIC EQUIPMENT - SOLAR	9,653,560	1,226,888	0.00%	0	8,426,672	24.41	345,234	3.58%
346	MISCELLANEOUS POWER PLANT EQUIPMENT								
	REDBUD 1	2,774,340	1,173,697	-1.00%	(27,743)	1,628,387	16.15	100,839	3.63%
	REDBUD 2	18,098	8,666	-1.00%	(181)	9,613	15.30	628	3.47%
	REDBUD 3	13,800	3,545	-1.00%	(138)	10,393	18.69	556	4.03%
	REDBUD 4	20,045	6,128	-1.00%	(200)	14,117	18.15	778	3.88%
	HORSESHOE LAKE 9 AND 10	1,033,095	823,451	0.00%	0	209,644	8.48	24,719	2.39%
	TINKER	61,581	24,614	0.00%	0	36,967	3.00	12,322	20.01%
	MCCLAIN GAS 1	5,975,450	3,504,913	-1.00%	(59,755)	2,530,292	12.94	195,592	3.27%
	FRONTIER 1	5,299,221	3,832,358	-2.00%	(105,984)	1,572,848	10.61	148,234	2.80%
	MUSTANG CTs	7,704,785	4,388,906	-1.00%	(77,048)	3,392,927	13.65	248,512	3.23%
	TOTAL MISCELLANEOUS POWER PLANT EQUIPMENT	22,900,415	13,766,278		(271,050)	9,405,186		732,180	
346	MISCELLANEOUS POWER PLANT EQUIPMENT - WIND								
	CENTENNIAL	885,860	394,513	-1.00%	(8,859)	500,205	11.12	44,984	5.08%
	OU SPIRIT	658,794	131,247	-2.00%	(13,176)	540,723	14.25	37,957	5.76%
	CROSSROADS	562,592	146,851	-2.00%	(11,252)	426,993	15.48	27,580	4.90%
	TOTAL MISCELLANEOUS POWER PLANT EQUIPMENT - WIND	2,107,246	672,611		(33,286)	1,467,921		110,521	
	TOTAL OTHER PRODUCTION PLANT	**2,212,048,754**	**952,835,459**		**-27,672,312**	**1,286,885,607**		**72,148,368**	

OKLAHOMA GAS AND ELECTRIC COMPANY

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PUD RECOMMENDED

	ACCOUNT	Plant Balance	Per Book Reserve	Net Salvage %	Net Salvage Amount	Unaccrued Balance	Remaining Life	Accrual Amount	Annual Accrual Rate
350.2	LAND RIGHTS	131,963,405	26,357,019	0.00%	0	105,606,386	58.21	1,814,290	1.37%
352.0	STRUCTURES AND IMPROVEMENTS	9,042,721	2,184,920	-20.00%	(1,808,544)	8,666,345	55.93	154,960	1.71%
353.0	STATION EQUIPMENT	954,383,732	202,724,022	-20.00%	(190,876,746)	942,536,456	46.50	20,269,880	2.12%
354.0	TOWERS AND FIXTURES	173,271,523	60,653,413	-15.00%	(25,990,728)	138,608,838	54.02	2,566,034	1.48%
355.0	POLES AND FIXTURES	1,117,698,049	284,310,845	-45.00%	(502,964,122)	1,336,351,326	65.91	20,276,073	1.81%
356.0	OVERHEAD CONDUCTORS AND DEVICES	693,683,857	234,327,621	-25.00%	(173,420,964)	632,777,201	60.31	10,491,662	1.51%
358.0	UNDERGROUND CONDUCTORS AND DEVICES	110,494	112,091	0.00%	0	(1,597)	6.76	(236)	0.00%
	TOTAL TRANSMISSION PLANT	**3,080,153,781**	**810,669,931**		**(895,061,105)**	**3,164,544,955**		**55,572,662**	
	DISTRIBUTION PLANT								
360.2	LAND RIGHTS	6,459,925	1,856,485	0.00%	0	4,603,440	54.55	84,383	1.31%
361.0	STRUCTURES AND IMPROVEMENTS	7,971,930	2,384,771	-20.00%	(1,594,386)	7,181,545	52.94	135,642	1.70%
362.0	STATION EQUIPMENT	877,615,427	199,661,000	-35.00%	(307,165,399)	985,119,827	48.55	20,291,014	2.31%
363.0	STORAGE BATTERY	851,046	173,818	0.00%	0	677,228	11.52	58,780	6.91%
364.0	POLES, TOWERS AND FIXTURES	786,956,009	304,180,726	-65.00%	(511,521,406)	994,296,689	47.92	20,748,242	2.64%
365.0	OVERHEAD CONDUCTORS AND DEVICES	1,101,396,821	231,506,879	-50.00%	(550,698,411)	1,420,588,353	53.38	26,612,822	2.42%
366.0	UNDERGROUND CONDUIT	335,409,588	88,577,525	-20.00%	(67,081,918)	313,913,981	53.10	5,911,619	1.76%
367.0	UNDERGROUND CONDUCTORS AND DEVICES	971,654,868	280,382,265	-50.00%	(485,827,434)	1,177,100,037	50.87	23,140,081	2.38%
368.0	LINE TRANSFORMERS	670,460,796	128,190,027	-60.00%	(402,276,478)	944,547,246	35.89	26,316,659	3.93%
369.0	SERVICES	266,118,193	149,026,905	-30.00%	(79,835,458)	196,926,746	45.47	4,331,069	1.63%
	METERS								
370.0	METERS - SMART METERS	184,961,833	93,760,342	-10.00%	(18,496,183)	109,697,674	12.20	8,990,538	4.86%
370.1	METERS - METERING EQUIPMENT	39,490,060	26,311,722	-10.00%	(3,949,006)	17,127,344	21.22	807,233	2.04%
	TOTAL METERS								
371.0	INSTALLATIONS ON CUSTOMERS' PREMISES	57,414,311	42,421,298	0.00%	0	14,993,013	6.45	2,324,969	4.05%
373.0	STREET LIGHTING AND SIGNAL SYSTEMS	316,836,035	47,184,922	-55.00%	(174,259,819)	443,910,932	26.18	16,957,364	5.35%
	TOTAL DISTRIBUTION PLANT	**5,623,596,842**	**1,595,618,685**		**(2,602,705,897)**	**6,630,684,055**		**156,710,415**	
	GENERAL PLANT								
389.2	LAND RIGHTS	178,598	88,692	0.00%	0	89,906	23.96	3,753	2.10%
390.0	STRUCTURES AND IMPROVEMENTS	228,678,766	64,711,425	-5.00%	(11,433,938)	175,401,279	39.49	4,441,385	1.94%
	OFFICE FURNITURE AND EQUIPMENT								
391.0	OFFICE FURNITURE AND EQUIPMENT	19,379,183	5,810,415	0.00%	0	13,568,767	6.95	1,951,594	10.07%
391.1	COMPUTER EQUIPMENT	74,525,311	42,563,446	0.00%	0	31,961,865	2.19	14,591,706	19.58%
	TOTAL OFFICE AND FURNITURE EQUIPMENT	93,904,494	48,373,862		0	45,530,632		16,543,300	
	TRANSPORTATION EQUIPMENT				0				
392.1	CARS AND TRUCKS	27,059,844	14,972,932	10.00%	2,705,984	9,380,928	4.97	1,887,734	6.98%
392.5	HEAVY TRUCKS	78,137,483	32,340,212	10.00%	7,813,748	37,983,523	8.05	4,720,062	6.04%
392.6	TRAILERS	10,015,704	3,582,039	10.00%	1,001,570	5,432,095	17.91	303,320	3.03%
	TOTAL TRANSPORTATION EQUIPMENT	115,213,031	50,895,183		11,521,303	52,796,545		6,911,115	

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393.0	STORES EQUIPMENT	1,198,089	208,600	0.00%	0	989,489	16.95	58,387	4.87%
394.0	TOOLS, SHOP AND GARAGE EQUIPMENT	28,819,877	5,855,631	0.00%	0	22,964,246	18.79	1,222,160	4.24%
395.0	LABORATORY EQUIPMENT	11,310,063	4,348,664	0.00%	0	6,961,399	9.64	722,112	6.38%
396.0	POWER OPERATED EQUIPMENT	16,256,047	6,536,704	15.00%	2,438,407	7,280,936	9.88	737,212	4.54%
397.0	COMMUNICATION EQUIPMENT	34,537,031	19,729,114	0.00%	0	14,807,917	4.17	3,547,456	10.27%
398.0	MISCELLANEOUS EQUIPMENT	12,469,947	4,862,439	0.00%	0	7,607,508	13.80	551,169	4.42%
	TOTAL GENERAL PLANT	**542,565,943**	**205,610,313**		**2,525,772**	**334,429,858**		**34,738,050**	
	TOTAL DEPRECIABLE ELECTRIC PLANT	**15,085,707,448**	**5,438,940,672**		**(3,612,299,880)**	**13,259,066,656**		**439,655,252**	

NOTES:

1) ACCOUNTS BELOW WILL HAVE THE FOLLOWING RATES .

303.4 MISCELLANEOUS INTANGIBLE PLANT - SAP S4 SOFTWARE	6.67%
311-316 NEW UNITS AT HORSESHOE LAKE ARE PROJECTED TO HAVE A RATE OF	3.00%
358 WHEN PLANT IS ADDED WHERE THE PLANT BALANCE IS GREATER THAN ACCUMULATED DEPRECIATI(	2.22%

OKLAHOMA GAS AND ELECTRIC COMPANY

COMPARISON OF ANNUAL DEPRECIATION ACCRUAL AMOUNTS AND RATES
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	ACCOUNT (1)	Plant Balance	Oklahoma Accrual rate	Current Oklahoma $	Proposed Accrual rate	Proposal Accrual $	Difference
	INTANGIBLE PLANT						
302.00	FRANCHISES AND CONSENTS	1,551,188	4.48	69,493	4.28%	66,413	-3,081
303.1	MISCELLANEOUS INTANGIBLE PLANT - SOFTWARE - 5-YEAR	113,907,272	15.87	18,077,084	8.29%	9,445,966	-8,631,118
303.2	MISCELLANEOUS INTANGIBLE PLANT - SOFTWARE - 10-YEAR						
	FULLY DEPRECIATED	73,273,842					
	AMORTIZED	148,826,972	7.37	10,968,548	10.18%	15,153,799	4,185,251
	TOTAL SOFTWARE - 10-YEAR	222,100,814		10,968,548		15,153,799	4,185,251
	TOTAL INTANGIBLE PLANT	337,559,274		29,115,125		24,666,178	(4,448,947)
	STEAM PRODUCTION PLANT						
310.2	RIGHTS OF WAY						
	HORSESHOE LAKE 6	28,509	0.99	282	0.99%	282	(0)
	SEMINOLE 1	78,916	2.11	1,665	0.02%	18	(1,647)
	MUSKOGEE 4	18,934	2.68	507	0.92%	175	(333)
	SOONER 1	813,704	3.18	25,876	2.18%	17,777	(8,099)
	TOTAL RIGHTS OF WAY	940,063	3.01	28,331	1.94%	18,252	(10,079)
311	STRUCTURES AND IMPROVEMENTS						
	HORSESHOE LAKE 6	201,906	23.29	47,024	23.29%	47,024	0
	HORSESHOE LAKE 7	2,807,502	0.67	18,810	0.67%	18,810	0
	HORSESHOE LAKE 8	28,618,552	7.67	2,195,043	5.91%	1,691,571	(503,472)
	SEMINOLE 1	26,448,745	4.07	1,076,464	4.28%	1,133,282	56,818
	SEMINOLE 2	3,799,406	3.43	130,320	4.02%	152,661	22,341
	SEMINOLE 3	8,154,375	1.70	138,624	1.90%	154,688	16,064
	MUSKOGEE 4	69,811,751	3.44	2,401,524	3.34%	2,334,415	(67,109)
	MUSKOGEE 5	7,451,169	1.99	148,278	1.98%	147,548	(730)
	MUSKOGEE 6	58,954,946	1.22	719,250	1.85%	1,091,238	371,988
	SOONER 1	151,399,419	2.22	3,361,067	2.59%	3,928,658	567,591
	SOONER 2	12,655,397	1.13	143,006	1.41%	178,422	35,416
	RIVER VALLEY 1	61,139,973	0.36	220,104	1.84%	1,123,185	903,081
	RIVER VALLEY 2	54,656	0.25	137	2.41%	1,317	1,181
	TOTAL STRUCTURES AND IMPROVEMENTS	431,497,798	3.01	10,599,652	2.78%	12,002,820	1,403,169
312	BOILER PLANT EQUIPMENT						
	HORSESHOE LAKE 6	20,996,286	11.03	2,315,890	11.03%	2,315,890	0
	HORSESHOE LAKE 7	15,246,822	2.84	433,010	2.84%	433,010	0
	HORSESHOE LAKE 8	22,959,876	5.13	1,177,842	4.31%	989,858	(187,983)
	SEMINOLE 1	59,087,267	6.55	3,870,216	4.34%	2,563,836	(1,306,380)
	SEMINOLE 2	49,105,513	5.18	2,543,666	3.60%	1,768,782	(774,884)
	SEMINOLE 3	68,970,927	3.82	2,634,689	3.03%	2,092,527	(542,163)
	MUSKOGEE 4	127,239,724	3.77	4,796,938	2.83%	3,602,724	(1,194,214)
	MUSKOGEE 5	118,189,382	2.91	3,439,311	2.49%	2,942,861	(496,450)
	MUSKOGEE 6	301,242,531	1.83	5,512,738	2.03%	6,129,840	617,101
	SOONER 1	549,266,125	3.31	18,180,709	3.25%	17,837,043	(343,666)
	SOONER 2	369,243,742	2.94	10,855,766	3.07%	11,326,526	470,760
	RIVER VALLEY 1	221,271,646	0.43	951,468	1.95%	4,323,594	3,372,126
	RIVER VALLEY 2	121,987,581	0.47	573,342	1.87%	2,279,109	1,705,767

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	ACCOUNT (1)	Plant Balance	Oklahoma Accrual rate	Current Oklahoma $	Proposed Accrual rate	Proposal Accrual $	Difference
	TOTAL BOILER PLANT EQUIPMENT	2,044,807,422		57,285,584	2.87%	58,605,599	1,320,015
314	TURBOGENERATOR UNITS						
	HORSESHOE LAKE 6	10,842,200	17.79	1,928,827	17.79%	1,928,827	0
	HORSESHOE LAKE 7	10,985,415	3.97	436,121	3.97%	436,121	0
	HORSESHOE LAKE 8	29,108,074	9.57	2,785,643	5.56%	1,618,865	(1,166,778)
	SEMINOLE 1	32,468,391	3.72	1,207,824	3.45%	1,121,363	(86,461)
	SEMINOLE 2	44,903,852	4.59	2,061,087	4.07%	1,827,837	(233,249)
	SEMINOLE 3	32,494,674	2.39	776,623	3.02%	982,642	206,020
	MUSKOGEE 4	71,581,697	3.27	2,340,721	3.27%	2,342,173	1,452
	MUSKOGEE 5	52,439,504	2.14	1,122,205	2.46%	1,288,294	166,089
	MUSKOGEE 6	94,009,241	2.60	2,444,240	2.39%	2,244,424	(199,816)
	SOONER 1	43,344,918	1.83	793,212	2.47%	1,071,075	277,863
	SOONER 2	49,136,488	2.43	1,194,017	2.53%	1,241,687	47,670
	RIVER VALLEY 1	53,028,756	0.41	217,418	2.43%	1,290,868	1,073,450
	RIVER VALLEY 2	30,735,122	0.50	153,676	2.20%	676,188	522,513
	TOTAL TURBOGENERATOR UNITS	555,078,332		17,461,614	3.26%	18,070,366	608,752
315	ACCESSORY ELECTRIC EQUIPMENT						
	HORSESHOE LAKE 6	3,348,719	14.48	484,895	14.48%	484,895	0
	HORSESHOE LAKE 7	2,377,714	7.37	175,238	7.37%	175,238	0
	HORSESHOE LAKE 8	2,799,956	4.26	119,278	2.18%	60,949	(58,329)
	SEMINOLE 1	4,042,504	3.67	148,360	4.46%	180,446	32,086
	SEMINOLE 2	3,287,888	7.16	235,413	4.71%	154,789	(80,624)
	SEMINOLE 3	5,362,861	1.82	97,604	1.97%	105,550	7,946
	MUSKOGEE 4	34,848,214	3.00	1,045,446	2.37%	825,230	(220,217)
	MUSKOGEE 5	12,449,797	1.68	209,157	1.65%	205,624	(3,533)
	MUSKOGEE 6	44,124,866	1.27	560,386	1.54%	678,987	118,601
	SOONER 1	25,739,512	1.27	326,892	1.51%	387,756	60,864
	SOONER 2	13,215,686	1.58	208,808	1.42%	187,770	(21,038)
	RIVER VALLEY 1	41,676,296	0.28	116,694	1.89%	786,499	669,805
	RIVER VALLEY 2	1,565,529	1.13	17,690	3.51%	54,951	37,260
	TOTAL ACCESSORY ELECTRIC EQUIPMENT	194,839,542		3,745,859	2.20%	4,288,682	542,823
316	MISCELLANEOUS POWER PLANT EQUIPMENT						
	HORSESHOE LAKE 6	2,111,076	11.10	234,329	11.10%	234,329	0
	HORSESHOE LAKE 7	1,116,214	3.15	35,161	3.15%	35,161	0
	HORSESHOE LAKE 8	3,830,753	2.94	112,624	11.70%	448,143	335,519
	SEMINOLE 1	4,188,322	4.89	204,809	5.66%	237,010	32,201
	SEMINOLE 2	21,726	7.49	1,627	0.87%	189	(1,438)
	SEMINOLE 3	300,618	2.96	8,898	4.62%	13,874	4,976
	MUSKOGEE 4	10,582,057	4.44	469,843	4.37%	462,166	(7,677)
	MUSKOGEE 5	703,624	1.89	13,298	3.84%	27,015	13,717
	MUSKOGEE 6	4,642,616	1.75	81,246	2.45%	113,715	32,469
	SOONER 1	9,176,698	3.17	290,901	4.16%	381,460	90,559
	SOONER 2	2,423,736	2.16	52,353	3.48%	84,360	32,007
	RIVER VALLEY 1	20,631,345	0.19	39,200	3.27%	674,779	635,579
	RIVER VALLEY 2	32,329			4.69%	1,517	1,517
	POWER SUPPLY SERVICES	2,858,584	1.67	47,738	4.20%	120,143	72,405
	TOTAL MISCELLANEOUS POWER PLANT EQUIPMENT	62,619,698		1,592,028		2,833,861	1,241,833

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	ACCOUNT (1)	Plant Balance	Oklahoma Accrual rate	Current Oklahoma $	Proposed Accrual rate	Proposal Accrual $	Difference
	TOTAL STEAM PRODUCTION PLANT	**3,289,782,854**		**90,713,068**		**95,819,580**	**5,106,512**
	OTHER PRODUCTION PLANT						
340.2	RIGHTS OF WAY						
	MUSTANG CTs	10,815	0.00	0	0.60%	64	64
341	STRUCTURES AND IMPROVEMENTS						
	REDBUD 1	34,235,763	2.11	722,375	2.19%	748,091	25,716
	REDBUD 2	318,306	3.33	10,600	3.01%	9,595	(1,004)
	REDBUD 3	265,177	3.44	9,122	2.96%	7,851	(1,272)
	REDBUD 4	288,878	3.32	9,591	2.91%	8,395	(1,196)
	HORSESHOE LAKE 9 AND 10	1,201,774	3.14	37,736	2.23%	26,767	(10,969)
	TINKER	1,781,246	8.86	157,818	8.86%	157,818	0
	MCCLAIN GAS 1	11,750,959	2.56	300,825	4.70%	551,911	251,087
	MCCLAIN GAS 2	1,788,683	1.59	28,440	2.13%	38,072	9,631
	MCCLAIN STEAM 1	1,070,785	1.83	19,595	2.41%	25,771	6,176
	FRONTIER 1	8,395,038	2.44	204,839	1.80%	150,939	(53,900)
	MUSTANG CTs	43,721,045	2.83	1,237,306	2.62%	1,144,026	(93,280)
	TOTAL STRUCTURES AND IMPROVEMENTS	104,817,655		2,738,246		2,869,235	130,990
341	STRUCTURES AND IMPROVEMENTS - WIND						
	CENTENNIAL	3,014,587	3.22	97,070	4.14%	124,776	27,706
	OU SPIRIT	5,228,646	3.22	168,362	3.44%	179,665	11,303
	CROSSROADS	11,538,638	3.48	401,545	3.39%	390,596	(10,949)
	TOTAL STRUCTURES AND IMPROVEMENTS - WIND	19,781,871		666,977		695,037	28,060
341	STRUCTURES AND IMPROVEMENTS - SOLAR	4,465,531	2.74	122,356	3.55%	158,472	36,117
342	FUEL HOLDERS, PRODUCERS AND ACCESSORIES						
	REDBUD 1	12,117,606	1.87	226,599	2.08%	252,453	25,854
	REDBUD 2	690,651	1.82	12,570	2.07%	14,273	1,703
	REDBUD 3	691,292	1.82	12,582	2.07%	14,287	1,706
	REDBUD 4	719,786	1.88	13,532	2.10%	15,108	1,576
	TINKER	167,151	3.55	5,934	3.55%	5,934	0
	MCCLAIN GAS 1	354,085	1.53	5,418	1.96%	6,940	1,523
	MCCLAIN GAS 2	260,457	1.63	4,245	2.05%	5,341	1,096
	FRONTIER 1	978,948	1.37	13,412	0.98%	9,632	(3,779)
	MUSTANG CTs	7,657,023	2.74	209,802	2.66%	203,849	(5,954)
	TOTAL FUEL HOLDERS, PRODUCERS AND ACCESSORIES	23,636,999		504,093		527,818	23,724
343	PRIME MOVERS						
	REDBUD 1	93,479,687	2.92	2,729,607	2.59%	2,418,711	(310,896)
	REDBUD 2	67,426,482	2.65	1,786,802	3.61%	2,436,584	649,783
	REDBUD 3	67,539,780	2.44	1,647,971	2.44%	1,651,022	3,051
	REDBUD 4	61,546,829	2.57	1,581,754	2.42%	1,492,410	(89,344)
	HORSESHOE LAKE 9 AND 10	8,902,621	4.37	389,045	3.32%	295,163	(93,882)
	TINKER	4,550,058	6.94	315,774	6.94%	315,774	0
	MCCLAIN GAS 1	110,863,190	2.15	2,383,559	2.48%	2,749,290	365,732

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	MCCLAIN GAS 2	105,433,620	1.99	2,098,129	2.32%	2,441,039	342,910
	MCCLAIN STEAM 1	52,753,857	1.55	817,685	2.12%	1,117,639	299,954
	FRONTIER 1	65,667,528	2.35	1,543,187	1.89%	1,240,728	(302,459)
	MUSTANG CTs	263,333,261	3.00	7,899,998	2.90%	7,637,378	(262,620)
	TOTAL PRIME MOVERS	901,496,913		23,193,508		23,795,738	602,230
	LTSA						
343.1	20-YEAR						
	REDBUD 1	1,490,678	7.70	114,782	0.92%	13,716	(101,066)
	REDBUD 2	1,490,678	4.89	72,894	0.92%	13,716	(59,178)
	REDBUD 3	1,490,678	1.85	27,578	0.92%	13,716	(13,861)
	REDBUD 4	1,490,678	3.95	58,882	0.92%	13,716	(45,166)
	20 YR Total	5,962,712		274,136		54,864	(219,271)
343.2	6-YEAR						
	REDBUD 1	6,096,068	20.98	1,278,955	9.44%	575,763	(703,192)
	REDBUD 2	13,864,899	19.96	2,767,434	9.44%	1,309,515	(1,457,919)
	REDBUD 3	13,998,897	18.86	2,640,192	9.44%	1,322,171	(1,318,021)
	REDBUD 4	5,993,168	19.62	1,175,860	9.44%	566,044	(609,816)
	MCCLAIN GAS 1	15,798,603	15.94	2,518,297	9.44%	1,492,150	(1,026,148)
	MCCLAIN GAS 2	15,810,675	16.14	2,551,843	9.44%	1,493,290	(1,058,553)
	6 Yr Total	71,562,310		12,932,581		6,758,932	(6,173,649)
	30-YEAR						
	MCCLAIN GAS 1	349,749	2.15	7,520	1.67%	5,854	(1,666)
	MCCLAIN GAS 2	343,590	1.99	6,837	1.67%	5,751	(1,087)
	Total 30-YR	693,339		14,357		11,604	(2,753)
	TOTAL LTSA	78,218,361		13,221,073		6,825,400	(6,395,673)
344	GENERATORS						
	REDBUD 1	717,218	2.88	20,656	2.37%	16,984	(3,672)
	REDBUD 3	23,199	2.85	661	2.53%	588	(74)
	REDBUD 4	23,035	2.81	647	2.53%	583	(64)
	HORSESHOE LAKE 9 AND 10	36,135,688	3.79	1,369,543	2.26%	814,996	(554,546)
	TINKER	3,366,088	3.67	123,535	3.67%	123,535	0
	FRONTIER 1	8,118,041	1.39	112,841	1.19%	96,823	(16,018)
	MUSTANG CTs	31,405,980	2.89	907,633	2.81%	882,405	(25,227)
	TOTAL GENERATORS	79,789,249		2,535,516		1,935,915	(599,601)
344	GENERATORS - WIND						
	CENTENNIAL	185,423,873	3.27	6,063,361	3.69%	6,848,372	785,012
	OU SPIRIT	237,888,863	3.72	8,849,466	3.69%	8,773,699	(75,767)
	CROSSROADS	349,390,682	3.73	13,032,272	3.62%	12,658,095	(374,177)
	TOTAL GENERATORS - WIND	772,703,418		27,945,099		28,280,166	335,067
344	GENERATORS - SOLAR	39,650,005	3.21	1,272,765	3.78%	1,500,541	227,776
345	ACCESSORY ELECTRIC EQUIPMENT						

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	ACCOUNT (1)	Plant Balance	Oklahoma Accrual rate	Current Oklahoma $	Proposed Accrual rate	Proposal Accrual $	Difference
	REDBUD 1	13,173,539	2.10	276,644	2.19%	288,478	11,834
	REDBUD 2	9,557,253	1.82	173,942	2.15%	205,366	31,424
	REDBUD 3	9,330,337	1.79	167,013	2.14%	199,394	32,381
	REDBUD 4	9,593,118	1.79	171,717	2.14%	205,714	33,997
	HORSESHOE LAKE 9 AND 10	4,874,594	3.28	159,887	1.94%	94,444	(65,443)
	TINKER	3,078,637	1.09	33,557	1.09%	33,557	0
	MCCLAIN GAS 1	7,224,119	1.96	141,593	2.33%	168,267	26,674
	MCCLAIN GAS 2	6,049,899	1.47	88,934	2.02%	122,157	33,223
	MCCLAIN STEAM 1	3,740,436	1.32	49,374	1.95%	72,883	23,509
	FRONTIER 1	7,857,363	1.43	112,360	1.27%	99,884	(12,476)
	MUSTANG CTs	25,263,658	2.83	714,962	2.68%	677,437	(37,524)
	TOTAL ACCESSORY ELECTRIC EQUIPMENT	99,742,953		2,089,982		2,167,580	77,598
345	ACCESSORY ELECTRIC EQUIPMENT - WIND						
	CENTENNIAL	2,324,844	5.32	123,682	5.73%	133,287	9,605
	OU SPIRIT	4,871,019	5.92	288,364	5.53%	269,189	(19,176)
	CROSSROADS	45,877,900	4.04	1,853,467	3.93%	1,801,984	(51,483)
	TOTAL ACCESSORY ELECTRIC EQUIPMENT - WIND	53,073,763		2,265,513		2,204,460	(61,053)
345	ACCESSORY ELECTRIC EQUIPMENT - SOLAR	9,653,560	2.77	267,404	3.58%	345,234	77,831
346	MISCELLANEOUS POWER PLANT EQUIPMENT						
	REDBUD 1	2,774,340	3.12	86,559	3.63%	100,839	14,280
	REDBUD 2	18,098	2.85	516	3.47%	628	113
	REDBUD 3	13,800	3.44	475	4.03%	556	81
	REDBUD 4	20,045	3.27	655	3.88%	778	122
	HORSESHOE LAKE 9 AND 10	1,033,095	2.93	30,270	2.39%	24,719	(5,550)
	TINKER	61,581	20.01	12,322	20.01%	12,322	0
	MCCLAIN GAS 1	5,975,450	2.53	151,179	3.27%	195,592	44,413
	FRONTIER 1	5,299,221	2.10	111,284	2.80%	148,234	36,950
	MUSTANG CTs	7,704,785	3.02	232,685	3.23%	248,512	15,828
	TOTAL MISCELLANEOUS POWER PLANT EQUIPMENT	22,900,415		625,944	0	732,180	106,236
346	MISCELLANEOUS POWER PLANT EQUIPMENT - WIND						
	CENTENNIAL	885,860	4.46	39,509	5.08%	44,984	5,474
	OU SPIRIT	658,794	4.68	30,832	5.76%	37,957	7,126
	CROSSROADS	562,592	4.50	25,317	4.90%	27,580	2,264
	TOTAL MISCELLANEOUS POWER PLANT EQUIPMENT - WIND	2,107,246		95,658	0	110,521	14,864
	TOTAL OTHER PRODUCTION PLANT	**2,212,048,754**		**77,544,134**		**72,148,364**	**(5,395,770)**
	TRANSMISSION PLANT						
350.2	LAND RIGHTS	131,963,405	1.40	1,847,488	1.37%	1,814,290	(33,198)
352	STRUCTURES AND IMPROVEMENTS	9,042,721	1.44	130,215	1.71%	154,960	24,745
353	STATION EQUIPMENT	954,383,732	2.13	20,328,373	2.12%	20,269,880	(58,493)
354	TOWERS AND FIXTURES	173,271,523	1.58	2,737,690	1.48%	2,566,034	(171,656)
355	POLES AND FIXTURES	1,117,698,049	2.16	24,142,278	1.81%	20,276,073	(3,866,205)
356	OVERHEAD CONDUCTORS AND DEVICES	693,683,857	2.11	14,636,729	1.51%	10,491,662	(4,145,068)
358	UNDERGROUND CONDUCTORS AND DEVICES	110,494	2.22	2,453	0.00%	0	(2,453)

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	TOTAL TRANSMISSION PLANT	**3,080,153,781**		**63,825,227**		**55,572,898**	**(8,252,329)**
	DISTRIBUTION PLANT						
360.2	LAND RIGHTS	6,459,925	1.27	82,041	1.31%	84,383	2,341
361	STRUCTURES AND IMPROVEMENTS	7,971,930	1.47	117,187	1.70%	135,642	18,454
362	STATION EQUIPMENT	877,615,427	2.18	19,132,016	2.31%	20,291,014	1,158,998
363	STORAGE BATTERY	851,046	6.75	57,446	6.91%	58,780	1,334
364	POLES, TOWERS AND FIXTURES	786,956,009	2.47	19,437,813	2.64%	20,748,242	1,310,429
365	OVERHEAD CONDUCTORS AND DEVICES	1,101,396,821	2.36	25,992,965	2.42%	26,612,822	619,857
366	UNDERGROUND CONDUIT	335,409,588	1.70	5,701,963	1.76%	5,911,619	209,656
367	UNDERGROUND CONDUCTORS AND DEVICES	971,654,868	2.35	22,833,889	2.38%	23,140,081	306,191
368	LINE TRANSFORMERS	670,460,796	3.59	24,069,543	3.93%	26,316,659	2,247,116
369	SERVICES	266,118,193	1.87	4,976,410	1.63%	4,331,069	(645,341)
	METERS						
370	METERS - SMART METERS	184,961,833	4.48	8,286,290	4.86%	8,990,538	704,248
370.1	METERS - METERING EQUIPMENT	39,490,060	5.59	2,207,494	2.04%	807,233	(1,400,261)
	TOTAL METERS	224,451,893		10,493,784		9,797,772	(696,013)
371	INSTALLATIONS ON CUSTOMERS' PREMISES	57,414,311	4.04	2,319,538	4.05%	2,324,969	5,431
373	STREET LIGHTING AND SIGNAL SYSTEMS	316,836,035	4.42	14,004,153	5.35%	16,957,364	2,953,211
	TOTAL DISTRIBUTION PLANT	**5,623,596,842**		**149,218,749**		**156,710,415**	**7,491,666**
	GENERAL PLANT						
389.2	LAND RIGHTS	178,598	2.24	4,001	2.10%	3,753	(248)
390	STRUCTURES AND IMPROVEMENTS	228,678,766	1.48	3,384,446	1.94%	4,441,385	1,056,939
	OFFICE FURNITURE AND EQUIPMENT						
391	OFFICE FURNITURE AND EQUIPMENT	19,379,183	8.14	1,577,465	10.07%	1,951,594	374,128
391.1	COMPUTER EQUIPMENT	74,525,311	21.69	16,164,540	19.58%	14,591,706	(1,572,834)
	TOTAL OFFICE AND FURNITURE EQUIPMENT	93,904,494		17,742,005		16,543,300	(1,198,706)
	TRANSPORTATION EQUIPMENT						
392.1	CARS AND TRUCKS	27,059,844	5.04	1,363,816	6.98%	1,887,734	523,918
392.5	HEAVY TRUCKS	78,137,483	5.30	4,141,287	6.04%	4,720,062	578,775
392.6	TRAILERS	10,015,704	3.23	323,507	3.03%	303,320	(20,187)
	TOTAL TRANSPORTATION EQUIPMENT	115,213,031		5,828,610		6,911,115	1,082,505
393	STORES EQUIPMENT	1,198,089	5.48	65,655	4.87%	58,387	(7,268)
394	TOOLS, SHOP AND GARAGE EQUIPMENT	28,819,877	5.07	1,461,168	4.24%	1,222,160	(239,008)
395	LABORATORY EQUIPMENT	11,310,063	8.75	989,631	6.38%	722,112	(267,518)
396	POWER OPERATED EQUIPMENT	16,256,047	3.48	565,710	4.54%	737,212	171,502
397	COMMUNICATION EQUIPMENT	34,537,031	9.99	3,450,249	10.27%	3,547,456	97,207
398	MISCELLANEOUS EQUIPMENT	12,469,947	2.08	259,375	4.42%	551,169	291,794
	TOTAL GENERAL PLANT	**542,565,943**		**33,750,850**		**34,738,050**	**987,200**

OKLAHOMA GAS AND ELECTRIC COMPANY

COMPARISON OF ANNUAL DEPRECIATION ACCRUAL AMOUNTS AND RATES
RELATED TO ELECTRIC PLANT AS OF DECEMBER 31, 2022
PRODUCTION AND OTHER PRODUCTION REALLOCATED WITHIN GROUP
TRANSMISSION, DISTRIBUTION, AND GENERAL RESERVE PER BOOK
PUD RECOMMENDED

ACCOUNT (1)	Plant Balance	Oklahoma Accrual rate	Current Oklahoma $	Proposed Accrual rate	Proposal Accrual $	Difference
TOTAL DEPRECIABLE ELECTRIC PLANT	**15,085,707,448**		**444,167,153**		**439,655,484**	**(4,511,669)**

NOTES:

1) ACCOUNTS BELOW WILL HAVE THE FOLLOWING RATES .

303.4 MISCELLANEOUS INTANGIBLE PLANT - SAP S4 SOFTWARE	6.67%
311-316 NEW UNITS AT HORSESHOE LAKE ARE PROJECTED TO HAVE A RATE OF	3.00%
358 WHEN PLANT IS ADDED WHERE THE PLANT BALANCE IS GREATER THAN ACCUMULATED DEPRECIATION PROPOSED RATE IS	2.22%

OKLAHOMA GAS AND ELECTRIC COMPANY

PARAMETER COMPARISON
AT DECEMBER 31, 2022

	ACCOUNT	PROBABLE RETIREMENT DATE	EXISTING SURVIVOR CURVE		EXISTING NET SALVAGE PERCENT	Terminal Life	PUD PROPOSED ASL	PUD PROPOSED SURVIVOR CURVE	PUD PROPOSED NET SALVAGE PERCENT	Company Proposed ASL	Company Proposed SURVIVOR CURVE	Company Proposed NET SALVAGE PERCENT
	(1)	(2)	(3)		(4)							
	INTANGIBLE PLANT											
302.0	FRANCHISES AND CONSENTS		25-SQ		0		25	SQ	0	25	SQ	0
303.1	MISCELLANEOUS INTANGIBLE PLANT - SOFTWARE - 5-YEAR		5-SQ		0		10	SQ	0	5	SQ	0
303.2	MISCELLANEOUS INTANGIBLE PLANT - SOFTWARE - 10-YEAR											
	FULLY DEPRECIATED						10	SQ	0	10	SQ	0
	AMORTIZED		10-SQ		0							
	TOTAL SOFTWARE - 10-YEAR											
	TOTAL INTANGIBLE PLANT											
	STEAM PRODUCTION PLANT											
310.2	RIGHTS OF WAY											
	HORSESHOE LAKE 6	12-2023	100-S4	*	0		100	S4	0	100	S4	0
	SEMINOLE 1	12-2030	100-S4	*	0		100	S4	0	100	S4	0
	MUSKOGEE 4	12-2042	100-S4	*	0		100	S4	0	100	S4	0
	SOONER 1	12-2044	100-S4	*	0		100	S4	0	100	S4	0
	TOTAL RIGHTS OF WAY											
311.0	STRUCTURES AND IMPROVEMENTS											
	HORSESHOE LAKE 6	12-2023	105-R1.5	*	0		100	R1	-0.36	100	R1	-5
	HORSESHOE LAKE 7	12-2024	105-R1.5	*	(1)		100	R1	-0.86	100	R1	-5
	HORSESHOE LAKE 8	12-2027	105-R1.5	*	(1)		100	R1	-0.81	100	R1	-5
	SEMINOLE 1	12-2030	105-R1.5	*	(1)		100	R1	-1.13	100	R1	-5
	SEMINOLE 2	12-2032	105-R1.5	*	(2)		100	R1	-1.64	100	R1	-5
	SEMINOLE 3	12-2034	105-R1.5	*	(2)		100	R1	-1.69	100	R1	-5
	MUSKOGEE 4	12-2042	105-R1.5	*	(2)		100	R1	-2.41	100	R1	-5
	MUSKOGEE 5	12-2043	105-R1.5	*	(3)		100	R1	-3.14	100	R1	-5
	MUSKOGEE 6	12-2049	105-R1.5	*	(4)		100	R1	-3.91	100	R1	-5
	SOONER 1	12-2044	105-R1.5	*	(2)		100	R1	-2.3	100	R1	-5
	SOONER 2	12-2045	105-R1.5	*	(3)		100	R1	-2.73	100	R1	-5
	RIVER VALLEY 1	12-2048	105-R1.5	*	(3)		100	R1	-3.48	100	R1	-5
	RIVER VALLEY 2	12-2048	105-R1.5	*	(4)		100	R1	-3.82	100	R1	-5
	TOTAL STRUCTURES AND IMPROVEMENTS											
312.0	BOILER PLANT EQUIPMENT											
	HORSESHOE LAKE 6	12-2023	85-R1	*	0		85	R1	-0.36	85	R1	-5
	HORSESHOE LAKE 7	12-2024	85-R1	*	(1)		85	R1	-0.86	85	R1	-5
	HORSESHOE LAKE 8	12-2027	85-R1	*	(1)		85	R1	-0.81	85	R1	-5
	SEMINOLE 1	12-2030	85-R1	*	(1)		85	R1	-1.13	85	R1	-5
	SEMINOLE 2	12-2032	85-R1	*	(2)		85	R1	-1.64	85	R1	-5
	SEMINOLE 3	12-2034	85-R1	*	(2)		85	R1	-1.69	85	R1	-5
	MUSKOGEE 4	12-2042	85-R1	*	(2)		85	R1	-2.41	85	R1	-5
	MUSKOGEE 5	12-2043	85-R1	*	(3)		85	R1	-3.14	85	R1	-5
	MUSKOGEE 6	12-2049	85-R1	*	(4)		85	R1	-3.91	85	R1	-5
	SOONER 1	12-2044	85-R1	*	(2)		85	R1	-2.3	85	R1	-5
	SOONER 2	12-2045	85-R1	*	(3)		85	R1	-2.73	85	R1	-5
	RIVER VALLEY 1	12-2048	85-R1	*	(3)		85	R1	-3.48	85	R1	-5
	RIVER VALLEY 2	12-2048	85-R1	*	(4)		85	R1	-3.82	85	R1	-5
	TOTAL BOILER PLANT EQUIPMENT											

OKLAHOMA GAS AND ELECTRIC COMPANY

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314.0	TURBOGENERATOR UNITS											
	HORSESHOE LAKE 6	12-2023	60-R1	*	0		60	R1	-0.36	60	R1	-5
	HORSESHOE LAKE 7	12-2024	60-R1	*	(1)		60	R1	-0.86	60	R1	-5
	HORSESHOE LAKE 8	12-2027	60-R1	*	(1)		60	R1	-0.81	60	R1	-5
	SEMINOLE 1	12-2030	60-R1	*	(1)		60	R1	-1.13	60	R1	-5
	SEMINOLE 2	12-2032	60-R1	*	(2)		60	R1	-1.64	60	R1	-5
	SEMINOLE 3	12-2034	60-R1	*	(2)		60	R1	-1.69	60	R1	-5
	MUSKOGEE 4	12-2042	60-R1	*	(2)		60	R1	-2.41	60	R1	-5
	MUSKOGEE 5	12-2043	60-R1	*	(3)		60	R1	-3.14	60	R1	-5
	MUSKOGEE 6	12-2049	60-R1	*	(4)		60	R1	-3.91	60	R1	-5
	SOONER 1	12-2044	60-R1	*	(2)		60	R1	-2.3	60	R1	-5
	SOONER 2	12-2045	60-R1	*	(3)		60	R1	-2.73	60	R1	-5
	RIVER VALLEY 1	12-2048	60-R1	*	(3)		60	R1	-3.48	60	R1	-5
	RIVER VALLEY 2	12-2048	60-R1	*	(4)		60	R1	-3.82	60	R1	-5
	TOTAL TURBOGENERATOR UNITS											
315.0	ACCESSORY ELECTRIC EQUIPMENT											
	HORSESHOE LAKE 6	12-2023	75-R2.5	*	0		75	R2.5	-0.36	75	R2.5	-5
	HORSESHOE LAKE 7	12-2024	75-R2.5	*	(1)		75	R2.5	-0.86	75	R2.5	-5
	HORSESHOE LAKE 8	12-2027	75-R2.5	*	(1)		75	R2.5	-0.81	75	R2.5	-5
	SEMINOLE 1	12-2030	75-R2.5	*	(1)		75	R2.5	-1.13	75	R2.5	-5
	SEMINOLE 2	12-2032	75-R2.5	*	(2)		75	R2.5	-1.64	75	R2.5	-5
	SEMINOLE 3	12-2034	75-R2.5	*	(2)		75	R2.5	-1.69	75	R2.5	-5
	MUSKOGEE 4	12-2042	75-R2.5	*	(2)		75	R2.5	-2.41	75	R2.5	-5
	MUSKOGEE 5	12-2043	75-R2.5	*	(3)		75	R2.5	-3.14	75	R2.5	-5
	MUSKOGEE 6	12-2049	75-R2.5	*	(4)		75	R2.5	-3.91	75	R2.5	-5
	SOONER 1	12-2044	75-R2.5	*	(2)		75	R2.5	-2.3	75	R2.5	-5
	SOONER 2	12-2045	75-R2.5	*	(3)		75	R2.5	-2.73	75	R2.5	-5
	RIVER VALLEY 1	12-2048	75-R2.5	*	(3)		75	R2.5	-3.48	75	R2.5	-5
	RIVER VALLEY 2	12-2048	75-R2.5	*	(4)		75	R2.5	-3.82	75	R2.5	-5
	TOTAL ACCESSORY ELECTRIC EQUIPMENT											
316.0	MISCELLANEOUS POWER PLANT EQUIPMENT											
	HORSESHOE LAKE 6	12-2023	55-R0.5	*	0		24	S1	-0.36	24	S1	-5
	HORSESHOE LAKE 7	12-2024	55-R0.5	*	(1)		24	S1	-0.86	24	S1	-5
	HORSESHOE LAKE 8	12-2027	55-R0.5	*	(1)		24	S1	-0.81	24	S1	-5
	SEMINOLE 1	12-2030	55-R0.5	*	(1)		24	S1	-1.13	24	S1	-5
	SEMINOLE 2	12-2032	55-R0.5	*	(2)		24	S1	-1.64	24	S1	-5
	SEMINOLE 3	12-2034	55-R0.5	*	(2)		24	S1	-1.69	24	S1	-5
	MUSKOGEE 4	12-2042	55-R0.5	*	(2)		24	S1	-2.41	24	S1	-5
	MUSKOGEE 5	12-2043	55-R0.5	*	(3)		24	S1	-3.14	24	S1	-5
	MUSKOGEE 6	12-2049	55-R0.5	*	(4)		24	S1	-3.91	24	S1	-5
	SOONER 1	12-2044	55-R0.5	*	(2)		24	S1	-2.3	24	S1	-5
	SOONER 2	12-2045	55-R0.5	*	(3)		24	S1	-2.73	24	S1	-5
	RIVER VALLEY 1	12-2048	55-R0.5	*	(3)		24	S1	-3.48	24	S1	-5
	RIVER VALLEY 2									24	S1	-5
	POWER SUPPLY SERVICES		55-R0.5		(5)		24	S1	-4	24	S1	-5
	TOTAL MISCELLANEOUS POWER PLANT EQUIPMENT											
	TOTAL STEAM PRODUCTION PLANT											

OKLAHOMA GAS AND ELECTRIC COMPANY

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	ACCOUNT	PROBABLE RETIREMENT DATE	EXISTING SURVIVOR CURVE		EXISTING NET SALVAGE PERCENT	Terminal Life	PUD PROPOSED ASL	PUD PROPOSED SURVIVOR CURVE	PUD PROPOSED NET SALVAGE PERCENT	Company Proposed ASL	Company Proposed SURVIVOR CURVE	Company Proposed NET SALVAGE PERCENT
	OTHER PRODUCTION PLANT											
340.2	RIGHTS OF WAY											
	MUSTANG CTs	12-2054	75-S4	*	0		75	S4	0	75	S4	0
341.0	STRUCTURES AND IMPROVEMENTS											
	REDBUD 1	12-2049	55-R3	*	(1)		55	R3	-1	55	R3	-5
	REDBUD 2	12-2049	55-R3	*	(1)		55	R3	-1	55	R3	-5
	REDBUD 3	12-2049	55-R3	*	(1)		55	R3	-1	55	R3	-5
	REDBUD 4	12-2049	55-R3	*	(1)		55	R3	-1	55	R3	-5
	HORSESHOE LAKE 9 AND 10	12-2035	55-R3	*	0		55	R3	0	55	R3	-5
	TINKER	12-2025	55-R3	*	0		55	R3	0	55	R3	-5
	MCCLAIN GAS 1	12-2046	55-R3	*	(1)		55	R3	-1	55	R3	-5
	MCCLAIN GAS 2	12-2046	55-R3	*	(1)		55	R3	-1	55	R3	-5
	MCCLAIN STEAM 1	12-2046	55-R3	*	(1)		55	R3	-1	55	R3	-5
	FRONTIER 1	12-2048	55-R3	*	(2)		55	R3	-2	55	R3	-5
	MUSTANG CTs	12-2054	55-R3	*	(1)		55	R3	-1	55	R3	-5
	TOTAL STRUCTURES AND IMPROVEMENTS											
341.0	STRUCTURES AND IMPROVEMENTS - WIND											
	CENTENNIAL	12-2036	45-S1.5	*	(1)	30 years	45	S1.5	-1	45	S1.5	-5
	OU SPIRIT	12-2039	45-S1.5	*	(2)	30 years	45	S1.5	-2	45	S1.5	-5
	CROSSROADS	12-2041	45-S1.5	*	(2)	30 years	45	S1.5	-2	45	S1.5	-5
	TOTAL STRUCTURES AND IMPROVEMENTS - WIND											
341.0	STRUCTURES AND IMPROVEMENTS - SOLAR		35-S2		0	30 years	35	S2	0	35	S2	-2
342.0	FUEL HOLDERS, PRODUCERS AND ACCESSORIES											
	REDBUD 1	12-2049	55-R4	*	(1)		55	R4	-1	55	R4	-5
	REDBUD 2	12-2049	55-R4	*	(1)		55	R4	-1	55	R4	-5
	REDBUD 3	12-2049	55-R4	*	(1)		55	R4	-1	55	R4	-5
	REDBUD 4	12-2049	55-R4	*	(1)		55	R4	-1	55	R4	-5
	TINKER	12-2025	55-R4	*	0		55	R4	0	55	R4	-5
	MCCLAIN GAS 1	12-2046	55-R4	*	(1)		55	R4	-1	55	R4	-5
	MCCLAIN GAS 2	12-2046	55-R4	*	(1)		55	R4	-1	55	R4	-5
	FRONTIER 1	12-2048	55-R4	*	(2)		55	R4	-2	55	R4	-5
	MUSTANG CTs	12-2054	55-R4	*	(1)		55	R4	-1	55	R4	-5
	TOTAL FUEL HOLDERS, PRODUCERS AND ACCESSORIES											
343.0	PRIME MOVERS											
	REDBUD 1	12-2049	40-R2.5	*	(1)		40	R2.5	-1	40	R2.5	-5
	REDBUD 2	12-2049	40-R2.5	*	(1)		40	R2.5	-1	40	R2.5	-5
	REDBUD 3	12-2049	40-R2.5	*	(1)		40	R2.5	-1	40	R2.5	-5
	REDBUD 4	12-2049	40-R2.5	*	(1)		40	R2.5	-1	40	R2.5	-5
	HORSESHOE LAKE 9 AND 10	12-2035	40-R2.5	*	0		40	R2.5	0	40	R2.5	-5
	TINKER	12-2025	40-R2.5	*	0		40	R2.5	0	40	R2.5	-5
	MCCLAIN GAS 1	12-2046	40-R2.5	*	(1)		40	R2.5	-1	40	R2.5	-5
	MCCLAIN GAS 2	12-2046	40-R2.5	*	(1)		40	R2.5	-1	40	R2.5	-5
	MCCLAIN STEAM 1	12-2046	40-R2.5	*	(1)		40	R2.5	-1	40	R2.5	-5
	FRONTIER 1	12-2048	40-R2.5	*	(2)		40	R2.5	-2	40	R2.5	-5
	MUSTANG CTs	12-2054	40-R2.5	*	(1)		40	R2.5	-1	40	R2.5	-5
	TOTAL PRIME MOVERS											

OKLAHOMA GAS AND ELECTRIC COMPANY

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	LTSA											
343.1	6-YEAR											
	REDBUD 1		5-SQ		0		6	SQ	0	6	SQ	0
	REDBUD 2		5-SQ		0		6	SQ	0	6	SQ	0
	REDBUD 3		5-SQ		0		6	SQ	0	6	SQ	0
	REDBUD 4		5-SQ		0		6	SQ	0	6	SQ	0
	MCCLAIN GAS 1		5-SQ		0		6	SQ	**0**	6	SQ	0
	MCCLAIN GAS 2		5-SQ		0		6	SQ	**0**	6	SQ	0
343.2	20-YEAR											
	REDBUD 1		20-SQ		0		20	SQ	**0**	20	SQ	0
	REDBUD 2		20-SQ		0		20	SQ	**0**	20	SQ	0
	REDBUD 3		20-SQ		0		20	SQ	**0**	20	SQ	0
	REDBUD 4		20-SQ		0		20	SQ	**0**	20	SQ	0
	TOTAL LTSA											
	30-YEAR											
	MCCLAIN GAS 1		30-SQ		0		30	SQ	0	30	SQ	0
	MCCLAIN GAS 2		30 SQ		0		30	SQ	0	30	SQ	0
	TOTAL ACCOUNT 343											
344.0	GENERATORS											
	REDBUD 1	12-2049	55-R2	*	(1)		55	R2	-1	55	R2	-5
	REDBUD 3	12-2049	55-R2	*	(1)		55	R2	-1	55	R2	-5
	REDBUD 4	12-2049	55-R2	*	(1)		55	R2	-1	55	R2	-5
	HORSESHOE LAKE 9 AND 10	12-2035	55-R2	*	0		55	R2	0	55	R2	-5
	TINKER	12-2025	55-R2	*	0		55	R2	0	55	R2	-5
	FRONTIER 1	12-2048	55-R2	*	(2)		55	R2	-2	55	R2	-5
	MUSTANG CTs	12-2054	55-R2	*	(1)		55	R2	-1	55	R2	-5
	TOTAL GENERATORS											
344.0	GENERATORS - WIND											
	CENTENNIAL	12-2036	40-S0.5	*	(1)	30 years	40	S0.5	-1	40	S0.5	-5
	OU SPIRIT	12-2039	40-S0.5	*	(2)	30 years	40	S0.5	-2	40	S0.5	-5
	CROSSROADS	12-2041	40-S0.5	*	(2)	30 years	40	S0.5	-2	40	S0.5	-5
	TOTAL GENERATORS - WIND											
344.0	GENERATORS - SOLAR		30-S2.5		0	30 years	30	S2.5	0	30	S2.5	0
345.0	ACCESSORY ELECTRIC EQUIPMENT											
	REDBUD 1	12-2049	60-R2.5	*	(1)		60	R3	-1	60	R3	-5
	REDBUD 2	12-2049	60-R2.5	*	(1)		60	R3	-1	60	R3	-5
	REDBUD 3	12-2049	60-R2.5	*	(1)		60	R3	-1	60	R3	-5
	REDBUD 4	12-2049	60-R2.5	*	(1)		60	R3	-1	60	R3	-5
	HORSESHOE LAKE 9 AND 10	12-2035	60-R2.5	*	0		60	R3	0	60	R3	-5
	TINKER	12-2025	60-R2.5	*	0		60	R3	0	60	R3	-5
	MCCLAIN GAS 1	12-2046	60-R2.5	*	(1)		60	R3	-1	60	R3	-5
	MCCLAIN GAS 2	12-2046	60-R2.5	*	(1)		60	R3	-1	60	R3	-5
	MCCLAIN STEAM 1	12-2046	60-R2.5	*	(1)		60	R3	-1	60	R3	-5
	FRONTIER 1	12-2048	60-R2.5	*	(2)		60	R3	-2	60	R3	-5
	MUSTANG CTs	12-2054	60-R2.5	*	(1)		60	R3	-1	60	R3	-5
	TOTAL ACCESSORY ELECTRIC EQUIPMENT											

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	ACCOUNT	PROBABLE RETIREMENT DATE	EXISTING SURVIVOR CURVE		EXISTING NET SALVAGE PERCENT	Terminal Life	PUD PROPOSED ASL	PUD PROPOSED SURVIVOR CURVE	PUD PROPOSED NET SALVAGE PERCENT	Company Proposed ASL	Company Proposed SURVIVOR CURVE	Company Proposed NET SALVAGE PERCENT
345.0	ACCESSORY ELECTRIC EQUIPMENT - WIND											
	CENTENNIAL	12-2036	35-S0	*	(1)	30 years	35	S0	-1	35	S0	-5
	OU SPIRIT	12-2039	35-S0	*	(2)	30 years	35	S0	-2	35	S0	-5
	CROSSROADS	12-2041	35-S0	*	(2)	30 years	35	S0	-2	35	S0	-5
	TOTAL ACCESSORY ELECTRIC EQUIPMENT - WIND						35	S2.5	0	35	S2.5	0
345.0	ACCESSORY ELECTRIC EQUIPMENT - SOLAR		35-S2.5		0	30 years						
346.0	MISCELLANEOUS POWER PLANT EQUIPMENT											
	REDBUD 1	12-2049	45-R2	*	(1)		24	S1	-1	24	S1	-5
	REDBUD 2	12-2049	45-R2	*	(1)		24	S1	-1	24	S1	-5
	REDBUD 3	12-2049	45-R2	*	(1)		24	S1	-1	24	S1	-5
	REDBUD 4	12-2049	45-R2	*	(1)		24	S1	-1	24	S1	-5
	HORSESHOE LAKE 9 AND 10	12-2035	45-R2	*	0		24	S1	0	24	S1	-5
	TINKER	12-2025	45-R2	*	0		24	S1	0	24	S1	-5
	MCCLAIN GAS 1	12-2046	45-R2	*	(1)		24	S1	-1	24	S1	-5
	FRONTIER 1	12-2048	45-R2	*	(2)		24	S1	-2	24	S1	-5
	MUSTANG CTs	12-2054	45-R2	*	(1)		24	S1	-1	24	S1	-5
	TOTAL MISCELLANEOUS POWER PLANT EQUIPMENT											
346.0	MISCELLANEOUS POWER PLANT EQUIPMENT - WIND											
	CENTENNIAL	12-2036	35-R2	*	(1)	30 years	24	S1	-1	24	S1	-3
	OU SPIRIT	12-2039	35-R2	*	(2)	30 years	24	S1	-2	24	S1	-3
	CROSSROADS	12-2041	35-R2	*	(2)	30 years	24	S1	-2	24	S1	-3
	TOTAL MISCELLANEOUS POWER PLANT EQUIPMENT - WIND											
	TOTAL OTHER PRODUCTION PLANT											
	TRANSMISSION PLANT											
350.2	LAND RIGHTS		75-S4		0		75	S4	0	75	S4	0
352.0	STRUCTURES AND IMPROVEMENTS		70-S3		(6)		70	S3	-20	70	S3	-10
353.0	STATION EQUIPMENT		55-R1.5		(15)		57	R1.5	-20	57	R1.5	-20
354.0	TOWERS AND FIXTURES		75-R4		(20)		75	R4	-15	75	R4	-20
355.0	POLES AND FIXTURES		69-R0.5		(58)		75	R1	-45	75	R1	-65
356.0	OVERHEAD CONDUCTORS AND DEVICES		70-R3		(51)		75	R3	-25	75	R3	-55
358.0	UNDERGROUND CONDUCTORS AND DEVICES		45-S2.5		0		45	S2.5	0	45	S2.5	0
	TOTAL TRANSMISSION PLANT											
	DISTRIBUTION PLANT											
360.2	LAND RIGHTS		75-S4		0		75	S4	0	75	S4	0
361.0	STRUCTURES AND IMPROVEMENTS		70-R2.5		(10)		70	R2.5	-20	70	R2.5	-10
362.0	STATION EQUIPMENT		61-R2		(30)		61	R2	-35	61	R2	-35
363.0	STORAGE BATTERY		15-L3		0		15	L3	0	15	L3	0
364.0	POLES, TOWERS AND FIXTURES	Could leave	60-R1		(60)		55	R1	-65	55	R1	-65
365.0	OVERHEAD CONDUCTORS AND DEVICES		60-R0.5		(50)		60	R0.5	-50	60	R0.5	-55
366.0	UNDERGROUND CONDUIT		65-R2.5		(20)		65	R2.5	-20	65	R2.5	-25
367.0	UNDERGROUND CONDUCTORS AND DEVICES	Could leave	65-R2.5		(50)		65	R2.5	-50	55	R2.5	-55
368.0	LINE TRANSFORMERS		48-O1		(60)		45	R0.5	-60	40	R0.5	-65
369.0	SERVICES		60-R4		(30)		68	R4	-30	68	R4	-35

OKLAHOMA GAS AND ELECTRIC COMPANY

PARAMETER COMPARISON
AT DECEMBER 31, 2022

	ACCOUNT	PROBABLE RETIREMENT DATE	EXISTING SURVIVOR CURVE	EXISTING NET SALVAGE PERCENT	Terminal Life	PUD PROPOSED ASL	PUD PROPOSED SURVIVOR CURVE	PUD PROPOSED NET SALVAGE PERCENT	Company Proposed ASL	Company Proposed SURVIVOR CURVE	Company Proposed NET SALVAGE PERCENT
	METERS										
370.0	METERS - SMART METERS		20-R3	(10)		20	R3	-10	15	R3	-10
370.1	METERS - METERING EQUIPMENT		15-L0	(10)		30	L0	-10	30	L0	-10
	TOTAL METERS										
371.0	INSTALLATIONS ON CUSTOMERS' PREMISES		15-R3	0		15	SQ	0	15	SQ	0
373.0	STREET LIGHTING AND SIGNAL SYSTEMS		35-R1	(50)		33	R0.5	-55	33	R0.5	-55
	TOTAL DISTRIBUTION PLANT										
	GENERAL PLANT										
389.2	LAND RIGHTS		55-R4	0		55	R4	0	55	R4	0
390.0	STRUCTURES AND IMPROVEMENTS		50-R1	9		50	R1	-5	50	R1	-5
	OFFICE FURNITURE AND EQUIPMENT										
391.0	OFFICE FURNITURE AND EQUIPMENT		15-SQ	0		15	SQ	0	15	SQ	0
391.1	COMPUTER EQUIPMENT		5-SQ	0		5	SQ	0	5	SQ	0
	TOTAL OFFICE AND FURNITURE EQUIPMENT										
	TRANSPORTATION EQUIPMENT										
392.1	CARS AND TRUCKS		11-L3	10		11	L3	10	11	L3	10
392.5	HEAVY TRUCKS		13-L2.5	10		13	L2.5	10	13	L2.5	10
392.6	TRAILERS		24-S1	10		24	S1	10	24	S1	10
	TOTAL TRANSPORTATION EQUIPMENT										
393.0	STORES EQUIPMENT		25-SQ	0		25	SQ	0	25	SQ	0
394.0	TOOLS, SHOP AND GARAGE EQUIPMENT		25-SQ	0		25	SQ	0	25	SQ	0
395.0	LABORATORY EQUIPMENT		20-SQ	0		20	SQ	0	20	SQ	0
396.0	POWER OPERATED EQUIPMENT		20-L2	15		15	L0.5	15	15	L0.5	15
397.0	COMMUNICATION EQUIPMENT		10-SQ	0		10	SQ	0	10	SQ	0
398.0	MISCELLANEOUS EQUIPMENT		20-SQ	0		20	SQ	0	20	SQ	0
	TOTAL GENERAL PLANT										
	TOTAL DEPRECIABLE ELECTRIC PLANT										

* INDICATES LIFE SPAN PROCEDURE WAS USED. CURVE SHOWN IS INTERIM SURVIVOR CURVE.
** NEW ASSETS IN ACCOUNT 358.00 WILL USE AN ACCRUAL RATE OF 2.22%.

NOTES:
1) NEW ACCOUNTS WILL BE ESTABLISHED AFTER DECEMBER 31, 2022 WITH THE FOLLOWING RATES .

	RATE
303.3 MISCELLANEOUS INTANGIBLE PLANT - BROADBAND LICENSING	5.00
303.4 MISCELLANEOUS INTANGIBLE PLANT - SAP S4 SOFTWARE	6.67