

BEFORE THE CORPORATION COMMISSION OF OKLAHOMA

IN THE MATTER OF THE APPLICATION OF
OKLAHOMA GAS AND ELECTRIC COMPANY
FOR AN ORDER OF THE COMMISSION
AUTHORIZING APPLICANT TO MODIFY ITS
RATES, CHARGES, AND TARIFFS FOR RETAIL
ELECTRIC SERVICE IN THE STATE

)
)
) CAUSE No. PUD 201500273
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OF OKLAHOMA



PUD ACCOUNTING EXHIBIT
MARCH 21, 2016

Oklahoma Gas and Electric Company
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Test Year Ended June 30, 2015
Cause No. PUD 201500273

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Oklahoma Gas and Electric Company

PUD's Revenue Requirement

Section A

ended June 30, 2015
PUD 201500273

Line No.	Description	(A) Total Company Pro Forma Amount	Reference	(B) PUD Adjusted Amount	(A) OGE Pro Forma Amount	Reference	(B) PUD Adjusted Amount
1	Pro Forma Rate Base	\$ 4,631,488,154	B-1	\$ 4,697,561,453	\$4,152,329,406	B-1	\$4,211,818,742
2	Rate of Return	8.088%	F-1	7.555%	8.088%	F-1	7.555%
3	Operating Income Required	\$ 374,594,762	1 times 2	\$ 354,900,768	\$ 335,840,402	1 times 2	\$ 318,202,906
4	Pro Forma Operating Income	\$ 267,250,990	H-1	\$ 449,640,239	\$ 244,277,578	H-1	\$ 403,168,341
5	Difference	\$ 107,343,772	3 minus 4	\$ (94,739,471)	\$ 91,562,824	3 minus 4	\$ (84,965,435)
6	Revenue Conversion Factor	1.633266		1.630768	1.633266		1.630768
7	OGE Pro Forma Base Rate Revenue Increase/(Decrease)	\$ 175,320,933	5 times 6		\$ 149,546,447	5 times 6	
8	PUD Proposed Change to OGE Requested Base Rate Revenue Increase/(Decrease)		5 times 6	\$ (154,498,098)		5 times 6	\$ (138,558,913)
9	PUD Pro Forma Base Rate Revenue Increase/(Decrease)		7 minus 8	\$ 20,822,835		7 minus 8	\$ 10,987,534
10	Rev Inc Minus Difference Revenue Requirement	\$ 67,977,161		\$ (59,758,627)	\$ 57,983,623		\$ (53,593,478)
11	Return Requirement	\$ 374,594,762	Line 3	\$ 354,900,768	\$ 335,840,402	Line 3	\$ 318,202,906
12	Total Operating Expense	\$ 896,245,022	H-1	\$ 838,328,421	\$ 826,943,794	H-1	\$ 774,117,204
13	Income Taxes	\$ 152,961,736		\$ 76,074,233	\$ 137,136,790		\$ 69,041,963
14	Revenue Requirement	\$ 1,423,801,520	Line 8+9+10	\$ 1,269,303,422	\$1,299,920,986	Line 8+9+10	\$1,161,362,073

Section B
Schedule 1

Oklahoma Gas and Electric Company
PUD Pro Forma Rate Base
Test Year Ended June 30, 2015
Cause No. PUD 201500273

Line No.	Description	(A) Total Company OGE Pro Forma Rate Base	(B) PUD Total Company Test Year Adjustments	(C) PUD Total Company Pro Forma Rate Base	(D) Oklahoma ALLOCATION FACTOR	(E) PUD Oklahoma JURISDICTION Rate Base
Plant in Service:						
1	Plant in Service	\$ 9,617,401,108	\$ 13,883,825	\$ 9,631,284,933	89.84332195%	\$ 8,653,066,330
2	Environmental Investment	\$ -	\$ -	\$ -	0.00000000%	\$ -
3	Less: Accumulated Depreciation	\$ (3,672,618,649)	\$ 32,037,383	\$ (3,640,581,266)	90.02078617%	\$ (3,277,279,877)
4	Plant Held for Future Use	\$ 1,497,777	\$ 273,615	\$ 1,771,392	72.05605370%	\$ 1,276,395
5	Net Plant	\$ 5,946,280,236	\$ 46,194,823	\$ 5,992,475,059	89.73024994%	\$ 5,377,062,848
Other Rate Base Investment						
6	Cash Working Capital	\$ (20,797,067)	\$ (1,114,611)	\$ (21,911,678)	92.32626408%	\$ (20,230,234)
7	Prepayments	\$ 3,793,005	\$ 87,331	\$ 3,880,336	90.98400872%	\$ 3,530,485
8	Material & Supplies	\$ 66,755,674	\$ (872,170)	\$ 65,883,504	91.66312365%	\$ 60,390,878
9	Fuel Inventories	\$ 72,490,664	\$ 19,673,909	\$ 92,164,573	90.48619970%	\$ 83,396,220
10	Gas in Storage (Includes Cushion Ga	\$ 8,832,790	\$ 857,885	\$ 9,690,675	90.48619970%	\$ 8,768,724
Rate Base Additions & Reductions						
11	Accumulated Deferred Income Taxes	\$ (1,481,089,618)	\$ -	\$ (1,481,089,618)	90.00036687%	\$ (1,332,986,090)
12	Regulatory Assets	\$ 124,933,702	\$ -	\$ 124,933,702	90.57729194%	\$ 113,161,564
13	Regulatory Liabilities	\$ (9,299,566)	\$ -	\$ (9,299,566)	98.10715897%	\$ (9,123,540)
14	Customer Deposits and Advances	\$ (75,933,115)	\$ 1,246,132	\$ (74,686,983)	92.19134497%	\$ (68,854,934)
15	Net Pension Benefit Asset (Obligatio	\$ 54,974,401	\$ -	\$ 54,974,401	92.32588455%	\$ 50,755,602
16	Other (Asset Retirement Obligation)	\$ (59,452,952)	\$ -	\$ (59,452,952)	90.91690010%	\$ (54,052,781)
17	Rate Base	\$ 4,631,488,154	\$ 66,073,299	\$ 4,697,561,453	89.65968373%	\$ 4,211,818,742

Oklahoma Gas and Electric Company
Explanation of PUD Adjustments to Rate Base
Test Year Ended June 30, 2015
Cause No. PUD 201500273

Line No.	Description	(A) Total Company OGE Pro Forma Rate Base	(B) PUD Adjustment No. 1	(C) PUD Adjustment No. 2	(D) PUD Adjustment No. 3	(E) PUD Adjustment No. 4	(F) PUD Adjustment No. 5	(G) PUD Adjustment No. 6	(H) PUD Adjustment No. 7	(I) PUD Adjustment No. 8	(J) Total PUD Adjustments
Plant in Service:											
1	Plant in Service	\$ 9,617,401,108	\$ 13,883,825								\$ 13,883,825
2	Construction Work in Progress	\$ -									\$ -
3	Less: Accumulated Depreciation	\$(3,672,618,649)		\$ 32,037,383							\$ 32,037,383
4	Plant Held for Future Use	\$ 1,497,777	\$ 273,615								\$ 273,615
5	Net Plant	\$ 5,946,280,236	\$ 14,157,440	\$ 32,037,383	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,194,823
Other Rate Base Investment											
6	Cash Working Capital	\$ (20,797,067)							\$ (1,114,611)		\$ (1,114,611)
7	Prepayments	\$ 3,793,005								\$ 87,331	\$ 87,331
8	Material & Supplies	\$ 66,755,674			\$ (872,170)						\$ (872,170)
9	Fuel Inventories	\$ 72,490,664					\$ 19,673,909				\$ 19,673,909
10	Gas in Storage (includes cushion gas)	\$ 8,832,790				\$ 857,885					\$ 857,885
Rate Base Additions & Reductions											
11	Accum Deferred Inc Taxes	\$(1,481,089,618)									\$ -
12	Regulatory Assets	\$ 124,933,702									\$ -
13	Regulatory Liabilities	\$ (9,299,566)									\$ -
14	Customer Deposits and Advances	\$ (75,933,115)					\$ 1,246,132				\$ 1,246,132
15	Net Pension Benefit Asset (Obligation)	\$ 54,974,401									\$ -
16	Other (Asset Retirement Obligation)	\$ (59,452,952)									\$ -
17											\$ -
18											\$ -
19	Rate Base	\$ 4,631,488,154	\$ 14,157,440	\$ 32,037,383	\$ (872,170)	\$ 857,885	\$ 19,673,909	\$ 1,246,132	\$ (1,114,611)	\$ 87,331	\$ 66,073,299

Section B
Schedule 2

Line No.	Description	(K) PUJ Total Company Pro Forma Rate Base
	Plant in Service:	
1	Plant in Service	\$ 9,631,284,933
2	Construction Work in Progress	\$ -
3	Less: Accumulated Depreciation	\$ (3,640,581,266)
4	Plant Held for Future Use	\$ 1,771,392
5	Net Plant	\$ 5,992,475,059
	Other Rate Base Investment	
6	Cash Working Capital	\$ (21,911,678)
7	Prepayments	\$ 3,880,336
8	Material & Supplies	\$ 65,883,504
9	Fuel Inventories	\$ 92,164,373
10	Gas in Storage (includes cushion gas)	\$ 9,690,675
	Rate Base Additions & Reductions	
11	Accum Deferred Inc Taxes	\$ (1,481,089,618)
12	Regulatory Assets	\$ 124,933,702
13	Regulatory Liabilities	\$ (9,299,566)
14	Customer Deposits and Advances	\$ (74,686,983)
15	Net Pension Benefit Asset (Obligation)	\$ 54,974,401
16	Other (Asset Retirement Obligation)	\$ (59,452,952)
17		\$ -
18		\$ -
19	Rate Base	\$ 4,697,561,453

Oklahoma Gas and Electric Company
Explanation of PUD Adjustments to Rate Base
Test Year Ended June 30, 2015
Cause No. PUD 201500273

PUD Adj. No.	Adjustment Description	(A)	(B)	(C)
		Increase	Impact On Rate Base Decrease	Net Incr/(Decr)
1	To adjust Plant in Service to 12/31/15 Balances - Thompson	\$ 14,157,440		
2	To adjust Accumulated Depreciation to 12/31/15 Balances - Thompson	\$ 32,037,383		
3	To Adjust Materials and Supplies level - Hogan		\$ (872,170)	
4	To adjust Gas In Storage Inventory - Patel	\$ 857,885		
5	To Adjust Fuel Inventories - Hogan	\$ 19,673,909		
6	To Adjust Customer Deposit - Hogan	\$ 1,246,132		
7	To adjust Cash Working Capital to reflect PUD Adjustments - Thompson		\$ (1,114,611)	
8	Prepayments - Hogan	\$ 87,331		
9				
10				
Total Rate Base Adjustments		<u>\$ 68,060,080</u>	<u>\$ (1,986,781)</u>	<u>\$ 66,073,299</u>

Section E
Schedule 1

Oklahoma Gas and Electric Company
Cash Working Capital
For the Test Year Ending June 30, 2015
Cause No. PUD 201500273

Line No.	Description	(A) Total Company Pro Forma	(B) Adjustments	(C) PUD Total Company Pro Forma	(D) Net Lead/Lag Days	(E) PUD Adjusted CWC
	Cost of Service					
1	Fuel & Purchase Power	\$ 939,730,548		\$ 939,730,548	7.6100	\$ 19,592,738
2	Coal	\$ -		\$ -		\$ -
3	Oil	\$ -		\$ -		\$ -
4	Gas	\$ 166,741,384		\$ 166,741,384	25.5000	\$ 11,649,056
5	Payroll	\$ 244,520,502	(16,808,573)	\$ 227,711,929	19.1100	\$ 11,922,123
6	Other O & M	\$ 82,933,761	(13,369,051)	\$ 69,564,710	0.1100	\$ 20,965
7	Federal Income Tax-Current	\$ -		\$ -	0.0000	\$ -
8	Income Tax-Deferred	\$ 8,940,259	(2,430,736)	\$ 6,509,523	(3.6400)	\$ (64,917)
9	State Income Tax-Current	\$ -		\$ -	0.0000	\$ -
10	Investment Tax Credit	\$ -		\$ -	0.0000	\$ -
11	Taxes other than Income	\$ 87,512,196	-	\$ 87,512,196	(151.10)	\$ (36,227,652)
12	Interest on Customer Deposits	\$ -		\$ -		\$ -
13	Depreciation Expense	\$ (36,305,286)		\$ (36,305,286)	0.0000	\$ -
14	Interest Long Term Debt	\$ 121,530,249	1,733,764	\$ 123,264,013	(53.6300)	\$ (18,111,367)
15	Preferred Dividends	\$ -		\$ -	0.0000	\$ -
16	Return	\$ -		\$ -	0.0000	\$ -
17	Sub Total	\$ 1,651,908,899	\$ (68,913,646)	\$ 1,461,465,004		\$ (11,219,054)
18	Working Funds and Other					\$ (10,692,624)
19						\$ (21,911,678)
20				Company Pro Forma		\$ (20,797,067)
21				PUD Adjustment to Rate Base		\$ (1,114,611)
22						\$ (21,911,678)

Section F
Schedule 1

Oklahoma Gas and Electric Company

Capital Structure

Test Year Ended June 30, 2015

Cause No. PUD 201500273

Line No.	Description	(A) OGE Capitalization Ratios	(B) OGE Cost of Capital	(C) OGE Weighted Cost of Capital
OGE Requested Capital Structure:				
1	Long Term Debt	46.690%	5.620%	2.624%
2	Preferred Stock	0.000%	0.000%	0.000%
3	Common Stock	53.310%	10.250%	5.464%
4	Total	<u>100.000%</u>		<u>8.088%</u>

Line No.	Description	PUD Capitalization Ratios	PUD Cost of Capital	PUD Weighted Cost of Capital
PUD Requested Capital Structure:				
1	Long Term Debt	46.690%	5.620%	2.624%
2	Preferred Stock	0.000%	0.000%	0.000%
3	Common Stock	53.310%	9.250%	4.931%
4	Total	<u>100.000%</u>		<u>7.555%</u>

Oklahoma Gas and Electric Company
PUD'S Adjusted Operating Income Statement
Test Year Ended June 30, 2015
Cause No. PUD 201500273

Line No.	Description	(A) OGE Total Company Pro Forma Income Statement	(B) Total PUD Adjustments	(C) PUD Total Company Pro Forma Income Statement	(D) PUD Recommended Increase/(Decrease)	(E) PUD Pro Forma Results	(F) Oklahoma Allocation Factor	(G) PUD Oklahoma Jurisdiction Amounts	(H) PUD Recommended Increase/(Decrease)	(I) PUD Pro Forma Results
1	Operating Revenue:									
2	Electric	\$ 1,423,801,520	\$ -	\$ 1,423,801,520	\$ (154,498,098)	\$ 1,269,303,422		\$ 1,299,920,986	\$ (138,558,913)	\$ 1,161,362,073
3	Other	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
4	Total Operating Revenue	\$ 1,423,801,520	\$ -	\$ 1,423,801,520	\$ (154,498,098)	\$ 1,269,303,422		\$ 1,299,920,986	\$ (138,558,913)	\$ 1,161,362,073
5	Operating Expense:									
6	Fuel & Purchased Power	\$ 82,755,933	\$ -	\$ 82,755,933	\$ -	\$ 82,755,933	100.00000000%	\$ 82,755,933	\$ -	\$ 82,755,933
7	Other O&M	\$ 411,261,886	\$ (16,808,573)	\$ 394,453,313	\$ -	\$ 394,453,313	92.16023215%	\$ 363,292,496	\$ -	\$ 363,292,496
8	Customer Deposit Interest	\$ 1,218,873	\$ -	\$ 1,218,873	\$ -	\$ 1,218,873	98.09077730%	\$ 1,195,602	\$ -	\$ 1,195,602
9	Depreciation & Amortization	\$ 313,496,134	\$ (36,305,286)	\$ 277,190,848	\$ -	\$ 277,190,848	90.93530193%	\$ 252,064,335	\$ -	\$ 252,064,335
	Misc. Taxes	\$ 217,413	\$ -	\$ 217,413	\$ -	\$ 217,413	92.32566590%	\$ 200,728	\$ -	\$ 200,728
	Property Taxes	\$ 74,607,317	\$ (4,624,225)	\$ 69,983,092	\$ -	\$ 69,983,092	90.10621036%	\$ 63,059,112	\$ -	\$ 63,059,112
10	Payroll Taxes	\$ 12,687,466	\$ (178,517)	\$ 12,508,949	\$ -	\$ 12,508,949	92.32588300%	\$ 11,548,998	\$ -	\$ 11,548,998
11	Total Operating Expenses	\$ 896,245,022	\$ (57,916,601)	\$ 838,328,421	\$ -	\$ 838,328,421		\$ 774,117,204	\$ -	\$ 774,117,204
12	Operating Income Before Income Tax	\$ 527,556,498	\$ 57,916,601	\$ 585,473,099	\$ (154,498,098)	\$ 430,975,001	122.00331360%	\$ 525,803,782	\$ (138,558,913)	\$ 387,244,869
13	Less: Income Tax	\$ 152,961,736	\$ (17,128,876)	\$ 135,832,860	\$ (59,903,548)	\$ 76,074,233	90.28407485%	\$ 122,635,441	\$ (54,591,975)	\$ 68,043,466
14	Operating Income	\$ 374,594,762	\$ 75,045,477	\$ 449,640,239	\$ (94,594,550)	\$ 354,900,768	113.60030108%	\$ 403,168,341	\$ (83,966,938)	\$ 319,201,403

Oklahoma Gas and Electric Company
Explanation of PUD Adjustments to Operating Income
Test Year Ended June 30, 2015
Cause No. PUD 201500273

Line No.	Description	(A) Total Company Pro Forma Income Statement	(B) PUD Adjustment No. 2	(D) PUD Adjustment No. 3	(E) PUD Adjustment No. 4	(F) PUD Adjustment No. 5	(G) PUD Adjustment No. 6
1	<u>Operating Revenue:</u>						
2	Electric	\$ 1,423,801,520					
3	Other						
4	Total Operating Revenue	\$ 1,423,801,520	\$ -	\$ -	\$ -	\$ -	\$ -
5	<u>Operating Expense:</u>						
6							
7	Fuel & Purchased Power	\$ 82,755,933					
8	Other O&M	\$ 411,261,886	\$ (324,961)	\$ (457,422)	\$ (27,418)	\$ (266,385)	\$ (2,689,594)
9	Customer Deposit Interest	\$ 1,218,873					
10	Depreciation & Amortization	\$ 313,496,134	\$ (36,305,286)				
11	Misc. Taxes	\$ 217,413					
12	Property Taxes	\$ 74,607,317					
13	Payroll Taxes	\$ 12,687,466					
14	Total Operating Expenses	\$ 896,245,022	\$ (324,961)	\$ (457,422)	\$ (27,418)	\$ (266,385)	\$ (2,689,594)
15	Operating Income Before Income Tax	\$ 527,556,498	\$ 324,961	\$ 457,422	\$ 27,418	\$ 266,385	\$ 2,689,594
16	Less: Income Tax	\$ 152,961,736					
17	Operating Income	\$ 374,594,762					

Oklahoma Gas and Electric Company
Explanation of PUD Adjustments to Operating Income
Test Year Ended June 30, 2015
Cause No. PUD 201500273

Line No.	Description	(H) PUD Adjustment No. 7	(I) PUD Adjustment No. 8	(J) PUD Adjustment No. 9	(K) PUD Adjustment No. 10	(L) PUD Adjustment No. 11	(M) PUD Adjustment No. 12	(N) PUD Adjustment No. 13
1	<u>Operating Revenue:</u>							
2	Electric							
3	Other							
4	Total Operating Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	<u>Operating Expense:</u>							
6								
7	Fuel & Purchased Power							
8	Other O&M	\$ (6,350,577)	\$ (6,350,577)	\$ (5,857,633)	\$ (115,673)		\$ (537,115)	18,205
9	Customer Deposit Interest							
10	Depreciation & Amortization							
11	Misc. Taxes					\$ (4,624,225)		
12	Property Taxes							
13	Payroll Taxes	\$ (178,517)						
14	Total Operating Expenses	\$ (178,517)	\$ (6,350,577)	\$ (5,857,633)	\$ (115,673)	\$ (4,624,225)	\$ (537,115)	\$ 18,205
15	Operating Income Before Income t	\$ 178,517	\$ 6,350,577	\$ 5,857,633	\$ 115,673	\$ 4,624,225	\$ 537,115	\$ (18,205)
16	Less: Income Tax							
17	Operating Income							

Oklahoma Gas and Electric Company
Explanation of PUD Adjustments to Operating Income
Test Year Ended June 30, 2015
Cause No. PUD 201500273

Line No.	Description	(O) PUD Adjustment No. 14	Adjustment INCOME TAX	Total Company Adjustments	Pro Forma Income Statement
1	Operating Revenue:				
2	Electric		\$ -	\$ -	\$ 1,423,801,520
3	Other		\$ -	\$ -	-
4	Total Operating Revenue	\$ -			\$ 1,423,801,520
5	Operating Expense:				
6			\$ -	\$ -	-
7	Fuel & Purchased Power		\$ -	\$ -	82,755,933
8	Other O&M		\$ (16,808,573)	\$ (16,808,573)	394,453,313
9	Customer Deposit Interest	\$ (200,000)	\$ -	\$ -	1,218,873
10	Depreciation & Amortization		\$ (36,305,286)	\$ (36,305,286)	277,190,848
11	Misc. Taxes		\$ -	\$ -	217,413
12	Property Taxes		\$ (4,624,225)	\$ (4,624,225)	69,983,092
13	Payroll Taxes		\$ (178,517)	\$ (178,517)	12,508,949
14	Total Operating Expenses	\$ (200,000)		\$ (57,916,601)	\$ 838,328,421
15	Operating Income Before Income t	\$ 200,000		\$ 57,916,601	\$ 585,473,099
16	Less: Income Tax		\$ (17,128,876)	\$ (17,128,876)	\$ 135,832,860
17	Operating Income		\$ 17,128,876	\$ 75,045,477	\$ 449,640,239

Oklahoma Gas and Electric Company

Calculation of Taxable Income
ended June 30, 2015
- PUD 201500273

Line No.	Description	(A) Total Company Pro Forma Amount	(B) PUD Test Year Adjustment	(C) Total Company Pro Forma Amount	(D) Allocation Factor	(E) Oklahoma Jurisdiction Amount
1	Operating income before taxes	\$ 527,556,498	\$ 57,916,601	\$ 585,473,099	89.808358898%	\$ 525,803,782
2	Interest-Long Term	\$ 121,530,249	\$ 1,733,764	\$ 123,264,013	89.808358898%	\$ 108,957,124
3	Permanent Differences:					
4	Amount of Net Unfunded Def. Inc. Taxes	\$ 9,120,408	\$ -	\$ 9,120,408		\$ 5,601,883
5	Manufacturing Deduction	\$ (2,867,785)	\$ -	\$ (2,867,785)		\$ -
6	Restricted Stock Dividend Equivalents	\$ (4,310)	\$ -	\$ (4,310)		\$ -
7	Preferred Dividend Credit	\$ -	\$ -	\$ -		\$ -
8	Manufacturing Deduction	\$ -	\$ -	\$ -		\$ -
9	Other	\$ -	\$ -	\$ -		\$ -
10	Total Permanent Differences	\$ 6,248,313	\$ -	\$ 6,248,313		\$ 5,601,883
11	Book Taxable Income	\$ 412,274,562	\$ 56,182,837	\$ 468,457,399		\$ 422,448,541
12	Total Income Tax at Combined Rate of	\$ 159,851,216	\$ 21,344,358	\$ 181,195,574		\$ 163,795,952
		38.7730%	0.386792			
		1.633266	1.630768			
13	Other Differences:					
	Amortization of Prior Period ITC	\$ (326,696)	\$ -	\$ (326,696)		\$ (292,897)
	Federal Wind Production Tax Credit	\$ -	\$ (34,236,963)	\$ (34,236,963)	89.808%	\$ (30,747,532)
	Oklahoma Wind Production Tax Credit	\$ -	\$ (4,236,271)	\$ (4,236,271)		\$ (4,236,271)
14	Federal Energy & Employment Tax Credits	\$ (75,000)	\$ -	\$ (75,000)		\$ (67,241)
15	Oklahoma Investment Tax Credit ("ITC")	\$ (9,576,362)	\$ -	\$ (9,576,362)		\$ (5,816,570)
16	Oklahoma Investment Tax Credit - Uncertain Tax Position Reserve	\$ 2,699,309	\$ -	\$ 2,699,309		\$ -
17	Oklahoma Deferred Tax Rate Differential Adjustment	\$ 389,279	\$ -	\$ 389,279		\$ -
	Total Other Differences	\$ (6,889,470)	\$ (38,473,234)	\$ (45,362,704)		\$ (41,160,511)
18	Total Federal and State Current and Deferred Income Taxes	\$ 152,961,746	\$ (17,128,876)	\$ 135,832,870		\$ 122,635,441

Section J
Schedule 2

**Oklahoma Gas and Electric Company
Interest Calculation
Test Year Ended June 30, 2015
Cause No. PUD 201500273**

Line No.	Description	(A) PUD Total Company Pro Forma	PUD Oklahoma Pro Forma
1	Rate Base (Sec B, Schedule 1)	\$ 4,697,561,453	\$ 4,211,818,742
2	Weighted Cost of Debt (Sec F, Schedul	<u>2.624%</u>	<u>2.624%</u>
3	Interest On Debt	\$ 123,264,013	\$ 110,518,124
4	Adjusted Interest on Debt	<u><u>\$ 123,264,013</u></u>	<u><u>\$ 110,518,124</u></u>

Oklahoma Gas and Electric Company
Adjustments to Current Income Tax Expense
Test Year Ended June 30, 2015
Cause No. PUD 201500273

Line No.	Adjustment Description	(A) Increase	(B) Decrease
<u>PUD Adjustment No. 1</u>			
1	To adjust Current Income Tax Expense to PUD's Pro Forma	\$ 1,733,764	

CERTIFICATE OF ELECTRONIC SERVICE

I, the undersigned, do hereby certify that on the 21st day of March 2016, a true and correct copy of the above and foregoing was sent electronically, addressed to the following:

Dara Derryberry
Eric Davis
Kimberly Carnley
Victoria Korrect
Office of Attorney General
313 NE 21st Street
Oklahoma City, OK 73105
dara.derryberry@oag.ok.gov
eric.davis@oag.ok.gov
kimberly.carnley@oag.ok.gov
victoria.korrect@oag.ok.gov

Thomas P. Schroedter, OBA #7988
Hall, Estill, Hardwick Gable, Golden & Nelson, P.C.
320 S. Boston, Suite 200
Tulsa, OK 74103
tshroedter@hallestill.com

Jack G. Clark, Jr. OBA #1703
CLARK, WOOD & PATTEN, P.C.
3545 N.W. 58th Street, Suite 400
Oklahoma City, Oklahoma 73112
cclark@cswp-law.com

Rick D. Chamberlain OBA # 11255
Behrens, Taylor, Wheeler & Chamberlain
Six Northeast 63rd, Suite 400
Oklahoma City, OK 73105
rchamberlain@okenergyllaw.com

Douglas Holsted
Co-Chair, VOICE Economic Justice
Action Team
P.O. Box 2432
Oklahoma City, OK 73101
douglas@coxholstedepa.com

Jon Laasch, OBA #11392
Jacobson & Laasch
212 East Second Street
Edmond, OK 73034
jonlaasch@yahoo.com

William (Bill) J. Bullard
Kimber Shoop
Patrick Shore
William Humes
OG&E
Post Office Box 321
Oklahoma City, OK 73101-0321
bullarwj@oge.com
shoopkl@oge.com
shorepd@oge.com
humeswl@oge.com

Jennifer H. Castillo, OBA #19504
Hall, Estill, Hardwick Gable,
Golden & Nelson, P.C.
100 N. Broadway, Suite 2900
Oklahoma City, OK 73102
jcastillo@hallestill.com

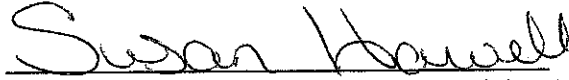
Deborah R. Thompson
OK Energy Firm, PLLC
PO Box 54632
Oklahoma City, OK 73154
dthompson@okenergyfirm.com

Melodie Garneau
President, VOICE Action Fund
P.O. Box 2432
Oklahoma City, OK 73101
vankeemel_60@hotmail.com

Cheryl A. Vaught, OBA 11184
Scot A. Conner, OBA 11627
Vaught & Conner, PLLC
1900 NW Expressway, Suite 1300
Oklahoma City, OK 73118
cvaught@vcokc.com

Marc Edwards OBA #10281
Jim Roth, OBA # 16535
Dominic D. Williams OBA #30773
PHILLIPS MURRAH, P.C.
Corporate Tower, Thirteenth Floor
101 N. Robinson
Oklahoma City, OK 73102
medwards@phillipsmurrah.com
jaroht@phillipsmurrah.com
ddwilliams@phillipsmurrah.com

Jacquelyn L. Dill, OBA #19955
Dill Law Firm, P.C.
3133 NW 63rd Street
Oklahoma City, Oklahoma 73116
jdill@dilllawfirm.com



TISH COATS, Regulatory Admin. Oversight Manager
BARBARA COLBERT, Administrative Assistant
SUSAN HARWELL, Asst. PUD Regulatory Analyst
LESIA POLLARD, Asst. Telecom PUD Regulatory
Analyst
KELI WEBB, Administrative Assistant
OKLAHOMA CORPORATION COMMISSION