

**BEFORE THE
ARKANSAS PUBLIC SERVICE COMMISSION**

IN THE MATTER OF THE FORMULA RATE)	
PLAN FILINGS OF OKLAHOMA GAS AND)	DOCKET NO. 21-087-U
ELECTRIC PURSUANT TO APSC DOCKET)	
NO. 16-052-U)	

**REQUEST TO EXTEND
FORMULA RATE PLAN RIDER**

COMES NOW Oklahoma Gas and Electric Company (hereinafter “OG&E” or “Company”) and submits its request (“Application” or “Request”) to extend its Formula Rate Plan Rider mechanism (“FRP Rider”) for a period of five (5) years beyond the initial term of its FRP Rider approved in Docket No. 16-052-U. This Request is made pursuant to the provisions of Ark. Code Ann. § 23-4-1208 and the applicable Arkansas Public Service Commission (“APSC” or “Commission”) *Rules of Practice and Procedure*. In support of the Company’s Request herein, it specifically states as follows:

1. OG&E is an investor owned corporation organized under the laws of the State of Oklahoma. It is qualified to conduct business in the State of Arkansas. The Company is a public utility as defined by Ark. Code Ann. § 23-1-101 *et seq.* and as such, is subject to the jurisdiction of the Commission. Its principal place of business is located at 321 N. Harvey Avenue, Oklahoma City, Oklahoma 73102. A copy of its Articles of Incorporation was filed with the Commission in Docket No. 15-034-U on May 8, 2015 and is incorporated herein by reference.

2. On May 18, 2017, the Commission through its Order No. 8 in Docket No. 16-052-U approved, inter alia, the Company’s Formula Rate Plan Rider, inclusive of FRP Rider Attachment F, the Formula Rate Protocols (“Protocols”). The initial Protocols approved by the

Commission requires OG&E, if it requests an extension of its FRP Rider mechanism, to include such request as part of its fourth annual Evaluation Report filing.¹ The approved Protocols also require a Commission decision on OG&E's Request no later than April 1, 2022.²

3. On March 9, 2021, the Commission issued Order No. 15 in Docket No. 18-046-FR approving a Settlement Agreement whereby OG&E agreed to file, in a separate "TF" docket, a tariff amendment to its Protocols which provided that if OG&E sought to request an extension FRP Rider, it would include such a request in a separate docket to be filed concurrently with the filing of its fourth annual Evaluation Report. This tariff revision was filed in Docket No. 19-017-TF and was subsequently approved by the Commission as being in compliance with Order No. 15 in Docket No. 18-046-FR.³

4. This Application requesting Commission approval of a five (5) year extension of its FRP Rider is provided for and governed by the provisions of the Formula Rate Review Act as codified at Ark. Code Ann. § 23-4-1201 *et seq.* ("FRRR"). In support of the Company's Request, OG&E is hereby simultaneously submitting the testimony and exhibits of Donald Rowlett, Gwin Cash, Ann Bulkley and Jennifer Nelson. Mr. Rowlett discusses the benefits of the FRP Rider to OG&E's customers during its initial term and how these benefits are expected to continue during an additional five-year term. Mr. Cash describes the proposed tariff changes to the FRP Rider being proposed that would be utilized during the proposed extension period and he also addresses the proposed class cost of service. Ms. Bulkley describes the proposed return on equity, including a proposed increase to OG&E's authorized return on equity as allowed by Act 894 of 2021. Ms. Nelson discusses why the FRP Rider, and its extension requested herein, is in the public interest.

¹ OGE Tariffs effective 4/01/2019, Rate Schedule No. 80, Rider FRP, Attachment F, Section II, Item 6.

² *Id.*

³ Order No. 4, Docket No. 19-017-TF, Document No. 15.

5. The Company's complete legal name and mailing address are:

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Oklahoma City, Oklahoma 73102

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6. The Arkansas Legislature, in enacting the FRRRA, sought to establish a regulatory framework that implements rate reforms to provide just and reasonable rates to consumers in this state and enables public utilities in this state to provide reliable service while maintaining stable rates.⁴ This legislation, as previously noted, also provides for the extension of the initial term of a formula rate plan for up to five (5) years upon a determination that such an extension is in the public interest. This statutory provision is the basis for the Request currently being made.

7. OG&E believes the evidence presented in the testimony and exhibits of its witnesses will clearly demonstrate that OG&E's FRP Rider has achieved the goals outlined by the Arkansas Legislature in the FRRRA and further, that it will be clearly shown that the extension of

⁴ Ark. Code Ann. § 23-4-1202(b).

the Company's FRP Rider as addressed in the Application is in the public interest. The FRRA was intended to provide an alternative approach to traditional ratemaking that balances incentives that encourage investment in OG&E's electric system with mechanisms that promote efficient operation, transparency and stable rates. OG&E's FRP Rider has fully accomplished these goals and it has produced benefits for both the Company and its customers. It would be in the public interest for the Legislature's goals to continue to be achieved, while producing benefits for customers and the utility.

8. Given the goals achieved and the benefits provided through OG&E's FRP Rider as outlined by the Company's witnesses, there is no legitimate reason not to extend the Company's FRP Rider allowing the continuation of benefits to the stakeholders at just and reasonable rates. OG&E respectfully submits that the continuation of its FRP Rider as addressed in its Application is in the public interest.

9. OG&E respectfully requests that the Commission enter its Order in this matter on or before April 1, 2022 as provided in the Protocols.⁵

WHEREFORE, for the reasons set forth above and in the testimony submitted herewith, OG&E respectfully requests that the Commission approve the requested extension of its FRP Rider for an additional period of five (5) years beyond its initial term and for all other appropriate relief.

⁵ FRP Rider, Attachment F, Section II, Item 6.D.

Respectfully submitted,

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By: /s/ Lawrence E. Chisenhall, Jr.
Lawrence E. Chisenhall, Jr. (#74023)

AND

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ATTORNEYS FOR OKLAHOMA GAS AND
ELECTRIC COMPANY

CERTIFICATE OF SERVICE

I, Lawrence E. Chisenhall, Jr., hereby state that a copy of the foregoing instrument was served on all the parties of record via the APSC Electronic Filing System on this the 1st day of October, 2021.

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