

**BEFORE THE
ARKANSAS PUBLIC SERVICE COMMISSION**

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|--------------------------------------|---|----------------------------|
| IN THE MATTER OF THE |) | |
| APPLICATION OF OKLAHOMA GAS |) | |
| AND ELECTRIC COMPANY TO |) | |
| PROVIDE NOTICE AND FOR |) | |
| AUTHORITY TO PROCEED WITH THE |) | DOCKET NO. 23-039-U |
| CONSTRUCTION OF TWO NATURAL |) | |
| GAS COMBUSTION TURBINE |) | |
| GENERATION FACILITIES IN THE |) | |
| STATE OF OKLAHOMA PURSUANT TO |) | |
| ARK. CODE ANN. § 23-18-104 | | |

APPLICATION

COMES NOW, Oklahoma Gas and Electric Company (“OG&E” or the “Company”), and in support of its Application to Provide Notice and for Authority to Proceed with the Construction of Two Natural Gas Combustion Turbine Generation Facilities in the State of Oklahoma Pursuant to Ark. Code Ann. § 23-18-104 (“Application”), 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 Arkansas Public Service Commission (hereinafter “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. OG&E’s property consists of facilities for the generation, transmission and distribution of electric power and energy to its retail customers in its service areas in Oklahoma and Arkansas. OG&E provides electric service to approximately 890,000 total retail customers, of which approximately 69,000 are located in Arkansas.

3. OG&E is filing this Application pursuant to the provisions of Ark. Code Ann. § 23-18-104 and Rule 3.09 of the Commission's Rules of Practice and Procedure. Ark. Code Ann. § 23-18-104, in general, requires a public utility to provide notice to, and seek approval to commence construction of a power-generating facility located outside the boundaries of the State of Arkansas. Through the filing of this Application, the Company is seeking to comply with the notice provisions of Ark. Code Ann. § 23-18-104 and seeking the Commission's authorization to commence construction of two 224 MW natural gas turbine generation facilities on Company owned property near Oklahoma City, Oklahoma.

4. The Company specifically states that it, through the Application, is only seeking a Commission determination that it has complied with the notice provisions of Ark. Code Ann. § 23-18-104 and a Commission order authorizing it to commence construction of the subject facilities. The Company is seeking no determination by the Commission as to prudence of action relating to the construction of the generation facilities or for prudence of cost for the facilities. Prudence of action and prudence of cost will be addressed in a future proceeding where rate recovery issues will be considered and determined.

5. The Company's 2021 Integrated Resource Plan ("IRP"), previously filed with the Commission, determined that OG&E had a need for additional generating capacity. The IRP found that beginning in 2023, OG&E had a deficiency of 145 MW growing to a deficiency of 942 MW of generation capacity by 2027, based upon the Southwest Power Pool ("SPP") reserve margin requirement at the time, which was twelve percent. The SPP recently raised the required reserve margin to fifteen percent, further exacerbating the Company's capacity generation needs. The addition of the proposed 448 MW of proposed natural gas combustion turbine generation capacity will not fully satisfy the capacity needs of the Company and its customers, but approval to

commence construction of the facilities will allow construction to proceed so that a projected in service date of year-end 2026 can be met which will provide much needed capacity for the summer of 2027.

6. At this time, the construction contracts have been finalized and executed. Pursuant to those contracts, OG&E can realize a \$1.1 million discount in project costs if it provides a notice to proceed to its contractors before November 30, 2023. Therefore, the Company respectfully requests that an order in this matter be issued no later than November 30, 2023, in order to attain the available contractual savings for customers.

7. In support of this Application, the Company provides the direct testimony of Kimber L. Shoop.

8. Pursuant to Rule 3.04 of the Commission's Rules of Practice and Procedure, the following individuals should be placed on the official service list as the persons authorized to receive notice on behalf of Oklahoma Gas and Electric Company:

Kimber L. Shoop
Director of Regulatory Affairs
Oklahoma Gas and Electric Company
321 N. Harvey Avenue
Oklahoma City, Oklahoma 73102
Phone (405)-553-3604
Email: reginfor@oge.com

Lawrence E. Chisenhall, Jr.
Gill Ragon Owen, P.A.
425 West Capitol Avenue, Suite 3800
Little Rock, Arkansas 72201
Phone: (501)-376-3800
Email: chisenhall@gill-law.com

WHEREFORE, Oklahoma Gas and Electric Company respectfully requests that the Commission determine that the Company has complied with the notice provision of Ark. Code Ann. § 23-18-104, that the Commission issue its order authorizing the Company to commence

construction of the subject generation capacity facilities, and that any such order issued by the Commission be issued no later than November 30, 2023, and for all other appropriate relief.

Respectfully submitted,

Oklahoma Gas and Electric Company

By: /s/ Lawrence E. Chisenhall, Jr.
Lawrence E. Chisenhall, Jr. (Ark. Bar No. 74023)
Mitchell S. Dennis (Ark. Bar No. 2017110)
Gill Ragon Owen, P.A.
425 West Capitol Avenue, Suite 3800
Little Rock, Arkansas 72201
Phone: (501)-376-3800
Email: chisenhall@gill-law.com
Attorneys for Oklahoma Gas and Electric Company

CERTIFICATE OF SERVICE

I, Lawrence E. Chisenhall, Jr., hereby certify that a copy of the foregoing has been served on all parties of record via the APSC's Electronic Filing System on the 12th day of July, 2023.

By: /s/ Lawrence E. Chisenhall, Jr.
Lawrence E. Chisenhall, Jr.