

BEFORE THE
ARKANSAS PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE APPLICATION OF)	
OKLAHOMA GAS AND ELECTRIC COMPANY)	DOCKET NO. 16-052-U
FOR APPROVAL OF A GENERAL CHANGE IN)	
RATES, CHARGES, AND TARIFFS)	

DIRECT EXHIBIT

OF

JUDY KAY LINDHOLM
RATE CASE ANALYST
ELECTRIC UTILITIES SECTION

ON BEHALF OF THE GENERAL STAFF OF THE
ARKANSAS PUBLIC SERVICE COMMISSION

JANUARY 31, 2017

DIRECT EXHIBIT JKL-1

Reconnect Fee			
COP Dunning costs	Costs associated to perform automated move in and move out tasks		\$27,391.13
UIQ System	Cost associated to perform disconnects and reconnects		\$3,859.93
CADS	Costs associated to handle disconnect/reconnect		\$16,878.64
WAN	Cost associated with disconnect and reconnect volume		\$681.68
Dispatch	Disconnect and reconnect costs associated with dispatching of those		\$1,456.16
Outbound	Costs associated with outbound dialer and clerk to perform collection calls		\$189.54
Labor	Costs associated with back office work and front office call volume		\$58,725.64
Postage and mailroom expenses	Costs associated with mailing notices		\$58,909.60
Total Cost			\$168,092.31
Disconnects and reconnects worked in 2015			5,660
Costs per reconnect			\$29.70
Current disconnect/reconnect fee			\$35.00
Proposed Fee			\$30.00

Meter Tests			
Meter Tech	Cost associated with labor to test meter		\$64.70/hr
Vehicle	Vehicle/equipment needed to test meter		\$35.78/hr
Actual Cost			\$100.48
Proposed fee			\$100.00
Current fee			\$50.00

Oklahoma Gas & Electric Company
Miscellaneous Revenue
Involuntary Disconnects in Arkansas
Docket No. 16-052-U

Item	2009	2010	2011	2012	2013	2014	2015	
Shutoff Notices	112487	122206	125337	116620	119721	125042	127000	
Leave Notice Orders								
Maintenance Activity Types: 521, 526								
Left Notice	110	52	60	51	61	62	61	
Leave Notice Orders Smart Disconnect								
Maintenance Activity Type: 818								
Left Notice	0	0	0	6,378	12,939	13,728	16,504	
Disconnect Orders								
Maintenance Activity Types: 550, 554, 558								
Collected	0	0	1	0	0	0	0	
Left Notice	9	13	1	1	0	4	0	
Left Notice to Pay	3,066	3,436	3,246	1,154	548	578	723	
Total Notices	3,185	3,501	3,308	7,584	13,548	14,372	17,288	
		10%	-6%	129%	79%	6%	20%	33%
		3,331				15,069		
Manual Disconnected	8,746	8,714	7,206	1,589	142	106	160	
Smart Disconnected	0	0	0	3,750	7,051	7,888	8,242	
		4,111				3,932		
Disconnect %	7.8%	7.1%	5.7%	4.6%	6.0%	6.4%	6.6%	
		6.9%				6.3%		
Reconnect Orders								
Maintenance Activity Type: 601								
Manual Reconnected	6,219	5,684	4,475	932	71	73	70	
Smart Reconnected	0	0	0	2,392	4,580	5,332	5,686	

Revenue

Reconnect Fees	\$216,265	\$196,255	\$157,045	\$85,820	\$115,605	\$125,895	\$160,640
Collection Fees	\$46,125	\$50,190	\$47,580	\$111,210	\$198,809	\$211,785	\$255,240
Total Truck Rolls	18,150	17,899	14,989	10,105	13,761	14,551	17,518

Sources:

Docket 10-109-U Document No. 105

Docket 10-109-U Document No. 113

Oklahoma Gas & Electric Company

Involuntary Disconnects in Arkansas

Docket No. 16-052-U

Item	2009	2010	2011	2012	2013	2014	2015
Mailed Shut-Off Notices	112,487	122,206	125,337	116,818	119,721	125,042	127,000
First Attempted Telephone Contact							
Second Attempted Telephone Contact							
Left Notice	9	13	1	1	0	4	0
Left Notice to Pay	3,066	3,436	3,246	1,154	548	578	723
Leave Shut-Off Notice	0	0	0	6,378	12,939	13,728	16,504
Manual Disconnected	8,746	8,714	7,206	1,589	142	106	160
Smart Disconnected	0	0	0	3,750	7,051	7,888	8,242
Manual Reconnected	6,219	5,684	4,475	932	71	73	70
Smart Reconnected	0	0	0	2,392	4,580	5,332	5,686
Disconnect Rate	7.8%	7.1%	5.7%	4.6%	6.0%	6.4%	6.6%

OKLAHOMA GAS & ELECTRIC
DOCKET NO. 16-052-U
DIRECT EXHIBIT JKL-1

	Total Cost	% Dunning	Dunning Cost	% Arkansas	Ark Cost
Cop Dunning Cost	\$809,012.18	69.18%	\$559,649.41	4.89%	\$27,391.13
COP is Critical Operations Protector. All remote disconnect and reconnect commands have to go through this system in order to be assigned a security certificate so UIQ will know these are valid commands to be sent to the meters.					
UIQ Dunning Cost	\$2,675,105.75	2.95%	\$78,865.19	4.89%	\$3,859.93
UIQ is Utility IQ which is the interface management software used for all commands and traffic being sent to and being received from devices in the field (meters, communicating thermostats, access points, relays, etc.)					
WAN Dunning Cost	\$472,438.23	2.95%	\$13,928.02	4.89%	\$681.68
WAN is the Wide Area Network which are the wireless Access Point and Relay network equipment mounted on our poles that allow commands and traffic to flow to and from meters.					
28% of 1 dispatcher time			\$29,751.90	4.89%	\$1,456.16
Rate provided by Renee Crowel					
Outbound	Cost	% Dunning	Dunning Cost	% Arkansas	Ark Cost
Genesis (Outbound software)	\$3,024.00	100%	\$3,024.00	4.89%	\$148.00
Telecom for outbound @ \$.018/min.	\$848.55	100%	\$848.55	4.89%	\$41.53

Note: % Arkansas based on percent of total disconnects and reconnects

Credit and Collections

	Back Office	% Dunning	Total Cost	% Arkansas	Ark Dunning Cost	%Disconnected	Ark Disconnected Cost
Clerical	\$608,171.20	100.00%	\$608,171.20	4.89%	\$29,765.95	6.68%	\$1,989.57
Note: Used 7 back office clerks (did not include payment processing or return check clerk). Rates provided by Renee Crowel							
Exempt	\$112,153.60	70.00%	\$78,507.52	4.89%	\$3,842.42	6.68%	\$256.83
Note: This is 1 supervisor only and did not uses 100% because did not include payment processing, social services, or returned checks							
Manager	\$174,408.00	35.00%	\$61,042.80	4.89%	\$2,987.64	6.68%	\$199.69

	# Calls	Cost per Call	Ark Cost
Customer Service	13,947	\$4.04	\$56,279.55
Arkansas Reconnects July 1, 2015 - June 30, 2016 - 5,660			
Arkansas Disconnects July 1, 2015 - June 30, 2016 - 8,287			
Note: Multiplied total 2014 Oklahoma reconnects plus total 2014 Oklahoma disconnects by the cost per call.			

Manual (Truck Rolls)	Orders	Cost per Order	Ark Cost
Disconnects	123	\$95.90	\$11,795.87
Reconnects	53	\$95.90	\$5,082.77

	Number	Cost	Ark Cost
Cut Off Notice	132,191	\$0.44564	\$58,909.60
Note: Per Willis Jones total cost per item. Includes postage, labor, printing, and stuffing.			

Total Cost	\$168,092.31
Number of Reconnects	5,660
Cost per Reconnect	\$29.70

Note:This worksheet does not include any cost from the Complaints group, the IVR, or analysis.

Total Customers as of March 31, 2016.

The numbers include residential, commercial and industrial customers.

Total	810,759	
Arkansas	64,558	7.96%
Oklahoma	746,201	92.04%

Total Disconnects 12 months ending June '16

Total	155050	
Arkansas		5.34%
Smart	8149	
Manual	138	
Oklahoma		94.66%
Smart	144310	
Manual	2453	

Total Reconnects 12 months ending June '16

Total	129912	
Arkansas		4.36%
Smart	5599	
Manual	61	
Oklahoma		95.64%
Smart	122450	
Manual	1802	

Total Disconnects + Reconnects 12 months ending June '16

Total	284962	
Arkansas		4.89%
Smart	13748	
Manual	199	
Oklahoma		95.11%
Smart	266760	
Manual	4255	

<u>Year 2015</u>	<u>Count</u>	<u>ERR</u>	<u>DISC</u>	<u>RECO</u>	<u>READ</u>	<u>Success</u>
<u>Year 2015</u>	<u>Count</u>	<u>ERR</u>	<u>DISC</u>	<u>RECO</u>	<u>READ</u>	<u>Success</u>
Dunning	316,395	1,423	170,311	144,661		314,972
MI/MO	140,976	1,559	54,465	84,952		139,417
MI/MO read only	35,945				35,945	35,945
Total						490,334

	<u>Count</u>	<u>ERR</u>	<u>DISC</u>	<u>RECO</u>	<u>READ</u>	<u>Success</u>	<u>% of Total</u>
Dunning	316,395	1,423	170,311	144,661	0	314,972	64.24%
MI/MO	176,921	1,559	54,465	84,952	35,945	175,362	35.76%
Total	493,316	2,982	224,776	229,613	35,945	490,334	100.00%

Wan, UIQ and COP cost provided by Renee Crowell

WBS Element	X:02-01.21.02	
		WAN - 2015 Total
Row Labels	Cost element descr.	Sum of Val/COArea Crncy
601000	Materials & Supplies>Returns (CR)	(5.42)
601002	Materials & Supplies - Stock	51,285.25
601100	Material & Supplies-Non Stock	4,900.92
601105	Purchase Discounts	(1,094.50)
601200	Tools-Unassigned Stock Numbers	173.99
605000	Office Supplies	19.33
632000	Outside Services-Sys & Equip Maint & Rep	14,615.47
640000	Empl Exp-Meals 50% Ded for IRS	327.94
640001	Empl Exp-Meals 100% Ded for IRS	1,111.11
640055	Empl Exp-Lodging	1,868.89
640080	Empl Exp-Other Travel Related Exp	31.54
681002	Activity Manual Entry	(247,847.20)
800102	Shrd Serv-Internal Labor Activity	769.33
800103	EIP-Internal Labor Activity	571,742.61
800106	Power Delivery-Internal Labor Activity	3,049.16
800113	EIP-Internal Labor Activity OT	24,182.17
865010	Transportation Activity	285.00
878002	Warehousing OH Assesment	1,246.55
878003	Purch OH Assessment	246.28
878005	Facilities Overhead Assessment	2,472.74
878006	Computer Equipment Overhead Assess	9,086.75
878007	Information Systems Overhead Asses	25,767.12
878008	Telephone Overhead Assessment	7,146.90
878009	Radio Overhead Assessment	1,056.30
Grand Total		472,438.23

WBS Element X:02-01.21.01

UIQ & COP 2015 Actuals

Row Labels	CO object name	Cost Element	Cost element descr.	Sum of Val/COArea CrCY
1625967 0150	2015 TRIPWIRE RENEWALS	605010	Ofc Exp-Pur,Lic,Maint of Off Shelf Sftwr	21,747.41
1625967 0160	3 YEAR RAPID7 NEXPOSE/METASPLOIT	605010	Ofc Exp-Pur,Lic,Maint of Off Shelf Sftwr	106,572.32
1625967 0170	2015 SAIC/LEIDOS - SUPPORT & MONIT	682004	Professional Services-Bus & Info Mgmt	105,462.65
1625967 0180	2015 IMPERVA WEB APP FIREWALL SU	605010	Ofc Exp-Pur,Lic,Maint of Off Shelf Sftwr	40,691.28
1625967 0190	2015 IBM SMARTCLOUD MONITORING/S	632000	Outside Services-Sys & Equip Maint & Rep	40,739.00
7407660	Tibco ESB Annual Maintenance	605010	Ofc Exp-Pur,Lic,Maint of Off Shelf Sftwr	423,429.06
7407696	IOC Visualization	800103	EIP-Internal Labor Activity	1,408.14
7407702	WAF - Cyber Security	800103	EIP-Internal Labor Activity	956.99
7407820	Silver Spring Network - UIQ and COP Mc	605010	Ofc Exp-Pur,Lic,Maint of Off Shelf Sftwr	2,969,166.37
X:02-01.21.01	SOFTWARE COSTS	605010	Ofc Exp-Pur,Lic,Maint of Off Shelf Sftwr	(227,133.51)
		878003	Purch OH Assessment	923.38
		878005	Facilities Overhead Assessment	9.57
		878006	Computer Equipment Overhead Assess	26.43
		878007	Information Systems Overhead Asses	94.45
		878008	Telephone Overhead Assessment	19.85
		878009	Radio Overhead Assessment	4.54
Grand Total				3,484,117.93

472,438.23 WAN

\$2,675,105.75 UIQ (had to estimate breakdown of UIQ/COP because all lumped together, 76.78%)

\$809,012.18 COP (had to estimate breakdown of UIQ/COP because all lumped together but found in 2013 breakdown of COP, 23.22%)

\$3,956,556.16 Total

\$3,147,543.98 applies to all activities (WAN and UIQ)

\$809,012.18 applies to only disc/reco activities (COP only)

\$3,956,556.16 Total

back office exceptions (very few per vback office supervisor -- not material)

dispatcher exceptions immaterial (avg 3.75/day)

<u>Annual Support Cost</u>	
	853,233 Meter Count per UIQ Device State History Report as of 12-31-2015
	\$0.55 WAN \$ per meter
	\$3.14 UIQ \$ per meter
	\$0.95 COP \$ per meter
	<hr/>
	\$4.64 Total \$ per meter

Avg/month	<u>Annual count as % of meters installed</u>
26,366	36.92% dunning activity as % of meters installed
<u>14,743</u>	20.55% mi/mo activity as % of meters installed
41,110	
	<u>Avg monthly count % of meters installed</u>
	3.09% dunning activity as % of meters installed
	1.73% mi/mo activity as % of meters installed

<u>WAN/UIQ</u>	<u>COP</u>	<u>Total</u>	per DISC	per RECO	per transaction
\$3,002,863	\$0	\$3,002,863			\$0.29
\$92,793	\$559,649	\$652,443	\$3.83	\$4.51	\$2.06
\$41,346	\$249,363	\$290,709	\$5.34	\$3.42	\$2.06
\$10,542	\$0	\$10,542			\$0.29
\$3,147,544	\$809,012	\$3,956,556			

<u>Monthly transactional breakdown of average system utilization</u>	
95.40%	853,233 meter reading for billing
2.95%	26,366 dunning (disc/reco)
1.31%	11,748 MI/MO
0.33%	2,995 MI/MO read only
100.00%	894,343

COP utilization

69.18% dunning related remote disc/reco
30.82% MI/MO related remote disc/reco

Put in format like Tony originally had in his summary

Disconnect/Reconnect

COP	\$809,012.18	69.18%	\$559,649.41
UIQ	\$2,675,105.75	2.95%	\$78,865.19
WAN	\$472,438.23	2.95%	\$13,928.02
Total			\$652,442.62

MI/MO

COP	\$809,012.18	30.82%	\$249,362.77
UIQ	\$2,675,105.75	1.65%	\$44,099.65
WAN	\$472,438.23	1.65%	\$7,788.24
Total			\$301,250.66

Service Cost for Software	\$3,024.00
Number of outbound call in 2015	54,394
Average Length of Call (seconds)	52
Total Seconds	2,828,488
Total Minutes	47,141.47
Telecom Cost \$.018 per minute	\$848.55

Rates provided by Accounting

Transaction KSBT: Period 01 to 12, Fiscal Year 2015

Cost Center M-PD, Activity Types " ", Version 0

Price Indicator 5

Cost Center	Activity Type	Cost ctr short text	Act. type short text	Total price
20003066	PDNE1	Eastern Region Meter	Non-Exempt - PD	50.71
20003066	PDNEOT	Eastern Region Meter	Non-Exempt OT - PD	48.01
20003080	PDCR1	Supervisor - Meter	Craft - PD	64.70
20003080	PDCROT	Supervisor - Meter	Craft Overtime - PD	60.68
20003080	PDPR1	Supervisor - Meter	Prof 1 Reg - PD	71.93
20003108	PDCR1	Field Supv-Construct	Craft - PD	67.81
20003108	PDCROT	Field Supv-Construct	Craft Overtime - PD	66.50
20003108	PDNE1	Field Supv-Construct	Non-Exempt - PD	53.72
20003108	PDNEOT	Field Supv-Construct	Non-Exempt OT - PD	38.81
20003108	PDPR1	Field Supv-Construct	Prof 1 Reg - PD	75.88
20003109	PDCR1	Field Supv-Service	Craft - PD	69.94
20003109	PDCROT	Field Supv-Service	Craft Overtime - PD	66.50
20003109	PDPR1	Field Supv-Service	Prof 1 Reg - PD	68.92

Cost Center: 23004050

Cost Center	Activity Type	Cost ctr short text	Act. type short text	Total price
23004050	UCNE1	Credit/Collections	Non-Ex-Retail Energy	41.77
23004050	UCNEOT	Credit/Collections	Non-Ex OT-Retail En	33.42
23004050	UCPR1	Credit/Collections	Prof 1 Reg-Retail En	53.92
23004050	UCPR2	Credit/Collections	Prof 2 Reg-Retail En	83.85

Dispatchers 20002908 & 20002909

Cost Center	Activity Type	Cost ctr short text	Act. type short text	Total price
20002908	PDNE1	Sup Resource Coordin	Non-Exempt - PD	78.69
20002908	PDPR2	Sup Resource Coordin	Prof 2 Reg - PD	38.15
20002909	PDNE1	Sup Resource Coord O	Non-Exempt - PD	23.48
20002909	PDPR2	Sup Resource Coord O	Prof 2 Reg - PD	43.62

Line 9 on Disc-Rec

20002908 PDNE1	Sup Resource Coordin	Non-Exempt - PD	78.69
20002909 PDNE1	Sup Resource Coord O	Non-Exempt - PD	23.48
Average			51.09

Hourly amount	\$51.09
Weekly Amount	\$2,043.40
Yearly Amount	\$106,256.80
28% of Dispatcher time	\$29,751.90

Line 21 on Disc-Rec

23004050 UCNE1	Credit/Collections	Non-Ex-Retail Energy	41.77
Hourly amount	41.77		
Weekly Amount	\$1,670.80		
Yearly Amount	\$86,881.60		
7 back office clerks	\$608,171.20		

Line 24 on Disc-Rec

23004050 UCPR1	Credit/Collections	Prof 1 Reg-Retail En	53.92
Hourly amount	53.92		
Weekly Amount	\$2,156.80		
Yearly Amount	\$112,153.60		

Line 26 on Disc-Rec

23004050 UCPR2	Credit/Collections	Prof 2 Reg-Retail En	83.85
Hourly amount	83.85		
Weekly Amount	\$3,354.00		
Yearly Amount	\$174,408.00		

Line 35 and36 on Disc-Rec

Avg of Jan - Dec 2015 Rates	Vehicle
-----------------------------	---------

Row Labels	Act. type short text	Average of Price (Fixed)
V-HDDY	Heavy Duty Vehicles	35.78
V-LDTR	Light Duty Trailer	81.87
V-LTDY	Light Duty Vehicles	20.94
V-MDCE	Mtl/Maintenanc Equip	157.83
Grand Total		71.63

	Cost Center	Labor + Benefits	Vehicle
	Meter Field Representative	20003066	\$50.71 \$20.94
	Meter Tech	20003080	64.70 \$35.78
	Lineman	20003108	67.81 \$35.78
	Service Technician	20003109	69.94 \$35.78
	Service Technician	20003109	69.94 \$35.78
	Foreman Eastern Region Meter Maint	20003066	\$50.71 \$20.94
	Service Technician	20003109	69.94 \$35.78
	Service Technician	20003109	69.94 \$35.78
	Foreman Meter	20003080	71.93 \$20.94
Average			\$65.07 \$30.83
	Truck roll		\$95.90

Cost per Call

2015		
• Labor	\$	6,162,567.80
• temporary	\$	425,913.00
• Aspect	\$	273,022.00
• WFM	\$	17,141.12
• Witness	\$	41,965.36
• Pagers	\$	3,858.85
• Voice Talent	\$	2,400.00

Total	\$	6,926,868.13
Call Volume		1,716,592
Cost per call	\$	4.04

Provided by Willis Jones

<p align="center">Bill production Cost April 24, 2015 (Updated)</p>	
Material:	
Bill Form	.01161
Carrier Envelope	.01392
Return Envelope	.01184
	.03737 Each
Copier: Maint (39,000 YR)	
800,000, Bills per month. X 12 = 9,600,000	
Maintenance: Printers (4)	.00406 Each
Inserting: Maint (45,505 YR)	
800,000, Bills per month. X 12 = 9,600,000	
Maintenance: BH1000 (2)	.00474 Each
Daily Labor (current) Two dedicated Grade 33 FTE	
Totaling \$73, 000 annually divided by the amount of bills	
9,600,000	.00760 Each
Postage:	
5 digit rate 95% @ .391	
3 digit rate 5% @ .416	
TOTAL PIECE PRODUCTION COST 95% @	0.44477
5% @	0.46217

	Notices	Cost	Total
	123,982		
95%	117783	0.44477	\$52,386.30
5%	6199	0.46217	\$2,865.04
			\$55,251.34

Total Notices	Total Cost	Cost per notice
123,982	\$55,251.34	\$0.44564

Arkansas Mailed 10 Day Notices

Table FKKMAKO, all Arkansas dunning procedures, application form ZK_TEN_DAY.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
2009	10,225	9,701	9,295	8,499	6,222	7,180	11,949	12,360	12,076	10,885	6,238	7,857	112,487	
2010	8,514	8,949	9,248	8,258	6,674	9,647	13,789	14,282	13,632	12,297	8,129	8,787	122,206	
2011	10,183	10,338	10,382	7,652	7,052	9,583	12,677	15,916	13,729	11,379	8,654	7,792	125,337	
2012	9,362	9,228	8,653	6,772	7,536	9,236	13,043	14,134	11,252	12,405	8,290	6,709	116,620	
2013	8,984	8,437	7,982	8,648	7,812	7,869	12,962	14,183	12,248	13,808	7,812	8,976	119,721	
2014	10,912	9,822	9,367	8,851	7,684	8,607	12,611	12,880	13,271	13,311	7,523	10,203	125,042	124,992
2015	10,019	9,749	9,975	9,446	7,056	8,884	13,369	13,688	13,707	13,313	8,304	9,490	127,000	
2016	8,923	10,349	9,976	7,526	6,402	8,935								
Test Year	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Total	
	13,369	13,688	13,707	13,313	8,304	9,490	8,923	10,349	9,976	7,526	6,402	8,935	123,982	

Test Year July 2015 - June 2016

Disconnects	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Total
Smart	721	928	1,047	989	635	387	607	609	716	601	542	367	8,149
Manual	8	20	16	12	10	5	6	17	7	8	9	5	123
Remote	2	1	1	7	0	0	0	1	0	0	3	0	15
													8,287
Total W/O Truck Roll	723	929	1,048	996	635	387	607	610	716	601	545	367	8,164
Total Truck Roll	8	20	16	12	10	5	6	17	7	8	9	5	123
													8,287

Test Year July 2015 - June 2016

Reconnects	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Total
Smart	443	647	723	730	477	248	364	447	511	416	363	230	5,599
Manual	5	10	5	5	4	3	1	7	3	3	4	3	53
Remote	0	0	0	0	1	0	0	1	1	2	3	0	8
													5,660
Total W/O Truck Roll	443	647	723	730	478	248	364	448	512	418	366	230	5,607
Total Truck Roll	5	10	5	5	4	3	1	7	3	3	4	3	53
													5,660

Oklahoma Gas & Electric
Arkansas ECR - Calculation of Off System Sales Credit

	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	12 Months Ended
IM Sales	\$ 78,737,257	\$ 68,409,923	\$ 50,466,946	\$ 43,700,435	\$ 31,837,145	\$ 30,076,979	\$ 41,307,325	\$ 25,525,865	\$ 20,610,379	\$ 390,672,253
Off System Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 78,737,257	\$ 68,409,923	\$ 50,466,946	\$ 43,700,435	\$ 31,837,145	\$ 30,076,979	\$ 41,307,325	\$ 25,525,865	\$ 20,610,379	\$ 390,672,253
Arkansas Jurisdictional Factor	9.8236%	10.4036%	10.0698%	10.2998%	10.1586%	9.6121%	10.1093%	10.4449%	10.4895%	
Arkansas portion revenues	\$ 7,734,833	\$ 7,117,095	\$ 5,081,920	\$ 4,501,057	\$ 3,234,208	\$ 2,891,029	\$ 4,175,881	\$ 2,666,151	\$ 2,161,926	\$ 39,564,101

Oklahoma Gas & Electric
Arkansas ECR - Calculation of Off System Sales Credit

	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	12 Months Ended
IM Sales	\$ 24,506,200	\$ 23,425,811	\$ 58,274,577	\$ 84,055,857	\$ 75,883,113	\$ 75,883,113	\$ 67,855,237						\$ 409,883,908
Off System Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -							\$ -
Total	\$ 24,506,200	\$ 23,425,811	\$ 58,274,577	\$ 84,055,857	\$ 75,883,113	\$ 75,883,113	\$ 67,855,237	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 409,883,908
Arkansas Jurisdictional Factor	9.8127%	9.5890%	10.5550%	9.8428%	9.9081%	9.9081%	10.6072%						
Arkansas portion revenues	\$ 2,404,720	\$ 2,246,301	\$ 6,150,882	\$ 8,273,450	\$ 7,518,575	\$ 7,518,575	\$ 7,197,541	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,310,043

DIRECT EXHIBIT JKL-2

ARKANSAS PUBLIC SERVICE COMMISSION

2nd Revised Sheet No. 70.0

Replacing 1st Revised Sheet No. 70.0

OKLAHOMA GAS AND ELECTRIC COMPANY

Name of Company

Kind of Service: Electric

Class of Service: All

Part I. Schedule No. ECR

Title: Energy Cost Recovery Rider

PSC File Mark Only

Deleted: 1st

Formatted: Superscript

Deleted: Original

Formatted: Superscript

Deleted: (Rider ECR)

1. RECOVERY OF ENERGY COST

Energy Cost Recovery Rider (“Rider ECR”) defines the procedure by which the “Energy Cost Rates” of Oklahoma Gas and Electric Company (“OG&E” or “Company”) shall be established and periodically re-determined. The Energy Cost Rates shall recover the Company’s net fuel and purchased energy cost, as defined in this Rider ECR.

2. ENERGY COST RATES

The Energy Cost Rates to be effective under this Rider ECR shall be determined in the manner prescribed by the Arkansas Public Service Commission (“APSC” or “Commission”) in its final order in Docket No. 16-052-U and shall become effective upon the date established by the Commission. The Energy Cost Rates shall then be re-determined annually through filings made in accordance with the provisions of Paragraph 3 of this Rider ECR. The Energy Cost Rates shall be applied to each customer’s monthly billing energy (kWh).

Deleted: 10-067

The ECR On-Peak (ECR_{on}) and the ECR Off-Peak (ECR_{off}) are applicable to the appropriate energy component in the R-TOU, R-VPP, GS-TOU, GS-VPP, PL-TOU, and LED-1 tariffs. The ECR Standard (ECR_s) is applicable to the energy of all remaining tariffs.

Deleted: CS

Deleted: and

3. ANNUAL REDETERMINATION

On or before March 15 of each year, the Company shall file re-determined Energy Cost Rates, Standard and TOU, for each service level with the Commission. The re-determined Energy Cost Rates for each service level shall be determined by application of the Energy Cost Rate Formula set out in Attachment A of this Rider ECR. Each such revised service level Energy Cost Rates shall be filed in the proper underlying docket and shall be accompanied by a set of work papers sufficient to fully document the calculations of the five service level revised Energy Cost Rates.

THIS SPACE FOR PSC USE ONLY

ARKANSAS PUBLIC SERVICE COMMISSION

2nd Revised Sheet No. 70.1

Replacing 1st Revised Sheet No. 70.1

OKLAHOMA GAS AND ELECTRIC COMPANY

Name of Company

Kind of Service: Electric

Class of Service: All

Part I. Schedule No. ECR

Title: Energy Cost Recovery Rider

PSC File Mark Only

Deleted: 1st

Formatted: Superscript

Deleted: Original

Formatted: Superscript

Deleted: (Rider ECR)

The re-determined Energy Cost Rates shall reflect the projected Energy Cost for the 12-month period commencing on April 1 of each year ("Projected Energy Cost Period") together with each service level true-up adjustment reflecting the over-recovery or under-recovery of the Energy Cost for the 12-month period ended December 31 of the prior calendar year ("Historical Energy Cost Period"). The Energy Cost Rates so determined shall be effective for bills rendered on and after the first billing cycle of April of the filing year and shall remain in effect for twelve (12) months, except as otherwise provided for below.

The annual ECR filing shall include a report of the following:

1. provide a narrative discussion of the reasons for the overall change in the ECR Rider factors from the prior year;
2. provide a cumulative presentation of fuel and purchased energy costs by FERC account and month for the historical year;
3. identify and explain changes of 10% or more from the prior year for major cost components of the ECR Rider, including fuel expense, purchased energy expense, etc.;
4. identify changes in accounting procedures affecting fuel and purchased power costs, such as changes in FERC account number classifications and changes in costing methodologies;
5. identify changes in fuel and purchased power procurement practices;
6. identify the monthly level of coal inventory in days and tons for the historical year;

Deleted: off system sales revenues,

THIS SPACE FOR PSC USE ONLY

ARKANSAS PUBLIC SERVICE COMMISSION

2nd Revised Sheet No. 70.2

Replacing 1st Revised Sheet No. 70.2

OKLAHOMA GAS AND ELECTRIC COMPANY

Name of Company

Kind of Service: Electric

Class of Service: All

Part I. Schedule No. ECR

Title: Energy Cost Recovery Rider

PSC File Mark Only

Deleted: 1st

Formatted: Superscript

Deleted: Original

Formatted: Superscript

Deleted: (Rider ECR)

7. identify the average price per unit for each fuel type and purchased power for the historical year;

8. identify and discuss changes in environmental regulations affecting fuel and purchased energy costs and explain the Company's plans for compliance;

9. identify plant outages for the historical year and explain the cause(s) of the outages;

10. compare the prior year projections for on-peak and off-peak ECR Rider factors to actual prices and provide the calculation and supporting documentation to verify the development of the price differential between the on-peak and off-peak factors for the upcoming year.

11. identify penalty charges received in the SPP IM, if any, for the historical year and explain the reasons for incurring such penalties;

12. identify and explain changes in the SPP IM or the application of the SPP tariff that affect fuel and fuel-related costs and revenues recovered in the ECR Rider; and

13. explain OG&E's process for evaluating the accuracy of the underlying costs from the SPP IM.

Deleted: and

Deleted: <#>¶

4. ADJUSTMENTS

If prior to the annual redetermination of the Energy Cost Rates APSC General Staff ("Staff") or the Company becomes aware of an event that is reasonably expected to occur and/or has occurred which will materially impact the Company's Energy Cost, either the Staff or the Company may propose an adjustment to the Energy Cost Rate Formula set out in Attachment A of this Rider ECR. Furthermore, should a cumulative over-recovery or under-recovery balance for all service levels arise during any Rider Cycle which exceeds ten percent (10%) of the Projected Energy Cost for the Projected Energy Cost Period, then either the Staff or the Company may propose an interim revision to the then currently effective Energy Cost Rates.

THIS SPACE FOR PSC USE ONLY

ARKANSAS PUBLIC SERVICE COMMISSION

2nd Revised Sheet No. 70.3

Replacing 1st Revised Sheet No. 70.3

OKLAHOMA GAS AND ELECTRIC COMPANY

Name of Company

Kind of Service: Electric

Class of Service: All

Part I. Schedule No. ECR

Title: Energy Cost Recovery Rider

PSC File Mark Only

Deleted: 1st

Formatted: Superscript

Deleted: Original

Formatted: Superscript

Deleted: (Rider ECR)

ATTACHMENT A

ENERGY COST RATE FORMULA

ECR_s = Standard Energy Cost Rate

$$ECR_s = \frac{TUA + PEC * EAF}{PES}$$

WHERE,

TUA = True-Up Adjustment for the Historical Energy
Cost Period Including Carrying Charges (1)

$$TUA = \sum_{j=1}^{12} ((EC_j * EAF_j) - (RR_j + REC_j - PTU_j)) + CC_j$$

EC_j = Energy Cost for Month j of the Historical Energy Cost Period

$$EC_j = FE_j + PE_j - SO2_i$$

FE_j = Fuel Expense Charged to Accounts 501 and
547 in Month j of the Historical Energy Cost Period (5)

PE_j = Purchased Energy Expense for the Historical Energy Cost Period
Charged to Account 555 and Associated Transmission Services in
Account 565, Less: Cogeneration Expense, SPP IM Sales (6) (7)

Deleted: - OSSR_j

THIS SPACE FOR PSC USE ONLY

ARKANSAS PUBLIC SERVICE COMMISSION

2nd Revised Sheet No. 70.4

Replacing 1st Revised Sheet No. 70.4

OKLAHOMA GAS AND ELECTRIC COMPANY

Name of Company

Kind of Service: Electric

Class of Service: All

Part I. Schedule No. ECR

Title: Energy Cost Recovery Rider

PSC File Mark Only

Deleted: 1st

Formatted: Superscript

Deleted: Original

Formatted: Superscript

Deleted: (Rider ECR)

Deleted: OSSR_j = Off System Sales Revenue Recorded in Account 447 in Month j of the Historical Energy Cost Period (7)[¶]

✓ SPP IM = Southwest Power Pool Integrated Market

SO_{2j} = Revenues Associated with the Sale of SO₂ Emissions Allowances Recorded in Account 411.8

EAF_j = Energy Cost Allocation Factor for Month j of the Historical Energy Cost Period

RR_j = Revenue under Rider ECR for Month j of the Historical Energy Cost Period

REC_j = Revenues from the Sale of Renewable Energy Credits Assigned to the Arkansas Jurisdiction for Month j of the Historical Energy Cost Period

PTU_j = Prior Period True-Up Adjustment Applicable for Month j of the Historical Energy Cost Period

CC_j = Carrying Charges for Month j of the Historical Energy Cost Period

$CC_j = (BB_j + EB_j) / 2 * CCR * Days_j / 365$

BB_j = Beginning Over/Under-Recovery Balance Excluding Carrying Charges for Month j of the Historical Energy Cost Period

EB_j = Ending Over/Under-Recovery Balance Excluding Carrying Charges for Month j of the Historical Energy Cost Period

THIS SPACE FOR PSC USE ONLY

ARKANSAS PUBLIC SERVICE COMMISSION

2nd Revised Sheet No. 70.5

Replacing 1st Revised Sheet No. 70.5

OKLAHOMA GAS AND ELECTRIC COMPANY

Name of Company

Kind of Service: Electric

Class of Service: All

Part I. Schedule No. ECR

Title: Energy Cost Recovery Rider

PSC File Mark Only

Deleted: 1st

Formatted: Superscript

Deleted: Original

Formatted: Superscript

Deleted: (Rider ECR)

CCR = Carrying Charge Rate (3)

DAYS_j = Number of Days in Month j of the Historical Energy Costs Period

PEC = Estimated Energy Cost for the Projected Energy Cost Period (4)

$$PEC = \sum_{j=1}^{12} EC_j$$

EAF = Energy Cost Allocation Factor with Losses Most Recently Approved by the APSC for Application of this Rider ECR (2)

PES = Projected Sales (kWh) subject to this rider ECR for the Projected Energy Cost (5)

THIS SPACE FOR PSC USE ONLY

ARKANSAS PUBLIC SERVICE COMMISSION

2nd Revised Sheet No. 70.6

Replacing 1st Revised Sheet No. 70.6

OKLAHOMA GAS AND ELECTRIC COMPANY

Name of Company

Kind of Service: Electric

Class of Service: All

Part I. Schedule No. ECR

Title: Energy Cost Recovery Rider

Deleted: 1st

Formatted: Superscript

Deleted: Original

Formatted: Superscript

PSC File Mark Only

Deleted: (Rider ECR)

TIME OF USE ENERGY COST RATE FORMULA

ECR_{on} = On-Peak Energy Cost Rate

ECR_{on} = Projected Incremental On Peak Period Fuel Cost Per kWh

ECR_{off} = Off-Peak Energy Cost Rate

$$ECR_{off} = \frac{ECR_s * (PES_{on} + PES_{off}) - (ECR_{on} * PES_{on})}{PES_{off}}$$

PES_{on} = Total Projected Sales for the On-Peak Period (kWh)

PES_{off} = Total Projected Sales for the Off-Peak Period (kWh)

NOTES:

- (1) The Historical Energy Cost Period is the calendar year immediately preceding the filing year.
- (2) The value of EAF which will be used to calculate the Estimated Energy Costs shall be based on the ratio of Arkansas projected sales adjusted for losses to system projected sales adjusted for losses. For true-up purposes, the EAF which will be used to calculate the actual energy cost applicable to Arkansas retail customers will be based on the ratio of Arkansas actual billing determinants adjusted for losses to system actual sales adjusted for losses.
- (3) The Carrying Charge Rate shall be the Commission-approved rate of interest on customer deposits.

THIS SPACE FOR PSC USE ONLY

ARKANSAS PUBLIC SERVICE COMMISSION

~~2nd~~ Revised Sheet No. 70.7

Replacing ~~1st~~ Revised Sheet No. 70.7

OKLAHOMA GAS AND ELECTRIC COMPANY

Name of Company

Kind of Service: Electric

Class of Service: All

Part I. Schedule No. ECR

Title: Energy Cost Recovery Rider

~~PSC File Mark Only~~

- (4) Should there be unusual circumstances associated with any Projected Energy Cost Period either the Company or the Staff may propose use of a Projected Energy Cost (PEC variable) different from that defined by this formula.
- (5) The fuel cost associated with the DAP and FLEX incremental kWh will be deducted from fuel cost and the fuel cost associated with DAP and FLEX decremental kWh will be added to fuel cost. The incremental DAP and FLEX kWh will be removed from PES and the decremental DAP and FLEX kWh will be added to PES.
- (6) The recovery of purchased energy costs associated with long-term energy resources must be approved by the Commission prior to recovery through the ECR Rider.

Deleted: 1st

Formatted: Superscript

Deleted: Original

Formatted: Superscript

Deleted: (Rider ECR)

Deleted: The Arkansas jurisdictional portion of revenues for off system sales and EIS Sales shall equal a minimum of the pro forma year level of revenues of \$2,383,010 plus any revenues in excess of the pro forma year level

THIS SPACE FOR PSC USE ONLY

2nd Revised Sheet No. 70.0

Replacing 1st Revised Sheet No. 70.0

OKLAHOMA GAS AND ELECTRIC COMPANY

Name of Company

Kind of Service: Electric

Class of Service: All

Part I. Schedule No. ECR

Title: Energy Cost Recovery Rider

PSC File Mark Only

1. RECOVERY OF ENERGY COST

Energy Cost Recovery Rider (“Rider ECR”) defines the procedure by which the “Energy Cost Rates” of Oklahoma Gas and Electric Company (“OG&E” or “Company”) shall be established and periodically re-determined. The Energy Cost Rates shall recover the Company’s net fuel and purchased energy cost, as defined in this Rider ECR.

2. ENERGY COST RATES

The Energy Cost Rates to be effective under this Rider ECR shall be determined in the manner prescribed by the Arkansas Public Service Commission (“APSC” or “Commission”) in its final order in Docket No. 16-052-U and shall become effective upon the date established by the Commission. The Energy Cost Rates shall then be re-determined annually through filings made in accordance with the provisions of Paragraph 3 of this Rider ECR. The Energy Cost Rates shall be applied to each customer’s monthly billing energy (kWh).

The ECR On-Peak (ECR_{on}) and the ECR Off-Peak (ECR_{off}) are applicable to the appropriate energy component in the R-TOU, R-VPP, GS-TOU, GS-VPP, PL-TOU, and LED-1 tariffs. The ECR Standard (ECR_s) is applicable to the energy of all remaining tariffs.

3. ANNUAL REDETERMINATION

On or before March 15 of each year, the Company shall file re-determined Energy Cost Rates, Standard and TOU, for each service level with the Commission. The re-determined Energy Cost Rates for each service level shall be determined by application of the Energy Cost Rate Formula set out in Attachment A of this Rider ECR. Each such revised service level Energy Cost Rates shall be filed in the proper underlying docket and shall be accompanied by a set of work papers sufficient to fully document the calculations of the five service level revised Energy Cost Rates.

2nd Revised Sheet No. 70.1

Replacing 1st Revised Sheet No. 70.1

OKLAHOMA GAS AND ELECTRIC COMPANY

Name of Company

Kind of Service: Electric

Class of Service: All

Part I. Schedule No. ECR

Title: Energy Cost Recovery Rider

PSC File Mark Only

The re-determined Energy Cost Rates shall reflect the projected Energy Cost for the 12-month period commencing on April 1 of each year ("Projected Energy Cost Period") together with each service level true-up adjustment reflecting the over-recovery or under-recovery of the Energy Cost for the 12-month period ended December 31 of the prior calendar year ("Historical Energy Cost Period"). The Energy Cost Rates so determined shall be effective for bills rendered on and after the first billing cycle of April of the filing year and shall remain in effect for twelve (12) months, except as otherwise provided for below.

The annual ECR filing shall include a report of the following:

1. provide a narrative discussion of the reasons for the overall change in the ECR Rider factors from the prior year;
2. provide a cumulative presentation of fuel and purchased energy costs by FERC account and month for the historical year;
3. identify and explain changes of 10% or more from the prior year for major cost components of the ECR Rider, including fuel expense, purchased energy expense, etc.;
4. identify changes in accounting procedures affecting fuel and purchased power costs, such as changes in FERC account number classifications and changes in costing methodologies;
5. identify changes in fuel and purchased power procurement practices;
6. identify the monthly level of coal inventory in days and tons for the historical year;

2nd Revised Sheet No. 70.2

Replacing 1st Revised Sheet No. 70.2

OKLAHOMA GAS AND ELECTRIC COMPANY

Name of Company

Kind of Service: Electric

Class of Service: All

Part I. Schedule No. ECR

Title: Energy Cost Recovery Rider

PSC File Mark Only

7. identify the average price per unit for each fuel type and purchased power for the historical year;
8. identify and discuss changes in environmental regulations affecting fuel and purchased energy costs and explain the Company's plans for compliance;
9. identify plant outages for the historical year and explain the cause(s) of the outages;
10. compare the prior year projections for on-peak and off-peak ECR Rider factors to actual prices and provide the calculation and supporting documentation to verify the development of the price differential between the on-peak and off-peak factors for the upcoming year.
11. identify penalty charges received in the SPP IM, if any, for the historical year and explain the reasons for incurring such penalties;
12. identify and explain changes in the SPP IM or the application of the SPP tariff that affect fuel and fuel-related costs and revenues recovered in the ECR Rider; and
13. explain OG&E's process for evaluating the accuracy of the underlying costs from the SPP IM.

4. ADJUSTMENTS

If prior to the annual redetermination of the Energy Cost Rates APSC General Staff ("Staff") or the Company becomes aware of an event that is reasonably expected to occur and/or has occurred which will materially impact the Company's Energy Cost, either the Staff or the Company may propose an adjustment to the Energy Cost Rate Formula set out in Attachment A of this Rider ECR. Furthermore, should a cumulative over-recovery or under-recovery balance for all service levels arise during any Rider Cycle which exceeds ten percent (10%) of the Projected Energy Cost for the Projected Energy Cost Period, then either the Staff or the Company may propose an interim revision to the then currently effective Energy Cost Rates.

ARKANSAS PUBLIC SERVICE COMMISSION

2nd Revised Sheet No. 70.3

Replacing 1st Revised Sheet No. 70.3

OKLAHOMA GAS AND ELECTRIC COMPANY

Name of Company

Kind of Service: Electric

Class of Service: All

Part I. Schedule No. ECR

Title: Energy Cost Recovery Rider

PSC File Mark Only

ATTACHMENT A

ENERGY COST RATE FORMULA

ECR_s = Standard Energy Cost Rate

$$ECR_s = \frac{TUA + PEC * EAF}{PES}$$

WHERE,

TUA = True-Up Adjustment for the Historical Energy
Cost Period Including Carrying Charges (1)

$$TUA = \sum_{j=1}^{12} ((EC_j * EAF_j) - (RR_j + REC_j - PTU_j)) + CC_j$$

EC_j = Energy Cost for Month j of the Historical Energy Cost Period

$$EC_j = FE_j + PE_j - SO_2_j$$

FE_j = Fuel Expense Charged to Accounts 501 and
547 in Month j of the Historical Energy Cost Period (5)

PE_j = Purchased Energy Expense for the Historical Energy Cost Period
Charged to Account 555 and Associated Transmission Services in
Account 565, Less: Cogeneration Expense, SPP IM Sales (6) (7)

2nd Revised Sheet No. 70.4

Replacing 1st Revised Sheet No. 70.4

OKLAHOMA GAS AND ELECTRIC COMPANY

Name of Company

Kind of Service: Electric

Class of Service: All

Part I. Schedule No. ECR

Title: Energy Cost Recovery Rider

PSC File Mark Only

SPP IM = Southwest Power Pool Integrated Market

SO_{2j} = Revenues Associated with the Sale of SO₂ Emissions
Allowances Recorded in Account 411.8

EAF_j = Energy Cost Allocation Factor for Month j of the Historical
Energy Cost Period

RR_j = Revenue under Rider ECR for Month j of the Historical Energy
Cost Period

REC_j = Revenues from the Sale of Renewable Energy Credits Assigned
to the Arkansas Jurisdiction for Month j of the Historical Energy
Cost Period

PTU_j = Prior Period True-Up Adjustment Applicable for Month j of the
Historical Energy Cost Period

CC_j = Carrying Charges for Month j of the Historical Energy Cost Period

CC_j = (BB_j + EB_j)/2 * CCR * Days j /365

BB_j = Beginning Over/Under-Recovery Balance Excluding Carrying
Charges for Month j of the Historical Energy Cost Period

EB_j = Ending Over/Under-Recovery Balance Excluding Carrying Charges
for Month j of the Historical Energy Cost Period

ARKANSAS PUBLIC SERVICE COMMISSION

2nd Revised Sheet No. 70.5

Replacing 1st Revised Sheet No. 70.5

OKLAHOMA GAS AND ELECTRIC COMPANY

Name of Company

Kind of Service: Electric

Class of Service: All

Part I. Schedule No. ECR

Title: Energy Cost Recovery Rider

PSC File Mark Only

CCR = Carrying Charge Rate (3)

DAYS_j = Number of Days in Month j of the Historical Energy Costs
Period

PEC = Estimated Energy Cost for the Projected Energy Cost Period (4)

$$PEC = \sum_{j=1}^{12} EC_j$$

EAF = Energy Cost Allocation Factor with Losses Most Recently
Approved by the APSC for Application of this Rider ECR (2)

PES = Projected Sales (kWh) subject to this rider ECR for the Projected
Energy Cost (5)

2nd Revised Sheet No. 70.6

Replacing 1st Revised Sheet No. 70.6

OKLAHOMA GAS AND ELECTRIC COMPANY

Name of Company

Kind of Service: Electric

Class of Service: All

Part I. Schedule No. ECR

Title: Energy Cost Recovery Rider

PSC File Mark Only

TIME OF USE ENERGY COST RATE FORMULA

ECR_{on} = On-Peak Energy Cost Rate

ECR_{on} = Projected Incremental On Peak Period Fuel Cost Per kWh

ECR_{off} = Off-Peak Energy Cost Rate

$$ECR_{off} = \frac{ECR_s * (PES_{on} + PES_{off}) - (ECR_{on} * PES_{on})}{PES_{off}}$$

PES_{on} = Total Projected Sales for the On-Peak Period (kWh)

PES_{off} = Total Projected Sales for the Off-Peak Period (kWh)

NOTES:

- (1) The Historical Energy Cost Period is the calendar year immediately preceding the filing year.
- (2) The value of EAF which will be used to calculate the Estimated Energy Costs shall be based on the ratio of Arkansas projected sales adjusted for losses to system projected sales adjusted for losses. For true-up purposes, the EAF which will be used to calculate the actual energy cost applicable to Arkansas retail customers will be based on the ratio of Arkansas actual billing determinants adjusted for losses to system actual sales adjusted for losses.
- (3) The Carrying Charge Rate shall be the Commission-approved rate of interest on customer deposits.

2nd Revised Sheet No. 70.7

Replacing 1st Revised Sheet No. 70.7

OKLAHOMA GAS AND ELECTRIC COMPANY

Name of Company

Kind of Service: Electric

Class of Service: All

Part I. Schedule No. ECR

Title: Energy Cost Recovery Rider

PSC File Mark Only

- (4) Should there be unusual circumstances associated with any Projected Energy Cost Period either the Company or the Staff may propose use of a Projected Energy Cost (PEC variable) different from that defined by this formula.
- (5) The fuel cost associated with the DAP and FLEX incremental kWh will be deducted from fuel cost and the fuel cost associated with DAP and FLEX decremental kWh will be added to fuel cost. The incremental DAP and FLEX kWh will be removed from PES and the decremental DAP and FLEX kWh will be added to PES.
- (6) The recovery of purchased energy costs associated with long-term energy resources must be approved by the Commission prior to recovery through the ECR Rider.

CERTIFICATE OF SERVICE

I, Justin A. Hinton, hereby certify that a copy of the foregoing has been served on all parties of record by electronic mail via the Electronic Filing System this 31st day of January, 2017.

/s/ Justin A. Hinton
Justin A. Hinton