

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

IN THE MATTER OF THE APPLICATION OF)
OKLAHOMA GAS AND ELECTRIC COMPANY)
FOR COMMISSION PREAPPROVAL OF NEW) Case No. PUD 2023-000038
GENERATION CAPACITY PURSUANT)
TO 17 O.S. SECTION 286(C))

Direct Testimony

of

Gwin Cash

on behalf of

Oklahoma Gas and Electric Company

May 31, 2023

Gwin Cash
Direct Testimony

1 Q. **Please state your name, position, by whom you are employed, and your business**
2 **address.**

3 A. My name is Gwin Cash. I am the Manager of Pricing and Rate Administration for
4 Oklahoma Gas and Electric Company ("OG&E" or "Company"). My business address is
5 321 N. Harvey, Oklahoma City, Oklahoma, 73102.
6

7 Q. **Please summarize your professional qualifications and educational background.**

8 A. I have worked for OG&E in various capacities for over 21 years. I joined the Company's
9 regulatory department in January 2015 as the Rate Administration Manager and in July of
10 2017 I assumed additional responsibilities as the manager of Cost of Service. In May of
11 2023 I became the manager of Pricing and Rate Administration. My Pricing
12 responsibilities include oversight of the department's development of rates and charges in
13 the Company's retail electric tariffs. My Rate Administration responsibilities include
14 maintaining OG&E's tariffs on file with the regulatory commissions and ensuring
15 consistent application of these tariffs in the manner which they are intended. Additional
16 duties include computing rider factors and monthly retail revenue reporting. Prior to
17 joining OG&E's regulatory department I worked as a Senior Business Analyst in OG&E's
18 Sales and Customer Support department and as a Workforce Analyst in OG&E's Customer
19 Service department. I received a Bachelor of Science in Applied Mathematics with a
20 Specialization in Computing from the University of California, Los Angeles in 1999.
21

22 Q. **Have you previously testified before the Oklahoma Corporation Commission**
23 **("OCC") or any other regulatory commission?**

24 A. Yes. I have testified before the OCC in the following Causes: PUD 202100164, PUD
25 202100072, PUD 202000021, PUD 201800140, PUD 201700496, and PUD 201500273. I
26 have also testified in multiple cases before the Arkansas Public Service Commission.

1 Q. **What is the purpose of your testimony?**

2 A. The purpose of my testimony is to support the request for a tariff mechanism that will serve
3 to recover the revenue requirement for the generation capacity projects requested in this
4 Cause.

5
6 Q. **Please give a brief overview of this tariff.**

7 A. The tariff, named the Generation Capacity Rider ("GCR") is similar in nature to others
8 previously approved by the Commission and will recover the costs of generation capacity
9 projects requested in this Cause.

10

11 Q. **What will be the term for this new GCR tariff?**

12 A. The tariff will commence on the first billing cycle of the month following the first CT Unit
13 reaching in-service status. Recovery of costs associated with the next CT unit will be
14 included for recovery under this tariff after that CT Unit reaches in-service status.
15 Recovery of cost for each CT Unit will continue through this tariff until the Horseshoe Lake
16 CTs are authorized for recovery either through base rates or this GCR tariff is terminated by
17 order of the Commission.

18

19 Q. **How is the Company proposing to allocate GCR costs to the Oklahoma jurisdiction
20 and each rate class within this jurisdiction?**

21 A. The tariff will utilize the production demand allocator to assign these costs. This allocator
22 will align with the final cost of service study as approved in the Company's most recent
23 general rate case proceeding with the initial production demand allocator determined in
24 Cause No. PUD 202100164. These allocator percentages are shown in the Company's
25 proposed GCR tariff attached to this testimony as Exhibit GC-1. The Company is
26 proposing to recover the revenue requirement through a per kWh charge.

27

28 Q. **Has the Commission previously approved similar tariffs for OG&E?**

29 A. Yes. The Commission previously approved the Generation Capacity Replacement Rider
30 ("GCRR") in Cause No. 201800159. The GCRR, like this proposed GCR tariff, recovered
31 costs associated with generation capacity projects, allocated costs using the production

1 demand allocator, and recovered those costs via an energy charge. OG&E Witness Shoop
2 also discusses in his testimony many previous recovery riders approved by the
3 Commission.

4

5 Q. **What is your recommendation to the Commission?**

6 A. I recommend the Commission approve the proposed GCR tariff.

7

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

9 A. Yes.

CERTIFICATE OF MAILING

I hereby certify that on the 31st day of May 2023, a true and correct copy of the foregoing Application was electronically transmitted to the following via email:

Mark Argenbright

Michael Velez

Fairo Mitchell

Oklahoma Corporation Commission

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AFFIDAVIT

STATE OF OKLAHOMA)
)
COUNTY OF OKLAHOMA)

On the 30th day of May 2023, before me appeared Gwin Cash, to me personally known, who, being by me first duly sworn, states that he is the Manager of Pricing and Rate Administration for Oklahoma Gas and Electric ("OG&E") and acknowledges that he has read the above and foregoing document and believes that the statements therein are true and correct to the best of his information, knowledge, and belief.

Print GWIN CASH

Signature Gwin Cash

Subscribed and sworn to before this 30th day of May, 2023.

Harrison J. Burk
Notary Public

My commission expires: 10-17-2026

Seal



Direct Exhibit GC-1

OKLAHOMA GAS AND ELECTRIC COMPANY
P. O. Box 321
Oklahoma City, Oklahoma 73101

Original Sheet No. 52.30

Date Issued XXXX XX, 202X

STANDARD PRICING SCHEDULE: GCR
Generation Capacity Rider

STATE OF OKLAHOMA

EFFECTIVE IN: All territory served.

PURPOSE: The purpose of this rider is to recover the Oklahoma retail jurisdictional portion of the annual revenue requirement for the generation capacity projects authorized in Cause No. PUD 202300XXX.

APPLICABILITY: This rider is applicable to all Oklahoma retail rate classes and customers except those specifically exempted by special contract.

TERM: The GCR will begin recovery of costs following the first billing cycle of the month following the first-generation capacity project that reaches in-service status. The GCR will continue until such time that the generation capacity projects authorized for recovery through this rider are included in base rates or terminated by order of the Commission. If terminated by order of the Commission, the Generating Facilities shall be included in rate base after receiving a final order approving new rates in the next OG&E general rate case proceeding.

GCR FACTOR CALCULATION: GCR factors shall be calculated using the following formula, on a per kilowatt-hour (kWh) basis, for each of the major rate classes and the combined minor rate classes:

$$GCR\ Factor_{class} = \frac{(A + B) * C_{class}}{D}$$

Where:

A = Oklahoma jurisdictional Revenue Requirement for each generation asset that has reached in-service status

B = Annual True-Up

C = Oklahoma jurisdictional rate class Production Demand Allocator

D = Projected annual kWh for each class

And:

A) Oklahoma Jurisdiction GCR Annual Revenue Requirement:

- a. Return on the capital investment calculated using the Company's most recently approved weighted average cost of capital ("WACC"),
- b. Expenses inclusive of non-fuel operations and maintenance ("O&M") costs, depreciation, and ad valorem taxes,
- c. Investment tax credits. These tax credits will not be included for recovery in the Rider for Tax Credits tariff until such time that the projects associated with this rider are authorized for recovery in base rates.

Rates Authorized by the Oklahoma Corporation Commission:

Public Utilities Division Stamp

(Effective)	(Order No.)	(Cause/Docket No.)
XXXX 1, 202X	XXXXXX	PUD 202300XXX (original)

OKLAHOMA GAS AND ELECTRIC COMPANY
P. O. Box 321
Oklahoma City, Oklahoma 73101

Original Sheet No. 52.31

Date Issued XXXX XX, 202X

STANDARD PRICING SCHEDULE: GCR
Generation Capacity Rider

STATE OF OKLAHOMA

- B) Annual True-Up:** The over or under amount will be the difference between actual revenue requirement and the Prior Period GCR factor revenues net of the previous Prior Period True-Up.
- C) Allocation Factor:** The most recently approved production demand allocation factor, adjusted to exclude jurisdictions not at issue.

Rate Class	Allocator Percentage*
Residential	46.9201%
General Service	9.6944%
Power and Light	24.4640%
Large Power and Light	15.4960%
Other	3.4255%

*Adjusted to exclude jurisdictions not at issue

- D) Projected kWh:** The applicable annual Oklahoma jurisdictional kWh for each GCR class as determined by the Company.

RATE CLASSES:

Major Rate Classes = *Residential, General Service, Power and Light (inclusive of Supplemental, Backup, and Maintenance Service rates), and Large Power and Light (inclusive of Outside Certified Territory customers)*

Combined Minor Rate Classes (Other) = *Oil and Gas Producers + Public Schools (Small and Large) + Municipal Pumping + Municipal Lighting + Outdoor Security Lighting + LED Lighting*

ANNUAL RE-DETERMINATION: On or before August 15 of each year, re-calculated GCR factors shall be submitted by the Company to the Public Utility Division for review and shall be implemented the first billing cycle of October.

FINAL REVIEW: The final over/under balance for the GCR will be refunded or collected through the Rider for Fuel Cost Adjustment.

Rates Authorized by the Oklahoma Corporation Commission:

Public Utilities Division Stamp

(Effective)	(Order No.)	(Cause/Docket No.)
XXXX 1, 202X	XXXXXX	PUD 202300XXX (original)

OKLAHOMA GAS AND ELECTRIC COMPANY
P. O. Box 321
Oklahoma City, Oklahoma 73101

4th Revised Sheet No. 52.32
Replacing 3rd Revised Sheet No. 52.32
Date Issued September 19, 2019

STANDARD PRICING SCHEDULE: GCR
Generation Capacity Rider

STATE OF OKLAHOMA

Attachment A

XXXX 1, 202X – XXXX XX, 202X GCR FACTORS

Class	\$ per kWh
Residential	\$X.XXXXXX
General Service	\$X.XXXXXX
Power and Light	\$X.XXXXXX
Large Power and Light	\$X.XXXXXX
Other	\$X.XXXXXX

Rates Authorized by the Oklahoma Corporation Commission:
(Effective) **(Order No.)** **(Cause/Docket No.)**
XXXX 1, 202X XXXXXX PUD 202300XXX
(original)

Public Utilities Division Stamp