

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

IN THE MATTER OF APPLICATION OF)
OKLAHOMA GAS AND ELECTRIC COMPANY)
FOR AN ORDER OF THE COMMISSION) CASE NO. PUD 2023-000087
AUTHORIZING APPLICANTS TO MODIFY ITS)
RATES, CHARGES, AND TARIFFS FOR RETAIL)
ELECTRIC SERVICE IN OKLAHOMA)



PUD REVENUE REQUIREMENT EXHIBIT

APRIL 26, 2024

**PREPARED BY:
FARZAD KHALILI**

**Oklahoma Gas and Electric Company
Index to PUD's Revenue Requirement Exhibit
Test Year Ended September 30, 2023
Case No. PUD 2023-000087**

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Summary	One Page Summary of Revenue Requirement Exhibit

Section A
Schedule I

Oklahoma Gas and Electric Company
Revenue Requirement Calculation
Test Year Ended September 30, 2023
Case No. PUD 2023-000087

Line No.	Description	(A) Total Company Pro Forma Application	Reference	(B) PUD Adjusted Total Company	Reference	(C) PUD Adjusted Oklahoma Jurisdiction
1	Pro Forma Rate Base	\$ 7,977,090,802	B-1	\$ 7,951,955,803	B-1	\$ 7,187,302,186
2	Rate of Return	7.88%	F-1	7.24%	F-1	7.24%
3	Operating Income Required	\$ 628,594,755	1 times 2	\$ 575,721,600	1 less 2	\$ 520,360,678
4	Current Operating Income	\$ 330,975,113	H-1	\$ 445,803,920	H-1	\$ 419,322,419
5	Difference	\$ 297,619,642	3 minus 4	\$ 129,917,680	3 less 4	\$ 101,038,259
6	Revenue Conversion Factor	1.321030	J-1	1.321030	J-1	1.321030
7	Company Pro Forma Base Rate Revenue Increase	\$ 393,164,476	5 times 6		Application K-1	\$ 332,537,342
8	PUD Adjusted Difference to Application		7 minus 9	\$ (221,539,323)	7 less 9	\$ (199,062,770)
9	PUD Adjusted Revenue Requirement Increase		5 times 6	\$ 171,625,153		\$ 133,474,572
10	Rev Increase Minus Difference	\$ 95,544,834	7 minus 5	\$ 41,707,473	9 less 5	\$ 32,436,313
11	Return Requirement	\$ 628,594,755	Line 3	\$ 575,721,600	Line 3	\$ 520,360,678
12	Total Operating Expense	\$ 1,113,884,256	H-1	\$ 979,655,545	H-1	\$ 877,977,491
13	Income Taxes	\$ (627,548)	H-1	\$ 36,420,324	H-1	\$ 38,664,217
14	Revenue Requirement	\$ 1,837,396,297		\$ 1,633,504,942		\$ 1,469,438,699

Section B
Schedule 1

Oklahoma Gas and Electric Company
Rate Base Calculation
Test Year Ended September 30, 2023
Case No. PUD 2023-000087

Line No.	Description	(A) Total Company Pro Forma Rate Base	(B) PUD Total Company Adjustments	(C) PUD Adjusted Rate Base	(D) Oklahoma Allocation Factor	(E) PUD Jurisdictional Rate Base
<u>Plant in Service:</u>						
1	Utility Plant	\$ 15,417,660,662	\$ (115,030,241)	\$ 15,302,630,421	90.36%	\$ 13,827,456,848
2	Construction Work in Progress	\$ -	\$ -	\$ -	0.00%	\$ -
3	Less: Accumulated Depreciation	\$ (5,622,718,608)	\$ 5,929,605	\$ (5,616,789,003)	90.45%	\$ (5,080,385,653)
4	Plant Held for Future Use	\$ 2,099,537	\$ (2,099,537)	\$ -	96.83%	\$ -
5	Net Plant	<u>\$ 9,797,041,591</u>	<u>\$ (111,200,173)</u>	<u>\$ 9,685,841,418</u>	90.32%	<u>\$ 8,747,071,195</u>
<u>Other Rate Base Investment</u>						
6	Cash Working Capital	\$ (60,236,091)	\$ (1,135,761)	\$ (61,371,852)	87.89%	\$ (53,939,721)
7	Prepayments	\$ 10,400,353	\$ 1,705,339	\$ 12,105,692	91.83%	\$ 11,116,657
8	Materials & Supplies	\$ 200,241,292	\$ 31,597,283	\$ 231,838,575	92.04%	\$ 213,384,224
9	Fuel Inventories	\$ 98,020,977	\$ 28,093,923	\$ 126,114,900	91.55%	\$ 115,458,191
10	Gas in Storage	\$ 16,840,880	\$ (8,055,805)	\$ 8,785,075	91.55%	\$ 8,042,736
<u>Rate Base Additions & Reductions</u>						
11	Accumulated Deferred Income Taxes	\$ (1,215,890,316)	\$ (11,301,083)	\$ (1,227,191,399)	90.42%	\$ (1,109,626,463)
12	Regulatory Assets	\$ 220,796,384	\$ 59,293,093	\$ 280,089,477	89.83%	\$ 251,604,377
13	Regulatory Liabilities	\$ (884,705,536)	\$ (1,368,182)	\$ (886,073,718)	90.35%	\$ (798,681,000)
14	Customer Deposits & Advances	\$ (99,885,522)	\$ (5,704,196)	\$ (105,589,718)	89.96%	\$ (94,988,510)
15	Net Pension Benefit Asset (Obligation)	\$ (24,364,274)	\$ (7,059,437)	\$ (31,423,711)	87.89%	\$ (27,618,300)
16	Other (Asset Retirement Obligation)	<u>\$ (81,168,936)</u>	<u>\$ -</u>	<u>\$ (81,168,936)</u>	91.81%	<u>\$ (74,521,200)</u>
17	Rate Base	<u>\$ 7,977,090,802</u>	<u>\$ (25,134,999)</u>	<u>\$ 7,951,955,803</u>		<u>\$ 7,187,302,186</u>

Oklahoma Gas and Electric Company
PUD Adjustments to Rate Base Components
Test Year Ended September 30, 2023
Case No. PUD 2023-000087

Line No.	Description	(A) Total Company 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) PUD Adjustment No. 9	(K) PUD Adjustment No. 10
<u>Plant in Service:</u>												
1	Utility Plant	15,417,660,662		\$ (90,744,555)								
2	Construction Work in Progress	-										
3	Less: Accumulated Depreciation	(5,622,718,608)		\$ -		\$ 10,427,655						
4	Plant Held for Future Use	<u>2,099,537</u>			<u>\$ (2,099,537)</u>							
5	Net Plant	\$ 9,797,041,591	\$ -	\$ (90,744,555)	\$ (2,099,537)	\$ 10,427,655	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Other Rate Base Investment</u>												
6	Cash Working Capital	(60,236,091)	\$ (1,135,761)									
7	Prepayments	10,400,353								\$ 1,705,339		
8	Materials & Supplies	200,241,292							\$ 31,597,283			
9	Fuel Inventories	98,020,977					\$ 28,093,923					
10	Gas in Storage	16,840,880						\$ (8,055,805)				
<u>Rate Base Additions & Reductions</u>												
11	Accumulated Deferred Income Taxes	(1,215,890,316)									\$ (3,517,205)	
12	Regulatory Assets	220,796,384										\$ 59,293,093
13	Regulatory Liabilities	(884,705,536)										
14	Customer Deposits & Advances	(99,885,522)										
15	Net Pension Benefit Asset (Obligation)	(24,364,274)										
16	Other (Asset Retirement Obligation)	<u>(81,168,936)</u>										
17	Rate Base	<u>\$ 7,977,090,802</u>	<u>\$ (1,135,761)</u>	<u>\$ (90,744,555)</u>	<u>\$ (2,099,537)</u>	<u>\$ 10,427,655</u>	<u>\$ 28,093,923</u>	<u>\$ (8,055,805)</u>	<u>\$ 31,597,283</u>	<u>\$ 1,705,339</u>	<u>\$ (3,517,205)</u>	<u>\$ 59,293,093</u>

Oklahoma Gas and Electric Company
PUD Adjustments to Rate Base Components
Test Year Ended September 30, 2023
Case No. PUD 2023-000087

Line No.	Description	(L) PUD Adjustment No. 11	(M) PUD Adjustment No. 12	(N) PUD Adjustment No. 13	(O) PUD Adjustment No. 14	(P) PUD Adjustment No. 15	(Q) PUD Adjustment No. 16	(W) Total PUD Adjustments	(X) PUD Total Company Rate Base
<u>Plant in Service:</u>									
1	Utility Plant					\$ (7,783,878)	\$ (16,501,808)	\$ (115,030,241)	\$ 15,302,630,421
2	Construction Work in Progress							\$ -	\$ -
3	Less: Accumulated Depreciation				\$ (4,498,050)			\$ 5,929,605	\$ (5,616,789,003)
4	Plant Held for Future Use							\$ (2,099,537)	\$ -
5	Net Plant	\$ -	\$ -	\$ -	\$ (4,498,050)	\$ (7,783,878)	\$ (16,501,808)	\$ (111,200,173)	\$ 9,685,841,418
<u>Other Rate Base Investment</u>									
6	Cash Working Capital							\$ (1,135,761)	\$ (61,371,852)
7	Prepayments							\$ 1,705,339	\$ 12,105,692
8	Materials & Supplies				\$ -			\$ 31,597,283	\$ 231,838,575
9	Fuel Inventories							\$ 28,093,923	\$ 126,114,900
10	Gas in Storage							\$ (8,055,805)	\$ 8,785,075
<u>Rate Base Additions & Reductions</u>									
11	Accumulated Deferred Income Taxes					\$ (7,783,878)		\$ (11,301,083)	\$ (1,227,191,399)
12	Regulatory Assets							\$ 59,293,093	\$ 280,089,477
13	Regulatory Liabilities	\$ 15,133,626					\$ (16,501,808)	\$ (1,368,182)	\$ (886,073,718)
14	Customer Deposits & Advances		\$ (5,704,196)					\$ (5,704,196)	\$ (105,589,718)
15	Net Pension Benefit Asset (Obligation)			\$ (7,059,437)				\$ (7,059,437)	\$ (31,423,711)
16	Other (Asset Retirement Obligation)							\$ -	\$ (81,168,936)
17	Rate Base	\$ 15,133,626	\$ (5,704,196)	\$ (7,059,437)	\$ (4,498,050)	\$ (15,567,756)	\$ (33,003,616)	\$ (25,134,999)	\$ 7,951,955,803

Section B
Schedule 3

Oklahoma Gas and Electric Company
Explanation of PUD Adjustments to Rate Base
Test Year Ended September 30, 2023
Case No. PUD 2023-000087

PUD Adj. No. B-	Analyst	Adjustment Description	(A)	(B)	(C)
			(Decrease)	Rate Base Impact Increase	Net
1	Khalili	Total Cash Working Capital Adjustment - Sch. E-1	\$ (1,135,761)	\$ -	\$ (1,135,761)
2	Alvarez	Remove Grid Enhancement Projects	\$ (90,744,555)		\$ (90,744,555)
3	Givens	Disallow Future Use Plant Balance	\$ (2,099,537)		\$ (2,099,537)
4	Givens	Update Accumulated Depreciation to Six-month Post Test Year and Recalculate Using PUD Recommended Plant Balance		\$ 10,427,655	\$ 10,427,655
5	Campbell	Update Fuel Inventories to Six-month Post Test Year		\$ 28,093,923	\$ 28,093,923
6	Campbell	Update Gas In Storage to Six-month Post Test Year	\$ (8,055,805)		\$ (8,055,805)
7	Alsup	Update Materials & Supplies to Six-month Post Test Year		\$ 31,597,283	\$ 31,597,283
8	Aguirre	Update Prepayments to Six-month Post Test Year		\$ 1,705,339	\$ 1,705,339
9	Khalili	Update Accumulated Deferred Income Taxes to Six-month Post Test Year	\$ (3,517,205)	\$ -	\$ (3,517,205)
10	Khalili	Update Regulatory Assets to Six-month Post Test Year	\$ -	\$ 59,293,093	\$ 59,293,093
11	Khalili	Update Regulatory Liabilities to Six-month Post Test Year	\$ -	\$ 15,133,626	\$ 15,133,626
12	Alsup	Update Customer Deposits to Six-month Post Test Year	\$ (5,704,196)	\$ -	\$ (5,704,196)
13	Khalili	Update Pension Benefit Asset to Six-month Post Test Year	\$ (7,059,437)		\$ (7,059,437)
14	Campbell	Reduce the Amount of Revenue Moving to Rate Base Based on GEM Rider	\$ (4,498,050)		\$ (4,498,050)
15	Stephens	Reduce the Amount Allocated to Transmission Substation Equipment Replacement Projects	\$ (7,783,878)		\$ (7,783,878)
16	Stephens	Reduce Discretionary Transmission Spending	\$ (16,501,808)		\$ (16,501,808)
Total Rate Base Adjustments			<u>\$ (147,100,232)</u>	<u>\$ 146,250,919</u>	<u>\$ (849,313)</u>

**Section E
Schedule 1**

**Oklahoma Gas and Electric Company
Cash Working Capital Calculation
Test Year Ended September 30, 2023
Case No. PUD 2023-000087**

Line No.	Description	(A) Total Company Pro Forma	(B) PUD Adjustments	(C) PUD Reference	(D) PUD Adjusted Total Company	(E) Average Daily Expense	(F) Net (Lead)/Lag Days	(G) PUD Adjusted CWC
1	Revenue	2,958,476,184						
	<u>Cost of Service</u>							
2	Fuel & Purchased Power	\$ 981,767,332	\$ -		\$ 981,767,332	2,689,774	10.53	\$ 28,323,320
3	Payroll	\$ 173,214,305	\$ (14,741,686)		\$ 158,472,619	434,172	25.50	\$ 11,071,386
4	Other Operating and Maintenance	\$ 299,282,879	\$ (20,344,982)		\$ 278,937,897	764,213	19.11	\$ 14,604,110
5	Depreciation & Amortization	\$ -	\$ -		\$ -	-	0.00	\$ -
6	Taxes other than Income Taxes	\$ 101,949,323	\$ (2,213,755)		\$ 99,735,568	273,248	(151.10)	\$ (41,287,773)
7	Federal Income Tax - Current	\$ (540,561)	\$ 32,012,973		\$ 31,472,412	86,226	0.11	\$ 9,485
8	State Income Tax - Current	\$ (84,997)	\$ 5,032,910		\$ 4,947,913	13,556	(3.64)	\$ (49,344)
9	Deferred Tax Expense	\$ -	\$ -		\$ -	-	0.00	\$ -
10	Investment Tax Credit - Net	\$ -	\$ -		\$ -	-	0.00	\$ -
11	Long Term Debt Interest	\$ 180,282,252	\$ (568,051)		\$ 179,714,201	492,368	(53.63)	\$ (26,405,696)
12	Preferred Stock Dividends	\$ -	\$ -		\$ -	-	0.00	\$ -
13	Common Equity Return	\$ -	\$ -		\$ -	-	0.00	\$ -
14	Subtotal	<u>\$ 1,735,870,533</u>	<u>\$ (822,591)</u>		<u>\$ 1,735,047,942</u>			<u>\$ (13,734,512)</u>
15	Sales Tax and Franchise Collections							\$ 3,682,434
16	Working Funds and Other							\$ (51,319,774)
17					Total PUD Cash Working Capital			\$ (61,371,852)
18					Less: Company CWC Total Pro Forma			\$ (60,236,091)
19					<u>PUD Adjustment to Rate Base (Adj. No. B-1)</u>			<u>\$ (1,135,761)</u>

Section F

**Oklahoma Gas and Electric Company
Capital Structure - ROE
Test Year Ended September 30, 2023
Case No. PUD 2023-000087**

Line No.	Description	(A) Company Capitalization Ratios	(B) Company Cost of Capital	(C) Company Weighted Cost of Capital
Company Requested Capital Structure:				
1	Long Term Debt	46.50%	4.850%	2.255%
2	Preferred Stock	0.00%	0.00%	0.00%
3	Common Stock - ROE	<u>53.50%</u>	<u>10.50%</u>	<u>5.62%</u>
4	Total	<u><u>100.00%</u></u>		<u><u>7.88%</u></u>

Line No.	Description	(D) PUD Capitalization Ratios	(E) PUD Cost of Capital	(F) PUD Weighted Cost of Capital
PUD Recommended Capital Structure:				
1	Long Term Debt	46.50%	4.85%	2.255%
2	Preferred Stock	0.00%	0.00%	0.00%
3	Common Stock - ROE	<u>53.50%</u>	<u>9.30%</u>	<u>4.98%</u>
4	Total	<u><u>100.00%</u></u>		<u><u>7.24%</u></u>

Section H
Schedule 1

Oklahoma Gas and Electric Company
Operating Income Statement Calculation
Test Year Ended September 30, 2023
Case No. PUD 2023-000087

Line No.	Description	(A) Total Company Pro Forma Operating Income	(B) PUD Total Adjustments	(C) PUD Total Company Adjusted	(D) PUD Recommended Revenue Increase	(E) PUD Proposed Total Company Operating Income	(F) Oklahoma Allocation Factor	(G) PUD Adjusted Jurisdictional Operating Income
1	<u>Operating Revenue:</u>							
2	Electric	\$ 1,144,469,993	\$ 17,645,965	\$ 1,162,115,958	\$ 171,625,142	\$ 1,333,741,100	Direct	\$ 1,335,964,127
3	Other	\$ 299,761,828	\$ -	\$ 299,761,828		\$ 299,761,828	Direct	\$ -
4	Total Operating Revenue	\$ 1,444,231,821	\$ 17,645,965	\$ 1,461,877,786	\$ 171,625,142	\$ 1,633,502,928		\$ 1,335,964,127
	<u>Operating Expense:</u>							
5	Fuel	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
6	Purchased Power	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
7	Other O&M	\$ 472,497,184	\$ (40,368,817)	\$ 432,128,367	\$ -	\$ 432,128,367	88.01%	\$ 380,316,176
8	Customer Deposit Interest	\$ 2,718,666	\$ -	\$ 2,718,666	\$ -	\$ 2,718,666	95.89%	\$ 2,606,796
9	Depreciation & Amortization	\$ 536,719,083	\$ (91,977,212)	\$ 444,741,871	\$ -	\$ 444,741,871	90.99%	\$ 404,670,628
10	Depreciation - Other	\$ -	\$ -	\$ -	\$ -	\$ -	100.00%	\$ -
11	Misc. Taxes	\$ 226,320	\$ -	\$ 226,320	\$ -	\$ 226,320	87.84%	\$ 198,797
12	Property Taxes	\$ 87,720,601	\$ (740,735)	\$ 86,979,866	\$ -	\$ 86,979,866	90.69%	\$ 78,882,040
13	Payroll Taxes	\$ 14,002,402	\$ (1,141,947)	\$ 12,860,455	\$ -	\$ 12,860,455	87.89%	\$ 11,303,054
14	Total Operating Expenses	\$ 1,113,884,256	\$ (134,228,711)	\$ 979,655,545	\$ -	\$ 979,655,545		\$ 877,977,491
15	Operating Income Before Income Tax	\$ 330,347,565	\$ 151,874,676	\$ 482,222,241	\$ 171,625,142	\$ 653,847,383		\$ 457,986,636
16	Less: Income Tax	\$ 627,548	\$ 37,045,869	\$ (36,418,321)	\$ 41,707,484	\$ 5,289,163		\$ (38,664,217)
17	Gains from Disposition of Allowances	\$ -		\$ -	\$ -	\$ -		\$ -
18	Operating Income	\$ 330,975,113	\$ 114,828,807	\$ 445,803,920	\$ 129,917,658	\$ 648,558,220	99.97325118%	\$ 419,322,419

Section H
Schedule 2.1

Oklahoma Gas and Electric Company
PUD Adjustments to Operating Income Statement Components
Test Year Ended September 30, 2023
Case No. PUD 2023-000087

Line No.	Description	(A) Total Company Pro Forma Operating Income	(B) PUD Adjustment No. H-1	(C) PUD Adjustment No. H-2	(D) PUD Adjustment No. H-3	(E) PUD Adjustment No. H-4	(F) PUD Adjustment No. H-5	(G) PUD Adjustment No. H-6	(H) PUD Adjustment No. H-7
1	<u>Operating Revenue:</u>								
2	Electric	\$ 1,144,469,993							\$ 17,645,965
3	Other	\$ 299,761,828							
4	Total Operating Revenue	\$ 1,444,231,821	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,645,965
	<u>Operating Expense:</u>								
5	Fuel	\$ -							
6	Purchased Power	\$ -							
7	Other O&M	\$ 472,497,184	\$ (9,100,498)		\$ (9,106,749)		\$ (177,908)	\$ 24,753	
8	Customer Deposit Interest	\$ 2,718,666							
9	Depreciation & Amortization	\$ 536,719,083							
10	Depreciation - Other	\$ -							
11	Misc. Taxes	\$ 226,320							
12	Property Taxes	\$ 87,720,601							
13	Payroll Taxes	\$ 14,002,402		\$ (736,284)		\$ (736,736)			
14	Total Operating Expenses	\$ 1,113,884,256	\$ (9,100,498)	\$ (736,284)	\$ (9,106,749)	\$ (736,736)	\$ (177,908)	\$ 24,753	\$ -
15	Operating Income Before Income Tax	\$ 330,347,565	\$ 9,100,498	\$ 736,284	\$ 9,106,749	\$ 736,736	\$ 177,908	\$ (24,753)	\$ 17,645,965
16	Less: Income Tax	\$ 627,548							
17	Gains from Disposition of Allowance	\$ -							
18	Operating Income	\$ 330,975,113							

Section H
Schedule 2.3

Oklahoma Gas and Electric Company
PUD Adjustments to Operating Income Statement Components
Test Year Ended September 30, 2023
Case No. PUD 2023-000087

Line No.	Description	(R) PUD Adjustment No. H-17	(S) PUD Adjustment No. H-18	(S) Adjustment Income Tax	(T) PUD Total Company Adjustments	(U) PUD Adjusted Operating Income
1	<u>Operating Revenue:</u>					
2	Electric				\$ 17,645,965	\$ 1,162,115,958
3	Other				\$ -	\$ 299,761,828
4	Total Operating Revenue	\$ -	\$ -		\$ 17,645,965	\$ 1,461,877,786
	<u>Operating Expense:</u>					
5	Fuel				\$ -	\$ -
6	Purchased Power				\$ -	\$ -
7	Other O&M	\$ (163,552)	\$ (397,915)		\$ (40,368,817)	\$ 432,128,367
8	Customer Deposit Interest				\$ -	\$ 2,718,666
9	Depreciation & Amortization				\$ (91,977,212)	\$ 444,741,871
10	Depreciation - Other				\$ -	\$ -
11	Misc. Taxes				\$ -	\$ 226,320
12	Property Taxes				\$ (740,735)	\$ 86,979,866
13	Payroll Taxes				\$ (1,141,947)	\$ 12,860,455
14	Total Operating Expenses	\$ (163,552)	\$ (397,915)		\$ (134,228,711)	\$ 979,655,545
15	Operating Income Before Income Tax	\$ 163,552	\$ 397,915		\$ 151,874,676	\$ 482,222,241
16	Less: Income Tax			\$ 37,045,869	\$ 37,045,869	\$ (36,418,321)
17	Gains from Disposition of Allowance					
18	Operating Income			\$ (37,045,869)	\$ 114,828,807	\$ 445,803,920

Section H
Schedule 3

Oklahoma Gas and Electric Company
Explanation of PUD Adjustments to Operating Income Statement
Test Year Ended September 30, 2023
Case No. PUD 2023-000087

PUD Adj. No. H-	Analyst	Adjustment Description	(A)	(B)	(C)
			Decrease	Operating Income Impact Increase	Net Incr/(Decr)
1	Scribner	Disallow 100% of Long Term Incentive Compensation		\$ 9,100,498	\$ 9,100,498
2	Scribner	Reduce Payroll Tax associated with LTI		\$ 736,284	\$ 736,284
3	Scribner	Reduce Other Compensation		\$ 9,106,749	\$ 9,106,749
4	Scribner	Reduce Payroll Tax associated with Other Compensation		\$ 736,736	\$ 736,736
5	Aguirre	Reduce Chamber of Commerce Dues		\$ 177,908	\$ 177,908
6	Alsup	Update Bad Debt Expense to Six-month Post Test Year	\$ (24,753)		\$ (24,753)
7	Scalf	Update Revenue to Six-month Post Test Year	\$ -	17,645,965	\$ 17,645,965
8	Khalili	Update Ad Valorem Tax Expense to Six-month Post Test Year and Recalculated Using PUD Recommended Plant Balance	\$ -	\$ 740,735	\$ 740,735
9	Scribner	Update Pension Benefit to Six-month Post Test Year		\$ 626,514	\$ 626,514
10	Scribner	Update Payroll Expense to Six-month Post Test Year	\$ (4,092,075)	\$ -	\$ (4,092,075)
11	Scribner	Update Payroll Tax to Six-month Post Test Year	\$ (331,073)		\$ (331,073)
12	Scribner	Reduce Amortization of Pension Reg Asset/Liability		\$ 5,282,149	\$ 5,282,149
13	Givens	Update Depreciation Expense to Six-month Post Test Year and Recalculate Using PUD Recommended Rates and Plant Balances		\$ 91,979,480	\$ 91,979,480
14	Khalili	Update SPP Expense to Six-month Post Test Year	\$ (50,306)	\$ -	\$ (50,306)
15	Alvarez	Reduce Vegetation Management Expense	\$ -	\$ 19,680,666	\$ 19,680,666
16	Khalili	Update Other Amortization Expense to Six-month Post Test Year	\$ (2,268)		\$ (2,268)
17	Aguirre	Update Rate Case Expense to Six-month Post Test Year		\$ 163,552	\$ 163,552
18	Alsup	Reduce Investor Relations Expense by 50%		\$ 397,915	\$ 397,915
Total Adjustments to Operating Income			\$ (4,500,475)	\$ 156,375,151	\$ 151,874,676

Section J
Schedule 1

Oklahoma Gas and Electric Company
Current Income Tax Calculation
Test Year Ended September 30, 2023
Case No. PUD 2023-000087

Line No.	Description	(A) Total Company Pro Forma Amount	(B) PUD Adjustment	(C) PUD Total Company Adjusted	(D) Allocation Factor	(E) Oklahoma Jurisdictional Amount
1	Operating Income before Taxes	\$ 330,347,565	\$ 151,874,676	\$ 482,222,241	94.97%	\$ 457,986,636
2	Regulatory Debits & Credits	\$ -	\$ -	\$ -		-
Interest Charges:						
3	Interest - Long Term	\$ 180,282,252	\$ (568,051)	\$ 179,714,201	90.38%	\$ 162,433,029
4	Interest - Other	\$ -	\$ -	\$ -		-
5	ABFUDC	\$ -	\$ -	\$ -		-
6	Tax Amortization	\$ -	\$ -	\$ -		-
7	Accretion	\$ -	\$ -	\$ -		-
8	Total Interest	\$ 180,282,252	\$ -	\$ 179,714,201	90.38%	\$ 162,433,029
Permanent Differences:						
9	Amort of Excess Deferred Taxes resulting from TCJA Amort of Excess Deferred Taxes resulting from 2021	\$ (101,631,150)	\$ -	\$ (101,631,150)	88.89%	\$ (90,340,522.00)
10	Okla. Rate Change	\$ (63,999,000)	\$ -	\$ (63,999,000)	90.36%	\$ (57,829,496.00)
11	Other Amortization (c)	\$ 12,990,737	\$ -	\$ 12,990,737	90.21%	\$ 11,718,595.00
12	Executive Compensation Deduction Limitation	\$ -	\$ -	\$ -		-
13	Restricted Stock Dividend Equivalents	\$ -	\$ -	\$ -		-
14	Empowerment Zone & Indian Credits -Wages Adj (100%)	\$ -	\$ -	\$ -		-
15	Total Permanent Differences	\$ (152,639,413)	\$ -	\$ (152,639,413)	89.39%	\$ (136,451,423)
16	Book Taxable Income	\$ (2,574,100)	\$ 152,442,727	\$ 149,868,627		\$159,102,184
17	Total Income Tax at Combined Rate	\$ (625,545)	\$ 37,045,869	\$ 36,420,324		\$ 38,664,217
After Tax Provisions / Adjustments						
17	Oklahoma Investment Tax Credit	\$ -	\$ -	\$ -		\$ -
27	Total Federal and State Current Income Tax	\$ (625,545)	\$ 37,045,869	\$ 36,420,324		\$ 38,664,217

Tax Gross Up Factor Calculation

Federal and State Income Tax for Cash Working Capital

	Company Pro Forma	PUD Adjusted	Sch. J-1 Pro Forma Tax Split		PUD Adjusted Sch. J-1 Tax Split	
			Federal	State	Federal	State
Conversion Factor	1.32103014	1.32103014				
Combined Tax Rate	0.243015	0.243015	21%	3.30150%	21%	3.30150%
			\$ (540,561)	\$ (84,984)	\$ 31,472,412	\$ 4,947,913
			Total	Check - Sch. J	Total	Check - Sch. J
			\$ (625,545)	\$ (625,545)	\$ 36,420,325	\$ 36,420,324

Section J
Schedule 2

Oklahoma Gas and Electric Company
Interest Synchronization Calculation
Test Year Ended September 30, 2023
Case No. PUD 2023-000087

Line No.	Description	(A) PUD Total Company Pro Forma
1	Rate Base (Sec B, Schedule 1)	\$ 7,951,955,803
2	Weighted Cost of Debt (Sec F, Schedule 1)	<u>2.26%</u>
3	Interest On Debt	\$ 179,714,201

Section J
Schedule 3

Oklahoma Gas and Electric Company
Explanation of PUD Adjustments to Current Income Tax Calculation
Test Year Ended September 30, 2023
Case No. PUD 2023-000087

(A)

Line No.	Analyst	Adjustment Description	Increase/(Decrease)
1	Khalili	To Adjust Interest Expense to PUD's Recommended Tax Expense	\$ (568,051)
			\$ -

Summary ¹ of PUD Revenue Requirement Exhibit - Case No. PUD 2023-000087					
		Total Company		Oklahoma Jurisdiction	
Company Application Revenue Requirement				\$ 1,650,855,503	
Company Application Revenue Increase/(Decrease)				\$ 332,537,342	
PUD Recommended Revenue Requirement ²		\$ 1,633,504,942		\$ 1,469,438,699	
Difference to Application		\$ (221,539,323)		\$ (199,062,770)	
PUD Recommended Revenue Increase/(Decrease)		\$ 171,625,153		\$ 133,474,572	
Cost of Capital Adjustment					
Analyst: Rush		Rate of Return		Capital Structure	
Testimony Reference: Responsive Page 31		Equity - ROE		Debt	
Company Application		10.50%		4.85%	
PUD Recommendation		9.30%		4.85%	
Revenue Requirement Impact		\$ (67,233,786)		\$ (67,233,786)	
Rate Base Adjustments					
Adj No.	Adjustment Description	Adjustment Amount	Analyst	Testimony Reference	
B-1	Total Cash Working Capital Adjustment - Sch. E-1	\$ (1,135,761)	Khalili	Responsive Page 14	
B-2	Remove Grid Enhancement Projects	\$ (90,744,555)	Alvarez	Responsive Page 37	
B-3	Disallow Future Use Plant Balance	\$ (2,099,537)	Givens	Responsive Page 6	
B-4	Update Accumulated Depreciation to Six-month Post Test Year and Recalculate Using PUD Recommended Plant Balance	\$ 10,427,655	Givens	Responsive Page 10	
B-5	Update Fuel Inventories to Six-month Post Test Year	\$ 28,093,923	Campbell	Responsive Page 8	
B-6	Update Gas In Storage to Six-month Post Test Year	\$ (8,055,805)	Campbell	Responsive Page 9	
B-7	Update Materials & Supplies to Six-month Post Test Year	\$ 31,597,283	Alsup	Responsive Page 14	
B-8	Update Prepayments to Six-month Post Test Year	\$ 1,705,339	Aguirre	Responsive Page 11	
B-9	Update Accumulated Deferred Income Taxes to Six-month Post Test Year	\$ (3,517,205)	Khalili	Responsive Page 7	
B-10	Update Regulatory Assets to Six-month Post Test Year	\$ 59,293,093	Khalili	Responsive Page 19	
B-11	Update Regulatory Liabilities to Six-month Post Test Year	\$ 15,133,626	Khalili	Responsive Page 19	
B-12	Update Customer Deposits to Six-month Post Test Year	\$ (5,704,196)	Alsup	Responsive Page 18	
B-13	Update Pension Benefit Asset to Six-month Post Test Year	\$ (7,059,437)	Khalili	Responsive Page 19	
B-14	Reduce the Amount of Revenue Moving to Rate Base Based on GEM Rider	\$ (4,498,050)	Campbell	Responsive Page 13	
B-15	Reduce the Amount Allocated to Transmission Substation Equipment Replacement Projects	\$ (7,783,878)	Stephens	Responsive Page 23	
B-16	Reduce Discretionary Transmission Spending	\$ (16,501,808)	Stephens	Responsive Page 23	
	Application Total Company Rate Base	\$ 7,977,090,802			
	PUD Adjusted Rate Base	\$ 7,951,955,803			
Operating Income Adjustments					
Adj No.	Operating Income Adjustments	Adjustment Amount	Analyst	Testimony Reference	
H-1	Disallow 100% of Long Term Incentive Compensation	\$ 9,100,498	Scribner	Responsive Page 28	
H-2	Reduce Payroll Tax associated with LTI	\$ 736,284	Scribner	Responsive Page 29	
H-3	Reduce Other Compensation	\$ 9,106,749	Scribner	Responsive Page 19	
H-4	Reduce Payroll Tax associated with Other Compensation	\$ 736,736	Scribner	Responsive Page 25	
H-5	Reduce Chamber of Commerce Dues	\$ 177,908	Aguirre	Responsive Page 15	
H-6	Update Bad Debt Expense to Six-month Post Test Year	\$ (24,753)	Alsup	Responsive Page 7	
H-7	Update Revenue to Six-month Post Test Year	\$ 17,645,965	Khalili	Responsive Page 19	
H-8	Update Ad Valorem Tax Expense to Six-month Post Test Year and Recalculated Using PUD Recommended Plant Balance	\$ 740,735	Khalili	Responsive Page 6	
H-9	Update Pension Benefit to Six-month Post Test Year	\$ 626,514	Scribner	Responsive Page 13	
H-10	Update Payroll Expense to Six-month Post Test Year	\$ (4,092,075)	Scribner	Responsive Page 8	
H-11	Update Payroll Tax to Six-month Post Test Year	\$ (331,073)	Scribner	Responsive Page 9	
H-12	Reduce Amortization of Pension Reg Asset/Liability	\$ 5,282,149	Scribner	Responsive Page 15	
H-13	Update Depreciation Expense to Six-month Post Test Year and Recalculate Using PUD Recommended Rates and Plant Balances	\$ 91,979,480	Givens	Responsive Page 11	
H-14	Update SPP Expense to Six-month Post Test Year	\$ (50,306)	Khalili	Responsive Page 19	
H-15	Reduce Vegetation Management Expense	\$ 19,680,666	Alvarez	Responsive Page 46	
H-16	Update Other Amortization Expense to Six-month Post Test Year	\$ (2,268)	Khalili	Responsive Page 19	
H-17	Update Rate Case Expense to Six-month Post Test Year	\$ 163,552	Aguirre	Responsive Page 8	
H-18	Reduce Investor Relations Expense by 50%	\$ 397,915	Alsup	Responsive Page 12	
	Application Total Company Operating Income	\$ 330,975,113			
	PUD Adjusted Operating Income³	\$ 445,803,920			

Notes:

¹ This document is intended to summarize PUD's Revenue Requirement Exhibit for the benefit of the Commission and all parties to the Cause.

Any inquiries on PUD's positions should be directed to the information in the full Revenue Requirement Exhibit and witness testimony.

² PUD Revenue Requirement includes adjustment to revenues in Operating Income.

³ Adjusted Operating Income includes tax effect of change in revenues.

CERTIFICATE OF ELECTRONIC SERVICE

This is to certify that on the 26th day of April, 2024, a true and correct copy of the above and foregoing was electronically served via the Electronic Case Filing System to those on the Official Electronic Case Filing Service List, or via electronic mail to the following persons:

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