

BEFORE THE ARKANSAS PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE FORMULA)	
RATE PLAN FILINGS OF OKLAHOMA)	
GAS AND ELECTRIC COMPANY)	DOCKET NO. 18-046-FR
PURSUANT TO APSC DOCKET)	
NO. 16-052-U)	

**JOINT MOTION TO APPROVE UNANIMOUS SETTLEMENT AGREEMENT, WAIVE
HEARING, AND EXCUSE WITNESSES**

COMES NOW Oklahoma Gas and Electric Company (“OG&E” or “Company”), the General Staff (“Staff”) of the Arkansas Public Service Commission (“Commission”), the Attorney General of Arkansas (“AG”), and Arkansas River Valley Energy Consumers (“ARVEC”) (collectively the “Settling Parties”) and for their Joint Motion (“Joint Motion”) to Approve Unanimous Settlement Agreement (“Agreement”), Waive Hearing, and Excuse Witnesses state as follows:

1. The Settling Parties have reached agreement on the resolution of issues arising under OG&E’s 2018 Formula Rate Plan (“FRP”) filing in the above referenced docket. These issues, shown in the settlement agreement (“Agreement”) attached to this Joint Motion as Exhibit 1, are uncontested and the Settling Parties recommend the Commission’s approval of the Agreement as in the public interest.
2. Concurrent with the filing of this Joint Motion, each Settling Party is filing Testimony supporting the Agreement. The following witnesses are sponsoring Agreement Testimony:

Jason Bailey for OG&E;

Jennifer A. Hoss for Staff;

M. Shawn McMurray for the AG; and

Mark Garret for ARVEC.

3. The Settling Parties are requesting that the Commission approve the Agreement, waive the evidentiary hearing pursuant to Section 80.4.C of OG&E's Tariff Sheet No. 80, Formula Rate Plan Rider ("FRP Rider"), admit the pre-filed testimony into the record, and excuse all witnesses. In the event the Commission desires to proceed with a hearing, the Settling Parties request that all witnesses be excused except those witnesses filing testimony in support of the Agreement. The Settling Parties agree to waive cross-examination of all witnesses appearing at the hearing. The Agreement establishes OG&E's FRP Rider Revenue Change and Rate Adjustment for the Projected Year Test Period that will be effective April 1, 2019.
4. The evidentiary hearing is scheduled to begin at 9:30 a.m. on Thursday, February 7, 2019, in the Commission Hearing Room, Arkansas Public Service Commission Building, 1000 Center Street, Little Rock, Arkansas. The Settling Parties request that on or before February 4, 2019, the Commission issue an Order canceling the evidentiary hearing. Alternatively, the Settling Parties request that on or before February 4, 2019, all witnesses be excused from appearing at the hearing except those listed herein who are supporting the Agreement, and that the issues at the hearing be limited to any issues addressed by the Agreement and testimony presented in support of the Agreement.

5. The Settling Parties respectfully request a Commission Order approving the Agreement by March 12, 2019, consistent with Arkansas Code § 23-4-1205(g)(2).

WHEREFORE, the Settling Parties respectfully request that the Commission approve the Settlement Agreement, waive the hearing, and excuse all witnesses; and for all other relief the Commission deems appropriate.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I, Lawrence E. Chisenhall, Jr, do hereby swear and affirm that this pleading was sent to all parties of records via the Arkansas Public Service Commission's EFS System on this the 30th day of January 2019.

/s/ Lawrence E. Chisenhall

Lawrence E. Chisenhall

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GAS AND ELECTRIC COMPANY)	DOCKET NO. 18-046-FR
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NO. 16-052-U)	

UNANIMOUS SETTLEMENT AGREEMENT

COMES NOW Oklahoma Gas and Electric Company (“OG&E” or “Company”), the General Staff (“Staff”) of the Arkansas Public Service Commission (“Commission”), the Attorney General of Arkansas (“AG”) and Arkansas River Valley Energy Consumers (“ARVEC”) (collectively the “Settling Parties”), who hereby unanimously agree to the following terms in settlement of all outstanding issues in the above-styled docket:

1. PROCEDURAL SCHEDULE AND RECORD DEVELOPMENT:

On October 1, 2018, OG&E filed an Application pursuant to, and in compliance with, the provisions of OG&E’s tariff Sheet No. 80, Formula Rate Plan Rider (“FRP Rider”). The Company attached the OG&E FRP Rider Evaluation Report (“Evaluation Report”) as Application Exhibit A.

On October 8, 2018, OG&E filed certain corrections related to depreciation rates for the Mustang Combustion Turbines in FERC accounts 342, 343, and 344. Corrections were made to the Direct Testimony of Jason Bailey, Bradley S. Cochran, and Jeremy Schwartz reflecting the depreciation change impacts.

On December 28, 2018, after conducting extensive discovery, Staff, the AG, and ARVEC filed Errors and Objections (“E&O”), including the Supporting and Direct Testimony of seven witnesses.

On January 14, 2019, OG&E filed its Response to Staff's, AG's, and ARVEC's E&O filings and submitted Rebuttal Testimony from Jason Bailey, Bradley S. Cochran, Gwin Cash, and Zachary Gladhill. In addition, Staff filed its response to the other Party's E&O filings, including the Responsive Testimony of Jeff Hilton.

On January 24, 2019, OG&E, Staff, the AG, and ARVEC met at the office of the Arkansas Public Service Commission to discuss OG&E's proposal for settlement and held settlement discussions.

Prior to the E&O filings in this proceeding, OG&E's proposed revenue requirement increase, as corrected, was \$6,497,749.¹ The Staff's E&O position resulted in a recommended revenue requirement increase of \$4,337,545. The AG's E&O proposed a revenue requirement decrease of \$3,778,555 and ARVEC's E&O proposed a revenue requirement decrease of \$3,976,856. In its response to the E&O filings, OG&E accepted a number of adjustments proposed by Staff, the AG, and ARVEC. It revised some adjustments and rejected others. OG&E's position in its Rebuttal Testimony included a proposed revenue requirement increase of \$5,835,473 after accepting and revising some adjustments.² As a result of the settlement discussions, the parties have agreed to recommend a revenue requirement increase of \$3,300,699.

The Record has been developed fully as reflected in the filed testimonies and exhibits. In pursuit of settlement, a complete discussion of the issues outstanding was undertaken among the Settling Parties, each being a strong advocate for its respective position. The result is that the Settling Parties to this Settlement Agreement ("Agreement") have agreed to settle this case in its entirety based on the Company's Response to Errors and Objections recommendations

¹ This amount is subject to the 4% cap resulting in a revenue change of \$6,440,433.

² After applying the 4% cap, the revenue change was \$5,794,951.

advanced in its Rebuttal Testimonies and Exhibits, except as indicated below.

2. AGREED-UPON REVENUE CHANGE:

A. For purposes of settlement, the Settling Parties agree to start their calculation of the revenue change with OG&E's Response to the other parties' E&O. This results in a starting point revenue change of \$5,835,473.

B. For the purposes of this settlement, OG&E will accept the following accounting adjustments from Staff, the AG, and ARVEC:

1. Staff's Advertising labor adjustment of \$198,686 for a revenue requirement decrease of \$13,349;
2. The AG's Advertising expense adjustment of \$10,686 for a revenue requirement decrease of \$684; and
3. The AG's Dues and Donations expense adjustment of \$26,500 for a revenue requirement decrease of \$2,480.

C. OG&E agrees to make the following adjustments to the jurisdictional allocation forecast, resulting in a total adjustment to the jurisdictional allocation forecast of \$2,518,262:

1. In recognition of Staff's concerns and additional customer-specific information provided to the Settling Parties, an adjustment was made which results in a revenue requirement decrease of \$1,318,567. Staff's adjustment was related to the Arkansas Power & Light Time-of-Use Service Level 1 customer class; and
2. The AG and ARVEC had additional concerns related to the Company's jurisdictional allocation forecast and an additional adjustment of \$1,199,695 was made. This, in addition to the \$1,318,567, results in a total jurisdictional allocation forecast adjustment of \$2,518,262, which represents approximately 38% of the AG's and ARVEC's

jurisdictional forecast.

D. The adjustments agreed upon for the purposes of this settlement result in a decrease of \$2,534,774 to OG&E's Response to Errors and Objections revenue change for a total agreed-upon revenue change of \$3,300,699, as shown on Attachment No. 1 to the Agreement.

3. NON-REVENUE RELATED AGREEMENTS:

A. For the purposes of the netting period resulting from this Docket only, OG&E agrees to use actual metered usage kW and kWh, adjusted for line losses and UFE (unaccounted for energy), for all customers in each jurisdiction to determine the jurisdictional allocation.

B. The Company, in future FRP filings, will use the methodology established in Docket No. 16-052-U with the exception of the customers subscribed to load management tariffs, such as Day Ahead Pricing ("DAP"), Flex, and Load Reduction customer tariffs. The Settling Parties also agree that if any of the Settling Parties adjust the actual metered usage from the historic year to the projected year they will fully explain and justify the adjustment(s) in their Direct Testimony, Errors and Objections filings, and supporting testimony or rebuttal testimony.

C. The Settling Parties agree that this settlement is only requesting approval for the Grid Modernization expenses included in this Evaluation Report for the current Projected Year, and that no finding of prudence has been made with respect to the need for, investment levels, or justification for any future Grid Modernization projects.

D. Any future Grid Modernization investments will be requested in future Evaluation Reports. In order to evaluate whether the grid modernization investment included in the 2018 and future Evaluation Reports will result in achieving the reliability targets set by OG&E, the Settling Parties agree that the Company will file with each future annual FRP filing current information responsive to 2018 Data Requests APSC 1-3, APSC 1-4 (with updated circuit selections), APSC

5-1, AG 2-1, AG 2-2, and AG 2-14, as recommended in Staff witness Jeffrey J. Roberts' Supporting Testimony and shown in Rebuttal Exhibits ZG-2 through ZG-7 of OG&E witness Zachary Gladhill. The Settling Parties additionally agree that the Company will file with each future annual FRP filing current information responsive to 2018 Data Requests AG 8-10 and AG 8-11 supporting circuit feeder-level reliability information for Arkansas-designated electric circuit feeders.

E. OG&E agrees in all future FRP filings to provide a fully functioning Cost of Service model that is linked to the appropriate accounting adjustment schedules (e.g., MFR B and C Schedules for Rate Base and Expense amounts, respectively) capable of replicating the Company's results, and that allocates all accounting adjustments to Arkansas. In addition, the required accounting schedules shall contain fully adjusted amounts at the same level of detail, e.g., subaccounts, as utilized in the Cost of Service model.

F. Pursuant to OG&E's Formula Rate Plan Tariff Attachment F (1) (C), any tariff modifications require a separate docket. The Settling Parties agree that the tariff changes recommended in the testimonies of Staff witness Hilton and OG&E witness Cochran may be addressed in a separate proceeding, filed no later than May 1, 2019. Items to be discussed in this separate proceeding include:

1. The modification of the Attachment E, item 15, requirement regarding a fully functioning Cost of Service Model capable of replicating the Company's results and allocating all accounting adjustments to Arkansas. In addition, the required accounting schedules, e.g., MFR B and C Schedules, for Rate Base and Expense amounts, respectively, shall contain fully adjusted amounts at the same level of detail, e.g., subaccounts, as utilized in the Cost of Service model;

2. The addition of the Company's most recent G-1 Schedule, or comparable schedule, in the Evaluation Report, rather than as an informational requirement in Attachment E, item 15, only. Alternatively, the Company's G-1 Schedule may be comprehended by the revision of Attachments B.1 and D.1 to remove Total Company information;
3. Revision of Attachment A.2, line 12, to correct the formula (informational only);
4. Revision of Attachments B.3 and D.3 to reflect additional revenue detail, and revise the federal and state income tax descriptions;
5. Revision of Attachments B.4 and D.4 to add a clarifying footnote;
6. Revision of Attachment C and of Attachments B.1 and D.1 footnote to delete the reference to the manufacturing tax deduction, which is no longer applicable; and
7. Revision of Attachment E to clarify the time period for certain requirements.

G. The Settling Parties agree to clearly state the jurisdiction to which a particular data request pertains, if known. The Settling Parties further agree that all parties will state in their data request responses to which jurisdiction the response pertains. In light of Order No. 5 in APSC Docket No. 18-046-FR, the Company will not object to the release under the terms of the Interim Protective Order (Order No. 1 of APSC 18-046-FR) of "specific customer information, or information that would allow the identification of a specific customer." The Company will endeavor to obtain a thorough understanding of the nature of the inquiry before providing information requested and will timely and accurately provide the information needed for the parties to conduct their reviews.

H. The Settling Parties acknowledge OG&E's statement that the current Projected Year does not include costs related to four of the 10 projects (specifically, the three Distribution

projects and one Production project) noted in Table 7 of AG witness Mr. Norwood's pre-filed direct testimony. Should any costs for those four projects identified by Mr. Norwood appear in the Historical Year netting for the current Projected Year, or in any other proceeding seeking recovery for these costs from Arkansas ratepayers, the parties agree that no finding of prudence has been made on any of these four projects.

I. The Settling Parties acknowledge OG&E's statement that a portion of the costs of the six transmission projects listed in Table 7 of AG witness Mr. Norwood's pre-filed direct testimony will be borne by other entities. OG&E hereby agrees to provide all parties with necessary information to establish and track how the costs of these specific transmission projects are shared by other entities, and to demonstrate that revenues received from other parties for such transmission projects have been appropriately credited to OG&E's Arkansas retail customers.

J. OG&E withdraws its request in this 2018 Formula Rate Plan filing that the Commission order the AG and ARVEC to file a Cost of Service and Attachment Schedules with their Errors and Objections reports.

4. **EFFECTIVE DATE:**

The Settling Parties agree that the FRP Rider Rate Adjustment will take effect for bills calculated on and after April 1, 2019.

5. **RIGHTS OF THE SETTling PARTIES:**

A. This Agreement is made upon the explicit understanding that it constitutes a negotiated settlement which is in the public interest. Nothing herein shall constitute an admission of any claim, defense, rule or interpretation of law, allegation of fact, principle, or method of ratemaking or cost-of-service determination or rate design, or cost of service allocation methods or factors or terms or conditions of service, or the application of any rule or interpretation

of law, that may underlie, or be perceived to underlie, this Agreement.

B. This Agreement is expressly contingent upon its approval by the Commission without any modification. The various provisions of the Agreement are interdependent and unseverable. All parties shall cooperate fully in seeking the Commission's approval of the Agreement. The parties shall not support any alternative proposal or settlement agreement while this Agreement is pending before the Commission.

C. Except as to matters specifically agreed to be done or occur in the future, no party shall be precluded from taking any position on the merits of any issue in any subsequent proceeding in any forum. This Agreement shall not be used or argued as establishing precedent for any methodology or rate treatment in any future proceeding.

D. In the event the Commission does not accept, adopt, and approve this Agreement in its entirety and without modification, the Settling Parties agree that this Agreement may be declared void and of no effect by any party. In that event, however, the Settling Parties agree that: (a) no party shall be bound by any of the provisions or agreements hereby contained; (b) all parties shall be deemed to have reserved all their respective rights and remedies in this proceeding; and (c) no party shall introduce this Agreement or any related writings, discussions, negotiations, or other communications of any type in any proceeding.

Respectfully submitted,

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Attachment A-1

Formula Rate Plan Rate Adjustment

All retail base rates and applicable riders on file with the APSC will be increased or decreased by a percentage of base revenues listed below, except those specifically excluded below:

Rate Class	FRP Rate (%)
Residential	3.1792%
General Service	3.3124%
Power and Light	3.3103%
Other*	3.2045%

*Other includes Municipal Water Pumping, Municipal Roadway and Area Lighting, Outdoor Security Lighting, Athletic Field Lighting, and the LED lighting rates

**Excluded
Schedules:**

Energy Cost Recovery Rider (ECR)
 Energy Efficiency Cost Recovery Rider (EECR)
 Transmission Cost Recovery Rider (TCR)
 Environmental Compliance Plan Rider (ECP)
 Day-Ahead Pricing (DAP) (DAP energy component only)
 Flex Pricing (FP) (FP energy component only)
 Rider for Municipal Tax Adjustment (MTA)
 Renewable Energy Program Rider (REP)
 Load Reduction Rider (LR)
 Tax Adjustment Rider (TA)

Special Rate Contracts: Special Contracted Rates shall be included or excluded pursuant to the terms of the Special Rate Contract.

Attachment A-2**Oklahoma Gas & Electric
Formula Rate Plan
FRP Revenue Change****For the Projected Year Ending March 31, 2020**

Line No.	Description	Total	Residential	General Service	Power and Light	Other
A	B	C	D	E	F	G
1	Base Rate Revenues: Docket No. 16-052-U	\$ 102,193,196	\$ 38,919,157	\$ 11,861,458	\$ 48,208,613	\$ 3,203,968
2	Rate Class Allocation:(Percent of total calculated from L1)	100%	38.08%	11.61%	47.17%	3.14%
3	FRP Constraint Calculation [1]					
4	Total Annualized Filing Year Revenues by Rate Class		59,008,541	17,244,053	90,440,450	3,560,804
5	FRP Revenue Change = $\pm 4\%$ per Rate Class		4.00%	4.00%	4.00%	4.00%
6	+Projected Year upper Rider FRP Revenue Constraint		2,360,342	689,762	3,617,618	142,432
7	-Projected Year lower Rider FRP Revenue Constraint		(2,360,342)	(689,762)	(3,617,618)	(142,432)
8	Net Change in Req. FRP Revenue Calc [2]					
9	ROE Bandwidth Rate Adjustment (B-6 L10 * L2)	3,300,699	1,257,035	383,109	1,557,071	103,484
10	Netting Adjustment (D-6 L13 * L2)		0	0	0	0
11	Net Change in Required FRP Revenue	3,300,699	1,257,035	383,109	1,557,071	103,484
12	Incremental FRP Base Rate Change (L11 \div (L1 + L14))	3.1288%	3.1288%	3.1288%	3.1288%	3.1288%
13	Cumulative FRP Revenue Calculation [3]					
14	Maximum Inc/Dec in FRP Revenue calculated on L11 bounded by the constraint defined on L6 and L7.	3,300,699	1,257,035	383,109	1,557,071	103,484
15	Annualized Filing Year FRP Rider Revenue [4]					
16	Cumulative Total FRP Rider revenue (L14+L15)	3,300,699	1,257,035	383,109	1,557,071	103,484
17	FRP Rate Development Calculation [5]					
18	Projected Year Base Rate Revenue (B-3 L2)	101,371,623	39,538,887	11,565,813	47,037,610	3,229,313
19	FRP Projected Year Rate Change (L16 \div L18)	3.2560%	3.1792%	3.3124%	3.3103%	3.2045%

NOTES:

- [1] The FRP Constraint Calculation determines the limit of the FRP revenue increase/decrease per rate class, which shall not exceed four percent (4%) of Total Unadjusted Annualized Filing Year (the year in which the Evaluation Report is filed) revenues.
- [2] The Net Change in Required FRP Revenue Calculation takes the Total Projected Year Rate Change in FRP Revenue (B.6 Line 10) and the Historical Year Netting adjustment (D.6 Line 13) and allocates the amount required to each rate class based on the class allocation approved by the Commission in Docket No. 16-052-U listed on Line 2. The amounts required are added together by rate class to determine each rate class' net change in required FRP revenue. The netting adjustment on line 10 shall be zero (0) until there is an actual twelve (12) months of Historical Year data to report.
- [3] The Cumulative FRP revenue calculation adjusts the Required FRP revenue determined on Line 11 to be within the limits of the FRP constraint calculation and adds the Annualized Filing Year FRP Revenues to calculate Cumulative Total FRP Revenue required in the Projected Year.
- [4] The Annualized Filing Year FRP Rider Revenue in the initial Filing Year will be zero (\$0). In subsequent Filing Years, the Annualized Filing Year FRP Rider Revenue will include actual FRP Rider revenues collected in the Filing Year (up to the latest month the Company has actual data for) to calculate the Annualized FRP Rider Revenue amount to be used in the Cumulative FRP Rider Revenue Calculation.
- [5] The FRP Rider Rate Development Calculation determines the percent increase/decrease that will be applied to all base rate components not listed as an excluded schedule on Attachment A-1. The percent increase/decrease is calculated by taking the Total FRP Rider Revenue listed on Line 16 and dividing it by the Adjusted Projected Year Revenues listed in Line 18.

Attachment B-1

**Oklahoma Gas & Electric
Formula Rate Plan
Earned Rate of Return on Common Equity Formula
For the Projected Year Ending March 31, 2020**

Line No	Description	Source	Adjusted Amount
TOTAL COMPANY			
1	RATE BASE	B-2, Line 25	7,082,719,471
2	BENCHMARK RATE OF RETURN ON RATE BASE	B-5, Line 12, Column F	5.27%
3	REQUIRED OPERATING INCOME	Line 1 * Line 2	373,478,880
4	NET UTILITY OPERATING INCOME	B-3, Line 30	362,447,519
5	OPERATING INCOME DEFICIENCY/(EXCESS)	Line 3 - Line 4	11,031,362
6	REVENUE CONVERSION FACTOR	Note [1]	1.35062
7	REVENUE DEFICIENCY/(EXCESS) PRESENT RATE REVENUES	Line 5 * Line 6	14,899,211
8	RETAIL RATE SCHEDULE REVENUE	B-3, Line 2	101,371,623
9	WHOLESALE SALES	B-3, Line 3	1,056,675,538
10	REVENUE REQUIREMENT	Line 7 + Line 8 + Line 9	1,172,946,372
TOTAL ARKANSAS RETAIL			
11	REVENUE REQUIREMENT ALLOCATION FACTOR	Line 12 / Line 10	8.9239%
12	RETAIL REVENUE REQUIREMENT	Note 2	104,672,322
13	RETAIL RATE SCHEDULE REVENUE	B-3, Line 2	101,371,623
14	RETAIL REVENUE DEFICIENCY/(EXCESS)	Line 12 - Line 13	3,300,699
15	REVENUE CONVERSION FACTOR	Note [1]	1.35062
16	RETAIL OPERATING INCOME DEFICIENCY/(EXCESS)	Line 14 / Line 15	2,443,834
17	RATE BASE ALLOCATION FACTOR	Line 18 / Line 1	8.7178%
18	RETAIL RATE BASE	Note [3]	617,456,638
19	COMMON EQUITY DEFICIENCY/(EXCESS) (%)	Line 16 / Line 18	0.40%
20	WEIGHTED EVALUATION PERIOD COST RATE FOR COMMON EQUITY (%)	B-5, Line 3, Column F	3.54%
21	WEIGHTED EARNED COMMON EQUITY RATE (%)	Line 20 - Line 19	3.15%
22	COMMON EQUITY RATIO (%)	B-5, Line 3, Column D	37.31%
23	EARNED RATE OF RETURN ON COMMON EQUITY (%)	Line 21 / Line 22	8.44%

Notes:

- [1] Revenue Conversion Factor = 1 / [(1 - Composite Tax Rate (Net of Manufacturing Tax Deduction only if OGE, as a stand-alone company, has taxable income available for the Projected Year) * (1 - Bad Debt)].
- [2] Arkansas Jurisdictional Revenue Requirement as determined by running the total company projected costs through the approved Cost of Service model from Docket No. 16-052-U.
- [3] Arkansas Jurisdictional Rate Base as determined by running the total company projected costs through the approved Cost of Service model from Docket No. 16-052-U.

Attachment B-2**Oklahoma Gas & Electric
Formula Rate Plan****Rate Base****For the Projected Year Ending March 31, 2020**

Line No	Description	Projected Year A	Adjustments B [1]	Adjusted Projected Year C
1	PLANT IN SERVICE			
2	Beginning Balance	10,381,852,576	39,225,892	10,421,078,469
3	Ending Balance	10,421,078,469	0	10,421,078,469
4	Average Balance	10,401,465,522	19,612,946	10,421,078,469
5	ACCUMULATED DEPRECIATION			
6	Beginning Balance	(3,970,830,624)	5,265,998	(3,965,564,626)
7	Ending Balance	(3,965,564,626)	(12,037,013)	(3,977,601,639)
8	Average Balance	(3,968,197,625)	(3,385,507)	(3,971,583,133)
9	AVERAGE NET UTILITY PLANT (L4 +L8)	6,433,267,897	16,227,439	6,449,495,336
10	PLANT ACQUISITION ADJUSTMENT			
11	Beginning Balance	148,301,899	0	148,301,899
12	Ending Balance	148,301,899	0	148,301,899
13	Average Balance	148,301,899	0	148,301,899
14	AMORTIZATION OF ACQUISITION ADJ			
15	Beginning Balance	(52,180,297)	0	(52,180,297)
16	Ending Balance	(52,180,297)	0	(52,180,297)
17	Average Balance	(52,180,297)	0	(52,180,297)
18	WORKING CAPITAL ASSETS:			
19	MATERIALS AND SUPPLIES	119,538,651	0	119,538,651
20	PREPAYMENTS	432,326	0	432,326
21	FUEL INVENTORY	57,561,697	0	57,561,697
22	WORKING CASH	359,569,860	0	359,569,860
23	TOTAL WORKING CAPITAL ASSETS	537,102,533	0	537,102,533
24	OTHER	0	0	0
25	TOTAL RATE BASE (L9+L13+L17+L23+L24)	7,066,492,032	16,227,439	7,082,719,471

Notes:

[1] Adjustments as set out in Attachment C to this FRP.

Attachment B-3**Oklahoma Gas & Electric
Formula Rate Plan
Operating Income****For the Projected Year Ending March 31, 2020**

Line No	Description	Adjusted Historical Year A [1]	Adjustments B [2]	Adjusted Projected Year C
REVENUES				
1	SALES TO ULTIMATE CUSTOMERS			
2	RETAIL RATE SCHEDULE REVENUE	98,334,468	3,037,155	101,371,623
3	WHOLESALE SALES	1,139,916,840	(83,241,302)	1,056,675,538
4	TOTAL SALES TO ULTIMATE CUSTOMERS (L2 + L3)	1,238,251,308	(80,204,147)	1,158,047,161
5	OTHER SALES REVENUE	0	0	0
6	OTHER ELECTRIC REVENUE	812,773	(12,927)	799,846
7	TOTAL OPERATING REVENUES (Sum of L4 thru L6)	1,239,064,081	(80,217,074)	1,158,847,007
EXPENSES				
8	OPERATION & MAINTENANCE			
9	PRODUCTION	116,110,962	2,049,302	118,160,264
10	TRANSMISSION	16,262,368	390,936	16,653,304
11	REGIONAL MARKET	3,644,019	0	3,644,019
12	DISTRIBUTION	87,727,815	398,777	88,126,592
13	CUSTOMER ACCOUNTING	18,768,691	477,375	19,246,066
14	CUSTOMER SERVICE & INFORMATION	3,509,219	169,500	3,678,719
15	SALES	4,540,920	134,001	4,674,921
16	ADMINISTRATIVE & GENERAL	124,877,804	2,324,747	127,202,551
17	TOTAL O&M EXPENSE (Sum of L9 thru L16)	375,441,798	5,944,638	381,386,436
18	GAIN FROM DISPOSITION OF ALLOWANCES	(60)	0	(60)
19	REGULATORY DEBITS & CREDITS	0	0	0
20	DEPRECIATION & AMORTIZATION EXPENSES	291,104,766	12,097,169	303,201,935
21	ACCRETION EXPENSES	0	0	0
22	AMORTIZATION OF PLANT ACQUISITION ADJUSTMENT	5,492,663	0	5,492,663
23	OTHER CREDIT FEES	0	0	0
24	TAXES OTHER THAN INCOME	79,701,377	9,770,594	89,471,971
25	CURRENT STATE INCOME TAX [3]	13,224,110	(12,562,232)	661,879
26	CURRENT FEDERAL INCOME TAX [3]	96,532,294	(80,347,629)	16,184,664
27	GAIN/LOSS – DISPOSITION OF UTILITY PLANT	0	0	0
28	OTHER	0	0	0
29	TOTAL UTILITY OPERATING EXPENSE (Sum of L17 thru L28)	861,496,948	(65,097,460)	796,399,488
30	NET UTILITY OPERATING INCOME (L7 - L29)	377,567,133	(15,119,614)	362,447,519

Notes:

[1] Reference Attachment D-3.

[2] Adjustments as set out in Attachment C to this FRP.

[3] Reference Attachment B-4

Attachment B-4

**Oklahoma Gas & Electric
Formula Rate Plan
Income Tax
For the Projected Year Ending March 31, 2020**

Line No	Description	Projected Year A	Adjustments B [1]	Adjusted Projected Year C
1	TOTAL OPERATING REVENUES	1,239,064,081	(80,217,074)	1,158,847,007
2	TOTAL O&M EXPENSE	375,441,798	5,944,638	381,386,436
3	GAIN FROM DISPOSITION OF ALLOWANCES	(60)	0	(60)
4	REGULATORY DEBITS AND CREDITS	0	0	0
5	DEPRECIATION & AMORTIZATION EXPENSE	291,104,766	12,097,169	303,201,935
6	ACCRETION EXPENSE	0	0	0
7	AMORTIZATION OF PLANT ACQUISITION ADJUSTMENT	5,492,663	0	5,492,663
8	OTHER CREDIT FEES	0	0	0
9	TAXES OTHER THAN INCOME	79,701,377	9,770,594	89,471,971
10	GAIN/LOSS – DISPOSITION OF UTILITY PLANT	0	0	0
11	OTHER	0	0	0
12	INTEREST EXPENSE [2]	128,713,619	(6,579,204)	122,134,415
13	NET INCOME BEFORE INCOME TAXES (L1- (Sum L2-L12))	358,609,918	(101,450,271)	257,159,647
14	ADJUSTMENTS TO NET INCOME BEFORE TAXES [3]	6,854,671	(52,267,445)	(45,412,774)
15	TAXABLE INCOME (L13 + L14)	365,464,589	(153,717,716)	211,746,873
COMPUTATION OF STATE INCOME TAX				
16	TAXABLE INCOME (L15)	365,464,589	(153,717,716)	211,746,873
17	STATE ADJUSTMENTS [3]	0	0	0
18	STATE TAXABLE INCOME (L16 + L17)	365,464,589	(153,717,716)	211,746,873
19	STATE INCOME TAX BEFORE ADJUSTMENTS (L18 * Tax Rate) [1]	22,213,303	(9,292,932)	12,920,371
20	ADJUSTMENTS TO STATE TAX [3]	(8,989,193)	(3,269,299)	(12,258,492)
21	STATE INCOME TAX (L19 + L20)	13,224,110	(12,562,231)	661,879
COMPUTATION OF FEDERAL INCOME TAX				
22	TAXABLE INCOME (L15)	365,464,589	(153,717,716)	211,746,873
23	STATE INCOME TAX BEFORE ADJUSTMENTS (L19)	22,213,303	(9,292,932)	12,920,371
24	FEDERAL ADJUSTMENTS [3]	0	0	0
25	TOTAL FEDERAL TAXABLE INCOME (L22- L23 +L24)	343,251,286	(144,424,784)	198,826,502
26	FEDERAL INCOME TAX BEFORE ADJUSTMENTS (L25 * Tax Rate) [1]	125,352,624	(83,599,058)	41,753,565
27	ADJUSTMENTS TO FEDERAL TAX [3]	(28,820,330)	3,251,429	(25,568,901)
28	FEDERAL INCOME TAX (L26 + L27)	96,532,294	(80,347,629)	16,184,664

Notes:

- [1] Adjustments and applicable tax rate as set out in Attachment C to this FRP.
 [2] Interest Expense for Col. C is Weighted Cost of Debt (COD) Rate as derived from COD elements reflected in Attachment B-5 x Rate Base per Attachment B-2, Column C.
 [3] List all adjustments including descriptions in a supporting schedule.

Attachment B-5

**Oklahoma Gas & Electric
Formula Rate Plan
Benchmark Rate of Return on Rate Base
For the Projected Year Ending March 31, 2020**

(A)	(B)	(C)	(D)	(E)	(F)
		Capital	Capital	Cost	Benchmark
		Amount (\$)	Ratio (%)	Rate (%)	Rate Of
Line	Description	[1]	[2]	[3]	Return On
No.					Rate Base [4]
1	Long-Term Debt	3,119,332,953	34.66%	4.78%	1.66%
2	Preferred Stock	-	0.00%	0.00%	0.00%
3	Common Equity	3,358,622,613	37.31%	9.50%	3.54%
4	Accumulated Deferred Income Taxes	827,235,739	9.19%	0.00%	0.00%
5	Pre-1971 ADITC	-	0.00%	0.00%	0.00%
6	Post-1970 ADITC	4,662,573	0.05%	8.48%	0.00%
7	Customer Deposits	81,390,759	0.90%	1.58%	0.01%
8	Short-Term/Interim Debt	194,800,112	2.16%	2.14%	0.05%
9	Current Accrued, and Other Liabilities	1,406,538,613	15.64%	0.00%	0.00%
10	Capital Leases	-	0.00%	0.00%	0.00%
11	Other Capital Items	8,392,780	0.09%	7.96%	0.01%
12	Total	9,000,976,141	100.00%		5.27%

Notes:

- [1] The capital balances for Long-Term Debt, Capital Leases, Preferred Equity, Common Equity and Other Capital shall be mid-year (September 30) balances adjusted to reflect any intercompany payables balances using a 13 month average, if applicable, consistent with Commission Order in Docket No. 16-052-U. Support for the 13 month average of the intercompany payables calculations shall be provided. The total debt-to-equity ratio (DTE) for external capital, including the short-term debt percentage of 2.9%, shall be fixed at 50/50, consistent with Commission Order in Docket No. 16-052-U. Capital amounts shall include mid-year (September 30) balances for Post-1970 Investment Tax Credits, Customer Deposits, and Short-Term debt balances, beginning and ending year average for Accumulated Deferred Income Tax (ADIT), and 13-month average balances for Current, Accrued and Other Liabilities (CAOL), if applicable. A September 30 balance sheet should be provided as well as a reconciliation between the balance sheet and Column (C) amounts. Support for the CAOL balances shall include the same format and detail as required by the Filing Requirements in Attachment E, Item No. 15.
- [2] Capital amounts each divided by the Total Capital Amount.
- [3] The cost rates shall be calculated in accordance with the calculation applied by the Commission in Docket No. 16-052-U. Support for the cost of Long-Term debt and cost of Preferred Stock shall be provided in the same format and level of detail required by the Filing Requirements, respectively. Support for the Short-Term debt cost rate and the DOE Obligation cost rate, if applicable, should include a general description of how the interest rate is determined and the same level of detail provided in the Filing Requirements in Attachment E, Item No. 15. The cost rate for Customer Deposits shall be the Commission-approved rate in effect during the year. The Cost Rate for Common Equity shall be that approved by Commission Order in Docket No. 16-052-U.
- [4] The components in Column F are the corresponding Cost Rates multiplied by the associated Capital Ratio.

Attachment B-6

Oklahoma Gas & Electric
Formula Rate Plan
Rider FRP Revenue Redetermination Formula
For the Projected Year Ending March 31, 2020

SECTION 1			
BANDWIDTH DEVELOPMENT			
Line No	DESCRIPTION	REFERENCE	
1	Earned Rate of Return on Common Equity ("ERR") [1]	B-1, Line 23	8.44%
2	Target Return Rate ("TRR") [2]	B-5, Line 3, Column E	9.50%
3	Upper Bandwidth Limit	Line 2 + 0.50%	10.00%
4	Lower Bandwidth Limit	Line 2 - 0.50%	9.00%
5	ROE Adjustment	If L1 < L4, then L2 - L1; If L1 > L3, then L2 - L1, but no adjustment if L1 ≥ L4 or L1 ≤ L3	1.06%
SECTION 2			
ROE BANDWIDTH RATE ADJUSTMENT			
Line No	DESCRIPTION	REFERENCE	
6	ROE Adjustment	Per Line 5	1.06%
7	Common Equity Capital Ratio	B-5, Line 3, Column D	37.31%
8	Retail Rate Base	B-1, Line 18	617,456,638
9	Revenue Conversion Factor	B-1, Line 15	1.35062
10	Total Rate Change in FRP Revenue	Line 6 * Line 7 * Line 8 * Line 9	3,300,699

Notes:

- [1] The ERR is the Earned Rate of Return on Common Equity, calculated by dividing the weighted earned common equity rate by the common equity ratio percentage.
- [2] The TRR is the Company's cost rate for common equity, as established by the Commission in Docket No. 16-052-U.

Attachment D-1

Oklahoma Gas & Electric Formula Rate Plan Earned Rate of Return on Common Equity Formula For the Historical Year Ending March 31, 2018

Line No	Description	Source	Adjusted Amount
TOTAL COMPANY			
1	RATE BASE	D-2, Line 27	6,807,362,942
2	BENCHMARK RATE OF RETURN ON RATE BASE	D-5, Line 12, Column F	5.39%
3	REQUIRED OPERATING INCOME	Line 1 * Line 2	366,671,798
4	NET UTILITY OPERATING INCOME	D-3, Line 30	377,567,133
5	OPERATING INCOME DEFICIENCY/(EXCESS)	Line 3 - Line 4	(10,895,336)
6	REVENUE CONVERSION FACTOR	Note [1]	1.68038
7	REVENUE DEFICIENCY/(EXCESS)	Line 5 * Line 6	(18,308,315)
	PRESENT RATE REVENUES		
8	RETAIL RATE SCHEDULE REVENUE	D-3, Line 2	98,334,468
9	WHOLESALE SALES	D-3, Line 3	1,139,916,840
10	REVENUE REQUIREMENT	Line 7 + Line 8 + Line 9	1,219,942,993
TOTAL ARKANSAS RETAIL			
11	REVENUE REQUIREMENT ALLOCATION FACTOR	Line 12 / Line 10	8.9132%
12	RETAIL REVENUE REQUIREMENT	Note 2	108,735,654
13	RETAIL RATE SCHEDULE REVENUE	Line 8	98,334,468
14	RETAIL REVENUE DEFICIENCY/(EXCESS)	Line 12 - Line 13	10,401,186
15	REVENUE CONVERSION FACTOR	Note [1]	1.68038
16	RETAIL OPERATING INCOME DEFICIENCY/(EXCESS)	Line 14 / Line 15	6,189,778
17	RATE BASE ALLOCATION FACTOR	Line 18 / Line 1	8.4333%
18	RETAIL RATE BASE	Note 3	574,083,145
19	COMMON EQUITY DEFICIENCY/(EXCESS) (%)	Line 16 / Line 18	1.08%
20	WEIGHTED EVALUATION PERIOD COST RATE FOR COMMON EQUITY (%)	D-5, Line 3, Column F	3.49%
21	WEIGHTED EARNED COMMON EQUITY RATE (%)	Line 20 - Line 19	2.42%
22	COMMON EQUITY RATIO (%)	D-5, Line 3, Column D	36.78%
23	EARNED RATE OF RETURN ON COMMON EQUITY (%)	Line 21 / Line 22	6.57%

Notes:

- [1] Revenue Conversion Factor = 1 / [(1 - Composite Tax Rate (Net of Manufacturing Tax Deduction in accordance with Attachment C) * (1 - Bad Debt)].
- [2] Arkansas Jurisdictional Revenue Requirement as determined by running the total company projected costs through the approved Cost of Service model from Docket No. 16-052-U.
- [3] Arkansas Jurisdictional Rate Base as determined by running the total company projected costs through the approved Cost of Service model from Docket No. 16-052-U.

Attachment D-2**Oklahoma Gas & Electric****Formula Rate Plan****Rate Base****For the Historical Year Ending March 31, 2018**

Line No	Description	Historical Year Per Books A	Historical Year Adjustments B [1]	Adjusted Historical Year C
1	PLANT IN SERVICE			
2	Beginning Balance	10,671,958,717	(973,906,029)	9,698,052,688
3	Ending Balance	11,409,871,051	(1,028,018,475)	10,381,852,576
4	Average Balance	11,040,914,884	(1,000,962,252)	10,039,952,632
5	ACCUMULATED DEPRECIATION			
6	Beginning Balance	(3,900,794,548)	79,719,528	(3,821,075,020)
7	Ending Balance	(4,024,774,453)	53,943,829	(3,970,830,624)
8	Average Balance	(3,962,784,500)	66,831,678	(3,895,952,822)
9	AVERAGE NET UTILITY PLANT (L4 + L8)	7,078,130,384	(934,130,574)	6,143,999,810
10	PLANT ACQUISITION ADJUSTMENT			
11	Beginning Balance	151,643,703	(3,341,804)	148,301,899
12	Ending Balance	151,643,703	(3,341,804)	148,301,899
13	Average Balance	151,643,703	(3,341,804)	148,301,899
14	AMORTIZATION OF ACQUISITION ADJ			
15	Beginning Balance	(47,275,130)	587,495	(46,687,634)
16	Ending Balance	(52,842,466)	662,169	(52,180,297)
17	Average Balance	(50,058,798)	624,832	(49,433,966)
18	WORKING CAPITAL ASSETS			
19	MATERIALS AND SUPPLIES	128,081,743	(8,543,092)	119,538,651
20	PREPAYMENTS	8,473,721	(2,034,370)	6,439,351
21	FUEL INVENTORY	95,340,203	(11,292,281)	84,047,922
22	WORKING CASH	1,279,180,915	(924,711,640)	354,469,276
23	TOTAL WORKING CAPITAL ASSETS	1,511,076,582	(946,581,383)	564,495,199
24	OTHER	0	0	0
25	TOTAL RATE BASE:			
26	Ending Balances (L3+L7+L12+L16+L23+L24)	17,044,523,323	(2,031,223,321)	15,013,300,002
27	Adj Historical Year (L9+L13+L17+L23+L24)	8,690,791,871	(1,883,428,928)	6,807,362,942

Notes:

[1] Adjustments as set out in Attachment C to this FRP.

Attachment D-3**Oklahoma Gas & Electric
Formula Rate Plan
Operating Income****For the Historical Year Ending March 31, 2018**

Line No	Description	Historical Year Per Books A	Historical Year Adjustments B [1]	Adjusted Historical Year C
	REVENUES			
1	SALES TO ULTIMATE CUSTOMERS			
2	RETAIL RATE SCHEDULE REVENUE	182,602,609	(84,268,141)	98,334,468
3	WHOLESALE SALES	2,114,262,338	(974,345,498)	1,139,916,840
4	TOTAL SALES TO ULTIMATE CUSTOMERS (L2 + L3)	2,296,864,947	(1,058,613,639)	1,238,251,308
5	OTHER SALES REVENUE	0	0	0
6	OTHER ELECTRIC REVENUE	1,021,137	(208,364)	812,773
7	TOTAL OPERATING REVENUES (Sum of L4 thru L6)	2,297,886,084	(1,058,822,003)	1,239,064,081
	EXPENSES			
8	OPERATION & MAINTENANCE			
9	PRODUCTION	1,036,283,181	(920,172,219)	116,110,962
10	TRANSMISSION	174,167,756	(157,905,388)	16,262,368
11	REGIONAL MARKET	9,742,760	(6,098,741)	3,644,019
12	DISTRIBUTION	100,425,656	(12,697,841)	87,727,815
13	CUSTOMER ACCOUNTS	21,294,356	(2,525,665)	18,768,691
14	CUSTOMER SERVICE & INFORMATION	49,514,026	(46,004,807)	3,509,219
15	SALES	4,914,021	(373,101)	4,540,920
16	ADMINISTRATIVE & GENERAL	141,003,273	(16,125,469)	124,877,804
17	TOTAL O & M EXPENSE (Sum of L9 thru L16)	1,537,345,029	(1,161,903,231)	375,441,798
18	GAIN FROM DISPOSITION OF ALLOWANCES	(60)	0	(60)
19	REGULATORY DEBITS & CREDITS	0	0	0
20	DEPRECIATION & AMORTIZATION EXPENSES	290,532,075	572,691	291,104,766
21	ACCRETION EXPENSES	0	0	0
22	AMORTIZATION OF PLANT ACQUISITION ADJUSTMENT	0	5,492,663	5,492,663
23	OTHER CREDIT FEES	0	0	0
24	TAXES OTHER THAN INCOME	87,728,903	(8,027,526)	79,701,377
25	CURRENT STATE INCOME TAX [2]	3,613,840	9,610,270	13,224,110
26	CURRENT FEDERAL INCOME TAX [2]	110,064,902	(13,532,608)	96,532,294
27	GAIN/LOSS – DISPOSITION OF UTILITY PLANT	0	0	0
28	OTHER	0	0	0
29	TOTAL UTILITY OPERATING EXPENSE (Sum of L17 thru L28)	2,029,284,689	(1,167,787,741)	861,496,948
30	NET UTILITY OPERATING INCOME (L7 - L29)	268,601,395	108,965,738	377,567,133

Notes:

[1] Adjustments as set out in Attachment C to this FRP.

[2] Reference Attachment D-4

Attachment D-4

**Oklahoma Gas & Electric
Formula Rate Plan
Income Tax
For the Historical Year Ending March 31, 2018**

Line No	Description	Historical Year Per Books A	Historical Year Adjustments B [1]	Adjusted Historical Year C
1	TOTAL OPERATING REVENUES	2,452,893,618	(1,213,829,537)	1,239,064,081
2	TOTAL O&M EXPENSE	1,537,345,029	(1,161,903,231)	375,441,798
3	GAIN FROM DISPOSITION OF ALLOWANCES	(60)	0	(60)
4	REGULATORY DEBITS AND CREDITS	0	0	0
5	DEPRECIATION & AMORTIZATION EXPENSE	290,532,075	572,691	291,104,766
6	ACCRETION EXPENSE	0	0	0
7	AMORTIZATION OF PLANT ACQUISITION ADJUSTMENT	0	5,492,663	5,492,663
8	OTHER CREDIT FEES	0	0	0
9	TAXES OTHER THAN INCOME	87,728,903	(8,027,526)	79,701,377
10	GAIN/LOSS – DISPOSITION OF UTILITY PLANT	0	0	0
11	OTHER	0	0	0
12	INTEREST EXPENSE [2]	142,116,609	(13,402,990)	128,713,619
13	NET INCOME BEFORE INCOME TAXES (L1- (Sum L2-L12))	395,171,062	(36,561,144)	358,609,918
14	ADJUSTMENTS TO NET INCOME BEFORE TAXES [3]	(263,608,768)	270,463,439	6,854,671
15	TAXABLE INCOME (L12 + L13)	131,562,294	233,902,295	365,464,589
COMPUTATION OF STATE INCOME TAX				
16	TAXABLE INCOME (L15)	131,562,294	233,902,295	365,464,589
17	STATE ADJUSTMENTS [3]	0		0
18	STATE TAXABLE INCOME (L16 + L17)	131,562,294	233,902,295	365,464,589
19	STATE INCOME TAX BEFORE ADJUSTMENTS (L18 * Tax Rate) [1]	7,996,468	14,216,835	22,213,303
20	ADJUSTMENTS TO STATE TAX [3]	(12,638,566)	3,649,373	(8,989,193)
21	STATE INCOME TAX (L19 + L20)	(4,642,098)	17,866,208	13,224,110
COMPUTATION OF FEDERAL INCOME TAX				
22	TAXABLE INCOME (L15)	131,562,294	233,902,295	365,464,589
23	STATE INCOME TAX BEFORE ADJUSTMENTS (L19)	(4,642,098)	14,216,835	22,213,303
24	FEDERAL ADJUSTMENTS [3]			0
25	TOTAL FEDERAL TAXABLE INCOME (L22 - L23 + L24)	136,204,392	219,685,460	343,251,286
26	FEDERAL INCOME TAX BEFORE ADJUSTMENTS (L25 * Tax Rate) [1]	49,740,724	75,611,899	125,352,624
27	ADJUSTMENTS TO FEDERAL TAX [3]	(31,016,416)	2,196,086	(28,820,330)
28	FEDERAL INCOME TAX (L26 + L27)	18,724,308	77,807,985	96,532,294

Notes:

- [1] Adjustments and applicable tax rate as set out in Attachment C to this FRP.
 [2] Interest Expense is Per Books for Column A, Weighted Cost Of Debt (COD) Rate as derived from COD elements reflected in Attachment D-5 x Rate Base per Attachment D-2, Column C.
 [3] List all adjustments including descriptions in a supporting schedule.

Attachment D-5

**Oklahoma Gas & Electric
Formula Rate Plan
Benchmark Rate of Return on Rate Base
For the Historical Year Ending March 31, 2018**

(A)	(B)	(C)	(D)	(E)	(F)
Line No.	Description	Capital Amount (\$) [1]	Capital Ratio (%) [2]	Cost Rate (%) [3]	Benchmark Rate Of Return On Rate Base [4]
1	Long-Term Debt	2,991,285,739	34.16%	5.38%	1.84%
2	Preferred Stock		0.00%		0.00%
3	Common Equity	3,221,483,679	36.78%	9.50%	3.49%
4	Accumulated Deferred Income Taxes	823,093,418	9.40%	0.00%	0.00%
5	Pre-1971 ADITC	-	0.00%	0.00%	0.00%
6	Post-1970 ADITC	2,097,366	0.02%	7.57%	0.00%
7	Customer Deposits	79,444,916	0.91%	1.58%	0.01%
8	Short-Term/Interim Debt	186,846,053	2.13%	1.44%	0.03%
9	Current Accrued, and Other Liabilities	1,445,311,849	16.50%	0.00%	0.00%
10	Capital Leases		0.00%		0.00%
11	Other Capital Items	8,392,780	0.10%	8.00%	0.01%
12	Total	8,757,955,800	100.00%		5.39%

Notes:

- [1] The capital balances for Long-Term Debt, Capital Leases, Preferred Equity, Common Equity and Other Capital shall be mid-year (September 30) balances adjusted to reflect any intercompany payables balances using any 13 month average, if applicable, consistent with Commission Order in Docket No. 16-052-U. Support for the 13 month average of the money pool calculations shall be provided. The total debt-to-equity ratio (DTE) for external capital, including the short-term debt percentage of 2.9%, shall be fixed at 50/50, consistent with Commission Order in Docket No. 16-052-U. Capital amounts shall include mid-year (September 30) balances for Post-1970 Investment Tax Credits, Customer Deposits, and Short-Term debt balances, beginning and ending year average for ADIT, and 13-month average balances for CAOL, if applicable. A September 30 balance sheet should be provided as well as a reconciliation between the balance sheet and Column (C) amounts. Support for the CAOL balances shall include the same format and detail as required by the Filing Requirements in Attachment E, Item No. 15.
- [2] Capital amounts each divided by the Total Capital Amount.
- [3] The cost rates shall be calculated in accordance with the calculation applied by the Commission in Docket No. 16-052-U. Support for the cost of Long-Term debt and cost of Preferred Stock shall be provided in the same format and level of detail required by the Filing Requirements, respectively. Support for the Short-Term debt cost rate and DOE Obligation cost rate, if applicable, should include a general description of how the interest rate is determined and the same level of detail provided in the Filing Requirements in Attachment E, Item No. 15. The cost rate for Customer Deposits shall be the Commission-approved rate in effect during the year. The cost rate for Common Equity shall be that approved by Commission Order in Docket No. 16-052-U.
- [4] The components in Column F are the corresponding Cost Rates multiplied by the associated Capital Ratio.

Attachment D-6

Oklahoma Gas & Electric
Formula Rate Plan
FRP Revenue Redetermination Formula
For the Historical Year Ending March 31, 2018

SECTION 1			
BANDWIDTH DEVELOPMENT			
Line No	DESCRIPTION	REFERENCE	
1	Earned Rate of Return on Common Equity ("ERR") [1]	D-1, Line 23	6.57%
2	Target Return Rate ("TRR")	D-5, Line 3, Column E	9.50%
3	Upper Bandwidth Limit	Line 2 + 0.50%	10.00%
4	Lower Bandwidth Limit	Line 2 - 0.50%	9.00%
5	ROE Adjustment	If L1 < L4, then L2 - L1; If L1 > L3, then L2 - L1, but no adjustment if L1 ≥ L4 or L1 ≤ L3	2.93%
SECTION 2			
ROE BANDWIDTH RATE ADJUSTMENT			
Line No	DESCRIPTION	REFERENCE	
6	ROE Adjustment	Per Line 5	2.93%
7	Common Equity Capital Ratio	D-5, Line 3, Column D	36.78%
8	Retail Rate Base	D-1, Line 18	574,083,145
9	Revenue Conversion Factor	D-1, Line 15	1.68038
10	Total Rate Change in Rider FRP Revenue	Line 6 * Line 7 * Line 8 * Line 9	10,401,186
SECTION 3			
TOTAL BANDWIDTH RATE ADJUSTMENT			
Line No	DESCRIPTION	REFERENCE	
11	(Reduction) / Increase in FRP Revenue	Line 10	10,401,186
12	Adjusted Historical Year FRP Rider Revenue	Note [3]	0
13	Netting of Historical Year Differences Adj. [4]	Line 11 - Line 12	10,401,186

Notes:

- [1] The ERR is the Earned Rate of Return on Common Equity, calculated by dividing the weighted earned common equity rate by the common equity ratio percentage.
- [2] The TRR is the Company's cost rate for common equity as established by the Commission in Docket No. 16-052-U.
- [3] Adjusted Historical Year FRP Rider revenue is the total FRP Rider revenue received in the Historical Year less the Netting Adjustment revenue determined when the Historical Year was a Projected Year.
- [4] Netting shall not begin until there is an actual twelve (12) months of Historical Year to report.