

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

Original Sheet No. 52.10

Date Issued June 19, 2018

STANDARD PRICING SCHEDULE: FTC  
Federal Tax Change Rider

STATE OF OKLAHOMA

**EFFECTIVE IN:** All territory served.

**PURPOSE:**

**Federal Tax Change (“FTC”):** This factor is established to comply with final Order No. 671982 of Cause No. PUD 201700569. This factor will credit to Oklahoma retail customers the Oklahoma jurisdictional difference between what the Company recorded as income tax expense with a federal corporate income tax rate of 21% and what the Company otherwise would have recorded with the previous federal corporate income tax rate of 35%, as a result of the federal Tax Cuts and Jobs Act of 2017 signed into law on December 22, 2017. This captures the tax change difference between the time period of January 1, 2018, when the Tax Cuts and Jobs Act of 2017 went into effect, and July 1, 2018, when new rates went into effect as a result of Cause No. PUD 201700496.

**Amortization of the Regulatory Liability (“ARL”):** This factor is established to comply with final Order No. 671982 of Cause No. PUD 201700569. The Company established an Oklahoma jurisdictional regulatory liability to record the savings in ADIT due to the reduced federal corporate income tax rate as a result of the Tax Cuts and Jobs Act of 2017. This rider will true-up the difference between the level of amortization of the regulatory liability included in base rates and the actual level of amortization.

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

**TERM:**

**FTC:** The FTC factors implementation will coincide with the implementation of new rates as a result of Cause No. PUD 201700496 and will be credited to customers over one month.

**ARL:** The ARL factors implementation will coincide with the implementation of new rates as a result of Cause No. PUD 201700496 and will remain in effect for as long as the amortization of the regulatory liability remains in base rates, or until closed by Commission order.

**Rates Authorized by the Oklahoma Corporation Commission:**

<b>(Effective)</b>	<b>(Order No.)</b>	<b>(Cause/Docket No.)</b>
7/1/2018	679358	PUD 201700496

APPROVED  
Public Utilities Division Stamp  
June 26, 2018

DIRECTOR  
of

PUBLIC UTILITY DIVISION

STANDARD PRICING SCHEDULE: FTC  
Federal Tax Change Rider

STATE OF OKLAHOMA

**FTC FACTOR CALCULATION:** The Company will calculate the FTC Factors using the following formula, on a per kilowatt-hour (kWh) basis, for each of the major rate classes and the combined minor rate classes and will be computed as follows:

$$FTC\ Factor_{class} = \frac{A * B}{C}$$

Where:

A = Oklahoma Jurisdiction interim period income tax expense change balance = (\$18,456,485)

B = Revenue Allocator for each class identified above

C = The refund month's kWh derived from the Base kWh for each Class identified above

And:

- a) **Revenue Allocator:** Determined from the revenues as reflected in the final Schedule H-2 from Cause No. PUD 201700496.

Rate Class	PUD 201700496 H-2 Revenues Allocator Percentage
Residential	50.45%
General Service	10.68%
Power and Light	22.75%
Large Power and Light	10.71%
Other	5.40%

- b) **Base kWh:** The Oklahoma jurisdictional kWh for July as reflected in the final Schedule H-2 from Cause No. PUD 201700496, adjusted for growth.

Rate Class	PUD 201700496 H-2 kWh
Residential	1,015,400,276
General Service	176,846,783
Power and Light	705,083,369
Large Power and Light	557,816,835
Other	90,602,407

**Rates Authorized by the Oklahoma Corporation Commission:**  
(Effective) (Order No.) (Cause/Docket No.)  
7/1/2018 679358 PUD 201700496

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STANDARD PRICING SCHEDULE: FTC  
Federal Tax Change Rider

STATE OF OKLAHOMA

**ARL FACTOR CALCULATION:** The Company will calculate the ARL Factors using the following formula, on a per kilowatt-hour (kWh) basis, for each of the major rate classes and the combined minor rate classes and will be computed as follows:

$$ARL\ Factor_{class} = \frac{Revenue\ Requirement}{Sales}$$

Where:

$$Revenue\ Requirement_{class} = (D - E + F) * G$$

Where:

*D = Actual Oklahoma jurisdictional Amortization of Regulatory Liability Amount  
(\$18,118,002)*

*E = Amortization of Regulatory Liability Amount included in base rates  
(\$15,046,394)*

*F = Annual True-Up*

*G = Revenue Allocator for each class identified above*

*Sales = Base kWh for each Class identified above*

And:

- a) **Revenue Allocator:** Same as Revenue Allocator in FTC above.
- b) **Annual True-Up:** The over or under amount which will be the difference between: (the Prior Period Amortization of Regulatory Liability less the amount of Amortization of Regulatory Liability included in Base Rates) less (the Prior Period ARL factor revenues or credits net of the previous Prior Period True-Up).
- c) **Base kWh:** . The Oklahoma jurisdictional annual kWh as reflected in the final Schedule H-2 from Cause No. PUD 201700496, adjusted for growth

**Rates Authorized by the Oklahoma Corporation Commission:**

<b>(Effective)</b>	<b>(Order No.)</b>	<b>(Cause/Docket No.)</b>
January 1, 2019	679358	PUD 201700496
July 1, 2018	679358	PUD 201700496

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APPROVED  
December 17, 2018  
DIRECTOR  
of  
PUBLIC UTILITY DIVISION

**STANDARD PRICING SCHEDULE: FTC**  
**Federal Tax Change Rider**

**STATE OF OKLAHOMA**

Rate Class	PUD 201700496 H-2 kWh
Residential	8,708,691,414
General Service	1,549,123,097
Power and Light	6,935,698,511
Large Power and Light	6,242,037,723
Other	1,040,594,197

**RATE CLASSES:**

Major Rate Classes = *Residential, General Service, Power and Light, and Large Power and Light*

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 November 15 of each year, re-determined ARL rates will be submitted by the Company to the PUD and shall be implemented on the first billing cycle of January.

**BILLING FACTORS (\$ per kWh):**

Rate Class	FTC	ARL
Residential	(\$0.000000)	(\$0.000177)
General Service	(\$0.000000)	(\$0.000211)
Power and Light	(\$0.000000)	(\$0.000100)
Large Power and Light	(\$0.000000)	(\$0.000052)
Other	(\$0.000000)	(\$0.000159)

**FINAL REVIEW:** The final over/under balances for each of the FTC and ARL factors will be refunded or collected through the Rider for Fuel Cost Adjustment. The final over/under balance for the FTC will be determined after the filing of the year-end financial results with regulators for the year-end following the implementation of final rates of Cause No. PUD 201700496. The refund for the FTC will true-up to the final balance of the income tax expense change balance, including considerations for income tax expense included in new rates from Cause No. PUD 201700496.

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