

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>
October 1, 2019	702531	PUD 201800140
July 1, 2018	679358	PUD 201700496

Public Utilities Division Stamp

APPROVED  
September 27, 2019  
DIRECTOR  
of

PUBLIC UTILITY DIVISION

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**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.)
October 1, 2019	702531	PUD 201800140
July 1, 2018	679358	PUD 201700496

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**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:** Determined from the revenues as reflected in the final Schedule H-2 from Cause No. PUD 201800140.

Rate Class	PUD 201800140 H-2 Revenues Allocator Percentage
Residential	49.79%
General Service	10.49%
Power and Light	23.06%
Large Power and Light	11.15%
Other	5.51%

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

(Effective)	(Order No.)	(Cause/Docket No.)
October 1, 2019	702531	PUD 201800140
January 1, 2019	679358	PUD 201700496
July 1, 2018	679358	PUD 201700496 (original)

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- 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 201800140, adjusted for growth

Rate Class	PUD 201800140 H-2 kWh
Residential	8,445,434,015
General Service	1,496,763,352
Power and Light	6,992,688,718
Large Power and Light	6,525,384,272
Other	1,058,661,216

**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.

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

Public Utilities Division Stamp

(Effective)	(Order No.)	(Cause/Docket No.)
January 1, 2020	702531	PUD 201800140
October 1, 2019	702531	PUD 201800140
January 1, 2019	679358	PUD 201700496
July 1, 2018	679358	PUD 201700496 (original)

APPROVED  
December 11, 2019  
DIRECTOR  
of  
PUBLIC UTILITY DIVISION