

ARKANSAS PUBLIC SERVICE COMMISSION

<u>Original</u>	Sheet No. <u>76.0</u>
Replacing _____	Sheet No. ____
<u>OKLAHOMA GAS AND ELECTRIC COMPANY</u>	
Name of Company	
Kind of Service: <u>Electric</u>	Class of Service: <u>All</u>
<b>Part I. Rate Schedule No. <u>TCR</u></b>	
Title: <u>Transmission Cost Recovery Rider</u>	

PSC File Mark Only

76.0 TRANSMISSION COST RECOVERY RIDER

76.1 RECOVERY OF TRANSMISSION COST

The Transmission Cost Recovery Rider (TCR Rider) defines the procedure by which the Transmission Cost Recovery Rates of Oklahoma Gas and Electric Company (OG&E or Company) shall be established and periodically determined. The Transmission Cost Recovery Rates shall recover the Company’s net transmission costs as defined in this TCR Rider.

76.2 TRANSMISSION COST RECOVERY RATES

The Transmission Cost Recovery Rates to be effective under this TCR Rider shall be determined in the manner prescribed by the Arkansas Public Service Commission (APSC or Commission) in its final order in Docket No. 10-067-U and shall become effective upon the date established by the Commission. The Transmission Cost Recovery Rates shall then be re-determined annually through filings made in accordance with the provisions of the Annual Redetermination of this TCR Rider. The Transmission Cost Recovery Rates included as Attachment B shall be applied to each customer’s monthly kilowatt-hours. The TCR rider shall be applied to all Arkansas jurisdictional rate schedules.

76.3 ANNUAL REDETERMINATION

On or before April 1 of each calendar year beginning in 2012, the Company shall file with the Commission re-determined Transmission Cost Recovery Rates. The re-determined Transmission Cost Recovery Rates shall be determined by application of the Transmission Cost Formula set out in Attachment A of this TCR Rider. Each such revised Transmission Cost Recovery Rates shall be filed in the proper underlying docket and shall be accompanied by testimony and workpapers sufficient to fully replicate the calculations of the revised Transmission Cost Recovery Rates.

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<u>Original</u>	Sheet No. <u>76.1</u>
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The re-determined Transmission Cost Recovery Rates shall reflect the Transmission Cost Recovery Period costs together with the true-up adjustment reflecting the over-recovery or under-recovery, of the transmission cost for the 12-month period ended December 31 of the prior calendar year. In support of the re-determined Transmission Cost Recovery Rates, the Company shall secure or create, and subsequently retain, workpapers containing all data needed to replicate its proposed Transmission Cost Recovery Rates.

Staff shall review the filed TCR Rider Rates to verify that the Transmission Cost Formula has been correctly applied and shall notify the Company of any necessary corrections. The Company shall make appropriate changes to correct undisputed errors identified by the Staff in its review. Any disputed issues arising out of the Staff review are to be resolved by the Commission after notice and hearing. The re-determined Transmission Cost Recovery Rates included in Attachment B shall be effective upon Commission approval for bills rendered on and after the first billing cycle of June of the filing year and shall remain in effect for twelve (12) months.

76.4 ADJUSTMENTS

If prior to the annual redetermination of the Transmission Cost Recovery Rates APSC General Staff or the Company becomes aware of an event that is reasonably expected to occur and/or has occurred which will materially impact the Company’s transmission costs, either the Staff or the Company may propose an adjustment to the Transmission Cost Rate Formula set out in Attachment A of this TCR Rider.

<u>Original</u>	Sheet No. <u>76.2</u>
Replacing _____	Sheet No. ____
<u>OKLAHOMA GAS AND ELECTRIC COMPANY</u>	
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**ATTACHMENT A**

76.5 TRANSMISSION COST FORMULA

TCRF = Transmission Cost Recovery Factor =  $TCR \div PES$

TCR =  $TUA + (TCRP * TAF) - TR$  (6)

Where: TUA = True-up Adjustment for the Transmission Cost Period (1)

TCRP = Proposed Transmission Cost for the Transmission Cost Recovery Period as defined below (2) (5)

TAF = Jurisdictional SPP Transmission Demand Cost Allocation factor most recently approved by the Commission in a rate case or Formula Rate Plan filing

TUA =  $(TC * TAF) - (RR - PTU) - TR$

Where: TC = Transmission Cost for the Transmission Cost Period

TC =  $(TA + TB)$

Where: TA = Actual SPP charges under SPP Schedule 1A – Tariff Administration Service for the Transmission Cost Period

TB = Actual SPP charges under SPP Schedule 11 – Base Plan Charge for the Transmission Cost Period

RR = Revenue under the TCR Rider for the Transmission Cost Period

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<u>Original</u>	Sheet No. <u>76.3</u>
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PTU = Prior period true-up adjustment applicable for the Transmission Cost Period (3)

TR = The Arkansas jurisdictional SPP Point-To-Point (PTP) Revenues received in the Transmission Cost Period associated with SPP Schedule 1 – Scheduling, System Control and Dispatch Service, SPP Schedule 7 – Long-Term Firm and Short-Term Firm PTP Transmission Service, SPP Schedule 8 Non-Firm PTP Transmission Service, and SPP Schedule 11 Base Plan Upgrade PTP equal to a minimum of the pro forma year Arkansas jurisdictional PTP Revenues of \$671,668 plus any revenue in excess of the pro forma year level. (4)

PTC = Proposed Transmission Cost (5)

PTC = (TA + TB) (5)

PES = Projected energy sales (kWh) by rate class and service level subject to this TCR Rider for the projected Transmission Cost Period.

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<u>1<sup>st</sup> Revised</u>	Sheet No. <u>76.4</u>
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76.6 NOTES TO FORMULA

- (1) The Transmission Cost Period is the calendar year immediately preceding the filing year.
- (2) The Transmission Cost Recovery Period is the twelve month period commencing on June 1 of the filing year.
- (3) The value of PTU for the then current Transmission Cost Period shall be equal to the True-up Adjustment (TUA) from the prior year TCR Rider. The PTU will be zero for the April 2012 initial TCR filing.
- (4) The Arkansas jurisdictional portion of PTP revenue shall be calculated as the Total Company Southwest Power Pool PTP Revenue during the Transmission Cost Period multiplied by an Arkansas jurisdictional allocation factor adjusted to remove load for wholesale customers directly billed by the SPP and shall equal a minimum of the pro forma year level of Arkansas jurisdictional PTP Revenues of \$671,668 plus any revenue in excess of the pro forma year level.
- (5) Should there be unusual circumstances associated with any Transmission Cost Recovery Period either the Company or Staff may propose use of a Proposed Transmission Cost different from that defined by this formula.
- (6) The TCR shall be allocated to the associated retail rate classes based on the class transmission allocators approved in OG&E's most recent general rate filing. The cost allocated to the retail rate classes shall be recovered through an energy rate adder determined by dividing such allocated cost by the forecasted sales for each rate class and service level.

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<u>1<sup>st</sup> Revised</u>	Sheet No. <u>76.5</u>
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**ATTACHMENT B**

76.7 Transmission Cost Recovery Rates

The Rates for the Transmission Cost Recovery Rider for bills rendered on and after the first billing cycle of June 2016 through May 2017 will be as follows:

<b>Class &amp; Service Level</b>	<b>Per kWh</b>
Residential	\$ 0.004813
GS Service Level 2	\$ 0.002181
GS Service Level 3	\$ 0.002181
GS Service Level 4	\$ 0.002181
GS Service Level 5	\$ 0.004638
PL Service Level 1	\$ 0.001263
PL Service Level 2	\$ 0.001263
PL Service Level 3	\$ 0.002935
PL Service Level 4	\$ 0.000553
PL Service Level 5	\$ 0.004581
PL-TOU Service Level 1	\$ 0.003490
PL-TOU Service Level 2	\$ 0.012228
PL-TOU Service Level 3	\$ 0.004489
PL-TOU Service Level 4	\$ 0.003508
PL-TOU Service Level 5	\$ 0.003508
LM & OSL & LED	\$ 0.001715
AFL	\$ 0.002023
PM	\$ 0.006414