

OKLAHOMA GAS AND ELECTRIC COMPANY
FORMULA RATE PLAN ATTACHMENTS
DOCKET NO. 18-046-FR

ATTACHMENT E ITEM 1
Formula Rate Plan - 2022 Evaluation Report

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	26.5070%
General Service	29.1732%
Power and Light	29.6296%
Other*	24.8933%

*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
FRP Rider Revenue Change

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	\$ 239,808,052	84,308,921	25,702,414	124,638,079	5,158,638
5	FRP Revenue Change = ±4% per Rate Class	4.00%	4.00%	4.00%	4.00%	4.00%
6	+Projected Year upper Rider FRP Revenue Constraint	9,592,322	3,372,357	1,028,097	4,985,523	206,346
7	-Projected Year lower Rider FRP Revenue Constraint		(3,372,357)	(1,028,097)	(4,985,523)	(206,346)
8	Net Change in Req. FRP Revenue Calc [2]					
9	ROE Bandwidth Rate Adjustment (D-6 L13 * L2)	12,985,910	4,945,541	1,507,261	6,125,973	407,135
10	Cumulative FRP Revenue Calculation [3]					
11	Maximum Inc/Dec in FRP Revenue calculated on L9 bounded by the constraint defined on L6 and L7.	9,592,322	3,372,357	1,028,097	4,985,523	206,346
12	Annualized Filing Year FRP Rider Revenue [4]	19,239,970	7,361,727	2,264,517	9,013,877	599,849
13	Cumulative Total FRP Rider revenue (L11+L12)	28,832,292	10,734,084	3,292,614	13,999,400	806,195
14	FRP Rate Development Calculation [5]					
15	Adjusted Projected Year Base Rate Revenue	102,268,330	40,495,274	11,286,415	47,248,041	3,238,600
16	FRP Projected Year Rate Change (L13 ÷ L15)	28.1928%	26.5070%	29.1732%	29.6296%	24.8933%
17	For Informational Purposes Only					
18	Incremental FRP Base Rate Change Required (L9 ÷ (L1 + L12))	10.6939%	10.6859%	10.6701%	10.7055%	10.7033%
19	Incremental FRP Base Rate Change Allowed (L11 ÷ (L1 + L12))	7.8993%	7.2867%	7.2781%	8.7125%	5.4247%

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 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 netting adjustment on line 9 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 9 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. The Adjusted Projected Year Base Rate Revenue is calculated using the Retail Rate Schedule Revenue (as adjusted pursuant to Attachment C, Section II, A-2) excluding Projected Year Rider FRP Revenue and any revenue pursuant to excluded schedules listed on Attachment A-1.The percent increase/decrease is calculated by taking the Total FRP Rider Revenue listed on Line 13 and dividing it by the Adjusted Projected Year Revenues listed in Line 15.

OKLAHOMA GAS AND ELECTRIC COMPANY
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ATTACHMENT E ITEM 1
Formula Rate Plan - 2022 Evaluation Report

Attachment D-1

Oklahoma Gas & Electric
Formula Rate Plan
Earned Rate of Return on Common Equity Formula
For the Evaluation Period Ending March 31, 2022

Line No	Description	Source	Adjusted Amount
TOTAL ARKANSAS RETAIL			
1	ARKANSAS RETAIL RATE BASE	D-2, Line 27, Column D	744,661,518
2	ARKANSAS RETAIL RATE SCHEDULE REVENUE	D-3, Line 2, Column D	116,306,715
3	ARKANSAS RETAIL OPERATING REVENUE	D-3, Line 5, Column D	116,313,537
4	ARKANSAS RETAIL OPERATING EXPENSE	D-3, Line 29, Column D	86,257,144
5	ARKANSAS RETAIL OPERATING INCOME	Line 3 – Line 4	30,056,392
6	EARNED RETURN ON RATE BASE	Line 5 / Line 1	4.04%
7	BENCHMARK RATE OF RETURN ON RATE BASE	D-5, Line 12, Column F	5.33%
8	REQUIRED ARKANSAS RETAIL OPERATING INCOME	Line 7 * Line 1	39,692,693
9	ARKANSAS RETAIL OPERATING INCOME DEFICIENCY/(EXCESS)	Line 8 – Line 5	9,636,301
10	REVENUE CONVERSION FACTOR	Note [1]	1.347613
11	ARKANSAS RETAIL REVENUE DEFICIENCY/(EXCESS)	Line 9 * Line 10	12,986,004
12	RETAIL REVENUE REQUIREMENT	Note [2]	129,292,719
13	COMMON EQUITY DEFICIENCY/(EXCESS) (%)	Line 9 / Line 1	1.29%
14	WEIGHTED EVALUATION PERIOD COST RATE FOR COMMON EQUITY (%)	D-5, Line 3, Column F	3.66%
15	WEIGHTED EARNED COMMON EQUITY RATE (%)	Line 14 - Line 13	2.37%
16	COMMON EQUITY RATIO (%)	D-5, Line 3, Column D	38.57%
17	EARNED RATE OF RETURN ON COMMON EQUITY (%)	Line 15 / Line 16	6.14%

Notes:

- [1] Revenue Conversion Factor = 1 / [(1 - Composite Tax Rate * (1 - Bad Debt + Forfeited Discounts))]. Forfeited discount revenues for Arkansas are determined in accordance with APSC General Service Rule 5.05.
- [2] Arkansas Jurisdictional Revenue Requirement as determined by running the total company Evaluation Period costs through the approved Cost of Service model from Docket No. 16-052-U.

Ark. Public Serv. Comm. ---APPROVED---03/14/2023 Docket: 18-046-FR Order No.- 24

OKLAHOMA GAS AND ELECTRIC COMPANY
 FORMULA RATE PLAN ATTACHMENTS
 DOCKET NO. 18-046-FR

ATTACHMENT E ITEM 1
 Formula Rate Plan - 2022 Evaluation Report

Attachment D-2

Oklahoma Gas & Electric
 Formula Rate Plan
 Rate Base

For the Evaluation Period Ending March 31, 2022

Line No	Description	Evaluation Period Per Books A	Evaluation Period Adjustments B [1]	Adjusted Evaluation Period C	Arkansas Retail Adjusted Evaluation Period D [2]
1	PLANT IN SERVICE				
2	Beginning Balance	13,857,630,381	(1,153,205,625)	12,704,424,757	
3	Ending Balance	14,541,593,140	(1,157,738,027)	13,383,855,113	
4	Average Balance	14,199,611,761	(1,155,471,826)	13,044,139,935	1,117,776,382
5	ACCUMULATED DEPRECIATION				
6	Beginning Balance	(5,093,796,141)	81,641,891	(5,012,154,251)	
7	Ending Balance	(5,293,553,206)	85,632,700	(5,207,920,506)	
8	Average Balance	(5,193,674,673)	83,637,295	(5,110,037,378)	(430,633,144)
9	AVERAGE NET UTILITY PLANT (L4 + L8)	9,005,937,087	(1,071,834,531)	7,934,102,557	687,143,238
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	13,514,900
14	AMORTIZATION OF ACQUISITION ADJ				
15	Beginning Balance	(69,544,477)	886,191	(68,658,286)	
16	Ending Balance	(75,111,813)	960,865	(74,150,949)	
17	Average Balance	(72,328,145)	923,528	(71,404,617)	(6,507,174)
18	WORKING CAPITAL ASSETS				
19	MATERIALS AND SUPPLIES	127,576,052	(8,116,230)	119,459,822	9,976,913
20	PREPAYMENTS	11,687,253	(2,837,142)	8,850,111	758,382
21	FUEL INVENTORY	64,307,984	(42,292,296)	22,015,688	2,041,449
22	WORKING CASH	1,879,068,500	(1,554,562,273)	324,506,226	37,733,810
23	TOTAL WORKING CAPITAL ASSETS	2,082,639,788	(1,607,807,941)	474,831,847	50,510,554
24	OTHER	0	0	0	0
25	TOTAL RATE BASE:				
26	Ending Balances (L3+L7+L12+L16+L23+L24)	11,407,211,612	(2,682,294,208)	8,724,917,405	
27	Adj Evaluation Period (L9+L13+L17+L23+L24)	11,167,892,434	(2,682,060,748)	8,485,831,686	744,661,518

Notes:

- [1] Adjustments as set out in Attachment C to this FRP.
- [2] Arkansas Retail Jurisdictional Rate Base as determined by running the total company historical costs through the approved Cost of Service model from Docket No. 16-052-U, as adjusted pursuant to Attachment C, Section II, F. .

Attachment D-3

Oklahoma Gas & Electric
 Formula Rate Plan
 Operating Income
 For the Evaluation Period Ending March 31, 2022

Line No	Description	Evaluation Period Per Books A	Evaluation Period Adjustments B [1]	Adjusted Evaluation Period C	Arkansas Retail Adjusted Evaluation Period D [2]
REVENUES					
1	SALES TO ULTIMATE CUSTOMERS				
2	ARKANSAS RETAIL RATE SCHEDULE REVENUE [4]	192,184,876	(75,878,161)	116,306,715	116,306,715
3	ARKANSAS OTHER ELECTRIC REVENUE	10,583,460	(10,576,638)	6,822	6,822
4	OTHER JURISDICTIONAL REVENUE	2,409,723,693	(1,073,567,425)	1,336,156,268	0
5	TOTAL OPERATING REVENUES (Sum of L2 thru L4)	2,612,492,029	(1,160,022,224)	1,452,469,805	116,313,537
EXPENSES					
6	OPERATION & MAINTENANCE				
7	PRODUCTION	1,195,633,852	(1,065,943,310)	129,690,542	15,377,502
8	TRANSMISSION	181,897,066	(165,295,036)	16,602,030	1,165,457
9	REGIONAL MARKET	7,296,578	(4,482,377)	2,814,202	225,769
10	DISTRIBUTION	115,652,249	(26,962,789)	88,689,460	12,698,111
11	CUSTOMER ACCOUNTS	20,737,748	(2,835,573)	17,902,176	1,640,369
12	CUSTOMER SERVICE & INFORMATION	48,479,699	(44,361,283)	4,118,416	287,398
13	SALES	3,534,862	(413,989)	3,120,873	262,797
14	ADMINISTRATIVE & GENERAL	122,822,330	(16,262,656)	106,559,674	11,939,697
15	TOTAL O & M EXPENSE (Sum of L6 thru L14)	1,696,054,386	(1,326,557,013)	369,497,373	43,597,100
16	GAIN FROM DISPOSITION OF ALLOWANCES	0	0	0	0
17	REGULATORY DEBITS & CREDITS	2,931,597	(2,931,597)	0	0
18	DEPRECIATION & AMORTIZATION EXPENSES	392,212,389	(13,978,113)	378,234,276	33,531,504
19	ACCRETION EXPENSES	0	0	0	0
20	AMORTIZATION OF PLANT ACQUISITION ADJUSTMENT	0	5,492,663	5,492,663	500,552
21	OTHER CREDIT FEES	0	0	0	0
22	TAXES OTHER THAN INCOME	102,588,240	(9,049,383)	93,538,857	8,369,459
23	STATE INCOME TAX [3]	(4,752,238)	8,567,153	3,814,915	(1,012,668)
24	FEDERAL INCOME TAX [3]	49,647,466	16,266,785	65,914,251	1,271,198
25	GAIN/LOSS - DISPOSITION OF UTILITY PLANT	0	0	0	0
26	OTHER	0	0	0	0
27	TOTAL UTILITY OPERATING EXPENSE (Sum of L15 thru L26)	2,238,681,841	(1,322,189,506)	916,492,335	86,257,144
28	NET UTILITY OPERATING INCOME (L5 - L27)	373,810,188	162,167,282	535,977,470	30,056,392

Notes:

- [1] Adjustments as set out in Attachment C to this FRP.
- [2] Arkansas Retail Jurisdictional Expenses as determined by running the total company historical costs through the approved Cost of Service model from Docket No. 16-052-U, as adjusted pursuant to Attachment C, Section II, F.
- [3] Reference Attachment D-4
- [4] L2 includes only base rate revenues and prior year FRP revenues.

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Attachment D-4

Oklahoma Gas & Electric
 Formula Rate Plan
 Income Tax
 For the Evaluation Period Ending March 31, 2022

Line No	Description	Evaluation Period Per Books	Evaluation Period Adjustments	Adjusted Evaluation Period	Arkansas Retail Adjusted Evaluation Period
		A	B [1]	C	D [2]
1	TOTAL OPERATING REVENUES	2,777,038,361	(1,324,568,556)	1,452,469,805	116,313,537
2	TOTAL O&M EXPENSE	1,696,054,386	(1,326,557,013)	369,497,373	43,597,100
3	GAIN FROM DISPOSITION OF ALLOWANCES	0	0	0	0
4	REGULATORY DEBITS AND CREDITS	2,931,597	(2,931,597)	0	0
5	DEPRECIATION & AMORTIZATION EXPENSE	392,212,389	(13,978,113)	378,234,276	34,032,055
6	ACCRETION EXPENSE	0	0	0	0
7	AMORTIZATION OF PLANT ACQUISITION ADJUSTMENT	0	5,492,663	5,492,663	0
8	OTHER CREDIT FEES	0	0	0	0
9	TAXES OTHER THAN INCOME	102,588,240	(9,049,383)	93,538,857	8,369,459
10	GAIN/LOSS – DISPOSITION OF UTILITY PLANT	0	0	0	0
11	OTHER	0	0	0	0
12	INTEREST EXPENSE [3]	157,788,667	(16,788,087)	141,000,579	12,373,296
13	NET INCOME BEFORE INCOME TAXES (L1- (Sum L2-L12))	425,463,081	39,242,976	464,706,058	17,941,627
14	ADJUSTMENTS TO NET INCOME BEFORE TAXES [4]	(201,534,724)	161,240,084	(40,294,640)	(3,535,996)
15	TAXABLE INCOME (L12 + L13)	223,928,357	200,483,060	424,411,418	14,405,631
COMPUTATION OF STATE INCOME TAX [5]					
16	TAXABLE INCOME (L15)	223,928,357	200,483,060	424,411,418	14,405,631
17	STATE ADJUSTMENTS [4]	0	0	0	0
18	STATE TAXABLE INCOME (L16 + L17)	223,928,357	200,483,060	424,411,418	14,405,631
19	STATE INCOME TAX BEFORE ADJUSTMENTS (L18 * Tax Rate) [1]	13,211,725	11,828,549	25,040,274	849,932
20	ADJUSTMENTS TO STATE TAX [4]	(4,668,155)	(16,557,203)	(21,225,359)	(1,862,600)
21	STATE INCOME TAX (L19 + L20)	8,543,570	(4,728,655)	3,814,915	(1,012,667)
COMPUTATION OF FEDERAL INCOME TAX [5]					
22	TAXABLE INCOME (L15)	223,928,357	200,483,060	424,411,418	14,405,631
23	STATE INCOME TAX BEFORE ADJUSTMENTS (L19)	8,543,570	11,828,549	25,040,274	849,932
24	FEDERAL ADJUSTMENTS [4]	0	0	0	0
25	TOTAL FEDERAL TAXABLE INCOME (L22 - L23 + L24)	215,384,787	188,654,512	399,371,144	13,555,699
26	FEDERAL INCOME TAX BEFORE ADJUSTMENTS (L25 * Tax Rate) [1]	45,230,805	38,637,135	83,867,940	2,846,697
27	ADJUSTMENTS TO FEDERAL TAX [4]	(52,983,321)	35,029,632	(17,953,689)	(1,575,499)
28	FEDERAL INCOME TAX (L26 + L27)	(7,752,516)	73,666,767	65,914,251	1,271,198

Notes:

- [1] Adjustments and applicable tax rate as set out in Attachment C to this FRP.
- [2] Arkansas Retail Jurisdiction as determined by running the total company historical costs through the approved Cost of Service model from Docket No. 16-052-U, as adjusted pursuant to Attachment C, Section II, F.
- [3] 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.
- [4] List all adjustments including descriptions in a supporting schedule.
- [5] Computation of Income Tax includes both current and deferred income taxes

Attachment D-5

Oklahoma Gas & Electric
Formula Rate Plan
Benchmark Rate of Return on Rate Base
For the Evaluation Period Ending March 31, 2022

(A) Line No.	(B) Description	(C) Capital Amount (\$) [1]	(D) Capital Ratio (%) [2]	(E) Cost Rate (%) [3]	(F) Benchmark Rate Of Return On Rate Base [4]
1	Long-Term Debt	4,004,003,789	35.95%	4.52%	1.62%
2	Preferred Stock		0.00%		0.00%
3	Common Equity	4,296,055,261	38.57%	9.50%	3.66%
4	Accumulated Deferred Income Taxes	998,820,715	8.97%	0.00%	0.00%
5	Pre-1971 ADITC	-	0.00%	0.00%	0.00%
6	Post-1970 ADITC	11,043,393	0.10%	6.86%	0.01%
7	Customer Deposits	80,639,011	0.72%	0.71%	0.01%
8	Short-Term/Interim Debt	249,171,205	2.24%	1.13%	0.03%
9	Current Accrued, and Other Liabilities	1,493,604,597	13.41%	0.00%	0.00%
10	Capital Leases	-	0.00%	0.00%	0.00%
11	Other Capital Items	5,606,806	0.05%	8.76%	0.00%
12	Total	11,138,944,778	100.00%		5.33%

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 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 Evaluation Period Ending March 31, 2022

SECTION 1			
BANDWIDTH DEVELOPMENT			
Line No	DESCRIPTION	REFERENCE	
1	Earned Rate of Return on Common Equity ("ERR") [1]	D-1, Line 17	6.14%
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 and L1 ≤ L3	3.36%
SECTION 2			
ROE BANDWIDTH RATE ADJUSTMENT			
Line No	DESCRIPTION	REFERENCE	
6	ROE Adjustment	Per Line 5	3.36%
7	Common Equity Capital Ratio	D-5, Line 3, Column D	38.57%
8	Retail Rate Base	D-1, Line 1	744,661,518
9	Revenue Conversion Factor	D-1, Line 10	1.347613
10	Total Rate Change in Rider FRP Revenue	Line 6 * Line 7 * Line 8 * Line 9	12,985,910
SECTION 3			
TOTAL BANDWIDTH RATE ADJUSTMENT			
Line No	DESCRIPTION	REFERENCE	
11	(Reduction) / Increase in FRP Revenue	Line 10	12,985,910
12	Incremental Evaluation Period FRP Rider Revenue	Note [3]	0
13	Netting of Evaluation Period Differences Adj. [4]	Line 11 - Line 12	12,985,910

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] Incremental Evaluation Period FRP Rider revenue is the total FRP Rider revenue received in the Evaluation Period not including any previous year FRP Rider revenue.
- [4] Netting shall not begin until there is an actual twelve (12) months of Historical Year to report.