

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

**ATTACHMENT E ITEM 1**  
**Formula Rate Plan - 2023 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	28.9766%
General Service	31.8042%
Power and Light	31.6058%
Other*	26.5952%

\*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.

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

ATTACHMENT E ITEM 1  
 Formula Rate Plan - 2023 Evaluation Report

**Attachment A-2  
 FRP Rider Revenue Change  
 STAFF**

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	<b>FRP Constraint Calculation [1]</b>					
4	Total Annualized Filing Year Revenues by Rate Class	\$ 278,153,996	94,562,724	29,448,080	148,773,081	5,370,111
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	11,126,160	3,782,509	1,177,923	5,950,923	214,804
7	-Projected Year lower Rider FRP Revenue Constraint		(3,782,509)	(1,177,923)	(5,950,923)	(214,804)
8	<b>Net Change in Req. FRP Revenue Calc [2]</b>					
9	ROE Bandwidth Rate Adjustment (D-6 L13 * L2)	3,469,159	1,321,191	402,662	1,636,541	108,765
10	<b>Cumulative FRP Revenue Calculation [3]</b>					
11	Maximum Inc/Dec in FRP Revenue calculated on L9 bounded by the constraint defined on L6 and L7.	3,469,159	1,321,191	402,662	1,636,541	108,765
12	Annualized Filing Year FRP Rider Revenue [4]	31,806,183	11,727,843	3,983,209	15,231,244	863,887
13	Cumulative Total FRP Rider revenue (L11+L12)	35,275,342	13,049,034	4,385,871	16,867,785	972,652
14	<b>FRP Rate Development Calculation [5]</b>					
15	Adjusted Projected Year Base Rate Revenue	115,849,810	45,033,038	13,790,237	53,369,290	3,657,245
16	<b>FRP Projected Year Rate Change (L13 ÷ L15)</b>	<b>30.4492%</b>	<b>28.9766%</b>	<b>31.8042%</b>	<b>31.6058%</b>	<b>26.5952%</b>
17	<b>For Informational Purposes Only</b>					
18	Incremental FRP Base Rate Change Required (L9 ÷ (L1 + L12))	2.5889%	2.6086%	2.5413%	2.5797%	2.6738%
19	Incremental FRP Base Rate Change Allowed (L11 ÷ (L1 + L12))	2.5889%	2.6086%	2.5413%	2.5797%	2.6738%

**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.

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**ATTACHMENT E ITEM 1**  
**Formula Rate Plan - 2023 Evaluation Report**

**Attachment D-1**  
**STAFF**  
**Oklahoma Gas & Electric**  
**Formula Rate Plan**  
**Earned Rate of Return on Common Equity Formula**  
**For the Evaluation Period Ending March 31, 2023**  
**STAFF**

Line No	Description	Source	Adjusted Amount
<b>TOTAL ARKANSAS RETAIL</b>			
1	ARKANSAS RETAIL RATE BASE	D-2, Line 27, Column D	761,219,728
2	ARKANSAS RETAIL RATE SCHEDULE REVENUE	D-3, Line 2, Column D	134,409,352
3	ARKANSAS RETAIL OPERATING REVENUE	D-3, Line 5, Column D	135,263,634
4	ARKANSAS RETAIL OPERATING EXPENSE	D-3, Line 29, Column D	96,484,303
5	ARKANSAS RETAIL OPERATING INCOME	Line 3 – Line 4	38,779,331
6	EARNED RETURN ON RATE BASE	Line 5 / Line 1	5.09%
7	BENCHMARK RATE OF RETURN ON RATE BASE	D-5, Line 12, Column F	5.45%
8	REQUIRED ARKANSAS RETAIL OPERATING INCOME	Line 7 * Line 1	41,502,461
9	ARKANSAS RETAIL OPERATING INCOME DEFICIENCY/(EXCESS)	Line 8 – Line 5	2,723,129
10	REVENUE CONVERSION FACTOR	Note [1]	1.347562
11	ARKANSAS RETAIL REVENUE DEFICIENCY/(EXCESS)	Line 9 * Line 10	3,669,586
12	RETAIL REVENUE REQUIREMENT	Note [2]	138,078,938
13	COMMON EQUITY DEFICIENCY/(EXCESS) (%)	Line 9 / Line 1	0.36%
14	WEIGHTED EVALUATION PERIOD COST RATE FOR COMMON EQUITY (%)	D-5, Line 3, Column F	3.65%
15	WEIGHTED EARNED COMMON EQUITY RATE (%)	Line 14 - Line 13	3.29%
16	COMMON EQUITY RATIO (%)	D-5, Line 3, Column D	38.39%
17	<b>EARNED RATE OF RETURN ON COMMON EQUITY (%)</b>	<b>Line 15 / Line 16</b>	<b>8.57%</b>

**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.

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

ATTACHMENT E ITEM 1  
 Formula Rate Plan - 2023 Evaluation Report

Attachment D-2

Oklahoma Gas & Electric

Formula Rate Plan  
 Rate Base

For the Evaluation Period Ending March 31, 2023

STAFF

Line No	Description	Evaluation Period Per Books	Evaluation Period Adjustments	Adjusted Evaluation Period	Arkansas Retail Adjusted Evaluation Period D [2]
		A	B [1]	C	
1	PLANT IN SERVICE				
2	Beginning Balance	14,541,593,140	(1,154,957,424)	13,386,635,716	
3	Ending Balance	15,292,557,856	(1,153,113,037)	14,139,444,819	
4	Average Balance	14,917,075,498	(1,154,035,230)	13,763,040,268	1,131,047,214
5	ACCUMULATED DEPRECIATION				
6	Beginning Balance	(5,293,553,206)	85,632,700	(5,207,920,506)	
7	Ending Balance	(5,492,220,038)	120,141,117	(5,372,078,920)	
8	Average Balance	(5,392,886,622)	102,886,909	(5,289,999,713)	(429,395,085)
9	<b>AVERAGE NET UTILITY PLANT (L4 + L8)</b>	<b>9,524,188,876</b>	<b>(1,051,148,322)</b>	<b>8,473,040,555</b>	<b>701,652,128</b>
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	12,810,318
14	AMORTIZATION OF ACQUISITION ADJ				
15	Beginning Balance	(75,111,813)	960,865	(74,150,949)	
16	Ending Balance	(80,679,150)	1,035,538	(79,643,612)	
17	Average Balance	(77,895,482)	998,201	(76,897,280)	(6,642,387)
18	WORKING CAPITAL ASSETS				
19	MATERIALS AND SUPPLIES	206,946,746	(47,785,408)	159,161,339	12,448,046
20	PREPAYMENTS	12,206,524	(2,752,963)	9,453,561	776,894
21	FUEL INVENTORY	128,605,236	(90,742,457)	37,862,779	3,332,114
22	WORKING CASH	1,877,179,846	(1,497,805,378)	379,374,468	36,842,615
23	TOTAL WORKING CAPITAL ASSETS	2,224,938,352	(1,639,086,206)	585,852,146	53,399,669
24	OTHER	0	0	0	0
25	<b>TOTAL RATE BASE:</b>				
26	Ending Balances (L3+L7+L12+L16+L23+L24)	12,096,240,723	(2,674,364,391)	9,421,876,333	
27	Adj Evaluation Period (L9+L13+L17+L23+L24)	11,822,875,450	(2,692,578,130)	9,130,297,320	761,219,728

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. .

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**Attachment D-3**

Oklahoma Gas & Electric  
 Formula Rate Plan  
 Operating Income  
 For the Evaluation Period Ending March 31, 2023  
 STAFF

Line No	Description	Evaluation Period Per Books A	Evaluation Period Adjustments B [1]	Adjusted Evaluation Period C	Arkansas Retail Adjusted Evaluation Period D [2]
<b>REVENUES</b>					
1	SALES TO ULTIMATE CUSTOMERS				
2	ARKANSAS RETAIL RATE SCHEDULE REVENUE [4]	262,356,077	(127,946,725)	134,409,352	134,409,352
3	ARKANSAS OTHER ELECTRIC REVENUE	3,450,961	(2,596,679)	854,282	854,282
4	OTHER JURISDICTIONAL REVENUE	3,077,688,251	(1,715,022,081)	1,362,666,170	0
5	<b>TOTAL OPERATING REVENUES (Sum of L2 thru L4)</b>	<b>3,343,495,289</b>	<b>(1,845,565,485)</b>	<b>1,497,929,804</b>	<b>135,263,634</b>
<b>EXPENSES</b>					
6	OPERATION & MAINTENANCE				
7	PRODUCTION	1,780,373,114	(1,634,188,030)	146,185,084	15,469,532
8	TRANSMISSION	177,490,140	(157,547,861)	19,942,280	1,393,313
9	REGIONAL MARKET	7,907,650	(4,487,751)	3,419,899	257,915
10	DISTRIBUTION	133,899,637	(34,529,856)	99,369,781	16,325,542
11	CUSTOMER ACCOUNTS	23,369,173	(3,879,698)	19,489,475	1,807,729
12	CUSTOMER SERVICE & INFORMATION	49,002,042	(46,081,357)	2,920,684	227,639
13	SALES	3,847,820	(457,243)	3,390,578	291,055
14	ADMINISTRATIVE & GENERAL	124,130,193	(18,169,696)	105,960,497	14,195,841
15	<b>TOTAL O &amp; M EXPENSE (Sum of L6 thru L14)</b>	<b>2,300,019,769</b>	<b>(1,899,341,491)</b>	<b>400,678,279</b>	<b>49,968,567</b>
16	GAIN FROM DISPOSITION OF ALLOWANCES	0	0	0	0
17	REGULATORY DEBITS & CREDITS	8,734,723	(8,734,723)	0	0
18	DEPRECIATION & AMORTIZATION EXPENSES	427,561,126	(27,126,441)	400,434,685	34,698,651
19	ACCRETION EXPENSES	0	0	0	0
20	AMORTIZATION OF PLANT ACQUISITION ADJUSTMENT	0	5,492,663	5,492,663	474,456
21	OTHER CREDIT FEES	0	0	0	0
22	TAXES OTHER THAN INCOME	100,529,997	(8,563,192)	91,966,805	7,986,749
23	STATE INCOME TAX [3]	(1,812,682)	6,427,519	4,614,837	(1,118,377)
24	FEDERAL INCOME TAX [3]	73,846,515	(2,938,490)	72,311,576	4,474,257
25	GAIN/LOSS - DISPOSITION OF UTILITY PLANT	0	0	0	0
26	OTHER	0	0	0	0
27	<b>TOTAL UTILITY OPERATING EXPENSE (Sum of L15 thru L26)</b>	<b>2,908,879,448</b>	<b>(1,934,784,156)</b>	<b>975,498,844</b>	<b>96,484,303</b>
28	<b>NET UTILITY OPERATING INCOME (L5 - L27)</b>	<b>434,615,841</b>	<b>89,218,671</b>	<b>522,430,960</b>	<b>38,779,331</b>

**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, 2023  
 STAFF

Line No	Description	Evaluation Period	Evaluation Period	Adjusted	Arkansas
		Per Books	Adjustments	Evaluation Period	Retail Adjusted Evaluation Period
		A	B [1]	C	D [2]
1	TOTAL OPERATING REVENUES	3,507,122,214	(2,009,192,410)	1,497,929,804	135,263,634
2	TOTAL O&M EXPENSE	2,300,019,769	(1,899,341,491)	400,678,279	49,968,567
3	GAIN FROM DISPOSITION OF ALLOWANCES	0	0	0	0
4	REGULATORY DEBITS AND CREDITS	8,734,723	(8,734,723)	0	0
5	DEPRECIATION & AMORTIZATION EXPENSE	427,561,126	(27,126,441)	400,434,685	35,173,107
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	100,529,997	(8,563,192)	91,966,805	7,986,749
10	GAIN/LOSS – DISPOSITION OF UTILITY PLANT	0	0	0	0
11	OTHER	0	0	0	0
12	INTEREST EXPENSE [3]	0	164,336,221	164,336,221	13,698,149
13	<b>NET INCOME BEFORE INCOME TAXES (L1 - (Sum L2-L12))</b>	<b>670,276,598</b>	<b>(235,255,446)</b>	<b>435,021,152</b>	<b>28,437,062</b>
14	ADJUSTMENTS TO NET INCOME BEFORE TAXES [4]	(394,631,490)	347,163,524	(47,467,966)	(3,957,544)
15	TAXABLE INCOME (L12 + L13)	275,645,108	111,908,078	387,553,186	24,479,518
<b>COMPUTATION OF STATE INCOME TAX [5]</b>					
16	TAXABLE INCOME (L15)	275,645,108	111,908,078	387,553,186	24,479,518
17	STATE ADJUSTMENTS [4]	0	0	0	0
18	STATE TAXABLE INCOME (L16 + L17)	275,645,108	111,908,078	387,553,186	24,479,518
19	STATE INCOME TAX BEFORE ADJUSTMENTS (L18 * Tax Rate) [1]	16,263,013	6,208,294	22,471,307	1,444,292
20	ADJUSTMENTS TO STATE TAX [4]	(12,958,615)	(4,897,855)	(17,856,470)	(2,562,669)
21	<b>STATE INCOME TAX (L19 + L20)</b>	<b>3,304,398</b>	<b>1,310,439</b>	<b>4,614,837</b>	<b>(1,118,378)</b>
<b>COMPUTATION OF FEDERAL INCOME TAX [5]</b>					
22	TAXABLE INCOME (L15)	275,645,108	111,908,078	387,553,186	24,479,518
23	STATE INCOME TAX BEFORE ADJUSTMENTS (L19)	3,304,398	6,208,294	22,471,307	1,444,292
24	FEDERAL ADJUSTMENTS [4]	0	0	0	0
25	TOTAL FEDERAL TAXABLE INCOME (L22 - L23 + L24)	272,340,710	105,699,784	365,081,879	23,035,227
26	FEDERAL INCOME TAX BEFORE ADJUSTMENTS (L25 * Tax Rate) [1]	57,191,549	19,475,645	76,667,195	4,837,398
27	ADJUSTMENTS TO FEDERAL TAX [4]	(196,113,245)	191,757,626	(4,355,619)	(363,141)
28	<b>FEDERAL INCOME TAX (L26 + L27)</b>	<b>(138,921,696)</b>	<b>211,233,272</b>	<b>72,311,576</b>	<b>4,474,257</b>

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

**OKLAHOMA GAS AND ELECTRIC COMPANY**  
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**ATTACHMENT E ITEM 1**  
**Formula Rate Plan - 2023 Evaluation Report**

**Attachment D-5**

**Oklahoma Gas & Electric**  
**Formula Rate Plan**  
**Benchmark Rate of Return on Rate Base**  
**For the Evaluation Period Ending March 31, 2023**

<b>STAFF</b>					
(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	4,212,394,663	35.82%	4.65%	1.67%
2	Preferred Stock	-	0.00%		0.00%
3	Common Equity	4,513,770,761	38.39%	9.50%	3.65%
4	Accumulated Deferred Income Taxes	1,119,938,341	9.52%	0.00%	0.00%
5	Pre-1971 ADITC	-	0.00%	0.00%	0.00%
6	Post-1970 ADITC	13,600,671	0.12%	7.09%	0.01%
7	Customer Deposits	86,439,243	0.74%	1.57%	0.01%
8	Short-Term/Interim Debt	261,798,704	2.23%	5.25%	0.12%
9	Current Accrued, and Other Liabilities	1,545,449,753	13.14%	0.00%	0.00%
10	Capital Leases	-	0.00%	0.00%	0.00%
11	Other Capital Items	5,180,630	0.04%	6.43%	0.00%
<b>12</b>	<b>Total</b>	<b>11,758,572,767</b>	<b>100.00%</b>		<b>5.4521%</b>

**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.

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**Attachment D-6**

Oklahoma Gas & Electric  
 Formula Rate Plan  
 FRP Revenue Redetermination Formula  
 For the Evaluation Period Ending March 31, 2023

<b>SECTION 1</b>			
<b>BANDWIDTH DEVELOPMENT</b>			
Line No	DESCRIPTION	REFERENCE	
1	Earned Rate of Return on Common Equity ("ERR") [1]	D-1, Line 17	8.57%
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 and L1 ≤ L3	0.93%
<b>SECTION 2</b>			
<b>ROE BANDWIDTH RATE ADJUSTMENT</b>			
Line No	DESCRIPTION	REFERENCE	
6	ROE Adjustment	Per Line 5	0.93%
7	Common Equity Capital Ratio	D-5, Line 3, Column D	38.39%
8	Retail Rate Base	D-1, Line 1	761,219,728
9	Revenue Conversion Factor	D-1, Line 10	1.274172
10	Total Rate Change in Rider FRP Revenue	Line 6 * Line 7 * Line 8 * Line 9	3,469,159
<b>SECTION 3</b>			
<b>TOTAL BANDWIDTH RATE ADJUSTMENT</b>			
Line No	DESCRIPTION	REFERENCE	
11	(Reduction) / Increase in FRP Revenue	Line 10	3,469,159
12	Incremental Evaluation Period FRP Rider Revenue	Note [3]	0
13	<b>Netting of Evaluation Period Differences Adj. [4]</b>	<b>Line 11 - Line 12</b>	<b>3,469,159</b>

**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.

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