

From: [Shoop, Kimber](#)
To: [Mark Argenbright](#)
Cc: [Fairo Mitchell](#); [Geoffrey Rush](#); [Quintero, Zach](#); [Stroup, Isaac](#); [Windel, Dawn](#)
Subject: [EXTERNAL] RE: Request for Assistance RE: Securitization Information
Date: Tuesday, April 16, 2024 2:52:59 PM
Attachments: [image001.png](#)
[Cover Letter - OGE-ODFA Compliance Filing PUD 21-072.pdf](#)
[PUD 21-072 - ODFA-OGE Issuance Cost Accounting.pdf](#)
[1. Final Issuance Costs Accounting and Support.xlsx](#)
[EY WES Review 2023.pdf](#)
[EY WES Review 2022.pdf](#)

Mark,

Thank you for the opportunity to provide clarification concerning the below questions. Below are responses to your two separate inquiries, namely your questions about securitization issuance costs and your questions regarding an audit of Winter Event Securitization (“WES”) Mechanism collections and remittances.

Issuance Costs

On May 12, 2023, OG&E provided the Oklahoma Corporation Commission with its Final Issuance Cost Accounting Report, which detailed the costs incurred by OG&E and the Oklahoma Development Finance Authority to issue the securitization bonds as authorized by the Commission. As you know, the ODFA and OG&E separately incurred costs related to bond issuance, and those costs are collected through the WES Mechanism. Within the Final Issuance Cost Accounting Report, OG&E incurred the expenses identified in three line items, two of which are named “OG&E Legal Expenses – 10(b)(5) Opinions ODFA” and “Utility’s Counsel Legal Fees and Expenses.” OG&E has verified the accuracy of these costs by tying them to the actual invoices, and the attached spreadsheet shows the line items comprising those three cost categories. All other costs listed in the report were incurred by ODFA.

Using a report provided to OG&E by the Trustee, OG&E verified that the costs from ODFA were final. However, OG&E has not and cannot provide the supporting information for those costs since they are costs incurred solely by ODFA. As noted in the Final Accounting Report, the total issuance costs were approximately \$500,170 less than estimated in the Financing Order, and these funds were returned to customers with interest in the August 2023 WES Mechanism True-Up. Should OG&E receive any additional information pertinent to your request, we will provide an update at that time.

WES Collections/Remittances

Ernst and Young LLP performed a review of OG&E’s proceeds and remittances through the WES Mechanism for 2022 and 2023, and these reports are attached to this email.

From: Mark Argenbright <Mark.Argenbright@occ.ok.gov>

Sent: Wednesday, April 10, 2024 2:54 PM

To: Shoop, Kimber <shoopkl@oge.com>

Cc: Fairo Mitchell <Fairo.Mitchell@occ.ok.gov>; Geoffrey Rush <Geoffrey.Rush@occ.ok.gov>

Subject: Request for Assistance RE: Securitization Information

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Kimber,

PUD has become aware that the information it provides on the Commission's website relative to the securitization costs, in some instances, may not be current. In an effort to ensure the most accurate portrayal of the relevant facts on these issues, I'm making the below request of all the securitized utilities. I also recognize that some of this information is duplicative of information that has previously been provided. However, I do believe there is value and clarity in having current responses (even if to share previously provided information) as well as having that information in a single, concise, email response.

- Please provide the final costs for the Issuance Expenses associated with the securitization case for OG&E
 - Please confirm that ODFA was the source of these final costs (if not ODFA, please indicate source of the final costs)
 - Please describe how ODFA (or other entity) indicated that these were final costs, to include any description of the process relied on in order to deem the costs final. A copy of any related correspondence from ODFA (or other involved entity) would also be appreciated.
 - Please indicate whether or not OG&E has had any outside firm audit or otherwise review these final costs. If so, a copy of those audits/reviews would be appreciated.

- As the servicer under the Securitization Property Servicing Agreement, has OG&E had any outside firm audit or otherwise review the company's actions related to its billing, remittance, and reporting obligations for any time period?
 - If so, please provide copies of any such audits or reviews.

Your consideration and assistance are greatly appreciated. I believe this information can be most supportive of an accurate representation of these important facts.

If you have questions or concerns, please do not hesitate to call.

Best regards,

Mark

Mark Argenbright | Director and OUSF Administrator

Public Utility Division and Consumer Services| Oklahoma Corporation Commission

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