BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

IN THE MATTER OF THE APPLICATION OF OKLAHOMA GAS AND ELECTRIC COMPANY FOR COMMISSION APPROVAL OF ELECTRIC SERVICE AGREEMENTS AND PREAPPROVAL OF CAPACITY PURCHASE AGREEMENTS PURSUANT TO 17 O.S. § 286(C)	)))))))	Case No. PUD2026-000031

Redacted Direct Testimony

of

Jason J. Thenmadathil

on behalf of

Oklahoma Gas and Electric Company

May 1, 2026

Q. **Please state your name and business address.**

A. My name is Jason J. Thenmadathil. My business address is 321 North Harvey, Oklahoma City, Oklahoma 73102.

Q. **By whom are you employed and in what capacity?**

A. I am employed by Oklahoma Gas and Electric Company ("OG&E" or "Company") as the Director of Regulatory Accounting.

Q. **Please summarize your educational background and professional qualifications.**

A. I received a Bachelor of Science degree in Accounting from the University of Central Oklahoma. In 2005, I was employed by the Public Utility Division ("PUD") of the Oklahoma Corporation Commission ("Commission") as a Public Utility Regulatory Analyst, and later was promoted to Coordinator. As a PUD analyst, I testified in various utility cases filed by electric and gas companies, including rate cases and fuel prudence reviews. In March 2010, I joined OG&E as a Senior Regulatory Accountant. In October 2017, I assumed additional responsibilities as the Supervisor of Regulatory Accounting where I oversee the work of members of the Regulatory Accounting group, whose responsibilities are to prepare the minimum filing requirements ("MFR") for rate cases and determine revenue requirements for various rate filings. In May 2018, I was promoted to Manager of Regulatory Accounting, to Sr. Manager of Regulatory Accounting in May 2023 and to Director of Regulatory Accounting in December 2025.

Q. **Have you testified previously before this Commission?**

A. Yes. As a witness for OG&E, I previously submitted testimony in Cause Nos. PUD 201500266, 201500273, 201600319, 201700261, 201700496, 201800084, 201800140, 202100164, and 2023000087. I have also testified in numerous proceedings as an analyst for the Commission's Public Utility Division.

Q. **What is the purpose of your testimony?**

A. The purpose of my testimony is to present the results of an analysis undertaken by OG&E, utilizing the most recently approved cost of service study ("COSS"), which demonstrates benefits to the existing customer base from the proposed Google data centers. In addition, I sponsor the estimated customer impact associated with the two Capacity Purchase Agreements ("CPAs") being requested for recovery in this case.

System Wide Impact of Google Data Centers

Q. Can the addition of a large-load data center such as Google provide tangible benefits to our existing customers?

A. Yes. When integrated into the grid with the regulatory framework as discussed in the testimonies of OG&E witnesses Shoop and Laws, a large-load data center can act as a stabilizing force for customer rates. These facilities typically operate at high load factors, drawing a consistent and predictable level of power rather than experiencing volatile spikes. This consistent demand allows the utility to spread its fixed system costs across a much larger volume of sales. By adding additional customers and load that operate at a high and steady demand level onto the system, the per-unit cost of service for every other customer can be lowered, creating downward pressure on rates. This downward pressure is reflected in the calculation of new allocators when a new COSS is performed, shifting costs away from other customers.

Q. **Can you explain how the addition of the Google data centers affects the "Production Demand Allocators" used in a COSS?**

A. Production demand allocators are used to assign the costs of our generation fleet to different customer classes based on their contribution to system peaks. Because this new customer represents a substantial and steady demand, they will be assigned a significant portion of these existing production costs. This shift reduces the proportional share of fixed production costs that must be recovered from our other customer classes, mitigating future increases.

Q. Would the addition of the Google data centers result in any other benefits to other retail customers, beyond sharing in production costs?

A. Yes. The addition of any customer to the system will impact all allocators within the COSS. All embedded system costs will be shared with Google through the allocation process, which benefits other customers. The chart below provides an explanation of other shared system benefits. For example, Google will pay a proportionate share of operations and maintenance expenses, employee salaries, as well as any software related expenditures.

Chart JT-1

Cost Category	Google Contribution	Impact on Other Customers
Fixed Production	High (24/7 usage)	Lowers the cost of building new plants and maintaining existing ones per kWh
Transmission	Covers new & existing lines	Lowers the cost of transmission per kWh. Direct interconnection costs are covered via CIAC payments.
Intangible/General/ A&G	Proportional Share	Spreads office expenses, software related investment, and other expenses such as employee salaries and benefits.
Outside Services	Proportional Share	Reduces the per customer burden for legal, regulatory, and other professional fees.

Q. **Did the Company modify its most recently approved COSS to demonstrate how the addition of the Google data centers could impact other customers?**

A. Yes, the Company utilized the most recently approved COSS from Case No. PUD 2023-000087 as a starting point for our analysis. Keeping all other factors the same, the Company modified the existing study to incorporate the load Google would gradually bring onto the system , utilizing contracted demand and the minimum load factors stated in the contract. For purposes of this study, Google is included in the Large Power & Light ("LPL") rate class.

Q. Is this cost of service study performed for purposes of setting new rates?

A. No, this analysis is not meant to represent a COSS designed for setting new rates. It does not incorporate additional generation resources or other customer load growth. This is designed instead to be an illustrative COSS for the purpose of presenting a targeted incremental impact analysis. By using this methodology, we isolate the impact of Google's load to provide a clear quantification of the incremental contribution it makes toward the recovery of the system's existing fixed costs. This approach ensures that the projected downward pressure on rates we are presenting is directly attributable to this special contract, rather than unrelated fluctuations in other customer classes.

Q. **Does this analysis show a cost shift away from existing customers?**

A. Yes. The analysis demonstrates a shift that reduces costs for existing customers. By adding a new customer that pays for its proportional share of embedded system costs, the existing customer base would experience a reduction in their responsibility for the utility's historical investments. Google is contributing to the ongoing support of the grid that serves all customers.

Q. Can you explain how the analysis discussed above translates into a monthly customer impact for residential customers?

A. The addition of Google's load when compared to the most recently approved COSS creates residential customer benefits of approximately $1.83/month with Google's load at [redacted] (by 2027) and this eventually grows to an estimated $5.33/month at [redacted] (by 2031) and $6.84/month at [redacted] (by 2036). As stated previously, the cost shifting that occurs with Google as a customer can mitigate future rate increases.

Q. Do current LPL customers still experience a benefit when the LPL class allocator increases due to inclusion of Google's load in that class?

A. Yes. Even though the production demand allocator increases for the entire LPL class because of the additional load from Google, the substantial amount of demand and kWh added to that class still results in other members of that class seeing a benefit.

Q. **Would the revenue requirement per class for the most recently approved generation projects (and those pending approval) be impacted with the addition of Google?**

A. Yes. The shift in the production demand allocators caused by Google's additional load will result in lower customer rates for Horseshoe Lake ("HL") 11 & 12, HL 13 & 14, the Kiamichi CPA, the Frontier Battery Storage project, and the Rush Springs/High Spring CPAs.

Q. How does this cost shift translate in terms of revenue requirement by the time Google reaches about [redacted] of contract demand?

A. At that point, customers would have benefited from about $130 million of cost shifting by the time Google reaches [redacted] by 2036. This was calculated by taking the total revenue requirement for the above-mentioned projects from 2027 through 2036 and calculating the total class revenue requirement difference between current settled production demand allocators and modified allocators reflecting Google's load. Please note this is illustrative and actual allocators will be updated in the future to reflect any other class load changes.

Q. Does the Company still have additional capacity needs to address?

A. Yes. As discussed in the testimony of OG&E witness Shoop, OG&E still has significant capacity needs into 2034. The Company will need to fill those needs, as reflected in the "white space" of Chart 1 of witness Shoop's testimony.

Q. Do the contracts with Google have a "fail-safe" that helps protect customers from adverse rate impacts if these additional capacity needs create a negative impact for customers in the future?

A. Yes. As discussed in OG&E Witnesses Laws' and Shoop's testimony, the Google contract has a provision recognizing that any potential adverse rate impact to other customer classes resulting from the cost of providing service to Google, will be reviewed and addressed in each general rate proceeding.

Q. How could this provision be used to the benefit of all stakeholders?

A. This assurance could be in the form of a separate COSS performed and submitted in a future rate case, which tests whether Google had an adverse rate impact for other customers. The demonstrative analysis would essentially be a COSS with and without Google's load and a proportional share of their contributing generation need, essentially providing a "what if" scenario of what rates would be if Google was not a customer on the system. If there is a possibility that customers are negatively impacted, this "fail-safe" allows the Commission to review the impact of Google's load and capacity needs on other customers and decide how to address any negative impact.

Q. What are your conclusions from the analysis you conducted?

A. Based on my analysis, adding Google's new data centers to OG&E's system produces measurable benefits for all existing customers. Google's large high demand load results in a positive contribution to the utility's embedded system costs. By contributing its full allocated share of historical and ongoing system investments, the addition of Google's new data centers reduces the cost burden otherwise carried by current customers. The Company will conduct future studies to monitor for any adverse rate impacts per the contract and present those studies to the Commission. This gives additional assurance that current customers will not be negatively impacted due to changes occurring in the future.

Customer Impact of the Rush Springs and High Spring CPAs

Q. **When would cost recovery begin on the CPAs?**

A. Along with the new data centers, Google has offered low-cost CPAs to OG&E. OG&E requests that rider cost recovery begin once the Commission has approved the projects and the Company begins incurring costs. Costs for the Rush Springs CPA would be included in the FCA rider when OG&E begins paying for delivered capacity in 2027, while the High Spring CPA would begin in 2028.

Q. **Please explain how the customer impact of the CPAs was calculated.**

A. The customer impact was calculated using the standard allocation method typically used for this type of calculation in a pre-approval case. To arrive at the average residential cost

per month, the revenue requirement was split by jurisdiction and then rate class using the most recently approved production demand allocator from the COSS from OG&E's last rate case, Case No. PUD 2023-000087. Applying the average residential customer usage, the monthly bill impact for three years is approximately $0.13 per month in 2027, $0.41 per month in 2028 and $0.46 per month in 2029.

Q. **Is there a customer benefit associated with these low-cost CPAs?**

A. Yes. Since the CPAs provided by Google are below-market price, there is a benefit to customers. The savings are discussed in the testimony of OG&E witness Schuermann, where he discusses a comparison of the Google CPAs to the least cost CPA executed through the RFP. If a customer impact was calculated on this least cost CPA, selection of the Google CPAs equates to a savings of about $0.60 per month in 2029.

Q. Does this conclude your direct testimony?

A. Yes.

CERTIFICATE OF SERVICE

I hereby certify that on the 1st day of May 2026, a true and correct copy of the foregoing was electronically served via the Electronic Case Filing System to those on the Official Electronic Case Filing Service List, or via electronic mail to the following persons:

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A. Chase Snodgrass

AFFIDAVIT

STATE OF OKLAHOMA)
)
COUNTY OF OKLAHOMA)

On the 30th day of April 2026, before me appeared Jason Thenmadathil, to me personally known, who, being by me first duly sworn, states that he is the Director of Regulatory Accounting for Oklahoma Gas and Electric Company ("OG&E") and acknowledges that he has read the above and foregoing document and believes that the statements therein are true and correct to the best of his information, knowledge, and belief.

Print Jason Thenmadathil

Signature

Subscribed and sworn to before me this 30th day of April, 2026.

Notary Public

My commission expires: 10-17-2026

Seal

