



OGE Energy Corp. and Electric Transmission America Announce Plan to Build 765 kV Lines in Western Oklahoma

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Companies form Horizon Transmission LLC to aid wind power development

OKLAHOMA CITY, July 15 /PRNewswire-FirstCall/ -- OGE Energy Corp. (NYSE: OGE) and Electric Transmission America (ETA), a joint venture of subsidiaries of American Electric Power (NYSE: AEP) and MidAmerican Energy Holdings Co., announced today that the companies have formed Horizon Transmission LLC to construct high-capacity transmission line projects in western Oklahoma.

"Oklahoma again has an opportunity to grow its economy while delivering a highly valued resource to our region," said Pete Delaney, chairman, president and CEO of OGE Energy Corp. "This time, it's the clean and renewable energy resource provided by the consistent winds present in western Oklahoma."

OGE will own 50 percent of the Horizon Transmission LLC joint venture.

"OGE has joined with two strong and experienced partners to enable us to continue to provide stewardship over the construction, operation and maintenance of transmission critical to the development of Oklahoma's wind resources," Delaney said. "These extra-high voltage lines will not only help unlock the wind potential and opportunities for investment in Oklahoma, but also will provide a valuable renewable source of electricity to Oklahoma's utility customers."

Separately, OGE's Oklahoma Gas & Electric (OG&E) subsidiary already is proposing to build a 345 kilovolt (kV) transmission line between Woodward and northwest Oklahoma City. That line is targeted for completion in 2010.

The new partnership announced today will allow the companies to lead development of renewable wind by sharing capital costs associated with the planned transmission construction. Work on the Horizon projects is scheduled to begin in the second half of 2009 and is targeted for completion by the end of 2013.

The Horizon projects are subject to creation by the Southwest Power Pool (SPP) of a cost allocation method that would spread costs across the SPP region. The project also requires approval from the Federal Energy Regulatory Commission (FERC). OG&E may seek approval from the Oklahoma Corporation Commission.

The Horizon partnership's initial projects will include 765 kV lines from Woodward 120 miles northwest to Guymon in the Oklahoma Panhandle and from Woodward 50 miles north to the Kansas border. An SPP study estimates cost for the two projects at about \$500 million.

All the projects underscore the role of Woodward as an important hub of wind generation, forming the intersection of key transmission facilities capable of collecting power generated by wind and transporting it to markets both within and outside the region.

"The Horizon Partnership, by combining the strength of both organizations, is well positioned to build this complex transmission infrastructure. OG&E will contribute its expertise in right of way, operations and maintenance while AEP will provide engineering design and construction oversight," Delaney said. "Through Horizon Transmission LLC, we intend to expedite completion of these projects while avoiding the burden of stand-alone capital costs associated with constructing 765 kV transmission."

In May, ETA formed a similar joint venture with Westar Energy Inc. (NYSE: WR) to build 765 kV lines between Spearville, Kan., and the Oklahoma border north of Woodward. That project, named Prairie Wind Transmission LLC, is proposing to build approximately 230 miles of transmission facilities from Wichita, Kan., west to near Dodge City, Kan., and then south to the Kansas/Oklahoma border near Medicine Lodge, Kan. The estimated cost of that project is \$600 million.

The Horizon Transmission and Prairie Wind Transmission projects encompass the first two segments of the Extra-High-Voltage Overlay Study plan released in March by the SPP.

OGE Energy is the parent company of Oklahoma Gas and Electric Company (OG&E), which serves more than 765,000 customers in a service territory spanning 30,000 square miles in Oklahoma and western Arkansas, and of Enogex LLC, a midstream natural gas pipeline business with principal operations in Oklahoma.

MidAmerican Energy Holdings Co., based in Des Moines, Iowa, is a global provider of energy services. Through its energy-related business platforms, MidAmerican provides electric and natural gas service to more than 6.9 million customers worldwide. MidAmerican Energy Holdings Company subsidiaries PacifiCorp and MidAmerican Energy Company own and operate more than 18,000 miles of electric transmission lines.

American Electric Power is one of the largest electric utilities in the United States, delivering electricity to more than 5 million customers in 11 states. AEP ranks among the nation's largest generators of electricity, owning nearly 38,000 megawatts of generating capacity in the U.S. AEP also owns the nation's largest electricity transmission system, a nearly 39,000-mile network that includes more 765-kilovolt extra-high voltage transmission lines than all other U.S. transmission systems combined. AEP's utility units include Public Service Company of Oklahoma. AEP's headquarters are in Columbus, Ohio.

Some of the matters discussed in this news release may contain forward-looking statements that are subject to certain risks, uncertainties and assumptions. Such forward-looking statements are intended to be identified in this document by the words "anticipate," "believe," "estimate," "expect," "intend," "objective," "plan," "possible," "potential," "project" and similar expressions. Actual results may vary materially. Factors that could cause

actual results to differ materially include, but are not limited to: general economic conditions, including the availability of credit, actions of rating agencies and their impact on capital expenditures; the Company's ability and the ability of its subsidiaries to obtain financing on favorable terms; prices of electricity, coal, natural gas and natural gas liquids, each on a stand-alone basis and in relation to each other; business conditions in the energy and natural gas midstream industries; competitive factors including the extent and timing of the entry of additional competition in the markets served by the Company; unusual weather; availability and prices of raw materials for current and future construction projects; federal or state legislation and regulatory decisions (including the approval of regulatory filings related to the proposed acquisition of the Redbud power plant) and initiatives that affect cost and investment recovery, have an impact on rate structures or affect the speed and degree to which competition enters the Company's markets; environmental laws and regulations that may impact the Company's operations; changes in accounting standards, rules or guidelines; the discontinuance of regulated accounting principles under SFAS No. 71; creditworthiness of suppliers, customers and other contractual parties; the higher degree of risk associated with the Company's nonregulated business compared with the Company's regulated utility business; the impact of the proposed initial public offering of limited partner interests of OGE Enogex Partners L.P.; and other risk factors listed in the reports filed by the Company with the Securities and Exchange Commission including Risk Factors and Exhibit 99.01 to the Company's Form 10-K for the year ended Dec. 31, 2007.

SOURCE OGE Energy Corp.

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