UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2023

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____to_____

Commission File Number	Exact name of registrants as specified in their charters, address of principal executive offices and registrants' telephone number	I.R.S. Employer Identification No.
1-12579	**OGE ENERGY CORP.**	73-1481638
1-1097	**OKLAHOMA GAS AND ELECTRIC COMPANY**	73-0382390

321 North Harvey
P.O. Box 321
Oklahoma City, Oklahoma 73101-0321
405-553-3000

State or other jurisdiction of incorporation or organization: Oklahoma
Securities registered pursuant to Section 12(b) of the Act:

Registrant	Title of each class	Trading Symbol(s)	Name of each exchange on which registered
OGE Energy Corp.	Common Stock	OGE	New York Stock Exchange
Oklahoma Gas and Electric Company	None	N/A	N/A

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
OGE Energy Corp. ☑ Yes ☐ No   Oklahoma Gas and Electric Company ☑ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).
OGE Energy Corp. ☑ Yes ☐ No   Oklahoma Gas and Electric Company ☑ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

OGE Energy Corp.	Large accelerated filer	☑	Accelerated filer	☐	Non-accelerated filer	☐	Smaller reporting company	☐	Emerging growth company	☐
Oklahoma Gas and Electric Company	Large accelerated filer	☐	Accelerated filer	☐	Non-accelerated filer	☑	Smaller reporting company	☐	Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
OGE Energy Corp. ☐ Yes ☑ No   Oklahoma Gas and Electric Company ☐ Yes ☑ No

At June 30, 2023, there were 200,287,364 shares of OGE Energy Corp.'s common stock, par value $0.01 per share, outstanding.

At June 30, 2023, there were 40,378,745 of Oklahoma Gas and Electric Company's common stock, par value $2.50 per share, outstanding, all of which were held by OGE Energy Corp. There were no other shares of capital stock of the registrants outstanding at such date.

Oklahoma Gas and Electric Company meets the conditions set forth in General Instruction H(1)(a) and (b) of Form 10-Q and is therefore filing this form with the reduced disclosure format permitted by General Instruction H(2).

FORM 10-Q

FOR THE QUARTER ENDED JUNE 30, 2023

TABLE OF CONTENTS

GLOSSARY OF TERMS

The following is a glossary of frequently used abbreviations that are found throughout this Form 10-Q.

Abbreviation	Definition
2022 Form 10-K	Annual Report on Form 10-K for the year ended December 31, 2022
APSC	Arkansas Public Service Commission
ASC	Financial Accounting Standards Board Accounting Standards Codification
ASU	Financial Accounting Standards Board Accounting Standards Update
CO_2	Carbon dioxide
COVID-19	Novel Coronavirus disease
Dry Scrubber	Dry flue gas desulfurization unit with spray dryer absorber
Enable	Enable Midstream Partners, LP, partnership formed to own and operate the former midstream businesses of OGE Energy and CenterPoint Energy, Inc. (prior to December 2, 2021)
Energy Transfer	Energy Transfer LP, a Delaware limited partnership, collectively with its subsidiaries
EPA	U.S. Environmental Protection Agency
Federal Clean Water Act	Federal Water Pollution Control Act of 1972, as amended
FERC	Federal Energy Regulatory Commission
FIP	Federal Implementation Program
GAAP	Accounting principles generally accepted in the U.S.
IRP	Integrated Resource Plan
MWh	Megawatt-hour
NAAQS	National Ambient Air Quality Standard
NO_X	Nitrogen oxide
OCC	Oklahoma Corporation Commission
ODEQ	Oklahoma Department of Environmental Quality
OG&E	Oklahoma Gas and Electric Company, wholly-owned subsidiary of OGE Energy
OGE Energy	OGE Energy Corp., collectively with its subsidiaries, holding company and parent company of OG&E
OGE Holdings	OGE Enogex Holdings, LLC, wholly-owned subsidiary of OGE Energy and previous holder of OGE Energy's former investment in Energy Transfer's equity securities
PM	Particulate matter
Pension Plan	Qualified defined benefit retirement plan
Regional Haze	The EPA's Regional Haze Rule
Registrants	OGE Energy and OG&E
Restoration of Retirement Income Plan	Supplemental retirement plan to the Pension Plan
SIP	State Implementation Plan
SO_2	Sulfur dioxide
SPP	Southwest Power Pool
System sales	Sales to OG&E's customers
U.S.	United States of America
USFWS	United States Fish and Wildlife Service
Winter Storm Uri	Unprecedented, prolonged extreme cold weather event in February 2021

FILING FORMAT

This combined Form 10-Q is separately filed by OGE Energy and OG&E. Information in this combined Form 10-Q relating to each individual Registrant is filed by such Registrant on its own behalf. OG&E makes no representation regarding information relating to any other companies affiliated with OGE Energy. Neither OGE Energy, nor any of OGE Energy's subsidiaries, other than OG&E, has any obligation in respect of OG&E's debt securities, and holders of such debt securities should not consider the financial resources or results of operations of OGE Energy nor any of OGE Energy's subsidiaries, other than OG&E (in relevant circumstances), in making a decision with respect to OG&E's debt securities. Similarly, none of OG&E nor any other subsidiary of OGE Energy has any obligation with respect to debt securities of OGE Energy. This combined Form 10-Q should be read in its entirety. No one section of this combined Form 10-Q deals with all aspects of the subject matter of this combined Form 10-Q.

FORWARD-LOOKING STATEMENTS

Except for the historical statements contained herein, the matters discussed within this Form 10-Q, including those matters discussed within "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations," are 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," "forecast," "intend," "objective," "plan," "possible," "potential," "project," "target" and similar expressions. Actual results may vary materially from those expressed in forward-looking statements. In addition to the specific risk factors discussed within "Item 1A. Risk Factors" in the Registrants' 2022 Form 10-K and within "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" herein, factors that could cause actual results to differ materially from the forward-looking statements include, but are not limited to:

- general economic conditions, including the availability of credit, access to existing lines of credit, access to the commercial paper markets, actions of rating agencies and inflation rates, and their impact on capital expenditures;
- the ability of OGE Energy and OG&E to access the capital markets and obtain financing on favorable terms, as well as inflation rates and monetary fluctuations;
- the ability to obtain timely and sufficient rate relief to allow for recovery of items such as capital expenditures, fuel and purchased power costs, operating costs, transmission costs and deferred expenditures;
- prices and availability of electricity, coal and natural gas;
- competitive factors, including the extent and timing of the entry of additional competition in the markets served by the Registrants, potentially through deregulation;
- the impact on demand for services resulting from cost-competitive advances in technology, such as distributed electricity generation and customer energy efficiency programs;
- technological developments, changing markets and other factors that result in competitive disadvantages and create the potential for impairment of existing assets;
- factors affecting utility operations such as unusual weather conditions; catastrophic weather-related damage; unscheduled generation outages; unusual maintenance or repairs; unanticipated changes to fossil fuel, natural gas or coal supply costs or availability due to higher demand, shortages, transportation problems or other developments; environmental incidents; or electric transmission or gas pipeline system constraints;
- availability and prices of raw materials and equipment for current and future construction projects;
- the effect of retroactive pricing of transactions in the SPP markets or adjustments in market pricing mechanisms by the SPP;
- federal or state legislation and regulatory decisions 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 Registrants' markets;
- environmental laws, safety laws or other regulations that may impact the cost of operations, restrict or change the way the Registrants' facilities are operated or result in stranded assets;
- changes in accounting standards, rules or guidelines;
- the discontinuance of accounting principles for certain types of rate-regulated activities;
- the cost of protecting assets against, or damage due to, terrorism or cyberattacks, including losing control of our assets and potential ransoms, and other catastrophic events;
- creditworthiness of suppliers, customers and other contractual parties, including large, new customers from emerging industries such as cryptocurrency;
- social attitudes regarding the electric utility and power industries;
- identification of suitable investment opportunities to enhance shareholder returns and achieve long-term financial objectives through business acquisitions and divestitures;

- increased pension and healthcare costs;
- national and global events that could adversely affect and/or exacerbate macroeconomic conditions, including inflationary pressures, rising interest rates, supply chain disruptions, economic recessions, pandemic health events and uncertainty surrounding continued hostilities or sustained military campaigns, and their collateral consequences;
- costs and other effects of legal and administrative proceedings, settlements, investigations, claims and matters, including, but not limited to, those described in this Form 10-Q; and
- other risk factors listed in the reports filed by the Registrants with the Securities and Exchange Commission, including those listed within "Item 1A. Risk Factors" in the Registrants' 2022 Form 10-K.

The Registrants undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

OGE ENERGY CORP.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions, except per share data)	**2023**	2022	**2023**	2022
OPERATING REVENUES				
Revenues from contracts with customers	**$ 589.2**	$ 791.0	**$ 1,133.8**	$ 1,369.1
Other revenues	**15.8**	12.7	**28.4**	23.9
Operating revenues	**605.0**	803.7	**1,162.2**	1,393.0
FUEL, PURCHASED POWER AND DIRECT TRANSMISSION EXPENSE	**181.8**	393.3	**382.4**	649.0
OPERATING EXPENSES				
Other operation and maintenance	**128.3**	118.1	**258.7**	233.1
Depreciation and amortization	**124.1**	111.6	**245.3**	219.0
Taxes other than income	**24.4**	24.1	**52.9**	52.2
Operating expenses	**276.8**	253.8	**556.9**	504.3
OPERATING INCOME	**146.4**	156.6	**222.9**	239.7
OTHER INCOME (EXPENSE)				
Allowance for equity funds used during construction	**5.1**	0.9	**9.6**	2.2
Other net periodic benefit income (expense)	**1.1**	(2.7)	**2.6**	(12.1)
Gain (loss) on equity securities (Note 1)	**—**	(39.6)	**—**	242.7
Other income	**12.7**	21.9	**29.6**	44.5
Other expense	**(4.4)**	(8.4)	**(10.9)**	(13.6)
Net other income (expense)	**14.5**	(27.9)	**30.9**	263.7
INTEREST EXPENSE				
Interest on long-term debt	**52.9**	39.5	**101.0**	78.9
Allowance for borrowed funds used during construction	**(1.3)**	(0.9)	**(3.4)**	(2.1)
Interest on short-term debt and other interest charges	**6.1**	3.8	**7.9**	5.7
Interest expense	**57.7**	42.4	**105.5**	82.5
INCOME BEFORE TAXES	**103.2**	86.3	**148.3**	420.9
INCOME TAX EXPENSE	**14.8**	13.2	**21.6**	68.3
NET INCOME	**$ 88.4**	$ 73.1	**$ 126.7**	$ 352.6
BASIC AVERAGE COMMON SHARES OUTSTANDING	**200.3**	200.2	**200.3**	200.2
DILUTED AVERAGE COMMON SHARES OUTSTANDING	**200.8**	200.7	**200.8**	200.6
BASIC EARNINGS PER AVERAGE COMMON SHARE	**$ 0.44**	$ 0.37	**$ 0.63**	$ 1.76
DILUTED EARNINGS PER AVERAGE COMMON SHARE	**$ 0.44**	$ 0.36	**$ 0.63**	$ 1.76

The accompanying Combined Notes to Condensed Financial Statements are an integral part hereof.

OGE ENERGY CORP.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions)	**2023**	2022	**2023**	2022
Net income	**$ 88.4**	$ 73.1	**$ 126.7**	$ 352.6
Other comprehensive income (loss), net of tax:				
Pension Plan and Restoration of Retirement Income Plan:				
Amortization of prior service cost, net of tax of \$0.0, \$0.0, \$0.0 and \$0.0, respectively	**—**	—	**0.1**	0.1
Amortization of deferred net loss, net of tax of \$0.0, \$0.2, \$0.1 and \$0.3, respectively	**0.3**	0.2	**0.5**	0.5
Settlement cost, net of tax of \$0.1, \$0.2, \$0.3 and \$2.4, respectively	**0.2**	0.7	**1.1**	8.1
Postretirement benefit plans:				
Amortization of deferred net gain, net of tax of \$0.0, \$0.0, \$0.0 and \$0.0, respectively	**—**	—	**(0.1)**	—
Other comprehensive income, net of tax	**0.5**	0.9	**1.6**	8.7
Comprehensive income	**$ 88.9**	$ 74.0	**$ 128.3**	$ 361.3

The accompanying Combined Notes to Condensed Financial Statements are an integral part hereof.

OGE ENERGY CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended June 30,	
(In millions)	**2023**	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 126.7**	$ 352.6
Adjustments to reconcile net income to net cash provided from operating activities:		
Depreciation and amortization	**245.3**	219.0
Deferred income taxes and other tax credits, net	**1.2**	(33.5)
Gain on investment in equity securities	**—**	(242.7)
Allowance for equity funds used during construction	**(9.6)**	(2.2)
Stock-based compensation expense	**6.3**	4.6
Regulatory assets	**(65.9)**	(46.5)
Regulatory liabilities	**(55.0)**	(43.2)
Other assets	**(2.2)**	19.4
Other liabilities	**2.3**	(11.1)
Change in certain current assets and liabilities:		
Accounts receivable and accrued unbilled revenues, net	**(32.0)**	(101.5)
Income taxes receivable	**13.9**	0.1
Fuel, materials and supplies inventories	**(44.4)**	(53.0)
Fuel recoveries	**316.6**	(119.8)
Other current assets	**47.6**	(42.2)
Accounts payable	**(111.8)**	19.5
Other current liabilities	**17.9**	88.6
Net cash provided from operating activities	**456.9**	8.1
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures (less allowance for equity funds used during construction)	**(580.6)**	(450.8)
Proceeds from sales of equity securities	**—**	627.4
Other	**(2.1)**	(2.9)
Net cash (used in) provided from investing activities	**(582.7)**	173.7
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	**788.8**	49.8
Payment of long-term debt	**(1,000.1)**	—
Increase (decrease) in short-term debt	**418.1**	(61.5)
Dividends paid on common stock	**(166.5)**	(164.4)
Cash paid for employee equity-based compensation and expense of common stock	**(2.3)**	(0.8)
Net cash provided from (used in) financing activities	**38.0**	(176.9)
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(87.8)**	4.9
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**88.1**	—
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**$ 0.3**	$ 4.9

The accompanying Combined Notes to Condensed Financial Statements are an integral part hereof.

OGE ENERGY CORP.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In millions)	June 30, 2023	December 31, 2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	**$ 0.3**	$ 88.1
Accounts receivable, less reserve of $1.7 and $1.9, respectively	**262.2**	250.1
Accrued unbilled revenues	**94.1**	74.2
Income taxes receivable	**6.8**	20.7
Fuel inventories	**117.7**	108.8
Materials and supplies, at average cost	**216.0**	180.5
Fuel clause under recoveries	**198.3**	514.9
Other	**55.7**	103.5
Total current assets	**951.1**	1,340.8
OTHER PROPERTY AND INVESTMENTS		
Other	**108.7**	105.8
Total other property and investments	**108.7**	105.8
PROPERTY, PLANT AND EQUIPMENT		
In service	**15,211.9**	14,695.2
Construction work in progress	**416.1**	436.1
Total property, plant and equipment	**15,628.0**	15,131.3
Less: accumulated depreciation	**4,688.4**	4,584.5
Net property, plant and equipment	**10,939.6**	10,546.8
DEFERRED CHARGES AND OTHER ASSETS		
Regulatory assets	**574.5**	524.3
Other	**30.7**	27.0
Total deferred charges and other assets	**605.2**	551.3
TOTAL ASSETS	**$ 12,604.6**	$ 12,544.7

The accompanying Combined Notes to Condensed Financial Statements are an integral part hereof.

OGE ENERGY CORP.
CONDENSED CONSOLIDATED BALANCE SHEETS (Continued)
(Unaudited)

(In millions)	**June 30, 2023**	December 31, 2022
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Short-term debt	**$ 418.1**	$ —
Accounts payable	**337.7**	448.9
Dividends payable	**82.9**	82.9
Customer deposits	**96.4**	88.8
Accrued taxes	**47.6**	54.0
Accrued interest	**57.3**	41.1
Accrued compensation	**35.5**	37.0
Long-term debt due within one year	**—**	999.9
Other	**51.7**	49.6
Total current liabilities	**1,127.2**	1,802.2
LONG-TERM DEBT	**4,339.0**	3,548.7
DEFERRED CREDITS AND OTHER LIABILITIES		
Accrued benefit obligations	**174.2**	176.9
Deferred income taxes	**1,262.4**	1,233.5
Deferred investment tax credits	**11.7**	12.0
Regulatory liabilities	**1,100.0**	1,147.1
Other	**211.0**	210.9
Total deferred credits and other liabilities	**2,759.3**	2,780.4
Total liabilities	**8,225.5**	8,131.3
COMMITMENTS AND CONTINGENCIES (NOTE 12)		
STOCKHOLDERS' EQUITY		
Common stockholders' equity	**1,138.4**	1,134.5
Retained earnings	**3,251.0**	3,290.9
Accumulated other comprehensive loss, net of tax	**(10.3)**	(11.9)
Treasury stock, at cost	**—**	(0.1)
Total stockholders' equity	**4,379.1**	4,413.4
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 12,604.6**	$ 12,544.7

The accompanying Combined Notes to Condensed Financial Statements are an integral part hereof.

OGE ENERGY CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Unaudited)

	Common Stock		Treasury Stock					
(In millions)	Shares	Value	Shares	Value	Premium on Common Stock	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total
Balance at December 31, 2022	200.2	$ 2.0	—	$ (0.1)	$ 1,132.5	$ 3,290.9	$ (11.9)	$ 4,413.4
Net income	—	—	—	—	—	38.3	—	38.3
Other comprehensive income, net of tax	—	—	—	—	—	—	1.1	1.1
Dividends declared on common stock ($0.4141 per share)	—	—	—	—	—	(83.6)	—	(83.6)
Stock-based compensation	0.1	—	—	0.1	0.7	—	—	0.8
Balance at March 31, 2023	200.3	$ 2.0	—	$ —	$ 1,133.2	$ 3,245.6	$ (10.8)	$ 4,370.0
Net income	—	—	—	—	—	88.4	—	88.4
Other comprehensive income, net of tax	—	—	—	—	—	—	0.5	0.5
Dividends declared on common stock ($0.4141 per share)	—	—	—	—	—	(83.0)	—	(83.0)
Stock-based compensation	—	—	—	—	3.2	—	—	3.2
Balance at June 30, 2023	200.3	$ 2.0	—	$ —	$ 1,136.4	$ 3,251.0	$ (10.3)	$ 4,379.1
Balance at December 31, 2021	200.1	$ 2.0	—	$ (0.1)	$ 1,123.8	$ 2,955.4	$ (24.8)	$ 4,056.3
Net income	—	—	—	—	—	279.5	—	279.5
Other comprehensive income, net of tax	—	—	—	—	—	—	7.8	7.8
Dividends declared on common stock ($0.4100 per share)	—	—	—	—	—	(82.3)	—	(82.3)
Stock-based compensation	—	—	—	—	1.4	—	—	1.4
Balance at March 31, 2022	200.1	$ 2.0	—	$ (0.1)	$ 1,125.2	$ 3,152.6	$ (17.0)	$ 4,262.7
Net income	—	—	—	—	—	73.1	—	73.1
Other comprehensive income, net of tax	—	—	—	—	—	—	0.9	0.9
Dividends declared on common stock ($0.4100 per share)	—	—	—	—	—	(82.1)	—	(82.1)
Stock-based compensation	0.1	—	—	—	2.3	—	—	2.3
Balance at June 30, 2022	200.2	$ 2.0	—	$ (0.1)	$ 1,127.5	$ 3,143.6	$ (16.1)	$ 4,256.9

The accompanying Combined Notes to Condensed Financial Statements are an integral part hereof.

OKLAHOMA GAS AND ELECTRIC COMPANY
CONDENSED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions)	**2023**	2022	**2023**	2022
OPERATING REVENUES				
Revenues from contracts with customers	**$ 589.2**	$ 791.0	**$ 1,133.8**	$ 1,369.1
Other revenues	**15.8**	12.7	**28.4**	23.9
Operating revenues	**605.0**	803.7	**1,162.2**	1,393.0
FUEL, PURCHASED POWER AND DIRECT TRANSMISSION EXPENSE	**181.8**	393.3	**382.4**	649.0
OPERATING EXPENSES				
Other operation and maintenance	**128.6**	118.3	**260.1**	233.8
Depreciation and amortization	**124.1**	111.6	**245.3**	219.0
Taxes other than income	**23.5**	23.3	**50.6**	50.1
Operating expenses	**276.2**	253.2	**556.0**	502.9
OPERATING INCOME	**147.0**	157.2	**223.8**	241.1
OTHER INCOME (EXPENSE)				
Allowance for equity funds used during construction	**5.1**	0.9	**9.6**	2.2
Other net periodic benefit income (expense)	**1.6**	(1.8)	**3.2**	(3.2)
Other income	**8.3**	1.0	**18.4**	2.2
Other expense	**(1.8)**	(0.4)	**(2.7)**	(0.8)
Net other income	**13.2**	(0.3)	**28.5**	0.4
INTEREST EXPENSE				
Interest on long-term debt	**51.6**	38.6	**98.1**	77.1
Allowance for borrowed funds used during construction	**(1.3)**	(0.9)	**(3.4)**	(2.1)
Interest on short-term debt and other interest charges	**1.8**	2.1	**3.1**	3.0
Interest expense	**52.1**	39.8	**97.8**	78.0
INCOME BEFORE TAXES	**108.1**	117.1	**154.5**	163.5
INCOME TAX EXPENSE	**16.2**	16.4	**22.8**	23.8
NET INCOME	**$ 91.9**	$ 100.7	**$ 131.7**	$ 139.7
Other comprehensive income, net of tax	**—**	—	**—**	—
COMPREHENSIVE INCOME	**$ 91.9**	$ 100.7	**$ 131.7**	$ 139.7

The accompanying Combined Notes to Condensed Financial Statements are an integral part hereof.

OKLAHOMA GAS AND ELECTRIC COMPANY
CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended June 30,	
(In millions)	**2023**	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 131.7**	$ 139.7
Adjustments to reconcile net income to net cash provided from operating activities:		
Depreciation and amortization	**245.3**	219.0
Deferred income taxes and other tax credits, net	**(0.4)**	182.2
Allowance for equity funds used during construction	**(9.6)**	(2.2)
Stock-based compensation expense	**1.5**	1.5
Regulatory assets	**(65.9)**	(46.5)
Regulatory liabilities	**(55.0)**	(43.2)
Other assets	**(2.0)**	1.3
Other liabilities	**4.3**	(1.1)
Change in certain current assets and liabilities:		
Accounts receivable and accrued unbilled revenues, net	**(32.6)**	(101.7)
Fuel, materials and supplies inventories	**(44.4)**	(53.0)
Fuel recoveries	**316.6**	(119.8)
Other current assets	**51.5**	(39.8)
Accounts payable	**(97.4)**	35.1
Income taxes payable - parent	**17.9**	(155.9)
Other current liabilities	**24.7**	16.6
Net cash provided from operating activities	**486.2**	32.2
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures (less allowance for equity funds used during construction)	**(580.6)**	(450.8)
Net cash used in investing activities	**(580.6)**	(450.8)
CASH FLOWS FROM FINANCING ACTIVITIES		
Changes in advances with parent	**55.9**	332.6
Proceeds from long-term debt	**788.8**	—
Payment of long-term debt	**(500.1)**	—
Increase in short-term debt	**—**	90.9
Dividends paid on common stock	**(250.0)**	—
Net cash provided from financing activities	**94.6**	423.5
NET CHANGE IN CASH AND CASH EQUIVALENTS	**0.2**	4.9
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**—**	—
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**$ 0.2**	$ 4.9

The accompanying Combined Notes to Condensed Financial Statements are an integral part hereof.

OKLAHOMA GAS AND ELECTRIC COMPANY
CONDENSED BALANCE SHEETS
(Unaudited)

(In millions)	**June 30, 2023**	December 31, 2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	**$ 0.2**	$ —
Accounts receivable, less reserve of $1.7 and $1.9, respectively	**262.1**	249.4
Accrued unbilled revenues	**94.1**	74.2
Advances to parent	**17.2**	91.0
Fuel inventories	**117.7**	108.8
Materials and supplies, at average cost	**216.0**	180.5
Fuel clause under recoveries	**198.3**	514.9
Other	**46.3**	97.8
Total current assets	**951.9**	1,316.6
OTHER PROPERTY AND INVESTMENTS	**4.6**	4.4
PROPERTY, PLANT AND EQUIPMENT		
In service	**15,205.8**	14,689.1
Construction work in progress	**416.1**	436.1
Total property, plant and equipment	**15,621.9**	15,125.2
Less: accumulated depreciation	**4,688.4**	4,584.5
Net property, plant and equipment	**10,933.5**	10,540.7
DEFERRED CHARGES AND OTHER ASSETS		
Regulatory assets	**574.5**	524.3
Other	**28.4**	24.5
Total deferred charges and other assets	**602.9**	548.8
TOTAL ASSETS	**$ 12,492.9**	$ 12,410.5

The accompanying Combined Notes to Condensed Financial Statements are an integral part hereof.

OKLAHOMA GAS AND ELECTRIC COMPANY
CONDENSED BALANCE SHEETS (Continued)
(Unaudited)

(In millions)	**June 30, 2023**	December 31, 2022
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES		
Accounts payable	**$ 299.0**	$ 395.8
Customer deposits	**96.4**	88.8
Accrued taxes	**45.6**	46.5
Accrued interest	**57.3**	40.8
Accrued compensation	**27.3**	27.8
Long-term debt due within one year	**—**	500.0
Other	**51.3**	49.3
Total current liabilities	**576.9**	1,149.0
LONG-TERM DEBT	**4,289.1**	3,498.9
DEFERRED CREDITS AND OTHER LIABILITIES		
Accrued benefit obligations	**97.1**	98.3
Deferred income taxes	**1,297.9**	1,271.1
Deferred investment tax credits	**11.7**	12.0
Regulatory liabilities	**1,100.0**	1,147.1
Other	**191.8**	188.9
Total deferred credits and other liabilities	**2,698.5**	2,717.4
Total liabilities	**7,564.5**	7,365.3
COMMITMENTS AND CONTINGENCIES (NOTE 12)		
STOCKHOLDER'S EQUITY		
Common stockholder's equity	**1,576.1**	1,574.6
Retained earnings	**3,352.3**	3,470.6
Total stockholder's equity	**4,928.4**	5,045.2
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	**$ 12,492.9**	$ 12,410.5

The accompanying Combined Notes to Condensed Financial Statements are an integral part hereof.

OKLAHOMA GAS AND ELECTRIC COMPANY
CONDENSED STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY
(Unaudited)

	Common Stock				
(In millions)	Shares	Value	Premium on Common Stock	Retained Earnings	Total
Balance at December 31, 2022	40.4	$ 100.9	$ 1,473.7	$ 3,470.6	$ 5,045.2
Net income	**—**	**—**	**—**	**39.8**	**39.8**
Stock-based compensation	**—**	**—**	**0.6**	**—**	**0.6**
Balance at March 31, 2023	**40.4**	**$ 100.9**	**$ 1,474.3**	**$ 3,510.4**	**$ 5,085.6**
Net income	**—**	**—**	**—**	**91.9**	**91.9**
Dividends declared on common stock	**—**	**—**	**—**	**(250.0)**	**(250.0)**
Stock-based compensation	**—**	**—**	**0.9**	**—**	**0.9**
Balance at June 30, 2023	**40.4**	**$ 100.9**	**$ 1,475.2**	**$ 3,352.3**	**$ 4,928.4**
Balance at December 31, 2021	40.4	$ 100.9	$ 1,470.8	$ 3,031.1	$ 4,602.8
Net income	—	—	—	39.0	39.0
Stock-based compensation	—	—	0.8	—	0.8
Balance at March 31, 2022	40.4	$ 100.9	$ 1,471.6	$ 3,070.1	$ 4,642.6
Net income	—	—	—	100.7	100.7
Stock-based compensation	—	—	0.7	—	0.7
Balance at June 30, 2022	40.4	$ 100.9	$ 1,472.3	$ 3,170.8	$ 4,744.0

The accompanying Combined Notes to Condensed Financial Statements are an integral part hereof.

COMBINED NOTES TO THE CONDENSED FINANCIAL STATEMENTS
(Unaudited)

Index of Combined Notes to Condensed Financial Statements

The Combined Notes to the Condensed Financial Statements are a combined presentation for OGE Energy and OG&E. The following table indicates the Registrant(s) to which each Note applies.

1. Summary of Significant Accounting Policies

Organization

OGE Energy is a holding company whose primary investment provides electricity in Oklahoma and western Arkansas. OGE Energy's electric company operations are conducted through its wholly-owned subsidiary, OG&E, which generates, transmits, distributes and sells electric energy in Oklahoma and western Arkansas and are reported through OGE Energy's electric company business segment. OG&E's rates are subject to regulation by the OCC, the APSC and the FERC. OG&E was incorporated in 1902 under the laws of the Oklahoma Territory and is the largest electric company in Oklahoma, with a franchised service territory that includes Fort Smith, Arkansas and the surrounding communities. OG&E sold its retail natural gas business in 1928 and is no longer engaged in the natural gas distribution business.

The accounts of OGE Energy and its wholly-owned subsidiaries, including OG&E, are included in OGE Energy's condensed consolidated financial statements. All intercompany transactions and balances are eliminated in such consolidation.

During 2022, OGE Energy accounted for its investment in Energy Transfer as an investment in equity securities, as further discussed below, and reported the Energy Transfer investment, along with legacy Enable seconded employee pension and postretirement costs, through OGE Energy's natural gas midstream operations segment. As of the end of September 2022, OGE Energy had sold all of its Energy Transfer limited partner units. Therefore, beginning in 2023, OGE Energy no longer has a natural gas operations reporting segment. Prior to OGE Energy's sale of all Energy Transfer limited partner units, the investment in Energy Transfer's equity securities was held through wholly-owned subsidiaries and ultimately OGE Holdings.

Basis of Presentation

The condensed financial statements included herein have been prepared by the Registrants, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations; however, the Registrants believe that the disclosures are adequate to prevent the information presented from being misleading.

In the opinion of management, all adjustments necessary to fairly present the financial position of the Registrants at June 30, 2023 and December 31, 2022, the results of the Registrants' operations for the three and six months ended June 30, 2023 and 2022 and the Registrants' cash flows for the three and six months ended June 30, 2023 and 2022 have been included and are of a normal, recurring nature except as otherwise disclosed. Management also has evaluated the impact of events occurring after June 30, 2023 up to the date of issuance of these condensed financial statements, and these statements contain all necessary adjustments and disclosures resulting from that evaluation.

Due to seasonal fluctuations and other factors, the Registrants' operating results for the three and six months ended June 30, 2023 are not necessarily indicative of the results that may be expected for the year ending December 31, 2023 or for any future period. The condensed financial statements and notes thereto should be read in conjunction with the audited financial statements and notes thereto included in the Registrants' 2022 Form 10-K.

Accounting Records

The accounting records of OG&E are maintained in accordance with the Uniform System of Accounts prescribed by the FERC and adopted by the OCC and the APSC. Additionally, OG&E, as a regulated utility, is subject to accounting principles for certain types of rate-regulated activities, which provide that certain incurred costs that would otherwise be charged to expense can be deferred as regulatory assets, based on the expected recovery from customers in future rates. Likewise, certain actual or anticipated credits that would otherwise reduce expense can be deferred as regulatory liabilities, based on the expected flowback to customers in future rates. Management's expected recovery of deferred costs and flowback of deferred credits generally results from specific decisions by regulators granting such ratemaking treatment.

OG&E records certain incurred costs and obligations as regulatory assets or liabilities if, based on regulatory orders or other available evidence, it is probable that the costs or obligations will be included in amounts allowable for recovery or refund in future rates.

The following table presents a summary of OG&E's regulatory assets and liabilities.

(In millions)		**June 30, 2023**		December 31, 2022
REGULATORY ASSETS				
Current:				
Oklahoma fuel clause under recoveries	**$**	**177.9**	$	474.3
Arkansas fuel clause under recoveries		**20.4**		40.6
Oklahoma Energy Efficiency Rider under recoveries (A)		**3.1**		7.7
Other (A)		**8.2**		4.7
Total current regulatory assets	**$**	**209.6**	$	527.3
Non-current:				
Oklahoma deferred storm expenses	**$**	**254.5**	$	206.3
Benefit obligations regulatory asset		**98.1**		119.7
Pension tracker		**81.9**		57.2
Arkansas Winter Storm Uri costs		**74.9**		78.2
Sooner Dry Scrubbers		**17.7**		18.1
Arkansas deferred pension expenses		**13.2**		12.3
Unamortized loss on reacquired debt		**7.6**		8.0
COVID-19 impacts		**7.3**		7.7
Frontier Plant deferred expenses		**4.4**		5.2
Other		**14.9**		11.6
Total non-current regulatory assets	**$**	**574.5**	$	524.3
REGULATORY LIABILITIES				
Current:				
SPP cost tracker over recovery (B)	**$**	**6.3**	$	3.0
Other (B)		**1.8**		2.5
Total current regulatory liabilities	**$**	**8.1**	$	5.5
Non-current:				
Income taxes refundable to customers, net	**$**	**866.3**	$	894.7
Accrued removal obligations, net		**231.9**		250.5
Other		**1.8**		1.9
Total non-current regulatory liabilities	**$**	**1,100.0**	$	1,147.1

(A) Included in Other Current Assets in the condensed balance sheets.
(B) Included in Other Current Liabilities in the condensed balance sheets.

Management continuously monitors the future recoverability of regulatory assets. When in management's judgment future recovery becomes impaired, the amount of the regulatory asset is adjusted, as appropriate. If OG&E were required to discontinue the application of accounting principles for certain types of rate-regulated activities for some or all of its operations, it could result in writing off the related regulatory assets or liabilities, which could have significant financial effects.

Allowance for Uncollectible Accounts Receivable

Customer balances are generally written off if not collected within six months after the final billing date. The allowance for uncollectible accounts receivable for OG&E is generally calculated by multiplying the last six months of electric revenue by the provision rate, which is based on a 12-month historical average of actual balances written off and is adjusted for current conditions and supportable forecasts as necessary. To the extent the historical collection rates, when incorporating forecasted conditions, are not representative of future collections, there could be an effect on the amount of uncollectible expense recognized. Also, a portion of the uncollectible provision related to fuel within the Oklahoma jurisdiction is being recovered through the fuel adjustment clause. The allowance for uncollectible accounts receivable is a reduction to Accounts Receivable in the condensed balance sheets and is included in Other Operation and Maintenance Expense in the condensed statements of income.

New business customers are required to provide a security deposit in the form of cash, bond or irrevocable letter of credit that is refunded when the account is closed. New residential customers whose outside credit scores indicate an elevated risk are required to provide a security deposit that is refunded based on customer protection rules defined by the OCC and the APSC. The payment behavior of all existing customers is continuously monitored, and, if the payment behavior indicates sufficient risk within the meaning of the applicable utility regulation, customers will be required to provide a security deposit.

Related Party Transactions

OGE Energy charges operating costs to OG&E based on several factors, and operating costs directly related to OG&E are assigned as such. Operating costs incurred for the benefit of OG&E are allocated either as overhead based primarily on labor costs or using the "Distrigas" method, which is a three-factor formula that uses an equal weighting of payroll, net operating revenues and gross property, plant and equipment. OGE Energy adopted this method as a result of a recommendation by the OCC Staff and believes this method provides a reasonable basis for allocating common expenses.

OGE Energy charged operating costs to OG&E of $35.8 million and $33.2 million during the three months ended June 30, 2023 and 2022, respectively, and $73.4 million and $66.1 million during the six months ended June 30, 2023 and 2022, respectively.

Accumulated Other Comprehensive Income (Loss)

The following tables present changes in the components of accumulated other comprehensive income (loss) attributable to OGE Energy during the six months ended June 30, 2023 and 2022. All amounts below are presented net of tax.

(In millions)	**Pension Plan and Restoration of Retirement Income Plan**	**Postretirement Benefit Plans**	**Total**
Balance at December 31, 2022	$ (18.5)	$ 6.6	$ (11.9)
Amounts reclassified from accumulated other comprehensive income (loss)	**0.6**	**(0.1)**	**0.5**
Settlement cost	**1.1**	**—**	**1.1**
Balance at June 30, 2023	**$ (16.8)**	**$ 6.5**	**$ (10.3)**

(In millions)	Pension Plan and Restoration of Retirement Income Plan	Postretirement Benefit Plans	Total
Balance at December 31, 2021	$ (26.1)	$ 1.3	$ (24.8)
Amounts reclassified from accumulated other comprehensive income	0.6	—	0.6
Settlement cost	8.1	—	8.1
Balance at June 30, 2022	$ (17.4)	$ 1.3	$ (16.1)

The following table presents significant amounts reclassified out of accumulated other comprehensive income (loss) attributable to OGE Energy by the respective line items in net income during the three and six months ended June 30, 2023 and 2022.

Details about Accumulated Other Comprehensive Income (Loss) Components	**Amount Reclassified from Accumulated Other Comprehensive Income (Loss)**				**Affected Line Item in OGE Energy's Statements of Income**
	Three Months Ended June 30,		**Six Months Ended June 30,**		
(In millions)	**2023**	2022	**2023**	2022	
Amortization of Pension Plan and Restoration of Retirement Income Plan items:					
Actuarial losses	**$ (0.3)**	$ (0.4)	**$ (0.6)**	$ (0.8)	(A)
Prior service cost	**—**	—	**(0.1)**	(0.1)	(A)
Settlement cost	**(0.3)**	(0.9)	**(1.4)**	(10.5)	(A)
	(0.6)	(1.3)	**(2.1)**	(11.4)	Income Before Taxes
	(0.1)	(0.4)	**(0.4)**	(2.7)	Income Tax Expense
	$ (0.5)	$ (0.9)	**$ (1.7)**	$ (8.7)	Net Income
Amortization of postretirement benefit plans items:					
Actuarial gains	**$ —**	$ —	**$ 0.1**	$ —	(A)
	—	—	**0.1**	—	Income Before Taxes
	—	—	**—**	—	Income Tax Expense
	$ —	$ —	**$ 0.1**	$ —	Net Income
Total reclassifications for the period, net of tax	**$ (0.5)**	$ (0.9)	**$ (1.6)**	$ (8.7)	Net Income

(A) These accumulated other comprehensive income (loss) components are included in the computation of net periodic benefit cost (see Note 10 for additional information).

Investment in Equity Securities of Energy Transfer

As of the end of September 2022, OGE Energy had sold all of its Energy Transfer limited partner units. Prior to exiting this investment, OGE Energy accounted for its investment in Energy Transfer's equity securities as an equity investment with a readily determinable fair value under ASC 321, "Investments - Equity Securities." For the three and six months ended June 30, 2022, OGE Energy recognized a pre-tax unrealized loss of $46.3 million and a pre-tax unrealized gain of $67.0 million, respectively, related to its investment in Energy Transfer's equity securities, as detailed below.

(In millions)	Three Months Ended June 30, 2022	Six Months Ended June 30, 2022
Gain (loss) on equity securities	$ (39.6)	$ 242.7
Net gain recognized on equity securities sold	6.7	175.7
Unrealized gain (loss) on equity securities sold	$ (46.3)	$ 67.0

During the three and six months ended June 30, 2022, respectively, OGE Energy received distributions of $13.3 million and $30.0 million from Energy Transfer, which are presented within Other Income in OGE Energy's 2022 condensed consolidated income statement.

2. Accounting Pronouncements

In September 2022, the Financial Accounting Standards Board issued ASU 2022-04, "Liabilities - Supplier Finance Programs (Subtopic 405-50)." The amendments in this update require that a buyer in a supplier finance program disclose in each annual reporting period: (i) the key terms of the program, including a description of the payment terms and assets pledged as security or other forms of guarantees provided for the committed payment to the finance provider and (ii) the amount outstanding that remains unpaid by the buyer as of year-end, a description of where those obligations are presented in the balance sheet and a rollforward of those obligations during the annual period. The standard was effective January 1, 2023, except for the amendment on rollforward information, which is effective January 1, 2024. The Registrants have adopted this standard, which did not result in a material impact on their financial statements and related disclosures.

The Registrants believe that other recently adopted and recently issued accounting standards that are not yet effective do not appear to have a material impact on the Registrants' financial position, results of operations or cash flows upon adoption.

3. Revenue Recognition

The following table presents OG&E's revenues from contracts with customers disaggregated by customer classification. OG&E's operating revenues disaggregated by customer classification can be found in "OG&E (Electric Company) Results of Operations" within "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations."

	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions)	**2023**	2022	**2023**	2022
Residential	**$ 216.3**	$ 289.3	**$ 421.8**	$ 516.1
Commercial	**155.5**	193.4	**289.9**	321.5
Industrial	**51.7**	81.4	**103.6**	138.8
Oilfield	**46.6**	79.0	**94.0**	132.2
Public authorities and street light	**52.5**	71.1	**97.6**	119.1
System sales revenues	**522.6**	714.2	**1,006.9**	1,227.7
Provision for tax refund	**0.6**	(2.1)	**2.0**	(2.7)
Integrated market	**18.8**	43.0	**31.5**	65.8
Transmission	**36.1**	32.9	**71.3**	68.7
Other	**11.1**	3.0	**22.1**	9.6
Revenues from contracts with customers	**$ 589.2**	$ 791.0	**$ 1,133.8**	$ 1,369.1

4. Fair Value Measurements

The classification of the Registrants' fair value measurements requires judgment regarding the degree to which market data is observable or corroborated by observable market data. GAAP establishes a fair value hierarchy that prioritizes the inputs used to measure fair value based on observable and unobservable data. The hierarchy categorizes the inputs into three levels, with the highest priority given to quoted prices in active markets for identical unrestricted assets or liabilities (Level 1) and the lowest priority given to unobservable inputs (Level 3). Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The three levels defined in the fair value hierarchy are as follows:

Level 1 inputs are quoted prices in active markets for identical unrestricted assets or liabilities that are accessible at the measurement date.

Level 2 inputs are inputs other than quoted prices in active markets included within Level 1 that are either directly or indirectly observable at the reporting date for the asset or liability for substantially the full term of the asset or liability. Level 2 inputs include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3 inputs are prices or valuation techniques for the asset or liability that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity). Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

The Registrants had no financial instruments measured at fair value on a recurring basis at June 30, 2023 and December 31, 2022. The following table presents the carrying amount and fair value of the Registrants' financial instruments at June 30, 2023 and December 31, 2022, as well as the classification level within the fair value hierarchy.

	June 30, 2023		December 31, 2022		
(In millions)	**Carrying Amount**	**Fair Value**	Carrying Amount	Fair Value	**Classification**
Long-term Debt (including Long-term Debt due within one year):					
OGE Energy Senior Notes	**$ —**	**$ —**	$ 499.9	$ 491.2	Level 2
OGE Energy Term Loan	**$ 49.9**	**$ 50.0**	$ 49.8	$ 50.0	Level 2
OG&E Senior Notes	**$ 4,144.5**	**$ 3,469.3**	$ 3,854.2	$ 3,477.1	Level 2
OG&E Industrial Authority Bonds	**$ 135.4**	**$ 135.4**	$ 135.4	$ 135.4	Level 2
OG&E Tinker Debt	**$ 9.2**	**$ 7.2**	$ 9.3	$ 7.3	Level 3

5. Stock-Based Compensation

The following table presents the Registrants' pre-tax compensation expense and related income tax benefit for the three and six months ended June 30, 2023 and 2022 related to performance units and restricted stock units for the Registrants' employees.

	OGE Energy				**OG&E**			
	Three Months Ended June 30,		**Six Months Ended June 30,**		**Three Months Ended June 30,**		**Six Months Ended June 30,**	
(In millions)	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
Performance units	**$ 2.3**	$ 1.8	**$ 4.5**	$ 3.6	**$ 0.6**	$ 0.5	**$ 1.1**	$ 1.1
Restricted stock units	**1.0**	0.5	**1.8**	1.0	**0.3**	0.2	**0.4**	0.4
Total compensation expense	**$ 3.3**	$ 2.3	**$ 6.3**	$ 4.6	**$ 0.9**	$ 0.7	**$ 1.5**	$ 1.5
Income tax benefit	**$ 0.8**	$ 0.6	**$ 1.5**	$ 1.2	**$ 0.2**	$ 0.2	**$ 0.3**	$ 0.4

During the six months ended June 30, 2023, OGE Energy issued 82,321 shares of new common stock pursuant to OGE Energy's Stock Incentive Plan and issued 2,371 shares of treasury stock to satisfy payouts of earned performance units and restricted stock unit grants to the Registrants' employees.

During the six months ended June 30, 2023, OGE Energy granted 213,442 performance units (based on total shareholder return over a three-year period) and 114,926 restricted stock units (primarily a three-year cliff vesting period) to employees at $43.74 and $37.52 fair value per share, respectively. Of those performance units and restricted stock units granted, 65,069 and 35,034 were granted to OG&E employees, respectively, at $43.74 and $37.52 fair value per share, respectively.

6. Income Taxes

OGE Energy files consolidated income tax returns in the U.S. federal jurisdiction and various state jurisdictions. OG&E is a part of the consolidated income tax return of OGE Energy. With few exceptions, the Registrants are no longer subject to U.S. federal tax or state and local examinations by tax authorities for years prior to 2019. Income taxes are generally allocated to each company in the affiliated group, including OG&E, based on its stand-alone taxable income or loss. Federal investment tax credits previously claimed on electric utility property have been deferred and will be amortized to income over the life of the related property. Oklahoma investment state tax credits are also earned on investments at electric generating facilities which further reduce OG&E's effective tax rate.

7. Common Equity

Automatic Dividend Reinvestment and Stock Purchase Plan

OGE Energy issued no new shares of common stock under its Automatic Dividend Reinvestment and Stock Purchase Plan during the three and six months ended June 30, 2023.

Earnings Per Share

Basic earnings per share is calculated by dividing net income attributable to OGE Energy by the weighted-average number of OGE Energy's common shares outstanding during the period. In the calculation of diluted earnings per share, weighted-average shares outstanding are increased for additional shares that would be outstanding if potentially dilutive securities were converted to common stock. Potentially dilutive securities for OGE Energy consist of performance units and restricted stock units. The following table presents the calculation of basic and diluted earnings per share for OGE Energy.

	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions, except per share data)	**2023**	2022	**2023**	2022
Net income	**$ 88.4**	$ 73.1	**$ 126.7**	$ 352.6
Average common shares outstanding:				
Basic average common shares outstanding	**200.3**	200.2	**200.3**	200.2
Effect of dilutive securities:				
Contingently issuable shares (performance and restricted stock units)	**0.5**	0.5	**0.5**	0.4
Diluted average common shares outstanding	**200.8**	200.7	**200.8**	200.6
Basic earnings per average common share	**$ 0.44**	$ 0.37	**$ 0.63**	$ 1.76
Diluted earnings per average common share	**$ 0.44**	$ 0.36	**$ 0.63**	$ 1.76
Anti-dilutive shares excluded from earnings per share calculation	**—**	—	**—**	—

8. Long-Term Debt

At June 30, 2023, the Registrants were in compliance with all of their debt agreements.

In 2021, OGE Energy issued $500.0 million of 0.703 percent senior notes, and OG&E issued $500.0 million of 0.553 percent senior notes. The Registrants repaid each of the $500.0 million senior notes that matured on May 26, 2023.

In January 2023, OG&E issued $450.0 million of 5.40 percent Senior Notes due January 15, 2033, and in April 2023, OG&E issued $350.0 million of 5.60 percent Senior Notes due April 1, 2053. The proceeds from these issuances were added to OG&E's general funds to be used for general corporate purposes, including to help fund the repayment of its $500.0 million of 0.553 percent Senior Notes that matured on May 26, 2023 and the funding of its capital investment program and working capital needs.

OGE Energy has a $100.0 million floating rate unsecured three-year credit agreement, of which $50.0 million is considered a revolving loan and $50.0 million is considered a term loan. During the three and six months ended June 30, 2023, the interest rate for the $50.0 million drawn on the term loan under this credit agreement ranged from 5.875 percent to 6.125 percent and 5.375 percent to 6.125 percent, respectively. For additional information related to this credit agreement, see Note 9.

OG&E Industrial Authority Bonds

OG&E has tax-exempt pollution control bonds with optional redemption provisions that allow the holders to request repayment of the bonds on any business day. The following table presents information about these bonds, which can be tendered at the option of the holder during the next 12 months.

Series			Date Due	Amount
				(In millions)
1.85%	-	4.45%	Garfield Industrial Authority, January 1, 2025	$ 47.0
1.85%	-	4.30%	Muskogee Industrial Authority, January 1, 2025	32.4
1.85%	-	4.45%	Muskogee Industrial Authority, June 1, 2027	56.0
Total (redeemable during next 12 months)				$ 135.4

All of these bonds are subject to an optional tender at the request of the holders, at 100 percent of the principal amount, together with accrued and unpaid interest to the date of purchase. The bond holders, on any business day, can request repayment of the bond by delivering an irrevocable notice to the tender agent stating the principal amount of the bond, payment instructions for the purchase price and the business day the bond is to be purchased. The repayment option may only be exercised by the holder of a bond for the principal amount. When a tender notice has been received by the trustee, a third-party remarketing agent for the bonds will attempt to remarket any bonds tendered for purchase. This process occurs once per week. Since the original issuance of these series of bonds in 1995 and 1997, the remarketing agent has successfully remarketed all tendered bonds. If the remarketing agent is unable to remarket any such bonds, OG&E is obligated to repurchase such unremarketed bonds. As OG&E has both the intent and ability to refinance the bonds on a long-term basis and such ability is supported by an ability to consummate the refinancing, the bonds are classified as Long-Term Debt in the condensed balance sheets. OG&E believes that it has sufficient liquidity to meet these obligations.

9. Short-Term Debt and Credit Facilities

The Registrants borrow on a short-term basis, as necessary, by the issuance of commercial paper and by borrowings under their revolving credit agreements. OGE Energy also borrows under term credit agreements maturing in one year or less, as necessary. OG&E had no short-term debt at June 30, 2023 and December 31, 2022.

The following table presents information regarding the Registrants' revolving credit agreements at June 30, 2023.

Entity	Aggregate Commitment	Amount Outstanding (A)	Weighted-Average Interest Rate		Expiration
	(In millions)				
OGE Energy (B)	$ 550.0	$ 418.1	5.49 %	(F)	December 17, 2027 (G)
OGE Energy (C)	50.0	—	— %	(F)	May 24, 2025
OG&E (D)(E)	550.0	0.4	1.15 %	(F)	December 17, 2027 (G)
Total	$ 1,150.0	$ 418.5	5.48 %		

(A) Includes direct borrowings under the revolving credit agreements, commercial paper borrowings and letters of credit at June 30, 2023.
(B) This bank facility is available to back up OGE Energy's commercial paper borrowings and to provide revolving credit borrowings. This bank facility can also be used as a letter of credit facility.
(C) OGE Energy has a $100.0 million floating rate unsecured three-year credit agreement, of which $50.0 million is considered a revolving loan and $50.0 million is considered a term loan.
(D) This bank facility is available to back up OG&E's commercial paper borrowings and to provide revolving credit borrowings. This bank facility can also be used as a letter of credit facility.
(E) OG&E has an intercompany borrowing agreement with OGE Energy whereby OG&E has access to up to $450.0 million of OGE Energy's revolving credit amount. This agreement has a termination date of December 17, 2027. At June 30, 2023, there were no intercompany borrowings under this agreement.
(F) Represents the weighted-average interest rate for the outstanding borrowings under the revolving credit agreements, commercial paper borrowings and letters of credit.
(G) In December 2022, the Registrants each entered into an amendment to their credit facility that extended the term of each credit facility for one year, until December 2027. Further, each credit facility amendment gave each of the Registrants the option of extending such commitments for up to two additional one-year periods.

The Registrants' ability to access the commercial paper market could be adversely impacted by a credit ratings downgrade or major market disruptions. Pricing grids associated with the Registrants' credit facilities could cause annual fees and borrowing rates to increase if an adverse rating impact occurs. The impact of any future downgrade could include an increase in the costs of the Registrants' short-term borrowings, but a reduction in the Registrants' credit ratings would not result in any defaults or accelerations. Any future downgrade could also lead to higher long-term borrowing costs and, if below investment grade, would require the Registrants to post collateral or letters of credit.

OG&E must obtain regulatory approval from the FERC in order to borrow on a short-term basis. OG&E has the necessary regulatory approvals to incur up to $1.0 billion in short-term borrowings at any one time for a two-year period beginning January 1, 2023 and ending December 31, 2024.

10. Retirement Plans and Postretirement Benefit Plans

In accordance with ASC Topic 715, "Compensation - Retirement Benefits," a one-time settlement charge is required to be recorded by an organization when lump sum payments or other settlements that relieve the organization from the responsibility for the pension benefit obligation during the plan year exceed the service cost and interest cost components of the organization's net periodic pension cost. During the six months ended June 30, 2023, the Registrants experienced an increase in the amount of lump sum payments paid to employees upon retirement, which resulted in the Registrants recording pension plan settlement charges as presented in the Pension Plan net periodic benefit cost tables below. The pension settlement charges did not require a cash outlay by the Registrants and did not increase total pension expense over time, as the charges were an acceleration of costs that otherwise would be recognized as pension expense in future periods.

Net Periodic Benefit Cost

The following tables present the net periodic benefit cost components, before consideration of capitalized amounts, of OGE Energy's Pension Plan, Restoration of Retirement Income Plan and postretirement benefit plans that are included in the condensed financial statements. Service cost is presented within Other Operation and Maintenance Expense, and the remaining net periodic benefit cost components as listed in the following tables are presented within Other Net Periodic Benefit Income (Expense) in the statements of income. OG&E recovers specific amounts of pension and postretirement medical costs in rates approved in its Oklahoma rate reviews. In accordance with approved orders, OG&E defers the difference between actual pension and postretirement medical expenses and the amount approved in its last Oklahoma rate review as a regulatory asset or regulatory liability. These amounts have been recorded in the Pension tracker in the regulatory assets and liabilities table in Note 1 and within Other Net Periodic Benefit Income (Expense) in the statements of income.

	Pension Plan				**Restoration of Retirement Income Plan**			
OGE Energy	**Three Months Ended June 30,**		**Six Months Ended June 30,**		**Three Months Ended June 30,**		**Six Months Ended June 30,**	
(In millions)	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
Service cost	**$ 1.3**	$ 1.7	**$ 2.7**	$ 3.9	**$ 0.2**	$ 0.2	**$ 0.5**	$ 0.5
Interest cost	**3.9**	4.3	**7.9**	7.7	**0.1**	0.1	**0.1**	0.1
Expected return on plan assets	**(4.2)**	(6.2)	**(8.2)**	(13.0)	**—**	—	**—**	—
Amortization of net loss	**2.0**	2.3	**4.2**	4.2	**—**	0.1	**—**	0.1
Amortization of unrecognized prior service cost (A)	**—**	—	**—**	—	**0.1**	—	**0.2**	0.1
Settlement cost	**1.2**	2.8	**19.4**	16.0	**—**	0.2	**—**	0.2
Net periodic benefit cost	**$ 4.2**	$ 4.9	**$ 26.0**	$ 18.8	**$ 0.4**	$ 0.6	**$ 0.8**	$ 1.0

(A) +Unamortized prior service cost is amortized on a straight-line basis over the average remaining service period to the first eligibility age of participants who are expected to receive a benefit and are active at the date of the plan amendment.

	Pension Plan				**Restoration of Retirement Income Plan**			
OG&E	**Three Months Ended June 30,**		**Six Months Ended June 30,**		**Three Months Ended June 30,**		**Six Months Ended June 30,**	
(In millions)	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
Service cost	**$ 1.1**	$ 1.4	**$ 2.2**	$ 3.1	**$ —**	$ —	**$ —**	$ —
Interest cost	**3.2**	3.3	**6.3**	5.9	**—**	—	**—**	—
Expected return on plan assets	**(3.3)**	(4.7)	**(6.5)**	(10.0)	**—**	—	**—**	—
Amortization of net loss	**1.7**	1.9	**3.6**	3.5	**—**	—	**—**	—
Settlement cost	**0.8**	2.1	**18.0**	5.7	**—**	—	**—**	—
Total net periodic benefit cost	**3.5**	4.0	**23.6**	8.2	**—**	—	**—**	—
Plus: Amount allocated from OGE Energy	**0.4**	0.4	**2.0**	2.2	**0.3**	0.3	**0.7**	0.7
Net periodic benefit cost	**$ 3.9**	$ 4.4	**$ 25.6**	$ 10.4	**$ 0.3**	$ 0.3	**$ 0.7**	$ 0.7

In addition to the net periodic benefit cost amounts recognized, as presented in the tables above, for the Pension and Restoration of Retirement Income Plans during the three and six months ended June 30, 2023 and 2022, the Registrants recognized the following:

	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions)	**2023**	2022	**2023**	2022
Change in regulatory asset related to pension expense to maintain allowed recoverable amount in Oklahoma jurisdiction (A)	**$ 3.9**	$ 0.4	**$ 24.1**	$ 2.3
Deferral of pension expense related to pension settlement charges included in the above line item:				
Oklahoma jurisdiction (A)	**$ 0.8**	$ 2.0	**$ 17.5**	$ 6.7
Arkansas jurisdiction (A)	**$ 0.1**	$ 0.2	**$ 1.6**	$ 0.6

(A) Included in the pension regulatory asset in each jurisdiction, as presented in the regulatory assets and liabilities table in Note 1.

	OGE Energy Postretirement Benefit Plans				OG&E Postretirement Benefit Plans			
	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended June 30,		Six Months Ended June 30,	
(In millions)	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
Service cost	**$ —**	$ —	**$ —**	$ 0.1	**$ —**	$ 0.1	**$ —**	$ 0.1
Interest cost	**1.3**	0.9	**2.6**	1.8	**1.0**	0.6	**2.0**	1.3
Expected return on plan assets	**(0.4)**	(0.5)	**(0.8)**	(0.9)	**(0.4)**	(0.4)	**(0.8)**	(0.8)
Amortization of net (gain) loss	**—**	0.2	**(0.1)**	0.7	**—**	0.3	**—**	0.8
Amortization of unrecognized prior service cost (A)	**—**	(0.9)	**—**	(1.9)	**—**	(0.9)	**—**	(1.8)
Total net periodic benefit cost	**0.9**	(0.3)	**1.7**	(0.2)	**0.6**	(0.3)	**1.2**	(0.4)
Plus: Amount allocated from OGE Energy					**0.2**	—	**0.3**	—
Net periodic benefit cost (income)	**$ 0.9**	$ (0.3)	**$ 1.7**	$ (0.2)	**$ 0.8**	$ (0.3)	**$ 1.5**	$ (0.4)

(A) Unamortized prior service cost is amortized on a straight-line basis over the average remaining service period to the first eligibility age of participants who are expected to receive a benefit and are active at the date of the plan amendment.

In addition to the net periodic benefit cost or income amounts recognized, as presented in the table above, for the postretirement benefit plans for the three and six months ended June 30, 2023 and 2022, the Registrants recognized the following:

	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions)	**2023**	2022	**2023**	2022
Change in regulatory asset or liability related to postretirement expense to maintain allowed recoverable amount in Oklahoma jurisdiction (A)	**$ 1.1**	$ 0.1	**$ 2.2**	$ (0.2)

(A) Included in the pension regulatory asset or liability in each jurisdiction, as presented in the regulatory assets and liabilities table in Note 1.

The following table presents the amount of net periodic benefit cost capitalized and attributable to each of the Registrants for OGE Energy's Pension Plan and postretirement benefit plans for the three and six months ended June 30, 2023 and 2022.

	OGE Energy				OG&E			
	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended June 30,		Six Months Ended June 30,	
(In millions)	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
Capitalized portion of net periodic pension benefit cost	**$ 0.5**	$ 0.7	**$ 1.1**	$ 1.5	**$ 0.5**	$ 0.5	**$ 1.0**	$ 1.2
Capitalized portion of net periodic postretirement benefit cost	**$ 0.1**	$ —	**$ 0.1**	$ 0.1	**$ 0.1**	$ 0.1	**$ 0.1**	$ 0.1

11. Report of Business Segments

OGE Energy reports its operations primarily through a single segment, captioned "electric company," which is engaged in the generation, transmission, distribution and sale of electric energy. The "other operations" caption primarily includes the operations of the holding company and other energy-related investments. Intersegment revenues are recorded at prices comparable to those of unaffiliated customers and are affected by regulatory considerations. During 2022, OGE Energy held an investment in Energy Transfer's equity securities and reported the investment's activity, as well as Enable legacy pension and postretirement costs, through the natural gas midstream operations segment. As of the end of September 2022, OGE Energy had sold all of Energy Transfer's limited partner units; therefore, beginning in 2023, OGE Energy no longer has a natural gas midstream operations segment. The following tables present the results of OGE Energy's business segments for the three and six months ended June 30, 2023 and 2022.

Three Months Ended June 30, 2023	**Electric Company**	**Other Operations**	**Eliminations**	**Total**
(In millions)				
Operating revenues	**$ 605.0**	**$ —**	**$ —**	**$ 605.0**
Fuel, purchased power and direct transmission expense	**181.8**	**—**	**—**	**181.8**
Other operation and maintenance	**128.6**	**(0.3)**	**—**	**128.3**
Depreciation and amortization	**124.1**	**—**	**—**	**124.1**
Taxes other than income	**23.5**	**0.9**	**—**	**24.4**
Operating income (loss)	**147.0**	**(0.6)**	**—**	**146.4**
Other income	**13.2**	**4.4**	**(3.1)**	**14.5**
Interest expense	**52.1**	**8.7**	**(3.1)**	**57.7**
Income tax expense (benefit)	**16.2**	**(1.4)**	**—**	**14.8**
Net income (loss)	**$ 91.9**	**$ (3.5)**	**$ —**	**$ 88.4**
Total assets	**$ 12,492.9**	**$ 686.8**	**$ (575.1)**	**$ 12,604.6**

Three Months Ended June 30, 2022	Electric Company	Natural Gas Midstream Operations	Other Operations	Eliminations	Total
(In millions)					
Operating revenues	$ 803.7	$ —	$ —	$ —	$ 803.7
Fuel, purchased power and direct transmission expense	393.3	—	—	—	393.3
Other operation and maintenance	118.3	0.5	(0.7)	—	118.1
Depreciation and amortization	111.6	—	—	—	111.6
Taxes other than income	23.3	0.1	0.7	—	24.1
Operating income (loss)	157.2	(0.6)	—	—	156.6
Loss on equity securities	—	(39.6)	—	—	(39.6)
Other income (expense)	(0.3)	12.4	—	(0.4)	11.7
Interest expense	39.8	—	3.0	(0.4)	42.4
Income tax expense (benefit)	16.4	(8.9)	5.7	—	13.2
Net income (loss)	$ 100.7	$ (18.9)	$ (8.7)	$ —	$ 73.1
Total assets	$ 12,317.2	$ 401.7	$ 751.9	$ (632.8)	$ 12,838.0

Six Months Ended June 30, 2023	**Electric Company**	**Other Operations**	**Eliminations**	**Total**
(In millions)				
Operating revenues	**$ 1,162.2**	**$ —**	**$ —**	**$ 1,162.2**
Fuel, purchased power and direct transmission expense	**382.4**	**—**	**—**	**382.4**
Other operation and maintenance	**260.1**	**(1.4)**	**—**	**258.7**
Depreciation and amortization	**245.3**	**—**	**—**	**245.3**
Taxes other than income	**50.6**	**2.3**	**—**	**52.9**
Operating income (loss)	**223.8**	**(0.9)**	**—**	**222.9**
Other income	**28.5**	**8.9**	**(6.5)**	**30.9**
Interest expense	**97.8**	**14.2**	**(6.5)**	**105.5**
Income tax expense (benefit)	**22.8**	**(1.2)**	**—**	**21.6**
Net income (loss)	**$ 131.7**	**$ (5.0)**	**$ —**	**$ 126.7**
Total assets	**$ 12,492.9**	**$ 686.8**	**$ (575.1)**	**$ 12,604.6**

Six Months Ended June 30, 2022	Electric Company	Natural Gas Midstream Operations	Other Operations	Eliminations	Total
(In millions)					
Operating revenues	$ 1,393.0	$ —	$ —	$ —	$ 1,393.0
Fuel, purchased power and direct transmission expense	649.0	—	—	—	649.0
Other operation and maintenance	233.8	1.2	(1.9)	—	233.1
Depreciation and amortization	219.0	—	—	—	219.0
Taxes other than income	50.1	0.1	2.0	—	52.2
Operating income (loss)	241.1	(1.3)	(0.1)	—	239.7
Gain on equity securities	—	242.7	—	—	242.7
Other income	0.4	21.1	—	(0.5)	21.0
Interest expense	78.0	—	5.0	(0.5)	82.5
Income tax expense (benefit)	23.8	51.3	(6.8)	—	68.3
Net income	$ 139.7	$ 211.2	$ 1.7	$ —	$ 352.6
Total assets	$ 12,317.2	$ 401.7	$ 751.9	$ (632.8)	$ 12,838.0

12. Commitments and Contingencies

Except as set forth below, in Note 13 and under "Environmental Laws and Regulations" in Item 2 of Part I and in Item 1 of Part II of this Form 10-Q, the circumstances set forth in Notes 13 and 14 to the financial statements included in the Registrants' 2022 Form 10-K appropriately represent, in all material respects, the current status of the Registrants' material commitments and contingent liabilities.

Environmental Laws and Regulations

The activities of OG&E are subject to numerous stringent and complex federal, state and local laws and regulations governing environmental protection. These laws and regulations can change, restrict or otherwise impact the Registrants' business activities in many ways, including the handling or disposal of waste material, planning for future construction activities to avoid or mitigate harm to threatened or endangered species and requiring the installation and operation of emissions or pollution control equipment. Failure to comply with these laws and regulations could result in the assessment of administrative, civil and criminal penalties, the imposition of remedial requirements and the issuance of orders enjoining future operations. Management believes that all of OG&E's operations are in substantial compliance with current federal, state and local environmental standards.

Environmental regulation can increase the cost of planning, design, initial installation and operation of OG&E's facilities. Management continues to evaluate its compliance with existing and proposed environmental legislation and regulations and implement appropriate environmental programs in a competitive market.

Other

In the normal course of business, the Registrants are confronted with issues or events that may result in a contingent liability. These generally relate to lawsuits or claims made by third parties, including governmental agencies. When appropriate, management consults with legal counsel and other experts to assess the claim. If, in management's opinion, the Registrants have incurred a probable loss as set forth by GAAP, an estimate is made of the loss, and the appropriate accounting entries are reflected in the condensed financial statements. If the assessment indicates that a potential loss is not probable but reasonably possible, the nature of the contingent matter, together with an estimate of the range of possible loss if determinable and material, would be disclosed. At the present time, based on currently available information, except as disclosed below, the Registrants believe that any reasonably possible losses in excess of accrued amounts arising out of pending or threatened lawsuits or claims would not be quantitatively material to their condensed financial statements and would not have a material adverse effect on their financial position, results of operations or cash flows.

In July 2023, OG&E was named, along with its contractor, as a defendant in a lawsuit filed by an apartment owner and its insurance companies seeking in excess of $60.0 million in damages related to a fire at an apartment building under construction in Oklahoma City. OG&E disputes the claims in the lawsuit and intends to vigorously defend this action. If OG&E was ultimately deemed liable for damages in connection with this incident, OG&E believes its existing insurance policies will cover its costs, in excess of a required retention (the amount of which is not material), to satisfy any liability it may have. Due to the uncertain and preliminary nature of this litigation, the outcome cannot be predicted, and OG&E is unable to provide a range of possible loss in this matter.

13. Rate Matters and Regulation

Except as set forth below, the circumstances set forth in Note 14 to the financial statements included in the Registrants' 2022 Form 10-K appropriately represent, in all material respects, the current status of the Registrants' regulatory matters.

Completed Regulatory Matters

APSC Proceedings

Arkansas 2022 Formula Rate Plan Filing

In October 2022, OG&E filed its fifth evaluation report under its Formula Rate Plan, and on February 1, 2023, OG&E and the APSC Staff filed a non-unanimous joint settlement agreement, which included an annual electric revenue increase of $9.6 million. The Arkansas Attorney General and the Arkansas Valley Electric Consumers agreed not to oppose the settlement. On March 2, 2023, the APSC issued a final order approving the non-unanimous settlement agreement, and new rates became effective April 1, 2023.

OCC Proceedings

2021 Oklahoma Fuel Prudency

On July 1, 2022, the OCC Public Utility Division Staff filed their application initiating the review of the 2021 fuel adjustment clause and prudence review. On February 21, 2023, a Joint Stipulation and Settlement Agreement was filed, and OG&E filed its testimony in support of such agreement. The stipulating parties, which include the OCC Public Utility Division Staff and the Oklahoma Attorney General, agreed that: (i) OG&E's practices, policies and judgment for fuel procurement during 2021 were prudent; (ii) OG&E's power purchase costs and expenses, monthly fuel filings and processes and fuel-related investments and decisions for 2021 were fair, just and reasonable and (iii) OG&E exercised prudent judgement pertaining to all such matters and that the electric generation, purchased power and fuel procurement expenses were prudently incurred. Further, the stipulating parties agreed to certain revisions of the fuel clause adjustment tariff, including a revised semi-annual fuel clause adjustment factor redetermination process which will be subject to the OCC Public Utility Division approval or denial. On April 20, 2023, the OCC issued a final order approving the Joint Stipulation and Settlement agreement, declaring that the electric generation, purchase power and fuel procurement practices, policies, judgment and fuel purchase costs and expenses incurred for the calendar year 2021 are approved as prudent, fair, just and reasonable.

SPP Proceedings

Planning Reserve Margin and Performance Based Accreditation

On July 26, 2022, the SPP Board of Directors approved a planning reserve margin increase from 12 percent to 15 percent that each load serving entity, such as OG&E, must maintain. This change is effective for the summer of 2023. OG&E has secured short-term bilateral contracts for the capacity needed to satisfy the 2023 requirements brought about by the increase to the SPP's planning reserve margin.

Pending Regulatory Matters

Various proceedings pending before state or federal regulatory agencies are described below. Unless stated otherwise, the Registrants cannot predict when the regulatory agency will act or what action the regulatory agency will take. The Registrants' financial results are dependent in part on timely and constructive decisions by the regulatory agencies that set OG&E's rates.

APSC Proceedings

Horseshoe Lake Modernization Plan

On July 12, 2023, OG&E filed an application at the APSC seeking authorization to commence construction of two hydrogen-capable combustion turbines totaling 448 megawatts at its existing Horseshoe Lake generating facility. The Horseshoe Lake project is expected to cost approximately $331 million, excluding financing costs and property taxes, and the new generating units are expected to be placed into service in late 2026. Arkansas law requires a public utility to seek approval from the APSC to commence construction of a power-generating facility located outside the boundaries of the state of Arkansas.

FERC Proceedings

Order for Sponsored Transmission Upgrades within SPP

Under Attachment Z2 of the SPP Open Access Transmission Tariff, costs of participant-funded, or "sponsored," transmission upgrades may be recovered from other SPP customers whose transmission service depends on capacity enabled by the upgrade. The SPP Tariff required the SPP to charge for these upgrades beginning in 2008, but the SPP did not begin charging its customers for these upgrades until 2016 due to information system limitations. At that time, the SPP sought a waiver of a time limitation in its tariff that otherwise would have prevented it from waiting until 2016 to bill for the 2008 through 2015 period. The FERC granted the waiver, and the SPP then billed OG&E as a user for these Z2 charges while simultaneously crediting OG&E as a sponsor of Z2 transmission upgrades, resulting in OG&E being a net recipient of sponsored upgrade credits. The majority of these net credits were refunded to customers through OG&E's various rate riders that include SPP activity with the remaining amounts retained by OG&E.

Several companies that were net payers of Z2 charges sought rehearing of the FERC's 2016 order approving the waiver and then appealed it. While that appeal was pending, the FERC obtained a remand and then reversed itself and ruled that the SPP tariff provision that prohibited the 2008 through 2015 charges could not be waived. It ordered the SPP to develop a plan to refund the payments but not to implement the refunds until further ordered to do so. In response, in April 2019, OG&E filed a request for rehearing at the FERC. The next month, it also filed a Complaint at the FERC against the SPP contending that the SPP and not OG&E should bear the cost of any refunds resulting from the SPP's tariff violation and that SPP's actions also violated its contracts with OG&E. In February 2020, the FERC denied OG&E's request for rehearing but did not consider SPP's refund plan. No date for payment of refunds was established. In August 2021, the U.S. Court of Appeals for the District of Columbia Circuit denied OG&E's petition for review of the FERC's order denying the waiver and requiring refunds. After denying rehearing of its ruling, the court of appeals returned the matter in November 2021 to the FERC for further proceedings in accordance with its opinion. The FERC has not acted on that remand.

If the FERC proceeds to order refunds in full, OG&E estimates it would be required to refund $13.0 million, which is net of amounts paid to other utilities for upgrades and would be subject to interest at the FERC-approved rate. The SPP has stated in filings with the FERC both before and after the court of appeals decision that there are considerable complexities in implementing the refunds that will have to be resolved before they can be paid. Payment of refunds would shift recovery of these upgrade credits to future periods. The SPP filed a report on January 4, 2022 confirming that administering refunds would be complex and could take years unless the

SPP is allowed to make certain simplifying assumptions. The SPP also urged that all pending complaint proceedings, including OG&E's complaint and three similar complaints against the SPP, be resolved before any refund process is ordered to begin. OG&E and other parties filed responses to the SPP report, and the matter remains pending at the FERC. Of the $13.0 million, the Registrants would be impacted by $5.0 million in expense that initially benefited the Registrants in 2016, and OG&E customers would incur a net impact of $8.0 million in expense through rider mechanisms or the FERC formula rate. As of June 30, 2023, the Registrants have reserved $13.0 million plus estimated interest for a potential refund.

In November 2022, the FERC issued an order denying OG&E's complaint against the SPP. It also issued orders granting the other three complaints against the SPP in part but awarded no relief. All four complainants timely sought rehearing of these orders. The FERC denied the rehearing petitions on June 27, 2023, and OG&E and the other complainants have filed appeals from the rehearing denials and the original denials. The U.S. Court of Appeals for the Eighth Circuit has set a briefing schedule for the consolidated appeals. The FERC will likely seek an extension of that schedule, and briefing will likely be completed in any case by the end of 2023.

In June 2020, the FERC approved, effective July 1, 2020, an SPP proposal to eliminate Attachment Z2 revenue crediting and replace it with a different rate mechanism that would provide project sponsors, such as OG&E, the same level of recovery. This elimination of the Attachment Z2 revenue crediting would only prospectively impact OG&E and its recovery of any future upgrade costs that it may incur as a project sponsor subsequent to July 2020. All of the existing projects that are eligible to receive revenue credits under Attachment Z2 will remain eligible, which includes the $13.0 million that is at issue in the remand from OG&E's appeal and in OG&E's complaint proceeding.

OCC Proceedings

Oklahoma Retail Electric Supplier Certified Territory Act Causes

As previously disclosed, several rural electric cooperative electricity suppliers filed complaints with the OCC alleging that OG&E, because it was providing service to large loads in another supplier's territory, had violated the Oklahoma Retail Electric Supplier Certified Territory Act. OG&E believes it is lawfully serving customers under specific exemptions under this act that allow it to serve customers having a load of one megawatt or greater. There were five complaint cases initiated at the OCC, and the OCC issued decisions on each of them. The OCC ruled in favor of the electric cooperatives in three of those cases under statutory interpretation and ruled in favor of OG&E in two of those cases under injunctive theory. All five of those cases were appealed to the Oklahoma Supreme Court.

On April 4, 2023, the Oklahoma Supreme Court issued its opinion which vacated the OCC's injunctions with respect to four of the cases and held that the Oklahoma Retail Electric Supplier Certified Territory Act does not limit the mechanism by which OG&E may provide service to large loads in another supplier's territory pursuant to the one megawatt exception. The one pending legal issue left for the Oklahoma Supreme Court to resolve is a statutory interpretation on how a supplier calculates "connected load for initial full operation" for purposes of the exemption under the act. If the Oklahoma Supreme Court ultimately were to find that the customers being served in this single case are not exempted from the Oklahoma Retail Electric Supplier Certified Territory Act, OG&E would have to evaluate the recoverability of some plant investments made to serve these customers and may also be required to reimburse the certified territory supplier in this case for an amount of lost revenue. Such amounts would not be expected to be material to the Registrants' results of operations.

Horseshoe Lake Modernization Plan - OCC Approval Filing

On May 31, 2023, OG&E filed an application at the OCC seeking approval for the cost associated with the purchase and installation of two hydrogen-capable combustion turbines totaling 448 megawatts at its existing Horseshoe Lake generating facility. The Horseshoe Lake project is expected to cost approximately $331 million, excluding financing costs and property taxes, and the new generating units are expected to be placed into service in late 2026. A hearing on the merits is expected to be held in October 2023.

2022 Oklahoma Fuel Prudency

On June 29, 2023, the Public Utility Division Staff filed their application initiating the review of the 2022 fuel adjustment clause and prudence review. OG&E expects to file its Minimum Filing Requirements and Supporting Testimony by August 29, 2023.

SPP Proceedings

Planning Reserve Margin and Performance Based Accreditation

In July 2022, the SPP Board of Directors approved a new unit accreditation methodology for conventional generation which requires submittal to and approval from the FERC prior to becoming effective. As a result, OG&E is currently evaluating its plan to fill the incremental capacity needs brought about by this policy change.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following combined discussion is separately filed by OGE Energy and OG&E. However, OG&E does not make any representations as to information related solely to OGE Energy or the subsidiaries of OGE Energy other than itself.

Introduction and Overview

OGE Energy is a holding company whose primary investment provides electricity in Oklahoma and western Arkansas. OGE Energy's electric company operations are conducted through its wholly-owned subsidiary, OG&E, which generates, transmits, distributes and sells electric energy in Oklahoma and western Arkansas and are reported through OGE Energy's electric company business segment. OG&E's rates are subject to regulation by the OCC, the APSC and the FERC. OG&E was incorporated in 1902 under the laws of the Oklahoma Territory and is the largest electric company in Oklahoma, with a franchised service territory that includes Fort Smith, Arkansas and the surrounding communities. OG&E sold its retail natural gas business in 1928 and is no longer engaged in the natural gas distribution business.

The accounts of OGE Energy and its wholly-owned subsidiaries, including OG&E, are included in OGE Energy's condensed consolidated financial statements. All intercompany transactions and balances are eliminated in such consolidation.

During 2022, OGE Energy accounted for its investment in Energy Transfer as an investment in equity securities and reported the Energy Transfer investment, along with legacy Enable seconded employee pension and postretirement costs, through OGE Energy's natural gas midstream operations segment. As of the end of September 2022, OGE Energy had sold all of its Energy Transfer limited partner units. Therefore, beginning in 2023, OGE Energy no longer has a natural gas operations reporting segment. Prior to OGE Energy's sale of all Energy Transfer limited partner units, the investment in Energy Transfer's equity securities was held through wholly-owned subsidiaries and ultimately OGE Holdings.

OGE Energy's purpose is to energize life, providing life-sustaining and life-enhancing products and services that enrich its communities and encourage growth and a higher quality of life. OGE Energy's purpose comes with a balanced approach to multifaceted stewardship: keeping its employees (internally referred to as "members") safe, reducing its environmental impact, strengthening its diverse communities and ensuring its effective corporate governance. OGE Energy's business model is centered around growth and sustainability for members, communities and customers and the owners of OGE Energy, its shareholders. OGE Energy is focused on creating long-term shareholder value by targeting the consistent growth of earnings per share of five to seven percent at the electric company, supported by strong load growth enabled by low customer rates and a strategy of investing in lower risk infrastructure projects that improve the economic vitality of the communities it serves in Oklahoma and Arkansas. OGE Energy's long-term sustainability is predicated on providing exceptional customer experiences, investing in grid improvements and increasingly cleaner generation resources, environmental stewardship, strong governance practices and caring for and supporting its members and communities. Further discussion of OGE Energy's strategy can be found in its 2022 Form 10-K.

Recent Developments

Global Macroeconomic Pressures

Geopolitical events, including the global COVID-19 pandemic, and related governmental and business responses continue to have an impact on the Registrants' operations, supply chains and end-user customers. The Registrants have experienced, and are pursuing mitigation strategies for, raw material inflation, logistical challenges and certain component shortages. Supply chain disruption, including disruptions related to utility-scale solar components, may result in delays in construction activities and equipment deliveries related to OGE Energy's capital projects. Rising interest rates have increased the cost of debt that OG&E has incurred during 2023 in order to help fund its capital investment program. The timing and extent of the financial impact from these events have not been material to the Registrants' operations at this time but are still uncertain, and the Registrants cannot predict the magnitude of the impact to the results of their business and results of operations.

OG&E's Regulatory Matters

Completed regulatory matters affecting current period results are discussed in Note 13 within "Item 1. Financial Statements." OG&E intends to file its next rate review in Oklahoma by the end of 2023 and expects to file an updated IRP for Oklahoma and Arkansas in 2024.

Summary of OGE Energy Operating Results

Three Months Ended June 30, 2023 as compared to the Three Months Ended June 30, 2022

OGE Energy's net income was $88.4 million, or $0.44 per diluted share, during the three months ended June 30, 2023 as compared to $73.1 million, or $0.36 per diluted share, during the same period in 2022. The increase in net income of $15.3 million, or $0.08 per diluted share, is further discussed below.

- An decrease in net income at OG&E of $8.8 million, or $0.04 per diluted share of OGE Energy's common stock, was primarily due to higher depreciation and amortization expense as a result of additional assets being placed into service, higher interest expense related to two senior notes issuances during the first six months of 2023, and higher other operation and maintenance expense, partially offset by higher operating revenues (excluding the impact of recoverable fuel, purchased power and direct transmission expense not impacting earnings) driven by the recovery of capital investments, which offset the impact of milder weather, and higher net other income.
- A decrease in net loss of other operations (holding company) of $5.2 million, or $0.03 per diluted share of OGE Energy's common stock, was primarily due to lower income tax expense as a result of a 2022 consolidating tax benefit related to mark-to-market activity and the gain on sale of Energy Transfer limited partner units during the first quarter of 2022 that reversed over the course of the year and higher other income, partially offset by higher interest expense driven by increased short-term debt outstanding.
- OGE Holdings' net loss of $18.9 million, or $0.09 per diluted share of OGE Energy's common stock, in the second quarter of 2022 included a $39.6 million pre-tax loss on OGE Energy's investment in Energy Transfer's equity securities. As further discussed in Note 11 within "Item 1. Financial Statements," OGE Energy had sold all of Energy Transfer's limited partner units by the end of September 2022; therefore, beginning in 2023, OGE Energy no longer has a natural gas midstream operations reporting segment.

Six Months Ended June 30, 2023 as compared to the Six Months Ended June 30, 2022

OGE Energy's net income was $126.7 million, or $0.63 per diluted share, during the six months ended June 30, 2023 as compared to $352.6 million, or $1.76 per diluted share, during the same period in 2022. The decrease in net income of $225.9 million, or $1.13 per diluted share, is further discussed below.

- A decrease in net income at OG&E of $8.0 million, or $0.04 per diluted share of OGE Energy's common stock, was primarily due to higher interest expense related to two senior notes issuances during the first six months of 2023, higher depreciation and amortization expense as a result of additional assets being placed into service, and increased other operation and maintenance expense, partially offset by higher operating revenues (excluding the impact of recoverable fuel, purchased power and direct transmission expense not impacting earnings) driven by the recovery of capital investments, which offset the impact of milder weather, and higher net other income.
- A decrease in net income of other operations (holding company) of $6.7 million, or $0.04 per diluted share of OGE Energy's common stock, was primarily due to higher interest expense driven by increased short-term debt outstanding and lower income tax benefit as a result of a 2022 consolidating tax benefit related to mark-to-market activity and the gain on sale of Energy Transfer limited partner units during the first quarter of 2022 that reversed over the course of the year, partially offset by higher other income.
- OGE Holdings' net income of $211.2 million, or $1.05 per diluted share of OGE Energy's common stock, in the first six months of 2022 included a $242.7 million pre-tax gain on OGE Energy's investment in Energy Transfer limited partner units. As further discussed in Note 11 within "Item 1. Financial Statements," OGE Energy had sold all of Energy Transfer's limited partner units by the end of September 2022; therefore, beginning in 2023, OGE Energy no longer has a natural gas midstream operations reporting segment.

2023 Outlook

OGE Energy's 2023 earnings guidance is reaffirmed and is projected to be between $387 million to $416 million, or $1.93 to $2.07 per average diluted share, with a midpoint of $402 million, or $2.00 per average diluted share. OG&E is projected to earn approximately $400 million to $421 million, or $1.99 to $2.09 per average diluted share, with a midpoint of $411 million, or $2.04 per average diluted share. A loss of $5 million to $13 million, or $0.02 to $0.06 per average diluted share, is projected for other operations (primarily the holding company) with a midpoint of a loss of $9 million, or $0.04 per average diluted share. The guidance assumes, among other things, approximately 201 million average diluted shares outstanding and normal weather for the year. OG&E has significant seasonality in its earnings due to weather on a year over year basis. See OGE Energy's 2022 Form 10-K for other key factors and assumptions underlying its 2023 guidance.

Results of Operations

The following discussion and analysis presents factors that affected the Registrants' results of operations for the three and six months ended June 30, 2023 as compared to the same periods in 2022 and the Registrants' financial position at June 30, 2023. Due to seasonal fluctuations and other factors, the Registrants' operating results for the three and six months ended June 30, 2023 are not necessarily indicative of the results that may be expected for the year ending December 31, 2023 or for any future period. The following information should be read in conjunction with the condensed financial statements and notes thereto. Known trends and contingencies of a material nature are discussed to the extent considered relevant.

OGE Energy	**Three Months Ended June 30,**		**Six Months Ended June 30,**	
(In millions, except per share data)	**2023**	2022	**2023**	2022
Net income	**$ 88.4**	$ 73.1	**$ 126.7**	$ 352.6
Basic average common shares outstanding	**200.3**	200.2	**200.3**	200.2
Diluted average common shares outstanding	**200.8**	200.7	**200.8**	200.6
Basic earnings per average common share	**$ 0.44**	$ 0.37	**$ 0.63**	$ 1.76
Diluted earnings per average common share	**$ 0.44**	$ 0.36	**$ 0.63**	$ 1.76
Dividends declared per common share	**$ 0.4141**	$ 0.4100	**$ 0.8282**	$ 0.8200

Results by Business Segment

	Three Months Ended June 30,		**Six Months Ended June 30,**	
(In millions)	**2023**	2022	**2023**	2022
Net income (loss):				
OG&E (Electric Company)	**$ 91.9**	$ 100.7	**$ 131.7**	$ 139.7
Other operations (A)	**(3.5)**	(8.7)	**(5.0)**	1.7
OGE Holdings (Natural Gas Midstream Operations) (B)	**—**	(18.9)	**—**	211.2
OGE Energy net income	**$ 88.4**	$ 73.1	**$ 126.7**	$ 352.6

(A) Other operations primarily includes the operations of the holding company, other energy-related investments and consolidating eliminations.

(B) As a result of OGE Energy's sale of all Energy Transfer units by the end of September 2022, OGE Energy no longer has a natural gas midstream operations reporting segment, beginning in 2023. More information regarding the change in reporting segments is discussed in Note 11 within "Item 1. Financial Statements."

The following discussion of results of operations by business segment includes intercompany transactions that are eliminated in OGE Energy's condensed consolidated financial statements.

OG&E (Electric Company)

	Three Months Ended June 30,		Six Months Ended June 30,	
(Dollars in millions)	**2023**	2022	**2023**	2022
Operating revenues	**$ 605.0**	$ 803.7	**$ 1,162.2**	$ 1,393.0
Fuel, purchased power and direct transmission expense	**181.8**	393.3	**382.4**	649.0
Other operation and maintenance	**128.6**	118.3	**260.1**	233.8
Depreciation and amortization	**124.1**	111.6	**245.3**	219.0
Taxes other than income	**23.5**	23.3	**50.6**	50.1
Operating income	**147.0**	157.2	**223.8**	241.1
Allowance for equity funds used during construction	**5.1**	0.9	**9.6**	2.2
Other net periodic benefit income (expense)	**1.6**	(1.8)	**3.2**	(3.2)
Other income	**8.3**	1.0	**18.4**	2.2
Other expense	**1.8**	0.4	**2.7**	0.8
Interest expense	**52.1**	39.8	**97.8**	78.0
Income tax expense	**16.2**	16.4	**22.8**	23.8
Net income	**$ 91.9**	$ 100.7	**$ 131.7**	$ 139.7
Operating revenues by classification:				
Residential	**$ 223.1**	$ 294.6	**$ 434.8**	$ 526.3
Commercial	**161.0**	197.7	**299.4**	329.2
Industrial	**53.1**	82.5	**106.0**	141.2
Oilfield	**47.2**	79.5	**94.9**	132.9
Public authorities and street light	**54.0**	72.6	**100.2**	122.0
System sales revenues	**538.4**	726.9	**1,035.3**	1,251.6
Provision for tax refund	**0.6**	(2.1)	**2.0**	(2.7)
Integrated market	**18.8**	43.0	**31.5**	65.8
Transmission	**36.1**	32.9	**71.3**	68.7
Other	**11.1**	3.0	**22.1**	9.6
Total operating revenues	**$ 605.0**	$ 803.7	**$ 1,162.2**	$ 1,393.0
MWh sales by classification *(In millions)*				
Residential	**2.1**	2.3	**4.3**	4.8
Commercial	**2.1**	1.9	**4.0**	3.5
Industrial	**1.0**	1.2	**2.0**	2.2
Oilfield	**1.1**	1.2	**2.2**	2.2
Public authorities and street light	**0.7**	0.7	**1.4**	1.4
System sales	**7.0**	7.3	**13.9**	14.1
Integrated market	**0.3**	0.2	**0.4**	0.5
Total sales	**7.3**	7.5	**14.3**	14.6
Number of customers	**891,755**	884,397	**891,755**	884,397
Weighted-average cost of energy per kilowatt-hour *(In cents)*				
Natural gas	**2.619**	7.613	**3.187**	6.928
Coal	**3.500**	3.302	**3.450**	2.968
Total fuel	**2.663**	5.821	**3.082**	5.008
Total fuel and purchased power	**2.360**	4.995	**2.536**	4.237
Degree days (A)				
Heating - Actual	**234**	210	**1,926**	2,220
Heating - Normal	**249**	249	**2,136**	2,136
Cooling - Actual	**571**	736	**577**	739
Cooling - Normal	**553**	553	**563**	563

(A) Degree days are calculated as follows: The high and low degrees of a particular day are added together and then averaged. If the calculated average is above 65 degrees, then the difference between the calculated average and 65 is expressed as cooling degree days, with each degree of difference equaling one cooling degree day. If the calculated average is below 65 degrees, then the difference between the calculated average and 65 is expressed as heating degree days, with each degree of difference equaling one heating degree day. The daily calculations are then totaled for the particular reporting period.

OG&E's net income decreased $8.8 million, or 8.7 percent, and $8.0 million, or 5.7 percent, during the three and six months ended June 30, 2023, respectively, as compared to the same periods in 2022. The following section discusses the primary drivers for the decreases in net income during the three and six months ended June 30, 2023, as compared to the same periods in 2022.

Operating revenues decreased $198.7 million, or 24.7 percent, and $230.8 million, or 16.6 percent, during the three and six months ended June 30, 2023, respectively, primarily driven by the below factors.

	$ Change	
(In millions)	**Three Months Ended**	**Six Months Ended**
Fuel, purchased power and direct transmission expense (A)	$ (211.5)	$ (266.6)
Quantity impacts (includes weather) (B)	(7.5)	(9.6)
Industrial and oilfield sales	(0.1)	0.4
Other	0.6	(0.4)
Non-residential demand and related revenues	0.8	3.8
New customer growth	1.9	4.7
Wholesale transmission revenue	3.3	2.5
Price variance (C)	6.1	21.4
Guaranteed Flat Bill program (D)	7.7	13.0
Change in operating revenues	$ (198.7)	$ (230.8)

(A) These expenses are generally recoverable from customers through regulatory mechanisms and are offset in Fuel, Purchased Power and Direct Transmission Expense in the statements of income, as further described below. The primary drivers of the changes in fuel, purchased power and direct transmission expense during the periods are further detailed in the table below.
(B) Decreased primarily due to a 22.4 percent and 21.9 percent decrease in cooling degree days for the three and six months ended June 30, 2023, respectively.
(C) Increased during the three and six months ended June 30, 2023 due to the Oklahoma general rate review order received in September 2022 that approved new rates effective July 1, 2022 and increased recovery through rider mechanisms.
(D) The Guaranteed Flat Bill program allows qualifying customers the opportunity to purchase their electricity needs at a set monthly price for an entire year which can result in variances when actual fuel and purchased power prices differ from what is included in Guaranteed Flat Bill program rates.

Fuel, purchased power and direct transmission expense for OG&E consists of fuel used in electric generation, purchased power and transmission related charges. As described above, the actual cost of fuel used in electric generation and certain purchased power costs are generally recoverable from OG&E's customers through fuel adjustment clauses. The fuel adjustment clauses are subject to periodic review by the OCC and the APSC. OG&E's fuel, purchased power and direct transmission expense decreased $211.5 million, or 53.8 percent, and $266.6 million, or 41.1 percent, during the three and six months ended June 30, 2023, respectively, primarily driven by the below factors.

	$ Change	
(In millions)	**Three Months Ended**	**Six Months Ended**
Fuel expense (A)	$ (68.0)	$ (110.2)
Purchased power costs:		
Purchases from SPP (B)	(136.1)	(147.1)
Wind	(7.3)	(6.7)
Other	3.2	3.2
Transmission expense	(3.3)	(5.8)
Change in fuel, purchased power and direct transmission expense	$ (211.5)	$ (266.6)

(A) Decreased primarily due to lower fuel costs related to the generating assets utilized during the three and six months ended June 30, 2023.
(B) Decreased primarily due to lower market prices for fuel during the three and six months ended June 30, 2023.

Other operation and maintenance expense increased $10.3 million, or 8.7 percent, and $26.3 million, or 11.2 percent, during the three and six months ended June 30, 2023, respectively, primarily driven by the below factors.

	$ Change	
(In millions)	**Three Months Ended**	**Six Months Ended**
Payroll and benefits, net of capitalized labor	$ 4.0	$ 6.1
Contract technical and construction services	3.4	5.7
Corporate overheads and allocations	2.8	7.7
Other	2.5	2.9
Vegetation management	(2.4)	3.9
Change in other operation and maintenance expense	$ 10.3	$ 26.3

Depreciation and amortization expense increased $12.5 million, or 11.2 percent, and $26.3 million, or 12.0 percent, during the three and six months ended June 30, 2023, respectively, primarily due to an increase in depreciation rates effective as of July 1, 2022 resulting from the most recent Oklahoma general rate review and additional assets being placed into service.

Net other income increased $13.5 million and $28.1 million during the three and six months ended June 30, 2023, respectively, primarily due to the carrying charge for the increased fuel under recovery balance, higher allowance for equity funds used during construction and lower pension cost.

Interest expense increased $12.3 million, or 30.9 percent, and $19.8 million, or 25.4 percent, during the three and six months ended June 30, 2023, respectively, primarily due to interest on long-term debt driven by the $450.0 million and $350.0 million senior notes issuance in January 2023 and in April 2023, respectively.

Income tax expense decreased $0.2 million, or 1.2 percent, and $1.0 million, or 4.2 percent, during the three and six months ended June 30, 2023, respectively, reflecting lower income tax expense primarily related to lower pretax income and additional amortization of unfunded deferred taxes, partially offset by decreased state tax credit generation.

OGE Holdings (Natural Gas Midstream Operations)

OGE Energy's former natural gas midstream operations reporting segment included OGE Energy's investment in Energy Transfer's equity securities and legacy Enable seconded employee pension and postretirement costs. As of the end of September 2022, OGE Energy had sold all of its Energy Transfer limited partner units; therefore, beginning in 2023, OGE Energy no longer has a natural gas midstream operations reporting segment. See "Investment in Equity Securities of Energy Transfer" in Note 1 within "Item 1. Financial Statements" for further discussion of the activity of Energy Transfer's equity securities during the three and six months ended June 30, 2022.

OGE Holdings' income tax benefit decreased $8.9 million during the three months ended June 30, 2023 and income tax expense decreased $51.3 million during the six months ended June 30, 2023, compared to the same periods in 2022, due to OGE Energy's divestiture of all Energy Transfer limited partner units in 2022.

Liquidity and Capital Resources

Cash Flows

OGE Energy

	Six Months Ended June 30,		2023 vs. 2022	
(Dollars in millions)	**2023**	2022	**$ Change**	**% Change**
Net cash provided from operating activities (A)	**$ 456.9**	$ 8.1	$ 448.8	*
Net cash (used in) provided from investing activities (B)	**$ (582.7)**	$ 173.7	$ (756.4)	*
Net cash provided from (used in) financing activities (C)	**$ 38.0**	$ (176.9)	$ 214.9	*

* Change is greater than 100 percent.

(A) Changed primarily due to an increase in cash received from customers, including cash related to fuel recoveries, and decreased vendor payments, including payments for fuel and purchased power.

(B) Changed primarily due to proceeds from the sale of Energy Transfer limited partner units received in 2022 and increased investments in technology and power delivery projects.

(C) Changed primarily due to OG&E's $450.0 million and $350.0 million senior note issuances in January 2023 and April 2023, respectively, and an increase in short-term debt, partially offset by the repayment of $1.0 billion in senior notes that matured in May 2023.

Working Capital

Working capital is defined as the difference in current assets and current liabilities. OGE Energy's working capital requirements are driven generally by changes in accounts receivable, accounts payable, commodity prices, credit extended to and the timing of collections from OG&E's customers, the level and timing of spending for maintenance and expansion activity, inventory levels and fuel recoveries. The following discussion addresses changes in OGE Energy's working capital balances at June 30, 2023 compared to December 31, 2022.

Cash and Cash Equivalents decreased $87.8 million, or 99.7 percent, primarily due to the use of cash to help fund the repayment of $1.0 billion in senior notes that matured in May 2023.

Accounts Receivable and Accrued Unbilled Revenues increased $32.0 million, or 9.9 percent, primarily due to an increase in billings to OG&E's retail customers reflecting higher seasonal usage in June 2023 as compared to December 2022.

Materials and Supplies, at Average Cost increased $35.5 million, or 19.7 percent, primarily due to increased inventory which is partly a result of the ongoing supply chain and inflation impacts of the current economic environment.

Fuel Clause Under Recoveries decreased $316.6 million, or 61.5 percent, primarily due to higher recoveries from OG&E retail customers as compared to the actual cost of fuel and purchased power driven by updated fuel factors implemented in 2023 to address the recovery of the fuel under recovery balance.

Other Current Assets decreased $47.8 million, or 46.2 percent, primarily due to a decrease in SPP deposits.

Short-Term Debt increased $418.1 million, primarily due to increased borrowings to help fund the repayment of the senior notes that matured in May 2023 coupled with general operating needs. The Registrants borrow on a short-term basis, as necessary, through the issuance of commercial paper under their revolving credit agreements.

Accounts Payable decreased $111.2 million, or 24.8 percent, primarily due to the timing of vendor payments and a decrease in fuel and purchased power payables.

Accrued Taxes decreased $6.4 million, or 11.9 percent, primarily due to payments made for state income taxes and timing of ad valorem tax payments.

Accrued Interest increased $16.2 million, or 39.4 percent, primarily due to OG&E's $450.0 million and $350.0 million senior note issuances in January 2023 and April 2023, respectively, as well as the timing of interest payments and accruals.

Long-Term Debt due within One Year decreased $999.9 million, due to the repayment of the $1.0 billion senior notes that matured in May 2023.

Future Material Cash Requirements

OGE Energy's primary, material cash requirements are related to acquiring or constructing new facilities and replacing or expanding existing facilities at OG&E. Other working capital requirements are expected to be primarily related to maturing debt, operating lease obligations, fuel clause under recoveries and other general corporate purposes. Further, working capital requirements can be seasonal. OGE Energy generally meets its cash needs through a combination of cash generated from operations, short-term borrowings (through a combination of bank borrowings and commercial paper) and permanent financings.

Capital Expenditures

OGE Energy's estimates of capital expenditures for the years 2023 through 2027 are discussed in detail within "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Registrants' 2022 Form 10-K, and OGE Energy's current estimates are trending higher than those outlined in the 2023 forecast. The capital investments are customer-focused and targeted to maintain and improve the safety, resiliency and reliability of OG&E's distribution and transmission grid and generation fleet, enhance the ability of OG&E's system to perform during extreme weather events and to serve OG&E's growing customer base. Additional capital expenditures beyond those identified in the Registrants' 2022 Form 10-K, including additional incremental growth opportunities, will be evaluated based upon the requirements of OG&E's power supply, transmission and distribution operational teams and the expected resultant customer benefits. The investments identified in the Registrants' 2022 Form 10-K do not include amounts related to new generation capacity needs as outlined in OG&E's October 2021 IRP and recent changes to the SPP's planning reserve margin and resource capacity accreditation. As discussed in Note 13 within "Item 1. Financial Statements", OG&E has filed applications with the OCC and APSC for approval of its plan to construct 448 megawatts of hydrogen-capable combustion turbines at its existing Horseshoe Lake generating facility. OG&E intends to file for approval of the remaining generation capacity investments and would expect to update its capital plan based on final orders received by state regulators. The annual level of investments in the transmission and distribution system could also vary depending on the amount and timing of incremental generation capacity investments.

Financing Activities and Future Sources of Financing

Management expects that cash generated from operations, proceeds from the issuance of long- and short-term debt, proceeds from the sales of common stock to the public through OGE Energy's Automatic Dividend Reinvestment and Stock Purchase Plan or other offerings will be adequate over the short-term and the long-term to meet anticipated cash needs and to fund future growth opportunities. OGE Energy utilizes short-term borrowings (through a combination of bank borrowings and commercial paper) to satisfy temporary working capital needs and as an interim source of financing capital expenditures until permanent financing is arranged.

Short-Term Debt and Credit Facilities

OGE Energy borrows on a short-term basis, as necessary, by issuance of commercial paper and borrowings under its revolving credit agreements and term credit agreements maturing in one year or less.

OGE Energy has unsecured five-year revolving credit facilities totaling $1.1 billion ($550.0 million for OGE Energy and $550.0 million for OG&E), which can also be used as letter of credit facilities. OGE Energy also has a $100.0 million floating rate unsecured three-year credit agreement, of which $50.0 million is considered a revolving loan. The following table presents information about OGE Energy's revolving credit agreements at June 30, 2023.

(Dollars in millions)		**June 30, 2023**
Balance of outstanding supporting letters of credit	$	0.4
Weighted-average interest rate of outstanding supporting letters of credit		1.15 %
Net available liquidity under revolving credit agreements, commercial paper borrowings and letters of credit	$	731.5
Balance of cash and cash equivalents	$	0.3

The following table presents information about OGE Energy's total short-term debt activity for the three and six months ended June 30, 2023.

(Dollars in millions)	Three Months Ended June 30, 2023	Six Months Ended June 30, 2023
Average balance of short-term debt	$ 232.9	$ 117.1
Weighted-average interest rate of average balance of short-term debt	5.45 %	5.45 %
Maximum month-end balance of short-term debt	$ 459.1	$ 459.1

OG&E must obtain regulatory approval from the FERC in order to borrow on a short-term basis. OG&E has the necessary regulatory approvals to incur up to $1.0 billion in short-term borrowings at any one time for a two-year period beginning January 1, 2023 and ending December 31, 2024.

Long-Term Debt

In January 2023, OG&E issued $450.0 million of 5.40 percent Senior Notes due January 15, 2033, and in April 2023, OG&E issued $350.0 million of 5.60 percent Senior Notes due April 1, 2053. The proceeds from these issuances were added to OG&E's general funds to be used for general corporate purposes, including to help fund the repayment of its $500.0 million of 0.553 percent Senior Notes that matured on May 26, 2023 and the funding of its capital investment program and working capital needs.

Security Ratings

Access to reasonably priced capital is dependent in part on credit and security ratings. Generally, lower ratings lead to higher financing costs. Pricing grids associated with OGE Energy's credit facilities could cause annual fees and borrowing rates to increase if an adverse rating impact occurs. The impact of any future downgrade could include an increase in the costs of OGE Energy's short-term borrowings, but a reduction in OGE Energy's credit ratings would not result in any defaults or accelerations. Any future downgrade could also lead to higher long-term borrowing costs and, if below investment grade, would require OGE Energy to post collateral or letters of credit.

A security rating is not a recommendation to buy, sell or hold securities. Such rating may be subject to revision or withdrawal at any time by the credit rating agency, and each rating should be evaluated independently of any other rating.

Critical Accounting Policies and Estimates

The condensed financial statements and notes thereto contain information that is pertinent to Management's Discussion and Analysis. In preparing the condensed financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and contingent liabilities at the date of the condensed financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Changes to these assumptions and estimates could have a material effect on the condensed financial statements. The Registrants believe they have taken reasonable positions where assumptions and estimates are used in order to minimize the negative financial impact to the Registrants that could result if actual results vary from the assumptions and estimates.

In management's opinion, the areas where the most significant judgment is exercised for the Registrants include the determination of pension and postretirement plan assumptions, income taxes, contingency reserves, asset retirement obligations, regulatory assets and liabilities, unbilled revenues and the allowance for uncollectible accounts receivable. The selection, application and disclosure of the critical accounting estimates have been discussed with the Audit Committee of OGE Energy's Board of Directors and are discussed in detail within "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Registrants' 2022 Form 10-K.

Commitments and Contingencies

In the normal course of business, the Registrants are confronted with issues or events that may result in a contingent liability. These generally relate to lawsuits or claims made by third parties, including governmental agencies. When appropriate, management consults with legal counsel and other experts to assess the claim. If, in management's opinion, the Registrants have incurred a probable loss as set forth by GAAP, an estimate is made of the loss, and the appropriate accounting entries are reflected in the condensed financial statements. If the assessment indicates that a potential loss is not probable but reasonably possible, the nature of the contingent matter, together with an estimate of the range of possible loss if determinable and material, would be disclosed. At the present time, based on available information, except as disclosed in Note 12 within "Item 1. Financial Statements," the Registrants believe that any reasonably possible losses in excess of accrued amounts arising out of pending or threatened lawsuits or claims would not be quantitatively material to their condensed financial statements and would not have a material adverse effect on their financial position, results of operations or cash flows. See Notes 12 and 13 within "Item 1. Financial Statements" for further discussion of the Registrants' commitments and contingencies.

Environmental Laws and Regulations

The activities of OG&E are subject to numerous stringent and complex federal, state and local laws and regulations governing environmental protection. These laws and regulations can change, restrict or otherwise impact the Registrants' business activities in many ways, including the handling or disposal of waste material, planning for future construction activities to avoid or mitigate harm to threatened or endangered species and requiring the installation and operation of emissions or pollution control equipment. Failure to comply with these laws and regulations could result in the assessment of administrative, civil and criminal penalties, the imposition of remedial requirements and the issuance of orders enjoining future operations. Management believes that all of OG&E's operations are in substantial compliance with current federal, state and local environmental standards.

President Biden's Administration has taken a number of actions that adopt policies and affect environmental regulations, including issuance of executive orders that instruct the EPA and other executive agencies to review certain rules that affect OG&E with a view to achieving nationwide reductions in greenhouse gas emissions. The Registrants are monitoring these actions which are in various stages of being implemented. At this point in time, the impacts of these actions on the Registrants' results of operations, if any, cannot be determined with any certainty.

Environmental regulation can increase the cost of planning, design, initial installation and operation of OG&E's facilities. Management continues to evaluate its compliance with existing and proposed environmental legislation and regulations and implement appropriate environmental programs in a competitive market.

Air

OG&E's operations are subject to the Federal Clean Air Act of 1970, as amended, and comparable state laws and regulations. These laws and regulations regulate emissions of air pollutants from various industrial sources, including electric generating units and also impose various monitoring and reporting requirements. Such laws and regulations may require that OG&E obtain pre-approval for the construction or modification of certain projects or facilities expected to produce air emissions or result in the increase of existing air emissions, obtain and strictly comply with air permits containing various emissions and operational limitations or install emission control equipment. OG&E is working cooperatively with federal and state environmental agencies to create emission limits for OG&E's operations that are consistent with legal requirements for protecting health and the environment while being cost effective for OG&E to implement. OG&E likely will be required to incur certain capital expenditures in the future for air pollution control equipment and technology in connection with obtaining and maintaining operating permits and approvals for air emissions.

Cross State Air Pollution Rule

The EPA revised the NAAQS for ozone in 2015. Although Oklahoma complies with the revised standard, the Federal Clean Air Act of 1970, as amended, requires states to submit to the EPA for approval a SIP to prohibit in-state sources from contributing significantly to nonattainment of the NAAQS in another state. On October 28, 2018, Oklahoma submitted its SIP to the EPA related to these "Good Neighbor" requirements. On January 31, 2023, the EPA disapproved the SIPs of 19 states, including Oklahoma. On March 2, 2023, the Oklahoma Attorney General and the ODEQ jointly filed a Petition for Review of the SIP disapproval in the Tenth Circuit. On March 16, 2023, OG&E filed a Petition for Review of the SIP disapproval in the Tenth Circuit. On June 6, 2023, OG&E, together with the Oklahoma Attorney General, the ODEQ, Tulsa Cement LLC and Western Farmers Electric Cooperative, jointly filed a motion with the Tenth Circuit requesting a stay of the EPA’s disapproval of the Oklahoma SIP. On July 27, 2023, the Tenth Circuit granted a stay of the EPA's disapproval of the Oklahoma SIP. The court indicated that the stay will remain in place until the disposition on the merits of the petition for review or further order of the court.

In a separate but related matter, on April 6, 2022, the EPA also published a proposed FIP related to the "Good Neighbor" requirements intended to reduce interstate NO_x emissions contributions. OG&E filed comments to the proposed FIP with the EPA on

June 21, 2022. On June 5, 2023, the EPA published a final FIP for 23 states, including Oklahoma. The issuance of the FIP resulted from the EPA's aforementioned SIP disapprovals. Among other changes, the EPA finalized a revision of the current Oklahoma NO_x emissions budget for electric generating units, including OG&E's units, beginning in 2023. Under the terms of the FIP, the emissions budget will decline over time based on the level of reductions that the EPA has determined is achievable through particular emissions controls. OG&E's preliminary analysis indicates that Oklahoma's state budget for 2026 will be reduced by 34.5 percent from 2023 levels and that for 2027 it will be reduced by 50 percent from 2021 levels. As long as the stay of the EPA's disapproval of the Oklahoma SIP discussed above remains in place, the EPA may not enforce the Good Neighbor FIP.

In light of the issuance of the FIP, OG&E has been evaluating various control strategies to reduce emissions at its generating units, which can range from some combination of purchase of emission allowances, installation of selective catalytic reduction controls, conversion of coal-fired units to gas-fired units or retirement and replacement of capacity. Due to the uncertainty relating to the disapproval of the SIP and implementation of the FIP, OG&E cannot determine the cost to comply with certainty, as such costs are dependent upon the timing and outcome of the litigation discussed above, the particular control strategies ultimately selected for each unit, the terms and timing of regulatory approvals required from the OCC and the time period necessary to complete the projects. However, OG&E preliminarily estimates that the cost of compliance with the FIP as issued could be up to approximately $2.7 billion in total, including $100 million to $300 million over the 12 to 18 month period following effectiveness of the FIP. OG&E expects that it would seek recovery of any necessary environmental expenditures to handle state and federally mandated environmental upgrades, but there is no guarantee that all of such expenditures will be approved for recovery or will be approved for recovery on a timely basis.

Particulate Matter NAAQS

On January 27, 2023, the EPA published a proposed rule in the Federal Register to reconsider the primary (health-based) and secondary (welfare-based) NAAQS for PM. The EPA is proposing to lower the primary annual $PM_{2.5}$ to a level ranging from approximately 17 percent to 25 percent below the current standard and is proposing to retain the other PM NAAQS at their current levels. PM is not a single pollutant but rather is a mixture of chemicals, solids and aerosols composed of small droplets of liquid, dry solid fragments and solid cores with liquid coatings. PM varies widely in size, shape and chemical composition and is defined by diameter for air quality regulatory purposes: PM_{10} and $PM_{2.5}$. The EPA expects to issue a final decision on the PM standards in 2024. The EPA will determine which areas of the country meet the standards, such as making initial attainment/nonattainment designations, no later than two years after new standards are issued. States must develop and submit attainment plans no later than 18 months after the EPA finalizes nonattainment designations. This proposed rule could impact regional air quality goals and emission limits for emission sources; however, it is unknown at this time what, if any, potential material impacts to OG&E individual operating permit emission limits will result from the EPA actions.

Regional Haze

In July 2020, the ODEQ notified OG&E that the Horseshoe Lake generating units would be included in Oklahoma's second Regional Haze implementation period evaluation of visibility impairment impacts to the Wichita Mountains. OG&E submitted an analysis of all potential control measures for NO_x on these units to the ODEQ. The ODEQ submitted a revised SIP to the EPA on August 12, 2022. It is unknown at this time what the outcome, or any potential material impacts, if any, will be from the evaluations by OG&E, the ODEQ and the EPA.

Mercury and Air Toxics Standards

On April 24, 2023, the EPA published in the Federal Register a proposed rule, National Emission Standards for Hazardous Air Pollutants: Coal- and Oil-Fired Electric Utility Steam Generating Units - Review of the Residual Risk and Technology Review. The proposal contains the results of the EPA's review of the May 2020 risk and technology review for the Mercury and Air Toxics Standards and proposes changes to certain emission standards and compliance measures. OG&E participated with trade associations to provide comments to the EPA on June 23, 2023. It is unknown what potential material impacts, if any, will be from the final action by the EPA.

Greenhouse Gas

OG&E monitors possible changes in legal standards for emissions of greenhouse gases, including CO_2, sulfur hexafluoride and methane, including President Biden Administration's target of a 50 to 52 percent reduction in economy-wide net greenhouse gas emissions from 2005 levels by 2030 with full decarbonization of the electric power industry by 2035 and the September 2022 EPA non-rulemaking docket for public input related to the EPA's efforts to reduce emissions of greenhouse gases from new and existing fossil fuel-fired electric generating units under Clean Air Act Section 111. If legislation or regulations are passed at the federal or state levels in the future requiring mandatory reductions of CO_2 and other greenhouse gases at OG&E's facilities, this could result in significant additional compliance costs that would affect OG&E's future financial position, results of operations and cash flows if such costs are not recovered through regulated rates. On May 23, 2023, the EPA proposed rules to reduce emissions of greenhouse gases from fossil fuel-fired electric generating units under Clean Air Act Section 111. The proposal encompasses both Section 111(b) and 111 (d) rulemakings for new units and existing units, respectively. Comments are due to the EPA by August 8, 2023. It is unknown what outcome, or any potential material impacts, if any, will be from the final action by the EPA.

OG&E has reduced carbon dioxide emissions by over 40 percent compared to 2005 levels, and during the same period, emissions of ozone-forming NO_x have been reduced by approximately 80 percent and emissions of SO_2 have been reduced by approximately 90 percent. OG&E expects to further reduce carbon dioxide emissions to 50 percent of 2005 levels by 2030. To comply with the EPA rules, OG&E converted two coal-fired generating units at the Muskogee Station to natural gas, among other measures. OG&E's SmartHours and Load Reduction Program involve active engagement with customers to reduce the amount of generation required to serve peak demand. OG&E is also planning to deploy more renewable energy sources that do not emit greenhouse gases.

In October 2021, OG&E issued its most recent IRP to the OCC and APSC that proposes to expand its renewable generation fleet, including the potential development of additional solar resources. OG&E has leveraged its geographic position to develop renewable energy resources and completed transmission investments to deliver the renewable energy.

Endangered Species

Certain federal laws, including the Bald and Golden Eagle Protection Act, the Migratory Bird Treaty Act and the Endangered Species Act, provide special protection to certain designated species. These laws and any state equivalents provide for significant civil and criminal penalties for unpermitted activities that result in harm to or harassment of certain protected animals and plants, including damage to their habitats. If such species are located in an area in which OG&E conducts operations, or if additional species in those areas become subject to protection, OG&E's operations and development projects, particularly transmission, wind or pipeline projects, could be restricted or delayed, or OG&E could be required to implement expensive mitigation measures.

On September 14, 2022, the USFWS published a proposal to list the Tricolored Bat as endangered under the Endangered Species Act. According to the proposal, the current known range of the Tricolored Bat extends to 36 states, including Oklahoma and Arkansas. A listing decision is expected in the second half of 2023. OG&E is closely monitoring this issue due to possible future impacts; however, it is unknown at this time what, if any, material impacts will result from the USFWS action.

Waste

OG&E's operations generate wastes that are subject to the Federal Resource Conservation and Recovery Act of 1976 as well as comparable state laws which impose detailed requirements for the handling, storage, treatment and disposal of waste.

During 2022, approximately 95 percent of the ash from OG&E's River Valley, Muskogee and Sooner facilities was recovered and reused in various ways, including soil stabilization, landfill cover, road base construction and cement and concrete production. Reusing fly ash reduces the need to manufacture cement resulting in reductions in greenhouse gas emissions from cement and concrete production. Based on estimates from the American Coal Ash Association, OG&E fly ash reuse helped avoid over three million tons of CO_2 emissions in the last 15 years.

OG&E has sought and will continue to seek pollution prevention opportunities and to evaluate the effectiveness of its waste reduction, reuse and recycling efforts. OG&E obtains refunds from the recycling of scrap metal, salvaged transformers and used transformer oil. Additional savings are expected to be gained through the reduction and/or avoidance of disposal costs and the reduction in material purchases due to the reuse of existing materials.

Water

OG&E's operations are subject to the Federal Clean Water Act and comparable state laws and regulations. These laws and regulations impose detailed requirements and strict controls regarding the discharge of pollutants into state and federal waters.

In 2015, the EPA issued a final rule addressing the effluent limitation guidelines for power plants under the Federal Clean Water Act. The final rule establishes technology- and performance-based standards that may apply to discharges of six waste streams including bottom ash transport water. Compliance with this rule will occur by 2023; however, on April 12, 2017, the EPA granted a Petition for Reconsideration of the 2015 Rule. On October 13, 2020, the EPA published a final rule to revise the technology-based effluent limitations for flue gas desulfurization waste water and bottom ash transport water. On August 3, 2021, the EPA published notice in the Federal Register that it will undertake a supplemental rulemaking to revise the effluent limitation guidelines rule after completing its review of the October 2020 rule. The existing effluent limitation guidelines will remain in effect while the EPA undertakes this new rulemaking, with a compliance date of no later than December 31, 2025. On March 29, 2023, the EPA published a proposed rule to revise the effluent limitation guidelines for flue gas desulfurization wastewater, bottom ash transport water and combustion residual leachate. The proposed rule would prohibit any discharge from bottom ash transport water systems and has a compliance date of December 31, 2029. OG&E is planning to install dry bottom ash handling technology that will comply with the rule.

Since the purchase of the Redbud facility in 2008, OG&E made investments in the infrastructure that have led to OG&E's average use of approximately 2.5 billion gallons per year of treated municipal effluent for all of the needed cooling water at Redbud and McClain. This use of treated municipal effluent offsets the need for fresh water as cooling water, making fresh water available for other beneficial uses like drinking water, irrigation and recreation.

Site Remediation

The Comprehensive Environmental Response, Compensation and Liability Act of 1980 and comparable state laws impose liability, without regard to the legality of the original conduct, on certain classes of persons responsible for the release of hazardous substances into the environment. Because OG&E utilizes various products and generates wastes that are considered hazardous substances for purposes of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, OG&E could be subject to liability for the costs of cleaning up and restoring sites where those substances have been released to the environment. At this time, it is not anticipated that any associated liability will cause a significant impact to OG&E.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

There have been no significant changes in the market risks affecting the Registrants from those discussed in the Registrants' 2022 Form 10-K.

Item 4. Controls and Procedures.

The Registrants maintain a set of disclosure controls and procedures designed to ensure that information required to be disclosed by the Registrants in reports that they file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms. In addition, the disclosure controls and procedures ensure that information required to be disclosed is accumulated and communicated to management, including the chief executive officer and chief financial officer, allowing timely decisions regarding required disclosure. As of the end of the period covered by this report, based on an evaluation carried out under the supervision and with the participation of the Registrants' management, including the chief executive officer and chief financial officer, of the effectiveness of the Registrants' disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15(d)-15(e) under the Securities Exchange Act of 1934), the chief executive officer and chief financial officer have concluded that the Registrants' disclosure controls and procedures are effective.

No change in the Registrants' internal control over financial reporting has occurred during the most recently completed fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrants' internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934).

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

Reference is made to Item 3 of Part I of the Registrants' 2022 Form 10-K for a description of certain legal proceedings presently pending. Except as described in Note 13 within "Part I - Item 1. Financial Statements," there are no new significant cases to report against the Registrants, and there have been no material changes in the previously reported proceedings.

Item 1A. Risk Factors.

There have been no significant changes in the Registrants' risk factors from those discussed in the Registrants' 2022 Form 10-K, which are incorporated herein by reference.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 5. Other Information.

During the three months ended June 30, 2023, no director or officer of the Registrants adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits.

Exhibit No.	Description	OGE Energy	OG&E
4.01	Supplemental Indenture No. 24 dated as of April 3, 2023 between OG&E and BOKF, NA, as trustee (Filed as Exhibit 4.01 to OG&E's Form 8-K filed April 3, 2023 (File No. 1-1097) and incorporated by reference herein).	X	X
31.01+	Certifications Pursuant to Rule 13a-14(a)/15d-14(a) As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X	
31.02+	Certifications Pursuant to Rule 13a-14(a)/15d-14(a) As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.		X
32.01+	Certification Pursuant to 18 U.S.C. Section 1350 As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	X	
32.02+	Certification Pursuant to 18 U.S.C. Section 1350 As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.		X
99.01+	Excerpts from Securitization Documentation Detailing OG&E Oklahoma Customer Information Including Energy Consumption and Write-Offs.		X
101.INS	Inline XBRL Instance Document - the instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document.	X	X
101.SCH	Inline XBRL Taxonomy Schema Document.	X	X
101.PRE	Inline XBRL Taxonomy Presentation Linkbase Document.	X	X
101.LAB	Inline XBRL Taxonomy Label Linkbase Document.	X	X
101.CAL	Inline XBRL Taxonomy Calculation Linkbase Document.	X	X
101.DEF	Inline XBRL Definition Linkbase Document.	X	X
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document (included in Exhibit 101).	X	X

+ Represents exhibits filed herewith. All exhibits not so designated are incorporated by reference to a prior filing, as indicated.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned thereunto duly authorized.

OGE ENERGY CORP.

OKLAHOMA GAS AND ELECTRIC COMPANY

(Registrant)

By: /s/ Sarah R. Stafford

Sarah R. Stafford

Controller and Chief Accounting Officer

(On behalf of the Registrants and in her capacity as Chief Accounting Officer)

August 8, 2023

Exhibit 31.01

CERTIFICATIONS

I, Sean Trauschke, certify that:

1. I have reviewed this annual report on Form 10-Q of OGE Energy Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2023

/s/ Sean Trauschke

Sean Trauschke

Chairman of the Board, President and Chief
Executive Officer

CERTIFICATIONS

I, W. Bryan Buckler, certify that:

1. I have reviewed this annual report on Form 10-Q of OGE Energy Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2023

/s/ W. Bryan Buckler

W. Bryan Buckler

Chief Financial Officer

Exhibit 31.02

CERTIFICATIONS

I, Sean Trauschke, certify that:

1. I have reviewed this annual report on Form 10-Q of Oklahoma Gas and Electric Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2023

/s/ Sean Trauschke

Sean Trauschke

Chairman of the Board, President and Chief
Executive Officer

CERTIFICATIONS

I, W. Bryan Buckler, certify that:

1. I have reviewed this annual report on Form 10-Q of Oklahoma Gas and Electric Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2023

/s/ W. Bryan Buckler

W. Bryan Buckler

Chief Financial Officer

Certification Pursuant to 18 U.S.C. Section 1350
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of OGE Energy Corp. ("OGE Energy") on Form 10-Q for the period ended June 30, 2023, as filed with the Securities and Exchange Commission (the "Report"), each of the undersigned does hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of OGE Energy.

August 8, 2023

/s/ Sean Trauschke

Sean Trauschke

Chairman of the Board, President and Chief Executive Officer

/s/ W. Bryan Buckler

W. Bryan Buckler

Chief Financial Officer

Exhibit 32.02

Certification Pursuant to 18 U.S.C. Section 1350
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Oklahoma Gas and Electric Company ("OG&E") on Form 10-Q for the period ended June 30, 2023, as filed with the Securities and Exchange Commission (the "Report"), each of the undersigned does hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of OG&E.

August 8, 2023

/s/ Sean Trauschke

Sean Trauschke

Chairman of the Board, President and Chief Executive Officer

/s/ W. Bryan Buckler

W. Bryan Buckler

Chief Financial Officer

Exhibit 99.01

Excerpts from Securitization Documentation Detailing OG&E Oklahoma Customer Information

OG&E is a regulated electric company that generates, transmits, distributes and sells electric energy in Oklahoma and western Arkansas. OG&E is a corporation organized under the laws of the State of Oklahoma and is a wholly-owned subsidiary of OGE Energy. The Bonds do not constitute a debt, liability or other legal obligation of OG&E, OGE Energy or any of their Affiliates.

OG&E's rates are subject to regulation by the Oklahoma Corporation Commission (the "Commission"), the Arkansas Public Service Commission and the Federal Energy Regulatory Commission.

OG&E is the largest electric company in Oklahoma. OG&E's current service territory covers approximately 30,000 square miles in Oklahoma and western Arkansas and, as of December 31, 2022, supplies electric service to approximately 889,000 customers.

Customer Base and Energy Consumption

The following tables show the electricity usage billed to Customers, electric billed revenues and number of Customers for each revenue-reporting customer class for the five preceding years within Oklahoma. There can be no assurances that the retail electricity sales, retail electric revenues and number of retail Customers or the composition of any of the foregoing will remain at or near the levels reflected in the following tables.

	Energy Usage (As Measured by MWh) by Customer Class and Percentage Composition									
Customer Class	**2018**		**2019**		**2020**		**2021**		**2022**	
Residential	8,960,549	35.27 %	8,962,631	34.80 %	8,694,846	35.40 %	8,908,131	35.41 %	9,494,144	35.00 %
Commercial	7,329,888	28.85 %	6,463,937	25.10 %	5,703,393	23.22 %	6,107,746	24.28 %	7,124,463	26.26 %
Industrial	2,797,445	11.01 %	3,201,976	12.43 %	3,214,920	13.09 %	3,176,032	12.62 %	3,199,623	11.80 %
Oilfield	3,352,333	13.19 %	4,240,978	16.46 %	4,238,387	17.25 %	4,210,079	16.73 %	4,411,711	16.26 %
Public Authorities and Street lights	2,968,299	11.68 %	2,888,089	11.21 %	2,712,452	11.04 %	2,756,596	10.96 %	2,896,775	10.68 %
Total	25,408,514	100.00 %	25,757,611	100.00 %	24,563,998	100.00 %	25,158,584	100.00 %	27,126,716	100.00 %

The Service Level of each Customer is determined by OG&E based on the nominal standard voltage of such Customer's connection to the OG&E electric transmission and distribution system. Securitization Charge allocations are based on the actual daily kWh usage for each Service Level for the period of emergency during Winter Storm Uri, February 7, 2021 to February 21, 2021.

	Energy Usage (As Measured by MWh) by Service Level and Percentage Composition									
Service Level	**2018**		**2019**		**2020**		**2021**		**2022**	
S/L 1	818,363	3.22 %	859,078	3.34 %	805,909	3.28 %	800,559	3.18 %	795,924	2.93 %
S/L 2	4,769,689	18.77 %	5,021,368	19.49 %	4,920,100	20.03 %	4,915,069	19.54 %	5,594,476	20.62 %
S/L 3	1,908,162	7.51 %	1,986,925	7.71 %	1,759,575	7.16 %	1,863,227	7.41 %	2,038,536	7.51 %
S/L 4	609,295	2.40 %	582,918	2.26 %	562,723	2.29 %	498,670	1.98 %	464,552	1.71 %
S/L 5	17,303,006	68.10 %	17,307,323	67.19 %	16,515,690	67.24 %	17,081,059	67.89 %	18,233,229	67.22 %
Total	25,408,515	100.00 %	25,757,612	100.00 %	24,563,997	100.00 %	25,158,584	100.00 %	27,126,716	100.00 %

Customer Class	2018		2019		2020		2021		2022	
	Energy Usage (As Measured by MWh) by Customer Class and Percentage Composition									
S/L 1	818,363	3.22 %	859,078	3.34 %	805,909	3.28 %	800,559	3.18 %	795,924	2.93 %
Commercial	92,879	11.35 %	108,738	12.66 %	39,132	4.86 %	48,302	6.03 %	47,244	5.94 %
Industrial	85,436	10.44 %	112,421	13.09 %	122,756	15.23 %	120,517	15.05 %	98,430	12.37 %
Oilfield	170,114	20.79 %	261,461	30.44 %	292,773	36.33 %	280,499	35.04 %	283,025	35.56 %
Public Authorities and Street lights	469,935	57.42 %	376,458	43.82 %	351,249	43.58 %	351,242	43.87 %	367,224	46.14 %
S/L 2	4,769,689	18.77 %	5,021,368	19.49 %	4,920,100	20.03 %	4,915,069	19.54 %	5,594,476	20.62 %
Commercial	873,309	18.31 %	264,092	5.26 %	46,272	0.94 %	50,364	1.02 %	515,844	9.22 %
Industrial	1,393,165	29.21 %	1,675,201	33.36 %	1,718,950	34.94 %	1,760,302	35.81 %	1,788,810	31.97 %
Oilfield	2,014,960	42.25 %	2,564,943	51.08 %	2,621,638	53.28 %	2,613,095	53.16 %	2,752,161	49.19 %
Public Authorities and Street lights	488,255	10.24 %	517,132	10.30 %	533,239	10.84 %	491,308	10.00 %	537,660	9.61 %
S/L 3	1,908,162	7.51 %	1,986,925	7.71 %	1,759,575	7.16 %	1,863,227	7.41 %	2,038,536	7.51 %
Commercial	443,161	23.22 %	434,776	21.88 %	312,567	17.76 %	335,316	18.00 %	451,761	22.16 %
Industrial	433,335	22.71 %	437,330	22.01 %	417,591	23.73 %	426,243	22.88 %	421,649	20.68 %
Oilfield	761,652	39.92 %	844,784	42.52 %	782,412	44.47 %	819,374	43.98 %	865,288	42.45 %
Public Authorities and Street lights	270,013	14.15 %	270,035	13.59 %	247,005	14.04 %	282,295	15.15 %	299,837	14.71 %
S/L 4	609,295	2.40 %	582,918	2.26 %	562,723	2.29 %	498,670	1.98 %	464,552	1.71 %
Commercial	173,774	28.52 %	43,588	7.48 %	41,528	7.38 %	45,087	9.04 %	52,903	11.39 %
Industrial	164,265	26.96 %	179,339	30.77 %	185,481	32.96 %	121,126	24.29 %	92,307	19.87 %
Oilfield	95,401	15.66 %	191,907	32.92 %	180,374	32.05 %	173,126	34.72 %	172,921	37.22 %
Public Authorities and Street lights	175,856	28.86 %	168,083	28.83 %	155,341	27.61 %	159,331	31.95 %	146,421	31.52 %
S/L 5	17,303,006	68.10 %	17,307,323	67.19 %	16,515,690	67.24 %	17,081,059	67.89 %	18,233,229	67.22 %
Residential	8,960,549	51.79 %	8,962,632	51.79 %	8,694,845	52.65 %	8,908,131	52.15 %	9,494,144	52.07 %
Commercial	5,746,765	33.21 %	5,612,743	32.43 %	5,263,895	31.87 %	5,628,678	32.95 %	6,056,710	33.22 %
Industrial	721,245	4.17 %	797,685	4.61 %	770,142	4.66 %	747,844	4.38 %	798,427	4.38 %
Oilfield	310,206	1.79 %	377,882	2.18 %	361,191	2.19 %	323,985	1.90 %	338,316	1.86 %
Public Authorities and Street lights	1,564,240	9.04 %	1,556,382	8.99 %	1,425,617	8.63 %	1,472,420	8.62 %	1,545,632	8.48 %
Total	25,408,515	100.00 %	25,757,612	100.00 %	24,563,997	100.00 %	25,158,584	100.00 %	27,126,716	100.00 %

Customer Class	2018		2019		2020		2021		2022	
	Revenues by Customer Class Percentage Composition in Oklahoma (Dollars in millions)									
Residential	$ 870.82	45.32 %	$ 819.42	44.91 %	$ 816.49	46.15 %	$ 856.28	45.73 %	$ 1,084.26	43.90 %
Commercial	551.49	28.70 %	473.96	25.98 %	443.20	25.05 %	485.54	25.93 %	668.67	27.07 %
Industrial	149.30	7.77 %	154.59	8.47 %	155.97	8.81 %	159.48	8.52 %	209.51	8.48 %
Oilfield	152.58	7.94 %	179.49	9.84 %	182.90	10.34 %	187.21	10.00 %	261.18	10.57 %
Public Authorities and Street lights	197.09	10.26 %	197.09	10.80 %	170.84	9.66 %	184.07	9.83 %	246.50	9.98 %
Total	$ 1,921.28	100.00 %	$ 1,824.55	100.00 %	$ 1,769.40	100.00 %	$ 1,872.58	100.00 %	$ 2,470.12	100.00 %

Customer Class	2018		2019		2020		2021		2022	
	Number of Customers and Percentage Composition in Oklahoma as of December 31 of the Year Shown Below									
Residential	669,401	85.60 %	675,375	85.50 %	683,034	85.51 %	691,891	85.34 %	699,210	85.31 %
Commercial	88,360	11.30 %	89,211	11.29 %	90,732	11.36 %	93,785	11.57 %	95,389	11.64 %
Industrial	2,436	0.31 %	2,595	0.33 %	2,366	0.30 %	2,258	0.28 %	2,152	0.26 %
Oilfield	6,351	0.81 %	7,017	0.89 %	6,769	0.85 %	6,752	0.83 %	6,740	0.82 %
Public Authorities and Street lights	15,496	1.98 %	15,758	1.99 %	15,883	1.99 %	16,028	1.98 %	16,132	1.97 %
Total	782,044	100.00 %	789,956	100.00 %	798,784	100.00 %	810,714	100.00 %	819,623	100.00 %

Percentage Concentration Within Large Commercial Customers

For the year ended December 31, 2022, the ten largest Customers represented approximately 12.4% of total energy usage in Oklahoma and approximately 7.3% of OG&E's total revenues in Oklahoma. All ten Customers are industrial and oilfield class accounts. There are no material concentrations in the residential and commercial classes.

Credit Policy

OG&E's current business practice requires new business customers to provide a security deposit in the form of cash, bond or irrevocable letter of credit that is refunded when the account is closed. New residential customers whose outside credit scores indicate an elevated risk are required to provide a security deposit that is refunded based on customer protection rules promulgated by the Commission. The payment behavior of all existing customers is continuously monitored, and, if the payment behavior indicates sufficient risk within the meaning of the applicable utility regulation, customers will be required to provide a security deposit.

Billing Process

OG&E bills its Customers on average every 30 days. For the year ended December 31, 2022, OG&E mailed out an average of 42,500 bills on each business day to its Customers. For accounts with potential billing error exceptions, reports are generated for manual review. This review examines accounts that have abnormally high or low bills, potential meter-reading errors, possible meter malfunctions and/or unbilled accounts.

Collection, Termination of Service and Write-Off Policy

OG&E receives approximately 20% of its total bill payments via U.S. mail. Approximately 80% of bill payments are received via electronic payments. Bills are due 21 calendar days after the issue date at which time they are considered delinquent. Delinquent customers are sent a notice to encourage payment within 10 days and accounts become eligible for disconnect after the passage of these 10 days. For the year ended December 31, 2022, approximately 2.1% of total billed retail revenue became eligible for disconnect and 38.7% of those eligible were disconnected. Approximately 97.4% of accounts disconnected for nonpayment ultimately make full payment and have service restored.

If service is terminated, the customer is required to pay all past due amounts as well as a $21 reconnection fee in order to resume service as of the date of this official statement. After service termination due to non-payment a final bill including all unpaid amounts and net of deposits paid is issued within 10 business days. After service termination by customer request, a final bill including all unpaid amounts and net of deposits paid is issued the following business day. Unpaid final bills are written off approximately 180 days after the final bill is issued. Amounts written off are assigned to outside collection agencies and are reported to all three credit reporting agencies. Dollars recovered are netted against actual write-offs.

OG&E may change its credit, billing, collections and termination/restoration of service policies and procedures from time to time. It is expected that any such changes would be designed to enhance OG&E’s ability to bill and collect customer charges on a timely basis.

Annual Forecast Variance

The following table sets forth information related to annual forecast variance for ultimate electric delivery for the past five years. Variances between actual sales and forecasted sales can be caused by a number of factors, though the primary drivers are unexpected extreme temperatures, which can cause actual sales volumes to be higher or unexpected mild temperatures, which can cause actual sales volumes to be lower. For 2020 and 2021, the primary driver of variances between the forecast and actual sales volumes is changes in behavior in response to COVID.

	Annual Forecast Variance For Ultimate Electric Delivery (MWh)				
	2018	**2019**	**2020**	**2021**	**2022**
S/L 1					
Forecast MWh	638,920	797,648	860,041	858,415	855,100
Weather Normalized Actuals MWh	750,557	857,790	795,806	811,509	795,924
Variance (%)	17.5 %	7.5 %	-7.5 %	-5.5 %	-6.9 %
S/L 2					
Forecast MWh	4,594,197	5,281,492	5,058,791	5,034,069	4,931,750
Weather Normalized Actuals MWh	4,836,345	5,026,112	4,904,643	4,926,382	5,559,893
Variance (%)	5.3 %	-4.8 %	-3.0 %	-2.1 %	12.7 %
S/L 3					
Forecast MWh	1,898,373	1,636,513	2,039,978	1,916,903	1,975,459
Weather Normalized Actuals MWh	1,912,686	1,946,601	1,763,417	1,866,761	2,023,875
Variance (%)	0.8 %	18.9 %	-13.6 %	-2.6 %	2.5 %
S/L 4					
Forecast MWh	561,924	535,054	572,847	545,964	517,092
Weather Normalized Actuals MWh	602,578	622,397	561,943	498,670	474,136
Variance (%)	7.2 %	16.3 %	-1.9 %	-8.7 %	-8.3 %
S/L 5					
Forecast MWh	17,207,720	17,287,205	17,302,033	17,167,836	17,632,924
Weather Normalized Actuals MWh	16,945,292	17,049,119	16,748,859	17,278,746	17,576,608
Variance (%)	-1.5 %	-1.4 %	-3.2 %	0.6 %	-0.3 %
Total					
Forecast MWh	24,901,134	25,537,912	25,833,690	25,523,187	25,912,325
Weather Normalized Actuals MWh	25,047,458	25,502,019	24,774,668	25,382,068	26,430,435
Variance (%)	0.6 %	-0.1 %	-4.1 %	-0.6 %	2.0 %

Write-off and Delinquency Experience

The following tables set forth information relating to the total billed revenues and write-off experience for the past five years. Such historical information is presented because OG&E's actual experience with respect to write-offs and delinquencies may be indicative of its future experience, which will affect the timing of WEC Collections. OG&E does not expect, but there can be no certainty, that the delinquency or write-off experience with respect to WEC Collections will differ substantially from the rates indicated. Write-off and delinquency data is affected by factors such as the overall economy, weather and changes in collection practices. The net write-off and delinquency experience is expected, but there can be no certainty, to be similar to OG&E's previous experience.

The following table shows total OG&E revenues for the past five calendar years for each customer class.

	Billed Revenue by Customer Class (Dollars in millions)				
Customer Class	**2018**	**2019**	**2020**	**2021**	**2022**
Residential	$ 870.81	$ 819.42	$ 816.49	$ 856.28	$ 1,084.26
Commercial	551.49	473.96	443.20	485.54	668.67
Industrial	149.30	154.59	155.97	159.48	209.51
Oilfield	152.58	179.49	182.90	187.21	261.18
Public Authorities and Street Lights	197.09	180.74	190.84	184.07	246.50
Total	$ 1,921.27	$ 1,808.20	$ 1,789.40	$ 1,872.58	$ 2,470.12

The following table shows gross write-offs for electricity and gross write-offs as a percentage of total billed revenue for the past five years in Oklahoma.

Gross Write-Offs as a Percentage of Revenues

	As of December 31,				
(Dollars in thousands)	**2018**	**2019**	**2020**	**2021**	**2022**
Billed Electric Revenues	$ 1,921,274	$ 1,808,199	$ 1,769,407	$ 1,872,565	$ 2,470,119
Gross Write-Offs	$ 6,304	$ 5,387	$ 5,013	$ 6,030	$ 5,657
Percentage of Billed Revenues	0.33 %	0.30 %	0.28 %	0.32 %	0.23 %

The following table shows total OG&E net write-offs and total net write-offs as a percentage of total electric billed revenue for the past five years in Oklahoma. Net write-offs include amounts recovered by OG&E from deposits, bankruptcy proceedings and payments received after an account has been either written-off by OG&E or transferred to one of its external collection agencies.

Net Write-Offs as a Percentage of Revenues

	As of December 31,				
(Dollars in thousands)	**2018**	**2019**	**2020**	**2021**	**2022**
Billed Electric Revenues	$ 1,921,274	$ 1,808,199	$ 1,769,407	$ 1,872,565	$ 2,470,119
Net Write-Offs	$ 3,560	$ 2,695	$ 2,086	$ 3,066	$ 3,325
Percentage of Billed Revenues	0.19 %	0.15 %	0.12 %	0.16 %	0.13 %

Delinquencies

The following table sets forth information relating to the delinquency experience of OG&E for residential, commercial, industrial, oilfield and public authorities and street lights as of December 31 of each of the five preceding years.

Customer Delinquency Data*

	Delinquencies as Percentage of Total Billed Revenues/Average Days Outstanding				
	2018	**2019**	**2020**	**2021**	**2022**
30-59 days	2.7 %	2.8 %	5.6 %	5.1 %	4.0 %
60-89 days	2.0 %	2.1 %	2.3 %	3.3 %	3.3 %
90 days or more	2.5 %	3.4 %	7.3 %	5.9 %	4.7 %
Total	7.2 %	8.3 %	15.2 %	14.3 %	12.0 %
Average Days Outstanding	25.6	25.1	26.5	26.7	27.0

* Delinquency calculations are based on arrears, revenue, and write-off data provided by OG&E.

Where to Find Additional Information About OG&E and OGE Energy. OGE Energy files periodic reports with the SEC as required by the Exchange Act. Reports filed with the SEC are available for inspection without charge at the public reference room maintained by the SEC at 100 F Street, N.E., Washington, DC 20549. Copies of periodic reports and exhibits thereto may be obtained at the above location at prescribed rates. Information as to the operation of the public reference facilities is available by calling the SEC at 1-800-SEC-0330. Information filed with the SEC can also be inspected at the SEC's website, http://www.sec.gov. OGE Energy's filings are accessible at http://www.oge.com. Information on OGE Energy's website or filed with the SEC is not incorporated by reference into this exhibit.