

**POSITIVE
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Earnings Conference Call Third Quarter 2010

October 29, 2010

WITH ALL YOUR POWER  WHAT WOULD YOU DO?

Safe Harbor and Reg. G Compliance

Some of the matters discussed in this news release may contain forward-looking statements that are subject to certain risks, uncertainties and assumptions. Such forward-looking statements are intended to be identified in this document by the words “anticipate”, “believe”, “estimate”, “expect”, “intend”, “objective”, “plan”, “possible”, “potential”, “project” and similar expressions. Actual results may vary materially from those expressed in the forward-looking statements. 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 their impact on capital expenditures; the ability of the Company and its subsidiaries to access the capital markets and obtain financing on favorable terms; prices and availability of electricity, coal, natural gas and natural gas liquids, each on a stand-alone basis and in relation to each other; business conditions in the energy and natural gas midstream industries; competitive factors including the extent and timing of the entry of additional competition in the markets served by the Company; unusual weather; availability and prices of raw materials for current and future construction projects; Federal or state legislation and regulatory decisions and initiatives that affect cost and investment recovery, have an impact on rate structures or affect the speed and degree to which competition enters the Company’s markets; environmental laws and regulations that may impact the Company’s operations; changes in accounting standards, rules or guidelines; the discontinuance of accounting principles for certain types of rate-regulated activities; creditworthiness of suppliers, customers and other contractual parties; the higher degree of risk associated with the Company’s nonregulated business compared with the Company’s regulated utility business; the risk that the proposed transaction with Bronco Midstream Holdings LLC will not be completed, or will not be completed on the terms currently contemplated; and other risk factors listed in the reports filed by the Company with the Securities and Exchange Commission including those listed in Risk Factors and Exhibit 99.01 to the Company’s Form 10-K for the year ended December 31, 2009.

This presentation includes the non-GAAP measures of ongoing earnings and ongoing earnings per share when describing the Company’s results of operations and financial performance. The Company has prepared reconciliations of these measures to the most directly comparable GAAP measures. These reconciliations can be found in the appendix of this presentation and in the Company’s Form 10Q for the quarter ended September 30, 2010.

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Third Quarter EPS Results

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	<u>2010</u>	<u>2009</u>
OG&E	\$1.43	\$1.26
Enogex	0.24	0.18
Hold. Co. & Marketing	(0.02)	(0.04)
Consolidated	\$1.65	\$1.40

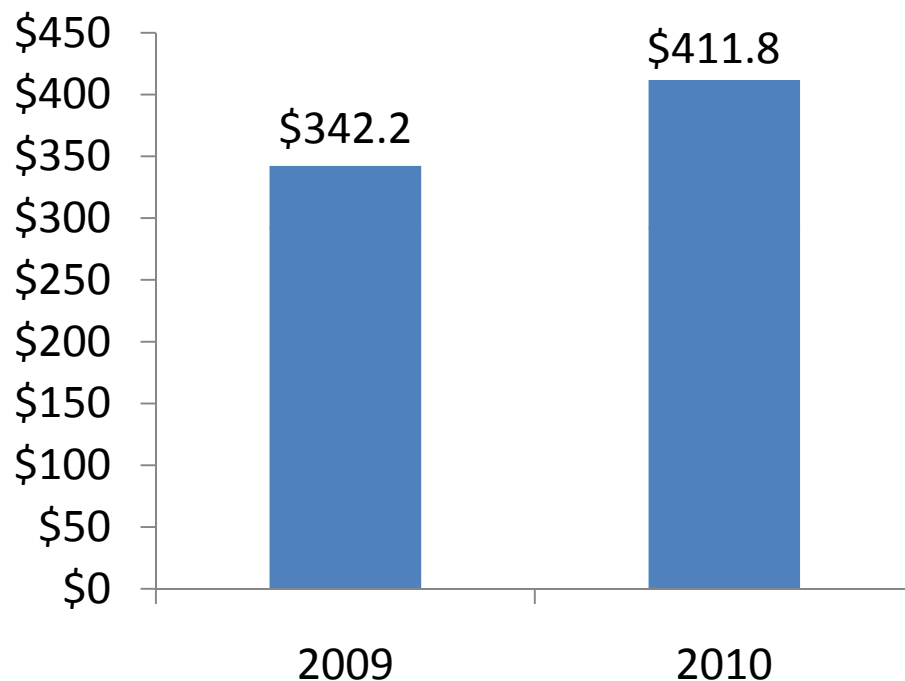
Third Quarter Results – OG&E

Net income was \$142.1 million or \$1.43 per share in 2010. This compares to net income of \$123.2 million or \$1.26 per share in 2009. Primary drivers include:

In Millions of \$	<u>2010</u>	<u>2009</u>	<u>Variance</u> <u>Fav/(Unfav)</u>
Gross Margin	411.8	342.2	69.6
Operation & Maintenance	110.8	85.7	(25.1)
Depreciation & Amortization	53.1	47.3	(5.8)
Net Other Income	1.2	10.3	(9.1)
Interest Expense	27.4	22.8	(4.6)

Third Quarter Results - OG&E Gross Margin

Millions of \$



Increased Gross Margin

- Net Weather - \$28.5 million
 - *Impact on Gross Margin - \$33.3 million*
 - *Guaranteed Flat Bill Program – (\$4.8) million*
- Various Riders- \$25.1 million
- Oklahoma Rate Increase - \$5.2 million
- Higher Demand Revenues - \$4.5 million
- New Customer Growth and Other - \$2.9 million

Regulatory Update

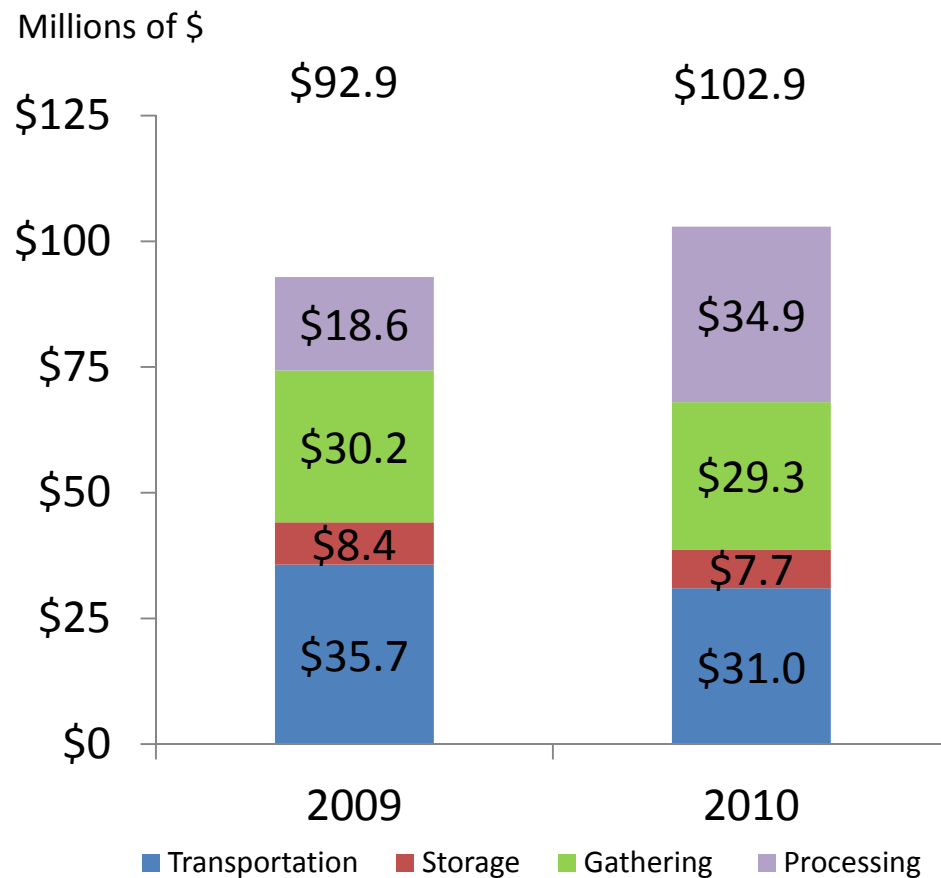
<u>Jurisdiction</u>	<u>Filing</u>	<u>Request</u>
Arkansas	OU Spirit Application and Renewable Energy Filing	• Recovery of the Arkansas portion of OU Spirit • Recovery of the Arkansas portion of 280 MW's of wind PPA's
Arkansas	General rate case	• \$17.7 million rate increase • 11.25% ROE on 53% equity • \$444 million rate base
Oklahoma	SPP cost tracker	• Recovery of costs associated with OG&E's portion of SPP allocations • Establish a tracker to recover the costs • Establish a regulatory asset until the tracker is implemented
FERC	CWIP and abandonment recovery for 345 kV extra high voltage lines	• CWIP recovery for all SPP approved 345kV lines • Recovery of all costs for cancelled or abandoned projects

Third Quarter Results – Enogex

Net income was \$24.2 million or \$0.24 per share in 2010. This compares to net income of \$18.1 million or \$0.18 per share in 2009. Primary drivers include:

In Millions of \$	<u>2010</u>	<u>2009</u>	<u>Variance</u> <u>Fav/(Unfav)</u>
Gross Margin	102.9	92.9	10.0
Operation and Maintenance	33.6	29.4	(4.2)
Interest Expense	7.2	12.1	4.9

Third Quarter Results - Enogex Gross Margin



Increased Gross Margin

- Higher Commodity Prices
- Processed Volumes up 16%
- Record Gathering Volumes

Decreased Gross Margin

- Lower Demand Revenues

2010 Ongoing Earnings Guidance Assumptions*

	<u>Previous Guidance</u>	<u>Updated Guidance</u>
OGE Energy Corp. EPS	\$2.70 to \$2.95	\$2.95 to \$3.05
OG&E:	\$2.10 to \$2.20	Upper End \$2.10 to \$2.20
Enogex:		
EPS	\$0.64 to \$0.86	\$0.85 to \$0.95
Gross Margin	\$400 million	\$420 million
Gathering Volume Growth	8% to 10%	6%
Marketing Net Income (Loss)	Included in Holding Company	(\$0.07) to (\$0.09)
Pre-Tax Net Income to Equity Partner	-	\$2.5 million
Holding Company EPS	(\$0.11) to (\$0.13)	(\$0.04)

*Please see the Company's 10Q for the period ending 9-30-10 filed with the SEC for additional information on 2010 guidance

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Appendix

Projected Capital Expenditures 2010-2015*

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	TOTAL						
Dollars in millions	2010	2011	2012	2013	2014	2015	2010 - 2015
OG&E Base Transmission	\$ 40	\$ 40	\$ 25	\$ 25	\$ 25	\$ 25	\$ 180
OG&E Base Distribution	220	235	200	210	210	210	1,285
OG&E Base Generation	50	65	50	50	50	50	315
OG&E Other	30	25	25	25	25	25	155
Total OG&E Base T&D, Gen & Other	340	365	300	310	310	310	1,935
OG&E Known and Committed Projects:							
Transmission Projects							
Sunnyside-Hugo (345 kV)	25	140	20	-	-	-	185
Sooner-Rose Hill (345 kV)	10	35	15	-	-	-	60
Windspeed (345 kV)	25	-	-	-	-	-	25
Balanced Portfolio 3E Projects	-	50	170	130	30	-	380
SPP Priority Projects	-	10	60	155	90	-	315
Total Transmission Projects	60	235	265	285	120	-	965
Other Projects:							
Smart Grid Program	40	60	60	30	30	10	230
Crossroads	160	260	30	-	-	-	450
System Hardening	10	20	-	-	-	-	30
Other	15	20	-	-	-	-	35
Total Other Projects	225	360	90	30	30	10	745
Total OG&E Known and Committed Projects	285	595	355	315	150	10	1,710
Total OG&E	625	960	655	625	460	320	3,645
Enogex (Base Maintenance and Committed Projects)*	220	200	80	45	45	45	635
OGE Energy	20	25	25	25	25	25	145
TOTAL OGE Consolidated	\$ 865	\$ 1,185	\$ 760	\$ 695	\$ 530	\$ 390	\$ 4,425

* The Enogex capital expenditure projection is based on 100% of the Enogex business

Reg. G Reconciliation – 2010 Earnings Guidance

(In millions)

Twelve Months Ended December 31, 2010									
	<u>OG&E</u>		<u>Enogex</u>		<u>Holding Company</u>		<u>Consolidated</u>		
Projected GAAP Net Income	Low	High	Low	High	Low	High	Low	High	
Ongoing Earnings (Loss).....	\$207.0	\$217.0	\$84.0	\$94.0	(\$4.0)	(\$4.0)	\$292.0	\$302.0	
Medicare Part D Tax Subsidy*	(\$7.0)	(\$7.0)	(\$2.0)	(\$2.0)	(\$2.4)	(\$2.4)	(\$11.4)	(\$11.4)	
Projected GAAP Net Income.....	\$200.0	\$210.0	\$82.0	\$92.0	(\$6.4)	(\$6.4)	\$280.6	\$290.6	

Twelve Months Ended December 31, 2010									
	<u>OG&E</u>		<u>Enogex</u>		<u>Holding Company</u>		<u>Consolidated</u>		
Projected Earnings Per Average Diluted Share	Low	High	Low	High	Low	High	Low	High	
Ongoing Earnings (Loss) Per Average Diluted Share.....	\$2.10	\$2.20	\$0.85	\$0.95	(\$0.04)	(\$0.04)	\$2.95	\$3.05	
Medicare Part D Tax Subsidy*	(\$0.07)	(\$0.07)	(\$0.02)	(\$0.02)	(\$0.02)	(\$0.02)	(\$0.11)	(\$0.11)	
Projected GAAP Earnings (Loss) Per Average Diluted Share.....	\$2.03	\$2.13	\$0.83	\$0.93	(\$0.06)	(\$0.06)	\$2.84	\$2.94	

***The Patient Protection and Affordable Care Act of 2009 and the Health Care and Education Reconciliation Act of 2010 were signed into law on March 23, 2010 and March 30, 2010, respectively. These Acts change the tax treatment of federal subsidies paid to sponsors of retiree health benefit plans that provide prescription drug benefits. As a result, OGE recognized a one-time, non-cash charge of approximately \$11.4 million.**