



2012 Financial Overview

OGE Energy Corp. (NYSE: OGE), parent company of Oklahoma Gas and Electric Company (OG&E) and OGE Enogex Holdings LLC (Enogex), today reported earnings of \$3.58 per average diluted share in 2012, compared with earnings of \$3.45 per average diluted share in 2011.

In 2012, OG&E, a regulated electric utility, reported net income of \$280 million and contributed \$2.83 per diluted share, compared with \$263 million, or \$2.65 per diluted share in 2011. Enogex, a midstream natural gas pipeline business, reported net income of \$74 million, or \$0.75 per diluted share in 2012, compared to net income of \$82 million, or \$0.83 per diluted share in 2011. The holding company posted breakeven results in 2012, compared with a loss of \$0.03 per diluted share in the prior period.

"Execution of key multi-year initiatives was our focus for 2012," said Pete Delaney, OGE Energy chairman, president and CEO. "At the utility, we completed our smart meter deployment on time and under budget, and made appreciable progress in our transmission build out, which contributed to our strong utility earnings. At Enogex, we continue to develop our existing acreage dedications, which should provide gathering and processing volume growth for years to come."

Fourth Quarter Results

For the three months ended Dec. 31, 2012, OGE Energy reported earnings of \$0.39 per diluted share, compared with \$0.37 per diluted share in the fourth quarter of 2011. The increase was due to higher gross margins at OG&E primarily from increased transmission revenue, recovery of various utility investments and new customer growth in the fourth quarter compared to the same period last year partially offset by higher operating expenses and increased ownership in Enogex by OGE's equity partner.

Discussion of 2012 results

OGE Energy reported consolidated gross margin of \$1.8 billion in 2012, compared with \$1.6 billion in 2011. Operating income was \$677 million in 2012, compared with \$647 million in 2011. Net income was \$355 million in 2012, compared with \$343 million in 2011.

OG&E reported gross margin of \$1.3 billion in 2012, compared with \$1.2 billion in 2011. OG&E's higher net income, \$280 million in 2012 compared with \$263 million in 2011, was primarily attributed to recovery of various utility investments, transmission revenues associated with new projects, new customer growth and production tax credits related to wind farms, partially offset by higher operating and interest expenses.

Enogex reported gross margin of \$489 million in 2012, compared to \$441 million in 2011. Enogex's gross margin increased 11 percent from 2011, as a result of higher gathering, processing and condensate volumes. Enogex's higher gross margins were offset by increased operating and interest expenses associated with system expansion and increased ownership percentage in Enogex by OGE's equity partner. Enogex's net income attributable to OGE decreased in 2012 to \$74 million compared with \$82 million in 2011. OGE Energy's portion of EBITDA increased from \$223 million in 2011 to \$237 million in 2012.

2013 Outlook

OGE Energy consolidated earnings guidance for 2013 is \$3.35 to \$3.60 per averaged diluted share. The guidance assumes approximately 100 million average diluted shares outstanding and normal weather for the year. More information regarding the Company's 2013 earnings guidance and the Company's 2012 financial results is contained in the Company's Form 10-K filed today with the Securities and Exchange Commission.

Conference Call Webcast

OGE Energy will host a conference call for discussion of the results and the outlook for 2013 at 8 a.m. CST on Wednesday, Feb. 27. The conference will be available through www.oge.com.

OGE Energy is the parent company of Oklahoma Gas and Electric Company (OG&E), which serves approximately 798,000 customers in a service territory spanning 30,000 square miles in Oklahoma and western Arkansas, and of OGE Enogex Holdings LLC, a natural gas pipeline business with principal operations in Oklahoma.

Non-GAAP Financial Measures

Enogex has included in this release the non-GAAP financial measure EBITDA. Enogex defines EBITDA as net income attributable to Enogex Holdings before interest, income taxes and depreciation and amortization. EBITDA is a supplemental non-GAAP financial measure used by external users of the Company's financial statements such as investors, commercial banks and others, to assess:

- the financial performance of Enogex's assets without regard to financing methods, capital structure or historical cost basis;
- Enogex's operating performance and return on capital as compared to other companies in the midstream energy sector, without regard to financing or capital structure; and
- the viability of acquisitions and capital expenditure projects and the overall rates of return on alternative investment opportunities.

Enogex provides a reconciliation of EBITDA to net income attributable to Enogex Holdings, which Enogex considers to be its most directly comparable financial measure as calculated and presented in accordance with GAAP. The non-GAAP financial measure of EBITDA should not be considered as an alternative to GAAP net income attributable to Enogex Holdings. EBITDA is not a presentation made in accordance with GAAP and has important limitations as an analytical tool. EBITDA should not be considered in isolation or as a substitute for analysis of Enogex's results as reported under GAAP. Because EBITDA excludes some, but not all, items that affect net income and is defined differently by different companies in Enogex's industry, Enogex's definition of EBITDA may not be comparable to a similarly titled measure of other companies. To compensate for the limitations of EBITDA as an analytical tool, Enogex believes it is important to review the comparable GAAP measure and understand the differences between the measures. A reconciliation of EBITDA is below and is available on OGE Energy's website: www.oge.com.

Reconciliation of projected EBITDA to projected net income attributable to Enogex Holdings

(In millions)	Twelve Months Ended December 31, 2013 (A)(B)	
Net income attributable to Enogex Holdings	\$	132
Add:		
Interest expense, net.....		33
Depreciation and amortization expense (C).....		123
EBITDA	\$	288
OGE Energy's portion	\$	228

(A) Based on the midpoint of Enogex Holdings' earnings guidance for 2013.

(B) As of November 1, 2010, Enogex Holdings' earnings are no longer subject to tax (other than Texas state margin taxes) and are taxable at the individual partner level.

(C) Includes amortization of certain customer-based intangible assets associated with the acquisition from Cordillera Energy Partners III, LLC in November 2011, which is included in gross margin for financial reporting purposes.

Reconciliation of EBITDA to net income attributable to Enogex Holdings

(In millions)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2012	2011	2012	2011
Net income attributable to Enogex Holdings	\$ 21.6	\$ 37.2	\$ 147.8	\$ 155.9
Add:				
Interest expense, net.....	8.9	5.7	32.6	22.9
Income tax expense (A)	0.1	0.1	0.2	0.2
Depreciation and amortization expense (B)	35.2	21.1	111.6	77.2
EBITDA	\$ 65.8	\$ 64.1	\$ 292.2	\$ 256.2
OGE Energy's portion	\$ 52.6	\$ 53.6	\$ 236.6	\$ 222.9

(A) As of November 1, 2010, Enogex Holdings' earnings are no longer subject to tax (other than Texas state margin taxes) and are taxable at the individual partner level.

(B) Includes amortization of certain customer-based intangible assets associated with the acquisition from Cordillera Energy Partners III, LLC in November 2011, which is included in gross margin for financial reporting purposes.

Some of the matters discussed in this news release may contain forward-looking statements that are subject to certain risks, uncertainties and assumptions. Such forward-looking statements are intended to be identified in this document by the words "anticipate", "believe", "estimate", "expect", "intend", "objective", "plan", "possible", "potential", "project" and similar expressions. Actual results may vary materially. Factors that could cause actual results to differ materially include, but are not limited to: general economic conditions, including the availability of credit, 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 as well as inflation rates and monetary fluctuations; prices and availability of electricity, coal, natural gas and natural gas liquids, each on a stand-alone basis and in relation to each other as well as the processing contract mix between percent-of-liquids, percent-of-proceeds, keep-whole and fixed-fee; 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; the cost of protecting assets against, or damage due to, terrorism or cyber attacks and other catastrophic events; advances in technology; 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 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, 2012.

OGE Energy Corp.
consolidated statements of income
(unaudited)

	Three Months Ended		Twelve Months Ended	
	December 31		December 31	
	2012	2011	2012	2011
	<i>(In millions, except per share data)</i>			
OPERATING REVENUES				
Electric Utility operating revenues	\$ 465.5	\$ 445.9	\$ 2,141.2	\$ 2,211.5
Natural Gas Midstream Operations operating revenues	396.6	439.3	1,530.0	1,704.4
Total operating revenues	862.1	885.2	3,671.2	3,915.9
COST OF GOODS SOLD (exclusive of depreciation and amortization shown below)				
Electric Utility cost of goods sold	182.9	193.3	819.0	966.0
Natural Gas Midstream Operations cost of goods sold	301.6	342.8	1,099.7	1,311.9
Total cost of goods sold	484.5	536.1	1,918.7	2,277.9
Gross margin on revenues	377.6	349.1	1,752.5	1,638.0
OPERATING EXPENSES				
Other operation and maintenance	153.8	148.9	601.5	581.2
Depreciation and amortization	100.9	81.3	371.0	307.1
Impairment of assets	0.1	1.3	0.4	6.3
Gain on insurance proceeds	-	(3.0)	(7.5)	(3.0)
Taxes other than income	25.5	23.7	110.2	99.7
Total operating expenses	280.3	252.2	1,075.6	991.3
OPERATING INCOME	97.3	96.9	676.9	646.7
OTHER INCOME (EXPENSE)				
Interest income	0.1	0.1	0.6	0.5
Allowance for equity funds used during construction	1.3	4.3	6.2	20.4
Other income	4.7	8.2	17.0	19.3
Other expense	(5.4)	(9.5)	(16.5)	(21.7)
Net other income	0.7	3.1	7.3	18.5
INTEREST EXPENSE				
Interest on long-term debt	40.6	37.5	158.9	146.1
Allowance for borrowed funds used during construction	(0.7)	(2.3)	(3.5)	(10.4)
Interest on short-term debt and other interest charges	2.1	1.6	8.7	5.2
Interest expense	42.0	36.8	164.1	140.9
INCOME BEFORE TAXES	56.0	63.2	520.1	524.3
INCOME TAX EXPENSE	12.5	20.0	135.1	160.7
NET INCOME	43.5	43.2	385.0	363.6
Less: Net income attributable to noncontrolling interests	5.0	6.8	30.0	20.7
NET INCOME ATTRIBUTABLE TO OGE ENERGY	\$ 38.5	\$ 36.4	\$ 355.0	\$ 342.9
BASIC AVERAGE COMMON SHARES OUTSTANDING	98.7	98.0	98.6	97.9
DILUTED AVERAGE COMMON SHARES OUTSTANDING	99.4	99.4	99.1	99.2
BASIC EARNINGS PER AVERAGE COMMON SHARE				
ATTRIBUTABLE TO OGE ENERGY COMMON SHAREHOLDERS	\$ 0.39	\$ 0.37	\$ 3.60	\$ 3.50
DILUTED EARNINGS PER AVERAGE COMMON SHARE				
ATTRIBUTABLE TO OGE ENERGY COMMON SHAREHOLDERS	\$ 0.39	\$ 0.37	\$ 3.58	\$ 3.45
DIVIDENDS DECLARED PER COMMON SHARE	\$ 0.4175	\$ 0.3925	\$ 1.5950	\$ 1.5175

OGE Energy Corp.
consolidated statements of retained earnings
(unaudited)

	Three Months Ended		Twelve Months Ended	
	December 31		December 31	
	2012	2011	2012	2011
	<i>(In millions)</i>			
BALANCE AT BEGINNING OF PERIOD	\$ 1,775.1	\$ 1,576.8	\$ 1,574.8	\$ 1,380.6
Net income attributable to OGE Energy	38.5	36.4	355.0	342.9
Dividends declared on common stock	(41.2)	(38.4)	(157.4)	(148.7)
BALANCE AT END OF PERIOD	<u>\$ 1,772.4</u>	<u>\$ 1,574.8</u>	<u>\$ 1,772.4</u>	<u>\$ 1,574.8</u>

capitalization ratios
(unaudited)

	December 31	December 31
	2012	2011
Stockholders' equity	51.9%	50.7%
Long-term debt (includes long-term debt due within one year)	48.1%	49.3%

OGE Energy Corp.
consolidated statements of cash flows
(unaudited)

	Twelve Months Ended	
	December 31	
	2012	2011
	<i>(In millions)</i>	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 385.0	\$ 363.6
Adjustments to reconcile net income to net cash provided from operating activities		
Depreciation and amortization	374.8	307.7
Impairment of assets	0.4	6.3
Deferred income taxes and investment tax credits, net	143.7	166.0
Allowance for equity funds used during construction	(6.2)	(20.4)
(Gain) loss on disposition and abandonment of assets	4.2	(2.7)
Gain on insurance proceeds	(7.5)	(3.0)
Stock-based compensation	(2.6)	7.8
Price risk management assets	3.3	(1.7)
Price risk management liabilities	(4.6)	19.0
Regulatory assets	20.3	14.0
Regulatory liabilities	(14.8)	(1.9)
Other assets	(6.9)	(7.6)
Other liabilities	(14.3)	(37.4)
Change in certain current assets and liabilities		
Accounts receivable, net	27.1	(48.0)
Accrued unbilled revenues	1.9	(2.5)
Income taxes receivable	1.1	(3.6)
Fuel, materials and supplies inventories	13.7	54.2
Gas imbalance assets	(7.2)	0.7
Fuel clause under recoveries	1.8	(0.8)
Other current assets	(4.7)	(7.2)
Accounts payable	25.1	34.5
Gas imbalance liabilities	(4.8)	3.1
Fuel clause over recoveries	101.5	(22.2)
Other current liabilities	15.8	16.0
Net Cash Provided from Operating Activities	<u>1,046.1</u>	<u>833.9</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures (less allowance for equity funds used during construction)	(1,150.6)	(1,270.4)
Acquisition of gathering assets	(78.6)	(200.4)
Proceeds from sale of assets	1.5	18.0
Proceeds from insurance	7.6	7.4
Reimbursement of capital expenditures	27.5	49.6
Net Cash Used in Investing Activities	<u>(1,192.6)</u>	<u>(1,395.8)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	250.0	246.3
Increase in short-term debt	153.8	132.1
Contributions from noncontrolling interest partners	46.2	216.4
Issuance of common stock	14.3	14.8
Proceeds from line of credit	-	150.0
Payment of long-term debt	(0.1)	-
Purchase of treasury stock	(3.4)	(6.2)
Distributions to noncontrolling interest partners	(12.6)	(17.4)
Repayment of line of credit	(150.0)	(25.0)
Dividends paid on common stock	(154.5)	(146.8)
Net Cash Provided from Financing Activities	<u>143.7</u>	<u>564.2</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2.8)	2.3
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	4.6	2.3
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 1.8</u>	<u>\$ 4.6</u>

OGE Energy Corp.
consolidated balance sheets
(unaudited)

	<u>December 31</u> <u>2012</u>	<u>December 31</u> <u>2011</u>
	<i>(In millions)</i>	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1.8	\$ 4.6
Accounts receivable, less reserve of \$2.6 and \$3.8, respectively	295.3	322.5
Accrued unbilled revenues	57.4	59.3
Income taxes receivable	7.2	8.3
Fuel inventories	93.3	100.7
Materials and supplies, at average cost	80.9	87.2
Price risk management	0.5	3.5
Gas imbalances	9.0	1.8
Deferred income taxes	187.7	32.1
Fuel clause under recoveries	-	1.8
Assets held for sale	25.5	-
Other	35.6	30.9
Total current assets	<u>794.2</u>	<u>652.7</u>
OTHER PROPERTY AND INVESTMENTS, at cost	52.2	46.7
PROPERTY, PLANT AND EQUIPMENT		
In service	11,504.4	10,315.9
Construction work in progress	387.5	499.0
Total property, plant and equipment	<u>11,891.9</u>	<u>10,814.9</u>
Less accumulated depreciation	<u>3,547.1</u>	<u>3,340.9</u>
Net property, plant and equipment	8,344.8	7,474.0
DEFERRED CHARGES AND OTHER ASSETS		
Regulatory assets	510.6	507.9
Intangible assets, net	127.4	137.0
Goodwill	39.4	39.4
Price risk management	-	0.3
Other	53.6	48.0
Total deferred charges and other assets	<u>731.0</u>	<u>732.6</u>
TOTAL ASSETS	<u><u>\$ 9,922.2</u></u>	<u><u>\$ 8,906.0</u></u>

OGE Energy Corp.
consolidated balance sheets
(unaudited)

	<u>December 31</u> <u>2012</u>	<u>December 31</u> <u>2011</u>
	<i>(In millions)</i>	
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Short-term debt	\$ 430.9	\$ 277.1
Accounts payable	396.7	388.0
Dividends payable	41.2	38.5
Customer deposits	70.3	67.6
Accrued taxes	48.1	42.3
Accrued interest	55.0	54.8
Accrued compensation	55.2	47.8
Price risk management	0.3	0.4
Gas imbalances	5.0	9.8
Fuel clause over recoveries	109.2	7.7
Other	64.5	64.5
Total current liabilities	<u>1,276.4</u>	<u>998.5</u>
LONG-TERM DEBT	2,848.6	2,737.1
DEFERRED CREDITS AND OTHER LIABILITIES		
Accrued benefit obligations	399.8	360.8
Deferred income taxes	1,948.8	1,651.4
Deferred investment tax credits	3.9	6.1
Regulatory liabilities	245.1	230.7
Deferred revenues	37.7	40.8
Price risk management	-	0.1
Other	89.5	61.2
Total deferred credits and other liabilities	<u>2,724.8</u>	<u>2,351.1</u>
Total liabilities	<u>6,849.8</u>	<u>6,086.7</u>
STOCKHOLDERS' EQUITY		
Common stockholders' equity	1,047.4	1,035.3
Retained earnings	1,772.4	1,574.8
Accumulated other comprehensive loss, net of tax	(49.1)	(40.6)
Treasury stock, at cost	(3.5)	(6.2)
Total OGE Energy stockholders' equity	<u>2,767.2</u>	<u>2,563.3</u>
Noncontrolling interests	305.2	256.0
Total stockholders' equity	<u>3,072.4</u>	<u>2,819.3</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u><u>\$ 9,922.2</u></u>	<u><u>\$ 8,906.0</u></u>

OGE Energy Corp.
financial and statistical data
(unaudited)

	Three Months Ended		Twelve Months Ended	
	December 31		December 31	
	2012	2011	2012	2011
<i>(In millions)</i>				
ELECTRIC UTILITY				
Operating revenues by classification				
Residential	\$ 170.9	\$ 172.3	\$ 878.0	\$ 943.5
Commercial	119.4	113.7	523.5	531.3
Industrial	48.3	47.8	206.8	216.0
Oilfield	37.6	37.7	163.4	165.1
Public authorities and street light	47.4	44.9	202.4	207.4
Sales for resale	13.0	14.4	54.9	65.3
System sales revenues	436.6	430.8	2,029.0	2,128.6
Off-system sales revenues	7.0	0.7	36.5	36.2
Other	21.9	14.4	75.7	46.7
Total operating revenues	<u>\$ 465.5</u>	<u>\$ 445.9</u>	<u>\$ 2,141.2</u>	<u>\$ 2,211.5</u>
Sales of electricity - MWH (a) sales by classification				
Residential	1.8	1.9	9.1	9.9
Commercial	1.6	1.6	7.0	6.9
Industrial	1.0	1.0	4.0	3.9
Oilfield	0.8	0.8	3.3	3.2
Public authorities and street light	0.8	0.8	3.3	3.2
Sales for resale	0.3	0.3	1.3	1.4
System sales	6.3	6.4	28.0	28.5
Off-system sales	0.3	-	1.4	1.0
Total sales	<u>6.6</u>	<u>6.4</u>	<u>29.4</u>	<u>29.5</u>
Number of customers	798,110	789,146	798,110	789,146
Weighted average cost of energy per KWH (b) - cents				
Natural gas	3.400	4.014	2.930	4.328
Coal	2.367	2.129	2.310	2.064
Total fuel	2.565	2.643	2.437	2.897
Total fuel and purchased power	2.984	3.039	2.806	3.215
Degree days				
Heating - Actual	1,203	1,264	2,667	3,359
Heating - Normal	1,329	1,403	3,349	3,631
Cooling - Actual	77	89	2,561	2,776
Cooling - Normal	74	61	2,092	1,911
NATURAL GAS MIDSTREAM OPERATIONS				
Operating revenues	\$ 422.6	\$ 455.3	\$ 1,608.6	\$ 1,787.1
Operating income	\$ 33.2	\$ 43.4	\$ 185.6	\$ 175.0
Net income attributable to OGE Enogex Holdings	\$ 10.3	\$ 19.1	\$ 74.1	\$ 82.2
Net cash provided from operating activities	\$ 96.0	\$ 84.1	\$ 312.7	\$ 264.9
Capital expenditures	\$ 141.2	\$ 334.2	\$ 506.5	\$ 612.5
Gathered volumes - TBtu/d (c)	1.51	1.36	1.41	1.36
Incremental transportation volumes - TBtu/d (d)	0.65	0.53	0.67	0.58
Total throughput volumes - TBtu/d	<u>2.16</u>	<u>1.89</u>	<u>2.08</u>	<u>1.94</u>
Natural gas processed - TBtu/d	1.04	0.88	0.98	0.79
Condensate sold - million gallons	9	6	35	27
Average condensate sales price per gallon	\$ 1.83	\$ 2.02	\$ 1.95	\$ 2.09
Natural gas liquids sold (keep-whole) - million gallons	29	34	162	167
Natural gas liquids sold (purchased for resale) - million gallons	179	150	667	487
Natural gas liquids sold (percent-of-liquids) - million gallons	6	7	24	25
Natural gas liquids sold (percent-of-proceeds) - million gallons	3	2	14	6
Total natural gas liquids sold - million gallons	<u>217</u>	<u>193</u>	<u>867</u>	<u>685</u>
Average natural gas liquids sales price per gallon	\$ 0.93	\$ 1.09	\$ 0.89	\$ 1.16
Average natural gas sales price per MMBtu (e)	\$ 3.31	\$ 3.60	\$ 2.79	\$ 4.08

(a) Megawatt-hours.

(b) Kilowatt-hours.

(c) Trillion British thermal units per day.

(d) Incremental transportation volumes consist of natural gas moved only on the transportation pipeline.

(e) Million British thermal units.

Oklahoma Gas and Electric Company
statements of income
(unaudited)

	Three Months Ended		Twelve Months Ended	
	December 31		December 31	
	2012	2011	2012	2011
	<i>(In millions, except per share data)</i>			
OPERATING REVENUES	\$ 465.5	\$ 445.9	\$ 2,141.2	\$ 2,211.5
COST OF GOODS SOLD (exclusive of depreciation and amortization shown below)	207.2	205.1	879.1	1,013.5
Gross margin on revenues	258.3	240.8	1,262.1	1,198.0
OPERATING EXPENSES				
Other operation and maintenance	112.4	111.7	446.3	436.0
Depreciation and amortization	62.8	57.3	248.7	216.1
Taxes other than income	19.3	17.5	77.7	73.6
Total operating expenses	194.5	186.5	772.7	725.7
OPERATING INCOME	63.8	54.3	489.4	472.3
OTHER INCOME (EXPENSE)				
Interest income	-	0.1	0.2	0.5
Allowance for equity funds used during construction	1.3	4.3	6.2	20.4
Other income	2.5	4.8	8.0	8.0
Other expense	(0.8)	(3.5)	(4.3)	(8.4)
Net other income	3.0	5.7	10.1	20.5
INTEREST EXPENSE				
Interest on long-term debt	31.1	30.8	124.2	118.7
Allowance for borrowed funds used during construction	(0.7)	(2.3)	(3.5)	(10.4)
Interest on short-term debt and other interest charges	1.0	0.9	3.9	3.3
Interest expense	31.4	29.4	124.6	111.6
INCOME BEFORE TAXES	35.4	30.6	374.9	381.2
INCOME TAX EXPENSE	7.8	10.9	94.6	117.9
NET INCOME	\$ 27.6	\$ 19.7	\$ 280.3	\$ 263.3
BASIC AVERAGE COMMON SHARES OUTSTANDING	98.7	98.0	98.6	97.9
DILUTED AVERAGE COMMON SHARES OUTSTANDING	99.4	99.4	99.1	99.2
BASIC EARNINGS PER AVERAGE COMMON SHARE				
ATTRIBUTABLE TO OGE ENERGY COMMON SHAREHOLDERS	\$ 0.28	\$ 0.20	\$ 2.84	\$ 2.69
DILUTED EARNINGS PER AVERAGE COMMON SHARE				
ATTRIBUTABLE TO OGE ENERGY COMMON SHAREHOLDERS	\$ 0.28	\$ 0.20	\$ 2.83	\$ 2.65

Oklahoma Gas and Electric Company
statements of cash flows
(unaudited)

Twelve Months Ended
December 31

2012 **2011**

(In millions)

CASH FLOWS FROM OPERATING ACTIVITIES

Net income	\$ 280.3	\$ 263.3
Adjustments to reconcile net income to net cash provided from operating activities		
Depreciation and amortization	248.7	216.1
Deferred income taxes and investment tax credits, net	103.3	95.0
Allowance for equity funds used during construction	(6.2)	(20.4)
Stock-based compensation expense	2.6	3.0
Regulatory assets	20.3	14.0
Regulatory liabilities	(14.8)	(1.9)
Other assets	(4.5)	2.0
Other liabilities	(28.7)	(62.9)
Change in certain current assets and liabilities		
Accounts receivable, net	20.9	(40.1)
Accrued unbilled revenues	1.9	(2.5)
Fuel, materials and supplies inventories	6.5	54.0
Gas imbalance assets	-	0.1
Fuel clause under recoveries	1.8	(0.8)
Other current assets	(6.6)	(7.6)
Accounts payable	9.7	13.4
Accounts payable - affiliates	(0.6)	(3.1)
Income taxes payable - parent	(7.1)	23.0
Fuel clause over recoveries	101.5	(22.2)
Other current liabilities	8.4	26.9
Net Cash Provided from Operating Activities	<u>737.4</u>	<u>549.3</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Capital expenditures (less allowance for equity funds used during construction)	(704.4)	(844.5)
Proceeds from sale of assets	0.6	0.6
Reimbursement of capital expenditures	27.5	49.6
Net Cash Used in Investing Activities	<u>(676.3)</u>	<u>(794.3)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Dividends paid on common stock	(75.0)	-
Payment of long-term debt	(0.1)	-
Proceeds from long-term debt	-	246.3
Capital contribution from OGE Energy	-	50.0
Changes in advances with parent	14.0	(51.3)
Net Cash Provided from (Used in) Financing Activities	<u>(61.1)</u>	<u>245.0</u>

NET CHANGE IN CASH AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD

CASH AND CASH EQUIVALENTS AT END OF PERIOD

	-	-
	-	-
	<u>\$ -</u>	<u>\$ -</u>

Oklahoma Gas and Electric Company
balance sheets
(unaudited)

	<u>December 31</u> <u>2012</u>	<u>December 31</u> <u>2011</u>
	<i>(In millions)</i>	
ASSETS		
CURRENT ASSETS		
Accounts receivable, less reserve of \$2.6 and \$3.7, respectively	\$ 161.5	\$ 182.4
Accrued unbilled revenues	57.4	59.3
Advances to parent	90.3	97.2
Fuel inventories	76.8	76.9
Materials and supplies, at average cost	74.7	81.1
Deferred income taxes	138.7	10.3
Fuel clause under recoveries	-	1.8
Other	34.6	28.0
Total current assets	<u>634.0</u>	<u>537.0</u>
OTHER PROPERTY AND INVESTMENTS, at cost	2.7	2.7
PROPERTY, PLANT AND EQUIPMENT		
In service	8,498.3	7,808.8
Construction work in progress	251.4	334.4
Total property, plant and equipment	<u>8,749.7</u>	<u>8,143.2</u>
Less accumulated depreciation	<u>2,705.6</u>	<u>2,592.3</u>
Net property, plant and equipment	6,044.1	5,550.9
DEFERRED CHARGES AND OTHER ASSETS		
Regulatory assets	510.6	507.9
Other	31.0	22.4
Total deferred charges and other assets	<u>541.6</u>	<u>530.3</u>
TOTAL ASSETS	<u><u>\$ 7,222.4</u></u>	<u><u>\$ 6,620.9</u></u>

Oklahoma Gas and Electric Company
balance sheets
(unaudited)

	<u>December 31</u> <u>2012</u>	<u>December 31</u> <u>2011</u>
	<i>(In millions)</i>	
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES		
Accounts payable - affiliates	\$ 0.7	\$ 1.3
Accounts payable - other	186.7	193.4
Customer deposits	68.5	65.7
Accrued taxes	35.0	33.5
Accrued interest	43.2	43.2
Accrued compensation	33.2	26.6
Price risk management	2.1	2.2
Fuel clause over recoveries	109.2	7.7
Other	53.9	56.5
Total current liabilities	<u>532.5</u>	<u>430.1</u>
LONG-TERM DEBT	2,050.3	2,039.2
DEFERRED CREDITS AND OTHER LIABILITIES		
Accrued benefit obligations	240.9	230.8
Deferred income taxes	1,377.8	1,146.0
Deferred investment tax credits	3.9	6.1
Regulatory liabilities	245.1	230.7
Price risk management	-	1.8
Other	68.8	42.2
Total deferred credits and other liabilities	<u>1,936.5</u>	<u>1,657.6</u>
Total liabilities	<u>4,519.3</u>	<u>4,126.9</u>
STOCKHOLDER'S EQUITY		
Common stockholder's equity	1,014.0	1,011.4
Retained earnings	1,690.4	1,485.1
Accumulated other comprehensive loss, net of tax	(1.3)	(2.5)
Total stockholder's equity	<u>2,703.1</u>	<u>2,494.0</u>
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	<u>\$ 7,222.4</u>	<u>\$ 6,620.9</u>

OGE Enogex Holdings LLC and subsidiaries
consolidated statements of income
(unaudited)

	Three Months Ended		Twelve Months Ended	
	December 31		December 31	
	2012	2011	2012	2011
	<i>(In millions, except per share data)</i>			
OPERATING REVENUES	\$ 422.6	\$ 455.3	\$ 1,608.6	\$ 1,787.1
COST OF GOODS SOLD (exclusive of depreciation and amortization shown below)	303.6	346.2	1,120.1	1,346.6
Gross margin on revenues	119.0	109.1	488.5	440.5
OPERATING EXPENSES				
Other operation and maintenance	45.6	41.2	172.9	162.5
Depreciation and amortization	34.6	20.8	108.8	77.6
Impairment of assets	0.1	1.3	0.4	6.3
Gain on insurance proceeds	-	(3.0)	(7.5)	(3.0)
Taxes other than income	5.5	5.4	28.3	22.1
Total operating expenses	85.8	65.7	302.9	265.5
OPERATING INCOME	33.2	43.4	185.6	175.0
OTHER INCOME (EXPENSE)				
Other income	0.4	0.1	1.0	3.9
Other expense	(2.6)	(0.3)	(4.5)	(1.3)
Net other income (expense)	(2.2)	(0.2)	(3.5)	2.6
INTEREST EXPENSE				
Interest on long-term debt	8.1	5.4	29.1	21.8
Other interest charges	0.8	0.3	3.5	1.1
Interest expense	8.9	5.7	32.6	22.9
INCOME BEFORE TAXES	22.1	37.5	149.5	154.7
INCOME TAX EXPENSE	6.8	11.5	45.7	51.7
NET INCOME	15.3	26.0	103.8	103.0
Less: Net income attributable to noncontrolling interests	5.0	6.9	29.7	20.8
NET INCOME ATTRIBUTABLE TO OGE ENOGEX HOLDINGS LLC	\$ 10.3	\$ 19.1	\$ 74.1	\$ 82.2
BASIC AVERAGE COMMON SHARES OUTSTANDING	98.7	98.0	98.6	97.9
DILUTED AVERAGE COMMON SHARES OUTSTANDING	99.4	99.4	99.1	99.2
BASIC EARNINGS PER AVERAGE COMMON SHARE ATTRIBUTABLE TO OGE ENERGY COMMON SHAREHOLDERS	\$ 0.10	\$ 0.19	\$ 0.75	\$ 0.84
DILUTED EARNINGS PER AVERAGE COMMON SHARE ATTRIBUTABLE TO OGE ENERGY COMMON SHAREHOLDERS	\$ 0.10	\$ 0.19	\$ 0.75	\$ 0.83

***OGE Enogex Holdings LLC and subsidiaries
consolidated statements of cash flows
(unaudited)***

	Twelve Months Ended	
	December 31	
	2012	2011
	<i>(In millions)</i>	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 103.8	\$ 103.0
Adjustments to reconcile net income to net cash provided from operating activities		
Depreciation and amortization	112.6	78.2
Impairment of assets	0.4	6.3
Deferred income taxes, net	45.6	83.7
(Gain) loss on disposition and abandonment of assets	4.2	(2.7)
Gain on insurance proceeds	(7.5)	(3.0)
Stock-based compensation	1.7	4.1
Price risk management assets	5.2	(2.0)
Price risk management liabilities	(5.0)	18.5
Other assets	2.0	(6.5)
Other liabilities	6.5	14.7
Change in certain current assets and liabilities		
Accounts receivable, net	5.3	(8.0)
Accounts receivable - affiliates	0.6	3.1
Natural gas, natural gas liquids, materials and supplies inventories	6.1	(0.1)
Gas imbalance assets	(7.2)	0.7
Other current assets	0.2	(0.2)
Accounts payable	29.8	15.4
Income taxes payable - parent	6.7	(32.2)
Gas imbalance liabilities	(4.7)	3.0
Other current liabilities	6.4	(11.1)
Net Cash Provided from Operating Activities	<u>312.7</u>	<u>264.9</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(427.9)	(412.1)
Acquisition of gathering assets	(78.6)	(200.4)
Proceeds from sale of assets	0.9	17.5
Proceeds from insurance	7.6	7.4
Net Cash Used in Investing Activities	<u>(498.0)</u>	<u>(587.6)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term debt	250.0	-
Changes in advances with parent	64.7	47.5
Contributions from noncontrolling interest partners	46.2	214.6
Capital contribution from OGE Energy	45.0	70.9
Proceeds from line of credit	-	150.0
Purchase of treasury stock	(5.9)	-
Distributions to noncontrolling interest partners	(12.6)	(17.4)
Distributions to OGE Energy	(54.9)	(115.6)
Repayment of line of credit	(150.0)	(25.0)
Net Cash Provided from Financing Activities	<u>182.5</u>	<u>325.0</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2.8)	2.3
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	4.6	2.3
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 1.8</u>	<u>\$ 4.6</u>

OGE Enogex Holdings LLC and subsidiaries
consolidated balance sheets
(unaudited)

	<u>December 31</u> <u>2012</u>	<u>December 31</u> <u>2011</u>
	<i>(In millions)</i>	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1.8	\$ 4.6
Accounts receivable, less reserve of less than \$0.1 each	134.7	140.1
Accounts receivable - affiliates	0.7	1.3
Natural gas and natural gas liquids inventories	16.5	23.7
Materials and supplies, at average cost	4.9	3.8
Price risk management	2.6	5.7
Gas imbalances	9.0	1.8
Deferred income taxes	30.0	11.7
Assets held for sale	25.5	-
Other	3.7	3.9
Total current assets	<u>229.4</u>	<u>196.6</u>
OTHER PROPERTY AND INVESTMENTS, at cost	1.5	1.5
PROPERTY, PLANT AND EQUIPMENT		
In service	2,869.4	2,386.5
Construction work in progress	130.7	160.6
Total property, plant and equipment	<u>3,000.1</u>	<u>2,547.1</u>
Less accumulated depreciation	738.3	658.0
Net property, plant and equipment	<u>2,261.8</u>	<u>1,889.1</u>
DEFERRED CHARGES AND OTHER ASSETS		
Intangible assets, net	127.4	137.0
Goodwill	39.4	39.4
Price risk management	-	2.1
Other	21.8	23.3
Total deferred charges and other assets	<u>188.6</u>	<u>201.8</u>
TOTAL ASSETS	<u><u>\$ 2,681.3</u></u>	<u><u>\$ 2,289.0</u></u>

OGE Enogex Holdings LLC and subsidiaries
consolidated balance sheets
(unaudited)

	<u>December 31</u> <u>2012</u>	<u>December 31</u> <u>2011</u>
	<i>(In millions)</i>	
LIABILITIES AND MEMBER'S INTEREST		
CURRENT LIABILITIES		
Accounts payable	\$ 200.5	\$ 170.7
Advances from parent	132.6	61.4
Customer deposits	1.8	1.9
Accrued taxes	12.9	8.6
Accrued interest	11.2	11.0
Accrued compensation	10.3	10.9
Price risk management	0.3	0.4
Gas imbalances	5.0	9.7
Other	14.1	11.3
Total current liabilities	<u>388.7</u>	<u>285.9</u>
LONG-TERM DEBT	698.4	598.1
DEFERRED CREDITS AND OTHER LIABILITIES		
Accrued benefit obligations	79.4	60.1
Deferred income taxes	595.8	532.3
Deferred revenues	37.7	40.8
Price risk management	-	0.1
Other	5.1	4.5
Total deferred credits and other liabilities	<u>718.0</u>	<u>637.8</u>
Total liabilities	<u>1,805.1</u>	<u>1,521.8</u>
MEMBER'S INTEREST		
Member's interest	592.1	524.8
Accumulated other comprehensive loss, net of tax	(20.8)	(13.7)
Total OGE Enogex Holdings LLC member's interest	<u>571.3</u>	<u>511.1</u>
Noncontrolling interests	304.9	256.1
Total member's interest	<u>876.2</u>	<u>767.2</u>
TOTAL LIABILITIES AND MEMBER'S INTEREST	<u>\$ 2,681.3</u>	<u>\$ 2,289.0</u>