



**We Energize Life**  
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# Investor Update

August 2021

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# Safe Harbor

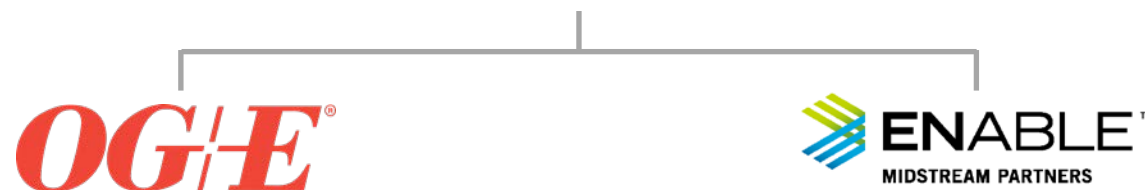
Some of the matters discussed in this news release may contain forward-looking statements that are subject to certain risks, uncertainties and assumptions. Such forward-looking statements are intended to be identified in this document by the words "anticipate", "believe", "estimate", "expect", "intend", "objective", "plan", "possible", "potential", "project", "target" 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; the ability to obtain timely and sufficient rate relief to allow for recovery of items such as capital expenditures, fuel costs, operating costs, transmission costs and deferred expenditures; prices and availability of electricity, coal, natural gas and natural gas liquids ("NGLs"); the timing and extent of changes in commodity prices, particularly natural gas and NGLs, the competitive effects of the available pipeline capacity in the regions Enable serves, and the effects of geographic and seasonal commodity price differentials, including the effects of these circumstances on re-contracting available capacity on Enable's interstate pipelines; the timing and extent of changes in the supply of natural gas, particularly supplies available for gathering by Enable's gathering and processing business and transporting by Enable's interstate and intrastate pipelines, including the impact of natural gas and NGLs prices on the level of drilling and production activities in the regions Enable serves; business conditions in the energy and natural gas midstream industries, including the demand for natural gas, NGLs, crude oil and midstream services; competitive factors including the extent and timing of the entry of additional competition in the markets served by the Company; the impact on demand for our 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 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 Company's markets; environmental laws, safety laws or other regulations that may impact the cost of operations or restrict or change the way the Company's facilities are operated; 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 and other catastrophic events; creditworthiness of suppliers, customers and other contractual parties; social attitudes regarding the utility, natural gas 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; the impact of extraordinary external events, such as the current pandemic health event resulting from COVID-19, and their collateral consequences, including extended disruption of economic activity in the Company's markets; costs and other effects of legal and administrative proceedings, settlements, investigations, claims and matters; difficulty in making accurate assumptions and projections regarding future revenues and costs associated with the Company's equity investment in Enable that the Company does not control; Enable's pending merger with Energy Transfer and the expected timing of the consummation of the merger; and other risk factors listed in the reports filed by the Company with the Securities and Exchange Commission including those listed in Risk Factors in the Company's Form 10-K for the year ended December 31, 2020.

# OGE Energy Corporate Structure

## OGE Energy Corp

(NYSE: OGE)

- Ratings: Moody's Baa1, negative outlook; S&P BBB+, negative outlook; Fitch BBB+
- Committed to maintaining and prudently growing our dividend



- Regulated electric utility with growing service territory with the lowest retail rates in the nation<sup>1</sup>
- Utility long-term growth rate of 5%
- Ratings: Moody's A3, negative outlook; S&P A-, negative outlook; Fitch A-
- OGE supports the merger agreement between Energy Transfer LP (NYSE: ET) and Enable Midstream Partners
  - Transaction expected to close in 2021
- OGE holds a 25.5% limited partner interest and a 50% general partner interest of Enable Midstream Partners, LP
  - On transaction close, OGE will own approximately 3% of Energy Transfer
- Committed to exiting midstream and becoming a pure-play electric utility



1. S&P Global Market Intelligence Ultimate Rankings of 2020 average bundled price to ultimate customers by parent company

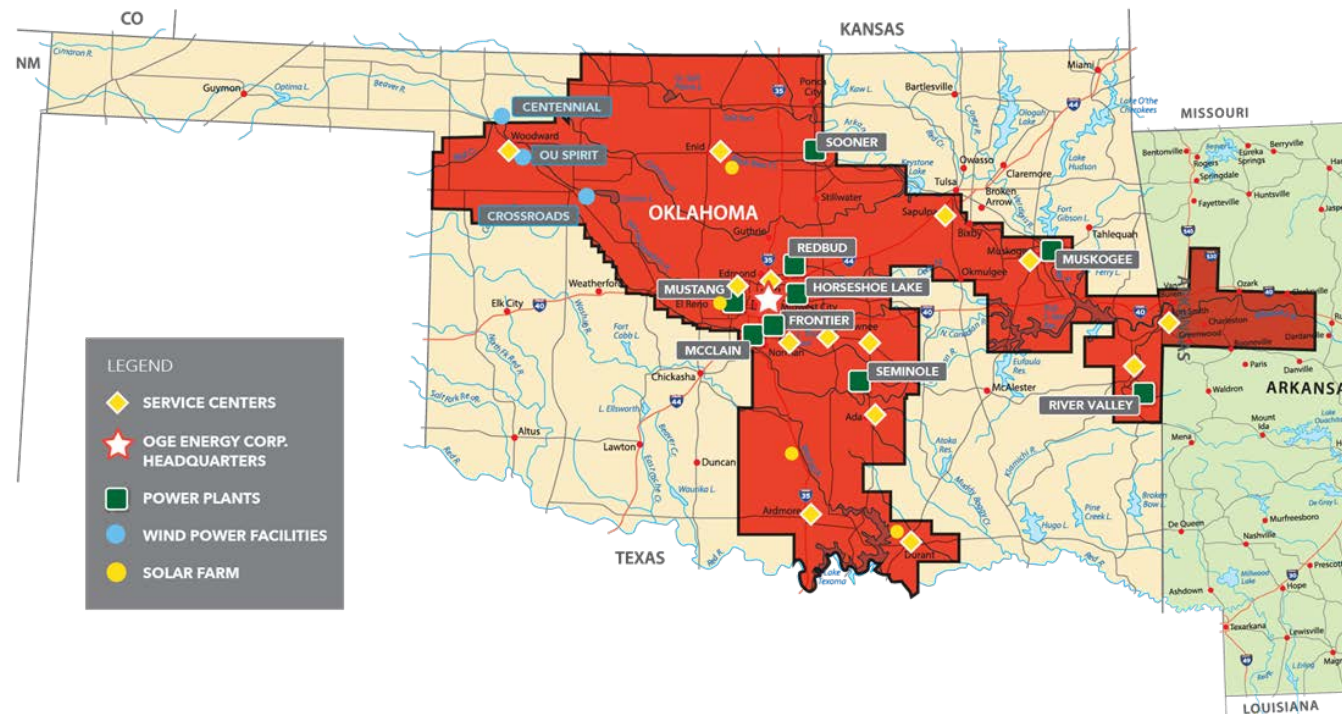


# Long Term Vision for Customers and Shareholders

- We energize life, providing life-sustaining and life-enhancing products and services, while honoring our commitment to strengthen our communities
- Grow OG&E earnings 5% annually, underpinned by lower-risk capital investments for our growing service territory
- Reposition as a pure play electric utility by responsibly exiting the midstream investment
- Attract businesses and jobs to service territory by maintaining some of the lowest rates in the nation with ever-improving electric infrastructure – adding to the growth of our service territory and communities

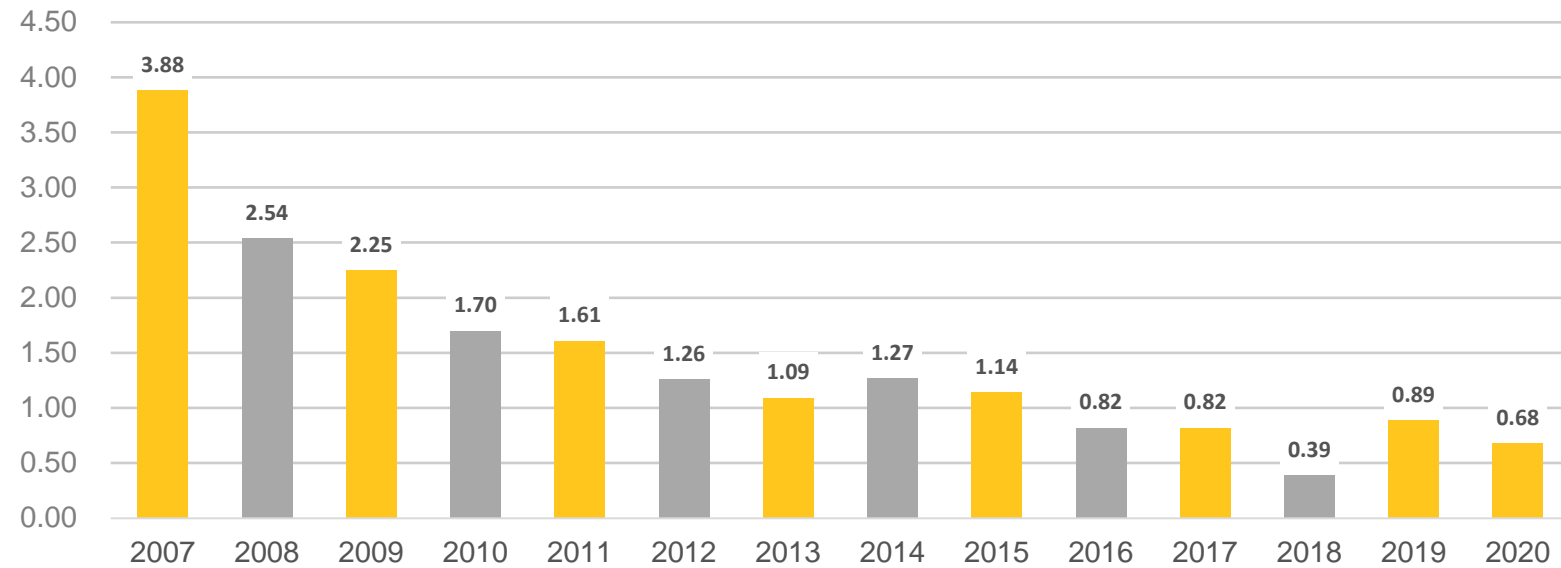
# OG&E Facts

- Regulated electric utility: 875,000 customers
- Generating capacity: 7,091 megawatts, 9 power plants, 3 wind farms, 4 solar farms
- Service territory: 30,000 square miles in Oklahoma and western Arkansas
- 2,360 Full-time (non-union) Employees



# Keeping our Members Safe

OSHA Incident Rate 2007 – 2020



- 2016 – 2020 are OG&E’s five best safety years on record
- OG&E received the Southeastern Electric Exchange’s award for Top Performance Total Company Safety and Top Performance Transmission and Distribution Safety in 2018.

# Investment Thesis

## Clear line of sight for total return



Utility growth rate  
of 5 percent



Commitment to  
grow the dividend  
prudently<sup>1</sup>



Strong  
credit ratings



Strong balance  
sheet, liquidity and  
cash flow – no  
equity issuances  
forecasted in 5-year  
plan

- A strong economy in Oklahoma and Arkansas supports organic growth opportunities in our existing footprint
- Management team is focused on growing the regulated business



# Consistently Delivering Customer and Shareholder Value

- ✓ 5% compound annual earnings growth at the utility since 2015
- ✓ 2021 marks the 75<sup>th</sup> consecutive year OGE has paid dividends to shareholders, having never reduced the dividend since going public in 1947.
  - ✓ 15 years of consecutive dividend growth
  - ✓ Committed to growing the dividend prudently<sup>1</sup>
- ✓ Invested \$3.3 billion in our system over the past 5 years to benefit customers, without external equity issuances
- ✓ O&M top quartile: O&M per customer is lower today than in 2015
- ✓ Reduced CO2 emissions by more than 40% since 2005
- ✓ Consistently maintained among the lowest rates in the nation – lower now than in 2011



# Solid Economic Indicators & Load Results

- Forecasting greater than 2% load growth in 2021 over 2020 levels<sup>1</sup>
- 1.3% Customer growth year over year
- OG&E's business and economic development efforts expect to bring ~75 MW of additional load by the end of 2021 driven by the lowest electric rates in the nation
- On track to deliver sustainable annual load growth at our historical rate of 1% in 2022 and beyond



1. Excludes February impact of winter storm Uri for industrial and oilfield which were severely impacted by forced curtailments.





# 2021 Areas of Focus

- Deliver OG&E EPS within guidance range of \$1.76 - \$1.86, mitigating the headwinds of the winter storm Uri and mild weather
- Achieve approval to securitize winter storm Uri costs
- Submit final Integrated Resource Plans in Oklahoma and Arkansas in October that sustain reliability of the fleet, providing cleaner energy, and keeping customer rates affordable
- In Arkansas, file 4<sup>th</sup> Formula Rate Plan in October and request extension of FRP mechanism
- Finish construction on two solar farms, execute on Grid Enhancement and other capital projects to the benefit of our customers and communities
- File for Oklahoma rate review towards the end of 2021 to recover infrastructure investments
- Close transaction on midstream business, setting the path to becoming a pure-play utility



# Securitization provides path to timely recovery of fuel and purchased power costs

## Oklahoma law provisions

- An application must be filed with OCC for securitization
- OCC has 180 days to issue a financing order
- Oklahoma Development Finance Authority issues the bonds
- Bonds must be issued within 24 months of the Financing Order
- Interim carrying cost determined by OCC

## Arkansas law provisions

- Utility must file application with APSC for securitization
- APSC has 135 days to issue a financing order
- Utility issues bonds through a wholly-owned special purpose entity
- Bonds must be issued within 24 months of the Financing Order
- Interim carrying cost at WACC after order received by the APSC on securitization



# Securitization Update

OG&E received ~\$100 million in SPP settlements in June, reducing the impact of fuel and purchased power costs incurred from the February weather event. Approximately \$850 million has been recorded as a regulatory asset as of June 30, 2021.

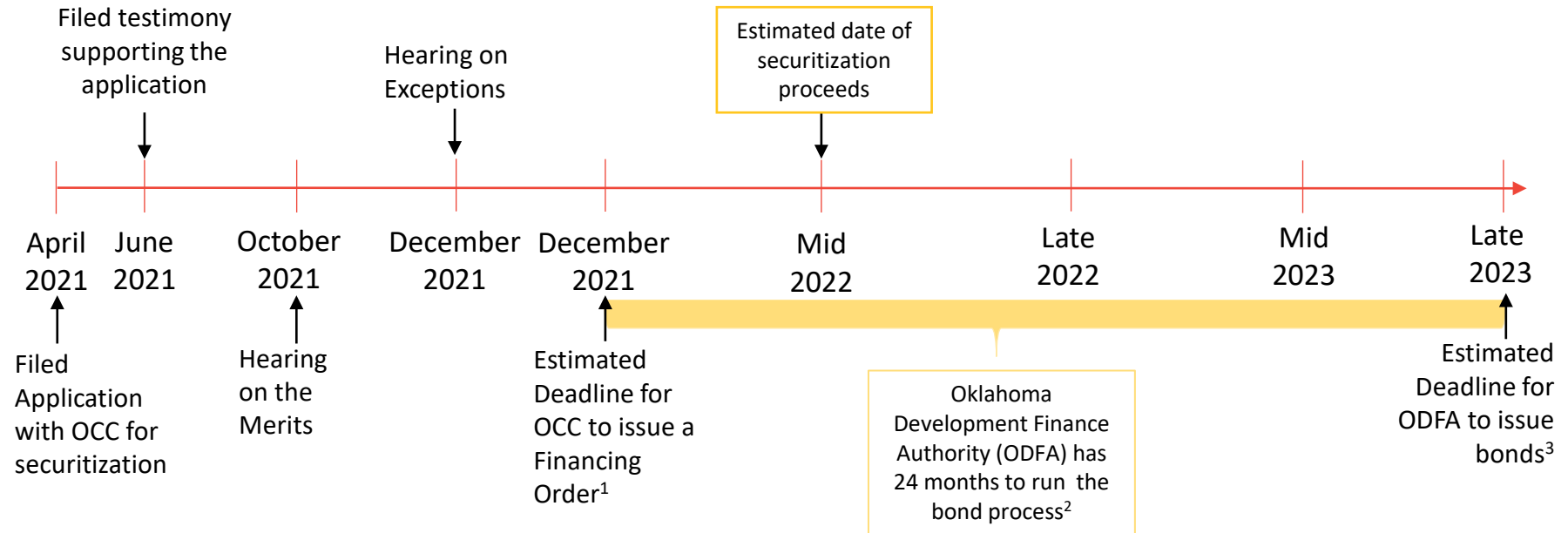
## Oklahoma

- As of June 30, 2021, OG&E has incurred ~\$755 million of costs related to the OK jurisdiction for winter storm Uri
- Regulatory asset approved with an initial carrying charge based on the effective cost of associated debt financings
- Application for securitization filed with the OCC April 26, 2021
- October 11 – hearings begin on prudence of costs and recovery via securitization
- December 15 – expected OCC order date

## Arkansas

- As of June 30, 2021, OG&E has incurred ~\$92 million of costs related to the AR jurisdiction for winter storm Uri
- Order received for interim recovery over a 10-year amortization period with an initial carrying charge that approximates the debt financing rate
  - New fuel rates implemented May 1, 2021
- Application expected to be filed in the second half of 2021 to securitize costs in 2022

# Oklahoma Securitization: Key Dates



1. OCC shall issue an order within 180 days of receiving all necessary information and documentation pursuant to Section 4 of the Act
2. Prior to bonds being issued, the Oklahoma Attorney General must approve the form of the bonds and the Oklahoma Supreme Court must approve the issuance of the bonds.
3. Bonds must be issued within 24 months of the Financing Order

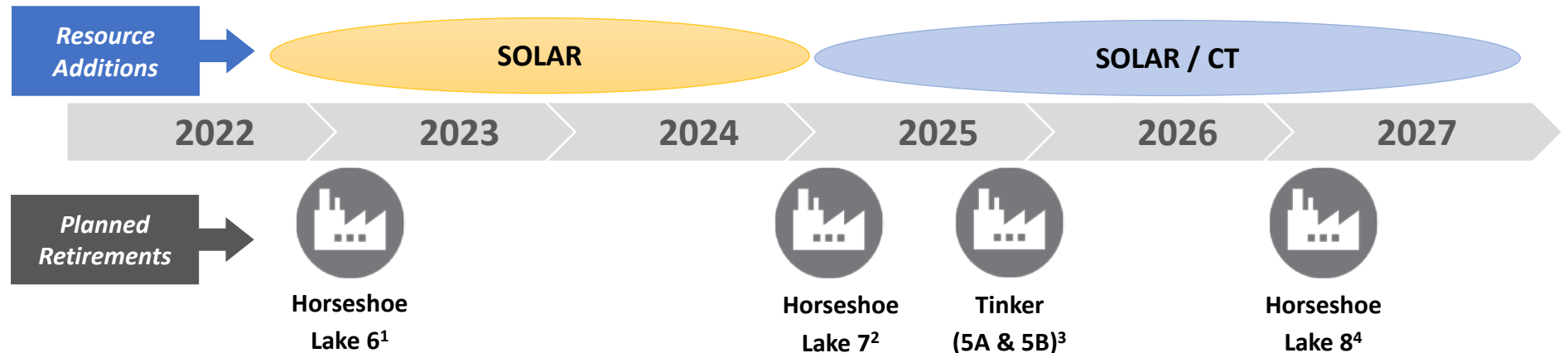
# Integrated Resource Plan: Generation Retirements and Capacity Needs

## 2021 IRP Timeline

- Draft IRP submitted on August 2, 2021
- Stakeholder meetings in August and September
- Final IRP submitted in October 2021

## Retirements and Capacity

- Approximately 850 MW retiring over the next 5 to 6 years
- Replacing capacity, beginning with solar then hydrogen-capable CTs



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1. Horseshoe Lake Unit 6, 168 MW, in service 1958  
 2. Horseshoe Lake Unit 7, 211 MW, in service 1963

3. Tinker Units 5A and 5B, 64 MW, in service 1971  
 4. Horseshoe Lake Unit 8, 403 MW, in service 1969



# Positioning OGE to be a Pure Play Utility

- Merger between Enable and Energy Transfer is an important step in our simplification journey to a pure play utility
- The transaction will transform OGE's investment into a larger, and more diverse midstream company with significantly greater liquidity
- OGE will exchange 111 million units in Enable for 95 million Energy Transfer units (0.8595 exchange ratio)
- OGE will receive \$5 million for GP interest
- CenterPoint Energy will pay \$30 million to OGE
- Transaction expected to close in 2021
- OGE is committed to responsibly exiting our midstream investment over time and will provide more details on exit timing after the transaction closes

# Energy Transfer LP and Enable Midstream Partners LP Merger

- Transaction considered credit positive from the credit rating agencies
- **Equity investment accounting treatment**
  - The Energy Transfer shares will be marked to market quarterly
  - Distributions from Energy Transfer will be recorded as distribution income
  - The current amortization of basis, elimination of fair value adjustments associated with the investment in Enable, estimated at \$55M annualized for 2021, will be eliminated upon merger finalization.
- **Distributions**
  - OGE Energy currently receives approximately \$73M from Enable in annual distributions (assuming no change in quarterly rate of \$0.16525/ unit)
  - OGE Energy will receive approximately \$58M from Energy Transfer in annual distributions (assuming no change in current quarterly rate of \$0.1525/ unit)
- **FFO/Debt**
  - Our view is that the FFO/Debt rating agency downgrade thresholds are expected to be adjusted accordingly as OGE Energy exits the midstream investment over time



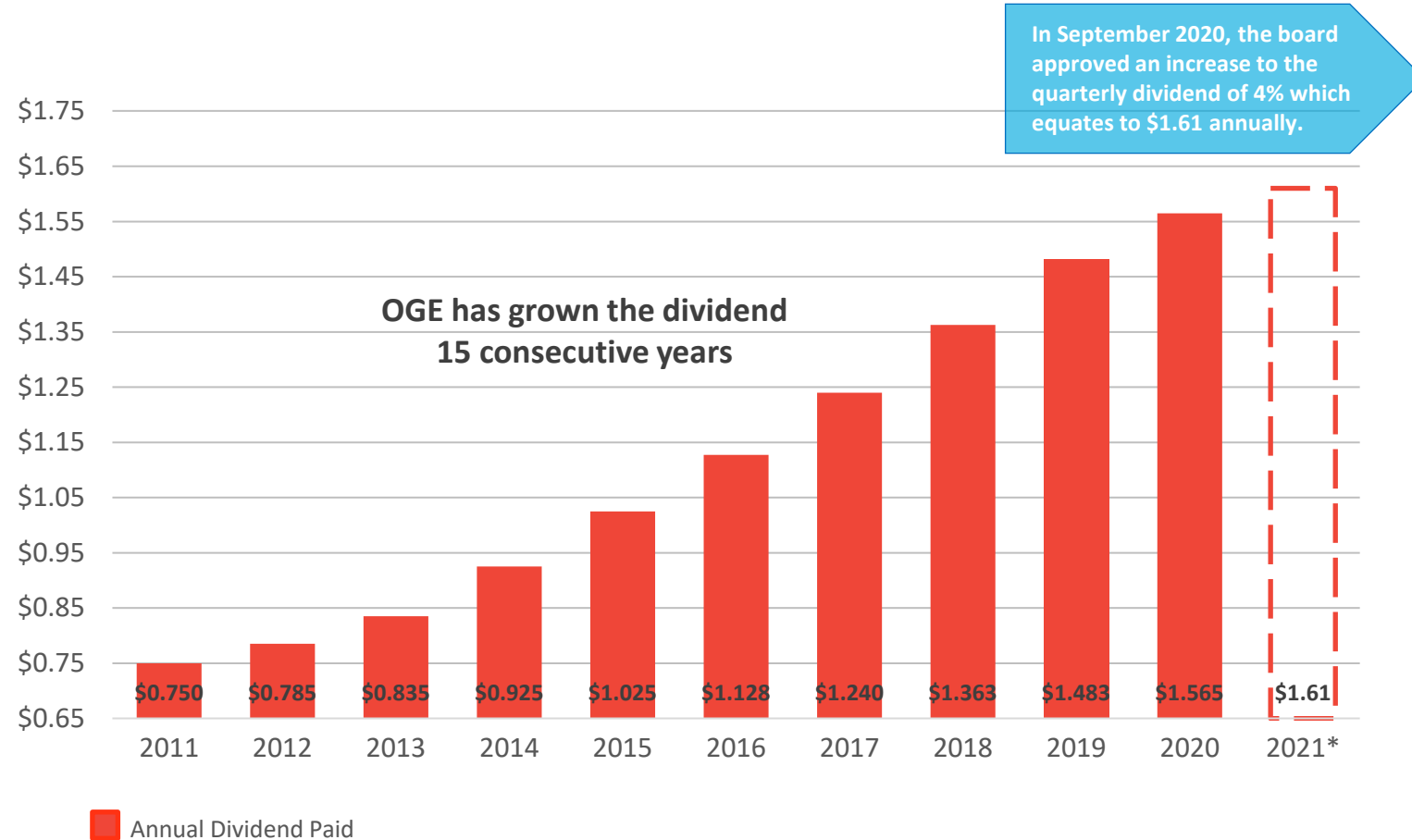


# Appendix

# Oklahoma Securitization Procedural Schedule

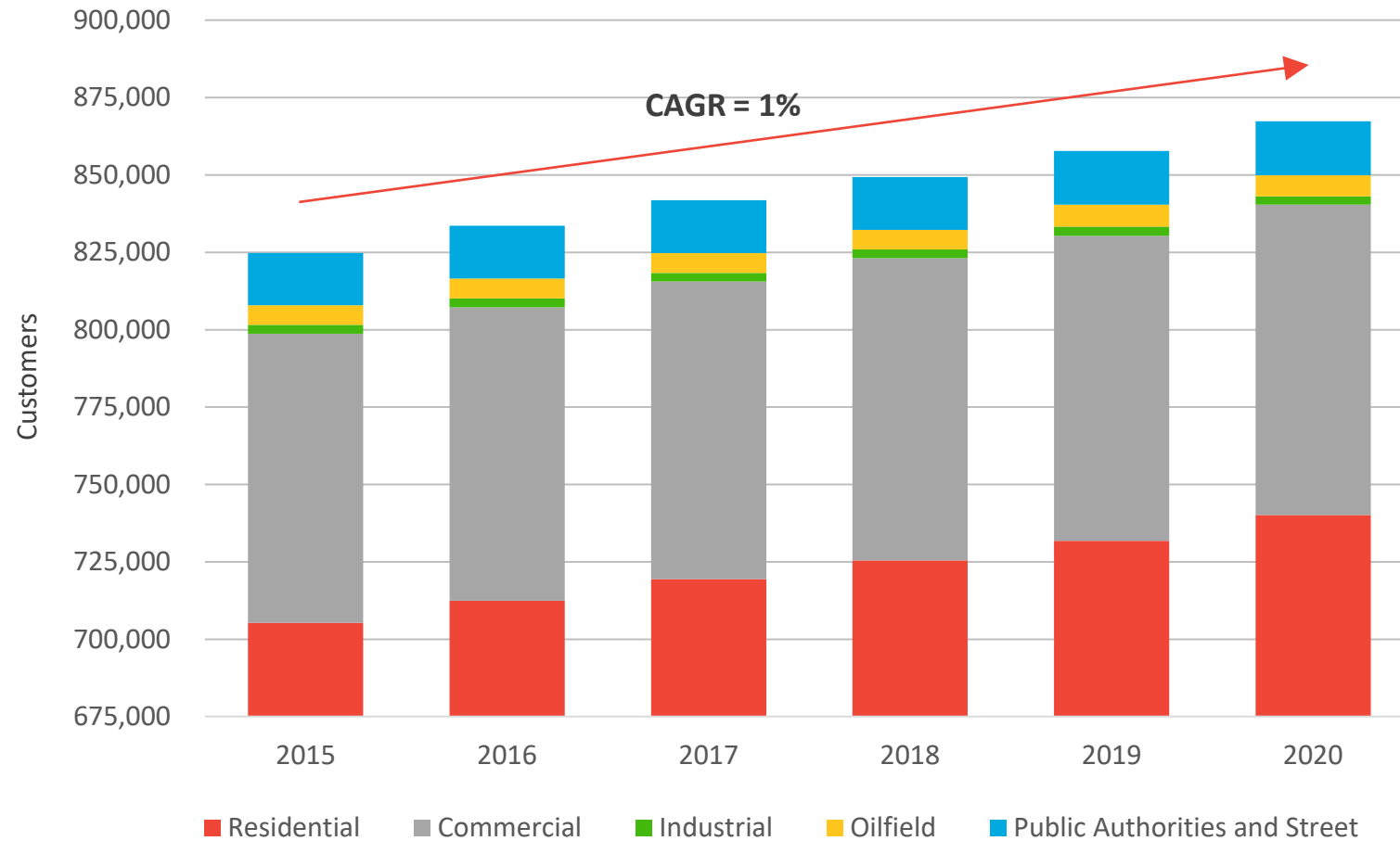
Date	Action	Date	Action
July 19, 2021	Deadline for Intervention	October 8, 2021	Pre-trial Conference
August 23, 2021	Deadline for filing Responsive Testimony	October 11, 2021	Hearing on the Merits begins, continuing until completed
August 23, 2021	Discovery cut-off for Direct Testimony	October 20, 2021	Proposed Findings of Fact and Conclusions of Law
August 27, 2021	Deadline for Statements of Position from all parties not filing Responsive Testimony	November 12, 2021	ALJ Report filed
September 13, 2021	Deadline for filing Rebuttal Testimony	November 17, 2021	Any exceptions to ALJ Report filed
September 13, 2021	Discovery cut-off for Responsive Testimony	November 22, 2021	Any responses to exceptions filed
September 23, 2021	Settlement Conference	November 30, 2021	Hearing on any exceptions to ALJ Report
October 7, 2021	Exhibit List filed and Exhibits exchanged; Pre-trial Motions filed; Order of Presentation submitted to ALJ; Testimony summaries filed	December 15, 2021	End of 180-day time period

# Committed to Maintaining and Prudently Growing the Dividend

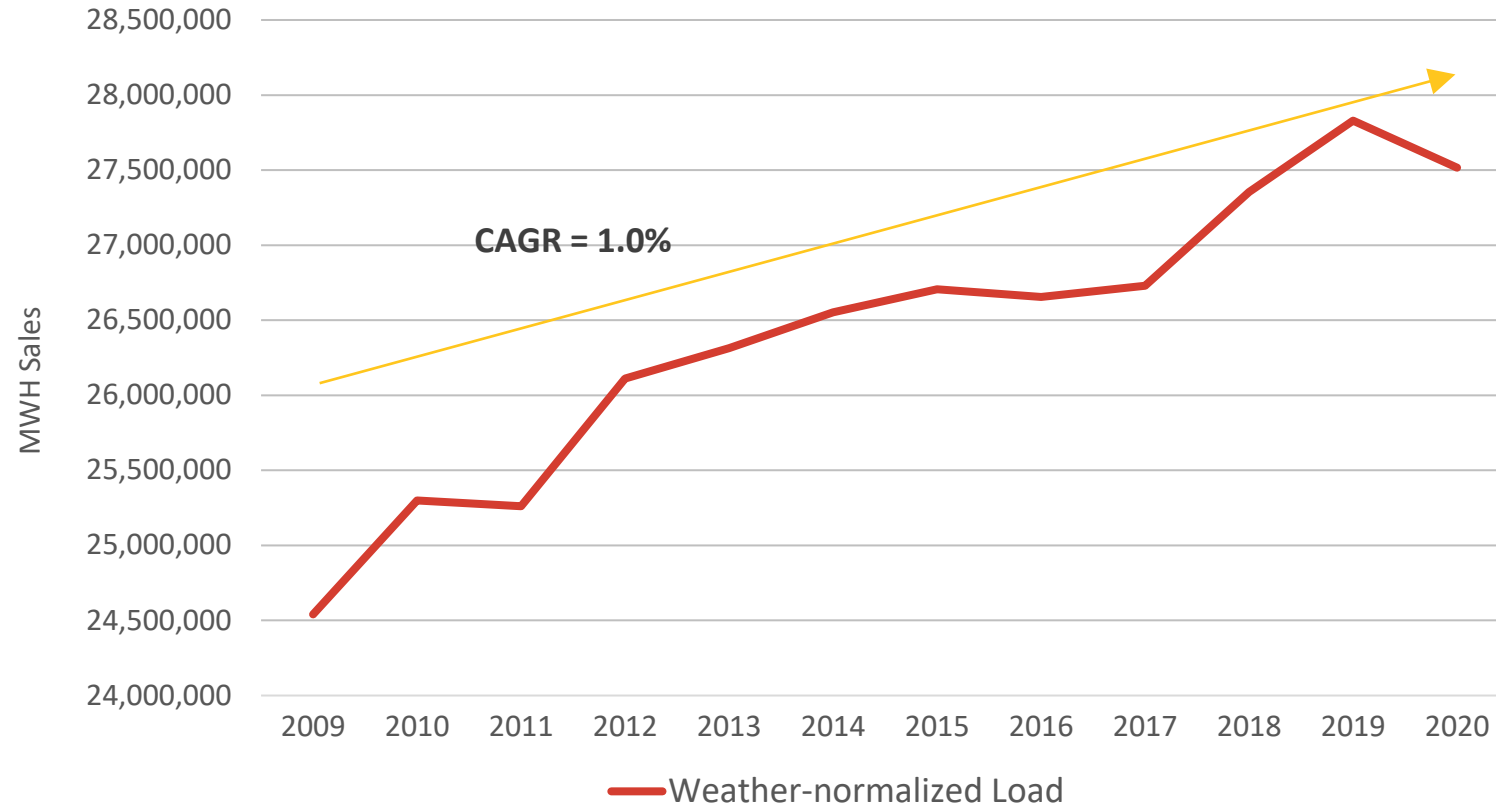


\*Quarterly dividend rate of \$0.4025 declared by the Board of Directors in May 2021. The dividend must be approved by board each quarter.

# Customer Growth



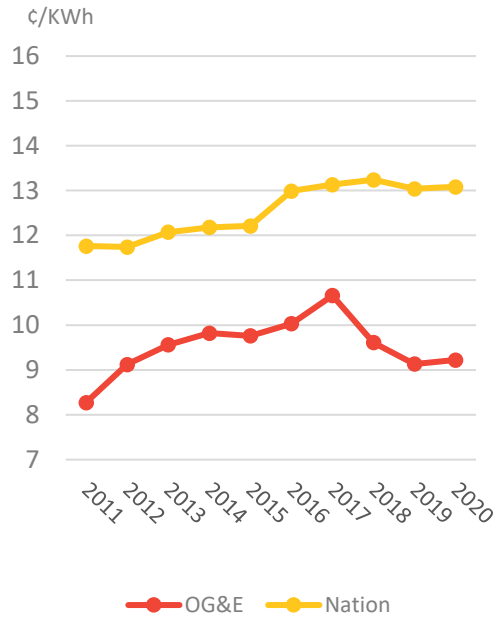
# Load Growth Trends



# Customer Value



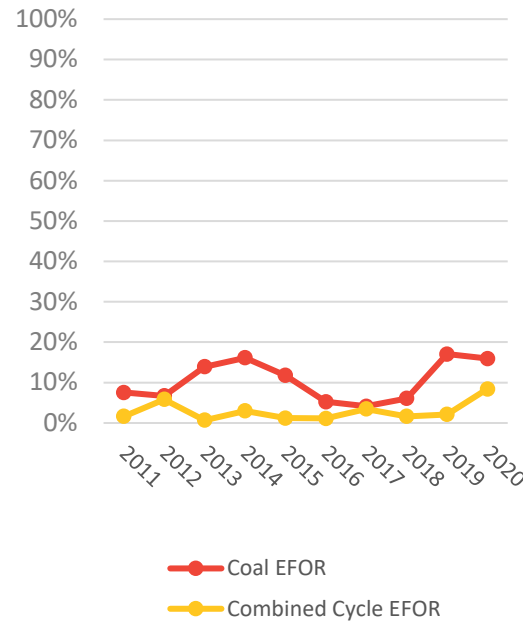
## Low Residential Rates



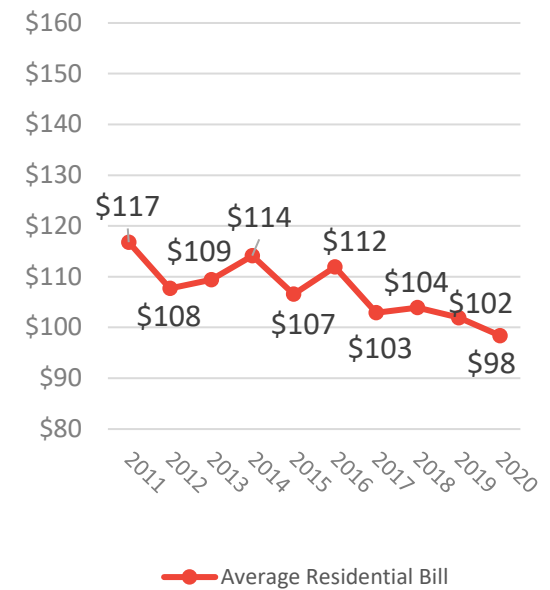
Source: EEI Typical Bills and Average Rates Report Summer 2020  
Residential Avg Rates - Oklahoma



## Solid Generating Plant Performance



## Stable Residential Bills

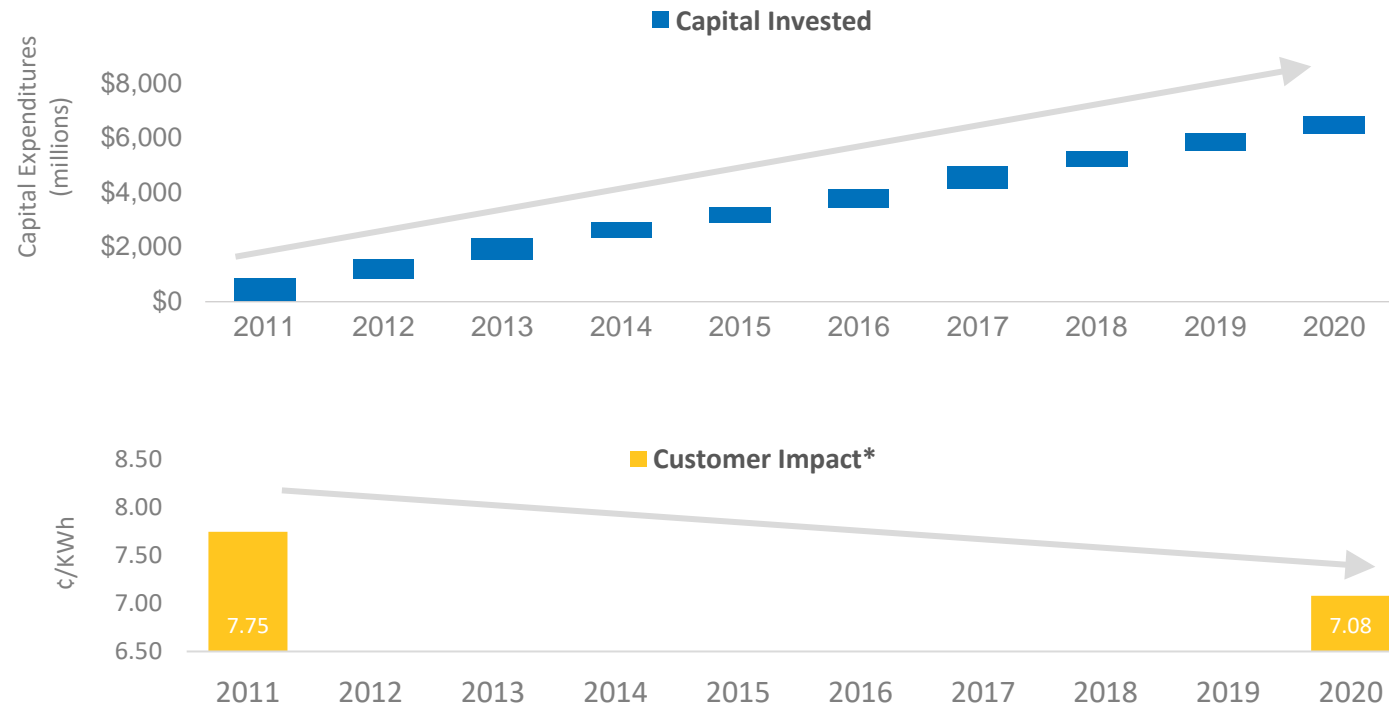


Source: OGE Energy 10K filings, Annual average of monthly bills



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# Creating Value for Customers and Shareholders



Invested  
**\$6.8B**

CAGR  
**-1.0%**

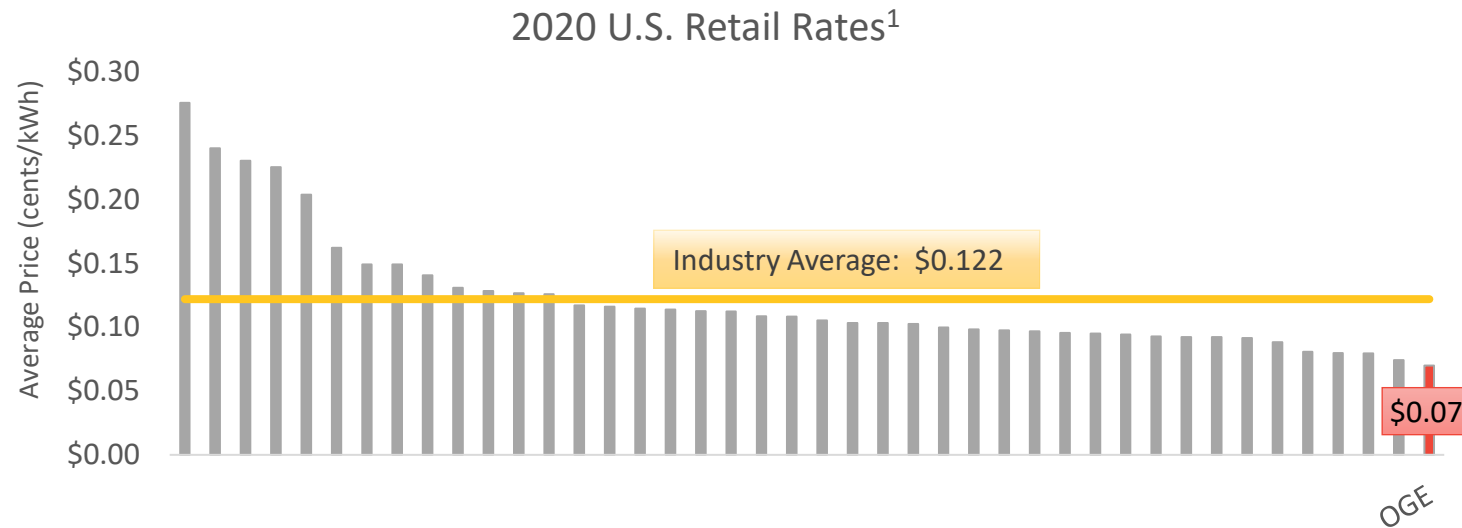


\*Customer Impact is Oklahoma Retail Average Rate Comparison, EEI Typical Bills and Average Rates Report Summer 2011 and 2020.

# Our Rates are the Lowest in the Nation and Key to Growing Our Communities

S&P Global reported that OG&E had the lowest rates in the nation in 2018, 2019, and 2020

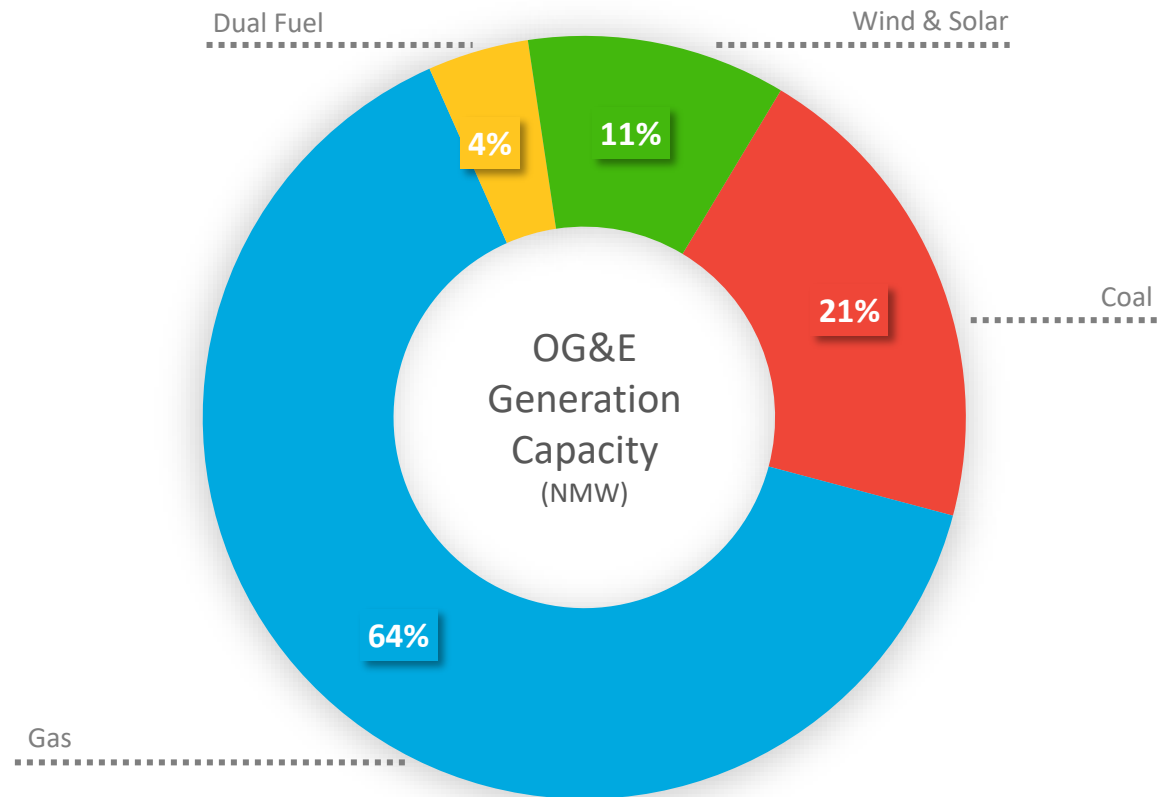
- Our efforts to keep rates low drives economic development
- Our low rates provide a platform for economic growth in our communities



1. S&P Global Market Intelligence Ultimate Rankings of 2020 average bundled price to ultimate customers by parent company

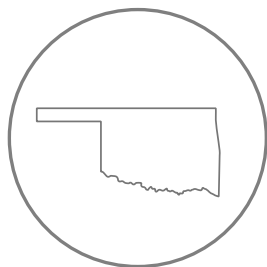


# OG&E Generation Fleet



Generation Type	Capacity (NMW)
Gas	4,796
Coal	1,534
Dual Fuel	320
Wind <sup>1</sup>	798
Solar <sup>2</sup>	22
<b>Total</b>	<b>7,470</b>

# Regulatory Overview



## Oklahoma Corporation Commission

- 3 elected commissioners serve with 6-year terms
- Chairman Hiett's current term ends in 2026
- Vice-Chairman Anthony's current term ends in 2024
- Commissioner Murphy's current term ends in 2022
- OG&E has a 9.5% ROE with 53% equity layer



## Arkansas Public Service Commission

- 3 appointed commissioners serve with 6-year terms
- Chairman Thomas was appointed in 2015
- Commissioner O'Guinn was appointed in 2016
- Commissioner Tate was appointed in 2019
- OG&E has a formula rate with 9.5% ROE and a 50% equity layer



- OG&E has a formula rate with 10.5% ROE and up to 56% equity for Transmission

# Regulatory Framework

	Oklahoma	Arkansas	FERC
Formula rate plan		✓	✓
Forward/ projected test year	6 months	✓ (Rate Case)	✓
Interim rates	✓	✓	
Fuel recovery mechanism	✓	✓	
Environmental compliance rider		✓	
Storm cost recovery rider	✓		
Pension tracker	✓		
Energy efficiency rider	✓	✓	
SPP cost tracker	✓	✓	
OK Generation Capacity Recovery Rider	✓		
OK Grid Enhancement Mechanism	✓		

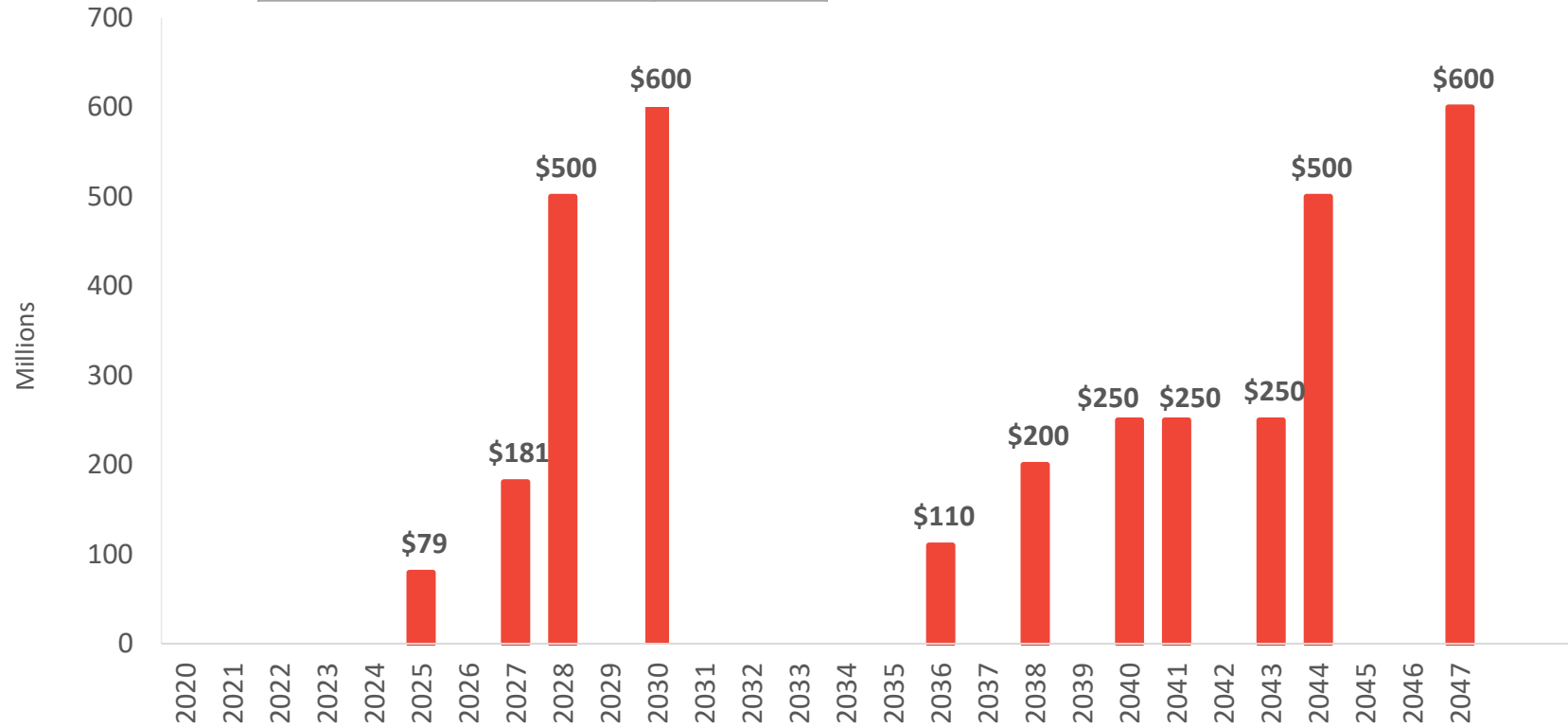


# Financing Plan Update

- **Balance sheet strength supports our long-term growth plan and dividend**
- **Consolidated FFO/Debt of 18% to 20% originally forecasted for 2021 - 2023**
  - Target metrics are before the effects of fuel costs incurred during winter storm Uri
  - In March 2021, OGE Energy entered into \$1 billion unsecured 364-day term loan to cover OG&E's February fuel and purchased power costs
  - In May 2021, the term loan was refinanced by issuing \$1 billion of senior notes to serve as a bridge until securitization
    - 2-year term loans, callable as early as 6 months from issuance, providing repayment flexibility to coincide with securitizations
  - Securitizations of fuel and purchased power costs are expected to restore credit metrics to our forecasted 18% - 20% levels
- **Long term EPS growth of 5% coupled with a stable, growing dividend offers investors an attractive total return proposition**

# Debt Portfolio

Weighted Average Maturity <sup>1</sup>	17.2 years
Weighted Average Coupon <sup>1</sup>	4.3%



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1. Does not include the \$1 billion issued in May of 2021, maturity in May of 2023, for fuel and purchased power costs associated with Winter Storm Uri. Proceeds from the Oklahoma securitization process are expected in mid-2022.

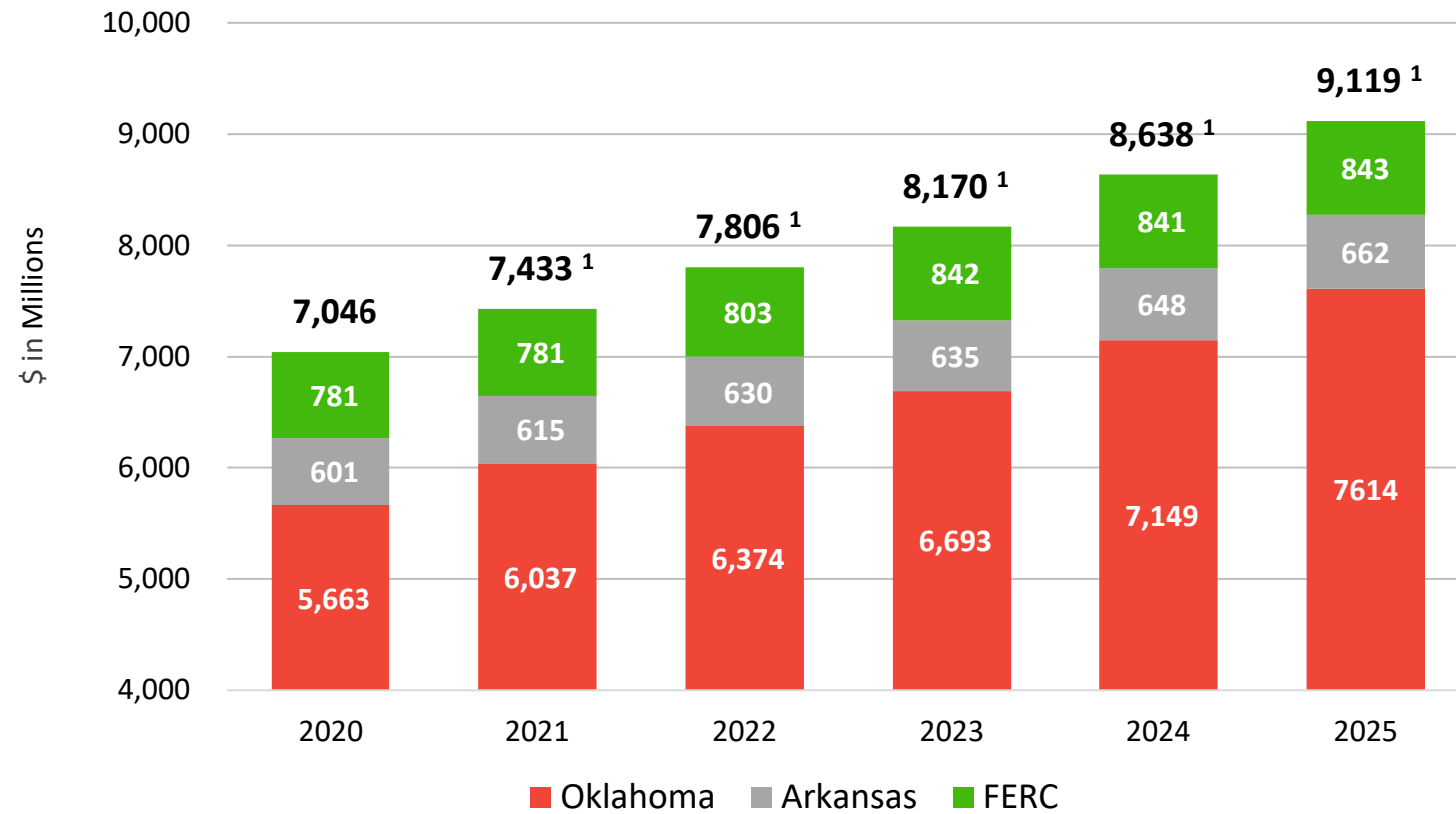
# Investing in our Communities

- 5-year capital plan of \$4.1 billion
  - Approximately \$100M added to the 2021 capital plan this year
  - Strong customer growth drives incremental grid investment needs
  - Over 75% of 5-year capital plan is lower-risk, T&D system investments
  - Solar generation of \$95 million included in the 5-year plan
  - Excludes potential incremental investments related to the draft IRP

**5% targeted utility EPS growth rate through 2025, from the 2021 midpoint of guidance \$1.81**

<i>Dollars in millions</i>	2021	2022	2023	2024	2025	Total
Transmission	\$150	\$110	\$115	\$105	\$125	<b>\$605</b>
Oklahoma Distribution	275	290	265	300	300	<b>1,430</b>
Arkansas Distribution	25	20	20	20	20	<b>105</b>
Generation	105	85	125	125	130	<b>570</b>
Oklahoma Grid Advancement	215	180	185	185	185	<b>950</b>
Subscription Solar Program	15	20	20	20	20	<b>95</b>
Other	65	80	80	80	80	<b>385</b>
<b>Total</b>	<b>\$850</b>	<b>\$785</b>	<b>\$810</b>	<b>\$835</b>	<b>\$860</b>	<b>\$4,140</b>

# Projected Rate Base by Jurisdiction



*\*Includes projects under construction; Year-end totals*

1. Excludes the \$100M additional capital added to the 2021 investment plan



# Stewardship at OGE

OGE Energy Corp. has a long-standing commitment to stewardship, striving to protect the environment and promote sustainability in all its business activities.

## Environmental Stewardship

### 2019 announced and accomplished reductions from the 2005 baseline:

- Nitrogen Oxide (NO<sub>x</sub>) – ~ 75%; Sulfur Dioxide (SO<sub>2</sub>) – ~ 90%; Carbon Dioxide (CO<sub>2</sub>) – ~ 40%
  - Expect to reduce carbon dioxide emissions to 50% below 2005 levels by 2030
- Each year, the company returns 98% of the water it uses to generate electricity. In addition, two of our plants use water from municipal wastewater treatment facilities, conserving 2.27 billion gallons of fresh water annually
- OGE currently recovers more than 97% of fly ash generated to sell to the concrete industries, and in the last five years we've diverted more than 1.3 million tons of ash from landfills.
- Reduced coal generation capacity in 2019 by 40% (1,000 MWs of coal generation converted to natural gas)

### Renewable Generation

- Increased generation fleet capacity from zero to 11% over the past 10 years
- OGE developed the first wind & solar farms in Oklahoma
- OGE has facilitated renewable generation development by sponsoring and building transmission lines, connecting growing wind resources to large load centers



# Stewardship at OGE

OGE Energy Corp. has a long-standing commitment to stewardship, striving to protect the environment and promote sustainability in all its business activities.

## Smart Hours Program

- Nationally recognized demand side management program that allows customers to respond to demand pricing signals thereby reducing peak generation loads. In 2019 the demand response capacity was 116 MW which together with energy efficiency programs has offset up to 3% additional carbon dioxide emissions

## Vehicle Fleet Conversion

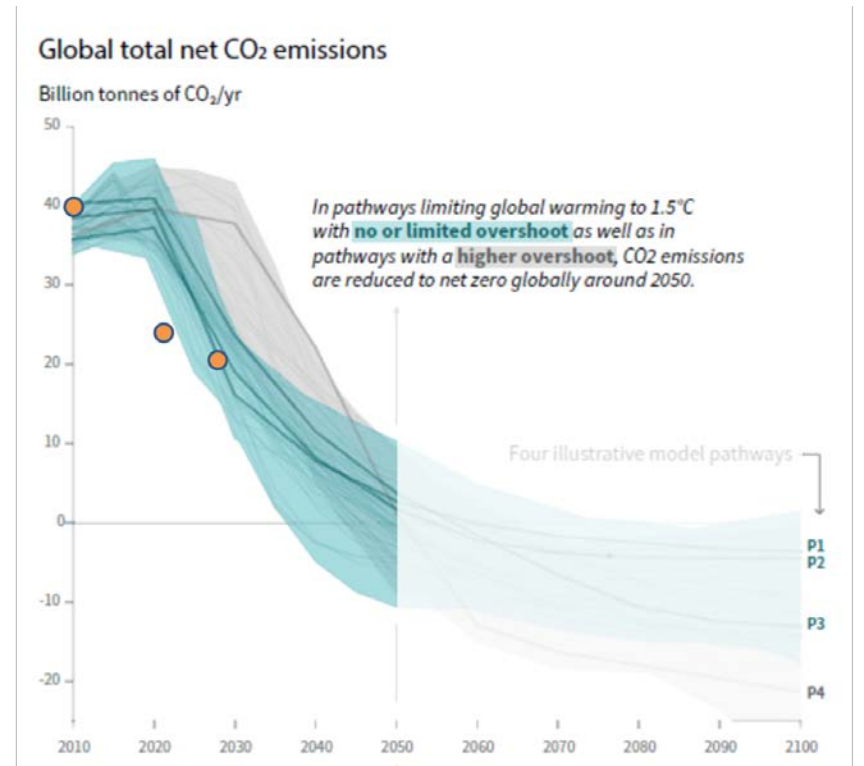
- Converting 50% of light duty vehicles to electric by 2025 and 100% of light duty vehicles by 2030
- Reducing the emissions of all fleet vehicles, including medium and heavy-duty trucks, by 60% over current levels by 2030

## Current ESG Disclosures

- OGE Energy's Stewardship efforts are detailed on its website: <https://www.ogeenergy.com/stewardship/>
- CDP Annual Report (*available on the Stewardship Website*)
- EEI ESG/ Sustainability Template (*available on the Stewardship Website*)
  - *The Edison Electric Institute developed an industry ESG template with the goal of helping electric companies provide the financial sector with more uniform and consistent ESG/ Sustainability data and information.*



# Stewardship: Long Term Carbon Direction



Timing of net zero CO<sub>2</sub>  
Line widths depict the 5-95th percentile and the 25-75th percentile of scenarios

— Pathways limiting global warming to 1.5°C with no or limited overshoot  
— Pathways with higher overshoot  
— Pathways limiting global warming below 2°C (Not shown above)

2018 announced emissions expectation:

- 40% CO<sub>2</sub> emissions reduction by 2019 from 2005
- 50% by 2030

OG&E's announced reductions are consistent with those recommendations of the IPCC's 1.5-degree projections through 2030

# Stewardship: Taking Care of our Employees, Customers, and Community during COVID-19



## Employees

- ✓ Ensuring health and safety of our employees
- ✓ Social distancing in the office and field
- ✓ Health screenings at all facilities
- ✓ Leveraging work from home capabilities where possible



## Customers

- ✓ Delivering safe and reliable energy
- ✓ Implemented temporary customer disconnect moratoriums
- ✓ Minimizing exposure to the public



## Community

- ✓ Coordinating response with regulators
- ✓ Philanthropy supporting local restaurants and Ending Hunger OKC

# Stewardship: Community Partnership

## Pollinator Habitat Conservation

OG&E is also setting aside portions of pollinator habitat at locations across our service area. Designated as monarch “Waystations,” these locations will help provide critical resources, such as area-specific milkweed and flowers, necessary for the monarch population to sustain its migration. In addition, we’re also using these areas to evaluate and test land management practices – including modification to mowing practices and using area-specific native grasses and flowering plants.

## Oklahoma City Zoo Partnership

OG&E has partnered with the Oklahoma City Zoo and Botanical Garden to provide brush and timber from our Vegetation Management group. This allows the Company to repurpose wood waste while helping supplement the care and feeding of several of the Zoo’s animal populations, including elephants, bears and apes.



# Stewardship: Focus on Community Development



**20,000**  
volunteer hours



Contributed  
**\$1.2 million**  
to the United Way  
**Pacesetter Campaign**,  
which includes funds from  
special events, rallies and  
company match of \$.50  
on the dollar

Contributed  
**\$500,000**  
to the United Way  
**HeartLine, Inc. and**  
**Upward Transitions** to aid  
customers impacted by  
the October and  
November 2020 ice storm



Recognized as one of the  
**100 Most**  
**Trustworthy**  
**Companies in the Nation**  
by Forbes Magazine

**EI Emergency**  
**Assistance Award**  
for recovery efforts  
following 2019 flooding in  
OK and AR, our 16th since  
1999



Established the **OGE**  
**Renewable Energy**  
**Scholarship** and paid  
internship for MBA  
candidates at the University  
of Oklahoma

Provide **scholarships of up**  
**to \$5,000 per year** for  
under-represented students  
pursuing STEM disciplines at  
Oklahoma State University

Annually award **three 4-**  
**year college**  
**scholarships** to deserving  
students in our service area



**More than \$1.8**  
**million in grants**  
**in 2019 contributed**  
**through the OGE**  
**Energy Corp.**

**Foundation** to support  
programs, organizations  
and institutions that  
enhance the quality  
of life and economic  
well-being of our  
communities  
Over **170 grants and**  
**\$11 million in**  
**charitable giving**  
from the Foundation in  
the past five years