



**Earnings Conference Call  
Second Quarter 2013**

**August 8, 2013**

# 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" 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; the timing and extent of changes in commodity prices, particularly natural gas and natural gas liquids, the competitive effects of the available pipeline capacity in the regions Enable Midstream Partners serves, and the effects of geographic and seasonal commodity price differentials, including the effects of these circumstances on re-contracting available capacity on Enable Midstream Partners' interstate pipelines; the timing and extent of changes in the supply of natural gas, particularly supplies available for gathering by Enable Midstream Partners' gathering and processing business and transporting by Enable Midstream Partners' interstate pipelines, including the impact of natural gas and natural gas liquids prices on the level of drilling and production activities in the regions Enable Midstream Partners serves; 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; difficulty in making accurate assumptions and projections regarding future revenues and costs associated with the Company's equity investment in Enable Midstream Partners that the Company does not control; the risk that Enable Midstream Partners may not be able to successfully integrate the operations of Enogex LLC and the businesses contributed by a wholly-owned subsidiary of CenterPoint Energy, Inc.; 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.

# Second Quarter EPS Results

	<u>2Q 2013</u>	<u>2Q 2012</u>
<b>OG&amp;E</b>	<b>\$0.40</b>	<b>\$0.37</b>
<b>Natural Gas Midstream*</b>	<b>0.07</b>	<b>0.10</b>
<b>Hold. Co.</b>	<b>(0.01)</b>	<b>-</b>
<b>Consolidated</b>	<b>\$0.46</b>	<b>\$0.47</b>

\*2Q natural gas midstream results are comprised of earnings for one month ended April 30, 2013 from Enogex and two months ended June 30, 2013 from Enable Midstream Partners

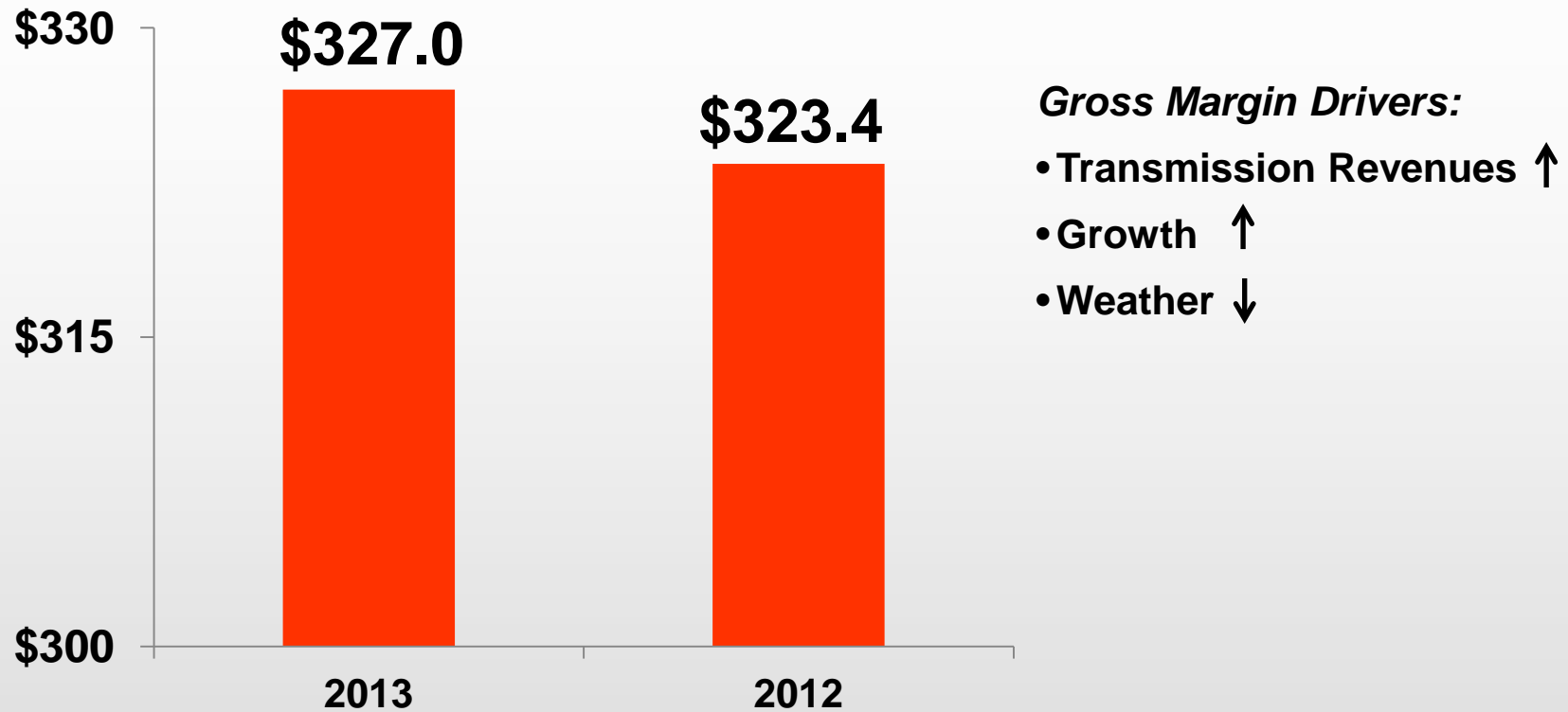
# Second Quarter Results – OG&E

Net income for OG&E was \$79 million or \$0.40 per share in 2013 as compared to net income of \$73.4 million or \$0.37 per share in 2012. Primary drivers include:

In Millions of \$	<u>2Q 2013</u>	<u>2Q 2012</u>	<u>Variance</u> <u>Fav/(Unfav)</u>
Gross Margin	327.0	323.4	3.6
Operation & Maintenance	107.0	114.7	7.7
Income Tax Expense	28.1	25.2	(2.9)

# Second Quarter Results - OG&E Gross Margin

Millions of \$



# Second Quarter Results – Natural Gas Midstream Operations

Net income to OGE was \$14.8 million or \$.07 per share in 2013 as compared to net income of \$21 million or \$.10 per share in 2012. Primary drivers include:

<b>In Millions</b>	<b>Natural Gas Midstream Operations</b> (Consolidated – Month Ended April 30, 2013)	<b>Enable Midstream Partners</b> (Equity Method – Two Months Ended June 30, 2013)	<b>Total</b> (Three Months Ended June 30, 2013)	<b>Natural Gas Midstream Operations</b> (Consolidated – Three Months Ended June 30, 2012)
Gross margin on revenues	36.4	-	36.4	121.4
Operating expenses	27.4	-	27.4	72.8
Equity in earnings of unconsolidated affiliates	-	18.5	18.5	-
Income tax expense	1.9	6.9	8.8	12.6
Net income	3.2	11.6	14.8	21.0

# 2013 Outlook

- **The Company's 2013 earnings guidance is projected to be at the upper end of the previously announced guidance of between \$335 million and \$360 million of net income, or \$1.68 to \$1.80 per average diluted share assuming 200 million average diluted shares outstanding.**
- **OG&E's guidance is unchanged between \$280 million to \$290 million of net income or \$1.40 to \$1.45 per average diluted share in 2013 assuming normal weather patterns for the remainder of the year.**
- **The Company projects earnings from Natural Gas Midstream Operations to be between \$70 million and \$90 million of net income or \$0.35 to \$0.45 per average diluted share an increase from the previously issued guidance of between approximately \$55 million to \$75 million, or \$0.28 to \$0.38 per average diluted share. The increased is based primarily on the accretion from the formation of Enable Midstream Partners, LP.**
- **The loss at the Holding Company is projected to be between \$6 million and \$8 million or \$0.03 to \$0.04 per average diluted share as compared to the previous guidance of a loss between \$2 million and \$4 million or \$0.01 to \$0.02 per average diluted share. The change is based on the projected transaction costs associated with the formation of Enable Midstream Partners**



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***OGHE***

**Appendix**

# Projected Capital Expenditures 2013 - 2017

Dollars in millions	2013	2014	2015	2016	2017
OG&E Base Transmission	\$ 70	\$ 50	\$ 50	\$ 50	\$ 50
OG&E Base Distribution	205	175	175	175	175
OG&E Base Generation	100	125	75	75	75
OG&E Other	15	15	15	15	15
Total OG&E Base T&D, Gen & Other	390	365	315	315	315
OG&E Known and Committed Projects:					
Transmission Projects					
Balanced Portfolio 3E Projects	185	20	-	-	-
SPP Priority Projects	180	80	-	-	-
ITP 10-year Projects	5	5	-	40	40
Total Transmission Projects	370	105	-	40	40
Other Projects:					
Smart Grid Program	25	25	10	10	-
System Hardening	15	-	-	-	-
Environmental - Low NOX Burners	20	30	25	20	-
Total Other Projects	60	55	35	30	-
Total Known and Committed Projects	430	160	35	70	40
Total OG&E	820	525	350	385	355
OGE Energy	10	10	10	10	10
Total Capital Expenditures	\$ 830	\$ 535	\$ 360	\$ 395	\$ 365