



**Earnings Conference Call
Fourth Quarter 2012**

February 27, 2013

Safe Harbor

Some of the matters discussed in this presentation 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.

This presentation includes the non-GAAP measure of earnings before interest, taxes, depreciation and amortization ("EBITDA") when describing the Company's results of operations and financial performance. The Company has prepared a reconciliation of this measure to the most directly comparable GAAP measure.

Fourth Quarter EPS Results

	<u>4Q 2012</u>	<u>4Q 2011</u>
OG&E	\$0.28	\$0.20
OGE Enogex Holdings	0.10	0.19
Hold. Co.	.01	(0.02)
Consolidated	\$0.39	\$0.37

2012 EPS Results

	<u>2012</u>	<u>2011</u>
OG&E	\$2.83	\$2.65
OGE Enogex Holdings	0.75	0.83
Hold. Co.	-	(0.03)
Consolidated	\$3.58	\$3.45

Fourth Quarter Results – OG&E

Net income for OG&E was \$28 million or \$0.28 per share in 2012 as compared to net income of \$20 million or \$0.20 per share in 2011. Primary drivers include:

In Millions of \$	<u>4Q 2012</u>	<u>4Q 2011</u>	<u>Variance</u> <u>Fav/(Unfav)</u>
Gross Margin	258.3	240.8	17.5
Operation & Maintenance	112.4	111.7	(0.7)
Depreciation & Amortization	62.8	57.3	(5.5)
Net Other Income	3.0	5.7	(2.7)
Interest Expense	31.4	29.4	(2.0)
Income Tax Expense	7.8	10.9	3.1

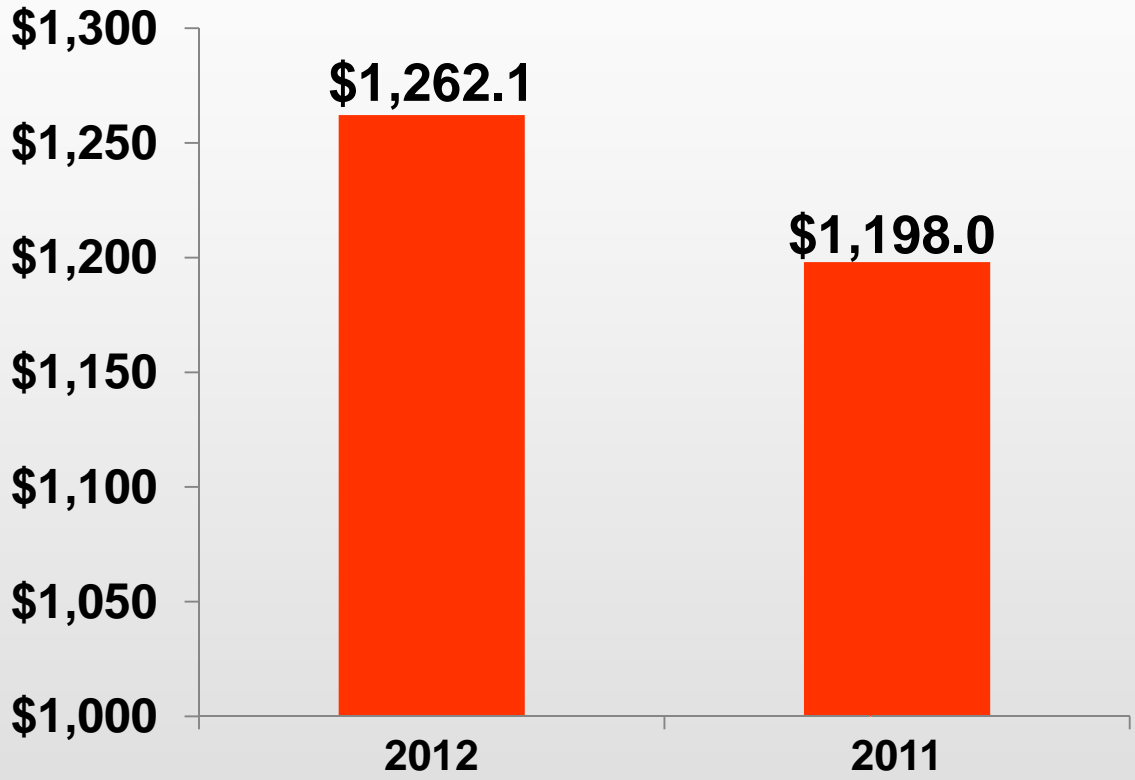
2012 Results – OG&E

Net income for OG&E was \$280.3 million or \$2.83 per share in 2012 as compared to net income of \$263.3 million or \$2.65 per share in 2011. Primary drivers include:

In Millions of \$	<u>2012</u>	<u>2011</u>	<u>Variance</u> <u>Fav/(Unfav)</u>
Gross Margin	1,262.1	1,198.0	64.1
Operation & Maintenance	446.3	436.0	(10.3)
Depreciation & Amortization	248.7	216.1	(32.6)
Net Other Income	10.1	20.5	(10.4)
Interest Expense	124.6	111.6	(13.0)
Income Tax Expense	94.6	117.9	23.3

2012 Results - OG&E Gross Margin

Millions of \$



Gross Margin Drivers:

- Key Utility Investments ↑
- Transmission Revenues ↑
- Growth ↑
- Weather ↓

Fourth Quarter Results – Enogex Holdings

Net income to OGE was \$10.3 million or \$0.10 per share in 2012 as compared to net income of \$19.1 million or \$0.19 per share in 2011. Primary drivers include:

In Millions of \$	4Q 2012	4Q 2011	Variance Fav/(Unfav)
Gross Margin	119.0	109.1	9.9
Operating Expenses	85.8	65.7	(20.1)
Interest Expense	8.9	5.7	(3.2)
Enogex Holdings Net Income	15.3	26.0	(10.7)
OGE Enogex Holdings Net Income (OGE's Portion)	10.3	19.1	(8.8)

- Processing volumes increased 18%
- Gathering volumes increased 11%

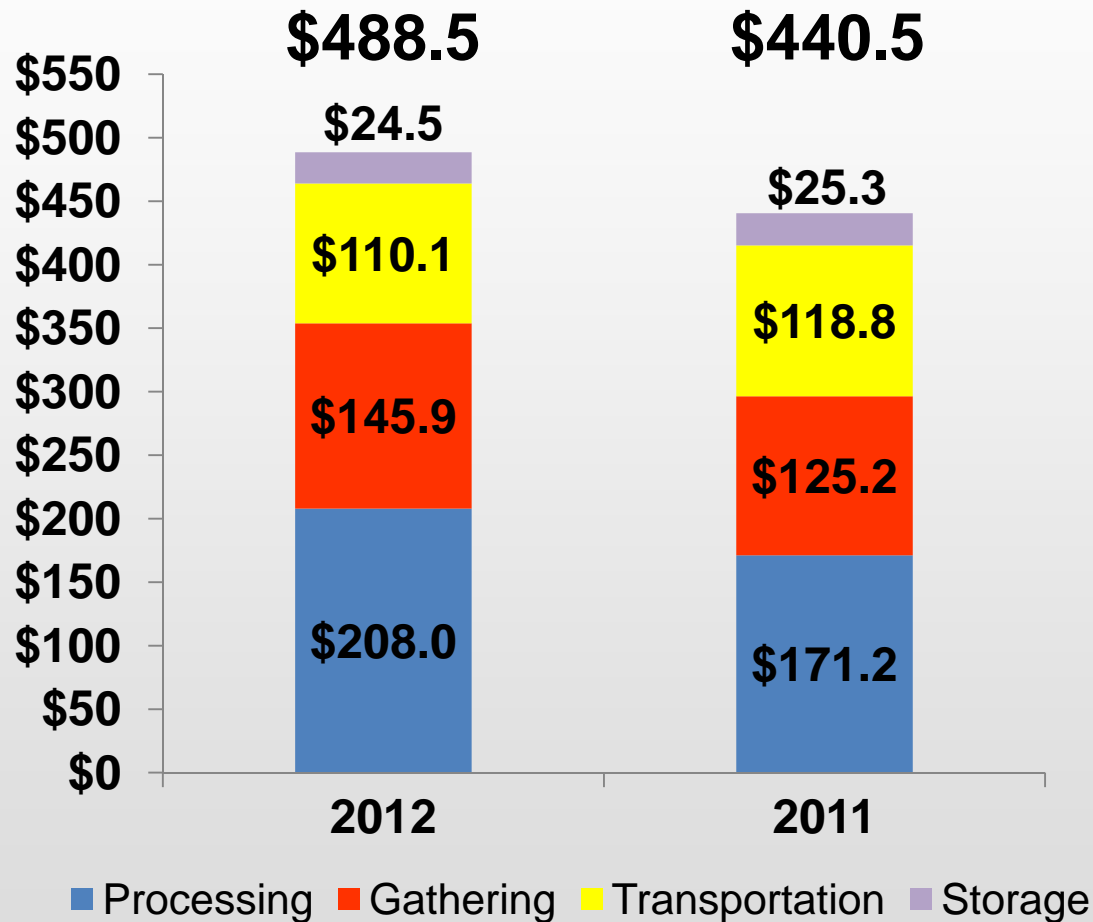
2012 Results – Enogex Holdings

Net income to OGE was \$74.1 million or \$0.75 per share in 2012 as compared to net income of \$82.2 million or \$0.83 per share in 2011. Primary drivers include:

In Millions of \$	2012	2011	Variance Fav/(Unfav)
Gross Margin	488.5	440.5	48.0
Operating Expenses	302.9	265.5	(37.4)
Net Other Income (Expense)	(3.5)	2.6	(6.1)
Interest Expense	32.6	22.9	(9.7)
Enogex Holdings Net Income			
Enogex Holdings Net Income	103.8	103.0	0.8
OGE Enogex Holdings Net Income <i>(OGE's Portion)</i>	74.1	82.2	(8.1)
Enogex Holdings EBITDA			
Enogex Holdings EBITDA	292.2	256.2	36.0
OGE Enogex Holdings EBITDA <i>(OGE's Portion)</i>	236.6	222.9	13.7

2012 Results - Enogex Holdings Gross Margin

Millions of \$



Gross Margin Drivers:

- Processed Volumes up 24%
- Increased Gathering Fees
- Condensate Volumes up 30%

2013 Outlook

- **The Company's 2013 earnings guidance is between approximately \$335 million and \$360 million of net income, or \$3.35 to \$3.60 per average diluted share assuming 100 million average diluted shares outstanding.**
- **OG&E is projected earn between approximately \$280 million to \$290 million of net income or \$2.80 to \$2.90 per average diluted share assuming normal weather.**
- **OGE Enogex Holdings is projected to earn between approximately \$55 million to \$75 million of net income or \$0.55 to \$0.75 per average diluted share.**
- **The loss at the Holding Company is projected to be between \$2 million and \$4 million or \$0.02 to \$0.04 per average diluted share.**

2013 Assumptions – OG&E

The Company projects OG&E to earn approximately \$280 million to \$290 million or \$2.80 to \$2.90 per average diluted share in 2013 and is based on the following assumptions:

- Normal weather patterns are experienced for the remainder of the year;
- Gross margin on revenues of approximately \$1.290 billion to \$1.295 billion based on sales growth of approximately 1.5 percent on a weather adjusted basis;
 - Approximately \$75 million of the gross margin is primarily attributed to regionally allocated transmission projects;
- Operating expenses of approximately \$770 million to \$780 million, with operation and maintenance expenses approximately 57% of the total;
- Interest expense of approximately \$130 million to \$135 million which assumes a \$3 million ABFUDC reduction to interest expense and \$250 million of long-term debt issued in the first half of 2013;
- AEFUDC of approximately \$10 million; and
- An effective tax rate of approximately 28%.

OG&E has significant seasonality in its earnings. OG&E typically shows minimal earnings in the first and fourth quarters with a majority of earnings in the third quarter due to the seasonal nature of air conditioning demand.

2013 Assumptions – OGE Enogex Holdings LLC

- The Company projects Enogex to earn approximately \$55 million to \$75 million, or \$0.55 to \$0.75 per average diluted share and EBITDA between \$213 million and \$241 million, in 2013 net of noncontrolling interest and is based on the following assumptions:
- Total Enogex anticipated gross margin of between \$470 million and \$500 million. The gross margin assumption includes:
- Transportation and storage gross margin contribution of between \$130 million and \$140 million, of which 83 percent is attributable to the transportation business;
- Gathering and processing gross margin contribution of between \$340 million and \$360 million, of which 51 percent is attributable to the processing business;
- Key factors affecting the gathering and processing gross margin forecast are:
 - Assumed increase of approximately 10 to 15 percent in gathered volumes over 2012;
 - Assumed increase of approximately 10 to 15 percent in processable* volumes over 2012;
 - At the midpoint of Enogex's gathering and processing assumption Enogex has assumed:
 - An average processing contract mix of 48 percent fixed-fee, 23 percent percent-of-liquids, 19 percent percent-of-proceeds and 10 percent keep-whole;
 - Average natural gas price of \$3.38 per MMBtu in 2013;
 - Average NGLs price of \$0.82 per gallon in 2013;
 - Average price per gallon of condensate of \$2.13 in 2013;
 - Ethane is projected to be in rejection for 2013;
 - Approximately 50% of NGL volumes are expected to flow to Mt. Belvieu; and
 - A 10% change in the average NGL price for the entire year impacts net income approximately \$5 million
- Enogex has assumed operating expenses of \$325 million to \$335 million, with operation and maintenance expenses comprising 54% of the total;
- A pretax gain of approximately \$10 million associated with asset sales in the first quarter of 2013;
- Interest expense of approximately \$30 million to \$35 million;
- An effective tax rate of 38 percent; and
- ArcLight group will own approximately 22 percent of Enogex Holdings by the end of 2013.
- 2014 Volume projections for Enogex:
 - Assumed increase of approximately 5 to 10 percent in gathered volumes over 2013; and
 - Assumed increase of approximately 10 to 20 percent in processable* volumes over 2013.

*Processable volumes include condensate volumes which are captured in the gathering pipeline and therefore not included in plant inlet volumes.



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Appendix

Reconciliation of EBITDA to net income attributable to Enogex Holdings

<i>(In millions)</i>	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 in November 2011, which is included in gross margin for financial reporting purposes.

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

<i>(In millions)</i>	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.

Projected Capital Expenditures 2013-2017

Dollars in millions	2013	2014	2015	2016	2017
OG&E Base Transmission	\$ 65	\$ 50	\$ 50	\$ 50	\$ 50
OG&E Base Distribution	175	175	175	175	175
OG&E Base Generation	80	75	75	75	75
OG&E Other	15	15	15	15	15
Total OG&E Base T&D, Gen & Other	335	315	315	315	315
OG&E Known and Committed Projects:					
Transmission Projects					
Balanced Portfolio 3E Projects	205	25	-	-	-
SPP Priority Projects	165	110	-	-	-
ITP 10-year Projects	5	5	-	40	40
Total Transmission Projects	375	140	-	40	40
Other Projects:					
Smart Grid Program	25	25	10	10	-
System Hardening	15	-	-	-	-
Environmental - Low NOX	30	20	25	20	-
Total Other Projects	70	45	35	30	-
Total Known and Committed Projects	445	185	35	70	40
Total OG&E	780	500	350	385	355
Enogex:					
Maintenance	50	55	55	55	55
Known and Committed Projects:					
Western OK & TX Panhandle Expansion	380	180	140	80	65
Other Gathering, Etc.	25	15	10	10	10
Total Known and Committed Projects	405	195	150	90	75
Enogex (Base Maintenance and Committed Projects)*	455	250	205	145	130
OGE Energy	10	10	10	10	10
TOTAL OGE Consolidated	\$ 1,245	\$ 760	\$ 565	\$ 540	\$ 495

* These capital expenditures represent 100% of Enogex capital expenditures, of which a portion may be funded by ArLight.