
FORM 8-K

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

CURRENT REPORT PURSUANT TO SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report: July 16, 1999

Commission file number 1-12579

OGE ENERGY CORP.
(Exact name of registrant as specified in its charter)

Oklahoma	73-1481638
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

321 North Harvey
P. O. Box 321
Oklahoma City, Oklahoma 73101-0321
(Address of principal executive offices)
(Zip Code)

405-553-3000
(Registrant's telephone number, including area code)

Item 5. Other Events

OKLAHOMA GAS & ELECTRIC COMPANY FILES FOR PERFORMANCE-BASED
RATEMAKING PLAN

OGE Energy Corp. announced, July 15, 1999, that its subsidiary, Oklahoma Gas and Electric Company ("OG&E") filed for a performance-based ratemaking plan with the Oklahoma Corporation Commission ("OCC").

The performance-based ratemaking plan would lower OG&E's rates by \$83 million and is discussed in the press releases attached hereto as Exhibits 99.01 and 99.02.

Some of the matters discussed in this Form 8-K may contain forward-looking statements of OGE Energy that are subject to certain risks, uncertainties, and assumptions. Actual results may vary materially. Factors that could cause actual results to differ materially include, but are not limited to: general economic conditions, including their impact on capital expenditures; business conditions in the energy industry; competitive factors; unusual weather; regulatory decisions and other risk factors listed in OGE Energy's Form 10-K for the year ended December 31, 1998 and other factors described from time to time in OGE Energy's reports to the Securities and Exchange Commission.

Item 7. (c) Exhibits

EXHIBIT NUMBER -----	DESCRIPTION -----
99.01	OGE Energy's press release dated July 15, 1999 announcing Oklahoma Gas & Electric Company files for approval of performance-based ratemaking plan with the Oklahoma Corporation Commission.
99.02	OGE Energy's press release dated July 15, 1999 announcing Oklahoma Gas & Electric Company files plan for transition to deregulation with the Oklahoma Corporation Commission.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

OGE ENERGY CORP.
(Registrant)

By /s/ Donald R. Rowlett

Donald R. Rowlett
Controller Corporate Accounting

(On behalf of the registrant and in his capacity
as Controller Corporate Accounting)

July 16, 1999

EXHIBIT INDEX

EXHIBIT INDEX	DESCRIPTION
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99.01	OG&E Proposes Performance-Based Rate Plan
99.02	OGE's OG&E Files Plan For Transition To Deregulation

OG&E PROPOSES PERFORMANCE-BASED RATE PLAN

ELECTRIC COMPANY WILLING TO PUT ITS RECORD ON THE LINE

OKLAHOMA CITY - OGE Energy Corp. (NYSE: OGE) announced today that its largest subsidiary, OG&E Electric Services, is the first utility company in Oklahoma - and among the first in the nation - to seek approval of a performance-based ratemaking plan. In a filing today with the Oklahoma Corporation Commission, OG&E proposes \$83 million in lower rates during the transition to deregulated customer choice in mid-2002.

The lower rates would be fixed, and are proposed in tandem with financial incentives for OG&E to maintain or improve its already-high levels of service, satisfaction, and safety. OG&E believes its proposal, known as a Performance Based Incentive Plan, will benefit customers, shareowners and the state of Oklahoma as the state continues its preparations for electric utility deregulation on July 1, 2002.

"We are confident we can maintain the course we have been on for several years - lowering electric rates and providing excellent service as we continually improve our operating performance," said Steven E. Moore, chairman, president, and CEO of OGE Energy.

The Performance Based Incentive Plan increases consumer savings by \$59 million over what was foreseen in earlier regulatory agreements. The rates will then be frozen until Oklahomans are free to choose their electricity supplier.

Since 1993, OG&E has reduced base electric rates by \$88 million in Oklahoma and cut fuel costs by an additional \$101 million. OG&E's new proposal would lower rates by \$29 million a year compared to June 1999 rates, resulting in \$83 million in savings for customers during the 30-month period ending July 1, 2002.

The fixed rates called for in the plan would be achieved, in part, through removal of a provision in the current rate structure known as the Fuel Adjustment Clause. The risk of higher prices for the coal and natural gas used in making electricity would shift from the consumer to OG&E.

Moore said a performance-based approach to utility regulation is an important step in the transition to customer choice. It helps to prepare an Oklahoma-based company for competition in the regional and national energy markets while insulating its customers from rate increases and fluctuations in service during the transition process.

"A key part of the plan is a service quality incentive mechanism," he added. "We are willing to put our record on the line. We are proposing that we continue to be held to rigorous standards of service quality."

Under OG&E's proposal, the company's performance would be measured against the company's own high benchmarks and recognized utility industry standards. Those independent measurements would be used in a financial reward/penalty program to ensure continued reliability in OG&E's electric system, high levels of customer satisfaction, and employee safety.

If approved by the Oklahoma Corporation Commission, the key provisions of the Performance Based Incentive Plan would go into effect on Jan. 1, 2000.

OG&E Electric Services is a regulated electric utility with nearly 700,000 customers in Oklahoma and western Arkansas.

OG+E
(Logo)

July 15, 1999

TO: MEMBERS OF THE FINANCIAL COMMUNITY

SUBJECT: OGE ENERGY CORP. (NYSE: OGE) SUBSIDIARY OKLAHOMA GAS AND ELECTRIC
COMPANY FILES PLAN FOR TRANSITION TO DEREGULATION

In a filing today with the Oklahoma Corporation Commission, OGE Energy Corp. submitted testimony to support an innovative new rate proposal to carry its largest subsidiary, Oklahoma Gas and Electric Company, through to deregulation of the electric utility industry. This Performance Based Incentive Plan is designed to balance the interests of customers, investors, and the state of Oklahoma during the transition to customer choice in the electricity market to begin in 2002. Importantly, it addresses many of the financial community's questions about OG&E's regulation and rates.

PERFORMANCE BASED INCENTIVE PLAN HIGHLIGHTS:

- o NATURAL GAS TRANSPORTATION: Lower electric rates would be made possible in part by a reduction in the cost of transporting natural gas to OG&E's power plants. OGE Energy Corp. subsidiary Enogex Inc. would remain the OG&E natural gas transporter at an annual rate of \$25 million, down from the current \$41 million rate.
- o TERMINATION OF THE GENERATION EFFICIENCY PERFORMANCE RIDER: Ending this regulatory provision, which enables OG&E to retain a portion of the savings achieved through efficiencies, would result in a \$12 million annual decrease in revenues. It's a key component

in the company's offer to reduce rates by \$83 million and freeze them there through June 2002.

- o ELIMINATION OF FUEL ADJUSTMENT CLAUSE: In the current rate structure, consumers bear the risk of increases in the cost of fuel used to produce electricity. Under the Performance Based Incentive Plan, rates would be fixed as the fuel-cost risk shifts to the company and its shareowners.
- o FUEL COST RECOVERY: OG&E proposes one increase in its Performance Based Incentive Plan proposal, a \$14 million upward adjustment in base rates to more accurately reflect the company's anticipated cost of fuel. Even with this increase, OG&E's fuel costs remain extremely favorable compared to regional and national fuel cost averages.
- o TERMINATION OF RIDER FOR OFF-SYSTEM ELECTRICITY SALES: Historically in Oklahoma, profits from off-system sales have been shared equally between customers and shareowners. Termination of this provision is consistent with providing customers fixed rates, and would allow the company to benefit from effectively managing its business.
- o A LOGICAL STEP TOWARD DEREGULATION: Oklahoma is on track, under its 1997 law, to deregulate the electric utility industry and open its market to customer choice in 2002. OG&E proposes this plan as a logical part of that process, which specifically calls for the state to encourage the development of a competitive market.

IF YOU HAVE ANY QUESTIONS ABOUT THIS PROPOSAL OR OTHER MATTERS, PLEASE CALL:
JIM HATFIELD, VICE PRESIDENT AND TREASURER (405) 553-3984