



We Energize Life



Q1 2021 Earnings and Business Update Conference Call

May 6, 2021



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.

First Quarter Financial Results

OG&E

\$0.06 EPS

Midstream

\$0.19 EPS

Consolidated

\$0.26 EPS

- ✓ **Strong Q1 mitigation efforts place utility on track to be within guidance range of \$1.76 - \$1.86**



First Quarter 2021 Highlights

- ✓ **Strong operational performance during winter storm Uri**
 - ✓ Financial impact of event is consistent with initial estimates provided on the 4th quarter earnings call
- ✓ **Significant progress made on recovery plan for the fuel and purchased power costs incurred in February**
 - ✓ Regulatory treatment obtained in both OK and AR
 - ✓ Securitization laws passed in both states
- ✓ **Formula Rate Plan settlement approved in AR**
 - ✓ New rates were effective April 1st
- ✓ **Executing on OK Grid Enhancement**
 - ✓ Quarterly reports included projects placed in service
- ✓ **New, innovative projects announced**

OG&E Highlights Innovative Customer Enhancing Projects

- ✓ **Innovative agreement with Dobson Fiber**
 - ✓ Upgrade the resiliency and capacity of our utility communications network
 - ✓ Saving more than 60% over standard deployment costs
- ✓ **Expansion of the Choctaw Nation/ OG&E Solar Energy Center**
 - ✓ Proud to continue our work with the Choctaw Nation
 - ✓ Expanding our commitment to renewable energy



Choctaw Nation/OG&E Solar Energy Center in Durant, Oklahoma

Solid economic indicators and load results in OK and AR

- Continue to forecast 2.4% load growth in 2021 over 2020 levels¹
- Customer growth year over year is 1.4%
- OG&E's business and economic development efforts expect to bring 50 MW of additional load by the end of 2021
 - Driven by some of the lowest electric rates in the nation
- Unemployment rates indicate strong economic recoveries underway in OK and AR
- 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
- Achieve approval to securitize winter storm Uri costs
- Submit Integrated Resource Plans in Oklahoma and Arkansas
- In Arkansas, file 4th 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 in second half of 2021 to recover infrastructure investments
- Close transaction on midstream business, setting the path to becoming a pure-play utility



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

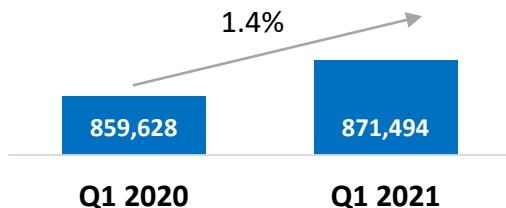
First Quarter EPS Results

- OG&E's operations performed well with strong cost management, helping to mitigate the impacts of winter storm Uri
- Winter storm Uri impacts came in as expected

	1Q 2021	1Q 2020	Drivers
OG&E	\$0.06	\$0.10	GFB/ Winter Storm Uri ↓ Favorable operating results ↑
Natural Gas Midstream Operations	0.19	(2.84)	2020 impairment of OGE Energy's investment in Enable ↑ Higher average natural gas sales prices ↑
HoldCo and Other Operations	0.01	0.28	Lower income tax benefit associated with the 2020 impairment of OGE Energy's investment in Enable ↓
Consolidated	\$0.26	(\$2.46)	

Economic and Load Results

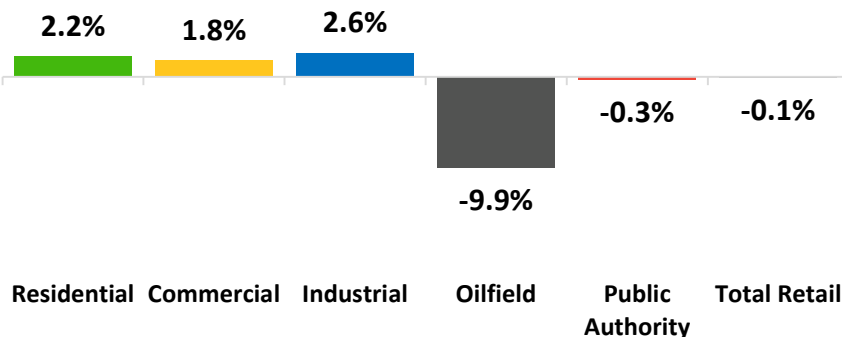
Customer Growth



Unemployment Rates

- National: 6.0%
- Oklahoma City: 4.0%
- Oklahoma: 4.2%
- Ft. Smith, AR: 4.8%

First Quarter Weather Normalized 2021 Load vs 2020¹



Adjusting for leap year, first quarter 2021 normalized load was 1% above 2020

Highlights

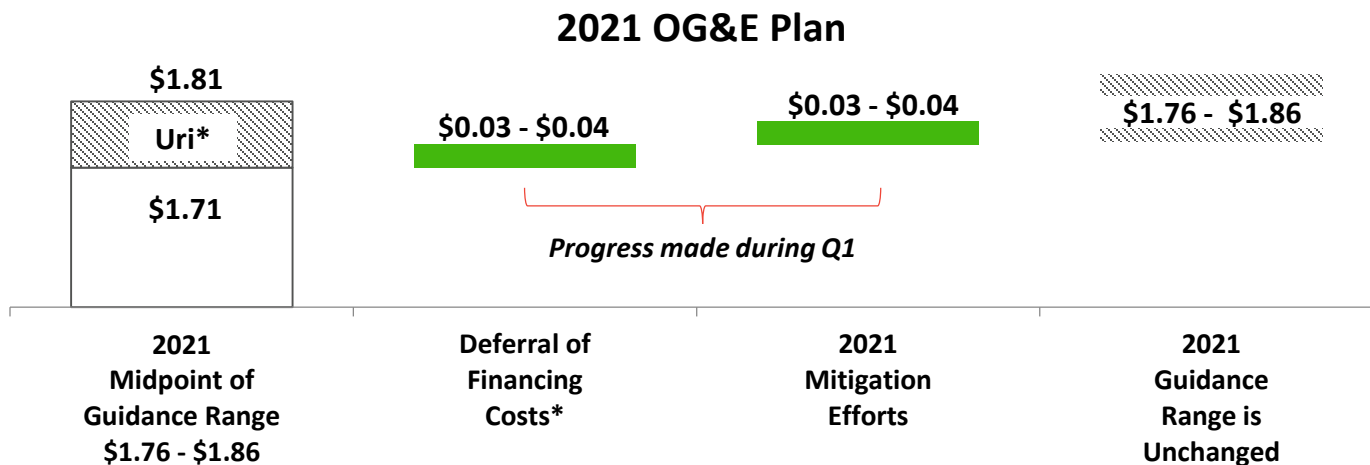
- Continue to forecast 2.4% load growth in 2021 over 2020 levels¹
- Seeing early signs of strong commercial activity as the economy rebounds
- March W/N load +6% for commercial
- Load is supported by customer growth that continues to exceed 1% driven by increases in residential and commercial customers

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

2021 Guidance Update

- Currently projecting results within the lower half of the original guidance range of \$1.76 - \$1.86, with 9 months remaining in the year
- Disciplined cost management is expected to mitigate impacts of February weather
- Approximately 80% - 85% of utility earnings are generated in the 2nd and 3rd quarters

Long term OG&E 2022 – 2025 EPS growth rate of 5% off the midpoint of 2021 original guidance of \$1.81



Winter storm Uri fuel and purchased power costs

Fuel and purchased power costs of ~\$930 million recorded on balance sheet as of March 31, 2021, consistent with initial estimates

- SPP purchased power settlement amounts expected to be trued-up in June

Oklahoma

- As of March 31, 2021, OG&E has incurred ~\$830 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
- Securitization law passed April 23, 2021
- Application for securitization filed with the OCC April 26, 2021

Arkansas

- As of March 31, 2021, OG&E has incurred ~\$100 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
- Securitization law passed April 12, 2021
 - Additional testimony filed on May 4th indicating our intention to pursue securitization but also supporting our initial request of a 10-year amortization and WACC in the alternative



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

Financing Plan Update

- **Balance sheet strength supports our long-term growth plan**
- **No long-term debt maturities through 2024; issuances will support capital investments**
- **Current S-3 expires in May 2021; routine filing for new S-3 will be made in May**
- **Consolidated FFO/Debt of 18% to 20% expected in 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
 - The Company intends to refinance the current term loan by issuing long-term debt in 2021; may serve as a bridge until securitization
 - 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**



Appendix

Weather Impact

Weather Variance			
Heating Degree Days	1Q 2021	1Q 2020	% Change
Actuals	2,066	1,649	25.3%
Normal	1,800	1,800	-
Variance from Normal	14.8%	(8.4%)	
Cooling Degree Days	1Q 2021	1Q 2020	% Change
Actuals	6	23	(74%)
Normal	13	13	-
Variance from Normal	(54%)	77%	

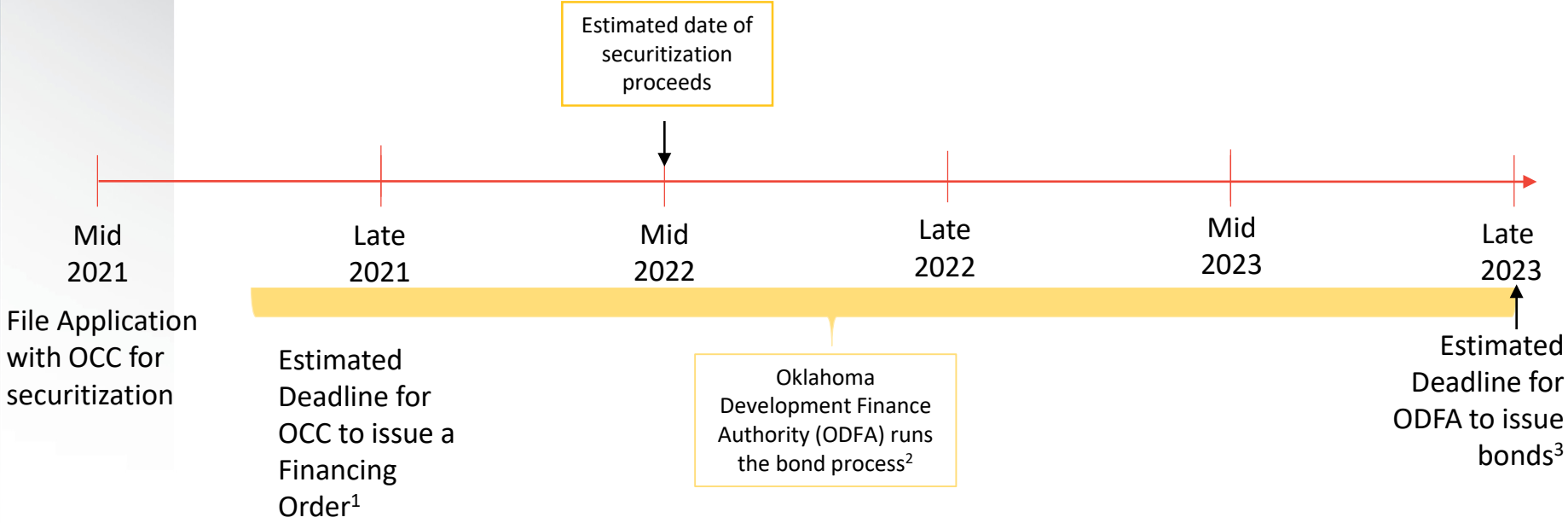
Investing in our Communities

- 5-year capital plan of \$4.1 billion; 5.3% rate base CAGR
 - 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 \$100 million included in the 5-year plan
 - 2021 capital increased due to the announced project with Dobson Fiber and the solar expansion with Choctaw Nation
 - Additional 2021 investment needs are emerging due to strong customer growth and T&D infrastructure improvements

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	\$80	\$110	\$115	\$105	\$125	\$535
Oklahoma Distribution	300	290	265	300	300	1,455
Arkansas Distribution	25	20	20	20	20	105
Generation	100	85	125	125	130	565
Oklahoma Grid Advancement	185	180	185	185	185	920
Subscription Solar Program	20	20	20	20	20	100
Other	65	80	80	80	80	385
Total	\$775	\$785	\$810	\$835	\$860	\$4,065

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

First Quarter 2021 Results – Natural Gas Midstream Operations

- Natural Gas Midstream Operations received cash distributions from Enable Midstream of \$18 million in Q1 2021 compared to \$37 million in Q1 2020.
- Natural Gas Midstream Operations contributed earnings to OGE Energy Corp. of \$38 million for the first quarter of 2021 compared to a net loss of \$568 million for the same period in 2020. The loss in 2020 was due to a \$590 million impairment charge, net of tax, related to Enable.
- Distribution coverage ratio of 3.63x at the end of the first quarter