UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

☑ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 2021

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____to_____

Commission File Number	Exact name of registrants as specified in their charters, address of principal executive offices and registrants' telephone number	I.R.S. Employer Identification No.
1-12579	**OGE ENERGY CORP.**	73-1481638
1-1097	**OKLAHOMA GAS AND ELECTRIC COMPANY**	73-0382390

321 North Harvey
P.O. Box 321
Oklahoma City, Oklahoma 73101-0321
405-553-3000

State or other jurisdiction of incorporation or organization: Oklahoma
Securities registered pursuant to Section 12(b) of the Act:

Registrant	Title of each class	Trading Symbol(s)	Name of each exchange on which registered
OGE Energy Corp.	Common Stock	OGE	New York Stock Exchange
Oklahoma Gas and Electric Company	None	N/A	N/A

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
OGE Energy Corp. ☑ Yes ☐ No Oklahoma Gas and Electric Company ☑ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).
OGE Energy Corp. ☑ Yes ☐ No Oklahoma Gas and Electric Company ☑ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

OGE Energy Corp.	Large accelerated filer	☑	Accelerated filer	☐	Non-accelerated filer	☐	Smaller reporting company	☐	Emerging growth company	☐
Oklahoma Gas and Electric Company	Large accelerated filer	☐	Accelerated filer	☐	Non-accelerated filer	☑	Smaller reporting company	☐	Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
OGE Energy Corp. ☐ Yes ☑ No Oklahoma Gas and Electric Company ☐ Yes ☑ No

At March 31, 2021, there were 200,173,981 shares of OGE Energy Corp.'s common stock, par value $0.01 per share, outstanding.

At March 31, 2021, there were 40,378,745 of Oklahoma Gas and Electric Company's common stock, par value $2.50 per share, outstanding, all of which were held by OGE Energy Corp. There were no other shares of capital stock of the registrants outstanding at such date.

Oklahoma Gas and Electric Company meets the conditions set forth in General Instruction H(1)(a) and (b) of Form 10-Q and is therefore filing this form with the reduced disclosure format permitted by General Instruction H(2).

FORM 10-Q

FOR THE QUARTER ENDED MARCH 31, 2021

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GLOSSARY OF TERMS

The following is a glossary of frequently used abbreviations that are found throughout this Form 10-Q.

Abbreviation	Definition
2020 Form 10-K	Annual Report on Form 10-K for the year ended December 31, 2020
APSC	Arkansas Public Service Commission
ArcLight group	Bronco Midstream Holdings, LLC and Bronco Midstream Holdings II, LLC, collectively
ASC	Financial Accounting Standards Board Accounting Standards Codification
CenterPoint	CenterPoint Energy Resources Corp., wholly-owned subsidiary of CenterPoint Energy, Inc.
CO_2	Carbon dioxide
COVID-19	Novel Coronavirus disease
Dry Scrubber	Dry flue gas desulfurization unit with spray dryer absorber
Enable	Enable Midstream Partners, LP, partnership between OGE Energy, the ArcLight group and CenterPoint Energy, Inc. formed to own and operate the midstream businesses of OGE Energy and CenterPoint
Energy Transfer	Energy Transfer LP, a Delaware limited partnership
Enogex Holdings	Enogex Holdings LLC, the parent company of Enogex LLC and a majority-owned subsidiary of OGE Holdings, LLC (prior to May 1, 2013)
Enogex LLC	Enogex LLC, collectively with its subsidiaries (effective July 31, 2013, the name was changed to Enable Oklahoma Intrastate Transmission, LLC)
EPA	U.S. Environmental Protection Agency
Federal Clean Air Act	Federal Clean Air Act of 1970, as amended
Federal Clean Water Act	Federal Water Pollution Control Act of 1972, as amended
FERC	Federal Energy Regulatory Commission
FIP	Federal Implementation Plan
GAAP	Accounting principles generally accepted in the U.S.
MATS	Mercury and Air Toxics Standards
MBbl/d	Thousand barrels per day
MW	Megawatt
MWh	Megawatt-hour
NAAQS	National Ambient Air Quality Standards
NGLs	Natural gas liquids, which are the hydrocarbon liquids contained within the natural gas stream
NO_X	Nitrogen oxide
OCC	Oklahoma Corporation Commission
ODEQ	Oklahoma Department of Environmental Quality
OG&E	Oklahoma Gas and Electric Company, wholly-owned subsidiary of OGE Energy
OGE Energy	OGE Energy Corp., collectively with its subsidiaries, holding company and parent company of OG&E
OGE Holdings	OGE Enogex Holdings, LLC, wholly-owned subsidiary of OGE Energy, parent company of Enogex Holdings (prior to May 1, 2013) and 25.5 percent owner of Enable
Pension Plan	Qualified defined benefit retirement plan
Regional Haze Rule	The EPA's Regional Haze Rule
Registrants	OGE Energy and OG&E
Restoration of Retirement Income Plan	Supplemental retirement plan to the Pension Plan
SIP	State Implementation Plan
SO_2	Sulfur dioxide
SPP	Southwest Power Pool
System sales	Sales to OG&E's customers
TBtu/d	Trillion British thermal units per day
U.S.	United States of America

FILING FORMAT

This combined Form 10-Q is separately filed by OGE Energy and OG&E. Information in this combined Form 10-Q relating to each individual Registrant is filed by such Registrant on its own behalf. OG&E makes no representation regarding information relating to any other companies affiliated with OGE Energy. Neither OGE Energy, nor any of OGE Energy's subsidiaries, other than OG&E, has any obligation in respect of OG&E's debt securities, and holders of such debt securities should not consider the financial resources or results of operations of OGE Energy nor any of OGE Energy's subsidiaries, other than OG&E (in relevant circumstances), in making a decision with respect to OG&E's debt securities. Similarly, none of OG&E nor any other subsidiary of OGE Energy has any obligation with respect to debt securities of OGE Energy. This combined Form 10-Q should be read in its entirety. No one section of this combined Form 10-Q deals with all aspects of the subject matter of this combined Form 10-Q.

FORWARD-LOOKING STATEMENTS

Except for the historical statements contained herein, the matters discussed within this Form 10-Q, including those matters discussed within "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations," are 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 from those expressed in forward-looking statements. In addition to the specific risk factors discussed within "Item 1A. Risk Factors" in the Registrants' 2020 Form 10-K and within "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" herein, factors that could cause actual results to differ materially from the forward-looking statements 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 OGE Energy 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 NGLs;
- for OGE Energy, 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;
- for OGE Energy, 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;
- for OGE Energy, 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 Registrants;
- the impact on demand for 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 Registrants' markets;
- environmental laws, safety laws or other regulations that may impact the cost of operations or restrict or change the way the Registrants' 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 Registrants' markets;
- costs and other effects of legal and administrative proceedings, settlements, investigations, claims and matters, including, but not limited to, those described in this Form 10-Q;
- difficulty in making accurate assumptions and projections regarding future revenues and costs associated with OGE Energy's equity investment in Enable that OGE Energy 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 Registrants with the Securities and Exchange Commission, including those listed within "Item 1A. Risk Factors" in the Registrants' 2020 Form 10-K.

The Registrants undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

OGE ENERGY CORP.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	Three Months Ended March 31,	
(In millions, except per share data)	**2021**	2020
OPERATING REVENUES		
Revenues from contracts with customers	**$ 1,621.0**	$ 420.4
Other revenues	**9.6**	10.9
Operating revenues	**1,630.6**	431.3
COST OF SALES	**1,346.8**	135.0
OPERATING EXPENSES		
Other operation and maintenance	**109.3**	120.0
Depreciation and amortization	**98.7**	94.4
Taxes other than income	**27.2**	25.6
Operating expenses	**235.2**	240.0
OPERATING INCOME	**48.6**	56.3
OTHER INCOME (EXPENSE)		
Equity in earnings (losses) of unconsolidated affiliates	**53.2**	(746.5)
Allowance for equity funds used during construction	**1.3**	1.3
Other net periodic benefit expense	**(1.4)**	(0.5)
Other income	**3.0**	7.4
Other expense	**(2.0)**	(6.1)
Net other income (expense)	**54.1**	(744.4)
INTEREST EXPENSE		
Interest on long-term debt	**38.4**	36.6
Allowance for borrowed funds used during construction	**(0.8)**	(0.5)
Interest on short-term debt and other interest charges	**1.8**	2.2
Interest expense	**39.4**	38.3
INCOME (LOSS) BEFORE TAXES	**63.3**	(726.4)
INCOME TAX EXPENSE (BENEFIT)	**10.6**	(234.6)
NET INCOME (LOSS)	**$ 52.7**	$ (491.8)
BASIC AVERAGE COMMON SHARES OUTSTANDING	**200.1**	200.2
DILUTED AVERAGE COMMON SHARES OUTSTANDING	**200.1**	200.2
BASIC EARNINGS (LOSS) PER AVERAGE COMMON SHARE	**$ 0.26**	$ (2.46)
DILUTED EARNINGS (LOSS) PER AVERAGE COMMON SHARE	**$ 0.26**	$ (2.46)

The accompanying Combined Notes to Condensed Financial Statements are an integral part hereof.

OGE ENERGY CORP.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended March 31,	
(In millions)	**2021**	2020
Net income (loss)	**$ 52.7**	$ (491.8)
Other comprehensive income (loss), net of tax:		
Pension Plan and Restoration of Retirement Income Plan:		
Amortization of deferred net loss, net of tax of $0.2 and $0.3, respectively	**0.6**	0.8
Settlement cost, net of tax of $1.0 and $0.0, respectively	**3.1**	—
Postretirement benefit plans:		
Amortization of prior service credit, net of tax of ($0.1) and ($0.2), respectively	**(0.3)**	(0.4)
Other comprehensive gain (loss) from unconsolidated affiliates, net of tax of $0.0 and ($0.4), respectively	**0.1**	(1.3)
Other comprehensive income (loss), net of tax	**3.5**	(0.9)
Comprehensive income (loss)	**$ 56.2**	$ (492.7)

The accompanying Combined Notes to Condensed Financial Statements are an integral part hereof.

OGE ENERGY CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31,	
(In millions)	**2021**	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	**$ 52.7**	$ (491.8)
Adjustments to reconcile net income (loss) to net cash provided from operating activities:		
Depreciation and amortization	**98.7**	94.4
Deferred income taxes and investment tax credits, net	**8.7**	(254.7)
Equity in (earnings) losses of unconsolidated affiliates	**(53.2)**	746.5
Distributions from unconsolidated affiliates	**18.3**	33.5
Allowance for equity funds used during construction	**(1.3)**	(1.3)
Stock-based compensation expense	**2.5**	2.0
Regulatory assets	**(859.9)**	0.3
Regulatory liabilities	**(16.3)**	(11.7)
Other assets	**(5.5)**	2.6
Other liabilities	**(45.4)**	(9.4)
Change in certain current assets and liabilities:		
Accounts receivable and accrued unbilled revenues, net	**26.0**	16.2
Income taxes receivable	**1.7**	—
Fuel, materials and supplies inventories	**(7.0)**	(5.0)
Fuel recoveries	**(104.9)**	50.3
Other current assets	**(2.5)**	3.6
Accounts payable	**(28.7)**	(32.8)
Other current liabilities	**(24.1)**	(38.8)
Net cash (used in) provided from operating activities	**(940.2)**	103.9
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures (less allowance for equity funds used during construction)	**(158.4)**	(127.2)
Investment in unconsolidated affiliates	**(0.6)**	(0.9)
Return of capital - unconsolidated affiliates	**—**	3.2
Net cash used in investing activities	**(159.0)**	(124.9)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term debt	**1,183.1**	263.0
Dividends paid on common stock	**(81.7)**	(79.3)
Cash paid for employee equity-based compensation and expense of common stock	**(3.3)**	(7.1)
Purchase of treasury stock	**—**	(9.7)
Net cash provided from financing activities	**1,098.1**	166.9
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(1.1)**	145.9
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**1.1**	—
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**$ —**	$ 145.9

The accompanying Combined Notes to Condensed Financial Statements are an integral part hereof.

OGE ENERGY CORP.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In millions)	**March 31, 2021**	December 31, 2020
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	**$ —**	$ 1.1
Accounts receivable, less reserve of $2.8 and $2.6, respectively	**139.5**	157.8
Accrued unbilled revenues	**59.9**	67.6
Income taxes receivable	**6.4**	8.1
Fuel inventories	**39.4**	36.5
Materials and supplies, at average cost	**121.9**	116.2
Fuel clause under recoveries	**91.8**	—
Other	**43.8**	41.2
Total current assets	**502.7**	428.5
OTHER PROPERTY AND INVESTMENTS		
Investment in unconsolidated affiliates	**432.8**	397.4
Other	**86.4**	86.7
Total other property and investments	**519.2**	484.1
PROPERTY, PLANT AND EQUIPMENT		
In service	**13,420.4**	13,296.7
Construction work in progress	**185.6**	145.5
Total property, plant and equipment	**13,606.0**	13,442.2
Less: accumulated depreciation	**4,131.5**	4,067.6
Net property, plant and equipment	**9,474.5**	9,374.6
DEFERRED CHARGES AND OTHER ASSETS		
Regulatory assets	**1,269.7**	415.6
Other	**22.6**	16.0
Total deferred charges and other assets	**1,292.3**	431.6
TOTAL ASSETS	**$ 11,788.7**	$ 10,718.8

The accompanying Combined Notes to Condensed Financial Statements are an integral part hereof.

OGE ENERGY CORP.
CONDENSED CONSOLIDATED BALANCE SHEETS (Continued)
(Unaudited)

(In millions)	**March 31, 2021**	December 31, 2020
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Short-term debt	**$ 1,278.0**	$ 95.0
Accounts payable	**244.8**	251.5
Dividends payable	**80.6**	80.5
Customer deposits	**80.7**	81.1
Accrued taxes	**37.7**	55.7
Accrued interest	**40.6**	40.2
Accrued compensation	**24.3**	31.1
Fuel clause over recoveries	**15.5**	28.6
Other	**34.3**	33.7
Total current liabilities	**1,836.5**	697.4
LONG-TERM DEBT	**3,495.0**	3,494.4
DEFERRED CREDITS AND OTHER LIABILITIES		
Accrued benefit obligations	**182.5**	231.4
Deferred income taxes	**1,287.9**	1,268.6
Deferred investment tax credits	**10.9**	10.9
Regulatory liabilities	**1,176.9**	1,188.9
Other	**193.5**	195.4
Total deferred credits and other liabilities	**2,851.7**	2,895.2
Total liabilities	**8,183.2**	7,087.0
COMMITMENTS AND CONTINGENCIES (NOTE 14)		
STOCKHOLDERS' EQUITY		
Common stockholders' equity	**1,118.6**	1,124.6
Retained earnings	**2,515.6**	2,544.6
Accumulated other comprehensive loss, net of tax	**(28.6)**	(32.1)
Treasury stock, at cost	**(0.1)**	(5.3)
Total stockholders' equity	**3,605.5**	3,631.8
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 11,788.7**	$ 10,718.8

The accompanying Combined Notes to Condensed Financial Statements are an integral part hereof.

OGE ENERGY CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Unaudited)

	Common Stock		Treasury Stock					
(In millions)	Shares	Value	Shares	Value	Premium on Common Stock	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total
Balance at December 31, 2020	200.1	$ 2.0	0.1	$ (5.3)	$ 1,122.6	$ 2,544.6	$ (32.1)	$ 3,631.8
Net income	**—**	**—**	**—**	**—**	**—**	**52.7**	**—**	**52.7**
Other comprehensive income, net of tax	**—**	**—**	**—**	**—**	**—**	**—**	**3.5**	**3.5**
Dividends declared on common stock ($0.4025 per share)	**—**	**—**	**—**	**—**	**—**	**(81.7)**	**—**	**(81.7)**
Stock-based compensation	**—**	**—**	**(0.1)**	**5.2**	**(6.0)**	**—**	**—**	**(0.8)**
Balance at March 31, 2021	**200.1**	**$ 2.0**	**—**	**$ (0.1)**	**$ 1,116.6**	**$ 2,515.6**	**$ (28.6)**	**$ 3,605.5**
Balance at December 31, 2019	200.1	$ 2.0	—	$ —	$ 1,129.3	$ 3,036.1	$ (27.9)	$ 4,139.5
Net loss	—	—	—	—	—	(491.8)	—	(491.8)
Other comprehensive loss, net of tax	—	—	—	—	—	—	(0.9)	(0.9)
Dividends declared on common stock ($0.3875 per share)	—	—	—	—	—	(79.3)	—	(79.3)
Stock-based compensation	—	—	(0.2)	9.4	(14.5)	—	—	(5.1)
Purchase of treasury stock	—	—	0.2	(9.7)	—	—	—	(9.7)
Balance at March 31, 2020	200.1	$ 2.0	—	$ (0.3)	$ 1,114.8	$ 2,465.0	$ (28.8)	$ 3,552.7

The accompanying Combined Notes to Condensed Financial Statements are an integral part hereof.

OKLAHOMA GAS AND ELECTRIC COMPANY
CONDENSED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(Unaudited)

(In millions)	**Three Months Ended March 31, 2021**	Three Months Ended March 31, 2020
OPERATING REVENUES		
Revenues from contracts with customers	**$ 1,621.0**	$ 420.4
Other revenues	**9.6**	10.9
Operating revenues	**1,630.6**	431.3
COST OF SALES	**1,346.8**	135.0
OPERATING EXPENSES		
Other operation and maintenance	**110.3**	121.0
Depreciation and amortization	**98.7**	94.4
Taxes other than income	**25.7**	23.9
Operating expenses	**234.7**	239.3
OPERATING INCOME	**49.1**	57.0
OTHER INCOME (EXPENSE)		
Allowance for equity funds used during construction	**1.3**	1.3
Other net periodic benefit expense	**(0.9)**	(0.5)
Other income	**1.7**	1.5
Other expense	**(0.4)**	(0.5)
Net other income	**1.7**	1.8
INTEREST EXPENSE		
Interest on long-term debt	**38.4**	36.6
Allowance for borrowed funds used during construction	**(0.8)**	(0.5)
Interest on short-term debt and other interest charges	**0.8**	0.8
Interest expense	**38.4**	36.9
INCOME BEFORE TAXES	**12.4**	21.9
INCOME TAX EXPENSE	**1.2**	2.0
NET INCOME	**$ 11.2**	$ 19.9
Other comprehensive income, net of tax	**—**	—
COMPREHENSIVE INCOME	**$ 11.2**	$ 19.9

The accompanying Combined Notes to Condensed Financial Statements are an integral part hereof.

OKLAHOMA GAS AND ELECTRIC COMPANY
CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)

(In millions)	Three Months Ended March 31, 2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 11.2**	$ 19.9
Adjustments to reconcile net income to net cash provided from operating activities:		
Depreciation and amortization	**98.7**	94.4
Deferred income taxes and investment tax credits, net	**0.8**	1.1
Allowance for equity funds used during construction	**(1.3)**	(1.3)
Stock-based compensation expense	**0.4**	0.9
Regulatory assets	**(859.9)**	0.3
Regulatory liabilities	**(16.3)**	(11.7)
Other assets	**(4.4)**	(0.1)
Other liabilities	**(34.8)**	(2.5)
Change in certain current assets and liabilities:		
Accounts receivable and accrued unbilled revenues, net	**27.7**	18.9
Fuel, materials and supplies inventories	**(7.0)**	(5.0)
Fuel recoveries	**(104.9)**	50.3
Other current assets	**0.6**	(4.5)
Accounts payable	**(29.1)**	(27.0)
Income taxes payable - parent	**0.8**	0.8
Other current liabilities	**(22.4)**	(45.5)
Net cash (used in) provided from operating activities	**(939.9)**	89.0
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures (less allowance for equity funds used during construction)	**(158.4)**	(127.2)
Net cash used in investing activities	**(158.4)**	(127.2)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital contribution from OGE Energy	**530.0**	—
Changes in advances with parent	**568.3**	38.2
Net cash provided from financing activities	**1,098.3**	38.2
NET CHANGE IN CASH AND CASH EQUIVALENTS	**—**	—
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**—**	—
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**$ —**	$ —

The accompanying Combined Notes to Condensed Financial Statements are an integral part hereof.

OKLAHOMA GAS AND ELECTRIC COMPANY
CONDENSED BALANCE SHEETS
(Unaudited)

(In millions)	**March 31, 2021**	December 31, 2020
ASSETS		
CURRENT ASSETS		
Accounts receivable, less reserve of $2.8 and $2.6, respectively	**$ 136.4**	$ 156.3
Accrued unbilled revenues	**59.9**	67.7
Advances to parent	**—**	272.0
Fuel inventories	**39.4**	36.5
Materials and supplies, at average cost	**121.9**	116.2
Fuel clause under recoveries	**91.8**	—
Other	**36.3**	36.9
Total current assets	**485.7**	685.6
OTHER PROPERTY AND INVESTMENTS	**4.0**	4.1
PROPERTY, PLANT AND EQUIPMENT		
In service	**13,414.3**	13,290.6
Construction work in progress	**185.6**	145.5
Total property, plant and equipment	**13,599.9**	13,436.1
Less: accumulated depreciation	**4,131.5**	4,067.6
Net property, plant and equipment	**9,468.4**	9,368.5
DEFERRED CHARGES AND OTHER ASSETS		
Regulatory assets	**1,269.7**	415.6
Other	**20.4**	15.2
Total deferred charges and other assets	**1,290.1**	430.8
TOTAL ASSETS	**$ 11,248.2**	$ 10,489.0

The accompanying Combined Notes to Condensed Financial Statements are an integral part hereof.

OKLAHOMA GAS AND ELECTRIC COMPANY
CONDENSED BALANCE SHEETS (Continued)
(Unaudited)

(In millions)	**March 31, 2021**	December 31, 2020
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES		
Accounts payable	**$ 229.4**	$ 236.7
Advances from parent	**297.1**	—
Customer deposits	**80.7**	81.1
Accrued taxes	**34.9**	53.3
Accrued interest	**40.3**	40.2
Accrued compensation	**18.0**	22.5
Fuel clause over recoveries	**15.5**	28.6
Other	**34.3**	33.5
Total current liabilities	**750.2**	495.9
LONG-TERM DEBT	**3,495.0**	3,494.4
DEFERRED CREDITS AND OTHER LIABILITIES		
Accrued benefit obligations	**101.3**	135.4
Deferred income taxes	**1,030.9**	1,020.8
Deferred investment tax credits	**10.9**	10.9
Regulatory liabilities	**1,176.9**	1,188.9
Other	**165.7**	167.1
Total deferred credits and other liabilities	**2,485.7**	2,523.1
Total liabilities	**6,730.9**	6,513.4
COMMITMENTS AND CONTINGENCIES (NOTE 14)		
STOCKHOLDER'S EQUITY		
Common stockholder's equity	**1,570.0**	1,039.5
Retained earnings	**2,947.3**	2,936.1
Total stockholder's equity	**4,517.3**	3,975.6
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	**$ 11,248.2**	$ 10,489.0

The accompanying Combined Notes to Condensed Financial Statements are an integral part hereof.

OKLAHOMA GAS AND ELECTRIC COMPANY
CONDENSED STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY
(Unaudited)

(In millions)	Shares Outstanding	Common Stock	Premium on Common Stock	Retained Earnings	Total
Balance at December 31, 2020	40.4	$ 100.9	$ 938.6	$ 2,936.1	$ 3,975.6
Net income	**—**	**—**	**—**	**11.2**	**11.2**
Capital contribution from OGE Energy	**—**	**—**	**530.0**	**—**	**530.0**
Stock-based compensation	**—**	**—**	**0.5**	**—**	**0.5**
Balance at March 31, 2021	**40.4**	**$ 100.9**	**$ 1,469.1**	**$ 2,947.3**	**$ 4,517.3**
Balance at December 31, 2019	40.4	$ 100.9	$ 935.7	$ 2,921.7	$ 3,958.3
Net income	—	—	—	19.9	19.9
Stock-based compensation	—	—	0.9	—	0.9
Balance at March 31, 2020	40.4	$ 100.9	$ 936.6	$ 2,941.6	$ 3,979.1

The accompanying Combined Notes to Condensed Financial Statements are an integral part hereof.

COMBINED NOTES TO THE CONDENSED FINANCIAL STATEMENTS
(Unaudited)

Index of Combined Notes to Condensed Financial Statements

The Combined Notes to the Condensed Financial Statements are a combined presentation for OGE Energy and OG&E. The following table indicates the Registrant(s) to which each Note applies.

	OGE Energy	OG&E
Note 1. Summary of Significant Accounting Policies	X	X
Note 2. Accounting Pronouncements	X	X
Note 3. Revenue Recognition	X	X
Note 4. Investment in Unconsolidated Affiliates	X	
Note 5. Related Party Transactions	X	X
Note 6. Fair Value Measurements	X	X
Note 7. Stock-Based Compensation	X	X
Note 8. Income Taxes	X	X
Note 9. Common Equity	X	
Note 10. Long-Term Debt	X	X
Note 11. Short-Term Debt and Credit Facilities	X	X
Note 12. Retirement Plans and Postretirement Benefit Plans	X	X
Note 13. Report of Business Segments	X	
Note 14. Commitments and Contingencies	X	X
Note 15. Rate Matters and Regulation	X	X

1. Summary of Significant Accounting Policies

Organization

OGE Energy is a holding company with investments in energy and energy services providers offering physical delivery and related services for both electricity and natural gas primarily in the south-central U.S. OGE Energy conducts these activities through two business segments: (i) electric utility and (ii) natural gas midstream operations. The accounts of OGE Energy and its wholly-owned subsidiaries, including OG&E, are included in OGE Energy's condensed consolidated financial statements. All intercompany transactions and balances are eliminated in such consolidation. OGE Energy generally uses the equity method of accounting for investments where its ownership interest is between 20 percent and 50 percent and it lacks the power to direct activities that most significantly impact economic performance.

OG&E. OGE Energy's electric utility operations are conducted through OG&E, which generates, transmits, distributes and sells electric energy in Oklahoma and western Arkansas. OG&E's rates are subject to regulation by the OCC, the APSC and the FERC. OG&E was incorporated in 1902 under the laws of the Oklahoma Territory and is a wholly-owned subsidiary of OGE Energy. OG&E is the largest electric utility in Oklahoma, and its franchised service territory includes Fort Smith, Arkansas and the surrounding communities. OG&E sold its retail natural gas business in 1928 and is no longer engaged in the natural gas distribution business.

Enable. OGE Energy's natural gas midstream operations segment represents OGE Energy's investment in Enable. The investment in Enable is held through wholly-owned subsidiaries and ultimately OGE Holdings. Formed in 2013, Enable is primarily engaged in the business of gathering, processing, transporting and storing natural gas. Enable's natural gas gathering and processing assets are strategically located in four states and serve natural gas production in the Anadarko, Arkoma and Ark-La-Tex Basins. Enable also owns crude oil gathering assets in the Anadarko and Williston Basins. Enable has intrastate natural gas transportation and storage assets that are located in Oklahoma as well as interstate assets that extend from western Oklahoma and the Texas Panhandle to Louisiana, from Louisiana to Illinois and from Louisiana to Alabama. Enable's general partner is equally controlled by OGE Energy and CenterPoint, who each have 50 percent management ownership. Based on the 50/50 management ownership, with neither company having control, OGE Energy accounts for its interest in Enable using the equity method of accounting. In February 2021, Enable entered into a definitive merger agreement with Energy Transfer. For further discussion, see Note 4.

Basis of Presentation

The condensed financial statements included herein have been prepared by the Registrants, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations; however, the Registrants believe that the disclosures are adequate to prevent the information presented from being misleading.

In the opinion of management, all adjustments necessary to fairly present the financial position of the Registrants at March 31, 2021 and December 31, 2020, the results of the Registrants' operations for the three months ended March 31, 2021 and 2020 and the Registrants' cash flows for the three months ended March 31, 2021 and 2020 have been included and are of a normal, recurring nature except as otherwise disclosed. Management also has evaluated the impact of events occurring after March 31, 2021 up to the date of issuance of these condensed financial statements, and these statements contain all necessary adjustments and disclosures resulting from that evaluation.

Due to seasonal fluctuations and other factors, the Registrants' operating results for the three months ended March 31, 2021 are not necessarily indicative of the results that may be expected for the year ending December 31, 2021 or for any future period. The condensed financial statements and notes thereto should be read in conjunction with the audited financial statements and notes thereto included in the Registrants' 2020 Form 10-K.

Accounting Records

The accounting records of OG&E are maintained in accordance with the Uniform System of Accounts prescribed by the FERC and adopted by the OCC and the APSC. Additionally, OG&E, as a regulated utility, is subject to accounting principles for certain types of rate-regulated activities, which provide that certain incurred costs that would otherwise be charged to expense can be deferred as regulatory assets, based on the expected recovery from customers in future rates. Likewise, certain actual or anticipated credits that would otherwise reduce expense can be deferred as regulatory liabilities, based on the expected flowback to customers in future rates. Management's expected recovery of deferred costs and flowback of deferred credits generally results from specific decisions by regulators granting such ratemaking treatment.

OG&E records certain incurred costs and obligations as regulatory assets or liabilities if, based on regulatory orders or other available evidence, it is probable that the costs or obligations will be included in amounts allowable for recovery or refund in future rates.

The following table presents a summary of OG&E's regulatory assets and liabilities.

(In millions)		March 31, 2021		December 31, 2020
REGULATORY ASSETS				
Current:				
Fuel clause under recoveries	**$**	**91.8**	$	—
SPP cost tracker under recovery (A)		**8.4**		7.0
Generation Capacity Replacement rider under recovery (A)		**5.2**		4.4
Other (A)		**5.1**		8.4
Total current regulatory assets	**$**	**110.5**	$	19.8
Non-current:				
Oklahoma February 2021 extreme cold weather costs	**$**	**829.4**	$	—
Oklahoma deferred storm expenses		**184.0**		158.8
Benefit obligations regulatory asset		**141.2**		164.9
Pension tracker		**39.2**		18.1
Sooner Dry Scrubbers		**19.5**		19.7
Arkansas deferred pension expenses		**11.2**		9.3
Smart Grid		**9.5**		11.2
Unamortized loss on reacquired debt		**9.5**		9.7
COVID-19 impacts		**7.9**		6.4
Frontier Plant deferred expenses		**7.4**		6.4
Other		**10.9**		11.1
Total non-current regulatory assets	**$**	**1,269.7**	$	415.6
REGULATORY LIABILITIES				
Current:				
Fuel clause over recoveries	**$**	**15.5**	$	28.6
Oklahoma energy efficiency rider over recovery (B)		**5.5**		1.5
Other (B)		**1.5**		5.0
Total current regulatory liabilities	**$**	**22.5**	$	35.1
Non-current:				
Income taxes refundable to customers, net	**$**	**858.2**	$	867.4
Accrued removal obligations, net		**314.3**		316.8
Other		**4.4**		4.7
Total non-current regulatory liabilities	**$**	**1,176.9**	$	1,188.9

(A) Included in Other Current Assets in the balance sheets.
(B) Included in Other Current Liabilities in the balance sheets.

In February 2021, OG&E's service territory experienced an unprecedented, prolonged, cold spell that resulted in record winter peak demand for electricity and extremely high natural gas and purchased power prices. OG&E's natural gas costs for the month of February 2021 exceeded the total cost for all of 2020. The OCC allowed OG&E to create a regulatory asset for all deferred costs with an initial carrying charge based on the effective cost of the related debt financing. For additional information, see Note 15.

The Oklahoma deferred storm expenses regulatory asset is recovered through the Storm Cost Recovery Rider. Operation and maintenance expenses resulting from storm damage exceeding the amounts included in OG&E's base rates are deferred and typically amortized over a five-year period. To mitigate customer impact, OG&E has agreed to recover the portion related to 2020 excess storm costs through the Storm Cost Recovery Rider over a ten-year period.

Management continuously monitors the future recoverability of regulatory assets. When in management's judgment future recovery becomes impaired, the amount of the regulatory asset is adjusted, as appropriate. If OG&E were required to discontinue the application of accounting principles for certain types of rate-regulated activities for some or all of its operations, it could result in writing off the related regulatory assets or liabilities, which could have significant financial effects.

Allowance for Uncollectible Accounts Receivable

Customer balances are generally written off if not collected within six months after the final billing date. The allowance for uncollectible accounts receivable for OG&E is generally calculated by multiplying the last six months of electric revenue by the provision rate, which is based on a 12-month historical average of actual balances written off and is adjusted for current conditions and supportable forecasts as necessary. To the extent the historical collection rates, when incorporating forecasted conditions, are not representative of future collections, there could be an effect on the amount of uncollectible expense recognized, such as in response to COVID-19 impacts. Also, a portion of the uncollectible provision related to fuel within the Oklahoma jurisdiction is being recovered through the fuel adjustment clause. The allowance for uncollectible accounts receivable is a reduction to Accounts Receivable in the condensed balance sheets and is included in Other Operation and Maintenance Expense in the condensed statements of income.

New business customers are required to provide a security deposit in the form of cash, bond or irrevocable letter of credit that is refunded when the account is closed. New residential customers whose outside credit scores indicate an elevated risk are required to provide a security deposit that is refunded based on customer protection rules defined by the OCC and the APSC. The payment behavior of all existing customers is continuously monitored, and, if the payment behavior indicates sufficient risk within the meaning of the applicable utility regulation, customers will be required to provide a security deposit.

Investment in Unconsolidated Affiliates

OGE Energy's investment in Enable is considered to be a variable interest entity because the owners of the equity at risk in this entity have disproportionate voting rights in relation to their obligations to absorb the entity's expected losses or to receive its expected residual returns. However, OGE Energy is not considered the primary beneficiary of Enable since it does not have the power to direct the activities of Enable that are considered most significant to the economic performance of Enable; therefore, OGE Energy accounts for its investment in Enable using the equity method of accounting. Under the equity method, the investment will be adjusted each period for contributions made, distributions received and OGE Energy's share of the investee's comprehensive income as adjusted for basis differences. OGE Energy's maximum exposure to loss related to Enable is limited to its equity investment in Enable at March 31, 2021 as presented in Note 13.

OGE Energy considers distributions received from Enable which do not exceed cumulative equity in earnings subsequent to the date of investment to be a return on investment and are classified as operating activities in the condensed statements of cash flows. OGE Energy considers distributions received from Enable in excess of cumulative equity in earnings subsequent to the date of investment to be a return of investment and are classified as investing activities in the condensed statements of cash flows.

Accumulated Other Comprehensive Income (Loss)

The following tables present changes in the components of accumulated other comprehensive income (loss) attributable to OGE Energy during the three months ended March 31, 2021 and 2020. All amounts below are presented net of tax.

(In millions)	Pension Plan and Restoration of Retirement Income Plan	Postretirement Benefit Plans	Other Comprehensive Gain (Loss) from Unconsolidated Affiliates	Total
Balance at December 31, 2020	$ (34.1)	$ 3.3	$ (1.3)	$ (32.1)
Other comprehensive income before reclassifications	**—**	**—**	**0.1**	**0.1**
Amounts reclassified from accumulated other comprehensive income (loss)	**0.6**	**(0.3)**	**—**	**0.3**
Settlement cost	**3.1**	**—**	**—**	**3.1**
Balance at March 31, 2021	**$ (30.4)**	**$ 3.0**	**$ (1.2)**	**$ (28.6)**

(In millions)	Pension Plan and Restoration of Retirement Income Plan	Postretirement Benefit Plans	Other Comprehensive Loss from Unconsolidated Affiliates	Total
Balance at December 31, 2019	$ (35.1)	$ 7.8	$ (0.6)	$ (27.9)
Other comprehensive loss before reclassifications	—	—	(1.3)	(1.3)
Amounts reclassified from accumulated other comprehensive income (loss)	0.8	(0.4)	—	0.4
Balance at March 31, 2020	$ (34.3)	$ 7.4	$ (1.9)	$ (28.8)

The following table presents significant amounts reclassified out of accumulated other comprehensive income (loss) by the respective line items in net income (loss) during the three months ended March 31, 2021 and 2020.

Details about Accumulated Other Comprehensive Income (Loss) Components	**Amount Reclassified from Accumulated Other Comprehensive Income (Loss)**		**Affected Line Item in OGE Energy's Statements of Income**
	Three Months Ended March 31,		
(In millions)	**2021**	2020	
Amortization of Pension Plan and Restoration of Retirement Income Plan items:			
Actuarial losses	**$ (0.8)**	$ (1.1)	(A)
Settlement cost	**(4.1)**	—	(A)
	(4.9)	(1.1)	Income (Loss) Before Taxes
	(1.2)	(0.3)	Income Tax Expense (Benefit)
	$ (3.7)	$ (0.8)	Net Income (Loss)
Amortization of postretirement benefit plans items:			
Prior service credit	**$ 0.4**	$ 0.6	(A)
	0.4	0.6	Income (Loss) Before Taxes
	0.1	0.2	Income Tax Expense (Benefit)
	$ 0.3	$ 0.4	Net Income (Loss)
Total reclassifications for the period, net of tax	**$ (3.4)**	$ (0.4)	Net Income (Loss)

(A) These accumulated other comprehensive income (loss) components are included in the computation of net periodic benefit cost (see Note 12 for additional information).

2. Accounting Pronouncements

The Registrants believe that recently adopted and recently issued accounting standards that are not yet effective do not appear to have a material impact on the Registrants' financial position, results of operations or cash flows upon adoption.

3. Revenue Recognition

The following table presents OG&E's revenues from contracts with customers disaggregated by customer classification. OG&E's operating revenues disaggregated by customer classification can be found in "OG&E (Electric Utility) Results of Operations" within "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations."

	Three Months Ended March 31,	
(In millions)	**2021**	2020
Residential	**$ 568.2**	$ 166.9
Commercial	**307.5**	91.3
Industrial	**146.7**	41.5
Oilfield	**160.8**	38.2
Public authorities and street light	**123.1**	34.7
System sales revenues	**1,306.3**	372.6
Provision for rate refund	**—**	(0.6)
Integrated market	**302.1**	7.2
Transmission	**36.3**	34.2
Other	**(23.7)**	7.0
Revenues from contracts with customers (A)	**$ 1,621.0**	$ 420.4

(A) In February 2021, OG&E's service territory experienced an unprecedented, prolonged, cold spell that resulted in record winter peak demand for electricity and extremely high natural gas and purchased power prices. Operating revenues significantly increased due to increased cost of sales, which are recovered from customers, as a result of the February 2021 extreme cold weather event. For further discussion, see Note 15 and "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operation."

4. Investment in Unconsolidated Affiliates

At March 31, 2021, OGE Energy owned 111.0 million common units, or 25.5 percent, of Enable's outstanding common units. On March 31, 2021, Enable's common unit price closed at $6.48. OGE Energy recorded equity in earnings of unconsolidated affiliates of $53.2 million for the three months ended March 31, 2021 compared to equity in losses of unconsolidated affiliates of $746.5 million for the three months ended March 31, 2020. Equity in earnings (losses) of unconsolidated affiliates includes OGE Energy's share of Enable's earnings adjusted for the amortization of the basis difference of OGE Energy's original investment in Enogex LLC and its underlying equity in the net assets of Enable, as well as any impairment OGE Energy records on its investment in Enable. Equity in earnings (losses) of unconsolidated affiliates is also adjusted for the elimination of the Enogex Holdings fair value adjustments. These amortizations may also include gain or loss on dilution, net of proportional basis difference recognition. For more information concerning the formation of Enable and OGE Energy's accounting for its investment in Enable, see Note 5 within "Item 8. Financial Statements and Supplementary Data" in OGE Energy's 2020 Form 10-K.

The following tables present summarized unaudited financial information for 100 percent of Enable as of March 31, 2021 and December 31, 2020 and for the three months ended March 31, 2021 and 2020.

Balance Sheet	March 31, 2021	December 31, 2020
(In millions)		
Current assets	**$ 449**	$ 381
Non-current assets	**$ 11,315**	$ 11,348
Current liabilities	**$ 1,334**	$ 582
Non-current liabilities	**$ 3,249**	$ 4,052

Income Statement	Three Months Ended March 31, 2021	2020
(In millions)		
Total revenues	**$ 970**	$ 648
Cost of natural gas and NGLs	**$ 519**	$ 226
Operating income	**$ 206**	$ 146
Net income	**$ 155**	$ 103

The following table presents a reconciliation of OGE Energy's equity in earnings (losses) of unconsolidated affiliates for the three months ended March 31, 2021 and 2020.

(In millions)	Three Months Ended March 31, 2021	2020
Enable net income	**$ 155.0**	$ 103.0
OGE Energy's percent ownership at period end	**25.5 %**	25.5 %
OGE Energy's portion of Enable net income	**$ 39.5**	$ 26.3
Amortization of basis difference and dilution recognition (A)	**13.7**	7.2
Impairment of OGE Energy's equity method investment in Enable (B)	**—**	(780.0)
Equity in earnings (losses) of unconsolidated affiliates	**$ 53.2**	$ (746.5)

(A) Includes loss on dilution, net of proportional basis difference recognition.

(B) Effective March 31, 2020, OGE Energy estimated the fair value of its investment in Enable was below the book value and concluded the decline in value was not temporary due to the severity of the decline and recent rapid deterioration, as well as the near term future outlook, of the midstream oil and gas industry. Accordingly, OGE Energy recorded a $780.0 million impairment on its investment in Enable in 2020. Further discussion can be found in OGE Energy's 2020 Form 10-K.

The following table presents a reconciliation of the difference between OGE Energy's investment in Enable and its underlying equity in the net assets of Enable (basis difference) from December 31, 2020 to March 31, 2021. The basis difference is amortized over approximately 30 years.

(In millions)	
Basis difference at December 31, 2020	$ 1,332.3
Amortization of basis difference	(13.7)
Basis difference at March 31, 2021	$ 1,318.6

Distributions received from Enable were $18.3 million and $36.7 million during the three months ended March 31, 2021 and 2020, respectively.

On April 26, 2021, Enable announced a quarterly dividend distribution of $0.16525 per unit on its outstanding common units, which is unchanged from the previous quarter. If cash distributions to Enable's unitholders exceed $0.330625 per unit in any quarter, the general partner will receive increasing percentages, up to 50 percent, of the cash Enable distributes in excess of that amount. OGE Energy is entitled to 60 percent of those "incentive distributions." In certain circumstances, the general partner has the right to reset the minimum quarterly distribution and the target distribution levels at which the incentive distributions receive increasing percentages to higher levels based on Enable's cash distributions at the time of the exercise of this reset election.

Enable Merger Agreement with Energy Transfer

On February 16, 2021, Enable entered into a definitive merger agreement with Energy Transfer, pursuant to which, and subject to the conditions of the merger agreement, all outstanding common units of Enable will be acquired by Energy Transfer in an all-equity transaction. Under the terms of the merger agreement, Enable's common unitholders, including OGE Energy, will receive 0.8595 of one common unit representing limited partner interests in Energy Transfer for each common unit of Enable. The transaction is subject to the receipt of the required approvals from the holders of a majority of Enable's common units. Contemporaneously with the execution of the merger agreement, OGE Energy entered into a support agreement with

Enable and Energy Transfer in which OGE Energy agreed to vote its common units in favor of the merger. In April 2021, CenterPoint and OGE Energy, who collectively own approximately 72.9 percent of Enable's common units, delivered written consents approving the merger agreement, and those consents are sufficient to approve the merger. The transaction also is subject to the receipt of anti-trust approvals and other customary closing conditions. The transaction is anticipated to close in 2021. Assuming the transaction closes, OGE Energy will own approximately three percent of Energy Transfer's outstanding limited partner units in lieu of the 25.5 percent interest in Enable that it currently owns.

The merger agreement contemplates a registration rights agreement with Energy Transfer to be executed at the closing of the merger that provides for customary resale registration, demand registration and piggy-back registration rights with respect to Energy Transfer common units issued to OGE Energy in the merger. Assuming the successful completion of the merger, OGE Energy intends to exit the midstream segment in a prudent manner.

5. Related Party Transactions

OGE Energy charges operating costs to OG&E and Enable based on several factors, and operating costs directly related to OG&E and/or Enable are assigned as such. Operating costs incurred for the benefit of OG&E are allocated either as overhead based primarily on labor costs or using the "Distrigas" method, which is a three-factor formula that uses an equal weighting of payroll, net operating revenues and gross property, plant and equipment.

OGE Energy and OG&E

OGE Energy charged operating costs to OG&E of $35.8 million and $37.9 million for the three months ended March 31, 2021 and 2020, respectively.

OGE Energy and Enable

OGE Energy and Enable are currently parties to several agreements whereby OGE Energy provides specified support services to Enable, such as certain information technology, payroll and benefits administration. Under these agreements, OGE Energy charged operating costs to Enable of $0.1 million during both the three months ended March 31, 2021 and 2020.

Pursuant to a seconding agreement, OGE Energy provides seconded employees to Enable to support Enable's operations. As of March 31, 2021, 67 employees that participate in OGE Energy's defined benefit and retirement plans are seconded to Enable. OGE Energy billed Enable for reimbursement of $5.3 million and $6.4 million during the three months ended March 31, 2021 and 2020, respectively, under the seconding agreement for employment costs. If the seconding agreement were terminated, and those employees were no longer employed by OGE Energy, and lump sum payments were made to those employees, OGE Energy would recognize a settlement or curtailment of the pension/retiree health care charges, which would increase expense at OGE Energy by $18.3 million. Settlement and curtailment charges associated with the Enable seconded employees are not reimbursable to OGE Energy by Enable. The seconding agreement can be terminated by mutual agreement of OGE Energy and Enable or solely by OGE Energy upon 120 days' notice.

OGE Energy had accounts receivable from Enable for amounts billed for support services, including the cost of seconded employees, of $3.6 million as of March 31, 2021 and $2.0 million as of December 31, 2020, which are included in Accounts Receivable in OGE Energy's condensed balance sheets.

Assuming the pending merger between Enable and Energy Transfer is completed, these agreements between OGE Energy and Enable pursuant to which OGE Energy provides support services and seconded employees will be terminated.

OG&E and Enable

Enable provides gas transportation services to OG&E pursuant to agreements that grant Enable the responsibility of delivering natural gas to OG&E's generating facilities and performing an imbalance service. With this imbalance service, in accordance with the cash-out provision of the contract, OG&E purchases gas from Enable when Enable's deliveries exceed OG&E's pipeline receipts. Enable purchases gas from OG&E when OG&E's pipeline receipts exceed Enable's deliveries. The following table presents summarized related party transactions between OG&E and Enable during the three months ended March 31, 2021 and 2020.

	Three Months Ended March 31,	
(In millions)	**2021**	2020
Operating revenues:		
Electricity to power electric compression assets	**$ 2.6**	$ 3.7
Cost of sales:		
Natural gas transportation services	**$ 4.7**	$ 4.7
Natural gas purchases (sales)	**$ (12.2)**	$ 0.7

6. Fair Value Measurements

The classification of the Registrants' fair value measurements requires judgment regarding the degree to which market data is observable or corroborated by observable market data. GAAP establishes a fair value hierarchy that prioritizes the inputs used to measure fair value based on observable and unobservable data. The hierarchy categorizes the inputs into three levels, with the highest priority given to quoted prices in active markets for identical unrestricted assets or liabilities (Level 1) and the lowest priority given to unobservable inputs (Level 3). Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The three levels defined in the fair value hierarchy are as follows:

Level 1 inputs are quoted prices in active markets for identical unrestricted assets or liabilities that are accessible at the measurement date.

Level 2 inputs are inputs other than quoted prices in active markets included within Level 1 that are either directly or indirectly observable at the reporting date for the asset or liability for substantially the full term of the asset or liability. Level 2 inputs include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3 inputs are prices or valuation techniques for the asset or liability that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity). Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

The Registrants had no financial instruments measured at fair value on a recurring basis at March 31, 2021 and December 31, 2020. The following table presents the carrying amount and fair value of the Registrants' financial instruments at March 31, 2021 and December 31, 2020, as well as the classification level within the fair value hierarchy.

	March 31, 2021		December 31, 2020		
(In millions)	**Carrying Amount**	**Fair Value**	Carrying Amount	Fair Value	**Classification**
Long-term Debt (including Long-term Debt due within one year):					
OG&E Senior Notes	**$ 3,350.2**	**$ 3,831.0**	$ 3,349.6	$ 4,182.1	Level 2
OG&E Industrial Authority Bonds	**$ 135.4**	**$ 135.4**	$ 135.4	$ 135.4	Level 2
Tinker Debt	**$ 9.4**	**$ 9.9**	$ 9.4	$ 10.7	Level 3

7. Stock-Based Compensation

The following table presents the Registrants' pre-tax compensation expense and related income tax benefit for the three months ended March 31, 2021 and 2020 related to performance units and restricted stock units for the Registrants' employees.

	OGE Energy Three Months Ended March 31,		OG&E Three Months Ended March 31,	
(In millions)	**2021**	2020	**2021**	2020
Performance units:				
Total shareholder return	**$ 2.0**	$ 1.7	**$ 0.4**	$ 0.7
Earnings per share	**—**	0.2	**—**	0.1
Total performance units	**2.0**	1.9	**0.4**	0.8
Restricted stock units	**0.5**	0.1	**—**	0.1
Total compensation expense	**$ 2.5**	$ 2.0	**$ 0.4**	$ 0.9
Income tax benefit	**$ 0.6**	$ 0.5	**$ 0.1**	$ 0.2

During the three months ended March 31, 2021, OGE Energy issued 153,964 shares of its treasury stock to satisfy payouts of earned performance units and restricted stock unit grants to the Registrants' employees pursuant to OGE Energy's Stock Incentive Plan.

During the three months ended March 31, 2021, OGE Energy granted 249,909 performance units (based on total shareholder return over a three-year period) and 86,963 restricted stock units (primarily a three-year cliff vesting period) to employees at $38.06 and $31.03 fair value per share, respectively. Of those performance units and restricted stock units granted, 68,720 and 22,911 were granted to OG&E employees, respectively, at $38.14 and $30.91 fair value per share, respectively.

8. Income Taxes

OGE Energy files consolidated income tax returns in the U.S. federal jurisdiction and various state jurisdictions. OG&E is a part of the consolidated income tax return of OGE Energy. With few exceptions, the Registrants are no longer subject to U.S. federal tax or state and local examinations by tax authorities for years prior to 2017. Income taxes are generally allocated to each company in the affiliated group, including OG&E, based on its stand-alone taxable income or loss. Federal investment tax credits previously claimed on electric utility property have been deferred and will be amortized to income over the life of the related property. Additionally, OG&E earns federal tax credits associated with production from its wind facilities. Oklahoma production and investment state tax credits are also earned on investments in electric and solar generating facilities which further reduce OG&E's effective tax rate.

9. Common Equity

Automatic Dividend Reinvestment and Stock Purchase Plan

OGE Energy issued no shares of common stock under its Automatic Dividend Reinvestment and Stock Purchase Plan during the three months ended March 31, 2021.

Earnings (Loss) Per Share

Basic earnings (loss) per share is calculated by dividing net income (loss) attributable to OGE Energy by the weighted average number of OGE Energy's common shares outstanding during the period. In the calculation of diluted earnings (loss) per share, weighted average shares outstanding are increased for additional shares that would be outstanding if potentially dilutive securities were converted to common stock. Potentially dilutive securities for OGE Energy consist of performance units and restricted stock units. The following table presents the calculation of basic and diluted earnings (loss) per share for OGE Energy.

	Three Months Ended March 31,	
(In millions except per share data)	**2021**	2020
Net income (loss)	**$ 52.7**	$ (491.8)
Average common shares outstanding:		
Basic average common shares outstanding	**200.1**	200.2
Effect of dilutive securities:		
Contingently issuable shares (performance and restricted stock units)	**—**	—
Diluted average common shares outstanding	**200.1**	200.2
Basic earnings (loss) per average common share	**$ 0.26**	$ (2.46)
Diluted earnings (loss) per average common share	**$ 0.26**	$ (2.46)
Anti-dilutive shares excluded from earnings per share calculation	**—**	0.3

10. Long-Term Debt

At March 31, 2021, the Registrants were in compliance with all of their debt agreements.

OG&E Industrial Authority Bonds

OG&E has tax-exempt pollution control bonds with optional redemption provisions that allow the holders to request repayment of the bonds on any business day. The following table presents information about these bonds, which can be tendered at the option of the holder during the next 12 months.

Series			Date Due	Amount
				(In millions)
0.23%	-	0.33%	Garfield Industrial Authority, January 1, 2025	$ 47.0
0.20%	-	0.27%	Muskogee Industrial Authority, January 1, 2025	32.4
0.20%	-	0.27%	Muskogee Industrial Authority, June 1, 2027	56.0
Total (redeemable during next 12 months)				$ 135.4

All of these bonds are subject to an optional tender at the request of the holders, at 100 percent of the principal amount, together with accrued and unpaid interest to the date of purchase. The bond holders, on any business day, can request repayment of the bond by delivering an irrevocable notice to the tender agent stating the principal amount of the bond, payment instructions for the purchase price and the business day the bond is to be purchased. The repayment option may only be exercised by the holder of a bond for the principal amount. When a tender notice has been received by the trustee, a third-party remarketing agent for the bonds will attempt to remarket any bonds tendered for purchase. This process occurs once per week. Since the original issuance of these series of bonds in 1995 and 1997, the remarketing agent has successfully remarketed all tendered bonds. If the remarketing agent is unable to remarket any such bonds, OG&E is obligated to repurchase such unremarketed bonds. As OG&E has both the intent and ability to refinance the bonds on a long-term basis and such ability is supported by an ability to consummate the refinancing, the bonds are classified as Long-Term Debt in the condensed balance sheets. OG&E believes that it has sufficient liquidity to meet these obligations.

11. Short-Term Debt and Credit Facilities

The Registrants borrow on a short-term basis, as necessary, by the issuance of commercial paper and by borrowings under their revolving credit agreements. OGE Energy also borrows under term credit agreements maturing in one year or less, as necessary. As of March 31, 2021, OGE Energy had $1.3 billion of short-term debt as compared to $95.0 million of short-term debt at December 31, 2020. At March 31, 2021, OG&E had $297.1 million in advances from OGE Energy compared to $272.0 million advances to OGE Energy at December 31, 2020.

In March 2021, OGE Energy entered into a $1.0 billion unsecured 364-day term loan agreement and borrowed the full $1.0 billion to help cover the increased fuel and purchased power costs incurred by OG&E during the February 2021 extreme cold weather event. The term loan contains substantially the same covenants as OGE Energy's $450.0 million revolving credit agreement, including various financial ratio covenants. The term loan will bear interest at rates equal to either a LIBOR rate specified in the term loan agreement, plus a margin of 0.75, or an alternate base rate specified in the term loan agreement, subject in each case to floor of zero percent. An alternative rate of interest will be established upon the occurrence of certain events related to the phase out of LIBOR. During the three months ended March 31, 2021, OGE Energy loaned $470.0 million of the term loan proceeds to OG&E pursuant to an intercompany note issued by OG&E to OGE Energy, contemporaneously with the closing of the term loan agreement. Advances under the intercompany note will bear interest at the same rates as are in effect under the term loan agreement. During the three months ended March 31, 2021, OGE Energy also made a capital contribution of $530.0 million to OG&E. OG&E used these proceeds to pay fuel and purchased power costs incurred during the February 2021 extreme cold weather event. OGE Energy and OG&E intend to refinance the $1.0 billion term loan by issuing long-term debt in 2021.

The following table presents information regarding the Registrants' revolving credit agreements at March 31, 2021.

Entity	Aggregate Commitment	Amount Outstanding (A)	Weighted-Average Interest Rate	Expiration	
	(In millions)				
OGE Energy (B)	$ 450.0	$ 278.0	0.33 % (D)	March 8, 2024	(F)
OG&E (C)(E)	450.0	0.4	1.00 % (D)	March 8, 2024	(F)
Total	$ 900.0	$ 278.4	0.33 %		

(A) Includes direct borrowings under the revolving credit agreements, commercial paper borrowings and letters of credit at March 31, 2021.
(B) This bank facility is available to back up OGE Energy's commercial paper borrowings and to provide revolving credit borrowings. This bank facility can also be used as a letter of credit facility.
(C) This bank facility is available to back up OG&E's commercial paper borrowings and to provide revolving credit borrowings. This bank facility can also be used as a letter of credit facility.
(D) Represents the weighted-average interest rate for the outstanding borrowings under the revolving credit agreements, commercial paper borrowings and letters of credit.
(E) OG&E has an intercompany borrowing agreement with OGE Energy whereby OG&E has access to up to $350.0 million of OGE Energy's revolving credit amount. This agreement has a termination date of March 8, 2024. At March 31, 2021, there were no intercompany borrowings under this agreement.
(F) In March 2017, the Registrants entered into unsecured five-year revolving credit agreements totaling $900.0 million ($450.0 million for OGE Energy and $450.0 million for OG&E). Each of the revolving credit facilities contained an option, which could be exercised up to two times, to extend the term of the respective facility for an additional year. In March 2018, the Registrants each utilized one of those extensions to extend the maturity of their respective credit facility from March 8, 2022 to March 8, 2023. In January 2021, the Registrants each utilized the second of those extensions to extend the maturity of their respective credit facility from March 8, 2023 to March 8, 2024. Commitments of a single existing lender with respect to $50.0 million of OGE Energy's credit facility, however, were not extended and, unless the non-extending lender is replaced in accordance with the terms of the credit facility, such commitments will expire March 8, 2023. The non-extending lender is not party to the OG&E facility.

In January 2021, the Registrants each entered into an amendment to their revolving credit facilities which gives each of the Registrants the option of extending such commitments for up to two additional one-year periods. In addition, the amendment addresses the establishment of an alternative rate of interest upon the occurrence of certain events related to the phase out of LIBOR.

The Registrants' ability to access the commercial paper market could be adversely impacted by a credit ratings downgrade or major market disruptions. Pricing grids associated with the Registrants' credit facilities could cause annual fees and borrowing rates to increase if an adverse rating impact occurs. The impact of any future downgrade could include an increase in the costs of the Registrants' short-term borrowings, but a reduction in the Registrants' credit ratings would not result in any defaults or accelerations. Any future downgrade could also lead to higher long-term borrowing costs and, if below investment grade, would require the Registrants to post collateral or letters of credit.

OG&E must obtain regulatory approval from the FERC in order to borrow on a short-term basis. OG&E has the necessary regulatory approvals to incur up to $800.0 million in short-term borrowings at any one time for a two-year period beginning January 1, 2021 and ending December 31, 2022.

12. Retirement Plans and Postretirement Benefit Plans

In accordance with ASC Topic 715, "Compensation - Retirement Benefits," a one-time settlement charge is required to be recorded by an organization when lump sum payments or other settlements that relieve the organization from the responsibility for the pension benefit obligation during the plan year exceed the service cost and interest cost components of the organization's net periodic pension cost. During the three months ended March 31, 2021, the Registrants experienced an increase in both the number of employees electing to retire and the amount of lump sum payments paid to such employees upon retirement, which resulted in the Registrants recording pension plan settlement charges as presented in the Pension Plan net periodic benefit cost table below. The pension settlement charges did not require a cash outlay by the Registrants and did not increase total pension expense over time, as the charge was an acceleration of costs that otherwise would be recognized as pension expense in future periods.

Net Periodic Benefit Cost

The following tables present the net periodic benefit cost components, before consideration of capitalized amounts, of OGE Energy's Pension Plan, Restoration of Retirement Income Plan and postretirement benefit plans that are included in the condensed financial statements. Service cost is presented within Other Operation and Maintenance, and the remaining net periodic benefit cost components as listed in the following tables are presented within Other Net Periodic Benefit Expense in the statements of income. OG&E recovers specific amounts of pension and postretirement medical costs in rates approved in its Oklahoma rate reviews. In accordance with approved orders, OG&E defers the difference between actual pension and postretirement medical expenses and the amount approved in its last Oklahoma rate review as a regulatory asset or regulatory liability. These amounts have been recorded in the Pension tracker in the regulatory assets and liabilities table in Note 1 and within Other Net Periodic Benefit Expense in the statements of income.

	OGE Energy				**OG&E**			
	Pension Plan		**Restoration of Retirement Income Plan**		**Pension Plan**		**Restoration of Retirement Income Plan**	
	Three Months Ended March 31,		**Three Months Ended March 31,**		**Three Months Ended March 31,**		**Three Months Ended March 31,**	
(In millions)	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020
Service cost	**$ 3.0**	$ 3.7	**$ 0.1**	$ 0.2	**$ 2.1**	$ 2.6	**$ —**	$ 0.1
Interest cost	**3.5**	4.6	**—**	0.1	**2.5**	3.4	**—**	—
Expected return on plan assets	**(8.4)**	(9.4)	**—**	—	**(6.1)**	(7.1)	**—**	—
Amortization of net loss	**2.8**	3.8	**0.1**	0.1	**2.0**	2.8	**—**	0.1
Settlement cost	**26.4**	—	**—**	—	**22.2**	—	**—**	—
Total net periodic benefit cost	**27.3**	2.7	**0.2**	0.4	22.7	1.7	—	0.2
Less: Amount paid by unconsolidated affiliates (A)	**0.1**	0.5	**—**	—				
Plus: Amount allocated from OGE Energy (A)					**3.9**	0.5	**0.2**	0.2
Net periodic benefit cost	**$ 27.2**	$ 2.2	**$ 0.2**	$ 0.4	**$ 26.6**	$ 2.2	**$ 0.2**	$ 0.4

(A) "Amount paid by unconsolidated affiliates" is only applicable to OGE Energy. "Amount allocated from OGE Energy" is only applicable to OG&E.

In addition to the net periodic benefit cost amounts recognized, as presented in the table above, for the Pension and Restoration of Retirement Income Plans for the three months ended March 31, 2021 and 2020, the Registrants recognized the following:

	Three Months Ended March 31,	
(In millions)	**2021**	2020
Increase (decrease) of pension expense to maintain allowed recoverable amount in Oklahoma jurisdiction (A)	**$ (20.7)**	$ 1.7
Deferral of pension expense related to pension settlement charges:		
Oklahoma jurisdiction (A)	**$ 23.7**	$ —
Arkansas jurisdiction (A)	**$ 2.2**	$ —

(A) Included in the pension regulatory asset or liability in each jurisdiction, as indicated in the regulatory assets and liabilities table in Note 1.

	OGE Energy Postretirement Benefit Plans		OG&E Postretirement Benefit Plans	
	Three Months Ended March 31,		Three Months Ended March 31,	
(In millions)	**2021**	2020	**2021**	2020
Service cost	**$ 0.1**	$ 0.1	**$ 0.1**	$ —
Interest cost	**0.8**	1.1	**0.6**	0.8
Expected return on plan assets	**(0.5)**	(0.5)	**(0.4)**	(0.4)
Amortization of net loss	**0.7**	0.6	**0.7**	0.7
Amortization of unrecognized prior service cost (A)	**(1.7)**	(2.1)	**(1.3)**	(1.5)
Total net periodic benefit cost	**(0.6)**	(0.8)	**(0.3)**	(0.4)
Less: Amount paid by unconsolidated affiliates (B)	**(0.1)**	(0.2)		
Plus: Amount allocated from OGE Energy (B)			**(0.1)**	(0.2)
Net periodic benefit cost	**$ (0.5)**	$ (0.6)	**$ (0.4)**	$ (0.6)

(A) Unamortized prior service cost is amortized on a straight-line basis over the average remaining service period to the first eligibility age of participants who are expected to receive a benefit and are active at the date of the plan amendment.
(B) "Amount paid by unconsolidated affiliates" is only applicable to OGE Energy. "Amount allocated from OGE Energy" is only applicable to OG&E.

In addition to the net periodic benefit income amounts recognized, as presented in the table above, for the postretirement benefit plans for the three months ended March 31, 2021 and 2020, the Registrants recognized the following:

	Three Months Ended March 31,	
(In millions)	**2021**	2020
Increase of postretirement expense to maintain allowed recoverable amount in Oklahoma jurisdiction (A)	**$ 0.1**	$ 0.2

(A) Included in the Pension tracker, as presented in the regulatory assets and liabilities table in Note 1.

	OGE Energy		OG&E	
	Three Months Ended March 31,		Three Months Ended March 31,	
(In millions)	**2021**	2020	**2021**	2020
Capitalized portion of net periodic pension benefit cost	**$ 0.8**	$ 1.0	**$ 0.7**	$ 0.9
Capitalized portion of net periodic postretirement benefit cost	**$ 0.1**	$ —	**$ —**	$ —

Pension Plan Funding

In January 2021, OGE Energy made a $40.0 million contribution to its Pension Plan, of which $30.0 million was attributed to OG&E, and has not determined whether it will need to make any additional contributions to the Pension Plan in 2021. OGE Energy could be required to make additional contributions if the value of its pension trust and postretirement benefit plan trust assets are adversely impacted by a major market disruption in the future.

13. Report of Business Segments

OGE Energy reports its operations in two business segments: (i) the electric utility segment, which is engaged in the generation, transmission, distribution and sale of electric energy and (ii) the natural gas midstream operations segment. Other operations primarily includes the operations of the holding company. Intersegment revenues are recorded at prices comparable to those of unaffiliated customers and are affected by regulatory considerations. The following tables present the results of OGE Energy's business segments for the three months ended March 31, 2021 and 2020.

Three Months Ended March 31, 2021	Electric Utility	Natural Gas Midstream Operations	Other Operations	Eliminations	Total
(In millions)					
Operating revenues	$ 1,630.6	$ —	$ —	$ —	$ 1,630.6
Cost of sales	1,346.8	—	—	—	1,346.8
Other operation and maintenance	110.3	0.4	(1.4)	—	109.3
Depreciation and amortization	98.7	—	—	—	98.7
Taxes other than income	25.7	0.1	1.4	—	27.2
Operating income (loss)	49.1	(0.5)	—	—	48.6
Equity in earnings of unconsolidated affiliates	—	53.2	—	—	53.2
Other income (expense)	1.7	(0.5)	(0.1)	(0.2)	0.9
Interest expense	38.4	—	1.2	(0.2)	39.4
Income tax expense (benefit)	1.2	14.3	(4.9)	—	10.6
Net income	$ 11.2	$ 37.9	$ 3.6	$ —	$ 52.7
Investment in unconsolidated affiliates	$ —	$ 409.2	$ 23.6	$ —	$ 432.8
Total assets	$ 11,248.2	$ 415.4	$ 521.6	$ (396.5)	$ 11,788.7

Three Months Ended March 31, 2020	Electric Utility	Natural Gas Midstream Operations	Other Operations	Eliminations	Total
(In millions)					
Operating revenues	$ 431.3	$ —	$ —	$ —	$ 431.3
Cost of sales	135.0	—	—	—	135.0
Other operation and maintenance	121.0	0.6	(1.6)	—	120.0
Depreciation and amortization	94.4	—	—	—	94.4
Taxes other than income	23.9	0.1	1.6	—	25.6
Operating income (loss)	57.0	(0.7)	—	—	56.3
Equity in losses of unconsolidated affiliates (A)	—	(746.5)	—	—	(746.5)
Other income	1.8	—	1.3	(1.0)	2.1
Interest expense	36.9	—	2.4	(1.0)	38.3
Income tax expense (benefit)	2.0	(179.2)	(57.4)	—	(234.6)
Net income (loss)	$ 19.9	$ (568.0)	$ 56.3	$ —	$ (491.8)
Investment in unconsolidated affiliates	$ —	$ 348.0	$ 19.5	$ —	$ 367.5
Total assets	$ 10,030.7	$ 353.4	$ 252.9	$ (266.1)	$ 10,370.9

(A) In 2020, OGE Energy recorded a $780.0 million impairment on its investment in Enable, as further discussed in Note 4.

14. Commitments and Contingencies

Except as set forth below, in Note 15 and under "Environmental Laws and Regulations" in Item 2 of Part I and in Item 1 of Part II of this Form 10-Q, the circumstances set forth in Notes 15 and 16 to the financial statements included in the Registrants' 2020 Form 10-K appropriately represent, in all material respects, the current status of the Registrants' material commitments and contingent liabilities.

Environmental Laws and Regulations

The activities of the Registrants are subject to numerous stringent and complex federal, state and local laws and regulations governing environmental protection. These laws and regulations can change, restrict or otherwise impact the Registrants' business activities in many ways, including the handling or disposal of waste material, planning for future construction activities to avoid or mitigate harm to threatened or endangered species and requiring the installation and operation of emissions or pollution control equipment. Failure to comply with these laws and regulations could result in the assessment of administrative, civil and criminal penalties, the imposition of remedial requirements and the issuance of orders enjoining future operations. Management believes that all of the Registrants' operations are in substantial compliance with current federal, state and local environmental standards.

Environmental regulation can increase the cost of planning, design, initial installation and operation of OG&E's facilities. Management continues to evaluate its compliance with existing and proposed environmental legislation and regulations and implement appropriate environmental programs in a competitive market.

Other

In the normal course of business, the Registrants are confronted with issues or events that may result in a contingent liability. These generally relate to lawsuits or claims made by third parties, including governmental agencies. When appropriate, management consults with legal counsel and other experts to assess the claim. If, in management's opinion, the Registrants have incurred a probable loss as set forth by GAAP, an estimate is made of the loss, and the appropriate accounting entries are reflected in the condensed financial statements. At the present time, based on currently available information, the Registrants believe that any reasonably possible losses in excess of accrued amounts arising out of pending or threatened lawsuits or claims would not be quantitatively material to their condensed financial statements and would not have a material adverse effect on their financial position, results of operations or cash flows.

15. Rate Matters and Regulation

Except as set forth below, the circumstances set forth in Note 16 to the financial statements included in the Registrants' 2020 Form 10-K appropriately represent, in all material respects, the current status of the Registrants' regulatory matters.

Completed Regulatory Matters

APSC Proceedings

Arkansas 2020 Formula Rate Plan Filing

In October 2020, OG&E filed its third evaluation report under its Formula Rate Plan, and on January 28, 2021, OG&E entered into a non-unanimous settlement agreement with the APSC General Staff and the Office of the Arkansas Attorney General. The only non-signatory to the settlement agreement agreed not to oppose the settlement. The settlement agreement included a revenue increase of $6.7 million, which is the maximum amount statutorily allowed in this filing. Additionally, the settling parties did not object to OG&E's request for a finding that the Arkansas Series II grid modernization projects included in this filing are prudent in cost. On March 9, 2021, the APSC issued a final order approving the non-unanimous settlement agreement, and new rates became effective April 1, 2021.

OCC Proceedings

Oklahoma Grid Enhancement Plan

In November 2020, the OCC issued a final order approving a Joint Stipulation and Settlement Agreement that allows for interim recovery of OG&E's costs associated with its grid enhancement plan. The approved agreement included the following key terms: (i) cost recovery through a rider mechanism will be limited to projects placed in service in 2020 and 2021, capped at a revenue requirement of $7.0 million annually and only include communication, automation and technology systems projects; (ii) no operation and maintenance expense will be included in the rider mechanism; (iii) the rider mechanism will terminate by the issuance of a final order in OG&E's next general rate review or October 31, 2022, whichever occurs first; (iv) the rider mechanism rate of return will be capped at OG&E's current cost of capital; and (v) all cost recovery is subject to true-up and refund in OG&E's next general rate review. The rider mechanism became effective on February 1, 2021.

Any capital investment falling outside the criteria of the rider mechanism will be included in OG&E's next general rate review for recovery.

Pending Regulatory Matters

Various proceedings pending before state or federal regulatory agencies are described below. Unless stated otherwise, the Registrants cannot predict when the regulatory agency will act or what action the regulatory agency will take. The Registrants' financial results are dependent in part on timely and adequate decisions by the regulatory agencies that set OG&E's rates.

FERC Proceedings

Order for Sponsored Transmission Upgrades within SPP

Under the SPP Open Access Transmission Tariff, costs of participant-funded, or "sponsored," transmission upgrades may be recovered from other SPP customers whose transmission service depends on capacity enabled by the upgrade. The SPP Open Access Transmission Tariff required the SPP to charge for these upgrades beginning in 2008, but the SPP had not been charging its customers for these upgrades due to information system limitations. However, the SPP had informed participants in the market that these charges would be forthcoming. In July 2016, the FERC granted the SPP's request to recover the charges not billed since 2008. The SPP subsequently billed OG&E for these charges and credited OG&E related to transmission upgrades that OG&E had sponsored, which resulted in OG&E being a net receiver of sponsored upgrade credits. The majority of these net credits were refunded to customers through OG&E's various rate riders that include SPP activity with the remaining amounts retained by OG&E.

Several companies that were net payers of Z2 charges sought rehearing of the FERC's July 2016 order; however, in November 2017, the FERC denied the rehearing requests. In January 2018, one of the impacted companies appealed the FERC's decision to the U.S. Court of Appeals for the District of Columbia Circuit. In July 2018, that court granted a motion requested by the FERC that the case be remanded back to the FERC for further examination and proceedings. In February 2019, the FERC reversed its July 2016 order and November 2017 rehearing denial, ruled that the SPP violated its tariff to charge for the 2008 - 2015 period in 2016, held that the SPP tariff provision that prohibited those charges could not be waived and ordered the SPP to develop a plan to refund the payments but not to implement the refunds until further ordered to do so. In response, in April 2019, OG&E filed a request for rehearing with the FERC, and in May 2019, OG&E filed a FERC 206 complaint against the SPP, alleging that the SPP's forced unwinding of the revenue credit payments to OG&E would violate the provisions of the Sponsored Upgrade Agreement and of the applicable tariff. OG&E's filing requested that the FERC rule that the SPP is not entitled to seek refunds or in any other way seek to unwind the revenue credit payments it had paid to OG&E pursuant to the Sponsored Upgrade Agreement. The SPP's response to OG&E's filing agreed that OG&E should be entitled to keep its Z2 payments and argued that the SPP should not be held responsible for those payments if refunds are ordered. Further, the SPP has requested the FERC to negotiate a global settlement with all impacted parties, including other project sponsors who, like OG&E, have also filed complaints at FERC contending that the payments they have received cannot properly be unwound.

In February 2020, the FERC denied OG&E's request for rehearing of its February 2019 order, denying the waiver and ruling that the SPP must seek refunds from project sponsors for Z2 payments for the 2008 through 2015 period and pay them back to transmission owners. The FERC also denied the SPP's request for a stay and for institution of settlement procedures. The FERC stated it would not institute settlement procedures unless parties on both sides of the matter requested them. The FERC did not rule on OG&E's complaint or the complaints of other project sponsors, or consider the SPP's refund plan. The FERC thus has not set any date for payment of refunds. In March 2020, OG&E petitioned the U.S. Court of Appeals for the District of Columbia Circuit for review of the FERC's order denying the waiver and requiring refunds. The appeal was argued on April 14, 2021 and will likely be decided before the court's current term ends in August 2021.

The Registrants cannot predict the outcome of this proceeding based on currently available information, and as of March 31, 2021 and at present time, the Registrants have not reserved an amount for a potential refund. If the reversal of the July 2016 FERC order remains intact, OG&E estimates it would be required to refund $13.0 million, which is net of amounts paid to other utilities for upgrades and would be subject to interest at the FERC-approved rate. If refunds were required, recovery of these upgrade credits would shift to future periods. Of the $13.0 million, the Registrants would be impacted by $5.0 million in expense that initially benefited the Registrants in 2016, and OG&E customers would incur a net impact of $8.0 million in expense through rider mechanisms or the FERC formula rate.

In January 2020, the FERC acted on an SPP proposal to eliminate Attachment Z2 revenue crediting and replace it with a different rate mechanism that would provide project sponsors, such as OG&E, the same level of recovery, and rejected the proposal to the extent it would limit recovery to the amount of the upgrade sponsor's directly assigned upgrade costs with interest. The SPP resubmitted a proposal in April 2020 without this limited recovery, and with the alternative rate mechanism, and the FERC approved it in June 2020, effective July 1, 2020. No party sought rehearing of the order, and it is now final. This order would only prospectively impact OG&E and its recovery of any future upgrade costs that it may incur as a project sponsor. All of the existing projects that are eligible to receive revenue credits under Attachment Z2, which includes the $13.0 million at issue in OG&E's appeal as discussed above, will continue to do so.

APSC Proceedings

Disconnection Procedures Related to COVID-19

In September 2020, the APSC issued Order No. 9 inviting comments from all jurisdictional utilities and any other interested stakeholders on specific questions related to whether a moratorium on service terminations should be lifted and if so, how the resumption of disconnections should occur. The APSC also ordered utilities to submit a detailed "Transitional Plan" outlining how utilities propose to reinstate routine service disconnection activities and collection of past due amounts once the moratorium is lifted. OG&E submitted its proposed Transitional Plan in October 2020. The APSC General Staff thereafter filed reports for utilities that set forth recommendations as to the form of notice that should occur prior to lifting the moratorium and resuming disconnections, as well as payment arrangements that should be made available to customers.

On February 8, 2021, the APSC issued Order No. 15 announcing a target date of May 3, 2021 to lift the moratorium on disconnections and requiring certain conditions and requirements that utilities must meet before disconnections may resume. Such requirements include, among other things, immediate communication to customers, notice periods for disconnections and deferred payment arrangements. On March 26, 2021, the APSC issued Order No. 18 confirming the lifting of the moratorium on disconnections on May 3, 2021 and directing utilities to take specific steps prior to resuming disconnections.

February 2021 Extreme Cold Weather Event

In February 2021, OG&E's service territory experienced an unprecedented, prolonged, cold spell that resulted in record winter peak demand for electricity and extremely high natural gas and purchased power prices. On April 1, 2021, OG&E filed with the APSC a Motion for Authority to Establish Special Regulatory Treatment within the Energy Cost Recovery Rider to Defer Extraordinary Fuel Costs Incurred Due to the February 2021 extreme cold weather event. More specifically, OG&E's Motion sought approval to defer, amortize and recover the extraordinary fuel costs over a ten-year period with a carrying charge of OG&E's pre-tax rate of return of 6.60 percent, through a special factor within OG&E's Energy Cost Recovery Rider beginning with the first billing cycle of May 2021. On April 13, 2021, the APSC issued Order No. 18 allowing OG&E interim recovery at an interest rate equal to the customer deposit interest rate, which is currently 0.8 percent, over a period of ten years beginning with the first billing cycle of May 2021. Recovery is subject to a true-up after the APSC determines the appropriate allocation, length of recovery and carrying charge. Such determinations are expected to be made by the APSC later this year. On May 4, 2021, OG&E filed testimony further supporting its 10-year amortization period and a carrying charge of OG&E's pre-tax rate of return of 6.60 percent. OG&E has recorded $102.4 million related to the Arkansas jurisdictional portion of the February 2021 extreme cold weather event fuel costs, which is primarily included within Fuel Clause Under Recoveries in the balance sheets as of March 31, 2021 and will be reclassified to a new regulatory asset in the subsequent period based on the APSC order received in April 2021.

In April 2021, Arkansas enacted legislation to amend its storm recovery securitization statute to allow for both electric and gas utilities to recover through securitization extraordinary natural gas, fuel and purchased power costs caused by storms. The amended statute authorizes the APSC to issue a financing order for the issuance of securitization bonds upon a finding it is reasonably expected to lower overall costs or mitigate rate impacts as compared with traditional utility financing. Upon the initiation of a securitization application, the APSC has 135 days to issue an order. The requesting utility has two years from the date of the financing order to issue the securitization bonds. The amended statute allows carrying costs at a utility's weighted average cost of capital from the date of when the costs were incurred until the date when bonds are ultimately issued. OG&E is evaluating the potential securitization recovery of the Arkansas jurisdictional portion of the February 2021 extreme cold weather event costs and intends to apply for securitization if it is deemed to strike the right balance between protecting the credit strength of OG&E and providing customer savings.

OCC Proceedings

Oklahoma Retail Electric Supplier Certified Territory Act Causes

Several rural electric cooperative electricity suppliers have filed complaints with the OCC alleging that OG&E has violated the Oklahoma Retail Electric Supplier Certified Territory Act. OG&E believes it is lawfully serving customers specifically exempted from this act and has presented evidence and testimony to the OCC supporting its position. There have been five complaint cases initiated at the OCC, and the OCC has issued decisions on each of them. The OCC ruled in favor of the electric cooperatives in three of those cases and ruled in favor of OG&E in two of those cases. All five of those cases have been appealed to the Oklahoma Supreme Court, where they have been made companion cases but will be individually briefed and have individual final decisions.

If the Oklahoma Supreme Court ultimately were to find that some or all of the customers being served are not exempted from the Oklahoma Retail Electric Supplier Certified Territory Act, OG&E would have to evaluate the recoverability of some plant investments made to serve these customers. The total amount of OG&E's plant investments made to serve the customers in all five cases is approximately $28.0 million, of which $11.7 million applies to the three cases where the OCC ruled in favor of the electric cooperatives. In addition to the evaluation of the recoverability of the investments, OG&E may also be required to reimburse certified territory suppliers for an amount of lost revenue. The amount of such lost revenue would depend on how the OCC calculates the revenue requirement but could range from approximately $20.1 million to $27.8 million for all five cases, of which $1.8 million to $2.8 million would apply to the three cases where the OCC ruled in favor of the electric cooperatives.

October 2020 Storm Examination

In October 2020, a major ice storm moved through OG&E's service territory which caused significant damage to the system. In November 2020, the Public Utility Division of the OCC initiated an examination and review of all distribution utilities and cooperatives affected by the storm into the mitigation efforts, restoration processes and proposed improvements for future related or similar events. Respondents are required to provide certain information related to the examination, and the OCC may request additional relief as the examination proceeds. No procedural schedule has been proposed currently; however, OG&E is responding to discovery requests.

February 2021 Extreme Cold Weather Event

In February 2021, OG&E's service territory experienced an unprecedented, prolonged, cold spell that resulted in record winter peak demand for electricity and extremely high natural gas and purchased power prices. On February 24, 2021, OG&E submitted an application to the OCC outlining a two-step approach for regulatory treatment for the fuel and purchased power costs associated with the unprecedented weather event. The steps included: (i) an intra-year fuel clause increase to be effective April 1, 2021; and (ii) a request for regulatory asset treatment at OG&E's weighted average cost of capital for the remaining fuel and purchased power costs. On March 18, 2021, the OCC approved OG&E's filing to establish a regulatory asset. The approval allowed OG&E to create a regulatory asset for all deferred costs with an initial carrying charge based on the effective cost of the debt financing, until such time where the prudency of this event is evaluated, the amortization period is decided on and a long-term carry cost is established. As of March 31, 2020, OG&E has deferred $829.4 million to the regulatory asset, as indicated in Note 1.

In April 2021, Oklahoma enacted legislation to allow for the securitization of costs incurred during the February 2021 extreme cold weather event. The new statute authorizes the OCC to issue a financing order for the issuance of securitization bonds after consideration of certain factors, including but not limited to, mitigated impacts and savings for customers through the use of ratepayer-backed securitization bonds as compared to traditional utility financing. The OCC must issue a financing order within 180 days after receiving all necessary information required by the statute. Under the statute, the Oklahoma Development Finance Authority is responsible for issuing the securitization bonds within two years from the date of the financing order. Carrying costs will be included at a rate and time determined by the OCC and continue until the bonds are issued. On April 26, 2021, OG&E filed an application pursuant to the Act seeking OCC approval to securitize its costs related to the February 2021 extreme cold weather event and to receive an interim carrying charge. OG&E expects to provide the requisite information to support the application by the end of the second quarter of 2021.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following combined discussion is separately filed by OGE Energy and OG&E. However, OG&E does not make any representations as to information related solely to OGE Energy or the subsidiaries of OGE Energy other than itself.

Introduction

OGE Energy is a holding company with investments in energy and energy services providers offering physical delivery and related services for both electricity and natural gas primarily in the south-central U.S. OGE Energy conducts these activities through two business segments: (i) electric utility and (ii) natural gas midstream operations. The accounts of OGE Energy and its wholly-owned subsidiaries, including OG&E, are included in OGE Energy's condensed consolidated financial statements. All intercompany transactions and balances are eliminated in such consolidation. OGE Energy generally uses the equity method of accounting for investments where its ownership interest is between 20 percent and 50 percent and it lacks the power to direct activities that most significantly impact economic performance.

OG&E. OGE Energy's electric utility operations are conducted through OG&E, which generates, transmits, distributes and sells electric energy in Oklahoma and western Arkansas. OG&E's rates are subject to regulation by the OCC, the APSC and the FERC. OG&E was incorporated in 1902 under the laws of the Oklahoma Territory and is a wholly-owned subsidiary of OGE Energy. OG&E is the largest electric utility in Oklahoma, and its franchised service territory includes Fort Smith, Arkansas and the surrounding communities. OG&E sold its retail natural gas business in 1928 and is no longer engaged in the natural gas distribution business.

Enable. OGE Energy's natural gas midstream operations segment represents OGE Energy's investment in Enable. The investment in Enable is held through wholly-owned subsidiaries and ultimately OGE Holdings. Formed in 2013, Enable is primarily engaged in the business of gathering, processing, transporting and storing natural gas. Enable's natural gas gathering and processing assets are strategically located in four states and serve natural gas production in the Anadarko, Arkoma and Ark-La-Tex Basins. Enable also owns crude oil gathering assets in the Anadarko and Williston Basins. Enable has intrastate natural gas transportation and storage assets that are located in Oklahoma as well as interstate assets that extend from western Oklahoma and the Texas Panhandle to Louisiana, from Louisiana to Illinois and from Louisiana to Alabama. Enable's general partner is equally controlled by OGE Energy and CenterPoint, who each have 50 percent management ownership. Based on the 50/50 management ownership, with neither company having control, OGE Energy accounts for its interest in Enable using the equity method of accounting. As disclosed in OGE Energy's 2020 Form 10-K, Enable is subject to a number of risks, including contract renewal risk, the reliance on the drilling and production decisions of others and the volatility of natural gas, NGLs and crude oil prices. The effects of COVID-19, including negative impacts on demand and commodity prices, could exacerbate these risks. If any of those risks were to occur, OGE Energy's business, financial condition, results of operations or cash flows could be materially adversely affected.

In February 2021, Enable entered into a definitive merger agreement with Energy Transfer, which is further discussed under "Recent Developments - Enable Merger Agreement with Energy Transfer" below and in Note 4 within "Item 1. Financial Statements." For a discussion of risks related to the Enable and Energy Transfer merger, see "Item 1A. Risk Factors" in OGE Energy's 2020 Form 10-K.

Overview

Strategy

OGE Energy's purpose is to energize life, providing life-sustaining and life-enhancing products and services, while honoring its commitment to strengthen communities. Its business model is centered around growth and sustainability for employees (internally referred to as "members"), communities and customers and the owners of OGE Energy, its shareholders.

OGE Energy is focused on creating long-term shareholder value by targeting the consistent growth of earnings per share of five percent at the electric utility, underscored by a strategy of investing in lower risk infrastructure projects that improve the economic vitality of the communities it serves in Oklahoma and Arkansas. OGE Energy utilizes cash distributions from its natural gas midstream operations segment to help fund its electric utility capital investments. OGE Energy's financial objectives also include maintaining investment grade credit ratings and providing a strong and reliable dividend for shareholders.

OGE Energy's long-term sustainability is predicated on providing exceptional customer experiences, investing in grid improvements and increasingly cleaner generation resources, environmental stewardship, strong governance practices and caring for and supporting its members and communities.

Recent Developments

Enable Merger Agreement with Energy Transfer

In February 2021, Enable entered into a definitive merger agreement with Energy Transfer, pursuant to which, and subject to the conditions of the merger agreement, all outstanding common units of Enable will be acquired by Energy Transfer in an all-equity transaction. Under the terms of the merger agreement, Enable's common unitholders, including OGE Energy, will receive 0.8595 of one common unit representing limited partner interests in Energy Transfer for each common unit of Enable. The transaction is subject to the receipt of the required approvals from the holders of a majority of Enable's common units. In April 2021, CenterPoint and OGE Energy, who collectively own approximately 72.9 percent of Enable's common units, delivered written consents approving the merger agreement, and those consents are sufficient to approve the merger. The transaction also is subject to the receipt of anti-trust approvals and other customary closing conditions. The transaction is anticipated to close in 2021. Assuming the transaction closes, OGE Energy will own approximately three percent of Energy Transfer's outstanding limited partner units in lieu of the 25.5 percent interest in Enable that it currently owns. OGE Energy expects to incur transaction costs for investment bankers, advisors and attorneys as part of the transaction.

The quarterly distribution currently received from Enable is expected to be replaced by dividends received from Energy Transfer. OGE Energy does not expect significant changes to its cash requirements for funding operations or capital expenditures as a result of the merger between Enable and Energy Transfer. Assuming the successful completion of the merger, OGE Energy intends to exit the midstream segment in a prudent manner.

February 2021 Extreme Cold Weather Event

In February 2021, OG&E's service territory experienced an unprecedented, prolonged, cold spell that resulted in record winter peak demand for electricity and extremely high natural gas and purchased power prices. Both the OCC and APSC have approved regulatory mechanisms for OG&E's recovery of the significant fuel and purchased power costs associated with the unprecedented weather event, as further discussed in Note 15 within "Item 1. Financial Statements." As of March 31, 2021, OG&E has recorded a $829.4 million regulatory asset for the Oklahoma jurisdictional portion of fuel and purchased power costs incurred during this extreme weather event. OG&E has also recorded $102.4 million related to the Arkansas jurisdictional portion of the fuel and purchased power costs, which is primarily included within Fuel Clause Under Recoveries in the balance sheets as of March 31, 2021.

In March 2021, OGE Energy entered into a $1.0 billion unsecured 364-day term loan agreement and borrowed the full $1.0 billion to help cover the significant fuel and purchased power costs incurred during the extreme cold weather event. Further discussion can be found in Note 11 within "Item 1. Financial Statements." The Oklahoma and Arkansas legislatures have both passed legislation that would help alleviate the immediate burden on customers and OGE Energy by securitizing the cost impacts from this extreme winter event. The securitization of these costs could spread out the recovery of the costs over a longer period of time at a lower finance carrying charge. On April 26, 2021, OG&E filed an application seeking OCC approval to securitize its costs related to the February 2021 extreme cold weather event. Further discussion can be found in Note 15 within "Item 1. Financial Statements."

COVID-19 Pandemic

In March 2020, the World Health Organization declared the outbreak of COVID-19 as a pandemic, which continues to spread throughout the U.S. and world. In an effort to contain COVID-19 or slow its spread, the U.S. federal, state and local governments enacted various measures, including orders to close or place restrictions on businesses not deemed "essential," enact "shelter in place" restrictions on residents and practice social distancing when engaging in essential activities. Since May 2020, there have been no Oklahoma City-wide or Oklahoma state-wide "shelter in place" restrictions. Currently, COVID-19 vaccines are available to all Oklahoma and Arkansas residents, depending upon the age requirements of the particular vaccine, and the Registrants have provided on-site access to COVID-19 vaccines to their members. The Registrants' top priority is to protect their employees and their families, as well as their customers. The Registrants are taking precautionary measures as directed by health authorities and local and national governments and continue to monitor the outbreak of COVID-19 and whether any occupancy reductions or closures are necessary to help ensure the health and safety of their employees and customers. The OCC and the APSC both issued accounting orders allowing the Registrants to defer for recovery the incremental costs incurred for pandemic-related safety measures and the incremental bad debt resulting from COVID-19, as

OG&E continues to adjust its reserve on accounts receivable to incorporate concerns of continued slower payment due to unemployment. These orders are further discussed in Note 15 within "Item 1. Financial Statements" and in the Registrants' 2020 Form 10-K.

OG&E's Regulatory Matters

Completed regulatory matters affecting current period results are discussed in Note 15 within "Item 1. Financial Statements."

Summary of OGE Energy Operating Results

OGE Energy's net income was $52.7 million, or $0.26 per diluted share, during the three months ended March 31, 2021 as compared to a net loss of $491.8 million, or $2.46 per diluted share, during the same period in 2020. The increase in net income of $544.5 million, or $2.72 per diluted share, is further discussed below.

- Net income at OGE Holdings of $37.9 million, or $0.19 per diluted share of OGE Energy's common stock, during the three months ended March 31, 2021 compared to a net loss of $568.0 million, or $2.84 per diluted share of OGE Energy's common stock, during the three months ended March 31, 2020. The increase was primarily due to the 2020 impact of equity in earnings of Enable related to the impairment of OGE Energy's investment in Enable, partially offset by a decrease in income tax benefit related to this impairment charge. The increase in equity in earnings of Enable was also impacted by increased net income from Enable's transportation and storage business resulting from higher average natural gas sales prices.
- A decrease in net income at OG&E of $8.7 million, or $0.04 per diluted share of OGE Energy's common stock, was primarily due to lower gross margin driven by losses from the guaranteed flat bill program during the February 2021 extreme cold weather event, higher depreciation and amortization expense due to additional assets being placed into service and higher interest expense driven by increased long-term debt outstanding, partially offset by lower other operation and maintenance expense.
- A decrease in net income of other operations (holding company) of $52.7 million, or $0.27 per diluted share of OGE Energy's common stock, was primarily due to a lower income tax benefit driven by the 2020 impairment of OGE Energy's investment in Enable. The income tax benefit impact was due to a consolidating income tax adjustment related to the interim period that was eliminated in the ordinary course of business over the remainder of 2020.

2021 Outlook

OG&E's 2021 earnings guidance remains unchanged and is between $352 million to $373 million, or $1.76 to $1.86 per average diluted share. Based on first quarter 2021 results, including the impacts of the February 2021 extreme cold weather event and strong mitigation efforts, OG&E's full year earnings are currently projected to be in the lower half of this range. The guidance assumes, among other things, approximately 200 million average diluted shares outstanding and normal weather for the year. As indicated in its 2020 Form 10-K, OGE Energy is not issuing 2021 consolidated earnings guidance due to Enable not issuing an earnings outlook due to the announced merger between Enable and Energy Transfer. See OGE Energy's 2020 Form 10-K for other key factors and assumptions underlying its 2021 guidance.

Non-GAAP Financial Measures

OG&E

Gross margin is defined by OG&E as operating revenues less cost of sales. Cost of sales, as reflected on the income statement, includes fuel, purchased power and certain transmission expenses. Gross margin is a non-GAAP financial measure because it excludes depreciation and amortization and other operation and maintenance expenses. Expenses for fuel and purchased power are recovered through fuel adjustment clauses, and as a result, changes in these expenses are offset in operating revenues with no impact on net income except for the portion of fuel and purchased power costs related to customers under the guaranteed flat bill program. OG&E believes gross margin provides a more meaningful basis for evaluating its operations across periods than operating revenues because gross margin excludes the revenue effect of fluctuations in these expenses. Gross margin is used internally to measure performance against budget and in reports for management and the Board of Directors. OG&E's definition of gross margin may be different from similar terms used by other companies. Further, gross margin is not intended to replace operating revenues as determined in accordance with GAAP as an indicator of operating performance. For a reconciliation of gross margin to revenue, which is the most directly comparable financial measure calculated and presented in accordance with GAAP, for the three months ended March 31, 2021 and 2020, see "OG&E (Electric Utility) Results of Operations" below.

Enable

Gross margin is defined by Enable as total revenues minus costs of natural gas and NGLs, excluding depreciation and amortization. Total revenues consist of the fees that Enable charges its customers and the sales price of natural gas and NGLs that Enable sells. The cost of natural gas and NGLs consists of the purchase price of natural gas and NGLs that Enable purchases. Enable deducts the cost of natural gas and NGLs from total revenues to arrive at a measure of the core profitability of their mix of fee-based and commodity-based customer arrangements. Gross margin allows for meaningful comparison of the operating results between Enable's fee-based revenues and Enable's commodity-based contracts which involve the purchase or sale of natural gas, NGLs and/or crude oil. In addition, OGE Energy believes gross margin allows for a meaningful comparison of the results of Enable's commodity-based activities across different commodity price environments because it measures the spread between the product sales price and cost of products sold. Enable's definition of gross margin may be different from similar terms used by other companies. Further, gross margin is not intended to replace operating revenues as determined in accordance with GAAP as an indicator of operating performance. For a reconciliation of gross margin to revenue, which is the most directly comparable financial measure calculated and presented in accordance with GAAP, for the three months ended March 31, 2021 and 2020, see "OGE Holdings (Natural Gas Midstream Operations) Results of Operations" below.

Results of Operations

The following discussion and analysis presents factors that affected the Registrants' results of operations for the three months ended March 31, 2021 as compared to the same period in 2020 and the Registrants' financial position at March 31, 2021. Due to seasonal fluctuations and other factors, the Registrants' operating results for the three months ended March 31, 2021 are not necessarily indicative of the results that may be expected for the year ending December 31, 2021 or for any future period. The following information should be read in conjunction with the condensed financial statements and notes thereto. Known trends and contingencies of a material nature are discussed to the extent considered relevant.

OGE Energy	**Three Months Ended March 31,**	
(In millions except per share data)	**2021**	2020
Net income (loss)	**$ 52.7**	$ (491.8)
Basic average common shares outstanding	**200.1**	200.2
Diluted average common shares outstanding	**200.1**	200.2
Basic earnings (loss) per average common share	**$ 0.26**	$ (2.46)
Diluted earnings (loss) per average common share	**$ 0.26**	$ (2.46)
Dividends declared per common share	**$ 0.40250**	$ 0.38750

Results by Business Segment

	Three Months Ended March 31,	
(In millions)	**2021**	2020
Net income (loss):		
OG&E (Electric Utility)	**$ 11.2**	$ 19.9
OGE Holdings (Natural Gas Midstream Operations) (A)	**37.9**	(568.0)
Other operations (A)(B)	**3.6**	56.3
OGE Energy net income (loss)	**$ 52.7**	$ (491.8)

(A) In 2020, OGE Energy recorded a $780.0 million impairment ($589.6 million after tax) on its investment in Enable, as further discussed in Note 4 within "Item 1. Financial Statements." Other operations' 2020 results included a $52.8 million tax benefit impact due to a consolidating tax adjustment related to the interim period that eliminated in the ordinary course of business over the remainder of the year.

(B) Other operations primarily includes the operations of the holding company and consolidating eliminations.

The following discussion of results of operations by business segment includes intercompany transactions that are eliminated in OGE Energy's condensed consolidated financial statements.

OG&E (Electric Utility)

(Dollars in millions)	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Operating revenues	**$ 1,630.6**	$ 431.3
Cost of sales	**1,346.8**	135.0
Other operation and maintenance	**110.3**	121.0
Depreciation and amortization	**98.7**	94.4
Taxes other than income	**25.7**	23.9
Operating income	**49.1**	57.0
Allowance for equity funds used during construction	**1.3**	1.3
Other net periodic benefit expense	**(0.9)**	(0.5)
Other income	**1.7**	1.5
Other expense	**0.4**	0.5
Interest expense	**38.4**	36.9
Income tax expense	**1.2**	2.0
Net income	**$ 11.2**	$ 19.9
Operating revenues by classification:		
Residential	**$ 573.3**	$ 172.3
Commercial	**309.7**	94.1
Industrial	**147.7**	42.6
Oilfield	**161.3**	39.0
Public authorities and street light	**123.9**	35.6
Sales for resale	**—**	(0.1)
System sales revenues	**1,315.9**	383.5
Provision for rate refund	**—**	(0.6)
Integrated market	**302.1**	7.2
Transmission	**36.3**	34.2
Other	**(23.7)**	7.0
Total operating revenues	**$ 1,630.6**	$ 431.3
Reconciliation of gross margin to revenue:		
Operating revenues	**$ 1,630.6**	$ 431.3
Cost of sales	**1,346.8**	135.0
Gross margin	**$ 283.8**	$ 296.3
MWh sales by classification *(In millions)*		
Residential	**2.5**	2.2
Commercial	**1.5**	1.5
Industrial	**1.0**	1.1
Oilfield	**1.0**	1.1
Public authorities and street light	**0.6**	0.6
System sales	**6.6**	6.5
Integrated market	**0.3**	0.3
Total sales	**6.9**	6.8
Number of customers	**871,494**	859,628
Weighted-average cost of energy per kilowatt-hour *(In cents)*		
Natural gas	**43.843**	1.663
Coal	**1.786**	1.905
Total fuel	**21.168**	1.529
Total fuel and purchased power	**18.401**	1.886
Degree days (A)		
Heating - Actual	**2,066**	1,649
Heating - Normal	**1,800**	1,800
Cooling - Actual	**6**	23
Cooling - Normal	**13**	13

(A) Degree days are calculated as follows: The high and low degrees of a particular day are added together and then averaged. If the calculated average is above 65 degrees, then the difference between the calculated average and 65 is expressed as cooling degree days, with each degree of difference equaling one cooling degree day. If the calculated average is below 65 degrees, then the difference between the calculated average and 65 is expressed as heating degree days, with each degree of difference equaling one heating degree day. The daily calculations are then totaled for the particular reporting period.

OG&E's net income decreased $8.7 million, or 43.7 percent, during the three months ended March 31, 2021, as compared to the same period in 2020. The following section discusses the primary drivers for the decrease in net income during the three months ended March 31, 2021, as compared to the same period in 2020.

Operating revenues increased $1.2 billion, primarily due to increased cost of sales as a result of the February 2021 extreme cold weather event and related extremely high fuel costs. Cost of sales are typically recovered from customers.

Gross margin decreased $12.5 million, or 4.2 percent, primarily driven by the below factors.

(In millions)	$ Change
Guaranteed flat bill program (A)	$ (31.6)
Industrial and oilfield sales	(1.4)
Non-residential demand and related revenues	(1.0)
Price variance	10.5
Quantity impacts (primarily weather) (B)	7.7
New customer growth	1.8
Other	1.5
Change in gross margin	$ (12.5)

(A) Decreased primarily due to the loss from the guaranteed flat bill program related to the February 2021 extreme cold weather event. The guaranteed flat bill program allows qualifying customers the opportunity to purchase their electricity needs at a set monthly price for an entire year, which resulted in those customers not being allocated incremental fuel and purchased power costs incurred during the February 2021 extreme cold weather event.
(B) Increased primarily due to a 25.3 percent increase in heating degree days.

Cost of sales for OG&E consists of fuel used in electric generation, purchased power and transmission related charges. The actual cost of fuel used in electric generation and certain purchased power costs are passed through to OG&E's customers through fuel adjustment clauses. The fuel adjustment clauses are subject to periodic review by the OCC and the APSC. OG&E's cost of sales increased $1.2 billion, primarily driven by the below factors.

(In millions)	$ Change	% Change
Fuel expense (A)	$ 672.1	*
Purchased power costs:		
Purchases from SPP (B)	537.6	*
Wind (C)	(1.2)	(8.5)%
Other	3.2	— %
Transmission expense	0.1	0.5 %
Change in cost of sales	$ 1,211.8	

* Change is greater than 100 percent variance.
(A) Increased primarily due to higher fuel costs related to the February 2021 extreme cold weather event.
(B) Increased primarily due to higher market prices as a result of increased fuel costs related to the February 2021 extreme cold weather event.
(C) Decreased primarily due to a decrease of 12.5 percent in MWs purchased.

Other operation and maintenance expense decreased $10.7 million, or 8.8 percent, primarily driven by the below factors.

(In millions)	$ Change	% Change
Corporate overheads and allocations	$ (5.1)	(14.3)%
Capitalized labor	(3.4)	11.8 %
Payroll and benefits	(3.1)	(4.8)%
Other	(2.4)	(6.3)%
Contract technical and construction services	3.3	33.1 %
Change in other operation and maintenance expense (A)	$ (10.7)	

(A) OG&E has been focused on reducing other operation and maintenance activities in light of COVID-19.

Depreciation and amortization expense increased $4.3 million, or 4.6 percent, primarily due to additional assets being placed into service.

Taxes other than income increased $1.8 million, or 7.5 percent, primarily due to increased ad valorem taxes.

Interest on long-term debt increased $1.8 million, or 4.9 percent, primarily due to increased long-term debt outstanding.

Income tax expense decreased $0.8 million, or 40.0 percent, primarily due to lower pretax income, partially offset by reduced tax credit generation.

OGE Holdings (Natural Gas Midstream Operations)

	Three Months Ended March 31,	
(In millions)	**2021**	2020
Operating revenues	**$ —**	$ —
Cost of sales	**—**	—
Other operation and maintenance	**0.4**	0.6
Depreciation and amortization	**—**	—
Taxes other than income	**0.1**	0.1
Operating loss	**(0.5)**	(0.7)
Equity in earnings (losses) of unconsolidated affiliates (A)	**53.2**	(746.5)
Other expense	**0.5**	—
Income (loss) before taxes	**52.2**	(747.2)
Income tax expense (benefit)	**14.3**	(179.2)
Net income (loss) attributable to OGE Holdings	**$ 37.9**	$ (568.0)

(A) In 2020, OGE Energy recorded a $780.0 million impairment on its investment in Enable, as further discussed in Note 4 within "Item 1. Financial Statements."

Reconciliation of Equity in Earnings (Losses) of Unconsolidated Affiliates

See Note 4 within "Item 1. Financial Statements" for the reconciliation of Enable's net income to OGE Energy's equity in earnings (losses) of unconsolidated affiliates and the reconciliation of the difference between OGE Energy's investment in Enable and its underlying equity in the net assets of Enable (basis difference).

Enable Results of Operations and Operating Data

The following section presents summarized financial information of Enable for the three months ended March 31, 2021 and 2020 and related discussion of the primary drivers for the changes during the period.

	Three Months Ended March 31,	
(In millions)	**2021**	2020
Reconciliation of gross margin to revenue:		
Total revenues	**$ 970**	$ 648
Cost of natural gas and NGLs	**519**	226
Gross margin	**$ 451**	$ 422
Operating income	**$ 206**	$ 146
Net income	**$ 155**	$ 103

	Three Months Ended March 31,	
	2021	2020
Natural gas gathered volumes - TBtu/d	**4.09**	4.52
Natural gas processed volumes - TBtu/d (A)	**2.06**	2.44
NGLs sold - MBbl/d (B)	**119.86**	121.32
Crude oil and condensate gathered volumes - MBbl/d	**113.79**	141.25
Transported volumes - TBtu/d	**6.10**	6.56

(A) Includes volumes under third-party processing arrangements.
(B) Excludes condensate. NGLs sold includes volumes of NGLs withdrawn from inventory or purchased for system balancing purposes.

OGE Holdings' net income was $37.9 million compared to net loss of $568.0 million during the three months ended March 31, 2021 and 2020, respectively. The increase was primarily due to the 2020 impact of the impairment of OGE Energy's investment in Enable, as discussed in Note 4 within "Item 1. Financial Statements." OGE Holdings' net income during the three months ended March 31, 2021 was also impacted by an increase in Enable's net income.

The following table presents summarized information regarding Enable's income statement changes for the three months ended March 31, 2021, as compared to the same period in 2020, and the corresponding impact those changes had on OGE Energy's equity in earnings of Enable. See Note 4 within "Item 1. Financial Statements" for further discussion of OGE Energy's equity investment in Enable. The increase in Enable's net income was primarily driven by the below factors.

(In millions)	**Income Statement Change at Enable**	**Impact to OGE Energy's Equity in Earnings**
Gross margin	$ 29.0	$ 7.4
Impairments of property, plant and equipment and goodwill (A)	$ (28.0)	$ 4.4
Operation and maintenance, General and administrative	$ (5.0)	$ 1.3
Depreciation and amortization	$ 2.0	$ (0.5)

(A) Included in the $28.0 million of impairments recorded by Enable in 2020 is a $12.0 million goodwill impairment and a $16.0 million impairment for certain long-lived assets in their gathering and processing business segment. OGE Energy recorded a $4.4 million pre-tax charge for its share of Enable's goodwill and long-lived asset impairments, as adjusted for basis differences.

Enable's gathering and processing business segment reported a decrease in operating income of $10.0 million for the three months ended March 31, 2021, as compared to the same period in 2020. The following table presents summarized information regarding Enable's gathering and processing business segment income statement changes for the three months ended March 31, 2021, as compared to the same period in 2020, and the corresponding impact those changes had on OGE Energy's equity in earnings of Enable. The decrease in Enable's gathering and processing business segment operating income was primarily driven by the below factors.

(In millions)	**Income Statement Change at Enable**	**Impact to OGE Energy's Equity in Earnings**
Gross margin	$ (40.0)	$ (10.2)
Impairments of property, plant and equipment and goodwill (A)	$ (28.0)	$ 4.4
Operating and maintenance, General and administrative	$ (2.0)	$ 0.5

(A) Included in the $28.0 million of impairments recorded by Enable in 2020 is a $12.0 million goodwill impairment and a $16.0 million impairment for certain long-lived assets in their gathering and processing business segment. OGE Energy recorded a $4.4 million pre-tax charge for its share of Enable's goodwill and long-lived asset impairments, as adjusted for basis differences.

Gathering and processing gross margin decreased for the three months ended March 31, 2021 primarily due to:

- a decrease in changes in the fair value of natural gas, condensate and NGL derivatives;
- an increase in realized losses on natural gas, condensate and NGL derivatives;
- a decrease in revenues from natural gas sales less the cost of natural gas due to higher intra-month natural gas purchase costs during the extreme cold weather event;
- a decrease in natural gas gathering fees due to lower gathered volumes, inclusive of volume curtailments and production freeze-offs related to the extreme cold weather event, partially offset by higher assessed producer imbalance penalties; and
- a decrease in crude oil, condensate and produced water gathering revenues primarily due to a decrease in gathered crude oil and condensate volumes in the Anadarko Basin, partially offset by an increase in gathered crude oil volumes in the Williston Basin; partially offset by
- an increase in revenues from NGL sales less the cost of NGLs primarily due to an increase in the average realized sales price from higher average market prices for NGL products combined with higher recoveries of ethane, partially offset by lower processed volumes; and
- an increase in processing service fees due to higher consideration received from percent-of-proceeds, percent-of-liquids and keep-whole processing arrangements due to higher average market prices, partially offset by lower processed volumes under fee-based arrangements.

Enable's transportation and storage business segment reported an increase in operating income of $70.0 million for the three months ended March 31, 2021, as compared to the same period in 2020. The following table presents summarized information regarding Enable's transportation and storage business segment income statement changes for the three months ended March 31, 2021, as compared to the same period in 2020, and the corresponding impact those changes had on OGE Energy's equity in earnings of Enable. The increase in Enable's transportation and storage business segment operating income was primarily driven by the below factors.

(In millions)	**Income Statement Change at Enable**	**Impact to OGE Energy's Equity in Earnings**
Gross margin	$ 69.0	$ 17.6
Operation and maintenance, General and administrative	$ (3.0)	$ 0.8
Depreciation and amortization	$ 2.0	$ (0.5)

Transportation and storage gross margin increased for the three months ended March 31, 2021 primarily due to:

- an increase in system management activities primarily due to higher average natural gas sales prices;
- an increase in volume-dependent transportation and storage revenues due to an increase in assessed shipper imbalance penalties, partially offset by lower off-system intrastate transported volumes due to decreased production activity in the Anadarko Basin, inclusive of disruptions in natural gas supply associated with the extreme cold weather event and the recognition in 2020 of revenue upon the settlement of a certain rate case with no comparable item in 2021;
- a reduction in lower of cost or net realizable value adjustments related to natural gas storage inventories; partially offset by
- a decrease in firm transportation and storage services due to the recognition in 2020 of previously reserved revenue upon the settlement of a certain rate case with no comparable item in 2021, partially offset by higher interstate contracted capacity; and
- a decrease in changes in the fair value of natural gas derivatives.

OGE Holdings' income tax expense was $14.3 million during the three months ended March 31, 2021, as compared to income tax benefit of $179.2 million during the same period in 2020. The change is primarily due to a tax benefit of $190.4 million related to the impairment recorded in 2020 on OGE Energy's investment in Enable, partially offset by state deferred tax adjustments related to OGE Energy's investment in Enable.

Off-Balance Sheet Arrangements

There have been no significant changes in OGE Energy's off-balance sheet arrangements from those discussed in its 2020 Form 10-K. OGE Energy has no off-balance sheet arrangements with equity method investments that would affect its liquidity.

Liquidity and Capital Resources

Cash Flows

OGE Energy

	Three Months Ended March 31,		2021 vs. 2020	
(Dollars in millions)	**2021**	2020	$ Change	% Change
Net cash (used in) provided from operating activities (A)	**$ (940.2)**	$ 103.9	$ (1,044.1)	*
Net cash used in investing activities (B)	**$ (159.0)**	$ (124.9)	$ (34.1)	27.3 %
Net cash provided from financing activities (C)	**$ 1,098.1**	$ 166.9	$ 931.2	*

* Change is greater than 100 percent variance.

(A) Decreased primarily due to an increase in vendor payments, including payments for fuel and purchased power related to the February 2021 extreme cold weather event.

(B) Increased primarily due to grid modernization projects at OG&E as well as timing of plant outages.

(C) Increased primarily due to an increase in short-term debt to provide additional liquidity for the increased fuel and purchased power costs incurred by OG&E related to the February 2021 extreme cold weather event.

Working Capital

Working capital is defined as the difference in current assets and current liabilities. OGE Energy's working capital requirements are driven generally by changes in accounts receivable, accounts payable, commodity prices, credit extended to and the timing of collections from OG&E's customers, the level and timing of spending for maintenance and expansion activity, inventory levels and fuel recoveries. The following discussion addresses changes in OGE Energy's working capital balances at March 31, 2021 compared to December 31, 2020.

Accounts Receivable and Accrued Unbilled Revenues decreased $26.0 million, or 11.5 percent, primarily due to a decrease in billings to OG&E's retail customers reflecting lower seasonal usage in March 2021 as compared to December 2020.

Fuel Clause Recoveries decreased $104.9 million, primarily due to the Arkansas jurisdictional portion of the February 2021 fuel costs related to the extreme cold weather event along with decreased customer collections. The Oklahoma jurisdictional portion of the February 2021 fuel costs were deferred to a regulatory asset as discussed in Note 15 within "Item 1. Financial Statements."

Short-term Debt increased $1.2 billion primarily due to OGE Energy borrowing $1.0 billion in March 2021 under its term loan agreement to provide additional liquidity for the increased fuel and purchased power costs incurred as a result of the February 2021 extreme cold weather event. OGE Energy borrows on a short-term basis, as necessary, by the issuance of commercial paper and borrowings under its revolving credit agreements and term credit agreements.

Accrued Taxes decreased $18.0 million, or 32.3 percent, primarily due to the timing of ad valorem payments and tax accruals.

Accrued Compensation decreased $6.8 million, or 21.9 percent, primarily due to 2020 incentive compensation payouts that occurred in the first quarter of 2021, partially offset by 2021 accruals.

Future Capital Requirements

OGE Energy's primary needs for capital are related to acquiring or constructing new facilities and replacing or expanding existing facilities at OG&E. Other working capital requirements are expected to be primarily related to maturing debt, operating lease obligations, fuel clause under and over recoveries and other general corporate purposes. OGE Energy generally meets its cash needs through a combination of cash generated from operations, short-term borrowings (through a combination of bank borrowings and commercial paper) and permanent financings.

Capital Expenditures

OGE Energy's estimates of capital expenditures, which represent base maintenance capital expenditures plus capital expenditures for known and committed projects, for the years 2021 through 2025 are presented in the following table. Estimated capital expenditures for Enable are not included. Additional capital expenditures beyond those identified below, including additional incremental growth opportunities, will be evaluated based upon the requirements of OG&E's power supply, transmission and distribution operational teams and the resultant customer benefits as well as their impact upon achieving OGE Energy's financial objectives.

(In millions)	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 Plan	20	20	20	20	20	100
Other	65	80	80	80	80	385
Total	$ 775	$ 785	$ 810	$ 835	$ 860	$ 4,065

Financing Activities and Future Sources of Financing

Management expects that cash generated from operations, proceeds from the issuance of long- and short-term debt, proceeds from the sales of common stock to the public through OGE Energy's Automatic Dividend Reinvestment and Stock Purchase Plan or other offerings and distributions from Enable (and assuming the merger transaction closes, Energy Transfer) will be adequate over the next three years to meet anticipated cash needs and to fund future growth opportunities. OGE Energy utilizes short-term borrowings (through a combination of bank borrowings and commercial paper) to satisfy temporary working capital needs and as an interim source of financing capital expenditures until permanent financing is arranged.

Short-Term Debt and Credit Facilities

OGE Energy borrows on a short-term basis, as necessary, by issuance of commercial paper and borrowings under its revolving credit agreements and term credit agreements.

OGE Energy has unsecured five-year revolving credit facilities totaling $900.0 million ($450.0 million for OGE Energy and $450.0 million for OG&E), which can also be used as letter of credit facilities. The following table presents information about OGE Energy's revolving credit agreements at March 31, 2021.

(Dollars in millions)	March 31, 2021
Balance of outstanding supporting letters of credit	$ 0.4
Weighted-average interest rate of outstanding supporting letters of credit	1.00 %
Net available liquidity under revolving credit agreements	$ 621.6
Balance of cash and cash equivalents	$ —

The following table presents information about OGE Energy's total short-term debt activity for the three months ended March 31, 2021.

(Dollars in millions)	Three Months Ended March 31, 2021
Average balance of short-term debt	$ 425.6
Weighted-average interest rate of average balance of short-term debt	0.47 %
Maximum month-end balance of short-term debt	$ 1,278.1

OG&E has the necessary regulatory approvals to incur up to $800.0 million in short-term borrowings at any one time for a two-year period beginning January 1, 2021 and ending December 31, 2022.

In March 2021, OGE Energy entered into a $1.0 billion unsecured 364-day term loan agreement to provide additional liquidity to help cover the increased fuel and purchased power costs incurred by OG&E during the February 2021 extreme cold weather event. See Note 11 within "Item 1. Financial Statements" for further discussion of the Registrants' short-term debt activity.

Security Ratings

Access to reasonably priced capital is dependent in part on credit and security ratings. Generally, lower ratings lead to higher financing costs. Pricing grids associated with OGE Energy's credit facilities could cause annual fees and borrowing rates to increase if an adverse rating impact occurs. The impact of any future downgrade could include an increase in the costs of OGE Energy's short-term borrowings, but a reduction in OGE Energy's credit ratings would not result in any defaults or accelerations. Any future downgrade could also lead to higher long-term borrowing costs and, if below investment grade, would require OGE Energy to post collateral or letters of credit.

A security rating is not a recommendation to buy, sell or hold securities. Such rating may be subject to revision or withdrawal at any time by the credit rating agency, and each rating should be evaluated independently of any other rating.

On March 1, 2021, Moody's Investors Service revised their ratings outlook on both OGE Energy and OG&E from stable to negative. Moody's Investors Service indicated that the negative outlook on OGE Energy's rating is consistent with OG&E's and reflects the increased regulatory uncertainty related to the recovery timeline of the cost incurred to procure fuel and purchased power during the February 2021 extreme cold weather event.

On March 3, 2021, S&P's Global Ratings revised their ratings outlook on both OGE Energy and OG&E from stable to negative. S&P's Global Ratings indicated that the revised outlooks reflect their expectation for weaker financial measures directly associated with the significant increase in fuel and purchased power costs as a result of the extreme winter weather in February 2021, the uncertainty regarding timely recovery of those costs and the associated refinancing risk related to the 364-day $1.0 billion term loan. For OGE Energy, S&P's Global Ratings indicated the revised outlook also reflects their expectation of execution risk associated with the closing of Energy Transfer's acquisition of Enable.

Distributions by Enable

Pursuant to the Enable Limited Partnership Agreement, during the three months ended March 31, 2021, Enable made a distribution of $18.3 million to OGE Energy.

Critical Accounting Policies and Estimates

The condensed financial statements and notes thereto contain information that is pertinent to Management's Discussion and Analysis. In preparing the condensed financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and contingent liabilities at the date of the condensed financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Changes to these assumptions and estimates could have a material effect on the condensed financial statements. The Registrants believe they have taken reasonable positions where assumptions and estimates are used in order to minimize the negative financial impact to the Registrants that could result if actual results vary from the assumptions and estimates.

In management's opinion, the areas where the most significant judgment is exercised for the Registrants include the determination of Pension Plan assumptions, income taxes, contingency reserves, asset retirement obligations, regulatory assets and liabilities, unbilled revenues and the allowance for uncollectible accounts receivable. For OGE Energy, significant judgment is also exercised in the determination of any impairment of equity method investments. The selection, application and disclosure of the critical accounting estimates have been discussed with the Audit Committee of OGE Energy's Board of Directors and are discussed in detail within "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Registrants' 2020 Form 10-K.

Commitments and Contingencies

In the normal course of business, the Registrants are confronted with issues or events that may result in a contingent liability. These generally relate to lawsuits or claims made by third parties, including governmental agencies. When appropriate, management consults with legal counsel and other experts to assess the claim. If, in management's opinion, the Registrants have incurred a probable loss as set forth by GAAP, an estimate is made of the loss, and the appropriate accounting entries are reflected in the condensed financial statements. At the present time, based on available information, the Registrants believe that any reasonably possible losses in excess of accrued amounts arising out of pending or threatened lawsuits or claims would not be quantitatively material to their condensed financial statements and would not have a material adverse effect on their financial position, results of operations or cash flows. See Notes 14 and 15 within "Item 1. Financial Statements" for further discussion of the Registrants' commitments and contingencies.

Environmental Laws and Regulations

The activities of OG&E are subject to numerous, stringent and complex federal, state and local laws and regulations governing environmental protection. These laws and regulations can change, restrict or otherwise impact OG&E's business activities in many ways, including the handling or disposal of waste material, planning for future construction activities to avoid or mitigate harm to threatened or endangered species and requiring the installation and operation of emissions or pollution control equipment. Failure to comply with these laws and regulations could result in the assessment of administrative, civil and criminal penalties, the imposition of remedial requirements and the issuance of orders enjoining future operations. Management believes that all of the Registrants' operations are in substantial compliance with current federal, state and local environmental standards.

President Biden has taken a number of actions that affect environmental regulations adopted by the Trump administration, including issuance of an executive order that instructs the EPA and other executive agencies to review certain rules that affect OG&E with a view to achieving nationwide reductions in greenhouse gas emissions. OG&E is monitoring these actions which are in the preliminary stages of being implemented. At this point in time, the impacts of these actions on the Registrants' results of operations, if any, cannot be determined with any certainty.

Environmental regulation can increase the cost of planning, design, initial installation and operation of OG&E's facilities. Management continues to evaluate its compliance with existing and proposed environmental legislation and regulations and implement appropriate environmental programs in a competitive market.

Air

Federal Clean Air Act Overview

OG&E's operations are subject to the Federal Clean Air Act as amended and comparable state laws and regulations. These laws and regulations regulate emissions of air pollutants from various industrial sources, including electric generating units and also impose various monitoring and reporting requirements. Such laws and regulations may require that OG&E obtain pre-approval for the construction or modification of certain projects or facilities expected to produce air emissions or result in the increase of existing air emissions, obtain and strictly comply with air permits containing various emissions and operational limitations or install emission control equipment. OG&E likely will be required to incur certain capital expenditures in the future for air pollution control equipment and technology in connection with obtaining and maintaining operating permits and approvals for air emissions.

Cross-State Air Pollution Rule

On September 7, 2016, the EPA finalized an update to the 2011 Cross-State Air Pollution Rule. The new rule applies to ozone-season NO_X emissions from power plants in 22 eastern states (including Oklahoma). The rule utilizes a cap and trade program for NO_X emissions and went into effect on May 1, 2017 in Oklahoma. The 2016 rule reduces the 2011 Cross-State Air Pollution Rule emissions cap for all of OG&E's coal and gas facilities (except the River Valley and Frontier facilities which were not owned by OG&E until 2019) by 47 percent combined. OG&E and numerous other parties filed petitions for judicial and administrative review of the 2016 rule. On September 13, 2019, the U.S. Court of Appeals for the District of Columbia Circuit issued an opinion that partially remanded the Cross-State Air Pollution Rule update and also deferred a decision on our challenges to the rule pending an EPA review and decision on a separate administrative petition that we filed. Subsequently, all of OG&E's judicial challenges were voluntarily dismissed, but the administrative petitions for reconsideration remain pending at the EPA. On October 30, 2020, the EPA published a proposed rule to revise the 2016 update rule and address the 2019 remand. The final version of the remanded rule was published in the Federal Register on April 30, 2021 with an effective date of June 29, 2021. Consistent with the proposal, the EPA does not require additional reductions in the emissions budget for Oklahoma based on a determination that the state does not cause or contribute to nonattainment of the ambient air quality standards in the relevant downwind areas.

OG&E continues to monitor these processes and their possible impact on its operations but, at this time, cannot determine with any certainty whether they will cause a material impact to OG&E's financial results. OG&E is in compliance with the 2016 rule requirements which remain in effect. OG&E does not anticipate, at this time, additional capital expenditures for compliance with the 2016 rule.

Hazardous Air Pollutants Emission Standards

On February 16, 2012, the EPA published the final MATS rule regulating the emissions of certain hazardous air pollutants from electric generating units. OG&E complied with the MATS rule by the April 16, 2016 deadline that applied to OG&E's coal units. On April 16, 2020, the EPA released a final rule which reconsidered certain elements of the 2012 rule in response to litigation in the D.C. Circuit Court. In the final rule, the EPA concluded that it is not "appropriate and necessary" to regulate MATS-related emissions from coal-fired units. Nonetheless, the EPA retained the emissions limits that were established in the 2012 rule, which remains in effect today. Petitions for judicial review of the final May 2020 rule have been filed at the D.C. Circuit Court. The consolidated challenges are being held in abeyance pending the EPA's review of the 2020 rule.

National Ambient Air Quality Standards

The EPA is required to set NAAQS for certain pollutants considered to be harmful to public health or the environment. The Clean Air Act requires the EPA to review each NAAQS every five years. As a result of these reviews, the EPA periodically has taken action to adopt more stringent NAAQS for those pollutants. If any areas of Oklahoma were to be designated as not attaining the NAAQS for a particular pollutant, OG&E could be required to install additional emission controls on its facilities to help the state achieve attainment with the NAAQS. As of March 31, 2021, no areas of Oklahoma had been designated as non-attainment for pollutants that are likely to affect OG&E's operations.

Climate Change and Greenhouse Gas Emissions

There is continuing discussion and evaluation of possible global climate change in certain regulatory and legislative arenas. The focus is generally on emissions of greenhouse gases, including CO_2, sulfur hexafluoride and methane, and whether these emissions are contributing to the warming of the earth's atmosphere. On April 22, 2021, President Biden announced a target for the U.S. in association with the United Nations' "Paris Agreement" on climate change. The target consists of a 50 to 52 percent reduction from 2005 levels in economy-wide net greenhouse gas emissions in 2030. President Biden also has stated that a goal of his administration is to see the electric power industry fully decarbonized by 2035. The details of these announcements are not available and the impact to OG&E, if any, is currently unknown. Such initiatives may result in future additional greenhouse gas emissions reductions in the U.S.; however, it is not possible to determine what the U.S. standards for greenhouse gas emissions will be in the future or the extent to which these commitments will be implemented through the Clean Air Act or any other existing statutes and new legislation.

If legislation or regulations are passed at the federal or state levels in the future requiring mandatory reductions of CO_2 and other greenhouse gases on OG&E's facilities, this could result in significant additional compliance costs that would affect OG&E's future financial position, results of operations and cash flows if such costs are not recovered through regulated rates. Several states outside the area where OG&E operates have passed laws, adopted regulations or undertaken regulatory initiatives to reduce the emission of greenhouse gases, primarily through the planned development of greenhouse gas emission inventories and/or regional greenhouse gas cap and trade programs.

OG&E's current business strategy has resulted in reduced carbon dioxide emissions by over 40 percent compared to 2005 levels, and during the same period, emissions of ozone-forming NO_x have been reduced by approximately 75 percent and emissions of SO_2 have been reduced by approximately 90 percent. OG&E expects to further reduce carbon dioxide emissions to 50 percent of 2005 levels by 2030. To comply with the EPA's MATS rule and Regional Haze Rule FIP, OG&E converted two coal-fired generating units at the Muskogee Station to natural gas, among other measures. OG&E's deployment of Smart Grid technology helps to reduce the peak load demand. OG&E is also deploying more renewable energy sources that do not emit greenhouse gases. OG&E's service territory borders one of the nation's best wind resource areas, and OG&E has leveraged its geographic position to develop renewable energy resources and completed transmission investments to deliver the renewable energy. The SPP has authorized the construction of transmission lines capable of bringing renewable energy out of the wind resource areas in western Oklahoma, the Texas Panhandle and western Kansas to load centers by planning for more transmission to be built in the area. In addition to increasing overall system reliability, these new transmission resources should provide greater access to additional wind resources that are currently constrained due to existing transmission delivery limitations.

Regional Haze Regulation - Second Planning Period

In January 2017, the EPA finalized a rule that would revise certain provisions of the Regional Haze Rule. Notably, the EPA extended the SIP deadline for the second Regional Haze implementation period by three years to 2021 and made changes to the provisions for impacts to national parks and other protected wilderness areas. Petitions for Reconsideration to the EPA were filed by industry groups. While not acting on the petitions, the EPA announced on January 17, 2018 that it intends to commence a notice-and-comment rulemaking revisiting certain aspects of the rule. During 2019, the EPA released technical resources to assist states in developing SIPs, including a significant non-binding guidance document and updated atmospheric modeling which will allow states to better account for international emissions affecting regional haze in the U.S. On July 1, 2020, the ODEQ notified OG&E that the Horseshoe Lake generating units are to be included in the state's evaluation of visibility impairment impacts to the Wichita Mountains. OG&E conducted an analysis of all potential control measures for NO_x on these units and submitted it to the ODEQ on September 15, 2020. The ODEQ will identify any cost-effective control measures in a Regional Haze SIP, to be submitted to the EPA for approval by July 31, 2021. It is unknown at this time what the outcome, or any potential material impacts, will be from the evaluations by OG&E, the ODEQ and the EPA.

Endangered Species

Certain federal laws, including the Bald and Golden Eagle Protection Act, the Migratory Bird Treaty Act and the Endangered Species Act, provide special protection to certain designated species. These laws and any state equivalents provide for significant civil and criminal penalties for unpermitted activities that result in harm to or harassment of certain protected animals and plants, including damage to their habitats. If such species are located in an area in which OG&E conducts operations, or if additional species in those areas become subject to protection, OG&E's operations and development projects, particularly transmission, wind or pipeline projects, could be restricted or delayed, or OG&E could be required to implement expensive mitigation measures.

Vegetation Management

On July 10, 2020, the U.S. Department of Agriculture – Forest Service published a final rule which updates procedures for creating operating plans and agreements for powerline facility maintenance and vegetation management within and abutting the linear boundary of a special use authorization for a powerline facility within Forest Service lands. This rule codifies the memorandum of understanding between utilities such as OG&E and the Forest Service regarding vegetation management best practices. All companies will be required to have an approved operating plan or agreement with the Forest Service. OG&E will be required to submit a draft operating plan to the Forest Service by August 10, 2023 for ongoing maintenance and vegetation management activities located within the Ozark National Forest in Arkansas.

Waste

OG&E's operations generate wastes that are subject to the Federal Resource Conservation and Recovery Act of 1976 as well as comparable state laws which impose detailed requirements for the handling, storage, treatment and disposal of waste.

In 2015, the EPA finalized a rule under the Federal Resource Conservation and Recovery Act for the handling and disposal of coal combustion residuals or coal ash. The rule regulates coal ash as a solid waste rather than a hazardous waste, which would have made the management of coal ash more costly. In August 2019, the EPA proposed revisions to the 2015 coal ash rule in response to the D.C. Circuit Court of Appeals issuing a decision regarding the ongoing Coal Combustion Residuals litigation. The proposed changes do not appear to be material to OG&E at this time. OG&E completed the clean closure of one regulated inactive coal ash impoundment in August 2019.

On June 28, 2018, the EPA approved the State of Oklahoma's application for a state coal ash permitting program that will operate in lieu of the federal coal ash program promulgated under the Federal Resource Conservation and Recovery Act. On September 26, 2018, a citizen suit was filed against the EPA in the U.S. District Court in the District of Columbia concerning the final approval, which was decided upon in the EPA's favor on April 15, 2020 and has subsequently been appealed.

OG&E currently recycles and provides approximately 97 percent of its ash to the concrete and cement industries for use as a component within their products and, in the last five years, has diverted more than 1.3 million tons of ash from landfills. Using fly ash in this way enables aggregate manufacturers to minimize their impact on the environment by avoiding the need to extract and process other natural resources.

OG&E has sought and will continue to seek pollution prevention opportunities and to evaluate the effectiveness of its waste reduction, reuse and recycling efforts. OG&E obtains refunds from the recycling of scrap metal, salvaged transformers and used transformer oil. Additional savings are expected to be gained through the reduction and/or avoidance of disposal costs and the reduction in material purchases due to the reuse of existing materials.

Water

OG&E's operations are subject to the Federal Clean Water Act and comparable state laws and regulations. These laws and regulations impose detailed requirements and strict controls regarding the discharge of pollutants into state and federal waters.

The EPA issued a final rule on May 19, 2014 to implement Section 316(b) of the Federal Clean Water Act, which requires that power plant cooling water intake structure location, design, construction and capacity reflect the best available technology for minimizing their adverse environmental impact via the impingement and entrainment of aquatic organisms. The ODEQ issued final permits on December 22, 2017 and August 22, 2018 for Muskogee Power Plant and Seminole Power Plant, respectively, in compliance with the final 316(b) rule, and OG&E did not incur any material costs associated with the rule's implementation at either location. OG&E expects to be able to provide a reasonable estimate of any material costs associated with the rule's implementation at other facilities following the future issuance of permits from the State of Oklahoma.

In 2015, the EPA issued a final rule addressing the effluent limitation guidelines for power plants under the Federal Clean Water Act. The final rule establishes technology- and performance-based standards that may apply to discharges of six waste streams including bottom ash transport water. Compliance with this rule will occur by 2023; however, on April 12, 2017, the EPA granted a Petition for Reconsideration of the 2015 Rule. On October 13, 2020, the EPA published a final rule to revise the technology-based effluent limitations for flue gas desulfurization waste water and bottom ash transport water. OG&E is evaluating what, if any, compliance actions are needed but is not able to quantify with any certainty what costs may be incurred. OG&E expects to be able to provide a reasonable estimate of any material costs associated with the rule's implementation following issuance of the permits from the State of Oklahoma.

On April 21, 2020, the EPA and U.S. Army Corps of Engineers published a rule to define the scope of federal jurisdiction over wetlands. This final rule replaces the repealed definition of waters of the U.S. from 2015. The rule became effective on June 22, 2020, and OG&E does not expect any material impacts as a result.

Since the purchase of the Redbud facility in 2008, OG&E's average use of treated municipal effluent for all of the needed cooling water at Redbud and McClain is approximately 2.5 billion gallons per year. This use of treated municipal effluent offsets the need for fresh water as cooling water, making fresh water available for other beneficial uses like drinking water, irrigation and recreation.

Site Remediation

The Comprehensive Environmental Response, Compensation and Liability Act of 1980 and comparable state laws impose liability, without regard to the legality of the original conduct, on certain classes of persons responsible for the release of hazardous substances into the environment. Because OG&E utilizes various products and generates wastes that are considered hazardous substances for purposes of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, OG&E could be subject to liability for the costs of cleaning up and restoring sites where those substances have been released to the environment. At this time, it is not anticipated that any associated liability will cause a significant impact to OG&E.

For further discussion regarding contingencies relating to environmental laws and regulations, see Note 14 within "Item 1. Financial Statements."

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

There have been no significant changes in the market risks affecting the Registrants from those discussed in the Registrants' 2020 Form 10-K.

Item 4. Controls and Procedures.

The Registrants maintain a set of disclosure controls and procedures designed to ensure that information required to be disclosed by the Registrants in reports that they file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms. In addition, the disclosure controls and procedures ensure that information required to be disclosed is accumulated and communicated to management, including the chief executive officer and chief financial officer, allowing timely decisions regarding required disclosure. As of the end of the period covered by this report, based on an evaluation carried out under the supervision and with the participation of the Registrants' management, including the chief executive officer and chief financial officer, of the effectiveness of the Registrants' disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15(d)-15(e) under the Securities Exchange Act of 1934), the chief executive officer and chief financial officer have concluded that the Registrants' disclosure controls and procedures are effective.

No change in the Registrants' internal control over financial reporting has occurred during the most recently completed fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrants' internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934).

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

Reference is made to Item 3 of Part I of the Registrants' 2020 Form 10-K for a description of certain legal proceedings presently pending. Except as described under "Environmental Laws and Regulations" within "Part I - Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations," there are no new significant cases to report against the Registrants, and there have been no material changes in the previously reported proceedings.

Item 1A. Risk Factors.

There have been no significant changes in the Registrants' risk factors from those discussed in the Registrants' 2020 Form 10-K, which are incorporated herein by reference.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 6. Exhibits.

Exhibit No.	Description	OGE Energy	OG&E
10.01	Letter of extension dated as of January 12, 2021 for OGE Energy's and OG&E's credit agreements dated as of March 8, 2017, by and among OGE Energy and OG&E, for their respective credit facility, the Lenders thereto, Wells Fargo Bank, National Association, as Administrative Agent, JPMorgan Chase Bank, N.A., as Syndication Agent, and Mizuho Bank, Ltd., MUFG Union Bank, N.A., Royal Bank of Canada and U.S. Bank National Association, as Co-Documentation Agents. (Filed as Exhibit 10.01 to OGE Energy's Form 8-K filed January 14, 2021 (File No. 1-12579) and incorporated by reference herein).	X	X
10.02	First Amendment dated as of January 12, 2021, to Credit Agreement dated as of March 8, 2017, by and among OG&E, the Lenders thereto, Wells Fargo Bank, National Association, as Administrative Agent, JPMorgan Chase Bank, N.A., as Syndication Agent, and Mizuho Bank, Ltd., MUFG Union Bank, N.A., Royal Bank of Canada and U.S. Bank National Association, as Co-Documentation Agents. (Filed as Exhibit 10.02 to OGE Energy's Form 8-K filed January 14, 2021 (File No. 1-12579) and incorporated by reference herein).		X
10.03	First Amendment dated as of January 12, 2021, to Credit Agreement dated as of March 8, 2017, by and among OGE Energy, the Lenders thereto, Wells Fargo Bank, National Association, as Administrative Agent, JPMorgan Chase Bank, N.A., as Syndication Agent, and Mizuho Bank, Ltd., MUFG Union Bank, N.A., Royal Bank of Canada and U.S. Bank National Association, as Co-Documentation Agents. (Filed as Exhibit 10.03 to OGE Energy's Form 8-K filed January 14, 2021 (File No. 1-12579) and incorporated by reference herein).	X	
10.04	Support Agreement dated February 16, 2021, by and among Energy Transfer LP, Elk Merger Sub LLC, Elk GP Merger Sub LLC, Enable Midstream Partners, LP, Enable GP, LLC and OGE Energy Corp. (Filed as Exhibit 10.01 to OGE Energy's Form 8-K filed February 18, 2021 (File No. 1-12579) and incorporated by reference herein).	X	
10.05	Term Loan Agreement dated as of March 5, 2021 by and among OGE Energy Corp. and Wells Fargo, National Bank, as Administrative Agent, and the lenders from time to time parties thereto. (Filed as Exhibit 10.01 to OGE Energy's Form 8-K filed March 9, 2021 (File No. 1-12579) and incorporated by reference herein).	X	
10.06	Intercompany Note dated as of March 5, 2021 by and between Oklahoma Gas and Electric Company and OGE Energy Corp. (Filed as Exhibit 10.02 to OGE Energy's Form 8-K filed March 9, 2021 (File No. 1-12579) and incorporated by reference herein).	X	X
31.01+	Certifications Pursuant to Rule 13a-14(a)/15d-14(a) As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X	
31.02+	Certifications Pursuant to Rule 13a-14(a)/15d-14(a) As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.		X
32.01+	Certification Pursuant to 18 U.S.C. Section 1350 As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	X	
32.02+	Certification Pursuant to 18 U.S.C. Section 1350 As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.		X
99.01+	Unaudited pro forma condensed consolidated financial information for the year ended December 31, 2020, the three months ended March 31, 2021 and as of March 31, 2021.	X	
101.INS	Inline XBRL Instance Document - the instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document.	X	X
101.SCH	Inline XBRL Taxonomy Schema Document.	X	X
101.PRE	Inline XBRL Taxonomy Presentation Linkbase Document.	X	X
101.LAB	Inline XBRL Taxonomy Label Linkbase Document.	X	X
101.CAL	Inline XBRL Taxonomy Calculation Linkbase Document.	X	X
101.DEF	Inline XBRL Definition Linkbase Document.	X	X
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document (included in Exhibit 101).	X	X

+ Represents exhibits filed herewith. All exhibits not so designated are incorporated by reference to a prior filing, as indicated.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned thereunto duly authorized.

OGE ENERGY CORP.
OKLAHOMA GAS AND ELECTRIC COMPANY
(Registrant)

By: /s/ Sarah R. Stafford
Sarah R. Stafford
Controller and Chief Accounting Officer
(On behalf of the Registrants and in her capacity as Chief Accounting Officer)

May 5, 2021

Exhibit 31.01

CERTIFICATIONS

I, Sean Trauschke, certify that:

1. I have reviewed this quarterly report on Form 10-Q of OGE Energy Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2021

/s/ Sean Trauschke

Sean Trauschke
President and Chief Executive Officer

Exhibit 31.01

CERTIFICATIONS

I, W. Bryan Buckler, certify that:

1. I have reviewed this quarterly report on Form 10-Q of OGE Energy Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2021

/s/ W. Bryan Buckler

W. Bryan Buckler
Chief Financial Officer

Exhibit 31.02

CERTIFICATIONS

I, Sean Trauschke, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Oklahoma Gas and Electric Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2021

/s/ Sean Trauschke

Sean Trauschke
President and Chief Executive Officer

Exhibit 31.02

CERTIFICATIONS

I, W. Bryan Buckler, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Oklahoma Gas and Electric Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2021

/s/ W. Bryan Buckler

W. Bryan Buckler
Chief Financial Officer

Exhibit 32.01

Certification Pursuant to 18 U.S.C. Section 1350
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of OGE Energy Corp. ("OGE Energy") on Form 10-Q for the period ended March 31, 2021, as filed with the Securities and Exchange Commission (the "Report"), each of the undersigned does hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of OGE Energy.

May 5, 2021

/s/ Sean Trauschke
Sean Trauschke
President and Chief Executive Officer

/s/ W. Bryan Buckler
W. Bryan Buckler
Chief Financial Officer

Exhibit 32.02

Certification Pursuant to 18 U.S.C. Section 1350
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Oklahoma Gas and Electric Company ("OG&E") on Form 10-Q for the period ended March 31, 2021, as filed with the Securities and Exchange Commission (the "Report"), each of the undersigned does hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of OG&E.

May 5, 2021

/s/ Sean Trauschke
Sean Trauschke
President and Chief Executive Officer

/s/ W. Bryan Buckler
W. Bryan Buckler
Chief Financial Officer

Exhibit 99.01

OGE Energy Corp.
Unaudited Pro Forma Condensed Consolidated Financial Statements and Footnotes
For the Three Months Ended March 31, 2021
For the Year Ended December 31, 2020

Introduction

On February 16, 2021, Enable Midstream Partners, LP ("Enable") entered into a definitive merger agreement with Energy Transfer, LP ("Energy Transfer"), pursuant to which, and subject to the conditions of the merger agreement, all outstanding common units of Enable will be acquired by Energy Transfer in an all-equity transaction. Under the terms of the merger agreement, Enable's common unitholders, including OGE Energy Corp. ("OGE Energy"), will receive 0.8595 of one common unit representing limited partner interests in Energy Transfer for each common unit of Enable. The transaction is subject to the receipt of the required approvals from the holders of a majority of Enable's common units. Contemporaneously with the execution of the merger agreement, OGE Energy entered into a support agreement with Enable and Energy Transfer in which OGE Energy agreed to vote its common units in favor of the merger. In April 2021, CenterPoint Energy, Inc. ("CenterPoint") and OGE Energy, who collectively own approximately 72.9 percent of Enable's common units, delivered written consents approving the merger agreement, and those consents are sufficient to approve the merger. The transaction also is subject to anti-trust approvals and other customary closing conditions. The transaction is anticipated to close in 2021. Assuming the transaction closes, OGE Energy will own approximately three percent of Energy Transfer's outstanding limited partner units in lieu of the 25.5 percent interest in Enable that it currently owns. As part of the transaction, Energy Transfer will also acquire the general partner interests from OGE Energy and CenterPoint for $10 million in aggregate cash consideration. On or within three business days of closing of the merger, CenterPoint will pay OGE Energy $30 million.

The unaudited pro forma condensed consolidated balance sheet of OGE Energy at March 31, 2021 assumes the transaction occurred on March 31, 2021. The unaudited pro forma condensed consolidated statements of income of OGE Energy for the year ended December 31, 2020 and for the three months ended March 31, 2021 assume the transaction occurred on January 1, 2020.

The unaudited pro forma condensed consolidated financial statements and accompanying notes have been prepared in conformity with U.S. generally accepted accounting principles consistent with those used in, and should be read together with, OGE Energy's historical consolidated financial statements and related notes included in OGE Energy's Form 10-K for the year ended December 31, 2020 and Form 10-Q for the quarter ended March 31, 2021.

The adjustments reflected in the unaudited pro forma condensed consolidated financial statements are based on currently available information and certain estimates and assumptions; therefore, actual results may differ from the pro forma adjustments. However, management believes that the assumptions used provide a reasonable basis for presenting the significant effects of Energy Transfer's acquisition of Enable's outstanding common units and that the pro forma adjustments in the unaudited pro forma condensed consolidated financial statements give appropriate effect to the assumptions and are applied in conformity with U.S. generally accepted accounting principles.

The unaudited pro forma condensed consolidated financial statements do not purport to present OGE Energy's results of operations had Energy Transfer's acquisition of Enable's outstanding common units actually been completed at the dates indicated. In addition, the unaudited pro forma condensed consolidated financial statements do not project OGE Energy's results of operations for any future period.

OGE ENERGY CORP.
CONDENSED CONSOLIDATED PRO FORMA STATEMENTS OF INCOME
(UNAUDITED)

	Year Ended December 31, 2020			
(In millions, except per share data)	**OGE Energy Corp. Historical**	**Pro Forma Adjustments**		**OGE Energy Corp. Pro Forma**
OPERATING REVENUES				
Revenues from contracts with customers	$ 2,069.8	$ —		$ 2,069.8
Other revenues	52.5			52.5
Operating revenues	2,122.3			2,122.3
COST OF SALES	644.6			644.6
OPERATING EXPENSES				
Other operation and maintenance	462.8	9.0	(2)(a)	471.8
Depreciation and amortization	391.3			391.3
Taxes other than income	101.4			101.4
Operating expenses	955.5	9.0		964.5
OPERATING INCOME	522.2	(9.0)		513.2
OTHER INCOME (EXPENSE)				
Equity in earnings (losses) of unconsolidated affiliates	(668.0)	668.0	(2)(b)	—
Allowance for equity funds used during construction	4.8			4.8
Other net periodic benefit expense	(3.9)			(3.9)
Other income	37.5	101.9	(2)(c)	139.4
Gain on transaction	—	174.0	(2)(d)	174.0
Other expense	(35.2)	(683.0)	(2)(e)	(718.2)
Net other income (expense)	(664.8)	260.9		(403.9)
INTEREST EXPENSE				
Interest on long-term debt	152.8			152.8
Allowance for borrowed funds used during construction	(1.9)			(1.9)
Interest on short-term debt and other interest charges	7.6			7.6
Interest expense	158.5			158.5
INCOME (LOSS) BEFORE TAXES	(301.1)	251.9		(49.2)
INCOME TAX EXPENSE (BENEFIT)	(127.4)	64.5	(2)(f)	(62.9)
NET INCOME (LOSS)	$ (173.7)	$ 187.4		$ 13.7
BASIC AVERAGE COMMON SHARES OUTSTANDING	200.1			200.1
DILUTED AVERAGE COMMON SHARES OUTSTANDING	200.1			200.4
BASIC EARNINGS (LOSS) PER AVERAGE COMMON SHARE	$ (0.87)			$ 0.07
DILUTED EARNINGS (LOSS) PER AVERAGE COMMON SHARE	$ (0.87)			$ 0.07

The accompanying notes are an integral part of the unaudited pro forma condensed consolidated financial statements.

OGE ENERGY CORP.
CONDENSED CONSOLIDATED PRO FORMA STATEMENTS OF INCOME
(UNAUDITED)

	Three Months Ended March 31, 2021		
(In millions, except per share data)	**OGE Energy Corp. Historical**	**Pro Forma Adjustments**	**OGE Energy Corp. Pro Forma**
OPERATING REVENUES			
Revenues from contracts with customers	$ 1,621.0	$ —	$ 1,621.0
Other revenues	9.6		9.6
Operating revenues	1,630.6		1,630.6
COST OF SALES	1,346.8		1,346.8
OPERATING EXPENSES			
Other operation and maintenance	109.3		109.3
Depreciation and amortization	98.7		98.7
Taxes other than income	27.2		27.2
Operating expenses	235.2		235.2
OPERATING INCOME	48.6		48.6
OTHER INCOME (EXPENSE)			
Equity in earnings of unconsolidated affiliates	53.2	(53.2) (2)(b)	—
Allowance for equity funds used during construction	1.3		1.3
Other net periodic benefit expense	(1.4)		(1.4)
Other income	3.0	157.7 (2)(c)	160.7
Other expense	(2.0)		(2.0)
Net other income	54.1	104.5	158.6
INTEREST EXPENSE			
Interest on long-term debt	38.4		38.4
Allowance for borrowed funds used during construction	(0.8)		(0.8)
Interest on short-term debt and other interest charges	1.8		1.8
Interest expense	39.4		39.4
INCOME BEFORE TAXES	63.3	104.5	167.8
INCOME TAX EXPENSE	10.6	26.7 (2)(f)	37.3
NET INCOME	$ 52.7	$ 77.8	$ 130.5
BASIC AVERAGE COMMON SHARES OUTSTANDING	200.1		200.1
DILUTED AVERAGE COMMON SHARES OUTSTANDING	200.1		200.1
BASIC EARNINGS PER AVERAGE COMMON SHARE	$ 0.26		$ 0.65
DILUTED EARNINGS PER AVERAGE COMMON SHARE	$ 0.26		$ 0.65

OGE ENERGY CORP.
CONDENSED CONSOLIDATED PRO FORMA BALANCE SHEET
(UNAUDITED)

	March 31, 2021					
(In millions)	OGE Energy Corp. Historical		Pro Forma Adjustments			OGE Energy Corp. Pro Forma
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	$	—	$ 41.5	(2)(g)	$	41.5
Accounts receivable, less reserve of $2.8		139.5				139.5
Accrued unbilled revenues		59.9				59.9
Income taxes receivable		6.4				6.4
Fuel inventories		39.4				39.4
Materials and supplies, at average cost		121.9				121.9
Fuel clause under recoveries		91.8				91.8
Other		43.8				43.8
Total current assets		502.7	41.5			544.2
OTHER PROPERTY AND INVESTMENTS						
Investment in unconsolidated affiliates		432.8	(409.2)	(2)(h)		23.6
Equity investment		—	732.6	(2)(i)		732.6
Other		86.4				86.4
Total other property and investments		519.2	323.4			842.6
PROPERTY, PLANT AND EQUIPMENT						
In service		13,420.4				13,420.4
Construction work in progress		185.6				185.6
Total property, plant and equipment		13,606.0				13,606.0
Less: accumulated depreciation		4,131.5				4,131.5
Net property, plant and equipment		9,474.5				9,474.5
DEFERRED CHARGES AND OTHER ASSETS						
Regulatory assets		1,269.7				1,269.7
Other		22.6				22.6
Total deferred charges and other assets		1,292.3				1,292.3
TOTAL ASSETS	$	11,788.7	$ 364.9		$	12,153.6

The accompanying notes are an integral part of the unaudited pro forma condensed consolidated financial statements.

OGE ENERGY CORP.
CONDENSED CONSOLIDATED PRO FORMA BALANCE SHEET (Continued)
(UNAUDITED)

	March 31, 2021			
(In millions)	OGE Energy Corp. Historical	Pro Forma Adjustments		OGE Energy Corp. Pro Forma
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES				
Short-term debt	$ 1,278.0	$ —		$ 1,278.0
Accounts payable	244.8	9.0	(2)(a)	253.8
Dividends payable	80.6			80.6
Customer deposits	80.7			80.7
Accrued taxes	37.7			37.7
Accrued interest	40.6			40.6
Accrued compensation	24.3			24.3
Fuel clause over recoveries	15.5			15.5
Other	34.3			34.3
Total current liabilities	1,836.5	9.0		1,845.5
LONG-TERM DEBT	3,495.0			3,495.0
DEFERRED CREDITS AND OTHER LIABILITIES				
Accrued benefit obligations	182.5			182.5
Deferred income taxes	1,287.9	90.2	(2)(f)	1,378.1
Deferred investment tax credits	10.9			10.9
Regulatory liabilities	1,176.9			1,176.9
Other	193.5			193.5
Total deferred credits and other liabilities	2,851.7	90.2		2,941.9
Total liabilities	8,183.2	99.2		8,282.4
COMMITMENTS AND CONTINGENCIES				
STOCKHOLDERS' EQUITY				
Common stockholders' equity	1,118.6			1,118.6
Retained earnings	2,515.6	265.2	(2)(j)	2,780.8
Accumulated other comprehensive loss, net of tax	(28.6)	0.5	(2)(k)	(28.1)
Treasury stock, at cost	(0.1)			(0.1)
Total stockholders' equity	3,605.5	265.7		3,871.2
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 11,788.7	$ 364.9		$ 12,153.6

The accompanying notes are an integral part of the unaudited pro forma condensed consolidated financial statements.

OGE ENERGY CORP.
Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements

1. Basis of Presentation

The historical financial information for the year ended December 31, 2020 is derived from and should be read in conjunction with the audited historical consolidated financial statements of OGE Energy contained in OGE Energy's Form 10-K for the year ended December 31, 2020. The historical financial information for the three months ended March 31, 2021 and at March 31, 2021 is derived from and should be read in conjunction with the unaudited historical condensed consolidated financial statements of OGE Energy contained in OGE Energy's Form 10-Q for the quarter ended March 31, 2021. The pro forma adjustments have been prepared as if certain transactions had taken place on March 31, 2021, in the case of the balance sheet, or as of January 1, 2020, in the case of the statements of income for the year ended December 31, 2020 and the three months ended March 31, 2021. These transactions include:

- presenting OGE Energy's interest in Energy Transfer as an investment in equity securities, measured at fair value under Accounting Standards Codification Topic 321, and the related disposition of OGE Energy's equity method investment in Enable;
- recording the change in value of the Energy Transfer securities owned by OGE Energy;
- recording OGE Energy's dividend income related to its equity investment in Energy Transfer; and
- recording the tax effect of the pro forma adjustments on OGE Energy's earnings before income taxes assuming an estimated statutory tax rate of 25.6 percent for all jurisdictions.

2. Pro Forma Adjustments and Assumptions

The unaudited pro forma condensed consolidated financial statements give pro forma effect to the following:

(a) This adjustment reflects an estimate of approximately $9 million in transaction costs to investment bankers, advisors and attorneys, subject to update upon closing. These transaction costs are not expected to recur in OGE Energy's net income beyond 12 months after the transaction.
(b) This adjustment reflects the elimination of equity method earnings from Enable assuming the Energy Transfer merger occurred on January 1, 2020. During 2020, an other than temporary impairment of the equity method investment in Enable of $780 million was recorded, which was an unusual and infrequent adjustment and not considered part of ongoing earnings.
(c) For the year ended December 31, 2020, this adjustment reflects the Energy Transfer dividend income assuming 95,389,721 Energy Transfer units (after converting OGE Energy's Enable units at 0.8595 ratio) at an annual Energy Transfer dividend rate of $1.068 per unit for 2020. For the three months ended March 31, 2021, this adjustment reflects the Energy Transfer dividend income assuming 95,389,721 Energy Transfer units at a rate of $0.153 per unit and the change in fair value in Energy Transfer's unit price from December 31, 2020 to March 31, 2021.
(d) This adjustment reflects the estimated gain arising from the transaction, which contemplates the January 2, 2020 fair value of the Energy Transfer securities (as markets were closed January 1, 2020), the January 1, 2020 balance of OGE Energy's equity method investment in Enable, the expected $35 million payment discussed in note (g) and the information discussed in note (k). This gain is not expected to recur in OGE Energy's net income beyond 12 months after the transaction.
(e) This adjustment accounts for the change in fair value in Energy Transfer's unit price from an assumed January 2, 2020 transaction price (as markets were closed January 1, 2020) to December 31, 2020.
(f) These adjustments estimate the tax impact from transaction accounting adjustments for the year ended December 31, 2020 and the three months ended March 31, 2021, including the deferred tax impacts based on Energy Transfer's recent taxable income. This calculation may be updated when Energy Transfer's Internal Revenue Service Schedule K-1 information is received for 2021. Further, the deferred revaluation based on the new investment in Energy Transfer will not occur until the transaction is complete and underlying tax information is received from Energy Transfer.
(g) This adjustment assumes the $30 million payment from CenterPoint and $5 million Enable general partner payment from Energy Transfer are received in cash and replaces the cash distributions received from Enable with distributions that would have been received from Energy Transfer from January 1, 2020 to March 31, 2021.
(h) This adjustment removes the Enable equity method investment from the balance sheet.
(i) This adjustment includes the fair value of the Energy Transfer securities on the balance sheet as of March 31, 2021.
(j) This adjustment updates retained earnings for the change in net income based on the transaction accounting adjustments.
(k) This adjustment removes the accumulated other comprehensive loss impact of OGE Energy's share of Enable's interest rate derivative losses.