

**POSITIVE
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Earnings Conference Call Fourth Quarter 2010

February 17, 2011

WITH ALL YOUR POWER  WHAT WOULD YOU DO?

Safe Harbor

Some of the matters discussed in this presentation may contain forward-looking statements that are subject to certain risks, uncertainties and assumptions. Such forward-looking statements are intended to be identified in this document by the words “anticipate”, “believe”, “estimate”, “expect”, “intend”, “objective”, “plan”, “possible”, “potential”, “project” and similar expressions. Actual results may vary materially from those expressed in the forward-looking statements. 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 the Company and its subsidiaries to access the capital markets and obtain financing on favorable terms; prices and availability of electricity, coal, natural gas and natural gas liquids, each on a stand-alone basis and in relation to each other; business conditions in the energy and natural gas midstream industries; competitive factors including the extent and timing of the entry of additional competition in the markets served by the Company; unusual weather; availability and prices of raw materials for current and future construction projects; Federal or state legislation and regulatory decisions and initiatives that affect cost and investment recovery, have an impact on rate structures or affect the speed and degree to which competition enters the Company’s markets; environmental laws and regulations that may impact the Company’s operations; changes in accounting standards, rules or guidelines; the discontinuance of accounting principles for certain types of rate-regulated activities; whether OG&E can successfully implement its smart grid program to install meters for its customers and integrate the smart grid meters with its customers billing and other computer information systems; advances in technology; creditworthiness of suppliers, customers and other contractual parties; the higher degree of risk associated with the Company’s nonregulated business compared with the Company’s regulated utility business; and other risk factors listed in the reports filed by the Company with the Securities and Exchange Commission including those listed in Risk Factors and Exhibit 99.01 to the Company’s Form 10-K for the year ended December 31, 2010.

This presentation includes the non-GAAP measures of ongoing earnings and ongoing earnings per share when describing the Company’s results of operations and financial performance. The Company has prepared reconciliations of these measures to the most directly comparable GAAP measures. These reconciliations can be found in the appendix of this presentation and in the Company’s Form 10-K for the year ended December 31, 2010.

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2010 EPS Results

	2010 Ongoing EPS *	2010 GAAP EPS	2009 GAAP EPS**
Utility	\$ 2.25	\$ 2.18	\$ 2.06
OGE Enogex Holdings	0.94	0.92	0.63
Holding Co.	(0.09)	(0.11)	(0.03)
	\$ 3.10	\$ 2.99	\$ 2.66

*The Patient Protection and Affordable Care Act of 2009 and the Health Care and Education Reconciliation Act of 2010 were signed into law on March 23, 2010 and March 30, 2010, respectively. These Acts change the tax treatment of federal subsidies paid to sponsors of retiree health benefit plans that provide prescription drug benefits. As a result, OGE recognized a one-time, non-cash charge of approximately \$11.4 million or \$0.11 per average diluted share in March 2010, which is excluded from ongoing EPS.

** There was no similar one-time charge in 2009 and therefore GAAP EPS was the same as ongoing EPS for 2009.

2010 Results – OG&E

Ongoing net income* was \$222.7 million or \$2.25 per share in 2010. This compares to net income of \$200.4 million or \$2.06 per share in 2009.

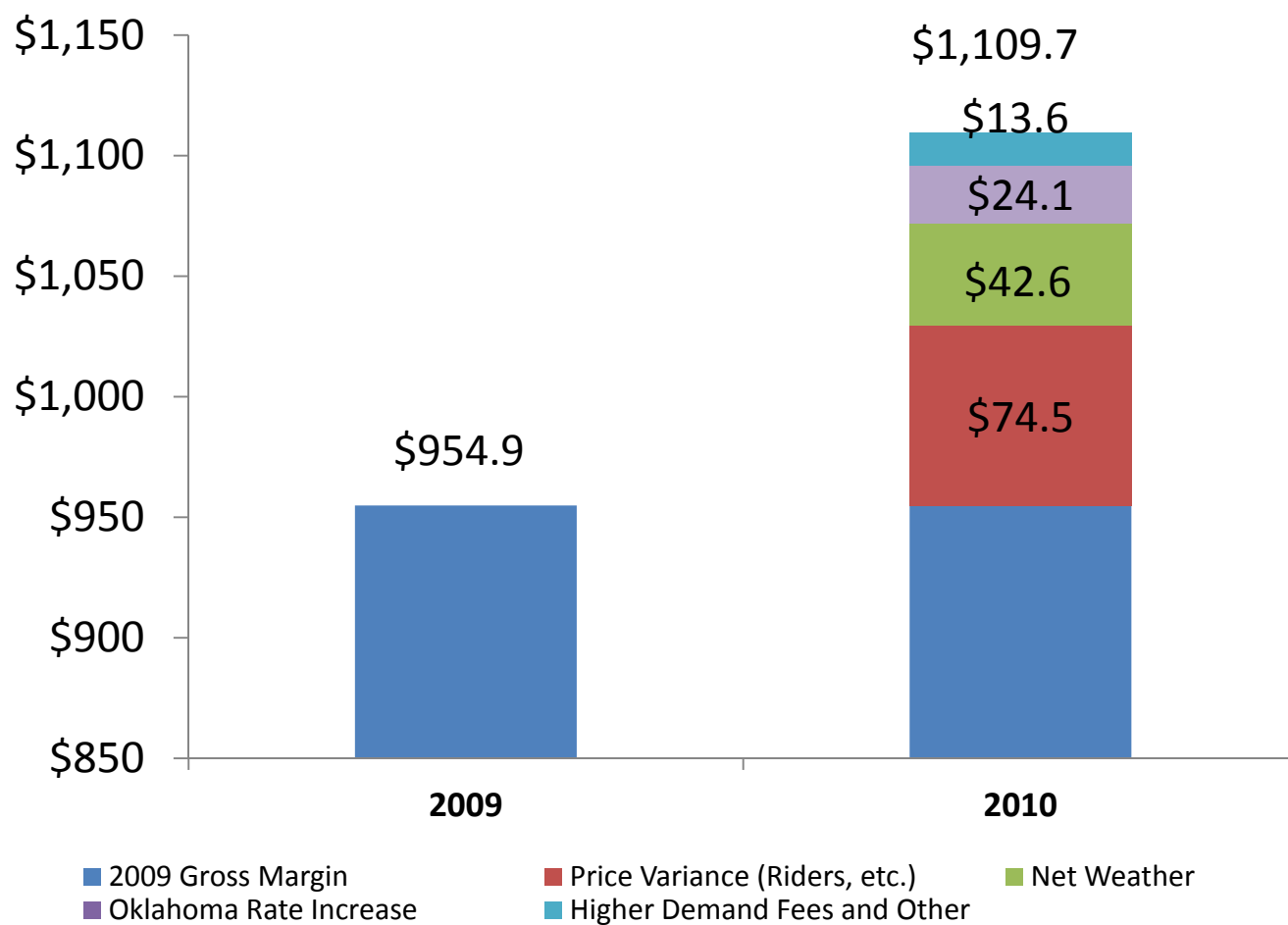
Primary drivers include:

In Millions of \$	<u>2010</u>	<u>2009</u>	<u>Variance</u> <u>Fav/(Unfav)</u>
Gross Margin	1,109.7	954.9	154.8
Operation & Maintenance	418.1	348.0	(70.1)
Depreciation & Amortization	208.7	187.7	(21.0)
Taxes Other Than Income	69.2	65.1	(4.1)
Net Other Income (Expense)	16.4	29.9	(13.5)
Interest Expense	103.4	93.6	(9.8)

*The impact of the Medicare Part D tax law change resulted in a one-time charge which reduced earnings by \$0.07 per share in 2010.

2010 Results - OG&E Gross Margin

Millions of \$



2010 Results – Enogex Holdings

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Ongoing net income* to OGE was \$93.1 million or \$0.94 per share in 2010.

This compares to net income of \$61.3 million or \$0.63 per share in 2009.

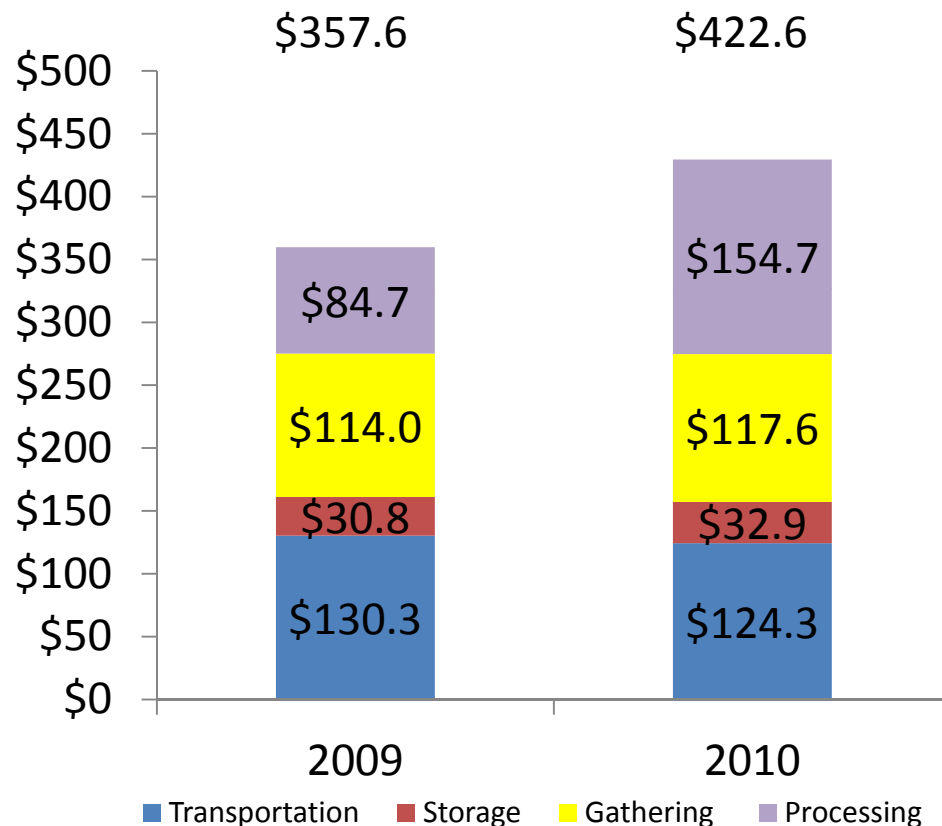
Primary drivers include:

In Millions of \$	<u>2010</u>	<u>2009</u>	<u>Variance</u> <u>Fav/(Unfav)</u>
Gross Margin	422.6	357.6	65.0
Operation & Maintenance	145.3	132.6	(12.7)
Depreciation & Amortization	72.4	67.2	(5.2)
Interest Expense	30.4	36.5	6.1
Enogex Holdings Net Income	98.2	64.1	34.1
OGE Enogex Holdings Net Income (OGE's Portion)	93.1	61.3	31.8

*The impact of the Medicare Part D tax law change resulted in a one-time charge which reduced earnings by \$0.02 per share in 2010.

2010 Results - Enogex Holdings Gross Margin*

Millions of \$



Increased Gross Margin:

- Processing Volumes up 17%
- Gathering Volumes up 6%
- Higher Commodity Prices

Decreased Gross Margin:

- Lower Crosshaul Volumes

*The chart does not include the gross margin or consolidated eliminations for the marketing business which were (\$6.9) million in 2010 and (\$2.2) million in 2009.

Fourth Quarter EPS Results

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	<u>2010</u>	<u>2009</u>
OG&E	\$0.13	\$0.20
OGE Enogex Holdings	0.22	0.17
Hold. Co.	(0.04)	(0.02)
Consolidated	\$0.31	\$0.35

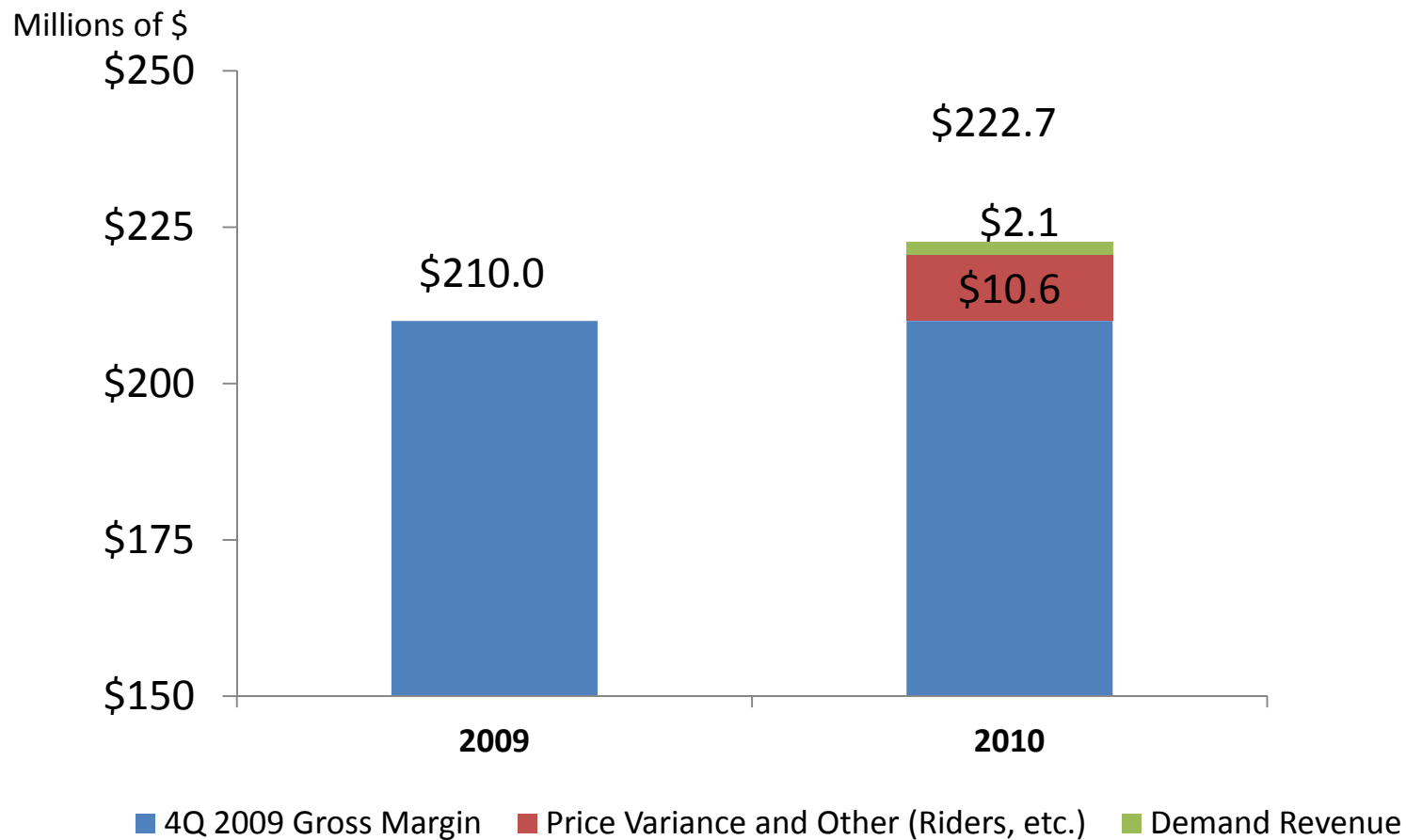
Fourth Quarter Results – OG&E

Net income for OG&E was \$12.4 million or \$0.13 per share in 2010 as compared to net income of \$19.5 million or \$0.20 per share in 2009.

Primary drivers include:

In Millions of \$	<u>2010</u>	<u>2009</u>	<u>Variance</u> <u>Fav/(Unfav)</u>
Gross Margin	222.7	210.0	12.7
Operation & Maintenance	112.2	99.1	(13.1)
Depreciation & Amortization	55.3	48.6	(6.7)
Interest Expense	26.6	23.3	(3.3)

Fourth Quarter Results - OG&E Gross Margin



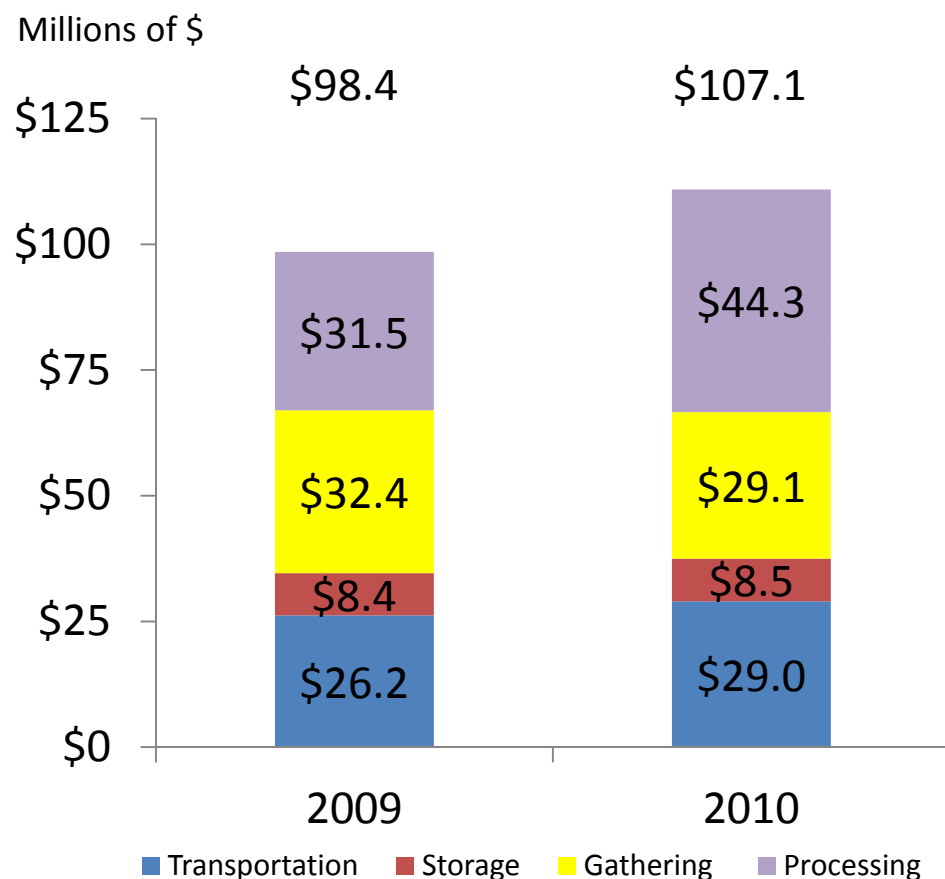
Fourth Quarter Results – Enogex Holdings

Net income to OGE was \$22.2 million or \$0.22 per share in 2010 as compared to net income of \$16.2 million or \$0.17 per share in 2009.

Primary drivers include:

In Millions of \$	<u>2010</u>	<u>2009</u>	<u>Variance</u> <u>Fav/(Unfav)</u>
Gross Margin	107.1	98.4	8.7
Operation & Maintenance	39.4	36.3	(3.1)
Interest Expense	7.1	11.6	4.5
Enogex Holdings Net Income	25.3	17.1	8.2
OGE Enogex Holdings Net Income (OGE's Portion)	22.2	16.2	6.0

Fourth Quarter Results - Enogex Holdings Gross Margin



Increased Gross Margin:

- Processing Volumes up 16%
- Gathering Volumes up 10%
- Fuel Imbalance and Recoveries in the Transportation Business
- Higher Commodity Prices

Decreased Gross Margin:

- Fuel Imbalance in the Gathering Business

*The chart does not include the gross margin or consolidated eliminations for the marketing business which were (\$3.8) million in 2010 and (\$0.1) million in 2009.

2011 Financial Outlook

- The Company's 2011 earnings guidance is between approximately \$299 million and \$318 million of net income, or \$3.00 to \$3.20 per average diluted share assuming 99.5 million average diluted shares outstanding
- OG&E is projected to earn approximately \$209 million to \$219 million or \$2.10 to \$2.20 per average diluted share in 2011 assuming normal weather patterns
- OGE Enogex Holdings is projected to earn approximately \$90 million to \$104 million or \$0.90 to \$1.05 per average diluted share in 2011.

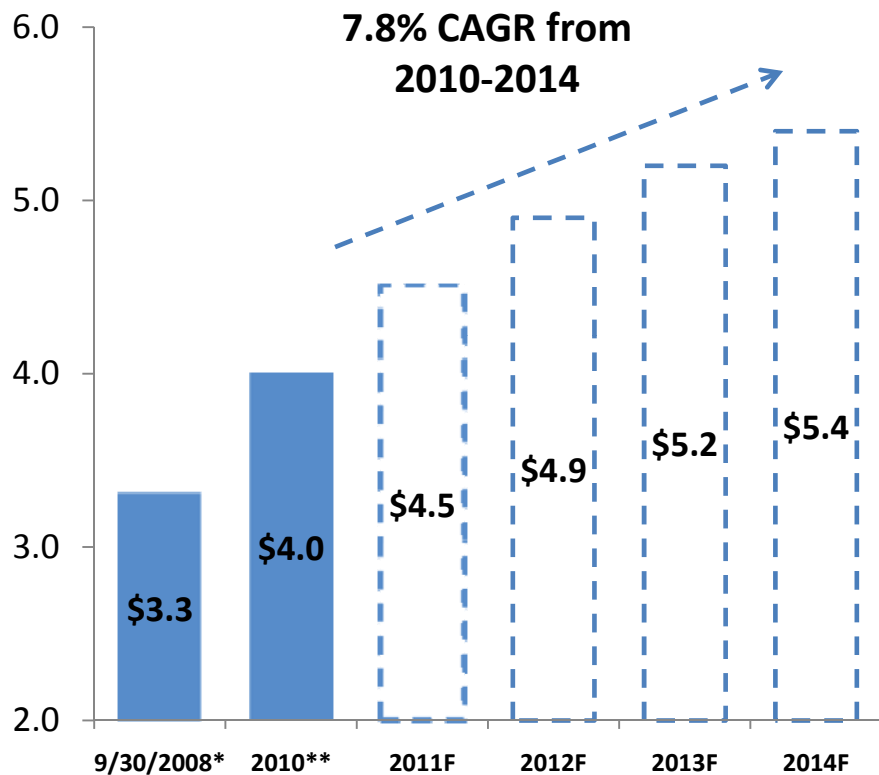
2011 Earnings Assumptions – OG&E

- The Company projects OG&E to earn approximately \$209 million to \$219 million or \$2.10 to \$2.20 per average diluted share in 2011. The key factors and assumptions include:
 - Normal weather patterns are experienced for the year;
 - Gross margin on revenues of approximately \$1.105 billion to \$1.115 billion based on sales growth of approximately 0.8 percent on a weather adjusted basis;
 - Operating expenses of approximately \$730 million to \$740 million with operation and maintenance expenses approximately 60% of the total;
 - Interest expense of approximately \$115 million to \$120 million which assumes \$300 million of additional long-term debt issued at the utility mid-year 2011 and a \$10 million ABFUDC reduction to interest expense;
 - AEFUDC income of \$35 million to \$40 million; and
 - An effective tax rate of approximately 28%.

Projected Rate Base

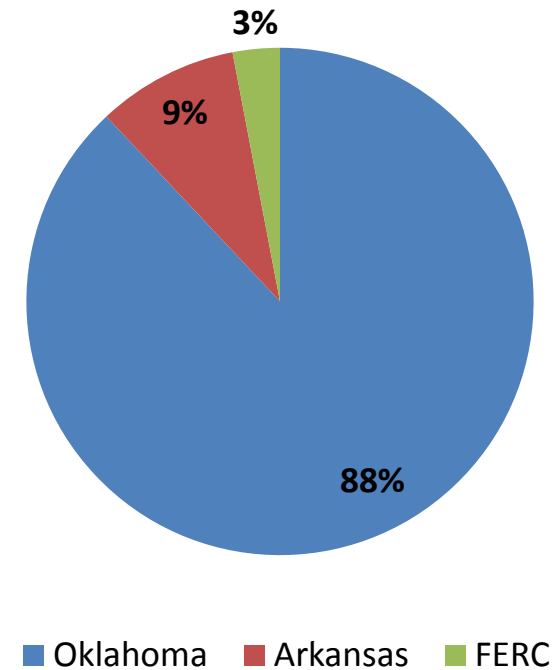
(in Billions of \$)

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*Test year for previous Oklahoma general rate case
 ** Includes OU Spirit \$206 million, Windspeed \$169 million and Smart Grid \$30 million all of which have riders and will not be included in the 2011 Oklahoma General Rate Case.

2010 Jurisdictional Allocation



Additional 2011 Assumptions – OGE Enogex Holdings LLC



- The Company projects OGE Enogex Holdings LLC to earn approximately \$90 million to \$104 million or \$0.90 to \$1.05 per average diluted share in 2011 net of minority interest. The key factors and assumptions include:
- Total Enogex anticipated gross margin of approximately \$435 million to \$460 million. The gross margin assumption includes:
- Transportation and storage gross margin contribution of approximately \$145 million to \$155 million of which approximately 80% is attributable to the transportation business;
- Gathering and processing gross margin contribution of approximately \$290 to \$305 million of which the processing business each contributes approximately 58% of the gross margin.
- Key factors affecting the gathering and processing gross margin forecast are:
 - Assumed increase of five to seven percent in gathered volumes over 2010;
 - Assumed increase of three to five percent in processed volumes over 2010;
 - At the midpoint of Enogex's gathering and processing assumption we have included:
 - Processing contract mix of 41% percent of liquids, 31% keep whole and 28% fixed fee;
 - Natural gas price of \$4.32 per MMBtu in 2011;
 - Realized weighted average natural gas liquids price of \$0.90 per gallon in 2011; and
 - Average price per gallon of condensate of \$2.20 in 2011;
- Enogex's earnings range also includes operating expenses of approximately \$235 million to \$245 million, with operation and maintenance expenses approximately 65% of the total;
- Interest expense of approximately \$20 million to \$22 million including \$8 million of capitalized interest;
- An effective tax rate of 38%; and
- ArcLight Capital will own approximately 17% of Enogex Holdings by the end of 2011.

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Appendix

Projected Capital Expenditures 2011-2016

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Dollars in millions	2011	2012	2013	2014	2015	2016	TOTAL 2011 - 2016
OG&E Base Transmission	\$ 50	\$ 30	\$ 20	\$ 20	\$ 20	\$ 20	\$ 160
OG&E Base Distribution	240	200	200	200	200	200	1,240
OG&E Base Generation	95	80	70	70	70	70	455
OG&E Other	45	30	30	30	30	30	195
Total OG&E Base T&D, Gen & Other	430	340	320	320	320	320	2,050
OG&E Known and Committed Projects:							
Transmission Projects							
Sunnyside-Hugo (345 kV)	150	20	-	-	-	-	170
Sooner-Rose Hill (345 kV)	35	15	-	-	-	-	50
Balanced Portfolio 3E Projects	50	170	140	30	-	-	390
SPP Priority Projects	10	60	155	90	-	-	315
Total Transmission Projects	245	265	295	120	-	-	925
Other Projects:							
Smart Grid Program	70	70	25	30	10	10	215
Crossroads	250	30	-	-	-	-	280
System Hardening	20	-	-	-	-	-	20
Total Other Projects	340	100	25	30	10	10	515
Total OG&E Known and Committed Projects	585	365	320	150	10	10	1,440
Total OG&E	1,015	705	640	470	330	330	3,490
Enogex:							
Maintenance	80	40	40	40	40	40	280
Western OK & TX Panhandle Expansion	275	115	20	90	5	15	520
Other Gathering, Etc.	25	25	20	20	20	20	130
Enogex (Base Maintenance and Committed Projects)*	380	180	80	150	65	75	930
OGE Energy	25	25	25	25	25	25	150
TOTAL OGE Consolidated	\$ 1,420	\$ 910	\$ 745	\$ 645	\$ 420	\$ 430	\$ 4,570
* These capital expenditures represent 100% of Enogex capital expenditures, of which a portion will be funded by ArcLight.							

Reg. G Reconciliation

(For the Year Ended December 31, 2010)

	2010 Ongoing EPS	One-Time Charge*	2010 GAAP EPS
Utility	\$ 2.25	\$ (0.07)	\$ 2.18
OGE Enogex Holdings	0.94	(0.02)	0.92
Holding Company	<u>(0.09)</u>	<u>(0.02)</u>	<u>(0.11)</u>
	<u>\$ 3.10</u>	<u>\$ (0.11)</u>	<u>\$ 2.99</u>

*The Patient Protection and Affordable Care Act of 2009 and the Health Care and Education Reconciliation Act of 2010 were signed into law on March 23, 2010 and March 30, 2010, respectively. These Acts change the tax treatment of federal subsidies paid to sponsors of retiree health benefit plans that provide prescription drug benefits. As a result, OGE recognized a one-time, non-cash charge of approximately \$11.4 million or \$0.11 per average diluted share in March 2010.