

**POSITIVE
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Earnings Conference Call Fourth Quarter 2009

February 18, 2010

WITH ALL YOUR POWER  WHAT WOULD YOU DO?

Safe Harbor

Some of the matters discussed in this news release may contain forward-looking statements that are subject to certain risks, uncertainties and assumptions. Such forward-looking statements are intended to be identified in this document by the words “anticipate”, “believe”, “estimate”, “expect”, “intend”, “objective”, “plan”, “possible”, “potential”, “project” and similar expressions. Actual results may vary materially. Factors that could cause actual results to differ materially include, but are not limited to: general economic conditions, including the availability of credit, access to existing lines of credit, actions of rating agencies and their impact on capital expenditures; the Company’s ability and the ability of 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; 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, 2009.

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2009 EPS Results

	<u>2009</u>	<u>2008</u>
OG&E	\$2.06	\$1.54
Enogex	0.68	0.98
Hold. Co. & Marketing	(0.08)	(0.03)
Consolidated	\$2.66	\$2.49

2009 Results – OG&E

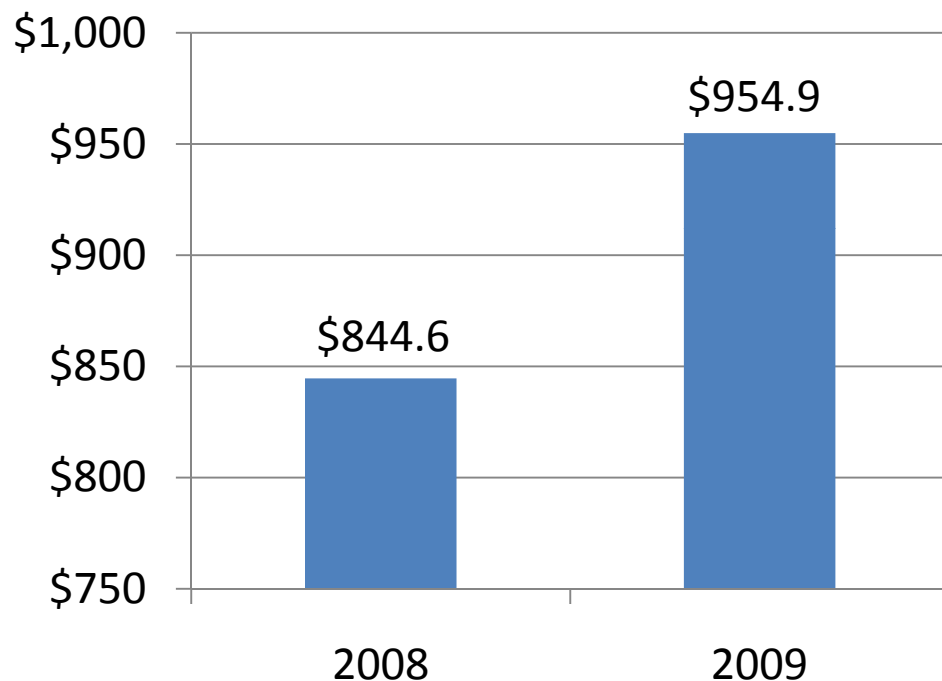
Net income for OG&E was \$200.4 million or \$2.06 per share in 2009 as compared to net income of \$143.0 million or \$1.54 per share in 2008.

Primary drivers include:

In Millions of \$	<u>2009</u>	<u>2008</u>	<u>Variance</u> <u>Fav/(Unfav)</u>
Gross Margin	954.9	844.6	110.3
Operation & Maintenance	348.0	351.6	3.6
Depreciation & Amortization	187.4	155.0	(32.4)
Taxes Other Than Income	65.1	59.7	(5.4)
Net Other Income (Expense)	29.9	(3.8)	33.7
Interest Expense	93.6	79.1	(14.5)

2009 Results - OG&E Gross Margin

Millions of \$



Increased Gross margin

- Redbud and Various Riders - \$89.5 million
- Oklahoma Rate Increase - \$28.6 million
- Arkansas Rate Increase - \$9.3 million
- New Customer Growth - \$8.1 million

Decreased Gross Margin

- Milder Weather- \$18.2 million
- Lower Demand by Non-Residential Customers- \$8.1 million

2009 Results – Enogex

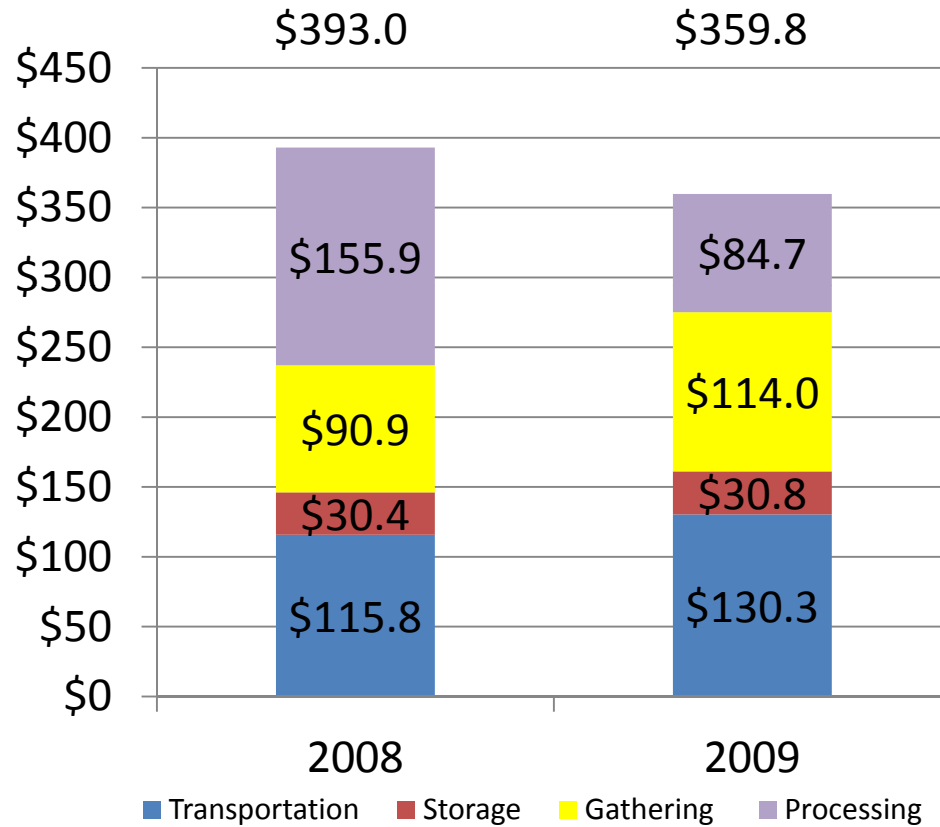
Net income for Enogex was \$66.3 million or \$0.68 per share in 2009 as compared to net income of \$91.2 million or \$0.98 per share in 2008.

Primary drivers include:

In Millions of \$	<u>2009</u>	<u>2008</u>	<u>Variance</u> <u>Fav/(Unfav)</u>
Gross Margin	359.8	393.0	(33.2)
Operation & Maintenance	128.1	135.5	7.4
Depreciation & Amortization	64.3	54.6	(9.7)
Interest Expense	35.7	32.7	(3.0)

2009 Results - Enogex Gross Margin

Millions of \$



Increased Gross Margin

- Transportation Fees
- Gathering Volumes up 8%
- Processing Volumes up 6%
- Increase in Fixed-Fee Processing

Decreased Gross Margin

- ~35% drop in commodity prices

Fourth Quarter EPS Results

	<u>2009</u>	<u>2008</u>
OG&E	\$0.20	\$0.17
Enogex	0.17	0.10
Hold. Co. & Marketing	(0.02)	(0.04)
Consolidated	\$0.35	\$0.23

Fourth Quarter Results – OG&E

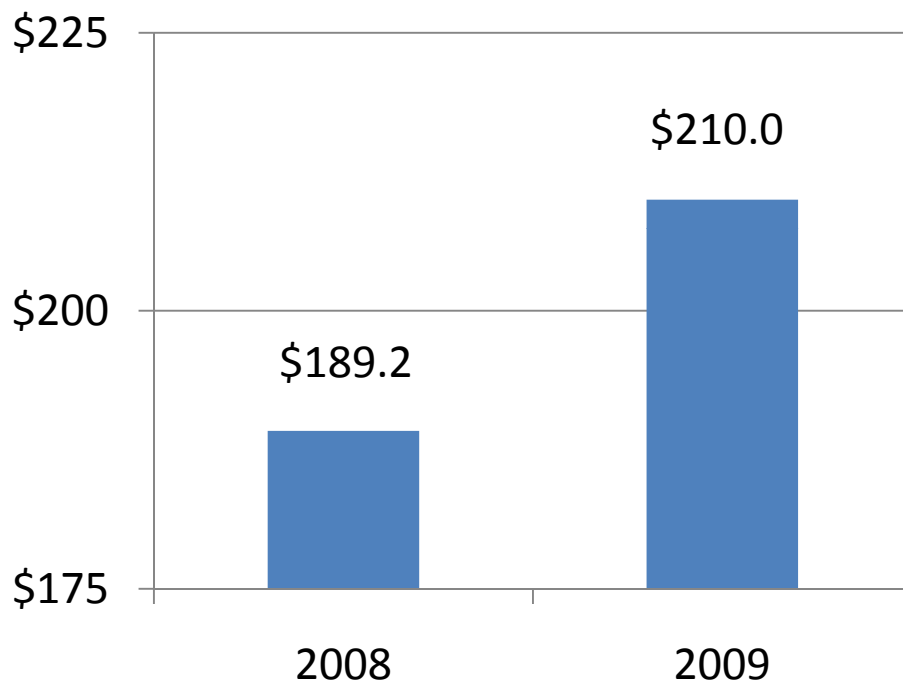
Net income for OG&E was \$19.5 million or \$0.20 per share in 2009 as compared to net income of \$16.3 million or \$0.17 per share in 2008.

Primary drivers include:

In Millions of \$	<u>2009</u>	<u>2008</u>	<u>Variance</u> <u>Fav/(Unfav)</u>
Gross Margin	210.0	189.2	20.8
Operation & Maintenance	99.1	91.6	(7.5)
Depreciation & Amortization	48.6	44.1	(4.5)
Taxes Other Than Income	16.7	14.8	(1.9)
Net Other Income (Expense)	6.0	4.3	1.7

Fourth Quarter Results - OG&E Gross Margin

Millions of \$



Increased Gross Margin

- Various Riders - \$12.7 million
- Oklahoma Rate Increase - \$7.5 million
- Arkansas Rate Increase - \$2.9 million
- New Customer Growth - \$2.1 million

Decreased Gross Margin

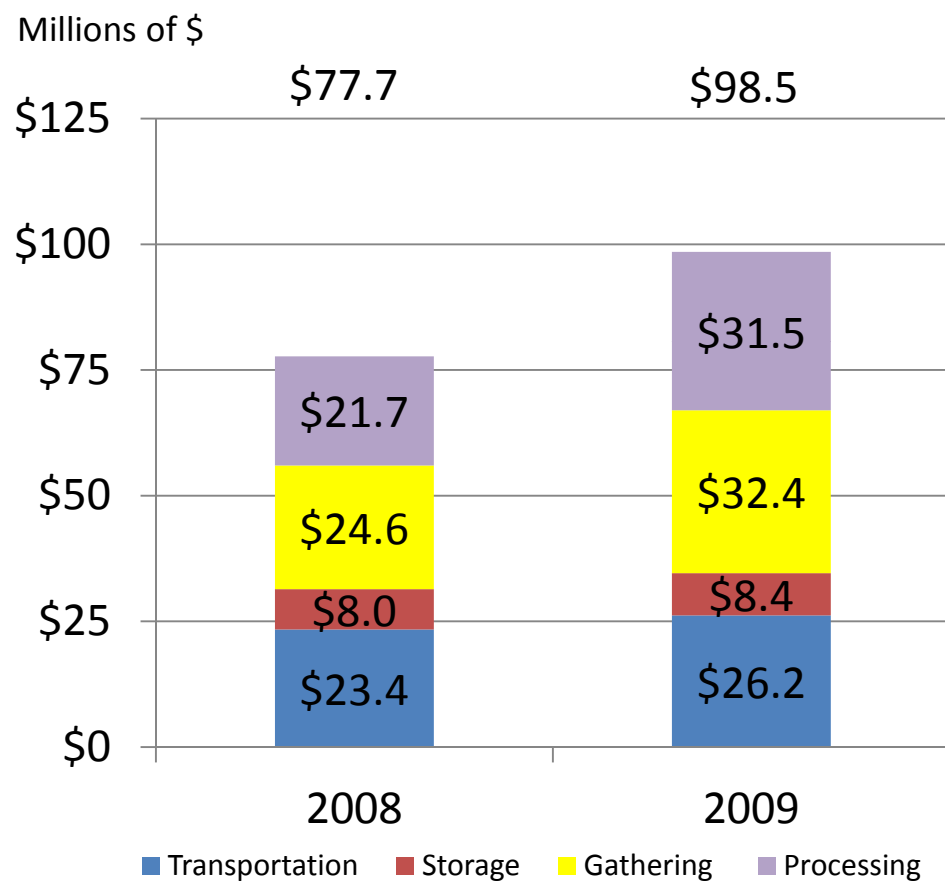
- Milder Weather- \$5.4 million

Fourth Quarter Results – Enogex

Net income for Enogex was \$16.8 million or \$0.17 per share in 2009 as compared to net income of \$9.5 million or \$0.10 per share in 2008. Primary drivers include:

In Millions of \$	<u>2009</u>	<u>2008</u>	<u>Variance</u> <u>Fav/(Unfav)</u>
Gross Margin	98.5	77.7	20.8
Operation & Maintenance	36.1	33.9	(2.2)
Depreciation & Amortization	17.1	14.7	(2.4)
Interest Expense	11.3	7.9	(3.4)

Fourth Quarter Results - Enogex Gross Margin



Increased Gross Margin

- Transportation Fees
- Fuel Imbalance and Recoveries
- Higher Commodity Prices
- Processing Volumes up 6%

2010 Financial Outlook

- The Company's 2010 earnings guidance is unchanged and is between approximately \$265 million and \$290 million of net income, or \$2.70 to \$2.95 per average diluted share assuming between 98 million and 99 million average diluted shares outstanding
- OG&E is projected to earn approximately \$207 million to \$217 million or \$2.10 to \$2.20 per average diluted share in 2010 assuming normal weather patterns
- Enogex is projected to earn approximately \$63 million to \$85 million or \$0.64 to \$0.86 per average diluted share in 2010.

2010* Consolidated Cash Flow

in millions	<u>2010</u>
Free Cash Flow:	
Cash Flow from Operations	\$ 636
Cap-ex	(660)
Dividends	(141)
Net Cash Flow Position	<u>(165)</u>
Financing Cash Uses:	
Debt retirements	(289)
S-T debt paydown	-
Total Financing Cash Uses	<u>(289)</u>
Financing Cash Sources:	
Beginning Cash Balances	58
S-T Debt increases	131
L-T Debt issuances	250
Equity issued/DRIP	15
Total Financing Cash Sources	<u>454</u>
Ending Cash Balance	<u><u>\$ -</u></u>

*Based on the midpoint of
2010 Guidance

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Appendix

2010 Earnings Assumptions – OG&E

- The Company projects OG&E to earn approximately \$207 million to \$217 million or \$2.10 to \$2.20 per average diluted share in 2010 assuming normal weather patterns
- Gross margin of approximately \$1.05 billion to \$1.06 billion.
 - Sales growth of approximately 0.9 % on a weather adjusted basis;
 - The Windspeed transmission line is in service and the rider effective April 1, 2010
- Operating expenses of approximately \$655 million to \$665 million with operation and maintenance expenses approximately 60% of the total
- Interest expense of approximately \$105 million to \$115 million which assumes \$250 million of additional long-term debt issued at the utility mid-year 2010
- AEFUDC income of approximately \$5 million
- An effective tax rate of approximately 27%.

Additional 2010 Assumptions – Enogex

- The Company projects Enogex to earn approximately \$63 million to \$85 million or \$0.64 to \$0.86 per average diluted share in 2010. The key factors and assumptions include:
 - Total Enogex anticipated gross margin of approximately \$370 million to \$400 million.
 - Transportation and storage gross margin contribution of approximately \$150 million to \$160 million of which approximately 20% is attributable to the storage business;
 - Gathering and processing gross margin contribution of approximately \$220 to \$240 million of which the gathering and processing businesses each contribute approximately 50% of the gross margin
 - Increase of 5% to 7% in gathered volumes over 2009
 - Increase of 10% to 12% in inlet processing volumes over 2009
 - At the midpoint of Enogex’s gathering and processing assumptions:
 - Realized commodity spread of \$4.78 per MMBtu in 2010.
 - Majority percent of non-ethane processing volumes are hedged
 - Every 10% change in commodity spreads from \$4.78 per MMBtu changes net income by approximately \$4.0 million on an annual basis assuming all other margins remain static
 - Natural gas price of \$5.28 per MMBtu in 2010
 - Realized weighted average natural gas liquids price of \$0.93 per gallon in 2010
 - Realized spread of \$7.81 per MMBtu in 2010 for condensate
 - Operating expenses of approximately \$220 million to \$230 million
 - Interest expense of approximately \$30 million to \$35 million
 - An effective tax rate of 39%

Projected Capital Expenditures 2010-2015

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Dollars in millions	2010	2011	2012	2013	2014	2015	TOTAL 2010 - 2015
OG&E Base Transmission	45	25	15	15	25	25	150
OG&E Base Distribution	235	215	215	215	220	220	1,320
OG&E Base Generation	30	35	35	35	35	35	205
Other	25	25	25	25	25	25	150
Total OG&E Base T&D, Gen & Other	\$ 335	\$ 300	\$ 290	\$ 290	\$ 305	\$ 305	\$ 1,825
OG&E Known and Committed Projects:							
Positive Energy Smart Grid Program (net of DOE)	40	60	60	30	30	10	230
Sunnyside-Hugo 345kV (reliability)	30	55	35	-	-	-	120
Sooner-Rose Hill 345kV (reliability)	10	55	-	-	-	-	65
OKC - Woodward (345kV) -- WindSpeed	25	-	-	-	-	-	25
OG&E System Hardening	20	15	-	-	-	-	35
OG&E OU Spirit 101 MW wind Farm	10	-	-	-	-	-	10
SPP Portfolio 3E							
Anadarko Substation	-	5	5	-	-	-	10
OG&E: Sooner - Cleveland 345kV	5	10	25	-	-	-	40
Seminole - Muskogee 345kV	5	25	45	55	-	-	130
Tuco - Woodward 345kV: Oklahoma portion	-	20	35	50	15	-	120
Other Known Transmission Projects	20	10	-	-	-	-	30
TOTAL OG&E Known and Committed Projects	\$ 165	\$ 255	\$ 205	\$ 135	\$ 45	\$ 10	\$ 815
TOTAL OG&E Base + Known and Committed	\$ 500	\$ 555	\$ 495	\$ 425	\$ 350	\$ 315	\$ 2,640
OGE Energy & ER	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 150
Enogex	\$ 135	\$ 40	\$ 45	\$ 45	\$ 45	\$ 45	\$ 355
TOTAL OGE Consolidated	\$ 660	\$ 620	\$ 565	\$ 495	\$ 420	\$ 385	\$ 3,145