



We Energize Life


Q3 2022 Earnings & Business Update Conference Call

November 3, 2022

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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," "target" and similar expressions. Actual results may vary materially. 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 inflation rates, and their impact on capital expenditures; the ability of the Company and its subsidiaries to access the capital markets and obtain financing on favorable terms, as well as inflation rates and monetary fluctuations; the ability to obtain timely and sufficient rate relief to allow for recovery, including through securitization, of items such as capital expenditures, fuel and purchased power costs, operating costs, transmission costs and deferred expenditures; prices and availability of electricity, coal and natural gas; competitive factors, including the extent and timing of the entry of additional competition in the markets served by the Company; the impact on demand for 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 and equipment for current and future construction projects; the effect of retroactive pricing of transactions in the SPP markets or adjustments in market pricing mechanisms by the SPP; federal or state legislation and regulatory decisions and initiatives that affect cost and investment recovery, have an impact on rate structures or affect the speed and degree to which competition enters the Company's markets; environmental laws, safety laws or other regulations that may impact the cost of operations, restrict or change the way the Company's facilities are operated or result in stranded assets; 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, including losing control of our assets and potential ransoms, and other catastrophic events; creditworthiness of suppliers, customers and other contractual parties, including large, new customers from emerging industries such as cryptocurrency; 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 pandemic health event resulting from COVID-19, and their collateral consequences; national and global events that could adversely affect and/or exacerbate macroeconomic conditions, including inflationary pressures, rising interest rates, supply chain disruptions, economic recessions and uncertainty surrounding continued hostilities or sustained military campaigns; costs and other effects of legal and administrative proceedings, settlements, investigations, claims and matters, including, but not limited to, those described in the reports filed by the Company with the Securities and Exchange Commission; and other risk factors listed in the reports filed by the Company with the Securities and Exchange Commission, including those listed within "Item 1A. Risk Factors" in the Company's Form 10-K for the year ended December 31, 2021.

Summary of Third Quarter 2022 Financial Results



- Electric utility operations earnings of \$1.26 per diluted share
- Other Operations, including holding company, loss of \$0.03 per diluted share
- Natural Gas Midstream Operations earnings of \$0.08 per diluted share
- ✓ **Consolidated earnings of \$1.31 per diluted share**

Third Quarter Highlights

✓ Completed exit of Energy Transfer

- Transformation to electric utility is complete

✓ Grid reliability, resiliency, and security work continues

- Undergrounding highway lines, upgrading and building new substations to support growth, and eliminating and reducing outages

✓ Re-issued solar RFP

- To incorporate favorable opportunities from the Inflation Reduction Act

✓ Business Development continues to remain strong

- Additional jobs and investment to communities

✓ Acting on opportunities through the IJJA

- Partnering with others in Oklahoma and Arkansas



2022 Third Quarter EPS Results

	Q3 2022	Q3 2021	Drivers
OG&E	\$1.26	\$1.12	Increased volumes ↑ Recovery of capital investments ↑ Depreciation ↓
Natural Gas Midstream Operations	\$0.08 ¹	\$0.15	MTM gain on Energy Transfer units ↑ Removal of equity earnings in Enable ↓
Other Operations/Holdco	\$(0.03) ²	\$(0.01)	Partial reversal of interim period consolidating tax adjustment ↓
Consolidated	\$1.31	\$1.26	

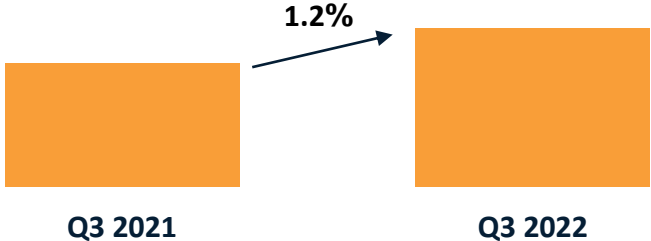
➤ OG&E's updated 2022 EPS guidance range is \$2.08 to \$2.12, based on YTD results of \$1.96

1. Impacted by the removal of equity earnings in Enable, driven by the merger of Enable and Energy Transfer closing in December 2021

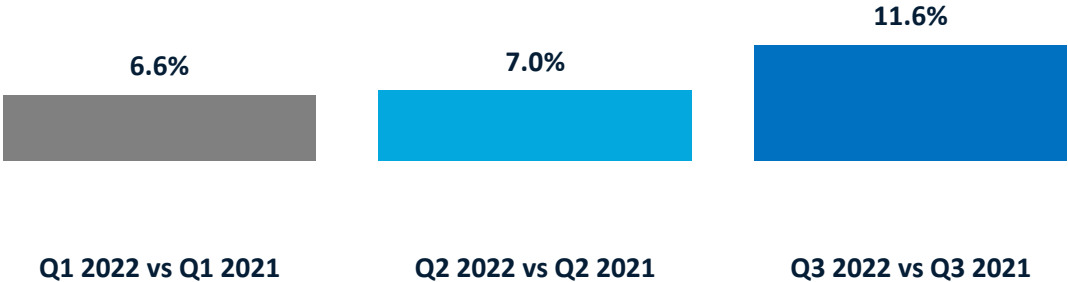
2. Interim period consolidating tax benefit recorded in the first quarter of 2022 related to mark-to-market activity and the gain on sale of Energy Transfer limited partner units

Thriving Service Area

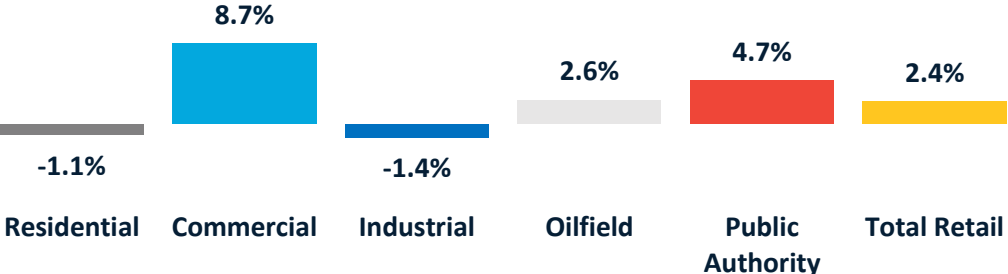
Customer Growth



Commercial Sector Year-over-Year Weather Normalized Load¹



YTD Weather Normalized Load 2022 vs 2021¹



Highlights

- Customers continue to grow at > 1% pace
- Total load YTD variance for Residential of 7.2% inclusive of weather
- 2022 YTD load growth of 2.4% driven by Commercial, Oilfield, and Public Authority
- 2022 full-year weather-normalized load growth expected to be approximately 3%
- Expect 2023 weather-normalized Retail load growth to exceed 1%

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

Financing and Balance Sheet Update

- **Transformation to pure-play electric utility is complete**
 - Completed exit of midstream investment in the third quarter
 - Realized average pre-tax sales price of \$11.19 per unit compared to \$8.32 per unit (+34%) on the transaction close date and \$6.96 per unit (+61%) on transaction announcement date
- **Minimal interest rate exposure** with less than \$200 million of floating-rate debt; no fixed-rate debt maturities until 2027¹
- **Guidance for 2023 EPS, updates on future load, capital investments, financing plans, and other assumptions** to be provided on 4th quarter call
- **Compelling total shareholder return** proposition that combines an **electric utility earnings per share CAGR of 5-7%**² and an expected **stable and growing dividend**³

➤ **Continued confidence to deliver OG&E earnings per share CAGR of 5-7% in 2023 off original 2021 OG&E earnings per share guidance midpoint of \$1.81 per share**

1. Excluding Winter Storm Uri related debt that will mature in May 2023 and for which Oklahoma securitization proceeds were received in third quarter 2022

2. From the midpoint of 2021 Utility guidance of \$1.81 per share

3. Subject to approval by the Board of Directors; dividend yield of 4.5% as of Oct 31, 2022



Q&A

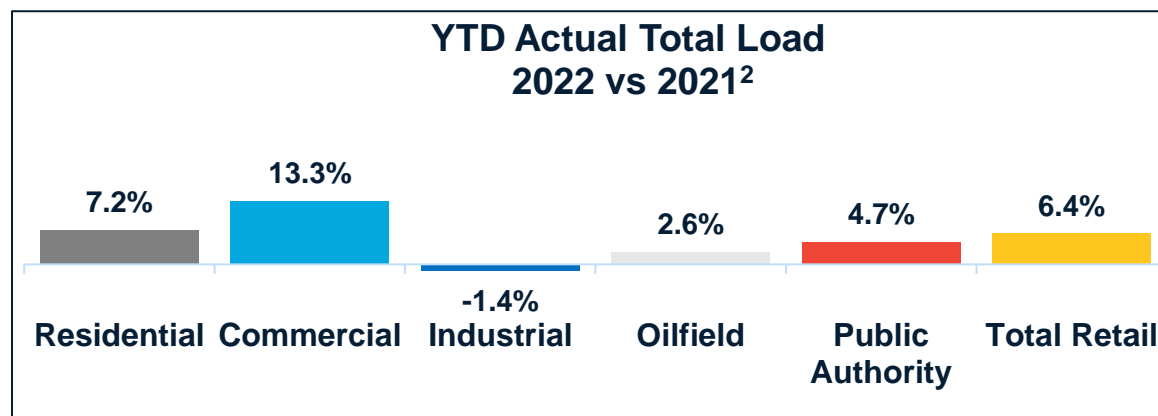


Appendix

Third Quarter Weather Impact

Weather Variance			
Cooling Degree Days	Q3 2022	Q3 2021	% Change
Actuals	1,566	1,337	17%
Normal ¹	1,268	1,268	0%
Variance from Normal	24%	5%	

Weather drives strong Residential, Commercial and total Retail load results (unadjusted for weather)



1. 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.

2. Excludes February impact of Winter Storm Uri for industrial and oilfield which were severely impacted by forced curtailments.