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 September 30, 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 September 30, 2021, there were 200,174,540 shares of OGE Energy Corp.'s common stock, par value $0.01 per share, outstanding.

At September 30, 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 SEPTEMBER 30, 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
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 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.
IRP	Integrated Resource Plan
ISO	Independent system operator
MATS	Mercury and Air Toxics Standards
MBbl/d	Thousand barrels per day
MW	Megawatt
MWh	Megawatt-hour
NGLs	Natural gas liquids, which are the hydrocarbon liquids contained within the natural gas stream
NOPR	Notice of proposed rulemaking
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
OSHA	U.S. Department of Labor's Occupational Safety and Health Administration
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
RTO	Regional transmission organization
SESH	Southeast Supply Header, LLC, in which Enable owns a 50 percent interest, that operates an approximately 290-mile interstate natural gas pipeline from Perryville, Louisiana to southwestern Alabama near the Gulf Coast
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
USFWS	United States Fish and Wildlife Service
Winter Storm Uri	Unprecedented, prolonged extreme cold weather event in February 2021

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, inflation rates 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 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 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;
- potential employee attrition and resultant impact to OGE Energy's business if the proposed new federal regulation regarding a vaccination mandate is deemed to apply to the Registrants and is implemented in December 2021;
- 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 September 30,		Nine Months Ended September 30,	
(In millions, except per share data)	**2021**	2020	**2021**	2020
OPERATING REVENUES				
Revenues from contracts with customers	**$ 848.2**	$ 687.8	**$ 3,033.7**	$ 1,600.2
Other revenues	**16.2**	14.3	**38.7**	36.7
Operating revenues	**864.4**	702.1	**3,072.4**	1,636.9
FUEL, PURCHASED POWER AND DIRECT TRANSMISSION EXPENSE	**330.1**	209.1	**1,876.9**	481.5
OPERATING EXPENSES				
Other operation and maintenance	**115.4**	109.7	**343.9**	347.2
Depreciation and amortization	**108.6**	100.5	**310.2**	292.2
Taxes other than income	**25.5**	24.8	**78.5**	76.3
Operating expenses	**249.5**	235.0	**732.6**	715.7
OPERATING INCOME	**284.8**	258.0	**462.9**	439.7
OTHER INCOME (EXPENSE)				
Equity in earnings (losses) of unconsolidated affiliates	**41.2**	15.8	**127.9**	(703.8)
Allowance for equity funds used during construction	**1.9**	1.1	**4.8**	3.7
Other net periodic benefit expense	**(1.6)**	(2.0)	**(4.3)**	(3.5)
Other income	**5.6**	5.5	**14.9**	27.0
Other expense	**(3.8)**	(5.4)	**(12.5)**	(23.9)
Net other income (expense)	**43.3**	15.0	**130.8**	(700.5)
INTEREST EXPENSE				
Interest on long-term debt	**39.3**	38.7	**115.5**	114.1
Allowance for borrowed funds used during construction	**(1.0)**	(0.5)	**(2.5)**	(1.5)
Interest on short-term debt and other interest charges	**1.2**	1.6	**5.8**	6.3
Interest expense	**39.5**	39.8	**118.8**	118.9
INCOME (LOSS) BEFORE TAXES	**288.6**	233.2	**474.9**	(379.7)
INCOME TAX EXPENSE (BENEFIT)	**36.1**	55.8	**56.8**	(151.2)
NET INCOME (LOSS)	**$ 252.5**	$ 177.4	**$ 418.1**	$ (228.5)
BASIC AVERAGE COMMON SHARES OUTSTANDING	**200.2**	200.1	**200.1**	200.1
DILUTED AVERAGE COMMON SHARES OUTSTANDING	**200.4**	200.4	**200.3**	200.1
BASIC EARNINGS (LOSS) PER AVERAGE COMMON SHARE	**$ 1.26**	$ 0.89	**$ 2.09**	$ (1.14)
DILUTED EARNINGS (LOSS) PER AVERAGE COMMON SHARE	**$ 1.26**	$ 0.89	**$ 2.09**	$ (1.14)

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 September 30,		Nine Months Ended September 30,	
(In millions)	**2021**	2020	**2021**	2020
Net income (loss)	**$ 252.5**	$ 177.4	**$ 418.1**	$ (228.5)
Other comprehensive income (loss), net of tax:				
Pension Plan and Restoration of Retirement Income Plan:				
Amortization of prior service cost, net of tax of $0.0, $0.0, $0.0 and $0.0, respectively	**0.1**	—	**0.1**	—
Amortization of deferred net loss, net of tax of $0.2, $0.3, $0.6 and $0.9, respectively	**0.4**	0.9	**1.2**	2.9
Settlement cost, net of tax of $0.3, $0.5, $1.9 and $0.6, respectively	**1.1**	1.3	**4.8**	1.5
Postretirement benefit plans:				
Amortization of prior service credit, net of tax of ($0.1), ($0.2), ($0.3) and ($0.5), respectively	**(0.3)**	(0.4)	**(1.0)**	(1.2)
Amortization of deferred net gain (loss), net of tax of $0.0, $0.0, $0.0 and $0.0, respectively	**—**	—	**0.1**	(0.1)
Other comprehensive gain (loss) from unconsolidated affiliates, net of tax of $0.0, $0.1, $0.1 and ($0.3), respectively	**0.3**	0.4	**0.6**	(0.9)
Other comprehensive income (loss), net of tax	**1.6**	2.2	**5.8**	2.2
Comprehensive income (loss)	**$ 254.1**	$ 179.6	**$ 423.9**	$ (226.3)

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

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

	Nine Months Ended September 30,	
(In millions)	**2021**	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	**$ 418.1**	$ (228.5)
Adjustments to reconcile net income (loss) to net cash (used in) provided from operating activities:		
Depreciation and amortization	**310.2**	292.2
Deferred income taxes and investment tax credits, net	**40.9**	(168.4)
Equity in (earnings) losses of unconsolidated affiliates	**(127.9)**	703.8
Distributions from unconsolidated affiliates	**55.0**	73.3
Allowance for equity funds used during construction	**(4.8)**	(3.7)
Stock-based compensation expense	**7.1**	6.7
Regulatory assets	**(881.5)**	(8.5)
Regulatory liabilities	**(50.0)**	(48.6)
Other assets	**(6.7)**	(3.7)
Other liabilities	**(41.6)**	(39.2)
Change in certain current assets and liabilities:		
Accounts receivable and accrued unbilled revenues, net	**(99.4)**	(62.9)
Income taxes receivable	**7.6**	10.0
Fuel, materials and supplies inventories	**8.7**	(2.0)
Fuel recoveries	**(126.8)**	74.3
Other current assets	**(4.9)**	(6.3)
Accounts payable	**(41.4)**	(68.6)
Other current liabilities	**43.3**	5.4
Net cash (used in) provided from operating activities	**(494.1)**	525.3
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures (less allowance for equity funds used during construction)	**(540.6)**	(419.7)
Investment in unconsolidated affiliates	**(6.3)**	(2.4)
Net cash used in investing activities	**(546.9)**	(422.1)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	**999.6**	297.1
Increase (decrease) in short-term debt	**288.2**	(112.0)
Payment of long-term debt	**(0.1)**	(0.1)
Dividends paid on common stock	**(242.8)**	(234.4)
Cash paid for employee equity-based compensation and expense of common stock	**(3.5)**	(7.1)
Purchase of treasury stock	**—**	(14.7)
Net cash provided from (used in) financing activities	**1,041.4**	(71.2)
NET CHANGE IN CASH AND CASH EQUIVALENTS	**0.4**	32.0
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**1.1**	—
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**$ 1.5**	$ 32.0

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

OGE ENERGY CORP.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In millions)	**September 30, 2021**	December 31, 2020
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	**$ 1.5**	$ 1.1
Accounts receivable, less reserve of $2.4 and $2.6, respectively	**242.3**	157.8
Accrued unbilled revenues	**82.5**	67.6
Income taxes receivable	**0.5**	8.1
Fuel inventories	**35.0**	36.5
Materials and supplies, at average cost	**111.4**	116.2
Fuel clause under recoveries	**98.2**	—
Other	**55.6**	41.2
Total current assets	**627.0**	428.5
OTHER PROPERTY AND INVESTMENTS		
Investment in unconsolidated affiliates	**478.9**	397.4
Other	**90.8**	86.7
Total other property and investments	**569.7**	484.1
PROPERTY, PLANT AND EQUIPMENT		
In service	**13,703.9**	13,296.7
Construction work in progress	**249.3**	145.5
Total property, plant and equipment	**13,953.2**	13,442.2
Less: accumulated depreciation	**4,257.3**	4,067.6
Net property, plant and equipment	**9,695.9**	9,374.6
DEFERRED CHARGES AND OTHER ASSETS		
Regulatory assets	**1,264.9**	415.6
Other	**20.0**	16.0
Total deferred charges and other assets	**1,284.9**	431.6
TOTAL ASSETS	**$ 12,177.5**	$ 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)	**September 30, 2021**	December 31, 2020
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Short-term debt	**$ 383.2**	$ 95.0
Accounts payable	**243.5**	251.5
Dividends payable	**82.1**	80.5
Customer deposits	**80.6**	81.1
Accrued taxes	**82.8**	55.7
Accrued interest	**42.5**	40.2
Accrued compensation	**38.6**	31.1
Fuel clause over recoveries	**—**	28.6
Other	**40.6**	33.7
Total current liabilities	**993.9**	697.4
LONG-TERM DEBT	**4,495.8**	3,494.4
DEFERRED CREDITS AND OTHER LIABILITIES		
Accrued benefit obligations	**175.2**	231.4
Deferred income taxes	**1,240.9**	1,268.6
Deferred investment tax credits	**11.0**	10.9
Regulatory liabilities	**1,247.7**	1,188.9
Other	**198.1**	195.4
Total deferred credits and other liabilities	**2,872.9**	2,895.2
Total liabilities	**8,362.6**	7,087.0
COMMITMENTS AND CONTINGENCIES (NOTE 14)		
STOCKHOLDERS' EQUITY		
Common stockholders' equity	**1,123.0**	1,124.6
Retained earnings	**2,718.3**	2,544.6
Accumulated other comprehensive loss, net of tax	**(26.3)**	(32.1)
Treasury stock, at cost	**(0.1)**	(5.3)
Total stockholders' equity	**3,814.9**	3,631.8
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 12,177.5**	$ 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
Net income	—	—	—	—	—	112.9	—	112.9
Other comprehensive income, net of tax	—	—	—	—	—	—	0.7	0.7
Dividends declared on common stock ($0.4025 per share)	—	—	—	—	—	(80.6)	—	(80.6)
Stock-based compensation	—	—	—	—	2.3	—	—	2.3
Balance at June 30, 2021	200.1	$ 2.0	—	$ (0.1)	$ 1,118.9	$ 2,547.9	$ (27.9)	$ 3,640.8
Net income	—	—	—	—	—	252.5	—	252.5
Other comprehensive income, net of tax	—	—	—	—	—	—	1.6	1.6
Dividends declared on common stock ($0.4100 per share)	—	—	—	—	—	(82.1)	—	(82.1)
Stock-based compensation	—	—	—	—	2.1	—	—	2.1
Balance at September 30, 2021	200.1	$ 2.0	—	$ (0.1)	$ 1,121.0	$ 2,718.3	$ (26.3)	$ 3,814.9
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
Net income	—	—	—	—	—	85.9	—	85.9
Other comprehensive income, net of tax	—	—	—	—	—	—	0.9	0.9
Dividends declared on common stock ($0.3875 per share)	—	—	—	—	—	(77.6)	—	(77.6)
Stock-based compensation	—	—	—	—	2.3	—	—	2.3
Balance at June 30, 2020	200.1	$ 2.0	—	$ (0.3)	$ 1,117.1	$ 2,473.3	$ (27.9)	$ 3,564.2
Net income	—	—	—	—	—	177.4	—	177.4
Other comprehensive income, net of tax	—	—	—	—	—	—	2.2	2.2
Dividends declared on common stock ($0.4025 per share)	—	—	—	—	—	(80.5)	—	(80.5)
Stock-based compensation	—	—	—	—	2.4	—	—	2.4
Purchase of treasury stock	—	—	0.1	(5.0)	—	—	—	(5.0)
Balance at September 30, 2020	200.1	$ 2.0	0.1	$ (5.3)	$ 1,119.5	$ 2,570.2	$ (25.7)	$ 3,660.7

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)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2021**	2020	**2021**	2020
OPERATING REVENUES				
Revenues from contracts with customers	**$ 848.2**	$ 687.8	**$ 3,033.7**	$ 1,600.2
Other revenues	**16.2**	14.3	**38.7**	36.7
Operating revenues	**864.4**	702.1	**3,072.4**	1,636.9
FUEL, PURCHASED POWER AND DIRECT TRANSMISSION EXPENSE	**330.1**	209.1	**1,876.9**	481.5
OPERATING EXPENSES				
Other operation and maintenance	**115.8**	110.1	**344.4**	348.8
Depreciation and amortization	**108.6**	100.5	**310.2**	292.2
Taxes other than income	**24.6**	23.9	**75.3**	72.8
Operating expenses	**249.0**	234.5	**729.9**	713.8
OPERATING INCOME	**285.3**	258.5	**465.6**	441.6
OTHER INCOME (EXPENSE)				
Allowance for equity funds used during construction	**1.9**	1.1	**4.8**	3.7
Other net periodic benefit expense	**(1.1)**	(1.3)	**(3.2)**	(2.8)
Other income	**2.4**	1.1	**5.2**	3.7
Other expense	**(0.3)**	(0.3)	**(1.0)**	(1.7)
Net other income	**2.9**	0.6	**5.8**	2.9
INTEREST EXPENSE				
Interest on long-term debt	**38.4**	38.7	**114.2**	114.1
Allowance for borrowed funds used during construction	**(1.0)**	(0.5)	**(2.5)**	(1.5)
Interest on short-term debt and other interest charges	**0.6**	1.3	**2.6**	3.1
Interest expense	**38.0**	39.5	**114.3**	115.7
INCOME BEFORE TAXES	**250.2**	219.6	**357.1**	328.8
INCOME TAX EXPENSE	**26.4**	20.1	**37.0**	30.5
NET INCOME	**$ 223.8**	$ 199.5	**$ 320.1**	$ 298.3
Other comprehensive income, net of tax	**—**	—	**—**	—
COMPREHENSIVE INCOME	**$ 223.8**	$ 199.5	**$ 320.1**	$ 298.3

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

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

	Nine Months Ended September 30,	
(In millions)	**2021**	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 320.1**	$ 298.3
Adjustments to reconcile net income to net cash (used in) provided from operating activities:		
Depreciation and amortization	**310.2**	292.2
Deferred income taxes and investment tax credits, net	**32.1**	23.9
Allowance for equity funds used during construction	**(4.8)**	(3.7)
Stock-based compensation expense	**1.6**	2.2
Regulatory assets	**(881.5)**	(8.5)
Regulatory liabilities	**(50.0)**	(48.6)
Other assets	**(0.9)**	(3.2)
Other liabilities	**(38.2)**	(27.6)
Change in certain current assets and liabilities:		
Accounts receivable and accrued unbilled revenues, net	**(100.8)**	(62.4)
Fuel, materials and supplies inventories	**8.7**	(2.0)
Fuel recoveries	**(126.8)**	74.3
Other current assets	**(3.2)**	(5.8)
Accounts payable	**(39.3)**	(59.6)
Income taxes payable - parent	**7.2**	9.6
Other current liabilities	**36.0**	(0.7)
Net cash (used in) provided from operating activities	**(529.6)**	478.4
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures (less allowance for equity funds used during construction)	**(540.6)**	(419.7)
Net cash used in investing activities	**(540.6)**	(419.7)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital contribution from OGE Energy	**530.0**	—
Dividends paid on common stock	**(45.0)**	(75.0)
Proceeds from long-term debt	**499.8**	297.1
Payment of long-term debt	**(0.1)**	(0.1)
Changes in advances with parent	**87.0**	(248.7)
Net cash provided from (used in) financing activities	**1,071.7**	(26.7)
NET CHANGE IN CASH AND CASH EQUIVALENTS	**1.5**	32.0
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**—**	—
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**$ 1.5**	$ 32.0

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

OKLAHOMA GAS AND ELECTRIC COMPANY
CONDENSED BALANCE SHEETS
(Unaudited)

(In millions)	**September 30, 2021**	December 31, 2020
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	**$ 1.5**	$ —
Accounts receivable, less reserve of $2.4 and $2.6, respectively	**242.3**	156.3
Accrued unbilled revenues	**82.5**	67.7
Advances to parent	**—**	272.0
Fuel inventories	**35.0**	36.5
Materials and supplies, at average cost	**111.4**	116.2
Fuel clause under recoveries	**98.2**	—
Other	**49.4**	36.9
Total current assets	**620.3**	685.6
OTHER PROPERTY AND INVESTMENTS	**3.9**	4.1
PROPERTY, PLANT AND EQUIPMENT		
In service	**13,697.8**	13,290.6
Construction work in progress	**249.3**	145.5
Total property, plant and equipment	**13,947.1**	13,436.1
Less: accumulated depreciation	**4,257.3**	4,067.6
Net property, plant and equipment	**9,689.8**	9,368.5
DEFERRED CHARGES AND OTHER ASSETS		
Regulatory assets	**1,264.9**	415.6
Other	**19.0**	15.2
Total deferred charges and other assets	**1,283.9**	430.8
TOTAL ASSETS	**$ 11,597.9**	$ 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)	**September 30, 2021**	December 31, 2020
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES		
Accounts payable	**$ 230.7**	$ 236.7
Advances from parent	**42.2**	—
Customer deposits	**80.6**	81.1
Accrued taxes	**76.1**	53.3
Accrued interest	**41.3**	40.2
Accrued compensation	**28.1**	22.5
Fuel clause over recoveries	**—**	28.6
Other	**40.4**	33.5
Total current liabilities	**539.4**	495.9
LONG-TERM DEBT	**3,995.9**	3,494.4
DEFERRED CREDITS AND OTHER LIABILITIES		
Accrued benefit obligations	**93.5**	135.4
Deferred income taxes	**981.5**	1,020.8
Deferred investment tax credits	**11.0**	10.9
Regulatory liabilities	**1,247.7**	1,188.9
Other	**166.5**	167.1
Total deferred credits and other liabilities	**2,500.2**	2,523.1
Total liabilities	**7,035.5**	6,513.4
COMMITMENTS AND CONTINGENCIES (NOTE 14)		
STOCKHOLDER'S EQUITY		
Common stockholder's equity	**1,571.2**	1,039.5
Retained earnings	**2,991.2**	2,936.1
Total stockholder's equity	**4,562.4**	3,975.6
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	**$ 11,597.9**	$ 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**
Net income	**—**	**—**	**—**	**85.1**	**85.1**
Dividends declared on common stock	**—**	**—**	**—**	**(45.0)**	**(45.0)**
Stock-based compensation	**—**	**—**	**0.6**	**—**	**0.6**
Balance at June 30, 2021	**40.4**	**$ 100.9**	**$ 1,469.7**	**$ 2,987.4**	**$ 4,558.0**
Net income	**—**	**—**	**—**	**223.8**	**223.8**
Dividends declared on common stock	**—**	**—**	**—**	**(220.0)**	**(220.0)**
Stock-based compensation	**—**	**—**	**0.6**	**—**	**0.6**
Balance at September 30, 2021	**40.4**	**$ 100.9**	**$ 1,470.3**	**$ 2,991.2**	**$ 4,562.4**
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
Net income	—	—	—	78.9	78.9
Dividends declared on common stock	—	—	—	(75.0)	(75.0)
Stock-based compensation	—	—	0.7	—	0.7
Balance at June 30, 2020	40.4	$ 100.9	$ 937.3	$ 2,945.5	$ 3,983.7
Net income	—	—	—	199.5	199.5
Dividends declared on common stock	—	—	—	(250.0)	(250.0)
Stock-based compensation	—	—	0.6	—	0.6
Balance at September 30, 2020	40.4	$ 100.9	$ 937.9	$ 2,895.0	$ 3,933.8

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	
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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 September 30, 2021 and December 31, 2020, the results of the Registrants' operations for the three and nine months ended September 30, 2021 and 2020 and the Registrants' cash flows for the nine months ended September 30, 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 September 30, 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 and nine months ended September 30, 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)	**September 30, 2021**	December 31, 2020
REGULATORY ASSETS		
Current:		
Fuel clause under recoveries	**$ 98.2**	$ —
SPP cost tracker under recoveries (A)	**7.7**	7.0
Generation Capacity Replacement rider under recoveries (A)	**1.7**	4.4
Other (A)	**7.7**	8.4
Total current regulatory assets	**$ 115.3**	$ 19.8
Non-current:		
Oklahoma Winter Storm Uri costs	**$ 756.3**	$ —
Oklahoma deferred storm expenses	**173.8**	158.8
Benefit obligations regulatory asset	**130.6**	164.9
Arkansas Winter Storm Uri costs	**91.0**	—
Pension tracker	**41.6**	18.1
Sooner Dry Scrubbers	**19.1**	19.7
Arkansas deferred pension expenses	**11.8**	9.3
Unamortized loss on reacquired debt	**9.1**	9.7
COVID-19 impacts	**8.0**	6.4
Frontier Plant deferred expenses	**7.1**	6.4
Smart Grid	**5.9**	11.2
Other	**10.6**	11.1
Total non-current regulatory assets	**$ 1,264.9**	$ 415.6
REGULATORY LIABILITIES		
Current:		
Oklahoma energy efficiency rider over recoveries (B)	**$ 4.7**	$ 1.5
Fuel clause over recoveries	**—**	28.6
Other (B)	**1.6**	5.0
Total current regulatory liabilities	**$ 6.3**	$ 35.1
Non-current:		
Income taxes refundable to customers, net	**$ 938.8**	$ 867.4
Accrued removal obligations, net	**305.1**	316.8
Other	**3.8**	4.7
Total non-current regulatory liabilities	**$ 1,247.7**	$ 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, Winter Storm Uri resulted in record winter peak demand for electricity and extremely high natural gas and purchased power prices in OG&E's service territory. 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 the Oklahoma portion of all deferred costs with an initial carrying charge based on the effective cost of the related debt financing for an amortization period to be determined at a later date. The APSC allowed OG&E to create a regulatory asset for the Arkansas portion of all deferred costs with an initial carrying charge equal to the current customer deposit interest rate to be recovered over a period of 10 years beginning in May 2021. 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 September 30, 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 nine months ended September 30, 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	**—**	**—**	**0.6**	**0.6**
Amounts reclassified from accumulated other comprehensive income (loss)	**1.3**	**(0.9)**	**—**	**0.4**
Settlement cost	**4.8**	**—**	**—**	**4.8**
Balance at September 30, 2021	**$ (28.0)**	**$ 2.4**	**$ (0.7)**	**$ (26.3)**

(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	—	—	(0.9)	(0.9)
Amounts reclassified from accumulated other comprehensive income (loss)	2.9	(1.3)	—	1.6
Settlement cost	1.5	—	—	1.5
Balance at September 30, 2020	$ (30.7)	$ 6.5	$ (1.5)	$ (25.7)

The following table presents significant amounts reclassified out of accumulated other comprehensive income (loss) attributable to OGE Energy by the respective line items in net income (loss) during the three and nine months ended September 30, 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 September 30,		Nine Months Ended September 30,		
(In millions)	**2021**	2020	**2021**	2020	
Amortization of Pension Plan and Restoration of Retirement Income Plan items:					
Actuarial losses	**$ (0.6)**	$ (1.2)	**$ (1.8)**	$ (3.8)	(A)
Prior service cost	**(0.1)**	—	**(0.1)**	—	(A)
Settlement cost	**(1.4)**	(1.8)	**(6.7)**	(2.1)	(A)
	(2.1)	(3.0)	**(8.6)**	(5.9)	Income (Loss) Before Taxes
	(0.5)	(0.8)	**(2.5)**	(1.5)	Income Tax Expense (Benefit)
	$ (1.6)	$ (2.2)	**$ (6.1)**	$ (4.4)	Net Income (Loss)
Amortization of postretirement benefit plans items:					
Prior service credit	**$ 0.4**	$ 0.6	**$ 1.3**	$ 1.7	(A)
Actuarial gains (losses)	**—**	—	**(0.1)**	0.1	(A)
	0.4	0.6	**1.2**	1.8	Income (Loss) Before Taxes
	0.1	0.2	**0.3**	0.5	Income Tax Expense (Benefit)
	$ 0.3	$ 0.4	**$ 0.9**	$ 1.3	Net Income (Loss)
Total reclassifications for the period, net of tax	**$ (1.3)**	$ (1.8)	**$ (5.2)**	$ (3.1)	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 September 30,		Nine Months Ended September 30,	
(In millions)	**2021**	2020	**2021**	2020
Residential	**$ 365.5**	$ 294.9	**$ 1,112.2**	$ 664.6
Commercial	**203.4**	156.7	**619.2**	361.0
Industrial	**79.9**	59.3	**264.1**	145.5
Oilfield	**68.0**	50.6	**257.5**	127.2
Public authorities and street light	**75.0**	57.8	**235.1**	133.1
System sales revenues	**791.8**	619.3	**2,488.1**	1,431.4
Provision for rate refund	**—**	4.8	**—**	3.2
Integrated market	**17.2**	18.0	**447.6**	33.7
Transmission	**30.8**	35.0	**103.8**	109.0
Other	**8.4**	10.7	**(5.8)**	22.9
Revenues from contracts with customers (A)	**$ 848.2**	$ 687.8	**$ 3,033.7**	$ 1,600.2

(A) In February 2021, Winter Storm Uri resulted in record winter peak demand for electricity and extremely high natural gas and purchased power prices in OG&E's service territory. Operating revenues for the nine months ended September 30, 2021 significantly increased due to increased fuel, purchased power and direct transmission expenses, which are generally recoverable from customers, as a result of Winter Storm Uri. 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 September 30, 2021, OGE Energy owned 111.0 million common units, or 25.5 percent, of Enable's outstanding common units. On September 30, 2021, Enable's common unit price closed at $8.12. OGE Energy recorded equity in earnings of unconsolidated affiliates of $41.2 million and $127.9 million for the three and nine months ended September 30, 2021, respectively, compared to equity in earnings of unconsolidated affiliates of $15.8 million for the three months ended September 30, 2020 and equity in losses of unconsolidated affiliates of $703.8 million for the nine months ended September 30, 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 September 30, 2021 and December 31, 2020 and for the three and nine months ended September 30, 2021 and 2020.

Balance Sheet	**September 30, 2021**	December 31, 2020
(In millions)		
Current assets	**$ 536**	$ 381
Non-current assets	**$ 11,244**	$ 11,348
Current liabilities	**$ 1,299**	$ 582
Non-current liabilities	**$ 3,248**	$ 4,052

Income Statement	Three Months Ended September 30,				Nine Months Ended September 30,			
	2021		2020		**2021**		2020	
(In millions)								
Total revenues	**$**	**956**	$	596	**$**	**2,713**	$	1,759
Cost of natural gas and NGLs (excluding depreciation and amortization)	**$**	**565**	$	250	**$**	**1,510**	$	653
Operating income	**$**	**152**	$	100	**$**	**482**	$	326
Net income (loss)	**$**	**107**	$	(173)	**$**	**341**	$	(35)

The following table presents a reconciliation of OGE Energy's equity in earnings (losses) of unconsolidated affiliates for the three and nine months ended September 30, 2021 and 2020. For further discussion of Enable's net income (loss), see "Item 2. Management's Discussion and Analysis - Results of Operations - OGE Holdings (Natural Gas Midstream Operations)."

	Three Months Ended September 30,				Nine Months Ended September 30,			
(In millions)	**2021**		2020		**2021**		2020	
Enable net income (loss)	**$**	**107.0**	$	(173.0)	**$**	**341.0**	$	(35.0)
OGE Energy's percent ownership at period end		**25.5 %**		25.5 %		**25.5 %**		25.5 %
OGE Energy's portion of Enable net income (loss)	**$**	**27.5**	$	(44.0)	**$**	**87.0**	$	(8.9)
Amortization of basis difference and dilution recognition (A)		**13.7**		59.8		**40.9**		85.1
Impairment of OGE Energy's equity method investment in Enable (B)		**—**		—		**—**		(780.0)
Equity in earnings (losses) of unconsolidated affiliates (C)	**$**	**41.2**	$	15.8	**$**	**127.9**	$	(703.8)

(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.

(C) For the three and nine months ended September 30, 2020, Enable recorded a $225.0 million impairment on its SESH equity method investment, which is included in their net loss for each period. Enable estimated the fair value of this equity method investment was below the carrying value at September 30, 2020 and concluded the decline in value was other than temporary due to the expiration of a transportation contract and the current status of renewal negotiations. The impairment ran through OGE Energy's portion of Enable net income (loss) and was offset by basis differences that flow through the amortization of basis difference and dilution recognition line item above.

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 September 30, 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 (A)		(42.1)
Basis difference at September 30, 2021	$	1,290.2

(A) Includes proportional basis difference recognition due to dilution.

Distributions received from Enable were $18.3 million during both the three months ended September 30, 2021 and 2020 and $55.0 million and $73.3 million during the nine months ended September 30, 2021 and 2020, respectively.

On October 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. Energy Transfer is a publicly traded limited partnership with core operations that include complementary natural gas midstream, intrastate and interstate transportation and storage assets; crude oil, NGLs and refined product transportation and terminalling assets; NGL fractionation; and various acquisition and marketing assets. 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 79.2 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 $32.2 million and $32.7 million during the three months ended September 30, 2021 and 2020, respectively, and $101.3 million and $107.5 million during the nine months ended September 30, 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 September 30, 2021 and 2020 and $0.3 million during both the nine months ended September 30, 2021 and 2020.

Pursuant to a seconding agreement, OGE Energy provides seconded employees to Enable to support Enable's operations. As of September 30, 2021, 64 employees that participate in OGE Energy's defined benefit and retirement plans are seconded to Enable. OGE Energy billed Enable for reimbursement of $2.5 million and $3.5 million during the three months ended September 30, 2021 and 2020, respectively, and $10.3 million and $13.6 million during the nine months ended September 30, 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 $17.6 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 $1.1 million as of September 30, 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 compensates Enable when Enable's deliveries exceed OG&E's pipeline nominations. Enable compensates OG&E when OG&E's pipeline nominations exceed Enable's deliveries. The following table presents summarized related party transactions between OG&E and Enable during the three and nine months ended September 30, 2021 and 2020.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2021**	2020	**2021**	2020
Operating revenues:				
Electricity to power electric compression assets	**$ 4.1**	$ 4.5	**$ 10.0**	$ 11.7
Fuel, purchased power and direct transmission expense:				
Natural gas transportation services	**$ 9.4**	$ 9.3	**$ 23.4**	$ 23.4
Natural gas purchases (sales)	**$ (7.7)**	$ 3.2	**$ (28.3)**	$ 2.2

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 September 30, 2021 and December 31, 2020. The following table presents the carrying amount and fair value of the Registrants' financial instruments at September 30, 2021 and December 31, 2020, as well as the classification level within the fair value hierarchy.

	September 30, 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):					
OGE Energy Senior Notes	**$ 499.9**	**$ 500.1**	$ —	$ —	Level 2
OG&E Senior Notes	**$ 3,851.1**	**$ 4,503.4**	$ 3,349.6	$ 4,182.1	Level 2
OG&E Industrial Authority Bonds	**$ 135.4**	**$ 135.4**	$ 135.4	$ 135.4	Level 2
OG&E Tinker Debt	**$ 9.4**	**$ 10.0**	$ 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 and nine months ended September 30, 2021 and 2020 related to performance units and restricted stock units for the Registrants' employees.

	OGE Energy				OG&E			
	Three Months Ended September 30,		**Nine Months Ended September 30,**		**Three Months Ended September 30,**		**Nine Months Ended September 30,**	
(In millions)	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020
Performance units:								
Total shareholder return	**$ 1.9**	$ 1.9	**$ 5.8**	$ 5.6	**$ 0.5**	$ 0.5	**$ 1.4**	$ 1.8
Earnings per share	**—**	0.2	**—**	0.5	**—**	—	**—**	0.1
Total performance units	**1.9**	2.1	**5.8**	6.1	**0.5**	0.5	**1.4**	1.9
Restricted stock units	**0.4**	0.3	**1.3**	0.6	**0.1**	0.1	**0.2**	0.3
Total compensation expense	**$ 2.3**	$ 2.4	**$ 7.1**	$ 6.7	**$ 0.6**	$ 0.6	**$ 1.6**	$ 2.2
Income tax benefit	**$ 0.6**	$ 0.6	**$ 1.8**	$ 1.7	**$ 0.1**	$ 0.2	**$ 0.4**	$ 0.6

During the nine months ended September 30, 2021, OGE Energy issued 154,523 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.

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.

Oklahoma Corporate Tax Rate Change

In May 2021, Oklahoma enacted a reduction of the corporate income tax rate to four percent from the previous six percent. This rate reduction will take effect January 1, 2022. ASC 740, "Income Taxes," requires deferred tax assets and liabilities to be measured at the enacted tax rate expected to apply when temporary differences are to be realized or settled. Therefore, during the second quarter of 2021, the Registrants revalued state deferred tax liabilities to reflect this change in tax rate. For entities subject to ASC 980, "Accounting for Regulated Entities," such as OG&E, those entities are required to recognize a regulatory liability for the decrease in taxes payable for the change in tax rates that are expected to be returned to customers through future rates and to recognize a regulatory asset for the increase in taxes receivable for the change in tax rates that are expected to be recovered from customers through future rates. The revaluation resulted in a regulatory liability of $97.7

million recorded for OG&E and an income tax benefit of $6.6 million for OGE Energy related to Enable and other operations (holding company) during the nine months ended September 30, 2021.

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 and nine months ended September 30, 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 September 30,		Nine Months Ended September 30,	
(In millions except per share data)	**2021**	2020	**2021**	2020
Net income (loss)	**$ 252.5**	$ 177.4	**$ 418.1**	$ (228.5)
Average common shares outstanding:				
Basic average common shares outstanding	**200.2**	200.1	**200.1**	200.1
Effect of dilutive securities:				
Contingently issuable shares (performance and restricted stock units)	**0.2**	0.3	**0.2**	—
Diluted average common shares outstanding	**200.4**	200.4	**200.3**	200.1
Basic earnings (loss) per average common share	**$ 1.26**	$ 0.89	**$ 2.09**	$ (1.14)
Diluted earnings (loss) per average common share	**$ 1.26**	$ 0.89	**$ 2.09**	$ (1.14)
Anti-dilutive shares excluded from earnings per share calculation	**—**	—	**—**	0.3

10. Long-Term Debt

At September 30, 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)
0.11%	-	0.27%	Garfield Industrial Authority, January 1, 2025	$ 47.0
0.11%	-	0.33%	Muskogee Industrial Authority, January 1, 2025	32.4
0.11%	-	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.

Issuance of Long-Term Debt

In May 2021, OGE Energy issued $500.0 million of 0.703 percent senior notes, and OG&E issued $500.0 million of 0.553 percent senior notes. Each series of notes is due May 26, 2023 but may be redeemed by OGE Energy or OG&E on or after November 26, 2021 at a price equal to 100 percent of the principal amount of the senior notes being redeemed, plus any accrued and unpaid interest. The proceeds from these issuances were used to repay $900.0 million of the $1.0 billion term loan OGE Energy entered into in March 2021 to help cover the fuel and purchased power costs incurred by OG&E during Winter Storm Uri.

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. OGE Energy had $383.2 million and $95.0 million of short-term debt at September 30, 2021 and December 31, 2020, respectively. At September 30, 2021, OG&E had $42.2 million in advances from OGE Energy compared to $272.0 million in 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 Winter Storm Uri. The term loan contained substantially the same covenants as OGE Energy's $450.0 million revolving credit agreement, including various financial ratio covenants. Contemporaneously with the closing of the term loan agreement, in March 2021, OGE Energy made a capital contribution of $530.0 million to OG&E using the term loan proceeds, and OGE Energy also loaned $470.0 million to OG&E pursuant to an intercompany note issued by OG&E to OGE Energy. In May 2021, OG&E repaid the $470.0 million to OGE Energy, and OGE Energy used this repayment and other funds from its issuance of senior notes in May 2021 to repay $900.0 million of the $1.0 billion term loan, as further discussed in Note 10. At September 30, 2021, the weighted-average interest rate for the amount drawn on the term loan was 0.832 percent.

The following table presents information regarding the Registrants' revolving credit agreements at September 30, 2021.

Entity	Aggregate Commitment	Amount Outstanding (A)	Weighted-Average Interest Rate	Expiration	
	(In millions)				
OGE Energy (B)	$ 450.0	$ 283.2	0.18 % (E)	March 8, 2024	(F)
OG&E (C)(D)	450.0	0.4	1.15 % (E)	March 8, 2024	(F)
Total	$ 900.0	$ 283.6	0.18 %		

(A) Includes direct borrowings under the revolving credit agreements, commercial paper borrowings and letters of credit at September 30, 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) 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 September 30, 2021, there were no intercompany borrowings under this agreement.
(E) Represents the weighted-average interest rate for the outstanding borrowings under the revolving credit agreements, commercial paper borrowings and letters of credit.
(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 nine months ended September 30, 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 Expense, 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	Pension Plan				Restoration of Retirement Income Plan			
	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020
Service cost	**$ 2.8**	$ 3.3	**$ 8.4**	$ 9.8	**$ 0.3**	$ 0.2	**$ 0.6**	$ 0.6
Interest cost	**3.1**	4.2	**10.0**	13.4	**—**	0.1	**0.1**	0.2
Expected return on plan assets	**(8.5)**	(9.4)	**(25.6)**	(28.0)	**—**	—	**—**	—
Amortization of net loss	**2.3**	4.3	**7.0**	12.7	**—**	0.1	**0.1**	0.4
Amortization of unrecognized prior service cost (A)	**—**	—	**—**	—	**0.1**	—	**0.1**	—
Settlement cost	**3.7**	12.1	**35.4**	12.1	**1.7**	0.4	**2.1**	0.7
Total net periodic benefit cost	**3.4**	14.5	**35.2**	20.0	**2.1**	0.8	**3.0**	1.9
Less: Amount paid by unconsolidated affiliates (B)	**(0.1)**	0.5	**(0.2)**	1.6	**—**	0.1	**—**	0.1
Net periodic benefit cost	**$ 3.5**	$ 14.0	**$ 35.4**	$ 18.4	**$ 2.1**	$ 0.7	**$ 3.0**	$ 1.8

OG&E	Pension Plan				Restoration of Retirement Income Plan			
	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020
Service cost	**$ 2.0**	$ 2.3	**$ 5.8**	$ 6.8	**$ —**	$ —	**$ —**	$ 0.1
Interest cost	**2.3**	3.2	**7.3**	10.0	**—**	—	**—**	0.1
Expected return on plan assets	**(6.2)**	(7.0)	**(18.5)**	(20.9)	**—**	—	**—**	—
Amortization of net loss	**1.7**	3.0	**5.2**	9.0	**—**	0.1	**0.1**	0.3
Settlement cost	**2.6**	10.3	**29.2**	10.3	**1.3**	0.5	**1.6**	0.5
Total net periodic benefit cost	**2.4**	11.8	**29.0**	15.2	**1.3**	0.6	**1.7**	1.0
Plus: Amount allocated from OGE Energy (B)	**0.7**	1.5	**5.3**	2.5	**0.8**	0.2	**1.3**	0.8
Net periodic benefit cost	**$ 3.1**	$ 13.3	**$ 34.3**	$ 17.7	**$ 2.1**	$ 0.8	**$ 3.0**	$ 1.8

(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 cost amounts recognized, as presented in the tables above, for the Pension and Restoration of Retirement Income Plans for the three and nine months ended September 30, 2021 and 2020, the Registrants recognized the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2021**	2020	**2021**	2020
Increase of pension expense to maintain allowed recoverable amount in Oklahoma jurisdiction (A)	**$ 3.9**	$ 2.4	**$ 11.1**	$ 5.7
Deferral of pension expense related to pension settlement charges:				
Oklahoma jurisdiction (A)	**$ 4.4**	$ 10.8	**$ 33.3**	$ 11.1
Arkansas jurisdiction (A)	**$ 0.4**	$ 1.0	**$ 3.1**	$ 1.0

(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 September 30,		Nine Months Ended September 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020
Service cost	**$ 0.1**	$ 0.1	**$ 0.2**	$ 0.2	**$ —**	$ —	**$ 0.1**	$ 0.1
Interest cost	**0.9**	1.0	**2.6**	3.1	**0.6**	0.8	**1.9**	2.4
Expected return on plan assets	**(0.4)**	(0.5)	**(1.4)**	(1.4)	**(0.4)**	(0.4)	**(1.3)**	(1.2)
Amortization of net loss	**0.7**	0.5	**2.1**	1.5	**0.6**	0.5	**2.0**	1.6
Amortization of unrecognized prior service cost (A)	**(1.8)**	(2.1)	**(5.2)**	(6.3)	**(1.2)**	(1.5)	**(3.7)**	(4.6)
Total net periodic benefit cost	**(0.5)**	(1.0)	**(1.7)**	(2.9)	**(0.4)**	(0.6)	**(1.0)**	(1.7)
Less: Amount paid by unconsolidated affiliates (B)	**(0.1)**	(0.2)	**(0.4)**	(0.6)				
Plus: Amount allocated from OGE Energy (B)					**(0.1)**	(0.2)	**(0.3)**	(0.6)
Net periodic benefit cost	**$ (0.4)**	$ (0.8)	**$ (1.3)**	$ (2.3)	**$ (0.5)**	$ (0.8)	**$ (1.3)**	$ (2.3)

(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 and nine months ended September 30, 2021 and 2020, the Registrants recognized the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2021**	2020	**2021**	2020
Increase of postretirement expense to maintain allowed recoverable amount in Oklahoma jurisdiction (A)	**$ 0.1**	$ 0.4	**$ 0.3**	$ 1.2

(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 September 30,		Nine Months Ended September 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020
Capitalized portion of net periodic pension benefit cost	**$ 0.9**	$ 0.9	**$ 2.5**	$ 2.7	**$ 0.7**	$ 0.8	**$ 2.1**	$ 2.3
Capitalized portion of net periodic postretirement benefit cost	**$ 0.1**	$ —	**$ 0.2**	$ 0.1	**$ —**	$ —	**$ 0.1**	$ 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. No additional contributions are expected in 2021.

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 and nine months ended September 30, 2021 and 2020.

Three Months Ended September 30, 2021		Electric Utility	Natural Gas Midstream Operations	Other Operations	Eliminations	Total
(In millions)						
Operating revenues	$	**864.4**	$ **—**	$ **—**	$ **—**	$ **864.4**
Fuel, purchased power and direct transmission expense		**330.1**	**—**	**—**	**—**	**330.1**
Other operation and maintenance		**115.8**	**0.3**	**(0.7)**	**—**	**115.4**
Depreciation and amortization		**108.6**	**—**	**—**	**—**	**108.6**
Taxes other than income		**24.6**	**0.1**	**0.8**	**—**	**25.5**
Operating income (loss)		**285.3**	**(0.4)**	**(0.1)**	**—**	**284.8**
Equity in earnings of unconsolidated affiliates		**—**	**41.2**	**—**	**—**	**41.2**
Other income (expense)		**2.9**	**(0.5)**	**(0.2)**	**(0.1)**	**2.1**
Interest expense		**38.0**	**—**	**1.6**	**(0.1)**	**39.5**
Income tax expense		**26.4**	**9.5**	**0.2**	**—**	**36.1**
Net income (loss)	$	**223.8**	$ **30.8**	$ **(2.1)**	$ **—**	$ **252.5**
Investment in unconsolidated affiliates	$	**—**	$ **449.5**	$ **29.4**	$ **—**	$ **478.9**
Total assets	$	**11,597.9**	$ **451.8**	$ **293.3**	$ **(165.5)**	$ **12,177.5**

Three Months Ended September 30, 2020		Electric Utility	Natural Gas Midstream Operations	Other Operations	Eliminations	Total
(In millions)						
Operating revenues	$	702.1	$ —	$ —	$ —	$ 702.1
Fuel, purchased power and direct transmission expense		209.1	—	—	—	209.1
Other operation and maintenance		110.1	0.3	(0.7)	—	109.7
Depreciation and amortization		100.5	—	—	—	100.5
Taxes other than income		23.9	0.2	0.7	—	24.8
Operating income (loss)		258.5	(0.5)	—	—	258.0
Equity in earnings of unconsolidated affiliates		—	15.8	—	—	15.8
Other income (expense)		0.6	(0.7)	(0.5)	(0.2)	(0.8)
Interest expense		39.5	—	0.5	(0.2)	39.8
Income tax expense		20.1	4.5	31.2	—	55.8
Net income (loss)	$	199.5	$ 10.1	$ (32.2)	$ —	$ 177.4
Investment in unconsolidated affiliates	$	—	$ 355.8	$ 21.0	$ —	$ 376.8
Total assets	$	10,323.3	$ 358.7	$ 109.6	$ (294.0)	$ 10,497.6

Nine Months Ended September 30, 2021	Electric Utility	Natural Gas Midstream Operations	Other Operations	Eliminations	Total
(In millions)					
Operating revenues	$ 3,072.4	$ —	$ —	$ —	$ 3,072.4
Fuel, purchased power and direct transmission expense	1,876.9	—	—	—	1,876.9
Other operation and maintenance	344.4	2.3	(2.8)	—	343.9
Depreciation and amortization	310.2	—	—	—	310.2
Taxes other than income	75.3	0.3	2.9	—	78.5
Operating income (loss)	465.6	(2.6)	(0.1)	—	462.9
Equity in earnings of unconsolidated affiliates	—	127.9	—	—	127.9
Other income (expense)	5.8	(1.2)	(0.8)	(0.9)	2.9
Interest expense	114.3	—	5.4	(0.9)	118.8
Income tax expense (benefit)	37.0	23.2	(3.4)	—	56.8
Net income (loss)	$ 320.1	$ 100.9	$ (2.9)	$ —	$ 418.1
Investment in unconsolidated affiliates	$ —	$ 449.5	$ 29.4	$ —	$ 478.9
Total assets	$ 11,597.9	$ 451.8	$ 293.3	$ (165.5)	$ 12,177.5

Nine Months Ended September 30, 2020	Electric Utility	Natural Gas Midstream Operations	Other Operations	Eliminations	Total
(In millions)					
Operating revenues	$ 1,636.9	$ —	$ —	$ —	$ 1,636.9
Fuel, purchased power and direct transmission expense	481.5	—	—	—	481.5
Other operation and maintenance	348.8	1.2	(2.8)	—	347.2
Depreciation and amortization	292.2	—	—	—	292.2
Taxes other than income	72.8	0.4	3.1	—	76.3
Operating income (loss)	441.6	(1.6)	(0.3)	—	439.7
Equity in losses of unconsolidated affiliates (A)	—	(703.8)	—	—	(703.8)
Other income (expense)	2.9	(0.7)	2.5	(1.4)	3.3
Interest expense	115.7	—	4.6	(1.4)	118.9
Income tax expense (benefit)	30.5	(167.2)	(14.5)	—	(151.2)
Net income (loss)	$ 298.3	$ (538.9)	$ 12.1	$ —	$ (228.5)
Investment in unconsolidated affiliates	$ —	$ 355.8	$ 21.0	$ —	$ 376.8
Total assets	$ 10,323.3	$ 358.7	$ 109.6	$ (294.0)	$ 10,497.6

(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.

Disconnection Procedures Related to COVID-19

In September 2020, the APSC invited 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 proposed to reinstate routine service disconnection activities and collection of past due amounts once the moratorium was lifted. OG&E submitted its proposed Transitional Plan in October 2020.

On February 8, 2021, the APSC announced a target date of May 3, 2021 to lift the moratorium on disconnections and specified 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 confirmed the lifting of the moratorium on disconnections on May 3, 2021 and directed utilities to take specific steps prior to resuming disconnections. OG&E resumed disconnections on May 3, 2021.

Arkansas Approval to Construct Out of State Generation

On March 3, 2021, OG&E filed an application with the APSC to request approval to construct a 5 MW solar facility in Oklahoma. The APSC issued an order on April 6, 2021, finding OG&E's application in the public interest, conditioned on Arkansas customers being held harmless and not subject to cost recovery associated with the project. OG&E expects the costs associated with constructing this solar facility to be fully recovered in Oklahoma.

Integrated Resource Plan

OG&E has conducted technical conferences for stakeholder engagement on its draft triennial system-wide IRP and, in October 2021, issued its final 2021 IRP to the APSC. This 2021 IRP identified system-wide capacity needs of 145, 183, 417 and 514 MWs in 2023, 2024, 2025 and 2026, respectively.

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.

OG&E reports to the OCC new projects completed each quarter, and the cost recovery factor is adjusted to include those projects after a stakeholder review. OG&E has submitted its report for projects that were placed in service through September 30, 2021. The cost recovery factors that include those projects will become effective on December 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.

Integrated Resource Plan

OG&E has conducted technical conferences for stakeholder engagement on its draft triennial system-wide IRP and, in October 2021, issued its final 2021 IRP to the OCC. This 2021 IRP identified system-wide capacity needs of 145, 183, 417 and 514 MWs in 2023, 2024, 2025 and 2026, respectively.

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 through 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 court issued a decision on August 27, 2021, denying review and holding that the SPP was prohibited by the filed rate doctrine from imposing Z2 charges during the 2008 through 2015 historical period. The court further held that the FERC reasonably exercised its remedial authority to order the SPP to refund the retroactive upgrade charge. The court did not direct a time frame or procedures for the SPP to implement refunds. OG&E and the SPP filed a petition for rehearing of the court's decision, which was denied on October 29, 2021. The court will return the matter to the FERC for action in accordance with its opinion on November 5, 2021.

If the FERC proceeds to order refunds in full, 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. The SPP has stated in filings it made with the FERC while the appeal was pending that there are considerable complexities in implementing the refunds that will have to be resolved before they can be paid. Payment of refunds would shift recovery of these upgrade credits 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. As of September 30, 2021, the Registrants have reserved $13.0 million plus estimated interest for a potential refund.

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 subsequent to July 2020. 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.

Incentive Adders for Transmission Rates

The FERC issued a NOPR on March 20, 2020, and issued a supplemental NOPR on April 15, 2021, proposing to update its transmission incentives policy. Among other things, the NOPR proposes (i) the current 50-basis point return on equity adder for RTO/ISO participation would be applicable only to transmitting utilities that join an RTO/ISO, and this incentive would only apply for the first three years in which the utility is an RTO/ISO member and (ii) transmitting utilities that have been members of an RTO/ISO for three years or more, such as OG&E, would be required to make a compliance filing to remove the existing return on equity adder from their rates. OG&E is currently evaluating the potential impacts of this proposed rule. Currently, there is no specific deadline for the FERC to take further action, and it is unknown whether the FERC will address the RTO participation adder individually or as part of a larger order on transmission incentives.

APSC Proceedings

Winter Storm Uri

In February 2021, Winter Storm Uri resulted in record winter peak demand for electricity and extremely high natural gas and purchased power prices in OG&E's service territory. 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 Winter Storm Uri. 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 an order 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. 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.

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.

On May 20, 2021, OG&E filed a motion for suspension of procedural schedule, which the APSC approved, to investigate and evaluate the potential securitization recovery of the Arkansas jurisdictional portion of the Winter Storm Uri costs. OG&E intends to apply for securitization in early 2022 if it is deemed to strike the right balance between protecting the credit strength of OG&E and providing customer savings. As of September 30, 2021, OG&E has deferred $91.0 million to a regulatory asset, as indicated in Note 1.

Arkansas 2021 Formula Rate Plan Filing

On October 1, 2021, OG&E filed its fourth evaluation report under its Formula Rate Plan, including a request to increase its Arkansas retail revenues by $6.4 million. OG&E also requested extending its Formula Rate Plan Rider by five years. If approved, new rates will be effective April 1, 2022.

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 $26.0 million to $35.4 million for all five cases, of which $2.5 million to $3.9 million would apply to the three cases where the OCC ruled in favor of the electric cooperatives.

Winter Storm Uri

In February 2021, Winter Storm Uri resulted in record winter peak demand for electricity and extremely high natural gas and purchased power prices in OG&E's service territory. 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 Winter Storm Uri. 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.

In April 2021, Oklahoma enacted legislation to allow for the securitization of costs incurred during Winter Storm Uri. 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 Winter Storm Uri and to receive an interim carrying charge on OG&E's regulatory asset balance at its weighted-average cost of capital for the period between April 2022 and the date when the securitized bonds are issued. On June 18, 2021, OG&E filed its direct testimony which supports the prudence of the costs incurred during Winter Storm Uri and demonstrates the customer savings associated with securitization as opposed to traditional utility financing. On October 8, 2021, OG&E filed a settlement agreement between OG&E, the Public Utility Division Staff of the OCC, the Oklahoma Industrial Energy Consumers, the OG&E Shareholders Association and Walmart Inc. The settlement agreement is subject to approval by the OCC. The settling parties agreed the OCC should issue a financing order authorizing the securitization of $760.0 million, which includes estimated finance costs and is subject to change for carrying costs, any updates from the SPP settlement process and actual securitization issuance costs. The settling parties agree that OG&E's total extreme purchase costs (for natural gas and wholesale energy purchases) are currently estimated to be $748.9 million, of which it is agreed that $739.1 million should be deemed prudent. Any adjustments for this settlement will be recorded in the fourth quarter of 2021. The OCC conducted a hearing on the settlement agreement on October 13-14, 2021. The Administrative Law Judge is expected to draft a recommendation for deliberation on a final order by the OCC, and the final order is expected by December 15, 2021.

2020 Oklahoma Fuel Prudency

On June 28, 2021, the Public Utility Division Staff filed their application initiating the review of the 2020 fuel adjustment clause and prudence review. OG&E filed its minimum filing requirements and supporting testimony on August 27, 2021. A hearing on the merits is expected to be held in December 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, as experienced in 2020 which, along with actions of the Organization of Petroleum Exporting Countries and other oil exporting nations, influenced OGE Energy's impairment of its investment in Enable. If any of those risks were to occur or reoccur, 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. Energy Transfer is a publicly traded limited partnership with core operations that include complementary natural gas midstream, intrastate and interstate transportation and storage assets; crude oil, NGL and refined product transportation and terminalling assets; NGL fractionation; and various acquisition and marketing assets. 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 79.2 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.

Assuming the transaction closes, OGE Energy expects to receive distributions from Energy Transfer instead of the distributions currently received from Enable. Therefore, 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.

Winter Storm Uri

In February 2021, Winter Storm Uri resulted in record winter peak demand for electricity and extremely high natural gas and purchased power prices in OG&E's service territory. Both the OCC and APSC have approved regulatory mechanisms for OG&E's recovery of the significant fuel and purchased power costs associated with Winter Storm Uri, as further discussed in Note 15 within "Item 1. Financial Statements." As of September 30, 2021, OG&E has recorded regulatory assets of $756.3 million and $91.0 million for the Oklahoma and Arkansas jurisdictional portions, respectively, of fuel and purchased power costs incurred during Winter Storm Uri.

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 Winter Storm Uri. In May 2021, OGE Energy and OG&E each issued $500.0 million in senior notes, and using these proceeds, OGE Energy repaid $900.0 million of the $1.0 billion term loan, as further described in Notes 10 and 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 Winter Storm Uri. 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 Winter Storm Uri, and on June 18, 2021, OG&E filed its direct testimony which supports the prudence of the costs incurred during Winter Storm Uri and demonstrates the customer savings associated with securitization as opposed to traditional utility financing. On October 8, 2021, OG&E filed a settlement agreement between OG&E, the Public Utility Division Staff of the OCC, the Oklahoma Industrial Energy Consumers, the OG&E Shareholders Association and Walmart Inc. The settling parties agreed the OCC should issue a financing order authorizing the securitization of $760.0 million, which includes estimated finance costs and is subject to change for carrying costs, any updates from the SPP settlement process and actual securitization issuance costs. The settlement agreement is subject to approval by the OCC. 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 COVID-19 cases 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. These orders are further discussed in Note 15 within "Item 1. Financial Statements" and in the Registrants' 2020 Form 10-K.

On September 9, 2021, President Biden announced (i) an executive order requiring federal contractors to require that their employees be fully vaccinated against COVID-19 (the "vaccine mandate") and (ii) a proposed new rule requiring all employers with at least 100 employees to require that their employees be fully vaccinated against COVID-19 or tested weekly (the "testing mandate"). The vaccine mandate in the executive order is proposed to take effect in December 2021, but specific application to the Registrants also depends on timing of incorporation into existing federal contracts. OSHA is currently drafting an emergency regulation to carry out the testing mandate for large employers, which is expected to take effect in the coming weeks. At this time, it is unclear, among other things, if and when the Registrants will be subject to the vaccine mandate, if the vaccine mandate and the testing mandate will apply to all employees or only to certain employees, and how compliance will be documented. If the Registrants are subject to the vaccine mandate, it could result in employee attrition, which could adversely affect the Registrants' business and results of operations. Implementation of the testing mandate would lead to increased expenses for the Registrants to acquire and administer tests and could lead to a scarcity of testing kits. Until the details of the vaccine mandate and the testing mandate are finalized, and any resulting litigation is resolved, the Registrants cannot predict with certainty the exact impact such mandates will have on them or their workforce.

The ongoing global COVID-19 pandemic and related governmental and business responses continue to have an impact on the Registrants' operations, supply chains, distribution channels and end-user customers. The Registrants have experienced raw material inflation, logistical challenges and certain component shortages. The timing and extent of the financial impact from the pandemic is still uncertain, and the Registrants cannot predict the magnitude of the impact to the results of their business and results of operations.

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

Three Months Ended September 30, 2021 as compared to the Three Months Ended September 30, 2020

OGE Energy's net income was $252.5 million, or $1.26 per diluted share, during the three months ended September 30, 2021 as compared to $177.4 million, or $0.89 per diluted share, during the same period in 2020. The increase in net income of $75.1 million, or $0.37 per diluted share, is further discussed below.

- An increase in net income at OG&E of $24.3 million, or $0.12 per diluted share of OGE Energy's common stock, was primarily due to higher operating revenues driven by more favorable weather (excluding impacts of recoverable fuel, purchased power and direct transmission expense not impacting earnings), partially offset by higher depreciation and amortization expense due to additional assets being placed into service, higher income tax expense and higher other operation and maintenance expense.
- An increase in net income at OGE Holdings of $20.7 million, or $0.10 per diluted share of OGE Energy's common stock, was primarily due to an increase in equity in earnings of Enable, which was driven by increased net income from Enable's gathering and processing business resulting primarily from higher average market prices for NGL products and the 2020 impact of lower equity in earnings of Enable related to OGE Energy's share of Enable's SESH equity method investment impairment, as adjusted for basis differences, partially offset by an increase in income tax expense.
- A decrease in net loss of other operations (holding company) of $30.1 million, or $0.15 per diluted share of OGE Energy's common stock, was primarily due to lower income tax expense in 2021. In March 2020, OGE Energy recorded an impairment of its investment in Enable which had a corresponding income tax benefit 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.

Nine Months Ended September 30, 2021 as compared to the Nine Months Ended September 30, 2020

OGE Energy's net income was $418.1 million, or $2.09 per diluted share, during the nine months ended September 30, 2021 as compared to a net loss of $228.5 million, or $1.14 per diluted share, during the same period in 2020. The increase in net income of $646.6 million, or $3.23 per diluted share, is further discussed below.

- An increase in net income at OG&E of $21.8 million, or $0.11 per diluted share of OGE Energy's common stock, was primarily due to higher operating revenues driven by more favorable weather, reduced by losses from the guaranteed flat bill program during Winter Storm Uri (excluding impacts of recoverable fuel, purchased power and direct transmission expenses not impacting earnings), and lower other operation and maintenance expense, partially offset by higher depreciation and amortization expense due to additional assets being placed into service and higher income tax expense.
- Net income at OGE Holdings was $100.9 million, or $0.50 per diluted share of OGE Energy's common stock, during the nine months ended September 30, 2021 compared to a net loss of $538.9 million, or $2.69 per diluted share of OGE Energy's common stock, during the nine months ended September 30, 2020. The increase was primarily due to the 2020 impact of lower 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, and the 2020 impact of OGE Energy's share of Enable's SESH equity method investment impairment, as adjusted for basis differences. The increase in equity in earnings of Enable was also impacted by increased net income from Enable's transportation and storage business resulting primarily from higher average natural gas sales prices and from Enable's gathering and processing business resulting primarily from higher average market prices for NGL products.
- A decrease in net income of other operations (holding company) of $15.0 million, or $0.07 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 has been narrowed to between $1.79 to $1.83 per average diluted share. 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.

Results of Operations

The following discussion and analysis presents factors that affected the Registrants' results of operations for the three and nine months ended September 30, 2021 as compared to the same periods in 2020 and the Registrants' financial position at September 30, 2021. Due to seasonal fluctuations and other factors, the Registrants' operating results for the three and nine months ended September 30, 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 September 30,**		**Nine Months Ended September 30,**	
(In millions except per share data)	**2021**	2020	**2021**	2020
Net income (loss)	**$ 252.5**	$ 177.4	**$ 418.1**	$ (228.5)
Basic average common shares outstanding	**200.2**	200.1	**200.1**	200.1
Diluted average common shares outstanding	**200.4**	200.4	**200.3**	200.1
Basic earnings (loss) per average common share	**$ 1.26**	$ 0.89	**$ 2.09**	$ (1.14)
Diluted earnings (loss) per average common share	**$ 1.26**	$ 0.89	**$ 2.09**	$ (1.14)
Dividends declared per common share	**$ 0.41000**	$ 0.40250	**$ 1.21500**	$ 1.17750

Results by Business Segment

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2021**	2020	**2021**	2020
Net income (loss):				
OG&E (Electric Utility)	**$ 223.8**	$ 199.5	**$ 320.1**	$ 298.3
OGE Holdings (Natural Gas Midstream Operations) (A)(B)	**30.8**	10.1	**100.9**	(538.9)
Other operations (A)(C)	**(2.1)**	(32.2)	**(2.9)**	12.1
OGE Energy net income (loss)	**$ 252.5**	$ 177.4	**$ 418.1**	$ (228.5)

(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' results for the three and nine months ended September 30, 2020 included $29.6 million tax expense and $6.8 million tax benefit impacts, respectively, 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) For the three and nine months ended September 30, 2020, Enable recorded a $225.0 million impairment on their SESH equity method investment in their transportation and storage business segment. OGE Energy recorded an $11.5 million pre-tax charge for the three and nine months ended September 30, 2020 for its share of Enable's equity method investment impairment, as adjusted for basis differences.
(C) 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 September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Operating revenues	**$ 864.4**	$ 702.1	**$ 3,072.4**	$ 1,636.9
Fuel, purchased power and direct transmission expense	**330.1**	209.1	**1,876.9**	481.5
Other operation and maintenance	**115.8**	110.1	**344.4**	348.8
Depreciation and amortization	**108.6**	100.5	**310.2**	292.2
Taxes other than income	**24.6**	23.9	**75.3**	72.8
Operating income	**285.3**	258.5	**465.6**	441.6
Allowance for equity funds used during construction	**1.9**	1.1	**4.8**	3.7
Other net periodic benefit expense	**1.1**	1.3	**3.2**	2.8
Other income	**2.4**	1.1	**5.2**	3.7
Other expense	**0.3**	0.3	**1.0**	1.7
Interest expense	**38.0**	39.5	**114.3**	115.7
Income tax expense	**26.4**	20.1	**37.0**	30.5
Net income	**$ 223.8**	$ 199.5	**$ 320.1**	$ 298.3
Operating revenues by classification:				
Residential	**$ 374.0**	$ 302.7	**$ 1,131.5**	$ 683.4
Commercial	**207.7**	160.3	**629.6**	370.5
Industrial	**81.1**	60.5	**267.5**	148.8
Oilfield	**68.7**	51.1	**259.6**	129.2
Public authorities and street light	**76.4**	59.0	**238.4**	136.2
Sales for resale	**0.1**	—	**0.2**	—
System sales revenues	**808.0**	633.6	**2,526.8**	1,468.1
Provision for rate refund	**—**	4.8	**—**	3.2
Integrated market	**17.2**	18.0	**447.6**	33.7
Transmission	**30.8**	35.0	**103.8**	109.0
Other	**8.4**	10.7	**(5.8)**	22.9
Total operating revenues	**$ 864.4**	$ 702.1	**$ 3,072.4**	$ 1,636.9
MWh sales by classification *(In millions)*				
Residential	**3.2**	3.0	**7.7**	7.4
Commercial	**2.0**	1.9	**5.2**	4.9
Industrial	**1.2**	1.1	**3.2**	3.1
Oilfield	**1.1**	1.1	**3.1**	3.2
Public authorities and street light	**0.9**	0.9	**2.3**	2.2
System sales	**8.4**	8.0	**21.5**	20.8
Integrated market	**0.5**	0.7	**1.2**	1.5
Total sales	**8.9**	8.7	**22.7**	22.3
Number of customers	**876,739**	865,259	**876,739**	865,259
Weighted-average cost of energy per kilowatt-hour *(In cents)*				
Natural gas	**4.160**	2.137	**12.902**	1.935
Coal	**1.974**	1.772	**1.901**	1.838
Total fuel	**3.094**	1.927	**7.652**	1.784
Total fuel and purchased power	**3.541**	2.299	**7.824**	2.056
Degree days (A)				
Heating - Actual	**—**	29	**2,357**	1,980
Heating - Normal	**19**	19	**2,039**	2,023
Cooling - Actual	**1,337**	1,163	**1,803**	1,745
Cooling - Normal	**1,268**	1,382	**1,850**	2,021

(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. The calculation of heating and cooling degree normal days is based on a 30-year average and updated every ten years, which most recently occurred in 2021.

OG&E's net income increased $24.3 million, or 12.2 percent, and $21.8 million, or 7.3 percent, during the three and nine months ended September 30, 2021, respectively, as compared to the same periods in 2020. The following section discusses the primary drivers for the changes in net income during the three and nine months ended September 30, 2021, as compared to the same periods in 2020.

Operating revenues increased $162.3 million, or 23.1 percent, and $1,435.5 million, or 87.7 percent, during the three and nine months ended September 30, 2021, respectively, primarily driven by the below factors.

	$ Change	
(In millions)	**Three Months Ended**	**Nine Months Ended**
Fuel, purchased power and direct transmission expense (A)	$ 121.0	$ 1,395.4
Quantity impacts (primarily weather) (B)	25.6	28.4
Price variance (C)	16.2	33.7
Non-residential demand and related revenues	2.8	6.4
Industrial and oilfield sales	2.2	2.8
New customer growth	2.0	5.5
Other	0.7	1.9
Wholesale transmission revenue (D)	(5.4)	(8.1)
Guaranteed flat bill program (E)	(2.8)	(30.5)
Change in operating revenues	$ 162.3	$ 1,435.5

(A) These expenses are generally recoverable from customers through regulatory mechanisms and are offset in Fuel, purchased power and direct transmission expense in the statements of income, as further described below. The primary drivers of the increases in fuel, purchased power and direct transmission expense during each period are further detailed in the table below.

(B) Increased during the three months ended September 30, 2021 primarily due to a 15.0 percent increase in cooling degree days. Increased during the nine months ended September 30, 2021 primarily due to a 19.0 percent increase in heating degree days and a 3.3 percent increase in cooling degree days.

(C) Increased during both the three and nine months ended September 30, 2021 primarily due to increased recovery through rider mechanisms, such as the Storm Cost Recovery Rider and the Generation Capacity Replacement Rider.

(D) Decreased during both the three and nine months ended September 30, 2021 primarily due to a reserve of $5.0 million plus estimated interest related to SPP transmission Z2 credits that are not passed through to customers through rider or formula rate mechanisms, as further discussed in Note 15 within "Item 1. Financial Statements."

(E) Decreased during the nine months ended September 30, 2021 primarily due to the loss from the guaranteed flat bill program related to Winter Storm Uri. 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 Winter Storm Uri.

Fuel, purchased power and direct transmission expense for OG&E consists of fuel used in electric generation, purchased power and transmission related charges. As described above, the actual cost of fuel used in electric generation and certain purchased power costs are generally recoverable from 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 fuel, purchased power and direct transmission expense increased $121.0 million, or 57.9 percent, and $1,395.4 million during the three and nine months ended September 30, 2021, respectively, primarily driven by the below factors.

	$ Change		% Change	
(In millions)	**Three Months Ended**	**Nine Months Ended**	**Three Months Ended**	**Nine Months Ended**
Fuel expense (A)	$ 57.4	$ 739.3	44.2 %	*
Purchased power costs:				
Purchases from SPP (B)	63.3	654.6	*	*
Wind	(0.1)	(3.2)	(1.3)%	(7.6)%
Other	(0.9)	2.3	(15.3)%	29.0 %
Transmission expense	1.3	2.4	7.3 %	4.4 %
Change in fuel, purchased power and direct transmission expense	$ 121.0	$ 1,395.4		

* Change is greater than 100 percent.

(A) Increased primarily due to higher natural gas costs and higher fuel costs related to Winter Storm Uri for the three and nine months ended September 30, 2021, respectively.

(B) Increased primarily due to higher market prices related to increased natural gas prices for the three and nine months ended September 30, 2021. Further, elevated pricing from Winter Storm Uri and related resettlements with the SPP impacted the nine months ended September 30, 2021.

Other operation and maintenance expense increased $5.7 million, or 5.2 percent, and decreased $4.4 million, or 1.3 percent, during the three and nine months ended September 30, 2021, respectively, primarily driven by the below factors.

	$ Change		% Change	
(In millions)	**Three Months Ended**	**Nine Months Ended**	**Three Months Ended**	**Nine Months Ended**
Contract technical and construction services (A)	$ 3.7	$ 11.4	52.1 %	39.9 %
Payroll and benefits	2.2	(2.7)	3.6 %	(1.4)%
Other	0.7	2.6	1.4 %	2.1 %
Corporate overheads and allocations	(0.6)	(9.3)	(2.2)%	(9.6)%
Capitalized labor	(0.3)	(6.4)	(1.0)%	(7.4)%
Change in other operation and maintenance expense	$ 5.7	$ (4.4)		

(A) Increased primarily due to intentional cost reduction and the delay of certain projects due to COVID-19 in 2020.

Depreciation and amortization expense increased $8.1 million, or 8.1 percent, and $18.0 million, or 6.2 percent, during the three and nine months ended September 30, 2021, respectively, primarily due to additional assets being placed into service and increased amortization of the regulatory asset related to storms.

Income tax expense increased $6.3 million, or 31.3 percent, and $6.5 million, or 21.3 percent, during the three and nine months ended September 30, 2021, respectively, as compared to the same periods in 2020, reflecting additional income taxes primarily related to higher pretax income, partially offset by increased amortization of unfunded deferred taxes.

OGE Holdings (Natural Gas Midstream Operations)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2021**	2020	**2021**	2020
Operating revenues	**$ —**	$ —	**$ —**	$ —
Fuel, purchased power and direct transmission expense	**—**	—	**—**	—
Other operation and maintenance	**0.3**	0.3	**2.3**	1.2
Taxes other than income	**0.1**	0.2	**0.3**	0.4
Operating loss	**(0.4)**	(0.5)	**(2.6)**	(1.6)
Equity in earnings (losses) of unconsolidated affiliates (A)	**41.2**	15.8	**127.9**	(703.8)
Other expense	**0.5**	0.7	**1.2**	0.7
Income (loss) before taxes	**40.3**	14.6	**124.1**	(706.1)
Income tax expense (benefit)	**9.5**	4.5	**23.2**	(167.2)
Net income (loss) attributable to OGE Holdings	**$ 30.8**	$ 10.1	**$ 100.9**	$ (538.9)

(A) In March 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." For the three and nine months ended September 30, 2020, Enable recorded a $225.0 million impairment on their SESH equity method investment in their transportation and storage business segment. OGE Energy recorded an $11.5 million pre-tax charge for the three and nine months ended September 30, 2020 for its share of Enable's equity method investment impairment, as adjusted for basis differences.

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 and nine months ended September 30, 2021 and 2020 and related discussion of the primary drivers for the changes during the periods.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2021**	2020	**2021**	2020
Total revenues	**$ 956**	$ 596	**$ 2,713**	$ 1,759
Cost of natural gas and NGLs (excluding depreciation and amortization)	**$ 565**	$ 250	**$ 1,510**	$ 653
Operating income	**$ 152**	$ 100	**$ 482**	$ 326
Net income (loss)	**$ 107**	$ (173)	**$ 341**	$ (35)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	**2021**	2020
Natural gas gathered volumes - TBtu/d	**4.37**	4.07	**4.28**	4.25
Natural gas processed volumes - TBtu/d (A)	**2.26**	2.06	**2.17**	2.18
NGLs sold - MBbl/d (B)	**143.32**	138.55	**137.02**	127.66
Crude oil and condensate gathered volumes - MBbl/d	**97.70**	138.02	**107.30**	121.38
Transported volumes - TBtu/d	**5.33**	4.78	**5.62**	5.58

(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 increased $20.7 million during the three months ended September 30, 2021 as compared to the same period in 2020. This increase was primarily due to an increase in equity in earnings of Enable, which was driven by an increase in Enable's net income as further discussed below, partially offset by an increase in income tax expense. OGE Holdings' net income was $100.9 million compared to a net loss of $538.9 million during the nine months ended September 30, 2021 and 2020, respectively. This change 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."

The following table presents summarized information regarding Enable's income statement changes for the three and nine months ended September 30, 2021, as compared to the same periods 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 increases in Enable's net income were primarily driven by the below factors.

	Three Months Ended		Nine Months Ended	
(In millions)	**Income Statement Change at Enable**	**Impact to OGE Energy's Equity in Earnings**	**Income Statement Change at Enable**	**Impact to OGE Energy's Equity in Earnings**
Total revenues	$ 360.0	$ 91.8	$ 954.0	$ 243.3
Cost of natural gas and NGLs (excluding depreciation and amortization shown separately)	$ 315.0	$ (80.3)	$ 857.0	$ (218.5)
Operation and maintenance, General and administrative (A)	$ (5.0)	$ 1.3	$ (30.0)	$ 3.6
Impairments of property, plant and equipment and goodwill (B)	$ —	$ —	$ (28.0)	$ 4.4
Interest expense	$ (2.0)	$ 0.5	$ (11.0)	$ 2.8
Equity in earnings (losses) of equity method affiliate, net (C)	$ 226.0	$ 11.7	$ 216.0	$ 9.2

(A) Included in Enable's operation and maintenance and general and administrative expenses for the nine months ended September 30, 2020 is a $20.0 million loss on retirement of an Ark-La-Tex gathering system in their gathering and processing business segment. OGE Energy recorded a $1.0 million pre-tax charge for its share of Enable's loss on retirement, as adjusted for basis differences.

(B) Included in the $28.0 million of impairments recorded by Enable for the nine months ended September 30, 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.

(C) Included in Enable's equity in earnings (losses) of equity method affiliate, net for the three and nine months ended September 30, 2020 is a $225.0 million impairment on Enable's SESH equity method investment in their transportation and storage business segment. OGE Energy recorded an $11.5 million pre-tax charge for its share of Enable's equity method investment impairment, as adjusted for basis differences.

Enable's gathering and processing business segment reported an increase in operating income of $50.0 million and $80.0 million for the three and nine months ended September 30, 2021, respectively, as compared to the same periods in 2020. The following table presents summarized information regarding Enable's gathering and processing business segment income statement changes for the three and nine months ended September 30, 2021, as compared to the same periods in 2020, and the corresponding impact those changes had on OGE Energy's equity in earnings of Enable. The increases in Enable's gathering and processing business segment operating income were primarily driven by the below factors.

	Three Months Ended		Nine Months Ended	
(In millions)	Income Statement Change at Enable	Impact to OGE Energy's Equity in Earnings	Income Statement Change at Enable	Impact to OGE Energy's Equity in Earnings
Total revenues	$ 376.0	$ 95.9	$ 805.0	$ 205.3
Cost of natural gas and NGLs (excluding depreciation and amortization shown separately)	$ 327.0	$ (83.4)	$ 775.0	$ (197.6)
Operating and maintenance, General and administrative (A)	$ —	$ —	$ (21.0)	$ 1.3
Impairments of property, plant and equipment and goodwill (B)	$ —	$ —	$ (28.0)	$ 4.4

(A) Included in Enable's operation and maintenance and general and administrative expenses for the nine months ended September 30, 2020 is a $20.0 million loss on retirement of an Ark-La-Tex gathering system in their gathering and processing business segment. OGE Energy recorded a $1.0 million pre-tax charge for its share of Enable's loss on retirement, as adjusted for basis differences.

(B) Included in the $28.0 million of impairments recorded by Enable for the nine months ended September 30, 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 segment revenues increased for the three months ended September 30, 2021 primarily due to:

- an increase in revenues from NGL sales 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 and higher processed volumes;
- an increase in revenues from natural gas sales due to higher average sales prices;
- an increase in changes in the fair value of natural gas, condensate and NGL derivatives;
- an increase in processing service revenues 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; and
- an increase in natural gas gathering revenues due to higher volumes gathered in the Anadarko Basin, partially offset by lower average rates on certain contracts; partially offset by
- an increase in realized losses on natural gas, condensate and NGL derivatives;
- a decrease in crude oil, condensate and produced water gathering revenue primarily due to a decrease in gathered crude oil and condensate volumes from lower producer activity.

Gathering and processing segment cost of natural gas and NGLs increased for the three months ended September 30, 2021 primarily due to higher average market prices for NGL products and higher natural gas purchase costs.

Gathering and processing segment revenues increased for the nine months ended September 30, 2021 primarily due to:

- an increase in revenues from NGL sales 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;
- an increase in revenues from natural gas sales due to higher average sales prices, partially offset by lower sales volumes; and
- an increase in processing service revenues 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 and a decrease in the recognition of certain annual minimum processing fees; partially offset by
- an increase in realized losses on natural gas, condensate and NGL derivatives;
- a decrease in changes in the fair value of natural gas, condensate and NGL derivatives; and

- a decrease in natural gas gathering revenues due to lower average rates on certain contracts and volume curtailments and production freeze-offs related to Winter Storm Uri, partially offset by higher assessed producer imbalance penalties.

Gathering and processing segment cost of natural gas and NGLs increased for the nine months ended September 30, 2021 primarily due to higher average market prices for NGL products and higher natural gas purchase costs, inclusive of purchase costs related to Winter Storm Uri.

Enable's transportation and storage business segment reported an increase in operating income of $3.0 million and $76.0 million for the three and nine months ended September 30, 2021, respectively, as compared to the same periods in 2020. The following table presents summarized information regarding Enable's transportation and storage business segment income statement changes for the three and nine months ended September 30, 2021, as compared to the same periods in 2020, and the corresponding impact those changes had on OGE Energy's equity in earnings of Enable. The increases in Enable's transportation and storage business segment operating income were primarily driven by the below factors.

	Three Months Ended		Nine Months Ended	
(In millions)	**Income Statement Change at Enable**	**Impact to OGE Energy's Equity in Earnings**	**Income Statement Change at Enable**	**Impact to OGE Energy's Equity in Earnings**
Total revenues	$ 74.0	$ 18.9	$ 392.0	$ 100.0
Cost of natural gas and NGLs (excluding depreciation and amortization shown separately)	$ 76.0	$ (19.4)	$ 324.0	$ (82.6)
Operation and maintenance, General and administrative	$ (4.0)	$ 1.0	$ (8.0)	$ 2.0

Transportation and storage segment revenues increased for the three months ended September 30, 2021 primarily due to:

- an increase in revenues from natural gas sales primarily due to higher average sales prices;
- an increase in revenues from NGL sales due to higher average sales prices, partially offset by lower volumes;
- an increase in changes in the fair value of natural gas derivatives; and
- an increase in volume-dependent transportation and storage revenue primarily due to an increase in interstate transported volumes; partially offset by
- an increase in realized losses on natural gas derivatives; and
- a decrease in firm transportation and storage services primarily due to interstate contract extensions at lower rates and reductions in contracted capacity on certain intrastate firm transportation agreements.

Transportation and storage segment cost of natural gas and NGLs increased for the three months ended September 30, 2021 primarily due to higher average natural gas prices.

Transportation and storage segment revenues increased for the nine months ended September 30, 2021 primarily due to:

- an increase in revenues from natural gas sales primarily due to higher average sales prices and sales volumes;
- an increase in revenues from NGL sales due to higher average sales prices, partially offset by lower volumes;
- an increase in volume-dependent transportation and storage revenues due to an increase in interstate transported volumes and assessed shipper imbalance penalties, partially offset by lower off-system intrastate transported volumes, inclusive of disruptions in natural gas supply associated with Winter Storm Uri and the recognition in 2020 of revenue upon the settlement of a certain rate case with no comparable item in 2021; partially offset by
- an increase in realized losses on natural gas derivatives;
- a decrease in changes in the fair value of natural gas derivatives; and
- 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 combined with interstate contract extensions at lower rates and terminations of certain intrastate firm transportation agreements.

Transportation and storage segment cost of natural gas and NGLs increased for the nine months ended September 30, 2021 primarily due to higher average natural gas prices.

Enable's transportation and storage business segment net loss for the three and nine months ended September 30, 2020 included a $225.0 million impairment that Enable recorded on its SESH equity method investment. Enable estimated the fair value of this equity method investment was below the carrying value at September 30, 2020 and concluded the decline in value was other than temporary due to the expiration of a transportation contract and the current status of renewal negotiations. OGE Energy recorded an $11.5 million pre-tax charge for its share of Enable's equity method investment impairment, as adjusted for basis differences.

OGE Holdings' income tax expense increased $5.0 million during the three months ended September 30, 2021, as compared to the same period in 2020, primarily due to higher pretax income. OGE Holdings' income tax expense was $23.2 million during the nine months ended September 30, 2021, as compared to an income tax benefit of $167.2 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 and higher pretax income in 2021, partially offset by state deferred tax adjustments related to OGE Energy's investment in Enable primarily driven by the decrease in the Oklahoma corporate tax rate.

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

	Nine Months Ended September 30,		2021 vs. 2020	
ollars in millions)	**2021**	2020	$ Change	% Change
t cash (used in) provided from operating activities (A)	**$ (494.1)**	$ 525.3	(1,019.4)	*
t cash used in investing activities (B)	**$ (546.9)**	$ (422.1)	(124.8)	29.6 %
t cash provided from (used in) financing activities (C)	**$ 1,041.4**	$ (71.2)	1,112.6	*

* Change is greater than 100 percent.
(A) Decreased primarily due to an increase in vendor payments, including payments for fuel and purchased power costs related to Winter Storm Uri.
(B) Changed due to increased spending on grid modernization projects at OG&E as well as timing of plant outages.
(C) Increased primarily due to increases in long-term and short-term debt to provide additional liquidity for the increased fuel and purchased power costs incurred by OG&E related to Winter Storm Uri.

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 September 30, 2021 compared to December 31, 2020.

Accounts Receivable and Accrued Unbilled Revenues increased $99.4 million, or 44.1 percent, primarily due to an increase in billings to OG&E's retail customers reflecting higher seasonal usage in September 2021 as compared to December 2020.

Income Taxes Receivable decreased $7.6 million, or 93.8 percent, primarily due to current year tax expense accruals in excess of the receivables accrued as of December 31, 2020.

Fuel Clause Recoveries moved from an over recovery position of $28.6 million as of December 31, 2020 to an under recovery balance of $98.2 million as of September 30, 2021, primarily due to lower recoveries from OG&E retail customers as compared to the actual cost of fuel and purchased power. In October 2021, OG&E implemented a revised fuel recovery tariff to begin recovery of the 2021 fuel under recovery balance as well as to incorporate an adjustment for higher forecasted 2022 fuel costs. The increase in the tariff was approximately 7.5 percent for an average residential customer.

Other Current Assets increased $14.4 million, or 35.0 percent, primarily due to an increase in SPP deposits and under-recovered riders, partially offset by a decrease in prepayments and the SPP transmission formula rate true-up.

Short-term Debt increased $288.2 million, primarily due to borrowings under OGE Energy's revolving credit and term loan agreements to provide additional liquidity for the current fuel clause under recovery position and the increased fuel and purchased power costs incurred as a result of Winter Storm Uri. 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 increased $27.1 million, or 48.7 percent, primarily resulting from tax accruals, partially offset by the timing of ad valorem payments.

Accrued Compensation increased $7.5 million, or 24.1 percent, primarily due to increased labor accruals as a result of pay period timing differences.

Other Current Liabilities increased $6.9 million, or 20.5 percent, primarily due to changes in amounts of taxes owed.

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. OG&E is evaluating infrastructure investments incremental to the amounts below related to new generation capacity needs as outlined in its October 2021 IRP, as well as additional grid investments to address customer growth and grid resiliency.

(In millions)	**2021**	**2022**	**2023**	**2024**	**2025**	**Total**
Transmission	$ 150	$ 110	$ 115	$ 105	$ 125	$ 605
Oklahoma distribution	275	290	265	300	300	1,430
Arkansas distribution	25	20	20	20	20	105
Generation	105	85	125	125	130	570
Oklahoma Grid Advancement	215	180	185	185	185	950
Subscription Solar Plan	15	20	20	20	20	95
Other	65	80	80	80	80	385
Total	$ 850	$ 785	$ 810	$ 835	$ 860	$ 4,140

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 September 30, 2021.

(Dollars in millions)		**September 30, 2021**
Balance of outstanding supporting letters of credit	$	0.4
Weighted-average interest rate of outstanding supporting letters of credit		1.15 %
Net available liquidity under revolving credit agreements	$	616.4
Balance of cash and cash equivalents	$	1.5

The following table presents information about OGE Energy's total short-term debt activity for the three and nine months ended September 30, 2021.

(Dollars in millions)		**Three Months Ended September 30, 2021**		**Nine Months Ended September 30, 2021**
Average balance of short-term debt	$	383.3	$	615.2
Weighted-average interest rate of average balance of short-term debt		0.35 %		0.55 %
Maximum month-end balance of short-term debt	$	443.7	$	1,443.4

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 Winter Storm Uri. In May 2021, $900.0 million of the $1.0 billion term loan was repaid using the proceeds from the senior notes issued by both OGE Energy and OG&E, as further described below. See Note 11 within "Item 1. Financial Statements" for further discussion of the Registrants' short-term debt activity.

Issuance of Long-Term Debt

In May 2021, OGE Energy issued $500.0 million of 0.703 percent senior notes, and OG&E issued $500.0 million of 0.553 percent senior notes. Each series is due May 26, 2023 but may be redeemed by OGE Energy or OG&E on or after November 26, 2021 at a price equal to 100 percent of the principal amount of the senior notes being redeemed, plus any accrued and unpaid interest. The proceeds from these issuances were used to repay $900.0 million of the $1.0 billion term loan OGE Energy entered into in March 2021 to help cover the fuel and purchased power costs incurred by OG&E during Winter Storm Uri.

Securitization of Oklahoma Winter Storm Uri Extreme Purchase Costs

In April 2021, OG&E filed an application with the OCC seeking its approval to securitize OG&E's costs related to Winter Storm Uri. In October 2021, OG&E filed a settlement agreement between OG&E, the Public Utility Division Staff of the OCC, the Oklahoma Industrial Energy Consumers, the OG&E Shareholders Association and Walmart Inc. The settlement agreement is subject to approval by the OCC. The settling parties agreed the OCC should issue a financing order authorizing the securitization of $760.0 million, which includes estimated finance costs and is subject to change for carrying costs, any updates from the SPP settlement process and actual securitization issuance costs. For further discussion, see Note 15 within "Item 1. Financial Statements."

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 Winter Storm Uri.

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 Winter Storm Uri, 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 and nine months ended September 30, 2021, Enable made distributions of $18.3 million and $55.0 million to OGE Energy, respectively.

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 update 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 update 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 OG&E's challenges to the rule pending an EPA review and decision on a separate administrative petition that OG&E 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 EPA published a final version of the remanded rule in the Federal Register on May 17, 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. OG&E is in compliance with the rule requirements which remain in effect and does not anticipate, at this time, additional capital expenditures for compliance with the regulation.

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 surrounding the implementation of these targets are not finalized 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 or 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 at 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. In October 2021, OG&E released its final IRP that proposes to expand its renewable generation fleet, including the development of additional solar resources beginning in 2023. 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, which has not commenced. 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 8, 2021, the EPA issued a memorandum providing further information on the development of SIPs for the Regional Haze second implementation period.

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 was required to identify any cost-effective control measures in a Regional Haze SIP and submit it to the EPA for approval by July 31, 2021. However, as of September 30, 2021, the ODEQ's website states that it is currently in the development stage of this SIP. 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.

On June 1, 2021, the USFWS published a proposed rule to list two distinct population segments of the lesser prairie chicken; the southern distinct population segment located in west Texas and eastern New Mexico is proposed as endangered status, and the northern distinct population located in northwest Texas, Oklahoma, Kansas and Colorado is proposed to be listed as threatened status with a 4(d) rule which would prohibit take of the chicken, such as destroying its habitat by building a transmission line or substation, without a permit or special authorization from the USFWS. The final rule for the listing decision is expected to occur in June 2022.

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.

Over 95 percent of the ash from OG&E's Muskogee and Sooner facilities was recovered and sold to the concrete and cement industries in the last two years, and in 2021, River Valley became OG&E's third power plant to enter an agreement to have its fly ash reused. Using ash in this way also helps cement manufacturers minimize their impact on the environment by avoiding the need to extract and process other natural resources. Based on estimates from the American Coal Ash Association, OG&E fly ash reuse helped avoid over three million tons of CO_2 emissions in the last 13 years.

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.

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. On August 3, 2021, the EPA published notice in the Federal Register that it will undertake a supplemental rulemaking to revise the effluent limitation guidelines rule after completing its review of the October 2020 rule. The existing effluent limitation guidelines will remain in effect while the EPA undertakes this new rulemaking. 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.

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*	Amendment No. 1 to the OGE Energy Corp. Supplemental Executive Retirement Plan. (Filed as Exhibit 10.01 to OGE Energy's Form 10-Q for the quarter ended June 30, 2021 (File No. 1-12579) and incorporated by reference herein).	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
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.

* Represents executive compensation plans and arrangements.

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)

November 3, 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: November 3, 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: November 3, 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: November 3, 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: November 3, 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 September 30, 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.

November 3, 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 September 30, 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.

November 3, 2021

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

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