



2010 Financial Overview

OGE Energy Corp. (NYSE: OGE), parent company of Oklahoma Gas and Electric Company (OG&E) and OGE Enogex Holdings LLC (Enogex), reported non-GAAP earnings on an ongoing basis of \$3.10 per diluted share in 2010, compared with \$2.66 per diluted share in 2009.

Earnings on an ongoing basis exclude the one-time charge of \$11 million to write off previously recognized Medicare Part D tax benefits affected by the national health care law enacted in 2010. Including this one-time charge, GAAP earnings in 2010 were \$2.99 per diluted share.

In 2010, OG&E reported net income of \$216 million and contributed \$2.18 per diluted share, compared with \$200 million, or \$2.06 per diluted share in 2009. Enogex reported net income of \$91 million, or \$0.92 per diluted share in 2010, compared to net income of \$61 million, or \$0.63 per diluted share in 2009.

"We are pleased to report record earnings for 2010," said Pete Delaney, OGE Energy chairman and CEO. "OG&E's record earnings reflect our continued investment in the infrastructure associated with positioning our utility for the future. Enogex success was driven by record gathering and processing volumes in a favorable commodity price environment. We are excited about the opportunities associated with our 2011 investment plan, the largest capital spend in our company's history."

Fourth Quarter Results

For the three months ended Dec. 31, 2010, OGE Energy reported earnings of \$0.31 per diluted share, compared with \$0.35 per diluted share in the fourth quarter of 2009. The decrease was due primarily to expected higher operating expenses in the fourth quarter compared to the same period last year partially offset by higher gross margins.

Discussion of 2010 results

OGE Energy reported consolidated gross margin of \$1.53 billion in 2010, compared with \$1.31 billion in 2009. Operating income was \$594 million in 2010, compared with \$492 million in 2009. Net income was \$295 million in 2010, compared with \$258 million in 2009.

OG&E reported gross margin of \$1.1 billion in 2010, compared with \$955 million in 2009. OG&E's higher net income, \$216 million in 2010 compared with \$200 million in 2009, was primarily attributed to rate relief associated with wind, transmission and infrastructure investments and warmer summer weather resulting in a 25 percent increase in cooling degree days in 2010.

Enogex reported gross margin of \$423 million in 2010, compared to \$358 million in 2009. Higher net income at Enogex, \$91 million in 2010 compared to \$61 million in 2009, was primarily due to record volumes of natural gas gathered and liquids processed, plus higher commodity prices for the year.

2011 Outlook

OGE Energy consolidated earnings guidance for 2011 is \$3.00 to \$3.20 per averaged diluted share. The guidance assumes approximately 99.5 million average diluted shares outstanding and normal weather for the year. More information regarding the Company's 2011 earnings guidance and 2010 financial results is contained in the Company's Form 10-K filed today with the Securities and Exchange Commission.

Non-GAAP Financial Measures

Ongoing Earnings and Ongoing Earnings per Average Diluted Share, which exclude the one-time non-cash charge of approximately \$11.4 million or \$0.11 per average diluted share associated with the elimination of the tax deduction for the Medicare Part D subsidy as a result of the recent health care legislation, are non-GAAP financial measures. OGE Energy's management believes that ongoing earnings and ongoing earnings per average diluted share provide a more meaningful comparison of earnings results and are more representative of OGE Energy's fundamental core earnings power. OGE Energy's management uses ongoing earnings and ongoing earnings per average diluted share internally for financial planning and analysis, for reporting of results to the Board of Directors, and when communicating its earnings outlook to analysts and investors. Reconciliations of ongoing earnings and ongoing earnings per average diluted share are below and are available on OGE Energy's website: www.oge.com.

Reconciliation of Ongoing Earnings (Loss) to GAAP Earnings (Loss)

<i>(in millions)</i>	2010 Ongoing Earnings (Loss)	One-Time Charge*	2010 GAAP Earnings (Loss)	2009 GAAP and Ongoing Earnings (Loss)**
OG&E	\$222.7	(\$7.0)	\$215.7	\$200.4
Enogex	93.1	(2.0)	91.1	61.3
Holding Co.	(9.1)	(2.4)	(11.5)	(3.4)
Consolidated	<u>\$306.7</u>	<u>(\$11.4)</u>	<u>\$295.3</u>	<u>\$258.3</u>

Reconciliation of Ongoing Earnings per Average Diluted Share to GAAP Earnings per Average Diluted Share

	2010 Ongoing Earnings Per Share	One-Time Charge*	2010 GAAP Earnings Per Share	2009 GAAP and Ongoing Earnings Per Share**
OG&E	\$2.25	(\$0.07)	\$2.18	\$2.06
Enogex	0.94	(0.02)	0.92	0.63
Holding Co.	(0.09)	(0.02)	(0.11)	(0.03)
Consolidated	<u>\$3.10</u>	<u>(\$0.11)</u>	<u>\$2.99</u>	<u>\$2.66</u>

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

** There were no one-time charges for the year ended December 31, 2009 therefore, ongoing and GAAP earnings are the same.

Conference Call Webcast

OGE Energy will host a conference call for discussion of the results and the outlook for 2011 on Thursday, Feb. 17, at 8 a.m. CST. The conference will be available through www.oge.com. OGE Energy is the parent company of Oklahoma Gas and Electric Company (OG&E), which serves approximately 783,000 customers in a service territory spanning 30,000 square miles in Oklahoma and western Arkansas, and of OGE Enogex Holdings LLC, a natural gas pipeline business with principal operations in Oklahoma.

Some of the matters discussed in this report may contain forward-looking statements that are subject to certain risks, uncertainties and assumptions. Such forward-looking statements are intended to be identified in this document by the words "anticipate", "believe", "estimate", "expect", "intend", "objective", "plan", "possible", "potential", "project" and similar expressions. Actual results may vary materially. Factors that could cause actual results to differ materially include, but are not limited to: general economic conditions, including the availability of credit, access to existing lines of credit, access to the commercial paper markets, actions of rating agencies and their impact on capital expenditures; the ability of the Company and its subsidiaries to access the capital markets and obtain financing on favorable terms; prices and availability of electricity, coal, natural gas and natural gas liquids, each on a stand-alone basis and in relation to each other; business conditions in the energy and natural gas midstream industries; competitive factors including the extent and timing of the entry of additional competition in the markets served by the Company; unusual weather; availability and prices of raw materials for current and future construction projects; Federal or state legislation and regulatory decisions and initiatives that affect cost and investment recovery, have an impact on rate structures or affect the speed and degree to which competition enters the Company's markets; environmental laws and regulations that may impact the Company's operations; changes in accounting standards, rules or guidelines; the discontinuance of accounting principles for certain types of rate-regulated activities; whether OG&E can successfully implement its Smart Grid program to install meters for its customers and integrate the Smart Grid meters with its customer billing and other computer information systems; advances in technology; creditworthiness of suppliers, customers and other contractual parties; the higher degree of risk associated with the Company's nonregulated business compared with the Company's regulated utility business and other risk factors listed in the reports filed by the Company with the Securities and Exchange Commission including those listed in Risk Factors and Exhibit 99.01 to the Company's Form 10-K for the year ended December 31, 2010.

* Financial Statements Attached

OGE Energy Corp.
consolidated statements of income
(unaudited)

	Three Months Ended		Twelve Months Ended	
	December 31		December 31	
	2010	2009	2010	2009
	<i>(In millions, except per share data)</i>			
OPERATING REVENUES				
Electric Utility operating revenues	\$ 430.1	\$ 411.3	\$ 2,109.9	\$ 1,751.2
Natural Gas Midstream Operations operating revenues	398.4	362.4	1,607.0	1,118.5
Total operating revenues	<u>828.5</u>	<u>773.7</u>	<u>3,716.9</u>	<u>2,869.7</u>
COST OF GOODS SOLD (exclusive of depreciation and amortization shown below)				
Electric Utility cost of goods sold	195.4	189.4	952.6	748.7
Natural Gas Midstream Operations cost of goods sold	302.8	276.8	1,234.8	809.0
Total cost of goods sold	<u>498.2</u>	<u>466.2</u>	<u>2,187.4</u>	<u>1,557.7</u>
Gross margin on revenues	330.3	307.5	1,529.5	1,312.0
OPERATING EXPENSES				
Other operation and maintenance	148.8	131.7	549.8	466.8
Depreciation and amortization	77.2	69.9	292.4	265.7
Taxes other than income	22.9	22.1	93.4	87.6
Total operating expenses	<u>248.9</u>	<u>223.7</u>	<u>935.6</u>	<u>820.1</u>
OPERATING INCOME	81.4	83.8	593.9	491.9
OTHER INCOME (EXPENSE)				
Interest income	-	-	-	1.4
Allowance for equity funds used during construction	4.2	4.4	11.4	15.1
Other income	7.9	7.5	13.7	27.5
Other expense	(9.1)	(7.4)	(17.9)	(16.3)
Net other income	<u>3.0</u>	<u>4.5</u>	<u>7.2</u>	<u>27.7</u>
INTEREST EXPENSE				
Interest on long-term debt	36.0	36.7	139.3	137.3
Allowance for borrowed funds used during construction	(2.0)	(2.4)	(5.5)	(8.3)
Interest on short-term debt and other interest charges	1.2	2.0	5.9	8.4
Interest expense	<u>35.2</u>	<u>36.3</u>	<u>139.7</u>	<u>137.4</u>
INCOME BEFORE TAXES	49.2	52.0	461.4	382.2
INCOME TAX EXPENSE	15.4	16.9	161.0	121.1
NET INCOME	33.8	35.1	300.4	261.1
Less: Net income attributable to noncontrolling interest	3.1	0.9	5.1	2.8
NET INCOME ATTRIBUTABLE TO OGE ENERGY	<u>\$ 30.7</u>	<u>\$ 34.2</u>	<u>\$ 295.3</u>	<u>\$ 258.3</u>
BASIC AVERAGE COMMON SHARES OUTSTANDING	97.5	96.9	97.3	96.2
DILUTED AVERAGE COMMON SHARES OUTSTANDING	99.2	98.1	98.9	97.2
BASIC EARNINGS PER AVERAGE COMMON SHARE				
ATTRIBUTABLE TO OGE ENERGY COMMON SHAREHOLDERS	<u>\$ 0.32</u>	<u>\$ 0.35</u>	<u>\$ 3.03</u>	<u>\$ 2.68</u>
DILUTED EARNINGS PER AVERAGE COMMON SHARE				
ATTRIBUTABLE TO OGE ENERGY COMMON SHAREHOLDERS	<u>\$ 0.31</u>	<u>\$ 0.35</u>	<u>\$ 2.99</u>	<u>\$ 2.66</u>

OGE Energy Corp.
consolidated statements of retained earnings
(unaudited)

	Three Months Ended		Twelve Months Ended	
	December 31		December 31	
	2010	2009	2010	2009
	<i>(In millions)</i>			
BALANCE AT BEGINNING OF PERIOD	\$ 1,386.5	\$ 1,228.7	\$ 1,227.8	\$ 1,107.6
Net income attributable to OGE Energy	30.7	34.2	295.3	258.3
Dividends declared on common stock	(36.6)	(35.1)	(142.5)	(138.1)
BALANCE AT END OF PERIOD	<u>\$ 1,380.6</u>	<u>\$ 1,227.8</u>	<u>\$ 1,380.6</u>	<u>\$ 1,227.8</u>

capitalization ratios
(unaudited)

	December 31	December 31
	2010	2009
Stockholders' equity	50.4%	46.4%
Long-term debt (includes long-term debt due within one year)	49.6%	53.6%

OGE Energy Corp.
consolidated statements of cash flows

	Twelve Months Ended	
	December 31	
	2010	2009
	<i>(In millions)</i>	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	\$ 300.4	\$ 261.1
Adjustments to Reconcile Net Income to Net Cash Provided from Operating Activities		
Depreciation and amortization	292.4	265.7
Deferred income taxes and investment tax credits, net	146.4	269.8
Allowance for equity funds used during construction	(11.4)	(15.1)
Stock-based compensation expense	7.4	4.1
Excess tax benefit on stock-based compensation	(0.7)	(3.3)
Price risk management assets	3.9	27.8
Price risk management liabilities	8.5	(88.7)
Regulatory assets	24.1	20.2
Regulatory liabilities	(12.4)	(17.5)
Other assets	6.3	(3.5)
Other liabilities	(37.0)	(37.7)
Change in certain current assets and liabilities		
Accounts receivable, net	11.9	(3.3)
Accrued unbilled revenues	0.4	(10.2)
Income taxes receivable	153.0	(157.7)
Fuel, materials and supplies inventories	(45.2)	(36.1)
Gas imbalance assets	0.7	3.0
Fuel clause under recoveries	(0.7)	23.7
Other current assets	(5.9)	(1.4)
Accounts payable	59.2	(17.2)
Gas imbalance liabilities	(5.3)	(12.9)
Fuel clause over recoveries	(157.6)	178.9
Other current liabilities	44.1	4.8
Net cash provided from operating activities	<u>782.5</u>	<u>654.5</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures (less allowance for equity funds used during construction)	(851.7)	(847.8)
Construction reimbursement	3.3	38.8
Other investing activities	2.3	0.5
Net cash used in investing activities	<u>(846.1)</u>	<u>(808.5)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	246.2	444.8
Contributions from noncontrolling interest partner	183.2	-
Proceeds from line of credit	115.0	80.0
Issuance of common stock	16.9	79.6
Excess tax benefit on stock-based compensation	0.7	3.3
Distributions to noncontrolling interest partner	(4.0)	-
Decrease in short-term debt	(30.0)	(123.0)
Repayment of line of credit	(90.0)	(200.0)
Dividends paid on common stock	(141.0)	(136.2)
Retirement of long-term debt	(289.2)	(110.8)
Net cash provided from financing activities	<u>7.8</u>	<u>37.7</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(55.8)	(116.3)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	58.1	174.4
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 2.3</u>	<u>\$ 58.1</u>

OGE Energy Corp.
consolidated balance sheets

	December 31 2010	December 31 2009
	<i>(In millions)</i>	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2.3	\$ 58.1
Accounts receivable, less reserve of \$1.9 and \$2.4, respectively	277.9	291.4
Accrued unbilled revenues	56.8	57.2
Income taxes receivable	4.7	157.7
Fuel inventories	158.8	118.5
Materials and supplies, at average cost	83.3	78.4
Price risk management	1.4	1.8
Gas imbalances	2.5	3.2
Deferred income taxes	18.7	39.8
Fuel clause under recoveries	1.0	0.3
Other	24.7	19.7
Total current assets	<u>632.1</u>	<u>826.1</u>
OTHER PROPERTY AND INVESTMENTS, at cost	44.9	43.7
PROPERTY, PLANT AND EQUIPMENT		
In service	9,188.0	8,617.8
Construction work in progress	460.0	335.4
Total property, plant and equipment	<u>9,648.0</u>	<u>8,953.2</u>
Less accumulated depreciation	<u>3,183.6</u>	<u>3,041.6</u>
Net property, plant and equipment	6,464.4	5,911.6
DEFERRED CHARGES AND OTHER ASSETS		
Regulatory assets	489.4	448.9
Price risk management	0.8	4.3
Other	37.5	32.1
Total deferred charges and other assets	<u>527.7</u>	<u>485.3</u>
TOTAL ASSETS	<u><u>\$ 7,669.1</u></u>	<u><u>\$ 7,266.7</u></u>

OGE Energy Corp.
consolidated balance sheets

	December 31	December 31
	2010	2009
	<i>(In millions)</i>	
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Short-term debt	\$ 145.0	\$ 175.0
Long-term debt due within one year	-	289.2
Accounts payable	321.7	297.0
Dividends payable	36.6	35.1
Customer deposits	67.0	85.6
Accrued taxes	39.3	37.0
Accrued interest	53.1	60.6
Accrued compensation	43.3	50.1
Price risk management	16.8	14.2
Gas imbalances	6.7	12.0
Fuel clause over recoveries	29.9	187.5
Other	55.1	32.4
Total current liabilities	<u>814.5</u>	<u>1,275.7</u>
LONG-TERM DEBT	2,362.9	2,088.9
DEFERRED CREDITS AND OTHER LIABILITIES		
Accrued benefit obligations	372.4	369.3
Deferred income taxes	1,434.8	1,246.6
Deferred investment tax credits	9.4	13.1
Regulatory liabilities	193.1	168.2
Price risk management	-	0.1
Deferred revenues	36.7	-
Other	45.3	44.0
Total deferred credits and other liabilities	<u>2,091.7</u>	<u>1,841.3</u>
Total liabilities	<u>5,269.1</u>	<u>5,205.9</u>
STOCKHOLDERS' EQUITY		
Common stockholders' equity	969.2	887.7
Retained earnings	1,380.6	1,227.8
Accumulated other comprehensive loss, net of tax	(60.2)	(74.7)
Total OGE Energy stockholders' equity	<u>2,289.6</u>	<u>2,040.8</u>
Noncontrolling interest	110.4	20.0
Total stockholders' equity	<u>2,400.0</u>	<u>2,060.8</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u><u>\$ 7,669.1</u></u>	<u><u>\$ 7,266.7</u></u>

OGE Energy Corp.
financial and statistical data
(unaudited)

	Three Months Ended		Twelve Months Ended	
	December 31		December 31	
	2010	2009	2010	2009
<i>(In millions)</i>				
ELECTRIC UTILITY				
Operating revenues by classification				
Residential	\$ 165.0	\$ 160.6	\$ 894.8	\$ 717.9
Commercial	111.5	103.7	521.0	439.8
Industrial	48.0	43.8	212.5	172.1
Oilfield	37.2	32.1	162.8	132.6
Public authorities and street light	43.0	40.9	200.8	167.7
Sales for resale	15.3	13.6	65.8	53.6
Provision for rate refund	0.4	-	-	(0.6)
System sales revenues	420.4	394.7	2,057.7	1,683.1
Off-system sales revenues	2.0	6.2	21.7	31.8
Other	7.7	10.4	30.5	36.3
Total operating revenues	<u>\$ 430.1</u>	<u>\$ 411.3</u>	<u>\$ 2,109.9</u>	<u>\$ 1,751.2</u>
Sales of electricity - MWH (a) sales by classification				
Residential	2.0	1.9	9.6	8.7
Commercial	1.6	1.5	6.7	6.4
Industrial	0.9	0.9	3.8	3.6
Oilfield	0.8	0.7	3.1	2.9
Public authorities and street light	0.7	0.8	3.0	3.0
Sales for resale	0.3	0.3	1.4	1.3
System sales	6.3	6.1	27.6	25.9
Off-system sales	-	0.2	0.5	1.0
Total sales	<u>6.3</u>	<u>6.3</u>	<u>28.1</u>	<u>26.9</u>
Number of customers	782,558	776,550	782,558	776,550
Average cost of energy per KWH (b) - cents				
Natural gas	3.939	4.410	4.638	3.696
Coal	1.993	1.783	1.911	1.747
Total fuel	2.818	2.759	3.012	2.474
Total fuel and purchased power	2.998	3.041	3.064	2.760
Degree days				
Heating				
Actual	1,223	1,510	3,528	3,456
Normal	1,403	1,403	3,631	3,631
Cooling				
Actual	42	11	2,328	1,860
Normal	61	61	1,911	1,911
NATURAL GAS MIDSTREAM OPERATIONS				
Operating revenues	\$ 418.1	\$ 382.8	\$ 1,707.7	\$ 1,205.1
Operating income	\$ 44.0	\$ 39.2	\$ 184.3	\$ 138.7
Net income attributable to Enogex	\$ 22.2	\$ 16.2	\$ 91.1	\$ 61.3
Net cash provided from operating activities	\$ 63.0	\$ 37.0	\$ 304.1	\$ 36.9
Capital expenditures	\$ 76.7	\$ 57.3	\$ 234.2	\$ 237.1
Gathered volumes - Tbtu/d (c)	1.34	1.22	1.32	1.25
Incremental transportation volumes - Tbtu/d (d)	0.27	0.53	0.40	0.54
Total throughput volumes - Tbtu/d	<u>1.61</u>	<u>1.75</u>	<u>1.72</u>	<u>1.79</u>
Natural gas processed - Tbtu/d	0.85	0.73	0.82	0.70
Natural gas liquids sold (keep-whole) - million gallons	50	41	187	110
Natural gas liquids sold (purchase for resale) - million gallons	132	97	470	351
Natural gas liquids sold (percent-of-liquids) - million gallons	8	7	31	32
Total natural gas liquids sold - million gallons	<u>190</u>	<u>145</u>	<u>688</u>	<u>493</u>
Average sales price per gallon	\$ 1.04	\$ 0.99	\$ 0.96	\$ 0.77
Estimated realized keep-whole spreads (e)	\$ 7.05	\$ 5.84	\$ 5.74	\$ 4.12

(a) Megawatt-hours.

(b) Kilowatt-hours.

(c) Trillion British thermal units per day.

(d) Incremental transportation volumes consist of natural gas moved only on the transportation pipeline.

(e) The estimated realized keep-whole spread is an approximation of the spread between the weighted-average sales price of the retained NGL commodities and the purchase price of the replacement natural gas shrink. The spread is based on the market commodity spread less any gains or losses realized from keep-whole hedging transactions. The market commodity spread is estimated using the average of the Oil Price Information Service daily average posting at the Conway, Kansas market for NGLs and the Inside FERC monthly index posting for Panhandle Eastern Pipe Line Co., Texas, Oklahoma for the forward month contract for natural gas prices.

Oklahoma Gas and Electric Company
statements of income
(unaudited)

	Three Months Ended		Twelve Months Ended	
	December 31		December 31	
	2010	2009	2010	2009
	<i>(In millions)</i>			
OPERATING REVENUES	\$ 430.1	\$ 411.3	\$ 2,109.9	\$ 1,751.2
COST OF GOODS SOLD (exclusive of depreciation and amortization shown below)	207.4	201.3	1,000.2	796.3
Gross margin on revenues	222.7	210.0	1,109.7	954.9
OPERATING EXPENSES				
Other operation and maintenance	112.2	99.1	418.1	348.0
Depreciation and amortization	55.3	48.6	208.7	187.7
Taxes other than income	17.4	16.7	69.2	65.1
Total operating expenses	184.9	164.4	696.0	600.8
OPERATING INCOME	37.8	45.6	413.7	354.1
OTHER INCOME (EXPENSE)				
Interest income	-	0.1	0.1	1.1
Allowance for equity funds used during construction	4.2	4.4	11.4	15.1
Other income	4.3	5.7	6.5	20.4
Other expense	(0.2)	(4.2)	(1.6)	(6.7)
Net other income	8.3	6.0	16.4	29.9
INTEREST EXPENSE				
Interest on long-term debt	27.8	24.2	104.7	96.5
Allowance for borrowed funds used during construction	(2.0)	(2.4)	(5.5)	(8.3)
Interest on short-term debt and other interest charges	0.8	1.5	4.2	5.4
Interest expense	26.6	23.3	103.4	93.6
INCOME BEFORE TAXES	19.5	28.3	326.7	290.4
INCOME TAX EXPENSE	7.1	8.8	111.0	90.0
NET INCOME	\$ 12.4	\$ 19.5	\$ 215.7	\$ 200.4
BASIC AVERAGE COMMON SHARES OUTSTANDING	97.5	96.9	97.3	96.2
DILUTED AVERAGE COMMON SHARES OUTSTANDING	99.2	98.1	98.9	97.2
BASIC EARNINGS PER AVERAGE COMMON SHARE				
ATTRIBUTABLE TO OGE ENERGY COMMON SHAREHOLDERS	\$ 0.13	\$ 0.20	\$ 2.22	\$ 2.08
DILUTED EARNINGS PER AVERAGE COMMON SHARE				
ATTRIBUTABLE TO OGE ENERGY COMMON SHAREHOLDERS	\$ 0.13	\$ 0.20	\$ 2.18	\$ 2.06

Oklahoma Gas and Electric Company

statements of cash flows

Twelve Months Ended

December 31

2010 2009

(In millions)

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income	\$ 215.7	\$ 200.4
Adjustments to Reconcile Net Income to Net Cash Provided from Operating Activities		
Depreciation and amortization	208.7	187.7
Deferred income taxes and investment tax credits, net	118.8	202.8
Allowance for equity funds used during construction	(11.4)	(15.1)
Price risk management liabilities	-	0.7
Regulatory assets	24.1	20.2
Regulatory liabilities	(12.4)	(17.5)
Other assets	4.8	2.4
Other liabilities	(55.8)	(55.3)
Change in certain current assets and liabilities		
Accounts receivable, net	3.6	26.3
Accrued unbilled revenues	0.4	(10.2)
Fuel, materials and supplies inventories	(37.5)	(50.5)
Gas imbalance assets	-	0.5
Fuel clause under recoveries	(0.7)	23.7
Other current assets	(5.2)	(4.8)
Accounts payable	41.4	(2.4)
Accounts payable - affiliates	(0.2)	(1.8)
Income taxes payable - affiliates	106.6	(112.1)
Fuel clause over recoveries	(157.6)	178.9
Other current liabilities	22.4	6.3
Net cash provided from operating activities	<u>465.7</u>	<u>580.2</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures (less allowance for equity funds used during construction)	(603.4)	(600.5)
Other investing activities	1.3	1.0
Net cash used in investing activities	<u>(602.1)</u>	<u>(599.5)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	246.2	0.1
Decrease in short-term debt	-	(31.5)
Changes in advances with parent	(49.6)	-
Dividends paid on common stock	(60.2)	-
Net cash provided from (used in) financing activities	<u>136.4</u>	<u>(31.4)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	-	(50.7)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	-	50.7
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ -</u>	<u>\$ -</u>

Oklahoma Gas and Electric Company

balance sheets

	<u>December 31</u> <u>2010</u>	<u>December 31</u> <u>2009</u>
	<i>(In millions)</i>	
ASSETS		
CURRENT ASSETS		
Accounts receivable, less reserve of \$1.6 and \$1.7, respectively	\$ 142.3	\$ 145.9
Accrued unbilled revenues	56.8	57.2
Advances to parent	68.9	125.9
Fuel inventories	134.9	101.0
Materials and supplies, at average cost	77.1	73.5
Gas imbalances	0.1	0.1
Deferred income taxes	10.7	23.8
Fuel clause under recoveries	1.0	0.3
Other	20.4	16.1
Total current assets	<u>512.2</u>	<u>543.8</u>
OTHER PROPERTY AND INVESTMENTS, at cost	2.9	2.9
PROPERTY, PLANT AND EQUIPMENT		
In service	7,043.6	6,623.7
Construction work in progress	328.1	259.9
Total property, plant and equipment	<u>7,371.7</u>	<u>6,883.6</u>
Less accumulated depreciation	2,494.4	2,416.0
Net property, plant and equipment	<u>4,877.3</u>	<u>4,467.6</u>
DEFERRED CHARGES AND OTHER ASSETS		
Regulatory assets	489.4	448.9
Other	16.3	14.9
Total deferred charges and other assets	<u>505.7</u>	<u>463.8</u>
TOTAL ASSETS	<u><u>\$ 5,898.1</u></u>	<u><u>\$ 5,478.1</u></u>

Oklahoma Gas and Electric Company

balance sheets

	<u>December 31</u> <u>2010</u>	<u>December 31</u> <u>2009</u>
	<i>(In millions)</i>	
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES		
Accounts payable - affiliates	\$ 4.4	\$ 4.6
Accounts payable - other	144.1	137.2
Customer deposits	63.2	60.1
Accrued taxes	31.2	29.1
Accrued interest	41.6	40.4
Accrued compensation	22.2	26.3
Price risk management	1.3	-
Fuel clause over recoveries	29.9	187.5
Other	40.3	20.2
Total current liabilities	<u>378.2</u>	<u>505.4</u>
LONG-TERM DEBT	1,790.4	1,541.8
DEFERRED CREDITS AND OTHER LIABILITIES		
Accrued benefit obligations	259.8	261.0
Deferred income taxes	1,055.3	931.2
Deferred investment tax credits	9.4	13.1
Regulatory liabilities	193.1	168.2
Price risk management	2.2	0.7
Other	31.6	32.4
Total deferred credits and other liabilities	<u>1,551.4</u>	<u>1,406.6</u>
Total liabilities	<u>3,720.0</u>	<u>3,453.8</u>
STOCKHOLDER'S EQUITY		
Common stockholder's equity	958.4	958.4
Retained earnings	1,221.8	1,066.3
Accumulated other comprehensive loss, net of tax	(2.1)	(0.4)
Total stockholder's equity	<u>2,178.1</u>	<u>2,024.3</u>
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	<u>\$ 5,898.1</u>	<u>\$ 5,478.1</u>

***OGE Enogex Holdings LLC and subsidiaries
consolidated statements of income
(unaudited)***

	Three Months Ended		Twelve Months Ended	
	December 31		December 31	
	2010 *	2009 *	2010 *	2009 *
	<i>(In millions)</i>			
OPERATING REVENUES	\$ 418.1	\$ 382.8	\$ 1,707.7	\$ 1,205.1
COST OF GOODS SOLD (exclusive of depreciation and amortization shown below)	311.0	284.4	1,285.1	847.5
Gross margin on revenues	107.1	98.4	422.6	357.6
OPERATING EXPENSES				
Other operation and maintenance	39.4	36.3	145.3	132.6
Depreciation and amortization	18.9	18.2	72.4	67.2
Taxes other than income	4.8	4.7	20.6	19.1
Total operating expenses	63.1	59.2	238.3	218.9
OPERATING INCOME	44.0	39.2	184.3	138.7
OTHER INCOME (EXPENSE)				
Interest income	0.1	-	0.1	0.2
Other income	0.1	-	0.2	0.1
Other expense	(0.2)	(0.1)	(0.3)	(0.6)
Net other expense	-	(0.1)	-	(0.3)
INTEREST EXPENSE				
Interest on long-term debt	6.8	11.2	29.0	35.2
Other interest charges	0.3	0.4	1.4	1.3
Interest expense	7.1	11.6	30.4	36.5
INCOME BEFORE TAXES	36.9	27.5	153.9	101.9
INCOME TAX EXPENSE	11.6	10.4	57.7	37.8
NET INCOME	25.3	17.1	96.2	64.1
Less: Net income attributable to noncontrolling interest	3.1	0.9	5.1	2.8
NET INCOME ATTRIBUTABLE TO OGE ENOGEX HOLDINGS LLC	\$ 22.2	\$ 16.2	\$ 91.1	\$ 61.3
BASIC AVERAGE COMMON SHARES OUTSTANDING	97.5	96.9	97.3	96.2
DILUTED AVERAGE COMMON SHARES OUTSTANDING	99.2	98.1	98.9	97.2
BASIC EARNINGS PER AVERAGE COMMON SHARE				
ATTRIBUTABLE TO OGE ENERGY COMMON SHAREHOLDERS	\$ 0.23	\$ 0.17	\$ 0.94	\$ 0.64
DILUTED EARNINGS PER AVERAGE COMMON SHARE				
ATTRIBUTABLE TO OGE ENERGY COMMON SHAREHOLDERS	\$ 0.22	\$ 0.17	\$ 0.92	\$ 0.63

* Amounts prior to November 1, 2010 represent Enogex LLC and subsidiaries restated to include OGE Energy Resources LLC.

***OGE Enogex Holdings LLC and subsidiaries
consolidated statements of cash flows
(unaudited)***

	Twelve Months Ended December 31	
	2010 *	2009 *
	<i>(In millions)</i>	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	\$ 96.2	\$ 64.1
Adjustments to Reconcile Net Income to Net Cash Provided from Operating Activities		
Depreciation and amortization	72.4	67.2
Deferred income taxes, net	32.1	69.8
Price risk management assets	1.0	27.3
Price risk management liabilities	8.1	(89.7)
Other assets	1.0	(6.2)
Other liabilities	7.2	8.3
Change in certain current assets and liabilities		
Accounts receivable, net	8.3	(30.0)
Accounts receivable - affiliates	0.2	1.8
Natural gas, natural gas liquids, materials and supplies inventories	(7.0)	14.4
Gas imbalance assets	0.6	2.5
Other current assets	0.5	3.0
Accounts payable	8.0	(9.9)
Income taxes payable - affiliates	58.1	(59.0)
Gas imbalance liabilities	(5.3)	(12.9)
Other current liabilities	22.7	(13.8)
Net cash provided from operating activities	<u>304.1</u>	<u>36.9</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(234.2)	(237.1)
Construction reimbursement	3.3	38.8
Other investing activities	0.9	0.4
Net cash used in investing activities	<u>(230.0)</u>	<u>(197.9)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Retirement of long-term debt	(289.2)	(110.8)
Distributions to OGE Energy	(232.5)	-
Repayment of line of credit	(90.0)	(200.0)
Distributions to noncontrolling interest partner	(4.0)	-
Capital contribution from OGE Energy	5.2	50.0
Proceeds from long-term debt	-	444.7
Proceeds from line of credit	115.0	80.0
Contributions from noncontrolling interest partner	183.2	-
Changes in advances with parent	238.6	(118.2)
Net cash (used in) provided from financing activities	<u>(73.7)</u>	<u>145.7</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	0.4	(15.3)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1.9	17.2
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 2.3</u>	<u>\$ 1.9</u>

* Amounts prior to November 1, 2010 represent Enogex LLC and subsidiaries restated to include OGE Energy Resources LLC.

***OGE Enogex Holdings LLC and subsidiaries
consolidated balance sheets
(unaudited)***

	<u>December 31</u> <u>2010</u>	<u>December 31</u> <u>2009 *</u>
	<i>(In millions)</i>	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2.3	\$ 1.9
Accounts receivable, less reserve of \$0.3 and \$0.7, respectively	135.5	145.5
Accounts receivable - affiliates	4.4	4.6
Advances to parent	-	250.6
Natural gas and natural gas liquids inventories	23.9	17.5
Materials and supplies, at average cost	3.5	2.9
Price risk management	2.8	1.8
Gas imbalances	2.5	3.1
Deferred income taxes	-	12.4
Other	4.6	5.1
Total current assets	<u>179.5</u>	<u>445.4</u>
OTHER PROPERTY AND INVESTMENTS, at cost	1.4	1.4
PROPERTY, PLANT AND EQUIPMENT		
In service	2,039.0	1,892.3
Construction work in progress	126.2	69.9
Total property, plant and equipment	<u>2,165.2</u>	<u>1,962.2</u>
Less accumulated depreciation	611.7	549.8
Net property, plant and equipment	<u>1,553.5</u>	<u>1,412.4</u>
DEFERRED CHARGES AND OTHER ASSETS		
Price risk management	3.0	5.0
Other	19.9	16.0
Total deferred charges and other assets	<u>22.9</u>	<u>21.0</u>
TOTAL ASSETS	<u><u>\$ 1,757.3</u></u>	<u><u>\$ 1,880.2</u></u>

* Amounts prior to November 1, 2010 represent Enogex LLC and subsidiaries restated to include OGE Energy Resources LLC.

***OGE Enogex Holdings LLC and subsidiaries
consolidated balance sheets
(unaudited)***

	<u>December 31</u> <u>2010</u>	<u>December 31</u> <u>2009 *</u>
	<i>(In millions)</i>	
LIABILITIES AND MEMBER'S INTEREST		
CURRENT LIABILITIES		
Long-term debt due within one year	\$ -	\$ 289.2
Accounts payable	159.4	151.4
Advances from parent	46.1	-
Customer deposits	3.8	25.5
Accrued taxes	8.0	7.3
Accrued interest	10.9	19.6
Accrued compensation	12.3	12.4
Price risk management	16.8	14.2
Gas imbalances	6.7	12.0
Other	18.5	15.9
Total current liabilities	<u>282.5</u>	<u>547.5</u>
LONG-TERM DEBT	472.8	447.6
DEFERRED CREDITS AND OTHER LIABILITIES		
Accrued benefit obligations	45.9	44.6
Deferred income taxes	397.5	337.1
Price risk management	-	0.1
Deferred revenues	36.7	-
Other	2.8	2.7
Total deferred credits and other liabilities	<u>482.9</u>	<u>384.5</u>
Total liabilities	<u>1,238.2</u>	<u>1,379.6</u>
MEMBER'S INTEREST		
Member's interest	439.4	521.7
Accumulated other comprehensive loss, net of tax	<u>(30.7)</u>	<u>(41.1)</u>
Total OGE Enogex Holdings LLC member's interest	408.7	480.6
Noncontrolling interest	<u>110.4</u>	<u>20.0</u>
Total member's interest	<u>519.1</u>	<u>500.6</u>
TOTAL LIABILITIES AND MEMBER'S INTEREST	<u>\$ 1,757.3</u>	<u>\$ 1,880.2</u>

* Amounts prior to November 1, 2010 represent Enogex LLC and subsidiaries restated to include OGE Energy Resources LLC.