



## 2013 Financial Overview

OGE Energy Corp. (NYSE: OGE), the parent company of Oklahoma Gas and Electric Company ("OG&E"), and holder of 28.5 percent limited partner interest and 50 percent general partner interest in Enable Midstream Partners LP, today reported earnings of \$1.94 per average diluted share in 2013, compared with earnings of \$1.79 per average diluted share in 2012. The presentation of the results reflects the 2 for 1 stock split which became effective July 1, 2013.

In 2013, OG&E, a regulated electric utility, reported net income of \$293 million and contributed \$1.47 per diluted share, compared with \$280 million, or \$1.41 per diluted share in 2012. OGE Energy's interest in the natural gas midstream operations reported equity income of \$100 million, or \$0.50 per diluted share in 2013, compared to equity income of \$74 million, or \$0.38 per diluted share in 2012. The holding company posted a loss of \$0.03 per diluted share in 2013 primarily due to the costs associated with the formation of the Enable Midstream partnership. The holding company did not report a loss in 2012.

"We're pleased to report another year of solid performance and increased earnings driven largely by the accretive impact of the Enable Midstream transaction," said OGE Energy Corp. Chairman, President and CEO Pete Delaney. "The utility continues to be on plan, nearing completion of the transmission build-out, managing costs, improving safety performance and driving customer engagement. Enable Midstream, under the leadership of Lynn Bourdon, continues to move forward with an IPO anticipated at the end of the first quarter in 2014."

## Fourth Quarter results

For the three months ended Dec. 31, 2013, OGE Energy reported earnings of \$0.29 per diluted share, compared with \$0.19 per diluted share in the fourth quarter of 2012. The increase was primarily due to the accretion resulting from the formation of the Enable Midstream partnership.

## Discussion of 2013 results

**OGE Energy** reported consolidated gross margin of \$1.4 billion in 2013, compared with \$1.8 billion in 2012. Operating income was \$554 million in 2013, compared with \$677 million in 2012. Net income was \$388 million in 2013, compared with \$355 million in 2012.

**OG&E** reported gross margin of \$1.3 billion in 2013, which was approximately \$30 million higher than 2012. OG&E's higher net income, \$293 million in 2013 compared with \$280 million in 2012, was primarily attributed to transmission revenues associated with new projects and new customer growth partially offset by milder weather compared to 2012.

**Natural Gas Midstream Operations** reported equity income to OGE Energy of \$100 million for 2013 compared to \$74 million in 2012. The increase was primarily due to accretion and positive accounting adjustments resulting from the formation of the Enable Midstream partnership.

## 2014 Outlook

OGE Energy consolidated earnings guidance for 2014 is \$1.94 to \$2.06 per averaged diluted share. The guidance assumes approximately 200 million average diluted shares outstanding and normal weather for the year. More information regarding the Company's 2014 earnings guidance and the Company's 2013 financial results is contained in the Company's Form 10-K filed with the Securities and Exchange Commission.

## Live Webcast

OGE Energy will host a live webcast for discussion of the results of 2013 and the 2014 outlook on Tuesday, February 25, at 8 a.m. CST. The conference will be available through [www.oge.com](http://www.oge.com). OGE Energy Corp. is the parent company of OG&E, a regulated electric utility with approximately 807,000 customers in Oklahoma and western Arkansas. In addition, OGE holds a 28.5 percent limited partner interest and a 50 percent general partner interest of Enable Midstream Partners LP, created by the merger of OGE's Enogex LLC midstream subsidiary and the pipeline and field services businesses of Houston-based CenterPoint Energy.

Some of the matters discussed in this news release may contain forward-looking statements that are subject to certain risks, uncertainties and assumptions. Such forward-looking statements are intended to be identified in this document by the words "anticipate", "believe", "estimate", "expect", "intend", "objective", "plan", "possible", "potential", "project" and similar expressions. Actual results may vary materially. Factors that could cause actual results to differ materially include, but are not limited to: general economic conditions, including the availability of credit, access to existing lines of credit, 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 as well as inflation rates and monetary fluctuations; prices and availability of electricity, coal, natural gas and natural gas liquids; the timing and extent of changes in commodity prices, particularly natural gas and natural gas liquids, the competitive effects of the available pipeline capacity in the regions Enable Midstream Partners serves, and the effects of geographic and seasonal commodity price differentials, including the effects of these circumstances on re-contracting available capacity on Enable Midstream Partners' interstate pipelines; the timing and extent of changes in the supply of natural gas, particularly supplies available for gathering by Enable Midstream Partners' gathering and processing business and transporting by Enable Midstream Partners' interstate pipelines, including the impact of natural gas and natural gas liquids prices on the level of drilling and production activities in the regions Enable Midstream Partners serves; 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; the cost of protecting assets against, or damage due to, terrorism or cyber-attacks and other catastrophic events; advances in technology; creditworthiness of suppliers, customers and other contractual parties; difficulty in making accurate assumptions and projections regarding future revenues and costs associated with the Company's equity investment in Enable Midstream Partners that the Company does not control; the risk that Enable Midstream Partners may not be able to successfully integrate the operations of Enogex LLC and the businesses contributed by a wholly-owned subsidiary of CenterPoint Energy, Inc.; 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, 2013.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any securities described herein, nor shall there be any sale of such securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. Any such offering may be made only by means of a prospectus.

### Non-GAAP Financial Measures

Gross Margin is defined by OG&E as operating revenues less fuel, purchased power and transmission expenses. Gross margin is a non-GAAP financial measure because it excludes depreciation and amortization, and other operation and maintenance expenses. Expenses for fuel, purchased power and transmission expenses are recovered through fuel adjustment clauses and as a result changes in these expenses are offset in operating revenues with no impact on net income. OG&E believes gross margin provides a more meaningful basis for evaluating its operations across periods than operating revenues because gross margin excludes the revenue effect of fluctuations in these expenses. Gross margin is used internally to measure performance against budget and in reports for management and the Board of Directors. OG&E's definition of gross margin may be different from similar terms used by other companies.

### Reconciliation of gross margin to revenue:

(Dollars in Millions)	OGE Energy Year Ended December 31,		OG&E Year Ended December 31,	
	2013	2012	2013	2012
Operating revenues	\$ 2,867.7	\$ 3,671.2	\$ 2,262.2	\$ 2,141.2
.....				
Cost of sales.....	1,428.9	1,918.7	965.9	879.1
Gross Margin	\$ 1,438.8	\$ 1,752.5	\$ 1,296.3	\$ 1,262.1

Note: Consolidated Statements of Income, Financial and Statistical Data attached.

***OGE Energy Corp.***  
***consolidated statements of income***  
***(unaudited)***

	Three Months Ended December 31		Twelve Months Ended December 31	
	2013	2012	2013	2012
	<i>(In millions, except per share data)</i>			
OPERATING REVENUES				
Electric Utility operating revenues	\$ 508.9	\$ 453.0	\$ 2,259.7	\$ 2,128.7
Natural Gas Midstream Operations operating revenues	-	409.1	608.0	1,542.5
Total operating revenues	508.9	862.1	2,867.7	3,671.2
COST OF SALES				
Electric Utility	232.3	195.3	950.0	831.4
Natural Gas Midstream Operations	-	289.2	478.9	1,087.3
Total cost of sales	232.3	484.5	1,428.9	1,918.7
OPERATING EXPENSES				
Other operation and maintenance	117.0	153.8	489.2	601.5
Depreciation and amortization	65.6	100.9	297.3	371.0
Impairment of assets	-	0.1	-	0.4
Gain on insurance proceeds	-	-	-	(7.5)
Taxes other than income	20.7	25.5	98.8	110.2
Total operating expenses	203.3	280.3	885.3	1,075.6
OPERATING INCOME	73.3	97.3	553.5	676.9
OTHER INCOME (EXPENSE)				
Equity in earnings of unconsolidated affiliate	37.4	-	101.9	-
Allowance for equity funds used during construction	2.2	1.3	6.6	6.2
Other income	6.4	4.8	31.8	17.6
Other expense	(6.3)	(5.4)	(22.2)	(16.5)
Net other income (expense)	39.7	0.7	118.1	7.3
INTEREST EXPENSE				
Interest on long-term debt	34.9	40.6	145.6	158.9
Allowance for borrowed funds used during construction	(1.1)	(0.7)	(3.4)	(3.5)
Interest on short-term debt and other interest charges	1.5	2.1	5.3	8.7
Interest expense	35.3	42.0	147.5	164.1
INCOME BEFORE TAXES	77.7	56.0	524.1	520.1
INCOME TAX EXPENSE	20.1	12.5	130.3	135.1
NET INCOME	57.6	43.5	393.8	385.0
Less: Net income attributable to noncontrolling interests	-	5.0	6.2	30.0
NET INCOME ATTRIBUTABLE TO OGE ENERGY	\$ 57.6	\$ 38.5	\$ 387.6	\$ 355.0
BASIC AVERAGE COMMON SHARES OUTSTANDING	198.5	197.5	198.2	197.1
DILUTED AVERAGE COMMON SHARES OUTSTANDING	199.6	198.7	199.4	198.1
BASIC EARNINGS PER AVERAGE COMMON SHARE				
ATTRIBUTABLE TO OGE ENERGY COMMON SHAREHOLDERS	\$ 0.29	\$ 0.19	\$ 1.96	\$ 1.80
DILUTED EARNINGS PER AVERAGE COMMON SHARE				
ATTRIBUTABLE TO OGE ENERGY COMMON SHAREHOLDERS	\$ 0.29	\$ 0.19	\$ 1.94	\$ 1.79
DIVIDENDS DECLARED PER COMMON SHARE	\$ 0.22500	\$ 0.20875	\$ 0.85125	\$ 0.79750

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

	Three Months Ended December 31		Twelve Months Ended December 31	
	2013	2012	2013	2012
	<i>(In millions)</i>			
BALANCE AT BEGINNING OF PERIOD	\$ 1,978.7	\$ 1,775.1	\$ 1,772.4	\$ 1,574.8
Net income attributable to OGE Energy	57.6	38.5	387.6	355.0
Dividends declared on common stock	(44.6)	(41.2)	(168.8)	(157.4)
Deconsolidation adjustment	-	-	0.5	-
BALANCE AT END OF PERIOD	<u>\$ 1,991.7</u>	<u>\$ 1,772.4</u>	<u>\$ 1,991.7</u>	<u>\$ 1,772.4</u>

***capitalization ratios***  
***(unaudited)***

	December 31 2013	December 31 2012
Stockholders' equity	55.9%	51.9%
Long-term debt (includes long-term debt due within one year)	44.1%	48.1%

***OGE Energy Corp.***  
***consolidated balance sheets***  
***(unaudited)***

	<b>December 31 2013</b>	<b>December 31 2012</b>
	<i>(In millions)</i>	
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 6.8	\$ 1.8
Accounts receivable, less reserve of \$1.9 and \$2.6, respectively	179.4	295.3
Accounts receivable, unconsolidated affiliates	12.4	-
Accrued unbilled revenues	58.7	57.4
Income taxes receivable	5.6	7.2
Fuel inventories	74.4	93.3
Materials and supplies, at average cost	80.7	80.9
Deferred income taxes	215.8	187.7
Fuel clause under recoveries	26.2	-
Assets held for sale	-	25.5
Other	34.6	45.1
Total current assets	<u>694.6</u>	<u>794.2</u>
<b>OTHER PROPERTY AND INVESTMENTS</b>		
Investment in unconsolidated affiliates	1,298.8	-
Other	61.0	52.2
Total other property and investments	<u>1,359.8</u>	<u>52.2</u>
<b>PROPERTY, PLANT AND EQUIPMENT</b>		
In service	9,183.1	11,504.4
Construction work in progress	468.5	387.5
Total property, plant and equipment	<u>9,651.6</u>	<u>11,891.9</u>
Less accumulated depreciation	<u>2,978.8</u>	<u>3,547.1</u>
Net property, plant and equipment	<u>6,672.8</u>	<u>8,344.8</u>
<b>DEFERRED CHARGES AND OTHER ASSETS</b>		
Regulatory assets	379.1	510.6
Intangible assets, net	-	127.4
Goodwill	-	39.4
Other	28.4	53.6
Total deferred charges and other assets	<u>407.5</u>	<u>731.0</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 9,134.7</u></u>	<u><u>\$ 9,922.2</u></u>

***OGE Energy Corp.***  
***consolidated balance sheets***  
***(unaudited)***

	<b>December 31</b>	<b>December 31</b>
	<b>2013</b>	<b>2012</b>
	<i>(In millions)</i>	
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Short-term debt	\$ 439.6	\$ 430.9
Accounts payable	251.0	396.7
Dividends payable	44.7	41.2
Customer deposits	70.9	70.3
Accrued taxes	39.9	48.1
Accrued interest	43.4	55.0
Accrued compensation	56.9	55.2
Long-term debt due within one year	100.0	-
Fuel clause over recoveries	0.4	109.2
Other	47.0	69.8
Total current liabilities	<u>1,093.8</u>	<u>1,276.4</u>
<b>LONG-TERM DEBT</b>	2,300.1	2,848.6
<b>DEFERRED CREDITS AND OTHER LIABILITIES</b>		
Accrued benefit obligations	241.5	399.8
Deferred income taxes	2,125.3	1,948.8
Deferred investment tax credits	1.9	3.9
Regulatory liabilities	234.2	245.1
Deferred revenues	0.4	37.7
Other	100.4	89.5
Total deferred credits and other liabilities	<u>2,703.7</u>	<u>2,724.8</u>
Total liabilities	<u>6,097.6</u>	<u>6,849.8</u>
<b>STOCKHOLDERS' EQUITY</b>		
Common stockholders' equity	1,073.6	1,047.4
Retained earnings	1,991.7	1,772.4
Accumulated other comprehensive loss, net of tax	(28.2)	(49.1)
Treasury stock, at cost	-	(3.5)
Total OGE Energy stockholders' equity	<u>3,037.1</u>	<u>2,767.2</u>
Noncontrolling interests	-	305.2
Total stockholders' equity	<u>3,037.1</u>	<u>3,072.4</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<u><u>\$ 9,134.7</u></u>	<u><u>\$ 9,922.2</u></u>

***OGE Energy Corp.***  
***consolidated statements of cash flows***  
***(unaudited)***

	Twelve Months Ended	
	December 31	
	2013	2012
	(In millions)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 393.8	\$ 385.0
Adjustments to reconcile net income to net cash provided from operating activities		
Depreciation and amortization	298.6	374.8
Impairment of assets	-	0.4
Deferred income taxes and investment tax credits, net	125.9	143.7
Equity in earnings of unconsolidated affiliates	(101.9)	-
Allowance for equity funds used during construction	(6.6)	(6.2)
(Gain) loss on disposition and abandonment of assets	(8.6)	4.2
Gain on insurance proceeds	-	(7.5)
Stock-based compensation	(3.5)	(2.6)
Distributions from unconsolidated affiliates	51.7	-
Regulatory assets	26.8	20.3
Regulatory liabilities	(32.5)	(14.8)
Other assets	1.4	(6.9)
Other liabilities	(7.0)	(14.3)
Change in certain current assets and liabilities		
Accounts receivable, net	(34.0)	27.1
Accrued unbilled revenues	(1.3)	1.9
Income taxes receivable	1.6	1.1
Fuel, materials and supplies inventories	5.1	13.7
Fuel clause under recoveries	(26.2)	1.8
Other current assets	(4.5)	(8.6)
Accounts payable	56.9	25.1
Accounts payable - unconsolidated affiliates	3.7	-
Fuel clause over recoveries	(108.8)	101.5
Other current liabilities	(7.3)	6.4
Net Cash Provided from Operating Activities	<u>623.3</u>	<u>1,046.1</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures (less allowance for equity funds used during construction)	(990.6)	(1,150.6)
Investment in unconsolidated affiliates	(2.7)	-
Acquisition of gathering assets	-	(78.6)
Proceeds from insurance	-	7.6
Reimbursement of capital expenditures	-	27.5
Proceeds from sale of assets	36.3	1.5
Net Cash Used in Investing Activities	<u>(957.0)</u>	<u>(1,192.6)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	247.4	250.0
Changes in advances with unconsolidated affiliates	129.6	-
Contributions from noncontrolling interest partners	107.0	46.2
Issuance of common stock	14.2	14.3
Increase in short-term debt	8.7	153.8
Repayment of line of credit	-	(150.0)
Purchase of treasury stock	-	(3.4)
Payment of long-term debt	(0.1)	(0.1)
Distributions to noncontrolling interest partners	(2.5)	(12.6)
Dividends paid on common stock	(165.5)	(154.5)
Net Cash Provided from Financing Activities	<u>338.8</u>	<u>143.7</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5.1	(2.8)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1.8	4.6
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 6.9</u>	<u>\$ 1.8</u>



***Oklahoma Gas and Electric Company***  
***financial and statistical data***  
***(unaudited)***

	Three Months Ended		Twelve Months Ended	
	December 31		December 31	
	2013	2012	2013	2012
	<i>(In millions)</i>			
Operating revenues by classification				
Residential	\$ 191.5	\$ 170.9	\$ 901.4	\$ 878.0
Commercial	126.0	119.4	554.2	523.5
Industrial	49.6	48.3	220.6	206.8
Oilfield	40.5	37.6	176.4	163.4
Public authorities and street light	49.0	47.4	214.3	202.4
Sales for resale	13.7	13.0	59.4	54.9
System sales revenues	470.3	436.6	2,126.3	2,029.0
Off-system sales revenues	3.5	7.0	14.7	36.5
Other	35.1	21.9	121.2	75.7
Total operating revenues	<u>\$ 508.9</u>	<u>\$ 465.5</u>	<u>\$ 2,262.2</u>	<u>\$ 2,141.2</u>
Megawatt-hour sales by classification				
Residential	2.2	1.8	9.4	9.1
Commercial	1.8	1.6	7.1	7.0
Industrial	0.9	1.0	3.9	4.0
Oilfield	0.9	0.8	3.4	3.3
Public authorities and street light	0.8	0.8	3.2	3.3
Sales for resale	0.2	0.3	1.2	1.3
System sales	6.8	6.3	28.2	28.0
Off-system sales	0.1	0.3	0.4	1.4
Total sales	<u>6.9</u>	<u>6.6</u>	<u>28.6</u>	<u>29.4</u>
Number of customers	806,940	798,110	806,940	798,110
Average cost of energy per kilowatt-hour - cents				
Natural gas	4.159	3.400	3.905	2.930
Coal	2.213	2.367	2.273	2.310
Total fuel	2.757	2.565	2.784	2.437
Total fuel and purchased power	3.224	2.984	3.178	2.806
Degree days				
Heating - Actual	1,505	1,203	3,673	2,667
Heating - Normal	1,329	1,329	3,349	3,349
Cooling - Actual	88	77	2,106	2,561
Cooling - Normal	74	74	2,092	2,092

***Oklahoma Gas and Electric Company***  
***statements of income***  
***(unaudited)***

	Three Months Ended December 31		Twelve Months Ended December 31	
	2013	2012	2013	2012
	<i>(In millions, except per share data)</i>			
OPERATING REVENUES	\$ 508.9	\$ 465.5	\$ 2,262.2	\$ 2,141.2
COST OF SALES	232.3	207.2	965.9	879.1
OPERATING EXPENSES				
Other operation and maintenance	120.8	112.4	438.8	446.3
Depreciation and amortization	62.6	62.8	248.4	248.7
Taxes other than income	19.9	19.3	83.8	77.7
Total operating expenses	<u>203.3</u>	<u>194.5</u>	<u>771.0</u>	<u>772.7</u>
OPERATING INCOME	73.3	63.8	525.3	489.4
OTHER INCOME (EXPENSE)				
Allowance for equity funds used during construction	2.2	1.3	6.6	6.2
Other income (loss)	1.7	2.5	8.1	8.2
Other expense	<u>(3.3)</u>	<u>(0.8)</u>	<u>(4.6)</u>	<u>(4.3)</u>
Net other income (expense)	0.6	3.0	10.1	10.1
INTEREST EXPENSE				
Interest on long-term debt	33.6	31.1	130.6	124.2
Allowance for borrowed funds used during construction	(1.1)	(0.7)	(3.4)	(3.5)
Interest on short-term debt and other interest charges	0.8	1.0	2.1	3.9
Interest expense	<u>33.3</u>	<u>31.4</u>	<u>129.3</u>	<u>124.6</u>
INCOME BEFORE TAXES	40.6	35.4	406.1	374.9
INCOME TAX EXPENSE	<u>11.5</u>	<u>7.8</u>	<u>113.5</u>	<u>94.6</u>
NET INCOME	<u>\$ 29.1</u>	<u>\$ 27.6</u>	<u>\$ 292.6</u>	<u>\$ 280.3</u>
BASIC AVERAGE COMMON SHARES OUTSTANDING	198.5	197.5	198.2	197.1
DILUTED AVERAGE COMMON SHARES OUTSTANDING	199.6	198.7	199.4	198.1
BASIC EARNINGS PER AVERAGE COMMON SHARE				
ATTRIBUTABLE TO OGE ENERGY COMMON SHAREHOLDERS	<u>\$ 0.15</u>	<u>\$ 0.14</u>	<u>\$ 1.48</u>	<u>\$ 1.42</u>
DILUTED EARNINGS PER AVERAGE COMMON SHARE				
ATTRIBUTABLE TO OGE ENERGY COMMON SHAREHOLDERS	<u>\$ 0.15</u>	<u>\$ 0.14</u>	<u>\$ 1.47</u>	<u>\$ 1.41</u>

***Oklahoma Gas and Electric Company***  
***balance sheets***  
***(unaudited)***

	<b>December 31</b>	<b>December 31</b>
	<b>2013</b>	<b>2012</b>
	<i>(In millions)</i>	
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Accounts receivable, less reserve of \$1.9 and \$2.6, respectively	\$ 179.4	\$ 161.5
Accrued unbilled revenues	58.7	57.4
Advances to parent	-	90.3
Fuel inventories	74.4	76.8
Materials and supplies, at average cost	79.4	74.7
Deferred income taxes	189.2	138.7
Fuel clause under recoveries	26.2	-
Other	31.9	34.6
Total current assets	<u>639.2</u>	<u>634.0</u>
<b>OTHER PROPERTY AND INVESTMENTS</b>	2.6	2.7
<b>PROPERTY, PLANT AND EQUIPMENT</b>		
In service	9,036.4	8,498.3
Construction work in progress	462.8	251.4
Total property, plant and equipment	<u>9,499.2</u>	<u>8,749.7</u>
Less accumulated depreciation	<u>2,864.6</u>	<u>2,705.6</u>
Net property, plant and equipment	6,634.6	6,044.1
<b>DEFERRED CHARGES AND OTHER ASSETS</b>		
Regulatory assets	379.1	510.6
Other	39.4	31.0
Total deferred charges and other assets	<u>418.5</u>	<u>541.6</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 7,694.9</u></u>	<u><u>\$ 7,222.4</u></u>

***Oklahoma Gas and Electric Company***  
***balance sheets***  
***(unaudited)***

	<b>December 31</b>	<b>December 31</b>
	<b>2013</b>	<b>2012</b>
	<i>(In millions)</i>	
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable - affiliates	\$ 1.8	\$ 0.7
Accounts payable - other	237.2	186.7
Advances from parent	87.2	-
Customer deposits	70.9	68.5
Accrued taxes	38.0	35.0
Accrued interest	42.8	43.2
Accrued compensation	30.0	33.2
Fuel clause over recoveries	0.4	109.2
Other	46.8	56.0
Total current liabilities	<u>555.1</u>	<u>532.5</u>
<b>LONG-TERM DEBT</b>	2,300.2	2,050.3
<b>DEFERRED CREDITS AND OTHER LIABILITIES</b>		
Accrued benefit obligations	149.0	240.9
Deferred income taxes	1,545.2	1,377.8
Deferred investment tax credits	1.9	3.9
Regulatory liabilities	234.2	245.1
Other	80.0	68.8
Total deferred credits and other liabilities	<u>2,010.3</u>	<u>1,936.5</u>
Total liabilities	<u>4,865.6</u>	<u>4,519.3</u>
<b>STOCKHOLDER'S EQUITY</b>		
Common stockholder's equity	1,016.3	1,014.0
Retained earnings	1,813.0	1,690.4
Accumulated other comprehensive loss, net of tax	-	(1.3)
Total stockholder's equity	<u>2,829.3</u>	<u>2,703.1</u>
<b>TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY</b>	<u><u>\$ 7,694.9</u></u>	<u><u>\$ 7,222.4</u></u>

***Oklahoma Gas and Electric Company***  
***statements of cash flows***  
***(unaudited)***

**Twelve Months Ended**

**December 31**

**2013                      2012**

*(In millions)*

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net income	\$ 292.6	\$ 280.3
Adjustments to reconcile net income to net cash provided from operating activities		
Depreciation and amortization	248.4	248.7
Deferred income taxes and investment tax credits, net	116.1	103.3
Allowance for equity funds used during construction	(6.6)	(6.2)
Stock-based compensation expense	2.3	2.6
Regulatory assets	26.8	20.3
Regulatory liabilities	(32.5)	(14.8)
Other assets	10.0	(4.5)
Other liabilities	(6.2)	(28.7)
Change in certain current assets and liabilities		
Accounts receivable, net	(17.9)	20.9
Accrued unbilled revenues	(1.3)	1.9
Fuel, materials and supplies inventories	(2.3)	6.5
Fuel clause under recoveries	(26.2)	1.8
Other current assets	2.7	(6.6)
Accounts payable	49.4	9.7
Accounts payable - affiliates	1.1	(0.6)
Income taxes payable - parent	2.9	(7.1)
Fuel clause over recoveries	(108.8)	101.5
Other current liabilities	(5.4)	8.4
Net Cash Provided from Operating Activities	<u>545.1</u>	<u>737.4</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Capital expenditures (less allowance for equity funds used during construction)	(797.6)	(704.4)
Reimbursement of capital expenditures	-	27.5
Proceeds from sale of assets	0.8	0.6
Net Cash Used in Investing Activities	<u>(796.8)</u>	<u>(676.3)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Proceeds from long-term debt	247.4	-
Changes in advances with parent	124.4	14.0
Payment of long-term debt	(0.1)	(0.1)
Dividends paid on common stock	(120.0)	(75.0)
Net Cash Provided from (Used in) Financing Activities	<u>251.7</u>	<u>(61.1)</u>

**NET CHANGE IN CASH AND CASH EQUIVALENTS**

**CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD**

**CASH AND CASH EQUIVALENTS AT END OF PERIOD**

-	-
-	-
<u>\$ -</u>	<u>\$ -</u>