



2nd Quarter 2011 Financial Overview

OGE Energy Corp. (NYSE: OGE), the parent company of Oklahoma Gas and Electric Company (OG&E) and OGE Enogex Holdings LLC, today reported earnings of \$1.04 per diluted share for the three months ended June 30, 2011, compared to \$0.78 per diluted share for the second quarter of 2010.

OG&E, a regulated electric utility, contributed earnings of \$0.79 per share in the second quarter, compared with earnings of \$0.61 per share in the second quarter last year. Enogex, a midstream natural gas pipeline business, contributed earnings of \$0.25 per share compared with earnings of \$0.19 per share in the year-ago quarter. The holding company posted break-even results in the second quarter, compared with a loss of \$0.02 per share in the second quarter of 2010.

"The summer heat in our service area highlights the outstanding performance by our members to serve our customers, as well as the importance of our continuing infrastructure investments for reliable service," said Pete Delaney, OGE Energy chairman and CEO. "In our midstream business, we're pleased to report margins are up in all areas as we continue to see growth in the natural gas liquids-rich basins of the midcontinent."

Discussion of Second Quarter 2011

OGE Energy's consolidated gross margin on revenues was \$428 million in the second quarter, compared with \$381 million a year ago. Net income attributable to OGE Energy was \$103 million in the second quarter, compared to \$77 million in the year-ago quarter.

OG&E's gross margin on revenues was \$314 million in the second quarter, compared with \$282 million in the comparable quarter last year. The increase was due primarily to hot weather, with cooling-degree days 20 percent higher than last year and 62 percent above normal, partially offset by higher operating expenses. Net income for OG&E was \$79 million in the second quarter, compared with \$60 million a year earlier.

Enogex's gross margin on revenues was \$114 million in the second quarter, compared with \$99 million in the comparable quarter last year. The increase was primarily due to higher natural gas gathering volumes and natural gas liquids prices. Net income attributable to OGE Enogex Holdings was \$25 million in the second quarter, compared to \$19 million a year earlier.

2011 Outlook

OGE Energy projects earnings to exceed the top end of the previously issued earnings guidance of \$3.00 to \$3.20 per average diluted share. The primary driver for the increase is higher gross margins at the utility from the extremely hot summer weather experienced in its service territory thus far in 2011. With the exception of the warmer weather experienced through July 31, 2011, the key factors and assumptions regarding the Company's 2011 earnings guidance remain unchanged and are contained in the Company's Form 10-K for the year ended December 31, 2010 and the Company's Form 10-Q for the quarter ended March 31, 2011 on file with the Securities and Exchange Commission.

Conference Call Webcast

OGE Energy will host a conference call for discussion of the results and the outlook for the rest of 2011 on Thursday, Aug. 4, at 8 a.m. CDT. 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 more than 786,000 customers in a service territory spanning 30,000 square miles in Oklahoma and western Arkansas, and of OGE Enogex Holdings LLC, a midstream 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 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 as well as the processing contract mix between percent-of-liquids, keep-whole and fixed-fee; 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		Six Months Ended	
	June 30		June 30	
	2011	2010	2011	2010
	<i>(In millions, except per share data)</i>			
OPERATING REVENUES				
Electric Utility operating revenues	\$ 568.7	\$ 512.8	\$ 990.8	\$ 956.8
Natural Gas Midstream Operations operating revenues	409.4	374.4	827.8	806.2
Total operating revenues	<u>978.1</u>	<u>887.2</u>	<u>1,818.6</u>	<u>1,763.0</u>
COST OF GOODS SOLD (exclusive of depreciation and amortization shown below)				
Electric Utility cost of goods sold	242.5	218.9	450.0	457.8
Natural Gas Midstream Operations cost of goods sold	307.6	287.6	633.3	618.8
Total cost of goods sold	<u>550.1</u>	<u>506.5</u>	<u>1,083.3</u>	<u>1,076.6</u>
Gross margin on revenues	428.0	380.7	735.3	686.4
OPERATING EXPENSES				
Other operation and maintenance	146.6	135.0	284.9	258.6
Depreciation and amortization	74.7	71.2	148.7	141.5
Taxes other than income	24.5	23.0	51.6	48.0
Total operating expenses	<u>245.8</u>	<u>229.2</u>	<u>485.2</u>	<u>448.1</u>
OPERATING INCOME	182.2	151.5	250.1	238.3
OTHER INCOME (EXPENSE)				
Interest income	0.1	-	0.2	-
Allowance for equity funds used during construction	5.8	2.3	10.2	4.6
Other income	7.0	3.4	13.3	6.5
Other expense	(3.5)	(5.0)	(5.8)	(7.4)
Net other income	<u>9.4</u>	<u>0.7</u>	<u>17.9</u>	<u>3.7</u>
INTEREST EXPENSE				
Interest on long-term debt	35.8	33.4	71.2	67.0
Allowance for borrowed funds used during construction	(2.9)	(1.0)	(5.2)	(2.2)
Interest on short-term debt and other interest charges	1.6	1.6	2.6	3.3
Interest expense	<u>34.5</u>	<u>34.0</u>	<u>68.6</u>	<u>68.1</u>
INCOME BEFORE TAXES	157.1	118.2	199.4	173.9
INCOME TAX EXPENSE	47.8	40.3	60.4	70.8
NET INCOME	109.3	77.9	139.0	103.1
Less: Net income attributable to noncontrolling interests	6.3	0.6	11.2	1.6
NET INCOME ATTRIBUTABLE TO OGE ENERGY	<u>\$ 103.0</u>	<u>\$ 77.3</u>	<u>\$ 127.8</u>	<u>\$ 101.5</u>
BASIC AVERAGE COMMON SHARES OUTSTANDING	98.0	97.3	97.8	97.2
DILUTED AVERAGE COMMON SHARES OUTSTANDING	99.3	98.7	99.2	98.6
BASIC EARNINGS PER AVERAGE COMMON SHARE				
ATTRIBUTABLE TO OGE ENERGY COMMON SHAREHOLDERS	<u>\$ 1.05</u>	<u>\$ 0.79</u>	<u>\$ 1.31</u>	<u>\$ 1.04</u>
DILUTED EARNINGS PER AVERAGE COMMON SHARE				
ATTRIBUTABLE TO OGE ENERGY COMMON SHAREHOLDERS	<u>\$ 1.04</u>	<u>\$ 0.78</u>	<u>\$ 1.29</u>	<u>\$ 1.03</u>

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

	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2011	2010	2011	2010
	<i>(In millions)</i>			
BALANCE AT BEGINNING OF PERIOD	\$ 1,368.7	\$ 1,216.7	\$ 1,380.6	\$ 1,227.8
Net income attributable to OGE Energy	103.0	77.3	127.8	101.5
Dividends declared on common stock	(36.8)	(35.3)	(73.5)	(70.6)
BALANCE AT END OF PERIOD	<u>\$ 1,434.9</u>	<u>\$ 1,258.7</u>	<u>\$ 1,434.9</u>	<u>\$ 1,258.7</u>

capitalization ratios
(unaudited)

	June 30	December 31
	2011	2010
Stockholders' equity	49.7%	50.4%
Long-term debt (includes long-term debt due within one year)	50.3%	49.6%

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

	Six Months Ended	
	June 30	
	2011	2010
	<i>(In millions)</i>	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	\$ 139.0	\$ 103.1
Adjustments to Reconcile Net Income to Net Cash Provided from Operating Activities		
Depreciation and amortization	148.7	141.5
Deferred income taxes and investment tax credits, net	60.3	52.2
Allowance for equity funds used during construction	(10.2)	(4.6)
(Gain) Loss on disposition and abandonment of assets	(3.3)	0.9
Stock-based compensation expense	0.4	2.3
Price risk management assets	1.1	(4.4)
Price risk management liabilities	6.8	11.4
Regulatory assets	6.8	6.8
Regulatory liabilities	3.3	(6.5)
Other assets	5.4	6.2
Other liabilities	(38.3)	(34.2)
Change in certain current assets and liabilities		
Accounts receivable, net	(47.0)	(24.1)
Accrued unbilled revenues	(39.8)	(24.4)
Income taxes receivable	-	150.6
Fuel, materials and supplies inventories	33.9	(28.5)
Gas imbalance assets	(3.6)	(1.8)
Fuel clause under recoveries	(21.4)	(0.6)
Other current assets	3.5	8.9
Accounts payable	(6.1)	4.8
Gas imbalance liabilities	1.0	(4.2)
Fuel clause over recoveries	(20.6)	(50.1)
Other current liabilities	26.6	36.2
Net cash provided from operating activities	<u>246.5</u>	<u>341.5</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures (less allowance for equity funds used during construction)	(571.8)	(306.2)
Reimbursement of capital expenditures	21.6	12.9
Proceeds from sale of assets	17.5	1.7
Net cash used in investing activities	<u>(532.7)</u>	<u>(291.6)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	246.3	246.2
Contributions from noncontrolling interest partners	73.5	-
Increase (decrease) in short-term debt	66.1	(62.1)
Issuance of common stock	7.5	9.8
Proceeds from line of credit	-	115.0
Retirement of long-term debt	-	(289.2)
Distributions to noncontrolling interest partners	(6.1)	-
Repayment of line of credit	(25.0)	(50.0)
Dividends paid on common stock	(73.3)	(70.4)
Net cash provided from (used in) financing activities	<u>289.0</u>	<u>(100.7)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2.8	(50.8)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	2.3	58.1
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 5.1</u>	<u>\$ 7.3</u>

OGE Energy Corp.
consolidated balance sheets

	June 30 2011	December 31 2010
	<i>(In millions)</i>	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 5.1	\$ 2.3
Accounts receivable, less reserve of \$1.7 and \$1.9, respectively	324.9	277.9
Accrued unbilled revenues	96.6	56.8
Income taxes receivable	4.7	4.7
Fuel inventories	122.8	158.8
Materials and supplies, at average cost	85.4	83.3
Price risk management	0.9	1.4
Gas imbalances	6.1	2.5
Deferred income taxes	15.1	18.7
Fuel clause under recoveries	22.4	1.0
Other	21.2	24.7
Total current assets	<u>705.2</u>	<u>632.1</u>
OTHER PROPERTY AND INVESTMENTS, at cost	46.9	44.9
PROPERTY, PLANT AND EQUIPMENT		
In service	9,414.5	9,188.0
Construction work in progress	774.8	460.0
Total property, plant and equipment	<u>10,189.3</u>	<u>9,648.0</u>
Less accumulated depreciation	<u>3,255.1</u>	<u>3,183.6</u>
Net property, plant and equipment	6,934.2	6,464.4
DEFERRED CHARGES AND OTHER ASSETS		
Regulatory assets	414.9	489.4
Price risk management	0.2	0.8
Other	34.1	37.5
Total deferred charges and other assets	<u>449.2</u>	<u>527.7</u>
TOTAL ASSETS	<u><u>\$ 8,135.5</u></u>	<u><u>\$ 7,669.1</u></u>

OGE Energy Corp.
consolidated balance sheets

	June 30	December 31
	2011	2010
	<i>(In millions)</i>	
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Short-term debt	\$ 211.1	\$ 145.0
Accounts payable	372.5	321.7
Dividends payable	36.7	36.6
Customer deposits	67.2	67.0
Accrued taxes	42.3	39.3
Accrued interest	54.3	53.1
Accrued compensation	48.9	43.3
Price risk management	12.2	16.8
Gas imbalances	7.7	6.7
Fuel clause over recoveries	9.3	29.9
Other	71.7	55.1
Total current liabilities	<u>933.9</u>	<u>814.5</u>
LONG-TERM DEBT	2,586.8	2,362.9
DEFERRED CREDITS AND OTHER LIABILITIES		
Accrued benefit obligations	249.0	372.4
Deferred income taxes	1,512.8	1,434.8
Deferred investment tax credits	7.7	9.4
Regulatory liabilities	215.9	193.1
Price risk management	0.1	-
Deferred revenues	36.2	36.7
Other	44.7	45.3
Total deferred credits and other liabilities	<u>2,066.4</u>	<u>2,091.7</u>
Total liabilities	<u>5,587.1</u>	<u>5,269.1</u>
STOCKHOLDERS' EQUITY		
Common stockholders' equity	994.7	969.2
Retained earnings	1,434.9	1,380.6
Accumulated other comprehensive loss, net of tax	(41.8)	(60.2)
Total OGE Energy stockholders' equity	<u>2,387.8</u>	<u>2,289.6</u>
Noncontrolling interests	160.6	110.4
Total stockholders' equity	<u>2,548.4</u>	<u>2,400.0</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 8,135.5	\$ 7,669.1

OGE Energy Corp.
financial and statistical data
(unaudited)

	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2011	2010	2011	2010
	<i>(In millions)</i>			
ELECTRIC UTILITY				
Operating revenues by classification				
Residential	\$ 234.4	\$ 207.7	\$ 411.2	\$ 398.9
Commercial	141.9	132.0	240.1	233.0
Industrial	55.9	52.8	100.0	98.3
Oilfield	42.7	40.4	77.6	76.0
Public authorities and street light	55.0	50.5	93.3	90.0
Sales for resale	14.9	14.5	28.1	31.2
System sales revenues	544.8	497.9	950.3	927.4
Off-system sales revenues	12.5	7.5	21.9	13.9
Other	11.4	7.4	18.6	15.5
Total operating revenues	<u>\$ 568.7</u>	<u>\$ 512.8</u>	<u>\$ 990.8</u>	<u>\$ 956.8</u>
Sales of electricity - MWH (a) sales by classification				
Residential	2.3	2.0	4.5	4.4
Commercial	1.8	1.8	3.3	3.2
Industrial	1.0	1.0	1.9	1.9
Oilfield	0.8	0.8	1.6	1.5
Public authorities and street light	0.8	0.7	1.5	1.4
Sales for resale	0.4	0.4	0.7	0.7
System sales	7.1	6.7	13.5	13.1
Off-system sales	0.3	0.2	0.6	0.3
Total sales	<u>7.4</u>	<u>6.9</u>	<u>14.1</u>	<u>13.4</u>
Number of customers	786,125	779,359	786,125	779,359
Average cost of energy per KWH (b) - cents				
Natural gas	4.485	4.503	4.477	5.050
Coal	2.032	1.916	2.033	1.858
Total fuel	2.986	2.832	2.842	3.049
Total fuel and purchased power	3.255	3.127	3.156	3.334
Degree days				
Heating				
Actual	174	158	2,078	2,298
Normal	236	236	2,199	2,199
Cooling				
Actual	885	737	926	745
Normal	547	547	555	555
NATURAL GAS MIDSTREAM OPERATIONS				
Operating revenues	\$ 430.1	\$ 397.5	\$ 872.5	\$ 857.6
Operating income	\$ 48.9	\$ 38.5	\$ 90.5	\$ 95.5
Net income attributable to Enogex	\$ 25.0	\$ 18.6	\$ 43.8	\$ 46.0
Net cash provided from operating activities	\$ 86.9	\$ 108.2	\$ 136.1	\$ 154.7
Capital expenditures	\$ 109.5	\$ 62.8	\$ 174.6	\$ 96.7
Gathered volumes - TBtu/d (c)	1.36	1.33	1.33	1.30
Incremental transportation volumes - TBtu/d (d)	0.53	0.41	0.51	0.44
Total throughput volumes - TBtu/d	<u>1.89</u>	<u>1.74</u>	<u>1.84</u>	<u>1.74</u>
Natural gas processed - TBtu/d	0.76	0.83	0.76	0.78
Natural gas liquids sold (keep-whole) - million gallons	42	50	84	92
Natural gas liquids sold (purchase for resale) - million gallons	112	121	224	220
Natural gas liquids sold (percent-of-liquids) - million gallons	7	8	14	15
Total natural gas liquids sold - million gallons	<u>161</u>	<u>179</u>	<u>322</u>	<u>327</u>
Average natural gas liquids sales price per gallon	\$ 1.24	\$ 0.86	\$ 1.17	\$ 0.94
Average natural gas sales price per MMBtu (e)	\$ 4.36	\$ 4.01	\$ 4.25	\$ 4.65

(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) Million British thermal units.

Oklahoma Gas and Electric Company
statements of income
(unaudited)

	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2011	2010	2011	2010
	<i>(In millions)</i>			
OPERATING REVENUES	\$ 568.7	\$ 512.8	\$ 990.8	\$ 956.8
COST OF GOODS SOLD (exclusive of depreciation and amortization shown below)	254.3	230.8	473.7	481.6
Gross margin on revenues	314.4	282.0	517.1	475.2
OPERATING EXPENSES				
Other operation and maintenance	110.2	101.2	216.0	195.1
Depreciation and amortization	52.1	50.6	103.9	100.3
Taxes other than income	18.8	17.2	37.9	34.9
Total operating expenses	181.1	169.0	357.8	330.3
OPERATING INCOME	133.3	113.0	159.3	144.9
OTHER INCOME (EXPENSE)				
Interest income	0.1	-	0.2	-
Allowance for equity funds used during construction	5.8	2.3	10.2	4.6
Other income	1.3	0.8	6.3	3.3
Other expense	(0.9)	(0.4)	(1.5)	(1.0)
Net other income	6.3	2.7	15.2	6.9
INTEREST EXPENSE				
Interest on long-term debt	29.1	25.1	56.9	49.2
Allowance for borrowed funds used during construction	(2.9)	(1.0)	(5.2)	(2.2)
Interest on short-term debt and other interest charges	1.1	1.1	1.7	2.4
Interest expense	27.3	25.2	53.4	49.4
INCOME BEFORE TAXES	112.3	90.5	121.1	102.4
INCOME TAX EXPENSE	33.7	30.5	36.1	41.2
NET INCOME	\$ 78.6	\$ 60.0	\$ 85.0	\$ 61.2
BASIC AVERAGE COMMON SHARES OUTSTANDING	98.0	97.3	97.8	97.2
DILUTED AVERAGE COMMON SHARES OUTSTANDING	99.3	98.7	99.2	98.6
BASIC EARNINGS PER AVERAGE COMMON SHARE				
ATTRIBUTABLE TO OGE ENERGY COMMON SHAREHOLDERS	\$ 0.80	\$ 0.62	\$ 0.87	\$ 0.63
DILUTED EARNINGS PER AVERAGE COMMON SHARE				
ATTRIBUTABLE TO OGE ENERGY COMMON SHAREHOLDERS	\$ 0.79	\$ 0.61	\$ 0.86	\$ 0.62

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

Six Months Ended

June 30

2011 2010

(In millions)

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income	\$ 85.0	\$ 61.2
Adjustments to Reconcile Net Income to Net Cash Provided from Operating Activities		
Depreciation and amortization	103.9	100.3
Deferred income taxes and investment tax credits, net	36.1	47.9
Allowance for equity funds used during construction	(10.2)	(4.6)
Loss on disposition and abandonment of assets	-	0.1
Stock-based compensation expense	1.6	-
Regulatory assets	6.8	6.8
Regulatory liabilities	3.3	(6.5)
Other assets	2.9	3.2
Other liabilities	(45.2)	(40.6)
Change in certain current assets and liabilities		
Accounts receivable, net	(40.2)	(46.0)
Accrued unbilled revenues	(39.8)	(24.4)
Fuel, materials and supplies inventories	29.3	(22.7)
Gas imbalance assets	-	0.1
Fuel clause under recoveries	(21.4)	(0.6)
Other current assets	2.0	7.5
Accounts payable	(7.9)	28.9
Accounts payable - affiliates	1.5	2.6
Income taxes payable - parent	-	112.4
Fuel clause over recoveries	(20.6)	(50.1)
Other current liabilities	28.9	13.0
Net cash provided from operating activities	<u>116.0</u>	<u>188.5</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures (less allowance for equity funds used during construction)	(393.0)	(206.3)
Reimbursement of capital expenditures	21.6	9.6
Proceeds from sale of assets	0.4	0.8
Net cash used in investing activities	<u>(371.0)</u>	<u>(195.9)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	246.3	246.2
Capital contribution from OGE Energy	50.0	-
Dividends paid on common stock	-	(30.3)
Changes in advances with parent	(41.3)	(208.5)
Net cash provided from financing activities	<u>255.0</u>	<u>7.4</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>

Oklahoma Gas and Electric Company

balance sheets

	June 30	December 31
	2011	2010
	<i>(In millions)</i>	
ASSETS		
CURRENT ASSETS		
Accounts receivable, less reserve of \$1.5 and \$1.6, respectively	\$ 182.5	\$ 142.3
Accrued unbilled revenues	96.6	56.8
Advances to parent	110.1	68.9
Fuel inventories	103.3	134.9
Materials and supplies, at average cost	79.4	77.1
Gas imbalances	0.1	0.1
Deferred income taxes	11.4	10.7
Fuel clause under recoveries	22.4	1.0
Other	18.4	20.4
Total current assets	<u>624.2</u>	<u>512.2</u>
OTHER PROPERTY AND INVESTMENTS, at cost	2.7	2.9
PROPERTY, PLANT AND EQUIPMENT		
In service	7,202.3	7,043.6
Construction work in progress	573.9	328.1
Total property, plant and equipment	<u>7,776.2</u>	<u>7,371.7</u>
Less accumulated depreciation	2,546.2	2,494.4
Net property, plant and equipment	<u>5,230.0</u>	<u>4,877.3</u>
DEFERRED CHARGES AND OTHER ASSETS		
Regulatory assets	414.9	489.4
Other	18.7	16.3
Total deferred charges and other assets	<u>433.6</u>	<u>505.7</u>
TOTAL ASSETS	<u><u>\$ 6,290.5</u></u>	<u><u>\$ 5,898.1</u></u>

Oklahoma Gas and Electric Company

balance sheets

	June 30	December 31
	2011	2010
	<i>(In millions)</i>	
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES		
Accounts payable - affiliates	\$ 5.9	\$ 4.4
Accounts payable - other	196.7	144.1
Customer deposits	64.2	63.2
Accrued taxes	33.3	31.2
Accrued interest	42.8	41.6
Accrued compensation	27.9	22.2
Price risk management	1.3	1.3
Fuel clause over recoveries	9.3	29.9
Other	59.2	40.3
Total current liabilities	<u>440.6</u>	<u>378.2</u>
LONG-TERM DEBT	2,039.1	1,790.4
DEFERRED CREDITS AND OTHER LIABILITIES		
Accrued benefit obligations	148.7	259.8
Deferred income taxes	1,091.0	1,055.3
Deferred investment tax credits	7.7	9.4
Regulatory liabilities	215.9	193.1
Price risk management	1.8	2.2
Other	30.7	31.6
Total deferred credits and other liabilities	<u>1,495.8</u>	<u>1,551.4</u>
Total liabilities	<u>3,975.5</u>	<u>3,720.0</u>
STOCKHOLDER'S EQUITY		
Common stockholder's equity	1,010.1	958.4
Retained earnings	1,306.8	1,221.8
Accumulated other comprehensive loss, net of tax	(1.9)	(2.1)
Total stockholder's equity	<u>2,315.0</u>	<u>2,178.1</u>
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	<u><u>\$ 6,290.5</u></u>	<u><u>\$ 5,898.1</u></u>

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

	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2011	2010 *	2011	2010 *
	<i>(In millions)</i>			
OPERATING REVENUES	\$ 430.1	\$ 397.5	\$ 872.5	\$ 857.6
COST OF GOODS SOLD (exclusive of depreciation and amortization shown below)	316.4	298.8	654.7	644.3
Gross margin on revenues	113.7	98.7	217.8	213.3
OPERATING EXPENSES				
Other operation and maintenance	40.6	37.3	77.8	71.1
Depreciation and amortization	19.3	17.9	38.2	35.7
Taxes other than income	4.9	5.0	11.3	11.0
Total operating expenses	64.8	60.2	127.3	117.8
OPERATING INCOME	48.9	38.5	90.5	95.5
OTHER INCOME (EXPENSE)				
Other income	3.8	0.1	4.0	0.1
Other expense	(0.1)	(0.1)	(0.5)	(0.1)
Net other income	3.7	-	3.5	-
INTEREST EXPENSE				
Interest on long-term debt	5.4	7.0	11.6	15.1
Other interest charges	0.3	0.4	0.5	0.8
Interest expense	5.7	7.4	12.1	15.9
INCOME BEFORE TAXES	46.9	31.1	81.9	79.6
INCOME TAX EXPENSE	15.5	11.9	26.9	32.0
NET INCOME	31.4	19.2	55.0	47.6
Less: Net income attributable to noncontrolling interests	6.4	0.6	11.2	1.6
NET INCOME ATTRIBUTABLE TO OGE ENOGEX HOLDINGS LLC	\$ 25.0	\$ 18.6	\$ 43.8	\$ 46.0
BASIC AVERAGE COMMON SHARES OUTSTANDING	98.0	97.3	97.8	97.2
DILUTED AVERAGE COMMON SHARES OUTSTANDING	99.3	98.7	99.2	98.6
BASIC EARNINGS PER AVERAGE COMMON SHARE				
ATTRIBUTABLE TO OGE ENERGY COMMON SHAREHOLDERS	\$ 0.26	\$ 0.19	\$ 0.45	\$ 0.47
DILUTED EARNINGS PER AVERAGE COMMON SHARE				
ATTRIBUTABLE TO OGE ENERGY COMMON SHAREHOLDERS	\$ 0.25	\$ 0.19	\$ 0.44	\$ 0.47

* 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)***

	Six Months Ended	
	June 30	
	2011	2010 *
	<i>(In millions)</i>	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	\$ 55.0	\$ 47.6
Adjustments to Reconcile Net Income to Net Cash Provided from Operating Activities		
Depreciation and amortization	38.2	35.7
Deferred income taxes, net	26.8	4.8
(Gain) Loss on disposition and abandonment of assets	(3.3)	0.1
Stock-based compensation expense	2.1	-
Price risk management assets	1.6	(6.5)
Price risk management liabilities	6.7	11.2
Other assets	4.7	0.4
Other liabilities	2.5	3.9
Change in certain current assets and liabilities		
Accounts receivable, net	(6.9)	21.9
Accounts receivable - affiliates	(1.5)	(2.6)
Natural gas, natural gas liquids, materials and supplies inventories	4.1	(5.1)
Gas imbalance assets	(3.6)	(1.9)
Other current assets	1.0	2.0
Accounts payable	11.0	(20.5)
Income taxes payable - parent	-	59.7
Gas imbalance liabilities	1.0	(4.2)
Other current liabilities	(3.3)	8.2
Net cash provided from operating activities	<u>136.1</u>	<u>154.7</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(174.6)	(96.7)
Reimbursement of capital expenditures	-	3.3
Proceeds from sale of assets	17.1	0.8
Net cash used in investing activities	<u>(157.5)</u>	<u>(92.6)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions from noncontrolling interest partners	71.6	-
Changes in advances with parent	17.6	177.5
Capital contribution from OGE Energy	8.0	-
Proceeds from line of credit	-	115.0
Retirement of long-term debt	-	(289.2)
Distributions to noncontrolling interest partners	(6.1)	-
Repayment of line of credit	(25.0)	(50.0)
Distributions to OGE Energy	(41.9)	(10.0)
Net cash provided from (used in) financing activities	<u>24.2</u>	<u>(56.7)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	2.8	5.4
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	2.3	1.9
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 5.1</u>	<u>\$ 7.3</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***

	June 30	December 31
	2011	2010
	<i>(In millions)</i>	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 5.1	\$ 2.3
Accounts receivable, less reserve of \$0.2 and \$0.3, respectively	142.4	135.5
Accounts receivable - affiliates	5.9	4.4
Natural gas and natural gas liquids inventories	19.6	23.9
Materials and supplies, at average cost	3.7	3.5
Price risk management	2.2	2.8
Gas imbalances	6.1	2.5
Other	3.6	4.6
Total current assets	<u>188.6</u>	<u>179.5</u>
OTHER PROPERTY AND INVESTMENTS, at cost	1.4	1.4
PROPERTY, PLANT AND EQUIPMENT		
In service	2,097.9	2,039.0
Construction work in progress	200.3	126.2
Total property, plant and equipment	<u>2,298.2</u>	<u>2,165.2</u>
Less accumulated depreciation	<u>625.2</u>	<u>611.7</u>
Net property, plant and equipment	1,673.0	1,553.5
DEFERRED CHARGES AND OTHER ASSETS		
Price risk management	2.0	3.0
Other	14.5	19.9
Total deferred charges and other assets	<u>16.5</u>	<u>22.9</u>
TOTAL ASSETS	<u><u>\$ 1,879.5</u></u>	<u><u>\$ 1,757.3</u></u>

***OGE Enogex Holdings LLC and subsidiaries
consolidated balance sheets***

	June 30	December 31
	2011	2010
	<i>(In millions)</i>	
LIABILITIES AND MEMBER'S INTEREST		
CURRENT LIABILITIES		
Accounts payable	\$ 166.8	\$ 159.4
Advances from parent	63.6	46.1
Customer deposits	3.0	3.8
Accrued taxes	8.8	8.0
Accrued interest	10.9	10.9
Accrued compensation	11.4	12.3
Price risk management	12.2	16.8
Gas imbalances	7.7	6.7
Other	21.4	18.5
Total current liabilities	<u>305.8</u>	<u>282.5</u>
LONG-TERM DEBT	448.0	472.8
DEFERRED CREDITS AND OTHER LIABILITIES		
Accrued benefit obligations	41.7	45.9
Deferred income taxes	437.4	397.5
Price risk management	0.1	-
Deferred revenues	36.2	36.7
Other	1.7	2.8
Total deferred credits and other liabilities	<u>517.1</u>	<u>482.9</u>
Total liabilities	<u>1,270.9</u>	<u>1,238.2</u>
MEMBER'S INTEREST		
Member's interest	467.5	439.4
Accumulated other comprehensive loss, net of tax	(19.4)	(30.7)
Total OGE Enogex Holdings LLC member's interest	<u>448.1</u>	<u>408.7</u>
Noncontrolling interests	160.5	110.4
Total member's interest	<u>608.6</u>	<u>519.1</u>
TOTAL LIABILITIES AND MEMBER'S INTEREST	<u>\$ 1,879.5</u>	<u>\$ 1,757.3</u>