



2nd Quarter 2010 Financial Overview

OGE Energy Corp. (NYSE: OGE), the parent company of Oklahoma Gas and Electric Company (OG&E) and Enogex LLC, today reported earnings of \$0.78 per diluted share for the three months ended June 30, 2010, compared with \$0.72 per diluted share for the second quarter of 2009.

OG&E, a regulated electric utility, contributed earnings of \$0.61 per share in the second quarter, compared with earnings of \$0.58 per share in the second quarter last year. Enogex, a midstream natural gas pipeline business, contributed earnings of \$0.23 per share compared with earnings of \$0.16 per share in the year-ago quarter. The holding company posted a loss of \$0.06 per share in the second quarter, compared with a loss of \$0.02 per share in the second quarter of 2009.

"We continue to see the benefits of the investments we have made in our utility and midstream businesses," said Pete Delaney, OGE Energy chairman, president and CEO. "As a result, we are pleased to report continued growth in earnings at OG&E and Enogex."

Discussion of Second Quarter 2010

OGE Energy's consolidated gross margin on revenues was \$381 million in the second quarter, compared with \$320 million a year ago. Net income attributable to OGE Energy was \$77 million in the second quarter, compared to \$71 million in the year-ago quarter.

OG&E's gross margin on revenues was \$282 million in the second quarter, compared with \$237 million in the comparable quarter last year. The increase was due primarily to rate increases implemented in 2009 and other riders. Net income for OG&E was \$60 million in the second quarter, compared with \$56 million last year.

Enogex's gross margin on revenues was \$103 million in the second quarter, compared with \$84 million in the comparable quarter last year. The increase was primarily due to higher natural gas liquids prices, a 19 percent increase in processing volumes and record natural gas gathering volumes. Net income for Enogex was \$22 million in the second quarter, compared to \$16 million a year earlier.

2010 Outlook

OGE Energy consolidated ongoing earnings guidance for 2010 is reaffirmed at \$2.70 - \$2.95 per average diluted share at the upper end of the range. The guidance assumes between approximately 98 million and 99 million average diluted shares outstanding and normal weather for the remainder of the year, and excludes the one-time charge associated with the new national health care law enacted in March 2010. More information regarding the Company's 2010 earnings guidance and second quarter results are contained in the Company's Form 10-Q 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 new national health care law enacted in March 2010, 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.

Reconciliation of projected ongoing earnings (loss) to projected GAAP net income

(In millions)

Twelve Months Ended December 31, 2010

	OG&E		Enogex		Holding Company		Consolidated	
	Low	High	Low	Hi	Low	High	Low	High
Ongoing earnings (loss)	\$ 207.0	\$ 217.0	\$ 63.0	\$ 85.0	\$ (13.0)	\$ (11.0)	\$ 265.0	\$ 290.0
Medicare Part D tax subsidy	(7.0)	(7.0)	(2.0)	(2.0)	(2.4)	(2.4)	(11.4)	(11.4)
Projected GAAP net income	\$ 200.0	\$ 210.0	\$ 61.0	\$ 83.0	\$ (15.4)	\$ (13.4)	\$ 253.6	\$ 278.6

Reconciliation of projected ongoing EPS to projected GAAP EPS

Twelve Months Ended December 31, 2010

	OG&E		Enogex		Holding Company		Consolidated	
	Low	High	Low	Hi	Low	High	Low	High
Ongoing EPS	\$ 2.10	\$ 2.20	\$ 0.64	\$ 0.86	\$ (0.13)	\$ (0.11)	\$ 2.70	\$ 2.95
Medicare Part D tax subsidy	(0.07)	(0.07)	(0.02)	(0.02)	(0.02)	(0.02)	(0.11)	(0.11)
Projected GAAP EPS	\$ 2.03	\$ 2.13	\$ 0.62	\$ 0.84	\$ (0.15)	\$ (0.13)	\$ 2.59	\$ 2.84

Conference Call Webcast

OGE Energy will host a conference call for discussion of the results and the outlook for 2010 on Thursday, Aug. 5, 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 approximately 779,000 customers in a service territory spanning 30,000 square miles in Oklahoma and western Arkansas, and of Enogex 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 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; 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, 2009.

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

OGE Energy Corp.
consolidated statements of income
(unaudited)

	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2010	2009	2010	2009
	<i>(In millions, except per share data)</i>			
OPERATING REVENUES				
Electric Utility operating revenues	\$ 512.8	\$ 425.3	\$ 956.8	\$ 762.0
Natural Gas Pipeline operating revenues	374.4	218.8	806.2	488.7
Total operating revenues	<u>887.2</u>	<u>644.1</u>	<u>1,763.0</u>	<u>1,250.7</u>
COST OF GOODS SOLD (exclusive of depreciation and amortization shown below)				
Electric Utility cost of goods sold	218.9	176.4	457.8	335.5
Natural Gas Pipeline cost of goods sold	287.6	147.8	618.8	341.9
Total cost of goods sold	<u>506.5</u>	<u>324.2</u>	<u>1,076.6</u>	<u>677.4</u>
Gross margin on revenues	380.7	319.9	686.4	573.3
Other operation and maintenance	135.0	105.6	258.6	222.1
Depreciation and amortization	71.2	64.6	141.5	127.2
Impairment of assets	-	1.4	-	1.4
Taxes other than income	23.0	21.9	48.0	44.2
OPERATING INCOME	<u>151.5</u>	<u>126.4</u>	<u>238.3</u>	<u>178.4</u>
OTHER INCOME (EXPENSE)				
Loss in earnings of unconsolidated affiliate	(1.3)	-	(1.3)	-
Interest income	-	0.4	-	1.1
Allowance for equity funds used during construction	2.3	3.9	4.6	5.2
Other income	3.4	6.5	6.5	13.0
Other expense	<u>(3.7)</u>	<u>(2.7)</u>	<u>(6.1)</u>	<u>(5.0)</u>
Net other income	0.7	8.1	3.7	14.3
INTEREST EXPENSE				
Interest on long-term debt	33.4	31.9	67.0	63.3
Allowance for borrowed funds used during construction	(1.0)	(1.9)	(2.2)	(3.0)
Interest on short-term debt and other interest charges	1.6	1.7	3.3	4.1
Interest expense	<u>34.0</u>	<u>31.7</u>	<u>68.1</u>	<u>64.4</u>
INCOME BEFORE TAXES	<u>118.2</u>	<u>102.8</u>	<u>173.9</u>	<u>128.3</u>
INCOME TAX EXPENSE	<u>40.3</u>	<u>31.9</u>	<u>70.8</u>	<u>39.8</u>
NET INCOME	<u>\$ 77.9</u>	<u>\$ 70.9</u>	<u>103.1</u>	<u>88.5</u>
Less: Net income attributable to noncontrolling interest	0.6	0.4	1.6	1.2
NET INCOME ATTRIBUTABLE TO OGE ENERGY	<u>\$ 77.3</u>	<u>\$ 70.5</u>	<u>\$ 101.5</u>	<u>\$ 87.3</u>
BASIC AVERAGE COMMON SHARES OUTSTANDING	97.3	96.5	97.2	95.6
DILUTED AVERAGE COMMON SHARES OUTSTANDING	98.7	97.5	98.6	96.4
BASIC EARNINGS PER AVERAGE COMMON SHARE				
ATTRIBUTABLE TO OGE ENERGY COMMON SHAREHOLDERS	<u>\$ 0.79</u>	<u>\$ 0.73</u>	<u>\$ 1.04</u>	<u>\$ 0.91</u>
DILUTED EARNINGS PER AVERAGE COMMON SHARE				
ATTRIBUTABLE TO OGE ENERGY COMMON SHAREHOLDERS	<u>\$ 0.78</u>	<u>\$ 0.72</u>	<u>\$ 1.03</u>	<u>\$ 0.91</u>

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

	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2010	2009	2010	2009
	<i>(In millions)</i>			
BALANCE AT BEGINNING OF PERIOD	\$ 1,216.7	\$ 1,090.2	\$ 1,227.8	\$ 1,107.6
Net income attributable to OGE Energy	77.3	70.5	101.5	87.3
Dividends declared on common stock	(35.3)	(34.4)	(70.6)	(68.6)
BALANCE AT END OF PERIOD	<u>\$ 1,258.7</u>	<u>\$ 1,126.3</u>	<u>\$ 1,258.7</u>	<u>\$ 1,126.3</u>

capitalization ratios
(unaudited)

	June 30	December 31
	2010	2009
Stockholders' equity	46.8%	46.4%
Long-term debt (includes long-term debt due within one year)	53.2%	53.6%

OGE Energy Corp.
consolidated balance sheets

	June 30 2010 <u>(unaudited)</u>	December 31 2009
	<i>(In millions)</i>	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 7.3	\$ 58.1
Accounts receivable, less reserve of \$1.7 and \$2.4, respectively	315.5	291.4
Accrued unbilled revenues	81.6	57.2
Income taxes receivable	7.1	157.7
Fuel inventories	140.5	118.5
Materials and supplies, at average cost	84.9	78.4
Price risk management	8.0	1.8
Gas imbalances	5.0	3.2
Accumulated deferred tax assets	37.0	39.8
Fuel clause under recoveries	0.9	0.3
Prepayments	6.4	8.7
Other	3.4	11.0
Total current assets	<u>697.6</u>	<u>826.1</u>
OTHER PROPERTY AND INVESTMENTS, at cost	41.6	43.7
PROPERTY, PLANT AND EQUIPMENT		
In service	8,925.8	8,617.8
Construction work in progress	250.5	335.4
Total property, plant and equipment	<u>9,176.3</u>	<u>8,953.2</u>
Less accumulated depreciation	<u>3,119.4</u>	<u>3,041.6</u>
Net property, plant and equipment	6,056.9	5,911.6
DEFERRED CHARGES AND OTHER ASSETS		
Income taxes recoverable from customers, net	39.8	19.1
Benefit obligations regulatory asset	341.3	357.8
Price risk management	2.5	4.3
Unamortized loss on reacquired debt	16.0	16.5
Unamortized debt issuance costs	16.7	15.3
Other	81.7	72.3
Total deferred charges and other assets	<u>498.0</u>	<u>485.3</u>
TOTAL ASSETS	<u><u>\$ 7,294.1</u></u>	<u><u>\$ 7,266.7</u></u>

OGE Energy Corp.
consolidated balance sheets

	June 30	December 31
	2010	2009
	(unaudited)	
	<i>(In millions)</i>	
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Short-term debt	\$ 112.9	\$ 175.0
Accounts payable	277.2	297.0
Dividends payable	35.3	35.1
Customer deposits	93.5	85.6
Accrued taxes	55.8	37.0
Accrued interest	52.8	60.6
Accrued compensation	46.5	50.1
Long-term debt due within one year	-	289.2
Price risk management	9.6	14.2
Gas imbalances	7.8	12.0
Fuel clause over recoveries	137.4	187.5
Other	41.3	32.4
Total current liabilities	<u>870.1</u>	<u>1,275.7</u>
LONG-TERM DEBT	2,402.6	2,088.9
DEFERRED CREDITS AND OTHER LIABILITIES		
Accrued benefit obligations	337.5	369.3
Accumulated deferred income taxes	1,321.1	1,246.6
Accumulated deferred investment tax credits	11.3	13.1
Accrued removal obligations, net	175.5	168.2
Price risk management	-	0.1
Other	56.3	44.0
Total deferred credits and other liabilities	<u>1,901.7</u>	<u>1,841.3</u>
Total liabilities	<u>5,174.4</u>	<u>5,205.9</u>
STOCKHOLDERS' EQUITY		
Common stockholders' equity	902.3	887.7
Retained earnings	1,258.7	1,227.8
Accumulated other comprehensive loss, net of tax	(62.9)	(74.7)
Total OGE Energy stockholders' equity	<u>2,098.1</u>	<u>2,040.8</u>
Noncontrolling interest	21.6	20.0
Total stockholders' equity	<u>2,119.7</u>	<u>2,060.8</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 7,294.1</u>	<u>\$ 7,266.7</u>

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

	Six Months Ended	
	June 30	
	2010	2009
	<i>(In millions)</i>	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	103.1	\$ 88.5
Adjustments to Reconcile Net Income		
to Net Cash Provided from Operating Activities		
Loss in earnings of unconsolidated affiliate	1.3	-
Depreciation and amortization	141.5	127.2
Impairment of assets	-	1.4
Deferred income taxes and investment tax credits, net	52.2	52.9
Allowance for equity funds used during construction	(4.6)	(5.2)
Loss on disposition and abandonment of assets	0.9	0.3
Stock-based compensation expense	3.9	2.8
Stock-based compensation converted to cash for tax withholding	(1.6)	(1.7)
Price risk management assets	(4.4)	6.1
Price risk management liabilities	11.4	(63.0)
Other assets	11.7	4.9
Other liabilities	(40.7)	(39.2)
Change in certain current assets and liabilities		
Accounts receivable, net	(24.1)	33.1
Accrued unbilled revenues	(24.4)	(26.6)
Income taxes receivable	150.6	(27.3)
Fuel, materials and supplies inventories	(28.5)	(34.4)
Gas imbalance assets	(1.8)	3.9
Fuel clause under recoveries	(0.6)	23.9
Other current assets	8.9	(0.5)
Accounts payable	4.8	(74.3)
Customer deposits	18.3	2.6
Accrued taxes	20.4	16.4
Accrued interest	(7.8)	10.6
Accrued compensation	(3.6)	(3.5)
Gas imbalance liabilities	(4.2)	(13.2)
Fuel clause over recoveries	(50.1)	118.8
Other current liabilities	8.9	(17.6)
Net cash provided from operating activities	<u>341.5</u>	<u>186.9</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures (less allowance for equity funds used during construction)	(296.6)	(491.2)
Construction reimbursement	3.3	17.6
Proceeds from sale of assets	1.6	0.7
Other investing activities	0.1	-
Net cash used in investing activities	<u>(291.6)</u>	<u>(472.9)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Retirement of long-term debt	(289.2)	-
Dividends paid on common stock	(70.4)	(67.5)
(Decrease) Increase in short-term debt	(62.1)	84.2
Repayment of line of credit	(50.0)	(40.0)
Issuance of common stock	9.8	68.7
Proceeds from line of credit	115.0	80.0
Proceeds from long-term debt	246.2	198.4
Net cash (used in) provided from financing activities	<u>(100.7)</u>	<u>323.8</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(50.8)	37.8
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	58.1	174.4
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 7.3</u>	<u>\$ 212.2</u>

OGE Energy Corp.
financial and statistical data
(unaudited)

	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2010	2009	2010	2009
<i>(In millions)</i>				
ELECTRIC UTILITY				
Operating revenues by classification				
Residential	\$ 207.7	\$ 167.6	\$ 398.9	\$ 303.9
Commercial	132.0	112.3	233.0	191.7
Industrial	52.8	43.0	98.3	75.8
Oilfield	40.4	33.2	76.0	62.1
Public authorities and street light	50.5	41.3	90.0	72.8
Sales for resale	14.5	12.0	31.2	24.7
Provision for rate refund	-	(0.4)	-	(0.6)
System sales revenues	497.9	409.0	927.4	730.4
Off-system sales revenues	7.5	8.6	13.9	14.5
Other	7.4	7.7	15.5	17.1
Total operating revenues	<u>\$ 512.8</u>	<u>\$ 425.3</u>	<u>\$ 956.8</u>	<u>\$ 762.0</u>
Sales of electricity - MWH (a) sales by classification				
Residential	2.082	2.069	4.426	4.063
Commercial	1.754	1.704	3.163	3.090
Industrial	0.966	0.861	1.857	1.710
Oilfield	0.756	0.720	1.481	1.452
Public authorities and street light	0.784	0.759	1.426	1.412
Sales for resale	0.351	0.309	0.679	0.620
System sales	6.693	6.422	13.032	12.347
Off-system sales	0.202	0.305	0.339	0.495
Total sales	<u>6.895</u>	<u>6.727</u>	<u>13.371</u>	<u>12.842</u>
Number of customers	779,359	773,436	779,359	773,436
Average cost of energy per KWH (b) - cents				
Natural gas	4.503	3.310	5.050	3.519
Coal	1.916	1.778	1.858	1.659
Total fuel	2.832	2.340	3.049	2.285
Total fuel and purchased power	3.127	2.624	3.334	2.601
Degree days				
Heating				
Actual	158	254	2,298	1,929
Normal	236	236	2,199	2,199
Cooling				
Actual	737	637	745	660
Normal	547	547	555	555
NATURAL GAS PIPELINE				
Operating revenues (before intercompany eliminations)	\$ 270.0	\$ 190.9	\$ 554.2	\$ 381.0
Operating income	\$ 44.0	\$ 32.6	\$ 100.9	\$ 64.4
Net income attributable to Enogex LLC	\$ 22.3	\$ 16.0	\$ 49.7	\$ 31.4
Net cash provided from operating activities	\$ 129.3	\$ 62.7	\$ 159.0	\$ 52.1
Capital expenditures	\$ 62.7	\$ 70.1	\$ 95.6	\$ 143.4
Gathered volumes - Tbtu/d (c)	1.33	1.25	1.30	1.25
Incremental transportation volumes - Tbtu/d (d)	0.41	0.57	0.44	0.49
Total throughput volumes - Tbtu/d	<u>1.74</u>	<u>1.82</u>	<u>1.74</u>	<u>1.74</u>
Natural gas processed - Tbtu/d	0.83	0.70	0.78	0.67
Natural gas liquids sold (keep-whole) - million gallons	50	26	92	48
Natural gas liquids sold (purchase for resale) - million gallons	121	85	220	154
Natural gas liquids sold (percent-of-liquids) - million gallons	8	9	15	17
Total natural gas liquids produced - million gallons	<u>179</u>	<u>120</u>	<u>327</u>	<u>219</u>
Average net sales price per gallon	\$ 0.86	\$ 0.66	\$ 0.94	\$ 0.64
Estimated realized keep-whole spreads (e)	\$ 4.74	\$ 3.50	\$ 5.21	\$ 3.20

(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 NGL 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		Six Months Ended	
	June 30		June 30	
	2010	2009	2010	2009
	(In millions)			
OPERATING REVENUES	\$ 512.8	\$ 425.3	\$ 956.8	\$ 762.0
COST OF GOODS SOLD (exclusive of depreciation and amortization shown below)	230.8	188.3	481.6	359.3
Gross margin on revenues	282.0	237.0	475.2	402.7
Other operation and maintenance	101.2	77.9	195.1	163.2
Depreciation and amortization	50.6	46.0	100.3	91.5
Impairment of assets	-	0.3	-	0.3
Taxes other than income	17.2	16.3	34.9	32.4
OPERATING INCOME	113.0	96.5	144.9	115.3
OTHER INCOME (EXPENSE)				
Interest income	-	0.3	-	0.8
Allowance for equity funds used during construction	2.3	3.9	4.6	5.2
Other income	0.8	4.2	3.3	8.8
Other expense	(0.4)	(0.7)	(1.0)	(1.2)
Net other income	2.7	7.7	6.9	13.6
INTEREST EXPENSE				
Interest on long-term debt	25.1	24.1	49.2	48.3
Allowance for borrowed funds used during construction	(1.0)	(1.9)	(2.2)	(3.0)
Interest on short-term debt and other interest charges	1.1	1.0	2.4	2.2
Interest expense	25.2	23.2	49.4	47.5
INCOME BEFORE TAXES	90.5	81.0	102.4	81.4
INCOME TAX EXPENSE	30.5	24.6	41.2	23.7
NET INCOME	\$ 60.0	\$ 56.4	\$ 61.2	\$ 57.7
BASIC AVERAGE COMMON SHARES OUTSTANDING	97.3	96.5	97.2	95.6
DILUTED AVERAGE COMMON SHARES OUTSTANDING	98.7	97.5	98.6	96.4
BASIC EARNINGS PER AVERAGE COMMON SHARE				
ATTRIBUTABLE TO OGE ENERGY COMMON SHAREHOLDERS	\$ 0.62	\$ 0.58	\$ 0.63	\$ 0.60
DILUTED EARNINGS PER AVERAGE COMMON SHARE				
ATTRIBUTABLE TO OGE ENERGY COMMON SHAREHOLDERS	\$ 0.61	\$ 0.58	\$ 0.62	\$ 0.60

Oklahoma Gas and Electric Company

balance sheets

	June 30 2010 (unaudited)	December 31 2009
	<i>(In millions)</i>	
ASSETS		
CURRENT ASSETS		
Accounts receivable, less reserve of \$1.2 and \$1.7, respectively	\$ 191.9	\$ 145.9
Accrued unbilled revenues	81.6	57.2
Advances to parent	222.1	125.9
Fuel inventories	118.1	101.0
Materials and supplies, at average cost	79.1	73.5
Gas imbalances	-	0.1
Accumulated deferred tax assets	24.0	23.8
Fuel clause under recoveries	0.9	0.3
Prepayments	6.5	8.5
Other	1.2	7.6
Total current assets	<u>725.4</u>	<u>543.8</u>
OTHER PROPERTY AND INVESTMENTS, at cost	2.9	2.9
PROPERTY, PLANT AND EQUIPMENT		
In service	6,892.5	6,623.7
Construction work in progress	142.9	259.9
Total property, plant and equipment	<u>7,035.4</u>	<u>6,883.6</u>
Less accumulated depreciation	<u>2,466.3</u>	<u>2,416.0</u>
Net property, plant and equipment	4,569.1	4,467.6
DEFERRED CHARGES AND OTHER ASSETS		
Income taxes recoverable from customers, net	39.8	19.1
Benefit obligations regulatory asset	341.3	357.8
Unamortized loss on reacquired debt	16.0	16.5
Unamortized debt issuance costs	12.6	10.8
Other	68.8	59.6
Total deferred charges and other assets	<u>478.5</u>	<u>463.8</u>
TOTAL ASSETS	<u><u>\$ 5,775.9</u></u>	<u><u>\$ 5,478.1</u></u>

Oklahoma Gas and Electric Company

balance sheets

	June 30 2010 (unaudited)	December 31 2009
	<i>(In millions)</i>	
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES		
Accounts payable - affiliates	\$ 7.2	\$ 4.6
Accounts payable - other	141.4	137.2
Customer deposits	62.3	60.1
Accrued taxes	30.8	29.1
Accrued interest	41.3	40.4
Accrued compensation	26.5	26.3
Price risk management	0.8	-
Fuel clause over recoveries	137.4	187.5
Other	28.2	20.2
Total current liabilities	<u>475.9</u>	<u>505.4</u>
LONG-TERM DEBT	1,790.3	1,541.8
DEFERRED CREDITS AND OTHER LIABILITIES		
Accrued benefit obligations	225.6	261.0
Accumulated deferred income taxes	996.2	931.2
Accumulated deferred investment tax credits	11.3	13.1
Accrued removal obligations, net	175.5	168.2
Price risk management	1.9	0.7
Other	45.1	32.4
Total deferred credits and other liabilities	<u>1,455.6</u>	<u>1,406.6</u>
Total liabilities	<u>3,721.8</u>	<u>3,453.8</u>
STOCKHOLDER'S EQUITY		
Common stockholder's equity	958.4	958.4
Retained earnings	1,097.3	1,066.3
Accumulated other comprehensive loss, net of tax	(1.6)	(0.4)
Total stockholder's equity	<u>2,054.1</u>	<u>2,024.3</u>
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	<u><u>\$ 5,775.9</u></u>	<u><u>\$ 5,478.1</u></u>

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

Six Months Ended
June 30

	2010	2009
	<i>(In millions)</i>	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	61.2	\$ 57.7
Adjustments to Reconcile Net Income to Net Cash Provided from Operating Activities		
Depreciation and amortization	100.3	91.5
Impairment of assets	-	0.3
Deferred income taxes and investment tax credits, net	47.9	29.2
Allowance for equity funds used during construction	(4.6)	(5.2)
Loss on disposition and abandonment of assets	0.1	-
Price risk management liabilities	-	0.6
Other assets	10.1	3.5
Other liabilities	(47.2)	(42.7)
Change in certain current assets and liabilities		
Accounts receivable, net	(46.0)	(4.3)
Accrued unbilled revenues	(24.4)	(26.6)
Fuel, materials and supplies inventories	(22.7)	(47.8)
Gas imbalance assets	0.1	0.5
Fuel clause under recoveries	(0.6)	23.9
Other current assets	7.5	(2.3)
Accounts payable	28.9	(4.0)
Accounts payable - affiliates	2.6	(3.2)
Income taxes payable - affiliates	112.4	(4.5)
Customer deposits	2.2	1.9
Accrued taxes	1.7	0.7
Accrued interest	0.9	10.5
Accrued compensation	0.2	(1.8)
Fuel clause over recoveries	(50.1)	118.8
Other current liabilities	8.0	4.5
Net cash provided from operating activities	<u>188.5</u>	<u>201.2</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures (less allowance for equity funds used during construction)	(196.7)	(342.7)
Proceeds from sale of assets	0.8	0.5
Net cash used in investing activities	<u>(195.9)</u>	<u>(342.2)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	246.2	0.1
Increase in short-term debt	-	84.2
Dividends paid on common stock	(30.3)	-
Changes in advances with parent	(208.5)	10.3
Net cash provided from financing activities	<u>7.4</u>	<u>94.6</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	-	(46.4)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	-	50.7
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ -</u>	<u>\$ 4.3</u>

Enogex LLC and subsidiaries
consolidated statements of income
(unaudited)

	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2010	2009	2010	2009
	<i>(In millions)</i>			
OPERATING REVENUES	\$ 270.0	\$ 190.9	\$ 554.2	\$ 381.0
COST OF GOODS SOLD (exclusive of depreciation and amortization shown below)	167.0	107.0	338.4	212.6
Gross margin on revenues	103.0	83.9	215.8	168.4
Other operation and maintenance	36.1	29.6	68.4	62.6
Depreciation and amortization	17.9	15.9	35.7	30.7
Impairment of assets	-	1.1	-	1.1
Taxes other than income	5.0	4.7	10.8	9.6
OPERATING INCOME	44.0	32.6	100.9	64.4
OTHER INCOME (EXPENSE)				
Interest income	-	-	-	0.1
Other income	0.1	-	0.1	-
Other expense	(0.1)	-	(0.1)	(0.1)
Net other income (expense)	-	-	-	-
INTEREST EXPENSE				
Interest on long-term debt	7.0	6.2	15.1	12.1
Interest on short-term debt and other interest charges	0.2	0.2	0.3	0.2
Interest expense	7.2	6.4	15.4	12.3
INCOME BEFORE TAXES	36.8	26.2	85.5	52.1
INCOME TAX EXPENSE	13.9	9.8	34.2	19.5
NET INCOME	22.9	16.4	51.3	32.6
Less: Net income attributable to noncontrolling interest	0.6	0.4	1.6	1.2
NET INCOME ATTRIBUTABLE TO ENOGEX LLC	\$ 22.3	\$ 16.0	\$ 49.7	\$ 31.4
BASIC AVERAGE COMMON SHARES OUTSTANDING	97.3	96.5	97.2	95.6
DILUTED AVERAGE COMMON SHARES OUTSTANDING	98.7	97.5	98.6	96.4
BASIC EARNINGS PER AVERAGE COMMON SHARE				
ATTRIBUTABLE TO OGE ENERGY COMMON SHAREHOLDERS	\$ 0.23	\$ 0.17	\$ 0.51	\$ 0.33
DILUTED EARNINGS PER AVERAGE COMMON SHARE				
ATTRIBUTABLE TO OGE ENERGY COMMON SHAREHOLDERS	\$ 0.23	\$ 0.16	\$ 0.50	\$ 0.33

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

	June 30 2010 (unaudited)	December 31 2009
	<i>(In millions)</i>	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 7.3	\$ 1.8
Accounts receivable, less reserve of \$0.5 and \$0.7, respectively	64.0	71.9
Accounts receivable - affiliates	10.2	10.0
Advances to parent	-	229.9
Natural gas and natural gas liquids inventories	11.1	10.2
Materials and supplies, at average cost	3.1	2.9
Gas imbalances	4.9	3.1
Accumulated deferred tax assets	9.7	14.2
Prepayments	0.9	1.7
Total current assets	<u>111.2</u>	<u>345.7</u>
OTHER PROPERTY AND INVESTMENTS, at cost	1.4	1.4
PROPERTY, PLANT AND EQUIPMENT		
In service	1,931.5	1,885.0
Construction work in progress	100.8	69.9
Total property, plant and equipment	<u>2,032.3</u>	<u>1,954.9</u>
Less accumulated depreciation	<u>574.5</u>	<u>542.8</u>
Net property, plant and equipment	1,457.8	1,412.1
DEFERRED CHARGES AND OTHER ASSETS		
Price risk management	2.2	3.7
Unamortized debt issuance costs	3.6	4.0
Other	11.6	12.0
Total deferred charges and other assets	<u>17.4</u>	<u>19.7</u>
TOTAL ASSETS	<u><u>\$ 1,587.8</u></u>	<u><u>\$ 1,778.9</u></u>

Enogex LLC and subsidiaries consolidated balance sheets

	June 30 2010 (unaudited)	December 31 2009
	<i>(In millions)</i>	
LIABILITIES AND MEMBER'S INTEREST		
CURRENT LIABILITIES		
Accounts payable	\$ 80.2	\$ 92.7
Advances from parent	1.0	-
Customer deposits	31.2	25.4
Accrued taxes	8.4	7.2
Accrued interest	10.9	19.6
Accrued compensation	10.4	11.6
Long-term debt due within one year	-	289.2
Price risk management	2.1	12.5
Gas imbalances	7.7	11.6
Other	13.4	13.1
Total current liabilities	165.3	482.9
LONG-TERM DEBT	512.7	447.6
DEFERRED CREDITS AND OTHER LIABILITIES		
Accrued benefit obligations	47.1	44.6
Accumulated deferred income taxes	343.8	337.3
Price risk management	-	-
Other	3.0	2.8
Total deferred credits and other liabilities	393.9	384.7
Total liabilities	1,071.9	1,315.2
MEMBER'S INTEREST		
Member's interest	526.7	487.0
Accumulated other comprehensive loss, net of tax	(32.4)	(43.3)
Total Enogex LLC member's interest	494.3	443.7
Noncontrolling interest	21.6	20.0
Total member's interest	515.9	463.7
TOTAL LIABILITIES AND MEMBER'S INTEREST	\$ 1,587.8	\$ 1,778.9

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

	Six Months Ended	
	June 30	
	2010	2009
	<i>(In millions)</i>	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	\$ 51.3	\$ 32.6
Adjustments to Reconcile Net Income to Net Cash Provided from Operating Activities		
Depreciation and amortization	35.7	30.7
Impairment of assets	-	1.1
Deferred income taxes, net	4.1	32.6
Loss on disposition and abandonment of assets	0.1	0.1
Price risk management assets	1.5	59.0
Price risk management liabilities	6.3	(56.4)
Other assets	0.4	-
Other liabilities	3.9	3.7
Change in certain current assets and liabilities		
Accounts receivable, net	7.9	(7.5)
Accounts receivable - affiliates	(0.2)	13.5
Natural gas, natural gas liquids, materials and supplies inventories	(1.1)	5.7
Gas imbalance assets	(1.8)	3.4
Other current assets	0.8	0.9
Accounts payable	(12.5)	(36.4)
Income taxes payable - affiliates	58.7	(13.2)
Customer deposits	16.2	0.7
Accrued taxes	1.2	0.7
Accrued interest	(8.7)	0.1
Accrued compensation	(1.2)	(1.0)
Gas imbalance liabilities	(3.9)	(10.5)
Other current liabilities	0.3	(7.7)
Net cash provided from operating activities	<u>159.0</u>	<u>52.1</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(95.6)	(143.4)
Construction reimbursement	3.3	17.6
Proceeds from sale of assets	0.8	0.2
Net cash used in investing activities	<u>(91.5)</u>	<u>(125.6)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Retirement of long-term debt	(289.2)	-
Repayment of line of credit	(50.0)	(40.0)
Member distribution to OGE Energy	(10.0)	-
Proceeds from long-term debt	-	198.3
Capital contribution from OGE Energy	-	50.0
Proceeds from line of credit	115.0	80.0
Changes in advances with parent	172.2	(24.0)
Net cash (used in) provided from financing activities	<u>(62.0)</u>	<u>264.3</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	5.5	190.8
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1.8	17.1
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 7.3</u>	<u>\$ 207.9</u>