

SCHEDULE 14A  
INFORMATION REQUIRED IN PROXY STATEMENT, OFFICIAL TEXT

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE SECURITIES  
EXCHANGE ACT OF 1934 (AMENDMENT NO. )

Filed by the Registrant  [X]

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OGE ENERGY CORP.  
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(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)  
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## OGE ENERGY CORP.

**Proxy Statement  
and  
Notice of Annual Meeting**

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**May 24, 2001**

**OGE ENERGY CORP.  
[LOGO]**

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## **OGE Energy Corp.**

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March 29, 2001

### **Dear Shareowner:**

You are cordially invited to attend the annual meeting of OGE Energy Corp. at 10:00 a.m. on Thursday, May 24, 2001, at the Oklahoma City Marriott Hotel, 3233 Northwest Expressway, Oklahoma City, Oklahoma.

The matters to be voted on at the meeting are described in the Notice of Annual Meeting of Shareowners and Proxy Statement on the following pages.

Even though you may own only a few shares, your proxy is important in making up the total number of shares necessary to hold the meeting. Whether or not you plan to attend the meeting, please vote your shares as soon as possible. A return envelope for your proxy card is enclosed for your convenience. Again this year, in addition to telephone voting, you also have the option of voting by the Internet. Instructions are included on the proxy card. Your vote will be appreciated.

If you arrive before the meeting, you will have the opportunity to visit informally with the management of your Company. In addition to the business portion of the meeting, there will be reports on our current operations and outlook.

Your continued interest in the Company is most encouraging and, on behalf of the Board of Directors and employees, I want to express our gratitude for your confidence and support.

Very truly yours,

Steven E. Moore  
Chairman of the Board, President  
and Chief Executive Officer

## **Notice of Annual Meeting of Shareowners**

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The Annual Meeting of Shareowners of OGE Energy Corp. will be held on Thursday, May 24, 2001, at 10:00 a.m. at the Oklahoma City Marriott Hotel, 3233 Northwest Expressway, Oklahoma City, Oklahoma, for the following purposes:

- (1) To elect three directors to serve for a three-year term; and
- (2) To transact such other business as may properly come before the meeting.

The map on page 20 will assist you in locating the Oklahoma City Marriott Hotel.

Shareowners who owned stock on March 26, 2001, are entitled to notice of and to vote at this meeting or any adjournment of the meeting. A list of such shareowners will be available, as required by law, at our principal offices at 321 N. Harvey, Oklahoma City, Oklahoma 73102.

Irma B. Elliott  
Vice President and Secretary

Dated: March 29, 2001

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**IMPORTANT-- YOUR PROXY CARD IS ENCLOSED IN THIS ENVELOPE**

To assure your representation at the meeting, please vote your shares by the Internet, by telephone or by signing, dating and returning the proxy card promptly in the enclosed envelope. No postage is required for mailing in the United States. If your shares are held in the name of a broker, trust, bank or other nominee and you plan to attend the meeting and vote your shares in person, you should bring with you a proxy or letter from the broker, trustee, bank or nominee confirming your beneficial ownership of the shares.

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## **PROXY STATEMENT**

March 29, 2001

### **Introduction**

The Annual Meeting of Shareowners of OGE Energy Corp. (the "Company") will be held at the Oklahoma City Marriott Hotel, 3233 Northwest Expressway, Oklahoma City, Oklahoma, on May 24, 2001, at 10:00 a.m. For the convenience of those shareowners who may attend the meeting, a map is printed on page 20 that gives directions to the Oklahoma City Marriott Hotel. At the meeting, it is intended that the first item in the accompanying notice will be presented for action by the owners of the Company's Common Stock. The Board of Directors does not now know of any other matters to be presented at the meeting, but, if any other matters are properly presented to the meeting for action, the persons named in the accompanying proxy will vote upon them in accordance with their best judgment.

Your Board of Directors is sending you this proxy statement in connection with the solicitation of your proxy for use at the Annual Meeting. When you vote by Internet, by telephone or by mail, you appoint Steven E. Moore, Herbert H. Champlin, and H. L. Hembree, III as your representatives at the Annual Meeting. Messrs. Moore, Champlin, and Hembree will vote your shares, as you have instructed them, at the Annual Meeting. This way, your shares will be voted whether or not you attend the Annual Meeting. Even if you plan to attend the meeting, it is a good idea to vote your shares in advance of the meeting, just in case your plans change.

If an issue comes up for vote at the meeting that is not on the proxy card, Messrs. Moore, Champlin and Hembree will vote your shares, under your proxy, in accordance with their best judgment.

### **Voting Procedures; Revocation of Proxy**

You may vote by mail, by telephone, by Internet, or in person. To vote by mail, simply complete and sign the proxy card and mail it in the enclosed, prepaid and preaddressed envelope. If you mark your voting instructions on the proxy card, your shares will be voted as you instruct. If you return a signed card but do not provide voting instructions, your shares will be voted **FOR** the three named nominees.

Shareowners of record also may vote by the Internet or by using the toll-free number listed on the proxy card. Telephone and Internet voting also is available to shareowners who hold their shares in the Dividend Reinvestment and Stock Purchase Plan and the OGE Energy Corp. Employees' Stock Ownership and Retirement Savings Plan (the "Retirement Savings Plan"). The telephone voting and Internet voting procedure is designed to verify shareowners through use of a Control Number that is provided on each proxy card. This procedure allows you to vote your shares and to confirm that your instructions have been properly recorded. If you vote by telephone or by the Internet, you do not have to mail in your proxy card. Please see your proxy card for specific instructions.

If you wish to vote in person, we will pass out written ballots at the meeting. If you hold your shares in street name (i.e., they are held by your broker in an account for you), you must request a legal proxy from your broker in order to vote at the meeting.

If you change your mind after voting your proxy, you can revoke your proxy and change your vote at any time before the polls close at the meeting. You can revoke your proxy by either signing another proxy with a later date, by voting by Internet, by telephone or by voting at the meeting. Alternatively, you may provide a written statement to the Company (attention Irma B. Elliott, Vice President and Corporate Secretary) of your intention to revoke your proxy.

### **Record Date; Number of Votes**

If you owned shares of our Common Stock at the close of business on March 26, 2001, you are entitled to one vote per share upon each matter presented at the meeting.

On March 1, 2001, there were 77,921,997 shares of Common Stock outstanding. The Company does not have any other outstanding class of voting stock. No person holds of record or, to our knowledge, beneficially owns more than 5% of our Common Stock.

## Expenses of Proxy Solicitation

We will pay all costs associated with preparing, assembling and mailing the proxy cards and proxy statements. We also will reimburse brokers, nominees, fiduciaries and other custodians for their expenses in forwarding proxy materials to shareowners. Officers and other employees of the Company may solicit proxies by mail, personal interview, telephone and/or telegraph. In addition, we have retained Mellon Investor Services to assist in the solicitation of proxies, at a fee of approximately \$7,000 plus associated costs and expenses. Our employees will not receive any additional compensation for soliciting proxies.

## Mailing of Proxy Statement and Annual Report

This proxy statement and the enclosed proxy were mailed on or about March 30, 2001. We mailed our Annual Report for the year 2000 on or about March 30, 2001, to all of our shareowners who owned stock on March 26, 2001.

## Voting Under Plans

If you are a participant in our Dividend Reinvestment and Stock Purchase Plan (DRIP), your proxy will represent the shares held on your behalf under the DRIP and such shares will be voted in accordance with the instructions on your proxy. If you do not vote your proxy, your shares in the DRIP will not be voted.

If you are a participant in our Retirement Savings Plan, you will receive a voting directive for shares allocated to your account. The trustee will vote these shares as instructed by you in your voting directive. If you do not return your voting directive, the trustee will vote your allocated shares in the same proportion that all plan shares are voted.

## Voting of Shares Held in Street Name by Your Broker

Brokerage firms have authority under New York Stock Exchange Rules to vote customers' unvoted shares on certain "routine" matters, including the election of directors. If you do not vote your proxy, your brokerage firm may either vote your shares on routine matters or leave your shares unvoted. We encourage you to provide instructions to your brokerage firm by voting your proxy. This ensures your shares will be voted at the meeting. When a brokerage firm votes its customers' unvoted shares on routine matters, these shares are counted for purposes of establishing a quorum to conduct business at the meeting. A brokerage firm, however, cannot vote customers' shares on non-routine matters. Accordingly, these shares (sometimes referred to as broker non-votes) are considered not entitled to vote on non-routine matters, rather than as a vote against the matter.

## PROPOSAL NO. 1 - ELECTION OF DIRECTORS

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The Board of Directors of the Company presently consists of ten members. The directors are classified into three groups. One class of directors is elected at each year's Annual Meeting for a three-year term and to continue in office until their successors are elected and qualified. The following three persons are the nominees of the Board to be elected for such three-year term at the Annual Meeting to be held on May 24, 2001: Mr. Luke R. Corbett, Mr. Robert Kelley, and Mr. J. D. Williams. Each of these individuals is currently a director of the Company whose term as a director is scheduled to expire at the Annual Meeting. Each director serves according to the Company's retirement policy for directors. Under the policy, directors are to retire upon completion of their term after reaching age 70.

Mr. Bill Swisher retired from the Board during 2001, having served as a director of Oklahoma Gas and Electric Company since 1979 and as a director of the Company since its inception in 1996. The Board would like to express its sincere appreciation to Mr. Swisher for his many years of contribution and dedicated service.

The enclosed proxy, unless otherwise specified, will be voted in favor of the election as directors of the previously listed three nominees. The Board of Directors does not know of any nominee who will be unable to serve, but if any of them should be unable to serve, the proxy holder may vote for a substitute nominee. No nominee or director owns more than .34% of any class of voting securities of the Company.

For the nominees described herein to be elected as directors, they must receive a majority of the votes of shares of Common Stock present in person or by proxy and entitled to vote. Withholding authority is treated as a vote against.

Each director of the Company during 2000 was also a director of the Company's principal subsidiary, Oklahoma Gas and Electric Company ("OG&E"). The Company became the parent company of OG&E pursuant to a corporate reorganization, effective December 31, 1996.

## INFORMATION ABOUT DIRECTORS AND NOMINEES

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The following contains certain information as of March 1, 2001, concerning the three nominees for directors, as well as the directors whose terms of office extend beyond the Annual Meeting on May 24, 2001.

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### *Nominees For Election For Term Expiring at 2004 Annual Meeting of Shareowners*

**LUKE R. CORBETT**, 54, is Chairman and Chief Executive Officer of Kerr-McGee Corporation, which is engaged in oil and gas exploration and production and chemical operations. He has been employed by Kerr-McGee Corporation for more than 16 years, having served as Chairman and Chief Executive Officer since 1997; President and Chief Operating Officer from 1995 to 1997; and Group Vice President from 1992 to 1995. Mr. Corbett also serves as a member of the Board of Directors of BOK Financial Corporation. Mr. Corbett has been a director of the Company since December 31, 1996, and of OG&E since December 1, 1996, and is a member of the audit and nominating committees of the Board.

[Photo]

**ROBERT KELLEY**, 55, is Chairman of the Board of Noble Affiliates, Inc., an independent energy company with exploration and production operations in the United States and international operations in China, Ecuador, Equatorial Guinea and the U.K. sector of the North Sea, and is expected to retire from such position effective April 30, 2001. Prior to October 2, 2000 he also served as President and Chief Executive Officer of Noble Affiliates, Inc. and of its three subsidiaries: Samedan Oil Corporation, Noble Gas Marketing Inc., and Noble Trading, Inc.

[Photo]

Mr. Kelley has been a director of the Company since December 31, 1996, and of OG&E since January 17, 1996, and is a member of the audit and compensation committees of the Board.

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**J. D. WILLIAMS**, 63, is founder and a former member of Williams & Jenson, P.C., a law firm in Washington, D. C. He continues to practice law and is involved in various civic and related matters. Mr. Williams has been a director of the Company since January 2001, and is a member of the audit and nominating committees of the Board. [Photo]

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#### ***Directors Whose Terms Expire at 2003 Annual Meeting of Shareowners***

**WILLIAM E. DURRETT**, 70, is Senior Chairman of the Board of American Fidelity Corporation, an insurance holding company and Chairman of North American Insurance Agency, Inc. From May 1998 to October 1999, he also served as President and Chief Executive Officer of North American Insurance Agency, Inc. From November 1989 to 1998, Mr. Durrett served as Chairman, President and Chief Executive Officer of American Fidelity Corporation. He also serves as a member of the Boards and holds various executive positions in numerous other subsidiaries of American Fidelity Corporation. He also serves as a director of BOK Financial Corporation and is past Chairman of the Board of INTEGRIS Health. Mr. Durrett has been a director of the Company since December 31, 1996, and of OG&E since March 1991, and is a member of the audit and compensation committees of the Board. [Photo]

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**H. L. Hembree, III**, 69, is Managing Partner of Sugar Hill Partners, a family partnership engaged in trucking, tire remanufacturing, agriculture and oil and gas exploration, located in Fort Smith, Arkansas. Prior to 1998, he was Chairman of the Executive Committee of Merchants National Bank, Fort Smith, Arkansas. He has been a director of the Company since December 31, 1996, and of OG&E since 1985, and is a member of the audit and compensation committees of the Board. [Photo]

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**STEVEN E. MOORE**, 54, is Chairman, President and Chief Executive Officer of the Company and of OG&E, having been appointed to such positions with the Company effective December 31, 1996. Mr. Moore was appointed President of OG&E in August 1995, and as Chief Executive Officer and Chairman of OG&E in May 1996. Mr. Moore has been employed by OG&E for more than 26 years, having previously served as Senior Vice President of Law and Public Affairs. He also serves as a director of BOK Financial Corporation and has served on many industry-wide committees in the electric utility industry. Mr. Moore has been a director of the Company since 1996 and of OG&E since October 1995. [Photo]

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#### ***Directors Whose Terms Expire at 2002 Annual Meeting of Shareowners***

**HERBERT H. CHAMPLIN**, 63, is President of Champlin Exploration, Inc., an independent oil producer, and Chairman of Enid Data Systems, computer marketers, both located in Enid, Oklahoma. Mr. Champlin has been a director of the Company since December 31, 1996, and of OG&E since 1982, and is chairman of the audit committee and a member of the nominating committee of the Board. Mr. Champlin also was engaged separately during 2000 as a part of his principal business occupation in the petroleum industry and had interests in oil and gas wells. [Photo]

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**MARTHA W. GRIFFIN**, 66, owner of Martha Griffin White Enterprises, is presently engaged in the management of her personal investments, the operation of a ranch and various civic activities. Prior to September 30, 1994, she served as Chairman of the Board of Griffin Television, Inc., located in Oklahoma City, Oklahoma, and Chairman of the Board of Griffin Food Company (a subsidiary of Griffin Television, Inc.). Mrs. Griffin has been a director of the Company since December 31, 1996, and of OG&E since 1987, and is chairman of the nominating committee and a member of the audit committee of the Board. [Photo]

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**RONALD H. WHITE, M.D.**, 64, is a practicing cardiologist and is President and Chief Executive Officer of Cardiology, Inc. in Oklahoma City. He serves as President, Partner and Director of Oklahoma Cardiovascular Associates, and Director of Oklahoma Heart Hospital. He was a member of the Board of Regents of the University of Oklahoma for 14 years. Dr. White has been a director of the Company since December 31, 1996, and of OG&E since 1989, and is a member of the audit and nominating committees of the Board. [Photo]

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#### **INFORMATION CONCERNING THE BOARD OF DIRECTORS**

Each member of our Board of Directors was also a director of OG&E during 2000. The Board of Directors of the Company met on 6 occasions during 2000 and the Board of Directors of OG&E met on 6 occasions during 2000. Each director attended at least 82% of the total number of meetings of the Boards of Directors and the committees of the Boards on which he or she served.

**Committees.** The committees of the Company's Board of Directors include a compensation committee, an audit committee and a nominating committee. The Directors who are members of the various committees of the Company serve in the same capacity for purposes of the OG&E Board.

The members of the committees during 2000, and the duties and responsibilities of the committees are described below.

Name of Committee and Members -----	Functions of the Committee -----	Number of Meetings in 2000 -----
<i>Compensation Committee:</i> William E. Durrett H.L. Hembree, III Robert Kelley Bill Swisher*	Oversees o compensation of principal officers o salary policy o benefit programs o compensation for outside directors o future objectives and goals of the Company	3
<i>Audit Committee:</i> Herbert H. Champlin* Luke R. Corbett William E. Durrett Martha W. Griffin H. L. Hembree, III Robert Kelley Bill Swisher Ronald H. White	Oversees financial reporting process o evaluate performance of independent auditors o review and recommend selection of independent auditors o discuss with internal and independent auditors scope and plans for audits, adequacy and effectiveness of accounting and financial controls, and results of their examinations o review interim financial statements and annual financial statements to be included in Form 10-K	2
<i>Nominating Committee:</i> Herbert H. Champlin Luke R. Corbett Martha W. Griffin* Ronald H. White	Reviews and recommends o nominees for election as directors o membership of director committees	3

\* Chairperson

**Shareowner Nominations for Directors.** It is expected that the nominating committee will consider nominees recommended by shareowners in accordance with our By-laws. Our By-laws provide that if you intend to nominate director candidates for election at an Annual Meeting of Shareowners you must deliver written notice to the Corporate Secretary not later than 90 days in advance of the meeting. The notice must set forth certain information concerning you and the nominee(s), including each nominee's name and address, a representation that you are entitled to vote at such meeting and intend to appear in person or by proxy at the meeting to nominate the person or persons specified in your notice, a description of all arrangements or understandings between you and each nominee and any other person pursuant to which the nomination or nominations are to be made by you, such other information as would be required to be included in a proxy statement soliciting proxies for the election of the nominee(s) and the consent of each nominee to serve as a director if so elected. The chairman of the Annual Meeting may refuse to acknowledge the nomination of any person not made in compliance with the foregoing procedure.

**Director Compensation.** Compensation of non-officer directors of the Company during 2000 consisted of an annual retainer fee of \$39,500, of which \$2,000 was payable monthly in cash (the same amount that has been paid monthly since August 1994) and \$15,500 was deposited in the director's account under the Directors' Deferred Compensation Plan and converted to 700.565 common stock units based on the closing price of the Company's Common Stock on December 1, 2000. In addition, all non-officer directors received \$1,000 for each Board meeting and \$1,000 for each committee meeting attended. These amounts represent the total fees paid to directors in their capacities as directors of the Company and OG&E.

Under the Directors' Deferred Compensation Plan, non-officer directors may defer payment of all or part of their attendance fees and the cash portion of their annual retainer fee, which deferred amounts are credited to their account on the date the deferred amounts otherwise would have been paid.

Amounts credited to the accounts are assumed to be invested in one or more of the investment options permitted under the Plan. During 2000, those investment options included a Company Common Stock fund, whose value was determined based on the stock price of the Company's Common Stock, a money market fund, a bond fund and several stock funds.

When an individual ceases to be a director of the Company, all amounts credited under the Plan are paid in cash in a lump sum or installments. As an alternative to these investment options, prior to January 1, 2000, a non-officer director could elect to have all or any deferred portion of the attendance fees and the cash portion of the annual retainer fee applied to purchase life insurance for the director. Any deferred attendance or retainer fees used to purchase life insurance may not be transferred to other investment options.

Historically, for those directors who retired from the Board of Directors after 10 years or more of service, the Company and OG&E continued to pay their annual cash retainer until their death. In November 1997, the Board eliminated this retirement policy for directors. Directors who retired prior to November 1997, however, will continue to receive benefits under the former policy.

## REPORT OF AUDIT COMMITTEE

The Audit Committee of the Board of Directors of the Company (the "Audit Committee") oversees the Company's financial reporting process on behalf of the Board of Directors. Management, however, has the primary responsibility for the financial statements and the reporting process including the systems of internal controls.

The Audit Committee has eight members, none of whom has any relationship to the Company that interferes with the exercise of his or her independence from management and the Company, and each of whom qualifies as independent under the standards used by the New York Stock Exchange, where the Company's shares are listed. The Audit Committee operates under a written charter that has been approved by the Board of Directors. Among other things, the charter specifies the scope of the Audit Committee's responsibilities and how it carries out those responsibilities, including structure, processes and membership requirements. A copy of this charter is included as Appendix A to this proxy statement.

In fulfilling its oversight responsibilities regarding the 2000 financial statements, the Audit Committee reviewed with Company management the audited financial statements contained in our Annual Report. The Audit Committee's review included a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements.

The Audit Committee also reviewed the 2000 financial statements with the Company's independent auditors. The Company's independent auditors are responsible for expressing an opinion on the conformity of our audited financial statements with generally accepted accounting principles. Our review with the independent auditors included a discussion of the auditors' judgments as to the quality, not just the acceptability, of the Company's accounting principles and such other matters as are required to be discussed with the Audit Committee under Statement on Auditing Standards No. 61. In addition, the Audit Committee discussed with the independent auditors the auditors' independence from management and the Company, including the matters in the written disclosures received by the Audit Committee in accordance with the requirements of the Independence Standards Board.

The Audit Committee also discussed with the Company's internal and independent auditors the overall scope and plans for their respective audits for 2001. The Audit Committee meets with the internal and independent auditors, with and without management present, to discuss the results of their examinations, their evaluations of the Company's internal controls, and the overall quality of the Company's financial reporting. The Audit Committee held two meetings during 2000 and the Chairman of the Audit Committee met with the auditors by telephone on a quarterly basis to discuss the Company's quarterly financial statements.

### Fees For Independent Auditors

During 2000, the Company retained its principal independent public accountants, Arthur Andersen, to provide services in the following categories and amounts:

Audit Fees	\$ 452,395
Financial Information Systems Design and Implementation Fees	\$ 0
All Other Fees <sup>1</sup>	\$ 541,434

The Audit Committee has considered whether the provision of non-audit services by the Company's principal independent public accountants is compatible with maintaining auditor independence.

In reliance on the review and discussions referred to above, the Audit Committee recommended to the Board of Directors, and the Board has approved, that the Company's audited financial statements be included in the Annual Report on Form 10-K for the fiscal year ended December 31, 2000, for filing with the Securities and Exchange Commission. The Audit Committee and the Board have also recommended the selection of the Company's independent auditors for 2001.

### Audit Committee

Herbert H. Champlin, Chairman  
Luke R. Corbett, member  
William E. Durrett, member  
Martha W. Griffin, member  
H.L. Hembree, III, member  
Robert Kelley, member  
Bill Swisher, member  
Ronald H. White, member

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<sup>1</sup> Other Fees include, among other things, tax consulting and compliance, accounting work related to financings, and benefit plan audits.

## EXECUTIVE OFFICERS' COMPENSATION

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The Compensation Committee of the Board of Directors of the Company (the "Committee") administers our executive compensation program. The Committee's report on compensation paid to executive officers during 2000 is set forth below.

### REPORT OF COMPENSATION COMMITTEE ON EXECUTIVE COMPENSATION

---

**General.** The primary goals of the Committee in setting executive compensation in 2000 were: (i) to provide a competitive compensation package that would enable us to attract and retain key executives and (ii) to align the interests of our executives with those of our shareowners and also with our performance.

Compensation to our executive officers in 2000 was comprised primarily of salary, annual awards under our Annual Incentive Compensation Plan and long-term awards under our Stock Incentive Plan.

In an effort to ensure the continued competitiveness of our executive compensation policies, the Committee in 2000 continued to use as a guideline in setting base salaries the average of the compensation paid to similar executives within the approximately 92 electric services organizations included in the Energy Services Industry Compensation Survey (the "Electric Holding Company Survey Group"), with the exception of the base salary of Roger Farrell, the President and Chief Executive Officer of the Company's subsidiary, Enogex Inc. The guideline used in setting Mr. Farrell's base salary was the average of the salaries paid to similar executives at fourteen natural gas gathering and distribution companies (the "Enogex Survey Group"), which included companies that, like Enogex, are engaged in the gathering, processing, transportation and marketing of natural gas and similar activities. In making long-term and annual incentive awards, the Committee considered not only awards paid to comparable executives in the 50th percentile of the Electric Holding Company Survey Group and Enogex Survey Group, but also awards made to similar executives at approximately the 25th percentile of the awards made to similar executives in the Towers Perrin General Industry Compensation Data Bases<sup>1</sup> (the "General Industry Survey Group"), which as the name implies includes companies of comparable size from other industries, not just utility companies.

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<sup>1</sup> The companies in the Electric Holding Company Survey Group, Enogex Survey Group and General Industry Survey Group are not the same as the utilities in the Dow Jones Electric Index utilized in the Stock Performance Graph on page 18. The Electric Holding Company Survey Group, Enogex Survey Group and General Industry Survey Group were selected by Towers Perrin, the Company's compensation consultants, and, in the judgment of the Committee, are appropriate peer groups to use for compensation purposes.

The annual and long-term incentive portions of an executive's compensation are intended to achieve the Committee's goal of aligning an executive's interests with our shareowners' and with our performance. These portions of an executive's compensation are placed at risk and are linked to the accomplishment of specific results that are designed to benefit our shareowners and the Company, both in the long and short term. As a result, during years of excellent performance, executives are provided the opportunity to earn a highly competitive level of compensation and, conversely, in years of below-average performance, their compensation may be below competitive levels. Generally, higher level executive officers have a greater level of their compensation placed at risk.

A Federal tax law currently limits our ability to deduct an executive's compensation in excess of \$1,000,000 unless such compensation qualifies as "performance based compensation" or certain other exceptions are met. This law did not impact us in 2000. The Committee has continued to analyze the structure

of its salary and various compensation programs in light of this law. The Committee's present intent is to take appropriate steps to ensure the continued deductibility of its executive compensation. For this reason, the Committee and the Board of Directors recommended, and the shareholders approved, the Stock Incentive Plan and a new Annual Incentive Plan at the 1998 Annual Meeting so that certain compensation payable thereunder would qualify for the "performance based compensation" exception to the \$1,000,000 deduction limit and thereby continue to be deductible by the Company.

**Base Salary.** The base salaries for our executive officers in 2000 were designed to be competitive with the Electric Holding Company Survey Group (other than the base salary of Roger Farrell, which was designed to be competitive with the Enogex Survey Group) and generally approximated the salary at the 50th percentile of the range for comparable executives employed by companies in such survey group. Actual base salaries were determined based on individual performance and experience. The salaries of executive officers for 2000 were determined in November 1999, with an effective date of January 1, 2000 and were subject to adjustment during the year if an individual's duties and responsibilities changed. The 2000 base salary amounts for the most highly compensated executive officers are shown in the salary column of the Summary Compensation Table on page 14.

**Annual Incentive Compensation Plan.** Awards with respect to 2000 performance were made under the Annual Incentive Compensation Plan to 70 employees, including all executive officers. The Plan was designed to provide key management personnel with annual incentive awards, the payment of which is tied to the achievement of specified Company objectives. Payouts of the award were in cash and were dependent entirely on the achievement of the corporate goals that were established by the Committee in January 2000.

For executive officers, such as Messrs. Moore, Strecker and Hatfield, who do not direct a specific business operating unit, the corporate goals were based: (i) 45% on total Company shareowner return compared to a group of 69 electric utility holding companies and electric utilities and a Company consolidated earnings per share target established by the Committee, (ii) 22.5% on operating and maintenance expense and capital expense targets for OG&E established by the Committee, (iii) 22.5% on a combined earnings before interest and taxes ("EBIT") target, established by the Committee for OG&E's power supply business unit and for Enogex and its subsidiaries, and (iv) 10% on the performance of all other corporate goals established by the Committee for participants in the Plan. For executive officers who did direct a specific business operating unit, the corporate goals were based: (i) 45% on the target described above for total Company shareowner return and Company earnings per share, (ii) 45% either on the operating and maintenance expense and capital expenditure target described above or on the EBIT target described above, and (iii) 10% on specific corporate goals established by the Committee for the business unit (including, such items as safety, customer satisfaction and power plant availability).

The amount of the award for each executive officer was expressed as a percentage of base salary (the "targeted amount"), with the officer having the ability, depending upon achievement of the corporate goals, to receive from 0% to 150% of such targeted amounts. For 2000, the targeted amount ranged from 25% to 60% of base salary and approximated the 25th percentile of the level of such awards granted to comparable executives employed by companies in the General Industry Survey Group.

The percentage of the targeted amount that an officer ultimately received based on corporate performance was subject to being decreased, but not increased, at the discretion of the Committee. For 2000, capital expenses were better than the target levels, while earnings per share, total shareowner return, operating and maintenance expense, and EBIT did not meet target levels, but were above the minimum threshold established by the Committee for a payout. Corporate performance of the remaining corporate goals exceeded the minimum levels of achievement established by the Committee and resulted in total payouts under the Annual Incentive Plan to executive officers ranging from 61.3% to 75.7% of their targeted amounts and from 17.76% to 42.64% of their base salaries. Payouts under the Annual Incentive Plan are reflected in the bonus column of the Summary Compensation Table on page 14.

**Long-Term Awards.** Another significant component of executive compensation in 2000 was long-term awards under our Company's Stock Incentive Plan, which, as noted above, also was approved by the shareholders at the 1998 Annual Meeting. The Plan provides for the grant of any or all of the following types of awards: stock options, stock appreciation rights, restricted stock and performance units. In 2000, the Committee made awards of stock options and restricted stock. In making awards of stock options and restricted stock, the Committee considered numerous factors as discussed below and reviewed the expected value of long-term compensation payable to executives (other than Mr. Farrell) in the 50th percentile of the Electric Holding Company Survey Group and the 25th percentile of the General Industry Survey Group. The expected value of long-term compensation payable to such higher level executives in the 25th percentile of the General Industry Survey Group was substantially higher than the expected value of long-term compensation payable to comparable executives in the 50th percentile of the Electric Holding Company Survey Group and substantially higher than the expected value of long-term compensation awarded by the Committee in the past to comparable executive officers at the Company. While the Committee intends to continue to consider the long-term compensation payable to comparable executives in the 25th percentile of the General Industry Survey Group in awarding long-term compensation to the Company's executive officers, the Committee sought generally in 2000 to provide executive officers (other than Mr. Farrell) with an aggregate value of long-term compensation equal to the expected value of long-term incentives payable to executives in the 50th percentile of the Electric Holding Company Survey Group. The Committee sought to award Mr. Farrell with long-term compensation approximating the long-term incentives awarded to comparable executives in the 25th percentile of the General Industry Survey Group and the Enogex Survey Group, adjusted to avoid increasing Mr. Farrell's grant of long-term incentives in an amount not generally consistent with the increases granted to other senior executives. For 2000, this long-term targeted amount for each executive officer was awarded 33-1/3% in restricted stock and 66-2/3% in stock options.

Stock options were granted to executive officers during the first quarter of 2000 at an exercise price equal to the fair market value at the date of the grant. The options have a 10 year term and vest over 3 years, with one-third of the options becoming exercisable at the end of each year. Since options were granted with an exercise price equal to the market value of our Common Stock at the time of grant, they provide no value unless our stock price increases after the options are granted. These awards are thus tied to stock price appreciation in excess of the stock's value at time of grant, rewarding executives as if they shared in the ownership of the Company. The number of shares subject to options for each executive officer was determined by taking the expected value to be provided in options, as determined above, and dividing that amount by the estimated current value of an option for our stock using a variation of the Black-Scholes Option Pricing methodology provided by an outside compensation consultant. This resulted in executive officers receiving stock options with an estimated value of approximately 16.7% to 66 2/3% of their 2000 base salaries.

The restricted stock awards in 2000 under the Stock Incentive Plan were similar to the awards in prior years under the former Restricted Stock Plan. Each share of restricted stock is subject to a Restriction Period of three years during which the share is subject to forfeiture if the recipient of the share ceases to render substantial services to the Company or a subsidiary for any reason (other than death, disability or retirement) and during which the share may not be transferred.

Awards of restricted stock under the Stock Incentive Plan were made at the end of 2000 and were based on the individual's performance during 2000. In evaluating an individual's performance, the Committee considered individual job performance, experience and individual characteristics such as leadership and dedication, with no particular weight given to one factor over another. As noted above, the Committee also considered the long-term incentives awarded to similar executives by corporations in approximately the 50th percentile of the Electric Holding Company Survey Group (the 25th percentile of the General Industry Survey Group for Mr. Farrell) and awarded restricted stock to executive officers having a value (based on the fair market value of the Company's Common Stock on the date of the award) of approximately 8.3% to 41.7% of such executive officer's anticipated 2001 base salary.

As in prior years, each share of restricted stock awarded in 2000 is subject to forfeiture during a Restriction Period. Moreover, as in prior years, the shares awarded in 2000 to all the executive officers contained a significant additional condition. Such officers generally will be entitled at the end of the Restriction Period of three years to keep the full amount of the shares awarded to them only if the Company during such period meets or exceeds a specific return on equity target as compared to the return on average equity for the approximately 79 electric and combination utility companies (including utility holding companies) as reported by the Bloomberg Financial News Service (the "Energy Supply Index") with the officer receiving fewer shares and possibly no shares depending on the Company's performance relative to the performance of the companies in the Energy Supply Index. The Committee's rationale for this additional condition was to continue to reward past service and to align the officers' interests with those of our shareholders and, at the same time, to tie the restricted stock awards directly to



long-term corporate performance. The amount of shares awarded in 2000 that an officer will ultimately receive will not be determined until the end of 2003. Prior awards of restricted stock or stock options were not considered by the Committee in making awards in 2000.

**CEO Compensation.** The 2000 compensation for Mr. Moore consisted of the same components as the compensation for other executive officers. Mr. Moore's 2000 salary was increased from \$495,000 to \$575,000, effective January 1, 2000, and his 2000 targeted award under the Annual Incentive Plan was set at 60% of his base salary, which the Compensation Committee believed were appropriate levels based on his performance and his prior experience. As a result of 2000 corporate performance described above, he received a payout of \$245,154 under the Annual Incentive Plan, representing 42.64% of his base salary. The awards of restricted stock and stock options made to Mr. Moore were based on his prior performance and a comparison of his award to the long-term compensation of other chief executive officers in the 50th percentile of the Electric Holding Company Survey Group. Consideration also was given to Mr. Moore's prior experience with the Company and OG&E, his demonstrated leadership skills and his positive reputation within the community and utility industry. Based on these factors, the Committee determined to grant Mr. Moore a restricted stock award having an approximate value at the date of its grant of 41.7% of his anticipated base salary for 2001 and stock options having an expected value of approximately 66 2/3% of his 2000 base salary. As was the case with respect to awards of restricted stock to other key officers, Mr. Moore's ultimate receipt of the shares awarded to him will be dependent upon the Company's achievement of specified return on equity targets during 2001, 2002 and 2003.

**Other Benefits.** Virtually all of our employees, including executive officers, are eligible to participate in the Retirement Savings Plan and pension plan. Both the Retirement Savings Plan and pension plan have a supplemental restoration plan that enables executive officers to receive the same benefits that they would have received in the absence of limitations imposed by the federal tax laws on contributions or payouts. In addition, a Supplemental Executive Retirement Plan (the "SERP"), which was adopted in 1993, offers attractive pension benefits to lateral hires. The SERP is not expected to benefit present executive officers generally who remain employed by the Company or OG&E until age 65. In reviewing the benefits under the SERP, Retirement Savings Plan, pension plan and related restoration plans, the Committee sought in 2000 to provide participants with benefits at least commensurate with those offered by other utilities of comparable size. The restoration plans for the Retirement Savings Plan and pension plan contain provisions requiring their immediate funding in the event of certain mergers, consolidations or tender offers involving the Company.

In early 2000, the Committee recommended and the Board approved significant changes to the pension plan. The changes were designed to make the existing pension more competitive and more attractive to new hires. Under the existing plan, benefits were based primarily on years of service and the average of the five highest consecutive years of compensation during an employee's last ten years prior to retirement, with reductions in benefits for each year prior to age 62 that an employee retired and additional significant reductions for retirement prior to age 55. The changes to the existing pension plan included: (i) elimination of the significant reduction for employees electing to retire before age 55, (ii) the addition of an alternative method of computing the reduction in benefits for an employee retiring prior to age 62, which alternative method is based on years of service and age with an employee whose age and years of service total or exceed 80 at the time of retirement receiving no reduction in the benefits payable under the plan, and (iii) the ability of an employee at time of retirement to receive, in lieu of an annuity, a lump sum payment equal to the present value of the annuity. Also, for employees hired after January 31, 2000, the pension plan will be a cash balance plan, under which the Company annually will contribute to the employee's account an amount equal to 5% of the employee's annual compensation plus accrued interest. Employees hired prior to February 1, 2000, will receive the greater of the cash balance benefit or the benefit based on final average compensation as described above.

**Conclusion.** The Committee believes that our Company's executive compensation system serves the interests of the Company and our shareowners effectively. The Committee takes very seriously its responsibilities with respect to our executive compensation system. To this end, the Committee will continue to monitor and revise the compensation policies as necessary to ensure that our compensation system continues to meet the needs of the Company and our shareowners.

#### Compensation Committee

Bill Swisher, Chairman  
William E. Durrett, member  
Hugh L. Hembree, III, member  
Robert Kelley, member

#### SUMMARY COMPENSATION TABLE

The following table provides information regarding compensation paid or to be paid by us or any of our subsidiaries to the Chief Executive Officer and four other most highly compensated executive officers for the past three years. To the extent the table shows zeros for other annual compensation or payouts under long-term incentive plans for a particular year, no amounts were required to be reported in such year or, in the case of other annual compensation, the amounts were below the threshold required for disclosure under the SEC's rules.

Name and Principal Position	Year	Long Term Compensation						
		Annual Compensation			Awards		Payouts	
		Salary (\$)	Bonus (1) (\$)	Other Annual Compensation (\$)	Restricted Stock Awards (2) (\$)	Securities Underlying Options/SAR (#)	LTIP Payouts (\$)	All Other Compensation (3) (\$)
S.E. Moore, Chairman, President and Chief Executive Officer	2000	575,000	245,154	0	296,629	77,800	0	40,762
	1999	495,000	91,476	0	210,615	72,800	0	44,071
	1998	460,000	307,050	0	99,000	104,000	0	50,754
A.M. Strecker Executive Vice President and Chief Operating Officer	2000	370,000	131,459	0	122,661	35,000	0	28,427
	1999	320,000	48,384	0	94,867	43,200	0	28,923
	1998	297,500	158,866	0	58,667	41,400	0	35,165
R.A. Farrell President and Chief Executive Officer Enogex Inc.	2000	280,000	81,138	0	71,181	20,800	0	14,263
	1999	230,000	60,950	0	56,392	25,400	0	12,289
	1998	200,016	25,062	0	34,500	24,800	0	12,018
J.R. Hatfield Sr. Vice President, Chief Financial Officer	2000	240,000	76,744	0	60,217	17,900	0	15,738
	1999	190,000	22,344	0	48,336	16,300	0	7,905
	1998	175,000	70,088	0	22,167	12,400	0	22,364

J.T. Coffman	2000	225,000	68,144	0	51,455	16,700	0	20,625
Sr. Vice President	1999	190,000	22,344	0	45,315	16,300	0	10,659
Power Supply	1998	175,000	70,088	0	22,167	12,400	0	28,107

- (1) As explained on page 11, amounts in this column reflect payouts under the Annual Incentive Compensation Plan.
- (2) Amounts in this column reflect the market value of the shares of Restricted Stock awarded under the Restricted Stock Plan and the Stock Incentive Plan, based on the closing price of the Company's Common Stock on the date the award was made. The number of shares awarded in 2000, 1999, and 1998, was as follows: (i) Mr. Moore, 11,985 shares, 11,085 shares, and 3,881 shares, respectively; (ii) Mr. Strecker, 4,956 shares, 4,993 shares, and 2,300 shares, respectively; (iii) Mr. Farrell, 2,876 shares, 2,968 shares, and 1,352 shares, respectively; (iv) Mr. Hatfield, 2,433 shares, 2,544 shares, and 869 shares, respectively; and (v) Mr. Coffman, 2,079 shares, 2,385 shares, and 869 shares, respectively. In the absence of death, disability or normal retirement, the shares awarded to these individuals are subject to forfeiture for three years with the amount the recipient ultimately receives dependent on Company performance. The total number of shares and market value of Restricted Stock held by each of the named individuals as of December 31, 2000, were as follows: Mr. Moore, 30,567 shares, \$746,981; Mr. Strecker, 13,689 shares, \$334,525; Mr. Farrell, 8,112 shares, \$198,237; Mr. Hatfield, 6,704 shares, \$163,829; and Mr. Coffman, 6,191 shares, \$151,293. Dividends are paid to these individuals on the shares of Restricted Stock owned by them.
- (3) Amounts in this column for 2000 reflect: (i) for Mr. Moore, \$29,991 (Retirement Savings Plan and Deferred Compensation Plan) and \$10,771 (insurance premiums); (ii) for Mr. Strecker, \$18,827 (Retirement Savings Plan and Deferred Compensation Plan) and \$9,600 (insurance premiums); (iii) for Mr. Farrell, \$8,400 (Retirement Savings Plan and Deferred Compensation Plan) and \$5,863 (insurance premiums); (iv) for Mr. Hatfield, \$5,100 (Retirement Savings Plan and Deferred Compensation Plan) and \$10,638 (insurance premiums); and (v) for Mr. Coffman, \$11,130 (Retirement Savings Plan and Deferred Compensation Plan) and \$9,495 (insurance premiums). A significant portion of the insurance premiums reported for each of these individuals is for life insurance policies and such premiums are recovered by the Company from the proceeds of the policies.

## OPTIONS AND STOCK APPRECIATION RIGHTS (SARs)

The following table indicates for each of the named executives (i) the extent to which the Company used stock options and SARs for executive compensation purposes in 2000 and (ii) the potential value of such options and SARs as determined pursuant to the SEC rules.

### Options and SARs Granted in 2000

Individual Grants					Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term	
(a)	(b)	(c)	(d)	(e)	(f)	(g)
Name	Options/SARs Granted(1) #	% of Total Options and SARs Granted to Employees in 2000	Exercise or Base Price (\$/Share)	Expiration Date	5% (\$)(2)	10% (\$)(2)
S.E. Moore	77,800	21.36	\$18.25	1/19/10	\$892,936	\$2,262,875
A.M. Strecker	35,000	9.61	\$18.25	1/19/10	\$401,706	\$1,018,003
R.A. Farrell	20,800	5.71	\$18.25	1/19/10	\$238,728	\$604,985
J.R. Hatfield	17,900	4.91	\$18.25	1/19/10	\$205,444	\$520,636
J.T. Coffman	16,700	4.59	\$18.25	1/19/10	\$191,671	\$485,733

- (1) Options were granted on January 19, 2000 and become exercisable in one-third annual installments beginning one year from the date of grant. No SARs were awarded for 2000.
- (2) The hypothetical potential appreciation shown in columns (f) and (g) for the named executives is required by the SEC rules. The amounts in these columns do not represent either the historical or anticipated future level of appreciation of our Common Stock.

The following table indicates for each of the named executives the number and value of exercisable and unexercisable options and SARs as of December 31, 2000.

### Aggregated Option and SAR Exercises in 2000 and FY-End Option/SAR Value

(a)	(b)	(c)	(d)	(e)
Name	Shares Acquired on Exercise (#)	Realized Value (\$)	Number of Unexercised Options and SARs at 12/31/00 (#) - Exercisable (ex)/ Unexercisable (unex)	Value of Unexercised In-the- Money Options and SARs at 12/31/00 (\$) - Exercisable (ex)/ Unexercisable (unex) *

S.E. Moore	N/A	N/A	93,598 (ex) 161,002 (unex)	0 (ex) \$481,582 (unex)
A.M. Strecker	N/A	N/A	42,000 (ex) 77,600 (unex)	0 (ex) \$216,650 (unex)
R.A. Farrell	N/A	N/A	24,998 (ex) 46,002 (unex)	0 (ex) \$128,752 (unex)
J.R. Hatfield	N/A	N/A	13,699 (ex) 32,901 (unex)	0 (ex) \$110,801 (unex)
J.T. Coffman	N/A	N/A	13,699 (ex) 31,701 (unex)	0 (ex) \$103,373 (unex)

\* Share price on December 31, 2000 was \$24.44. Options vest over 3 years with one-third becoming exercisable at the end of each year. Unexercisable options were granted on January 21, 1998 at a price of \$25.75, January 20, 1999 at a price of \$28.75, and January 19, 2000 at a price of \$18.25. No SARs were granted in 2000.

## PENSION PLAN TABLE

The Company and OG&E maintain a qualified non-contributory pension plan (the "Retirement Plan") covering all employees who have completed one year's service. Subject to limitations imposed by the Employee Retirement Income Security Act of 1974 ("ERISA"), benefits payable under the Retirement Plan are based upon (i) the average of the five highest consecutive years of cash compensation (which for the executives named in the Summary Compensation Table prior to 1993 consisted solely of salaries and for subsequent years consists of salary and bonus) during an employee's last ten years prior to retirement and (ii) length of service. Social Security benefits are deducted in determining benefits payable under the Retirement Plan. Compensation covered by the Retirement Plan includes salaries, bonuses and overtime pay. As indicated in the Report of the Compensation Committee, the Board approved changes to the Retirement Plan. Previously, benefits were reduced for each year prior to age 62 that an employee retired and were significantly reduced for retirement prior to age 55. The changes adopted in 2000 included: (i) elimination of the significant reduction for employees electing to retire before age 55, (ii) the addition of an alternative method of computing the reduction in benefits for an employee retiring prior to age 62, which alternative method is based on years of service and age with an employee whose age and years of service total or exceed 80 at the time of retirement receiving no reduction in the benefits payable under the plan, and (iii) the ability of an employee at time of retirement to receive, in lieu of an annuity, a lump sum payment equal to the present value of the annuity. Also, for employees hired after January 31, 2000, the pension plan will be a cash balance plan, under which the Company annually will contribute to the employee's account an amount equal to 5% of the employee's annual compensation plus accrued interest. Employees hired prior to February 1, 2000 receive the greater of the cash balance formula or final average compensation formula. Retirement benefits are payable to participants upon normal retirement (at or after age 65) or early retirement (at or after attaining age 55 and completing five or more years of service), to former employees after reaching retirement age who have completed five or more years of service before terminating their employment and to participants after reaching retirement age upon total and permanent disability. As indicated above, the benefits payable under the Plan are subject to maximum limitations under ERISA. Should benefits for a participant at the time of retirement exceed the then permissible limits of ERISA, the Retirement Restoration Plan will provide benefits through a lump-sum distribution actuarially equivalent to the amounts that would have been payable to such participant annually under the Retirement Plan but for the ERISA limits. The Company and OG&E fund the estimated benefits payable under the Retirement Restoration Plan through contributions to a trust for the benefit of those employees who will be entitled to receive payments under the Retirement Restoration Plan.

The following table sets forth the estimated annual benefits payable upon normal retirement under the Retirement Plan and Retirement Restoration Plan to persons in the compensation classification specified.

Average Compensation 5 Highest Years	Years of Service at Retirement							
	10	15	20	25	30	35	40	45
\$ 100,000	\$ 13,157	\$ 19,735	\$ 26,314	\$ 32,892	\$ 39,470	\$ 46,049	\$ 52,627	\$ 59,206
125,000	16,907	25,360	33,814	42,267	50,720	59,174	67,627	76,081
150,000	20,657	30,985	41,314	51,642	61,970	72,299	82,627	92,956
175,000	24,407	36,610	48,814	61,017	73,220	85,424	97,627	109,831
200,000	28,157	42,235	56,314	70,392	84,470	98,549	112,627	126,706
225,000	31,907	47,860	63,814	79,767	95,720	111,674	127,627	143,581
250,000	35,657	53,485	71,314	89,142	106,970	124,799	142,627	160,456
300,000	43,157	64,735	86,314	107,892	129,470	151,049	172,627	194,206
350,000	50,657	75,985	101,314	126,642	151,970	177,299	202,627	227,956
400,000	58,157	87,235	116,314	145,392	174,470	203,549	232,627	261,706
450,000	65,657	98,485	131,314	164,142	196,970	229,799	262,627	295,456
500,000	73,157	109,735	146,314	182,892	219,470	256,049	292,627	329,206
550,000	80,657	120,985	161,314	201,642	241,970	282,299	322,627	362,956
600,000	88,157	132,235	176,314	220,392	264,470	308,549	352,627	396,706
650,000	95,657	143,485	191,314	239,142	286,970	334,799	382,627	430,456
700,000	103,157	154,735	206,314	257,892	309,470	361,049	412,627	464,206
750,000	110,657	165,985	221,314	276,642	331,970	387,299	442,627	497,956
800,000	118,157	177,235	236,314	295,392	354,470	413,549	472,627	531,706
850,000	125,657	188,485	251,314	314,142	376,970	439,799	502,627	565,456
900,000	133,157	199,735	266,314	332,892	399,470	466,049	532,627	599,206
950,000	140,657	210,985	281,314	351,642	421,970	492,299	562,627	632,956
1,000,000	148,157	222,235	296,314	370,392	444,470	518,549	592,627	666,706

As of December 31, 2000, the credited years of service for the individuals listed in the Summary Compensation Table on page 14 are as follows: S. E. Moore - 26 years; A. M. Strecker - 29 years; R.A. Farrell - 11 years; J. R. Hatfield - 6 years and J. T. Coffman - 30 years.

In 1993, OG&E adopted a Supplemental Executive Retirement Plan (the "SERP"). The SERP is an unfunded supplemental plan that is not subject to the benefits limit imposed by ERISA. The plan generally provides for an annual retirement benefit at age 65 equal to 65% of the participant's average cash compensation during his or her final 36 months of employment, reduced by Social Security benefits, by amounts payable under the Retirement and Restoration Plans described above and by amounts received under pension plans from other employers. For a participant in the SERP who retires before age 65, the 65% benefit is reduced, with the reduction being 1% per year for ages 62 through 64, an additional 2% per year for ages 60 through 61, an additional 4% per year for ages 58 through 59 and an additional 6% per year for ages 55 through 57, so that a participant retiring at age 55 would receive 32% of his average cash compensation during his final 36 months, reduced by the deductions set forth above. If selected to participate, none of the individuals listed in the Summary Compensation Table on page 14 is expected to receive benefits under the SERP at normal retirement as the benefits payable to such individuals under the Retirement and Restoration Plans are expected to exceed the benefits payable under the SERP.

## CHANGE OF CONTROL ARRANGEMENTS

The Company and OG&E have entered into employment agreements with each officer of the Company and OG&E. Under the agreements, the officer is to remain an employee for a three-year period following a change of control of the Company (the "Employment Period"). During the Employment Period, the officer is entitled to (i) an annual base salary in an amount at least equal to his or her base salary prior to the change of control, (ii) an annual bonus in an amount at least equal to his or her highest bonus in the three years prior to the change of control, and (iii) continued participation in the incentive, savings, retirement and welfare benefit plans. The officer also is entitled to payment of expenses and provision of fringe benefits to the extent paid or provided to (a) such officer prior to the change of control or (b) other peer executives of the Company.

If, during the Employment Period, the officer's employment is terminated by the employer for reasons other than cause or disability or by such officer due to a change in employment responsibilities, the officer is entitled to the following payments: (i) all accrued and unpaid compensation and (ii) a severance payment equal to 2.99 times the sum of such officer's (a) annual base salary and (b) highest recent annual bonus. The officer also is entitled to continued welfare benefits for three years and outplacement services. If the payment of the foregoing benefits, when taken together with any other payments to the officer, would result in the imposition of the excise tax on excess parachute payments under Section 4999 of the Internal Revenue Code of 1986, as amended, then the severance benefits will be reduced if such reduction results in a greater after-tax payment to the officer. The officer is entitled to receive such amounts in a lump-sum payment within 30 days of termination. A change of control encompasses certain mergers and acquisitions, changes in Board membership and acquisition of securities of the Company.

## COMPANY STOCK PERFORMANCE

The following graph shows a five-year comparison of cumulative total returns for the Company's Common Stock, the Dow Jones US Total Market Index and the Dow Jones Electric Index. The graph assumes that the value of the investment in the Company's Common Stock and each index was 100 at December 31, 1995, and that all dividends were reinvested.

[Graph]

Measurement Period (Fiscal Year Covered)	OGE Energy Corp.	Dow Jones US Total Market Index	Dow Jones Electric Utilities Index
1995	100	100	100
1996	103	122	102
1997	144	160	131
1998	160	200	151
1999	111	246	128
2000	152	223	204

## SECURITY OWNERSHIP

The following table shows the number of shares of the Company's Common Stock beneficially owned on March 1, 2001, by each Director, by each of the Executive Officers named in the compensation table on page 14, and by all Executive Officers and Directors as a group:

Number of Common Shares (1) (2) (3)

Herbert H. Champlin	24,073
Luke R. Corbett	9,333
William E. Durrett	14,124
Martha W. Griffin	14,402
H. L. Hembree, III	48,379
Robert Kelley	11,682
Bill Swisher	61,160
Ronald H. White	15,695
J.D. Williams	500
S.E. Moore	265,620
A.M. Strecker	143,868
R.A. Farrell	65,663
J.R. Hatfield	45,270
J.T. Coffman	48,893
All Executive Officers and Directors as a group (22 persons)	972,295

(1) Ownership by each executive officer is less than .34% of the class, by each director other than Mr. Moore is less than .08% of the class and, for all executive officers and directors as a group, is less than 1.25% of the class. Amounts shown include shares for which, in certain instances, an individual has disclaimed beneficial interest. Amounts shown for executive officers include 699,468 shares of Common Stock representing their interest in shares held under the Company's Retirement Savings Plan, Restricted Stock Plan, and Stock Incentive Plan for which in certain instances they have voting power but not investment power.

(2) Amounts shown for Messrs. Champlin, Corbett, Durrett, Hembree, Kelley, Swisher and White, and for Mrs. Griffin include, 22,103, 9,066, 9,764, 29,923, 10,682, 47,678, 13,695, and 8,742 common stock units, respectively, under the Directors' Deferred Compensation Plan.

(3) Includes shares subject to stock options granted under the Company's Stock Incentive Plan, exercisable within 60 days following March 1, 2001, as follows: Mr. Moore, 178,466 shares; Mr. Strecker, 81,866 shares; Mr. Farrell, 48,666 shares; Mr. Hatfield, 29,232 shares; and Mr. Coffman, 28,832 shares.

The information on share ownership is based on information furnished to us by the individuals listed above and all shares listed are beneficially owned by the individuals or by members of their immediate family unless otherwise indicated.

## **SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

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Under federal securities laws, our directors and executive officers are required to report, within specified monthly and annual due dates, their initial ownership in the Company's common stock and subsequent acquisitions, dispositions or other transfers of interest in such securities. We are required to disclose whether we have knowledge that any person required to file such a report may have failed to do so in a timely manner. To our knowledge, all of our directors and officers subject to such reporting obligations have satisfied their reporting obligations in full for 2000.

## **RELATIONSHIP WITH INDEPENDENT PUBLIC ACCOUNTANTS**

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During 2000, the Company and Oklahoma Gas and Electric Company engaged Arthur Andersen LLP as its independent public accountants. The Board of Directors has appointed Arthur Andersen LLP as the independent public accountants for the Company and OG&E for 2001. Representatives of Arthur Andersen LLP will be present at the Annual Meeting of Shareowners and will have the opportunity to make a statement if they so desire. Such representatives will be available to respond to appropriate questions from shareowners at the meeting.

## **SHAREOWNER PROPOSALS**

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Any shareowner proposal intended to be included in the proxy statement for the Annual Meeting in 2002 must be received by the Company on or before November 30, 2001. Proposals received by that date, deemed to be proper for consideration at the Annual Meeting and otherwise conforming to the rules of the Securities and Exchange Commission, will be included in the 2002 proxy statement.

If you intend to submit a shareowner proposal for consideration at the Annual Meeting, but do not want it included in the proxy statement, you must follow the procedures established by our By-laws. These procedures require that you notify us in writing of your proposal. Your notice must be received by the Secretary at least 90 days prior to the meeting and must contain the following information:

- a brief description of the business you desire to bring before the Annual Meeting and your reasons for conducting such business at the Annual Meeting
- your name and address
- the number of shares of Common Stock which you beneficially own
- any material interest you may have in the business being proposed.

## **LOCATION OF OKLAHOMA CITY MARRIOTT HOTEL**

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[Map]

## *APPENDIX A*

### **CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF OGE ENERGY CORP.**

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#### *Organization*

This Charter governs the operations of the Audit Committee of the Board of Directors of OGE Energy Corp. (the "Company"). The Committee shall review and reassess the Charter at least annually and recommend any proposed changes to the Board for its approval. The Committee shall be appointed by the Board of Directors and shall comprise at least three directors. The members of the Audit Committee shall meet the independence and experience requirements of the New York Stock Exchange.

#### *Statement of Policy*

The Audit Committee is to assist the Board of Directors in monitoring: (1) the integrity of the financial statements of the Company, (2) the compliance by the Company with legal and regulatory requirements and (3) the independence and performance of the Company's internal and independent auditors. In so doing, the Committee shall seek to maintain open communications between the Committee, independent auditors, the internal auditors and management of the Company. In discharging its role, the Committee may retain special legal, accounting or other consultants to advise the Committee. The Audit Committee also may request any officer or employee of the Company or the Company's outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

#### *Responsibilities and Processes*

The primary responsibility of the Audit Committee is to oversee the Company's financial reporting process on behalf of the Board and report the results of its activities to the Board. The Committee in carrying out its responsibilities believes its policies and procedures should remain flexible, in order to best react to changing conditions and circumstances. The Committee should take appropriate actions to set the overall corporate standard for quality financial reporting, sound business risk practices, and ethical behavior.

The following shall be the principal recurring processes of the Audit Committee in carrying out its responsibilities. The processes are set forth as a guide with the understanding that the Committee may supplement them as appropriate.

- The Committee shall have a clear understanding with management and the independent auditors that the independent auditors are ultimately accountable to the Board and the Audit Committee. The Committee shall evaluate together with the Board the performance of the independent auditors and, if so determined by the Audit Committee, recommend that the Board replace the independent auditors. The Committee shall review the written materials from the independent auditors regarding the auditors' independence that is required by the Independence Standards Board and shall discuss with the auditors their independence from management. If determined by the Audit Committee, the Audit Committee shall recommend that the Board take appropriate action to satisfy itself of the independence of the auditors. Annually, the Committee shall review and recommend to the Board the selection of the

Company's independent auditors and shall review the appointments and replacement of the senior internal auditing executive.

- The Committee shall discuss with the internal auditors and the independent auditors the overall scope and plans for their respective audits, including the adequacy of staffing and compensation. Also, the Committee shall discuss with management, the internal auditors and the independent auditors the adequacy and effectiveness of the accounting and financial controls, including the Company's system to monitor and manage business risk, and to comply with laws, regulations and related Company policies. Further, the Committee shall meet separately with the internal auditors and the independent auditors, with and without management present, to discuss the results of their examinations.
- The Committee shall review the interim financial statements with management and the independent auditors prior to the filing of the Company's Quarterly Report on Form 10-Q. Also, the Committee shall discuss the results of the quarterly review and any other matters required to be communicated to the Committee by the independent auditors under generally accepted auditing standards. The chair of the Committee, or a member of the Committee designated by the chair with the approval of the Committee, may represent the entire Committee for the purposes of this review.
- The Committee shall review with management and the independent auditors the financial statements to be included in the Company's Annual Report on Form 10-K (or the annual report to shareholders if distributed prior to the filing of Form 10-K), including the matters required to be discussed by Statement on Audit Standards No. 61 as well as the adequacy of internal controls that could significantly affect the Company's financial statements. Also, the Committee shall discuss the results of the annual audit and any other matters required to be communicated to the Committee by the independent auditors under generally accepted auditing standards.

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management, the internal auditors and the independent auditors.

**A-1**

OGE ENERGY CORP.  
Annual Meeting of Shareowners  
May 24, 2001

[LOGO]

P The undersigned hereby appoints Steven E. Moore, Herbert H. Champlin,  
R and H.L. Hembree III, and each of them severally, with full power of  
O substitution and with full power to act with or without the other, as the  
X proxies of the undersigned to represent and to vote all shares of stock of  
OGE Energy Corp. held of record by the undersigned on March 26, 2001, at  
the Company's Annual Meeting of Shareowners to be held on May 24, 2001, and  
at all adjournments thereof, on all matters coming before said meeting.

Y THIS PROXY, WHICH IS SOLICITED BY THE BOARD OF DIRECTORS, WILL BE  
VOTED AS DIRECTED. IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR  
THE ELECTION AS DIRECTORS OF THE NOMINEES NAMED ON THE REVERSE SIDE OF THIS  
PROXY CARD.

-----  
SEE REVERSE SIDE  
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PLEASE DATE AND SIGN EXACTLY AS NAME APPEARS BELOW. EACH JOINT OWNER SHOULD SIGN. ATTORNEY, EXECUTOR, ADMINISTRATOR, TRUSTEE OR OTHERS SIGNING IN A REPRESENTATIVE CAPACITY SHOULD GIVE THEIR FULL TITLES. Please mark your votes as /X/ indicated in this example

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**The Board recommends a vote FOR the election as directors of the nominees named below.**  
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- |  |  |  |
|--|--|--|
| 1. Election of Directors:<br>NOMINEES:<br>01 Luke R. Corbett;<br>02 Robert Kelley; and<br>03 J.D. Williams | FOR all NOMINEES / / WITHHOLD AUTHORITY / /<br>(list exceptions below) to vote for all nominees. | 2. In their discretion, the proxies are authorized to vote upon such other business as may properly come before the meeting. |
|--|--|--|

DISCONTINUE MAILING / / I WILL ATTEND THE / /  
OF DUPLICATE ANNUAL ANNUAL MEETING.  
REPORT

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**Instruction: To withhold authority to vote for any individual nominee, write that nominee's name on the line above.**  
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X / /2001	X / /2001
----- Signature of Shareowner Date	----- Signature of Shareowner Date

OGE ENERGY CORP.  
321 North Harvey Avenue  
Oklahoma City, OK 73102

Admission Ticket  
RETAIN FOR ADMITTANCE

Annual Meeting of  
OGE Energy Corp. Shareowners  
Thursday, May 24, 2001 10:00 a.m.  
Oklahoma City Marriott Hotel  
3233 Northwest Expressway

**EAST BOUND I-44:** Exit I-44 East to Highway '3' (Grand Boulevard), continuing in a northerly direction approximately 1-1/2 miles, exit right onto Highway '3A' East (Northwest Expressway), proceed approximately 1/4 mile, turn left on Independence, turn right to Marriott Hotel.

{MAP}

**WEST BOUND I-44:** Exit left I-44 West 'Exit 125C' to Highway '3A' (Northwest Expressway), turn right onto Highway '3A' (Northwest Expressway), continue in the northwesterly direction approximately 2 miles, turn right to Marriott Hotel.

**YOUR VOTE IS IMPORTANT  
VOTE BY INTERNET / TELEPHONE  
24 HOURS A DAY, 7 DAYS A WEEK**

**INTERNET**

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[www.proxyvoting.com/oge](http://www.proxyvoting.com/oge)

- o Go to the website address listed above.
- o Have your proxy card ready.
- o Enter your Control Number located in the box below.
- o Follow the simple instructions that appear on your computer screen.

**TELEPHONE**

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1-800-840-1208

- o Use any touch-tone telephone.
- o Have your proxy card ready.
- OR o Enter your Control Number located in the box below.
- o Follow the simple recorded instructions.

**MAIL**

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- o Mark, sign and date your proxy card.
- OR o Detach your proxy card.
- o Return your proxy card in the postage-paid envelope provided.

Your Internet or telephone vote authorizes the named proxies to vote your shares in the same manner as if you marked, signed and returned your proxy card.

CALL TOLL-FREE TO VOTE  
1-800-840-1208

**NOTE: If you vote by telephone or Internet, THERE IS NO NEED TO MAIL BACK your PROXY CARD.**

The Internet and Telephone voting facilities will close at 4:00 p.m. E.S.T. on May 23, 2001.

THANK YOU FOR VOTING.