



UBS Utilities and Natural Gas One-on-One Conference

March 1, 2016

Safe Harbor

Some of the matters discussed in this presentation may contain forward-looking statements that are subject to certain risks, uncertainties and assumptions. Such forward-looking statements are intended to be identified in this document by the words "anticipate", "believe", "estimate", "expect", "intend", "objective", "plan", "possible", "potential", "project" and similar expressions. Actual results may vary materially. Factors that could cause actual results to differ materially include, but are not limited to: general economic conditions, including the availability of credit, access to existing lines of credit, access to the commercial paper markets, actions of rating agencies and their impact on capital expenditures; the ability of the Company and its subsidiaries to access the capital markets and obtain financing on favorable terms as well as inflation rates and monetary fluctuations; prices and availability of electricity, coal, natural gas and natural gas liquids; the timing and extent of changes in commodity prices, particularly natural gas and natural gas liquids, the competitive effects of the available pipeline capacity in the regions Enable Midstream Partners serves, and the effects of geographic and seasonal commodity price differentials, including the effects of these circumstances on re-contracting available capacity on Enable Midstream Partners' interstate pipelines; the timing and extent of changes in the supply of natural gas, particularly supplies available for gathering by Enable Midstream Partners' gathering and processing business and transporting by Enable Midstream Partners' interstate pipelines, including the impact of natural gas and natural gas liquids prices on the level of drilling and production activities in the regions Enable Midstream Partners serves; business conditions in the energy and natural gas midstream industries including the demand for natural gas, natural gas liquids, crude oil and midstream services; competitive factors including the extent and timing of the entry of additional competition in the markets served by the Company; unusual weather; availability and prices of raw materials for current and future construction projects; Federal or state legislation and regulatory decisions and initiatives that affect cost and investment recovery, have an impact on rate structures or affect the speed and degree to which competition enters the Company's markets; environmental laws and regulations that may impact the Company's operations; changes in accounting standards, rules or guidelines; the discontinuance of accounting principles for certain types of rate-regulated activities; the cost of protecting assets against, or damage due to, terrorism or cyber-attacks and other catastrophic events; advances in technology; creditworthiness of suppliers, customers and other contractual parties; difficulty in making accurate assumptions and projections regarding future revenues and costs associated with the Company's equity investment in Enable Midstream Partners that the Company does not control; 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, 2015.

OGE has a clear, conservative and achievable set of financial objectives centered around investment grade credit ratings, long-term EPS growth and conservative, yet steady, dividend growth

OGE Energy Corp

(NYSE: OGE)



- **Well positioned regulated utility with growing service territory**
- **Over \$1 billion of environmental compliance and plant modernization projects to be completed by January 2019**
- **Economic conditions in Oklahoma have been more favorable compared to the rest of the U.S.**
- **OGE holds a 26.3% limited partner interest and a 50% general partner interest of Enable Midstream Partners, LP**
- **Enhanced scale, with approximately \$11 billion of combined assets**
- **Significant asset positions in a broad range of basins, including the Granite Wash, Tonkawa, Mississippi Lime, Cana Woodford, Haynesville, Fayetteville, Barnett and Woodford plays**

OG&E Facts

Regulated electric utility:
825,000 customers

Generating capacity: 6,785
megawatts, 7 power plants,
3 wind farms

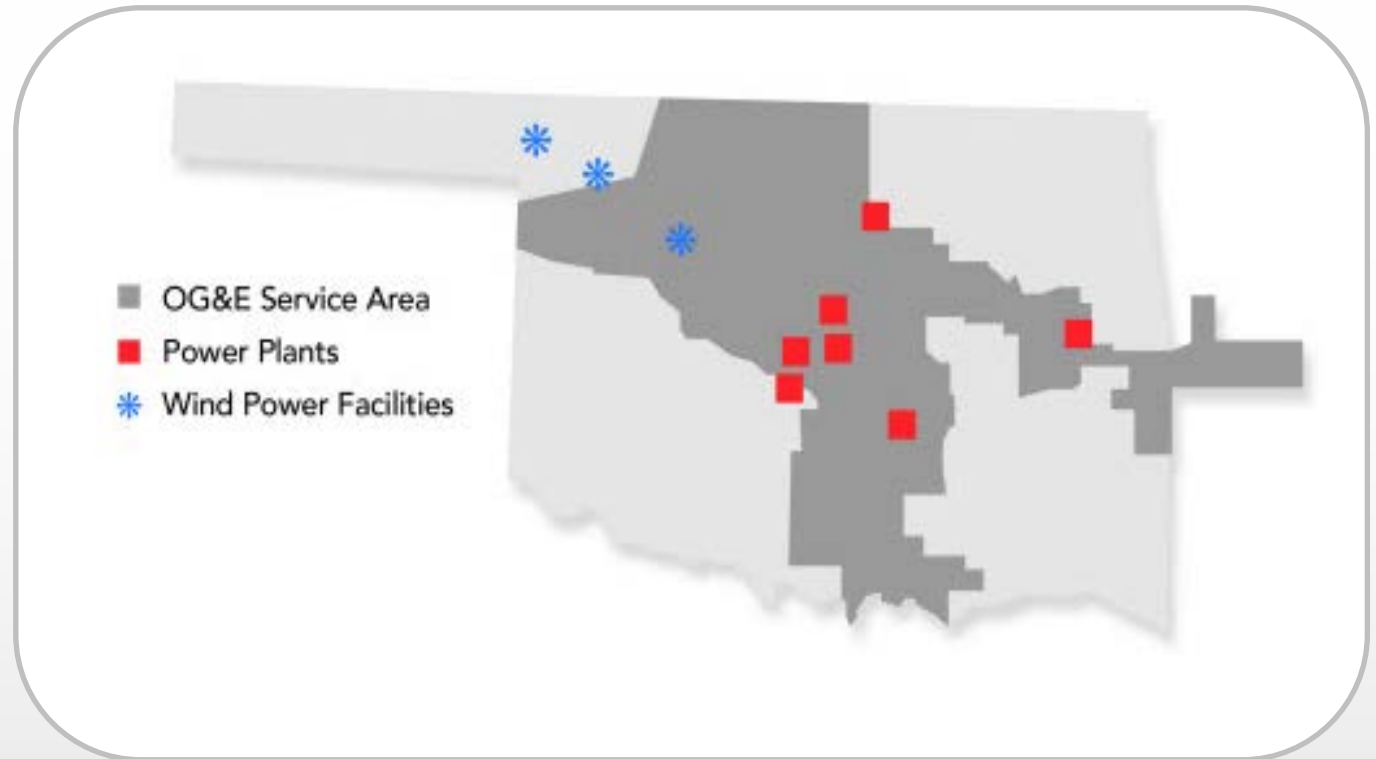
Service territory: 30,000
square miles in Oklahoma
and western Arkansas

2,360 Full-time (non-union)
Employees

2013 EEI Edison Award for the implementation of its Smart hours Program

Electric Power and Light's 2011 Utility of the Year

J.D. Power and Associates' 2013, 2014, & 2015 Electric Utility Residential Customer
Satisfaction Award

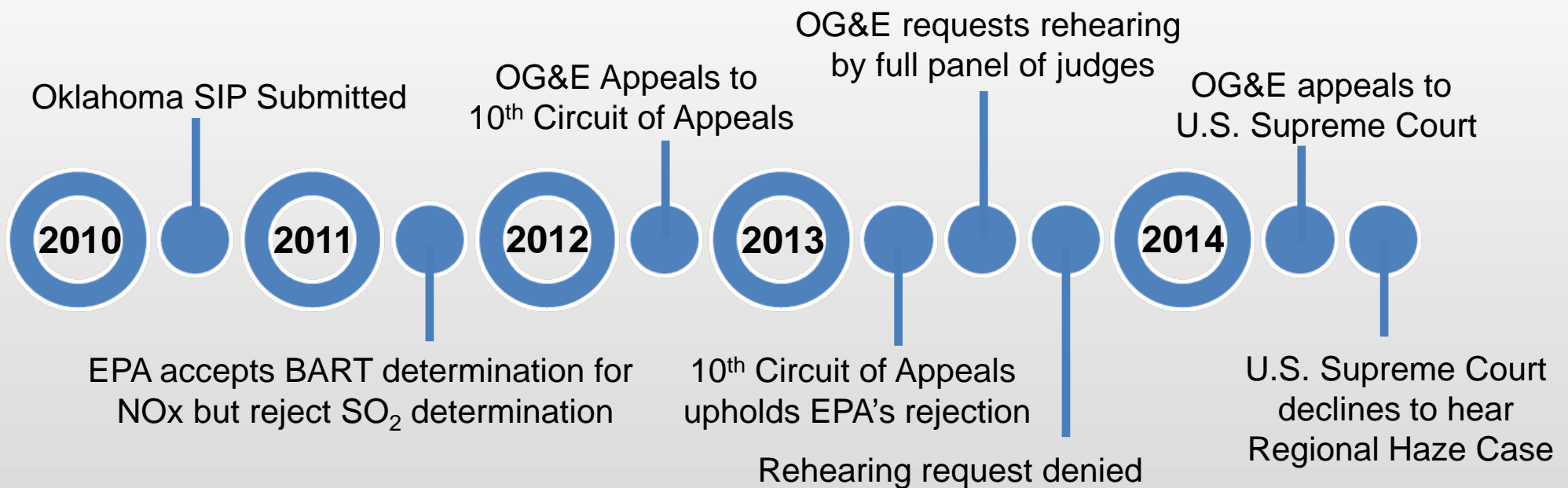


Focus for **OG&E**[®]

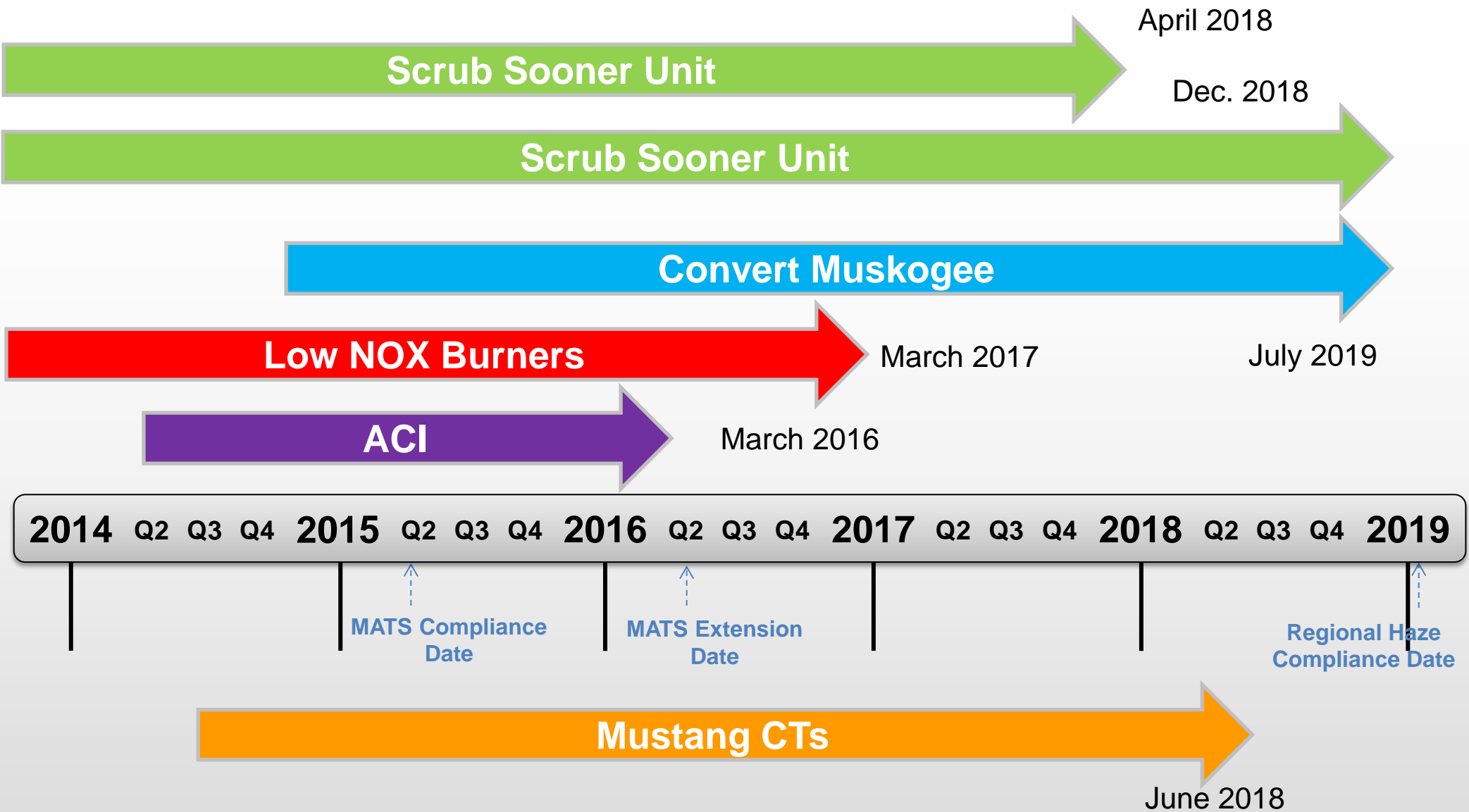
- **Execute compliance strategy for environmental regulations specifically, Regional Haze and MATS**
- **Continue to develop energy management solutions for OG&E's customers through the Smart Grid platform**
- **Manage spending versus reliability and balance investments for the ultimate benefit of customers**
- **Execute Oklahoma and Arkansas regulatory initiatives to close earned ROE gap**
- **Develop growth projects for out year capital expenditures**

Environmental challenges and deadlines

- Mercury Air Toxics Rules (MATS) - OG&E requested and has received a one-year extension for compliance to April 16, 2016 from the Oklahoma Department of Environmental Quality
- Regional Haze – Legal measures have been exhausted so OG&E now must comply with the Environmental Protection Agency (EPA) Federal Implementation Plan (FIP) by January 4, 2019



Project Completion Schedule



Regional Haze compliance date is set 55 months from US Supreme Court decision. Clock restarted 5/29/2014 + 55 months = 1/4/2019.

Environmental Compliance & Mustang Modernization Plan Update

Activated Carbon Injection

- Systems are in service; on time and on budget
 - Final testing continues and will be completed prior to April 2016 compliance date.

Low NOX burners

- Install on 7 units by 2017
 - Installation is complete on 5 of the 7 units. The remaining two will be completed this year to meet the Spring 2017 compliance deadline.

Scrubbers

- Add dry scrubbers to 2 coal units by 2018
 - The equipment and installation vendors for the 2 dry scrubbers have been selected

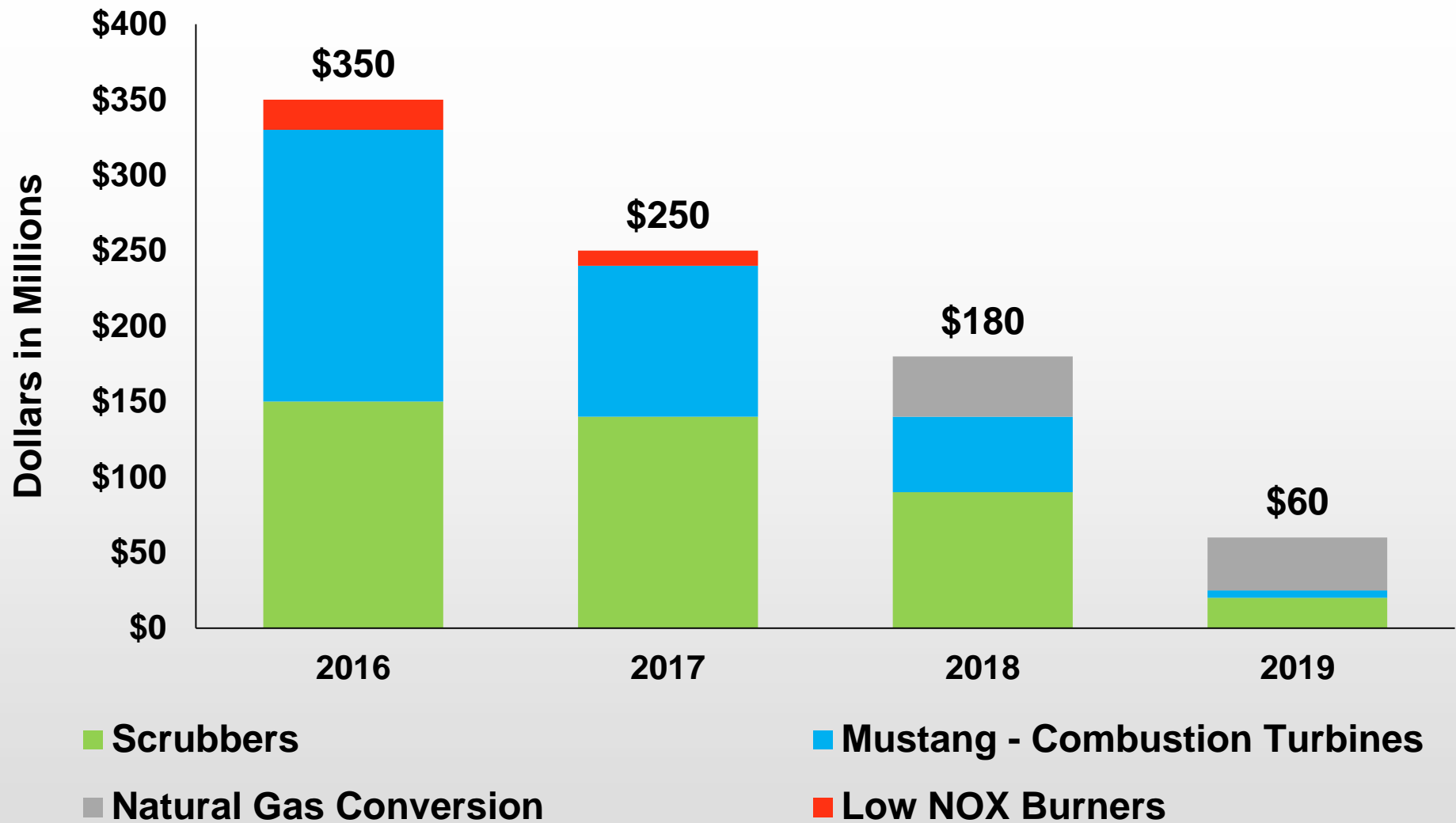
Natural Gas conversion

- Convert 2 coal units to gas by 2019
 - Engineering studies for the conversion of 2 gas plants at Muskogee have been completed, a RFP for gas supply has been issued, and permit applications will be submitted to the Oklahoma Department of Environmental Quality in the second half of 2017

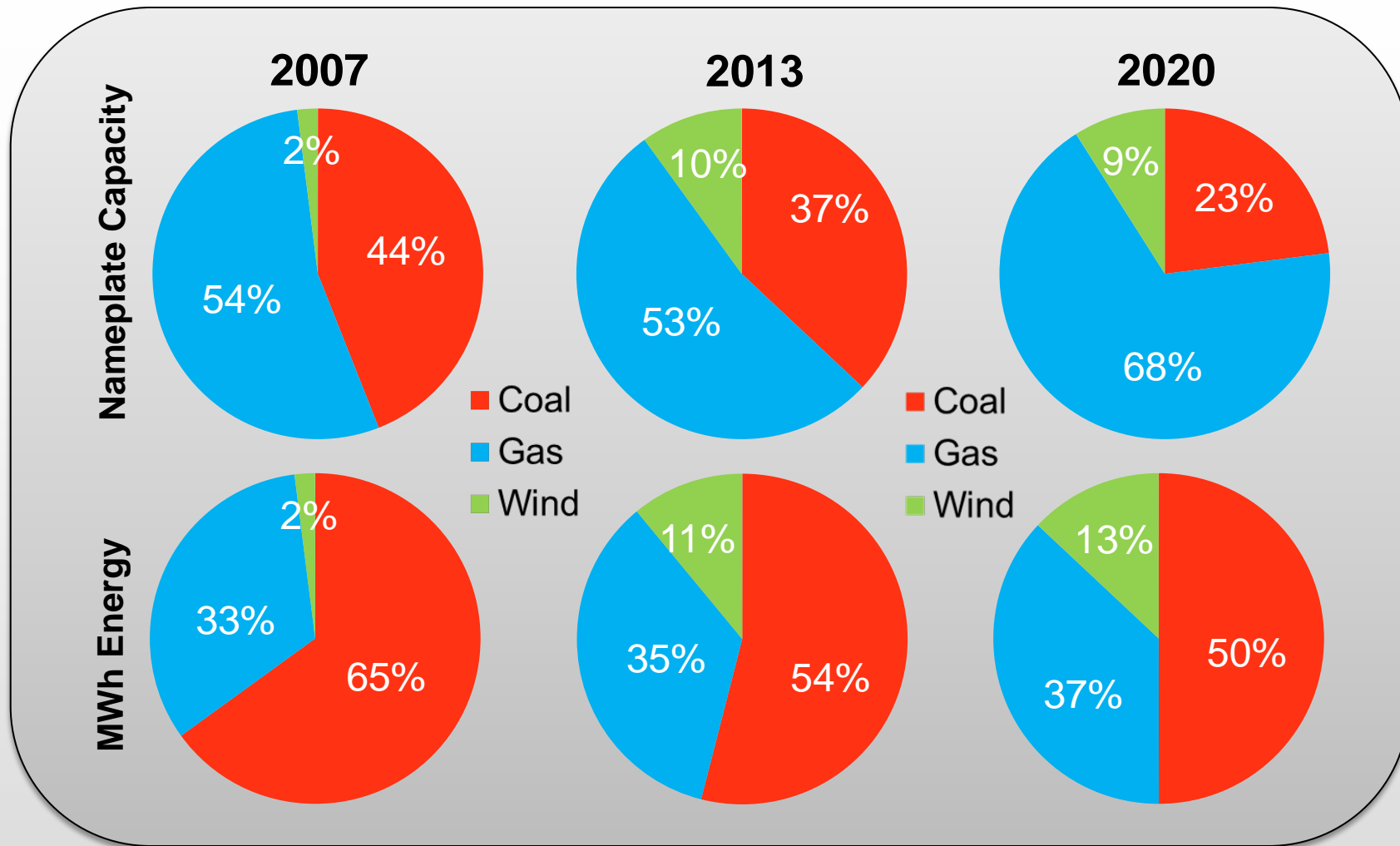
Mustang Modernization

- Replace the Mustang plant with 400 MWs of combustion turbines by 2018
 - Full notice to proceed has been issued to the turbine manufacturer. The construction permits have been issued.

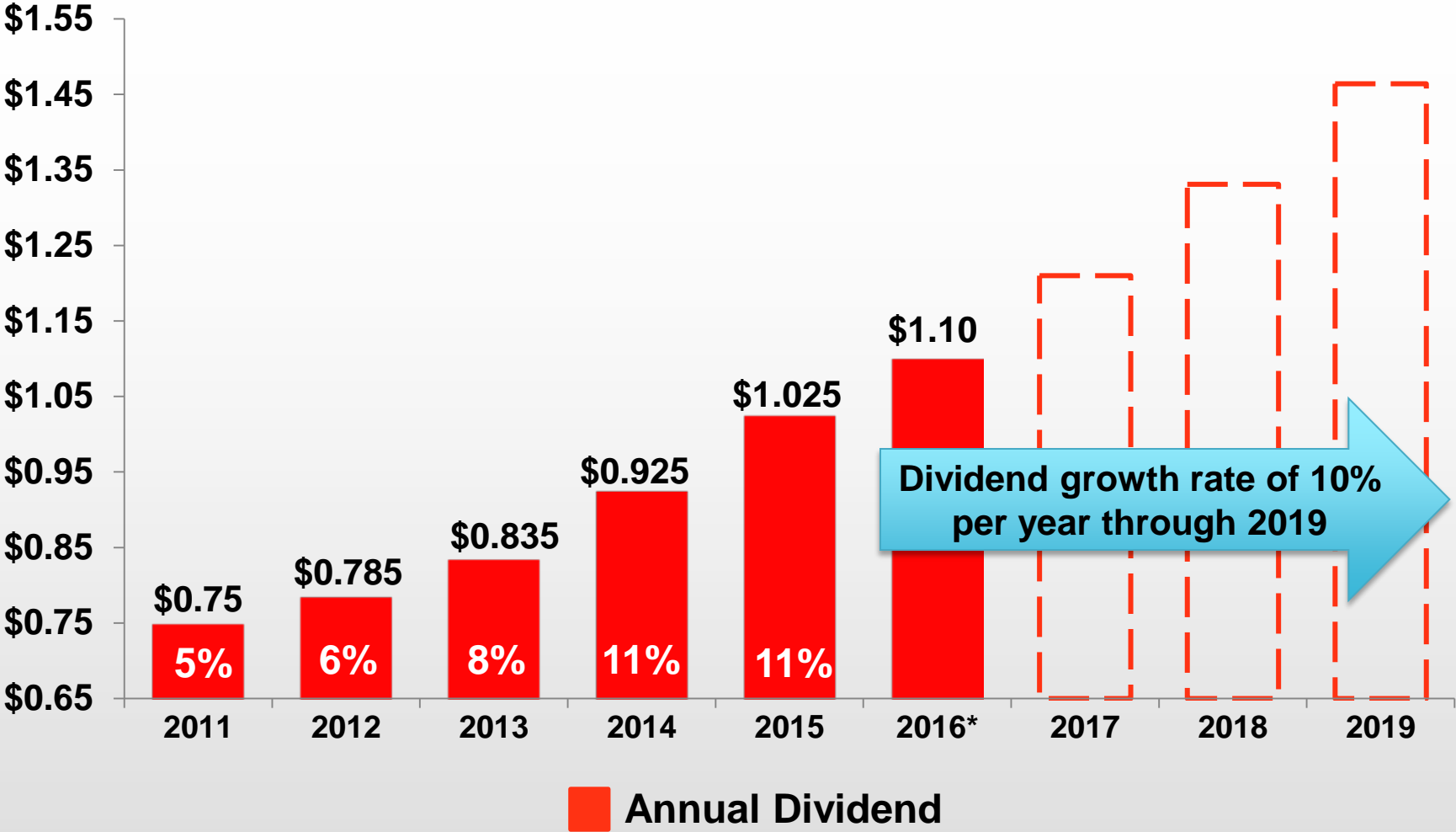
Projected Environmental & Mustang Modernization Expenditures 2016 - 2019



OG&E is gradually shifting generation resources while maintaining fuel diversity



Consistent dividend growth



*Quarterly dividend rate declared by the Board of Directors in September 2015

2016 Outlook

- **OG&E is projected to earn between approximately \$288 million to \$300 million of net income or \$1.44 to \$1.50 per average diluted share assuming normal weather.**
- **OGE Enogex Holdings projects the earnings contribution from its ownership interest in Enable Midstream to be approximately \$56 million to \$66 million or \$0.28 to \$0.33 per average diluted share.**
- **OGE's dividend growth rate is projected to be 10% per year through 2019.**

2016 Assumptions – OG&E

The Company projects OG&E to earn approximately \$288 million to \$300 million or \$1.44 to \$1.50 per average diluted share in 2016 and is based on the following assumptions:

- Normal weather patterns are experienced for the remainder of the year;
- New Oklahoma rates in place mid 2016;
- Gross margin on revenues of approximately \$1.405 billion to \$1.415 billion based on sales growth of approximately 1 percent on a weather adjusted basis;
 - Approximately \$106 million of gross margin is primarily attributed to regionally allocated transmission projects;
- Operating expenses of approximately \$885 million to \$895 million with operation and maintenance expenses approximately 54% of the total;
- Interest expense of approximately \$140 million which assumes a \$8 million ABFUDC reduction to interest expense
- Other Income of approximately \$27 million including AEFUDC of approximately \$15 million; and
- An effective tax rate of approximately 28%.

Projected Capital Expenditures 2016 – 2020

Dollars in millions	2016	2017	2018	2019	2020
OG&E Base Transmission	\$ 50	\$ 30	\$ 30	\$ 30	\$ 30
OG&E Base Distribution	190	175	175	175	175
OG&E Base Generation	60	75	75	75	75
OG&E Other	40	25	25	25	25
Total OG&E Base T&D, Gen & Other	340	305	305	305	305
OG&E Known and Committed Projects:					
Transmission Projects					
Regionally Allocated Base Projects (1)	50	25	20	20	20
ITP 10-year Projects (2)	20	150	20	-	-
Total Transmission Projects	70	175	40	20	20
Other Projects:					
Environmental - Low NOX	20	10	-	-	-
Environmental - Natural Gas Conversion	-	-	40	35	-
Environmental - Scrubbers	150	140	90	20	-
Combustion Turbines - Mustang Modernization	180	100	50	5	-
Total Other Projects	350	250	180	60	-
Total Known and Committed Projects	420	425	220	80	20
Total OG&E	760	730	525	385	325

(1) Approximately 30% of revenue requirement allocated to SPP members other than OG&E

(2) Approximately 85% of revenue requirement allocated to SPP members other than OG&E

Summary

- **Environmental Compliance**
 - **Funded by Enable distributions, utility cash flow and debt**
 - **Strong credit ratings and capital structure will be maintained**
 - **Final ruling on the Sooner scrub/convert plan expected by May 2, 2016**
 - **We maintain our view that fuel diversity is in our customers' best interest**
- **The Oklahoma economy is expected to see some deterioration due to the slide in energy prices, but to date we have not seen that occur**
- **We are focused on recovery of investments made in Oklahoma and Arkansas**
- **OG&E's long term growth rate is 3% - 5%**
- **OGE's dividend growth rate is projected to be 10% per year through 2019**