

2021

**LETTER TO
SHAREHOLDERS**
AND FORM 10-K

| 2021

OG+*E*[®]

We Energize Life
.....

Letter to Shareholders

2021 was an exceptional year for OGE Energy Corp.

Our employees, who we refer to as members, have done a magnificent job in driving our business through severe weather, a pandemic, and global economic pressures. That commitment and dedication are at the core of what we do to grow our communities. Our Company is only as strong as the communities we serve and together we make Oklahoma and Arkansas even better places to live, work and play.

Our noble purpose to energize life, providing life-sustaining and life-enhancing products and services, has been on no greater display than last year after facing significant headwinds of Winter Storm Uri in February and the ongoing COVID-19 pandemic. Our team focused on the work ahead to deliver strong results for the Company and our shareholders, and we have been recognized for that work.

Safety is a core value and belief for OGE and 2021 was our second safest year on record, making each of the last six years the safest in the Company's history, delivering a number one ranking in the Southeast Electric Exchange. This focus on safety leads us to take care of ourselves and each other which, in turn, leads us to take better care of customers. On that note, Escalent recognized OG&E as a Business Customer Champion, reflecting the initiatives we've put into place to deliver a great customer experience and center decisions on customer impact. Newsweek recognized us as one of America's Most Responsible Companies, a first for OGE Energy. For the 24th consecutive year, the Arbor Day Foundation awarded us with a Tree Line USA Award and the Edison Electric Institute (EEI) recognized our work in storm restoration work with our 20th Emergency Response Award.

In 2021, we closed the Enable and Energy Transfer merger, moving us forward to serve our utility customers even better than we do today. We will prudently exit our Energy Transfer position and invest the proceeds to improve and protect the grid, grow the dividend, and play our part in transitioning to a cleaner energy future and deliver affordable, reliable electricity to nearly 900,000 customers every minute of every day.

We grow our business by prioritizing customers, members, communities, and shareholders in the relentless pursuit of excellence, balancing the needs of all stakeholders.

Customers

We continue to make grid investments in Oklahoma and Arkansas to deliver reliable service to our customers. These investments included work on distribution circuits, distribution substations, technology platforms, and communications systems that improved service to more than 175,000 customers, nearly 20% of our customer base. Our grid investments are now providing quantifiable results in storm restoration, including reducing the restoration process by 50% following a windstorm in May 2021 in Arkansas.

As we look ahead, we anticipate investing an additional \$4.75 billion in our communities over the next five years dedicated to building greater resiliency and reliability for our customers. As we invest in the grid, we are committed to maintain some of the most affordable rates in the nation.

Members

Our members take this noble purpose to heart and tell us they feel connected to something larger than themselves. We believe that fostering a culture of excellence and building a robust learning environment will help us deliver exceptional customer experiences. Members are connected to the communities we serve, contributing nearly 10,000 volunteer hours in 2021, even as the pandemic continued, delivering meals to homebound seniors, reading virtually to elementary school students and much more

Communities

On the economic development front, our team helped communities secure 52 projects anticipated to create more than 7,000 jobs and drive \$3.74 billion in capital investments. Our service area is highly attractive to new and expanding businesses, and we are part of that growth story. Our affordable rates are

a key factor to site selection and expansion. Both states experience unemployment rates well below the national average. Our hometown of Oklahoma City has the third lowest unemployment rate amongst large metropolitan areas at 2.8% and Fort Smith, our largest community in Arkansas, has an unemployment rate of 3.5%. In 2022, we expect double-digit growth in the commercial sector and solid residential volumes from continued customer migration into our service area.



Giving back is at our core through employee volunteerism and charitable donations. Over the last five years, we've invested more than \$11 million in our communities through donations to nonprofit organizations across our service area, including financial support for seven United Way organizations in Oklahoma and Arkansas.

Shareholders

Our shareholders should feel confident in their investment. We continue to grow the Company and maintain one of the strongest balance sheets in the industry. The combination of our highly affordable rates and ability to service commercial expansion in our markets drives results for the Company, our shareholders and the communities we serve.

As a shareholder, you have seen and felt the results of our strong performance, including 76 years of uninterrupted dividend payments. We do what we say we will do and have proven that we can maintain affordability, resiliency, and reliability as we continue the transition to a cleaner energy future. OGE Energy is strong and our shareholders should feel confident in their decision to invest in the Company.

We will remain intentional in our efforts to engage customers, mobilize economic development efforts that support growth, and operate the business with excellence to propel our sustainable business model forward. I am incredibly proud of our members and the impact they make on our customers and communities to energize life, delivering life-sustaining and life-enhancing products each day. This is our noble purpose.



2021 versus 2015

Sean Trauschke
Chairman, President & CEO

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2021

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File Number	Exact name of registrants as specified in their charters, address of principal executive offices and registrants' telephone number	I.R.S. Employer Identification No.
1-12579	OGE ENERGY CORP.	73-1481638
1-1097	OKLAHOMA GAS AND ELECTRIC COMPANY 321 North Harvey P.O. Box 321 Oklahoma City, Oklahoma 73101-0321 405-553-3000	73-0382390

State or other jurisdiction of incorporation or organization: Oklahoma

Securities registered pursuant to Section 12(b) of the Act:

Registrant	Title of each class	Trading Symbol(s)	Name of each exchange on which registered
OGE Energy Corp.	Common Stock	OGE	New York Stock Exchange
Oklahoma Gas and Electric Company	None	N/A	N/A

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

OGE Energy Corp. Yes No Oklahoma Gas and Electric Company Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act.

OGE Energy Corp. Yes No Oklahoma Gas and Electric Company Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

OGE Energy Corp. Yes No Oklahoma Gas and Electric Company Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

OGE Energy Corp. Yes No Oklahoma Gas and Electric Company Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

OGE Energy Corp.	Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>	Non-accelerated Filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>	Emerging growth company	<input type="checkbox"/>
Oklahoma Gas and Electric Company	Large Accelerated Filer	<input type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>	Non-accelerated Filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>	Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. OGE Energy Corp. Oklahoma Gas and Electric Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

OGE Energy Corp. Yes No Oklahoma Gas and Electric Company Yes No

At June 30, 2021, the last business day of OGE Energy Corp.'s most recently completed second fiscal quarter, the aggregate market value of shares of common stock held by non-affiliates was \$6,735,867,248 based on the number of shares held by non-affiliates (200,174,361) and the reported closing market price of the common stock on the New York Stock Exchange on such date of \$33.65.

At June 30, 2021, there was no voting or non-voting common equity of Oklahoma Gas and Electric Company held by non-affiliates.

At January 31, 2022, there were 200,201,818 shares of OGE Energy Corp.'s common stock, par value \$0.01 per share, outstanding.

At January 31, 2022, there were 40,378,745 shares of Oklahoma Gas and Electric Company's common stock, par value \$2.50 per share, outstanding, all of which were held by OGE Energy Corp. There were no other shares of capital stock of the registrant outstanding at such date.

DOCUMENTS INCORPORATED BY REFERENCE

The Proxy Statement for OGE Energy Corp.'s 2022 annual meeting of shareowners is incorporated by reference into Part III of this Form 10-K.

This combined Form 10-K represents separate filings by OGE Energy Corp. and Oklahoma Gas and Electric Company. Information contained herein related to an individual registrant is filed by such registrant on its own behalf. Oklahoma Gas and Electric Company makes no representations as to the information relating to OGE Energy Corp.'s other operations.

Oklahoma Gas and Electric Company meets the conditions set forth in General Instruction I(1)(a) and (b) of Form 10-K and is therefore filing this form with the reduced disclosure format permitted by General Instruction I(2).

FORM 10-K

FOR THE YEAR ENDED DECEMBER 31, 2021

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GLOSSARY OF TERMS

The following is a glossary of frequently used abbreviations that are found throughout this Form 10-K.

Abbreviation	Definition
2020 Form 10-K	Annual Report on Form 10-K for the year ended December 31, 2020
401(k) Plan	Qualified defined contribution retirement plan
APSC	Arkansas Public Service Commission
ASC	Financial Accounting Standards Board Accounting Standards Codification
ASU	Financial Accounting Standards Board Accounting Standards Update
CenterPoint	CenterPoint Energy Resources Corp., wholly-owned subsidiary of CenterPoint Energy, Inc.
CO ₂	Carbon dioxide
Code	Internal Revenue Code of 1986
COVID-19	Novel Coronavirus disease
Dry Scrubber	Dry flue gas desulfurization unit with spray dryer absorber
Enable	Enable Midstream Partners, LP, partnership formed to own and operate the midstream businesses of OGE Energy and CenterPoint (prior to December 2, 2021)
Energy Transfer	Energy Transfer LP, a Delaware limited partnership, collectively with its subsidiaries
Enogex Holdings	Enogex Holdings LLC, the parent company of Enogex LLC and a majority-owned subsidiary of OGE Holdings, LLC (prior to May 1, 2013)
Enogex LLC	Enogex LLC, collectively with its subsidiaries (effective July 31, 2013, the name was changed to Enable Oklahoma Intrastate Transmission, LLC)
EPA	U.S. Environmental Protection Agency
Federal Clean Water Act	Federal Water Pollution Control Act of 1972, as amended
FERC	Federal Energy Regulatory Commission
GAAP	Accounting principles generally accepted in the U.S.
IRP	Integrated Resource Plan
ISO	Independent system operator
kV	Kilovolt
LIBOR	London Interbank Offered Rate
MMBtu	Million British thermal unit
MW	Megawatt
MWh	Megawatt-hour
NERC	North American Electric Reliability Corporation
NGLs	Natural gas liquids, which are the hydrocarbon liquids contained within the natural gas stream
NOPR	Notice of proposed rulemaking
NO _x	Nitrogen oxide
OCC	Oklahoma Corporation Commission
ODEQ	Oklahoma Department of Environmental Quality
OG&E	Oklahoma Gas and Electric Company, wholly-owned subsidiary of OGE Energy
OGE Energy	OGE Energy Corp., collectively with its subsidiaries, holding company and parent company of OG&E
OGE Holdings	OGE Enogex Holdings LLC, wholly-owned subsidiary of OGE Energy, parent company of Enogex Holdings (prior to May 1, 2013) and 25.5 percent owner of Enable (prior to December 2, 2021)
ODFA	Oklahoma Development Finance Authority
OSHA	U.S. Department of Labor's Occupational Safety and Health Administration
Pension Plan	Qualified defined benefit retirement plan
QF contract	Contract with qualified cogeneration facilities and small power production producers
Regional Haze	The EPA's Regional Haze Rule
Registrants	OGE Energy and OG&E

Restoration of Retirement Income Plan	Supplemental retirement plan to the Pension Plan
RTO	Regional transmission organization
SESH	Southeast Supply Header, LLC, in which Enable owned a 50 percent interest, that operates an approximately 290-mile interstate natural gas pipeline from Perryville, Louisiana to southwestern Alabama near the Gulf Coast
SO ₂	Sulfur dioxide
SOFR	Secured Overnight Funding Rate
SPP	Southwest Power Pool
Stock Incentive Plan	2013 Stock Incentive Plan
System sales	Sales to OG&E's customers
U.S.	United States of America
USFWS	United States Fish and Wildlife Service
Winter Storm Uri	Unprecedented, prolonged extreme cold weather event in February 2021

FILING FORMAT

This combined Form 10-K is separately filed by OGE Energy and OG&E. Information in this combined Form 10-K relating to each individual Registrant is filed by such Registrant on its own behalf. OG&E makes no representation regarding information relating to any other companies affiliated with OGE Energy. Neither OGE Energy, nor any of OGE Energy's subsidiaries, other than OG&E, has any obligation in respect of OG&E's debt securities, and holders of such debt securities should not consider the financial resources or results of operations of OGE Energy nor any of OGE Energy's subsidiaries, other than OG&E (in relevant circumstances), in making a decision with respect to OG&E's debt securities. Similarly, none of OG&E nor any other subsidiary of OGE Energy has any obligation with respect to debt securities of OGE Energy. This combined Form 10-K should be read in its entirety. No one section of this combined Form 10-K deals with all aspects of the subject matter of this combined Form 10-K.

FORWARD-LOOKING STATEMENTS

Except for the historical statements contained herein, the matters discussed within this Form 10-K, including those matters discussed within "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations," are 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," "target" and similar expressions. Actual results may vary materially from those expressed in forward-looking statements. In addition to the specific risk factors discussed within "Item 1A. Risk Factors" and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" herein, factors that could cause actual results to differ materially from the forward-looking statements 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, inflation rates and their impact on capital expenditures;
- the ability of OGE Energy and its subsidiaries to access the capital markets and obtain financing on favorable terms as well as inflation rates and monetary fluctuations;
- the ability to obtain timely and sufficient rate relief to allow for recovery, including through securitization, of items such as capital expenditures, fuel costs, operating costs, transmission costs and deferred expenditures;
- prices and availability of electricity, coal and natural gas;
- competitive factors, including the extent and timing of the entry of additional competition in the markets served by the Registrants;
- the impact on demand for services resulting from cost-competitive advances in technology, such as distributed electricity generation and customer energy efficiency programs;
- technological developments, changing markets and other factors that result in competitive disadvantages and create the potential for impairment of existing assets;
- factors affecting utility operations such as unusual weather conditions; catastrophic weather-related damage; unscheduled generation outages, unusual maintenance or repairs; unanticipated changes to fossil fuel, natural gas or coal supply costs or availability due to higher demand, shortages, transportation problems or other developments; environmental incidents; or electric transmission or gas pipeline system constraints;
- availability and prices of raw materials and equipment for current and future construction projects;
- the effect of retroactive pricing of transactions in the SPP markets or adjustments in market pricing mechanisms by the SPP;
- 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 Registrants' markets;
- environmental laws, safety laws or other regulations that may impact the cost of operations, restrict or change the way the Registrants' facilities are operated or result in stranded assets;
- 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 cyberattacks, including losing control of our assets and potential ransoms, and other catastrophic events;
- creditworthiness of suppliers, customers and other contractual parties, including large, new customers from emerging industries such as cryptocurrency;
- social attitudes regarding the utility, natural gas and power industries;
- identification of suitable investment opportunities to enhance shareholder returns and achieve long-term financial objectives through business acquisitions and divestitures;
- increased pension and healthcare costs;
- the impact of extraordinary external events, such as the current pandemic health event resulting from COVID-19, and their collateral consequences, including extended disruption of economic activity in the Registrants' markets

and operational challenges if large percentages of key employee groups become sick and are unable to work for an extended period of time;

- potential employee engagement issues and/or increased rates of employee turnover if federal or state authorities impose COVID-19-related vaccine or testing mandates;
- costs and other effects of legal and administrative proceedings, settlements, investigations, claims and matters, including, but not limited to, those described in this Form 10-K;
- business conditions in the energy and natural gas midstream industries, including specifically for Energy Transfer that may affect the fair value of OGE Energy's investment in Energy Transfer's equity securities and the level of distributions OGE Energy receives from Energy Transfer;
- difficulty in making accurate assumptions and projections regarding future distributions associated with OGE Energy's investment in Energy Transfer's equity securities, as OGE Energy does not control Energy Transfer; and
- other risk factors listed in the reports filed by the Registrants with the Securities and Exchange Commission, including those listed within "Item 1A. Risk Factors" herein.

The Registrants undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

PART I

Item 1. Business.

Introduction

OGE Energy, incorporated in August 1995 in the State of Oklahoma, is a holding company with investments in energy and energy services providers offering physical delivery and related services for electricity in Oklahoma and western Arkansas and natural gas, crude oil and NGLs across the U.S. OGE Energy conducts these activities through two business segments: (i) electric utility and (ii) natural gas midstream operations.

Electric Utility Operations. OGE Energy's electric utility operations are conducted through OG&E, which generates, transmits, distributes and sells electric energy in Oklahoma and western Arkansas. OG&E's rates are subject to regulation by the OCC, the APSC and the FERC. OG&E was incorporated in 1902 under the laws of the Oklahoma Territory and is a wholly-owned subsidiary of OGE Energy. OG&E is the largest electric utility in Oklahoma, and its franchised service territory includes Fort Smith, Arkansas and the surrounding communities. OG&E sold its retail natural gas business in 1928 and is no longer engaged in the natural gas distribution business.

Natural Gas Midstream Operations. On December 2, 2021, Energy Transfer completed its previously announced acquisition of Enable. Pursuant to and subject to the conditions of the merger agreement, all outstanding common units of Enable were acquired by Energy Transfer in an all-equity transaction. Under the terms of the merger agreement, Enable's common unitholders, including OGE Energy, received 0.8595 of one common unit representing limited partner interests in Energy Transfer for each common unit of Enable. Therefore, on December 2, 2021, all of the 110,982,805 common units of Enable owned by OGE Energy were exchanged for 95,389,721 common units of Energy Transfer. As part of the transaction, Energy Transfer also acquired the general partner interests of Enable from OGE Energy and CenterPoint for cash consideration. Prior to December 2, 2021, OGE Energy's natural gas midstream operations segment represented OGE Energy's investment in Enable, which OGE Energy accounted for as an equity method investment. Formed in 2013, Enable was primarily engaged in the business of gathering, processing, transporting and storing natural gas, with natural gas gathering and processing assets located in four states which served natural gas production in the Anadarko, Arkoma and Ark-La-Tex Basins. Enable also owned crude oil gathering assets in the Anadarko and Williston Basins and had natural gas transportation and storage assets located in Oklahoma, the Texas Panhandle, Louisiana, Illinois and Alabama. For further discussion regarding Enable's business, see OGE Energy's 2020 Form 10-K. Upon the closing of the Energy Transfer and Enable merger, OGE Energy's natural gas midstream operations segment represents OGE Energy's investment in Energy Transfer's equity securities and legacy Enable seconded employee pension and postretirement costs. The investment in Energy Transfer's equity securities is held through wholly-owned subsidiaries and ultimately OGE Holdings. At December 31, 2021, OGE energy owned 95.4 million, or approximately three percent, of Energy Transfer's limited partner units. OGE Energy does not have board representation at and does not own general partner units of Energy Transfer. As such, OGE Energy accounts for its investment in Energy Transfer as an investment in equity securities. See "Natural Gas Midstream Operations - Energy Transfer" below for further discussion of Energy Transfer's business. OGE Energy intends to exit the midstream segment in a prudent manner.

The Registrants' principal executive offices are located at 321 North Harvey, P.O. Box 321, Oklahoma City, Oklahoma, 73101-0321 (telephone 405-553-3000). OGE Energy's website address is www.oge.com. Through OGE Energy's website at www.oge.com/sec-filings, OGE Energy makes available, free of charge, the Registrants' annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as soon as reasonably practicable after such material is electronically filed with or furnished to the Securities and Exchange Commission. OGE Energy's website and the information contained therein or connected thereto are not intended to be incorporated into this Form 10-K and should not be considered a part of this Form 10-K. Reports filed with the Securities and Exchange Commission are also made available on its website at www.sec.gov.

Strategy

OGE Energy's purpose is to energize life, providing life-sustaining and life-enhancing products and services, while honoring its commitment to strengthen communities. Its business model is centered around growth and sustainability for employees (internally referred to as "members"), communities and customers and the owners of OGE Energy, its shareholders.

OGE Energy is focused on:

- delivering top-quartile safety results, while enabling members to deliver improved value to their communities, customers and shareholders;
- transforming the customer experience by centering decisions on customer impact that will drive customer operations, communications and the digital experience including increased personalization and self-service;
- providing safe, reliable energy to the communities and customers it serves, with a particular focus on enhancing the value of the grid by improving reliability and resiliency;
- leading economic development and job growth by attracting new and diverse businesses to improve the infrastructure of the communities in Oklahoma and Arkansas;
- ensuring the necessary mix of generation resources to meet the long-term capacity needs of our customers, with a progressively cleaner generation portfolio;
- maintaining customer rates that are some of the most affordable in the country by continuing focus on innovation, intellectual curiosity and execution with excellence;
- delivering on earnings commitments to shareholders to enhance access to lower-cost debt and equity capital that is needed to deploy infrastructure for the long-term economic health of its communities;
- having strong regulatory and legislative relationships, built on integrity, for the long-term benefit of our customers, communities, shareholders and members; and
- developing and growing our members to be able to provide a greater contribution to the company's success, while also improving their own lives.

OGE Energy is focused on creating long-term shareholder value by targeting the consistent growth of earnings per share of five to seven percent at the electric utility, supported by strong load growth enabled by low customer rates and a strategy of investing in lower risk infrastructure projects that improve the economic vitality of the communities it serves in Oklahoma and Arkansas. OGE Energy plans to fully exit its natural gas midstream operations segment by prudently selling its Energy Transfer units. OGE Energy will continue to utilize cash distributions from its natural gas midstream operations segment and reinvest the proceeds from the sale of Energy Transfer units to help fund its business. In the next five years, OGE Energy expects to continue to grow the dividend, targeting a dividend payout ratio of 65 to 70 percent based on utility earnings. Over the next several years, OGE Energy expects earnings per share growth to exceed the dividend growth rate to help achieve this target. OGE Energy's financial objectives also include maintaining investment grade credit ratings and providing a strong and reliable dividend for shareholders.

OGE Energy's long-term sustainability is predicated on providing exceptional customer experiences, investing in grid improvements and increasingly cleaner generation resources, environmental stewardship, strong governance practices and caring for and supporting its members and communities.

Electric Operations - OG&E

General

OG&E provides retail electric utility service to approximately 879,000 customers in Oklahoma and western Arkansas. The service area covers 30,000 square miles including Oklahoma City, the largest city in Oklahoma, Fort Smith, Arkansas, the third largest city in that state, and other large communities with their contiguous rural and suburban areas throughout Oklahoma and western Arkansas. OG&E derived 92 percent of its total electric operating revenues in 2021 from sales in Oklahoma and the remainder from sales in Arkansas. OG&E does not currently serve wholesale customers in either state.

In 2021, OG&E's system control area peak demand was 6,722 MWs on August 25, 2021, and OG&E's load responsibility peak demand was 5,896 MWs on August 25, 2021. The following table presents system sales and variations in system sales for 2021, 2020 and 2019.

Year Ended December 31	2021	2021 vs. 2020	2020	2020 vs. 2019	2019
System sales (<i>Millions of MWh</i>)	27.7	2.6%	27.0	(4.9)%	28.4

OG&E is subject to competition in various degrees from government-owned electric systems, municipally-owned electric systems, rural electric cooperatives and, in certain respects, from other private utilities, power marketers and cogenerators. Oklahoma law forbids the granting of an exclusive franchise to a utility for providing electricity.

Besides competition from other suppliers or marketers of electricity, OG&E competes with suppliers of other forms of energy. The degree of competition between suppliers may vary depending on relative costs and supplies of other forms of

energy. It is possible that changes in regulatory policies or advances in technologies such as fuel cells, microturbines, windmills and photovoltaic solar cells will reduce costs of new technology to levels that are equal to or below that of most central station electricity production. OG&E's ability to maintain relatively low cost, efficient and reliable operations is a significant determinant of its competitiveness.

**OKLAHOMA GAS AND ELECTRIC COMPANY
CERTAIN OPERATING STATISTICS**

Year Ended December 31	2021	2020	2019
ELECTRIC ENERGY (Millions of MWh)			
Generation (exclusive of station use)	16.3	17.5	17.0
Purchased	14.6	12.9	14.0
Total generated and purchased	30.9	30.4	31.0
OG&E use, free service and losses	(1.6)	(1.4)	(1.4)
Electric energy sold	29.3	29.0	29.6
ELECTRIC ENERGY SOLD (Millions of MWh)			
Residential	9.6	9.5	9.7
Commercial	6.8	6.3	6.5
Industrial	4.2	4.2	4.5
Oilfield	4.2	4.2	4.6
Public authorities and street light	2.9	2.8	3.1
System sales	27.7	27.0	28.4
Integrated market	1.6	2.0	1.2
Total sales	29.3	29.0	29.6
ELECTRIC OPERATING REVENUES (In millions)			
Residential	\$ 1,342.1	\$ 869.0	\$ 891.1
Commercial	766.9	479.4	503.1
Industrial	328.2	197.3	223.0
Oilfield	316.8	172.3	204.0
Public authorities and street light	289.5	176.9	195.8
System sales revenues	3,043.5	1,894.9	2,017.0
Provision for rate refund	—	3.8	(0.9)
Integrated market	468.9	49.6	38.4
Transmission	140.2	143.3	148.0
Other	1.1	30.7	29.1
Total operating revenues	\$ 3,653.7	\$ 2,122.3	\$ 2,231.6
ACTUAL NUMBER OF ELECTRIC CUSTOMERS (At end of period)			
Residential	749,091	740,174	731,797
Commercial	103,337	100,200	98,565
Industrial	2,585	2,710	2,965
Oilfield	6,804	6,822	7,071
Public authorities and street light	17,630	17,483	17,356
Total customers	879,447	867,389	857,754
AVERAGE RESIDENTIAL CUSTOMER SALES (A)			
Average annual revenue	\$ 1,374.76	\$ 1,180.82	\$ 1,222.95
Average annual use (kilowatt-hour)	12,827	12,848	13,344
Average price per kilowatt-hour (cents)	10.72	9.19	9.16

(A) Excludes impact from Winter Storm Uri in 2021 where opportunities exist for the recovery of increased costs to be spread over an extended period of time through securitization as discussed in Note 16 within "Item 8. Financial Statements and Supplementary Data."

Regulation and Rates

OG&E's retail electric tariffs are regulated by the OCC in Oklahoma and by the APSC in Arkansas. The issuance of certain securities by OG&E is also regulated by the OCC and the APSC. OG&E's transmission activities, short-term borrowing authorization and accounting practices are subject to the jurisdiction of the FERC. The Secretary of the U.S. Department of Energy has jurisdiction over some of OG&E's facilities and operations. In 2021, 89 percent of OG&E's electric revenue was subject to the jurisdiction of the OCC, eight percent to the APSC and three percent to the FERC.

The OCC and the APSC require that, among other things, (i) OGE Energy permits the OCC and the APSC access to the books and records of OGE Energy and its affiliates relating to transactions with OG&E; (ii) OGE Energy employ accounting and other procedures and controls to protect against subsidization of non-utility activities by OG&E's customers; and (iii) OGE Energy refrain from pledging OG&E assets or income for affiliate transactions. In addition, the FERC has access to the books and records of OGE Energy and its affiliates as the FERC deems relevant to costs incurred by OG&E or necessary or appropriate for the protection of utility customers with respect to the FERC jurisdictional rates.

For information concerning OG&E's recently completed and currently pending regulatory proceedings, see Note 16 within "Item 8. Financial Statements and Supplementary Data."

Regulatory Assets and Liabilities

OG&E, as a regulated utility, is subject to accounting principles for certain types of rate-regulated activities, which provide that certain incurred costs that would otherwise be charged to expense can be deferred as regulatory assets, based on the expected recovery from customers in future rates. Likewise, certain actual or anticipated credits that would otherwise reduce expense can be deferred as regulatory liabilities, based on the expected flowback to customers in future rates. Management's expected recovery of deferred costs and flowback of deferred credits generally results from specific decisions by regulators granting such ratemaking treatment.

OG&E records certain incurred costs and obligations as regulatory assets or liabilities if, based on regulatory orders or other available evidence, it is probable that the costs or obligations will be included in amounts allowable for recovery or refund in future rates. Management continuously monitors the future recoverability of regulatory assets. When in management's judgment future recovery becomes impaired, the amount of the regulatory asset is adjusted, as appropriate. If OG&E were required to discontinue the application of accounting principles for certain types of rate-regulated activities for some or all of its operations, it could result in writing off the related regulatory assets or liabilities, which could have significant financial effects. See Note 1 within "Item 8. Financial Statements and Supplementary Data" for further discussion of OG&E's regulatory assets and liabilities.

Rate Structures

Oklahoma

OG&E's standard tariff rates include a cost of service component (including an authorized return on capital) plus a fuel adjustment clause mechanism that allows OG&E to pass through to customers the actual cost of fuel and purchased power.

OG&E offers several alternative customer programs and rate options, as described below.

- Under OG&E's Smart Grid-enabled SmartHours programs, time-of-use and variable peak pricing rates offer customers the ability to save on their electricity bills by shifting some of the electricity consumption to off-peak times when demand for electricity is lowest.
- The Guaranteed Flat Bill option for residential and small general service accounts allows qualifying customers the opportunity to purchase their electricity needs at a set monthly price for an entire year.
- The Renewable Energy Credit purchase program, the Green Power Wind Rider and the Utility Solar Program are rate options that make renewable energy resources available as a voluntary option to all OG&E Oklahoma retail customers. OG&E's ownership and access to wind and solar resources makes the renewable option a possible choice in meeting the renewable energy needs of OG&E's conservation-minded customers.
- Load Reduction is a voluntary load curtailment program that provides OG&E's commercial and industrial customers with the opportunity to curtail usage on a voluntary basis when power delivery system conditions merit curtailment action. Customers that curtail their usage will receive payment for their curtailment response. This voluntary curtailment program seeks customers that can curtail on most curtailment event days but may not be able to curtail every time that a curtailment event is required.

- OG&E offers certain qualifying customers day-ahead price and flex price rate options which allow participating customers to adjust their electricity consumption based on price signals received from OG&E. The prices for the day-ahead price and flex price rate options are based on OG&E's projected next day hourly operating costs.

OG&E has Public Schools-Demand and Public Schools Non-Demand rate classes that provide OG&E with flexibility to provide targeted programs for load management to public schools and their unique usage patterns. OG&E also provides service level, seasonal and time period fuel charge differentiation that allows customers to pay fuel costs that better reflect the underlying costs of providing electric service. Lastly, OG&E has a military base rider that demonstrates Oklahoma's continued commitment to its military partners.

The previously discussed rate options, coupled with OG&E's other rate choices, provide many tariff options for OG&E's Oklahoma retail customers. The revenue impacts associated with these options are not determinable in future years because customers may choose to remain on existing rate options instead of volunteering for the alternative rate option choices. Revenue variations may occur in the future based upon changes in customers' usage characteristics if they choose alternative rate options.

Arkansas

OG&E's standard tariff rates include a cost of service component (including an authorized return on capital) plus an energy cost recovery mechanism that allows OG&E to pass through to customers the actual cost of fuel and purchased power. OG&E's current rate order from the APSC includes a formula rate rider that provides for an annual adjustment to rates if the earned rate of return falls outside of a plus or minus 50 basis point dead-band around the allowed return on equity. Adjustments are limited to plus or minus four percent of revenue for each rate class for the 12 months preceding the test period. The initial term for the formula rate rider is not to exceed five years from the date of the APSC final order in the last general rate review, May 18, 2017, unless additional approval is obtained from the APSC. On October 1, 2021, OG&E filed a request to extend the Formula Rate Plan Rider for an additional five years and expects a decision from the APSC in April 2022.

OG&E offers several alternative customer programs and rate options, as described below.

- The time-of-use and variable peak pricing tariffs allow participating customers to save on their electricity bills by shifting some of the electricity consumption to off-peak times when demand for electricity is lowest.
- The Renewable Energy Credit purchase program and the Universal Solar Program are rate options that make renewable energy resources available as a voluntary option to all OG&E Arkansas retail customers. OG&E's ownership and access to wind and solar resources makes the renewable option a possible choice in meeting the renewable energy needs of OG&E's conservation-minded customers.
- Load Reduction is a voluntary load curtailment program that provides OG&E's commercial and industrial customers with the opportunity to curtail usage on a voluntary basis and receive a billing credit when OG&E's system conditions merit curtailment action.
- OG&E offers certain qualifying customers day-ahead price and flex price rate options which allow participating customers to adjust their electricity consumption based on a price signal received from OG&E. The day-ahead price and flex price rate options are based on OG&E's projected next day hourly operating costs.

Fuel Supply and Generation

The following table presents the OG&E-generated energy produced and purchased and the weighted-average cost of fuel used, by type, for the last three years.

	Generation Mix (A)			Fuel Cost (B) (In cents/Kilowatt-Hour)		
	2021	2020	2019	2021	2020	2019
Natural gas.....	48%	62%	59%	11.907	2.077	2.188
Coal.....	40%	25%	27%	1.935	1.821	2.029
Renewable.....	12%	13%	14%	—	—	—
Total.....	100%	100%	100%	6.833	1.863	1.970

(A) Generation mix calculated as a percent of net MWhs generated and includes purchased power agreements.

(B) Total fuel and purchased power weighted-average cost was 6.892, 2.117 and 2.534 cents per kilowatt-hour in 2021, 2020 and 2019, respectively.

The increase in the weighted average cost of fuel in 2021 compared to 2020 was primarily due to higher fuel prices as a result of Winter Storm Uri. The increase in coal as a percentage of generation mix was primarily in response to an increase in natural gas prices during 2021. The decrease in the weighted average cost of fuel in 2020 compared to 2019 was primarily due to lower fuel prices. These fuel costs are generally recoverable through OG&E's fuel adjustment clauses that are approved by the OCC and the APSC, with the exception of Winter Storm Uri fuel costs which have been deferred to separate regulatory assets for recovery in each jurisdiction. See Notes 1 and 16 within "Item 8. Financial Statements and Supplementary Data" for further discussion.

OG&E participates in the SPP Integrated Marketplace. As part of the Integrated Marketplace, the SPP has balancing authority responsibilities for its market participants. The SPP Integrated Marketplace functions as a centralized dispatch, where market participants, including OG&E, submit offers to sell power to the SPP from their resources and bid to purchase power from the SPP for their customers. The SPP Integrated Marketplace is intended to allow the SPP to optimize supply offers and demand bids based upon reliability and economic considerations and to determine which generating units will run at any given time for maximum cost-effectiveness within the SPP area. As a result, OG&E's generating units produce output that is different from OG&E's customer load requirements. Net fuel and purchased power costs are generally recoverable through fuel adjustment clauses.

Of OG&E's 7,207 total MWs of generation capability reflected in the table within "Item 2. Properties," 4,876 MWs, or 67.7 percent, are from natural gas generation, 1,534 MWs, or 21.3 percent, are from coal generation, 321 MWs, or 4.4 percent, are from dual-fuel generation (coal/gas), 449 MWs, or 6.2 percent, are from wind generation and 27 MWs, or 0.4 percent, are from solar generation.

Natural Gas

As a participant in the SPP Integrated Marketplace, OG&E purchases its natural gas supply through short-term agreements. OG&E relies on a combination of natural gas base load agreements and call agreements, whereby OG&E has the right but not the obligation to purchase a defined quantity of natural gas, combined with day and intra-day purchases to meet the demands of the SPP Integrated Marketplace.

Coal

OG&E's coal-fired units are designed to burn primarily low sulfur western sub-bituminous coal. The combination of all 2021 coal purchased had a weighted average sulfur content of 0.2 percent. Based on the average sulfur content and EPA-certified data, OG&E's coal units have an approximate emission rate of 0.1 lbs. of SO₂ per MMBtu.

For the first two quarters of 2022, OG&E has coal supply agreements for 100 percent of its coal requirements for the Sooner, Muskogee and River Valley facilities. OG&E plans to fill the remainder of its 2022 coal needs through additional term agreements, spot purchases and the use of existing inventory. OG&E has no coal agreements beyond June 2022 and will need to satisfy its coal needs through term agreements and spot purchases. In 2021, OG&E purchased 4.393 million tons of coal from its sub-bituminous suppliers and 0.0373 million tons from its bituminous suppliers. See "Environmental Laws and Regulations" within "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" for a discussion of environmental matters which may affect OG&E in the future, including its utilization of coal.

Wind

OG&E owns the 120 MW Centennial, 101 MW OU Spirit and 228 MW Crossroads wind farms. OG&E's current wind power portfolio also includes purchased power contracts as presented in the following table.

Company	Location	Original Term of Contract	Expiration of Contract	MWs
CPV Keenan	Woodward County, OK	20 years	2030	152.0
Edison Mission Energy	Dewey County, OK	20 years	2031	130.0
NextEra Energy	Blackwell, OK	20 years	2032	60.0

OG&E currently owns and operates the solar sites presented in the following table.

Name	Location	Year Completed	Photovoltaic Panels	MWs
Mustang	Oklahoma City, OK	2015	9,867	2.5
Covington	Covington, OK	2018	38,000	9.7
Choctaw Nation	Durant, OK	2020	15,344	5.0
Chickasaw Nation	Davis, OK	2020	15,344	5.0
Branch	Branch, AR	2021	15,444	5.0
Durant 2	Durant, OK	2022*	15,471	5.0

* Performance testing is currently being completed.

In October 2021, OG&E issued its most recent IRP to the OCC and APSC that proposes to expand its renewable generation fleet, including the development of additional solar resources beginning in 2023. OG&E will continue to evaluate the need to add additional solar sites to its generation portfolio based on customer demand, cost and reliability.

Safety and Health Regulation

OG&E is subject to a number of federal and state laws and regulations, including OSHA, the EPA and comparable state statutes, whose purpose is to protect the safety and health of workers.

In addition, the OSHA Hazard Communication Standard, the EPA Emergency Planning and Community Right-to-Know regulations under Title III of the Federal Superfund Amendment and Reauthorization Act and comparable state statutes require that information be maintained concerning hazardous materials stored, used or produced in OG&E's operations and that this information be provided or made available to employees, state and local government authorities and citizens. OG&E believes that it is in material compliance with all applicable laws and regulations relating to worker safety and health.

In September 2021, President Biden announced an executive order requiring federal contractors to require that their employees be fully vaccinated against COVID-19 (the "vaccine mandate"). At this time, the Registrants will not be required to incorporate the language of the vaccine mandate into OG&E's area-wide service contracts, and therefore, the Registrants are not deemed federal contractors for these purposes. Consequently, the Registrants do not currently have to comply with the vaccine mandate. In September 2021, President Biden also announced a proposed new rule requiring all employers with at least 100 employees to require that their employees be fully vaccinated against COVID-19 or tested weekly (the "testing mandate"). On January 25, 2022, OSHA announced it is currently focusing on implementing a permanent COVID-19 healthcare standard, similar to the testing mandate. The Registrants are monitoring this development and potential impact to their operations.

Natural Gas Midstream Operations - Energy Transfer

Energy Transfer owns and operates one of the largest and most diversified portfolios of energy assets in North America, with a strategic footprint in all of the major U.S. production basins. Energy Transfer is a publicly traded limited partnership with core operations that include complementary natural gas midstream, intrastate and interstate transportation and storage assets; crude oil, NGL and refined product transportation and terminalling assets; and NGL fractionation. In addition, Energy Transfer owns investments in other businesses, including Sunoco LP and USA Compression Partners, LP, both of which are publicly traded master limited partnerships.

- Energy Transfer's natural gas intrastate transportation pipelines receive natural gas from other mainline transportation pipelines, storage facilities and gathering systems and deliver the natural gas to industrial end-users, storage facilities, utilities, power generators and other third-party pipelines. Energy Transfer operates one of the largest intrastate pipeline systems in the U.S. providing energy logistics to major trading hubs and industrial consumption areas throughout the U.S. Energy Transfer's intrastate transportation and storage business focuses on the transportation of natural gas to major markets from prolific natural gas producing areas such as Permian, Barnett, Haynesville and Eagle Ford Shale.
- Energy Transfer's interstate natural gas transportation pipelines receive natural gas from supply sources including other transportation pipelines, storage facilities and gathering systems and deliver the natural gas to industrial end-users and other pipelines. Energy Transfer's interstate natural gas network spans the U.S. from Florida to

California and Texas to Michigan, offering a comprehensive array of pipeline and storage services. Energy Transfer's pipelines have the capability to transport natural gas from nearly all Lower 48 onshore and offshore supply basins to customers in the Southeast, Gulf Coast, Southwest, Midwest, Northeast and Canada.

- Energy Transfer owns and operates natural gas gathering and NGL pipelines, natural gas processing plants, natural gas treating facilities and natural gas conditioning facilities. Energy Transfer's midstream operations are currently concentrated in major producing basins and shales in South Texas, West Texas, New Mexico, North Texas, East Texas, West Virginia, Pennsylvania, Ohio, Oklahoma, Arkansas, Kansas and Louisiana. Many of Energy Transfer's midstream assets are integrated with their intrastate transportation and storage assets.
- Energy Transfer's NGL operations transport, store and execute acquisition and marketing activities utilizing a complementary network of pipelines, storage and blending facilities, and strategic off-take locations that provide access to multiple NGL markets. Energy Transfer's refined products operations provide transportation and terminalling services through the use of refined products pipelines and refined products marketing terminals, which are located primarily in the northeast, midwest and southwest U.S.
- Energy Transfer's crude oil operations provide transportation (via pipeline and trucking), terminalling and acquisition and marketing services to crude oil markets throughout the southwest, midwest, northwestern and northeastern U.S. Energy Transfer's crude oil acquisition and marketing activities utilize their pipeline and terminal assets, their proprietary fleet crude oil tractor trailers and truck unloading facilities, as well as third-party assets, to service crude oil markets principally in the midcontinent U.S.

Environmental Matters

General

The activities of the Registrants are subject to numerous stringent and complex federal, state and local laws and regulations governing environmental protection. These laws and regulations can change, restrict or otherwise impact the Registrants' business activities in many ways, including the handling or disposal of waste material, planning for future construction activities to avoid or mitigate harm to threatened or endangered species and requiring the installation and operation of emissions or pollution control equipment. Failure to comply with these laws and regulations could result in the assessment of administrative, civil and criminal penalties, the imposition of remedial requirements and the issuance of orders enjoining future operations. Management believes that all of the Registrants' operations are in substantial compliance with current federal, state and local environmental standards.

President Biden's Administration has taken a number of actions that adopt policies and affect environmental regulations, including issuance of executive orders that instruct the EPA and other executive agencies to review certain rules that affect OG&E with a view to achieving nationwide reductions in greenhouse gas emissions. OG&E is monitoring these actions which are in various stages of being implemented. At this point in time, the impacts of these actions on the Registrants' results of operations, if any, cannot be determined with any certainty. In the meantime, the Registrants continue to have obligations to take or complete action under current environmental rules.

Management continues to evaluate the Registrants' compliance with existing and proposed environmental legislation and regulations and implement appropriate environmental programs in a competitive market but at the current time, based on existing rules, does not expect capital expenditures for environmental control facilities to be material for 2022 or 2023. For further discussion of environmental matters and capital expenditures related to environmental factors that may affect the Registrants, see "2021 Capital Requirements, Sources of Financing and Financing Activities," "Future Capital Requirements" and "Environmental Laws and Regulations" within "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations."

Human Capital Management

Our company fulfills a critical role in the nation's electric utility infrastructure. In order to do so, we believe we need to attract, retain, motivate and develop a high quality, diverse workforce and provide a safe, inclusive and productive work environment for everyone. Our company's core values are teamwork, transparency, respect, integrity, public service, and individual safety and well-being. Our company's core beliefs are unleash potential, live safely, achieve together, create shared trust, value diversity and inclusion, take charge and values matter. We believe that our company's values and beliefs serve as a foundation for our relationships with our employees, who we refer to internally as "members" of the Registrants. These core values and beliefs are reinforced to all employees at the time of hire, annually through a review of our Code of Ethics and periodically through small and large group meetings. We believe the efforts described herein, among others, contribute to our members' sense of purpose for the work we perform and result in the retention of our members. At December 31, 2021, OGE Energy had 2,185 employees, of which 1,812 are OG&E employees.

Total Rewards

To help us attract and retain the most qualified individuals for our businesses, we provide a combination of strong compensation and comprehensive benefit offerings, including healthcare, health savings and flexible spending accounts, short-term and long-term incentive plans, retirement savings plans with company matching contributions, disability coverage, paid time off, parental leave and employee assistance programs. We also have a defined benefit pension plan that covers certain employees hired on or before December 1, 2009. Our employees are also offered two days of paid volunteer leave every year, which is intended to further enrich both their lives and the lives of others in the communities we serve.

Employee Recruiting, Development and Engagement

We make it a priority to attract, retain, motivate and develop a high-quality workforce. Our recruitment efforts begin with industry and career awareness efforts directed toward learning institutions, parents and students. We have built partnerships with universities, state career tech systems, state education departments, technical learning/trade schools, military bases and local school districts to increase awareness of the employment opportunities we provide and the total rewards packages that are tied to those opportunities. We build these relationships to create talent pipelines that will funnel qualified individuals back to our organization and the workforce needs we have identified.

We provide our employees with a variety of opportunities for career growth and development. Many of the positions in our company are highly specialized, so having appropriate training and succession planning is critical to business continuity and competitiveness. We provide leadership, career development and skill-building opportunities, including internal and external training as well as tuition reimbursement, to invest in the next generation of leaders for our company. The number of annual hours of training per employee that we target, and historically average, aligns with the benchmark published annually by the American Society of Training and Development.

OGE Energy, like many utilities across the country, is planning for and managing the effects of turnover of our workforce due to a significant number of retirements occurring now and expected during the next five to ten years, which is a period that will be impacted by major transformation of our business through technology investments, regulatory changes to our electric generation portfolio and upgrades to our distribution infrastructure. Management engages in ongoing succession planning discussions, which includes the annual involvement of OGE Energy's Board of Directors as it relates to officer succession planning.

OGE Energy conducts and/or participates in employee engagement surveys to seek feedback from its employees on a variety of topics, including understanding of and alignment with the company's strategy, objectives, values and beliefs, management practices, operational performance and the employee value proposition. OGE Energy shares the survey results with employees, and senior management incorporates the results of the surveys in their action plans in order to respond to the feedback and further enhance employee engagement.

Safety

Employee safety is paramount in the work we perform. One of our company core beliefs is to "Live Safely," which to us means that we protect ourselves and others from injury by constant engagement, "always living safely." Our goal is to have zero safety incidents every year, and we educate all of our employees on our incident and injury free workplace vision. We report and analyze all near misses and incidents to understand the causal factors and associated corrective actions necessary to reduce the likelihood of reoccurrence. We share what we have learned company-wide to provide real-time learning opportunities for all employees. We track our safety performance and benchmark ourselves to our peer utility group, the Southeast Electric Exchange. For 2021, our Southeast Electric Exchange OSHA incident rate of 0.28 was the best in the group and the best in company history. The incident rate is calculated by counting the number of injuries and illnesses per 100 employees' standard base labor hours divided by the number of actual hours employees worked. We consistently rank among the top of our 17-member peer group, ranking first in the Southeast Electric Exchange in two of the last four years. We continue to analyze trends and engage in discussions with our employees, creating a dialogue to enhance safety performance and work towards our incident and injury-free workplace. Our focus on safety has contributed to each of the last six years being the safest in our 120-year history. Further discussion of the steps we are taking to help ensure employee safety during the COVID-19 pandemic can be found in "Item 7. Management's Discussion and Analysis – Recent Developments – COVID-19."

Diversity and Inclusion

Within our overall recruitment efforts, we are focused on diversity with the over-arching goal of the company's workforce looking like the members of the communities we serve. Several of the talent pipeline partnerships referenced above are with organizations and trade schools whose student populations are diverse or raised in underrepresented communities. The company continues working with others to recruit diverse students to their programs, which can lead to potential employment for our positions. We have also formed relationships with universities to provide scholarships to students with diverse backgrounds and have focused on hiring individuals transitioning out of the military.

We strive to reinforce the belief that our employees are one of our greatest assets by creating a culture of respect throughout the company. One of our core beliefs is to "Value Diversity and Inclusion," which to us means that we embrace the uniqueness of each individual to make us a stronger and more resourceful organization, which enables us to serve and support the diverse communities where we live and work. We do this by, among other things, encouraging employees to treat others justly and considering their views in the decisions we make. We are also focused on the inclusion of diverse individuals in leadership positions. Representation of females and other diverse members among our officers, management-level directors and senior managers has been trending upward for the past 5 years, and we expect that trend to continue. The retirement of our more tenured employees creates opportunities to promote or attract and hire additional individuals with diverse backgrounds.

The company currently has employee-led Member Resource Groups ("MRGs") supporting African Americans, Asian American & Pacific Islanders, Latin/Hispanic heritage, Public Service, Veterans and Women. Each MRG selects an officer of the company to serve as its Executive Sponsor. These MRGs are intended to foster a sense of belonging for all employees, inspire conversation, introduce new ways of thinking about issues, drive innovation among our diverse population of members and provide an opportunity for professional development, community involvement and recruitment. All groups are voluntary and inclusive.

Information About the Registrants' Executive Officers

The following table presents the names, titles and business experience for the most recent five years for those persons serving as Executive Officers of the Registrants as of February 23, 2022:

Name	Age	Current Title and Business Experience
Sean Trauschke	54	2017 - Present: Chairman of the Board, President and Chief Executive Officer of OGE Energy Corp.
W. Bryan Buckler	49	2021 - Present: Chief Financial Officer of OGE Energy Corp.
		2019 - 2020: Vice President of Investor Relations - Duke Energy Corporation
		2017 - 2019: Director of Financial Planning and Analysis - Duke Energy Corporation
Sarah R. Stafford	40	2018 - Present: Controller and Chief Accounting Officer of OGE Energy Corp.
		2017 - 2018: Accounting Research Officer of OGE Energy Corp.
Scott A. Briggs	50	2020 - Present: Vice President - Human Resources of OG&E
		2019 - 2020: Managing Director Human Resources of OG&E
		2017 - 2018: Chief Operating Officer of The Oklahoma Publishing Co., d/b/a The Oklahoma Media Company
Robert J. Burch	59	2020 - Present: Vice President - Utility Technical Services of OG&E
		2018 - 2020: Managing Director Utility Technical Services of OG&E
		2017 - 2018: Director Power Supply Services of OG&E
Andrea M. Dennis	45	2019 - Present: Vice President - Transmission and Distribution Operations of OG&E
		2019: Managing Director Transmission and Distribution Operations of OG&E
		2017 - 2019: Director System Operations of OG&E
Patricia D. Horn	63	2017 - Present: Vice President - Governance and Corporate Secretary of OGE Energy Corp.
Donnie O. Jones	55	2019 - Present: Vice President - Utility Operations of OG&E
		2017 - 2019: Vice President - Power Supply Operations of OG&E
Cristina F. McQuiston	57	2020 - Present: Vice President - Corporate Responsibility and Stewardship of OGE Energy Corp.
		2017 - 2020: Vice President - Chief Information Officer of OG&E
Kenneth A. Miller	55	2019 - Present: Vice President - Regulatory and Legislative Affairs of OG&E
		2017 - 2018: State Treasurer of Oklahoma
David A. Parker	45	2020 - Present: Vice President - Technology, Data and Security of OG&E
		2019 - 2020: Director Enterprise Security & Risk of OGE Energy Corp.
		2017 - 2019: Director of Internal Audit of OGE Energy Corp.
Matthew J. Schuermann	42	2020 - Present: Vice President - Power Supply Operations of OG&E
		2019 - 2020: Managing Director Power Plant Operations of OG&E
		2017 - 2019: Special Projects Director of OG&E
William H. Sultemeier	54	2017 - Present: General Counsel and Chief Compliance Officer of OGE Energy Corp.
Charles B. Walworth	47	2017 - Present: Treasurer of OGE Energy Corp.
Christine O. Woodworth	51	2021 - Present: Vice President - Corporate Communications, Brand and Marketing of OG&E
		2017 - 2021: Vice President of Public Relations - Sonic Drive-In

No family relationship exists between any of the Executive Officers of the Registrants. Messrs. Trauschke, Buckler, Sultemeier, Walworth and Mses. Horn, McQuiston and Stafford are also officers of OG&E. Each Executive Officer is to hold office until the next annual election of officers by the Board of Directors which is typically accomplished at the first regular board meeting following the Annual Meeting of Shareholders, currently scheduled for May 19, 2022.

Item 1A. Risk Factors.

In the discussion of risk factors set forth below, unless the context otherwise requires, the terms "we," "our" and "us" refer to the Registrants. In addition to the other information in this Form 10-K and other documents filed by us and/or our subsidiaries with the Securities and Exchange Commission from time to time, the following factors should be carefully considered in evaluating OGE Energy and its subsidiaries. Such factors could affect actual results and cause results to differ materially from those expressed in any forward-looking statements made by or on behalf of us or our subsidiaries. Additional risks and uncertainties not currently known to us or that we currently view as immaterial may also impair our business operations.

The Registrants are subject to a variety of risks which can be classified as regulatory, operational, financial and general. Risk factors of OG&E are also risk factors of OGE Energy. OGE Energy also is subject to risks associated with its investment in Energy Transfer's equity securities.

REGULATORY RISKS

The Registrants' profitability depends to a large extent on the ability of OG&E to fully recover its costs, including its cost of capital, from its customers in a timely manner, and there may be changes in the regulatory environment that impair its ability to recover costs from its customers.

OG&E is subject to comprehensive regulation by several federal and state utility regulatory agencies, which significantly influences its operating environment and its ability to fully recover its costs, including its cost of capital, from utility customers. Recoverability of any under recovered amounts from OG&E's customers due to a rise in fuel costs is a significant risk, such as experienced in February 2021 due to Winter Storm Uri that resulted in winter record winter peak demand for electricity in OG&E's service territory and extreme natural gas and purchased power prices. The utility commissions in the states where OG&E operates regulate many aspects of its utility operations including siting and construction of facilities, customer service and the rates that OG&E can charge customers. The profitability of the utility operations is dependent on OG&E's ability to fully recover costs related to providing energy and utility services to its customers in a timely manner. Any failure to obtain utility commission approval to increase rates to fully recover costs, or a delay in the receipt of such approval, could have an adverse impact on OG&E's results of operations. In addition, OG&E's jurisdictions have fuel adjustment clauses that permit OG&E to recover fuel costs through rates without a general rate review, subject to a later determination that such fuel costs were prudently incurred. If the state regulatory commissions determine that the fuel costs were not prudently incurred, recovery could be disallowed. See Note 16 within "Item 8. Financial Statements and Supplementary Data" for further discussion of the significant fuel and purchased power costs incurred during Winter Storm Uri and the related regulatory filings with the OCC and the APC, including the securitization filing approved by the OCC in December 2021.

In recent years, the regulatory environments in which OG&E operates have received an increased amount of attention. It is possible that there could be changes in the regulatory environment that would impair OG&E's ability to fully recover costs historically paid by OG&E's customers. State utility commissions generally possess broad powers to ensure that the needs of the utility customers are being met. OG&E cannot assure that the OCC, APSC and the FERC will grant rate increases in the future or in the amounts requested, and they could instead lower OG&E's rates.

The Registrants are unable to predict the impact on their operating results from future regulatory activities of any of the agencies that regulate OG&E. Changes in regulations or the imposition of additional regulations could have an adverse impact on the Registrants' results of operations.

OG&E's rates are subject to rate regulation by the states of Oklahoma and Arkansas, as well as by a federal agency, whose regulatory paradigms and goals may not be consistent.

OG&E is a vertically integrated electric utility. Most of its revenue results from the sale of electricity to retail customers subject to bundled rates that are approved by the applicable state utility commission.

OG&E operates in Oklahoma and western Arkansas and is subject to rate regulation by the OCC and the APSC, in addition to FERC regulation of its transmission activities and any wholesale sales. Exposure to inconsistent state and federal regulatory standards may limit our ability to operate profitably. Further alteration of the regulatory landscape in which we operate, including a change in our authorized return on equity, may harm our financial position and results of operations.

Costs of compliance with environmental laws and regulations are significant, and the cost of compliance with future environmental laws and regulations may adversely affect our results of operations, financial position or liquidity.

We are subject to extensive federal, state and local environmental statutes, rules and regulations relating to air quality, water quality, waste management, wildlife conservation, natural resources and health and safety that could, among other things, restrict or limit the output of certain facilities or the use of certain fuels required for the production of electricity and/or require additional pollution control equipment and otherwise increase costs. There are significant capital, operating and other costs associated with compliance with these environmental statutes, rules and regulations and those costs may be even more significant in the future.

In response to recent regulatory and judicial decisions and international accords, emissions of greenhouse gases including, most significantly, CO₂, could be restricted in the future as a result of federal or state legal requirements or litigation relating to greenhouse gas emissions. No rules are currently in effect that require us to reduce our greenhouse gas emissions, but laws and regulations to which we must adhere change, and the Biden Administration's agenda includes a significant shift in environmental and energy policy, focusing on reducing greenhouse gas emissions and addressing climate change issues. Together, these actions reflect climate change issues and greenhouse gas emission reductions as central areas of focus for domestic and international regulations, orders and policies. In addition, a parallel focus on reducing greenhouse gas emissions is reflected in legislation introduced in Congress. These initiatives could lead to new and revised energy and environmental laws and regulations, including tax reforms relating to energy and environmental issues. Any such changes, as well as any enforcement actions or judicial decisions regarding those laws and regulations, could result in significant additional compliance costs that would affect our future financial position, results of operations and cash flows if such costs are not recovered through regulated rates. Such changes also could affect the manner in which we conduct our business and could require us to make substantial additional capital expenditures or abandon certain projects.

There is inherent risk of the incurrence of environmental costs and liabilities in our operations and historical industry practices. These activities are subject to stringent and complex federal, state and local laws and regulations that can restrict or impact OG&E's business activities in many ways, such as restricting the way OG&E can handle or dispose of its wastes or requiring remedial action to mitigate pollution conditions that may be caused by its operations or that are attributable to former operators. OG&E may be unable to recover these costs from insurance or other regulatory mechanisms. The Biden Administration has suggested that it will enact stricter laws, regulations and enforcement policies that could significantly increase compliance costs and the cost of any remediation that may become necessary. If regulations are enacted regarding any of our generating units, as listed in "Item 2. Properties," it could potentially result in stranded assets.

In addition, we may be required to make significant expenditures in connection with the investigation and remediation of alleged or actual spills, personal injury or property damage claims, and the repair, upgrade or expansion of our facilities to meet future requirements and obligations under environmental laws.

For further discussion of environmental matters that may affect the Registrants, see "Environmental Laws and Regulations" within "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations."

We are subject to financial risks associated with climate change and the transition to a lower carbon economy.

In addition to the potential for physical risk related to climate change (discussed below), climate change, and the risks related to our transition to a lower-carbon economy, creates financial risk. Transition risks represent those risks related to the social and economic changes needed to shift toward a lower carbon future. These risks are often interconnected, representing policy and regulatory changes, technology and market risks, and risks to our reputation and financial performance.

Potential regulation associated with climate change legislation could pose financial risks to OGE Energy and its affiliates. The U.S. is a party to the United Nations' "Paris Agreement" on climate change, and the Agreement along with other potential legislation and regulation discussed above, could result in enforceable greenhouse gas emission reduction requirements could lead to increased compliance costs for OGE Energy and its affiliates. For example, the EPA has indicated that it is currently "evaluating additional opportunities" to reduce greenhouse gas emissions from existing power plants.

As we expand our cleaner energy generation asset mix, the ability to integrate renewable technologies into our operations and maintain reliability and affordability is key. The intermittency of renewables remains a critical challenge particularly as cost-efficient energy storage is still in development. Other technology risks include the need for significant

upfront financial investments, lengthy development timelines, and the uncertainty of integration and scalability across our entire service territory.

In addition, to the extent that any climate change adversely affects the national or regional economic health through physical impacts or increased rates caused by the inclusion of additional regulatory costs, CO₂ taxes or imposed costs, OGE Energy and its affiliates may be adversely impacted. There are also increasing risks for energy companies from shareholders currently invested in fossil-fuel energy companies concerned about the potential effects of climate change who may elect in the future to shift some or all of their investments into entities that emit lower levels of greenhouse gases or into non-energy related sectors. Institutional investors and lenders who provide financing to fossil-fuel energy companies also have become more attentive to sustainable investing and lending practices and some of them may elect not to provide funding for fossil fuel energy companies. To the extent financial markets view climate change and emissions of greenhouse gases as a financial risk, this could negatively affect our ability to access capital markets or cause us to receive less than ideal terms and conditions.

In addition, we may be subject to financial risks from private party litigation relating to greenhouse gas emissions. Defense costs associated with such litigation can be significant and an adverse outcome could require substantial capital expenditures and could possibly require payment of substantial penalties or damages. Such payments or expenditures could affect results of operations, financial condition or cash flows if such costs are not recovered through regulated rates.

We may not be able to recover the costs of our substantial investments in capital improvements and additions.

Our business plan calls for extensive investments in capital improvements and additions in OG&E, including modernizing existing infrastructure as well as other initiatives. Significant portions of OG&E's facilities were constructed many years ago. Older generation equipment, even if maintained in accordance with good engineering practices, may require significant capital expenditures to maintain efficiency, to comply with environmental requirements or to provide reliable operations. OG&E currently provides service at rates approved by one or more regulatory commissions. If these regulatory commissions do not approve adjustments to the rates OG&E charges, it would not be able to recover the costs associated with its planned extensive investment. This could adversely affect the Registrants' financial position and results of operations. While OG&E may seek to limit the impact of any denied recovery by attempting to reduce the scope of its capital investment, there can be no assurance as to the effectiveness of any such mitigation efforts, particularly with respect to previously incurred costs and commitments.

The regional power market in which OG&E operates has changing transmission regulatory structures, which may affect the transmission assets and related revenues and expenses.

OG&E currently owns and operates transmission and generation facilities as part of a vertically integrated utility. OG&E is a member of the SPP regional transmission organization and has transferred operational authority (but not ownership) of OG&E's transmission facilities to the SPP. The SPP has implemented regional day ahead and real-time markets for energy and operating reserves, as well as associated transmission congestion rights. Collectively, the three markets operate together under the global name, SPP Integrated Marketplace. OG&E represents owned and contracted generation assets and customer load in the SPP Integrated Marketplace for the sole benefit of its customers. OG&E has not participated in the SPP Integrated Marketplace for any speculative trading activities. We record the SPP Integrated Marketplace transactions as sales or purchases with results reported as Revenues from Contracts with Customers or Fuel, Purchased Power and Direct Transmission Expense in its financial statements. Our revenues, expenses, assets and liabilities may be adversely affected by changes in the organization, operation and regulation of the SPP Integrated Marketplace by the FERC or the SPP.

Increased competition resulting from efforts to restructure utility and energy markets could have a significant financial impact on us and consequently impact our revenue.

We have been and will continue to be affected by competitive changes to the utility and energy industries. Significant changes have occurred and additional changes have been proposed to the wholesale electric market. Although retail restructuring efforts in Oklahoma and Arkansas have been postponed for the time being, if such efforts were renewed, retail competition and the unbundling of regulated energy service could have a significant financial impact on us due to possible impairments of assets, a loss of retail customers, impact profit margins and/or increased costs of capital. Any such restructuring could have a significant impact on our financial position, results of operations and cash flows. We cannot predict when we will be subject to changes in legislation or regulation, nor can we predict the impact of these changes on our financial position, results of operations or cash flows.

We are subject to substantial utility and energy regulation by governmental agencies. Compliance with current and future utility and energy regulatory requirements and procurement of necessary approvals, permits and certifications may result in significant costs to us.

We are subject to substantial regulation from federal, state and local regulatory agencies. We are required to comply with numerous laws and regulations and to obtain permits, approvals and certifications from the governmental agencies that regulate various aspects of our businesses, including customer rates, service regulations, retail service territories, sales of securities, asset acquisitions and sales, accounting policies and practices and the operation of generating facilities. We believe the necessary permits, approvals and certificates have been obtained for our existing operations and that our business is conducted in accordance with applicable laws; however, we are unable to predict the impact on our operating results from future regulatory activities of these agencies.

The NERC is responsible for the development and enforcement of mandatory reliability and cyber security standards for the wholesale electric power system. OG&E's plan is to comply with all applicable standards and to expediently correct a violation should it occur. As one of OG&E's regulators, the NERC has comprehensive regulations and standards related to the reliability and security of our operating systems and is continuously developing additional mandatory compliance requirements for the utility industry. The increasing development of NERC rules and standards will increase compliance costs and our exposure for potential violations of these standards.

OPERATIONAL RISKS

Our results of operations may be impacted by disruptions to fuel supply or the electric grid that are beyond our control.

We are exposed to risks related to performance of contractual obligations by our suppliers. We are dependent on coal and natural gas for much of our electric generating capacity. We rely on suppliers to deliver coal and natural gas in accordance with short- and long-term contracts. We have certain supply contracts in place; however, there can be no assurance that the counterparties to these agreements will fulfill their obligations to supply coal and natural gas to us. The suppliers under these agreements may experience financial or technical problems that inhibit their ability to fulfill their obligations to us. In addition, the suppliers under these agreements may not be required to supply coal and natural gas to us under certain circumstances, such as in the event of a natural disaster. Deliveries may be subject to short-term interruptions or reductions due to various factors, including transportation problems, weather, availability of equipment and labor shortages. Failure or delay by our suppliers of coal and natural gas deliveries could disrupt our ability to deliver electricity and require us to incur additional expenses to meet the needs of our customers.

Also, because our generation and transmission systems are part of an interconnected regional grid, we face the risk of possible loss of business due to a disruption or black-out caused by an event such as a severe storm, generator or transmission facility outage on a neighboring system or the actions of a neighboring utility. Any such disruption could result in a significant decrease in revenues and significant additional costs to repair assets, which could have a material adverse impact on our financial position, results of operations and cash flows.

OG&E's electric generation, transmission and distribution assets are subject to operational risks that could result in unscheduled plant outages, unanticipated operation and maintenance expenses, increased purchased power costs, accidents and third-party liability.

OG&E owns and operates coal-fired, natural gas-fired, wind-powered and solar-powered generating assets. Operation of electric generation, transmission and distribution assets involves risks that can adversely affect energy output and efficiency levels or that could result in loss of human life, significant damage to property, environmental pollution and impairment of OG&E's operations. Included among these risks are:

- increased prices for fuel and fuel transportation as existing contracts expire;
- facility shutdowns due to a breakdown or failure of equipment or processes or interruptions in fuel supply;
- operator error or safety related stoppages;
- disruptions in the delivery of electricity; and
- catastrophic events such as fires, explosions, tornadoes, floods, earthquakes or other similar occurrences.

The occurrence of any of these events, if not fully covered by insurance, could have a material effect on our financial position and results of operations. Further, when unplanned maintenance work is required on power plants or other equipment, OG&E will not only incur unexpected maintenance expenses, but it may also have to make spot market purchases of replacement electricity that could exceed OG&E's costs of generation or be forced to retire a generation unit if the cost or

timing of the maintenance is not reasonable and prudent. If OG&E is unable to recover any of these increased costs in rates, it could have a material adverse effect on our financial performance.

Changes in technology, regulatory policies and customer electricity consumption may cause our assets to be less competitive and impact our results of operations.

OG&E primarily generates electricity at large central facilities. This method typically results in economies of scale and lower costs than newer technologies such as fuel cells, microturbines, windmills and photovoltaic solar cells. It is possible that advances in technologies or changes in regulatory policies will reduce costs of new technology to levels that are equal to or below that of most central station electricity production, which could have a material adverse effect on our results of operations. OG&E's widespread use of Smart Grid technology allowing for two-way communications between the utility and its customers could enable the entry of technology companies into the interface between OG&E and its customers, resulting in unpredictable effects on our current business.

Reductions in customer electricity consumption, thereby reducing utility electric sales, could result from increased deployment of renewable energy technologies as well as increased efficiency of household appliances, among other general efficiency gains in technology. However, this potential reduction in load would not reduce our need for ongoing investments in our infrastructure to reliably serve our customers. Continued utility infrastructure investment without increased electricity sales could cause increased rates for customers, potentially resulting in further reductions in electricity sales and reduced profitability.

Weather conditions such as tornadoes, thunderstorms, ice storms, wind storms, flooding, earthquakes, prolonged droughts and the occurrence of wildfires, as well as seasonal temperature variations may adversely affect our financial position, results of operations and cash flows.

Weather conditions directly influence the demand for electric power. In OG&E's service area, demand for power peaks during the hot summer months, with market prices also typically peaking at that time. As a result, overall operating results may fluctuate on a seasonal and quarterly basis. In addition, we have historically sold less power, and consequently received less revenue, when weather conditions are milder. Unusually mild weather in the future could reduce our revenues, net income, available cash and borrowing ability. Severe weather, such as tornadoes, thunderstorms, ice storms, wind storms, flooding, earthquakes, prolonged droughts and the occurrence of wildfires, may cause outages and property damage which may require us to incur additional costs that are generally not insured and that may not be recoverable from customers. The effect of the failure of our facilities to operate as planned, as described above, would be particularly burdensome during a peak demand period. In addition, prolonged droughts could cause a lack of sufficient water for use in cooling during the electricity generating process.

Physical risks from climate can be considered in both acute (event-driven) and chronic (longer-term shifts in climate patterns) terms. The effects of climate change could exacerbate physical changes in weather and the extreme weather events discussed above, including prolonged droughts, rise in temperatures and more extreme weather events like wildfires and ice storms, among other weather impacts. We have observed some of these events in recent years, and the trend could continue. OG&E can incur significant restoration costs as a result of these weather events. If OG&E is unable to recover any of these increased costs in rates, it could have a material adverse effect on our financial performance.

FINANCIAL RISKS

Market performance, increased retirements, changes in retirement plan regulations and increasing costs associated with our Pension Plan, health care plans and other employee-related benefits may adversely affect our financial position, results of operations or cash flows.

We have a Pension Plan that covers a significant amount of our employees hired before December 1, 2009. We also have defined benefit postretirement plans that cover a significant amount of our employees hired prior to February 1, 2000. Assumptions related to future costs, returns on investments, interest rates and other actuarial assumptions with respect to the defined benefit retirement and postretirement plans have a significant impact on our results of operations and funding requirements. We expect to make future contributions to maintain required funding levels as necessary. It has been our practice to also make voluntary contributions to maintain more prudent funding levels than minimally required. We may continue to make voluntary contributions in the future. These amounts are estimates and may change based on actual stock market performance, changes in interest rates and any changes in governmental regulations.

If the employees who participate in the Pension Plan retire when they become eligible for retirement over the next several years, or if our plan experiences adverse market returns on its investments, or if interest rates materially fall, our pension expense and contributions to the plans could rise substantially over historical levels. The timing and number of employees retiring and selecting the lump-sum payment option could result in pension settlement charges that could materially affect our results of operations if we are unable to recover these costs through our electric rates. In addition, assumptions related to future costs, returns on investments, interest rates and other actuarial assumptions, including projected retirements, have a significant impact on our financial position and results of operations. Those factors are outside of our control.

In addition to the costs of our Pension Plan, the costs of providing health care benefits to our employees and retirees have increased in recent years. We believe that our employee benefit costs, including costs related to health care plans for our employees, will continue to rise. The increasing costs and funding requirements with our Pension Plan, health care plans and other employee benefits may adversely affect our financial position, results of operations or liquidity.

Finally, OGE Energy provided retirement benefits and retiree health care benefits to 63 employees previously seconded to Enable. As a result of the merger between Enable and Energy Transfer, the seconding agreement was terminated, and those employees are no longer employed by OGE Energy. If lump sum payments were made to those employees previously seconded to Enable, OGE Energy would recognize a settlement or curtailment of the pension/retiree health care charges, which would increase expense at OGE Energy by \$19.4 million. Settlement and curtailment charges associated with the employees previously seconded to Enable are not reimbursable to OGE Energy.

OGE Energy is a holding company with its primary assets being investments in its subsidiary, OG&E, and in its ownership of a portion of the equity securities of Energy Transfer.

OGE Energy is a holding company and thus its primary assets are its investments in its subsidiary, OG&E, and in the equity securities of Energy Transfer. Substantially all of OGE Energy's operations are conducted by its subsidiary and through its investment in Energy Transfer's equity securities. Consequently, OGE Energy's operating cash flow and its ability to pay dividends and service its indebtedness are dependent upon the operating cash flow of OG&E and Energy Transfer and the payment of funds by them to OGE Energy in the form of dividends or distributions. At December 31, 2021, OGE Energy and OG&E had outstanding indebtedness and other liabilities of \$8.6 billion. OG&E and Energy Transfer are separate legal entities that have no obligation to pay any amounts due on OGE Energy's indebtedness or to make any funds available for that purpose, whether by dividends or distributions. In addition, their ability to pay dividends or distributions to OGE Energy depends on any statutory and contractual restrictions that may be applicable to such entity, which may include requirements to maintain minimum levels of working capital and other assets. Claims of creditors, including general creditors, of OG&E and Energy Transfer on their respective assets will generally have priority over OGE Energy claims (except to the extent that OGE Energy may be a creditor and its claims are recognized) and claims by OGE Energy shareholders.

In addition, as discussed above, OG&E is regulated by state utility commissions in Oklahoma and Arkansas as well as a federal regulatory agency which generally possess broad powers to ensure that the needs of the utility customers are being met. To the extent that the state commissions or federal regulatory agency attempt to impose restrictions on the ability of OG&E to pay dividends to OGE Energy, it could adversely affect its ability to continue to pay dividends.

RISKS ASSOCIATED WITH OGE ENERGY'S INVESTMENT IN ENERGY TRANSFER'S EQUITY SECURITIES

OGE Energy does not control Energy Transfer and therefore is not able to cause or prevent actions by Energy Transfer.

As discussed in "Item 1. Business," OGE Energy's investment in Energy Transfer is accounted for as an investment in equity securities, primarily based on OGE Energy's approximately three percent ownership in Energy Transfer. Further, OGE Energy does not have influence over Energy Transfer, as OGE Energy does not own general partner units or have board representation. Accordingly, OGE Energy is unable to cause or prevent actions by Energy Transfer. Further, OGE Energy cannot control the actions of the other investors. OGE Energy's interests may not align with those of Energy Transfer or other investors, and this lack of control could adversely impact OGE Energy's investment in Energy Transfer's equity securities.

A portion of OGE Energy's earnings and operating cash flows are based on the performance of Energy Transfer. If any of the following risks were to occur, OGE Energy's business, financial condition, results of operations or cash flows could be materially adversely affected.

Changes in Energy Transfer's fair value could adversely affect OGE Energy's net income.

Energy Transfer is a publicly traded company. OGE Energy accounts for its investment in Energy Transfer as an investment in equity securities and records the investment at fair value through net income each quarter. If Energy Transfer's unit price were to lose value, regardless of cause, OGE Energy's net income would be adversely impacted.

OGE Energy's operating cash flow is derived partially from cash distributions it receives from Energy Transfer.

OGE Energy's operating cash flow is derived partially from cash distributions it receives from Energy Transfer. The amount of cash Energy Transfer can distribute on its units principally depends upon the amount of cash generated from its operations, which will fluctuate from quarter to quarter based on, among other things, Energy Transfer's earnings and the general health and stability of the natural gas midstream sector.

Energy Transfer's fair value and the amount of cash it has available for distribution can fluctuate from quarter to quarter.

Energy Transfer's fair value and the amount of cash it has available for distribution can fluctuate from quarter to quarter and will depend upon, among other things:

- the amount of natural gas, NGLs, crude oil and refined products transported through Energy Transfer's pipelines;
- the level of throughput in its processing and treating operations;
- the fees charged and the margins realized by Energy Transfer for its services;
- the price of natural gas, NGLs, crude oil and refined products;
- the relationship between natural gas, NGL and crude oil prices;
- the weather in its operating areas;
- the level of competition from other midstream, transportation and storage and retail marketing companies and other energy providers;
- the level of its operating costs and maintenance and integrity capital expenditures;
- the tax treatment being dependent on Energy Transfer's continuing status as a partnership for federal income tax purposes, as well as Energy Transfer not being subject to a material amount of entity-level taxation;
- prevailing economic conditions;
- the level and results of its derivative activities;
- any product liability claims and litigation; and
- performance of pipeline integrity programs and related repairs that could result in significant costs and liabilities.

In addition, the actual amount of cash that Energy Transfer will have available for distribution will also depend on other factors, such as:

- the level of capital expenditures it makes;
- the level of costs related to litigation and regulatory compliance matters;
- the cost of acquisitions, if any;
- the levels of any margin calls that result from changes in commodity prices;
- debt service requirements;
- fluctuations in working capital needs;
- its ability to borrow under its revolving credit facilities;
- its ability to access capital markets;
- restrictions on distributions contained in its debt agreements; and
- the amount, if any, of cash reserves established by its board of directors and its general partners in their discretion for the proper conduct of its businesses.

Income from Energy Transfer's midstream, transportation, terminalling and storage operations is exposed to risks due to fluctuations in the demand for and price of natural gas, NGLs, crude oil and refined products that are beyond Energy Transfer's control.

The prices for natural gas, NGLs, crude oil and refined products reflect market demand that fluctuates with changes in global and U.S. economic conditions and other factors, including:

- the level of domestic natural gas, NGL, refined products and oil production;
- the level of natural gas, NGL, refined products and oil imports and exports, including liquefied natural gas;
- actions taken by natural gas and oil producing nations;

- instability or other events affecting natural gas and oil producing nations;
- the impact of weather, public health crises such as pandemics (including COVID-19), and other events of nature on the demand for natural gas, NGLs, refined products and oil;
- the availability of storage, terminal and transportation systems, and refining, processing and treating facilities;
- the price, availability and marketing of competitive fuels;
- the demand for electricity;
- activities by non-governmental organizations to limit certain sources of funding for the energy sector or restrict the exploration, development and production of oil and natural gas and related products;
- the cost of capital needed to maintain or increase production levels and to construct and expand facilities;
- the impact of energy conservation and fuel efficiency efforts; and
- the extent of governmental regulations, taxation, fees and duties.

In the past, the prices of natural gas, NGLs, refined products and oil have been extremely volatile, and we expect this volatility to continue.

Any loss of business from Energy Transfer's existing customers or inability to attract new customers due to a decline in demand for natural gas, NGLs, refined products or oil could have a material adverse effect on its revenues and results of operations. In addition, significant price fluctuations for natural gas, NGL, refined products and oil commodities could materially affect Energy Transfer's profitability.

GENERAL RISKS

Governmental and market reactions to events involving other public companies or other energy companies that are beyond our control may have negative impacts on our business, financial position, results of operations, cash flows and access to capital.

Accounting irregularities at public companies in general, and energy companies in particular, and investigations by governmental authorities into energy trading activities and political contributions, could lead to public and regulatory scrutiny and suspicion for public companies, including those in the regulated and unregulated utility business. Accounting irregularities could cause regulators and legislators to review current accounting practices, financial disclosures and relationships between companies and their independent auditors. The capital markets and rating agencies also could increase their level of scrutiny. We believe that we are complying with all applicable laws and accounting standards, but it is difficult or impossible to predict or control what effect any of these types of events may have on our business, financial position, cash flows or access to the capital markets. It is unclear what additional laws or regulations may develop, and we cannot predict the ultimate impact of any future changes in accounting regulations or practices in general with respect to public companies, the energy industry or our operations specifically. Any new accounting standards could affect the way we are required to record revenues, expenses, assets, liabilities and equity. These changes in accounting standards could lead to negative impacts on reported earnings or decreases in assets or increases in liabilities that could, in turn, affect our financial position, results of operations and cash flows.

Economic conditions could negatively impact our business and our results of operations.

Our operations are affected by local, national and worldwide economic conditions. The consequences of a recession could include a lower level of economic activity and uncertainty regarding energy prices and the capital and commodity markets. A lower level of economic activity could result in a decline in energy consumption, which could adversely affect our revenues and future growth. Instability in the financial markets, as a result of recession or otherwise, also could affect the cost of capital and our ability to raise capital. Economic conditions may also impact the valuation of certain long-lived assets that are subject to impairment testing, potentially resulting in impairment charges, which could have a material adverse impact on our results of operations.

Economic conditions may be impacted by insufficient financial sector liquidity leading to potential increased unemployment, which could impact the ability of our customers to pay timely, increase customer bankruptcies, and could lead to increased bad debt. If such circumstances occur, we expect that commercial and industrial customers would be impacted first, with residential customers following.

In addition, economic conditions, particularly budget shortfalls, could increase the pressure on federal, state and local governments to raise additional funds by increasing corporate tax rates and/or delaying, reducing or eliminating tax credits, grants or other incentives that could have a material adverse impact on our results of operations and cash flows.

We are subject to cybersecurity risks and increased reliance on processes dependent on technology.

In the regular course of our business, we handle a range of sensitive security and customer information. We are subject to laws and rules issued by different agencies concerning safeguarding and maintaining the confidentiality of this information. A security breach of our information systems due to theft, ransomware, viruses, denial of service, hacking, acts of war or terrorism or inappropriate release of certain types of information, including confidential customer information or system operating information, could have a material adverse impact on our financial position, results of operations and cash flows.

OG&E operates in a highly regulated industry that requires the continued operation of sophisticated information technology systems and network infrastructure. Despite implementation of security measures, the technology systems are vulnerable to disability, failures or unauthorized access. Such failures or breaches of the systems could impact the reliability of OG&E's generation, transmission and distribution systems which may result in a loss of service to customers and also subject OG&E to financial harm due to the significant expense to respond to security breaches or repair system damage. Our generation and transmission systems are part of an interconnected system. Therefore, a disruption caused by the impact of a cybersecurity incident of the regional electric transmission grid, natural gas pipeline infrastructure or other fuel sources of our third-party service providers' operations could also negatively impact our business. If the technology systems were to fail or be breached and not recovered in a timely manner, critical business functions could be impaired and sensitive confidential data could be compromised, which could have a material adverse impact on our financial position, results of operations and cash flows.

Security threats continue to evolve and adapt. We and our third-party vendors have been subject to, and will likely continue to be subject to, attempts to gain unauthorized access to systems, or confidential data, or to disrupt operations. None of these attempts has individually or in aggregate resulted in a security incident with a material impact on our financial condition or results of operations. Despite implementation of security and control measures, there can be no assurance that we will be able to prevent the unauthorized access of our systems and data, or the disruption of our operations, either of which could have a material impact. Our security procedures, which include among others, virus protection software, cybersecurity controls and monitoring and our business continuity planning, including disaster recovery policies and back-up systems, may not be adequate or implemented properly to fully address the adverse effect of cybersecurity attacks on our systems, which could adversely impact our operations.

We maintain property, casualty and cybersecurity insurance that may cover certain resultant cyber and physical damage or third-party injuries caused by potential cyber events. However, damage and claims arising from such incidents may exceed the amount of any insurance available and other damage and claims arising from such incidents may not be covered at all. For these reasons, a significant cyber incident could reduce future net income and cash flows and impact financial condition.

The failure of our technology infrastructure, or the failure to enhance existing technology infrastructure and implement new technology, could adversely affect our business.

Our operations are dependent upon the proper functioning of our internal systems, including the technology and network infrastructure that support our underlying business processes. Any significant failure or malfunction of such technology infrastructure may result in disruptions of our operations. In the ordinary course of business, we rely on technology infrastructure, including the internet and third-party hosted services, to support a variety of business processes and activities and to store sensitive data. Our technology infrastructure is dependent upon global communications and cloud service providers, as well as their respective vendors, many of whom have at some point experienced significant system failures and outages in the past and may experience such failures and outages in the future. These providers' systems are susceptible to cybersecurity and data breaches, outages from fire, floods, power loss, telecommunications failures, physical attack and similar events. Failure to prevent or mitigate data loss from system failures or outages could materially adversely affect our results of operations, financial position and cash flows.

In addition to maintaining our current technology infrastructure, we believe the digital transformation of our business is key to driving internal efficiencies as well as providing additional capabilities to customers. Our technology infrastructure is critical to cost-effective, reliable daily operations and our ability to effectively serve our customers. We expect our customers to continue to demand more sophisticated technology-driven solutions, and we must enhance or replace our technology infrastructure in response. This involves significant development and implementation costs to keep pace with changing technologies and customer demand. If we fail to successfully implement critical technology infrastructure, or if it does not provide the anticipated benefits or meet customer demands, such failure could materially adversely affect our business strategy as well as impact our results of operations, financial position and cash flows.

Terrorist attacks, and the threat of terrorist attacks, have resulted in increased costs to our business and could impact our ability to operate critical infrastructure. Continued hostilities or sustained military campaigns may adversely impact our financial position, results of operations and cash flows.

The long-term impact of terrorist attacks and the magnitude of the threat of future terrorist attacks on the electric utility and natural gas midstream industry in general, and on us in particular, cannot be known. Increased security measures taken by us as a precaution against possible terrorist attacks have resulted in increased costs to our business. Uncertainty surrounding continued hostilities or sustained military campaigns may affect our operations in unpredictable ways, including disruptions of supplies and markets for our products, and the possibility that our infrastructure facilities could be direct targets of, or indirect casualties of, an act of terror. Changes in the insurance markets attributable to terrorist attacks may make certain types of insurance more difficult for us to obtain. Moreover, the insurance that may be available to us may be significantly more expensive than existing insurance coverage.

We face risks related to health epidemics and other outbreaks.

The outbreak of COVID-19 continues to be a developing situation around the globe that has adversely impacted economic activity and conditions worldwide. In particular, efforts to control the spread of COVID-19 have led to shutdowns of various facilities as well as disrupted supply chains around the world. Efforts to control the spread of COVID-19 have also resulted in remote work arrangements, increased unemployment, customer slow payment or non-payment and decreased commercial and industrial load in the U.S. generally and in our service territory to a lesser extent. We expect these particular COVID-19 impacts will likely continue in the near future. We are continuing to monitor developments involving our workforce, customers and supply chains and cannot predict whether COVID-19 will have a material impact on our results of operations, financial condition and prospects. However, an extended slowdown of the United States' economic growth, demand for commodities and/or material changes in governmental policy could result in lower economic growth and lower demand for electricity in our key markets as well as the ability of various customers, contractors, suppliers and other business partners to fulfill their obligations, which could have a material adverse effect on our results of operations, financial condition and prospects. Additionally, we could experience employee engagement and/or turnover issues if federal or state authorities impose COVID-19-related vaccine or testing mandates. We could also face operational challenges if the pandemic worsens and large percentages of key personnel groups become sick and are unable to work for an extended period of time. Further, the negative impacts on the economy could also adversely impact the market value of the assets that fund our pension plans, which could necessitate accelerated funding of the plans to meet minimum federal government requirements.

In addition, we have experienced and expect to experience raw material inflation, logistical challenges and certain component shortages. We cannot predict the ongoing impact that COVID-19 will have on our customers, suppliers, vendors and other business partners and each of their financial conditions; however, any material effect on these parties could adversely impact us. The continued progression of, and global response to, the COVID-19 outbreak has increased and may continue to increase the risk of delays in construction activities and equipment deliveries related to our capital investment plan, potentially resulting in an inability to deliver service in accordance with our plans and limiting the growth of the company. The impact of COVID-19 may also exacerbate the other risks discussed within this Form 10-K, any of which could have a material effect on us. As this situation continues and can change rapidly, additional impacts may arise that we are not aware of currently.

We face certain human resource risks associated with the availability of trained and qualified labor to meet our future staffing requirements.

Workforce demographic issues challenge employers nationwide and are of particular concern to the electric utility industry. The median age of utility workers is higher than the national average. Over the next three years, 19 percent of our current employees will meet the eligibility requirements to retire. Failure to hire and adequately train replacement employees, including the transfer of significant internal historical knowledge and expertise to the new employees, may adversely affect our ability to manage and operate our business.

Certain provisions in our charter documents have anti-takeover effects.

Certain provisions of our certificate of incorporation and bylaws, as well as the Oklahoma corporation statute, may have the effect of delaying, deferring or preventing a change in control of OGE Energy. Such provisions, including those regulating the nomination of directors, limiting who may call special stockholders' meetings and eliminating stockholder action by written consent, together with the possible issuance of preferred stock of OGE Energy without stockholder approval, may make it more difficult for other persons, without the approval of our Board of Directors, to make a tender offer or otherwise

acquire substantial amounts of our common stock or to launch other takeover attempts that a stockholder might consider to be in such stockholder's best interest.

We may be able to incur substantially more indebtedness, which may increase the risks created by our indebtedness.

The terms of the indentures governing our debt securities do not fully prohibit OGE Energy or OG&E from incurring additional indebtedness. If we are in compliance with the financial covenants set forth in our revolving credit agreements and the indentures governing our debt securities, we may be able to incur substantial additional indebtedness. If we incur additional indebtedness, the related risks that we now face may intensify.

Any reductions in our credit ratings or changes in benchmark interest rates could increase our financing costs and the cost of maintaining certain contractual relationships or limit our ability to obtain financing on favorable terms.

We cannot assure you that any of the current credit ratings of the Registrants will remain in effect for any given period of time or that a rating will not be lowered or withdrawn entirely by a rating agency if, in its judgment, circumstances so warrant. Our ability to access the commercial paper market could be adversely impacted by a credit ratings downgrade or major market disruptions. Pricing grids associated with our credit facilities could cause annual fees and borrowing rates to increase if an adverse rating impact occurs. The impact of any future downgrade could include an increase in the costs of our short-term borrowings, but a reduction in our credit ratings would not result in any defaults or accelerations. Any future downgrade could also lead to higher long-term borrowing costs and, if below investment grade, would require us to post collateral or letters of credit.

Loans to the Registrants under their credit facilities may be eurodollar loans or alternate base rate loans. LIBOR is the subject of national, international and other regulatory guidance and proposals for reform. For example, the U.K.'s Financial Conduct Authority, which regulates LIBOR, has announced that it intends to phase out LIBOR as a benchmark. The Federal Reserve Bank of New York publishes a SOFR, which the Alternative Reference Rates Committee recommended as an alternative reference rate to U.S. Dollar LIBOR. It is not possible to predict what effect the phase out of LIBOR, or a change to SOFR or other alternative rates, may have on financial markets for LIBOR-linked financial instruments.

The Registrants' current credit facilities provide a mechanism for determining an alternative rate of interest upon the occurrence of certain events related to the phase out of LIBOR. The phase out of LIBOR, or a change to SOFR or other alternative rates, whether in connection with borrowings under the current credit facilities, or borrowings under replacement facilities or lines of credit, could expose the Registrants' future borrowings to less favorable rates. If the phase out of LIBOR, or a change to SOFR or other alternative rates, results in increased alternative interest rates or if the Registrants' lenders have increased costs due to such phase out or changes, then the Registrants' debt that uses benchmark rates could be affected and, in turn, the Registrants' cash flows and interest expense could be adversely impacted.

Our debt levels may limit our flexibility in obtaining additional financing and in pursuing other business opportunities.

We have revolving credit agreements for working capital, capital expenditures, acquisitions and other corporate purposes. Our credit facilities each have a financial covenant requiring us to maintain a maximum debt to capitalization ratio of 65 percent. The levels of our debt could have important consequences, including the following:

- the ability to obtain additional financing, if necessary, for working capital, capital expenditures, acquisitions or other purposes may be impaired or the financing may not be available on favorable terms;
- a portion of cash flows will be required to make interest payments on the debt, reducing the funds that would otherwise be available for operations and future business opportunities; and
- our debt levels may limit our flexibility in responding to changing business and economic conditions.

We are exposed to the credit risk of our key customers and counterparties, and any material nonpayment or nonperformance by our key customers and counterparties could adversely affect our financial position, results of operations and cash flows.

We are exposed to credit risks in our generation and retail distribution operations. Credit risk includes the risk that counterparties who owe us money or energy will breach their obligations. If the counterparties to these arrangements fail to perform, we may be forced to enter into alternative arrangements. In that event, our financial results could be adversely affected, and we could incur losses.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

OG&E owns and operates an interconnected electric generation, transmission and distribution system, located in Oklahoma and western Arkansas, which included 16 generating stations with an aggregate capability of 7,207 MWs at December 31, 2021. The following table presents information with respect to OG&E's electric generating facilities. Unless otherwise indicated, these electric generating facilities are located in Oklahoma.

Station & Unit		Year Installed	Unit Design Type	Fuel Capability	2021 Capacity Factor (A)	Unit Capability (MW)	Station Capability (MW)		
Seminole	1	1971	Steam-Turbine	Gas	8.0 %	485			
	2	1973	Steam-Turbine	Gas	10.2 %	500			
	3	1975	Steam-Turbine	Gas	12.7 %	498	1,483		
Muskogee	4	1977	Steam-Turbine	Gas	7.4 %	484			
	5	1978	Steam-Turbine	Gas	6.2 %	488			
	6	1984	Steam-Turbine	Coal	60.4 %	503	1,475		
Sooner	1	1979	Steam-Turbine	Coal	29.0 %	516			
	2	1980	Steam-Turbine	Coal	39.8 %	515	1,031		
Horseshoe Lake	5A	(B)	1971	Combustion-Turbine	Gas/Jet Fuel	1.2 %	33		
	5B	(B)	1971	Combustion-Turbine	Gas/Jet Fuel	1.2 %	31		
	6		1958	Steam-Turbine	Gas	10.2 %	168		
	7		1963	Steam-Turbine	Gas	5.9 %	211		
	8		1969	Steam-Turbine	Gas	8.7 %	377		
	9		2000	Combustion-Turbine	Gas	27.6 %	45		
	10		2000	Combustion-Turbine	Gas	19.3 %	43	908	
	Redbud (C)	1		2003	Combined Cycle	Gas	38.5 %	154	
		2		2003	Combined Cycle	Gas	36.2 %	154	
		3		2003	Combined Cycle	Gas	36.7 %	153	
4			2003	Combined Cycle	Gas	41.9 %	153	614	
Mustang	6		2018	Combustion-Turbine	Gas	31.8 %	57		
	7		2018	Combustion-Turbine	Gas	28.4 %	57		
	8		2017	Combustion-Turbine	Gas	32.6 %	58		
	9		2018	Combustion-Turbine	Gas	33.1 %	58		
	10		2018	Combustion-Turbine	Gas	33.6 %	57		
	11		2018	Combustion-Turbine	Gas	32.8 %	57		
McClain (D)	1		2018	Combustion-Turbine	Gas	32.6 %	57	401	
	1		2001	Combined Cycle	Gas	48.0 %	378	378	
Frontier	1		1989	Combined Cycle	Gas	36.4 %	120	120	
River Valley	1		1991	Steam-Turbine	Coal/Gas	25.4 %	161		
	2		1991	Steam-Turbine	Coal/Gas	47.6 %	160	321	
Total Generating Capability (all stations, excluding renewable)							6,731		

(A) 2021 Capacity Factor = 2021 Net Actual Generation / (2021 Net Maximum Capacity (Nameplate Rating in MWs) x Period Hours (8,760 Hours)). Capacity Factors are impacted by events that reduce Net Actual Generation such as planned outages.

(B) Represents units located at Tinker Air Force Base that are maintained by Horseshoe Lake.

(C) Represents OG&E's 51 percent ownership interest in the Redbud Plant.

(D) Represents OG&E's 77 percent ownership interest in the McClain Plant.

<i>Renewable</i>							
Station	Year Installed	Location	Number of Units	Fuel Capability	2021 Capacity Factor (A)	Unit Capability (MW)	Station Capability (MW)
Crossroads	2011	Canton, OK	98	Wind	40.4 %	2.3	228
Centennial	2007	Laverne, OK	80	Wind	12.1 %	1.5	120
OU Spirit	2009	Woodward, OK	44	Wind	17.1 %	2.3	101
Mustang	2015	Oklahoma City, OK	90	Solar	18.2 %	< 0.1	2
Covington	2018	Covington, OK	4	Solar	24.0 %	2.5	10
Choctaw Nation	2020	Durant, OK	2	Solar	22.3 %	2.5	5
Chickasaw Nation	2020	Davis, OK	2	Solar	25.8 %	2.5	5
Branch	2021	Branch, AR	2	Solar	11.8 %	2.5	5
Total Generating Capability (renewable)							476

(A) 2021 Capacity Factor = 2021 Net Actual Generation / (2021 Net Maximum Capacity (Nameplate Rating in MWs) x Period Hours (8,760 Hours)). Capacity Factors are impacted by events that reduce Net Actual Generation such as planned outages.

In the first quarter of 2022, OG&E finished constructing the Durant 2 solar site, which is located near Durant, Oklahoma, and performance testing is currently being completed. The Durant 2 solar site has a maximum capacity of 5 MWs and consists of 15,471 photovoltaic panels.

At December 31, 2021, OG&E's transmission system included: (i) 54 substations with a total capacity of 14.4 million kV-amperes and 5,122 structure miles of lines in Oklahoma and (ii) seven substations with a total capacity of 2.9 million kV-amperes and 277 structure miles of lines in Arkansas. At December 31, 2021, OG&E's distribution system included: (i) 350 substations with a total capacity of 10.6 million kV-amperes, 29,494 structure miles of overhead lines, 3,365 miles of underground conduit and 11,125 miles of underground conductors in Oklahoma and (ii) 29 substations with a total capacity of 1.0 million kV-amperes, 2,795 structure miles of overhead lines, 349 miles of underground conduit and 662 miles of underground conductors in Arkansas.

During the three years ended December 31, 2021, both Registrants' gross property, plant and equipment (excluding construction work in progress) additions were \$2.3 billion, and gross retirements were \$363.8 million. These additions were provided by cash generated from operations, short-term borrowings (through a combination of bank borrowings and commercial paper), long-term borrowings and permanent financings. The additions during this three-year period amounted to 16.3 percent of gross property, plant and equipment (excluding construction work in progress) for both Registrants at December 31, 2021.

Item 3. Legal Proceedings.

In the normal course of business, the Registrants are confronted with issues or events that may result in a contingent liability. These generally relate to lawsuits or claims made by third parties, including governmental agencies. When appropriate, management consults with legal counsel and other experts to assess the claim. If, in management's opinion, the Registrants have incurred a probable loss as set forth by GAAP, an estimate is made of the loss, and the appropriate accounting entries are reflected in the Registrants' financial statements. At the present time, based on currently available information, the Registrants believe that any reasonably possible losses in excess of accrued amounts arising out of pending or threatened lawsuits or claims would not be quantitatively material to their financial statements and would not have a material adverse effect on the Registrants' financial position, results of operations or cash flows.

Item 4. Mine Safety Disclosures.

Not Applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

OGE Energy's common stock is listed for trading on the New York Stock Exchange under the ticker symbol "OGE." At December 31, 2021, there were 12,635 holders of record of OGE Energy's common stock.

Currently, all of OG&E's outstanding common stock is held by OGE Energy. Therefore, there is no public trading market for OG&E's common stock.

Issuer Purchases of Equity Securities

None.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following combined discussion is separately filed by OGE Energy and OG&E. However, OG&E does not make any representations as to information related solely to OGE Energy or the subsidiaries of OGE Energy other than itself.

Introduction

OGE Energy is a holding company with investments in energy and energy services providers offering physical delivery and related services for electricity in Oklahoma and western Arkansas and natural gas, crude oil and NGLs across the U.S. OGE Energy conducts these activities through two business segments: (i) electric utility and (ii) natural gas midstream operations. The accounts of OGE Energy and its wholly-owned subsidiaries, including OG&E, are included in OGE Energy's consolidated financial statements. All intercompany transactions and balances are eliminated in such consolidation. OGE Energy generally uses the equity method of accounting for investments where its ownership interest is between 20 percent and 50 percent and it lacks the power to direct activities that most significantly impact economic performance.

Electric Utility Operations. OGE Energy's electric utility operations are conducted through OG&E, which generates, transmits, distributes and sells electric energy in Oklahoma and western Arkansas. OG&E's rates are subject to regulation by the OCC, the APSC and the FERC. OG&E was incorporated in 1902 under the laws of the Oklahoma Territory and is a wholly-owned subsidiary of OGE Energy. OG&E is the largest electric utility in Oklahoma, and its franchised service territory includes Fort Smith, Arkansas and the surrounding communities. OG&E sold its retail natural gas business in 1928 and is no longer engaged in the natural gas distribution business.

Natural Gas Midstream Operations. In February 2021, Enable entered into a definitive merger agreement with Energy Transfer, pursuant to which all outstanding common units of Enable were to be acquired by Energy Transfer in an all-equity transaction. The transaction closed on December 2, 2021, and under the terms of the merger agreement, OGE Energy received 95,389,721 common units of Energy Transfer for OGE Energy's 110,982,805 common units of Enable. Upon the transaction closing, OGE Energy owned approximately three percent of Energy Transfer's outstanding limited partner units in lieu of the 25.5 percent interest in Enable that it previously owned. For periods prior to December 2, 2021, OGE Energy's natural gas midstream operations segment represented OGE Energy's investment in Enable, which OGE Energy accounted for as an equity method investment. Formed in 2013, Enable was primarily engaged in the business of gathering, processing, transporting and storing natural gas primarily in the south central U.S. Upon the closing of the Energy Transfer and Enable merger, OGE Energy's natural gas midstream operations segment represents OGE Energy's investment in Energy Transfer's equity securities and legacy Enable seconded employee pension and postretirement costs. The investment in Energy Transfer's equity securities is held through wholly-owned subsidiaries and ultimately OGE Holdings. At December 31, 2021, OGE energy owned 95.4 million, or approximately three percent, of Energy Transfer's limited partner units. OGE Energy does not have significant influence over Energy Transfer, as OGE Energy does not own general partner units in or have board representation at Energy Transfer. As such, OGE Energy accounts for its investment in Energy Transfer as an investment in equity securities under ASC 321, "Investments - Equity Securities" and records its investment at fair value through net income each reporting period. As part of the transaction, Energy Transfer also acquired the general partner interests of Enable from OGE Energy and CenterPoint for cash consideration. OGE Energy intends to exit the midstream segment in a prudent manner.

Energy Transfer's business is impacted by commodity prices which have experienced significant volatility in recent years. Commodity prices impact the drilling and production of natural gas and crude oil in the areas served by Energy Transfer's systems, and the volumes on Energy Transfer's systems can be negatively impacted if producers decrease drilling and production in those areas served. A decrease in volumes on Energy Transfer's systems due to a decrease in drilling or production by Energy Transfer's producer customers could decrease the cash flows from Energy Transfer's systems. In addition, Energy Transfer's processing arrangements expose them to commodity price fluctuations. A portion of OGE Energy's earnings and operating cash flows depend on the performance of, and distributions from, Energy Transfer. Energy Transfer is subject to a number of risks, including the reliance on the drilling and production decisions of others and the volatility of natural gas, NGLs and crude oil prices. The effects of COVID-19, including negative impacts on demand and commodity prices, could exacerbate these risks, as experienced in 2020. If any of those risks were to occur or reoccur, OGE Energy's business, financial condition, results of operations or cash flows could be materially adversely affected.

On January 25, 2022, Energy Transfer announced a 15 percent increase in its quarterly cash distribution, resulting in a distribution of \$0.175 per unit on its outstanding common units that was paid on February 18, 2022.

Overview

Strategy

OGE Energy's purpose is to energize life, providing life-sustaining and life-enhancing products and services, while honoring its commitment to strengthen communities. Its business model is centered around growth and sustainability for employees (internally referred to as "members"), communities and customers and the owners of OGE Energy, its shareholders.

OGE Energy is focused on:

- delivering top-quartile safety results, while enabling members to deliver improved value to their communities, customers and shareholders;
- transforming the customer experience by centering decisions on customer impact that will drive customer operations, communications and the digital experience including increased personalization and self-service;
- providing safe, reliable energy to the communities and customers it serves, with a particular focus on enhancing the value of the grid by improving reliability and resiliency;
- leading economic development and job growth by attracting new and diverse businesses to improve the infrastructure of the communities in Oklahoma and Arkansas;
- ensuring the necessary mix of generation resources to meet the long-term capacity needs of our customers, with a progressively cleaner generation portfolio;
- maintaining customer rates that are some of the most affordable in the country by continuing focus on innovation, intellectual curiosity and execution with excellence;
- delivering on earnings commitments to shareholders to enhance access to lower-cost debt and equity capital that is needed to deploy infrastructure for the long-term economic health of its communities;
- having strong regulatory and legislative relationships, built on integrity, for the long-term benefit of our customers, communities, shareholders and members; and
- developing and growing our members to be able to provide a greater contribution to the company's success, while also improving their own lives.

OGE Energy is focused on creating long-term shareholder value by targeting the consistent growth of earnings per share of five to seven percent at the electric utility, supported by strong load growth enabled by low customer rates and a strategy of investing in lower risk infrastructure projects that improve the economic vitality of the communities it serves in Oklahoma and Arkansas. OGE Energy plans to fully exit its natural gas midstream operations segment by prudently selling its Energy Transfer units. OGE Energy will continue to utilize cash distributions from its natural gas midstream operations segment and reinvest the proceeds from the sale of Energy Transfer units to help fund its business. In the next five years, OGE Energy expects to continue to grow the dividend, targeting a dividend payout ratio of 65 to 70 percent based on utility earnings. Over the next several years, OGE Energy expects earnings per share growth to exceed the dividend growth rate to help achieve this target. OGE Energy's financial objectives also include maintaining investment grade credit ratings and providing a strong and reliable dividend for shareholders.

OGE Energy's long-term sustainability is predicated on providing exceptional customer experiences, investing in grid improvements and increasingly cleaner generation resources, environmental stewardship, strong governance practices and caring for and supporting its members and communities.

Recent Developments

Winter Storm Uri

In February 2021, Winter Storm Uri resulted in record winter peak demand for electricity and extremely high natural gas and purchased power prices in OG&E's service territory. Both the OCC and APSC have approved regulatory mechanisms for OG&E's recovery of the significant fuel and purchased power costs associated with Winter Storm Uri, as further discussed in Note 16 within "Item 8. Financial Statements and Supplementary Data." As of December 31, 2021, OG&E has recorded regulatory assets of \$747.9 million and \$88.9 million for the Oklahoma and Arkansas jurisdictional portions, respectively, of fuel and purchased power costs incurred during Winter Storm Uri.

In March 2021, OGE Energy entered into a \$1.0 billion unsecured 364-day term loan agreement and borrowed the full \$1.0 billion to help cover the significant fuel and purchased power costs incurred during Winter Storm Uri. In May 2021, OGE Energy and OG&E each issued \$500.0 million in senior notes, and using these proceeds, OGE Energy repaid \$900.0 million of the \$1.0 billion term loan, as further described in Notes 11 and 12 within "Item 8. Financial Statements and Supplementary Data." In December 2021, OGE Energy repaid the remaining \$100.0 million outstanding that was borrowed under the term loan agreement. The Oklahoma and Arkansas legislatures have both passed legislation that would help alleviate the immediate burden on customers and OGE Energy by securitizing the cost impacts from Winter Storm Uri. The securitization of these costs could spread out the recovery of the costs over a longer period of time at a lower finance carrying charge. On April 26, 2021, OG&E filed an application seeking OCC approval to securitize its costs related to Winter Storm Uri, and on October 8, 2021, OG&E filed a settlement agreement between OG&E, the Public Utility Division Staff of the OCC, the Oklahoma Industrial Energy Consumers, the OG&E Shareholders Association and Walmart Inc. The settling parties agreed the OCC should issue a financing order authorizing the securitization of \$760.0 million, which includes estimated finance costs and is subject to change for carrying costs, any updates from the SPP settlement process and actual securitization issuance costs. The settlement agreement was approved by the OCC on December 16, 2021. Further discussion can be found in Note 16 within "Item 8. Financial Statements and Supplementary Data."

COVID-19 Pandemic

In March 2020, the World Health Organization declared the outbreak of COVID-19 as a pandemic, which continues to spread throughout the U.S. and world. Currently, COVID-19 vaccines are available to all Oklahoma and Arkansas residents, and the Registrants have provided on-site access to COVID-19 vaccines to their employees. One of the Registrants' top priorities is to protect their employees and their families, as well as their customers and communities. The Registrants have established a team to monitor cases and update the Registrants' response and are taking precautionary measures as directed by health authorities and local and federal governments. This team also determines whether any occupancy reductions or closures are necessary to help ensure the health and safety of the Registrants' employees and customers. The OCC and the APSC both issued accounting orders allowing the Registrants to defer for recovery the incremental costs incurred for pandemic-related safety measures and the incremental bad debt resulting from COVID-19. These orders are further discussed in the Registrants' [2020 Form 10-K](#).

In September 2021, President Biden announced an executive order requiring federal contractors to require that their employees be fully vaccinated against COVID-19 (the "vaccine mandate"). At this time, the Registrants will not be required to incorporate the language of the vaccine mandate into OG&E's area-wide service contracts, and therefore, the Registrants are not deemed federal contractors for these purposes. Consequently, the Registrants do not currently have to comply with the vaccine mandate. In September 2021, President Biden also announced a proposed new rule requiring all employers with at least 100 employees to require that their employees be fully vaccinated against COVID-19 or tested weekly (the "testing mandate"). On January 25, 2022, OSHA announced it is currently focusing on implementing a permanent COVID-19 healthcare standard, similar to the testing mandate. If the Registrants are subject to any such mandates or new standards, it could result in employee attrition, which could adversely affect the Registrants' business and results of operations. The ultimate impact of COVID-19 on operations and financial performance in future periods remains uncertain and will depend on future pandemic-related developments, including the duration of the pandemic and potential government actions to prevent and manage disease spread, which cannot be predicted.

The ongoing global COVID-19 pandemic and related governmental and business responses continue to have an impact on the Registrants' operations, supply chains and end-user customers. The Registrants have experienced raw material inflation, logistical challenges and certain component shortages. The timing and extent of the financial impact from the COVID-19 pandemic is still uncertain, and the Registrants cannot predict the magnitude of the impact to the results of their business and results of operations.

Completed regulatory matters affecting current period results are discussed in Note 16 within "Item 8. Financial Statements and Supplementary Data."

Summary of OGE Energy 2021 Operating Results Compared to 2020

OGE Energy's net income was \$737.3 million, or \$3.68 per diluted share, in 2021 as compared to a net loss of \$173.7 million, or \$0.87 per diluted share, in 2020. The increase in net income of \$911.0 million, or \$4.55 per diluted share, in 2021 as compared to 2020 is further discussed below. As the merger between Enable and Energy Transfer closed on December 2, 2021, the majority of the operating results for OGE Holdings for the year ended December 31, 2021 was impacted by Enable.

- An increase in net income at OG&E of \$20.6 million, or \$0.10 per diluted share of OGE Energy's common stock, was primarily due to higher operating revenues driven by strong load growth, increased revenues from the recovery of capital investments and more favorable weather (excluding impacts of recoverable fuel, purchased power and direct transmission expense not impacting earnings), partially offset by losses from the Guaranteed Flat Bill program during Winter Storm Uri, higher depreciation and amortization expense due to additional assets being placed into service and higher income tax expense.
- Net income at OGE Holdings of \$385.0 million, or \$1.92 per diluted share of OGE Energy's common stock, during the year ended December 31, 2021 compared to net loss of \$515.0 million, or \$2.58 per diluted share of OGE Energy's common stock, during the year ended December 31, 2020 was primarily due to a \$344.4 million gain (\$264.8 million after tax) on the Enable merger transaction that closed on December 2, 2021 and an increase in equity earnings of Enable, which was driven by increased net income from Enable's business resulting primarily from higher average natural gas sales prices and higher average market prices for NGL products, as well as the 2020 impact of lower equity in earnings of Enable related to impairments, as adjusted for basis differences, partially offset by an increase in income tax expense and other expense.
- An increase in net loss of other operations (holding company) of \$9.6 million, or \$0.05 per diluted share of OGE Energy's common stock, was primarily due to higher other expense and lower income tax benefit in 2021.

A more detailed discussion regarding the financial performance for the year ended December 31, 2021 as compared to December 31, 2020 can be found under "Results of Operations" below. A discussion of the financial performance for the year ended December 31, 2020 compared to December 31, 2019 for OGE Energy and OG&E can be found within "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" of the Registrants' 2020 Form 10-K.

2022 Outlook

Key assumptions for 2022 include:

OG&E

OG&E is projected to earn approximately \$375 million to \$395 million, or \$1.87 to \$1.97 per average diluted share, with a midpoint of \$385 million, or \$1.92 per average diluted share, in 2022 and is based on the following assumptions:

- normal weather patterns are experienced for the year;
- operating revenues growth driven by total retail load growth between 3.5 percent and 5.0 percent (weather normalized) and new rates related to OG&E's general rate review take effect in Oklahoma by July 1, 2022;
- operating expenses of approximately \$1.029 billion to \$1.035 billion, with operation and maintenance expenses comprising approximately 47 percent of the total;
- net interest expense of approximately \$160 million to \$162 million which assumes a \$3 million allowance for borrowed funds used during construction reduction to interest expense and assumes a debt issuance at OG&E of \$300 million in the second half of 2022;
- other income approximately flat including approximately \$4.5 million of allowance for equity funds used during construction;
- income before taxes of approximately \$442 million to \$466 million; and
- an effective tax rate of approximately 15 percent.

OG&E has significant seasonality in its earnings. OG&E typically shows minimal earnings in the first and fourth quarters with a majority of its earnings in the third quarter due to the seasonal nature of air conditioning demand.

Consolidated OGE Energy

OGE Energy is not issuing guidance for its natural gas midstream operations segment and therefore is not issuing 2022 consolidated earnings guidance; other consolidated assumptions include:

- approximately 200.5 million average diluted shares outstanding; and
- a loss of \$2 million to \$4 million, or one to two cents per average diluted share, at the holding company.

Results of Operations

The following discussion and analysis presents factors that affected the Registrants' results of operations for the years ended December 31, 2021 and 2020 and the Registrants' financial positions at December 31, 2021 and 2020. The following information should be read in conjunction with the financial statements and notes thereto. Known trends and contingencies of a material nature are discussed to the extent considered relevant.

OGE Energy <i>(In millions except per share data)</i>	Year Ended December 31,	
	2021	2020
Net income (loss)	\$ 737.3	\$ (173.7)
Basic average common shares outstanding	200.1	200.1
Diluted average common shares outstanding	200.3	200.1
Basic earnings (loss) per average common share	\$ 3.68	\$ (0.87)
Diluted earnings (loss) per average common share	\$ 3.68	\$ (0.87)
Dividends declared per common share	\$ 1.62500	\$ 1.58000

Results by Business Segment

<i>(In millions)</i>	Year Ended December 31,	
	2021	2020
Net income (loss):		
OG&E (Electric Utility)	\$ 360.0	\$ 339.4
OGE Holdings (Natural Gas Midstream Operations) (A)	385.0	(515.0)
Other operations (B)	(7.7)	1.9
OGE Energy net income (loss)	\$ 737.3	\$ (173.7)

(A) Net income for the year ended December 31, 2021 includes the \$344.4 million gain (\$264.8 million after tax) recognized for the Enable merger transaction, as further discussed in Note 5 within "Item 8. Financial Statements and Supplementary Data." In March 2020, OGE Energy recorded a \$780.0 million impairment (\$589.6 million after tax) on its investment in Enable, as further discussed in Notes 5 and 7 within "Item 8. Financial Statements and Supplementary Data."

(B) Other operations primarily includes the operations of the holding company and consolidating eliminations.

The following discussion of results of operations by business segment includes intercompany transactions that are eliminated in OGE Energy's consolidated financial statements.

OG&E (Electric Utility)

Year Ended December 31 (<i>Dollars in millions</i>)	2021	2020
Operating revenues	\$ 3,653.7	\$ 2,122.3
Fuel, purchased power and direct transmission expense	2,127.6	644.6
Other operation and maintenance	464.7	464.4
Depreciation and amortization	416.0	391.3
Taxes other than income	99.3	97.2
Operating income	546.1	524.8
Allowance for equity funds used during construction	6.7	4.8
Other net periodic benefit expense	4.3	3.1
Other income	7.1	5.0
Other expense	1.8	2.6
Interest expense	152.0	154.8
Income tax expense	41.8	34.7
Net income	\$ 360.0	\$ 339.4
Operating revenues by classification:		
Residential	\$ 1,342.1	\$ 869.0
Commercial	766.9	479.4
Industrial	328.2	197.3
Oilfield	316.8	172.3
Public authorities and street light	289.5	176.9
System sales revenues	3,043.5	1,894.9
Provision for rate refund	—	3.8
Integrated market	468.9	49.6
Transmission	140.2	143.3
Other	1.1	30.7
Total operating revenues	\$ 3,653.7	\$ 2,122.3
MWh sales by classification (<i>In millions</i>)		
Residential	9.6	9.5
Commercial	6.8	6.3
Industrial	4.2	4.2
Oilfield	4.2	4.2
Public authorities and street light	2.9	2.8
System sales	27.7	27.0
Integrated market	1.6	2.0
Total sales	29.3	29.0
Number of customers	879,447	867,389
Weighted-average cost of energy per kilowatt-hour (<i>In cents</i>)		
Natural gas (A)	11.907	2.077
Coal	1.935	1.821
Total fuel (A)	6.833	1.863
Total fuel and purchased power (A)	6.892	2.117
Degree days (B)		
Heating - Actual	3,281	3,303
Heating - Normal	3,452	3,354
Cooling - Actual	1,896	1,804
Cooling - Normal	1,912	2,095

(A) Increased primarily due to both higher market prices related to increased natural gas prices and elevated pricing from Winter Storm Uri in 2021.

(B) Degree days are calculated as follows: The high and low degrees of a particular day are added together and then averaged. If the calculated average is above 65 degrees, then the difference between the calculated average and 65 is expressed as cooling degree days, with each degree of difference equaling one cooling degree day. If the calculated average is below 65 degrees, then the difference between the calculated average and 65 is expressed as heating degree days, with each degree of difference equaling one heating degree day. The daily calculations are then totaled for the particular reporting period. The calculation of heating and cooling degree normal days is based on a 30-year average and updated every ten years, which most recently occurred in 2021.

OG&E's net income increased \$20.6 million, or 6.1 percent, in 2021 as compared to 2020. The following section discusses the primary drivers for the increase in net income in 2021 as compared to 2020.

Operating revenues increased \$1,531.4 million, or 72.2 percent, in 2021 as compared to 2020, primarily driven by the below factors.

<i>(In millions)</i>	\$ Change
Fuel, purchased power and direct transmission expense (A)	\$ 1,483.0
Price variance (B)	43.7
Quantity impacts (primarily weather) (C)	22.1
Non-residential demand and related revenues	8.1
New customer growth	7.2
Industrial and oilfield sales	4.1
Other	3.2
Wholesale transmission revenue (D)	(7.2)
Guaranteed Flat Bill program (E)	(32.8)
Change in operating revenues (F)	\$ 1,531.4

(A) These expenses are generally recoverable from customers through regulatory mechanisms and are offset in Fuel, Purchased Power and Direct Transmission Expense in the statements of income, as further described below. The primary drivers of the increase in fuel, purchased power and direct transmission expense during the period are further detailed in the table below.

(B) Increased primarily due to increased recovery through rider mechanisms, such as the Storm Cost Recovery Rider and the Oklahoma Demand Program Rider.

(C) Increased primarily due to a 5.1 percent increase in cooling degree days and a 1.0 percent decrease in heating degree days.

(D) Decreased primarily due to a reserve of \$5.0 million plus estimated interest related to SPP transmission Z2 credits that are not passed through to customers through rider or formula rate mechanisms, as further discussed in Note 16 within "Item 8. Financial Statements and Supplementary Data."

(E) Decreased primarily due to the loss from the Guaranteed Flat Bill program related to Winter Storm Uri. The Guaranteed Flat Bill program allows qualifying customers the opportunity to purchase their electricity needs at a set monthly price for an entire year, which resulted in those customers not being allocated incremental fuel and purchased power costs incurred during Winter Storm Uri.

(F) Operating revenues were negatively impacted by COVID-19 in 2020. The above increases include positive impacts as customers have returned to more normal usage patterns during 2021.

Fuel, purchased power and direct transmission expense for OG&E consists of fuel used in electric generation, purchased power and transmission related charges. As described above, the actual cost of fuel used in electric generation and certain purchased power costs are generally recoverable from OG&E's customers through fuel adjustment clauses. The fuel adjustment clauses are subject to periodic review by the OCC and the APSC. OG&E's fuel, purchased power and direct transmission expense increased \$1,483.0 million, primarily driven by the below factors.

<i>(In millions)</i>	\$ Change	% Change
Fuel expense (A)	\$ 786.4	*
Purchased power costs:		
Purchases from SPP (B)	691.6	*
Wind	(1.5)	(2.6)%
Other	2.2	28.0 %
Transmission expense	4.3	6.0 %
Change in fuel, purchased power and direct transmission expense	\$ 1,483.0	

* Change is greater than 100 percent

(A) Increased primarily due to higher natural gas costs and higher fuel costs related to Winter Storm Uri.

(B) Increased primarily due to both higher market prices related to increased natural gas prices and elevated pricing from Winter Storm Uri.

Other operation and maintenance expense increased \$0.3 million, or 0.1 percent, primarily driven by the below factors.

<i>(In millions)</i>	\$ Change	% Change
Contract technical and construction services (A)	\$ 9.2	21.3 %
Vegetation management	5.5	16.4 %
Other	(1.6)	(0.7)%
Capitalized labor	(5.1)	(4.2)%
Payroll and benefits	(7.7)	(3.0)%
Change in other operation and maintenance expense	\$ 0.3	

(A) Increased primarily due to intentional cost reduction and the delay of certain projects due to COVID-19 in 2020.

Depreciation and amortization expense increased \$24.7 million, or 6.3 percent, primarily due to additional assets being placed into service and increased amortization of the regulatory asset related to storms.

Income tax expense increased \$7.1 million, or 20.5 percent, reflecting additional income taxes primarily related to higher pretax income.

OGE Holdings (Natural Gas Midstream Operations)

On December 2, 2021, Energy Transfer completed its previously announced acquisition of Enable. Prior to the Enable and Energy Transfer merger closing, OGE Energy's natural gas midstream operations segment included its equity method investment in Enable. Subsequent to December 2, 2021, OGE Energy's natural gas midstream operations segment includes its investment in Energy Transfer's equity securities and legacy Enable seconded employee pension and postretirement costs.

<i>(In millions)</i>	Year Ended December 31,	
	2021	2020
Operating revenues	\$ —	\$ —
Fuel, purchased power and direct transmission expense	—	—
Other operation and maintenance	1.6	1.7
Taxes other than income	0.2	0.4
Operating loss	(1.8)	(2.1)
Equity in earnings (losses) of unconsolidated affiliates (A)	169.8	(668.0)
Gain on Enable/Energy Transfer transaction, net	344.4	—
Other expense (B)	(26.4)	(2.9)
Income (loss) before taxes	486.0	(673.0)
Income tax expense (benefit)	101.0	(158.0)
Net income (loss) attributable to OGE Holdings	\$ 385.0	\$ (515.0)

(A) In March 2020, OGE Energy recorded a \$780.0 million impairment on its investment in Enable, as further discussed in Notes 5 and 7 within "Item 8. Financial Statements and Supplementary Data."

(B) Includes an \$8.6 million unrealized loss (\$6.6 million after tax) that OGE Energy recognized on its investment in Energy Transfer's equity securities for the period of December 2, 2021 through December 31, 2021.

OGE Holdings' net income of \$385.0 million compared to net loss of \$515.0 million for the period of January 1, 2021 through December 2, 2021 and the year ended December 31, 2020, respectively, was primarily due to the gain recognized for the Enable merger transaction in 2021 and the 2020 impact of the impairment of OGE Energy's investment in Enable, as discussed in Note 5 within "Item 8. Financial Statements and Supplementary Data." Additional drivers of the increase in net income in 2021 compared to 2020 are presented below.

OGE Holdings' income tax expense increased \$259.0 million primarily due to higher pre-tax income, partially offset by state deferred tax adjustments related to OGE Energy's midstream investments including a reduction in state deferred tax liabilities resulting from the Energy Transfer merger.

In light of the Energy Transfer and Enable merger closing on December 2, 2021, the below discussion presents income statement information for the period of January 1, 2021 through December 2, 2021 as compared to the year ended December 31, 2020. The latest available information regarding discussion of the primary drivers for Enable's 2021 operating results is for the period of January 1, 2021 through September 30, 2021, which can be found in Enable's Form 10-Q for the quarterly period ended September 30, 2021.

See Note 5 within "Item 8. Financial Statements and Supplementary Data" for the reconciliation of Enable's net income to OGE Energy's equity in earnings (losses) of unconsolidated affiliates. The following table presents summarized income statement information of Enable for the period of January 1, 2021 through December 2, 2021 compared to the year ended December 31, 2020.

<i>(In millions)</i>	Period of January 1, 2021 through December 2, 2021	Year Ended December 31, 2020
Total revenues	\$ 3,466	\$ 2,463
Cost of natural gas and NGLs (excluding depreciation and amortization)	\$ 1,959	\$ 965
Operating income	\$ 634	\$ 465
Net income	\$ 461	\$ 52

The following table presents summarized information regarding Enable's income statement changes for the period of January 1, 2021 through December 2, 2021 compared to the year ended December 31, 2020, and the corresponding impact those changes had on OGE Energy's equity in earnings of Enable. See Note 5 within "Item 8. Financial Statements and Supplementary Data" for further discussion of OGE Energy's former equity method investment in Enable. The increase in Enable's net income was primarily driven by the below factors.

<i>(In millions)</i>	Income Statement Change at Enable	Impact to OGE Energy's Equity in Earnings
Total revenues	\$ 1,003	\$ 255.8
Cost of natural gas and NGLs (excluding depreciation and amortization shown separately)	\$ 994	\$ (253.5)
Operation and maintenance, General and administrative (A)	\$ (88)	\$ 18.3
Depreciation and amortization	\$ (38)	\$ 9.7
Impairments of property, plant and equipment and goodwill (B)	\$ (28)	\$ 4.4
Interest expense	\$ (25)	\$ 6.4
Equity in earnings (losses) of equity method affiliate, net (C)	\$ 217	\$ 9.5

(A) Included in Enable's operation and maintenance and general and administrative expenses for the year ended December 31, 2020 is a \$20.0 million loss on retirement of an Ark-La-Tex gathering system. OGE Energy recorded a \$1.0 million pre-tax charge for its share of Enable's loss on retirement, as adjusted for basis differences.

(B) Included in the \$28.0 million of impairments recorded by Enable for the year ended December 31, 2020 is a \$12.0 million goodwill impairment and a \$16.0 million impairment for certain long-lived assets. OGE Energy recorded a \$4.4 million pre-tax charge for its share of Enable's goodwill and long-lived asset impairments, as adjusted for basis differences.

(C) Included in Enable's equity in earnings (losses) of equity method affiliate, net for the year ended December 31, 2020 is a \$225.0 million impairment on Enable's SESH equity method investment. OGE Energy recorded an \$11.5 million pre-tax charge for its share of Enable's equity method investment impairment, as adjusted for basis differences.

Liquidity and Capital Resources

Cash Flows

OGE Energy

Year Ended December 31 (In millions)	2021	2020	\$ Change	% Change
Net cash (used in) provided from operating activities (A)	\$ (313.3)	\$ 712.8	\$(1,026.1)	*
Net cash used in investing activities (B)	\$ (749.1)	\$ (654.9)	\$ (94.2)	14.4 %
Net cash provided from (used in) financing activities (C)	\$ 1,061.3	\$ (56.8)	\$ 1,118.1	*

* Change is greater than 100 percent

(A) Changed primarily due to an increase in vendor payments, including payments for fuel and purchased power costs related to Winter Storm Uri.

(B) Changed primarily due to increased spending on grid modernization projects at OG&E.

(C) Increased primarily due to increases in long-term and short-term debt to provide additional liquidity for the increased fuel and purchased power costs incurred by OG&E related to Winter Storm Uri.

Working Capital

Working capital is defined as the difference in current assets and current liabilities. OGE Energy's working capital requirements are driven generally by changes in accounts receivable, accounts payable, commodity prices, credit extended to and the timing of collections from OG&E's customers, the level and timing of spending for maintenance and expansion activity, inventory levels and fuel recoveries. The following discussion addresses changes in OGE Energy's working capital balances at December 31, 2021 compared to December 31, 2020.

Income Taxes Receivable decreased \$5.5 million, or 67.9 percent, primarily due to current year tax expense accruals in excess of the receivables accrued as of December 31, 2020.

Fuel Inventories increased \$4.1 million, or 11.2 percent, primarily due to higher coal and gas purchases.

Fuel Clause Recoveries moved from an over recovery position of \$28.6 million as of December 31, 2020 to an under recovery balance of \$151.9 million as of December 31, 2021, primarily due to lower recoveries from OG&E retail customers as compared to the actual cost of fuel and purchased power. In October 2021, OG&E implemented a revised fuel recovery tariff to begin recovery of the 2021 fuel under recovery balance as well as to incorporate an adjustment for higher forecasted 2022 fuel costs. The increase in the tariff was approximately 7.5 percent for an average residential customer.

Other Current Assets increased \$32.1 million, or 77.9 percent, primarily due to an increase in SPP deposits, under-recovered riders and prepayments, partially offset by the SPP transmission formula rate true-up.

Short-term Debt increased \$391.9 million, primarily due to increased fuel and purchased power costs and working capital needs. OGE Energy borrows on a short-term basis, as necessary, by the issuance of commercial paper and borrowings under its revolving credit agreements and term credit agreements.

Accounts Payable increased \$22.5 million, or 8.9 percent, primarily due to the timing of vendor payments.

Accrued Compensation increased \$6.6 million, or 21.2 percent, primarily due to higher accruals for incentive compensation based on company performance in 2021.

2021 Capital Requirements, Sources of Financing and Financing Activities

OGE Energy's total capital requirements, consisting of capital expenditures and maturities of long-term debt, were \$778.6 million, and contractual obligations, net of recoveries through fuel adjustment clauses, were \$1.0 million, resulting in total net capital requirements and contractual obligations of \$779.6 million in 2021. This compares to net capital requirements of \$650.6 million and net contractual obligations of \$0.9 million totaling \$651.5 million in 2020.

In 2021, OGE Energy's primary sources of capital were cash generated from operations, proceeds from the issuance of long- and short-term debt and distributions from Enable. Changes in working capital reflect the seasonal nature of OGE Energy's business, the revenue lag between billing and collection from customers and fuel inventories. See "Working Capital" for a discussion of significant changes in net working capital requirements as it pertains to operating cash flow and liquidity.

The Dodd-Frank Act

Derivative instruments have been used at times in managing OG&E's commodity price exposure. The Dodd-Frank Act, among other things, provides for regulation by the Commodity Futures Trading Commission of certain commodity-related contracts. Although OG&E qualifies for an end-user exception from mandatory clearing of commodity-related swaps, these regulations could affect the ability of OG&E to participate in these markets and could add additional regulatory oversight over its contracting activities.

Future Material Cash Requirements

OGE Energy's primary, material cash requirements are related to acquiring or constructing new facilities and replacing or expanding existing facilities at OG&E. Other working capital requirements are expected to be primarily related to maturing debt, operating lease obligations, fuel clause under and over recoveries and other general corporate purposes. OGE Energy generally meets its cash needs through a combination of cash generated from operations, short-term borrowings (through a combination of bank borrowings and commercial paper) and permanent financings.

Capital Expenditures

The following table presents OGE Energy's estimates of capital expenditures for the years 2022 through 2026. These capital investments are customer-focused and targeted to maintain and improve the safety and reliability of OG&E's distribution and transmission grid and generation fleet, enhance the ability of OG&E's system to perform during extreme weather events and to serve OG&E's growing customer base.

<i>(In millions)</i>	2022	2023	2024	2025	2026	Total
Transmission	\$ 175	\$ 180	\$ 190	\$ 225	\$ 225	\$ 995
Oklahoma distribution & grid advancement	520	540	545	515	515	2,635
Arkansas distribution	25	20	20	20	20	105
Generation	150	130	110	110	110	610
Other	80	80	85	80	80	405
Total	\$ 950	\$ 950	\$ 950	\$ 950	\$ 950	\$ 4,750

Additional capital expenditures beyond those identified in the table above, including additional incremental growth opportunities, will be evaluated based upon the requirements of OG&E's power supply, transmission and distribution operational teams and the expected resultant customer benefits. OG&E is evaluating infrastructure investments incremental to the amounts above related to new generation capacity needs as outlined in its October 2021 IRP, as well as additional grid investments to address customer growth and grid resiliency. The continued progression of, and global response to, the COVID-19 outbreak has increased and may continue to increase the risk of delays in construction activities and equipment deliveries related to OGE Energy's capital projects, including potential delays in obtaining permits from government agencies, resulting in potential deferral of capital expenditures.

Contractual Obligations

The following table presents OGE Energy's total contractual obligations for the next five years, which include long-term debt, operating leases and purchase obligations and commitments, at December 31, 2021. For further detail of OGE Energy's long-term debt, operating leases and purchase obligations and commitments, including information for maturities beyond the next five years, see the statements of capitalization, Note 4 and Note 15, respectively, within "Item 8. Financial Statements and Supplementary Data."

<i>(In millions)</i>	2022	2023	2024	2025	2026	Total
Total contractual obligations	\$ 161.7	\$1,114.1	\$ 105.9	\$ 188.3	\$ 94.7	\$1,664.7
Amounts recoverable through fuel adjustment clause (A)	(155.6)	(108.6)	(88.0)	(81.5)	(82.0)	(515.7)
Total contractual obligations, net	\$ 6.1	\$1,005.5	\$ 17.9	\$ 106.8	\$ 12.7	\$1,149.0

(A) Includes expected recoveries of costs incurred for OG&E's railcar operating lease obligations, OG&E's minimum fuel purchase commitments and OG&E's expected wind purchase commitments.

The actual cost of fuel used in electric generation (which includes the operating lease obligations for OG&E's railcar leases shown in Note 4 within "Item 8. Financial Statements and Supplementary Data") and certain purchased power costs are passed on to OG&E's customers through fuel adjustment clauses. Accordingly, while the cost of fuel related to operating leases and the vast majority of minimum fuel purchase commitments of OG&E noted in Notes 4 and 15, respectively, within "Item 8. Financial Statements and Supplementary Data" may increase capital requirements, such costs are generally recoverable through fuel adjustment clauses and have little, if any, impact on net capital requirements and future contractual obligations. The fuel adjustment clauses are subject to periodic review by the OCC and the APSC. Otherwise, as discussed above, OGE Energy expects to meet these cash requirement needs through cash generated from operations, short-term borrowings and permanent financings.

Pension and Postretirement Benefit Plans

At December 31, 2021, 17.7 percent of the Pension Plan investments were in listed common stocks with the balance primarily invested in corporate fixed income and other securities, U.S. Treasury notes and bonds and mutual funds as presented in Note 13 within "Item 8. Financial Statements and Supplementary Data." During 2021, actual returns on the Pension Plan were \$48.4 million, compared to expected return on plan assets of \$34.1 million. During the same time, corporate bond yields, which are used in determining the discount rate for future pension obligations, increased. Funding levels are dependent on returns on plan assets and future discount rates. OGE Energy made a contribution to its Pension Plan of \$40.0 million and \$20.0 million in 2021 and 2020, respectively. OGE Energy does not expect to make any contributions to the Pension Plan in 2022. OGE Energy could be required to make additional contributions if the value of its pension trust and postretirement benefit plan trust assets are adversely impacted by a major market disruption in the future.

The following table presents the status of OGE Energy's Pension Plan, the Restoration of Retirement Income Plan and the postretirement benefit plans at December 31, 2021 and 2020. These amounts have been recorded in Accrued Benefit Obligations with the offset in Accumulated Other Comprehensive Loss (except OG&E's portion, which is recorded as a regulatory asset as discussed in Note 1 within "Item 8. Financial Statements and Supplementary Data") in the balance sheets. The amounts in Accumulated Other Comprehensive Loss and those recorded as a regulatory asset represent a net periodic benefit cost to be recognized in the statements of income in future periods.

<i>(In millions)</i>	Pension Plan		Restoration of Retirement Income Plan		Postretirement Benefit Plans	
	2021	2020	2021	2020	2021	2020
Benefit obligations	\$ 502.9	\$ 654.6	\$ 5.9	\$ 7.8	\$ 137.3	\$ 144.5
Fair value of plan assets	486.0	570.3	—	—	44.3	47.6
Funded status at end of year	\$ (16.9)	\$ (84.3)	\$ (5.9)	\$ (7.8)	\$ (93.0)	\$ (96.9)

As a result of the merger between Enable and Energy Transfer, OGE Energy's seconding agreement with Enable was terminated. OGE Energy retains the obligations to the accrued benefits of these employees as of the termination of the contract. For further discussion, see Note 6 within "Item 8. Financial Statements and Supplementary Data."

Common Stock Dividends

OGE Energy's dividend policy is reviewed by the Board of Directors at least annually and is based on numerous factors, including management's estimation of the long-term earnings power of its businesses. Prior to the approval of a change in the dividend in 2021, the Board of Directors reviewed a recommendation from management of an increase in the quarterly dividend to \$0.41 per share from \$0.4025 per share and subsequently approved the recommendation to become effective with the dividend payment in October 2021.

Financing Activities and Future Sources of Financing

Management expects that cash generated from operations, proceeds from the issuance of long- and short-term debt, proceeds from the sales of common stock to the public through OGE Energy's Automatic Dividend Reinvestment and Stock Purchase Plan or other offerings will be adequate over the next three years to meet anticipated cash needs and to fund future growth opportunities. In addition, distributions from Energy Transfer will be utilized to meet anticipated cash needs until OGE Energy exits its investment in Energy Transfer's equity securities. OGE Energy utilizes short-term borrowings (through a combination of bank borrowings and commercial paper) to satisfy temporary working capital needs and as an interim source of financing capital expenditures until permanent financing is arranged. In December 2021, the Registrants each entered into a new \$550.0 million credit facility for working capital and general corporate purposes. For further discussion, see "Short-Term Debt and Credit Facilities" below and Note 12 within "Item 8. Financial Statements and Supplementary Data."

Short-Term Debt and Credit Facilities

OGE Energy borrows on a short-term basis, as necessary, by issuance of commercial paper and borrowings under its revolving credit agreements and term credit agreements.

On December 17, 2021, OGE Energy and OG&E entered into new, unsecured five-year revolving credit facilities totaling \$1.1 billion (\$550.0 million for OGE Energy and \$550.0 million for OG&E), which can also be used as letter of credit facilities. The following table presents information about OGE Energy's revolving credit agreements as of December 31, 2021.

<i>(Dollars in millions)</i>	December 31, 2021
Balance of outstanding supporting letters of credit	\$ 0.4
Weighted-average interest rate of outstanding supporting letters of credit	1.15 %
Net available liquidity under revolving credit agreements	\$ 612.7
Balance of cash and cash equivalents	\$ —

The following table presents information about OGE Energy's total short-term debt activity for the year ended December 31, 2021.

<i>(Dollars in millions)</i>	Year Ended December 31, 2021
Average balance of short-term debt	\$ 568.6
Weighted-average interest rate of average balance of short-term debt	0.51 %
Maximum month-end balance of short-term debt	\$ 1,443.4

In March 2021, OGE Energy entered into a \$1.0 billion unsecured 364-day term loan agreement to provide additional liquidity to help cover the increased fuel and purchased power costs incurred by OG&E during Winter Storm Uri. In May 2021, \$900.0 million of the \$1.0 billion term loan was repaid using the proceeds from the senior notes issued by both OGE Energy and OG&E, as further described below. In December 2021, OGE Energy repaid the remaining \$100.0 million outstanding that was borrowed under the term loan agreement. See Note 12 within "Item 8. Financial Statements and Supplementary Data" for further discussion of the Registrants' short-term debt activity.

OG&E must obtain regulatory approval from the FERC in order to borrow on a short-term basis. OG&E has the necessary regulatory approvals to incur up to \$800.0 million in short-term borrowings at any one time for a two-year period beginning January 1, 2021 and ending December 31, 2022.

Issuance of Long-Term Debt

In May 2021, OGE Energy issued \$500.0 million of 0.703 percent senior notes, and OG&E issued \$500.0 million of 0.553 percent senior notes. Each series is due May 26, 2023 but may be redeemed by OGE Energy or OG&E after November 26, 2021 at a price equal to 100 percent of the principal amount of the senior notes being redeemed, plus any accrued and unpaid interest. The proceeds from these issuances were used to repay \$900.0 million of the \$1.0 billion term loan OGE Energy entered into in March 2021 to help cover the fuel and purchased power costs incurred by OG&E during Winter Storm Uri.

In the second half of 2022, OG&E expects to issue \$300.0 million in long-term debt to support its current year capital investment plan.

Securitization of Oklahoma Winter Storm Uri Extreme Purchase Costs

In April 2021, OG&E filed an application with the OCC seeking its approval to securitize OG&E's costs related to Winter Storm Uri. In October 2021, OG&E filed a settlement agreement between OG&E, the Public Utility Division Staff of the OCC, the Oklahoma Industrial Energy Consumers, the OG&E Shareholders Association and Walmart Inc. The settling parties agreed the OCC should issue a financing order authorizing the securitization of \$760.0 million, which includes estimated finance costs and is subject to change for carrying costs, any updates from the SPP settlement process and actual securitization issuance costs. On December 16, 2021, the settlement agreement was approved by the OCC. For further discussion, see Note 16 within "Item 8. Financial Statements and Supplementary Data."

Security Ratings

	Moody's Investors Service		S&P's Global Ratings		Fitch Ratings	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
OG&E Senior Notes	A3	Stable	A-	Negative	A	Stable
OG&E Commercial Paper	P2	Stable	A2	Negative	F2	Stable
OGE Energy Senior Notes	Baa1	Stable	BBB+	Negative	BBB+	Stable
OGE Energy Commercial Paper	P2	Stable	A2	Negative	F2	Stable

On March 3, 2021, S&P's Global Ratings revised their ratings outlook on both OGE Energy and OG&E from stable to negative. S&P's Global Ratings indicated that the revised outlooks reflect their expectation for weaker financial measures directly associated with the significant increase in fuel and purchased power costs as a result of Winter Storm Uri, the uncertainty regarding timely recovery of those costs and the associated refinancing risk related to the 364-day \$1.0 billion term loan. For OGE Energy, S&P's Global Ratings indicated the revised outlook also reflected their expectation of execution risk associated with the closing of Energy Transfer's acquisition of Enable.

On February 9, 2022, Moody's Investors Service revised their ratings outlook on both OGE Energy and OG&E to stable from negative. Moody's Investors Service indicated that the revised outlooks reflect their expectation that OG&E will recover about 99 percent of the costs incurred during Winter Storm Uri in Oklahoma through the issuance of securitization bonds by the ODFA, as authorized by the finance order approved on December 16, 2021 by the OCC.

Access to reasonably priced capital is dependent in part on credit and security ratings. Generally, lower ratings lead to higher financing costs. Pricing grids associated with OGE Energy's credit facilities could cause annual fees and borrowing rates to increase if an adverse rating impact occurs. The impact of any future downgrade could include an increase in the costs of OGE Energy's short-term borrowings, but a reduction in OGE Energy's credit ratings would not result in any defaults or accelerations. Any future downgrade could also lead to higher long-term borrowing costs and, if below investment grade, would require OGE Energy to post collateral or letters of credit.

A security rating is not a recommendation to buy, sell or hold securities. Such rating may be subject to revision or withdrawal at any time by the credit rating agency, and each rating should be evaluated independently of any other rating.

Future financing requirements may be dependent, to varying degrees, upon numerous factors such as general economic conditions, abnormal weather, load growth, commodity prices, acquisitions of other businesses and/or development of projects, actions by rating agencies, inflation, changes in environmental laws or regulations, rate increases or decreases allowed by regulatory agencies, new legislation and market entry of competing electric power generators.

Common Stock

OGE Energy does not expect to issue any common stock in 2022 from its Automatic Dividend Reinvestment and Stock Purchase Plan. See Note 10 within "Item 8. Financial Statements and Supplementary Data" for a discussion of OGE Energy's common stock activity.

Distributions by Enable and Energy Transfer

During the years ended December 31, 2021, 2020 and 2019, Enable made distributions of \$73.4 million, \$91.7 million and \$144.0 million, respectively, to OGE Energy. On January 25, 2022, Energy Transfer announced a 15 percent increase in its quarterly cash distribution, resulting in a distribution of \$0.175 per unit on its outstanding common units that was paid on February 18, 2022.

Critical Accounting Policies and Estimates

The financial statements and notes thereto contain information that is pertinent to Management's Discussion and Analysis. In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Changes to these assumptions and estimates could have a material effect on the financial statements. The Registrants believe they have taken reasonable positions where assumptions and estimates are used in order to minimize the negative financial impact to the Registrants that could result if actual results vary from the assumptions and estimates.

In management's opinion, the areas where the most significant judgment is exercised for the Registrants include the determination of Pension Plan assumptions, income taxes, contingency reserves, asset retirement obligations, regulatory assets and liabilities, unbilled revenues and the allowance for uncollectible accounts receivable. The selection, application and disclosure of the following critical accounting estimates have been discussed with the Audit Committee of OGE Energy's Board of Directors. The Registrants discuss their significant accounting policies, including those that do not require management to make difficult, subjective or complex judgments or estimates, in Note 1 within "Item 8. Financial Statements and Supplementary Data."

Pension and Postretirement Benefit Plans

OGE Energy has a Pension Plan that covers a significant amount of its employees, including OG&E's employees, hired before December 1, 2009. Effective December 1, 2009, OGE Energy's Pension Plan is no longer being offered to employees hired on or after December 1, 2009. OGE Energy also has defined benefit postretirement plans that cover a significant amount of its employees, including OG&E's employees. Pension and other postretirement plan expenses and liabilities are determined on an actuarial basis and are affected by the market value of plan assets, estimates of the expected return on plan assets, assumed discount rates and the level of funding. Actual changes in the fair market value of plan assets and differences between the actual return on plan assets and the expected return on plan assets could have a material effect on the amount of pension expense ultimately recognized. The Pension Plan rate assumptions are shown in Note 13 within "Item 8. Financial Statements and Supplementary Data." The assumed return on plan assets is based on management's expectation of the long-term return on the plan assets portfolio. The discount rate used to compute the present value of plan liabilities is based generally on rates of high-grade corporate bonds with maturities similar to the average period over which benefits will be paid. Funding levels are dependent on returns on plan assets and future discount rates. Higher returns on plan assets and an increase in discount rates will reduce funding requirements to the Pension Plan.

The following table presents the sensitivity of the Pension Plan funded status to these variables.

	Change	Impact on Funded Status
Actual plan asset returns	+/- 1 percent	+/- \$4.9 million
Discount rate	+/- 0.25 percent	+/- \$9.7 million
Contributions	+/- \$10 million	+/- \$10.0 million

Income Taxes

The Registrants use the asset and liability method of accounting for income taxes. Under this method, a deferred tax asset or liability is recognized for the estimated future tax effects attributable to temporary differences between the financial statement basis and the tax basis of assets and liabilities as well as tax credit carry forwards and net operating loss carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period of the change.

The application of income tax law is complex. Laws and regulations in this area are voluminous and often ambiguous. Interpretations and guidance surrounding income tax laws and regulations change over time. Accordingly, it is necessary to make judgments regarding income tax exposure. As a result, changes in these judgments can materially affect amounts the Registrants recognized in their financial statements. Tax positions taken by the Registrants on their income tax returns that are recognized in the financial statements must satisfy a more likely than not recognition threshold, assuming that the position will be examined by taxing authorities with full knowledge of all relevant information.

In May 2021, Oklahoma enacted a reduction of the corporate income tax rate to four percent from the previous six percent. This rate reduction took effect on January 1, 2022. A revaluation of the Registrants' state deferred tax liabilities was completed in May 2021 to reflect this lower tax rate. Additionally, in connection with the Enable and Energy Transfer merger, OGE Energy's state deferred tax liabilities were revalued. See Note 9 within "Item 8. Financial Statements and Supplementary Data" for further discussion.

Commitments and Contingencies

In the normal course of business, the Registrants are confronted with issues or events that may result in a contingent liability. These generally relate to lawsuits or claims made by third parties, including governmental agencies. When appropriate, management consults with legal counsel and other experts to assess the claim. If, in management's opinion, the Registrants have incurred a probable loss as set forth by GAAP, an estimate is made of the loss, and the appropriate accounting entries are reflected in the financial statements.

Asset Retirement Obligations

OG&E has recorded asset retirement obligations that are being accreted over their respective lives ranging from five to 68 years. The inputs used in the valuation of asset retirement obligations include the assumed life of the asset placed into service, the average inflation rate, market risk premium, the credit-adjusted risk free interest rate and the timing of incurring costs related to the retirement of the asset.

Regulatory Assets and Liabilities

OG&E, as a regulated utility, is subject to accounting principles for certain types of rate-regulated activities, which provide that certain incurred costs that would otherwise be charged to expense can be deferred as regulatory assets, based on the expected recovery from customers in future rates. Likewise, certain actual or anticipated credits that would otherwise reduce expense can be deferred as regulatory liabilities, based on the expected flowback to customers in future rates. Management's expected recovery of deferred costs and flowback of deferred credits generally results from specific decisions by regulators granting such ratemaking treatment.

OG&E records certain incurred costs and obligations as regulatory assets or liabilities if, based on regulatory orders or other available evidence, it is probable that the costs or obligations will be included in amounts allowable for recovery or refund in future rates. Management continuously monitors the future recoverability of regulatory assets. When in management's judgement future recovery becomes impaired, the amount of the regulatory asset is adjusted, as appropriate.

Unbilled Revenues

OG&E recognizes revenue from electric sales when power is delivered to customers. OG&E measures its customers' metered usage and sends bills to its customers throughout each month. As a result, there is a significant amount of customers' electricity consumption that has not been billed at the end of each month. OG&E accrues an estimate of the revenues for electric sales delivered since the latest billings. Unbilled revenue is presented in Accrued Unbilled Revenues in the balance sheets and in Operating Revenues in the statements of income based on estimates of usage and prices during the period. At December 31, 2021, if the estimated usage or price used in the unbilled revenue calculation were to increase or decrease by one

percent, this would cause a change in the unbilled revenues recognized of \$0.6 million. At December 31, 2021 and 2020, Accrued Unbilled Revenues were \$65.0 million and \$67.7 million, respectively. The estimates that management uses in this calculation could vary from the actual amounts to be paid by customers.

Allowance for Uncollectible Accounts Receivable

Customer balances are generally written off if not collected within six months after the final billing date. The allowance for uncollectible accounts receivable for OG&E is generally calculated by multiplying the last six months of electric revenue by the provision rate, which is based on a 12-month historical average of actual balances written off and is adjusted for current conditions and supportable forecasts as necessary. To the extent the historical collection rates, when incorporating forecasted conditions, are not representative of future collections, there could be an effect on the amount of uncollectible expense recognized, such as in response to COVID-19 impacts. Also, a portion of the uncollectible provision related to fuel within the Oklahoma jurisdiction is being recovered through the fuel adjustment clause. At December 31, 2021, if the provision rate were to increase or decrease by 10 percent, this would cause a change in the uncollectible expense recognized of \$0.2 million. The allowance for uncollectible accounts receivable is a reduction to Accounts Receivable in the balance sheets and is included in Other Operation and Maintenance Expense in the statements of income. The allowance for uncollectible accounts receivable was \$2.4 million and \$2.6 million at December 31, 2021 and 2020, respectively.

Accounting Pronouncements

As discussed in Note 2 within "Item 8. Financial Statements and Supplementary Data," the Registrants believe that recently adopted and recently issued accounting standards that are not yet effective do not appear to have a material impact on the Registrants' financial position, results of operations or cash flows upon adoption.

Commitments and Contingencies

In the normal course of business, the Registrants are confronted with issues or events that may result in a contingent liability. These generally relate to lawsuits or claims made by third parties, including governmental agencies. When appropriate, management consults with legal counsel and other experts to assess the claim. If, in management's opinion, the Registrants have incurred a probable loss as set forth by GAAP, an estimate is made of the loss, and the appropriate accounting entries are reflected in the financial statements. At the present time, based on available information, the Registrants believe that any reasonably possible losses in excess of accrued amounts arising out of pending or threatened lawsuits or claims would not be quantitatively material to their financial statements and would not have a material adverse effect on their financial position, results of operations or cash flows. See Notes 15 and 16 within "Item 8. Financial Statements and Supplementary Data" and "Item 3. Legal Proceedings" for further discussion of the Registrants' commitments and contingencies.

Environmental Laws and Regulations

The activities of OG&E are subject to numerous stringent and complex federal, state and local laws and regulations governing environmental protection. These laws and regulations can change, restrict or otherwise impact OG&E's business activities in many ways, including the handling or disposal of waste material, planning for future construction activities to avoid or mitigate harm to threatened or endangered species and requiring the installation and operation of emissions or pollution control equipment. Failure to comply with these laws and regulations could result in the assessment of administrative, civil and criminal penalties, the imposition of remedial requirements and the issuance of orders enjoining future operations. Management believes that all of the Registrants' operations are in substantial compliance with current federal, state and local environmental standards.

President Biden's Administration has taken a number of actions that adopt policies and affect environmental regulations, including issuance of executive orders that instruct the EPA and other executive agencies to review certain rules that affect OG&E with a view to achieving nationwide reductions in greenhouse gas emissions. OG&E is monitoring these actions which are in various stages of being implemented. At this point in time, the impacts of these actions on the Registrants' results of operations, if any, cannot be determined with any certainty.

Environmental regulation can increase the cost of planning, design, initial installation and operation of OG&E's facilities. Management continues to evaluate its compliance with existing and proposed environmental legislation and regulations and implement appropriate environmental programs in a competitive market.

OG&E's operations are subject to the Federal Clean Air Act of 1970, as amended, and comparable state laws and regulations. These laws and regulations regulate emissions of air pollutants from various industrial sources, including electric generating units and also impose various monitoring and reporting requirements. Such laws and regulations may require that OG&E obtain pre-approval for the construction or modification of certain projects or facilities expected to produce air emissions or result in the increase of existing air emissions, obtain and strictly comply with air permits containing various emissions and operational limitations or install emission control equipment. OG&E likely will be required to incur certain capital expenditures in the future for air pollution control equipment and technology in connection with obtaining and maintaining operating permits and approvals for air emissions.

OG&E is working cooperatively with federal and state environmental agencies to create emission limits for OG&E's operations that are consistent with legal requirements for protecting health and the environment while being cost effective for OG&E to implement. Although various court proceedings are pending that challenge the validity or stringency of rules issued by federal and state environmental agencies, OG&E is not currently a party to any of these proceedings. At this time, OG&E does not anticipate additional material capital expenditures for compliance with the existing rules.

In July 2020, the ODEQ notified OG&E that the Horseshoe Lake generating units would be included in Oklahoma's second Regional Haze implementation period evaluation of visibility impairment impacts to the Wichita Mountains. OG&E submitted an analysis of all potential control measures for NO_x on these units to the ODEQ. The ODEQ was to identify any cost-effective control measures in a Regional Haze State Implementation Plan to be submitted to the EPA for approval by July 31, 2021. It is unknown at this time what the outcome, or any potential material impacts, if any, will be from the evaluations by OG&E, the ODEQ and the EPA.

OG&E continues to monitor these processes and their possible impact on its operations. Future rules could adopt additional reductions in the emissions budget for Oklahoma or the areas where OG&E's facilities are located. In particular, OG&E monitors possible changes in legal standards for emissions of greenhouse gases, including CO₂, sulfur hexafluoride and methane, including the Biden Administration's target of a 50 to 52 percent reduction in economy-wide net greenhouse gas emissions from 2005 levels by 2030 with full decarbonization of the electric power industry fully by 2035. If legislation or regulations are passed at the federal or state levels in the future requiring mandatory reductions of CO₂ and other greenhouse gases at OG&E's facilities, this could result in significant additional compliance costs that would affect OG&E's future financial position, results of operations and cash flows if such costs are not recovered through regulated rates.

OG&E has reduced carbon dioxide emissions by over 40 percent compared to 2005 levels, and during the same period, emissions of ozone-forming NO_x have been reduced by approximately 70 percent and emissions of SO₂ have been reduced by approximately 85 percent. OG&E expects to further reduce carbon dioxide emissions to 50 percent of 2005 levels by 2030. To comply with the EPA rules, OG&E converted two coal-fired generating units at the Muskogee Station to natural gas, among other measures. OG&E's deployment of Smart Grid technology helps to reduce the peak load demand. OG&E is also deploying more renewable energy sources that do not emit greenhouse gases.

In October 2021, OG&E issued its most recent IRP to the OCC and APSC that proposes to expand its renewable generation fleet, including the development of additional solar resources beginning in 2023. OG&E has leveraged its geographic position to develop renewable energy resources and completed transmission investments to deliver the renewable energy. The SPP has authorized the construction of transmission lines capable of bringing renewable energy out of the wind resource areas in western Oklahoma, the Texas Panhandle and western Kansas to load centers by planning for more transmission to be built in the area. In addition to increasing overall system reliability, these new transmission resources should provide greater access to additional wind resources that are currently constrained due to existing transmission delivery limitations.

Endangered Species

Certain federal laws, including the Bald and Golden Eagle Protection Act, the Migratory Bird Treaty Act and the Endangered Species Act, provide special protection to certain designated species. These laws and any state equivalents provide for significant civil and criminal penalties for unpermitted activities that result in harm to or harassment of certain protected animals and plants, including damage to their habitats. If such species are located in an area in which OG&E conducts operations, or if additional species in those areas become subject to protection, OG&E's operations and development projects, particularly transmission, wind or pipeline projects, could be restricted or delayed, or OG&E could be required to implement expensive mitigation measures.

On June 1, 2021, the USFWS published a proposed rule to list two distinct population segments of the lesser prairie chicken; the southern distinct population segment located in west Texas and eastern New Mexico is proposed as endangered status, and the northern distinct population located in northwest Texas, Oklahoma, Kansas and Colorado is proposed to be listed as threatened status with a 4(d) rule which would prohibit take of the chicken, such as destroying its habitat by building a transmission line or substation, without a permit or special authorization from the USFWS. The final rule for the listing decision is expected to occur in June 2022.

On November 9, 2021, the USFWS published a proposed rule to list the Alligator Snapping Turtle as threatened under the Endangered Species Act, along with a 4(d) rule that would provide conservation to the species. The habitat located within the OG&E service territory is limited to eastern Oklahoma and western Arkansas; however, the USFWS is proposing to exempt incidental take by industry for operation and maintenance and other routine activities that are conducted by using best management practices that reduce incidental take and conserve the habitat. The final rule for the listing decision is expected to occur in November 2022.

Waste

OG&E's operations generate wastes that are subject to the Federal Resource Conservation and Recovery Act of 1976 as well as comparable state laws which impose detailed requirements for the handling, storage, treatment and disposal of waste.

Over 95 percent of the ash from OG&E's Muskogee and Sooner facilities was recovered and sold to the concrete and cement industries in the last three years, and in 2021, River Valley became OG&E's third power plant to enter an agreement to have its fly ash reused. Using ash in this way also helps cement manufacturers minimize their impact on the environment by avoiding the need to extract and process other natural resources. Based on estimates from the American Coal Ash Association, OG&E fly ash reuse helped avoid over three million tons of CO₂ emissions in the last 14 years.

OG&E has sought and will continue to seek pollution prevention opportunities and to evaluate the effectiveness of its waste reduction, reuse and recycling efforts. In 2021, OG&E obtained refunds of \$3.3 million from the recycling of scrap metal, salvaged transformers and used transformer oil. This figure does not include the additional savings gained through the reduction and/or avoidance of disposal costs and the reduction in material purchases due to the reuse of existing materials. Similar savings are anticipated in future years.

Water

OG&E's operations are subject to the Federal Clean Water Act and comparable state laws and regulations. These laws and regulations impose detailed requirements and strict controls regarding the discharge of pollutants into state and federal waters.

In 2015, the EPA issued a final rule addressing the effluent limitation guidelines for power plants under the Federal Clean Water Act. The final rule establishes technology- and performance-based standards that may apply to discharges of six waste streams including bottom ash transport water. Compliance with this rule will occur by 2023; however, on April 12, 2017, the EPA granted a Petition for Reconsideration of the 2015 Rule. On October 13, 2020, the EPA published a final rule to revise the technology-based effluent limitations for flue gas desulfurization waste water and bottom ash transport water. On August 3, 2021, the EPA published notice in the Federal Register that it will undertake a supplemental rulemaking to revise the effluent limitation guidelines rule after completing its review of the October 2020 rule. The existing effluent limitation guidelines will remain in effect while the EPA undertakes this new rulemaking. OG&E is evaluating what, if any, compliance actions are needed but is not able to quantify with any certainty what costs may be incurred. OG&E expects to be able to provide a reasonable estimate of any material costs associated with the rule's implementation following issuance of the permits from the State of Oklahoma.

Since the purchase of the Redbud facility in 2008, OG&E's average use of treated municipal effluent for all of the needed cooling water at Redbud and McClain is approximately 2.5 billion gallons per year. This use of treated municipal effluent offsets the need for fresh water as cooling water, making fresh water available for other beneficial uses like drinking water, irrigation and recreation.

Site Remediation

The Comprehensive Environmental Response, Compensation and Liability Act of 1980 and comparable state laws impose liability, without regard to the legality of the original conduct, on certain classes of persons responsible for the release of hazardous substances into the environment. Because OG&E utilizes various products and generates wastes that are

considered hazardous substances for purposes of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, OG&E could be subject to liability for the costs of cleaning up and restoring sites where those substances have been released to the environment. At this time, it is not anticipated that any associated liability will cause a significant impact to OG&E.

For further discussion regarding contingencies relating to environmental laws and regulations, see Note 15 within "Item 8. Financial Statements and Supplementary Data."

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Market risks are, in most cases, risks that are actively traded in a marketplace and have been well studied in regards to quantification. Market risks include, but are not limited to, changes in interest rates and commodity prices. The Registrants' exposure to changes in interest rates relates primarily to short-term variable-rate debt and commercial paper. The Registrants are exposed to commodity prices in their operations to the extent any fuel price changes are not recovered in customer rates and, for OGE Energy, through its investment in Energy Transfer's equity securities.

Risk Oversight Committee

The Registrants manage market risks using a risk committee structure. OGE Energy's Risk Oversight Committee, which consists of the Chief Financial Officer, other corporate officers and members of management, is responsible for the overall development, implementation and enforcement of strategies and policies for all significant risk management activities of the Registrants. In 2021, this committee and the Registrants' management applied a holistic perspective of risk assessment and application of its strategies and policies to manage the Registrants' overall financial performance. The Chief Financial Officer, acting in his role as the principal financial officer and as a member of the Risk Oversight Committee, reports periodically to the Audit Committee of OGE Energy's Board of Directors on the Registrants' risk profile affecting anticipated financial results, including any significant risk issues. The Audit Committee updates the Board of Directors regarding the company's risk management practices and the steps management has taken to monitor and control applicable risks.

Risk Policies

Management utilizes risk policies to control the amount of market risk exposure. These policies are designed to provide the Audit Committee of OGE Energy's Board of Directors and senior executives of the Registrants with confidence that the risks taken on by the Registrants' business activities are in accordance with their expectations for financial returns and that the approved policies and controls related to market risk management are being followed.

Interest Rate Risk

The Registrants' exposure to changes in interest rates primarily relates to variable-rate debt and commercial paper. The Registrants manage their interest rate exposure by monitoring and limiting the effects of market changes in interest rates. The Registrants may utilize interest rate derivatives to alter interest rate exposure in an attempt to reduce the effects of these changes. Interest rate derivatives would be used solely to modify interest rate exposure and not to modify the overall leverage of the debt portfolio, but the Registrants have no intent at this time to utilize interest rate derivatives.

The fair value of the Registrants' long-term debt is based on quoted market prices and estimates of current rates available for similar issues with similar maturities or by calculating the net present value of the monthly payments discounted by the Registrants' current borrowing rate. The following table presents the Registrants' long-term debt maturities and the weighted-average interest rates by maturity date.

Year Ended December 31 (Dollars in millions)	2022	2023	2024	2025	2026	Thereafter	Total	12/31/21 Fair Value
OGE Energy (holding company) fixed-rate debt (A):								
Principal amount.....	\$ —	\$ 500.0	\$ —	\$ —	\$ —	\$ —	\$ 500.0	\$ 497.8
Weighted-average interest rate.	— %	0.703 %	— %	— %	— %	— %	0.703 %	
OG&E fixed-rate debt (A):								
Principal amount	\$ —	\$ 500.0	\$ —	\$ —	\$ —	\$ 3,394.3	\$ 3,894.3	\$ 4,470.2
Weighted-average interest rate.	— %	0.553 %	— %	— %	— %	4.48 %	3.98 %	
OG&E variable-rate debt (B):								
Principal amount	\$ —	\$ —	\$ —	\$ 79.4	\$ —	\$ 56.0	\$ 135.4	\$ 135.4
Weighted-average interest rate.	— %	— %	— %	0.17 %	— %	0.17 %	0.17 %	

(A) Prior to or when these debt obligations mature, the Registrants may refinance all or a portion of such debt at then-existing market interest rates which may be more or less than the interest rates on the maturing debt.

(B) A hypothetical change of 100 basis points in the underlying variable interest rate incurred by OG&E would change interest expense by \$1.4 million annually.

Item 8. Financial Statements and Supplementary Data.

OGE ENERGY CORP.
CONSOLIDATED STATEMENTS OF INCOME

Year Ended December 31 <i>(In millions except per share data)</i>	2021	2020	2019
OPERATING REVENUES			
Revenues from contracts with customers	\$ 3,588.7	\$ 2,069.8	\$ 2,175.5
Other revenues	65.0	52.5	56.1
Operating revenues	3,653.7	2,122.3	2,231.6
FUEL, PURCHASED POWER AND DIRECT TRANSMISSION EXPENSE	2,127.6	644.6	786.9
OPERATING EXPENSES			
Other operation and maintenance	463.1	462.8	491.8
Depreciation and amortization	416.0	391.3	355.0
Taxes other than income	102.8	101.4	93.6
Operating expenses	981.9	955.5	940.4
OPERATING INCOME	544.2	522.2	504.3
OTHER INCOME (EXPENSE)			
Equity in earnings (losses) of unconsolidated affiliates	169.8	(668.0)	113.9
Allowance for equity funds used during construction	6.7	4.8	4.5
Other net periodic benefit expense	(6.1)	(3.9)	(9.8)
Gain (loss) on equity securities (Note 1)	(8.6)	—	—
Other income	26.3	37.5	21.9
Gain on Enable/Energy Transfer transaction, net (Note 5)	344.4	—	—
Other expense	(39.9)	(35.2)	(23.5)
Net other income (expense)	492.6	(664.8)	107.0
INTEREST EXPENSE			
Interest on long-term debt	154.8	152.8	138.3
Allowance for borrowed funds used during construction	(3.5)	(1.9)	(2.8)
Interest on short-term debt and other interest charges	7.0	7.6	12.4
Interest expense	158.3	158.5	147.9
INCOME (LOSS) BEFORE TAXES	878.5	(301.1)	463.4
INCOME TAX EXPENSE (BENEFIT)	141.2	(127.4)	29.8
NET INCOME (LOSS)	\$ 737.3	\$ (173.7)	\$ 433.6
BASIC AVERAGE COMMON SHARES OUTSTANDING	200.1	200.1	200.1
DILUTED AVERAGE COMMON SHARES OUTSTANDING	200.3	200.1	200.7
BASIC EARNINGS (LOSS) PER AVERAGE COMMON SHARE	\$ 3.68	\$ (0.87)	\$ 2.17
DILUTED EARNINGS (LOSS) PER AVERAGE COMMON SHARE	\$ 3.68	\$ (0.87)	\$ 2.16

The accompanying Combined Notes to Financial Statements are an integral part hereof.

OGE ENERGY CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Year Ended December 31 <i>(In millions)</i>	2021	2020	2019
Net income (loss)	\$ 737.3	\$ (173.7)	\$ 433.6
Other comprehensive income (loss), net of tax:			
Pension Plan and Restoration of Retirement Income Plan:			
Amortization of prior service cost, net of tax of \$0.0, \$0.0 and \$0.0, respectively	0.1	—	—
Amortization of deferred net loss, net of tax of \$0.9, \$1.2 and \$1.1, respectively	1.6	3.9	3.4
Net gain (loss) arising during the period, net of tax of \$0.0, (\$1.7) and (\$2.5), respectively	1.4	(5.1)	(8.1)
Prior service cost arising during the period, net of tax of (\$0.3), \$0.0 and (\$0.1), respectively	(1.1)	—	(0.2)
Settlement cost, net of tax of \$2.7, \$0.7 and \$2.7, respectively	6.0	2.2	8.6
Postretirement benefit plans:			
Amortization of prior service credit, net of tax of (\$0.4), (\$0.6) and (\$0.6), respectively	(1.4)	(1.7)	(1.7)
Amortization of deferred net (gain) loss, net of tax of \$0.0, \$0.0 and \$0.0, respectively	0.1	(0.1)	(0.2)
Net loss arising during the period, net of tax of (\$0.2), (\$0.8) and \$(0.1), respectively	(0.7)	(2.4)	(0.2)
Curtailment cost, net of tax of \$0.0, \$(0.1) and \$0.0, respectively	—	(0.3)	—
Other comprehensive gain (loss) from unconsolidated affiliates, net of tax \$0.3, (\$0.2) and (\$0.2), respectively	1.3	(0.7)	(0.6)
Other comprehensive income (loss), net of tax	7.3	(4.2)	1.0
Comprehensive income (loss)	\$ 744.6	\$ (177.9)	\$ 434.6

The accompanying Combined Notes to Financial Statements are an integral part hereof.

OGE ENERGY CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS

Year Ended December 31 <i>(In millions)</i>	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income (loss).....	\$ 737.3	\$ (173.7)	\$ 433.6
Adjustments to reconcile net income (loss) to net cash (used in) provided from operating activities:			
Gain on Enable/Energy Transfer transaction (Note 5).....	(353.0)	—	—
Depreciation and amortization.....	416.0	391.3	355.0
Deferred income taxes and other tax credits, net.....	125.9	(134.5)	27.6
Equity in (earnings) losses of unconsolidated affiliates.....	(169.8)	668.0	(113.9)
Distributions from unconsolidated affiliates.....	73.4	91.7	125.5
Unrealized loss on investment in equity securities.....	8.6	—	—
Allowance for equity funds used during construction.....	(6.7)	(4.8)	(4.5)
Stock-based compensation expense.....	9.8	9.8	13.9
Regulatory assets.....	(874.9)	(112.0)	(47.1)
Regulatory liabilities.....	(71.2)	(64.0)	(45.6)
Other assets.....	(9.8)	(9.2)	(3.8)
Other liabilities.....	(8.1)	(26.3)	19.2
Change in certain current assets and liabilities:			
Accounts receivable and accrued unbilled revenues, net.....	(1.9)	3.1	18.8
Income taxes receivable.....	5.5	2.8	(1.0)
Fuel, materials and supplies inventories.....	(3.4)	(8.9)	4.2
Fuel recoveries.....	(180.5)	63.3	(33.0)
Other current assets.....	(22.7)	(16.8)	5.1
Accounts payable.....	7.5	59.8	(34.5)
Other current liabilities.....	4.7	(26.8)	(38.0)
Net cash (used in) provided from operating activities.....	(313.3)	712.8	681.5
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures (less allowance for equity funds used during construction).....	(778.5)	(650.5)	(635.5)
Return of capital - unconsolidated affiliates.....	—	—	18.5
Cash received in Enable/Energy Transfer transaction (Note 5).....	35.0	—	—
Other.....	(5.6)	(4.4)	(7.7)
Net cash used in investing activities.....	(749.1)	(654.9)	(624.7)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term debt.....	997.8	297.1	296.5
Increase (decrease) in short-term debt.....	391.9	(17.0)	112.0
Payment of long-term debt.....	(0.1)	(0.1)	(250.1)
Dividends paid on common stock.....	(324.9)	(314.9)	(299.2)
Cash paid for employee equity-based compensation and expense of common stock.....	(3.4)	(7.1)	(10.3)
Purchase of treasury stock.....	—	(14.7)	—
Other.....	—	(0.1)	—
Net cash provided from (used in) financing activities.....	1,061.3	(56.8)	(151.1)
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	(1.1)	1.1	(94.3)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	1.1	—	94.3
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ —	\$ 1.1	\$ —
SUPPLEMENTAL CASH FLOW INFORMATION			
Cash paid during the period for:			
Interest (net of interest capitalized of \$3.5, \$1.9 and \$2.8, respectively).....	\$ 156.4	\$ 153.4	\$ 152.2
Income taxes (net of income tax refunds).....	\$ 8.7	\$ 3.9	\$ 5.5
NON-CASH INVESTING AND FINANCING ACTIVITIES			
Power plant long-term service agreement.....	\$ 2.4	\$ 6.8	\$ 28.9
Investment in Energy Transfer's equity securities (Note 5).....	\$ 793.7	\$ —	\$ —

The accompanying Combined Notes to Financial Statements are an integral part hereof.

OGE ENERGY CORP.
CONSOLIDATED BALANCE SHEETS

December 31 <i>(In millions)</i>	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ —	\$ 1.1
Accounts receivable, less reserve of \$2.4 and \$2.6, respectively	162.3	157.8
Accrued unbilled revenues	65.0	67.6
Income taxes receivable	2.6	8.1
Fuel inventories	40.6	36.5
Materials and supplies, at average cost	117.9	116.2
Fuel clause under recoveries	151.9	—
Other	73.3	41.2
Total current assets	613.6	428.5
OTHER PROPERTY AND INVESTMENTS		
Investment in unconsolidated affiliates	—	374.3
Equity securities investment in Energy Transfer	785.1	—
Other	120.0	109.8
Total other property and investments	905.1	484.1
PROPERTY, PLANT AND EQUIPMENT		
In service	13,899.8	13,296.7
Construction work in progress	252.0	145.5
Total property, plant and equipment	14,151.8	13,442.2
Less: accumulated depreciation	4,318.9	4,067.6
Net property, plant and equipment	9,832.9	9,374.6
DEFERRED CHARGES AND OTHER ASSETS		
Regulatory assets	1,230.8	415.6
Other	24.0	16.0
Total deferred charges and other assets	1,254.8	431.6
TOTAL ASSETS	\$ 12,606.4	\$ 10,718.8

The accompanying Combined Notes to Financial Statements are an integral part hereof.

OGE ENERGY CORP.
CONSOLIDATED BALANCE SHEETS (Continued)

December 31 <i>(In millions)</i>	2021	2020
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Short-term debt	\$ 486.9	\$ 95.0
Accounts payable	274.0	251.5
Dividends payable	82.1	80.5
Customer deposits	81.1	81.1
Accrued taxes	52.9	55.7
Accrued interest	40.8	40.2
Accrued compensation	37.7	31.1
Fuel clause over recoveries	—	28.6
Other	34.1	33.7
Total current liabilities	1,089.6	697.4
LONG-TERM DEBT	4,496.4	3,494.4
DEFERRED CREDITS AND OTHER LIABILITIES		
Accrued benefit obligations	159.8	231.4
Deferred income taxes	1,333.3	1,268.6
Deferred investment tax credits	12.8	10.9
Regulatory liabilities	1,231.1	1,188.9
Other	227.1	195.4
Total deferred credits and other liabilities	2,964.1	2,895.2
Total liabilities	8,550.1	7,087.0
COMMITMENTS AND CONTINGENCIES (NOTE 15)		
STOCKHOLDERS' EQUITY		
Common stockholders' equity	1,125.8	1,124.6
Retained earnings	2,955.4	2,544.6
Accumulated other comprehensive loss, net of tax	(24.8)	(32.1)
Treasury stock, at cost	(0.1)	(5.3)
Total stockholders' equity	4,056.3	3,631.8
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 12,606.4	\$ 10,718.8

The accompanying Combined Notes to Financial Statements are an integral part hereof.

OGE ENERGY CORP.
CONSOLIDATED STATEMENTS OF CAPITALIZATION

December 31 <i>(In millions except per share data)</i>	2021	2020
STOCKHOLDERS' EQUITY		
Common stock, par value \$0.01 per share; authorized 450.0 shares; and outstanding 200.1 shares and 200.1 shares, respectively	\$ 2.0	\$ 2.0
Premium on common stock	1,123.8	1,122.6
Retained earnings	2,955.4	2,544.6
Accumulated other comprehensive loss, net of tax	(24.8)	(32.1)
Treasury stock, at cost, 0.0 and 0.1 shares, respectively	(0.1)	(5.3)
Total stockholders' equity	4,056.3	3,631.8
LONG-TERM DEBT		
<u>SERIES</u>	<u>DUE DATE</u>	
<u>Senior Notes - OGE Energy</u>		
0.703%	Senior Notes, Series Due May 26, 2023	500.0
		—
<u>Senior Notes - OG&E</u>		
0.553%	Senior Notes, Series Due May 26, 2023	500.0
6.65%	Senior Notes, Series Due July 15, 2027	125.0
6.50%	Senior Notes, Series Due April 15, 2028	100.0
3.80%	Senior Notes, Series Due August 15, 2028	400.0
3.30%	Senior Notes, Series Due March 15, 2030	300.0
3.25%	Senior Notes, Series Due April 1, 2030	300.0
5.75%	Senior Notes, Series Due January 15, 2036	110.0
6.45%	Senior Notes, Series Due February 1, 2038	200.0
5.85%	Senior Notes, Series Due June 1, 2040	250.0
5.25%	Senior Notes, Series Due May 15, 2041	250.0
3.90%	Senior Notes, Series Due May 1, 2043	250.0
4.55%	Senior Notes, Series Due March 15, 2044	250.0
4.00%	Senior Notes, Series Due December 15, 2044	250.0
4.15%	Senior Notes, Series Due April 1, 2047	300.0
3.85%	Senior Notes, Series Due August 15, 2047	300.0
3.80%	Tinker Debt, Due August 31, 2062	9.3
		9.4
<u>Other Bonds - OG&E</u>		
0.11% - 0.27%	Garfield Industrial Authority, January 1, 2025	47.0
		47.0
0.11% - 0.33%	Muskogee Industrial Authority, January 1, 2025	32.4
		32.4
0.11% - 0.27%	Muskogee Industrial Authority, June 1, 2027	56.0
		56.0
Unamortized debt expense		(23.8)
		(25.3)
Unamortized discount		(9.5)
		(10.1)
Total long-term debt	4,496.4	3,494.4
Less: long-term debt due within one year	—	—
Total long-term debt (excluding long-term debt due within one year)	4,496.4	3,494.4
Total capitalization (including long-term debt due within one year)	\$ 8,552.7	\$ 7,126.2

The accompanying Combined Notes to Financial Statements are an integral part hereof.

OGE ENERGY CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

<i>(In millions)</i>	Common Stock		Treasury Stock		Premium on Common Stock	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total
	Shares	Value	Shares	Value				
Balance at December 31, 2018.....	199.7	\$ 2.0	—	\$ —	\$ 1,125.7	\$ 2,906.3	\$ (28.9)	\$ 4,005.1
Net income	—	—	—	—	—	433.6	—	433.6
Other comprehensive income, net of tax	—	—	—	—	—	—	1.0	1.0
Dividends declared on common stock (\$1.5050 per share).....	—	—	—	—	—	(303.8)	—	(303.8)
Stock-based compensation	0.4	—	—	—	3.6	—	—	3.6
Balance at December 31, 2019.....	200.1	\$ 2.0	—	\$ —	\$ 1,129.3	\$ 3,036.1	\$ (27.9)	\$ 4,139.5
Net loss	—	—	—	—	—	(173.7)	—	(173.7)
Other comprehensive loss, net of tax	—	—	—	—	—	—	(4.2)	(4.2)
Dividends declared on common stock (\$1.5800 per share).....	—	—	—	—	—	(317.8)	—	(317.8)
Purchase of treasury stock.....	—	—	0.4	(14.7)	—	—	—	(14.7)
Stock-based compensation	—	—	(0.3)	9.4	(6.7)	—	—	2.7
Balance at December 31, 2020.....	200.1	\$ 2.0	0.1	\$ (5.3)	\$ 1,122.6	\$ 2,544.6	\$ (32.1)	\$ 3,631.8
Net income	—	—	—	—	—	737.3	—	737.3
Other comprehensive income, net of tax	—	—	—	—	—	—	7.3	7.3
Dividends declared on common stock (\$1.6250 per share).....	—	—	—	—	—	(326.5)	—	(326.5)
Stock-based compensation	—	—	(0.1)	5.2	1.2	—	—	6.4
Balance at December 31, 2021.....	200.1	\$ 2.0	—	\$ (0.1)	\$ 1,123.8	\$ 2,955.4	\$ (24.8)	\$ 4,056.3

The accompanying Combined Notes to Financial Statements are an integral part hereof.

OKLAHOMA GAS AND ELECTRIC COMPANY
STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

Year Ended December 31 <i>(In millions)</i>	2021	2020	2019
OPERATING REVENUES			
Revenues from contracts with customers	\$ 3,588.7	\$ 2,069.8	\$ 2,175.5
Other revenues	65.0	52.5	56.1
Operating revenues	3,653.7	2,122.3	2,231.6
FUEL, PURCHASED POWER AND DIRECT TRANSMISSION EXPENSE	2,127.6	644.6	786.9
OPERATING EXPENSES			
Other operation and maintenance	464.7	464.4	492.5
Depreciation and amortization	416.0	391.3	355.0
Taxes other than income	99.3	97.2	89.5
Operating expenses	980.0	952.9	937.0
OPERATING INCOME	546.1	524.8	507.7
OTHER INCOME (EXPENSE)			
Allowance for equity funds used during construction	6.7	4.8	4.5
Other net periodic benefit expense	(4.3)	(3.1)	(1.2)
Other income	7.1	5.0	6.7
Other expense	(1.8)	(2.6)	(6.9)
Net other income	7.7	4.1	3.1
INTEREST EXPENSE			
Interest on long-term debt	152.7	152.8	138.3
Allowance for borrowed funds used during construction	(3.5)	(1.9)	(2.8)
Interest on short-term debt and other interest charges	2.8	3.9	5.0
Interest expense	152.0	154.8	140.5
INCOME BEFORE TAXES	401.8	374.1	370.3
INCOME TAX EXPENSE	41.8	34.7	20.1
NET INCOME	360.0	339.4	350.2
Other comprehensive income, net of tax	—	—	—
COMPREHENSIVE INCOME	\$ 360.0	\$ 339.4	\$ 350.2

The accompanying Combined Notes to Financial Statements are an integral part hereof.

OKLAHOMA GAS AND ELECTRIC COMPANY
STATEMENTS OF CASH FLOWS

Year Ended December 31 <i>(In millions)</i>	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 360.0	\$ 339.4	\$ 350.2
Adjustments to reconcile net income to net cash (used in) provided from operating activities:			
Depreciation and amortization	416.0	391.3	355.0
Deferred income taxes and other tax credits, net	44.6	40.9	20.4
Allowance for equity funds used during construction	(6.7)	(4.8)	(4.5)
Stock-based compensation expense	2.2	3.0	4.9
Regulatory assets	(874.9)	(112.0)	(47.1)
Regulatory liabilities	(71.2)	(64.0)	(45.6)
Other assets	(2.2)	(3.4)	3.8
Other liabilities	(11.2)	(24.3)	8.4
Change in certain current assets and liabilities:			
Accounts receivable and accrued unbilled revenues, net	(3.0)	4.5	17.0
Fuel, materials and supplies inventories	(3.4)	(8.9)	4.2
Fuel recoveries	(180.5)	63.3	(33.0)
Other current assets	(21.4)	(17.3)	5.9
Accounts payable	(11.0)	64.8	(30.0)
Income taxes payable - parent	0.7	(5.3)	(0.7)
Other current liabilities	3.3	(26.8)	(35.1)
Net cash (used in) provided from operating activities	(358.7)	640.4	573.8
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures (less allowance for equity funds used during construction)	(778.5)	(650.5)	(635.5)
Net cash used in investing activities	(778.5)	(650.5)	(635.5)
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital contribution from OGE Energy	530.0	—	—
Proceeds from long-term debt	499.8	297.1	296.5
Payment of long-term debt	(0.1)	(0.1)	(250.1)
Dividends paid on common stock	(265.0)	(325.0)	—
Changes in advances with parent	372.5	38.1	15.3
Net cash provided from financing activities	1,137.2	10.1	61.7
NET CHANGE IN CASH AND CASH EQUIVALENTS			
	—	—	—
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR			
	—	—	—
CASH AND CASH EQUIVALENTS AT END OF YEAR			
	\$ —	\$ —	\$ —
SUPPLEMENTAL CASH FLOW INFORMATION			
Cash paid during the period for:			
Interest (net of interest capitalized of \$3.5, \$1.9 and \$2.8, respectively)	\$ 148.9	\$ 150.2	\$ 144.6
Income taxes (net of income tax refunds)	\$ (3.2)	\$ (0.2)	\$ 1.3
NON-CASH INVESTING AND FINANCING ACTIVITIES			
Power plant long-term service agreement	\$ 2.4	\$ 6.8	\$ 28.9

The accompanying Combined Notes to Financial Statements are an integral part hereof.

**OKLAHOMA GAS AND ELECTRIC COMPANY
BALANCE SHEETS**

December 31 <i>(In millions)</i>	2021	2020
ASSETS		
CURRENT ASSETS		
Accounts receivable, less reserve of \$2.4 and \$2.6, respectively	\$ 162.0	\$ 156.3
Accrued unbilled revenues	65.0	67.7
Advances to parent	—	272.0
Fuel inventories	40.6	36.5
Materials and supplies, at average cost	117.9	116.2
Fuel clause under recoveries	151.9	—
Other	67.7	36.9
Total current assets	605.1	685.6
OTHER PROPERTY AND INVESTMENTS	3.9	4.1
PROPERTY, PLANT AND EQUIPMENT		
In service	13,893.7	13,290.6
Construction work in progress	252.0	145.5
Total property, plant and equipment	14,145.7	13,436.1
Less: accumulated depreciation	4,318.9	4,067.6
Net property, plant and equipment	9,826.8	9,368.5
DEFERRED CHARGES AND OTHER ASSETS		
Regulatory assets	1,230.8	415.6
Other	21.4	15.2
Total deferred charges and other assets	1,252.2	430.8
TOTAL ASSETS	\$ 11,688.0	\$ 10,489.0

The accompanying Combined Notes to Financial Statements are an integral part hereof.

OKLAHOMA GAS AND ELECTRIC COMPANY
BALANCE SHEETS (Continued)

December 31 <i>(In millions)</i>	2021	2020
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 240.6	\$ 236.7
Advances from parent	101.3	—
Customer deposits	81.1	81.1
Accrued taxes	50.8	53.3
Accrued interest	40.4	40.2
Accrued compensation	27.8	22.5
Fuel clause over recoveries	—	28.6
Other	33.8	33.5
Total current liabilities	575.8	495.9
LONG-TERM DEBT	3,996.5	3,494.4
DEFERRED CREDITS AND OTHER LIABILITIES		
Accrued benefit obligations	75.1	135.4
Deferred income taxes	1,000.4	1,020.8
Deferred investment tax credits	12.8	10.9
Regulatory liabilities	1,231.1	1,188.9
Other	193.5	167.1
Total deferred credits and other liabilities	2,512.9	2,523.1
Total liabilities	7,085.2	6,513.4
COMMITMENTS AND CONTINGENCIES (NOTE 15)		
STOCKHOLDER'S EQUITY		
Common stockholder's equity	1,571.7	1,039.5
Retained earnings	3,031.1	2,936.1
Total stockholder's equity	4,602.8	3,975.6
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	\$ 11,688.0	\$ 10,489.0

The accompanying Combined Notes to Financial Statements are an integral part hereof.

OKLAHOMA GAS AND ELECTRIC COMPANY
STATEMENTS OF CAPITALIZATION

December 31 <i>(In millions except per share data)</i>	2021	2020
STOCKHOLDER'S EQUITY		
Common stock, par value \$2.50 per share; authorized 100.0 shares; and outstanding 40.4 shares and 40.4 shares, respectively	\$ 100.9	\$ 100.9
Premium on common stock	1,470.8	938.6
Retained earnings	3,031.1	2,936.1
Total stockholder's equity	4,602.8	3,975.6
LONG-TERM DEBT		
<u>SERIES</u>	<u>DUE DATE</u>	
<u>Senior Notes</u>		
0.553%	Senior Notes, Series Due May 26, 2023	500.0
6.65%	Senior Notes, Series Due July 15, 2027	125.0
6.50%	Senior Notes, Series Due April 15, 2028	100.0
3.80%	Senior Notes, Series Due August 15, 2028	400.0
3.30%	Senior Notes, Series Due March 15, 2030	300.0
3.25%	Senior Notes, Series Due April 1, 2030	300.0
5.75%	Senior Notes, Series Due January 15, 2036	110.0
6.45%	Senior Notes, Series Due February 1, 2038	200.0
5.85%	Senior Notes, Series Due June 1, 2040	250.0
5.25%	Senior Notes, Series Due May 15, 2041	250.0
3.90%	Senior Notes, Series Due May 1, 2043	250.0
4.55%	Senior Notes, Series Due March 15, 2044	250.0
4.00%	Senior Notes, Series Due December 15, 2044	250.0
4.15%	Senior Notes, Series Due April 1, 2047	300.0
3.85%	Senior Notes, Series Due August 15, 2047	300.0
3.80%	Tinker Debt, Due August 31, 2062	9.3
<u>Other Bonds</u>		
0.11% - 0.27%	Garfield Industrial Authority, January 1, 2025	47.0
0.11% - 0.33%	Muskogee Industrial Authority, January 1, 2025	32.4
0.11% - 0.27%	Muskogee Industrial Authority, June 1, 2027	56.0
	Unamortized debt expense	(23.7)
	Unamortized discount	(9.5)
	Total long-term debt	3,996.5
	Less: long-term debt due within one year	—
	Total long-term debt (excluding long-term debt due within one year)	3,996.5
	Total capitalization (including long-term debt due within one year)	\$ 8,599.3
		\$ 7,470.0

The accompanying Combined Notes to Financial Statements are an integral part hereof.

OKLAHOMA GAS AND ELECTRIC COMPANY
STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

<i>(In millions)</i>	Shares Outstanding	Common Stock	Premium on Common Stock	Retained Earnings	Total
Balance at December 31, 2018	40.4	\$ 100.9	\$ 930.9	\$ 2,571.5	\$ 3,603.3
Net income	—	—	—	350.2	350.2
Stock-based compensation	—	—	4.8	—	4.8
Balance at December 31, 2019	40.4	\$ 100.9	\$ 935.7	\$ 2,921.7	\$ 3,958.3
Net income	—	—	—	339.4	339.4
Dividends declared on common stock...	—	—	—	(325.0)	(325.0)
Stock-based compensation	—	—	2.9	—	2.9
Balance at December 31, 2020	40.4	\$ 100.9	\$ 938.6	\$ 2,936.1	\$ 3,975.6
Net income	—	—	—	360.0	360.0
Dividends declared on common stock...	—	—	—	(265.0)	(265.0)
Capital contribution from OGE Energy	—	—	530.0	—	530.0
Stock-based compensation	—	—	2.2	—	2.2
Balance at December 31, 2021	40.4	\$ 100.9	\$ 1,470.8	\$ 3,031.1	\$ 4,602.8

The accompanying Combined Notes to Financial Statements are an integral part hereof.

COMBINED NOTES TO FINANCIAL STATEMENTS

Index of Combined Notes to Financial Statements

The Combined Notes to the Financial Statements are a combined presentation for OGE Energy and OG&E. The following table indicates the Registrant(s) to which each Note applies.

	OGE Energy	OG&E
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Note 2. Accounting Pronouncements.....	X	X
Note 3. Revenue Recognition.....	X	X
Note 4. Leases.....	X	X
Note 5. Investment in Unconsolidated Affiliates.....	X	
Note 6. Related Party Transactions.....	X	X
Note 7. Fair Value Measurements.....	X	X
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Note 9. Income Taxes.....	X	X
Note 10. Common Equity.....	X	X
Note 11. Long-Term Debt.....	X	X
Note 12. Short-Term Debt and Credit Facilities.....	X	X
Note 13. Retirement Plans and Postretirement Benefit Plans.....	X	X
Note 14. Report of Business Segments.....	X	
Note 15. Commitments and Contingencies.....	X	X
Note 16. Rate Matters and Regulation.....	X	X

1. Summary of Significant Accounting Policies

Organization

OGE Energy is a holding company with investments in energy and energy services providers offering physical delivery and related services for electricity in Oklahoma and western Arkansas and natural gas, crude oil and NGLs across the U.S. OGE Energy conducts these activities through two business segments: (i) electric utility and (ii) natural gas midstream operations. The accounts of OGE Energy and its wholly-owned subsidiaries, including OG&E, are included in OGE Energy's consolidated financial statements. All intercompany transactions and balances are eliminated in such consolidation. OGE Energy generally uses the equity method of accounting for investments where its ownership interest is between 20 percent and 50 percent and it lacks the power to direct activities that most significantly impact economic performance.

Electric Utility Operations. OGE Energy's electric utility operations are conducted through OG&E, which generates, transmits, distributes and sells electric energy in Oklahoma and western Arkansas. OG&E's rates are subject to regulation by the OCC, the APSC and the FERC. OG&E was incorporated in 1902 under the laws of the Oklahoma Territory and is a wholly-owned subsidiary of OGE Energy. OG&E is the largest electric utility in Oklahoma, and its franchised service territory includes Fort Smith, Arkansas and the surrounding communities. OG&E sold its retail natural gas business in 1928 and is no longer engaged in the natural gas distribution business.

Natural Gas Midstream Operations. In February 2021, Enable entered into a definitive merger agreement with Energy Transfer, pursuant to which all outstanding common units of Enable were to be acquired by Energy Transfer in an all-equity transaction. The transaction closed on December 2, 2021, and under the terms of the merger agreement, OGE Energy received 95,389,721 common units of Energy Transfer for OGE Energy's 110,982,805 common units of Enable. As part of the transaction, Energy Transfer also acquired the general partner interests of Enable from OGE Energy and CenterPoint for cash consideration. Upon the transaction closing, OGE Energy owned approximately three percent of Energy Transfer's outstanding limited partner units in lieu of the 25.5 percent interest in Enable that it previously owned. For periods prior to December 2, 2021, OGE Energy's natural gas midstream operations segment represented OGE Energy's investment in Enable, which OGE Energy accounted for as an equity method investment. Formed in 2013, Enable was primarily engaged in the business of gathering, processing, transporting and storing natural gas primarily in the south central U.S. For further discussion regarding

Enable's business, see OGE Energy's [2020 Form 10-K](#). Upon the closing of the Energy Transfer and Enable merger, OGE Energy's natural gas midstream operations segment represents OGE Energy's investment in Energy Transfer's equity securities and legacy Enable seconded employee pension and postretirement costs. The investment in Energy Transfer's equity securities is held through wholly-owned subsidiaries and ultimately OGE Holdings. At December 31, 2021, OGE energy owned 95.4 million, or approximately three percent, of Energy Transfer's limited partner units. OGE Energy does not have significant influence over Energy Transfer, as OGE Energy does not own general partner units in or have board representation at Energy Transfer. As such, OGE Energy accounts for its investment in Energy Transfer as an investment in equity securities, as further discussed under "Investment in Equity Securities of Energy Transfer" below. OGE Energy intends to exit the midstream segment in a prudent manner.

OGE Energy charges operating costs to OG&E, and prior to December 2, 2021, OGE Energy charged operating costs to Enable, based on several factors. Operating costs directly related to OG&E and Enable are assigned as such. Operating costs incurred for the benefit of OG&E and Enable are allocated either as overhead based primarily on labor costs or using the "Distrigas" method. The "Distrigas" method is a three-factor formula that uses an equal weighting of payroll, net operating revenues and gross property, plant and equipment. OGE Energy adopted this method as a result of a recommendation by the OCC Staff. OGE Energy believes this method provides a reasonable basis for allocating common expenses.

Accounting Records

The accounting records of OG&E are maintained in accordance with the Uniform System of Accounts prescribed by the FERC and adopted by the OCC and the APSC. Additionally, OG&E, as a regulated utility, is subject to accounting principles for certain types of rate-regulated activities, which provide that certain incurred costs that would otherwise be charged to expense can be deferred as regulatory assets, based on the expected recovery from customers in future rates. Likewise, certain actual or anticipated credits that would otherwise reduce expense can be deferred as regulatory liabilities, based on the expected flowback to customers in future rates. Management's expected recovery of deferred costs and flowback of deferred credits generally results from specific decisions by regulators granting such ratemaking treatment.

OG&E records certain incurred costs and obligations as regulatory assets or liabilities if, based on regulatory orders or other available evidence, it is probable that the costs or obligations will be included in amounts allowable for recovery or refund in future rates.

The following table presents a summary of OG&E's regulatory assets and liabilities.

December 31 <i>(In millions)</i>	2021	2020
REGULATORY ASSETS		
Current:		
Fuel clause under recoveries	\$ 151.9	\$ —
Oklahoma Energy Efficiency Rider under recoveries (A)	11.7	—
SPP cost tracker under recovery (A)	9.3	7.0
Generation Capacity Replacement Rider under recovery (A)	1.0	4.4
Other (A)	8.7	8.4
Total current regulatory assets	\$ 182.6	\$ 19.8
Non-current:		
Oklahoma Winter Storm Uri costs	\$ 747.9	\$ —
Oklahoma deferred storm expenses	172.8	158.8
Benefit obligations regulatory asset	109.2	164.9
Arkansas Winter Storm Uri costs	88.9	—
Pension tracker	42.9	18.1
Sooner Dry Scrubbers	18.9	19.7
Arkansas deferred pension expenses	12.1	9.3
Unamortized loss on reacquired debt	8.9	9.7
COVID-19 impacts	8.2	6.4
Frontier Plant deferred expenses	6.7	6.4
Smart Grid	3.9	11.2
Other	10.4	11.1
Total non-current regulatory assets	\$ 1,230.8	\$ 415.6
REGULATORY LIABILITIES		
Current:		
Fuel clause over recoveries	\$ —	\$ 28.6
Other (B)	2.5	6.5
Total current regulatory liabilities	\$ 2.5	\$ 35.1
Non-current:		
Income taxes refundable to customers, net	\$ 930.7	\$ 867.4
Accrued removal obligations, net	296.8	316.8
Other	3.6	4.7
Total non-current regulatory liabilities	\$ 1,231.1	\$ 1,188.9

(A) Included in Other Current Assets in the balance sheets.

(B) Included in Other Current Liabilities in the balance sheets.

Fuel clause under and over recoveries are generated from OG&E's customers when OG&E's cost of fuel either exceeds or is less than the amount billed to its customers, respectively. OG&E's fuel recovery clauses are designed to smooth the impact of fuel price volatility on customers' bills. As a result, OG&E under recovers fuel costs in periods of rising fuel prices above the baseline charge for fuel and over recovers fuel costs when prices decline below the baseline charge for fuel. Provisions in the fuel clauses are intended to allow OG&E to amortize under and over recovery balances.

OG&E recovers program costs related to the Energy Efficiency Program in Oklahoma through the Energy Efficiency Rider, which operates on a three-year program cycle. The previous program cycle, which ran through 2021, included recovery of (i) energy efficiency program costs, (ii) lost revenues associated with certain achieved energy efficiency and demand savings, (iii) performance-based incentives and (iv) costs associated with research and development investments. A new program cycle related to 2022 through 2024 programs was approved on February 1, 2022, as further discussed in Note 16.

OG&E recovers certain SPP costs related to base plan charges from its customers and refunds certain SPP revenues received to its customers in Oklahoma through the SPP cost tracker and in Arkansas through the transmission cost recovery rider.

OG&E recovers the Oklahoma jurisdictional portion of costs, including non-fuel operation and maintenance expenses, depreciation, taxes other than income taxes and a return on capital, for its investment in the River Valley plant and, beginning May 1, 2021, the Frontier plant, through the Generation Capacity Replacement Rider. The OCC also authorized OG&E to defer the same costs through April 30, 2021 related to its investment in the Frontier plant to a regulatory asset, and recovery of these costs will be considered in future rate proceedings.

In February 2021, Winter Storm Uri resulted in record winter peak demand for electricity and extremely high natural gas and purchased power prices in OG&E's service territory. OG&E's natural gas costs for the month of February 2021 exceeded the total cost for all of 2020. The OCC allowed OG&E to create a regulatory asset for the Oklahoma portion of all deferred costs with an initial carrying charge based on the effective cost of the related debt financing for an amortization period to be determined at a later date. See Note 16 for further discussion of the Oklahoma securitization process related to this regulatory asset. The APSC allowed OG&E to create a regulatory asset for the Arkansas portion of all deferred costs with an initial carrying charge equal to the current customer deposit interest rate to be recovered over a period of 10 years beginning in May 2021.

OG&E includes in expense any Oklahoma storm-related operation and maintenance expenses up to \$2.7 million annually and defers to a regulatory asset any additional expenses incurred over \$2.7 million. OG&E typically recovers the amounts deferred each year over a five-year period in accordance with historical practice. To mitigate customer impact, OG&E has agreed to recover the portion related to 2020 excess storm costs through the Storm Cost Recovery Rider over a ten-year period.

The benefit obligations regulatory asset is comprised of expenses recorded which are probable of future recovery and that have not yet been recognized as components of net periodic benefit cost, including net loss and prior service cost. These expenses are recorded as a regulatory asset as OG&E historically has recovered and currently recovers pension and postretirement benefit plan expense in its electric rates. If, in the future, the regulatory bodies indicate a change in policy related to the recovery of pension and postretirement benefit plan expenses, this could cause the benefit obligations regulatory asset balance to be reclassified to accumulated other comprehensive income.

The following table presents a summary of the components of the benefit obligations regulatory asset.

December 31 <i>(In millions)</i>	2021	2020
Pension Plan and Restoration of Retirement Income Plan:		
Net loss	\$ 89.6	\$ 147.3
Postretirement Benefit Plans:		
Net loss	23.2	26.2
Prior service cost	(3.6)	(8.6)
Total	\$ 109.2	\$ 164.9

OG&E recovers specific amounts of pension and postretirement medical costs in rates approved in its Oklahoma rate reviews. In accordance with approved orders, OG&E defers the difference between actual pension and postretirement medical expenses and the amount approved in its last Oklahoma rate review as a regulatory asset or regulatory liability. These amounts have been recorded in the Pension tracker regulatory asset in the table above.

As approved by the OCC, OG&E deferred the non-fuel incremental operation and maintenance expenses, depreciation, debt cost associated with the capital investment and related ad valorem taxes for the Dry Scrubbers at Sooner Units 1 and 2 as a regulatory asset, and these costs are being recovered over 25 years.

Arkansas includes a certain level of pension expense in base rates. When the Pension Plan experiences a settlement, which represents an acceleration of future pension costs, OG&E defers to a regulatory asset the Arkansas jurisdictional portion of each settlement, which historically has been recovered from customers over the average life of the remaining plan participants. A portion of these settlements is being recovered in current rates, and recovery of additional amounts will be requested as additional settlements occur. For additional information related to settlements, see Note 13.

Unamortized loss on reacquired debt is comprised of unamortized debt issuance costs related to the early retirement of OG&E's long-term debt. These amounts are recorded in interest expense and are being amortized over the term of the long-term debt which replaced the previous long-term debt. The unamortized loss on reacquired debt is recovered as a part of OG&E's cost of capital.

In response to the COVID-19 pandemic, the OCC and APSC issued orders allowing OG&E to defer certain expenses related to its COVID-19 response, such as incremental expenses that are related to the suspension of or delay in disconnection of service and additional expenses associated with ensuring the continuity of utility service.

OG&E deferred to a regulatory asset the incremental and stranded costs that were accumulated during Smart Grid deployment, including (i) costs for web portal access, (ii) costs for education and home energy reports and (iii) stranded costs associated with OG&E's analog electric meters, which have been replaced by smart meters. As approved by the OCC and APSC, these costs are being recovered over a six-year period ending in 2022 in Oklahoma and 2023 in Arkansas.

Income taxes refundable to customers, net, represents the reduction in accumulated deferred income taxes resulting from the reduction in the federal income tax rate as part of the Tax Cuts and Jobs Act of 2017 and other state tax rate changes and includes income taxes recoverable from customers that represent income tax benefits previously used to reduce OG&E's revenues (treated as regulatory assets). These liabilities will be returned to customers in varying amounts over approximately 80 years, and the assets will be amortized over the estimated remaining life of the assets to which they relate, as the temporary differences that generated the income tax benefits turn around.

Accrued removal obligations, net represents asset retirement costs previously recovered from ratepayers for other than legal obligations.

Management continuously monitors the future recoverability of regulatory assets. When in management's judgment future recovery becomes impaired, the amount of the regulatory asset is adjusted, as appropriate. If OG&E were required to discontinue the application of accounting principles for certain types of rate-regulated activities for some or all of its operations, it could result in writing off the related regulatory assets or liabilities, which could have significant financial effects.

Use of Estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Changes to these assumptions and estimates could have a material effect on the Registrants' financial statements. However, the Registrants believe they have taken reasonable positions where assumptions and estimates are used in order to minimize the negative financial impact to the Registrants that could result if actual results vary from the assumptions and estimates. In management's opinion, the areas where the most significant judgment is exercised include the determination of Pension Plan assumptions, income taxes, contingency reserves, asset retirement obligations, regulatory assets and liabilities, unbilled revenues and the allowance for uncollectible accounts receivable.

Cash and Cash Equivalents

For purposes of the financial statements, the Registrants consider all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. These investments are carried at cost, which approximates fair value.

Allowance for Uncollectible Accounts Receivable

Customer balances are generally written off if not collected within six months after the final billing date. The allowance for uncollectible accounts receivable for OG&E is generally calculated by multiplying the last six months of electric revenue by the provision rate, which is based on a 12-month historical average of actual balances written off and is adjusted for current conditions and supportable forecasts as necessary. To the extent the historical collection rates, when incorporating forecasted conditions, are not representative of future collections, there could be an effect on the amount of uncollectible expense recognized, such as in response to COVID-19 impacts. Also, a portion of the uncollectible provision related to fuel within the Oklahoma jurisdiction is being recovered through the fuel adjustment clause. The allowance for uncollectible accounts receivable is a reduction to Accounts Receivable in the balance sheets and is included in Other Operation and Maintenance Expense in the statements of income. The allowance for uncollectible accounts receivable was \$2.4 million and \$2.6 million at December 31, 2021 and 2020, respectively.

New business customers are required to provide a security deposit in the form of cash, bond or irrevocable letter of credit that is refunded when the account is closed. New residential customers whose outside credit scores indicate an elevated risk are required to provide a security deposit that is refunded based on customer protection rules defined by the OCC and the APSC. The payment behavior of all existing customers is continuously monitored, and, if the payment behavior indicates sufficient risk within the meaning of the applicable utility regulation, customers will be required to provide a security deposit.

Fuel Inventories

Fuel inventories for the generation of electricity consist of coal, natural gas and oil. OG&E uses the weighted-average cost method of accounting for inventory that is physically added to or withdrawn from storage or stockpiles. The amount of fuel inventory was \$40.6 million and \$36.5 million at December 31, 2021 and 2020, respectively.

Property, Plant and Equipment

All property, plant and equipment is recorded at cost. Newly constructed plant is added to plant balances at cost which includes contracted services, direct labor, materials, overhead, transportation costs and the allowance for funds used during construction. Replacements of units of property are capitalized as plant. For assets that belong to a common plant account, the replaced plant is removed from plant balances, and the cost of such property net of any salvage proceeds is charged to Accumulated Depreciation. For assets that do not belong to a common plant account, the replaced plant is removed from plant balances with the related accumulated depreciation, and the remaining balance net of any salvage proceeds is recorded as a loss in the statements of income as Other Expense. Repair and replacement of minor items of property are included in the statements of income as Other Operation and Maintenance Expense.

The following tables present OG&E's ownership interest in the jointly-owned McClain Plant and the jointly-owned Redbud Plant, and, as disclosed below, only OG&E's ownership interest is reflected in the property, plant and equipment and accumulated depreciation balances in these tables. The owners of the remaining interests in the McClain Plant and the Redbud Plant are responsible for providing their own financing of capital expenditures. Also, only OG&E's proportionate interests of any direct expenses of the McClain Plant and the Redbud Plant, such as fuel, maintenance expense and other operating expenses, are included in the applicable financial statement captions in the statements of income.

December 31, 2021 <i>(In millions)</i>	Percentage Ownership	Total Property, Plant and Equipment	Accumulated Depreciation	Net Property, Plant and Equipment
McClain Plant (A)	77 %	\$ 258.5	\$ 109.0	\$ 149.5
Redbud Plant (A)(B)	51 %	\$ 538.2	\$ 203.4	\$ 334.8

(A) Construction work in progress was \$0.2 million and \$0.2 million for the McClain and Redbud Plants, respectively.

(B) This amount includes a plant acquisition adjustment of \$148.3 million and accumulated amortization of \$72.8 million.

December 31, 2020 <i>(In millions)</i>	Percentage Ownership	Total Property, Plant and Equipment	Accumulated Depreciation	Net Property, Plant and Equipment
McClain Plant (A)	77 %	\$ 257.1	\$ 96.0	\$ 161.1
Redbud Plant (A)(B)	51 %	\$ 531.8	\$ 181.9	\$ 349.9

(A) Construction work in progress was \$0.1 million and \$1.8 million for the McClain and Redbud Plants, respectively.

(B) This amount includes a plant acquisition adjustment of \$148.3 million and accumulated amortization of \$67.3 million.

The following tables present the Registrants' major classes of property, plant and equipment and related accumulated depreciation.

December 31, 2021 <i>(In millions)</i>	Total Property, Plant and Equipment	Accumulated Depreciation	Net Property, Plant and Equipment
OG&E:			
Distribution assets	\$ 5,225.8	\$ 1,477.5	\$ 3,748.3
Electric generation assets (A)	5,037.9	1,839.0	3,198.9
Transmission assets (B)	3,038.2	627.0	2,411.2
Intangible plant	301.1	171.7	129.4
Other property and equipment	542.7	203.7	339.0
OG&E property, plant and equipment	14,145.7	4,318.9	9,826.8
Non-OG&E property, plant and equipment	6.1	—	6.1
Total OGE Energy property, plant and equipment	\$ 14,151.8	\$ 4,318.9	\$ 9,832.9

(A) This amount includes a plant acquisition adjustment of \$148.3 million and accumulated amortization of \$72.8 million.

(B) This amount includes a plant acquisition adjustment of \$3.3 million and accumulated amortization of \$0.9 million.

December 31, 2020 <i>(In millions)</i>	Total Property, Plant and Equipment	Accumulated Depreciation	Net Property, Plant and Equipment
OG&E:			
Distribution assets	\$ 4,809.9	\$ 1,422.1	\$ 3,387.8
Electric generation assets (A)	4,932.2	1,713.6	3,218.6
Transmission assets (B)	2,944.6	591.7	2,352.9
Intangible plant	254.1	153.9	100.2
Other property and equipment	495.3	186.3	309.0
OG&E property, plant and equipment	13,436.1	4,067.6	9,368.5
Non-OG&E property, plant and equipment	6.1	—	6.1
Total OGE Energy property, plant and equipment	\$ 13,442.2	\$ 4,067.6	\$ 9,374.6

(A) This amount includes a plant acquisition adjustment of \$148.3 million and accumulated amortization of \$67.3 million.

(B) This amount includes a plant acquisition adjustment of \$3.3 million and accumulated amortization of \$0.9 million.

OG&E's unamortized computer software costs, included in intangible plant above, were \$103.7 million and \$89.7 million at December 31, 2021 and 2020, respectively. OG&E's amortization expense for computer software costs was \$18.1 million, \$14.9 million and \$11.0 million for the years ended December 31, 2021, 2020 and 2019, respectively.

Depreciation and Amortization

The provision for depreciation, which was 2.6 percent of the average depreciable utility plant for both 2021 and 2020, is calculated using the straight-line method over the estimated service life of the utility assets. Depreciation is provided at the unit level for production plant and at the account or sub-account level for all other plant and is based on the average life group method. In 2022, the provision for depreciation is projected to be 2.6 percent of the average depreciable utility plant.

Amortization of intangible assets is calculated using the straight-line method. Of the remaining amortizable intangible plant balance at December 31, 2021, 99.1 percent will be amortized over 10.4 years with the remaining 0.9 percent of the intangible plant balance at December 31, 2021 being amortized over 23.7 years.

Amortization of plant acquisition adjustments is provided on a straight-line basis over the estimated remaining service life of the acquired assets. Plant acquisition adjustments include \$148.3 million for the Redbud Plant, which is being amortized over a 27 year life, and \$3.3 million for certain transmission substation facilities in OG&E's service territory, which is being amortized over a 37 to 59 year period.

Investment in Unconsolidated Affiliates

Prior to December 2, 2021, OGE Energy's investment in Enable was considered to be a variable interest entity because the owners of the equity at risk in the entity had disproportionate voting rights in relation to their obligations to absorb the entity's expected losses or to receive its expected residual returns. However, OGE Energy was not considered the primary beneficiary of Enable since it did not have the power to direct the activities of Enable that are considered most significant to the economic performance of Enable; therefore, OGE Energy accounted for its investment in Enable using the equity method of accounting. Under the equity method, the investment was adjusted each period for contributions made, distributions received and OGE Energy's share of the investee's comprehensive income as adjusted for basis differences.

OGE Energy considered distributions received from Enable which did not exceed cumulative equity in earnings subsequent to the date of investment to be a return on investment and are classified as operating activities in the statements of cash flows. OGE Energy considered distributions received from Enable in excess of cumulative equity in earnings subsequent to the date of investment to be a return of investment and are classified as investing activities in the statements of cash flows.

Investment in Equity Securities of Energy Transfer

OGE Energy accounts for its investment in Energy Transfer's equity securities as an equity investment with a readily determinable fair value under ASC 321, "Investments – Equity Securities." OGE Energy presents the Energy Transfer equity securities at estimated fair value in its balance sheet. OGE Energy presents realized and unrealized gains and losses of the equity securities, as well as dividend income from the investment, within the Other Income (Expense) section in its statement of income, as appropriate. During the period between December 2, 2021 and December 31, 2021, OGE Energy recognized an unrealized loss of \$8.6 million related to its investment in Energy Transfer's equity securities.

On January 25, 2022, Energy Transfer announced a 15 percent increase in its quarterly cash distribution, resulting in a distribution of \$0.175 per unit on its outstanding common units that was paid on February 18, 2022.

Asset Retirement Obligations

OG&E has asset retirement obligations primarily associated with the removal of company-owned wind turbines on leased land, as well as the removal of asbestos from certain power generating stations. OG&E has recorded asset retirement obligations that are being accreted over their respective lives ranging from five to 68 years. Asset retirement obligations are included in Other Deferred Credits in the Registrants' balance sheets.

The following table presents changes to OG&E's asset retirement obligations during the years ended December 31, 2021 and 2020.

<i>(In millions)</i>	2021	2020
Balance at January 1	\$ 79.6	\$ 73.5
Accretion expense	0.6	0.5
Revisions in estimated cash flows (A)	—	5.8
Liabilities settled (B)	—	(0.2)
Balance at December 31	\$ 80.2	\$ 79.6

(A) Assumptions changed related to the estimated timing and estimated cost of the removal of asbestos at OG&E's generating facilities.

(B) Asset retirement obligations were settled for asbestos removal at one of OG&E's generating facilities.

Accruals for environmental costs are recognized when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated. Costs are charged to expense or deferred as a regulatory asset based on expected recovery from customers in future rates, if they relate to the remediation of conditions caused by past operations or if they are not expected to mitigate or prevent contamination from future operations. Where environmental expenditures relate to facilities currently in use, such as pollution control equipment, the costs may be capitalized and depreciated over the future service periods. Estimated remediation costs are recorded at undiscounted amounts, independent of any insurance or rate recovery, based on prior experience, assessments and current technology. Accrued obligations are regularly adjusted as environmental assessments and estimates are revised and remediation efforts proceed. For sites where OG&E has been designated as one of several potentially responsible parties, the amount accrued represents OG&E's estimated share of the cost. OG&E had \$25.8

million and \$25.0 million in accrued environmental liabilities at December 31, 2021 and 2020, respectively, which are included in OG&E's asset retirement obligations.

Allowance for Funds Used During Construction

Allowance for funds used during construction, a non-cash item, is reflected as an increase to Net Other Income and a reduction to Interest Expense in the statements of income and as an increase to Construction Work in Progress in the balance sheets. Allowance for funds used during construction is calculated according to the FERC requirements for the imputed cost of equity and borrowed funds. Allowance for funds used during construction rates, compounded semi-annually, were 7.4 percent, 7.3 percent and 7.6 percent for the years ended December 31, 2021, 2020 and 2019, respectively.

Collection of Sales Tax

In the normal course of its operations, OG&E collects sales tax from its customers. OG&E records a current liability for sales taxes when it bills its customers and eliminates this liability when the taxes are remitted to the appropriate governmental authorities. OG&E excludes the sales tax collected from its operating revenues.

Revenue Recognition

General

OG&E recognizes revenue from electric sales when power is delivered to customers. The performance obligation to deliver electricity is generally created and satisfied simultaneously, and the provisions of the regulatory-approved tariff determine the charges OG&E may bill the customer, payment due date and other pertinent rights and obligations of both parties. OG&E measures its customers' metered usage and sends bills to its customers throughout each month. As a result, there is a significant amount of customers' electricity consumption that has not been billed at the end of each month. OG&E accrues an estimate of the revenues for electric sales delivered since the latest billings. Unbilled revenue is presented in Accrued Unbilled Revenues in the balance sheets and in Revenues from Contracts with Customers in the statements of income based on estimates of usage and prices during the period. The estimates that management uses in this calculation could vary from the actual amounts to be paid by customers.

Integrated Market and Transmission

OG&E currently owns and operates transmission and generation facilities as part of a vertically integrated utility. OG&E is a member of the SPP regional transmission organization and has transferred operational authority, but not ownership, of OG&E's transmission facilities to the SPP. The SPP has implemented FERC-approved regional day-ahead and real-time markets for energy and operating services, as well as associated transmission congestion rights. Collectively, the three markets operate together under the global name, SPP Integrated Marketplace. OG&E represents owned and contracted generation assets and customer load in the SPP Integrated Marketplace for the sole benefit of its customers. OG&E has not participated in the SPP Integrated Marketplace for any speculative trading activities.

OG&E records the SPP Integrated Marketplace transactions as sales or purchases per FERC Order 668, which requires that purchases and sales be recorded on a net basis for each settlement period of the SPP Integrated Marketplace. Purchases and sales are based on the fixed transaction price determined by the market at the time of the purchase or sale and the MWh quantity purchased or sold. These results are reported as Revenues from Contracts with Customers or Fuel, Purchased Power and Direct Transmission Expense in the statements of income. OG&E revenues, expenses, assets and liabilities may be adversely affected by changes in the organization, operating and regulation by the FERC or the SPP.

OG&E's transmission revenues are generated by the use of OG&E's transmission network by the SPP, which operates the network, on behalf of other transmission owners. OG&E recognizes revenue on the sale of transmission service to its customers over time as the service is provided in the amount OG&E has a right to invoice. Transmission service to the SPP is billed monthly based on a fixed transaction price determined by OG&E's FERC-approved formula transmission rates along with other SPP-specific charges and the megawatt quantity reserved.

Other Revenues

Other Revenues in the statements of income is comprised of certain rider revenue that includes alternative revenue measures as defined in ASC 980, "Regulated Operations," which details two types of alternative revenue programs. The first type adjusts billings for the effects of weather abnormalities or broad external factors or to compensate OG&E for demand-side

management initiatives (i.e., no-growth plans and similar conservation efforts). The second type provides for additional billings (i.e., incentive awards) for the achievement of certain objectives, such as reducing costs, reaching specified milestones or demonstratively improving customer service. Once the specific events permitting billing of the additional revenues under either program type have been completed, OG&E recognizes the additional revenues if (i) the program is established by an order from OG&E's regulatory commission that allows for automatic adjustment of future rates; (ii) the amount of additional revenues for the period is objectively determinable and is probable of recovery; and (iii) the additional revenues will be collected within 24 months following the end of the annual period in which they are recognized.

Fuel Adjustment Clauses

The actual cost of fuel used in electric generation and certain purchased power costs are generally recoverable from OG&E's customers through fuel adjustment clauses. The fuel adjustment clauses are subject to periodic review by the OCC and the APSC.

Actual fuel costs from Winter Storm Uri are recoverable from OG&E's customers through securitization of regulatory assets. Both the OCC and the APSC allowed OG&E to create a regulatory asset for each jurisdictional portion of all deferred costs, as further discussed above within "Accounting Records." For additional information on Oklahoma securitization, see Note 16.

Leases

The Registrants evaluate all contracts under ASC 842 to determine if the contract is or contains a lease and to determine classification as an operating or finance lease. If a lease is identified, the Registrants recognize a right-of-use asset and a lease liability in their balance sheets. The Registrants recognize and measure a lease liability when they conclude the contract contains an identified asset that the Registrants control through having the right to obtain substantially all of the economic benefits and the right to direct the use of the identified asset. The liability is equal to the present value of lease payments, and the asset is based on the liability, subject to adjustment, such as for initial direct costs. Further, the Registrants utilize an incremental borrowing rate for purposes of measuring lease liabilities, if the discount rate is not implicit in the lease. To calculate the incremental borrowing rate, the Registrants start with a current pricing report for their senior unsecured notes, which indicates rates for periods reflective of the lease term, and adjust for the effects of collateral to arrive at the secured incremental borrowing rate. As permitted by ASC 842, the Registrants made an accounting policy election to not apply the balance sheet recognition requirements to short-term leases and to not separate lease components from non-lease components when recognizing and measuring lease liabilities. For income statement purposes, the Registrants record operating lease expense on a straight-line basis.

Income Taxes

OGE Energy files consolidated income tax returns in the U.S. federal jurisdiction and various state jurisdictions. OG&E is a part of the consolidated tax return of OGE Energy. Income taxes are generally allocated to each company in the affiliated group, including OG&E, based on its stand-alone taxable income or loss. Federal investment tax credits previously claimed on electric utility property have been deferred and will be amortized to income over the life of the related property. The Registrants use the asset and liability method of accounting for income taxes. Under this method, a deferred tax asset or liability is recognized for the estimated future tax effects attributable to temporary differences between the financial statement basis and the tax basis of assets and liabilities as well as tax credit carry forwards and net operating loss carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period of the change. The Registrants recognize interest related to unrecognized tax benefits in Interest Expense and recognize penalties in Other Expense in the statements of income.

Accrued Vacation

The Registrants accrue vacation pay monthly by establishing a liability for vacation earned. Vacation may be taken as earned and is charged against the liability. At the end of each year, the liability represents the amount of vacation earned but not taken.

Accumulated Other Comprehensive Income (Loss)

The following table presents changes in the components of accumulated other comprehensive income (loss) attributable to OGE Energy during 2020 and 2021. All amounts below are presented net of tax.

<i>(In millions)</i>	Pension Plan and Restoration of Retirement Income Plan		Postretirement Benefit Plans		Other Comprehensive Gain (Loss) from Unconsolidated Affiliates		Total
	Net Gain (Loss)	Prior Service Cost (Credit)	Net Gain (Loss)	Prior Service Cost (Credit)			
Balance at December 31, 2019	\$ (34.9)	\$ (0.2)	\$ 4.2	\$ 3.6	\$ (0.6)	\$ (27.9)	
Other comprehensive income (loss) before reclassifications	(5.1)	—	(2.4)	—	(0.7)	(8.2)	
Amounts reclassified from accumulated other comprehensive income (loss)	3.9	—	(0.1)	(1.7)	—	2.1	
Curtailment	—	—	(0.3)	—	—	(0.3)	
Settlement cost	2.2	—	—	—	—	2.2	
Net current period other comprehensive income (loss)	1.0	—	(2.8)	(1.7)	(0.7)	(4.2)	
Balance at December 31, 2020	(33.9)	(0.2)	1.4	1.9	(1.3)	(32.1)	
Other comprehensive income (loss) before reclassifications	1.4	(1.1)	(0.7)	—	1.3	0.9	
Amounts reclassified from accumulated other comprehensive income (loss)	1.6	0.1	0.1	(1.4)	—	0.4	
Settlement cost	6.0	—	—	—	—	6.0	
Net current period other comprehensive income (loss)	9.0	(1.0)	(0.6)	(1.4)	1.3	7.3	
Balance at December 31, 2021	\$ (24.9)	\$ (1.2)	\$ 0.8	\$ 0.5	\$ —	\$ (24.8)	

The following table presents significant amounts reclassified out of accumulated other comprehensive income (loss) by the respective line items in net income (loss) during the years ended December 31, 2021 and 2020.

Details about Accumulated Other Comprehensive Income (Loss) Components	Amount Reclassified from Accumulated Other Comprehensive Income (Loss)		Affected Line Item in OGE Energy's Statements of Income
	Year Ended December 31,		
(In millions)	2021	2020	
Amortization of Pension Plan and Restoration of Retirement Income Plan items:			
Actuarial losses	\$ (2.5)	\$ (5.1)	(A)
Prior service cost	(0.1)	—	(A)
Settlement cost	(8.7)	(2.9)	(A)
	(11.3)	(8.0)	Income (Loss) Before Taxes
	(3.6)	(1.9)	Income Tax Expense (Benefit)
	\$ (7.7)	\$ (6.1)	Net Income (Loss)
Amortization of postretirement benefit plans items:			
Prior service credit	\$ 1.8	\$ 2.3	(A)
Curtailment cost	—	0.4	(A)
Actuarial gains (losses)	(0.1)	0.1	(A)
	1.7	2.8	Income (Loss) Before Taxes
	0.4	0.7	Income Tax Expense (Benefit)
	\$ 1.3	\$ 2.1	Net Income (Loss)
Total reclassifications for the period, net of tax	\$ (6.4)	\$ (4.0)	Net Income (Loss)

(A) These accumulated other comprehensive income (loss) components are included in the computation of net periodic benefit cost (see Note 13 for additional information).

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation. OGE Energy changed the classification of certain investments in its 2020 consolidated balance sheet to conform with current year presentation. The prior year reclassification of \$23.1 million from Investment in Unconsolidated Affiliates to Other Property and Investments did not impact previously reported current or total assets.

2. Accounting Pronouncements

The Registrants believe that recently adopted and recently issued accounting standards that are not yet effective do not appear to have a material impact on the Registrants' financial position, results of operations or cash flows upon adoption.

3. Revenue Recognition

The following table presents OG&E's revenues from contracts with customers disaggregated by customer classification. OG&E's operating revenues disaggregated by customer classification can be found in "OG&E (Electric Utility) Results of Operations" within "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations."

<i>(In millions)</i>	Year Ended December 31,		
	2021	2020	2019
Residential	\$ 1,309.1	\$ 842.7	\$ 865.8
Commercial	749.2	465.6	486.6
Industrial	323.0	192.6	217.8
Oilfield	312.8	169.2	200.4
Public authorities and street light	284.4	172.3	190.3
System sales revenues	2,978.5	1,842.4	1,960.9
Provision for rate refund	—	3.8	(0.9)
Integrated market	468.9	49.6	38.4
Transmission	140.2	143.3	148.0
Other	1.1	30.7	29.1
Revenues from contracts with customers (A)	\$ 3,588.7	\$ 2,069.8	\$ 2,175.5

(A) In February 2021, Winter Storm Uri resulted in record winter peak demand for electricity and extremely high natural gas and purchased power prices in OG&E's service territory. Operating revenues significantly increased due to increased fuel, purchased power and direct transmission expenses, which are generally recoverable from customers, as a result of Winter Storm Uri. For further discussion, see Note 16 and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations."

4. Leases

Based on their evaluation of all contracts under ASC 842, as described in Note 1, the Registrants concluded they have operating lease obligations as described below.

Operating Leases

OG&E Railcar Lease Agreement

Effective February 1, 2019, OG&E renewed a railcar lease agreement for 780 rotary gondola railcars to transport coal from Wyoming to OG&E's coal-fired generation units. Rental payments are charged to fuel expense and are recoverable through OG&E's fuel adjustment clauses. On February 1, 2024, OG&E has the option to either purchase the railcars at a stipulated fair market value or renew the lease. If OG&E chooses not to purchase the railcars or renew the lease agreement and the actual fair value of the railcars is less than the stipulated fair market value, OG&E would be responsible for the difference in those values up to a maximum of \$6.8 million.

OG&E Wind Farm Land Lease Agreements

OG&E has operating leases related to land for OG&E's Centennial, OU Spirit and Crossroads wind farms with terms of 25 to 30 years. The Centennial lease has rent escalations which increase annually based on the Consumer Price Index. While lease liabilities are not remeasured as a result of changes to the Consumer Price Index, changes to the Consumer Price Index are treated as variable lease payments and recognized in the period in which the obligation for those payments was incurred. The OU Spirit and Crossroads leases have rent escalations which increase after five and 10 years. Although the leases are cancellable, OG&E is required to make annual lease payments as long as the wind turbines are located on the land. OG&E does not expect to terminate the leases until the wind turbines reach the end of their useful life.

Financial Statement Information and Maturity Analysis of Lease Liabilities

The following tables present amounts recognized for operating leases in the Registrants' income statements, cash flow statements and balance sheets and supplemental information related to those amounts recognized.

<i>(In millions)</i>	OGE Energy			OG&E		
	Year Ended December 31,			Year Ended December 31,		
	2021	2020	2019	2021	2020	2019
Operating lease cost	\$ 6.3	\$ 6.4	\$ 6.0	\$ 5.7	\$ 5.5	\$ 5.1
Cash paid for amounts included in the measurement of lease liabilities:						
Operating cash flows for operating leases	\$ 6.3	\$ 6.4	\$ 5.6	\$ 5.7	\$ 5.5	\$ 4.8
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ —	\$ 1.4	\$ 10.7	\$ —	\$ 1.4	\$ 10.7

<i>(Dollars in millions)</i>	OGE Energy		OG&E	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Right-of-use assets at period end (A)	\$ 33.0	\$ 37.6	\$ 33.0	\$ 37.0
Operating lease liabilities at period end (B)	\$ 37.6	\$ 42.3	\$ 37.6	\$ 41.7
Operating lease weighted-average remaining lease term <i>(in years)</i>	12.2	12.5	12.2	12.7
Operating lease weighted-average discount rate	3.9 %	3.9 %	3.9 %	3.9 %

(A) Included in Property, Plant and Equipment in the Registrants' balance sheets.

(B) Included in Other Deferred Credits and Other Liabilities in the Registrants' balance sheets.

The following table presents a maturity analysis of the Registrants' operating lease liabilities.

Future minimum operating lease payments as of December 31:	OGE Energy	OG&E
<i>(In millions)</i>		
2022	\$ 5.7	\$ 5.7
2023	5.1	5.1
2024	3.1	3.1
2025	3.0	3.0
2026	3.0	3.0
Thereafter	28.7	28.7
Total future minimum lease payments	48.6	48.6
Less: Imputed interest	11.0	11.0
Present value of net minimum lease payments	\$ 37.6	\$ 37.6

5. Investment in Unconsolidated Affiliates

On December 2, 2021, Energy Transfer completed its acquisition of Enable, and all of the 110,982,805 common units of Enable owned by OGE Energy were exchanged for 95,389,721 common units of Energy Transfer. As part of the transaction, Energy Transfer also acquired the general partner interests of Enable from OGE Energy and CenterPoint for cash consideration. Further discussion of the transaction can be found in Note 1. The below discussion relates to OGE Energy's equity method investment in Enable prior to December 2, 2021.

In 2013, OGE Energy, CenterPoint and another party formed Enable as a private limited partnership, and OGE Energy and the other party indirectly contributed 100 percent of the equity interests in Enogex LLC to Enable. OGE Energy determined that its contribution of Enogex LLC to Enable met the requirements of being in substance real estate and recorded the contribution at historical cost. The formation of Enable was considered a business combination, and CenterPoint was the acquirer of Enogex Holdings for accounting purposes. Under this method, the fair value of the consideration paid by

CenterPoint for Enogex Holdings was allocated to the assets acquired and liabilities assumed based on their fair value. Enogex Holdings' assets, liabilities and equity were accordingly adjusted to estimated fair value, resulting in an increase to Enable's equity of \$2.2 billion. Since the contribution of Enogex LLC to Enable was recorded at historical cost, the effects of the amortization and depreciation expense associated with the fair value adjustments on Enable's results of operations were eliminated in OGE Energy's recording of its equity in earnings of Enable through the closing date of December 2, 2021. As prior real estate sales accounting guidance was superseded by ASU 2017-05, "Other Income - Gains and Losses from the Derecognition of Nonfinancial Assets," prior to December 2, 2021, OGE Energy recognized gains or losses on sales or dilution events in its investment in Enable within OGE Energy's earnings, net of proportional basis difference recognition.

OGE Energy recorded equity in earnings of unconsolidated affiliates of \$169.8 million for the period of January 1, 2021 through December 2, 2021 compared to equity in losses of unconsolidated affiliates of \$668.0 million for the year ended December 31, 2020 and equity in earnings of unconsolidated affiliates of \$113.9 million for the year ended December 31, 2019. Equity in earnings (losses) of unconsolidated affiliates includes OGE Energy's share of Enable's earnings adjusted for the amortization of the basis difference of OGE Energy's original investment in Enogex LLC and its previous underlying equity in the net assets of Enable, as well as any impairment OGE Energy recorded on its investment in Enable. Equity in earnings (losses) of unconsolidated affiliates was also adjusted for the elimination of the Enogex Holdings fair value adjustments, as described above. These amortizations may also include gain or loss on dilution, net of proportional basis difference recognition.

The following tables present summarized unaudited financial information for 100 percent of Enable as of December 2, 2021 and December 31, 2020 and for the period of January 1, 2021 through December 2, 2021 and the years ended December 31, 2020 and 2019.

Balance Sheet	December 2, 2021	December 31, 2020
<i>(In millions)</i>		
Current assets	\$ 594	\$ 381
Non-current assets	\$ 11,227	\$ 11,348
Current liabilities	\$ 1,254	\$ 582
Non-current liabilities	\$ 3,281	\$ 4,052

Income Statement	Period of January 1, 2021 through December 2, 2021	Year Ended	
		December 31, 2020	December 31, 2019
<i>(In millions)</i>			
Total revenues	\$ 3,466	\$ 2,463	\$ 2,960
Cost of natural gas and NGLs (excluding depreciation and amortization)	\$ 1,959	\$ 965	\$ 1,279
Operating income	\$ 634	\$ 465	\$ 569
Net income	\$ 461	\$ 52	\$ 360

The following table presents a reconciliation of OGE Energy's equity in earnings (losses) of unconsolidated affiliates for the period of January 1, 2021 through December 2, 2021 and the years ended December 31, 2020 and 2019. For further discussion of Enable's net income, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Results of Operations - OGE Holdings (Natural Gas Midstream Operations)."

<i>(In millions)</i>	Period of January 1, 2021 through December 2, 2021	Year Ended	
		December 31, 2020	December 31, 2019
Enable net income	\$ 461.0	\$ 52.0	\$ 360.0
Differences due to timing of OGE Energy and Enable accounting close	9.0	—	—
Enable net income used to calculate OGE Energy's equity in earnings	\$ 470.0	\$ 52.0	\$ 360.0
OGE Energy's percent ownership at period end	25.5 %	25.5 %	25.5 %
OGE Energy's portion of Enable net income	\$ 119.8	\$ 13.2	\$ 91.8
Amortization of basis difference and dilution recognition (A)	50.0	98.8	22.1
Impairment of OGE Energy's equity method investment in Enable (B)	—	(780.0)	—
Equity in earnings (losses) of unconsolidated affiliates (C)	\$ 169.8	\$ (668.0)	\$ 113.9

(A) Includes loss on dilution, net of proportional basis difference recognition.

(B) Effective March 31, 2020, OGE Energy estimated the fair value of its investment in Enable was below the book value and concluded the decline in value was not temporary due to the severity of the decline and recent rapid deterioration, as well as the near term future outlook, of the midstream oil and gas industry. Accordingly, OGE Energy recorded a \$780.0 million impairment on its investment in Enable in 2020. Further information concerning the fair value method used to measure the impairment on OGE Energy's investment in Enable can be found in Note 7.

(C) For the year ended December 31, 2020, Enable recorded a \$225.0 million impairment on its SESH equity method investment. Enable estimated the fair value of this equity method investment was below the carrying value at September 30, 2020 and concluded the decline in value was other than temporary due to the expiration of a transportation contract and the current status of renewal negotiations. The impairment ran through OGE Energy's portion of Enable net income and was offset by basis differences that flow through the amortization of basis difference and dilution recognition line item above.

Distributions received from Enable were \$73.4 million, \$91.7 million and \$144.0 million during the years ended December 31, 2021, 2020 and 2019, respectively.

OGE Energy accounted for its investment in Enable as an equity method investment until the merger with Energy Transfer closed on December 2, 2021. As a result of the transaction, OGE Energy recorded a pre-tax gain of \$344.4 million, which contemplates the December 2, 2021 fair value of the Energy Transfer securities, the December 2, 2021 balance of OGE Energy's equity method investment in Enable, the \$35.0 million cash payment received as part of the transaction (\$5.0 million from Energy Transfer and \$30.0 million from CenterPoint), the accumulated other comprehensive loss impact of OGE Energy's share of Enable's interest rate derivative losses and OGE Energy's transaction costs of \$8.6 million.

6. Related Party Transactions

OGE Energy charges operating costs to OG&E, and prior to December 2, 2021, charged operating costs to Enable, based on several factors. Operating costs directly related to OG&E and/or Enable are assigned as such. Operating costs incurred for the benefit of OG&E are allocated either as overhead based primarily on labor costs or using the "Distrigas" method, which is a three-factor formula that uses an equal weighting of payroll, net operating revenues and gross property, plant and equipment.

OGE Energy and OG&E

OGE Energy charged operating costs to OG&E of \$139.3 million, \$140.6 million and \$149.8 million during the years ended December 31, 2021, 2020 and 2019, respectively. In 2021 and 2020, OG&E declared dividends to OGE Energy of \$265.0 million and \$325.0 million, respectively. In 2019, no dividends were declared from OG&E to OGE Energy.

OGE Energy and Enable

Prior to December 2, 2021, OGE Energy and Enable were parties to several agreements whereby OGE Energy provided specified support services to Enable, such as certain information technology, payroll and benefits administration. Under these agreements, OGE Energy charged operating costs to Enable of \$0.3 million, \$0.4 million and \$0.5 million for the period of January 1, 2021 through December 2, 2021, year ended December 31, 2020 and year ended December 31, 2019, respectively.

OGE Energy provided retirement benefits and retiree health care benefits to 63 employees previously seconded to Enable. OGE Energy billed Enable for reimbursement of \$12.2 million, \$17.3 million and \$23.2 million in 2021, 2020 and 2019, respectively, under the former seconding agreement for employment costs. As a result of the merger between Enable and Energy Transfer, the seconding agreement was terminated, and those employees are no longer employed by OGE Energy. If lump sum payments were made to those employees previously seconded to Enable, OGE Energy would recognize a settlement or curtailment of the pension/retiree health care charges, which would increase expense at OGE Energy by \$19.4 million. Settlement and curtailment charges associated with the employees previously seconded to Enable are not reimbursable to OGE Energy.

OGE Energy had accounts receivable from Enable for amounts billed for support services, including the cost of seconded employees, of \$0.3 million and \$2.0 million as of December 31, 2021 and 2020, respectively, which are included in Accounts Receivable in OGE Energy's balance sheets.

OG&E and Enable

Enable provided gas transportation services to OG&E pursuant to agreements, which expire in May 2024 and December 2038, that granted Enable the responsibility of delivering natural gas to OG&E's generating facilities and performing an imbalance service. With this imbalance service, in accordance with the cash-out provision of the contract, OG&E purchased gas from Enable when Enable's deliveries exceeded OG&E's pipeline receipts. Enable purchased gas from OG&E when OG&E's pipeline receipts exceeded Enable's deliveries. Further, an additional gas transportation services contract with Enable became effective in December 2018 related to the project to convert Muskogee Units 4 and 5 from coal to natural gas. Upon the closing of the merger between Enable and Energy Transfer, these contracts were assumed by Energy Transfer. The following table presents summarized related party transactions between OG&E and Enable during the period of January 1, 2021 through December 2, 2021 and the years ended December 31, 2020 and 2019.

<i>(In millions)</i>	Period of January 1, 2021 through December 2, 2021	Year Ended	
		December 31, 2020	December 31, 2019
Operating revenues:			
Electricity to power electric compression assets.....	\$ 13.3	\$ 15.1	\$ 15.9
Fuel, purchased power and direct transmission expense:			
Natural gas transportation services	\$ 32.7	\$ 32.8	\$ 41.2
Natural gas purchases (sales)	\$ (33.5)	\$ 2.7	\$ (6.0)

7. Fair Value Measurements

The classification of the Registrants' fair value measurements requires judgment regarding the degree to which market data is observable or corroborated by observable market data. GAAP establishes a fair value hierarchy that prioritizes the inputs used to measure fair value based on observable and unobservable data. The hierarchy categorizes the inputs into three levels, with the highest priority given to quoted prices in active markets for identical unrestricted assets or liabilities (Level 1) and the lowest priority given to unobservable inputs (Level 3). Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The three levels defined in the fair value hierarchy are as follows:

Level 1 inputs are quoted prices in active markets for identical unrestricted assets or liabilities that are accessible at the measurement date.

Level 2 inputs are inputs other than quoted prices in active markets included within Level 1 that are either directly or indirectly observable at the reporting date for the asset or liability for substantially the full term of the asset or liability. Level 2

inputs include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3 inputs are prices or valuation techniques for the asset or liability that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity). Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

OG&E had no financial instruments measured at fair value on a recurring basis at December 31, 2021 and 2020. The following table presents OGE Energy's financial instrument measured at fair value on a recurring basis and the carrying amount and fair value of the Registrants' financial instruments at December 31, 2021 and 2020, as well as the classification level within the fair value hierarchy.

December 31 <i>(In millions)</i>	2021		2020		Classification
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	
Financial instrument measured at fair value on a recurring basis:					
OGE Energy investment in Energy Transfer's equity securities	\$ 785.1	\$ 785.1	(A)	(A)	Level 1
Financial instruments for which fair value is only disclosed:					
Long-term Debt (including Long-term Debt due within one year):					
OGE Energy Senior Notes	\$ 499.9	\$ 497.8	\$ —	\$ —	Level 2
OG&E Senior Notes	\$ 3,851.8	\$ 4,460.2	\$ 3,349.6	\$ 4,182.1	Level 2
OG&E Industrial Authority Bonds	\$ 135.4	\$ 135.4	\$ 135.4	\$ 135.4	Level 2
Tinker Debt	\$ 9.3	\$ 10.0	\$ 9.4	\$ 10.7	Level 3

(A) OGE Energy's ownership of Energy Transfer securities was effective as of December 2, 2021; therefore, the investment in Energy Transfer's equity securities was not held at December 31, 2020.

Nonrecurring Fair Value Measurements

As further discussed in Note 5, OGE Energy recorded an impairment on its investment in Enable in March 2020. The nonrecurring fair value measurement consisted of calculating a 20-trading day volume weighted average price for Enable's common units through March 31, 2020. This method of valuation was determined to be representative of the fair value of Enable's common units as it incorporated market prices during the period and reduced the impact of volatility that a single day could represent. OGE Energy concluded that this valuation method resulted in a Level 3 nonrecurring fair value measurement.

8. Stock-Based Compensation

In 2013, OGE Energy adopted, and its shareholders approved, the Stock Incentive Plan. Under the Stock Incentive Plan, restricted stock, restricted stock units, stock options, stock appreciation rights and performance units may be granted to officers, directors and other key employees of OGE Energy and its subsidiaries, including OG&E. OGE Energy has authorized the issuance of up to 7,400,000 shares under the Stock Incentive Plan.

The following table presents the Registrants' pre-tax compensation expense and related income tax benefit for the years ended December 31, 2021, 2020 and 2019 related to performance units and restricted stock units for the Registrants' employees.

Year Ended December 31 <i>(In millions)</i>	OGE Energy			OG&E		
	2021	2020	2019	2021	2020	2019
Performance units:						
Total shareholder return.....	\$ 7.5	\$ 7.9	\$ 8.7	\$ 1.8	\$ 2.3	\$ 3.0
Earnings per share.....	—	1.0	4.3	—	0.3	1.5
Total performance units.....	7.5	8.9	13.0	1.8	2.6	4.5
Restricted stock units						
Total compensation expense.....	\$ 9.8	\$ 9.8	\$ 13.9	\$ 2.2	\$ 3.0	\$ 4.9
Income tax benefit.....	\$ 2.5	\$ 2.5	\$ 3.6	\$ 0.6	\$ 0.8	\$ 1.3

During the year ended December 31, 2020, OGE Energy purchased 405,000 shares of its common stock, and 154,523 and 247,252 of these shares were used during December 31, 2021 and 2020, respectively, to satisfy payouts of earned performance units and restricted stock unit grants to the Registrants' employees pursuant to OGE Energy's Stock Incentive Plan. The shares were purchased at an average cost of \$38.04 and \$33.14 per share on the open market during March 2020 and August 2020, respectively. OGE Energy records treasury stock purchases at cost. Treasury stock is presented as a reduction of stockholders' equity in OGE Energy's balance sheets.

During the year ended December 31, 2020, there was an immaterial number of shares of new common stock issued pursuant to OGE Energy's Stock Incentive Plan to satisfy restricted stock unit grants to employees. During the year ended December 31, 2019, OGE Energy issued 443,900 shares of new common stock to satisfy payouts of earned performance units and restricted stock unit grants to the Registrants' employees.

Performance Units

Under the Stock Incentive Plan, OGE Energy has issued performance units which represent the value of one share of OGE Energy's common stock. The performance units provide for accelerated vesting if there is a change in control (as defined in the Stock Incentive Plan). Each performance unit is subject to forfeiture if the recipient terminates employment with OGE Energy or a subsidiary prior to the end of the primarily three-year award cycle for any reason other than death, disability or retirement. In the event of death, disability or retirement, a participant will receive a prorated payment based on such participant's number of full months of service during the award cycle, further adjusted based on the achievement of the performance goals during the award cycle. The Registrants estimate expected forfeitures in accounting for performance unit compensation expense.

The performance units granted based on total shareholder return are contingently awarded and will be payable in shares of OGE Energy's common stock subject to the condition that the number of performance units, if any, earned by the employees upon the expiration of a primarily three-year award cycle (i.e., three-year cliff vesting period) is dependent on OGE Energy's total shareholder return ranking relative to a peer group of companies. The performance units granted based on earnings per share were contingently awarded and will be payable in shares of OGE Energy's common stock based on OGE Energy's earnings per share growth over a primarily three-year award cycle (i.e., three-year cliff vesting period) compared to a target set at the time of the grant by the Compensation Committee of OGE Energy's Board of Directors. All of these performance units are classified as equity in the balance sheets. If there is no or only a partial payout for the performance units at the end of the award cycle, the unearned performance units are cancelled. Payout requires approval of the Compensation Committee of OGE Energy's Board of Directors. Payouts, if any, are all made in common stock and are considered made when the payout is approved by the Compensation Committee.

Performance Units – Total Shareholder Return

The fair value of the performance units based on total shareholder return was estimated on the grant date using a lattice-based valuation model that factors in information, including the expected dividend yield, expected price volatility, risk-free interest rate and the probable outcome of the market condition, over the expected life of the performance units. Compensation expense for the performance units is a fixed amount determined at the grant date fair value and is recognized over the primarily three-year award cycle regardless of whether performance units are awarded at the end of the award cycle. Dividends are accrued on a quarterly basis pending achievement of payout criteria and are included in the fair value calculations. Expected price volatility is based on the historical volatility of OGE Energy's common stock for the past three years and is simulated using the Geometric Brownian Motion process. The risk-free interest rate for the performance unit grants is based on the three-year U.S. Treasury yield curve in effect at the time of the grant. The expected life of the units is based on the non-vested period since inception of the award cycle. There are no post-vesting restrictions related to OGE Energy's performance units based on total shareholder return. The following table presents the number of performance units granted based on total shareholder return and the assumptions used to calculate the grant date fair value of the performance units based on total shareholder return.

	OGE Energy			OG&E		
	2021	2020	2019	2021	2020	2019
Number of units granted	249,909	201,552	208,647	68,720	67,975	68,396
Fair value of units granted	\$ 38.14	\$ 38.03	\$ 47.00	\$ 38.14	\$ 38.03	\$ 47.00
Expected dividend yield	4.7 %	3.5 %	4.0 %	4.7 %	3.5 %	4.0 %
Expected price volatility	29.0 %	15.0 %	17.0 %	29.0 %	15.0 %	17.0 %
Risk-free interest rate	0.22 %	1.17 %	2.47 %	0.22 %	1.17 %	2.47 %
Expected life of units (<i>in years</i>)	2.84	2.85	2.86	2.85	2.85	2.86

Performance Units – Earnings Per Share

In 2019, the Compensation Committee of OGE Energy's Board of Directors voted to grant restricted stock units in lieu of performance units based on earnings per share. The last outstanding grant of performance units based on earnings per share paid out during 2021. Prior to payout, OGE Energy reassessed at each reporting date whether achievement of the performance condition was probable and accrued compensation expense if and when achievement of the performance condition was probable. As a result, the compensation expense recognized for these performance units varied from period to period. There are no post-vesting restrictions related to OGE Energy's performance units based on earnings per share.

Restricted Stock Units

Under the Stock Incentive Plan, OGE Energy has issued restricted stock units to certain existing non-officer employees as well as other executives upon hire to attract and retain individuals to be competitive in the marketplace, and as of the 2019 grant cycle, restricted stock units are granted in lieu of performance units based on earnings per share. The restricted stock units vest primarily in a three-year award cycle (i.e., three-year cliff vesting period). Prior to vesting, each restricted stock unit is subject to forfeiture if the recipient ceases to render substantial services to OGE Energy or a subsidiary. These restricted stock units may not be sold, assigned, transferred or pledged and are subject to a risk of forfeiture.

The fair value of the restricted stock units was based on the closing market price of OGE Energy's common stock on the grant date. Compensation expense for the restricted stock units is a fixed amount determined at the grant date fair value and is recognized as services are rendered by employees over a primarily three-year vesting period. Also, for those restricted stock units that vest in one-third annual increments over a three-year cycle, OGE Energy treats its restricted stock units as multiple separate awards by recording compensation expense separately for each tranche whereby a substantial portion of the expense is recognized in the earlier years in the requisite service period.

Dividends will only be paid on restricted stock unit awards that vest; therefore, only the present value of dividends expected to vest are included in the fair value calculations. The expected life of the restricted stock units is based on the non-vested period since inception of the primarily three-year award cycle. There are no post-vesting restrictions related to OGE Energy's restricted stock units. The following table presents the number of restricted stock units granted and the grant date fair value.

	OGE Energy			OG&E		
	2021	2020	2019	2021	2020	2019
Restricted stock units granted.....	89,197	67,193	75,929	22,911	22,665	26,141
Fair value of restricted stock units granted.....	\$ 31.11	\$ 43.69	\$ 41.71	\$ 30.91	\$ 43.69	\$ 41.63

Performance Units and Restricted Stock Units Activity

The following tables present a summary of the activity for the Registrants' performance units and restricted stock units for the year ended December 31, 2021. The table designated as "OGE Energy" below includes the OG&E standalone activity, as OGE Energy represents consolidated results.

OGE Energy	Performance Units				Restricted Stock Units	
	Total Shareholder Return		Earnings Per Share		Number of Shares	Aggregate Intrinsic Value
	Number of Units	Aggregate Intrinsic Value	Number of Units	Aggregate Intrinsic Value		
<i>(Dollars in millions)</i>						
Units/shares outstanding at 12/31/20.....	612,262		79,002		124,919	
Granted.....	249,909 (A)		—		89,197	
Converted.....	(236,990) (B)	\$ 5.4	(79,002) (B)	\$ 2.7	—	
Vested.....	N/A		N/A		(53,274)	\$ 2.2
Forfeited.....	(43,929)		—		(27,171)	
Units/shares outstanding at 12/31/21.....	581,252	\$ 17.5	—	\$ —	133,671	\$ 5.1
Units/shares fully vested at 12/31/21.....	172,748	\$ —	—	\$ —	47,907	\$ 2.0

OG&E	Performance Units				Restricted Stock Units	
	Total Shareholder Return		Earnings Per Share		Number of Shares	Aggregate Intrinsic Value
	Number of Units	Aggregate Intrinsic Value	Number of Units	Aggregate Intrinsic Value		
<i>(Dollars in millions)</i>						
Units/shares outstanding at 12/31/20.....	182,363		25,235		34,130	
Granted.....	68,720 (A)		—		22,911	
Converted.....	(75,693) (B)	\$ 1.7	(25,235) (B)	\$ 0.8	—	
Vested.....	N/A		N/A		(12,461)	\$ 0.6
Forfeited.....	(14,132)		—		(8,986)	
Employee migration.....	52 (C)		— (C)		19 (C)	
Units/shares outstanding at 12/31/21.....	161,310	\$ 4.8	—	\$ —	35,613	\$ 1.4
Units/shares fully vested at 12/31/21.....	48,195	\$ —	—	\$ —	11,241	\$ 0.5

(A) For performance units, this represents the target number of performance units granted. Actual number of performance units earned, if any, is dependent upon performance and may range from zero percent to 200 percent of the target.

(B) These amounts represent performance units that vested at December 31, 2020 which were settled in February 2021.

(C) Due to certain employees transferring between OG&E and OGE Energy.

The following tables present a summary of the activity for the Registrants' non-vested performance units and restricted stock units for the year ended December 31, 2021. The table designated as "OGE Energy" below includes the OG&E standalone activity, as OGE Energy represents consolidated results.

OGE Energy	Performance Units - Total Shareholder Return		Restricted Stock Units	
	Number of Units	Weighted- Average Grant Date Fair Value	Number of Shares	Weighted- Average Grant Date Fair Value
Units/shares non-vested at 12/31/20	375,272	\$ 42.51	124,919	\$ 42.69
Granted	249,909 (A)	\$ 38.14	89,197	\$ 31.11
Vested	(172,748)	\$ 47.00	(53,274)	\$ 41.59
Forfeited	(43,929)	\$ 41.02	(27,171)	\$ 42.37
Units/shares non-vested at 12/31/21	408,504	\$ 38.05	133,671	\$ 35.64

OG&E	Performance Units - Total Shareholder Return		Restricted Stock Units	
	Number of Units	Weighted- Average Grant Date Fair Value	Number of Shares	Weighted- Average Grant Date Fair Value
Units/shares non-vested at 12/31/20	106,670	\$ 42.49	34,130	\$ 42.67
Granted	68,720 (A)	\$ 38.14	22,911	\$ 30.91
Vested	(48,195)	\$ 47.00	(12,461)	\$ 45.67
Forfeited	(14,132)	\$ 41.12	(8,986)	\$ 42.51
Employee migration	52 (B)	\$ 41.01	19 (B)	\$ 37.71
Units/shares non-vested at 12/31/21	113,115	\$ 38.10	35,613	\$ 35.52

(A) For performance units, this represents the target number of performance units granted. Actual number of performance units earned, if any, is dependent upon performance and may range from zero percent to 200 percent of the target.

(B) Due to certain employees transferring between OG&E and OGE Energy.

Fair Value of Vested Performance Units and Restricted Stock Units

The following table presents a summary of the Registrants' fair value for vested performance units and restricted stock units.

Year Ended December 31 (<i>In millions</i>)	OGE Energy			OG&E		
	2021	2020	2019	2021	2020	2019
Performance units:						
Total shareholder return	\$ 8.1	\$ 8.7	\$ 9.3	\$ 2.3	\$ 2.8	\$ 3.2
Earnings per share	\$ —	\$ 2.5	\$ 5.2	\$ —	\$ 0.8	\$ 0.9
Restricted stock units	\$ 2.2	\$ 0.1	\$ 0.1	\$ 0.5	\$ 0.1	\$ —

Unrecognized Compensation Cost

The following table presents a summary of the Registrants' unrecognized compensation cost for non-vested performance units and restricted stock units and the weighted-average periods over which the compensation cost is expected to be recognized.

December 31, 2021	OGE Energy		OG&E	
	Unrecognized Compensation Cost (In millions)	Weighted Average to be Recognized (In years)	Unrecognized Compensation Cost (In millions)	Weighted Average to be Recognized (In years)
Performance units - total shareholder return	\$ 7.5	1.71	\$ 2.0	1.72
Restricted stock units	3.5	1.48	0.8	1.39
Total unrecognized compensation cost	\$ 11.0		\$ 2.8	

9. Income Taxes

Income Tax Expense (Benefit)

The following table presents the components of income tax expense (benefit).

Year Ended December 31 (In millions)	OGE Energy			OG&E		
	2021	2020	2019	2021	2020	2019
Provision (benefit) for current income taxes:						
Federal	\$ 16.4	\$ 8.4	\$ (6.4)	\$ (9.0)	\$ (3.8)	\$ (7.9)
State	1.7	0.5	5.1	9.0	(0.6)	4.1
Total provision (benefit) for current income taxes	18.1	8.9	(1.3)	—	(4.4)	(3.8)
Provision (benefit) for deferred income taxes, net:						
Federal	133.1	(105.2)	48.5	58.3	45.7	37.7
State	(10.0)	(31.1)	(17.4)	(16.5)	(6.6)	(13.8)
Total provision (benefit) for deferred income taxes, net	123.1	(136.3)	31.1	41.8	39.1	23.9
Total income tax expense (benefit)	\$ 141.2	\$ (127.4)	\$ 29.8	\$ 41.8	\$ 34.7	\$ 20.1

OGE Energy files consolidated income tax returns in the U.S. federal jurisdiction and various state jurisdictions. OG&E is a part of the consolidated income tax return of OGE Energy. With few exceptions, the Registrants are no longer subject to U.S. federal tax or state and local examinations by tax authorities for years prior to 2018. Income taxes are generally allocated to each company in the affiliated group, including OG&E, based on its stand-alone taxable income or loss. Federal investment tax credits previously claimed on electric utility property have been deferred and will be amortized to income over the life of the related property. Additionally, OG&E earns federal tax credits associated with production from its wind facilities. Oklahoma production and investment state tax credits are also earned on investments in electric and solar generating facilities which further reduce OG&E's effective tax rate.

The following table presents a reconciliation of the statutory tax rates to the effective income tax rate.

Year Ended December 31	OGE Energy			OG&E		
	2021	2020	2019	2021	2020	2019
Statutory federal tax rate	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %
State income taxes, net of federal income tax benefit	0.9	(1.4)	(1.2)	(1.4)	(1.6)	(1.8)
Stock-based compensation	0.1	(0.3)	(1.2)	—	—	—
Executive compensation limitation	0.1	0.2	0.2	—	—	—
Amortization of net unfunded deferred taxes	(2.1)	(4.4)	(4.5)	(4.6)	(4.8)	(5.6)
Federal renewable energy credit (A)	(2.0)	(5.0)	(6.0)	(4.4)	(5.4)	(7.6)
Remeasurement of state deferred taxes due to Energy Transfer merger (B)	(1.1)	—	—	—	—	—
Remeasurement of state deferred tax liabilities	(0.6)	0.9	(0.8)	—	—	—
401(k) dividends	(0.2)	(0.4)	(0.4)	—	—	—
Impairment of OGE Energy's investment in Enable (C)	—	31.6	—	—	—	—
Other	—	0.1	(0.7)	(0.2)	0.1	(0.6)
Effective income tax rate	16.1 %	42.3 %	6.4 %	10.4 %	9.3 %	5.4 %

(A) Represents credits primarily associated with the production from OG&E's wind farms.

(B) In connection with the Enable and Energy Transfer merger, the state income tax rates are expected to decrease, as Energy Transfer operates in significantly more states with generally lower tax rates than the historic Enable operating area.

(C) As further discussed in Note 5, OGE Energy recorded a \$780.0 million impairment on its investment in Enable in March 2020, which resulted in a tax benefit being recorded that caused a significant variance to the effective tax rate. This variance has been presented in the table as a single line item in order to facilitate comparability of other components of the effective tax rate.

The deferred tax provisions are recognized as costs in the ratemaking process by the commissions having jurisdiction over the rates charged by OG&E. The following table presents the components of Deferred Income Taxes at December 31, 2021 and 2020.

December 31 <i>(In millions)</i>	OGE Energy		OG&E	
	2021	2020	2021	2020
Deferred income tax liabilities, net:				
Accelerated depreciation and other property related differences	\$ 1,677.3	\$ 1,721.2	\$ 1,677.3	\$ 1,721.2
Investment in Enable	—	302.6	—	—
Investment in Energy Transfer's equity securities	363.5	—	—	—
Regulatory assets	52.1	52.3	52.1	52.3
Pension Plan	10.7	3.9	32.0	27.4
Other	7.4	(1.4)	(4.7)	(6.5)
Derivative instruments	2.2	1.7	—	—
Bond redemption-unamortized costs	1.8	2.0	1.8	2.0
Income taxes recoverable from customers, net	(225.8)	(221.8)	(225.8)	(221.8)
State tax credits	(221.2)	(204.4)	(205.9)	(189.0)
Federal tax credits	(208.4)	(236.6)	(209.8)	(236.6)
Regulatory liabilities	(72.0)	(81.0)	(72.0)	(81.0)
Asset retirement obligations	(19.4)	(20.3)	(19.4)	(20.3)
Postretirement medical and life insurance benefits	(19.2)	(22.4)	(13.0)	(15.3)
Accrued liabilities	(9.5)	(9.6)	(7.3)	(5.2)
Deferred federal investment tax credits	(3.1)	(2.7)	(3.1)	(2.7)
Net operating losses	(1.0)	(12.0)	—	(1.4)
Accrued vacation	(1.5)	(2.2)	(1.2)	(1.6)
Uncollectible accounts	(0.6)	(0.7)	(0.6)	(0.7)
Total deferred income tax liabilities, net	\$ 1,333.3	\$ 1,268.6	\$ 1,000.4	\$ 1,020.8

As of December 31, 2021, the Registrants have classified \$18.1 million of unrecognized tax benefits as a reduction of deferred tax assets recorded. Management is currently unaware of any issues under review that could result in significant additional payments, accruals or other material deviation from this amount.

The following table presents a reconciliation of the Registrants' total gross unrecognized tax benefits as of the years ended December 31, 2021, 2020 and 2019.

<i>(In millions)</i>	2021	2020	2019
Balance at January 1	\$ 21.9	\$ 20.7	\$ 20.7
Tax positions related to current year:			
Additions	1.7	1.2	—
Reductions	(1.2)	—	—
Balance at December 31	\$ 22.4	\$ 21.9	\$ 20.7

As of December 31, 2021, 2020 and 2019, there were \$18.1 million, \$17.6 million and \$16.4 million, respectively, of unrecognized tax benefits that, if recognized, would affect the annual effective tax rate.

Where applicable, the Registrants classify income tax-related interest and penalties as interest expense and other expense, respectively. During the year ended December 31, 2021, there were no income tax-related interest or penalties recorded with regard to uncertain tax positions.

The Registrants recognize tax benefits from an uncertain tax position only if it is more likely than not the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. The tax benefits in the financial statements from such positions are then measured based on the largest benefit that has a greater than 50 percent likelihood of being realized on settlement. In September 2021, the Registrants recorded an additional reserve for certain federal

research and development credits in the amount of \$1.7 million. The \$1.2 million reserve recorded in 2020 was reversed upon completion of the audit.

The Registrants sustained federal and state tax operating losses through 2012 caused primarily by bonus depreciation and other book versus tax temporary differences. Federal net operating losses generated during those years have been fully utilized. State operating losses are being carried forward for utilization in future years. In addition to the tax operating losses, the Registrants were unable to utilize the various tax credits that were generated during those years. These tax losses and credits are being carried as deferred tax assets and will be utilized in future periods. Under current law, the Registrants anticipate future taxable income will be sufficient to utilize remaining losses and credits before they begin to expire after 2021. The following table presents a summary of these carry forwards.

<i>(In millions)</i>	OGE Energy		OG&E		Earliest Expiration Date
	Carry Forward Amount	Deferred Tax Asset	Carry Forward Amount	Deferred Tax Asset	
State operating loss	\$ 33.4	\$ 1.0	\$ —	\$ —	2032
Federal tax credits	\$ 208.4	\$ 208.4	\$ 209.8	\$ 209.8	2032
State tax credits:					
Oklahoma investment tax credits	\$ 227.1	\$ 179.4	\$ 207.8	\$ 164.2	N/A
Oklahoma capital investment board credits	\$ 12.8	\$ 12.8	\$ 12.8	\$ 12.8	N/A
Oklahoma zero emission tax credits	\$ 37.5	\$ 28.9	\$ 37.5	\$ 28.9	2021
Louisiana inventory credits	\$ 0.1	\$ 0.1	\$ —	\$ —	2032

N/A - not applicable

Oklahoma Corporate Tax Rate Change

In May 2021, Oklahoma enacted a reduction of the corporate income tax rate to four percent from the previous six percent. This rate reduction took effect on January 1, 2022. ASC 740, "Income Taxes," requires deferred tax assets and liabilities to be measured at the enacted tax rate expected to apply when temporary differences are to be realized or settled. Therefore, during the second quarter of 2021, the Registrants revalued state deferred tax liabilities to reflect this change in tax rate. For entities subject to ASC 980, "Accounting for Regulated Entities," such as OG&E, those entities are required to recognize a regulatory liability for the decrease in taxes payable for the change in tax rates that are expected to be returned to customers through future rates and to recognize a regulatory asset for the increase in taxes receivable for the change in tax rates that are expected to be recovered from customers through future rates. The revaluation resulted in a regulatory liability of \$97.7 million recorded for OG&E and an income tax benefit of \$6.6 million for OGE Energy related to Enable and other operations (holding company) for the year ended December 31, 2021.

10. Common Equity

OGE Energy

Automatic Dividend Reinvestment and Stock Purchase Plan

OGE Energy issued no shares of common stock under its Automatic Dividend Reinvestment and Stock Purchase Plan in 2021. OGE Energy may, from time to time, issue shares under its Automatic Dividend Reinvestment and Stock Purchase Plan or purchase shares traded on the open market. At December 31, 2021, there were 4,774,442 shares of unissued common stock reserved for issuance under OGE Energy's Automatic Dividend Reinvestment and Stock Purchase Plan.

Earnings (Loss) Per Share

Basic earnings (loss) per share is calculated by dividing net income (loss) attributable to OGE Energy by the weighted average number of OGE Energy's common shares outstanding during the period. In the calculation of diluted earnings (loss) per share, weighted average shares outstanding are increased for additional shares that would be outstanding if potentially dilutive securities were converted to common stock. Potentially dilutive securities for OGE Energy consist of performance units and restricted stock units. The following table presents the calculation of basic and diluted earnings (loss) per share for OGE Energy.

<i>(In millions except per share data)</i>	2021	2020	2019
Net income (loss)	\$ 737.3	\$ (173.7)	\$ 433.6
Average common shares outstanding:			
Basic average common shares outstanding	200.1	200.1	200.1
Effect of dilutive securities:			
Contingently issuable shares (performance and restricted stock units)	0.2	—	0.6
Diluted average common shares outstanding	200.3	200.1	200.7
Basic earnings (loss) per average common share	\$ 3.68	\$ (0.87)	\$ 2.17
Diluted earnings (loss) per average common share	\$ 3.68	\$ (0.87)	\$ 2.16
Anti-dilutive shares excluded from earnings per share calculation	—	0.3	—

Dividend Restrictions

OGE Energy's Certificate of Incorporation places restrictions on the amount of common stock dividends it can pay when preferred stock is outstanding. Before OGE Energy can pay any dividends on its common stock, the holders of any of its preferred stock that may be outstanding are entitled to receive their dividends at the respective rates as may be provided for the shares of their series. As there is no preferred stock outstanding, that restriction did not place any effective limit on OGE Energy's ability to pay dividends to its shareholders.

OGE Energy utilizes dividends from OG&E to pay dividends to its shareholders. Prior to December 2021, OGE Energy utilized receipts from its equity method investment in Enable to pay dividends to its shareholders. In light of the completed Energy Transfer merger, OGE Energy expects to utilize, in part, cash distributions from Energy Transfer to pay dividends to its shareholders.

Pursuant to the leverage restriction in OGE Energy's revolving credit agreement, OGE Energy must maintain a percentage of debt to total capitalization at a level that does not exceed 65 percent. The payment of cash dividends indirectly results in an increase in the percentage of debt to total capitalization, which results in the restriction of approximately \$1.6 billion of OGE Energy's retained earnings from being paid out in dividends. Accordingly, approximately \$1.4 billion of OGE Energy's retained earnings as of December 31, 2021 are unrestricted for the payment of dividends.

OG&E

There were no new shares of OG&E common stock issued in 2021, 2020 or 2019.

Dividend Restrictions

Pursuant to the Federal Power Act, OG&E is restricted from paying dividends from its capital accounts. Dividends are paid from retained earnings. Pursuant to the leverage restriction in OG&E's revolving credit agreement, OG&E must also maintain a percentage of debt to total capitalization at a level that does not exceed 65 percent. The payment of cash dividends indirectly results in an increase in the percentage of debt to total capitalization, which results in the restriction of approximately \$580.9 million of OG&E's retained earnings from being paid out in dividends. Accordingly, approximately \$2.5 billion of OG&E's retained earnings as of December 31, 2021 are unrestricted for the payment of dividends.

11. Long-Term Debt

A summary of the Registrants' long-term debt is included in the statements of capitalization. At December 31, 2021, the Registrants were in compliance with all of their debt agreements.

Maturities of OGE Energy's long-term debt during the next five years consist of \$1.0 billion in 2023 and \$79.4 million in 2025. Maturities of OG&E's long-term debt during the next five years consist of \$500.0 million in 2023 and \$79.4 million in 2025. All other long-term debt of the Registrants matures after 2026.

The Registrants have previously incurred costs related to debt refinancing. Unamortized loss on reacquired debt is classified as a Non-Current Regulatory Asset in the balance sheets. Unamortized debt expense and unamortized premium and discount on long-term debt are classified as Long-Term Debt in the balance sheets and are being amortized over the life of the respective debt.

OG&E Industrial Authority Bonds

OG&E has tax-exempt pollution control bonds with optional redemption provisions that allow the holders to request repayment of the bonds on any business day. The following table presents information about these bonds, which can be tendered at the option of the holder during the next 12 months.

Series	Date Due	Amount
		<i>(In millions)</i>
0.11% - 0.27% Garfield Industrial Authority, January 1, 2025		\$ 47.0
0.11% - 0.33% Muskogee Industrial Authority, January 1, 2025		32.4
0.11% - 0.27% Muskogee Industrial Authority, June 1, 2027		56.0
Total (redeemable during next 12 months)		\$ 135.4

All of these bonds are subject to an optional tender at the request of the holders, at 100 percent of the principal amount, together with accrued and unpaid interest to the date of purchase. The bond holders, on any business day, can request repayment of the bond by delivering an irrevocable notice to the tender agent stating the principal amount of the bond, payment instructions for the purchase price and the business day the bond is to be purchased. The repayment option may only be exercised by the holder of a bond for the principal amount. When a tender notice has been received by the trustee, a third-party remarketing agent for the bonds will attempt to remarket any bonds tendered for purchase. This process occurs once per week. Since the original issuance of these series of bonds in 1995 and 1997, the remarketing agent has successfully remarketed all tendered bonds. If the remarketing agent is unable to remarket any such bonds, OG&E is obligated to repurchase such unremarketed bonds. As OG&E has both the intent and ability to refinance the bonds on a long-term basis and such ability is supported by an ability to consummate the refinancing, the bonds are classified as Long-Term Debt in the balance sheets. OG&E believes that it has sufficient liquidity to meet these obligations.

Issuance of Long-Term Debt

In May 2021, OGE Energy issued \$500.0 million of 0.703 percent senior notes, and OG&E issued \$500.0 million of 0.553 percent senior notes. Each series of notes is due May 26, 2023 but may be redeemed by OGE Energy or OG&E after November 26, 2021 at a price equal to 100 percent of the principal amount of the senior notes being redeemed, plus any accrued and unpaid interest. The proceeds from these issuances were used to repay \$900.0 million of the \$1.0 billion term loan OGE Energy entered into in March 2021 to help cover the fuel and purchased power costs incurred by OG&E during Winter Storm Uri.

12. Short-Term Debt and Credit Facilities

The Registrants borrow on a short-term basis, as necessary, by the issuance of commercial paper and by borrowings under their revolving credit agreements. OGE Energy also borrows under term credit agreements maturing in one year or less, as necessary. As of December 31, 2021, OGE Energy had \$486.9 million short-term debt as compared to \$95.0 million short-term debt at December 31, 2020. At December 31, 2021, OG&E had \$101.3 million in advances from OGE Energy compared to \$272.0 million in advances to OGE Energy at December 31, 2020.

In March 2021, OGE Energy entered into a \$1.0 billion unsecured 364-day term loan agreement and borrowed the full \$1.0 billion to help cover the increased fuel and purchased power costs incurred by OG&E during Winter Storm Uri. The term loan contained substantially the same covenants as OGE Energy's revolving credit agreement in place at that time, including various financial ratio covenants. Contemporaneously with the closing of the term loan agreement, in March 2021, OGE Energy made a capital contribution of \$530.0 million to OG&E using the term loan proceeds, and OGE Energy also loaned \$470.0 million to OG&E pursuant to an intercompany note issued by OG&E to OGE Energy. In May 2021, OG&E repaid the \$470.0 million to OGE Energy, and OGE Energy used this repayment and other funds from its issuance of senior notes in May

2021 to repay \$900.0 million of the \$1.0 billion term loan, as further discussed in Note 11. In December 2021, OGE Energy repaid the remaining \$100.0 million outstanding that was borrowed under the term loan agreement.

On December 17, 2021, OGE Energy and OG&E each entered into new \$550.0 million unsecured five-year revolving credit facilities to replace existing facilities. Each of these new facilities is scheduled to terminate on December 17, 2026. However, each of OGE Energy and OG&E have the right to request an extension of the revolving credit facility termination date under their respective facility for an additional one-year period, which extension option can be exercised up to two times. All such extension requests are subject to majority lender group approval (and only the commitments of those lenders that consent to such extension (or that agree to replace any non-consenting lender) will be extended for such additional period).

Borrowings under OGE Energy's new facility bear interest at rates equal to either the eurodollar base rate (reserve adjusted, if applicable), plus a margin of 0.80 percent to 1.475 percent, or an alternate base rate, plus a margin of 0.0 percent to 0.475 percent. OGE Energy's new facility has a facility fee that ranges from 0.075 percent to 0.275 percent. Interest rate margins and facility fees are based on OGE Energy's then-current senior unsecured credit ratings. Borrowings under OG&E's new facility shall bear interest at rates equal to either the eurodollar base rate (reserve adjusted, if applicable), plus a margin of 0.69 percent to 1.275 percent, or an alternate base rate, plus a margin of 0.0 percent to 0.275 percent. OG&E's new facility has a facility fee that ranges from 0.06 percent to 0.225 percent. Both OGE Energy's and OG&E's new facilities include customary LIBOR replacement language. Interest rate margins and facility fees for both OGE Energy and OG&E are based on each of their then-current senior unsecured credit ratings.

Each of the facilities contains a mechanism which, subject to approval by the respective borrower, the sustainability structuring agent, and the required lenders, permits a reduction in the applicable margin and/or facility fees if the respective borrower meets certain environmental, social and governance targets.

Each of the facilities provides for issuance of letters of credit, provided that (i) the aggregate outstanding credit exposure shall not exceed the amount of the revolving credit facilities and (ii) the aggregate outstanding stated amount of letters of credit issued under such facility shall not exceed a specified maximum sublimit (\$100.0 million for each of OGE Energy and OG&E). Advances under the facilities may be used to refinance existing indebtedness and for working capital and general corporate purposes of the respective borrower and its subsidiaries, including commercial paper liquidity support, letters of credit, acquisitions and distributions.

Each of the facilities is unsecured and, under certain circumstances, may be increased (by up to \$150.0 million in each case for OGE Energy and OG&E), to a maximum revolving commitment limit of \$700.0 million for each of OGE Energy and OG&E. Advances of revolving loans and letters of credit under the facilities are subject to certain conditions precedent, including the accuracy of certain representations and warranties and the absence of any default or unmatured default.

The following table presents information regarding the Registrants' revolving credit agreements at December 31, 2021.

Entity	Aggregate Commitment	Amount Outstanding (A)	Weighted-Average Interest Rate	Expiration
<i>(In millions)</i>				
OGE Energy (B).....	\$ 550.0	\$ 486.9	0.36 % (E)	December 17, 2026
OG&E (C)(D)	550.0	0.4	1.15 % (E)	December 17, 2026
Total	\$ 1,100.0	\$ 487.3	0.36 %	

(A) Includes direct borrowings under the revolving credit agreements, commercial paper borrowings and letters of credit at December 31, 2021.

(B) This bank facility is available to back up OGE Energy's commercial paper borrowings and to provide revolving credit borrowings. This bank facility can also be used as a letter of credit facility.

(C) This bank facility is available to back up OG&E's commercial paper borrowings and to provide revolving credit borrowings. This bank facility can also be used as a letter of credit facility.

(D) OG&E has an intercompany borrowing agreement with OGE Energy whereby OG&E has access to up to \$350.0 million of OGE Energy's revolving credit amount. This agreement has a termination date of December 17, 2026. At December 31, 2021, there were \$60.0 million in intercompany borrowings under this agreement.

(E) Represents the weighted-average interest rate for the outstanding borrowings under the revolving credit agreements, commercial paper borrowings and letters of credit.

The Registrants' credit facilities each have a financial covenant requiring that the respective borrower maintain a maximum debt to capitalization ratio of 65 percent, as defined in each such facility. The Registrants' facilities each also contain covenants which restrict the respective borrower and certain of its subsidiaries in respect of, among other things, mergers and consolidations, sales of all or substantially all assets, incurrence of liens and transactions with affiliates. The Registrants' facilities are each subject to acceleration upon the occurrence of any default, including, among others, payment defaults on such facilities, breach of representations, warranties and covenants, acceleration of indebtedness (other than intercompany and non-recourse indebtedness) of \$100.0 million or more in the aggregate, change of control (as defined in each such facility), nonpayment of uninsured judgments in excess of \$100.0 million and the occurrence of certain Employee Retirement Income Security Act and bankruptcy events, subject where applicable to specified cure periods.

The Registrants' ability to access the commercial paper market could be adversely impacted by a credit ratings downgrade or major market disruptions. Pricing grids associated with the Registrants' credit facilities could cause annual fees and borrowing rates to increase if an adverse rating impact occurs. The impact of any future downgrade could include an increase in the costs of the Registrants' short-term borrowings, but a reduction in the Registrants' credit ratings would not result in any defaults or accelerations. Any future downgrade could also lead to higher long-term borrowing costs and, if below investment grade, would require the Registrants to post collateral or letters of credit.

OG&E must obtain regulatory approval from the FERC in order to borrow on a short-term basis. OG&E has the necessary regulatory approvals to incur up to \$800.0 million in short-term borrowings at any one time for a two-year period beginning January 1, 2021 and ending December 31, 2022.

13. Retirement Plans and Postretirement Benefit Plans

OGE Energy sponsors defined benefit pension plans, 401(k) savings plans and other postretirement plans covering certain employees of the Registrants.

Pension Plan and Restoration of Retirement Income Plan

It is OGE Energy's policy to fund the Pension Plan on a current basis based on the net periodic pension expense as determined by OGE Energy's actuarial consultants. Such contributions are intended to provide not only for benefits attributed to service to date but also for those expected to be earned in the future. OGE Energy made a \$40.0 million and \$20.0 million contribution to its Pension Plan in 2021 and 2020, of which \$30.0 million and \$10.0 million was attributed to OG&E in 2021 and 2020, respectively. OGE Energy does not expect it will need to make any contributions to the Pension Plan in 2022. Any contribution to the Pension Plan during 2022 would be a discretionary contribution, anticipated to be in the form of cash, and is not required to satisfy the minimum regulatory funding requirement specified by the Employee Retirement Income Security Act of 1974, as amended. OGE Energy could be required to make additional contributions if the value of its pension trust and postretirement benefit plan trust assets are adversely impacted by a major market disruption in the future.

In accordance with ASC Topic 715, "Compensation - Retirement Benefits," a one-time settlement charge is required to be recorded by an organization when lump sum payments or other settlements that relieve the organization from the responsibility for the pension benefit obligation during the plan year exceed the service cost and interest cost components of the organization's net periodic pension cost. During 2021, 2020 and 2019, the Registrants experienced an increase in both the number of employees electing to retire and the amount of lump sum payments paid to such employees upon retirement, which resulted in the Registrants recording pension plan settlement charges as presented in the Pension Plan net periodic benefit cost table. The pension settlement charges did not require a cash outlay by the Registrants and did not increase total pension expense over time, as the charges were an acceleration of costs that otherwise would be recognized as pension expense in future periods.

OGE Energy provides a Restoration of Retirement Income Plan to those participants in OGE Energy's Pension Plan whose benefits are subject to certain limitations of the Code. Participants in the Restoration of Retirement Income Plan receive the same benefits that they would have received under OGE Energy's Pension Plan in the absence of limitations imposed by the federal tax laws. The Restoration of Retirement Income Plan is intended to be an unfunded plan.

OG&E's employees participate in OGE Energy's Pension Plan and Restoration of Retirement Income Plan.

Obligations and Funded Status

The details of the funded status of OGE Energy's Pension Plan, the Restoration of Retirement Income Plan and the postretirement benefit plans and the amounts included in the balance sheets for 2021 and 2020 are included in the following tables. These amounts have been recorded in Accrued Benefit Obligations with the offset in Accumulated Other Comprehensive

Loss (except OG&E's portion, which is recorded as a regulatory asset as discussed in Note 1) in the balance sheets. The amounts in Accumulated Other Comprehensive Loss and those recorded as a regulatory asset represent a net periodic benefit cost to be recognized in the statements of income in future periods. The benefit obligation for OGE Energy's Pension Plan and the Restoration of Retirement Income Plan represents the projected benefit obligation, while the benefit obligation for the postretirement benefit plans represents the accumulated postretirement benefit obligation. The accumulated postretirement benefit obligation for OGE Energy's Pension Plan and Restoration of Retirement Income Plan differs from the projected benefit obligation in that the former includes no assumption about future compensation levels.

OGE Energy's seconded employee contract with Enable was terminated on December 2, 2021. OGE Energy retains the obligations to the balances and accrued benefits of these former employees as of the termination of the contract.

December 31 <i>(In millions)</i>	OGE Energy				OG&E			
	Pension Plan		Restoration of Retirement Income Plan		Pension Plan		Restoration of Retirement Income Plan	
	2021	2020	2021	2020	2021	2020	2021	2020
Change in benefit obligation								
Beginning obligations	\$ 654.6	\$ 616.1	\$ 7.8	\$ 10.3	\$ 484.1	\$ 462.0	\$ 3.0	\$ 6.1
Service cost	11.2	13.2	0.8	0.8	7.7	9.2	—	0.1
Interest cost	13.3	17.0	0.1	0.2	9.7	12.6	—	0.1
Plan settlements	(158.6)	(42.8)	(4.6)	(5.3)	(120.4)	(33.5)	(2.9)	(4.5)
Plan amendments	—	—	1.4	—	—	—	—	—
Plan curtailments	—	—	(0.1)	0.2	—	—	—	—
Special termination benefits	—	7.6	—	—	—	5.1	—	—
Actuarial (gains) losses	(3.5)	57.7	0.5	1.6	(6.0)	41.0	0.4	1.2
Benefits paid	(14.1)	(14.2)	—	—	(11.9)	(12.3)	—	—
Ending obligations	\$ 502.9	\$ 654.6	\$ 5.9	\$ 7.8	\$ 363.2	\$ 484.1	\$ 0.5	\$ 3.0
Change in plans' assets								
Beginning fair value	\$ 570.3	\$ 530.3	\$ —	\$ —	\$ 420.3	\$ 399.1	\$ —	\$ —
Actual return on plans' assets	48.4	77.0	—	—	35.0	57.0	—	—
Employer contributions	40.0	20.0	4.6	5.3	30.0	10.0	2.9	4.5
Plan settlements	(158.6)	(42.8)	(4.6)	(5.3)	(120.4)	(33.5)	(2.9)	(4.5)
Benefits paid	(14.1)	(14.2)	—	—	(11.9)	(12.3)	—	—
Ending fair value	\$ 486.0	\$ 570.3	\$ —	\$ —	\$ 353.0	\$ 420.3	\$ —	\$ —
Funded status at end of year	\$ (16.9)	\$ (84.3)	\$ (5.9)	\$ (7.8)	\$ (10.2)	\$ (63.8)	\$ (0.5)	\$ (3.0)
Accumulated postretirement benefit obligation	\$ 475.2	\$ 610.8	\$ 5.4	\$ 6.9	\$ 341.0	\$ 454.7	\$ 0.4	\$ 2.9

For the year ended December 31, 2021, Pension Plan actuarial gains were primarily due to favorable demographic experience and a higher discount rate. These gains were partially offset by a difference in lump sum interest rates and the long-term assumption for Enable seconded employee terminations and more retirements and terminations than expected with lump sum payouts. For the year ended December 31, 2020, Pension Plan actuarial losses were primarily due to movement in the discount rate, special termination benefits due to a voluntary retirement program offered by OGE Energy and more retirements and terminations than expected which were expected to accelerate lump sum payments in 2021. These losses were partially offset by gains from lowering the interest crediting rate and plan mortality assumptions.

December 31 <i>(In millions)</i>	OGE Energy		OG&E	
	Postretirement Benefit Plans		Postretirement Benefit Plans	
	2021	2020	2021	2020
Change in benefit obligation				
Beginning obligations	\$ 144.5	\$ 136.5	\$ 109.5	\$ 104.7
Service cost	0.2	0.2	0.1	0.2
Interest cost	3.4	4.2	2.6	3.2
Plan curtailments	1.9	4.0	—	3.1
Participants' contributions	3.5	3.3	2.6	2.4
Actuarial (gains) losses	(3.7)	7.3	(2.5)	4.5
Benefits paid	(12.5)	(11.0)	(9.9)	(8.6)
Ending obligations	\$ 137.3	\$ 144.5	\$ 102.4	\$ 109.5
Change in plans' assets				
Beginning fair value	\$ 47.6	\$ 47.0	\$ 42.7	\$ 41.9
Actual return on plans' assets	(0.5)	1.2	(0.5)	1.1
Employer contributions	6.2	7.1	5.0	5.9
Participants' contributions	3.5	3.3	2.6	2.4
Benefits paid	(12.5)	(11.0)	(9.9)	(8.6)
Ending fair value	\$ 44.3	\$ 47.6	\$ 39.9	\$ 42.7
Funded status at end of year	\$ (93.0)	\$ (96.9)	\$ (62.5)	\$ (66.8)

Curtailment loss for the year ended December 31, 2021 is related to Enable seconded employees who terminated employment as a result of the merger with Energy Transfer. This reduction in future service of the active participants triggered curtailment accounting as of December 31, 2021. Special termination benefits and curtailment loss for the year ended December 31, 2020 are related to a voluntary retirement program offered by OGE Energy in the fourth quarter of 2020. A curtailment gain or loss is required when the expected future services or benefits in a benefit plan are significantly reduced or eliminated.

Net Periodic Benefit Cost

The following tables present the net periodic benefit cost components, before consideration of capitalized amounts, of OGE Energy's Pension Plan, Restoration of Retirement Income Plan and postretirement benefit plans that are included in the financial statements. Service cost is presented within Other Operation and Maintenance Expense, and the remaining net period benefit cost components as listed in the following tables are presented within Other Net Periodic Benefit Expense in the statements of income. OG&E recovers specific amounts of pension and postretirement medical costs in rates approved in its Oklahoma rate reviews. In accordance with approved orders, OG&E defers the difference between actual pension and postretirement medical expenses and the amount approved in its last Oklahoma rate review as a regulatory asset or regulatory liability. These amounts have been recorded in the Pension tracker in the regulatory assets and liabilities table in Note 1 and within Other Net Periodic Benefit Expense in the statements of income.

Year Ended December 31 (In millions)	OGE Energy						OG&E					
	Pension Plan			Restoration of Retirement Income Plan			Pension Plan			Restoration of Retirement Income Plan		
	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019
Service cost	\$ 11.2	\$ 13.2	\$ 12.9	\$ 0.8	\$ 0.8	\$ 0.5	\$ 7.7	\$ 9.2	\$ 9.0	\$ —	\$ 0.1	\$ 0.2
Interest cost	13.3	17.0	20.7	0.1	0.2	0.4	9.7	12.6	15.6	—	0.1	0.2
Expected return on plan assets	(34.1)	(37.6)	(36.1)	—	—	—	(24.7)	(27.9)	(27.6)	—	—	—
Amortization of net loss	9.4	17.1	17.3	0.2	0.5	0.5	7.0	12.1	12.9	0.1	0.4	0.3
Plan curtailments	—	—	—	—	0.2	—	—	—	—	—	—	—
Special termination benefits	—	7.6	—	—	—	—	—	5.1	—	—	—	—
Amortization of unrecognized prior service cost (A)	—	—	—	0.1	—	—	—	—	—	—	—	—
Settlement cost	41.3	14.1	27.6	2.1	2.7	0.5	33.1	11.4	16.4	1.6	2.4	0.5
Total net periodic benefit cost	41.1	31.4	42.4	3.3	4.4	1.9	32.8	22.5	26.3	1.7	3.0	1.2
Less: Amount paid by unconsolidated affiliates (B)	(0.2)	2.0	2.9	0.1	0.1	0.1	—	—	—	—	—	—
Plus: Amount allocated from OGE Energy (B)	—	—	—	—	—	—	6.5	5.9	4.5	1.5	1.3	0.5
Net periodic benefit cost	\$ 41.3	\$ 29.4	\$ 39.5	\$ 3.2	\$ 4.3	\$ 1.8	\$ 39.3	\$ 28.4	\$ 30.8	\$ 3.2	\$ 4.3	\$ 1.7

(A) Unamortized prior service cost is amortized on a straight-line basis over the average remaining service period to the first eligibility age of participants who are expected to receive a benefit and are active at the date of the plan amendment.

(B) "Amount paid by unconsolidated affiliates" is only applicable to OGE Energy. "Amount allocated from OGE Energy" is only applicable to OG&E.

In conjunction with the net periodic benefit cost amounts recognized, as presented in the table above, for the Pension and Restoration of Retirement Income Plans in 2021, 2020 and 2019, the Registrants recognized the following:

Year Ended December 31 (In millions)	2021	2020	2019
Increase of regulatory asset related to pension expense to maintain allowed recoverable amount in Oklahoma jurisdiction (A)	\$ 23.0	\$ 13.8	\$ 16.1
Deferral of pension expense related to pension settlement, curtailment and special termination benefits charges included in the above line item:			
Oklahoma jurisdiction (A)	\$ 37.9	\$ 21.6	\$ 17.9
Arkansas jurisdiction (A)	\$ 3.5	\$ 2.0	\$ 1.7

(A) Included in the pension regulatory asset or liability in each jurisdiction, as indicated in the regulatory assets and liabilities table in Note 1.

Year Ended December 31 <i>(In millions)</i>	OGE Energy			OG&E		
	Postretirement Benefit Plans			Postretirement Benefit Plans		
	2021	2020	2019	2021	2020	2019
Service cost	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.1	\$ 0.2	\$ 0.2
Interest cost	3.4	4.2	5.6	2.6	3.2	4.3
Expected return on plan assets	(1.8)	(1.8)	(1.9)	(1.7)	(1.7)	(1.7)
Amortization of net loss	2.8	2.0	2.0	2.7	2.1	2.1
Plan curtailments	—	1.5	—	—	1.3	—
Amortization of unrecognized prior service cost (A) ..	(6.9)	(8.4)	(8.4)	(5.0)	(6.1)	(6.1)
Total net periodic benefit income	(2.3)	(2.3)	(2.5)	(1.3)	(1.0)	(1.2)
Less: Amount paid by unconsolidated affiliates (B) ..	(0.5)	(0.7)	(0.6)			
Plus: Amount allocated from OGE Energy (B)				(0.5)	(0.5)	(0.6)
Net periodic benefit income	\$ (1.8)	\$ (1.6)	\$ (1.9)	\$ (1.8)	\$ (1.5)	\$ (1.8)

(A) Unamortized prior service cost is amortized on a straight-line basis over the average remaining service period to the first eligibility age of participants who are expected to receive a benefit and are active at the date of the plan amendment.

(B) "Amount paid by unconsolidated affiliates" is only applicable to OGE Energy. "Amount allocated from OGE Energy" is only applicable to OG&E.

In conjunction with the net periodic benefit income amounts recognized, as presented in the table above, for the postretirement benefit plans in 2021, 2020 and 2019, the Registrants recognized the following:

Year Ended December 31 <i>(In millions)</i>	2021	2020	2019
Increase of regulatory liability related to postretirement expense to maintain allowed recoverable amount in Oklahoma jurisdiction (A)	\$ 0.4	\$ 0.2	\$ 1.0
Deferral of postretirement expense related to postretirement plan curtailment charges included in the above line item:			
Oklahoma jurisdiction (A)	\$ —	\$ (1.4)	\$ —
Arkansas jurisdiction (A)	\$ —	\$ (0.1)	\$ —

(A) Included in the pension regulatory asset or liability in each jurisdiction, as indicated in the regulatory assets and liabilities table in Note 1.

The following table presents the amount of net periodic benefit cost capitalized and attributable to each of the Registrants for OGE Energy's Pension Plan and postretirement benefit plans in 2021, 2020 and 2019.

<i>(In millions)</i>	OGE Energy			OG&E		
	2021	2020	2019	2021	2020	2019
Capitalized portion of net periodic pension benefit cost	\$ 3.4	\$ 3.8	\$ 3.6	\$ 2.9	\$ 3.1	\$ 3.0
Capitalized portion of net periodic postretirement benefit cost	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.1	\$ 0.1	\$ 0.1

Rate Assumptions

Year Ended December 31	Pension Plan and Restoration of Retirement Income Plan			Postretirement Benefit Plans		
	2021	2020	2019	2021	2020	2019
Assumptions to determine benefit obligations:						
Discount rate	2.75 %	2.30 %	3.15 %	2.80 %	2.45 %	3.25 %
Rate of compensation increase	4.20 %	4.20 %	4.20 %	N/A	N/A	N/A
Interest crediting rate	3.50 %	3.50 %	4.00 %	N/A	N/A	N/A
Assumptions to determine net periodic benefit cost:						
Discount rate	2.63 %	2.88 %	3.63 %	2.45 %	3.25 %	4.30 %
Expected return on plan assets	7.00 %	7.50 %	7.50 %	4.00 %	4.00 %	4.00 %
Rate of compensation increase	4.20 %	4.20 %	4.20 %	N/A	N/A	N/A
Interest crediting rate	3.50 %	4.00 %	4.00 %	N/A	N/A	N/A

N/A - not applicable

The discount rate used to compute the present value of plan liabilities is based generally on rates of high-grade corporate bonds with maturities similar to the average period over which benefits will be paid. The discount rate used to determine net benefit cost for the current year is the same discount rate used to determine the benefit obligation as of the previous year's balance sheet date, unless a plan settlement occurs during the current year that requires an updated discount rate for net periodic cost measurement. For 2021 and 2020, the Pension Plan discount rates used to determine net periodic benefit cost are disclosed on a weighted-average basis.

The overall expected rate of return on plan assets assumption is used in determining net periodic benefit cost due to recent returns on OGE Energy's long-term investment portfolio. The rate of return on plan assets assumption is the average long-term rate of earnings expected on the funds currently invested and to be invested for the purpose of providing benefits specified by the Pension Plan or postretirement benefit plans. This assumption is reexamined at least annually and updated as necessary. The rate of return on plan assets assumption reflects a combination of historical return analysis, forward-looking return expectations and the plans' current and expected asset allocation.

The assumed health care cost trend rates have a significant effect on the amounts reported for postretirement medical benefit plans. Future health care cost trend rates are assumed to be 6.50 percent in 2022 with the rates trending downward to 4.50 percent by 2030.

Pension Plan

Pension Plan Investments, Policies and Strategies

The Pension Plan assets are held in a trust which follows an investment policy and strategy designed to reduce the funded status volatility of the Plan by utilizing liability driven investing. The purpose of liability-driven investing is to structure the asset portfolio to more closely resemble the pension liability and thereby more effectively hedge against changes in the liability. The investment policy follows a glide path approach that shifts a higher portfolio weighting to fixed income as the Plan's funded status increases. The following table presents the targeted fixed income and equity allocations at different funded status levels.

Projected Benefit Obligation Funded Status Thresholds	Projected Benefit Obligation Funded Status Thresholds						
	<90%	95%	100%	105%	110%	115%	120%
Fixed income	50%	58%	65%	73%	80%	85%	90%
Equity	50%	42%	35%	27%	20%	15%	10%
Total	100%	100%	100%	100%	100%	100%	100%

Within the portfolio's overall allocation to equities, the funds are allocated according to the guidelines in the following table.

Asset Class	Target Allocation	Minimum	Maximum
Domestic Large Cap Equity	40%	35%	60%
Domestic Mid-Cap Equity	15%	5%	25%
Domestic Small-Cap Equity	25%	5%	30%
International Equity	20%	10%	30%

OGE Energy has retained an investment consultant responsible for the general investment oversight, analysis, monitoring investment guideline compliance and providing quarterly reports to certain of the Registrants' members and OGE Energy's Investment Committee. The various investment managers used by the trust operate within the general operating objectives as established in the investment policy and within the specific guidelines established for each investment manager's respective portfolio.

The portfolio is rebalanced at least on an annual basis to bring the asset allocations of various managers in line with the target asset allocation listed above. More frequent rebalancing may occur if there are dramatic price movements in the financial markets which may cause the trust's exposure to any asset class to exceed or fall below the established allowable guidelines.

To evaluate the progress of the portfolio, investment performance is reviewed quarterly. It is, however, expected that performance goals will be met over a full market cycle, normally defined as a three- to five-year period. Analysis of performance is within the context of the prevailing investment environment and the advisors' investment style. The goal of the trust is to provide a rate of return consistently from three percent to five percent over the rate of inflation (as measured by the national Consumer Price Index) on a fee adjusted basis over a typical market cycle of no less than three years and no more than five years. Each investment manager is expected to outperform its respective benchmark.

The following table presents a list of each asset class utilized with appropriate comparative benchmark(s) each manager is evaluated against and the focus of the asset class.

Asset Class	Comparative Benchmark(s)	Focus of Asset Class
Active Duration Fixed Income (A)(B)	Bloomberg Barclays Aggregate	<ul style="list-style-type: none"> • Maximize risk-adjusted performance while providing long bond exposure managed according to the manager's forecast on interest rates. • All invested assets must reach at or above Baa3 or BBB- investment grade. • Limited five percent exposure to any single issuer, except the U.S. Government or affiliates.
Long Duration Fixed Income (A)(B)	Duration blended Barclays Long Government/Credit & Barclays Universal	<ul style="list-style-type: none"> • Maximize risk-adjusted performance. • At least 75 percent of invested assets must reach at or above Baaa3 or BBB- investment grade. • Limited five percent exposure to any single issuer, except the U.S. Government or affiliates. • May invest up to 10 percent of the market value in convertible bonds as long as quality guidelines are met. • May invest up to 15 percent of the market value in private placement, including 144A securities with or without registration rights and allow for futures to be traded in the portfolio.
Equity Index (B)(C)	Standard & Poor's 500 Index	<ul style="list-style-type: none"> • Focus on replicating the performance of the S&P 500 Index.

Mid-Cap Equity (B)(C)	Russell Midcap Index Russell Midcap Value Index	<ul style="list-style-type: none"> • Focus on undervalued stocks expected to earn average return and pay out higher than average dividends. • Invest in companies with market capitalizations lower than average company on public exchanges: <ul style="list-style-type: none"> • Price/earnings ratio at or near referenced index; • Small dividend yield and return on equity at or near referenced index; and • Earnings per share growth rate at or near referenced index.
Small-Cap Equity (B)(C)	Russell 2000 Index Russell 2000 Value Index	
International Equity (D)	Morgan Stanley Capital International ACWI ex-U.S.	<ul style="list-style-type: none"> • Invest in non-dollar denominated equity securities. • Diversify the overall trust investments.

(A) Investment grades are by Moody's Investors Service, S&P Global Ratings or Fitch Ratings.

(B) The purchase of any of OGE Energy's equity, debt or other securities is prohibited.

(C) No more than five percent can be invested in any one stock at the time of purchase and no more than 10 percent after accounting for price appreciation. Options or financial futures may not be purchased unless prior approval from OGE Energy's Investment Committee is received. The purchase of securities on margin, securities lending, private placement purchases and venture capital purchases are prohibited. The aggregate positions in any company may not exceed one percent of the fair market value of its outstanding stock.

(D) The manager of this asset class is required to operate under certain restrictions including regional constraints, diversification requirements and percentage of U.S. securities. All securities are freely traded on a recognized stock exchange, and there are no over-the-counter derivatives. The following investment categories are excluded: options (other than traded currency options), commodities, futures (other than currency futures or currency hedging), short sales/margin purchases, private placements, unlisted securities and real estate (but not real estate shares).

Pension Plan Investments

The following tables present the Pension Plan's investments that are measured at fair value on a recurring basis at December 31, 2021 and 2020. There were no Level 3 investments held by the Pension Plan at December 31, 2021 and 2020.

<i>(In millions)</i>	December 31, 2021	Level 1	Level 2	Net Asset Value (A)
Common stocks	\$ 86.1	\$ 86.1	\$ —	\$ —
U.S. Treasury notes and bonds (B)	135.2	135.2	—	—
Mortgage- and asset-backed securities	24.6	—	24.6	—
Corporate fixed income and other securities	107.0	—	107.0	—
Commingled fund (C)	23.6	—	—	23.6
Foreign government bonds	0.9	—	0.9	—
U.S. municipal bonds	1.4	—	1.4	—
Money market fund	5.5	—	—	5.5
Mutual fund	99.8	99.8	—	—
Preferred stocks	1.1	1.1	—	—
U.S. Treasury futures:				
Cash collateral	0.6	0.6	—	—
Forward contracts:				
Receivable (foreign currency)	0.1	—	0.1	—
Total Pension Plan investments	485.9	\$ 322.8	\$ 134.0	\$ 29.1
Interest and dividends receivable	2.1			
Payable to broker for securities purchased	(2.0)			
Total OGE Energy Pension Plan assets	\$ 486.0			
Pension Plan investments attributable to affiliates				(133.0)
Total OG&E Pension Plan assets	\$ 353.0			

- (A) GAAP allows the measurement of certain investments that do not have a readily determinable fair value at the net asset value. These investments do not consider the observability of inputs; therefore, they are not included within the fair value hierarchy.
- (B) This category represents U.S. Treasury notes and bonds with a Moody's Investors Service rating of Aaa and Government Agency Bonds with a Moody's Investors Service rating of A1 or higher.
- (C) This category represents units of participation in a commingled fund that primarily invested in stocks of international companies and emerging markets.

<i>(In millions)</i>	December 31, 2020	Level 1	Level 2	Net Asset Value (A)
Common stocks	\$ 252.3	\$ 252.3	\$ —	\$ —
U.S. Treasury notes and bonds (B)	134.3	134.3	—	—
Mortgage- and asset-backed securities	29.3	—	29.3	—
Corporate fixed income and other securities	116.6	—	116.6	—
Commingled fund (C)	25.4	—	—	25.4
Foreign government bonds	4.6	—	4.6	—
U.S. municipal bonds	1.8	—	1.8	—
Money market fund	8.8	—	—	8.8
Mutual fund	9.2	9.2	—	—
Preferred stocks	0.6	0.6	—	—
U.S. Treasury Futures:				
Cash collateral	0.7	0.7	—	—
Forward contracts:				
Receivable (foreign currency)	0.1	—	0.1	—
Total Pension Plan investments	583.7	\$ 397.1	\$ 152.4	\$ 34.2
Receivable from broker for securities sold	0.2			
Interest and dividends receivable	2.2			
Payable to broker for securities purchased	(15.8)			
Total OGE Energy Pension Plan assets	\$ 570.3			
Pension Plan investments attributable to affiliates	(150.0)			
Total OG&E Pension Plan assets	\$ 420.3			

- (A) GAAP allows the measurement of certain investments that do not have a readily determinable fair value at the net asset value. These investments do not consider the observability of inputs; therefore, they are not included within the fair value hierarchy.
- (B) This category represents U.S. Treasury notes and bonds with a Moody's Investors Service rating of Aaa and Government Agency Bonds with a Moody's Investors Service rating of A1 or higher.
- (C) This category represents units of participation in a commingled fund that primarily invested in stocks of international companies and emerging markets.

As defined in the fair value hierarchy, Level 1 inputs are quoted prices in active markets for identical unrestricted assets or liabilities that are accessible by the Pension Plan at the measurement date. Level 2 inputs are inputs other than quoted prices in active markets included within Level 1 that are either directly or indirectly observable at the reporting date for the asset or liability for substantially the full term of the asset or liability. Level 2 inputs include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active. Level 3 inputs are prices or valuation techniques for the asset or liability that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity). Unobservable inputs reflect the Plan's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

Expected Benefit Payments

The following table presents the benefit payments the Registrants expect to pay related to the Pension Plan and Restoration of Retirement Income Plan. These expected benefits are based on the same assumptions used to measure OGE Energy's benefit obligation at the end of the year and include benefits attributable to estimated future employee service.

<i>(In millions)</i>	OGE Energy		OG&E	
2022	\$	95.3	\$	38.8
2023	\$	37.0	\$	30.7
2024	\$	38.4	\$	30.6
2025	\$	36.7	\$	28.7
2026	\$	35.2	\$	28.3
2027-2031	\$	167.4	\$	126.6

Postretirement Benefit Plans

In addition to providing pension benefits, OGE Energy provides certain medical and life insurance benefits for eligible retired members. Regular, full-time, active employees hired prior to February 1, 2000 whose age and years of credited service total or exceed 80 or have attained at least age 55 with 10 or more years of service at the time of retirement are entitled to postretirement medical benefits, while employees hired on or after February 1, 2000 are not entitled to postretirement medical benefits. Eligible retirees must contribute such amount as OGE Energy specifies from time to time toward the cost of coverage for postretirement benefits. The benefits are subject to deductibles, co-payment provisions and other limitations. OG&E charges postretirement benefit costs to expense and includes an annual amount as a component of the cost-of-service in future ratemaking proceedings.

OGE Energy's contribution to the medical costs for pre-65 aged eligible retirees are fixed at the 2011 level, and OGE Energy covers future annual medical inflationary cost increases up to five percent. Increases in excess of five percent annually are covered by the pre-65 aged retiree in the form of premium increases. OGE Energy provides Medicare-eligible retirees and their Medicare-eligible spouses an annual fixed contribution to an OGE Energy-sponsored health reimbursement arrangement. Medicare-eligible retirees are able to purchase individual insurance policies supplemental to Medicare through a third-party administrator and use their health reimbursement arrangement funds for reimbursement of medical premiums and other eligible medical expenses.

Postretirement Plans Investments

The following tables present the postretirement benefit plans' investments that are measured at fair value on a recurring basis at December 31, 2021 and 2020. There were no Level 2 investments held by the postretirement benefit plans at December 31, 2021 and 2020.

<i>(In millions)</i>	December 31, 2021		Level 1	Level 3
Group retiree medical insurance contract	\$	28.1	\$ —	\$ 28.1
Mutual funds		16.2	16.2	—
Total OGE Energy plan investments	\$	44.3	\$ 16.2	\$ 28.1
Plan investments attributable to affiliates		(4.4)		
Total OG&E plan investments	\$	39.9		

<i>(In millions)</i>	December 31, 2020		Level 1	Level 3
Group retiree medical insurance contract	\$	33.4	\$ —	\$ 33.4
Mutual funds		14.2	14.2	—
Total OGE Energy plan investments	\$	47.6	\$ 14.2	\$ 33.4
Plan investments attributable to affiliates		(4.9)		
Total OG&E plan investments	\$	42.7		

The group retiree medical insurance contract invests in a pool of common stocks, bonds and money market accounts, of which a significant portion is comprised of mortgage-backed securities. The unobservable input included in the valuation of

the contract includes the approach for determining the allocation of the postretirement benefit plans' pro-rata share of the total assets in the contract.

The following table presents a reconciliation of the postretirement benefit plans' investments that are measured at fair value on a recurring basis using significant unobservable inputs (Level 3).

Year Ended December 31 <i>(In millions)</i>	2021
Group retiree medical insurance contract:	
Beginning balance	\$ 33.4
Claims paid	(4.9)
Net unrealized losses related to instruments held at the reporting date	(1.1)
Investment fees	(0.1)
Realized losses	(0.1)
Interest income	0.7
Dividend income	0.2
Ending balance	\$ 28.1

Medicare Prescription Drug, Improvement and Modernization Act of 2003

The Medicare Prescription Drug, Improvement and Modernization Act of 2003 expanded coverage for prescription drugs. The following table presents the gross benefit payments the Registrants expect to pay related to the postretirement benefit plans, including prescription drug benefits.

<i>(In millions)</i>	OGE Energy		OG&E	
2022	\$	12.5	\$	9.6
2023	\$	12.2	\$	9.3
2024	\$	10.6	\$	8.0
2025	\$	10.1	\$	7.6
2026	\$	9.7	\$	7.2
After 2026	\$	40.3	\$	30.2

Post-Employment Benefit Plan

Disabled employees receiving benefits from OGE Energy's Group Long-Term Disability Plan are entitled to continue participating in OGE Energy's Medical Plan along with their dependents. The post-employment benefit obligation represents the actuarial present value of estimated future medical benefits that are attributed to employee service rendered prior to the date as of which such information is presented. The obligation also includes future medical benefits expected to be paid to current employees participating in the Group Long-Term Disability Plan and their dependents, as defined in OGE Energy's Medical Plan.

The post-employment benefit obligation is determined by an actuary on a basis similar to the accumulated postretirement benefit obligation. The estimated future medical benefits are projected to grow with expected future medical cost trend rates and are discounted for interest at the discount rate and for the probability that the participant will discontinue receiving benefits from OGE Energy's Group Long-Term Disability Plan due to death, recovery from disability or eligibility for retiree medical benefits. OGE Energy's post-employment benefit obligation was \$2.0 million and \$2.2 million at December 31, 2021 and 2020, respectively, of which \$1.5 million and \$1.8 million, respectively, was OG&E's portion of the obligation.

401(k) Plan

OGE Energy provides a 401(k) Plan, and each regular full-time employee of OGE Energy or a participating affiliate is eligible to participate in the 401(k) Plan immediately upon hire. All other employees of OGE Energy or a participating affiliate are eligible to become participants in the 401(k) Plan after completing one year of service as defined in the 401(k) Plan. Participants may contribute each pay period any whole percentage between two percent and 19 percent of their compensation, as defined in the 401(k) Plan, for that pay period. Participants who have reached age 50 before the close of a year are allowed to make additional contributions referred to as "Catch-Up Contributions," subject to certain limitations of the Code. Participants may designate, at their discretion, all or any portion of their contributions as: (i) a before-tax contribution under Section 401(k)

of the Code subject to the limitations thereof, (ii) a contribution made on a non-Roth after-tax basis or (iii) a Roth contribution. The 401(k) Plan also includes an eligible automatic contribution arrangement and provides for a qualified default investment alternative consistent with the U.S. Department of Labor regulations. Participants may elect, in accordance with the 401(k) Plan procedures, to have their future salary deferral rate to be automatically increased annually on a date and in an amount as specified by the participant in such election. For employees hired or rehired on or after December 1, 2009, OGE Energy contributes to the 401(k) Plan, on behalf of each participant, 200 percent of the participant's contributions up to five percent of compensation.

No OGE Energy contributions are made with respect to a participant's Catch-Up Contributions, rollover contributions or with respect to a participant's contributions based on overtime payments, pay-in-lieu of overtime for exempt personnel, special lump-sum recognition awards and lump-sum merit awards included in compensation for determining the amount of participant contributions. Once made, OGE Energy's contribution may be directed to any available investment option in the 401(k) Plan. OGE Energy match contributions vest over a three-year period. After two years of service, participants become 20 percent vested in their OGE Energy contribution account and become fully vested on completing three years of service. In addition, participants fully vest when they are eligible for normal or early retirement under the Pension Plan requirements, in the event of their termination due to death or permanent disability or upon attainment of age 65 while employed by OGE Energy or its affiliates. OGE Energy contributed \$15.4 million, \$18.2 million and \$14.4 million in 2021, 2020 and 2019, respectively, to the 401(k) Plan, of which \$12.0 million, \$14.3 million and \$11.0 million, respectively, related to OG&E.

Deferred Compensation Plan

OGE Energy provides a nonqualified deferred compensation plan which is intended to be an unfunded plan. The plan's primary purpose is to provide a tax-deferred capital accumulation vehicle for a select group of management, highly compensated employees and non-employee members of OGE Energy's Board of Directors and to supplement such employees' 401(k) Plan contributions as well as offering this plan to be competitive in the marketplace.

Eligible employees who enroll in the plan have the following deferral options: (i) eligible employees may elect to defer up to a maximum of 70 percent of base salary and 100 percent of annual bonus awards or (ii) eligible employees may elect a deferral percentage of base salary and bonus awards based on the deferral percentage elected for a year under the 401(k) Plan with such deferrals to start when maximum deferrals to the qualified 401(k) Plan have been made because of limitations in that plan. Eligible directors who enroll in the plan may elect to defer up to a maximum of 100 percent of directors' meeting fees and annual retainers. OGE Energy matches employee (but not non-employee director) deferrals to make up for any match lost in the 401(k) Plan because of deferrals to the deferred compensation plan and to allow for a match that would have been made under the 401(k) Plan on that portion of either the first six percent of total compensation or the first five percent of total compensation, depending on prior participant elections, deferred that exceeds the limits allowed in the 401(k) Plan. Matching credits vest based on years of service, with full vesting after three years or, if earlier, on retirement, disability, death, a change in control of OGE Energy or termination of the plan. Deferrals, plus any OGE Energy match, are credited to a recordkeeping account in the participant's name. Earnings on the deferrals are indexed to the assumed investment funds selected by the participant. In 2021, those investment options included an OGE Energy Common Stock fund, whose value was determined based on the stock price of OGE Energy's Common Stock. OGE Energy accounts for the contributions related to its executive officers in this plan as Accrued Benefit Obligations and accounts for the contributions related to OGE Energy's directors in this plan as Other Deferred Credits and Other Liabilities in the balance sheets. The investment associated with these contributions is accounted for as Other Property and Investments in the balance sheets. The appreciation of these investments is accounted for as Other Income, and the increase in the liability under the plan is accounted for as Other Expense in the statements of income.

Supplemental Executive Retirement Plan

OGE Energy provides a supplemental executive retirement plan in order to attract and retain lateral hires or other executives designated by the Compensation Committee of OGE Energy's Board of Directors who may not otherwise qualify for a sufficient level of benefits under OGE Energy's Pension Plan and Restoration of Retirement Income Plan. The supplemental executive retirement plan is intended to be an unfunded plan and not subject to the benefit limitations of the Code. For the actuarial equivalence calculations, the supplemental executive retirement plan provides that (i) mortality rates shall be based on the unisex mortality table issued under Internal Revenue Service Notice 2018-02 for purposes of determining the minimum present value under Code Section 417(e)(3) for distributions with annuity starting dates that occur during stability periods beginning in the 2019 calendar year and (ii) the interest rate shall be five percent.

14. Report of Business Segments

OGE Energy reports its operations in two business segments: (i) the electric utility segment, which is engaged in the generation, transmission, distribution and sale of electric energy and (ii) natural gas midstream operations segment. Prior to the Enable and Energy Transfer merger closing on December 2, 2021, OGE Energy's natural gas midstream operations segment included its equity method investment in Enable. Subsequent to December 2, 2021, OGE Energy's natural gas midstream operations segment includes its investment in Energy Transfer's equity securities and legacy Enable seconded employee pension and postretirement costs. Other operations primarily includes the operations of the holding company. Intersegment revenues are recorded at prices comparable to those of unaffiliated customers and are affected by regulatory considerations. The following tables present the results of OGE Energy's business segments for the years ended December 31, 2021, 2020 and 2019.

2021	Electric Utility	Natural Gas Midstream Operations	Other Operations	Eliminations	Total
<i>(In millions)</i>					
Operating revenues	\$ 3,653.7	\$ —	\$ —	\$ —	\$ 3,653.7
Fuel, purchased power and direct transmission expense	2,127.6	—	—	—	2,127.6
Other operation and maintenance	464.7	1.6	(3.2)	—	463.1
Depreciation and amortization	416.0	—	—	—	416.0
Taxes other than income	99.3	0.2	3.3	—	102.8
Operating income (loss)	546.1	(1.8)	(0.1)	—	544.2
Equity in earnings of unconsolidated affiliates	—	169.8	—	—	169.8
Gain on Enable/Energy Transfer transaction, net	—	344.4	—	—	344.4
Other income (expense)	7.7	(26.4)	(2.0)	(0.9)	(21.6)
Interest expense	152.0	—	7.2	(0.9)	158.3
Income tax expense (benefit)	41.8	101.0	(1.6)	—	141.2
Net income (loss)	\$ 360.0	\$ 385.0	\$ (7.7)	\$ —	\$ 737.3
Total assets	\$11,688.0	\$ 786.6	\$ 350.3	\$ (218.5)	\$12,606.4
Capital expenditures	\$ 778.5	\$ —	\$ —	\$ —	\$ 778.5

2020	Electric Utility	Natural Gas Midstream Operations	Other Operations	Eliminations	Total
<i>(In millions)</i>					
Operating revenues	\$ 2,122.3	\$ —	\$ —	\$ —	\$ 2,122.3
Fuel, purchased power and direct transmission expense	644.6	—	—	—	644.6
Other operation and maintenance	464.4	1.7	(3.3)	—	462.8
Depreciation and amortization	391.3	—	—	—	391.3
Taxes other than income	97.2	0.4	3.8	—	101.4
Operating income (loss)	524.8	(2.1)	(0.5)	—	522.2
Equity in losses of unconsolidated affiliates (A)	—	(668.0)	—	—	(668.0)
Other income (expense)	4.1	(2.9)	3.6	(1.6)	3.2
Interest expense	154.8	—	5.3	(1.6)	158.5
Income tax expense (benefit)	34.7	(158.0)	(4.1)	—	(127.4)
Net income (loss)	\$ 339.4	\$ (515.0)	\$ 1.9	\$ —	\$ (173.7)
Investment in unconsolidated affiliates	\$ —	\$ 374.3	\$ —	\$ —	\$ 374.3
Total assets	\$10,489.0	\$ 378.1	\$ 116.4	\$ (264.7)	\$10,718.8
Capital expenditures	\$ 650.5	\$ —	\$ —	\$ —	\$ 650.5

(A) In March 2020, OGE Energy recorded a \$780.0 million impairment on its investment in Enable, as further discussed in Notes 5 and 7.

2019	Electric Utility	Natural Gas Midstream Operations	Other Operations	Eliminations	Total
<i>(In millions)</i>					
Operating revenues	\$ 2,231.6	\$ —	\$ —	\$ —	\$ 2,231.6
Fuel, purchased power and direct transmission expense	786.9	—	—	—	786.9
Other operation and maintenance	492.5	2.8	(3.5)	—	491.8
Depreciation and amortization	355.0	—	—	—	355.0
Taxes other than income	89.5	0.4	3.7	—	93.6
Operating income (loss)	507.7	(3.2)	(0.2)	—	504.3
Equity in earnings of unconsolidated affiliates	—	113.9	—	—	113.9
Other income (expense)	3.1	(8.6)	2.2	(3.6)	(6.9)
Interest expense	140.5	—	11.0	(3.6)	147.9
Income tax expense (benefit)	20.1	20.7	(11.0)	—	29.8
Net income	\$ 350.2	\$ 81.4	\$ 2.0	\$ —	\$ 433.6
Investment in unconsolidated affiliates	\$ —	\$ 1,132.9	\$ —	\$ —	\$ 1,132.9
Total assets	\$ 10,076.6	\$ 1,135.4	\$ 107.0	\$ (294.7)	\$ 11,024.3
Capital expenditures	\$ 635.5	\$ —	\$ —	\$ —	\$ 635.5

15. Commitments and Contingencies

Public Utility Regulatory Policy Act of 1978

OG&E had QF contracts with AES-Shady Point, Inc. and Oklahoma Cogeneration LLC, which expired in January and August 2019, respectively. For the 320 MW AES-Shady Point, Inc. QF contract and the 120 MW Oklahoma Cogeneration LLC QF contract, OG&E purchased 100 percent of the electricity generated by the qualified cogeneration facilities.

In 2019, OG&E acquired the plants from AES-Shady Point, Inc. and Oklahoma Cogeneration LLC. Previous to such acquisitions, OG&E made total payments to cogenerators of \$14.7 million, of which \$7.4 million represented capacity payments. All payments for purchased power, including cogeneration, are included in the Registrants' statements of income as Fuel, Purchased Power and Direct Transmission Expense.

Purchase Obligations and Commitments

The following table presents the Registrants' future purchase obligations and commitments estimated for the next five years.

<i>(In millions)</i>	2022	2023	2024	2025	2026	Total
Purchase obligations and commitments:						
Minimum purchase commitments	\$ 97.7	\$ 50.4	\$ 31.2	\$ 24.6	\$ 24.6	\$ 228.5
Expected wind purchase commitments	55.6	56.0	56.6	56.9	57.4	282.5
Long-term service agreement commitments	2.7	2.6	15.0	24.4	9.7	54.4
Total purchase obligations and commitments	\$ 156.0	\$ 109.0	\$ 102.8	\$ 105.9	\$ 91.7	\$ 565.4

OG&E Minimum Purchase Commitments

OG&E has coal contracts for purchases through December 31, 2022, whereby OG&E has the right but not the obligation to purchase a defined quantity of coal. OG&E may also purchase coal through spot purchases on an as-needed basis. As a participant in the SPP Integrated Marketplace, OG&E purchases its natural gas supply through short-term agreements. OG&E relies on a combination of natural gas base load agreements and call agreements, whereby OG&E has the right but not

the obligation to purchase a defined quantity of natural gas, combined with day and intra-day purchases to meet the demands of the SPP Integrated Marketplace.

OG&E has natural gas transportation service contracts with Energy Transfer, ONEOK, Inc. and Southern Star. The contracts with Energy Transfer end in May 2024 and December 2038; the contracts with ONEOK, Inc. end in March 2024 and August 2037; and the contract with Southern Star ends in June 2024. These transportation contracts grant Energy Transfer, ONEOK, Inc. and Southern Star the responsibility of delivering natural gas to OG&E's generating facilities.

OG&E Wind Purchase Commitments

The following table presents OG&E's wind power purchase contracts.

Company	Location	Original Term of Contract	Expiration of Contract	MWs
CPV Keenan	Woodward County, OK	20 years	2030	152.0
Edison Mission Energy	Dewey County, OK	20 years	2031	130.0
NextEra Energy	Blackwell, OK	20 years	2032	60.0

The following table presents a summary of OG&E's wind power purchases for the years ended December 31, 2021, 2020 and 2019.

Year Ended December 31 (In millions)	2021	2020	2019
CPV Keenan	\$ 27.3	\$ 27.5	\$ 27.2
Edison Mission Energy	21.7	22.8	23.1
NextEra Energy	6.8	7.0	7.4
Total wind power purchased	\$ 55.8	\$ 57.3	\$ 57.7

OG&E Long-Term Service Agreement Commitments

OG&E has a long-term parts and service maintenance contract for the upkeep of the McClain Plant. In May 2013, a new contract was signed that is expected to run for the earlier of 128,000 factored-fired hours or 4,800 factored-fired starts. In December 2015, the McClain Long-Term Service Agreement was amended to define the terms and conditions for the exchange of spare rotors between OG&E and General Electric International, Inc. Based on historical usage and current expectations for future usage, this contract is expected to run until 2033. The contract requires payments based on both a fixed and variable cost component, depending on how much the McClain Plant is used.

OG&E has a long-term parts and service maintenance contract for the upkeep of the Redbud Plant. In March 2013, the contract was amended to extend the contract coverage for an additional 24,000 factored-fired hours resulting in a maximum of the earlier of 144,000 factored-fired hours or 4,500 factored-fired starts. Based on historical usage and current expectations for future usage, this contract is expected to run until 2032. The contract requires payments based on both a fixed and variable cost component, depending on how much the Redbud Plant is used.

Environmental Laws and Regulations

The activities of the Registrants are subject to numerous stringent and complex federal, state and local laws and regulations governing environmental protection. These laws and regulations can change, restrict or otherwise impact the Registrants' business activities in many ways, including the handling or disposal of waste material, planning for future construction activities to avoid or mitigate harm to threatened or endangered species and requiring the installation and operation of emissions or pollution control equipment. Failure to comply with these laws and regulations could result in the assessment of administrative, civil and criminal penalties, the imposition of remedial requirements and the issuance of orders enjoining future operations. Management believes that all of the Registrants' operations are in substantial compliance with current federal, state and local environmental standards.

Environmental regulation can increase the cost of planning, design, initial installation and operation of OG&E's facilities. Management continues to evaluate its compliance with existing and proposed environmental legislation and regulations and implement appropriate environmental programs in a competitive market.

CO₂ Emission Limits for Existing Generating Units

On January 19, 2021, the U.S. Court of Appeals vacated the EPA's latest effort to adopt CO₂ emissions standards for existing coal-fired electric generating units, and the court remanded the matter to the EPA for further consideration. The EPA has indicated that administrative proceedings to respond to the U.S. Court of Appeals' remand in a new rulemaking action are ongoing but has not announced rulemaking details. The decision was based on the court's conclusion that the Clean Air Act does not require the EPA to limit the standards to measures that can be applied at and to an existing unit. On October 29, 2021, the U.S. Supreme Court granted petitions to review the decision; oral arguments before the Supreme Court are scheduled for February 28, 2022. The ultimate timing and impact of these standards on OG&E's operations cannot be determined with certainty at this time, although a requirement for significant reduction of CO₂ emissions from existing fossil-fuel-fired power plants ultimately could result in significant additional compliance costs that would affect the Registrants' future financial position, results of operations and cash flows if such costs are not recovered through regulated rates.

Other

In the normal course of business, the Registrants are confronted with issues or events that may result in a contingent liability. These generally relate to lawsuits or claims made by third parties, including governmental agencies. When appropriate, management consults with legal counsel and other experts to assess the claim. If, in management's opinion, the Registrants have incurred a probable loss as set forth by GAAP, an estimate is made of the loss, and the appropriate accounting entries are reflected in the financial statements. At the present time, based on currently available information, the Registrants believe that any reasonably possible losses in excess of accrued amounts arising out of pending or threatened lawsuits or claims would not be quantitatively material to their financial statements and would not have a material adverse effect on their financial position, results of operations or cash flows.

16. Rate Matters and Regulation

Regulation and Rates

OG&E's retail electric tariffs are regulated by the OCC in Oklahoma and by the APSC in Arkansas. The issuance of certain securities by OG&E is also regulated by the OCC and the APSC. OG&E's transmission activities, short-term borrowing authorization and accounting practices are subject to the jurisdiction of the FERC. The Secretary of the U.S. Department of Energy has jurisdiction over some of OG&E's facilities and operations. In 2021, 89 percent of OG&E's electric revenue was subject to the jurisdiction of the OCC, eight percent to the APSC and three percent to the FERC.

The OCC and the APSC require that, among other things, (i) OGE Energy permits the OCC and the APSC access to the books and records of OGE Energy and its affiliates relating to transactions with OG&E; (ii) OGE Energy employ accounting and other procedures and controls to protect against subsidization of non-utility activities by OG&E's customers; and (iii) OGE Energy refrain from pledging OG&E assets or income for affiliate transactions. In addition, the FERC has access to the books and records of OGE Energy and its affiliates as the FERC deems relevant to costs incurred by OG&E or necessary or appropriate for the protection of utility customers with respect to the FERC jurisdictional rates.

Completed Regulatory Matters

APSC Proceedings

Arkansas 2020 Formula Rate Plan Filing

In October 2020, OG&E filed its third evaluation report under its Formula Rate Plan, and on January 28, 2021, OG&E entered into a non-unanimous settlement agreement with the APSC General Staff and the Office of the Arkansas Attorney General. The only non-signatory to the settlement agreement agreed not to oppose the settlement. The settlement agreement included a revenue increase of \$6.7 million, which is the maximum amount statutorily allowed in this filing. Additionally, the settling parties did not object to OG&E's request for a finding that the Arkansas Series II grid modernization projects included in this filing are prudent in cost. On March 9, 2021, the APSC issued a final order approving the non-unanimous settlement agreement, and new rates became effective April 1, 2021.

Disconnection Procedures Related to COVID-19

In September 2020, the APSC invited comments from all jurisdictional utilities and any other interested stakeholders on specific questions related to whether a moratorium on service terminations should be lifted and if so, how the resumption of

disconnections should occur. The APSC also ordered utilities to submit a detailed "Transitional Plan" outlining how utilities proposed to reinstate routine service disconnection activities and collection of past due amounts once the moratorium was lifted. OG&E submitted its proposed Transitional Plan in October 2020.

On February 8, 2021, the APSC announced a target date of May 3, 2021 to lift the moratorium on disconnections and specified certain conditions and requirements that utilities must meet before disconnections may resume. Such requirements include, among other things, immediate communication to customers, notice periods for disconnections and deferred payment arrangements. On March 26, 2021, the APSC confirmed the lifting of the moratorium on disconnections on May 3, 2021 and directed utilities to take specific steps prior to resuming disconnections. OG&E resumed disconnections on May 3, 2021.

Arkansas Approval to Construct Out of State Generation

On March 3, 2021, OG&E filed an application with the APSC to request approval to construct a 5 MW solar facility in Oklahoma. The APSC issued an order on April 6, 2021, finding OG&E's application in the public interest, conditioned on Arkansas customers being held harmless and not subject to cost recovery associated with the project. OG&E expects the costs associated with constructing this solar facility to be fully recovered in Oklahoma.

Integrated Resource Plan

OG&E has conducted technical conferences for stakeholder engagement on its draft triennial system-wide IRP and, in October 2021, issued its final 2021 IRP to the APSC. This 2021 IRP identified system-wide, cumulative capacity needs of 145, 183, 417 and 514 MWs in 2023, 2024, 2025 and 2026, respectively. OG&E has issued a request for proposals to identify options to fill the solar capacity needs identified within the 2021 IRP.

OCC Proceedings

Oklahoma Grid Enhancement Plan

In February 2020, OG&E filed an application with the OCC for approval of a mechanism that allows for interim recovery of the costs associated with its grid enhancement plan. The plan includes approximately \$800.0 million of strategic, data-driven investments, over five years, covering grid resiliency, grid automation, communication systems and technology platforms and applications. In November 2020, the OCC issued a final order approving a Joint Stipulation and Settlement Agreement that allows for interim recovery of OG&E's costs associated with its grid enhancement plan. The approved agreement included the following key terms: (i) cost recovery through a rider mechanism will be limited to projects placed in service in 2020 and 2021, capped at a revenue requirement of \$7.0 million annually and only include communication, automation and technology systems projects; (ii) no operation and maintenance expense will be included in the rider mechanism; (iii) the rider mechanism will terminate by the issuance of a final order in OG&E's next general rate review or October 31, 2022, whichever occurs first; (iv) the rider mechanism rate of return will be capped at OG&E's current cost of capital; and (v) all cost recovery is subject to true-up and refund in OG&E's next general rate review. The rider mechanism became effective on February 1, 2021.

OG&E reports to the OCC new projects completed each quarter, and the cost recovery factor is adjusted to include those projects after a stakeholder review. OG&E has submitted its report for projects that were placed in service through December 31, 2021. The cost recovery factors that include those projects will become effective on March 1, 2022.

Any capital investment falling outside the criteria of the rider mechanism will be included in OG&E's next general rate review for recovery.

Integrated Resource Plan

OG&E has conducted technical conferences for stakeholder engagement on its draft triennial system-wide IRP and, in October 2021, issued its final 2021 IRP to the OCC. This 2021 IRP identified system-wide, cumulative capacity needs of 145, 183, 417 and 514 MWs in 2023, 2024, 2025 and 2026, respectively. OG&E has issued a request for proposals to identify options to fill the solar capacity needs identified within the 2021 IRP.

Winter Storm Uri

In February 2021, Winter Storm Uri resulted in record winter peak demand for electricity and extremely high natural gas and purchased power prices in OG&E's service territory. On February 24, 2021, OG&E submitted an application to the

OCC outlining a two-step approach for regulatory treatment for the fuel and purchased power costs associated with Winter Storm Uri. The steps included: (i) an intra-year fuel clause increase to be effective April 1, 2021; and (ii) a request for regulatory asset treatment at OG&E's weighted average cost of capital for the remaining fuel and purchased power costs. On March 18, 2021, the OCC approved OG&E's filing to establish a regulatory asset. The approval allowed OG&E to create a regulatory asset for all deferred costs with an initial carrying charge based on the effective cost of the debt financing, until such time where the prudence of this event is evaluated, the amortization period is decided on and a long-term carry cost is established.

In April 2021, Oklahoma enacted legislation to allow for the securitization of costs incurred during Winter Storm Uri. The new statute authorizes the OCC to issue a financing order for the issuance of securitization bonds after consideration of certain factors, including but not limited to, mitigated impacts and savings for customers through the use of ratepayer-backed securitization bonds as compared to traditional utility financing. The OCC must issue a financing order within 180 days after receiving all necessary information required by the statute. Under the statute, the ODFA is responsible for issuing the securitization bonds within two years from the date of the financing order. Carrying costs will be included at a rate and time determined by the OCC and continue until the bonds are issued.

On April 26, 2021, OG&E filed an application pursuant to the Act seeking OCC approval to securitize its costs related to Winter Storm Uri and to receive an interim carrying charge on OG&E's regulatory asset balance at its weighted-average cost of capital for the period between April 2022 and the date when the securitized bonds are issued. On October 8, 2021, OG&E filed a settlement agreement between OG&E, the Public Utility Division Staff of the OCC, the Oklahoma Industrial Energy Consumers, the OG&E Shareholders Association and Walmart Inc. The settlement agreement was subject to approval by the OCC. The settling parties agreed the OCC should issue a financing order authorizing the securitization of \$760.0 million, which includes estimated finance costs and is subject to change for carrying costs, any updates from the SPP settlement process and actual securitization issuance costs. The settling parties agree that OG&E's total extreme purchase costs (for natural gas and wholesale energy purchases) are currently estimated to be \$748.9 million, of which it is agreed that \$739.1 million should be deemed prudent. The OCC approved the settlement agreement in a final financing order on December 16, 2021. The ODFA has requested the Oklahoma Supreme Court to certify the proposed securitization bonds. OG&E is currently awaiting bond certification from the Oklahoma Supreme Court, which it expects to occur in the second quarter of 2022. OG&E is working with the ODFA to issue bonds consistent with the OCC's order. The securitization process is expected to be completed in mid-2022.

2020 Oklahoma Fuel Prudence

On June 28, 2021, the Public Utility Division Staff filed their application initiating the review of the 2020 fuel adjustment clause and prudence review. On December 28, 2021, the OCC issued a final order finding OG&E's 2020 electric generation, purchased power and fuel procurement practices, policies, judgments and fuel purchase costs and expenses for 2020 were fair, just and reasonable.

Demand Program Portfolio Filing

Pursuant to OCC rules, OG&E is required to propose, implement and administer a portfolio of demand programs once every three years. On July 8, 2021, OG&E filed its proposed Demand Program Three Year Portfolio for the 2022 through 2024 program cycle, and the proposed program was approved by the OCC on February 1, 2022.

Pending Regulatory Matters

Various proceedings pending before state or federal regulatory agencies are described below. Unless stated otherwise, the Registrants cannot predict when the regulatory agency will act or what action the regulatory agency will take. The Registrants' financial results are dependent in part on timely and constructive decisions by the regulatory agencies that set OG&E's rates.

FERC Proceedings

Order for Sponsored Transmission Upgrades within SPP

Under the SPP Open Access Transmission Tariff, costs of participant-funded, or "sponsored," transmission upgrades may be recovered from other SPP customers whose transmission service depends on capacity enabled by the upgrade. The SPP Open Access Transmission Tariff required the SPP to charge for these upgrades beginning in 2008, but the SPP had not been charging its customers for these upgrades due to information system limitations. However, the SPP had informed participants in

the market that these charges would be forthcoming. In July 2016, the FERC granted the SPP's request to recover the charges not billed since 2008. The SPP subsequently billed OG&E for these charges and credited OG&E related to transmission upgrades that OG&E had sponsored, which resulted in OG&E being a net receiver of sponsored upgrade credits. The majority of these net credits were refunded to customers through OG&E's various rate riders that include SPP activity with the remaining amounts retained by OG&E.

Several companies that were net payers of Z2 charges sought rehearing of the FERC's July 2016 order; however, in November 2017, the FERC denied the rehearing requests. In January 2018, one of the impacted companies appealed the FERC's decision to the U.S. Court of Appeals for the District of Columbia Circuit. In July 2018, that court granted a motion requested by the FERC that the case be remanded back to the FERC for further examination and proceedings. In February 2019, the FERC reversed its July 2016 order and November 2017 rehearing denial, ruled that the SPP violated its tariff to charge for the 2008 through 2015 period in 2016, held that the SPP tariff provision that prohibited those charges could not be waived and ordered the SPP to develop a plan to refund the payments but not to implement the refunds until further ordered to do so. In response, in April 2019, OG&E filed a request for rehearing with the FERC, and in May 2019, OG&E filed a FERC 206 complaint against the SPP, alleging that the SPP's forced unwinding of the revenue credit payments to OG&E would violate the provisions of the Sponsored Upgrade Agreement and of the applicable tariff. OG&E's filing requested that the FERC rule that the SPP is not entitled to seek refunds or in any other way seek to unwind the revenue credit payments it had paid to OG&E pursuant to the Sponsored Upgrade Agreement. The SPP's response to OG&E's filing agreed that OG&E should be entitled to keep its Z2 payments and argued that the SPP should not be held responsible for those payments if refunds are ordered. Further, the SPP has requested the FERC to negotiate a global settlement with all impacted parties, including other project sponsors who, like OG&E, have also filed complaints at FERC contending that the payments they have received cannot properly be unwound.

In February 2020, the FERC denied OG&E's request for rehearing of its February 2019 order, denying the waiver and ruling that the SPP must seek refunds from project sponsors for Z2 payments for the 2008 through 2015 period and pay them back to transmission owners. The FERC also denied the SPP's request for a stay and for institution of settlement procedures. The FERC stated it would not institute settlement procedures unless parties on both sides of the matter requested them. The FERC did not rule on OG&E's complaint or the complaints of other project sponsors, or consider the SPP's refund plan. The FERC thus has not set any date for payment of refunds. In March 2020, OG&E petitioned the U.S. Court of Appeals for the District of Columbia Circuit for review of the FERC's order denying the waiver and requiring refunds. The court issued a decision on August 27, 2021, denying review and holding that the SPP was prohibited by the filed rate doctrine from imposing Z2 charges during the 2008 through 2015 historical period. The court further held that the FERC reasonably exercised its remedial authority to order the SPP to refund the retroactive upgrade charge. The court did not direct a time frame or procedures for the SPP to implement refunds. OG&E and the SPP filed a petition for rehearing of the court's decision, which was denied on October 29, 2021. The court returned the matter to the FERC for action in accordance with its opinion on November 8, 2021.

If the FERC proceeds to order refunds in full, OG&E estimates it would be required to refund \$13.0 million, which is net of amounts paid to other utilities for upgrades and would be subject to interest at the FERC-approved rate. The SPP has stated in filings it made with the FERC while the appeal was pending that there are considerable complexities in implementing the refunds that will have to be resolved before they can be paid. Payment of refunds would shift recovery of these upgrade credits to future periods. The SPP filed an update on January 4, 2022 confirming that administering refunds would be complex and could take years unless the SPP is allowed to make certain simplifying assumptions. It also urged that all pending complaint proceedings, including four complaints against the SPP, be resolved before the refund process is ordered to begin. Of the \$13.0 million, the Registrants would be impacted by \$5.0 million in expense that initially benefited the Registrants in 2016, and OG&E customers would incur a net impact of \$8.0 million in expense through rider mechanisms or the FERC formula rate. As of December 31, 2021, the Registrants have reserved \$13.0 million plus estimated interest for a potential refund.

In January 2020, the FERC acted on an SPP proposal to eliminate Attachment Z2 revenue crediting and replace it with a different rate mechanism that would provide project sponsors, such as OG&E, the same level of recovery, and rejected the proposal to the extent it would limit recovery to the amount of the upgrade sponsor's directly assigned upgrade costs with interest. The SPP resubmitted a proposal in April 2020 without this limited recovery, and with the alternative rate mechanism, and the FERC approved it in June 2020, effective July 1, 2020. No party sought rehearing of the order, and it is now final. This order would only prospectively impact OG&E and its recovery of any future upgrade costs that it may incur as a project sponsor subsequent to July 2020. All of the existing projects that are eligible to receive revenue credits under Attachment Z2, which includes the \$13.0 million at issue in OG&E's appeal as discussed above, will continue to do so.

Incentive Adders for Transmission Rates

The FERC issued a NOPR on March 20, 2020, and issued a supplemental NOPR on April 15, 2021, proposing to update its transmission incentives policy. Among other things, the NOPR proposes (i) the current 50-basis point return on equity adder for RTO/ISO participation would be applicable only to transmitting utilities that join an RTO/ISO, and this incentive would only apply for the first three years in which the utility is an RTO/ISO member and (ii) transmitting utilities that have been members of an RTO/ISO for three years or more, such as OG&E, would be required to make a compliance filing to remove the existing return on equity adder from their rates. OG&E is currently evaluating the potential impacts of this proposed rule. Currently, there is no specific deadline for the FERC to take further action, and it is unknown whether the FERC will address the RTO participation adder individually or as part of a larger order on transmission incentives.

APSC Proceedings

Winter Storm Uri

In February 2021, Winter Storm Uri resulted in record winter peak demand for electricity and extremely high natural gas and purchased power prices in OG&E's service territory. On April 1, 2021, OG&E filed with the APSC a Motion for Authority to Establish Special Regulatory Treatment within the Energy Cost Recovery Rider to Defer Extraordinary Fuel Costs Incurred Due to Winter Storm Uri. More specifically, OG&E's motion sought approval to defer, amortize and recover the extraordinary fuel costs over a ten-year period with a carrying charge of OG&E's pre-tax rate of return of 6.60 percent, through a special factor within OG&E's Energy Cost Recovery Rider beginning with the first billing cycle of May 2021. On April 13, 2021, the APSC issued an order allowing OG&E interim recovery at an interest rate equal to the customer deposit interest rate, which is currently 0.8 percent, over a period of ten years beginning with the first billing cycle of May 2021. Recovery is subject to a true-up after the APSC determines the appropriate allocation, length of recovery and carrying charge. On May 4, 2021, OG&E filed testimony further supporting its 10-year amortization period and a carrying charge of OG&E's pre-tax rate of return of 6.60 percent.

In April 2021, Arkansas enacted legislation to amend its storm recovery securitization statute to allow for both electric and gas utilities to recover through securitization extraordinary natural gas, fuel and purchased power costs caused by storms. The amended statute authorizes the APSC to issue a financing order for the issuance of securitization bonds upon a finding it is reasonably expected to lower overall costs or mitigate rate impacts as compared with traditional utility financing. Upon the initiation of a securitization application, the APSC has 135 days to issue an order. The requesting utility has two years from the date of the financing order to issue the securitization bonds. The amended statute allows carrying costs at a utility's weighted average cost of capital from the date of when the costs were incurred until the date when bonds are ultimately issued.

On May 20, 2021, OG&E filed a motion for suspension of procedural schedule, which the APSC approved, to investigate and evaluate the potential securitization recovery of the Arkansas jurisdictional portion of the Winter Storm Uri costs. OG&E intends to apply for securitization in early 2022 if it is deemed to strike the right balance between protecting the credit strength of OG&E and providing customer savings. As of December 31, 2021, OG&E has deferred \$88.9 million to a regulatory asset, as indicated in Note 1.

Arkansas 2021 Formula Rate Plan Filing

On October 1, 2021, OG&E filed its fourth evaluation report under its Formula Rate Plan, and on February 1, 2022, OG&E, the APSC General Staff and the Office of the Arkansas Attorney General filed a non-unanimous joint settlement agreement, which includes an annual electric revenue increase of \$4.2 million. The only non-signatory to the settlement agreement has agreed not to oppose the settlement. The settlement agreement is subject to approval by the APSC. A final order is expected from the APSC in March 2022, and new rates will be effective April 1, 2022. On October 1, 2021, OG&E also filed a request to extend its Formula Rate Plan Rider for an additional five years. A hearing on the merits was held on February 23, 2022, and OG&E expects a decision from the APSC in April 2022.

OCC Proceedings

Oklahoma Retail Electric Supplier Certified Territory Act Causes

Several rural electric cooperative electricity suppliers have filed complaints with the OCC alleging that OG&E has violated the Oklahoma Retail Electric Supplier Certified Territory Act. OG&E believes it is lawfully serving customers specifically exempted from this act and has presented evidence and testimony to the OCC supporting its position. There have

been five complaint cases initiated at the OCC, and the OCC has issued decisions on each of them. The OCC ruled in favor of the electric cooperatives in three of those cases and ruled in favor of OG&E in two of those cases. All five of those cases have been appealed to the Oklahoma Supreme Court, where they have been made companion cases but will be individually briefed and have individual final decisions.

If the Oklahoma Supreme Court ultimately were to find that some or all of the customers being served are not exempted from the Oklahoma Retail Electric Supplier Certified Territory Act, OG&E would have to evaluate the recoverability of some plant investments made to serve these customers. The total amount of OG&E's plant investments made to serve the customers in all five cases is approximately \$28.0 million, of which \$11.7 million applies to the three cases where the OCC ruled in favor of the electric cooperatives. In addition to the evaluation of the recoverability of the investments, OG&E may also be required to reimburse certified territory suppliers for an amount of lost revenue. The amount of such lost revenue would depend on how the OCC calculates the revenue requirement but could range from approximately \$28.9 million to \$39.3 million for all five cases, of which \$2.9 million to \$4.5 million would apply to the three cases where the OCC ruled in favor of the electric cooperatives.

2021 Oklahoma General Rate Review

On December 30, 2021, OG&E filed a general rate review in Oklahoma seeking a rate increase of \$163.5 million and a 10.2 percent return on equity based on a common equity percentage of 53.37 percent. The rate review includes recovery of \$1.2 billion of capital investment since the last general rate review. A hearing on the merits is expected to be held toward the end of the second quarter of 2022.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of OGE Energy Corp.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets and consolidated statements of capitalization of OGE Energy Corp. (the Company) as of December 31, 2021 and 2020, the related consolidated statements of income, comprehensive income, changes in stockholders' equity and cash flows for each of the three years in the period ended December 31, 2021, and the related notes and financial statement schedule listed in the Index at Item 15(a) (collectively referred to as the "consolidated financial statements"). In our opinion, based on our audits and the report of other auditors, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021, in conformity with U.S. generally accepted accounting principles.

We did not audit the consolidated financial statements of Enable Midstream Partners, LP (Enable), a partnership in which the Company had a 25.5% interest as of December 31, 2020. In the consolidated financial statements, the Company's investment in Enable is stated at \$374.3 million as of December 31, 2020, and the Company's equity in the net income of Enable is stated at \$13.2 million in 2020 and \$91.8 million in 2019. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Enable for 2020 and 2019, is based solely on the report of the other auditors.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 23, 2022, expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical audit matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Regulatory Assets and Liabilities

Description of the Matter As discussed in Note 1 to the consolidated financial statements, the Company conducts its electric utility operations through Oklahoma Gas & Electric Company (OG&E). OG&E is a regulated utility subject to accounting principles for rate-regulated activities. As such, certain incurred costs that would otherwise be charged to expense are deferred as regulatory assets, based on the expected recovery from customers in future rates. Likewise, certain actual or anticipated credits that would otherwise reduce expense are deferred as regulatory liabilities, based on the expected refund to customers in future rates. OG&E records items as regulatory assets or liabilities if, based on regulatory orders or other available evidence, it is probable that the costs or obligations will be included in amounts allowable for recovery or refund in future rates.

Auditing regulatory assets and liabilities is complex as it requires specialized knowledge of rate-regulated activities and judgments as to matters that could affect the recording or updating of regulatory assets and liabilities.

How We Addressed the Matter in Our Audit We obtained an understanding, evaluated the design, and tested the operating effectiveness of internal controls over the Company's accounting for regulatory assets and liabilities, including, among others, controls over management's assessment of the likelihood of approval by regulators for new matters and controls over the evaluation of filings with regulatory bodies on existing regulatory assets and liabilities, including factors that may affect the timing or nature of recoverability.

We performed audit procedures that included, among others, reviewing evidence of correspondence with regulatory bodies to test that the Company appropriately evaluated new information obtained from regulatory rulings. For example, we assessed the recoverability, considering information obtained from regulatory rulings, of various regulatory assets. In addition, we tested that amortization of regulatory assets and liabilities corresponded to relevant regulatory rulings. For example, we tested whether the regulatory assets and liabilities were appropriately amortized through the Company's rates charged to customers based on rulings from regulatory bodies.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2002.

Oklahoma City, Oklahoma

February 23, 2022

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholder and the Board of Directors of Oklahoma Gas and Electric Company

Opinion on the Financial Statements

We have audited the accompanying balance sheets and statements of capitalization of Oklahoma Gas and Electric Company (the Company) as of December 31, 2021 and 2020, the related statements of income and comprehensive income, changes in stockholder's equity, and cash flows for each of the three years in the period ended December 31, 2021, and the related notes and financial statement schedule listed in the Index at Item 15(a) (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 23, 2022, expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical audit matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Regulatory Assets and Liabilities

Description of the Matter As discussed in Note 1 to the financial statements, the Company is a regulated utility subject to accounting principles for rate-regulated activities. As such, certain incurred costs that would otherwise be charged to expense are deferred as regulatory assets, based on the expected recovery from customers in future rates. Likewise, certain actual or anticipated credits that would otherwise reduce expense are deferred as regulatory liabilities, based on the expected refund to customers in future rates. The Company records items as regulatory assets or liabilities if, based on regulatory orders or other available evidence, it is probable that the costs or obligations will be included in amounts allowable for recovery or refund in future rates.

Auditing regulatory assets and liabilities is complex as it requires specialized knowledge of rate-regulated activities and judgments as to matters that could affect the recording or updating of regulatory assets and liabilities.

How We Addressed the Matter in Our Audit We obtained an understanding, evaluated the design, and tested the operating effectiveness of internal controls over the Company's accounting for regulatory assets and liabilities, including, among others, controls over management's assessment of the likelihood of approval by regulators for new matters and controls over the evaluation of filings with regulatory bodies on existing regulatory assets and liabilities, including factors that may affect the timing or nature of recoverability.

We performed audit procedures that included, among others, reviewing evidence of correspondence with regulatory bodies to test that the Company appropriately evaluated new information obtained from regulatory rulings. For example, we assessed the recoverability, considering information obtained from regulatory rulings, of various regulatory assets. In addition, we tested that amortization of regulatory assets and liabilities corresponded to relevant regulatory rulings. For example, we tested whether the regulatory assets and liabilities were appropriately amortized through the Company's rates charged to customers based on rulings from regulatory bodies.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2002.

Oklahoma City, Oklahoma

February 23, 2022

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

The Registrants maintain a set of disclosure controls and procedures designed to ensure that information required to be disclosed by the Registrants in reports that they file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms. In addition, the disclosure controls and procedures ensure that information required to be disclosed is accumulated and communicated to management, including the chief executive officer and chief financial officer, allowing timely decisions regarding required disclosure. As of the end of the period covered by this report, based on an evaluation carried out under the supervision and with the participation of the Registrants' management, including the chief executive officer and chief financial officer, of the effectiveness of the Registrants' disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15(d)-15(e) under the Securities Exchange Act of 1934), the chief executive officer and chief financial officer have concluded that the Registrants' disclosure controls and procedures are effective.

No change in the Registrants' internal control over financial reporting has occurred during the most recently completed fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrants' internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934).

Management's Report on Internal Control Over Financial Reporting

The management of the Registrants is responsible for establishing and maintaining adequate internal control over financial reporting. The Registrants' internal control systems were designed to provide reasonable assurance to management and OGE Energy's Board of Directors regarding the preparation and fair presentation of published financial statements. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

The Registrants' management assessed the effectiveness of their internal control over financial reporting as of December 31, 2021. In making this assessment, it used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control-Integrated Framework (2013). Based on our assessment, we believe that, as of December 31, 2021, the Registrants' internal control over financial reporting is effective based on those criteria.

The Registrants' independent auditors have issued an attestation report on the Registrants' internal control over financial reporting. This report appears on the following page.

/s/ Sean Trauschke

Sean Trauschke, Chairman of the Board, President
and Chief Executive Officer

/s/ Sarah R. Stafford

Sarah R. Stafford, Controller
and Chief Accounting Officer

/s/ W. Bryan Buckler

W. Bryan Buckler
Chief Financial Officer

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of OGE Energy Corp.

Opinion on Internal Control over Financial Reporting

We have audited OGE Energy Corp.'s internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, OGE Energy Corp. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets and consolidated statements of capitalization of OGE Energy Corp. as of December 31, 2021 and 2020, the related consolidated statements of income, comprehensive income, changes in stockholders' equity and cash flows for each of the three years in the period ended December 31, 2021, and the related notes and financial statement schedule listed in the Index at Item 15(a) and our report dated February 23, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Oklahoma City, Oklahoma

February 23, 2022

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholder and the Board of Directors of Oklahoma Gas and Electric Company

Opinion on Internal Control over Financial Reporting

We have audited Oklahoma Gas and Electric Company's internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Oklahoma Gas and Electric Company (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the balance sheets and statements of capitalization of Oklahoma Gas & Electric Company as of December 31, 2021 and 2020, the related statements of income and comprehensive income, changes in stockholder's equity, and cash flows for each of the three years in the period ended December 31, 2021, and the related notes and financial statement schedule listed in the Index at Item 15(a) and our report dated February 23, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Oklahoma City, Oklahoma

February 23, 2022

Item 9B. Other Information.

On February 23, 2022, the Board of Directors approved and adopted the OGE Energy Corp. 2022 Annual Executive Incentive Compensation Plan (the "Annual Plan"). The Annual Plan replaces the OGE Energy Corp. 2013 Annual Incentive Compensation Plan (the "current annual plan"). The Annual Plan is very similar to the current annual plan, with the major difference being the elimination of certain provisions that were intended to comply with the "performance-based compensation" exception under Section 162(m) of the Code. That exception was eliminated by the 2017 Tax Cuts and Jobs Act.

Officers, executives or other key employees of OGE Energy and its subsidiaries who are selected by the Compensation Committee are eligible to be granted awards under the Annual Plan, which provides for the payment of annual cash bonuses based on OGE Energy performance and individual performance relative to performance goals approved by the Compensation Committee. The level of achievement of the specified OGE Energy and individual performance goals at the end of the plan year will determine the amount of each participant's target company award and/or target individual award that such participant will receive, which may exceed 100 percent of the participant's target awards.

This summary of the Annual Plan is qualified in its entirety by reference to the Annual Plan filed as Exhibit 10.13 to this 2021 Form 10-K.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Code of Ethics Policy

OGE Energy maintains a code of ethics for our chief executive officer and senior financial officers, including the chief financial officer and chief accounting officer, which is available for public viewing on OGE Energy's website at www.oge.com/governance. The code of ethics will be provided, free of charge, upon request. OGE Energy intends to satisfy the disclosure requirements under Section 5, Item 5.05 of Form 8-K regarding an amendment to, or waiver from, a provision of the code of ethics by posting such information on its website at the location specified above. OGE Energy will also include in its proxy statement information regarding the Audit Committee financial experts.

OGE Energy. Information regarding OGE Energy's executive officers is set forth in "Part I, Item 1. Business - Information About the Registrants' Executive Officers." As permitted by General Instruction G of Form 10-K, the information required by Item 10, other than information regarding the executive officers and the Code of Ethics, will be set forth in OGE Energy's definitive proxy statement for the 2022 Annual Meeting of Shareholders, which is expected to be filed with the Securities and Exchange Commission on or about April 4, 2022. Such proxy statement is incorporated herein by reference.

OG&E. Under the reduced disclosure format permitted by General Instruction I(2)(c) of Form 10-K, the information otherwise required by Item 10 for OG&E has been omitted.

Item 11. Executive Compensation.

OGE Energy. As permitted by General Instruction G of Form 10-K, the information required by Item 11 will be set forth in OGE Energy's definitive proxy statement for the 2022 Annual Meeting of Shareholders, which is expected to be filed with the Securities and Exchange Commission on or about April 4, 2022. Such proxy statement is incorporated herein by reference.

OG&E. Under the reduced disclosure format permitted by General Instruction I(2)(c) of Form 10-K, the information otherwise required by Item 11 for OG&E has been omitted.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

OGE Energy. As permitted by General Instruction G of Form 10-K, the information required by Item 12 will be set forth in OGE Energy's definitive proxy statement for the 2022 Annual Meeting of Shareholders, which is expected to be filed

with the Securities and Exchange Commission on or about April 4, 2022. Such proxy statement is incorporated herein by reference.

OG&E. Under the reduced disclosure format permitted by General Instruction I(2)(c) of Form 10-K, the information otherwise required by Item 12 for OG&E has been omitted.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

OGE Energy. As permitted by General Instruction G of Form 10-K, the information required by Item 13 will be set forth in OGE Energy's definitive proxy statement for the 2022 Annual Meeting of Shareholders, which is expected to be filed with the Securities and Exchange Commission on or about April 4, 2022. Such proxy statement is incorporated herein by reference.

OG&E. Under the reduced disclosure format permitted by General Instruction I(2)(c) of Form 10-K, the information otherwise required by Item 13 for OG&E has been omitted.

Item 14. Principal Accountant Fees and Services.

The following discussion relates to the audit fees paid by OGE Energy to its principal independent accountants for the services provided to OGE Energy and its subsidiaries, including OG&E.

Fees for Principal Independent Accountants

Year Ended December 31	2021	2020
Integrated audit of OGE Energy and its subsidiaries financial statements and internal control over financial reporting	\$1,209,000	\$1,136,800
Services in support of debt and stock offerings	65,000	65,000
Other (A)	361,000	325,000
Total audit fees (B)	1,635,000	1,526,800
Employee benefit plan audits	133,000	128,000
Total audit-related fees	133,000	128,000
Assistance with examinations and other return issues	237,481	65,948
Review of federal and state tax returns	32,000	32,000
Total tax preparation and compliance fees	269,481	97,948
Total tax fees	269,481	97,948
Total fees	\$2,037,481	\$1,752,748

(A) Includes reviews of the financial statements included in the Registrants' Quarterly Reports on Form 10-Q, audits of OGE Energy's subsidiaries, preparation for Audit Committee meetings and fees for consulting with the Registrants' executives regarding accounting issues.

(B) The aggregate audit fees include fees billed for the audit of the Registrants' annual financial statements and for the reviews of the financial statements included in the Registrants' Quarterly Reports on Form 10-Q. For 2021, this amount includes estimated billings for the completion of the 2021 audit, which services were rendered after year-end.

All Other Fees

There were no other fees billed by the principal independent accountants to OGE Energy in 2021 and 2020 for other services.

Audit Committee Pre-Approval Procedures

Rules adopted by the Securities and Exchange Commission in order to implement requirements of the Sarbanes-Oxley Act of 2002 require public company audit committees to pre-approve audit and non-audit services. OGE Energy's Audit Committee follows procedures pursuant to which audit, audit-related and tax services, and all permissible non-audit services are pre-approved by category of service. The fees are budgeted, and actual fees versus the budget are monitored throughout the year. During the year, circumstances may arise when it may become necessary to engage the principal independent accountants for additional services not contemplated in the original pre-approval. In those instances, OGE Energy will obtain the specific

pre-approval of the Audit Committee before engaging the principal independent accountants. The procedures require the Audit Committee to be informed of each service, and the procedures do not include any delegation of the Audit Committee's responsibilities to management. The Audit Committee may delegate pre-approval authority to one or more of its members. The member to whom such authority is delegated will report any pre-approval decisions to the Audit Committee at its next scheduled meeting.

For 2021, 100 percent of the audit fees, audit-related fees and tax fees were pre-approved by the Audit Committee or the Chairman of the Audit Committee pursuant to delegated authority.

PART IV

Item 15. Exhibit and Financial Statement Schedules.

(a) 1. Financial Statements

- (i) The following financial statements are included in Part II, Item 8 of this Annual Report:

OGE Energy

- Consolidated Statements of Income for the years ended December 31, 2021, 2020 and 2019
- Consolidated Statements of Comprehensive Income for the years ended December 31, 2021, 2020 and 2019
- Consolidated Statements of Cash Flows for the years ended December 31, 2021, 2020 and 2019
- Consolidated Balance Sheets at December 31, 2021 and 2020
- Consolidated Statements of Capitalization at December 31, 2021 and 2020
- Consolidated Statements of Changes in Stockholders' Equity for the years ended December 31, 2021, 2020 and 2019
- Notes to Consolidated Financial Statements
- Report of Independent Registered Public Accounting Firm (Audit of Financial Statements)
- Management's Report on Internal Control Over Financial Reporting
- Report of Independent Registered Public Accounting Firm (Audit of Internal Control over Financial Reporting)

OG&E

- Statements of Income for the years ended December 31, 2021, 2020 and 2019
- Statements of Comprehensive Income for the years ended December 31, 2021, 2020 and 2019
- Statements of Cash Flows for the years ended December 31, 2021, 2020 and 2019
- Balance Sheets at December 31, 2021 and 2020
- Statements of Capitalization at December 31, 2021 and 2020
- Statements of Changes in Stockholder's Equity for the years ended December 31, 2021, 2020 and 2019
- Notes to Financial Statements
- Report of Independent Registered Public Accounting Firm (Audit of Financial Statements)
- Management's Report on Internal Control Over Financial Reporting
- Report of Independent Registered Public Accounting Firm (Audit of Internal Control over Financial Reporting)

The reports of the Registrants' independent registered public accounting firm (PCAOB ID:42) with respect to the above-referenced financial statements and their reports on internal control over financial reporting are included in Item 8 and Item 9A of this Form 10-K. Their consents for each Registrant appear as Exhibit 23.01 and Exhibit 23.02 of this Form 10-K.

- (ii) The audited financial statements and Notes to Consolidated Financial Statements of Enable Midstream Partners, LP, for the years ending December 31, 2020 and 2019 required pursuant to Rule 3-09 of Regulation S-X are filed as Exhibit 99.01.

The report of the independent registered public accounting firm Deloitte & Touche LLP (PCAOB ID No. 34), located in Oklahoma City, Oklahoma, with respect to the above-referenced financial statements is included in Exhibit 99.01. Their related consent appears as Exhibit 23.03 of this Form 10-K.

- (iii) The unaudited financial statements and Notes to Consolidated Financial Statements of Enable Midstream Partners, LP, for the nine month period ending September 30, 2021 required pursuant to Rule 3-09 of Regulation S-X are filed as Exhibit 99.02.

2. Financial Statement Schedule (included in Part IV)

- Schedule II - Valuation and Qualifying Accounts

All other schedules have been omitted since the required information is not applicable or is not material, or because the information required is included in the respective financial statements or notes thereto.

3. Exhibits

Exhibit No.	Description	OGE Energy	OG&E
3.01	<u>Copy of Restated OGE Energy Corp. Certificate of Incorporation. (Filed as Exhibit 3.01 to OGE Energy's Form 10-Q for the quarter ended June 30, 2013 (File No. 1-12579) and incorporated by reference herein).</u>	X	
3.02	<u>Copy of Amended OGE Energy Corp. By-laws dated February 22, 2017. (Filed as Exhibit 3.01 to OGE Energy's Form 8-K filed February 23, 2017 (File No. 1-12579) and incorporated by reference herein).</u>	X	
3.03	<u>Copy of Restated Oklahoma Gas and Electric Company Certificate of Incorporation. (Filed as Exhibit 3.01 to OG&E's Form 8-K filed May 19, 2011 (File No. 1-1097) and incorporated by reference herein).</u>		X
3.04	<u>Copy of Amended Oklahoma Gas and Electric Company By-laws dated November 30, 2015. (Filed as Exhibit 3.02 to OGE Energy's Form 8-K filed November 30, 2015 (File No. 1-12579) and incorporated by reference herein).</u>		X
4.01	<u>Trust Indenture dated October 1, 1995, from OG&E to Boatmen's First National Bank of Oklahoma, Trustee. (Filed as Exhibit 4.29 to OG&E's Registration Statement No. 33-61821 and incorporated by reference herein).</u>	X	X
4.02	<u>Supplemental Indenture No. 2, dated as of July 1, 1997, being a supplemental instrument to Exhibit 4.01 hereto. (Filed as Exhibit 4.01 to OG&E's Form 8-K filed July 17, 1997 (File No. 33-1532) and incorporated by reference herein).</u>	X	X
4.03	<u>Supplemental Indenture No. 3, dated as of April 1, 1998, being a supplemental instrument to Exhibit 4.01 hereto. (Filed as Exhibit 4.01 to OG&E's Form 8-K filed April 16, 1998 (File No. 33-1532) and incorporated by reference herein).</u>	X	X
4.04	<u>Supplemental Indenture No. 5 dated as of October 24, 2001 being a supplemental instrument to Exhibit 4.01 hereto. (Filed as Exhibit 4.06 to OG&E's Registration Statement No. 333-104615 and incorporated by reference herein).</u>	X	X
4.05	<u>Supplemental Indenture No. 6 dated as of August 1, 2004, being a supplemental instrument to Exhibit 4.01 hereto. (Filed as Exhibit 4.02 to OG&E's Form 8-K filed August 6, 2004 (File No 1-1097) and incorporated by reference herein).</u>	X	X
4.06	<u>Supplemental Indenture No. 7 dated as of January 1, 2006, being a supplemental instrument to Exhibit 4.01 hereto. (Filed as Exhibit 4.02 to OG&E's Form 8-K filed January 6, 2006 (File No. 1-1097) and incorporated by reference herein).</u>	X	X
4.07	<u>Supplemental Indenture No. 8 dated as of January 15, 2008, being a supplemental instrument to Exhibit 4.01 hereto. (Filed as Exhibit 4.01 to OG&E's Form 8-K filed January 31, 2008 (File No. 1-1097) and incorporated by reference herein).</u>	X	X
4.08	<u>Supplemental Indenture No. 9 dated as of September 1, 2008, being a supplemental instrument to Exhibit 4.01 hereto. (Filed as Exhibit 4.01 to OG&E's Form 8-K filed September 9, 2008 (File No. 1-1097) and incorporated by reference herein).</u>	X	X
4.09	<u>Supplemental Indenture No. 10 dated as of December 1, 2008, being a supplemental instrument to Exhibit 4.01 hereto. (Filed as Exhibit 4.01 to OG&E's Form 8-K filed December 11, 2008 (File No. 1-1097) and incorporated by reference herein).</u>	X	X
4.10	<u>Supplemental Indenture No. 11 dated as of June 1, 2010, being a supplemental instrument to Exhibit 4.01 hereto. (Filed as Exhibit 4.01 to OG&E's Form 8-K filed June 8, 2010 (File No. 1-1097) and incorporated by reference herein).</u>	X	X
4.11	<u>Supplemental Indenture No. 12 dated as of May 15, 2011, being a supplemental instrument to Exhibit 4.01 hereto. (Filed as Exhibit 4.01 to OG&E's Form 8-K filed May 27, 2011 (File No. 1-1097) and incorporated by reference herein).</u>	X	X
4.12	<u>Supplemental Indenture No. 13 dated as of May 1, 2013, being a supplemental instrument to Exhibit 4.01 hereto. (Filed as Exhibit 4.01 to OG&E's Form 8-K filed May 13, 2013 (File No. 1-1097) and incorporated by reference herein).</u>	X	X
4.13	<u>Supplemental Indenture No. 14 dated as of March 15, 2014, being a supplemental instrument to Exhibit 4.01 hereto. (Filed as Exhibit 4.01 to OG&E's Form 8-K filed March 25, 2014 (File No. 1-1097) and incorporated by reference herein).</u>	X	X
4.14	<u>Supplemental Indenture No. 15 dated as of December 1, 2014, being a supplemental instrument to Exhibit 4.01 hereto. (Filed as Exhibit 4.01 to OG&E's Form 8-K filed December 11, 2014 (File No. 1-1097) and incorporated by reference herein).</u>	X	X
4.15	<u>Supplemental Indenture No. 16 dated as of March 15, 2017, being a supplemental instrument to Exhibit 4.01 hereto. (Filed as Exhibit 4.01 to OG&E's Form 8-K filed March 31, 2017 (File No. 1-1097) and incorporated by reference herein).</u>	X	X

4.16	<u>Supplemental Indenture No. 17 dated as of August 1, 2017, being a supplemental instrument to Exhibit 4.01 hereto. (Filed as Exhibit 4.01 to OG&E's Form 8-K filed August 11, 2017 (File No. 1-1097) and incorporated by reference herein).</u>	X	X
4.17	<u>Supplemental Indenture No. 18 dated as of April 26, 2018, being a supplemental instrument to Exhibit 4.01 hereto. (Filed as Exhibit 4.21 to OG&E's Registration Statement on Form S-3ASR filed May 18, 2018 (File No. 333-225030-01) and incorporated by reference herein).</u>	X	X
4.18	<u>Supplemental Indenture No. 19 dated as of August 15, 2018, being a supplemental instrument to Exhibit 4.01 hereto. (Filed as Exhibit 4.01 to OG&E's Form 8-K filed August 17, 2018 (File No. 1-1097) and incorporated by reference herein).</u>	X	X
4.19	<u>Supplemental Indenture No. 20 dated as of June 1, 2019, being a supplemental instrument to Exhibit 4.01 hereto. (Filed as Exhibit 4.01 to OG&E's Form 8-K filed June 7, 2019 (File No. 1-1097) and incorporated by reference herein).</u>	X	X
4.20	<u>Supplemental Indenture No. 21 dated as of April 1, 2020, being a supplemental instrument to Exhibit 4.01 hereto. (Filed as Exhibit 4.01 to OG&E's Form 8-K filed April 1, 2020 (File No. 1-1097) and incorporated by reference herein).</u>	X	X
4.21	<u>Supplemental Indenture No. 22 dated as of May 27, 2021, being a supplemental instrument to Exhibit 4.01 hereto. (Filed as Exhibit 4.02 to OG&E's Form 8-K filed May 27, 2021 (File No. 1-1097) and incorporated by reference herein).</u>	X	X
4.22	<u>Indenture dated as of November 1, 2004 between OGE Energy Corp. and UMB Bank, N.A., as trustee. (Filed as Exhibit 4.01 to OGE Energy's Form 8-K filed November 12, 2004 (File No. 1-12579) and incorporated by reference herein).</u>	X	
4.23	<u>Supplemental Indenture No. 2 dated as of November 24, 2014 between OGE Energy and UMB Bank, N.A, as trustee, creating the Senior Notes. (Filed as Exhibit 4.01 to OGE Energy's Form 8-K filed November 24, 2014 (File No. 1-12579) and incorporated by reference herein).</u>	X	
4.24	<u>Supplemental Indenture No. 3 dated as of April 26, 2018, being a supplemental instrument to Exhibit 4.22 hereto. (Filed as Exhibit 4.04 to OGE Energy's Registration Statement on Form S-3ASR filed May 18, 2018 (File No. 333-225030) and incorporated by reference herein).</u>	X	
4.25	<u>Supplemental Indenture No. 4 dated as of May 27, 2021, being a supplemental instrument to Exhibit 4.22 hereto. (Filed as Exhibit 4.01 to OGE Energy's Form 8-K filed May 27, 2021 (File No. 1-12579) and incorporated by reference herein).</u>	X	
4.26+	<u>Description of Capital Stock.</u>	X	
10.01	<u>Amended and Restated Facility Operating Agreement for the McClain Generating Facility dated as of July 9, 2004 between OG&E and the Oklahoma Municipal Power Authority. (Filed as Exhibit 10.03 to OGE Energy's Form 10-Q for the quarter ended June 30, 2004 (File No. 1-12579) and incorporated by reference herein).</u>	X	X
10.02	<u>Amended and Restated Ownership and Operation Agreement for the McClain Generating Facility dated as of July 9, 2004 between OG&E and the Oklahoma Municipal Power Authority. (Filed as Exhibit 10.04 to OGE Energy's Form 10-Q for the quarter ended June 30, 2004 (File No. 1-12579) and incorporated by reference herein).</u>	X	X
10.03	<u>Operating and Maintenance Agreement for the Transmission Assets of the McClain Generating Facility dated as of August 25, 2003 between OG&E and the Oklahoma Municipal Power Authority. (Filed as Exhibit 10.05 to OGE Energy's Form 10-Q for the quarter ended June 30, 2004 (File No. 1-12579) and incorporated by reference herein).</u>	X	X
10.04*	<u>Form of Split Dollar Agreement. (Filed as Exhibit 10.32 to OGE Energy's Form 10-K for the year ended December 31, 2004 (File No. 1-12579) and incorporated by reference herein).</u>	X	X
10.05*	<u>OGE Energy Supplemental Executive Retirement Plan, as amended and restated. (Filed as Exhibit 10.01 to OGE Energy's Form 10-Q for the quarter ended September 30, 2019 (File No. 1-12579) and incorporated by reference herein).</u>	X	X
10.06*	<u>Amendment No. 1 to the OGE Energy Corp. Supplemental Executive Retirement Plan. (Filed as Exhibit 10.01 to OGE Energy's Form 10-Q for the quarter ended June 30, 2021 (File No. 1-12579) and incorporated by reference herein).</u>	X	X
10.07*	<u>OGE Energy Restoration of Retirement Income Plan, as amended and restated. (Filed as Exhibit 10.04 to OGE Energy's Form 10-Q for the quarter ended March 31, 2008 (File No. 1-12579) and incorporated by reference herein).</u>	X	X

10.08*	<u>Amendment No. 1 to OGE Energy's Restoration of Retirement Income Plan. (Filed as Exhibit 10.40 to OGE Energy's Form 10-K for the year ended December 31, 2009 (File No. 1-12579) and incorporated by reference herein).</u>	X	X
10.09*	<u>Form of Employment Agreement for all existing and future officers of OGE Energy relating to change of control. (Filed as Exhibit 10.28 to OGE Energy's Form 10-K for the year ended December 31, 2011 (File No. 1-12579) and incorporated by reference herein).</u>	X	X
10.10*+	<u>OGE Energy's Director Compensation.</u>	X	X
10.11*+	<u>OGE Energy's Executive Officer Compensation.</u>	X	X
10.12*	<u>OGE Energy's 2013 Stock Incentive Plan. (Filed as Annex B to OGE Energy's Proxy Statement for the 2013 Annual Meeting of Shareowners (File No. 1-12579) and incorporated by reference herein).</u>	X	X
10.13*+	<u>OGE Energy's 2022 Annual Executive Incentive Compensation Plan.</u>	X	X
10.14*	<u>Form of Performance Unit Agreement under OGE Energy's 2013 Stock Incentive Plan. (Filed as Exhibit 10.01 to OGE Energy's Form 10-Q for the quarter ended June 30, 2017 (File No. 1-12579) and incorporated by reference herein).</u>	X	X
10.15*	<u>Form of Restricted Stock Unit Agreement under OGE Energy's 2013 Stock Incentive Plan. (Filed as Exhibit 10.01 to OGE Energy's Form 10-Q for the quarter ended March 31, 2019 (File No. 1-12579) and incorporated by reference herein).</u>	X	X
10.16*	<u>OGE Energy Corp. Deferred Compensation Plan (As amended and restated effective October 1, 2016). (Filed as Exhibit 10.37 to OGE Energy's Form 10-K for the year ended December 31, 2016 (File No. 1-12579) and incorporated by reference herein).</u>	X	X
10.17	<u>Copy of the Settlement Agreement filed with the APSC on April 20, 2017. (Filed as Exhibit 99.02 to OGE Energy's Form 8-K filed May 24, 2017 (File No. 1-12579) and incorporated by reference herein).</u>	X	X
10.18*	<u>Employment Arrangement between OGE Energy and W. Bryan Buckler, OGE Energy's and OG&E's Chief Financial Officer (Filed as Exhibit 10.27 to OGE Energy's Form 10-K for the year ended December 31, 2020 (File No. 1-12579) and incorporated by reference herein).</u>	X	X
10.19	<u>Amended and Restated Credit Agreement dated as of December 17, 2021 by and among OGE Energy Corp. and Wells Fargo Bank, National Association, as Agent, JPMorgan Chase Bank, N.A. and Mizuho Bank, Ltd., as Co-Syndication Agents, MUFG Union Bank, N.A., Royal Bank of Canada and U.S. Bank National Association, as Co-Documentation Agents, and the lenders from time to time parties thereto. (Filed as Exhibit 99.01 to OGE Energy's Form 8-K filed December 21, 2021 (File No. 1-12579) and incorporated by reference herein).</u>	X	
10.20	<u>Amended and Restated Credit Agreement dated as of December 17, 2021 by and among Oklahoma Gas and Electric Company and Wells Fargo Bank, National Association, as Agent, JPMorgan Chase Bank, N.A. and Mizuho Bank, Ltd., as Co-Syndication Agents, MUFG Union Bank, N.A., Royal Bank of Canada and U.S. Bank National Association, as Co-Documentation Agents, and the lenders from time to time parties thereto. (Filed as Exhibit 99.02 to OG&E's Form 8-K filed December 21, 2021 (File No. 1-1097) and incorporated by reference herein).</u>	X	X
10.21	<u>Registration Rights Agreement dated as of December 2, 2021 by and among Energy Transfer LP, OGE Energy Corp., and CenterPoint Energy Inc. (Filed as Exhibit 10.01 to OGE Energy's Form 8-K filed December 3, 2021 (File No. 1-12579) and incorporated by reference herein).</u>	X	
21.01+	<u>Subsidiaries of OGE Energy.</u>	X	
23.01+	<u>Consent of Ernst & Young LLP.</u>	X	
23.02+	<u>Consent of Ernst & Young LLP.</u>		X
23.03+	<u>Consent of Deloitte & Touche LLP for the Financial Statements of Enable Midstream Partners, LP as of and for the three years ended December 31, 2020 as listed at Exhibit 99.01.</u>	X	
24.01+	<u>Power of Attorney.</u>	X	
24.02+	<u>Power of Attorney.</u>		X
31.01+	<u>Certifications Pursuant to Rule 13a-14(a)/15d-14(a) As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>	X	
31.02+	<u>Certifications Pursuant to Rule 13a-14(a)/15d-14(a) As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>		X

32.01+	<u>Certification Pursuant to 18 U.S.C. Section 1350 As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>	X	
32.02+	<u>Certification Pursuant to 18 U.S.C. Section 1350 As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>		X
99.01+	<u>Audited Financial Statements of Enable Midstream Partners, LP as of and for the three years ended December 31, 2020.</u>	X	
99.02+	<u>Financial Statements of Enable Midstream Partners, LP as of and for the nine months ended September 30, 2021 (unaudited).</u>	X	
99.03	<u>Copy of the APSC Settlement Agreement approval dated May 18, 2017. (Filed as Exhibit 99.01 to OGE Energy's Form 8-K filed May 24, 2017 (File No. 1-12579) and incorporated by reference herein).</u>	X	X
99.04	<u>Copy of the Settlement Agreement filed with the OCC on May 24, 2019. (Filed as Exhibit 99.01 to OGE Energy's Form 8-K filed May 30, 2019 (File No. 1-12579) and incorporated by reference herein).</u>	X	X
101.INS	Inline XBRL Instance Document - the instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document.	X	X
101.SCH	Inline XBRL Taxonomy Schema Document.	X	X
101.PRE	Inline XBRL Taxonomy Presentation Linkbase Document.	X	X
101.LAB	Inline XBRL Taxonomy Label Linkbase Document.	X	X
101.CAL	Inline XBRL Taxonomy Calculation Linkbase Document.	X	X
101.DEF	Inline XBRL Definition Linkbase Document.	X	X
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document (included in Exhibit 101).	X	X
* Represents executive compensation plans and arrangements.			
+ Represents exhibits filed herewith. All exhibits not so designated are incorporated by reference to a prior filing, as indicated.			

**OGE ENERGY CORP.
OKLAHOMA GAS AND ELECTRIC COMPANY**

SCHEDULE II - Valuation and Qualifying Accounts

Description	Balance at Beginning of Period	Additions		Deductions (A)	Balance at End of Period
		Charged to Costs and Expenses			
<i>(In millions)</i>					
Balance at December 31, 2019					
Reserve for Uncollectible Accounts	\$ 1.7	\$ 2.2		\$ 2.4	\$ 1.5
Balance at December 31, 2020					
Reserve for Uncollectible Accounts	\$ 1.5	\$ 3.0		\$ 1.9	\$ 2.6
Balance at December 31, 2021					
Reserve for Uncollectible Accounts	\$ 2.6	\$ 3.2		\$ 3.4	\$ 2.4

(A) Uncollectible accounts receivable written off, net of recoveries.

Item 16. Form 10-K Summary.

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Oklahoma City, and State of Oklahoma on February 23rd, 2022.

OG E ENERGY CORP.

(Registrant)

By /s/ Sean Tauschke
Sean Tauschke
Chairman of the Board, President
and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Report has been signed below by the following persons on behalf of the Registrant in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ Sean Tauschke</u> Sean Tauschke	Principal Executive Officer and Director;	February 23, 2022
<u>/s/ W. Bryan Buckler</u> W. Bryan Buckler	Principal Financial Officer;	February 23, 2022
<u>/s/ Sarah R. Stafford</u> Sarah R. Stafford	Principal Accounting Officer.	February 23, 2022
Frank A. Bozich	Director;	
Peter D. Clarke	Director;	
Luke R. Corbett	Director;	
David L. Hauser	Director;	
Luther C. Kissam, IV	Director;	
Judy R. McReynolds	Director;	
David E. Rainbolt	Director;	
J. Michael Sanner	Director;	
Sheila G. Talton	Director;	
<u>/s/ Sean Tauschke</u> By Sean Tauschke (attorney-in-fact)		February 23, 2022

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Oklahoma City, and State of Oklahoma on February 23rd, 2022.

OKLAHOMA GAS AND ELECTRIC COMPANY
(Registrant)

By /s/ Sean Trauschke
Sean Trauschke
Chairman of the Board, President
and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Report has been signed below by the following persons on behalf of the Registrant in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ Sean Trauschke</u> Sean Trauschke	Principal Executive Officer and Director;	February 23, 2022
<u>/s/ W. Bryan Buckler</u> W. Bryan Buckler	Principal Financial Officer;	February 23, 2022
<u>/s/ Sarah R. Stafford</u> Sarah R. Stafford	Principal Accounting Officer.	February 23, 2022
Frank A. Bozich	Director;	
Peter D. Clarke	Director;	
Luke R. Corbett	Director;	
David L. Hauser	Director;	
Luther C. Kissam, IV	Director;	
Judy R. McReynolds	Director;	
David E. Rainbolt	Director;	
J. Michael Sanner	Director;	
Sheila G. Talton	Director;	
<u>/s/ Sean Trauschke</u> By Sean Trauschke (attorney-in-fact)		February 23, 2022

OGE Energy Corp. Leadership

BOARD OF DIRECTORS

Frank A. Bozich

President and CEO at Trinseo, a global materials company and manufacturer of plastics, latex binders and synthetic rubber

Peter D. Clarke

Retired Partner of Jones Day, a law firm

Luke R. Corbett

Former Chairman and CEO of Kerr-McGee Corporation, which engaged in oil and gas exploration and production and chemical operations

David L. Hauser

Former Chairman and CEO of FairPoint Communications, Inc., a provider of communication services

Luther (Luke) C. Kissam, IV

Former Chairman, President and CEO of Albemarle Corporation, a global specialty chemical company

Judy R. McReynolds

Chairman, President and CEO of ArcBest Corporation, a full-service logistics solutions provider

David E. Rainbolt

Executive Chairman of Bancfirst Corporation, a financial holding company, which provides retail and commercial banking services

J. Michael Sanner

Retired Partner of Ernst & Young LLP, an accounting firm

Sheila G. Talton

President and CEO of Gray Matter Analytics, a healthcare analytics solutions company that works with payors and providers

Sean Trauschke

Chairman, President and CEO of OGE Energy Corp., OG&E

OFFICERS

Sean Trauschke

Chairman, President and CEO of OGE Energy Corp., OG&E

W. Bryan Buckler

Chief Financial Officer – OGE Energy Corp., OG&E

William H. Sultemeier

General Counsel and Chief Compliance Officer – OGE Energy Corp., OG&E

Scott A. Briggs

Vice President – Human Resources – OG&E

Robert J. Burch

Vice President – Utility Technical Services – OG&E

Andrea M. Dennis

Vice President – Transmission and Distribution – OG&E

Patricia D. Horn

Vice President – Governance and Corporate Secretary – OGE Energy Corp., OG&E

Donnie O. Jones

Vice President – Utility Operations – OG&E

Cristina F. McQuiston

Vice President – Corporate Responsibility and Stewardship – OGE Energy Corp., OG&E

Kenneth A. Miller

Vice President – Regulatory and Legislative Affairs – OG&E

David A. Parker

Vice President – Technology, Data and Security – OG&E

Matthew J. Schuermann

Vice President – Power Supply Operations – OG&E

Sarah R. Stafford

Controller and Chief Accounting Officer – OGE Energy Corp., OG&E

Charles B. Walworth

Treasurer – OGE Energy Corp., OG&E

Christine O. Woodworth

Vice President - Corporate Communications, Brand and Marketing - OG&E

Investor Information

Annual Meeting

The annual meeting of shareholders is scheduled to be held virtually via the internet at 10 a.m. CDT on Thursday, May 19, 2022. The Board of Directors will request proxies for this meeting and Proxy materials will be available to shareholders on or about April 4, 2022.

Stock Exchange Listing

The New York Stock Exchange lists OGE Energy Corp. | common stock for trading under the symbol OGE.

Form 10-K

A copy of the Annual Report to the Securities and Exchange Commission, Form 10-K, will be furnished without charge to any shareholder upon written request by contacting:

OGE Energy Corp.
Investor Relations, MC 503
P.O. Box 321 | Oklahoma City, OK 73101-0321

Shareholder Information

Shareholders with questions or in need of assistance concerning their OGE stock accounts should contact OGE's registrar, stock plan administrator, transfer agent and dividend disbursing agent:

Computershare
P.O. Box 505000 | Louisville, KY 40233-5000
Phone toll free: 1 (888) 216-8114 Toll: 1 (201) 680-6578

Overnight Courier: Computershare
462 South 4th Street, Suite 1600 | Louisville, KY 40202
Internet account access: www.computershare.com/investor

Additional Information

Shareholders, analysts, brokers and institutional investors with questions or comments may contact Jason Bailey, Director, Investor Relations at (405) 553-3406.

Stock Purchase Plan

This plan offers a convenient and economical way to purchase OGE Energy Corp. common stock. Plan materials are available on the internet at oge.com, or a prospectus and enrollment packet may be obtained by calling 1 (888) 216-8114.

Dividend Direct Deposit

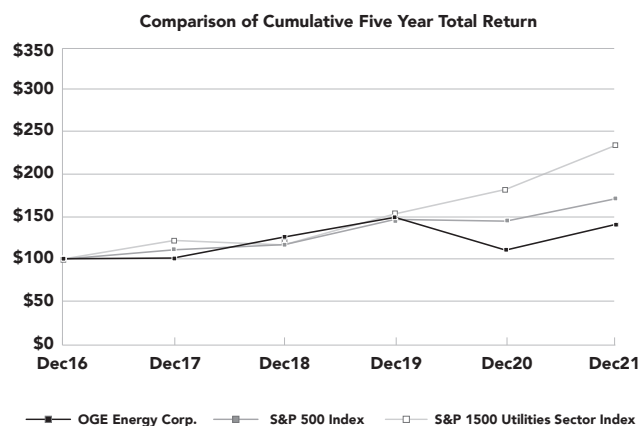
Shareholders may have their dividends deposited directly into their checking, savings or money market accounts. To take advantage of this service, please contact the registrar.

Shareholders of Record

The number of record holders of the Company's Common Stock on Feb. 28, 2022, was 12,561.

Cumulative Five-Year Total Return

This graph shows a five-year comparison of cumulative total returns for the Company's common stock, the S&P 500 Index and the S&P 1500 Composite Utilities Sector Index. The graph assumes that the value of the investment in the Company's common stock and each index was \$100 as of Dec. 31, 2016, and that all dividends were reinvested. As of Dec. 31, 2021, the closing price of the Company's common stock on the New York Stock Exchange was \$38.38.



Source: FactSet

Duplicate Annual Reports

To eliminate duplicate mailings, please contact the registrar.

Corporate Governance

All of OGE Energy Corp.'s corporate governance material, including codes of conduct, guidelines for corporate governance and committee charters, is available for public viewing on the OGE Energy Corp. website at oge.com. OGE Energy Corp.'s corporate governance material also is available upon request sent to OGE Energy Corp.'s Corporate Secretary.

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