




24/7

OGE Energy Corp. We're on the job all day, every day, executing a successful strategy in electricity and natural gas. We produced record earnings in 2006, and we're in a strong position to keep it going. • What's at the heart of our success? It's simple: clarity of purpose, certainty of direction, consistency of execution and commitment to the communities we serve. • It's simple, but never easy. We operate in a complex and constantly changing marketplace, but we know who we are, where we're going and how to get there. And, we're excited and confident as we look to the future.

...but it's not easy.





Clarity of Purpose Our vision is to be a regional, utility-focused energy business recognized for operational excellence and strong financial performance. • Our electric utility, OG&E, plays a vital role in powering a vibrant, growing economy. Our midstream pipeline company, Enogex, provides an essential link between producers and consumers of natural gas. • We work and serve in the mid-continent, a region we know very well. And, as we achieve operational success in balancing reliable service and reasonable cost for our customers, we realize financial success for our investors as well.

We work to provide...



365

Certainty of Direction We know where we want to go and our goals are simple – 4 to 5 percent annual earnings growth and higher dividends over time. • It's not easy, but our strategy is explicitly designed to get us there, based on asset diversity, skill development and balanced growth. Through sharp focus on our core strengths in utility and pipeline operations, we've moved into the top 25 percent among our peer group in total shareholder return. • Certainty of direction has great value, as we have seen through some tumultuous times in our industry in recent years.

reliable energy...

k W h



T x 10

OG&E 36447



Consistency of Execution We work relentlessly to improve our business processes, and we measure our performance. We are completely committed to playing by the rules, with verifiable success. • And, whether it's done by a power plant operator, pipeline compression technician or an electric lineman, high-quality work, performed safely, is the foundation of what we call Operational Excellence. • Always competing for higher customer satisfaction, we pride ourselves on our attention to detail. It helps us grow our business, operate efficiently and control costs, at the same time preserving something that should never change: our good reputation.

service and returns for...



OGE

Commitment to Community We have a \$5 billion investment in the cities, towns and rural countryside where our customers, employees and neighbors live and work. • Our fortunes are directly tied to our communities. It has been that way for 105 years now, and we know it's simply good business to be a good citizen. We demonstrate this in countless ways, big and small. • Whether we're building a new wind farm or supporting a local school or charity, we're working to make our community a better place to live. After all, we live here, too.

our customers and shareowners.



What we said, what we did.

At OGE Energy, we're focused on reliability – which to us means delivering on what we say we will do. Reliable service for customers and reliable returns for investors are the keys to our success.

On Target “We expect to hit our targets, and as we do, we come closer to the day when we can increase our dividend.”

– 2005 Annual Report, page 7

Higher Dividends We increased our annual dividend to \$1.36 per share. Since we first sold stock to the public in 1947, we've never missed a quarterly payment and never reduced the amount paid. Along with our goal to grow earnings over time, we'd like to continue to increase dividends as well.

Growth Cycle “Now we've begun what we expect to be a new cycle of investment and growth in our utility business to meet the demands of a growing economy.”

– 2005 Annual Report, page 5

Six-year, \$3-billion plan We developed a construction initiative including major utility investments to expand capacity, preserve reliability, and improve environmental performance. We have filed for regulatory pre-approval of the first project in this initiative, the Red Rock generating unit.

Pipeline Projects “We are considering a variety of pipeline projects that fit our conservative appetite for risk while also creating opportunities for a higher rate of return.”

– 2005 Annual Report, page 6

Westward Expansion We extended our system to gather new volumes of gas from the Texas Panhandle and implemented other growth projects, resulting in a record number of new wells flowing onto our system. Along with the sale of underperforming assets, these steps helped Enogex increase its return on equity from continuing operations to 19.4 percent, an increase of 10.3 percent.

Wind Power “Building on the sold-out success of the 50-megawatt wind program we launched in 2003, we plan an even bigger commitment this year.”

– 2005 Annual Report, page 5

Centennial We sought and received unanimous pre-approval of a new 120-megawatt wind farm in northwestern Oklahoma. Commemorating Oklahoma's 100 years of statehood in 2007, the Centennial project includes 80 newly constructed wind turbines. Centennial brings our total wind-generation capacity to 170 megawatts.

Letter to shareowners.

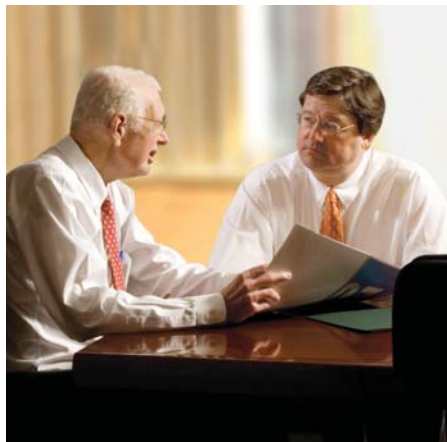
In 2006 we reported record earnings, a result of good business conditions in our region and operational excellence in our utility and pipeline businesses. We increased our annual dividend and, in turn, investor demand pushed the OGE stock price to a series of new all-time highs.

To Our Shareowners We are pleased to report that your investment in our company has never been more valuable. The company's stock price is near all-time highs and our financial performance has never been better. Our prospects for continued growth are excellent.

This is no accident. Our success is the direct result of our employees' disciplined execution of a solid strategy, with sharp focus on ethical conduct and continuous improvement in every part of our business. We call it Operational Excellence, and for us, it's a competitive advantage.

Today, we're planning for major investments to support continued growth in consumer demand for energy. The goal is simple, but achieving it will not be easy. We operate in an environment of increasing complexity and intensifying competition. But every day, we bring to our work a wealth of experience, a great reputation, a proven strategy and a strong desire to get the job done. We like where we stand.

Strong Financial Performance In 2006 we reported record earnings – \$2.45 per diluted share from continuing operations. This strong financial performance is a product of good business conditions in our region and operational excellence in our utility and pipeline businesses. We have increased our annual dividend to \$1.36 per share, but



Steve Moore and Pete Delaney

we don't want to stop there. Investors, recognizing our long-term earnings power, pushed the OGE stock price to a series of new all-time highs.

Ambitious Investments The OG&E service area is enjoying a solid run of economic vitality. The economy runs on electricity, and the time is now for us to expand our capacity to generate and deliver it, ever mindful of three key concerns: reliable service, reasonable cost and responsible steward-

ship of the environment we all share. With all of this in mind, we've announced a thoughtful, six-year construction initiative containing specific proposals to meet growing customer demand while holding our electric rates below the national average and improving our environmental performance.

This requires ambitious investments in infrastructure – at least \$3.3 billion – including new generation, the addition of new emission-control technology at our power plants and continued investment in electric system reliability. As we seek regulatory pre-approval of major projects, we will provide specific proposals to finance, build and operate each one. Our cost-recovery plans will minimize the monthly impact on customers and provide investors a fair return.

Progressive Partnership At the heart of our construction initiative is the addition of the Red Rock generating unit at OG&E's Sooner Power Plant. Proposed in partnership with AEP's Public Service Company of Oklahoma and the Oklahoma Municipal Power Authority, it is 950 megawatts of ultra super-critical coal-fired technology, one of only four such units proposed nationwide. It can be built for far less than would be possible if each of us built our own smaller plant and will use

the lowest-cost, most abundant fuel available – low-sulfur coal from Wyoming. For around-the-clock electric generation, it is the best choice for us now.

Disciplined Growth We're also in a time of exciting growth opportunities in our natural gas business. Enogex has built profitable new pipelines and forged new partnerships to capture more value from existing facilities. We're playing to our core strengths as we move carefully into new producing regions.

Enogex brings its disciplined growth philosophy to a significant investment program of its own. Capital projects totaling \$125 million are on the drawing board this year. Each one will be designed to produce solid returns in a robust operating environment and promote long-term growth.

Industry-leading Solutions We enter this period of expansion in strong financial condition; with productive regulatory partnerships that can help us achieve innovative, industry-leading solutions. We're already seeing this potential in our new Centennial wind farm. Pre-approved last year, it has more than tripled our output of renewable energy this year. We're proud we completed such a big project on time and under budget. We're going to need a lot more performances like that. In each case, we will apply our characteristic attention to detail, commitment to safety and dedication to the many people who are counting on us.

It's Simple We know it won't be easy, yet we are confident we will continue to get the job done with clarity of purpose, certainty of direction, consistency of execution and commitment to the communities we serve.

A handwritten signature in black ink, reading "Steven E. Moore".

Steven E. Moore
Chairman and Chief Executive Officer

A handwritten signature in black ink, reading "Peter B. Delaney".

Peter B. Delaney
President and Chief Operating Officer

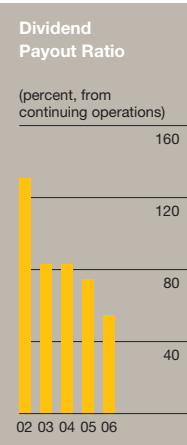
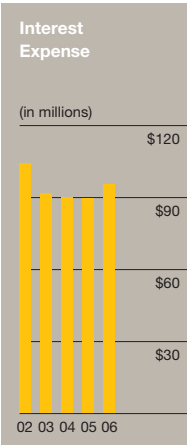
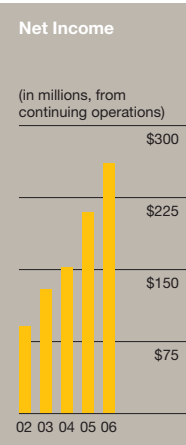
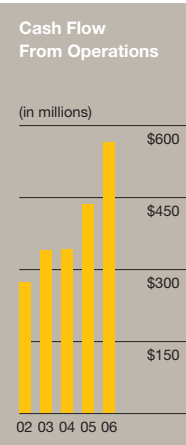
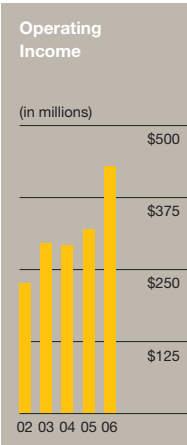
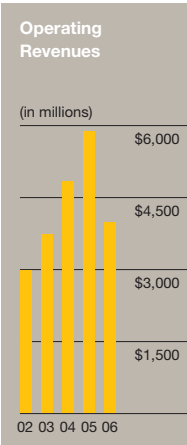
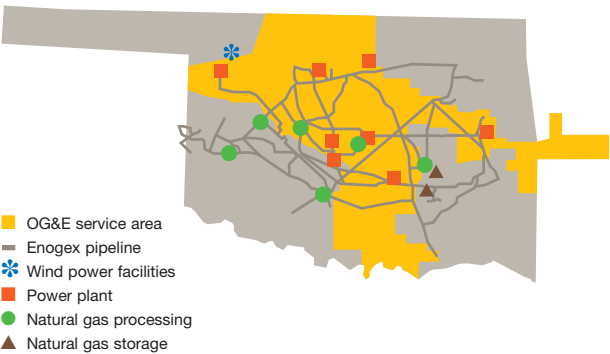
This is OGE.

OGE Energy Corp. (NYSE: OGE) with headquarters in Oklahoma City, is the parent company of Oklahoma Gas and Electric Company (OG&E), a regulated electric utility, and Enogex Inc., a natural gas pipeline business. OGE Energy and its subsidiaries have about 3,100 employees.

Oklahoma Gas and Electric Company serves more than 755,000 retail customers in Oklahoma and western Arkansas, and a number of wholesale customers throughout the region. OG&E, with about 6,100 megawatts of capacity, generates electricity from low-sulfur Wyoming coal, natural gas and wind. OG&E's electric transmission and distribution systems span 30,000 square miles.

Enogex operates a pipeline system engaged in natural gas gathering, processing, transportation, storage and marketing. The system includes about 7,800 miles of pipe, six natural gas processing plants, and 23 billion cubic feet of natural gas storage capacity.

Electric Utility and Natural Gas Pipeline



Financial performance.

OGE Energy Corp. Common Stock Data

	2006	2005 ²	2004 ²	2003 ²	2002 ²
Diluted earnings per average common share ¹	\$ 2.84	\$ 2.32	\$ 1.73	\$ 1.58	\$ 1.16
Diluted earnings per average common share from continuing operations ¹	\$ 2.45	\$ 1.77	\$ 1.60	\$ 1.59	\$ 1.01
Dividends paid per share	\$ 1.33	\$ 1.33	\$ 1.33	\$ 1.33	\$ 1.33
Price range	\$40.58 – 26.34	\$30.60 – 24.41	\$26.95 – 22.85	\$24.34 – 15.99	\$24.24 – 13.70
Price/earnings ratio – year end ¹	13.9	11.4	15.2	15.2	15.2
Return on equity – average ¹	17.9%	16.0%	12.4%	12.2%	8.7%
Diluted average common shares outstanding (millions)	92.1	90.8	88.5	82.1	78.2

Oklahoma Gas and Electric Company

(in millions except EPS,
before elimination of inter-segment items)

	2006	2005	2004	2003	2002
Operating revenues	\$1,746	\$1,721	\$1,578	\$1,517	\$1,388
Gross margin on revenues	\$ 796	\$ 727	\$ 664	\$ 680	\$ 692
Operating income	\$ 294	\$ 232	\$ 192	\$ 216	\$ 239
Net income	\$ 149	\$ 130	\$ 108	\$ 115	\$ 126
Diluted earnings per share	\$ 1.62	\$ 1.43	\$ 1.22	\$ 1.41	\$ 1.61
Return on equity – average	12.8%	12.0%	11.0%	12.7%	13.6%
Total electricity sales (millions of megawatt hours)	26.4	26.1	24.8	25.1	24.9

Enogex

(in millions except EPS,
before elimination of inter-segment items)

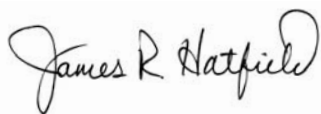
	2006	2005 ²	2004 ²	2003 ²	2002 ²
Operating revenues	\$2,368	\$4,332	\$3,380	\$2,306	\$1,652
Gross margin on revenues	\$ 307	\$ 242	\$ 262	\$ 236	\$ 194
Operating income (loss) ¹	\$ 139	\$ 90	\$ 103	\$ 82	\$ (12)
Net income (loss) ¹	\$ 114	\$ 90	\$ 61	\$ 27	\$ (22)
Diluted earnings (loss) per share ¹	\$ 1.23	\$ 0.99	\$ 0.69	\$ 0.33	\$ (0.28)
Return (loss) on equity – average ¹	26.2%	18.5%	12.9%	6.1%	(5.2)%
Pipeline throughput (Tbtu/y) ³	526	478	449	478	507

¹ The Company recognized pre-tax impairment charges of approximately \$7.8 million (\$4.8 million after tax), \$10.2 million (\$6.3 million after tax) and \$50.1 million (\$30.7 million after tax) in 2004, 2003 and 2002, respectively. These impairment charges relate to the disposition of certain assets no longer needed in the Company's business and are included in the amounts listed above.

² Amounts for 2005 and 2004 were restated for discontinued operations related to the sale of Enogex assets in May 2006. Amounts for years 2003 and 2002 have not been restated for discontinued operations since this information is not available as the Company's financial records were not maintained in a manner to provide this information for years prior to 2004.

³ Trillion British thermal units per year.

To Our Shareowners The Finance and Accounting professionals at OGE Energy Corp. work each day with a common vision: Conservative Financial Practices, Consistently Applied. This approach has served us well and, with this annual report, we renew our commitment to clear and complete financial reporting. The pages that follow are a summary of Management's Discussion and Analysis that will accompany this report as a separate document, Appendix A to OGE Energy Corp.'s 2007 Proxy Statement. This format should serve investors who require all the details and those who prefer highlights and summaries. As always, should you have any questions, please don't hesitate to contact us.



James R. Hatfield

Senior Vice President and Chief Financial Officer

Forward-Looking Statements Except for the historical statements contained herein, the matters discussed in the following discussion and analysis, including the discussion in "2007 Outlook", 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" and similar expressions. Actual results may vary materially.

Management's Discussion and Analysis The Company is an energy and energy services provider offering physical delivery and related services for both electricity and natural gas primarily in the south central United States. The Company conducts these activities through two business segments, the Electric Utility and the Natural Gas Pipeline segments.

The Electric Utility segment generates, transmits, distributes and sells electric energy in Oklahoma and western Arkansas. Its operations are conducted through OG&E and are subject to regulation by the Oklahoma Corporation Commission ("OCC"), the Arkansas Public Service Commission ("APSC") and the Federal Energy Regulatory Commission ("FERC").

The operations of the Natural Gas Pipeline segment are conducted through Enogex Inc. and its subsidiaries ("Enogex") and consist of three related businesses: (i) the transportation and storage of natural gas, (ii) the gathering and processing of natural gas and (iii) the marketing of natural gas. The vast majority of Enogex's natural gas gathering, processing, transportation and storage assets are located in the major gas producing basins of Oklahoma. In May 2006, Enogex Gas Gathering, L.L.C. ("Gathering"), a wholly-owned subsidiary of Enogex Inc., sold certain gas gathering assets in the Kinta, Oklahoma, area, which have been reported as discontinued operations in the Company's Consolidated Financial Statements.

The Company's vision is to be a regional utility-focused energy business recognized for operational excellence and strong financial performance. The Company intends to execute its vision by focusing on its regulated electric utility business and unregulated midstream gas business. As explained below, the Company intends to maintain the majority of its assets in the regulated utility business complemented by its natural gas pipeline business. The Company's long-term financial goals include earnings growth of four to five percent on a weather-normalized basis, an annual total return in the top third of its peer group, dividend growth, maintenance of a dividend

payout ratio consistent with its peer group, maintenance of strong credit ratings and appropriate returns on invested capital. The Company believes it can accomplish these financial goals by, among other things, pursuing multiple avenues to build its business, maintaining a diversified asset position, continuing to develop a wide range of skills to succeed with changes in its industries, providing products and services to customers efficiently, managing risks effectively and maintaining strong regulatory and legislative relationships.

OG&E has been focused on its Customer Savings and Reliability Plan, which provides for increased investment at the utility to improve reliability and meet load growth, replace infrastructure equipment, replace aging transmission and distribution system and deploy newer technology that improves operational, financial and environmental performance. As part of this plan, OG&E purchased, for approximately \$160 million, a 77 percent interest in the 520 megawatt ("MW") natural gas-fired combined cycle NRG McClain Station (the "McClain Plant") in July 2004. Capacity payment savings from reduced cogeneration payments and fuel savings from the McClain Plant will be utilized to help mitigate the price increases associated with this investment. Also, as part of this plan, on February 20, 2006, OG&E entered into an agreement to engineer, procure and construct a wind generation energy system for a 120 MW wind farm ("Centennial") in northwestern Oklahoma. The wind farm was fully in service in January 2007. Through December 31, 2006, OG&E has spent approximately \$171.1 million related to the Centennial wind farm. On January 17, 2007, OG&E sent notice to the OCC to trigger the Centennial wind farm rider for the first billing cycle in February 2007.

OG&E has announced a six-year construction initiative that is estimated to include up to \$3.3 billion in major projects designed to expand capacity, enhance reliability and improve environmental performance. The first part of this initiative involved OG&E entering into an agreement for the proposed construction of a 950 MW coal unit at OG&E's existing Sooner plant location near Red Rock, Oklahoma. OG&E expects construction to begin in 2007 and is targeting the completion of the power plant in the 2011/2012 timeframe. OG&E's share of the projected \$1.8 billion construction cost for the plant will be about \$759 million. OG&E's six-year construction initiative also includes strengthening and expanding the electric transmission, distribution and substation systems and replacing aging infrastructure. Other projects involve installing new emission-control equipment at existing OG&E power plants to help meet OG&E's commitment to meet environmental requirements. OG&E also expects to incur a significant amount of capital and operating expenditures in the next several years to comply with current and future environmental laws and regulations.

Enogex plans to continue to implement improvements to enhance long-term financial performance of its mid-continent assets through more efficient operations and effective commercial management of the assets. In addition, Enogex is seeking to diversify its gathering, processing and transportation businesses principally by expanding into other geographic areas that are complementary with the Company's strategic capabilities. In August 2006, Enogex completed a project to expand its gathering pipeline capacity on the west side of its system in

western Oklahoma and the Texas Panhandle that should enable Enogex to benefit from growth opportunities in that marketplace. Enogex continues to consider additional opportunities to expand this project. In addition to focusing on growing its earnings, Enogex has reduced its exposure to changes in commodity prices and minimized its exposure to keep-whole processing arrangements. Enogex's profitability increased significantly from 2003 to 2006 due to the performance improvement plan initiated in 2002 as well as an overall favorable business environment coupled with higher commodity prices. While the Company believes substantial progress has been achieved, additional opportunities remain. Enogex continues to review its work processes, evaluate the rationalization of assets, negotiate better terms for both new contracts and replacement contracts, manage costs and pursue opportunities for organic growth, all in an effort to further improve its cash flow and net income, while at the same time decreasing the volatility associated with commodity prices. Enogex's marketing business, which concentrates principally on origination of physical sales of natural gas, has expanded into the Gulf Coast and Rocky Mountain markets.

Also, Enogex's marketing business utilizes a strategy that seeks to minimize the amount of capital employed and to complement better the natural gas pipeline business. The Company expects to continue to pursue a disciplined approach to continuous improvement and efficiency of operations. Also, during 2005 and 2006, Enogex sold its interests in Enogex Arkansas Pipeline Corporation ("EAPC") and Enerven Compression Services, LLC ("Enerven") and certain gas gathering assets in the Kinta, Oklahoma area (the "Kinta Assets") and will continue to review its asset portfolio and seek to divest underperforming or non-strategic assets. Also, on December 15, 2006, Enogex announced that it had entered into a firm capacity lease agreement with Midcontinent Express Pipeline, LLC for a primary term of 10 years (subject to possible extensions) for certain capacity on the Enogex system. The leased capacity provided for in this agreement is up to 0.5 billion cubic feet ("Bcf") per day and is dependent on the shipper volumes that commit to the project.

The Enogex capacity will be part of the proposed Midcontinent Express Pipeline ("MEP"), a joint venture between Kinder Morgan Energy Partners, L.P. and Energy Transfer Partners, L.P. In addition to the Enogex leased capacity, the proposed MEP project includes a new pipeline originating near Bennington, Oklahoma and terminating in Butler, Alabama. Pending necessary regulatory approval, the MEP pipeline project is currently expected to be in service by February 2009. Depending on the final capacity that MEP subscribes to pursuant to the agreement, Enogex expects its revenues from this firm capacity lease agreement to be between \$12 million and \$30 million annually. Enogex currently estimates that its capital expenditures related to this project during the next two to three years could be approximately \$100 million. The Enogex lease agreement with MEP is subject to certain contingencies including regulatory approval. Prior to such approval, Enogex may incur expenditures of between approximately \$20 million and \$40 million with the majority being for certain commitments for materials that can be sold or used in normal operations in the event the MEP project does not proceed and the amount not recovered or utilized for such expenditures is not expected to be material.

Enogex also is seeking to provide lease capacity to Boardwalk's Gulf Crossings project. Boardwalk Pipeline Partners, L.P., has announced plans to build the Gulf Crossings pipeline, which includes 355 miles of new interstate natural gas pipeline. It initially is expected to transport gas from the supply areas in Sherman, Texas, Bennington, Oklahoma and Paris, Texas to the Perryville, Louisiana Hub. Subject to regulatory approvals, the Gulf Crossings project is expected to be in service during the fourth quarter of 2008.

The Company's business strategy is to continue maintaining the diversified asset position of OG&E and Enogex so as to provide competitive energy products and services to customers primarily in the south central United States. The Company will continue to focus on those products and services with limited or manageable commodity exposure. In addition to the incremental growth opportunities that Enogex provides, the Company believes that many of the risk management practices, commercial skills and market information available from Enogex provide value to all of the Company's businesses.

In December 2006, the Company and OG&E increased their aggregate available borrowing capacity under their revolving credit agreements from \$750.0 million to \$1.0 billion, \$600 million for the Company and \$400 million for OG&E. Each of the credit facilities has a five-year term with an option to extend the term for two additional one-year periods. Also, each of these credit facilities has an additional option at the end of the two renewal options to convert the outstanding balance to a one-year term loan. These revolving credit agreements will provide sufficient liquidity to meet the Company's daily operational needs, capital improvements at OG&E and expansion projects at Enogex.

Overview The Company reported net income of approximately \$262.1 million, or \$2.84 per diluted share, in 2006 as compared to approximately \$211.0 million, or \$2.32 per diluted share, in 2005. The increase in net income during 2006 as compared to 2005 was primarily due to:

- OG&E reported net income of approximately \$149.3 million, or \$1.62 per diluted share of the Company's common stock, in 2006 as compared to approximately \$129.7 million, or \$1.43 per diluted share, in 2005;
- Enogex's operations, including discontinued operations, reported net income of approximately \$113.5 million, or \$1.23 per diluted share of the Company's common stock (of which \$0.39 per diluted share was attributable to discontinued operations), in 2006 as compared to approximately \$89.8 million, or \$0.99 per diluted share (of which \$0.55 per diluted share was attributable to discontinued operations) in 2005; and
- a net loss at the holding company of approximately \$0.7 million, or \$0.01 per diluted share, in 2006 as compared to a net loss of approximately \$8.5 million, or \$0.10 per diluted share, in 2005 primarily due to higher income tax benefits in 2006 as a result of recording the Employee Stock Ownership Plan dividend deduction at the holding company in 2006 which was previously recorded at OG&E in 2005.

2007 Outlook The Company's 2007 earnings guidance of \$2.30 to \$2.50 per diluted share assumes approximately 92.5 million average diluted shares outstanding, normal weather for 2007, sales growth at OG&E of approximately 2 percent, and excludes any gains on asset sales.

(In millions, except per share data)	Dollars	Diluted EPS
OG&E	\$154 – \$162	\$1.67 – \$1.75
Enogex	\$63 – \$72	\$0.68 – \$0.78
Holding Company	(\$3) – (\$4)	(\$0.03) – (\$0.05)
Total	\$213 – \$231	\$2.30 – \$2.50

OG&E has significant seasonality in its earnings, typically showing minimal earnings or slight losses in the first and fourth quarters with a majority of earnings in the third quarter due to the seasonal nature of air conditioning demand. Enogex expects to continue to evaluate the strategic fit and financial performance of each of its assets in an effort to ensure a proper economic allocation of resources. The magnitude and timing of any potential impairment or gain on the disposition of any assets have not been included in the 2007 earnings guidance. The projected loss for the Holding Company, as shown above, is \$3 million to \$4 million, or \$0.03 to \$0.05 per diluted share, primarily due to projected interest costs.

Dividend Policy The Company'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. The target payout ratio for the Company is to pay out as dividends no more than 65 percent of its normalized earnings on an annual basis. The target payout ratio has been determined after consideration of numerous factors, including the largely retail composition of our shareholder base, our financial position, our growth targets, the composition of our assets and investment opportunities. At the Company's November 2006 Board meeting, management, after considering estimates of future earnings and numerous other factors, recommended to the Board of Directors an increase in the current quarterly dividend rate to \$0.34 per share from \$0.3325 per share payable in the first quarter of 2007.

Results of Operations In reviewing its consolidated operating results, the Company believes that it is appropriate to focus on operating income as reported in its Consolidated Statements of Income as operating income indicates the ongoing profitability of the Company excluding unusual or infrequent items, the cost of capital and income taxes. Operating income was approximately \$432.7 million, \$322.4 million and \$294.5 million in 2006, 2005 and 2004, respectively.

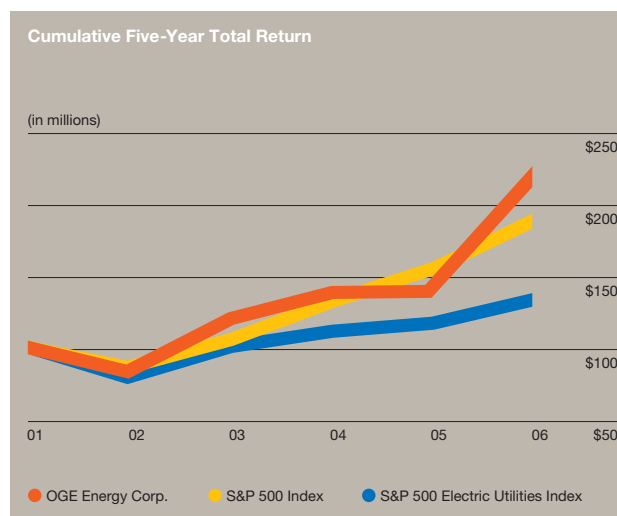
OG&E's operating income increased approximately \$61.7 million or 26.7 percent in 2006 as compared to 2005. The increase in operating income was primarily due to higher gross margins due to a price variance primarily due to rate increases authorized in the OCC order in December 2005; new customer growth in OG&E's service territory; increased peak demand by industrial customers in OG&E's service territory; and warmer weather in OG&E's service territory partially offset by higher operating expenses.

Enogex's operating revenues and cost of goods sold decreased in 2006 approximately \$2.0 billion, or 45.4 percent, and \$2.0 billion, or 49.6 percent, respectively, as compared to 2005 primarily due to a lower level of trading activity due to a shift in strategy in Enogex's marketing business. Enogex's operating income increased approximately \$49.2 million in 2006 as compared to 2005. The increase in operating income was primarily due to higher gross margins of approximately \$27.4 million in Enogex's gathering and processing business primarily due to increased net keep-whole margins primarily due to higher commodity spreads in 2006 as compared to 2005 and increased volumes due to business growth; higher gross margins in Enogex's transportation and storage business of approximately \$26.5 million primarily due to better management of gas pipeline imbalances as Enogex reduced its exposure to gas imbalances while taking advantage of favorable market price movement in 2006 and gas imbalance expense recognized by the gathering business in 2006; increased commodity, interruptible and low and high pressure revenues primarily due to higher volumes; and a change in Enogex's 2005 accounting estimate of the volume of natural gas in its natural gas storage inventory partially offset by a lower of cost or market adjustment related to natural gas inventory used to operate the pipeline during 2006; and increased gross margins in Enogex's marketing business of approximately \$11.5 million primarily due to gains in storage activity due to timing, resulting from recording Enogex's storage hedges at market value at December 31, 2006 and an increase in storage capacity; and a correction to the accounting procedure for park and loan transactions in the first quarter of 2005 partially offset by a lower of cost or market adjustment related to natural gas in storage during 2006. These changes in operating income were partially offset by higher operating and maintenance expenses.

Enogex sold certain gas gathering assets in the Kinta, Oklahoma area during 2006; accordingly, this sale has been reported as discontinued operations for the years ended December 31, 2006, 2005 and 2004 in the Consolidated Financial Statements.

Contingencies The Company has exposure to a number of contingencies which are fully discussed in Management's Discussion and Analysis and the Notes to Consolidated Financial Statements contained in Appendix A to OGE Energy Corp.'s 2007 Proxy Statement and 2006 Form 10-K.

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 commodity prices, commodity price volatilities and interest rates. The Company is exposed to commodity price and commodity price volatility risks in its operations. The Company's exposure to changes in interest rates relates primarily to short-term variable-rate debt, interest rate swap agreements, treasury lock agreements and commercial paper. The Company also engages in price risk management activities for both trading and non-trading purposes.



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 500 Electric Utilities Index. The graph assumes that the value of the investment in the Company's common stock and each index was \$100 at Dec. 31, 2001, and that all dividends were reinvested. As of December 31, 2006, the closing price of the Company's common stock on the New York Stock Exchange was \$40.00.

Risk Committees and Oversight

The Company monitors market risks using a risk committee structure. The Risk Oversight Committee, which consists primarily of corporate officers, is responsible for the overall development, implementation and enforcement of strategies and policies for all risk management activities of the Company. This committee's emphasis is a holistic perspective of risk measurement and policies targeting the Company's overall financial performance. The Risk Oversight Committee is authorized by, and reports quarterly to, the Audit Committee of the Board of Directors.

The Unregulated Business Unit Risk Management Committee is comprised primarily of business unit leaders within Enogex. This committee's purpose is to develop and maintain risk policies for Enogex, to provide oversight and guidance for existing and prospective Enogex business activities and to provide governance regarding compliance with Enogex risk policies. This group is authorized by and reports to the Risk Oversight Committee.

The Company also has a Corporate Risk Management Department led by our Chief Risk and Compliance Officer. This group, in conjunction with the aforementioned committees, is responsible for establishing and enforcing the Company's risk policies.

Consolidated statements.

Condensed Consolidated Statements of Income

(in millions except per share data, year ended December 31)

	2006	2005	2004
Operating revenues	\$4,005.6	\$5,911.5	\$4,862.6
Cost of goods sold	2,902.5	4,942.3	3,937.7
Operating income	432.7	322.4	294.5
Interest income	6.2	3.5	4.9
Net other income (expense)	3.7	(5.8)	6.7
Interest expense	96.0	90.3	90.8
Income tax expense	120.5	68.6	73.4
Income from continuing operations	226.1	161.2	141.9
Income from discontinued operations, net of tax	36.0	49.8	11.6
Net income	\$ 262.1	\$ 211.0	\$ 153.5
Diluted earnings per average common share			
Income from continuing operations	\$ 2.45	\$ 1.77	\$ 1.60
Income from discontinued operations, net of tax	0.39	0.55	0.13
Income per average common share	\$ 2.84	\$ 2.32	\$ 1.73

Condensed Consolidated Balance Sheets

(in millions, December 31)

	2006	2005
Assets		
Total current assets	\$ 664.1	\$1,073.6
Other property and investments, at cost	35.2	29.2
Net property, plant and equipment	3,867.5	3,567.4
Total deferred charges and other assets	335.2	228.7
Total assets	\$4,902.0	\$4,898.9
Liabilities and Stockholders' Equity		
Total current liabilities	\$ 673.0	\$ 950.6
Long-term debt	1,346.3	1,350.8
Total deferred credits and other liabilities	1,278.9	1,221.7
Total stockholders' equity	1,603.8	1,375.8
Total liabilities and stockholders' equity	\$4,902.0	\$4,898.9

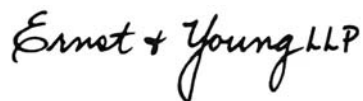
Condensed Consolidated Statements of Cash Flows

(in millions, year ended December 31)

	2006	2005	2004
Cash and cash equivalents at beginning of period	\$ 26.4	\$ 11.1	\$ 212.5
Cash provided from (used in) continuing operations			
Net cash provided from operating activities	569.5	437.9	344.2
Net cash used in investing activities	(483.5)	(291.3)	(418.7)
Net cash used in financing activities	(137.4)	(234.6)	(149.8)
Net cash provided from discontinued operations	72.9	103.3	22.9
Cash and cash equivalents at end of period	\$ 47.9	\$ 26.4	\$ 11.1

**The Board of Directors and Stockholders
OGE Energy Corp.**

We have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets and statements of capitalization of OGE Energy Corp. as of December 31, 2006 and 2005, and the related consolidated statements of income, retained earnings, comprehensive income and cash flows for each of the three years in the period ended December 31, 2006 (not presented herein); and in our report dated February 14, 2007, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated financial statements on page 20 is fairly stated, in all material respects, in relation to the consolidated financial statements from which it has been derived. In 2006 the Company adopted Statement of Financial Accounting Standards No. 123 (Revised), "Share-Based Payment," and Statement of Financial Accounting Standards No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans."

The signature of Ernst & Young LLP is written in a black, cursive script. The words "Ernst & Young" are in a larger, more stylized font, and "LLP" is in a smaller, simpler font to the right.

**Oklahoma City, Oklahoma,
February 14, 2007**

Historical performance.

(in millions except per share data)

	2006	2005 ¹	2004 ¹
Selected Financial Data			
Operating revenues	\$ 4,005.6	\$ 5,911.5	\$4,862.6
Cost of goods sold	2,902.5	4,942.3	3,937.7
Gross margin on revenues	1,103.1	969.2	924.9
Other operating expenses	670.4	646.8	630.4
Operating income	432.7	322.4	294.5
Interest income	6.2	3.5	4.9
Allowance for equity funds used during construction	4.1	—	0.9
Other income (loss) ²	16.3	(0.3)	10.5
Other expense ²	16.7	5.5	4.7
Interest expense	96.0	90.3	90.8
Income tax expense	120.5	68.6	73.4
Income from continuing operations	226.1	161.2	141.9
Income from discontinued operations, net of tax	36.0	49.8	11.6
Cumulative effect on prior years of change in accounting principle, net of tax	—	—	—
Net income	262.1	211.0	153.5
Preferred dividend requirements	—	—	—
Earnings available for common	\$ 262.1	\$ 211.0	\$ 153.5
Long-term debt	\$ 1,346.3	\$ 1,350.8	\$1,424.1
Total assets	\$ 4,902.0	\$ 4,898.9	\$4,802.9
Diluted earnings (loss) per average common share			
Income from continuing operations	\$ 2.45	\$ 1.77	\$ 1.60
Income from discontinued operations, net of tax	\$ 0.39	\$ 0.55	\$ 0.13
Loss from cumulative effect of accounting change, net of tax	\$ —	\$ —	\$ —
Income per average common share	\$ 2.84	\$ 2.32	\$ 1.73
Common Stock Statistics			
Dividends declared per share	\$ 1.3375	\$ 1.33	\$ 1.33
Dividends paid per share	\$ 1.33	\$ 1.33	\$ 1.33
Allowance for funds used during construction per average share, net	\$ 0.05	\$ 0.02	\$ 0.02
Book value	\$ 17.56	\$ 15.19	\$ 14.29
Market price	\$ 40.0	\$ 26.79	\$ 26.51
Price/earnings ratio – year end	13.9	11.4	15.2
Basic average shares outstanding (millions)	91.0	90.3	88.0
Diluted average shares outstanding (millions)	92.1	90.8	88.5
Actual shares outstanding (millions)	91.2	90.6	90.0
Number of shareowners	25,198	26,369	30,961
Capitalization Ratios³			
Common equity	54.31%	50.46%	46.85%
Cumulative preferred stock	—	—	—
Long-term debt	45.69%	49.54%	53.15%
Miscellaneous Statistics			
Ratio of earnings to fixed charges	\$ 4.30	\$ 3.37	\$ 3.23
Customers	754,840	745,493	735,008
Mwh sales (millions)	26.4	26.1	24.8
Mw generating capacity (thousands)			
Year end	6.1	6.1	6.1
Time of peak	6.5	6.1	6.1
Mw peak demand (thousands)	6.5	6.1	5.8
Fuel (generation only)			
Mix (kwh generated)			
Gas	33%	30%	30%
Coal	67%	70%	70%
Cost per million Btu			
Gas	\$ 7.10	\$ 8.76	\$ 6.57
Coal	\$ 1.10	\$ 0.98	\$ 1.00
Weighted average	\$ 2.98	\$ 3.21	\$ 2.69
Construction expenditures (millions)	\$ 486.6	\$ 297.2	\$ 428.6
Average residential customer sales (annual)			
Revenue	\$1,084.31	\$1,043.60	\$ 975.08
Usage (kwh)	13,526	13,445	12,630
Price per kwh (cents)	8.02	7.76	7.72

¹ Amounts for 2005 and 2004 were restated for discontinued operations related to the sale of Enogex assets in May 2006. Amounts for years prior to 2004 have not been restated for discontinued operations since this information is not available as the Company's financial records were not maintained in a manner to provide this information for years prior to 2004.

2003 ¹	2002 ¹	2001 ¹	2000 ¹	1999 ¹	1998 ¹	1997 ¹	1996 ¹
\$3,757.4	\$2,991.8	\$3,036.7	\$3,137.8	\$2,086.5	\$1,559.1	\$1,410.0	\$1,365.0
2,841.6	2,105.7	2,172.0	2,243.0	1,252.2	761.8	677.4	615.8
915.8	886.1	864.7	894.8	834.3	797.3	732.6	749.2
617.9	659.5	599.2	565.2	512.8	464.2	468.2	469.3
297.9	226.6	265.5	329.6	321.5	333.1	264.4	279.9
1.3	1.7	4.1	3.1	2.6	3.0	3.9	2.2
—	—	—	—	—	—	—	—
2.0	2.9	1.9	3.0	1.0	1.8	4.4	0.1
7.6	4.2	4.2	3.6	2.7	4.2	—	—
92.3	105.1	121.3	126.6	94.4	60.8	70.4	70.3
70.8	43.2	52.9	72.3	87.7	110.3	75.3	80.5
130.5	78.7	93.1	133.2	140.3	162.6	127.0	131.4
4.7	12.1	7.5	13.8	11.0	3.2	5.6	1.9
(5.4)	—	—	—	—	—	—	—
129.8	90.8	100.6	147.0	151.3	165.8	132.6	133.3
—	—	—	—	—	0.7	2.3	2.3
\$ 129.8	\$ 90.8	\$ 100.6	\$ 147.0	\$ 151.3	\$ 165.1	\$ 130.3	\$ 131.0
\$1,436.1	\$1,501.9	\$1,526.3	\$1,648.5	\$1,140.5	\$ 935.6	\$ 841.9	\$ 829.3
\$4,560.4	\$4,247.5	\$4,118.0	\$4,444.6	\$4,043.0	\$3,095.5	\$2,851.7	\$2,833.7
\$ 1.59	\$ 1.01	\$ 1.19	\$ 1.71	\$ 1.80	\$ 2.00	\$ 1.54	\$ 1.60
\$ 0.06	\$ 0.15	\$ 0.10	\$ 0.18	\$ 0.14	\$ 0.04	\$ 0.07	\$ 0.02
\$ (0.07)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
\$ 1.58	\$ 1.16	\$ 1.29	\$ 1.89	\$ 1.94	\$ 2.04	\$ 1.61	\$ 1.62
\$ 1.33	\$ 1.33	\$ 1.33	\$ 1.33	\$ 1.33	\$ 1.33	\$ 1.33	\$ 1.33
\$ 1.33	\$ 1.33	\$ 1.33	\$ 1.33	\$ 1.33	\$ 1.33	\$ 1.33	\$ 1.33
\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.03	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01
\$ 13.75	\$ 12.53	\$ 13.34	\$ 13.66	\$ 13.09	\$ 12.91	\$ 12.20	\$ 11.91
\$ 24.19	\$ 17.60	\$ 23.08	\$ 24.44	\$ 19.00	\$ 29.00	\$ 27.34	\$ 20.88
15.2	15.2	17.9	12.9	9.8	14.2	16.9	12.8
81.8	78.1	77.9	77.9	77.9	80.8	80.7	80.7
82.1	78.2	77.9	77.9	77.9	80.8	80.7	80.7
87.4	78.5	78.0	77.9	77.9	80.8	80.8	80.8
31,980	32,809	33,945	36,326	37,233	39,008	41,893	44,544
44.65%	39.25%	38.80%	39.20%	43.77%	52.67%	51.81%	51.83%
—	—	—	—	—	—	2.59%	2.66%
55.35%	60.75%	61.20%	60.80%	56.23%	47.33%	45.60%	45.51%
\$ 3.08	\$ 2.10	\$ 2.15	\$ 2.52	\$ 3.29	\$ 5.06	\$ 3.70	\$ 3.77
725,470	718,513	709,797	702,402	697,995	696,100	690,200	683,788
25.1	24.9	24.9	25.3	23.8	24.4	23.4	23.0
5.7	5.7	5.7	5.8	5.5	5.6	5.6	5.6
5.7	5.7	5.7	5.7	5.6	5.6	5.6	5.6
6.0	5.7	5.8	5.8	5.7	5.5	5.3	5.2
22%	28%	27%	26%	29%	32%	19%	21%
78%	72%	73%	74%	71%	68%	81%	79%
\$ 6.46	\$ 3.78	\$ 4.91	\$ 4.93	\$ 3.14	\$ 2.83	\$ 3.60	\$ 3.61
\$ 0.93	\$ 0.93	\$ 0.81	\$ 0.87	\$ 0.85	\$ 0.85	\$ 0.84	\$ 0.83
\$ 2.27	\$ 1.77	\$ 1.97	\$ 1.96	\$ 1.54	\$ 1.48	\$ 1.39	\$ 1.45
\$ 180.8	\$ 233.2	\$ 209.5	\$ 163.9	\$ 174.2	\$ 172.9	\$ 163.6	\$ 150.1
\$ 970.04	\$ 907.95	\$ 952.32	\$ 957.54	\$ 860.98	\$ 900.94	\$ 801.74	\$ 817.62
13,202	13,095	13,131	13,264	12,546	13,342	12,133	12,178
7.35	6.93	7.25	7.22	6.86	6.75	6.61	6.71

² The net amount of other income and expense is shown for 1997 and prior years.

³ Capitalization ratios = [Stockholders' equity]/(Stockholders' equity + Long-term debt + Long-term debt due within one year)] and [(Long-term debt + Long-term debt due within one year)/(Stockholders' equity + Long-term debt + Long-term debt due within one year)].

Leadership.

Board of Directors

Steven E. Moore

Chairman of the Board and
Chief Executive Officer
OGE Energy Corp.,
OG&E Electric Services

Peter B. Delaney

President and
Chief Operating Officer
OGE Energy Corp.,
OG&E Electric Services

Herbert H. Champlin^{1, 3}

President, Champlin
Exploration, Inc.
Enid, Oklahoma

Luke R. Corbett^{1, 3}

Former Chairman and
Chief Executive Officer,
Kerr-McGee Corporation
Oklahoma City

John D. Groendyke^{2, 3}

Chairman and
Chief Executive Officer,
Groendyke Transport, Inc.
Enid, Oklahoma

Robert Kelley^{1, 3}

President,
Kelco Investments Inc.
Ardmore, Oklahoma

Linda P. Lambert^{1, 2}

President,
LASSO Corporation
Oklahoma City

Robert O. Lorenz^{1, 2}

Retired Managing Partner,
Arthur Andersen
Oklahoma City

Ronald H. White, M.D.^{2, 3}

President, Partner and Director,
Oklahoma Cardiovascular
Associates
Oklahoma City

J.D. Williams^{2, 3}

Retired Partner,
Williams & Jensen P.C.
Washington, DC

Executive Management

Steven E. Moore

Chairman of the Board and
Chief Executive Officer
OGE Energy Corp.,
OG&E Electric Services

Peter B. Delaney

President and
Chief Operating Officer
OGE Energy Corp.,
OG&E Electric Services

James R. Hatfield

Senior Vice President and
Chief Financial Officer
OGE Energy Corp.,
OG&E Electric Services

Danny P. Harris

Senior Vice President,
OGE Energy Corp.
President and
Chief Operating Officer,
Enogex Inc.

Senior Management

Carla D. Brockman

Vice President, Administration,
Corporate Secretary
OGE Energy Corp.,
OG&E Electric Services

Deborah S. Fleming

Treasurer, OGE Energy Corp.,
Vice President,
OG&E Electric Services

H. Scott Forbes

Controller,
Chief Accounting Officer
OGE Energy Corp.,
OG&E Electric Services

Steven R. Gerdes

Vice President, Utility
Operations
OG&E Electric Services

Patricia D. Horn

Vice President,
General Counsel
Enogex Inc.

Gary D. Huneryager

Vice President, Internal Audits
OGE Energy Corp.,
OG&E Electric Services

Craig R. Jimenez

Vice President,
Energy Marketing & Trading
OGE Energy Resources Inc.

Jesse B. Langston

Vice President,
Utility Commercial Operations
OG&E Electric Services

Jean C. Leger Jr.

Vice President, Operations
Enogex Inc.

Cary W. Martin

Vice President,
Human Resources
OGE Energy Corp.,
OG&E Electric Services

John T. McDougal

Vice President,
Business Development
Enogex Inc.

E. Keith Mitchell

Vice President,
Transportation Services
Enogex Inc.

Howard W. Motley Jr.

Vice President,
Regulatory Affairs
OG&E Electric Services

Reid V. Nuttall

Vice President, Enterprise
Information & Performance
OGE Energy Corp.,
OG&E Electric Services

Jerry A. Peace

Chief Risk and
Compliance Officer
OGE Energy Corp.,
OG&E Electric Services

Melvin H. Perkins Jr.

Vice President, Transmission
OG&E Electric Services

Ramiro F. Rangel

Vice President,
Producer Services
Enogex Inc.

Paul L. Renfrow

Vice President, Public Affairs
OGE Energy Corp.,
OG&E Electric Services

¹ Member of the audit committee

² Member of the nominating and
corporate governance committee

³ Member of the compensation committee

Red number indicates committee chairman

Investor information.

Annual Meeting

The annual meeting of shareowners is scheduled for 10 a.m. Thursday, May 17, 2007, at the National Cowboy & Western Heritage Museum, 1700 NE 63rd St., Oklahoma City. The Board of Directors will request proxies for this meeting and statements will be mailed to shareowners on or about March 31, 2007.

Ticker Symbol Information

The New York Stock Exchange lists OGE Energy Corp. common stock for trading under the symbol OGE. Quotes appear in daily newspapers where the common stock is listed as "OGE Engy" in the New York Stock Exchange table.

Stock Exchange Listing

New York Stock Exchange
OGE Energy Corp.
Common stock

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 shareowner upon written request by contacting:

OGE Energy Corp.
Treasurer's Office, MC-1109
P.O. Box 321
Oklahoma City, OK 73101-0321

Stock Purchase Plan

This plan offers a convenient and economical way to purchase OGE Energy Corp. common stock. To enroll, investors are required to make a minimum initial investment of \$250. Once enrolled, participants may make optional investments from at least \$25 per investment up to a maximum of \$100,00 per year. Additional investments may be made electronically via Internet account access. Participants may choose to have all or any portion of their dividends reinvested. Additional features of the plan include: certificate safekeeping, automatic monthly investments and direct deposit of dividends. Online enrollment and plan materials are available on the Internet at www.oge.com or a prospectus and enrollment packet may be obtained by calling 1-800-842-7629. Please read the prospectus thoroughly before enrolling in the plan.

Shareowner Information

Shareowners 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:

Mellon Investor Services
P.O. Box 3338
South Hackensack, NJ 07606
Phone toll free: 1-888-216-8114
Internet account access:
<https://vault.melloninvestor.com/isd>
or www.oge.com

Dividend Direct Deposit

Shareowners may have their dividends deposited directly into their checking, savings or money market accounts. To take advantage of this service, please contact the registrar.

Duplicate Annual Reports

Annual reports are typically mailed for each separate shareowner registration. To eliminate duplicate mailings please contact the registrar.

Additional Information

Shareowners with questions and comments may contact Don Kilby, coordinator, shareowner relations at (405) 553-3211. Analysts, brokers and institutional investors may contact Todd Tidwell, manager, investor relations, at (405) 553-3966.

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 web site at www.oge.com under the heading "Investors," "Corporate Governance." OGE Energy Corp.'s corporate governance material also is available upon request sent to OGE Energy Corp.'s Corporate Secretary.

The Company has filed the Section 302 Chief Executive Officer ("CEO") and Chief Financial Officer certifications as exhibits to its 2006 Form 10-K. The Company also has filed the 2006 Section 303A.12(a) CEO certification to the New York Stock Exchange in June 2006.



Printed with vegetable-based inks on recycled paper.
OGE Energy Corp. is an equal opportunity employer.

OGE Energy Corp. employees are consistently generous contributors to the United Way. In 2006, our company's employees pledged more than \$640,000 to United Way campaigns in communities where they live and work.



P.O. Box 321 Oklahoma City, Oklahoma 73101-0321 (405) 553-3000