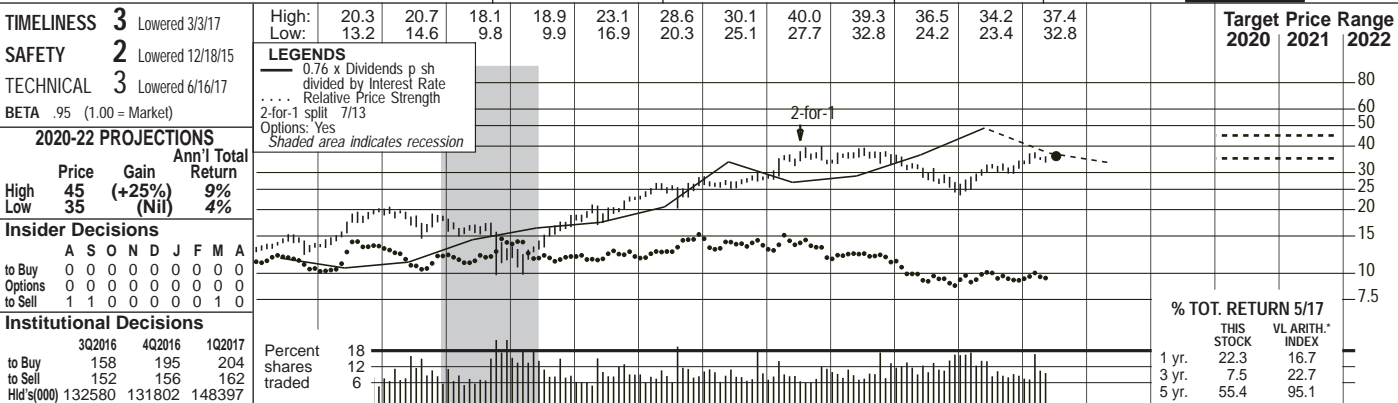


OGE ENERGY CORP. NYSE-OGE

RECENT PRICE **35.80** P/E RATIO **18.4** (Trailing: 20.6 Median: 15.0) RELATIVE P/E RATIO **0.93** DIV'D YLD **3.6%** VALUE LINE



2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
20.40	19.26	21.62	27.37	32.83	21.96	20.68	21.77	14.79	19.04	19.96	18.58	14.45	12.30	11.00	11.31	11.50	12.00	12.00	12.00	12.00	12.00
1.81	1.87	1.82	1.87	1.94	2.23	2.39	2.40	2.69	3.01	3.31	3.69	3.46	3.40	3.23	3.31	3.40	3.50	3.50	3.50	3.50	3.50
.65	.72	.87	.89	.92	1.23	1.32	1.25	1.33	1.50	1.73	1.79	1.94	1.98	1.69	1.69	1.95	2.05	2.05	2.05	2.05	2.05
.67	.67	.67	.67	.67	.67	.68	.70	.71	.73	.76	.80	.85	.95	1.05	1.16	1.27	1.40	1.40	1.40	1.40	1.40
1.44	1.49	1.04	1.51	1.65	2.67	3.04	4.01	4.37	4.36	6.48	5.85	4.99	2.86	2.74	3.31	4.90	2.95	2.95	2.95	2.95	2.95
6.67	6.27	6.87	7.14	7.59	8.79	9.16	10.14	10.52	11.73	13.06	14.00	15.30	16.27	16.66	17.24	17.95	18.60	18.60	18.60	18.60	18.60
155.98	157.00	174.80	180.00	181.20	182.40	183.60	187.00	194.00	195.20	196.20	197.60	198.50	199.40	199.70	199.70	199.70	200.00	200.00	200.00	200.00	200.00
17.4	14.1	11.8	14.1	14.9	13.7	13.8	12.4	10.8	13.3	14.4	15.2	17.7	18.3	17.7	17.7	17.7	17.7	17.7	17.7	17.7	17.7
.89	.77	.67	.74	.79	.74	.73	.75	.72	.85	.90	.97	.99	.96	.89	.94	.94	.94	.94	.94	.94	.94
5.9%	6.6%	6.5%	5.3%	4.9%	4.0%	3.8%	4.5%	5.0%	3.7%	3.1%	2.9%	2.5%	2.6%	3.5%	3.9%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%

CAPITAL STRUCTURE as of 3/31/17		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Debt	\$3056.2 mill. Due in 5 Yrs \$853.3 mill.	3797.6	4070.7	2869.7	3716.9	3915.9	3671.2	2867.7	2453.1	2196.9	2259.2	2300	2400	2300	2400	2300	2400	2300	2400	2300	2400	2300	2400
LT Debt	\$2703.2 mill. LT Interest \$142.9 mill. (LT interest earned: 4.3x)	244.2	231.4	258.3	295.3	342.9	355.0	387.6	395.8	337.6	338.2	395	405	395	405	395	405	395	405	395	405	395	405
Leases, Uncapitalized	Annual rentals \$6.0 mill.	32.3%	30.4%	31.7%	34.9%	30.7%	26.0%	24.9%	30.4%	29.2%	30.5%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%
Pension Assets-12/16	\$595.9 mill. Oblig \$672.2 mill.	1.6%	1.7%	9.1%	5.7%	9.0%	2.7%	2.6%	1.7%	3.7%	6.4%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	
Pfd Stock	None	44.4%	53.3%	50.6%	50.8%	51.6%	50.7%	43.1%	45.9%	44.3%	41.1%	45.5%	47.0%	45.5%	47.0%	45.5%	47.0%	45.5%	47.0%	45.5%	47.0%	45.5%	47.0%
Common Stock	199,704,099 shs.	55.6%	46.7%	49.4%	49.2%	48.4%	49.3%	56.9%	54.1%	55.7%	58.9%	55.5%	53.0%	55.5%	53.0%	55.5%	53.0%	55.5%	53.0%	55.5%	53.0%	55.5%	53.0%
MARKET CAP:	\$7.1 billion (Large Cap)	3025.5	4058.6	4129.7	4652.5	5300.4	5615.8	5337.2	5999.7	5971.6	5849.6	6590	7030	6590	7030	6590	7030	6590	7030	6590	7030	6590	7030
ELECTRIC OPERATING STATISTICS		4246.3	5249.8	5911.6	6464.4	7474.0	8344.8	6672.8	6979.9	7322.4	7696.2	8395	8695	8395	8695	8395	8695	8395	8695	8395	8695	8395	8695
% Change Retail Sales (KWH)		9.5%	7.0%	7.9%	7.8%	7.8%	7.7%	8.6%	7.8%	6.9%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Avg. Indust. Use (MWH)		14.5%	12.2%	12.7%	12.9%	13.4%	12.8%	12.8%	12.2%	10.2%	9.8%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%
Avg. Indust. Revs. per KWH (c)		14.5%	12.2%	12.7%	12.9%	13.4%	12.8%	12.8%	12.2%	10.2%	9.8%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%
Capacity at Peak (Mw)		7.1%	5.4%	6.0%	6.7%	7.7%	7.2%	7.3%	6.5%	4.0%	3.3%	4.0%	3.5%	4.0%	3.5%	4.0%	3.5%	4.0%	3.5%	4.0%	3.5%	4.0%	
Peak Load, Summer (Mw)		51%	55%	53%	48%	43%	44%	43%	47%	61%	67%	64%	68%	64%	68%	64%	68%	64%	68%	64%	68%	64%	68%
Annual Load Factor (%)																							
% Change Customers (yr-end)																							

BUSINESS: OGE Energy Corp. is a holding company for Oklahoma Gas and Electric Company (OG&E), which supplies electricity to 836,000 customers in Oklahoma (84% of electric revenues) and western Arkansas (8%); wholesale is (8%). Owns 25.7% of Enable Midstream Partners. Electric revenue breakdown: residential, 42%; commercial, 25%; industrial, 15%; other, 18%. Generating sources: coal, 33%; gas, 31%; wind, 5%; purchased, 31%. Fuel costs: 39% of revenues. '16 reported depreciation rate (utility): 3.0%. Has 2,500 employees. Chairman, President and Chief Executive Officer: Sean Trauschke. Incorporated: Oklahoma. Address: 321 North Harvey, P.O. Box 321, Oklahoma City, Oklahoma 73101-0321. Telephone: 405-553-3000. Internet: www.oge.com.

Cal-endar	QUARTERLY REVENUES (\$ mill.)	Full Year
	Mar.31 Jun.30 Sep.30 Dec.31	Year
2014	560.4 611.8 754.7 526.2	2453.1
2015	480.1 549.9 719.8 447.1	2196.9
2016	433.1 551.4 743.9 530.8	2259.2
2017	456.0 550 750 544	2300
2018	475 575 800 550	2400

Cal-endar	EARNINGS PER SHARE A	Full Year
	Mar.31 Jun.30 Sep.30 Dec.31	Year
2014	.25 .50 .94 .29	1.98
2015	.22 .44 .88 .15	1.69
2016	.13 .35 .92 .29	1.69
2017	.18 .47 1.00 .30	1.95
2018	.20 .50 1.05 .30	2.05

Cal-endar	QUARTERLY DIVIDENDS PAID B	Full Year
	Mar.31 Jun.30 Sep.30 Dec.31	Year
2013	.209 .209 .209 .209	.84
2014	.225 .225 .225 .25	.93
2015	.25 .25 .25 .275	1.03
2016	.275 .275 .275 .3025	1.13
2017	.3025 .3025	

OG&E Energy's utility subsidiary received a disappointing rate order in Oklahoma. The commission granted Oklahoma Gas and Electric a rate increase of just \$8.8 million, based on a return of 9.5% on a common-equity ratio of 53%. This was well below the utility's request for a \$92.5 million increase, based on a 10.25% ROE, and fell far short of even an administrative law judge's recommendation of a \$40.7 million hike, based on a 9.87% ROE. What's more, the regulators reduced OG&E's depreciation by \$36.4 million annually. This will not affect the company's earnings, but will hurt cash flow. The order was retroactive to July 1, 2016. **OG&E is hoping for a better outcome in its next rate case.** This is planned for the fourth quarter, with new tariffs taking effect in mid-2018. The utility will seek recovery of a project to modernize a gas-fired generating plant, which is expected to cost \$425 million. **The regulatory news was better in Arkansas.** The state commission approved a settlement calling for a rate hike of \$7.1 million, based on a 9.5% return on a 50% common-equity ratio. New tariffs took effect on June 1st.

We have cut our 2017 earnings estimate by \$0.10 a share, to \$1.95. This is due to the disappointing rate order in Oklahoma. The company now believes profits are likely to come in at the low end of its targeted range of \$1.93-\$2.09. We have also trimmed our 2018 forecast by \$0.05 a share, to \$2.05. Even this might prove optimistic if OG&E gets a disappointing ruling in its next rate case in Oklahoma. **We expect a hefty increase at the board's next dividend meeting, in late September.** OGE has reiterated its expectation of 10% annual dividend growth through 2019. Despite the reduction in our earnings estimates, the company's payout ratio is still moderate for a utility. Also, OGE benefits from distributions (probably at least \$140 million this year) from its 25.7% stake in Enable Midstream Partners, a natural gas master limited partnership. **This stock has a dividend yield that is slightly above the utility average.** Total return potential to 2020-2022 is greater than that of most utilities. *Paul E. Debbas, CFA June 16, 2017*

Company's Financial Strength A
Stock's Price Stability 85
Price Growth Persistence 65
Earnings Predictability 80

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