OGE ENERGY CORP.
CORPORATE GOVERNANCE GUIDELINES

Responsibility of the Board

The primary mission of the Board of Directors of OGE Energy Corp. (the "Company") is to advance the interests of the Company's stockholders by creating a valuable long-term business. The Board believes that this mission is best served by establishing a corporate culture of accountability, responsibility and ethical behavior through the careful selection and evaluation of senior management and members of the Board and by carrying out the Board's responsibilities with honesty and integrity.

The basic responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be the best interests of the Company and its shareholders. In discharging their obligations, directors should be entitled to rely on the honesty and integrity of the Company's senior executives and its outside advisors and auditors. The directors shall also be entitled to have the Company purchase reasonable directors' and officers' liability insurance on their behalf, to the benefits of indemnification to the fullest extent permitted by law and the Company's certificate of incorporation and by-laws and to exculpation as provided by state law and the Company's certificate of incorporation. Board members are expected attend Board meetings and meetings of Board committees on which they serve and to spend the time needed to appropriately discharge their responsibilities.

Director Selection

Board Membership Criteria. The Nominating and Corporate Governance Committee is responsible for reviewing with the Board, at least annually, the appropriate skills and experience of new Board members, as well as the composition of the Board as a whole. This assessment should include factors such as independence, judgment, skill, diversity, integrity and experience in the context of the needs of the Board.

Selection of Director Nominees. The Nominating and Corporate Governance Committee will recommend candidates for election to the Board in accordance with the policies and principles in its charter and the criteria described herein. The invitation to join the Board should be extended by the Board jointly through the Chief Executive Officer of the Company (the "CEO") and the Chair of the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee will review the nomination of an incumbent director for re-election to the Board upon expiration of such director's term.

Director Orientation and Continuing Education. The Company will establish and review periodically an orientation program for new directors that includes presentations by senior management. All directors will also be invited to participate in the orientation program. Periodically, the Company will provide opportunities for directors to visit the Company's significant facilities in order to provide greater understanding of the Company's business and operations.

Board Composition

Independent Directors. A majority of the members of the Board shall be "independent" under the rules of the New York Stock Exchange and under applicable Law. The Board believes that the Company's CEO generally should be the only Company executive serving as a director except as may be appropriate as part of the succession process described below.

Size of the Board. It is the sense of the Board that a size of between nine and fifteen members is appropriate. The Board determines the number of directors as permitted in the Company's certificate of incorporation or by-laws and will periodically review the size of the Board based on recommendations of the Nominating and Corporate Governance Committee.

Positions of Chairman and CEO. The Board has no policy with respect to the separation of the offices of Chairman of the Board and the CEO. The Board believes that this issue is part of the succession planning process and that it is in the best interests of the Company for the Board with the assistance of the Nominating and Corporate Governance Committee to make a determination whenever it elects a new chief executive officer.

Lead Director. If the positions of Chairman and CEO are held by the same person, in order to strengthen independent oversight of management and to provide for more open communication, the independent directors of the Board shall appoint an independent director to serve in the role of lead director. The lead director will chair executive sessions of the Board conducted without management and will consult with the Chairman on agendas for the Board meetings. The lead director shall communicate the results of the executive sessions of the Board conducted without management to the CEO, as appropriate, and shall have other responsibilities which the non-management directors or independent directors may designate from time to time.

Service on Other Boards. No director should serve on more than three other boards of directors of publicly-held companies without the prior approval of the Nominating and Corporate Governance Committee. Directors should advise the CEO and the Chair of the Nominating and Corporate Governance Committee in advance of accepting an invitation to serve on the board of directors of another company. Additionally, the CEO and other executive officers must seek the approval of the Board before accepting membership on other boards (or similar bodies), including corporate and charitable boards.

Changes in Professional Responsibility. The Board should consider whether a change in an individual's professional responsibility directly or indirectly impacts that person's ability to fulfill his or her obligations as a director of the Company. Any director of the Company should submit his or her resignation upon retirement from, or other significant change in, his or her principal employment. The Board may accept or reject such resignation in its discretion after consultation with the Nominating and Corporate Governance Committee.

Term Limits. The Board does not believe it should establish term limits. While term limits could help insure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and, therefore, provide an increasing contribution to the Board as a whole.

Retirement Policy. Absent the prior approval of the Nominating and Corporate Governance Committee, no director may be nominated to a new term if he or she would be age 72 or older at the time of election by the shareholders.

Director Resignation Policy. In an uncontested election, if a nominee for director who is an incumbent director is not elected, such incumbent director shall, promptly after certification of the election results, offer to tender his or her resignation to the Board. The Nominating and Corporate Governance Committee shall make a recommendation to the Board on whether to accept or reject the resignation, or whether other action should be taken. The Board shall act on whether to accept the director's offer, taking into account the recommendation of the Nominating and Corporate Governance Committee, and publicly disclose (by press release, a filing with the Securities and Exchange Commission or other broadly disseminated means of communication) its decision and the rationale behind it within 90 days after the date of the certification of the election results. The Nominating and Corporate Governance Committee, in making its recommendation, and the Board, in making its decision, may each consider any factors or other recommendations that it considers relevant and appropriate. The incumbent director who offers to tender his or her resignation shall not participate in the Board's decision. If such incumbent director's offer to tender his or her resignation is not accepted by the Board, such director shall continue to serve until his or her successor is duly elected, or his or her earlier death, resignation, retirement, disqualification or removal. Following the acceptance of an incumbent director's resignation, or when a position on the Board is not filled because a non-incumbent nominee for that position is not elected, the Board, in its sole discretion, may fill any resulting vacancy or may decrease the size of the Board in each case pursuant to the provisions of the Company's certificate of incorporation and by-laws.

Director Compensation and Performance

Compensation Policy and Annual Compensation Review. It is the policy of the Board to provide independent directors with a mix of compensation, including an annual cash retainer, meeting attendance fees, and annual stock-based grants based on continued service on the Board and Company performance. Proposed changes in Board compensation shall initially be reviewed by the Compensation Committee, but any changes in the compensation of directors shall require the approval of the Board. The Compensation Committee shall periodically review the status of Board compensation in relation to other comparable companies and consider other factors the Committee deems appropriate, including whether directors' independence may be jeopardized if director compensation and perquisites exceed customary levels, if the Company makes substantial charitable contributions to organizations with which a director is affiliated, or if the Company enters into consulting contracts with (or provides other indirect forms of compensation to) a director or an organization with which the director is affiliated. The Committee shall discuss its review with the Board.

Annual Performance Evaluation. The Board of Directors will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The Nominating and Governance Committee will oversee this process and, in connection with such evaluation, will receive comments from all directors and report annually to the Board with an assessment of the Board's performance and procedures. This will be discussed with the full Board following the end of each fiscal year.

Prior to the filing of each proxy statement in connection with an annual meeting of shareowners, the Nominating and Governance Committee will evaluate the specific experience, qualifications, attributes or skills of each director or nominee and recommend to the Board whether each such person should serve as a director of the Company. The Board will then determine whether each such person should serve as a director of the Company.

Transactions with Directors or their Affiliates. Except for employment arrangements with the CEO, the Company does not engage in transactions with directors or their affiliates if a transaction would cast into doubt the independence of a director, present a conflict of interest, or is otherwise prohibited by law, rule or regulation. This includes, directly or indirectly, any extension, maintenance or renewal of an extension of credit to any director or member of management of the Company. This prohibition also includes significant business dealings with directors or their affiliates, substantial charitable contributions to organizations in which a director is affiliated, and consulting contracts with, or other indirect forms of compensation to, a director. Any waiver of this policy may be made only by the Board or a Board committee and must be promptly disclosed to the Company's stockholders.

Board Meetings and Communications to Non-Management Directors

Schedule. Board meetings are scheduled in advance and held not less than quarterly. The Board holds special meetings as required.

Agendas. The CEO and other members of senior management will establish the agenda for each Board meeting. Each Board member may submit items to be included on the agenda. Board members also may raise subjects that are not on the agenda at any meeting.

Distribution of Board Material. Information that is important to the Board's understanding of the Company's business should be distributed to the Board members a reasonable period of time before the Board meeting.

Strategic Planning. The Board will review the Company's long-term strategic plans and principal issues that the Company will face in the future during at least one Board meeting each year. The timing and agenda of this meeting shall be determined by the CEO.

Meetings of Non-Management and Independent Directors. The directors will meet at least twice annually without management directors present. In the event that the non-management members of the Board include individuals who are not "independent" under the rules of the NYSE, then the independent directors shall meet at least annually without such non-management directors or any management directors present. Meetings of the non-management or independent directors should generally coincide with regularly scheduled Board meetings; however, a majority of the non-management directors may call a meeting of the non-management directors at any time and a majority of the independent directors may call a meeting of the independent directors at any time. If the Board has appointed a lead director, such lead director shall preside at any meeting of the non-management or independent directors. If the board has not appointed a lead director, the director, or method for selecting a director, who presides at any meeting of the non-management or independent directors will be decided by the directors entitled to attend such meeting, and his or her name or such method will be disclosed in

the Company's annual proxy statement. The director presiding at any such meeting shall supervise the conduct of such meeting, shall communicate the results of the meeting to the CEO, as appropriate, and shall have other responsibilities which the non-management directors or independent directors may designate from time to time.

Communications with Non-Management Directors, Independent Directors or the Lead or Presiding Director. Interested parties wishing to communicate directly with the non-management directors, independent directors or the lead or presiding director may do so by writing, addressed as follows: Non-Management Directors/Lead Director, OGE Energy Corp., 321 North Harvey, Oklahoma City, Oklahoma 73101, Attn: Corporate Secretary.

Board Presentations and Access to Employees and Advisors. Directors shall have full access to officers and employees of the Company and, as necessary and appropriate, the Company's independent advisors, including legal counsel and independent accountants. Any meetings or contacts that a director wishes to initiate may be arranged through the CEO or the Corporate Secretary or directly by the director. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and will, to the extent appropriate, provide the CEO with a copy of any written communications between a director and an officer or employee of, or adviser to, the Company.

The Board encourages senior management to invite to Board meetings officers and other key employees who can provide additional insight into the items being discussed, or that senior management believes should be given exposure to the Board.

Board Interaction with Investors, Media and Others. The Board believes that senior management speaks for the Company. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company, but it is expected that Board members would do so only with the knowledge of senior management and, in most instances, only at the request of senior management.

Board Committees

Required Committees. Consistent with New York Stock Exchange listing requirements, the Board will have at all times an Audit Committee, a Compensation Committee, and a Nominating and Corporate Governance Committee. All of the members of those committees will be "independent" under the criteria established by the New York Stock Exchange and under applicable law.

Committees shall receive authority exclusively through delegation from the Board through the by-laws, Board resolutions, committee charters or as provided by these guidelines. All committee actions must be ratified by the Board before becoming effective, unless taken pursuant to an express delegation of authority. In addition to the authority granted hereunder or under each committee's charter, the Board and each committee have the power to hire independent legal, financial or other advisors as they may deem necessary without consulting or obtaining the approval of senior management.

Appointment and Term of Service of Committee Members. Committee members will be appointed by the Board upon recommendation of the Nominating and Corporate Governance Committee with consideration of the desires of individual directors. Consideration will be given to rotating committee members periodically, but the Board does not believe that rotation should be mandated as a policy. Committee chairs shall be selected by the respective committee members, except with respect to the Audit Committee chair who will be selected by the Board.

Committee Charters. Consistent with New York Stock Exchange listing requirements, the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee will have a written charter approved by the Board. The charters will set forth the purposes and responsibilities of the committees as well as qualifications for committee membership, procedures for appointment and removal, structure and operations, and reporting to the Board. The charters will also provide that each committee will annually evaluate its performance. Consistent with New York Stock Exchange listing requirements, the charters will be included on the Company's website.

Committee Meetings and Committee Agenda. Each committee chair, in consultation with the committee members and appropriate officers of the Company, will determine the frequency of committee meetings consistent with any requirements in the committee's charter, provided that a majority of committee members may call a meeting of the committee on which they are members at any time. Each committee chair, in consultation with the other members of the committee and senior management, will develop the committee's agenda.

Other Committees. The Board may, from time to time, establish or maintain additional committees as necessary or appropriate.

Management Succession

CEO Selection. The Board shall select a CEO in a manner that is in the best interests of the Company.

Evaluation of Executive Officers. The Compensation Committee will conduct an annual review of the performance of the CEO, and the other executive officers of the Company in light of the goals and objectives of the Company. The Compensation Committee will set executive officer compensation based on such factors as it deems appropriate.

Succession Planning and Management Development. The Nominating and Corporate Governance Committee should, at least annually, make a report to the Board on succession planning. The Company's succession plan will include appropriate contingencies in case the CEO retires or is incapacitated. The Board, with the assistance of the Nominating and Corporate Governance Committee, will evaluate potential successors to the CEO. The CEO should at all times make available his recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

Consistent with New York Stock Exchange listing requirements, these guidelines will be included on the Company's website.