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## OGE Energy Corp. Q4 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator instructions) Our first question comes from the line of Brian Russo with Ladenburg Thalmann. Your line is open.

#### Brian Russo – Ladenburg Thalmann

Good morning. Just a question on the 2009 outlook, it looks like you have increased OG&E expectations slightly, maintaining the low end of the Enogex EPS. But the holding company negative drag has been reduced quite meaningfully and I was just curious to know what was the driver of that?

#### Pete Delaney

Scott?

#### Scott Forbes

Hi, Brian. It's lower borrowings as well as interest rates less than what we had forecast back in October.

#### Brian Russo – Ladenburg Thalmann

Okay. And in terms of your external capital needs, if I understood you correctly, your equity needs are satisfied with the remaining DRIP program, but depending on incremental CapEx or other needs, you may consider equity offering?

#### Scott Forbes

Sure, we will take a look at the variety of factors we talked about, but at this point, we think the remaining balance of \$34 million is where we are looking for this year.

#### Brian Russo – Ladenburg Thalmann

What's your target equity ratio?

#### Scott Forbes

Well, at the utility, of course, we are maintaining a 54% equity ratio and overall, the target is somewhere around 50% for the holding company.

**Brian Russo – Ladenburg Thalmann**

Okay. And I think in your 10-K and the '09 outlook, you are assuming 10% volume growth at Enogex. I think that compares to a previous forecast of 7%. And I was wondering what the drivers were there. And then, secondly, are you seeing any shut-ins or slow-down in drilling given where gas prices are today?

**Pete Delaney**

Yes, Keith, Chief Operating Officer of Enogex, will handle that call. Keith?

**Keith Mitchell**

Yes, we are seeing a lot of activity in certain areas that we do have some growth and that's why you see the volumes growth still remains strong. We have seen some areas where we have had some rigs laid down, but some of the areas that we have some of our growth projects in have remained strong. So that's why you see the growth.

**Brian Russo – Ladenburg Thalmann**

Okay, so even with gas prices below \$5, you are not seeing any shut-ins?

**Keith Mitchell**

We have seen some in some areas and we have seen some rigs lay down, but even with the current gas prices, which right now in Oklahoma are around \$3.50, we have continued to see drilling in some key development areas that we have infrastructure going in.

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