

OGE ENERGY CORP.
Form 11-K
June 25, 2009

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

(Mark One)

- ANNUAL REPORT PURSUANT TO SECTION 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2008

OR

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

Commission File Number: 1-12579

OGE ENERGY CORP.

EMPLOYEES' STOCK OWNERSHIP AND RETIREMENT

SAVINGS PLAN

(Full title of the Plan)

OGE ENERGY CORP.

321 North Harvey

P.O. Box 321

Oklahoma City, Oklahoma 73101-0321

*(Name of issuer of the securities held pursuant to the Plan and the address
of its principal executive office)*

OGE ENERGY CORP.

EMPLOYEES' STOCK OWNERSHIP AND

RETIREMENT SAVINGS PLAN

FORM 11-K

FOR THE YEAR ENDED DECEMBER 31, 2008

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the OGE Energy Corp.

Benefits Committee:

We have audited the accompanying statements of net assets available for benefits of the OGE Energy Corp. Employees' Stock Ownership and Retirement Savings Plan as of December 31, 2008 and 2007, and the related statement of changes in net assets available for benefits for the year ended December 31, 2008. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2008 and 2007, and the changes in its net assets available for benefits for the year ended December 31, 2008, in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2008, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Ernst & Young LLP

Oklahoma City, Oklahoma

June 24, 2009

OGE ENERGY CORP.

EMPLOYEES' STOCK OWNERSHIP AND RETIREMENT SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 2008 AND 2007

	2008		2007
INVESTMENTS (AT FAIR VALUE)			
Investments in common stock	\$ 136,006,664	\$	181,812,152
Investments in mutual funds	122,082,464		186,110,284
Investments in common collective trust	35,107,505		33,805,851
Participant loans	9,957,081		10,268,496
Interest-bearing cash	1,576,155		2,099,604
Net assets available for benefits, at fair value	304,729,869		414,096,387
Adjustment from fair value to contract value for fully benefit-responsive investment contracts held in common collective trust	1,893,769		367,386
Net assets available for benefits	\$ 306,623,638	\$	414,463,773

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

OGE ENERGY CORP.

EMPLOYEES' STOCK OWNERSHIP AND RETIREMENT SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED DECEMBER 31, 2008

ADDITIONS

Contributions		
Company	\$	8,642,909
Participants		19,844,496
Rollovers		1,132,705

Interest and dividend income

Common stock		4,721,487
Mutual funds		5,202,061
Common collective trust		1,298,845
Interest on participant loans		806,310
Interest-bearing cash		62,579

Total additions 41,711,392

DEDUCTIONS

Realized losses on investments		
Common stock		8,557,104
Mutual funds		11,220,279

Unrealized depreciation in fair value of investments

Common stock		44,977,178
Mutual funds		60,429,353

Distributions to participants		24,304,284
Administrative expenses		63,329

Total deductions 149,551,527

NET DECREASE IN NET ASSETS AVAILABLE FOR BENEFITS (107,840,135)

NET ASSETS AVAILABLE FOR BENEFITS

Beginning of year		414,463,773
End of year	\$	306,623,638

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

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OGE ENERGY CORP.

EMPLOYEES' STOCK OWNERSHIP AND RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

1. Plan Description

The OGE Energy Corp. Employees' Stock Ownership and Retirement Savings Plan (the "Plan"), originally the Oklahoma Gas and Electric Company Employees' Thrift Plan, was adopted in 1981 and became effective January 1, 1982. By action of OGE Energy Corp.'s Board of Directors taken on July 15, 1998, the Oklahoma Gas and Electric Company Employees' Stock Ownership Plan (the "ESOP") and participants' ESOP accounts thereunder were merged into the Plan effective October 1, 1998. The Plan is a defined contribution trustee plan. Fidelity Management Trust Company ("Fidelity") serves as the Trustee of the Plan and is responsible for the safekeeping and investment of all contributions made to the trust in accordance with the Trust agreement between OGE Energy Corp. (the "Company") and the Trustee. The following description of the Plan provides only general information of the Plan's provisions. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

Participation in the Plan is voluntary. The Plan is administered by a committee (the "Benefits Committee") appointed by the Benefits Oversight Committee. The Benefits Oversight Committee consists of at least two members appointed by the Company's Board of Directors. The Benefits Committee is responsible for the general administration of the Plan including, among other things, appointing the Plan administrator, establishing Plan procedures and governmental reporting and disclosures for the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

Eligibility

Each regular full-time employee of the Company or a participating affiliate is eligible to participate in the Plan immediately. All other employees of the Company or a participating affiliate are eligible to become participants in the Plan after completing one year of service, as defined in the Plan.

Participant Contributions

Each pay period participants may contribute any whole percentage between two percent and 19 percent of their compensation, as defined in the Plan, for that pay period. Participants may change contribution percentages in advance of any pay period. Contributions of the first six percent of compensation are defined in the Plan as "Regular Contributions" and any contributions over six percent of compensation are defined in the Plan as "Supplemental

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Contributions.” Participants may designate, at their discretion, all or any portion of their Regular and Supplemental Contributions to the Plan as: (i) a salary reduction contribution under Section 401(k) of the Internal Revenue Code (the “Code”) subject to the limitations thereof; or (ii) a contribution made on an after-tax basis. The portion of the participant’s contribution that is designated as a salary reduction contribution is defined in the Plan as a “Tax-Deferred Contribution” and is not subject to federal income tax until such portion is withdrawn or distributed from the Plan.

Participants who have attained age 50 before the close of a year are allowed to make additional contributions, defined in the Plan as “Catch-Up Contributions,” for the year in accordance with and subject to the limitations of Section 414(v) of the Code. Similar to Tax-Deferred Contributions, Catch-Up Contributions are salary reduction contributions under Section 401(k) of the Code and are not subject to federal income tax until such contributions are withdrawn or distributed from the Plan.

Participants can direct that their contributions be invested in multiples of one percent in any one or all of the investment options available, including the OGE Energy Corp. Common Stock Fund which invests exclusively in the Company’s common stock except for a portion invested in short-term investments for liquidity purposes to accommodate daily cash flow needs. Participants may change investment allocations of contributions on any business day. A managed account option is offered under the Plan which provides participants an option, for a fee, to have funds in their account invested by an investment manager among the investment options available under the Plan (excluding the OGE Energy Corp. Common Stock Fund). Under the managed account option, the amounts invested by an investment manager exclude amounts participants elect to be retained in the OGE Energy Corp. Common Stock Fund. The investment manager appointed for this purpose is Strategic Advisers, Inc., an affiliate of the Trustee.

In accordance with the Pension Protection Act of 2006 (the “Pension Protection Act”), effective January 18, 2008, the Plan was amended so that eligible employees, whose employment commencement dates occur on or after December 17, 2007 and who do not affirmatively elect to either participate or not participate in the Plan, are automatically enrolled in the Plan to contribute three percent of their compensation per pay period as a Tax-Deferred Contribution, which enrollment is effective as of the 30th day following the date the eligible employee satisfies the eligibility requirements of the Plan. In the absence of an investment election, the participant’s Tax-Deferred Contributions will be invested in the applicable Fidelity Freedom Fund based upon the participant’s date of birth. If an eligible employee ceases to be an eligible employee by reason of termination of employment or otherwise, the automatic enrollment will not apply to such eligible employee on any subsequent re-employment with the Company or on otherwise again becoming an eligible employee.

Effective January 18, 2008, the Plan was also amended so that a participant may elect in accordance with the Plan’s procedures to have his or her rate of Tax-Deferred Contributions to be made in the future automatically increased annually on a date and in an amount as specified by the participant in such election, which amount will be one percent, two percent or three percent

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of their compensation per pay period. Such election will remain in effect until cancelled by the participant in accordance with the Plan's procedures.

The Plan also allows rollovers from other eligible retirement plans, defined in the Plan as "Rollover Contributions." Participants may invest their Rollover Contributions into the OGE Energy Corp. Common Stock Fund or any of the other investment options available under the Plan. Amounts rolled over cannot be withdrawn during employment.

Employer Contributions

For each pay period, the Company contributes to the Plan, on behalf of each participant, 50 percent of the participant's Regular Contributions for participants whose employment or most recent re-employment date, as defined in the Plan, occurred before February 1, 2000 and who have less than 20 years of service, as defined in the Plan, and 75 percent of the participant's Regular Contributions for participants whose employment or most recent re-employment date occurred before February 1, 2000 and who have 20 or more years of service. For participants whose employment or most recent re-employment date occurred on or after February 1, 2000, the Company contributes to the Plan, on behalf of each participant, 100 percent of the participant's Regular Contributions deposited during each pay period. No Company contributions are made with respect to a participant's Supplemental Contributions, Catch-Up Contributions, Rollover Contributions, or with respect to a participant's Regular 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. The Company's contribution, which is initially allocated for investment to the OGE Energy Corp. Common Stock Fund, may be made in shares of the Company's common stock or in cash which is used to invest in the Company's common stock. During 2008, there were no non-cash Company contributions made to the Plan. Once made, the Company's contribution may be reallocated, on any business day, by participants to other available investment options.

Vesting

Participants' Regular Contributions, Supplemental Contributions, Rollover Contributions and Catch-Up Contributions are fully vested and non-forfeitable, as are participants' ESOP contributions accounts. In accordance with the Pension Protection Act, effective March 1, 2008, the Plan was amended so that all employees participating in the Plan completing an hour of service, as defined in the Plan, on or after March 1, 2008 who were not then fully vested in their Company contributions, vest in their allocated share of Company contributions over a three-year period. After two years of service, participants become 20 percent vested in their Company contribution account and become fully vested after three years of service. In addition, participants fully vest when they are eligible for normal or early retirement under the Company's Retirement Plan, in the event of their termination due to death or permanent disability, or upon attainment of age 65 while employed by the Company or its affiliates. Under the Company's Retirement Plan, participants are eligible for normal retirement when they retire on or after their normal retirement date at age 65. Under the Company's Retirement Plan, participants are eligible

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for early retirement when they retire prior to their normal retirement date and on or after age 55 with at least five years of vesting service, as defined in the Company's Retirement Plan.

Forfeitures of non-vested Company contributions resulting from termination of employment, for reasons other than death or permanent disability, are used to reduce the Company's contributions. During 2008, there were no material forfeitures of non-vested Company contributions. At December 31, 2008 and 2007, there were no material forfeited and unallocated assets. Forfeitures are reinstated if the participant is re-employed by the Company or an affiliate thereof within five years of the date of termination.

Withdrawals

During employment, participants may not withdraw Tax-Deferred Contributions or Catch-Up Contributions and income earned thereon until attainment of age 59 ½, except in the event of financial hardship where a participant may withdraw their Tax-Deferred Contributions and Catch-Up Contributions exclusive of earnings after 1988 and except in the event of a "permissible withdrawal" as described below. Withdrawals are made in cash. Participants can generally make one withdrawal per calendar year for no less than either \$300 or 100 percent of the participant's after-tax contribution account, whichever is less. Subject to the foregoing, a withdrawal can be comprised of after-tax contributions, vested Company contributions, Catch-Up Contributions and Tax-Deferred Contributions and any income earned thereon. Hardship withdrawals must be approved by the Benefits Committee. As of the last business day of any quarter, participants may also withdraw in cash or in Company common stock all amounts allocated to their ESOP accounts.

Effective January 18, 2008, the Plan was amended so that eligible employees who are automatically enrolled in the Plan may no later than 90 days after the first Tax-Deferred Contribution is deducted from their compensation elect to make a "permissible withdrawal" from the Plan of all of his or her Tax-Deferred Contributions (and any earnings (or losses) attributable thereto). Any Company matching contributions (as adjusted for earnings (or losses) attributable thereto) that are attributable to amounts distributed to a participant by reason of a permissible withdrawal will be forfeited and be considered a forfeiture as of the date the distribution is made. Also, at that time, the participant's automatic enrollment agreement will terminate upon electing to make a permissible withdrawal and no further Tax-Deferred Contributions will be made on the participant's behalf unless and until the participant makes an election to resume making Tax-Deferred Contributions.

Distributions

Participants may request distribution of their vested accounts upon termination of employment with the Company and its affiliates for any reason. If a participant's vested account balance is less than or equal to \$1,000, it will automatically be distributed in a lump-sum payment to the participant as soon as administratively possible following termination. If a participant's vested account balance is greater than \$1,000, it may be distributed in a lump-sum payment, installment payments or a combination thereof at the participant's election, and

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participants who are under age 70½ at termination may defer commencement of their distributions to not later than April 1 of the year after the year in which they reach age 70½.

All distributions are made in cash or in kind as the participant elects. All amounts invested in the OGE Energy Corp. Common Stock Fund, whether purchased with participant or Company contributions, may be paid in cash, in full shares of the Company's common stock with fractional shares being paid in cash or a combination thereof at the participant's election. The Plan implements a dividend pass-through program in which all dividends allocable to shares of the Company common stock in participants' accounts are automatically paid in cash to participants based on the number of shares allocated to their accounts as of the ex-dividend date for such dividend unless otherwise requested for dividends allocable to accounts other than ESOP accounts and, effective January 1, 2008, for dividends allocable to the ESOP accounts as well. Any dividends not distributed in cash are used to purchase additional shares of the Company's common stock, which are allocated to the respective participants' accounts in the form of additional units. Participants receiving distributions or withdrawals which are eligible rollover distributions, as defined in the Plan, may elect to make rollovers to an eligible retirement plan provided that such eligible retirement plan accepts direct rollovers. In accordance with the Pension Protection Act, effective January 1, 2007, the Plan was amended to: (i) incorporate clarifying provisions and changes relating to the Pension Protection Act notice requirements and (ii) to allow a non-spouse beneficiary to directly rollover an eligible rollover distribution to an eligible individual retirement account.

Participant Loans

The maximum amount that a participant may borrow is the lesser of either \$50,000 or 50 percent of the participant's vested account balance. No amounts may be borrowed from a participant's ESOP account. A participant may have no more than two loans outstanding at one time. The loans are secured by the participant's vested account balance. All loans granted must be repaid pursuant to a written repayment schedule not to exceed five years and evidenced by a written promissory note signed by the borrower. Borrowed amounts do not share in the earnings and losses of the investment funds. Rather, interest payments on the loan are credited to the participant's account in the Plan. If a participant should terminate from the Plan, any outstanding loan balance is converted to a distribution when distribution payments commence or, if earlier, when the participant defaults in the payment of principal or interest under the terms of the loan. Effective January 1, 2008, the Plan was amended to provide that loans made to participants will be liquidated from a participant's account in accordance with rules established by the Benefits Committee.

The interest rate for loans, as established by the Benefits Committee, is equal to the "prime rate," as published in the *Wall Street Journal* on the first business day of the month on or next preceding the date the loan is made, plus one percent. The range for interest rates was 5.0 percent to 9.25 percent for loans initiated during 2008. Interest incurred on loans during 2008 was \$806,310.

Administrative Expenses

Certain expenses of administering the Plan are expected to be paid by the participants. Participants obtaining a loan are charged \$35.00 to initiate the loan and \$15.00 annually for maintenance. Investment management fees for participants electing to participate in the managed account option are also paid by electing participants. All other administrative expenses of the Plan, including legal, accounting and trustee fees, are paid by the Plan except to the extent paid by the Company.

Investment fees are generally assessed by an investment option and are deducted from the option's investment returns. Any transaction-based fees charged by an investment option will be charged directly by the investment option to applicable participant accounts.

Plan Termination

The Company intends to continue the Plan indefinitely, but reserves the right to alter, amend, modify, revoke or terminate the Plan at any time upon the direction of the Company's Board of Directors or the Company's Benefits Oversight Committee, as provided in the Plan. If the Plan is terminated for any reason, the interests of all affected participants will be fully vested and the Benefits Committee will direct that the participants' account balances be distributed as provided in the Plan. The Company has no continuing liability under the Plan after the final disposition of the assets of the Plan.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Distributions to participants are recorded when paid.

New Accounting Pronouncement

In March 2008, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 161, "Disclosures about Derivative Instruments and Hedging Activities," which required enhanced disclosures about a plan's derivative and hedging activities and was intended to improve the transparency of financial reporting. SFAS No. 161 applies to all plans. SFAS No. 161 applies to all derivative instruments, including bifurcated derivative instruments and related hedging items accounted for under SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," and its related interpretations. SFAS No. 161 amends and expands the disclosure requirements of SFAS No. 133 with the intent to provide users of financial statements with an enhanced understanding of: (i) how and why a plan uses derivative instruments, (ii) how derivative instruments and related hedged items are accounted for under SFAS No. 133 and its related interpretations and (iii) how derivative instruments and related hedged items affect a plan's financial position, financial performance and

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cash flows. The provisions of this standard do not require disclosures for earlier periods presented for comparative purposes at initial adoption. SFAS No. 161 was effective for fiscal years beginning after November 15, 2008. The Plan adopted this new standard effective January 1, 2009. The adoption of this new standard is not expected to have a material impact to the Plan as the Plan does not currently hold or issue derivative instruments.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Investments

Investments are stated at fair value which approximates the carrying amount. Shares of the mutual funds are valued at published market prices, which represent the net asset value of shares held by the Plan at year-end. The common collective trust in which the Plan invests, the Fidelity Managed Income Portfolio ("MIP"), is valued by the trustee thereof based on the fair values of the underlying investments of the trust using a variety of pricing sources. The MIP holds, among other investments, investments in fully benefit-responsive investment contracts. As required by FASB Staff Position AAG INV-1 and American Institute of Certified Public Accountants ("AICPA") Statement of Position 94-4-1, "Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans," an adjustment from fair value to contract value to equal the sum of all benefits owed to participants in fully benefit-responsive investment contracts held in the common collective trust is presented in the Statements of Net Assets Available for Benefits. Contract value represents contributions made to such trust, plus earnings, less participant withdrawals, administrative expenses and other charges or adjustments. Common stock is valued at the published market price of the Company's common stock. Participant loans are valued at their outstanding balances, which approximates fair value. Interest-bearing cash is valued at fair value, which approximates the carrying amount.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

In May 2008, the Investment Committee approved adding the following funds as available investment options, effective July 8, 2008: Sentinel Common Stock Fund Class I and Rainier Large Cap Equity Portfolio Investor Class.

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The Fidelity Growth and Income Portfolio Fund was removed from the available investment options effective after the close of business on July 8, 2008. Any funds that were not reallocated as of the close of business on September 3, 2008 from the Fidelity Growth and Income Portfolio Fund were automatically transferred to the Sentinel Common Stock Fund Class I.

Unit Accounting

The Plan utilizes the unit method of accounting, which allows the OGE Energy Corp. Common Stock Fund to hold an amount of cash for liquidity purposes. The value of each unit does not significantly vary from the price of the common stock held in the fund. The common stock price is readily available to the participants and is printed in many publications. Participants may hold units of the OGE Energy Corp. Common Stock Fund representing their proportionate interest in both the common stock and interest-bearing cash held in the fund.

3. Amounts Due To Participants

As of December 31, 2008 and 2007, there were no participants that had terminated and requested a distribution who had not received payment of the distribution.

4. Fair Value Measurements

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements," which defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and establishes a hierarchical framework for disclosing the observability of inputs utilized in measuring assets and liabilities at fair value. SFAS No. 157 expands disclosures about the use of fair value to measure assets and liabilities in periods subsequent to initial recognition. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007. The provisions of SFAS No. 157 generally are to be applied prospectively as of the beginning of the fiscal year in which it is initially applied. The Plan adopted this new standard effective January 1, 2008.

The following table is a summary of the Plan's assets that are measured at fair value on a recurring basis in accordance with SFAS No. 157.

	December 31, 2008	Level 1	Level 2	Level 3
Investments in common stock	\$ 136,006,664	\$ 136,006,664	\$ ---	\$ ---
Investments in mutual funds	122,082,464	122,082,464	---	---
Investments in common collective trust	35,107,505	---	35,107,505	---
Participant loans	9,957,081	---	---	9,957,081
Interest-bearing cash	1,576,155	1,576,155	---	---
Total	\$ 304,729,869	\$ 259,665,283	\$ 35,107,505	\$9,957,081

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The three levels defined by the SFAS No. 157 hierarchy and examples of each are as follows:

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the Plan has the ability to access at the measurement date. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability. Level 2 inputs include the following: (i) quoted prices for similar assets or liabilities in active markets; (ii) quoted prices for identical or similar assets or liabilities in markets that are not active; (iii) inputs other than quoted prices that are observable for the asset or liability; or (iv) inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that observable inputs are not available. Unobservable inputs shall reflect the Plan's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs shall be developed based on the best information available in the circumstances, which might include the Plan's own data. The Plan's own data used to develop unobservable inputs shall be adjusted if information is reasonably available that indicates that market participants would use different assumptions. The only Level 3 investment that the Plan holds is the outstanding participant loans. The inputs included in the valuation of participant loan balances include the original loan amount, interest rate, loan repayment frequency and term of the loan.

The following table is a summary of the Plan's assets that are measured at fair value on a recurring basis in accordance with SFAS No. 157 using significant unobservable inputs (Level 3).

	Year Ended December 31, 2008
Participant Loans	
Beginning balance	\$ 10,268,496
Purchases, sales, issuances and settlements, net	(311,415)
Ending balance	\$ 9,957,081

5. Investments

Investments of Company common stock in the OGE Energy Corp. Common Stock Fund at December 31, 2008 and 2007, of \$136,006,664 and \$181,812,152, respectively, are stated at fair value. The OGE Energy Corp. Common Stock Fund also holds interest-bearing cash.

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The following investments represent five percent or more of the Plan's net assets:

	December 31, 2008	2007
OGE Energy Corp. Common Stock	\$ 136,006,664	\$ 181,812,152
Fidelity Managed Income Portfolio*	37,001,275	34,173,237
Fidelity Contrafund	25,895,432	42,313,573

* These balances are stated at contract value. Fair value at December 31, 2008 and 2007 is \$35,107,505 and \$33,805,851, respectively.

6. Income Tax Status

The Company received a favorable determination letter dated December 16, 2002 which stated that the Plan is qualified under Section 401(a) of the Code and, therefore, the related trust is exempt from taxation. Subsequent to this determination by the Internal Revenue Service ("IRS"), the Plan was amended and restated. On January 30, 2009, the Plan filed a request for a determination letter to incorporate all amendments to the Plan subsequent to the December 16, 2002 determination letter. It is not known at this time when a response from the IRS can be expected. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. As Plan sponsor, the Company has indicated that it will take the steps, if any are necessary, to bring the Plan's operations into compliance with the Code.

7. Reconciliation of Financial Statements to the Form 5500

The following is a reconciliation of net assets available for benefits at December 31, 2008 and 2007 per the financial statements to the Form 5500:

	2008	2007
Net assets available for benefits per the financial statements	\$ 306,623,638	\$ 414,463,773
Less: Adjustment from fair value to contract value for fully benefit-responsive investment contracts held in common collective trust	(1,893,769)	(367,386)
Net assets available for benefits per the Form 5500	\$ 304,729,869	\$ 414,096,387

The following is a reconciliation of the net decrease in net assets for the year ended December 31, 2008 per the financial statements to the Form 5500:

Net decrease in net assets per the financial statements	\$ (107,840,135)
Plus: Adjustment from fair value to contract value for fully benefit-responsive investment contracts held in common collective trust at beginning of year	367,386
Less: Adjustment from fair value to contract value for fully benefit-responsive investment contracts held in common collective trust at end of year	(1,893,769)
Net loss per the Form 5500	\$ (109,366,518)

The Plan's investment in the common collective trust is reported at fair value for Form 5500 reporting.

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8. Related Party Transactions

Certain Plan investments are in interest-bearing cash, mutual funds and a common collective trust managed by Fidelity. Fidelity also serves as the Trustee of the Plan and, therefore, Plan transactions involving these mutual funds, common collective trust or interest-bearing cash qualify as party-in-interest transactions under ERISA and the Code. Additionally, a portion of the Plan's assets are invested in the Company's common stock. Because the Company is the Plan sponsor, Plan transactions involving the Company's common stock qualify as party-in-interest transactions. Finally, the engagement of Strategic Advisers, Inc. to provide investment management services under the managed account option and its investment in mutual funds and a common collective trust managed by Fidelity are party-in-interest transactions under ERISA and the Code because Strategic Advisers, Inc. is an affiliate of Fidelity. All of the foregoing transactions are exempt from the prohibited transaction rules of ERISA and the Code under statutory or governmental agency exemptions.

SUPPLEMENTAL SCHEDULE

OGE ENERGY CORP.

EMPLOYEES' STOCK OWNERSHIP AND RETIREMENT SAVINGS PLAN

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

EMPLOYER IDENTIFICATION NUMBER: 73-1481638

PLAN NUMBER: 003

DECEMBER 31, 2008

(a)	(b) <u>Issuer</u>	(c) <u>Description of Investment</u>	(d) <u>Cost</u>	(e) <u>Current Value</u>
*	OGE Energy Corp.	Common stock, \$0.01 par value	**	\$ 136,006,664
*	Fidelity Mgmt. Trust Co.	Interest-bearing cash	**	1,576,155
	AIM	International Growth A Fund, mutual fund	**	2,715,584
	American Beacon	Large Cap Value Fund (Plan Ahead Class), mutual fund	**	1,175,805
	American Funds	EuroPacific Growth R4 Fund, mutual fund	**	8,868,131
	Calamos	Growth A Fund, mutual fund	**	7,006,317
*	Fidelity Mgmt. Trust Co.	Asset Manager 20%, mutual fund	**	3,142,883
*	Fidelity Mgmt. Trust Co.	Asset Manager 50%, mutual fund	**	6,769,305
*	Fidelity Mgmt. Trust Co.	Asset Manager 70%, mutual fund	**	10,438,471
*	Fidelity Mgmt. Trust Co.	Blue Chip Growth Fund, mutual fund	**	12,518,105
*	Fidelity Mgmt. Trust Co.	Contrafund, mutual fund	**	25,895,432
*	Fidelity Mgmt. Trust Co.	Freedom Income Fund, mutual fund	**	541,681
*	Fidelity Mgmt. Trust Co.	Freedom 2000 Fund, mutual fund	**	194,343
*	Fidelity Mgmt. Trust Co.	Freedom 2005 Fund, mutual fund	**	1,554
*	Fidelity Mgmt. Trust Co.	Freedom 2010 Fund, mutual fund	**	2,382,759
*	Fidelity Mgmt. Trust Co.	Freedom 2015 Fund, mutual fund	**	258,850
*	Fidelity Mgmt. Trust Co.	Freedom 2020 Fund, mutual fund	**	1,943,002
*	Fidelity Mgmt. Trust Co.	Freedom 2025 Fund, mutual fund	**	516,885
*	Fidelity Mgmt. Trust Co.	Freedom 2030 Fund, mutual fund	**	1,070,640
*	Fidelity Mgmt. Trust Co.	Freedom 2035 Fund, mutual fund	**	108,559
*	Fidelity Mgmt. Trust Co.	Freedom 2040 Fund, mutual fund	**	986,566
*	Fidelity Mgmt. Trust Co.	Freedom 2045 Fund, mutual fund	**	77,882
*	Fidelity Mgmt. Trust Co.	Freedom 2050 Fund, mutual fund	**	183,469
*	Fidelity Mgmt. Trust Co.	Low Price Stock Fund, mutual fund	**	4,106,537
*	Fidelity Mgmt. Trust Co.	Managed Income Portfolio, common collective trust	**	35,107,505
*	Fidelity Mgmt. Trust Co.	Small Cap Stock Fund, mutual fund	**	1,641,376
	Goldman Sachs	Mid Cap Value A Fund, mutual fund	**	2,501,231

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PIMCO	Total Return Administrative, mutual fund	**	13,225,038
Spartan	Total Market Index Fund, mutual fund	**	1,955,564
Sentinel	Common Stock Fund, mutual fund	**	8,269,221
Rainier	Large Cap Equity Fund, mutual fund	**	145,065
Wells Fargo	Advantage Small Cap Value Fund (Class Z), mutual fund	**	3,442,209
* Participant loans	Participant Loans, with various maturity dates and interest rates ranging from 5.0% to 10.5%	0	9,957,081
	Total investments		\$ 304,729,869

* Party-in-interest

** Investments are participant-directed, thus cost information is not applicable.

SIGNATURES

The undersigned consist of the members of the Benefits Committee having the responsibility for the administration of the OGE Energy Corp. Employees' Stock Ownership and Retirement Savings Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the Plan has duly caused this Annual Report on Form 11-K to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Oklahoma City and State of Oklahoma on the 25th day of June 2009.

**OGE ENERGY CORP.
EMPLOYEES' STOCK OWNERSHIP
AND RETIREMENT SAVINGS PLAN**

By /s/ Robert E. Grasty
Robert E. Grasty
Chairperson

By /s/ Carla D. Brockman
Carla D. Brockman
Member

By /s/ Philip L. Crissup
Philip L. Crissup
Member

By /s/ Jesse B. Langston
Jesse B. Langston
Member

By /s/ Jean C. Leger Jr.
Jean C. Leger Jr.
Member

By /s/ Michael R. Mathews
Michael R. Mathews
Member

By /s/ Donald R. Rowlett
Donald R. Rowlett
Member

By /s/ Margaret A. Walsh
Margaret A. Walsh
Member

By /s/ John Wendling, Jr.
John Wendling, Jr.
Member

EXHIBIT INDEX

Exhibit No.

Description

23.01

Consent of Independent Registered Public Accounting Firm.

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Exhibit 23.01

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-104497) pertaining to the OGE Energy Corp. Employees' Stock Ownership and Retirement Savings Plan of our report dated June 24, 2009, with respect to the financial statements and schedule of the OGE Energy Corp. Employees' Stock Ownership and Retirement Savings Plan included in this Annual Report (Form 11-K) for the year ended December 31, 2008.

/s/ Ernst & Young LLP

Oklahoma City, Oklahoma

June 24, 2009