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July 22, 2015

Susan M. Cosper
Technical Director
File Reference No. 2015-280
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

Submitted via electronic mail to director@fasb.org

Re: Investments–Equity Method (File Reference 2015-280, Accounting Standards Update Topic 323)

Dear Ms. Cosper:

OGE Energy Corp. appreciates the opportunity to respond to the Board's request for comment on the Exposure Draft *Investment – Equity Method and Joint Ventures.*

OGE Energy Corporation (NYSE: OGE) is the parent company of Oklahoma Gas and Electric Company ("OG&E"), a regulated electric utility with approximately 818,000 customers in Oklahoma and western Arkansas. In addition, OGE holds a 26.3 percent limited partner interest and a 50 percent general partner interest in Enable Midstream Partners, LP ("Enable"). Enable is engaged in the business of gathering, processing, transporting and storing natural gas.

Enable was formed in May 2013 by OGE Energy, the ArcLight group and CenterPoint Energy, Inc. to own and operate the midstream businesses of OGE Energy and CenterPoint. In the formation transaction, OGE Energy and ArcLight contributed Enogex LLC to Enable and OGE Energy deconsolidated its previously held investment in Enogex Holdings and acquired an equity interest in Enable. OGE Energy's contribution of Enogex LLC to Enable met the requirements of being in substance real estate, which required us to record our equity investment at historical cost, so that no gain was recognized upon deconsolidation. The general partner of Enable is equally controlled by CenterPoint and OGE Energy, who each have 50 percent management ownership. Based on the 50/50 management ownership, with neither company having control, OGE Energy began accounting for its interest in Enable using the equity method of accounting.

The formation of Enable was considered a business combination, and CenterPoint Midstream was the acquirer of Enogex Holdings for accounting purposes. Under this method, the fair value of the consideration paid by CenterPoint Midstream for Enogex Holdings is allocated to the assets acquired and liabilities assumed based on their appraised fair value. The appraised fair value was readily available upon completion of the formation of Enable. Enogex Holdings' assets, liabilities and equity have accordingly been adjusted to estimated fair value resulting in an increase to Enable's equity of $2.2 billion. Due to the contribution of Enogex LLC to Enable meeting the requirements of being in substance real estate and recording the initial investment at historical cost, the effects of the amortization and depreciation expense associated with the fair value adjustments on Enable's results of operations have been eliminated in the Company's recording of its equity in earnings of Enable.

Equity in earnings of unconsolidated affiliates includes OGE Energy's share of Enable earnings adjusted for the amortization of the basis difference of OGE Energy's original investment in Enogex and its underlying equity in net assets of Enable. The basis difference is the result of the initial contribution of Enogex to Enable in May 2013, and OGE acquiring a disproportionate share of the combined entity, and subsequent issuances of equity by Enable, including the IPO in April 2014 and the issuance of common units for the acquisition of CenterPoint's 24.95 percent interest in SESH. The basis difference is being amortized over approximately 30 years, the average life of the assets to which the basis difference is attributed.

The difference between the Company's investment in Enable and its underlying equity in the net assets of Enable was $1.0 billion as of December 31, 2014.

OGE Energy Corp. supports the Boards' overall simplification initiative, but we do not support the proposed requirements in the Exposure Draft. We have found that accounting for the basis difference has not added cost or complexity to our financial statement reporting. While we understand the concern of determining the acquisition date fair value of an investee's assets and liabilities, we believe having significant influence over an investee should ensure the information necessary to perform the assessment is available. If an investor can't obtain the necessary information to perform a fair market appraisal, it is our belief it would raise serious questions about their ability to exert influence over the equity investee, and whether the investment would qualify for accounting under the equity method.

Below are our responses to the specific questions raised by the Board.

Question 1: Should accounting for the basis difference of equity method investments as if the investment were a consolidated subsidiary be eliminated? Why or why not? Would amortization of the entire basis difference through equity method earnings be preferable? If so, what would be the suggested amortization period?

> No, accounting for the basis difference of equity method investments as if the investment were a consolidated subsidiary should not be eliminated. Eliminating the basis difference amortization and recognizing the investment at cost creates a permanent valuation difference between the investor and investee. The proposed requirements would lead to considerable confusion for OGE's investors or other financial statement users. Fundamentally, we believe investors expect the basis in an equity method investment, and the net assets of an investee should be the same, either immediately or at the end of the amortization period. Finally, we believe the basis difference should be amortized over the average life of the assets to which the basis difference is attributed.

Question 2: Should the accounting for capitalized interest, which adds to the basis of an entity's equity method investment and is amortized, also be eliminated for equity method investments? Why or why not?

The accounting for capitalized interest on an investment should not be eliminated. Interest costs are an integral part of the cost of acquiring assets and amortization should continue over the useful life of the investee's assets as part of the basis difference.

Question 3: Should an entity be required to apply the proposed amendments related to accounting for the basis difference on a modified prospective basis as of the effective date? Why or why not?

We don't believe eliminating accounting for a basis difference is appropriate for the reasons stated in response to question 1 above.

Question 4: Should an entity no longer be required to retroactively adopt the equity method of accounting if an investment qualifies for use of the equity method as a result of an increase in the level of ownership interest? Why or why not?

The requirement to retroactively adopt the equity method of accounting should be eliminated for any reporting periods in which the investor did not have significant influence over the investee. We believe the impacts to the financial statements of an increased level of ownership should be reflected in the period that impact occurs. That would be consistent with the accounting for when a company deconsolidates a previously consolidated subsidiary, and it no longer has control of that entity.

Question 5: Should the proposed guidance to eliminate the requirement to retroactively adopt the equity method of accounting be applied prospectively? Why or why not?

We have no opinion on this.

Question 6: How much time will be necessary to adopt the amendments in this proposed Update? Should early adoption be permitted? Should the amount of time needed to apply the proposed amendments by entities other than public business entities be different from the amount of time needed by public business entities?

We don't believe the proposed requirements should be adopted.

Question 7: Would the proposed amendments meet the objective of the Simplification Initiative, which is to improve GAAP by reducing cost and complexity while maintaining or improving the usefulness of the information provided to users of financial statements? Why or why not?

We do not believe the proposed amendments simplify accounting for equity investments nor do we believe the proposed amendments maintain or improve the usefulness of the information provided to investors or other users of the financial statements. We believe investors and other financial statement users expect the basis in an equity method investment, and the net assets of an investee should be the same, either immediately or at the end of the amortization period.

Again, we appreciate the opportunity to provide the Board with comments and appreciate the Boards' consideration of the points outlined in this letter. If you have any questions regarding these comments, please contact the undersigned at 405-553-3491.

Very truly yours,

/s/ Scott Forbes

Controller and Chief Accounting Officer