

OGE ENERGY CORP
Form 8-K
June 10, 2004

FORM 8-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): June 8, 2004

Commission file number 1-12579

OGE ENERGY CORP.

(Exact name of registrant as specified in its charter)

Oklahoma
(State or other jurisdiction of
incorporation or organization)

73-1481638
(I.R.S. Employer
Identification No.)

321 North Harvey
P.O. Box 321

OG&E, PowerSmith Cogeneration Reach Agreement

OKLAHOMA CITY OG&E Electric Services announced today it has reached a new 15-year agreement to purchase electric power from the PowerSmith Cogeneration plant in west Oklahoma City. Details of the new contract will remain confidential until PowerSmith reaches a new agreement to supply steam to the nearby Dayton Tire manufacturing plant.

The original 15-year contract between PowerSmith and OG&E expires Aug. 31 and OG&E indicated it would not renew that agreement on its original terms. The new agreement announced today could achieve a number of goals:

- OG&E secures the generating capacity of the PowerSmith plant on attractive terms for OG&E customers.
- OG&E will have more flexibility in operating its fleet of power plants in concert with the PowerSmith plant.
- PowerSmith remains a viable source of low-cost steam for Dayton, a major employer in the local economy and a major electric customer for OG&E.

We are pleased to announce this new agreement, said OG&E spokesman Brian Alford. It helps us to achieve a variety of objectives as we seek to balance the need for cost savings and reliable service for our customers, with our desire to help the Dayton Tire plant solidify its position as a major employer in our community.

The agreement will become effective Sept. 1 if it is approved by the Oklahoma Corporation Commission, and provided PowerSmith reaches a new steam-supply agreement with Dayton Tire.

Today's agreement follows months of negotiations that produced a tentative memorandum of understanding on March 29.

We appreciate the encouragement to continue negotiating which we received from Corporation Commissioners Bob Anthony, Denise Bode and Jeff Cloud, who have indicated their interest in reducing costs for customers while enhancing electric system reliability, and also helping to secure the steam supply for Dayton Tire, Alford said. We also thank the Governor's office, the Oklahoma Department of Commerce, Oklahoma Legislature, the State Chamber and Oklahoma City Chamber of Commerce for their support in the negotiation process.

OG&E, a regulated electric utility serving 728,000 customers across a service territory spanning 30,000 square miles in Oklahoma and western Arkansas, is a subsidiary of OGE Energy Corp. (NYSE: OGE), which also is the parent company of Enogex Inc., a natural gas pipeline business with principal operations in Oklahoma and Arkansas.