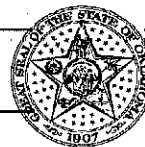


OKLAHOMA CORPORATION COMMISSION
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OKLAHOMA CITY, OKLAHOMA 73152-2000

Telephone: (405) 521-4114

Brandy Wreath, Director
Public Utility Division



To: Investor Owned Utilities (IOUs) and Electric Cooperatives
Re: Interest Rates to Be Paid on Customer Deposits for the Year 2018
Date: December 11, 2017

(The calculated 2018 one (1) year U.S. Treasury Securities rate is 1.39%,
and the ten (10) year U.S. Treasury Securities rate is 2.30%.)

For Gas and Electric IOUs and Electric Cooperatives

For Calendar Year 2018, the effective interest rate for customer deposits held one year or less will change from the 2017 rate. This interest rate modification occurs because the interest rate calculated for 2018 using the criteria in the rules for one (1) year U.S. Treasury Securities rate did change from the 2017 calculated rate by more than 50 basis points. Under Commission Rules OAC 165:35-19-10(g) and 165:45-11-1(f), the interest rates on customer deposits held one year or less, therefore, will change from 0.37% to 1.39%.

The effective interest rate for customer deposits held more than one year will not change from the 2017 rate. This interest rate remains the same because the interest rate calculated for 2018 using the criteria in the rules for ten (10) Year U.S. Treasury Securities rate did not change by more than 50 basis points. Under Commission Rules OAC 165:35-19-10(g) and 165:45-11-1(f), the interest rates on customer deposits held more than one year, therefore, will remain the same at 2.17%.

For Telecommunications

For Calendar Year 2018, the effective interest rate for **all telecommunications** customer deposits will change from the 2017 rate. This interest rate modification occurs because the interest rate calculated for 2018 using the criteria in the rules for one (1) year U.S. Treasury Securities rate did change by more than 50 basis points. Under Commission Rules OAC 165:55-9-14(e), the interest rates on all customer deposits, therefore, will change from 0.66% to 1.39%.

For Water

For Calendar Year 2018, the effective interest rate for **water** customer deposits held one year or less will change from the 2017 rate. This interest rate modification occurs because the interest rate calculated for 2018 using the criteria in the rules for one (1) year U.S. Treasury Securities rate did change by more than 50 basis points. Under Commission Rules OAC 165:65-11-3(f), the interest rates on customer deposits held one year or less, therefore, will change from 0.66% to 1.39%.

The effective interest rate for **water** customer deposits held more than one year will not change from the 2017 rate. This interest rate modification occurs because the interest rate calculated for 2018 using the criteria in the rules for ten (10) Year U.S. Treasury Securities rate did not change by more than 50 basis points. Under Commission Rules 165:65-11-3(f), the interest rates on customer deposits held more than one year, therefore, will remain the same at 1.81%.

Summary of Effective 2018 Interest Rates for Customer Deposits

Interest Rates that changed from the prior year appear in red

Gas and Electric IOUs and Electric Cooperatives

Customer deposits held one year or less:	1.39%
Customer deposits held more than one year:	2.17%

Telecommunications

All telecommunications deposits	1.39%
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Water

Customer deposits held one year or less:	1.39%
Customer deposits held more than one year:	1.81%

Sincerely,



Brandy Wreath, Director