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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 2016
Date: December 15, 2015

(The calculated 2016 one (1) year U.S. Treasury Securities rate is 0.37%,
and the 10 year U.S. Treasury Securities rate is 2.17%.)

For Gas and Electric IOUs and Electric Cooperatives

For Calendar Year 2016 the effective interest rate for customer deposits held one year or less will not change from the 2015 rate. This interest rate remains the same because the 2016 one (1) 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 one year or less, therefore, will remain the same at 0.37%.

The effective interest rate for customer deposits held more than one year will change from the 2015 rate. This interest rate modification occurs because the 2016 10 Year U.S. Treasury Securities rate did 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 change from 2.71% to 2.17%.

For Telecommunications

For Calendar Year 2016, the effective interest rate for **all telecommunications** customer deposits will not change from the 2015 rate. This interest rate remains the same because the 2016 one (1) year U.S. Treasury Securities rate did not 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 remain the same at 0.12%.

For Water

For Calendar Year 2016, the effective interest rate for **water** customer deposits held one year or less will not change from the 2015 rate. This interest rate remains the same because the 2016 one (1) year U.S. Treasury Securities rate did not 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 remain the same at 0.12%.

The effective interest rate for **water** customer deposits held more than one year will not change from the 2015 rate. This interest rate remains the same because the 2016 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 2.39%.

Summary of Effective 2016 Interest Rates for Customer Deposits

Gas and Electric IOUs and Electric Cooperatives

Customer deposits held one year or less:	0.37%
Customer deposits held more than one year:	2.17%

Telecommunication

All telecommunications deposits	0.12%
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Water

Customer deposits held one year or less:	0.12%
Customer deposits held more than one year:	2.39%

Sincerely,



Brandy Wreath, Director