To: Investor Owned Utilities ("IOUs"), Electric Cooperatives, Water companies, and Telecommunications companies  
Re: Interest Rates to Be Paid on Customer Deposits for Calendar Year 2019  
Date: December 12, 2018

(The calculated 2019 one (1) year U.S. Treasury Securities rate is 2.64%, and the ten (10) year U.S. Treasury Securities rate is 3.09%.)

For Gas and Electric IOUs and Electric Cooperatives  
In Calendar Year 2019, the effective interest rate for customer deposits held one year or less will change from the Calendar Year 2018 rate. This interest rate modification occurs because the interest rate calculated for Calendar Year 2019 using the criteria in the rules for one (1) year U.S. Treasury Securities rate did change from the Calendar Year 2018 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 1.39% to 2.64%.

The effective interest rate for customer deposits held more than one year will change from the Calendar Year 2018 rate. This interest rate modification occurs because the interest rate calculated for Calendar Year 2019 using the criteria in the rules for ten (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 2.17% to 3.09%.

For Telecommunications  
In Calendar Year 2019, the effective interest rate for all telecommunications customer deposits will change from the Calendar Year 2018 rate. This interest rate modification occurs because the interest rate calculated for Calendar Year 2019 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 Rule OAC 165:55-9-14(e), the interest rates on all customer deposits, therefore, will change from 1.39% to 2.64%.

For Water  
In Calendar Year 2019, the effective interest rate for water customer deposits held one year or less will change from the Calendar Year 2018 rate. This interest rate modification occurs because the interest rate calculated for Calendar Year 2019 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 Rule OAC 165:65-11-3(f), the interest rates on customer deposits held one year or less, therefore, will change from 1.39% to 2.64%.

The effective interest rate for water customer deposits held more than one year will change from the Calendar Year 2018 rate. This interest rate modification occurs because the interest rate calculated for Calendar Year 2018 using the criteria in the rules for ten (10) year U.S. Treasury Securities rate did change by more than 50 basis points. Under Commission Rule 165:65-11-3(f), the interest rates on customer deposits held more than one year, therefore, will change from 1.81% to 3.09%.

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Summary of Effective 2019 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: 2.64%
Customer deposits held more than one year: 3.09%

**Telecommunications**

All telecommunications deposits: 2.64%

**Water**

Customer deposits held one year or less: 2.64%
Customer deposits held more than one year: 3.09%

Sincerely,

Brandy Wreath, Director