

DECISION MEMORANDUM

TO: COMMISSIONER KJELLANDER
COMMISSIONER SMITH
COMMISSIONER HANSEN
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL
WORKING FILE

FROM: TERRI CARLOCK

DATE: NOVEMBER 21, 2003

RE: ANNUAL DETERMINATION OF THE INTEREST RATES ON
DEPOSITS COLLECTED FROM CUSTOMERS FOR THE CALENDAR
YEAR 2004. CASE NO. GNR-U-03-5.

The interest to be paid on customer deposits for the 2004 calendar year is determined by the twelve-month average interest rate from November 1, 2002 through October 31, 2003. This average rate is 1.27% as shown on the attached worksheet. Rounded to the nearest whole percent the rate will be 1%, a 1% decrease from the prior year. The following chart shows the interest rates for the various years and the order numbers approving those rates.

<u>Calendar Year</u>	<u>Interest Rate</u>	<u>Order No.</u>
1988	7%	21622, 27167
1989	7%	22230
1990	9%	22836
1991	8%	23425
1992	6%	23971
1993	4%	24578
1994	3%	25242
1995	5%	25788
1996	6%	26233
1997	6%	26681
1998	6%	27248
1999	5%	27828
2000	5%	28234
2001	6%	28575
2002	4%	28896
2003	2%	29158

COMMISSION DECISION

Should the interest rate to be paid on deposits collected from customers for the calendar year 2004 be set at 1%?



Terri Carlock

TC:word:u/tcarloc/AnnDetIntRates11-21-2003.TC

APPENDIX
ONE-YEAR TREASURY BILLS

Week Ended	Rate %	Week Ended	Rate %
1-Nov-2002	1.51	2-May-2003	1.25
8-Nov-2002	1.46	9-May-2003	1.23
15-Nov-2002	1.46	16-May-2003	1.20
22-Nov-2002	1.51	23-May-2003	1.13
29-Nov-2002	1.55	30-May-2003	1.13
6-Dec-2002	1.53	6-Jun-2003	1.08
13-Dec-2002	1.47	13-Jun-2003	0.97
20-Dec-2002	1.43	20-Jun-2003	0.95
27-Dec-2002	1.41	27-Jun-2003	1.02
3-Jan-2003	1.38	4-Jul-2003	1.07
10-Jan-2003	1.41	11-Jul-2003	1.08
17-Jan-2003	1.38	18-Jul-2003	1.10
24-Jan-2003	1.32	25-Jul-2003	1.13
31-Jan-2003	1.32	1-Aug-2003	1.22
7-Feb-2003	1.32	8-Aug-2003	1.26
14-Feb-2003	1.30	15-Aug-2003	1.29
21-Feb-2003	1.30	22-Aug-2003	1.33
28-Feb-2003	1.27	29-Aug-2003	1.35
7-Mar-2003	1.22	5-Sep-2003	1.33
14-Mar-2003	1.16	12-Sep-2003	1.22
21-Mar-2003	1.32	19-Sep-2003	1.21
28-Mar-2003	1.27	26-Sep-2003	1.22
4-Apr-2003	1.19	3-Oct-2003	1.17
11-Apr-2003	1.25	10-Oct-2003	1.20
18-Apr-2003	1.33	17-Oct-2003	1.29
25-Apr-2003	1.31	24-Oct-2003	1.30
		31-Oct-2003	1.30
		Average	1.27

Source: Wall Street Journal Key Interest Rates