

RL

### DECISION MEMORANDUM

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

**FROM:** TERRI CARLOCK

**DATE:** DECEMBER 13, 2005

**RE:** ANNUAL DETERMINATION OF THE INTEREST RATES ON  
 DEPOSITS COLLECTED FROM CUSTOMERS FOR THE CALENDAR  
 YEAR 2006. CASE NO. GNR-U-05-1.

The interest to be paid on customer deposits for the 2006 calendar year is determined by the twelve-month average interest rate from November 1, 2004 through October 31, 2005. This average rate is 3.32% as shown on the attached worksheet. Rounded to the nearest whole percent the rate will be 3%, a 1% increase 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
2004	1%	29386
2005	2%	29653

**COMMISSION DECISION**

Should the interest rate to be paid on deposits collected from customers for the calendar year 2006 be set at 3%?

  
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Terri Carlock

TC:word:u/tcarloc/AnnDetIntRates12-13-2005.TC

**APPENDIX  
ONE-YEAR TREASURY RATES**

<b>Week Ended</b>	<b>Rate %</b>	<b>Week Ended</b>	<b>Rate %</b>
11/5/2004	2.35	5/6/2005	3.33
11/12/2004	2.47	5/13/2005	3.35
11/19/2004	2.53	5/20/2005	3.32
11/26/2004	2.60	5/27/2005	3.32
12/3/2004	2.62	6/3/2005	3.28
12/10/2004	2.60	6/10/2005	3.30
12/17/2004	2.66	6/17/2005	3.39
12/24/2004	2.71	6/24/2005	3.40
12/31/2004	2.77	7/1/2005	3.46
1/7/2005	2.82	7/8/2005	3.52
1/14/2005	2.85	7/15/2005	3.59
1/21/2005	2.87	7/22/2005	3.68
1/28/2005	2.89	7/29/2005	3.77
2/4/2005	2.95	8/5/2005	3.84
2/11/2005	2.96	8/12/2005	3.90
2/18/2005	3.05	8/19/2005	3.89
2/25/2005	3.13	8/26/2005	3.88
3/4/2005	3.20	9/2/2005	3.77
3/11/2005	3.24	9/9/2005	3.76
3/18/2005	3.31	9/16/2005	3.82
3/25/2005	3.38	9/23/2005	3.88
4/1/2005	3.38	9/30/2005	3.97
4/8/2005	3.33	10/7/2005	4.08
4/15/2005	3.32	10/14/2005	4.14
4/22/2005	3.28	10/21/2005	4.19
4/29/2005	3.33	10/28/2005	4.26
<b>AVERAGE</b>			<b>3.32</b>

Source: Federal Reserve Treasury Rates