

## DECISION MEMORANDUM

**TO:** COMMISSIONER REDFORD  
COMMISSIONER SMITH  
COMMISSIONER KEMPTON  
COMMISSION SECRETARY  
LEGAL  
WORKING FILE

**FROM:** TERRI CARLOCK

**DATE:** NOVEMBER 20, 2008

**RE:** ANNUAL DETERMINATION OF THE INTEREST RATES ON  
DEPOSITS COLLECTED FROM CUSTOMERS FOR THE CALENDAR  
YEAR 2009. CASE NO. GNR-U-08-2.

The interest to be paid on customer deposits for the 2009 calendar year is determined by the twelve-month average interest rate from November 1, 2007 through October 31, 2008. This average rate is 2.25% as shown on the attached worksheet. Rounded to the nearest whole percent the rate will be 2%, a 3% 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
2004	1%	29386
2005	2%	29653
2006	3%	29932
2007	5%	30200
2008	5%	30469

**COMMISSION DECISION**

Should the interest rate to be paid on deposits collected from customers for the calendar year 2009 be set at 2% a decrease from 5%?

  
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Terri Carlock

u/tcarloc/AnnDetIntRates11-21-2008.TC

**APPENDIX  
ONE-YEAR TREASURY RATES**

<b>Week Ended</b>	<b>Rate %</b>	<b>Week Ended</b>	<b>Rate %</b>
11/2/2007	3.74	5/2/2008	1.97
11/9/2007	3.57	5/9/2008	1.91
11/16/2007	3.49	5/16/2008	2.09
11/23/2007	3.28	5/23/2008	2.11
11/30/2007	3.26	5/30/2008	2.22
12/7/2007	3.24	6/6/2008	2.12
12/14/2007	3.28	6/13/2008	2.64
12/21/2007	3.31	6/20/2008	2.49
12/28/2007	3.34	6/27/2008	2.35
1/4/2008	3.06	7/3/2008	2.30
1/11/2008	2.91	7/11/2008	2.30
1/18/2008	2.69	7/18/2008	2.26
1/25/2008	2.34	7/25/2008	2.35
2/1/2008	2.13	8/1/2008	2.25
2/8/2008	2.05	8/8/2008	2.19
2/15/2008	2.02	8/15/2008	2.12
2/22/2008	2.08	8/22/2008	2.17
2/29/2008	1.77	8/29/2008	2.17
3/7/2008	1.55	9/5/2008	2.07
3/14/2008	1.37	9/12/2008	2.02
3/20/2008	1.33	9/19/2008	2.05
3/28/2008	1.56	9/26/2008	1.81
4/4/2008	1.63	10/3/2008	1.41
4/11/2008	1.52	10/10/2008	1.08
4/18/2008	1.85	10/17/2008	1.34
4/25/2008	1.97	10/24/2008	1.60
		10/31/2008	1.34
		<b>AVERAGE</b>	<b>2.25</b>

Source: Federal Reserve Treasury Rates  
One-Year Constant Maturities