(text box: 1)BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF THE DETERMINATION OF THE INTEREST RATE ON DEPOSITS COLLECTED FROM CUSTOMERS OF GAS, ELECTRIC, TELEPHONE AND WATER PUBLIC UTILITIES FOR THE CALENDAR YEAR 1999. | ))))))) | CASE NO. GNR-U-98-1ORDER NO.  27828 |

The Commission’s Customer Relation Rules for Gas, Electric and Water Utilities (IDAPA 31.21.01 000 et seq.) and the Customer Relation Rules for Telephone Companies (IDAPA 31.41.01.000 et seq.) both provide for the payment of interest on customer deposits.  Pursuant to Rule 106.02 of these rule sets, the interest rate on deposits is determined by calculating the 12-month average interest rate for one-year treasury bills for the previous November 1 through October 31.  The resulting rate is then rounded to the nearest whole percent.  The calculated rate will be in effect for the following calendar year.

Using the weekly rates found in the “Wall Street Journal”, the average interest rate for one-year treasury bills for the 12-month period from November 1, 1997 through October 31, 1998, is 5.21%.  This rounds to 5.0%.  Accordingly, public utilities shall pay 5.0% annual interest on all customer deposits held pursuant to IDAPA Rules 31.21.01.106 and 31.41.01.106 for calendar year 1999. In effect, the 1999 interest rate represents a decrease of 1.0% from the 1998 interest rate on deposits.

O R D E R

IT IS HEREBY ORDERED that 5.0% annual interest be paid during calendar year 1999 on customer deposits held by gas, electric, water, and telephone companies subject to this Commission’s jurisdiction under IDAPA 31.21.01.106 and 31.41.01.106.  The Commission Secretary shall serve this Order upon all public utilities operating within Idaho.

THIS IS A FINAL ORDER.  Any person interested in this Order (or in issues finally decided by this Order) may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order or in interlocutory Orders previously issued in this Case No. GNR-U-98-1.  Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration.  See Idaho Code § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this          day of December 1998.

                                                                                                                                       DENNIS S. HANSEN, PRESIDENT

                                                                                            RALPH NELSON, COMMISSIONER

MARSHA H. SMITH, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

vld/O:GNR-U-98-1.dh

**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

December 11, 1998