

DECISION MEMORANDUM

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

FROM: TERRI CARLOCK

DATE: NOVEMBER 21, 2007

RE: ANNUAL DETERMINATION OF THE INTEREST RATES ON
DEPOSITS COLLECTED FROM CUSTOMERS FOR THE CALENDAR
YEAR 2008. CASE NO. GNR-U-07-1.

The interest to be paid on customer deposits for the 2008 calendar year is determined by the twelve-month average interest rate from November 1, 2006 through October 31, 2007. This average rate is 4.79% as shown on the attached worksheet. Rounded to the nearest whole percent the rate will be 5%, with no change 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

**APPENDIX
ONE-YEAR TREASURY RATES**

Week Ended	Rate %	Week Ended	Rate %
11/3/2006	5.06	5/4/2007	4.91
11/10/2006	5.01	5/11/2007	4.85
11/17/2006	5.02	5/18/2007	4.92
11/24/2006	5.00	5/25/2007	4.93
12/1/2006	4.87	6/1/2007	4.98
12/8/2006	4.95	6/8/2007	4.96
12/15/2006	4.96	6/15/2007	4.93
12/22/2006	4.96	6/22/2007	4.94
12/29/2006	5.00	6/29/2007	4.91
1/5/2007	4.98	7/6/2007	5.00
1/12/2007	5.06	7/13/2007	5.01
1/19/2007	5.09	7/20/2007	4.96
1/26/2007	5.12	7/27/2007	4.82
2/2/2007	5.08	8/3/2007	4.76
2/9/2007	5.08	8/10/2007	4.69
2/16/2007	5.05	8/17/2007	4.19
2/23/2007	5.05	8/24/2007	4.31
3/2/2007	4.90	8/31/2007	4.19
3/9/2007	4.98	9/7/2007	4.10
3/16/2007	4.95	9/14/2007	4.16
3/23/2007	4.93	9/21/2007	4.09
3/30/2007	4.90	9/28/2007	4.05
4/6/2007	4.98	10/5/2007	4.16
4/13/2007	4.98	10/12/2007	4.28
4/20/2007	4.91	10/19/2007	3.98
4/27/2007	4.91	10/26/2007	3.96
		AVERAGE	4.79

**Source: Federal Reserve Treasury Rates
One-Year Constant Maturities**

COMMISSION DECISION

Should the interest rate to be paid on deposits collected from customers for the calendar year 2008 remain at 5%?

Terri Carlock

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