

DECISION MEMORANDUM

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

FROM: TERRI CARLOCK

DATE: DECEMBER 8, 2009


RE: ANNUAL DETERMINATION OF THE INTEREST RATES ON
DEPOSITS COLLECTED FROM CUSTOMERS FOR THE CALENDAR
YEAR 2010. CASE NO. GNR-U-09-01.

The interest to be paid on customer deposits for the 2010 calendar year is determined by the twelve-month average interest rate from November 1, 2008 through October 31, 2009. This average rate is 0.54% 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 last twenty years and the Order numbers approving those rates.

<u>Calendar Year</u>	<u>Interest Rate</u>	<u>Order No.</u>
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
2009	2%	30692

COMMISSION DECISION

Should the interest rate to be paid on deposits collected from customers for the calendar year 2010 be set at 1%, a decrease from 2%?



Terri Carlock

u/tcarloc/AnnDetIntRates12-8-2009.TC

**APPENDIX
ONE-YEAR TREASURY RATES**

Week Ended	Rate %	Week Ended	Rate %
11/7/2008	1.20	5/8/2009	0.55
11/14/2008	1.14	5/15/2009	0.50
11/21/2008	0.83	5/22/2009	0.49
11/28/2008	0.90	5/29/2009	0.47
12/5/2008	0.54	6/5/2009	0.62
12/12/2008	0.50	6/12/2009	0.52
12/19/2008	0.44	6/19/2009	0.51
12/26/2008	0.38	6/26/2009	0.45
1/2/2009	0.40	7/2/2009	0.49
1/9/2009	0.43	7/10/2009	0.45
1/16/2009	0.43	7/17/2009	0.48
1/23/2009	0.46	7/24/2009	0.47
1/30/2009	0.51	7/31/2009	0.48
2/6/2009	0.57	8/7/2009	0.52
2/13/2009	0.61	8/14/2009	0.44
2/20/2009	0.64	8/21/2009	0.45
2/27/2009	0.72	8/28/2009	0.44
3/6/2009	0.67	9/4/2009	0.42
3/13/2009	0.67	9/11/2009	0.39
3/20/2009	0.60	9/18/2009	0.41
3/27/2009	0.58	9/25/2009	0.41
4/3/2009	0.60	10/2/2009	0.37
4/9/2009	0.60	10/9/2009	0.38
4/17/2009	0.57	10/16/2009	0.36
4/24/2009	0.50	10/23/2009	0.40
5/1/2009	0.49	10/30/2009	0.37
		AVERAGE	0.54 %

Source: Federal Reserve Treasury Rates
One-Year Constant Maturities