

DECISION MEMORANDUM

TO: COMMISSIONER KJELLANDER
COMMISSIONER RAPER
COMMISSIONER ANDERSON
COMMISSION SECRETARY
LEGAL
WORKING FILE

FROM: TERRI CARLOCK

DATE: NOVEMBER 8, 2019

RE: ANNUAL DETERMINATION OF THE INTEREST RATES ON
DEPOSITS COLLECTED FROM CUSTOMERS FOR THE CALENDAR
YEAR 2020; CASE NO. GNR-U-19-01.

Every year the Commission sets the interest rate to be paid on customer deposits for the next calendar year. Rule 106 of the of the Customer Relations Rules for Gas, Electric and Water Utilities provides: “the Commission will determine the twelve-month average interest rate for one-year Treasury Bills for the previous November 1 through October 31, round that rate to the nearest whole percent...”. (IDAPA 31.21.01.106 and IDAPA 31.41.01.104). This average interest rate is 2.24% as shown on Attachment A. Staff recommends the rate be rounded to the nearest whole percent and set at 2% for the calendar year 2020.

COMMISSION DECISION

Should the interest rate paid on deposits collected from customers for the calendar year 2020 be set at 2%?



Terri Carlock

**ATTACHMENT
ONE-YEAR TREASURY RATES**

| Week Ended | Rate % | Week Ended | Rate % |
|------------|--------|----------------|-------------|
| 11/2/2018 | 2.70 | 5/3/2019 | 2.41 |
| 11/9/2018 | 2.73 | 5/10/2019 | 2.36 |
| 11/16/2018 | 2.68 | 5/17/2019 | 2.33 |
| 11/23/2018 | 2.67 | 5/24/2019 | 2.33 |
| 11/30/2018 | 2.70 | 5/31/2019 | 2.21 |
| 12/7/2018 | 2.68 | 6/7/2019 | 1.97 |
| 12/14/2018 | 2.68 | 6/14/2019 | 2.00 |
| 12/21/2018 | 2.62 | 6/21/2019 | 1.95 |
| 12/28/2018 | 2.57 | 6/28/2019 | 1.92 |
| 1/4/2019 | 2.57 | 7/5/2019 | 1.98 |
| 1/11/2019 | 2.58 | 7/12/2019 | 1.96 |
| 1/18/2019 | 2.60 | 7/19/2019 | 1.94 |
| 1/25/2019 | 2.60 | 7/26/2019 | 2.00 |
| 2/1/2019 | 2.56 | 8/2/2019 | 1.85 |
| 2/8/2019 | 2.54 | 8/9/2019 | 1.78 |
| 2/15/2019 | 2.55 | 8/16/2019 | 1.71 |
| 2/22/2019 | 2.55 | 8/23/2019 | 1.73 |
| 3/1/2019 | 2.55 | 8/30/2019 | 1.76 |
| 3/8/2019 | 2.53 | 9/6/2019 | 1.73 |
| 3/15/2019 | 2.52 | 9/13/2019 | 1.88 |
| 3/22/2019 | 2.45 | 9/20/2019 | 1.84 |
| 3/29/2019 | 2.40 | 9/27/2019 | 1.74 |
| 4/5/2019 | 2.43 | 10/4/2019 | 1.58 |
| 4/12/2019 | 2.44 | 10/11/2019 | 1.67 |
| 4/18/2019 | 2.44 | 10/18/2019 | 1.58 |
| 4/26/2019 | 2.41 | 10/25/2019 | 1.60 |
| | | AVERAGE | 2.24 |

Source: Federal Reserve Treasury Rates
One-Year Constant Maturities

Interest Rates on Deposits

| <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 |
| 2010 | 1% | 30965 |
| 2011 | 1% | 32109 |
| 2012 | 1% | 32403 |
| 2013 | 1% | 32684 |
| 2014 | 1% | 32922 |
| 2015 | 1% | 33187 |
| 2016 | 1% | 33426 |
| 2017 | 1% | 33664 |
| 2018 | 1% | 33936 |
| 2019 | 2% | 34204 |