

Interest on Customer Deposits A-020405

Comparison Table by State

State	Interest on Customer Deposit Rate	CITE
Alabama	Paid annually at a rate of 7% .	<i>State General Rules Rule 8(A)</i>
Alaska		
Arizona	<p>Electric, Gas, Telco - Deposits shall be interest bearing; the interest rate and method of calculation shall be filed with and approved by the Commission in a tariff proceeding.</p> <p>Water, Sewer - Interest on deposits shall be calculated annually at an interest rate filed by the utility and approved by the Commission in a tariff proceeding. In the absence of such, the interest rate shall be 6%.</p>	<p><i>R14-2-203(B)(3) electric</i> <i>R14-2-303(B)(3) gas</i> <i>R14-2-503(B)(3) telco</i></p> <p><i>R14-2-403(B)(3) water</i> <i>R14-2-603(B)(3) sewer</i></p>
Arkansas	<p>Determined annually by the Arkansas Public Service Commission following notice and hearing. The annual rate of interest set by the commission for any year shall not be more than ten percent (10%). <i>Ark Code Ann. Sec. 23-4-206</i></p> <p>Set at 3.2% for 2002 using average of financial institutions in Ark. Concerning the interest rate paid on a \$500, one-year certificate of deposit.</p>	<p><i>Commission Order 12/4/01</i> <i>Docket No. 01-230-U</i></p>
California	While CA allows for companies to collect deposits, could find nothing in CA Code concerning interest paid on deposits.	
Colorado	At a rate equal to the average for the period October 1 through September 30 of the twelve monthly average rates of interest expressed in percent per annum, as quoted in the secondary market for one-year T-Bills.	<i>Rule 723-3-11(a)</i>
Connecticut	The average rate paid on savings deposits by insured commercial banks as published in the FRB bulletin and rounded to the nearest one-tenth of one percentage point, except in no event shall the rate be less than one and one-half percent.	<i>Sec. 16-262j(c)</i>
Delaware	9% per annum unless different rate is specified in the telco utility tariff .	<i>CDR 10-800-020 4.6(5)</i>
Florida	<p>Telco - Minimum 6% per annum. 7% - nonresidential customers.</p> <p>Telco Underground Extensions – then-current prime interest rate.</p>	<p><i>25-4.109(5)(a), F.A.C.</i></p> <p><i>25.4.094(1) F.A.C.</i></p>
Georgia	Rate of 7% per annum.	<i>515-10-1-.10(b)</i>
Hawaii	At least 6% per annum.	<i>WCHR 6-80(3)(b)</i>
Idaho	Twelve-month average interest rate for one-year T-bills, round that rate to the nearest whole percent.	<i>IDAPA 31.21.01 (Rule 106.02)</i>

Illinois	The rate existing for the average one-year yield on US Treasury securities for the last full week in November. Rate will be rounded to the nearest one-half of one percent.	<i>Title 83-1-f Section 735.120(e)</i>
Indiana	Deposits held for 12 months – 6% per annum or as commission may prescribe.	<i>170 IAC 7-1.1-15(1)</i>
Iowa	Telco – 7.5% per annum.	<i>199 IAC 22.4(2)(b)</i>
Kansas	Used 1-year T-Notes and 1year CDs past two years. Pursuant to K.S. A. 12-822 set 2% for 2002.	<i>Commission Order Docket No. 134,094U 12/13/01</i>
Kentucky	6% annually.	<i>KRS Chapter 278.460</i>
Louisiana		
Maine	(For liquid propane) At market rate less any amount owed to seller.	<i>Title 32 - 1695</i>
Maryland	One-year T-bill – average of previous Sept, Oct, Nov.	<i>COMAR 20.30.01.04(3)(b) and 20.30.02.04((3)(b)</i>
Massachusetts	No deposit requirement permitted.	
Michigan	Rate of 9% per annum.	<i>Part 3. R 460.2134(4)</i>
Minnesota	6% per year.	<i>Minn. R. 7820.4500(1)</i>
Mississippi	Interest prior to 1/1/70 – 4% per annum After 1/1/70 – 6% per annum From 6/30/86 – 8% per annum. Thereafter accrue at a rate and in manner equal to the legal interest rate as set from time to time by the Legislature in Sec. 75-17-1(1) as amended.	<i>PUS Rule 9 G.(1)</i>
Missouri	Gas and Electric - Bear interest at a rate specified in utility tariffs , approved by commission.	<i>CSR 230-13.030(4)(B)</i>
Montana	Currently One-year treasury bills. New rulemaking – 6 alternatives 1. Rate of 3% per year 2. Fixed rate of 3 to 19% per year 3. A recognized and readily available national standard rate (e.g., rate equal to the weekly average yield of one-year US treasury securities adjusted for constant maturity for wk ending Dec 1.) rounded to the nearest tenth of one percent 4. Rates based on number of customers 5. Rate equal to the utility's (cost of capital or rate of return) last approved by commission 6. Fixed rate equal to a typical depositing customer's time value of money (e.g., average credit card rate)	<i>ARM 38.5.1107</i> <i>Proposed Amendment of ARM 38.5.1107 – May 14, 2002</i>
Nebraska	Minimum rate of 7% per annum.	<i>Title 291 Chapter 5 002.19A2</i>
Nevada	As set in tariff schedules .	<i>NAC 703.385(4)</i>

New Hampshire	Interest shall accrue at a rate equal to the prime rate .	Chapter 1200 Section PUC 1203.03(i)(3)
New Jersey	6 months treasury bills.	N.J.A.C. 14:3-7.5(2)
New Mexico	The rate the carrier charges for late payment on rate requirement or NMSA 1978 Sec 56-8-4 (8 3/4%) – whichever is greater.	17.11.16.25 NMAC
New York	As prescribed annually by commission.	16 NYCRR 609.9(d)
North Carolina	Rate of 8% per annum.	Rule R12-4(c)
North Dakota	6 months certificate of deposit.	N.Y.A.Code 69-09-05-03(1)
Ohio	At least 5% .	OAC 4901:1-17-05(C)
Oklahoma	(1) Deposits held 1 year or less, average of weekly percent annual yields of 1-year U.S. Treasury Securities for Sep., Oct., and Nov. of preceding year. (2) Deposits held more than 1 year, rate average of weekly percent annual yields of 10-year Treasury Securities .	Electric 165:35-19-10(f)(1) and (2) Gas 165:45-11-1(e)(1) and (2) Telco 165:55-9-14(e)(1) and (2) Water 165:65-11-3(e)(1) and (2)
Oregon	Rate based upon effective interest rates for new issues of one-year Treasury bills issued during the last week of October. “No new issues of 52-week T-bills were issued during last wk of 10/01. Staff used yields of T-Bills listed during last wk of Oct. Yields that had an average of 2.02% - as specified in rules, rate is rounded to 2%.” * Staff recommending to annual interest rate of 2% on customer deposits for calendar yr 2002 . ORDER NO. 01-1039	OAR 860-21-210(1) and OAR 860-34-160(1)
Pennsylvania	Rate of 9% per annum. [Commission has waived interest provision at §64.41 and has allowed carriers to calculate the interest on deposit at the rate of the average of 1-year US Treasury bills for the month of Sept., Oct., and Nov. of previous year.]	52 Pa. §§64.31-64.41
Rhode Island	In accordance with applicable rate schedules or terms and conditions of utility – Telco, Gas, Electric At rates specified in tariff – Water	Part III. D. electric, Part 4. gas Part III. 4. water
South Carolina	Rate as determined by Commission Order.	103.731.2(A)
South Dakota	Each utility shall pay 7% simple interest per annum. Gas and Electric	Article 20 Chapter 10 Section 19:08
Tennessee	As in utility’s rules and tariffs . Telco Determined by Commission – water, gas, electric.	Chapter 1220-4-2.11 Chapter 1220-4-4-15(1)(b) electric, 1220-4-5-14(b) gas, 1220-4-3-15(4) water

Texas	Annual rate equal to that set by commission on 12/1 of preceding yr. * Order – Rate of 6% for calendar year 2002 & 2001	<i>Section 183.003 TUC</i>
Utah	Rate of 1% per month .	<i>R994-308-106 refers to Subsection 35A-4-305(1)(e)</i>
Vermont	Customer deposit interest is 3.5% for calendar year 2002 . Customer deposit interest is 7.5% for calendar year 2001. [(1) The interest rate applicable to customer deposits shall be established at a constant rate for each calendar year. The rate shall be equal to the Prime Lending Rate, as reported by the Federal Reserve Bank of New York, on November 1 of the preceding calendar year, minus two hundred basis points (2.0%). In the event that a Prime Lending Rate is no longer published, the interest rate shall be equal to the average federal funds rate for one-year notes on November 1, plus one hundred basis points (1.0%). (2) Interest on each deposit shall be calculated using a simple interest formula using the rate prescribed under subdivision (B)(1) that existed on the date the deposit is made. That rate shall be applied to the entire term of the deposit, up to twelve months. For example, if a customer deposit were made on the first of December, the interest rate for the ensuing twelve months would be the interest rate calculated under subdivision (B)(1) during the calendar year the December deposit was made.]	<i>PSB Section 1 3.202(b)(1)</i>
Virginia	Rate established in January of each year to equal the average of the percent annual yields of one year Treasury bills (auction average - issue date) for October, November, and December of the preceding year. Non-profit utilities that are owned by their customers will pay the above described interest rate less 2.0%.	<i>Title 56 Chapter 10 - 56-247.1 Section 20VAC5-10-20</i>
West Virginia	The interest rates to be paid on customer deposits are based on the average of the one-year United States Treasury Bill rates for the last quarter of the preceding year or, in the case of public service districts, on Staff's determination of what a typical small investor could earn on deposits at federally insured banks in West Virginia in the last quarter of the preceding year. Electric 3. Commission Staff has determined that the rate of 2.24% reflects the average rate paid on Treasury Bills during the last quarter of 2001 . 4. Commission Staff has determined that a rate of 0.85% reflects what a typical small depositor could have earned on deposits with federally insured banks in West Virginia during the last quarter of 2001.	<i>Title 150 Series 3 4.2.1.a</i>

Wisconsin	Rate shall be equal to the weekly average yield of one-year US treasury securities adjusted for constant maturity, rounded to the nearest tenth of one percent.	<i>PSC 113.0402(9)</i>
Wyoming	Rate of 6% per annum.	<i>General Rules Chapter II Section 241(a)</i>

RESULTS

5%	1
6%	7
7%	4
7.5%	1
8%	2
9%	1
10% (no more than)	1
1% per month	1
Six-month Certificate of Deposit	1
One-year Certificate of Deposit	1
Six-month T-Bills	1
One-year T-Bills	12
Ten-year T-Bills	1
Prime Interest Rate	2
Market Rate	1
Savings Deposits Rate	1
As set in Tariff	6
Total	44 states