

**RULE (4 CCR) 723-2-8.5 CUSTOMER DEPOSITS**

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723-2-8.5.2 ~~Simple interest to be paid on a deposit by the LEC during any calendar year shall be~~The simple interest rate to be paid on customer deposits shall be determined by the Commission Staff on an annual basis. The rate shall be computed at a rate equal to the average for the period October 1 through September 30 (of the immediately preceding year) of the 12 monthly average rates of interest expressed in percent per annum, as quoted ~~in the secondary market~~ for one-year United States Treasury ~~Bills~~ constant maturities, as published in the Federal Reserve Bulletin, by the Board of Governors of the Federal Reserve System. ~~Each year, the Staff of the Commission shall compute the interest rate to be paid. If the difference between the existing customer deposit interest rate and the newly calculated customer deposit interest rate is less than 25 basis points, the existing customer deposit interest rate shall continue for the next calendar year. If the difference between the existing customer deposit interest rate and the newly calculated customer deposit interest rate is 25 basis points or more, the newly calculated customer deposit interest rate shall be used beginning January 1 of the following year; otherwise the rate shall remain unchanged. When it is determined that a change in the interest rate is warranted, the ~~The Commission~~ and shall send a letter ~~no later than November 15<sup>th</sup>~~ to each ~~LEC~~ provider within the state by November 15<sup>th</sup> identifying the new rate to be paid on deposits beginning January 1 of the next year. stating the rate of interest to be paid on deposits during the following calendar year. Following ~~receipt of Staff's letter~~ notification~~

by the Commission, each utility provider shall, ~~no later than December 15th of each year, or an alternative date set by the Commission,~~ file an Advice Letter and revised tariff on not less than one day's notice, ~~citing this rule as authority on not less than one day's notice, or file an appropriate application, to revise the tariff, all to be~~ effective the ~~first day of~~ January 1 of the following year., ~~or on an alternative date set by the Commission,~~ containing the new interest rate to be paid upon ~~customers deposits.~~ To the extent any of the dates contemplated herein are modified, there shall be at least 45 days between the date of the notification letter and the effective date of the rate change.