

ORIGINAL

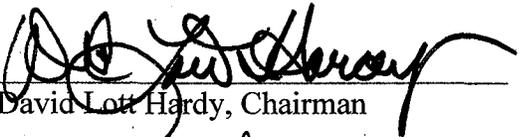
**GENERAL ADMINISTRATIVE ORDER
OF THE INDIANA UTILITY REGULATORY COMMISSION
2009-1**

WHEREAS, in accordance with Title 170 Indiana Administrative Code Section 5-1-15(f)(2), gas utilities subject to that section shall pay interest on customer deposits held for more than thirty (30) days.

WHEREAS, Title 170 Indiana Administrative Code Section 5-1-15(f)(2) also requires the Indiana Utility Regulatory Commission to set annually the interest rate for such deposits.

WHEREAS, the interest rate for deposits shall be set by the Commission based upon the current rate for one-year United States Treasury Constant Maturity securities rounded to the nearest one-half (1/2) of one percent (1%).

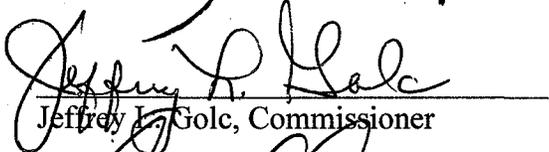
NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Policy Governing the Interest Rate for Gas Customer Deposits Pursuant to Title 170 Indiana Administrative Code Section 5-1-15(f)(2) which is attached to the General Administrative Order as Appendix A be adopted by this Commission.



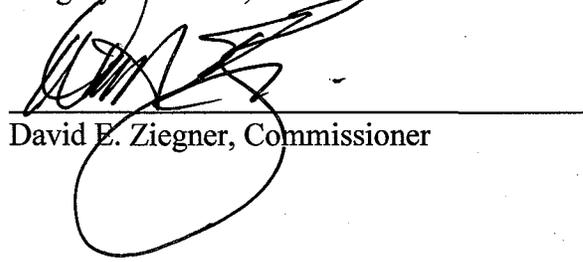
David Lott Hardy, Chairman

ABSENT

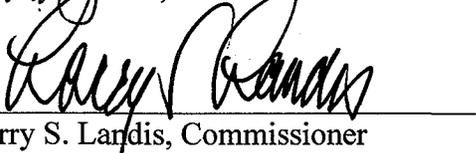
Gregory D. Server, Commissioner



Jeffrey J. Golc, Commissioner

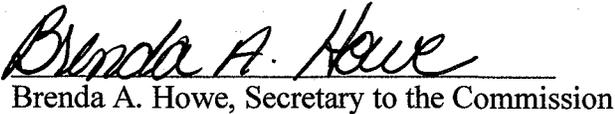


David E. Ziegner, Commissioner



Larry S. Landis, Commissioner

I hereby certify that the above is a true and correct copy of the resolution as approved.



Brenda A. Howe, Secretary to the Commission

Date: JAN 07 2009

APPENDIX A

POLICY GOVERNING THE INTEREST RATE FOR GAS CUSTOMER DEPOSITS PURSUANT TO TITLE 170 INDIANA ADMINISTRATIVE CODE SECTION 5-1-15(f)(2)

This policy is based upon the requirement in Title 170 Indiana Administrative Code Section 5-1-15(f)(2) that gas utilities subject to that section pay interest on customer deposits held for more than thirty (30) days. The Indiana Utility Regulatory Commission sets the interest rate for such deposits based upon the current rate for one-year United States Treasury Constant Maturity securities rounded to the nearest one-half (1/2) of one percent (1%). For the week ending December 26, 2008, the rate for one-year United States Treasury Constant Maturity securities was 0.40%. Therefore, the Commission declares that effective January 1, 2009 to December 31, 2009, the interest rate for gas customer deposits shall be **one-half percent (0.50%)**.

FEDERAL RESERVE statistical release



H.15 (519) SELECTED INTEREST RATES

For use at 2:30 p.m. Eastern Time

Yields in percent per annum

December 29, 2008

Instruments	2008	2008	2008	2008	2008	Week Ending		2008
	Dec 22	Dec 23	Dec 24	Dec 25*	Dec 26	Dec 26	Dec 19	Nov
Federal funds (effective) ^{1 2 3}	0.11	0.11	0.11	0.11	0.09	0.11	0.15	0.39
Commercial Paper ^{3 4 5 6}								
Nonfinancial								
1-month	0.10	0.18	n.a.		n.a.	0.14	0.11	0.61
2-month	n.a.	n.a.	n.a.		n.a.	n.a.	0.19	1.28
3-month	n.a.	n.a.	n.a.		n.a.	n.a.	0.25	1.45
Financial								
1-month	0.31	0.27	0.32		0.25	0.29	0.44	1.29
2-month	0.45	0.36	n.a.		n.a.	0.41	0.40	1.50
3-month	n.a.	0.44	n.a.		n.a.	0.44	n.a.	1.54
CDs (secondary market) ^{3 7}								
1-month	0.47	0.45	0.46		0.63	0.50	0.69	1.63
3-month	1.43	1.38	1.37		1.32	1.38	1.62	2.36
6-month	1.87	1.80	1.77		1.77	1.80	2.05	2.83
Eurodollar deposits (London) ^{3 8}								
1-month	1.25	1.20	1.20		1.20	1.21	1.30	2.08
3-month	2.00	2.00	2.00		2.00	2.00	2.14	3.11
6-month	2.50	2.50	2.50		2.50	2.50	2.55	3.82
Bank prime loan ^{2 3 9}	3.25	3.25	3.25	3.25	3.25	3.25	3.79	4.00
Discount window primary credit ^{2 10}	0.50	0.50	0.50	0.50	0.50	0.50	1.04	1.25
U.S. government securities								
Treasury bills (secondary market) ^{3 4}								
4-week	0.01	0.01	0.00		0.01	0.01	0.02	0.09
3-month	0.01	0.02	0.00		0.03	0.02	0.03	0.19
6-month	0.27	0.26	0.23		0.23	0.25	0.20	0.73
1-year	0.39	0.40	0.38		0.36	0.38	0.44	1.04
Treasury constant maturities								
Nominal								
1-month	0.01	0.01	0.00		0.01	0.01	0.02	0.09
3-month	0.01	0.02	0.00		0.03	0.02	0.03	0.19
6-month	0.27	0.26	0.23		0.23	0.25	0.20	0.74
1-year	0.40	0.41	0.40		0.38	0.40	0.45	1.07
2-year	0.87	0.90	0.90		0.89	0.89	0.71	1.21
3-year	1.12	1.13	1.14		1.08	1.12	0.96	1.51
5-year	1.40	1.53	1.54		1.51	1.50	1.36	2.29
7-year	1.70	1.81	1.83		1.80	1.79	1.73	2.82
10-year	2.16	2.18	2.20		2.16	2.18	2.26	3.53
20-year	2.92	2.93	2.94		2.91	2.93	3.04	4.27
30-year	2.60	2.63	2.63		2.61	2.62	2.72	4.00
Inflation indexed ¹²								
5-year	1.77	1.80	1.81		1.79	1.79	1.60	3.69
7-year	1.89	1.90	1.93		1.90	1.91	1.82	3.84
10-year	2.01	2.03	2.07		2.03	2.04	2.07	2.89
20-year	2.12	2.17	2.19		2.17	2.16	2.17	3.00
Inflation-indexed long-term average ¹³	2.19	2.25	2.26		2.25	2.24	2.28	3.09
Interest rate swaps ¹⁴								
1-year	1.35	1.38	1.34		1.34	1.35	1.48	2.11
2-year	1.57	1.59	1.55		1.56	1.57	1.64	2.30
3-year	1.82	1.84	1.80		1.81	1.82	1.85	2.69
4-year	2.00	2.03	1.99		2.01	2.01	2.03	3.03
5-year	2.14	2.17	2.16		2.16	2.15	2.15	3.30
7-year	2.32	2.36	2.36		2.36	2.35	2.34	3.63
10-year	2.48	2.53	2.54		2.56	2.53	2.49	3.85
30-year	2.61	2.69	2.71		2.71	2.68	2.53	3.83
Corporate bonds								
Moody's seasoned								
Aaa ¹⁵	4.66	4.75	n.a.		n.a.	n.a.	4.95	6.15
Baa	8.09	8.12	n.a.		n.a.	n.a.	8.30	9.22
State & local bonds ¹⁶						n.a.	5.46	5.23
Conventional mortgages ¹⁷					5.14	5.14	5.19	6.09

See overleaf for footnotes.

* Markets closed.

n.a. Not available.