

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF OWEN ELECTRIC COOPERATIVE, INC. FOR AUTHORIZATION TO BORROW UP TO \$29,500,000 FROM COBANK, EXECUTE THE NECESSARY NOTE, AND PREPAY RURAL UTILITIES SERVICE NOTES OF THE SAME AMOUNT)	CASE NO.
)	2017-00036
)	
)	

COMMISSION STAFF'S INITIAL REQUEST FOR INFORMATION TO
OWEN ELECTRIC COOPERATIVE, INC.

Owen Electric Cooperative, Inc. ("Owen"), pursuant to 807 KAR 5:001, is to file with the Commission the original and ten copies of the following information. The information requested herein is due within ten days of the date of this request. Responses to requests for information shall be appropriately bound, tabbed, and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Owen shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which

Owen fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When filing a paper containing personal information, Owen shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the application, Exhibit A, page 2 of 4.
 - a. Explain if Owen has converted or plans to convert its variable rate Rural Utility Service ("RUS") notes to a fixed interest rate prior to the proposed refinancing closing date. If so, provide the resultant fixed interest rate for each note. If not, provide the date when Owen expects the change to occur.
 - b. Refer also to page 4 of 4. Confirm that the information provided for the RUS notes reflects the fixed rate of 2.50 percent for the two notes that currently have variable interest rates. If this cannot be confirmed, update this exhibit to reflect the assumed 2.50 percent interest rate or the actual fixed interest rate of the notes.
 - c. Provide the calculation of the weighted average life ("WAL") of the CoBank loan in Excel spreadsheet format with formulas intact and unprotected and all rows and columns fully accessible.
2. Refer to the application, Exhibit A, page 3 of 4.

a. Provide the calculation for the RUS blended interest rate of 4.34 percent in Excel spreadsheet format, with formulas intact and unprotected and all rows and columns fully accessible.

b. Provide the calculation for the WAL of the RUS loans in Excel spreadsheet format, with formulas intact and unprotected and all rows and columns fully accessible.

c. Provide the calculation for the Years Remaining of the RUS loans in Excel spreadsheet format, with formulas intact and unprotected and all rows and columns fully accessible.

d. Explain why the RUS blended interest rate of 4.34 percent was used to calculate the net present value ("NPV") of the interest savings.

e. Provide the NPV calculation using the CoBank interest rate of 3.63 percent in Excel spreadsheet format, with formulas intact and unprotected and all rows and columns fully accessible

3. Refer to the application, Exhibit A, page 4 of 4.

a. Confirm that the annual principal and interest payments for the Combined RUS Loans is the sum based on each loan's term and not based on the average interest rate between the loans. If such is not confirmed, update this exhibit with the RUS principal payments and interest payments per loan.

b. Provide this exhibit in Excel spreadsheet format, with formulas intact and unprotected and with all columns and rows accessible. If it is necessary to update this exhibit in response to questions contained in this information request, provide the updated version in both paper medium and electronically.

4. Provide an estimate of any fees or expenses that Owen expects it will incur to close the loan with CoBank, as well as an estimate of their impact on the NPV of the proposed financing, to the extent they are not already reflected.

5. Refer to Exhibit B, page 6 of 9. Provide a revised schedule that shows the current loan balances if they are different than as shown on the schedule provided with this exhibit.



Talina R. Mathews
Executive Director
Public Service Commission
P.O. Box 615
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DATED JAN 30 2017

cc: Parties of Record

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