

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF TAYLOR COUNTY R.E.C.C.)	
FOR AUTHORIZATION TO BORROW)	CASE NO.
\$6,500,000 FROM COBANK AND EXECUTE)	2018-00130
NECESSARY NOTES AND TO REFINANCE)	
SHORT TERM NOTES IN THE SAME AMOUNT)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO
TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

Taylor County Rural Electric Cooperative Corporation ("Taylor County") pursuant to 807 KAR 5:001, is to file with the Commission the original and ten copies of the following information, with a copy to all parties of record. The information requested herein is due within 10 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.

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

Careful attention should 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, Taylor County 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, paragraph 7. Confirm that the current interest rate for the proposed loan with the National Bank for Cooperatives (“CoBank”) is still 4.47 percent. If this cannot be confirmed, provide the updated interest rate.

2. Refer to the Application, paragraph 8 and Exhibit 5. Taylor County is requesting up to \$6,500,000, yet the sum of the two short-term notes is \$6,000,000. Reconcile this \$500,000 difference.

3. Refer to the Application, Paragraph 12 and Exhibit 6. This exhibit only includes a letter from CoBank and an interest and payment schedule. Provide the Annual Cash Flow Summary which includes a net present value analysis of cash flows over the life of the loan and the Taylor County CoBank Loan Scenario.

4. Refer to the Application, Exhibit 3. Taylor County's Board of Directors' resolution states that it seeks to eliminate the interest rate risk associated with the current short-term notes in the current environment. Provide an analysis of the current interest rate market and how the refinancing to a fixed-term note will provide benefits to Taylor County.

5. Provide an estimate of any closing costs, including attorney fees, interest paid on short-term debt, payments on short-term debt, and any loan fees. Explain whether these costs are to be financed.

6. Explain whether Taylor County will maintain an open variable line of credit for daily operation expenses. If yes, provide all financing terms.

7. Provide a Net Present Value analysis of the difference in cost between the current short-term notes with the CoBank and the Cooperative Finance Corporation at the current rate of interest paid and the proposed CoBank Loan. This analysis should be in Excel spreadsheet format with all formulas and rows unprotected and accessible.



Gwen R. Pinson
Executive Director
Public Service Commission
P.O. Box 615
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DATED MAY 29 2018

cc: Parties of Record

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