

Witness: James Adkins

Grayson Rural Electric Cooperative
Case No. 2018-00272
December 31, 2017

Adjustment for Interest on Long Term Debt

The adjustment for interest on long-term debt results in a increase of \$276,693.

Interest on short term borrowings of \$20,343 has been removed.

This adjustment has been calculated by multiplying the test year end debt amounts by the interest rates in effect at the end of the test year for each loan.

RUS loans	0
FFB loans	607,771
CFC loans	339,686
CoBank loans	<u>358,043</u>
Total annualized interest	1,305,501
Test year interest expense	<u>980,166</u>
Adjustment	<u><u>325,334</u></u>

Schedule of Outstanding Long-Term Debt
Updated Through October 31, 2018

	Type of Debt Issued (a)	Date of Issue (b)	Date of Maturity (c)	Outstanding Amount (d)	Cost Rate to Maturity (g)	Annualized Cost Col (d)x(g) (j)	Test Year Interest Cost	f = fixed v = variable
11	FFB loans							
12	H0010	09/21/00	9/13/35	649,338	2.524%	16,389	7,774	v
13	H0015	01/08/01	12/31/35	324,669	2.524%	8,195	3,887	v
14	H0020	03/26/01	3/17/36	541,115	2.524%	13,658	6,478	v
15	H0025	11/30/01	11/21/36	701,031	2.524%	17,694	8,393	v
16	H0030	08/30/02	8/21/37	553,742	2.524%	13,976	6,630	v
17	H0035	03/28/03	3/19/38	1,402,365	2.524%	35,396	16,790	v
18	H0040	12/22/03	12/13/38	572,945	2.524%	14,461	6,859	v
19	H0045	07/01/04	6/23/39	585,252	2.524%	14,772	7,007	v
20	H0050	10/01/04	9/23/39	986,484	2.524%	24,899	11,811	v
21	H0055	07/22/10	7/13/45	2,433,686	2.524%	61,426	28,909	v
22	H0060	02/25/11	2/16/46	2,433,686	2.524%	61,426	28,909	v
23	H0065	01/31/12	1/22/47	2,471,881	2.524%	62,390	29,363	v
24	H0070	05/14/13	5/5/48	2,572,120	2.524%	64,920	30,554	v
25	H0075	03/18/14	3/9/49	2,636,588	2.524%	66,547	31,320	v
26	H0080	10/28/14	10/19/49	1,296,300	2.524%	32,719	12,260	v
27	H0085	01/18/17	1/10/52	3,918,470	2.524%	98,902	1,569	v
28				<u>24,079,670</u>		<u>607,771</u>	<u>238,513</u>	
30	CFC loans							
31	9015	02/26/87	2/17/22	68,080	3.10%	2,110	2,510	f
32	9016	12/11/89	12/2/24	163,809	3.00%	4,914	5,361	f
33	9017	02/16/94	2/7/29	269,781	3.00%	8,093	8,516	f
34	9019	05/01/13	4/22/48	351,332	2.20%	7,729	11,510	f
35	9020001	12/19/16	12/11/51	-	2.80%	-	16,050	f
36	9020002	12/19/16	12/11/51	141,249	2.85%	4,026	6,804	f
37	9020003	12/19/16	12/11/51	345,522	2.90%	10,020	10,020	f
38	9020004	12/19/16	12/11/51	354,532	3.00%	10,636	10,636	f
39	9020005	12/19/16	12/11/51	366,007	3.25%	11,895	11,895	f
40	9020006	12/19/16	12/11/51	377,581	3.30%	12,460	12,460	f
41	9020007	12/19/16	12/11/51	389,703	3.35%	13,055	13,055	f
42	9020008	12/19/16	12/11/51	401,734	3.40%	13,659	13,659	f
43	9020009	12/19/16	12/11/51	415,692	3.45%	14,341	14,341	f
44	9020010	12/19/16	12/11/51	429,549	3.45%	14,819	14,819	f
45	9020011	12/19/16	12/11/51	443,962	3.50%	15,539	15,539	f
46	9020012	12/19/16	12/11/51	458,469	3.50%	16,046	16,046	f
47	9020013	12/19/16	12/11/51	474,571	3.55%	16,847	16,847	f
48	9020014	12/19/16	12/11/51	490,838	3.55%	17,425	17,425	f
49	9020015	12/19/16	12/11/51	507,768	3.60%	18,280	18,280	f
50	9020016	12/19/16	12/11/51	525,105	3.60%	18,904	18,904	f
51	9020017	12/19/16	12/11/51	543,764	3.65%	19,847	19,847	f
52	9020018	12/19/16	12/11/51	562,907	3.65%	20,546	20,546	f
53	9020019	12/19/16	12/11/51	582,714	3.65%	21,269	21,269	f
54	9020020	12/19/16	12/11/51	603,136	3.65%	22,014	22,014	f
55	9020021	12/19/16	12/11/51	624,411	3.65%	22,791	22,791	f
56	9020022	12/19/16	12/11/51	65,364	3.70%	2,418	2,418	f
57				<u>9,957,581</u>		<u>339,686</u>	<u>363,562</u>	
59	CoBank loans							
60	2468194	1/14/11	7/17/93	7,749,855	4.620%	358,043	378,089	f
61				<u>7,749,855</u>		<u>358,043</u>	<u>378,089</u>	
63	Total long term debt and annualized			<u>41,787,106</u>		<u>1,305,501</u>	<u>980,164</u>	
64	interest cost							
65	Annualized cost rate [Total Col. (j) / Total Col. (d)]					3.12%		
66	Actual test year cost rate [Total Col (k) / Total Reported in Col (d)]						2.35%	

Grayson Rural Electric Cooperative
 Case No. 2018-00272
 Schedule of Short Term Debt
 December 31, 2017

Exhibit 5
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 : JimAdkins

Adjustment for Short Term Interest

This adjustment is to remove interest on short term borrowings. It is presumed that the short term borrowings will be repaid as a result of additional revenues generated from this Application.

<u>Type of Debt Instrument</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Annualized Cost</u>
(a)	(b)	(c)	(d)	(e)	(f)
CFC	5/16/2017	7/31/2018	2,185,000	3.00%	65,550
Annualized cost rate [Total col. (f) / Total col. (d)]					3.00%
Actual interest paid, or accrued on Short Term Debt during the Test Year					<u>\$20,343.01</u>

Other interest expense during the test year is as follows:

430.00, CFC line of credit	\$14,505.41
430.00, CoBank line of credit	5,837.60
431.00, Customer deposits	<u>7,941.33</u>
	<u>\$28,284.34</u>