

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF GRAYSON	)	
RURAL ELECTRIC COOPERATIVE	)	
CORPORATION FOR AUTHORIZATION TO	)	CASE NO.
BORROW \$9,800,000 FROM THE NATIONAL	)	2016-00327
RURAL UTILITIES COOPERATIVE FINANCE	)	
CORPORATION, EXECUTE THE NECESSARY	)	
NOTE, AND PREPAY RURAL UTILITIES	)	
SERVICE NOTES OF THE SAME AMOUNT	)	

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

Grayson Rural Electric Cooperative Corporation ("Grayson"), pursuant to 807 KAR 5:001, is to file with the Commission the original in paper medium and an electronic version of the following information. The information requested herein is due within ten days of the date of this request. Responses to requests for information in paper medium 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. Grayson 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 Grayson fails or refuses to furnish all or part of the requested information, Grayson 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 applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a document containing personal information, Grayson 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 2.
  - a. Provide the date when the rate lock option expires.
  - b. Provide the rate for the rate lock option on Loan No. KY061-A-TBD.

If it is a blended rate, provide the calculations.

2. Refer to the Application, Exhibit 5.
  - a. Refer to the Annual Cash Flow Summary page. Provide in Excel spreadsheet format with formulas intact and unprotected and all rows and columns fully accessible the net present value calculation with and without legal fees for the following interest rates:

- (1) The effective Rural Utility Service ("RUS") interest rate.

(2) The effective Cooperative Finance Corporation ("CFC") interest rate.

(3) The CFC interest rate.

b. Refer to the CFC Loan Scenario page. The column labeled "Advance Date" shows a date of 9/26/2016. Explain if funds were advanced by CFC on 9/26/2016.

c. Refer to the RUS payoff page. Explain why RUS note RET-8-1 and RET-8-4 have been included for refinancing, given that their current interest rates of 0.26 percent and 3.17 percent are lower than the effective interest rate of 3.35 percent.

d. Refer to Schedule A.

(1) Confirm this is the Schedule A ("Rate Lock Option") referred to in Exhibit 2.

(2) Explain why Schedule A has 22 loan numbers and the CFC Loan Scenario in Exhibit 5 has 24 loans. Provide any necessary updates and provide the schedules in Excel spreadsheet format with formulas intact and unprotected and all rows and columns fully accessible

3. Provide the closing date and the approval date needed from the Commission in order to meet this closing date.

4. Refer to the Application at paragraph 7, where it states that Grayson seeks to borrow \$9,800,000. Confirm the amount that Grayson seeks to borrow and that this amount is not in excess of the loans to be refinanced.

5. Refer to the Application at numbered paragraph 13, which references legal fees. Confirm whether legal fees will be part of the amount borrowed or will be paid from company funds.

6. Explain why the refinancing of the notes is a series of notes of varying interest rates and lengths of term and not just a single note.



Talina R. Mathews  
Executive Director  
Public Service Commission  
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DATED OCT 25 2016

cc: Parties of Record

Case No. 2016-00327

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