

SUMMARY OF INFORMATION COLLECTION

**7 CFR 1717, Subpart D
Mergers and Consolidations of
Electric Borrowers**

0572-0114

Date Prepared
Apr-09

INSTRUCTIONS

Use this form when a single information collection document involves multiple reporting and keeping requirements.

(f) TOTAL (h) TOTAL (k) TOTAL
----- = (e) Averag ----- = (g) Averag ----- = (j) Averag
(d) TOTAL (f) TOTAL (i) TOTAL

IDENTIFICATION OF REPORTING AND RECORDKEEPING REQUIREMENTS

ANNUAL BURDEN

SECTION OF REGULATIONS (a)	DESCRIPTION (b)	FORM NO(s) (If "none" so state) (c)	REPORTS				
			NO. OF RESPONDENTS (d)	NO. OF RESPONSES PER RESPONDENT (e)	TOTAL ANNUAL RESPONSES (Col. d & e) (f)	HOURS PER RESPONSE (g)	TOTAL HOURS (Col. f & g) (h)
1717.152	<p>I. DOCUMENTATION NEEDED TO LEGALLY CONDUCT BUSINESS WITH A SUCCESSOR In order for RUS to legally advance funds, send bills, and otherwise conduct business with a successor following a merger, these documents must be submitted to RUS regardless of the need for RUS approval of their merger.</p> <p>A. Transmittal letters from each borrower that is a party to the proposed merger. This letter is the formal notification to RUS that the borrower intends to merge. In order to allow RUS to prepare the necessary documents, the letter must give tentative timeframes.</p> <p>B. Board resolution from each borrower and non-borrower party to the proposed merger This resolution affirms the board intention to merge.</p> <p>C. Documents needed to evidence the proposed merger pursuant to state and local law These documents include copies of the merger plan, articles of incorporation, bylaws, and notices and filings required by law. Generally these are copies of document filed elsewhere.</p> <p>D. Letter from counsel to at least one of the borrowers, prior to the merger. This letter describes the merger and indicates the state and local laws under which the merger will be consummated.</p> <p>E. Opinion of counsel, after the merger is effective. This letter indicates that the merger has been consummated, and that all documents relating to RUS' security interest have been filed.</p> <p>F. Letter from the successor, after the merger is effective. This letter gives the corporate name and address, names of officers, and the taxpayer ID.</p> <p>G. Perfection of RUS' lien and executed loan contract. RUS will either prepare these documents for the borrower's execution, or give the borrower detailed instructions.</p>						
			12	1	12	2	24
			12	1	12	1	12
			5	1	5	1	5
			5	1	5	1	5
			5	1	5	1	5
			5	1	5	2	10

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1717.153 thru 1717.155	<p>II. TRANSITIONAL ASSISTANCE FOLLOWING MERGERS Some types of transitional assistance are available on the borrower's request, subject to availability of loan funds; Others are subject to RUS approval. (7 CFR 1717.154(a) and (b)). RUS encourages borrowers to combine documents where possible. For example, if a borrower submits documents under Item I, and Item II at the same time, a single board resolution addressing both will suffice.</p> <p>A. Transmittal letter(s) formally requesting the assistance. If the request is submitted before the effective date of the merger, a separate letter must be submitted by each borrower. If the request is submitted afterwards, the request must be from the successor.</p> <p>B. Board resolution(s). If the request is submitted before the effective date of the merger, a separate letter must be submitted by each borrower. If the request is submitted afterwards, the request must be from the successor.</p> <p>C. Merger plan. This plan must include a cost benefit analysis of the merger. If the transitional assistance requires RUS approval, the borrower must explain why the assistance is needed. RUS assumes that any prudent business conducts this type of analysis before entering into a merger, and that borrowers will submit copies of analyses prepared for internal use or for the state commissions.</p>						
			12	1	12	2	24
			12	1	12	1	12
			12	1	12	1	12
1717.615	<p>III. APPLICATIONS FOR RUS APPROVAL OF MERGERS Pursuant to 7 CFR 1717.615, published December 29, 1995, very few merges need RUS approval. RUS encourages borrowers to combine documents where possible. See note under Item II.</p> <p>A. Transmittal letters from all parties to the proposed action. This letter is the formal notification to RUS that the borrower intends to merge. In order to allow RUS to prepare the necessary documents, the letter must give tentative timeframes.</p> <p>B. Board resolutions from all parties to the proposed action. This resolution affirms the board's intention to merge.</p> <p>C. Analyses and/or other evidence that the successor will be a viable entity. RUS assumes that any prudent business conducts that type of analysis before entering into a merger, and that borrowers will submit copies of analyses prepared for internal use or for their state commissions.</p>						
			12	1	12	2	24
			12	1	12	1	12
			5	1	5	1	5

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REPORTS

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	<p>D. Regulatory Information. Pending Federal or State proceedings pertaining to any of the borrowers parties that could have material effects on the successor.</p>		5	1	5	1	5
	<p>E. Rate schedules for the successor. This includes copies of rate schedules for the successor and information about any pending rate cases before a state commission.</p>		5	1	5	1	5
	<p>F. Area coverage and line extension policies for the successor. RUS requires copies of information that distribution borrowers prepare for their own consumers.</p>		5	1	5	1	5
			12		129		170

