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All responses to this collection of information are voluntary. However, in order to obtain or retain a benefit where the information in this form is required by 7 CFR part 1710. Rural Development has no plans to publish information collected under the provisions of this program. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Information Collection Clearance Officer, Rural Development Innovation Center, Regulations Management Division at ICRMTRRequests@usda.gov

Attachment to RUS Form 740C - Reimbursement to General Funds ar

Reimbursement to general funds includes:

In SD includes 20 OH services, 7 URD services and 2.4 miles of OH and 1.12 miles of

In NE includes 4 OH services, 2 URD services and .48 miles of OH and .32 miles of UF

In SD NEW facilities breakdown is \$7,157,484 break down by:

New Member Extensions - 436 member extensions for 53.8 miles totaling \$1,635,064

System Improvements - \$5,522,420

In SD new facilities plus inclusion of reimbursement to general funds is \$8,376,957

In NE NEW facilities breakdown is \$4,398,580

New Member Extensions - 96 member extensions for 11.8 miles totaling \$358,916

System Improvements - \$4,039,664

In NE new facilities plus inclusion of reimbursement to general funds is \$4,827,043

Total NEW facilities is \$11,556,064

Total new facilities plus inclusion of reimbursement to general funds is \$13,204,000

Cooperative serves 616 miles of line in NE and 1726 miles of line in SD for a total of 23

nd State Distribution Disclosures

URD
RD

42 as of December 2007.

This data will be used by RUS to review your financial situation. Your response is required (7 USC 901 et seq.) and is not confidential.

USDA-RUS COST ESTIMATES AND LOAN BUDGET FOR ELECTRIC BORROWERS To: U.S. Dept. of Agriculture, RUS, Washington, D. C. 20250		Form Approved OMB No. 0572-0032; Expires 1/30/2025	
INSTRUCTIONS See tabs "Pg1 Instr" through "Pg4 Instr"		BORROWER AND LOAN DESIGNATION	
SECTION A. COST ESTIMATES		LOAN PERIOD 4 YEARS 2020-2023 CWP inclusive of Amendment(s) #X	
1. DISTRIBUTION		COST ESTIMATES	RUS USE ONLY
100 a. New Line: (Excluding Tie-Lines)			
<u>Construction</u>	<u>Consumers</u>		
		<u>Miles</u>	
101 URD 1 PH	0 @	\$0	0.00
URD 3 PH	0 @	\$0	0.00
102 OH 1 PH	0 @	\$0	0.00
OH 3 PH	0 @	\$0	0.00
Total Consumers.	0	Total Miles	0.00
		Less Contributions	0
Subtotal (New Line - code 100)			\$0
200 b. New Tie-Lines			
	<u>Line Designation</u>	<u>Miles</u>	
201		0.00	\$0
202		0.00	0
203		0.00	0
204		0.00	0
Subtotal Code 200 from page 1A		0.00	0
Subtotal Code 200 (Includes subtotals from pages 1A)		0.00	\$0
300 c. Conversion and Line C			
	<u>Line Designation</u>	<u>Miles</u>	
301		0.00	\$0
302		0.00	0
303		0.00	0
304		0.00	0
305		0.00	0
306		0.00	0
307		0.00	0
308		0.00	0
309		0.00	0
310		0.00	0
Subtotal Code 300 from page 1A		0.00	0
Subtotal Code 300		0.00	\$0
400 d. New Substations, Switching Stations, Metering Points, etc.			
	<u>Station Designation</u>	<u>kVA</u>	<u>kV to kV</u>
401			\$0
402			0
403			0
Subtotal			\$0

COST ESTIMATE AND LOAN BUDGET FOR ELECTRIC BORROWERS		BORROWER AND LOAN DESIGNATION	
SECTION A. COST ESTIMATES (Page 1 Continuation Sheet)		BORROWER'S COST ESTIMATES	RUS USE ONLY
200 b. New Tie-Lines (Continued)			
	Line Designation	Miles	
207		0.00	\$0
208		0.00	0
209		0.00	0
210		0.00	0
211		0.00	0
212		0.00	0
213		0.00	0
214		0.00	0
215		0.00	0
216		0.00	0
	<i>Subtotal Code 200 (transfers to page 1)</i>	<i>0.00</i>	<i>\$0</i>
300 c. Conversion and Line Changes (Continued)			
	Line Designation	Miles	
311		0.00	\$0
312		0.00	0
313		0.00	0
314		0.00	0
315		0.00	0
316		0.00	0
317		0.00	0
318		0.00	0
319		0.00	0
320		0.00	0
321		0.00	0
322		0.00	0
323		0.00	0
324		0.00	0
325		0.00	0
326		0.00	0
327		0.00	0
328		0.00	0
329		0.00	0
330		0.00	0
331		0.00	0
332		0.00	0
333		0.00	0
334		0.00	0
335		0.00	0
336		0.00	0
337		0.00	0
338		0.00	0
339		0.00	0
340		0.00	0
341		0.00	0
342		0.00	0
343		0.00	0
344		0.00	0
345		0.00	0
346		0.00	0
347		0.00	0
348		0.00	0
349		0.00	0
350		0.00	0
351		0.00	0
352		0.00	0
353		0.00	0
354		0.00	0
	<i>Subtotal Code 300 (transfers to page 1).</i>	<i>0.00</i>	<i>\$0</i>

SECTION A. COST ESTIMATES (cont.)				BORROWER'S COST ESTIMATES	RUS USE ONLY
500	e. Substation, Switching Station, Metering Point Changes				
	<u>Station Designation</u>	<u>Description of Changes</u>			
501	_____	_____		\$0	
502	_____	_____		0	
503	_____	_____		0	
504	_____	_____		0	
505	_____	_____		0	
506	_____	_____		0	
507	_____	_____		0	
508	_____	_____		0	
509	_____	_____		0	
	<i>Subtotal</i>			\$0	
600	f. Miscellaneous Distribution Equipment				
601	Transformers and Meters				
	<u>Construction</u>	<u>Transformers</u>			
	URD 1 PH	0 @	\$0	0	
	URD 3 PH	0 @	\$0	0	
	OH 1 PH	0 @	\$0	0	
		<u>Meters</u>			
	1 PH	0 @	\$0	0	
	3 PH	0 @	\$0	0	
	1 PH AMR Unit	0 @	\$0	0	
	3 PH AMR Unit	0 @	\$0	0	
	<i>Subtotal code 601 . . . (included in total of all 600 codes below)</i>			\$0	
602	Sets of Service Wires to increase Capacity _____			0	
603	Sectionalizing Equipment _____			0	
604	Regulators _____			0	
605	Capacitors _____			0	
606	Miscellaneous Replacements Poles and Associated Hardware Replacements: _____			0	
607	Miscellaneous Replacements _____			0	
608	Non-site Specific URD to URD or OH to OH Conductor Replacements in the same right of way _____			0	
609	Unassigned _____			0	
610	Unassigned _____			0	
611	Unassigned _____			0	
612	Step Up/Down Transformers _____			0	
613	Min/Max Meters _____			0	
614	Unassigned _____			0	
615	Communications (other than Fiber) _____			0	
615	Communications (Fiber) _____			0	
	<i>Subtotal ALL 600 codes</i>			\$0	
700	g. Other Distribution Items				
701	Engineering Fees _____			\$0	
702	Security Lights _____			0	
703	Reimbursement of General Funds	Consumers	0 Miles	0.00	0
704	Load Management & SCADA _____			0	
705	Automated Meter Reading Equip. _____			0	
706	Broadband over Power line (BPL) _____			0	
707	GIS Hardware Costs _____			0	
708	GIS Software Costs _____			0	
709	GIS Field Inventory Costs _____			0	
	<i>Subtotal</i>			\$0	
TOTAL DISTRIBUTION.				\$0	
800	2. Transmission				
	a. New Line				
	<u>Line Designation</u>	<u>Voltage</u>	<u>Wire Size</u>	<u>Miles</u>	
801	_____	_____	_____	_____	\$0
802	_____	_____	_____	_____	0
803	_____	_____	_____	_____	0
804	_____	_____	_____	_____	0
805	_____	_____	_____	_____	0
806	_____	_____	_____	_____	0
807	_____	_____	_____	_____	0
808	_____	_____	_____	_____	0
	<i>Subtotal Code 800</i>			0.00	\$0

Borrower & Loan Designation: loan cut-off date: Dec-99

**ATTACHMENT TO RUS FORM 740C - REIMBURSEMENT SCHEDULE
DISTRIBUTION FACILITIES - BUDGET PURPOSE NO. 1**

An analysis of completed work plan projects was performed to properly identify those projects in the work plan which are now possible reimbursement projects and those that continue to be proposed projects.

WORK ORDER INVENTORIES				SPECIAL EQUIPMENT SUMMARIES			
WORK ORDER INVENTORY SUMMARY				# (not \$) CONSUMER CONNECTS: Code 100's	MILES BUILT: Code 100 & 200's	MONTH	AMOUNT
*YTBS/P	NUMBER	MONTH	AMOUNT				
	224	Jan-07				Jan-07	
	225	Feb-07				Feb-07	
	226	Mar-07				Mar-07	
	227	Apr-07				Apr-07	
	228	May-07				May-07	
	229	Jun-07				Jun-07	
	230	Jul-07				Jul-07	
	231	Aug-07				Aug-07	
	232	Sep-07				Sep-07	
	233	Oct-07				Oct-07	
	234	Nov-07				Nov-07	
	235	Dec-07				Dec-07	
	248	Jan-08				Jan-08	
	249	Feb-08				Feb-08	
	250	Mar-08				Mar-08	
	251	Apr-08				Apr-08	
	252	May-08				May-08	
	253	Jun-08				Jun-08	
	254	Jul-08				Jul-08	
	255	Aug-08				Aug-08	
	256	Sep-08				Sep-08	
	257	Oct-08				Oct-08	
	258	Nov-08				Nov-08	
	259	Dec-08				Dec-08	
	260	Dec-08 A				Dec-08 A	
	261	Dec-08 B				Dec-08 B	
	262	Dec-08 C				Dec-08 C	
	263	Dec-08 D				Dec-08 D	
	264	Dec-08 E				Dec-08 E	
	265	Dec-08 F				Dec-08 F	
	266	Dec-08 G				Dec-08 G	
	267	Dec-08 H				Dec-08 H	

Subtotal					Subtotal	
Work Orders Inventories	\$0.00	0	0.00	Special Equipment Summaries ..	\$0.00	

GRAND TOTAL \$ - **Rounded DOWN**

!! Submitted to DC but OPMRA has not posted them to the Form 605 yet.
 * YTBS/P - Yet to be Submitted or Partial. Insert a "Y" for Yet to be Submitted or "P" is the Work Order Summary or SE Summary is a Partial
 **Select one SES or WOI to round down and designate with "P" to make round number
 RUS Form 740c Attachme(V5,5/29/09) Distribution Reimbursement

SECTION A. COST ESTIMATE (cont.)			BORROWER'S COST ESTIMATES	RUS USE ONLY
900 b. New Substation, Switching Station, etc.				
<u>Station Designation</u>	<u>kVA</u>	<u>kV TO kV</u>		
901 _____	_____	_____	\$0	
902 _____	_____	_____	0	
903 _____	_____	_____	0	
904 _____	_____	_____	0	
905 _____	_____	_____	0	
906 _____	_____	_____	0	
907 _____	_____	_____	0	
<i>Subtotal Code 900</i>			\$0	
1000 c. Line and Station Changes				
<u>Line/Station Designation</u>	<u>Description of Changes</u>			
1001 _____	_____		\$0	
1002 _____	_____		0	
1003 _____	_____		0	
1004 _____	_____		0	
1005 _____	_____		0	
1006 _____	_____		0	
1007 _____	_____		0	
1008 _____	_____		0	
1009 _____	_____		0	
<i>Subtotal Code 1000</i>			\$0	
1100 d. Other Transmission Items				
1101 Unassigned _____	_____		\$0	
1102 Unassigned _____	_____		0	
1103 Reimbursement of General Funds	Miles	0.00	0	
1104 Pole and Associated Hardware Replacement _____	_____		0	
1105 Other Transmission _____	_____		0	
<i>Subtotal</i>			\$0	
TOTAL TRANSMISSION.			\$0	
1200 3. GENERATION (including Step-up Station at Plant)				
1201 a Fuel _____	Nameplate Rating _____	kW	\$0	
1202 b. _____	_____		0	
TOTAL GENERATION.			\$0	
1300 4. HEADQUARTERS FACILITIES				
1301 a. New or additional Faciliti (Attach RUS Form 740g) _____	_____		\$0	
1302 b. _____	_____		0	
1303 c. Reimbursement of General Funds _____	_____		0	
TOTAL HEADQUARTERS FACILITIES			\$0	

Borrower & Loan Designation:
ATTACHMENT TO RUS FORM 740C - REIMBURSEMENT SCHEDULE
TRANSMISSION FACILITIES - BUDGET PURPOSE NO. 2

loan cut-off date: Dec-99

An analysis of completed work plan projects was performed to properly identify those projects in the work plan which are now possible reimbursement projects and those that continue to be proposed projects.

WORK ORDER INVENTORIES					
WORK ORDER INVENTORY SUMMARY					MILES BUILT: Code 800's
*YTBS/P	NUMBER	MONTH	AMOUNT		
	224	Jan-07			
	225	Feb-07			
	226	Mar-07			
	227	Apr-07			
	228	May-07			
	229	Jun-07			
	230	Jul-07			
	231	Aug-07			
	232	Sep-07			
	233	Oct-07			
	234	Nov-07			
	235	Dec-07			
	248	Jan-08			
	249	Feb-08			
	250	Mar-08			
	251	Apr-08			
	252	May-08			
	253	Jun-08			
	254	Jul-08			
	255	Aug-08			
	256	Sep-08			
	257	Oct-08			
	258	Nov-08			
	259	Dec-08			
	260	Dec-08 A			
	261	Dec-08 B			
	262	Dec-08 C			
	263	Dec-08 D			
	264	Dec-08 E			
	265	Dec-08 F			
	266	Dec-08 G			
	267	Dec-08 H			
Subtotal Work Order Inventories			\$0.00		0.00

**Select one WOI to round down and designate with "P" to make round number
 !! Submitted to DC but OPMRA has not posted them to the Form 605 yet.
 * YTBS/P - Yet to be Submitted or Partial. Insert a "Y" for Yet to be Submitted or "P" is the Work Order Summary is a Partial

Insert snip from CWP with Smart Grid Summary as example below:

West River Electric Association RUS SD-11 2018 Identification of Smart Grid Facilities

740C Code #	Description	Smart Categ
500	Distribution Substation Equipment	C
601	Meters	F
604	Voltage Regulators	C
704	SCADA Communication	F
Total		

-2021 CWP

Grid Category*	Total
	\$1,102,930
	\$1,255,556
	\$48,855
	\$53,570
	\$2,460,911

SECTION A. COST ESTIMATES (cont.)		BORROWER'S COST ESTIMATES	RUS USE ONLY
1400 5. ACQUISITIONS			
1401	a. _____ Consumers _____ Miles	\$0	
1402	b. _____	0	
1403	c. Reimbursement of General Funds	0	
TOTAL ACQUISITIONS		\$0	
1500 6. ALL OTHER			
1501	Unassigned	\$0	
1502	Unassigned	0	
1503	Unassigned	0	
1504-15	Energy Efficiency and Conservation	0	
1512	Unassigned	0	
1513	Reimbursement of General Funds	0	
TOTAL ALL OTHER		\$0	

SECTION B. SUMMARY OF AMOUNTS AND SOURCES OF FINANCING

1. GRAND TOTAL - ALL COSTS		\$0	
2. FUNDS AND MATERIALS AVAILABLE FOR FACILITIES			
a. Loan Funds	\$0		
b. Materials and Special Equipment	0		
c. General Funds			
Purpose 1	\$0		
Purpose 2	\$0		
Purpose 3	\$0		
Purpose 4	\$0		
Purpose 5	\$0		
Purpose 6	\$0		
Total General Funds Applied	\$0		
d. Total Available Funds and Materials		\$0	
3. NEW FINANCING REQUESTED FOR FACILITIES		\$0	
4. RUS LOAN REQUESTED FOR FACILITIES (rounded DOWN to nearest \$1,000)		\$0	
5. TOTAL SUPPLEMENTAL LOAN REQUESTED		\$0	
N/A			
Name of Supplemental Lender			
6. CAPITAL TERM CERTIFICATE PURCHASES (CFC Loan on)	0%	\$0	
7. SUPPLEMENTAL LOAN REQUESTED FOR FACILITIES		\$0	
8. 100% SUPPLEMENTAL LOANS (SEE RUS Bulletin 20-14)*		\$0	

* Identify in section A by budget purpose and separate subtotals.

SECTION C. CERTIFICATION

We, the undersigned, certify that:

1. Upon completion of the electrical facilities contained herein and any others uncompleted at this time but for which financing is available, the system will be capable of adequately and dependably serving the projected load for the loan period as contained in our current RUS approved Power Requirement Study and Construction Work Plan.
2. Negotiations have been or will be initiated with our power supplier, where necessary, to obtain new delivery points and/or additional capacity at existing ones to adequately supply the projected load upon which this loan application is based.
3. The data contained herein and all supporting documents have, to the best of my knowledge, been prepared correctly and in accordance with 7 CFR 1710.401(a)(3)

Date Signature of Borrower's Manager

Date Signature of Borrower's President

Corporate Name of Borrower

GFR Initials _____

Attachment to 740c

Borrower and Loan Designation

STATEMENT

Statement certifying that at least 90% of the Loan funds are for facilities with a useful life of 33 years or longer as required by 7 CFR 1710.115.

To facilitate the determination of the final maturity for this RUS Loan,

0

does hereby certify that:

At least 90% of the Loan funds requested as part of this loan application and included on the RUS Form 740c (Cost Estimates and Loan Budget for Electric Borrowers) are for facilities with an anticipated useful life of 33 years or longer.

Less than 90% of the Loan funds requested as part of this loan application and included on the RUS Form 740c (Cost Estimates and Loan Budget for Electric Borrowers) are for facilities with an anticipated useful life of 33 years or longer. A schedule has been attached to this statement listing the facilities with an anticipated useful life of less than 33 years, the anticipated useful life of those facilities and the associated cost estimates (see attached).

Date

Title: _____

General Manager

USEFUL LIFE CERTIFICATION TEST

New Financing Requested for Facilities (740c pg 4, 1. GRAND TOTAL - ALL COSTS 3. New Financing requested for facilities):

	Useful Life in Years	Amount	\$	-
			\$ x Years	
Purpose #1: Distribution Facilities (Enter Amounts from 740c)				
Code 100: New Lines Overhead & Underground (See Acct. Nos. 365, 366, 367)	41.5	\$ -		0
Code 200: New Tie-Lines (See Acct. Nos. 365, 366, 367)	41.5	\$ -		0
Code 300: Conversion and Line Changes (See Acct. Nos. 365, 366, 367)	41.5	\$ -		0
Code 400: New Substations, Switching Stations and Metering Points, etc. (See Acct. No. 362)	37	\$ -		0
Code 500: Substation, Switching Station and Metering Point Changes (See Acct. No. 362)	37	\$ -		0
Code 601: AMR/AMI Meters and/or AMR Modules/ Devices installed in Meters	15	\$ -		0
Code 601: Non-AMR/AMI Meters (See Acct. No. 370)	34	\$ -		0
Code 601: Distribution Transformers (See Acct. No. 368)	38	\$ -		0
Codes 602, 603, 604, 605, 606, 607, & 608: (Total of these 7 Codes)	35	\$ -		0
Code 615: Communications (All except Fiber)	15	\$ -		0
Code 615: Communications (Fiber Only)	40	\$ -		0
All Other Code 600 Items not listed: (Total of Remaining 600 Code Projects not listed)	35			0
Code 702: Security Lights (See Acct. 373)	25	\$ -		0
Code 703: General Funds Reimbursement (Budget Purpose 1 - Distribution)	35	\$ -		0
Code 704: Load Management/SCADA	15	\$ -		0
Code 705: AMR/AMI Equipment except Meters and Retrofits	15	\$ -		0
Code 706: Broadband over Power Line (BPL)	15	\$ -		0
Code 707 (Formerly Code 1501): GIS Hardware and Device Costs	5	\$ -		0
Code 708 (Formerly Code 1502): GIS Software, Data Migration and Integration Costs	5	\$ -		0
Code 709 (Formerly Code 1503): Field Inventory & Data Collection Costs less 25% of overall costs	20	\$ -		0
All Other Code 700 Items not listed: (Total of Remaining 700 Code Projects not listed)	30			0
Purpose #2: Transmission Facilities (Enter Amounts from 740c)				
Code 800: New Transmission Lines	43	\$ -		0
Code 900: New Transmission Substations, Step-Down Stations, Switching Stations	37	\$ -		0
Code 1000: Line and Station Changes	43	\$ -		0
Code 1103: General Funds Reimbursement (Budget Purpose 2 - Transmission)	35	\$ -		0
Code 1104: Pole and Associated Hardware Replacement	35	\$ -		0
All Other Code 1100 Items not listed: (Total of Remaining 1100 Code Projects not listed)	35			0
Purpose #3: Generation Facilities (Enter Amounts from 740c)				
Code 1200: Generation Facilities (Use Separate Spreadsheet to determine Useful Life)		\$0		0
Purpose #4: Headquarters Facilities (Enter Amounts from 740c)				
Code 1300: Headquarters Facilities	50	\$0		0
Purpose #5: Acquisitions (Enter Amount from 740c)				
Code 1400: Acquisitions (Use Separate Spreadsheet to determine Useful Life)		\$0		0
Purpose #6: All Other (Enter Amounts from 740c)				
Code 1500: All Other (Useful Life to be determined with RUS assistance)		\$0		0
Calculated Useful Life Rounded up to nearest whole number		0	0	#DIV/0! years

Final Calculated Useful Life With Two Additional Years Added Per 7 CFR Part 1710.115 (b)

#DIV/0! years

Final Maturity Period utilizing Ninety Percent Test Criteria

#DIV/0! years



Tue 10/9/2018 12:55 PM

Bartholomew, Mark - RD, Charlotte, NC

Notes from Streamlining Meeting held on 10-09-2018

To Kinter, Billy - RD, Rio Rancho, NM; Colberg, Chris - RD, Helena, MT; Elam, Mark - RD, Columbus, OH; Frantz, Timothy - RD, Great Bend, PA; RD-RUS-Electric-OAA; RD-RUS-Electric-OLOA-Field; RD-RUS-Electric-OLOA-HQ; RD-RUS-Electric-OPMRA; RD-RUS-Electric-OPOS



Streamlining Meeting Notes for 10-09-2018 meeting (DRAFT).docx
21 KB



Useful Life Calculation Worksheet dated 10-09-2018.xlsx
26 KB

Action Items + Get n

Attached are the notes from the Streamlining Meeting held on October 9, 2018. Also, attached is the updated Useful Life Calculation Worksheet dated 10-09-2018.

Please respond directly to me if you have any comments or modifications to the notes so that I may incorporate as appropriate.

Thank you,
Mark Bartholomew
General Field Representative
Rural Development – Rural Utilities Service
Phone – (704) 544-4612
Cell – (704) 576-5204

USDA is an equal opportunity employer and lender.

Please note my E-mail address is now: Mark.Bartholomew@usda.gov

Streamlining Notes and Recommendations for October 9, 2018 Meeting

~~The Meeting began with Mark Bartholomew reviewing the FY 2018 Streamlining Accomplishments including the extension of the Operations & Maintenance Review period from 3 years to 4 years, eliminating the annual publication of the Statement of Nondiscrimination in local newspapers, development of staff instructions for retirements without replacements, updated instructions for the RUS Form 595 and the reclassification of Geographic Information System projects from Budget Purpose 6 to Budget Purpose 1. Several other items are still awaiting final implementation through the formal regulatory change process.~~

1. Provide Update on Suggestion to Modify or Eliminate the Useful Life Calculation requirements. – Mark Bartholomew

Mark Bartholomew presented an updated Useful Life Calculation Worksheet that was developed by the Useful Life Streamlining Subcommittee made up of Mark Bartholomew, Timothy Roscoe, Chendi Zhang, Sara Jordan, Ken Solano and Mike Norman. Mark Bartholomew noted that in comparing the use of the old useful life worksheet versus the new useful life worksheet that of the 91 loans submitted through the RD Apply system in FY 2018, 8 loans had a useful life of less than 35 years utilizing the old worksheet and only 2 had a useful life of less than 35 years utilizing the new worksheet. The suggestion to modify 7 CFR 1710.115 to allow all loans for existing Distribution Borrowers to have a 35-year maturity period with RUS having the right to reduce the maturity period on a case by case basis did have some support, however, it was decided to just use the New Useful Life Worksheet for future loans at this time. The Streamlining Committee determined this to be the best course of action to determine how often a loan maturity period of less than 35 years occurs.

Please note either worksheet may be used to. If the shorter (older) version produces a useful life less

From: Colson, Michelle - RD, Pierre, SD

Sent: Friday, November 9, 2018 8:54 AM

To: RD-RUS-Electric-OLOA-Field <RD-RUS-Electric-OLOA-Field@usdagcc.onmicrosoft.com>; Elliott, Jim - RD, '1

Cc: Solano, Kenneth - RD, Washington, DC <Kenneth.Solano@wdc.usda.gov>; Flanigan, Emily - RD, Washing

Subject: Useful life certification statement and useful life calculation worksheet clarifications

GFRs and OLOA Engineering Staff,

As coordinated with and through Ken Solano, please find clarifying information below.

1) If a calculation worksheet is presented with the 740C form in conjunction with a loan, then the useful life **TRUE**. In RD Apply the useful life worksheet would be uploaded here:



2) The calculation worksheet is required to be presented **by the Customer and/or GFR** with every loan. True **FALSE**. Either a statement certifying that at least 90 percent of the loan funds are for facilities that have a u

Definitions/examples attached:

Useful Life Certification Statement

 Useful Life Certification Statement.pdf

Useful Life Calculation Worksheet (old)

 Useful Life Calculation Worksheet Example (old).xlsx

Useful Life Calculation Worksheet (updated)

 Useful Life Calculation Worksheet (updated 10.9.2018).xlsx

7CFR 1710.501(a)(3)(ii) Useful life of facilities financed by the loan. Form 740c must include, as a note, either

7CFR 1710.115 Final maturity

(b) Loans made or guaranteed by RUS for facilities owned by the borrower generally must be repaid with int

Thank you,

**Michelle Colson | Supervisory General Field Representative
Rural Development | Rural Utilities Service | Electric Program
Cell: 701.629.2585**

<http://www.rd.usda.gov/programs-services/all-programs/electric-programs> | "Committed to the future of rural c
USDA is an equal opportunity provider, employer, and lender.

more than 35 years, using the more robust may produce more favorable results albeit more keying of data

Washington, DC <Jim.Elliott@wdc.usda.gov>

Washington, DC <Emily.Flanigan@wdc.usda.gov>; Waddell, Colin - RD, Washington, DC <Colin.Waddell@wdc.usda.gov>

certification statement is NOT required. True or False?

True or False?

useful life of 33 years or longer, or a schedule showing the costs and useful life of those facilities with a useful

include a statement certifying that at least 90 percent of the loan funds are for facilities that have a useful life of 33

interest within a period, up to 35 years, that approximates the expected useful life of the facilities financed. The

communities"

1.

>]; Gaby, Devin - RD, Washington, DC <Devin.Gaby@wdc.usda.gov>; Saba, Philip - RD, Washington, DC <Phi

ul life of less than 33 years.

3 years or longer, or a schedule showing the costs and useful life of those facilities with a useful life of less than

: expected useful life shall be based on the weighted average of the useful lives that the borrower proposes for

ilip.Saba@wdc.usda.gov>; Tuffuo, Ned - RD, Washington, DC <Ned.Tuffuo@wdc.usda.gov>; Roscoe, Timothy

in 33 years. This statement or schedule will be used to determine the final maturity of the loan. See §1710.11

or the facilities financed by the loan, provided that the proposed useful lives are deemed appropriate by RUS.

' - RD, Washington, DC <Timothy.Roscoe@wdc.usda.gov>; Boyette, Ken - RD, Washington, DC <Ken.Boyette@wdc.usda.gov>

!5.

RUS Form 740c, Cost Estimates and Loan Budget for Electric Borrowers, submitted as part of the loan application.

@wdc.usda.gov>

ation must include, as a note, either a statement certifying that at least 90 percent of the loan funds are for f

facilities that have a useful life of 33 years or longer, or a schedule showing the costs and useful life of those

facilities with a useful life of less than 33 years. If the useful life determination proposed by the borrower is not

ot deemed appropriate by RUS, RUS will base expected useful life on an independent evaluation, the manufa

cturer's estimated useful-life or RUS experience with like-property, as applicable. Final maturities for loans fo

r the implementation of programs for demand side management and energy resource conservation and on c

and off grid renewable energy sources not owned by the borrower will be determined by RUS. Due to the unc

ertainty of predictions over an extended period of time, RUS may add up to 2 years to the composite average

: useful life of the facilities in order to determine final maturity.

7CFR 1710.501(a)(3)

(ii) Useful life of facilities financed by the loan. Form 740c must include, as a note, **either** a statement certifying the percent of the loan funds are for facilities that have a useful life of 33 years or longer, or a schedule showing the useful life of those facilities with a useful life of less than 33 years. This statement or schedule will be used to determine the useful life of the loan. See §1710.115.

ng that at least 90
the costs and useful
nine the final maturity

§1710.115 Final maturity.

(a) RUS is authorized to make loans and loan guarantees with a final maturity of up to 35 years. The borrower may elect a repayment period for a loan not longer than the expected useful life of the facilities, not to exceed 35 years. Most of the electric facilities financed by RUS have a long useful life, often approximating 35 years. Some facilities, such as load management equipment and Supervisory Control and Data Acquisition equipment, have a much shorter useful life due, in part, to obsolescence. Operating loans to finance working capital required for the initial operation of a new system are a separate class of loans and usually have a final maturity of less than 10 years.

(b) Loans made or guaranteed by RUS for facilities owned by the borrower generally must be repaid with interest within a period, up to 35 years, that approximates the expected useful life of the facilities financed. The expected useful life shall be based on the weighted average of the useful lives that the borrower proposes for the facilities financed by the loan, provided that the proposed useful lives are deemed appropriate by RUS. RUS Form 740c, Cost Estimates and Loan Budget for Electric Borrowers, submitted as part of the loan application must include, as a note, either a statement certifying that at least 90 percent of the loan funds are for facilities that have a useful life of 33 years or longer, or a schedule showing the costs and useful life of those facilities with a useful life of less than 33 years. If the useful life determination proposed by the borrower is not deemed appropriate by RUS, RUS will base expected useful life on an independent evaluation, the manufacturer's estimated useful-life or RUS experience with like-property, as applicable. Final maturities for loans for the implementation of programs for demand side management and energy resource conservation and on and off grid renewable energy sources not owned by the borrower will be determined by RUS. Due to the uncertainty of predictions over an extended period of time, RUS may add up to 2 years to the composite average useful life of the facilities in order to determine final maturity.

(c) The term for loans made to finance Eligible EE Programs will be determined in accordance with §1710.408 of this part.

(d) The Administrator may approve a repayment period longer than the expected useful life of the facilities financed, up to 35 years, if a longer final maturity is required to ensure repayment of the loan and loan security is adequate.

(e) The final maturity of a loan established pursuant to the provisions of this section shall not be extended as a result of extending loan payments under section 12(a) of the RE Act.

[58 FR 66265, Dec. 20, 1993, as amended at 60 FR 3731, Jan. 19, 1995; 68 FR 54236, May 7, 2003; 78 FR 73366, Dec. 5, 2013]

From: Colson, Michelle - Pierre, SD
Sent: Tuesday, September 14, 2010 10:01 AM
To: Johnson, Aaron - Penfield, IL; Bowers, Dan - Boise, ID; Schlaeppli, Denver - Billings, MT; Doyle, Mark - Cavalier, ND; Marchegiani, Eric - Eagle River
Cc: Philpott, Charles - Washington, DC; Jenkins, Brian - Washington, DC; Badin, Joe - Washington, DC
Subject: FW: # of miles being reported under the reimbursement to general funds on the 740C Form

Greetings,

If you start reading this email from the bottom up, it should make sense as to the content and final advisement of what is to be the proper miles of line be

My apologies-
Michelle Colson|General Field Representative
Rural Development | Rural Utilities Service | Electric Program
PO Box 219|Pierre, SD 57501

website: www.usda.gov/rus

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From: Colson, Michelle - Pierre, SD
Sent: Tuesday, September 14, 2010 9:48 AM
To: Philpott, Charles - Washington, DC
Cc: Johnson, Aaron - Penfield, IL; Badin, Joe - Washington, DC; Jenkins, Brian - Washington, DC
Subject: RE: # of miles being reported under the reimbursement to general funds on the 740C Form

Thank you, Charlie.

I'll be sending out to all the NRD GFR's so we are all on the same page.

Michelle Colson|
From: Philpott, Charles - Washington, DC
Sent: Tuesday, September 14, 2010 9:44 AM
To: Colson, Michelle - Pierre, SD
Cc: Johnson, Aaron - Penfield, IL; Badin, Joe - Washington, DC; Jenkins, Brian - Washington, DC
Subject: RE: # of miles being reported under the reimbursement to general funds on the 740C Form

Michelle,
The new miles of lines associated with the reimbursement of general funds are identified/defined as follows:

- 1 Miles of line built to connect new customers- Code 100
- 2 Miles of line built as tie line-Code 200

3 Miles of line built as new transmission line-Code 800

Note that these are "new" line miles and not miles of line associated with work done on "existing" line-Code 300 & 1000 or Code 600 series-line replacer

Let me know if further information is needed.

Charles

From: Colson, Michelle - Pierre, SD

Sent: Thursday, September 02, 2010 2:32 PM

To: Philpott, Charles - Washington, DC

Subject: # of miles being reported under the reimbursement to general funds on the 740C Form

Charles,

In Denver it became apparent that there are a few different "definitions" that GFR's are using to report the # of miles in the reimbursement to general fun

Please advise me which of the below (or if none, please provide correct information) should be used to populate this information:

A) For every eligible 219 form shown on the reimbursement to general funds schedule include the gross number of miles built for all 740C Codes. (base
Example: WOI shows code 100 with 2 miles of new line to serve 2 new consumers and code 300 with 20 miles of new line replacing 20 miles c

B) For every eligible 219 form shown on the reimbursement to general funds schedule include the net number of miles built for all 740C Codes. (based
Example: WOI shows code 100 with 2 miles of new line to serve 2 new consumers and code 300 with 20 miles of new line replacing 20 miles c

C) For every eligible 219 form shown on the reimbursement to general funds schedule include the gross number of miles built for Code 100's. (based or
Example: WOI shows code 100 with 2 miles of new line to serve 2 new consumers and code 300 with 20 miles of new line replacing 20 miles of old line ;

From: Elliott, Jim - Washington, DC

Sent: Wednesday, January 18, 2006 4:23 PM

To: Bohan, Timothy - Bismarck, DC; Johnson, Aaron - Penfield, IL 61862, DC; Richardson, Richelle - Washington, DC; Seaton, Albert - Clear Lake, IA; L

Cc: Jenkins, Brian - Washington, DC; Philpott, Charles - Washington, DC

Subject: New Loan Requirement

Importance: High

In order to track Electric Program performance (required by OMB), we are tracking new connects and new miles of line being added in each loan applica

Let me know if you have any questions.

James F. Elliott

Deputy Director

Northern Regional Division

Michelle Colson|General Field Representative

Rural Development | Rural Utilities Service | Electric Program

PO Box 219|Pierre, SD 57501

website: www.usda.gov/rus

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; AK; Norman, Mike - Lexington, KY; Bormann, Pat - Bode, IA; Rhein, James - West Norriton, PA; Jensen, Robyn - Prescott, WI; Richardson, Richelle - 6

ing reported on the Form 740C under the reimbursement to general funds. Just thought I'd pass along in case anyone else was interested and to provid

nents.

ds on the 740C Form. This was added as a reporting requirement for the GFR's in January of 2006. Please see the email below for the only guidance p

d on below this would be 24 miles)
of old line and Code 200 with 2 miles of new line.

on below this would be 4 miles)
of old line and Code 200 with 2 miles of new line.

1 below this would be 2 miles)
and Code 200 with 2 miles of new line.

Jm, Won - Ellicott City, DC; McDevitt, William - Columbus, DC; Norman, Mike - Lexington, DC; Colson, Michelle - Pierre, DC; Stanley, Kris - West St. Pau

tion. We have not been capturing this information in loans containing reimbursement up to this point (with the exception being 100 percent reimburseme

Spotsylvania, Va; Bohan, Timothy - Bismarck, ND

le apologies to those GFR's who I've provided "training" to since I've been doing it incorrectly since 2006. I am off to update my notes on the 740C now..

rovided that I can find in my records.

il, DC; Schlaeppi, Denver - Billings, DC; Endres, David - Bloomington, DC; Bowers, Dan - Boise, DC

ent loans). To this end, you will need to include a breakout of new consumer connects as well as miles of line tied to any reimbursement contained in any

/ new loan request as well as submit this information to Engineering for any loans currently in-house.

INSTRUCTIONS FOR PREPARATION OF RUS FORM 740c
(See 7 CFR 1710, Subpart I, for Additional Information)

If additional space is required for any item, attach continuation sheets as needed.

Prepare an original and one copy of this form for submission to RUS as part of the loan application.

Insert the borrower and loan designation, the date used for preparation of cost estimates, and the number of years the application is to cover.

SECTION A. COST ESTIMATES

The borrower should insert cost estimates only in the column titled "Borrower's Cost Estimates." RUS will complete the column headed "RUS Use Only" when the borrower's cost estimate varies from RUS's.

Estimates should be obtained from a current construction Work Plan which is in agreement with an approved long-range engineering study.

All estimates shown hereon should include material, labor and overhead costs, less any contributions in aid of construction (i.e., NET COST).

Where reimbursement of general funds for completed construction is requested, insert the amount under the appropriate budget purpose. On a separate sheet, itemize and describe the general fund expenditures to be reimbursed, showing applicable budget purpose and amount per item.

1. DISTRIBUTION:

a. NEW LINE:

Insert number of consumers, number of miles, and total estimated cost including R/W clearing. (Estimates for underground and overhead construction should be shown separately.) Do not duplicate costs shown separately in items 1.f. and 1.g. Indicate the number of total new consumers to be served and total of new miles to be constructed. (Miles of secondary, services and underbuild should be included in the pole line miles shown.)

b. NEW TIE-LINES:

Show location by map reference and substation designation, line voltage (kV), conductor size and phasing, miles and estimated cost of each new tie-line. Also show whether the construction is overhead or underground. If there is insufficient space to itemize each tie-line, insert the total miles and estimated cost and give a description of each tie-line on an attached sheet.

c. CONVERSION AND LINE CHANGES:

Show location by map reference and substation designation, indicate old and new conductor size and phasing, miles, and estimated cost. Also show whether the construction is overhead or underground. If there is insufficient space to itemize each conversion and line change, insert the total estimated cost and give a detailed description of each conversion and line change on an attached sheet.

d. NEW SUBSTATIONS, SWITCHING STATIONS, METERING POINTS, ETC.:

For each new station, insert the station designation shown in the Construction Work Plan, the kVA rating, high and low side voltage classification, and estimated cost. (If procurement of station sites is to be financed with loan funds, the cost should be included in the estimate for the station.)

e. SUBSTATION, SWITCHING STATION AND METERING POINT CHANGES:

Identify each station by the designation shown in the Construction Work Plan and describe the changes to be made and the estimated cost.

f. MISCELLANEOUS DISTRIBUTION EQUIPMENT:

- (1) Show the number and the total estimated installed cost of all transformers and meters used to serve new and existing consumers in this loan. Furnish separate estimates for underground and overhead construction.
- (2) Insert the number of sets of service wires and estimated cost in this loan application to increase the capacity of existing consumers.
- (3) - (5)
Insert the estimated cost of new sectionalizing equipment, line voltage regulators and capacitors.
- (6) Insert the net cost of ordinary replacements (installed cost of new facility less original cost of facility being replaced).
- (7) - (10)
Use these lines to show the estimated cost of other distribution equipment not listed above.

g. OTHER DISTRIBUTION ITEMS:

- (1) Insert estimated cost of engineering fees (include details in the Construction Work Plan). Only those engineering costs associated with distribution facilities and not included in the cost estimates for items 1.a. through 1.f. should be included (i.e., long-range plans, sectionalizing studies, etc.).
- (2) Insert the estimated cost of security lights.
- (3) and (4)
Use these lines to show purpose, type, and estimated cost of other distribution items not listed above.

TOTAL DISTRIBUTION: Enter the sum of subtotals 1.a. through 1.g. above.

2. TRANSMISSION:

a. NEW LINE:

For each new line, insert the line designation (i.e., Westover to Shady Grove) as shown in the Construction Work Plan, line voltage (kV), wire size, miles, and total estimated cost including R/W clearing.

b. NEW SUBSTATIONS, SWITCHING STATIONS, ETC.:

For each new station, insert the station designation as shown in the Construction Work Plan, kVA rating, high and low side voltage classification, and estimated cost. (New stations under this item should not be mistaken for new stations under Item 1 - Distribution. Any station not used for distribution purposes shall be considered a transmission station, except for the generating plant step-up substation which should be shown under Item 3.) If procurement of station sites is to be financed with loan funds, this cost should be included in the estimate for the station.

c. LINE AND STATION CHANGES:

For each conversion or line change, insert the line or station designation as shown in the Construction Work Plan, a description of changes, and the total estimated cost.

d. OTHER TRANSMISSION ITEMS:

(1) Insert all cost anticipated for the purchase, and/or procurement of transmission line right-of-way except attorney fees and clearing, which should be shown under Items 6 and 2.a., respectively.

(2) Insert the estimated cost of engineering fees (including details in the Construction Work Plan). Only those engineering costs associated with transmission projects, and not already included in the line and station cost estimates of item 2.a., b. and c., should be shown (i.e., environmental reports, system studies, etc.).

(3) - (6)
Use these lines to show purpose, type, and estimated cost of transmission items not listed above (i.e., transmission-related communications or control equipment, etc.).

TOTAL TRANSMISSION: Enter the sum of subtotals 2.a through 2.d. above.

3. GENERATION (Including step-up station at plant):

a. Insert the kind of fuel to be used in the plant, the nameplate rating (kW), and the total estimated cost. (A detailed breakdown of each proposed generation project should be attached to this form, indicating the various items for which financing is requested. This breakdown should be in the form of, or supported by, an engineer's report.)

b. Use this line to show the estimated cost of generating facilities not included above.

TOTAL GENERATION: Enter the sum of items 3.a. and 3.b. above.

4. HEADQUARTERS FACILITIES

a. NEW OR ADDITIONAL FACILITIES:

Insert total estimated cost. Complete and attach an original and one copy of RUS Form 740g for each project. (See instructions on reverse of RUS form 740g.)

b. Use this line to show the estimated cost of headquarters facilities not included above.

TOTAL HEADQUARTERS FACILITIES: Enter the total of items 4.a. and 4.b. above.

5. ACQUISITIONS:

a. Insert the number of consumers, miles or line to be acquired, and the total cost of the proposed acquisition. On a separate sheet, itemize: (1) the approximate purchase price of the acquisition; (Give breakdown and apportioned purchase price of distribution, transmission and/or generating plant facilities.) (2) a description and estimated costs of rehabilitation and integration; (3) Engineering fees.

b. Use this line to show the kinds and estimated cost of facilities to be acquired not included above.

TOTAL ACQUISITIONS: Enter the total of items 5.a. and 5.b. above.

6. ALL OTHER:
a. - e.

These lines are to be used for costs not listed above, such as legal fees, general plant equipment, etc. (Funds for general plant equipment generally will only be approved in initial loans.) All requests for funds under this budget purpose should be accompanied by a breakdown and justification for the requested funds.

TOTAL ALL OTHER: Enter the sum of items 6.a. through 6.d. above.

SECTION B. SUMMARY OF AMOUNTS AND SOURCES OF FINANCING

Note: Items 1 and 3 below may require adjustment before entering in final form (see "ADJUSTMENT" below). All other items may be entered in final form.

1. GRAND TOTAL - ALL COSTS:

Insert the total of Budget Purposes 1 through 6 above.

2. FUNDS AND MATERIALS AVAILABLE FOR FACILITIES:

a. LOAN FUNDS:

Insert the total amount of funds available from prior loans, as of the "Cut-Off" date, which are not required for original loan purposes. Attach RUS Form 602 and an explanation if necessary.

b. MATERIALS AND SPECIAL EQUIPMENT:

Insert the dollar value of materials and special equipment on hand which will be used for the proposed construction. Attach information identifying, by budget purpose, the kinds of materials or special equipment being applied to this loan and their dollar value. Do not include materials and special equipment needed for normal operation of the system.

c. GENERAL FUNDS:

Insert the total amount of general funds available for construction of the facilities listed (i.e., general funds now available plus general funds to become available during the loan period.) For existing general funds, attach a statement indicating the need for any adjusted general funds in excess of RUS guidelines which will not be used for the proposed construction (attach RUS Form 740a).

d. TOTAL AVAILABLE FUNDS FOR FACILITIES:

Insert the total of Items 2.a., b. and c. of this section and enter as Item 2.d.

3. NEW FINANCING REQUESTED FOR FACILITIES:

Subtract Item 2.d. from Item 1 and enter as Item 3.

4. RUS LOAN REQUESTED FOR FACILITIES:

Insert the percentage of plant financing to be obtained from RUS (see 7 CFR 1710.110). Multiply Item 3 by the decimal equivalent of this percentage; round to the nearest thousand and enter as Item 4.

5. TOTAL SUPPLEMENTAL LOAN REQUESTED:

Insert the percentage of plant financing to be obtained from a supplemental lender and the lender's corporate name. Multiply Item 3 by the decimal equivalent of this percentage and round to the nearest thousand.

Note: Where CFC is the supplemental lender, the result of the above calculation should be divided by 0.95 before rounding to the nearest thousand.

6. CAPITAL TERM CERTIFICATE PURCHASES (CFC LOANS ONLY):

Multiply Item 5 by 0.05 and enter as Item 6. For loans made by supplemental lenders other than CFC, enter zero.

7. SUPPLEMENTAL LOAN REQUESTED FOR FACILITIES:

Subtract Item 6 from Item 5 and enter as Item 7.

ADJUSTMENT: After the above calculations have been completed, adjust Item 3 such that it equals Item 4 plus Item 7. Next adjust Item 1 and a cost estimate in Section A such that Item 2 plus Item 3 equals Item 1.

SECTION C. CERTIFICATION

Manager and board president must sign and date form (original and one copy). Insert borrower's corporate name.