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DOCKET# 44676
DOCUMENT# 191933

CORRECTED ORDER
Docket No. 44676
Order Approving Request for Financing Authority

IN RE: Application of Cobb EMC for Approval of Financing Authority

BY THE COMMISSION:

Cobb EMC is seeking to renew its existing lines of credit with CoBank and Bank of America. The replacement lines of credit will be in the amount of $50,000,000 with CoBank and $30,000,000 with Bank of America, with a total of $80,000,000. Each loan will be an unsecured revolving line of credit with a 5-year term. The CoBank loan will include an accordion mechanism for Cobb EMC to request an increase in the amount of the loan of up to an additional $25,000,000 (taking into account the increase, the total CoBank commitment would be in an amount up to $75,000,000), which will be subject to CoBank's acceptance of such request at CoBank's sole discretion. The Bank of America loan will include an accordion mechanism for Cobb EMC to request an increase in the amount of the loan of up to an additional $20,000,000 (taking into account the increase, the total Bank of America commitment would be in an amount up to $50,000,000), which will be subject to Bank of America's acceptance of such request at Bank of America's sole discretion.

The purpose of the lines of credit is to provide financing for interim capital expenditures and operating expenses

The Commission finds that in no instance shall any of the financing approved by the Commission via this application be used to make loans to a gas affiliate of the applicant, any other electric membership corporation, or any joint venture of an affiliate of any electric membership corporation that participates in natural gas marketing activities as contemplated by O.C.G.A. Section 46-4-150 et seq.

The Commission finds that Cobb EMC shall take all reasonable steps to prevent cross-subsidization between the electric services that it may provide at this time or in the future, and the natural gas services that it, any other electric membership corporation, or any joint venture of an affiliate of any electric membership corporation may offer.

The Commission finds that Cobb EMC will take all reasonable steps to reduce or eliminate any potential stranded costs.

The Commission finds that it has jurisdiction over this matter pursuant to Georgia Code Sections 46-2-28 and 46-3-12. The Commission also finds that the proposed loan is reasonable and falls within the spirit and intent of the above Code Sections. The Commission further finds that a public hearing on this matter is not necessary pursuant to Commission Rule 515-4-1-.01.

Wherefore, it is

ORDERED, that for the purposes as set forth herein and in the application Cobb EMC be, and the same is hereby authorized to renew its existing lines of credit from CoBank and Bank of America. The replacement lines of credit will be in the amount of $50,000,000 with CoBank and $30,000,000 with Bank of America, with a total of $80,000,000. Each loan will be an unsecured revolving line of credit with a 5-year term. The CoBank loan will include an accordion mechanism for Cobb EMC to request an increase in the amount of the loan of up to an additional $25,000,000 (taking into account the increase, the total CoBank commitment would be in an amount up to $75,000,000), which will be subject to CoBank's acceptance of such request at CoBank's sole discretion. The Bank of America loan will include an accordion mechanism for Cobb EMC to request an increase in the amount of the loan of up to an additional $20,000,000 (taking into account the increase, the total Bank of America commitment would be in an amount up to $50,000,000), which will be subject to Bank of America's acceptance of such request at Bank of America's sole discretion.

ORDERED FURTHER, that the proceeds from the loans herein authorized shall be used for the purposes as set forth in the application and in this order.

ORDERED FURTHER, that in no instance shall any of the financing approved by the Commission via this application be used to make loans to a gas affiliate of the applicant, any other electric membership corporation, or any joint venture of an affiliate of any electric membership corporation that participates in natural gas marketing activities as contemplated by O.C.G.A. Section 46-4-150 et seq.

ORDERED FURTHER, that Cobb EMC shall take all reasonable steps to prevent cross-subsidization between the electric services that it may provide at this time or in the future, and the natural gas services that it, any other electric membership corporation, or any joint venture of an affiliate of any electric membership corporation may offer.

ORDERED FURTHER, that Cobb EMC shall take all reasonable steps to reduce or eliminate any potential stranded costs.

ORDERED FURTHER, that a motion for reconsideration, rehearing, or oral argument shall not stay the effectiveness of this order unless otherwise provided by the Commission.

ORDERED FURTHER, that jurisdiction over this matter is expressly retained for the purpose of entering such further order or orders as this Commission may deem just and proper.

The above action of the Commission in Administrative Session on October 18, 2022.

Sallie Tanner
Executive Secretary

10-27-22
Date

Tricia Pridemore
Chairman

10.27.22
Date