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Docket No. 55424

Order Approving Request for Financing Authority

IN RE: Application of Coastal Electric Cooperative for Approval of Financing Authority

BY THE COMMISSION:

On October 25, 2023, Coastal Electric Cooperative filed a request for a new loan in the amount of $40,000,000 with USDA/RUS: $23,500,000 is for electric and $16,500,000 is for fiber. The interest rate for the loan will be determined by the Federl Financing Bank upon the receipt of the request for advancement of funds.

The purpose of the loan is to improve electric service and Smart Grid Communications. The interest rate may range from 3% to 7%. The workplan length is 4 years.

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 Coastal Electric Cooperative 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 Coastal Electric Cooperative 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 Coastal Electric Cooperative be, and the same is hereby authorized to borrow $40,000,000 FFB.

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 Coastal Electric Cooperative 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 Coastal Electric Cooperative 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 November 21, 2023.

Sallie Tanner
Executive Secretary

11-28-23
Date

Jason Shaw
Chairman

11-28-23
Date