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COMMISSIONERS:
JASON SHAW, CHAIRMAN
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LAUREN "BUBBA" McDONALD
TRICIA PRIDEMORE
FITZ JOHNSON

REECE McALISTER
EXECUTIVE DIRECTOR

SALLIE TANNER
EXECUTIVE SECRETARY

Georgia Public Service Commission

(404) 656-4501
(800) 282-5813

244 WASHINGTON STREET, SW
ATLANTA, GEORGIA 30334-5701

FAX: (404) 656-2341
www.psc.state.ga.us

DOCKET NO. 55861: Central Georgia EMC
DOCKET NO. 55862: Excelsior EMC
DOCKET NO. 55863: Snapping Shoals EMC
DOCKET NO. 55864: Upson EMC
DOCKET NO. 55865: Washington EMC

Order Approving Request for Financing Authority

IN RE: Application of EMCs for Approval of Financing Authority

BY THE COMMISSION:

On July 23, 2024, EMCs filed, in tandem, requests for approval to guarantee a line of credit for Cooperative Energy Incorporated (CEI) with the National Rural Utilities Cooperative Financing Corporation (CFC). This is the first loan guarantee request by EMCs for CEI.

CEI is a member-owned, not-for-profit generation and transmission wholesale cooperative comprised of its five-member distribution cooperatives: Central Georgia EMC, Excelsior EMC, Snapping Shoals EMC, Upson EMC, and Washington EMC. These five distribution cooperatives serve approximately 200,000 members across Georgia and account for approximately 4 billion kilowatt hours in annual sales each year. CEI members are billed based upon actual cost to serve. CEI was incorporated in 1994 and founded by Cobb EMC, Walton EMC and Snapping Shoals EMC.

Each of CEI's members has an agreement with CEI known as the Member Power Purchase Sales and Scheduling Agreement (MPPSSA). Under this agreement each EMC sells its allocated share of power from its subscribed resources to CEI and CEI then optimizes the resources for the benefit of the members. General services provided to CEI members include power supply planning, hedging, optimized scheduling of resources, purchase and sale of energy, and other administrative services. The line of credit with NRUCFC will be used to support CEI's cashflow requirements on a periodic basis.

The total requested line of credit totals $15 million. CEI members allocate expenses and liabilities based on each EMC's pro rata share of the projected annual energy requirements for their respective membership. Therefore the $15 million total line of credit has been allocated to each EMC based on each EMC's respective allocation percentage for 2023. This allocation is adjusted annually to reflect the various growth levels at each EMC. For the loan guarantees for which approval is being requested, each EMC is only obligated for its allocated percentage up to $15 million. Under the terms of the guaranty the lender cannot seek to recover $15 million from each of the five EMCs. The cap in total is $15 million.

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. § 46-4-150 et seq.

The Commission finds that EMCs 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 EMCs 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 O.C.G.A. §§ 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 the EMCs is hereby authorized a line of credit for Cooperative Energy Incorporated (CEI) with the National Rural Utilities Cooperative Financing Corporation (CFC).

ORDERED FURTHER, that the proceeds from the loan 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. § 46-4-150 et seq.

ORDERED FURTHER, that EMCs 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 EMCs 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 August 20, 2024.

Sallie Tanner
Executive Secretary

8-20-24
Date

Jason Shaw
Chairman

8-20-24
Date