Amicalola Electric Membership Corporation
"Owned by Those We Serve"

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November 25, 2024

Ms. Sallie Tanner
Executive Secretary
Georgia Public Service Commission
244 Washington Street
Atlanta, GA 30334

Dear Ms. Tanner:

SUBJECT: RUS Treasury Rate Loan AV45

I am enclosing the following documents that were on your list that will be needed for use in getting the Georgia Public Service Commission to approve our loan:

1. **Board Resolution Authorizing the Loan**
2. **Loan Agreement - *(unexecuted RUS Loan Contract)***
3. **Loan Commitment Letter from USDA/RUS - *(Designation Letter)*, Work Plan 740C with notated changes**
4. **Secured Promissory Note *(Treasury Direct Note)***
5. **Restated Mortgage & Security Agreement**
6. **Work Plan (Form 740C)**
7. **Latest Independent Audit Report**
8. **Balance Sheet and Income Statement (most current)**
9. **EMC Summary for PSC Financing Approval**

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Amicalola EMC authorizes Georgia EMC to file required documentation on our behalf in order to process the loan requested. We have been approved for a loan in the amount of $113,256,000 for a 4 year construction work plan for the cooperative. The rate may range from 3.5%-6.00%, dependent on the maturity selected.

Below you will find the PSC questions and answers regarding loan applications. Please let me know if I can provide any further information.

1) Does Amicalola Electric Membership Corporation hold "excess" revenues for use in paying down OPC debt on an accelerated basis? If yes, when did this practice begin? Provide the total amount of funds accumulated for this purpose to date. If not, does Amicalola Electric Membership Corporation plan to initiate such a program?

> **Response:** Amicalola Electric Membership Corporation does not hold "excess" revenues for use in paying down OPC debt on an accelerated basis. The Cooperative is qualified under Internal Revenue Service ("IRS") Laws & Regulations as a 501(c) (12) to allocate revenues it receives in excess of operating costs and expenses properly chargeable against the furnishing of electric energy to its members which are then held as equity until the Board of Directors elects to return such patronage capital refunds to its members.

2) Does Amicalola Electric Membership Corporation participate in any other program designed to mitigate potential stranded costs? If yes, when did the program begin? If not, why does Amicalola Electric Membership Corporation not participate in a program designed to mitigate potential stranded costs?

> **Response:** Relating to questions on stranded costs, 501(c) (12) Cooperatives are authorized under IRS guidelines to defer revenue from a current year for a period of time not more than five years. All such deferrals must meet the criteria established in FAS 71 and must be approved by the Rural Utilities Service. Such deferral must be accumulated and may only be used to defer future costs of providing electric service. Amicalola Electric Membership Corporation began such deferral in 2004 and has continued such deferral since that date to present. These deferred revenues could be used in an effort to maintain stability of its retail electric rates should deregulation result in one of its wholesale electric suppliers passing along so-called stranded costs to Amicalola Electric Membership Corporation.

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3) Will any new loan funds in Amicalola Electric Membership Corporations Application for Financing Authority, add to any potential stranded costs Amicalola Electric Membership Corporation may claim in the future?

> **Response:** The new loan funds will be used for distribution plant construction which should not add any potential stranded cost exposure based on our expectation of reasonable legislative/regulatory rules that might be imposed.

Please let me know if we can provide any further information.

Your help will be greatly appreciated!

Sincerely,

AMICALOLA ELECTRIC MEMBERSHIP CORPORATION

Todd Payne

Todd Payne
President/CEO

Enclosures