



**United States Department of Agriculture
Rural Development**

Loan Approval Commitment Letter – Indenture – with Felony Certificate Example

Mr./Ms. First Name + Initial + Last Name

Title

Cooperative Name [May continue on the next line]

P.O. Box or Street Address

City, State [Do not abbreviate State and space twice before zip code]

Dear Mr./Ms. Last Name:

We are pleased to advise you that a loan guarantee commitment in the amount of \$[Insert Amount of Loan] has been approved for [Insert Cooperative Name – May continue on the next line] [Insert Cooperative Short Name in parentheses], by the Rural Utilities Service (RUS). Under this commitment, RUS will guarantee a loan of \$[Insert Amount of Loan] to [Insert Cooperative Short Name] from the Federal Financing Bank (FFB) under the terms and conditions set forth in the Note Purchase Commitment and Servicing Agreement dated as of January 1, 1992, as amended, between RUS and FFB. The proceeds of the guaranteed loan, designated “[Insert Loan Designation]”, are to be used by [Insert Cooperative Short Name] to finance only the system extensions and additions described in the RUS Form 740c, Cost Estimates and Loan Budget for Electric Borrowers, dated [Insert date the RUS Form 740 has been signed by Cooperative], enclosed and made a part hereof. Written approval by RUS must be obtained prior to the advancement of any loan proceeds for use for system extensions and additions that are not specifically listed on the enclosed RUS Form 740c.

The “[Insert Loan Designation]” loan contract and related documents, together with instructions, will be forwarded in the future for execution. The “[Insert Loan Designation]” loan is approved with the understanding that the loan documents will be authorized and executed by your organization and returned to us by the date set forth in the letter transmitting the documents.

Please note that this letter does not constitute an approval to advance the loan proceeds. Proceeds are eligible for advancement on the “[Insert Loan Designation]” loan after all conditions below have been met and the proper advance request documentation has been submitted to RUS:

1. RUS has entered into a contract of guarantee with [Insert Cooperative Short Name], and the FFB has agreed, with RUS approval, to make [Insert Cooperative Short Name] a guaranteed loan of \$[Insert Amount of Loan] to finance the system extensions and additions described on the enclosed RUS Form 740c;
2. [Insert Cooperative Short Name] has submitted evidence, in form and substance satisfactory to the Administrator, that the conditions in the contract of guarantee have been satisfied to the extent and in the manner prescribed by the Administrator;
3. [Insert Cooperative Short Name] has submitted evidence, in form and substance satisfactory to the Administrator, that [Insert Cooperative Short Name] has duly authorized, executed, and has delivered to the Administrator the FFB Note and the Reimbursement Note in the manner prescribed by the Administrator;

Committed to the future of rural communities.

“USDA is an equal opportunity provider, employer and lender.”

To file a complaint of discrimination write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call [202] 720-5964 [voice or TDD].

[Insert Cooperative and Loan Designations]

4. [Insert Cooperative Short Name] has submitted evidence, in form and substance satisfactory to the Administrator, that the “[Insert Loan Designation]” loan has been secured under the Indenture, or a supplement thereof, which is in form and substance satisfactory to the Administrator;
5. [Insert Cooperative Short Name] has provided any and all certifications and any related documentation required under the Indenture to [Insert Name of Trustee] as Trustee. In addition, the [Insert Cooperative Short Name] has provided any and all certifications and any related documentation required under the RUS loan contract to RUS; and
6. [Insert Cooperative Short Name] has submitted evidence, in form and substance satisfactory to the Administrator that [Insert Cooperative Short Name] has duly authorized, executed, and delivered to the Administrator a RUS loan contract in the manner prescribed by the Administrator.

[Add any and all additional conditions]

Please note that the approval of this loan guarantee commitment is an offer to [Insert Cooperative Short Name] of the “[Insert Loan Designation]” guaranteed loan. Your acknowledgement and acceptance of the “[Insert Loan Designation]” guaranteed loan is subject to the specified terms and conditions identified above.

This award is subject to the provisions contained in the Consolidated and Further Continuing Appropriations Act, 2015, P. L. 113-235, Division E, Title VII, Sections 744 and 745, as amended and/or subsequently enacted for USDA agencies and offices regarding corporate felony convictions and corporate federal tax delinquencies. Please see the attached certification for compliance with these requirements.

Your acknowledgement and acceptance must be received by RUS, by signature, within 14 calendar days from the date of this letter; otherwise, the commitment will be **VOID. The Chairman or the Board President authorized by your organization to execute the loan documents must execute, date, and return this commitment and the attached Felony Form (AD-3031) via an email attachment to:**

Zena Baldorado
Email Address: loancommitment@wdc.usda.gov

If email is not possible, the signed document can be faxed to 1-844-875-8076. The original executed and dated commitment will remain in your files.

Sincerely,

ACKNOWLEDGED AND ACCEPTED BY:

[Name]

[Title-Loan Approver]

[Title]

Enclosure – RUS Form 740c

[Date]

[Insert Cooperative and Loan Designations]

cc: [Insert name of Manager of Cooperative and Title]
NRUCFC [If appropriate]
CoBank [If appropriate]

Official File [Insert Cooperative & Loan Designations] // Reading File [Insert
Cooperative] // GFR // DRCS [G. Belcher] // Financial Assistant

RUS: [Insert Division Short Name // Author // Typist // Date // File Name]



**United States Department of Agriculture
Rural Development**
Commitment Letter – Mortgage with Felony Certificate

(Date or date stamp)

Mr./Ms. First Name + Initial + Last Name

Title

Cooperative Name [May continue on the next line indented by 0.20 inch]

P.O. Box or Street Address

City, State [Do not abbreviate State and space twice before zip code]

Dear Mr./Ms. Last Name:

We are pleased to advise you that a loan guarantee commitment in the amount of \$[Insert Amount of Loan] has been approved for [Insert Cooperative Name – May continue on the next line] [Insert Cooperative Short Name in parentheses], by the Rural Utilities Service (RUS). Under this commitment, RUS will guarantee a loan of \$[Insert Amount of Loan] to [Insert Cooperative Short Name] from the Federal Financing Bank (FFB)] under the terms and conditions set forth in the Note Purchase Commitment and Servicing Agreement dated as of January 1, 1992, as amended, between RUS and FFB. The proceeds of the guaranteed loan, designated “[Insert Loan Designation]”, are to be used by [Insert Cooperative Short Name] to finance only the system extensions and additions described in the RUS Form 740c, Cost Estimates and Loan Budget for Electric Borrowers, dated [Insert date the RUS Form 740 has been signed by Cooperative], enclosed and made a part hereof. Written approval by RUS must be obtained prior to the advancement of any loan proceeds for use for system extensions and additions that are not specifically listed on the enclosed RUS Form 740c.

The “[Insert Loan Designation]” loan contract and related documents, together with instructions, will be forwarded in the future for execution. The “[Insert Loan Designation]” loan is approved with the understanding that the loan documents will be authorized and executed by your organization and returned to us by the date set forth in the letter transmitting the documents.

Please note that this letter does not constitute an approval to advance the loan proceeds. Proceeds are eligible for advancement on the “[Insert Loan Designation]” after all conditions below have been met and the proper advance request documentation has been submitted to RUS:

1. The RUS has entered into a contract of guarantee with [Insert Cooperative Short Name], and the FFB has agreed, with RUS approval, to make [Insert Cooperative Short Name] a guaranteed loan of \$[Insert Amount of Loan] to finance the system extensions and additions described on the enclosed RUS Form 740c;
2. [Insert Cooperative Short Name] has submitted evidence, in form and substance satisfactory to the Administrator, that the conditions in the contract of guarantee have been satisfied to the extent and in the manner prescribed by the Administrator;

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[Insert Borrower & Loan Designation]

3. [Insert Cooperative Short Name] has submitted evidence, in form and substance satisfactory to the Administrator, that [Insert Cooperative Short Name] has duly authorized, executed, and has delivered to the Administrator a RUS loan contract, the FFB Note and the Reimbursement Note in the manner prescribed by the Administrator; and,
4. [Insert Cooperative Short Name] has submitted evidence, in form and substance satisfactory to the Administrator, that [Insert Cooperative Short Name] has duly authorized, executed, delivered, recorded, and filed a mortgage or other security instrument, if required, which is in form and substance satisfactory to the Administrator.

[Add any and all additional conditions]

Please note that the approval of this loan guarantee commitment is an offer to [Insert Cooperative Short Name] of the [Insert Loan Designation] guaranteed loan. Your acknowledgment and acceptance of the [Insert Loan Designation] guaranteed loan is subject to the specified terms and conditions identified above.

This award is subject to the provisions contained in the Consolidated and Further Continuing Appropriations Act, 2015, P. L. 113-235, Division E, Title VII, Sections 744 and 745, as amended and/or subsequently enacted for USDA agencies and offices regarding corporate felony convictions and corporate federal tax delinquencies. Please see the attached certification for compliance with these requirements.

Your acknowledgement and acceptance must be received by RUS, by signature, within 14 calendar days from the date of this letter; otherwise, the commitment will be **VOID. The Chairman or the Board President authorized by your organization to execute the loan documents must execute, date, and return this commitment and the attached Felony Form (AD-3031) via an email attachment to:**

Zena Baldorado
Email Address: loancommitment@wdc.usda.gov

If email is not possible, the signed document can be faxed to 1-844-875-8076. The original executed and dated commitment will remain in your files.

Sincerely,

ACKNOWLEDGED AND ACCEPTED BY:

Name: _____

Title: _____

Date: _____

[Title-Loan Approver]

Enclosure – RUS Form 740c

[Insert Borrower & Loan Designation]

cc: [Insert name of Manager of Cooperative and Title]
NRUCFC [If appropriate]
CoBank [If appropriate]

Official File [Insert Cooperative & Loan Designations] // Area File [Insert Cooperative & Loan Designations] Reading File [Insert Cooperative] // GFR // DRCS [G. Belcher] // Financial Assistant

RUS: [Insert Division Short Name // Author // Typist // Date // File Name]

USDA-RUS

Form Approved
OMB No. 0572-0032

COST ESTIMATES AND LOAN BUDGET

FOR ELECTRIC BORROWERS

To: U.S. Dept. of Agriculture, RUS, Washington, D. C. 20250

BORROWER AND LOAN DESIGNATION
XYZ Company

COST ESTIMATES AS OF: (Month, Year)
September 2011

INSTRUCTIONS See tabs "Pg1 Instr" through "Pg4 Instr"

SECTION A. COST ESTIMATES

LOAN PERIOD 4 YEARS
2011-2015 CWP

				BORROWER'S COST ESTIMATES	RUS USE ONLY
1. DISTRIBUTION					
100	a. New Line: (Excluding Tie-Lines)			284,480	
	<u>Construction</u>	<u>Consumers</u>	<u>Miles</u>		
101	Underground	80	8.0		
102	Overhead	320	32.00	800.000	
	Total Consumers	400	Total Miles 40.00	484,480	
	Less Contributions				
	<i>Subtotal (New Line - code 100)</i>			600.000	
200	b. New Tie-Lines				
	<u>Line Designation</u>		<u>Miles</u>		
201	Westbrook to Little Car single phase tie-line		0.50		
202					
203					
204					
205					
206					
	<i>Subtotal from page 1A</i> Miles 0.50				
	<i>Subtotal (Includes subtotals from pages 1A)</i> Miles 0.50			\$12,500	
				\$16,704	
300	c. Conversion and Line Changes				
	<u>Line Designation</u>		<u>Miles</u>		
301	Tie - Siding to Cold Ridge Ice/ Clearance Remediation		6.90		
302	Highway 2B Three Phase Reconstruction		20.00	970.000	
303	Town Voltage Conversion		36.60	444.380	
304	Bird Three Phase Extension to the Park		10.00	430.000	
305	Bird - 7 Mile Distribution Extension		0.20	8.600	
306					
307					
308					
309					
310					
	<i>Subtotal from page 1A</i> Miles				
	<i>Subtotal (Includes subtotals from pages 1A)</i> Miles 73.70			\$1,869,684	
				\$2,500,000	
400	d. New Substations, Switching Stations, Metering Points, etc.				
	<u>Station Designation</u>	<u>kVA</u>	<u>kV to kV</u>		
401	New Bird Substation	10,000	115/24.9		
402	New Car Substation	2,500	34.5/12.47	820.000	
403	New Town Substation	20,000	230/12.47	1,028.000	
404					
405					
406					

<i>Subtotal</i>	\$4,348,000	
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Example

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	<u>b. New Tie-Lines (Continued)</u>		
	Line Designation	Miles	
207			
208			
209			
210			
211			
212			
213			
214			
215			
216			
	Miles		
	Subtotal (transfers to page 1)		
300	<u>c. Conversion and Line Changes (Continued)</u>		
	Line Designation	Miles	
311			
312			
313			
314			
315			
316			
317			
318			
319			
320			
321			
322			
323			
324			
325			
326			
327			
328			
329			
330			
331			
332			
333			
334			
335			
336			
337			
338			
339			
340			
341			
342			
343			
344			
345			
346			
347			
348			
349			
350			
351			
352			
353			
354			
	Subtotal (transfers to page 1)	Miles	

_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

810

Subtotal - Miles from Page 2A _____
Total Miles _____
Subtotal From Page 2A _____
Subtotal

Example

SECTION A. COST ESTIMATES (Page 2 Continuation Sheet)

BORROWER'S COST ESTIMATES

RUS USE ONLY

500 e. Substation, Switch Stations, Metering Point Changes (Continued)			
Station Designation	kVA	kV TO kV	
510			
511			
512			
513			
514			
515			
516			
517			
518			
519			
520			
521			
522			
523			
524			
525			
526			
527			
528			
529			
530			
531			
532			
533			
534			
535			
536			
537			
538			
539			
540			
541			
542			
543			
544			
545			
546			
547			
548			
549			
550			
551			
552			
553			
554			

Subtotal (transfers to page 2)

800 a. New Line (Continued)			
Line Designation	Voltage	Wire Size	Miles
811			
812			
813			
814			
815			
816			
817			
818			
819			
820			

Subtotal - Miles (transfers to page 2)

Subtotal (transfers to page 2)

SECTION A. COST ESTIMATES (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				
902				
903				
904				
905				
906				
907				
908				
	<i>Subtotal From Page 3A</i>			
	<i>Subtotal</i>			
1000	c. Line and Station Changes			
	<u>Line/Station Designation</u>	<u>Description of Changes</u>		
1001				
1002				
1003				
1004				
1005				
1006				
1007				
1008				
1009				
	<i>Subtotal From page 3A through 3C</i>			
	<i>Subtotal</i>			
1100	d. Other Transmission Items			
1101	(1) R/W Procurement			
1102	(2) Engineering Fees			
1103	(3) Reimbursement of General Funds (see schedule)			
1104	(4)			
	<i>Subtotal</i>			
	TOTAL TRANSMISSION.....			
1200	3. GENERATION (including Step-up Station at Plant)			
1201	a Fuel	Nameplate Rating	kW	
1202	b.			
	TOTAL GENERATION.....			
1300	4. HEADQUARTERS FACILITIES			
1301	a. New or additional Facilities	(Attach RUS Form 740g)		
1302	b.			

TOTAL HEADQUARTERS FACILITIES

Example

COST ESTIMATE AND LOAN BUDGET FOR ELECTRIC BORROWERS			BORROWER AND LOAN DESIGNATION	
SECTION A. COST ESTIMATES (Page 3 Continuation Sheet)			BORROWER'S COST ESTIMATES	RUS USE ONLY
900	b. New Substation, Switching Station, etc. (Continued)			
	Station Designation	kVA	kV TO kV	
909				
910				
911				
912				
913				
914				
915				
916				
917				
918				
	<i>Subtotal (transfers to page 3)</i>			
1000	c. Line and Station Changes (Continued)			
	Line/Station Designation	Description of Changes		
1010				
1011				
1012				
1013				
1014				
1015				
1016				
1017				
1018				
1019				
1020				
1021				
1022				
1023				
1024				
1025				
1026				
1027				
1028				
1029				
1030				
1031				
1032				
1033				
1034				
1035				
1036				
1037				
1038				
1039				
1040				
1041				
1042				
1043				
1044				
1045				
1046				
1047				
1048				
1049				
1050				
1051				
1052				
	<i>Subtotal (transfers to page 3)</i>			

COST ESTIMATE AND LOAN BUDGET FOR ELECTRIC BORROWERS		BORROWER AND LOAN DESIGNATION	
SECTION A. COST ESTIMATES (Page 3 Continuation Sheet)		BORROWER'S COST ESTIMATES	RUS USE ONLY
1000	<u>c. Line and Station Changes(Continued)</u>		
	<u>Line/Station Designation</u>	<u>Description of Change</u>	
1053			
1054			
1055			
1056			
1057			
1058			
1059			
1060			
1061			
1062			
1063			
1064			
1065			
1066			
1067			
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1071			
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1094			
1095			
1096			
1097			
1098			
1099			
1000.1			
1000.2			
1000.3			
1000.4			
1000.5			
1000.5			
1000.7			
1000.8			
1000.9			
1001.1			
1001.2			
1001.3			
1001.4			
1001.5			
1001.6			
1001.7			
	<i>Subtotal (transfers to page 3)</i>		

COST ESTIMATE AND LOAN BUDGET FOR ELECTRIC BORROWERS		BORROWER AND LOAN DESIGNATION	
SECTION A. COST ESTIMATES (Page 3 Continuation Sheet)		BORROWER'S COST ESTIMATES	RUS USE ONLY
1000	<u>c. Line and Station Changes(Continued)</u>		
	<u>Line/Station Designation</u>	<u>Description of Change</u>	
1001.8			
1001.9			
1002.1			
1002.2			
1002.3			
1002.4			
1002.5			
1002.6			
1002.7			
1002.8			
1002.9			
1003.1			
1003.2			
1003.3			
1003.4			
1003.5			
1003.6			
1003.7			
1003.8			
1003.9			
1004.1			
1004.2			
1004.5			
1004.6			
1004.7			
1004.8			
1004.9			
1005.1			
1005.2			
1005.3			
1005.4			
1005.6			
1005.7			
1005.8			
1005.9			
1006.1			
1006.2			
1006.3			
1006.4			
1006.5			
1006.6			
1006.7			
1006.8			
1006.9			
1007.1			
1007.2			
1007.3			
1007.4			
1007.5			
1007.6			
1007.7			
1007.8			
1007.9			
1008.1			
1008.2			
1008.3			
1008.4			
1008.5			
1008.6			
1008.7			
1008.8			
1008.9			
1009.1			
	<i>Subtotal (transfers to page 3)</i>		

SECTION A. COST ESTIMATES (cont.)	BORROWER'S COST ESTIMATES	RUS USE ONLY
1400 5. ACQUISITIONS		
1401 a. Consumers Miles		
1402 b.		
TOTAL ACQUISITIONS.		
1500 6. ALL OTHER		
1501 a.		
1502 b.		
1503 c.		
1504 d.		
1505 e.		
TOTAL ALL OTHER.		

SECTION B. SUMMARY OF AMOUNTS AND SOURCES OF FINANCING

1. GRAND TOTAL - ALL COSTS		
2. FUNDS AND MATERIALS AVAILABLE FOR FACILITIES		
a. Loan Funds		
b. Materials and Special Equipment		
c. General Funds		
Purpose 1 \$1,715,615		
Purpose 2		
\$78,995		
Purpose 3		
Purpose 4		
Total General Funds Applied	\$1,794,610	
d. Total Available Funds and Materials		
3. NEW FINANCING REQUESTED FOR FACILITIES		
4. RUS LOAN REQUESTED FOR FACILITIES.	10	%
5. TOTAL SUPPLEMENTAL LOAN REQUESTED		%
National Rural Utilities Cooperative Finance Corporation		
Name of Supplemental Lender		
6. CAPITAL TERM CERTIFICATE PURCHASES (CFC Loan only)		%
7. SUPPLEMENTAL LOAN REQUESTED FOR FACILITIES.		%

** 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)

7/15/11 _____
Date

Signature of Borrower's Manager

7/15/11 _____
Date

Signature of Borrower's President
Bruster Lee

XYZ Power & Light
Corporate Name of Borrower

GFR Initials _____

Example

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,

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:

Useful Life Certification

Example

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.

Example

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.

Example