

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, SEPTEMBER 20, 2024

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24092013

APPLICATION OF
CRAIG-BOTETOURT ELECTRIC COOPERATIVE

2024 SEP 20 P 12:00

CASE NO. PUR-2024-00155

For approval to obtain financing

ORDER GRANTING AUTHORITY

On August 28, 2024, Craig-Botetourt Electric Cooperative ("CBEC" or "Cooperative") filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to Chapter 3 of Title 56 of the Code of Virginia ("Code")¹ for approval to obtain financing. Additionally, CBEC has paid the requisite filing fee of \$250.

CBEC requests approval to obtain financing from Federal Financing Bank ("FFB") in the amount of \$10,289,000 ("FFB Loan"). The Cooperative states that the purpose of the requested financing is to enable CBEC to continue with its Construction Work Plan without delay, to extend facilities to new members as well as to continue providing electric service to existing members.² The Application states that the FFB Loan will have a term of 35 years and its interest rate will be the FFB rate in effect at the time of each advance of loan funds.³

CBEC states that the requested FFB Loan financing is consistent with the Cooperative's Annual Financing Plan that was submitted to the Commission Staff ("Staff") in February 2024.⁴

¹ Code § 56-55 *et seq.*

² Application at 1.

³ *Id.* at Exhibit 2 (Financing Summary), Item 2.

⁴ See Application, Exhibit 2 (Financing Summary), Item 4B. Staff notes that, as is customary, CBEC's Annual Financing Plan was submitted administratively to the Commission's Director of the Division of Utility Accounting and Financing ("UAF Director") in February 2024 and was not formally filed in a docket.

CBEC notes further that the Cooperative's Board of Directors voted to approve the proposed financing on March 26, 2024.⁵ Additionally, on July 29, 2024, CBEC received a commitment letter from the Rural Utilities Service ("RUS") advising the Cooperative that RUS will guarantee a loan commitment, for the full amount, to CBEC from FFB to finance the system extensions and additions detailed in the Application.⁶

NOW THE COMMISSION, upon consideration of the Application and the Staff's Action Brief, is of the opinion and finds that the authority requested would not be detrimental to the public interest and should be approved subject to the requirements set forth herein.

Accordingly, IT IS ORDERED THAT:

(1) CBEC is authorized to borrow up to \$10,289,000 from the FFB for the purposes stated in the Application.

(2) CBEC shall submit a Report of Action to the UAF Director at accounting@scc.virginia.gov within thirty (30) days of the date of the final drawdown on the FFB Loan. Such Report of Action shall include the amount borrowed, applicable interest rate, and the maturity date. This report shall be subject to administrative extension or termination by the UAF Director.

(3) The approval granted in this case shall have no accounting or ratemaking implications.

(4) This case is dismissed.

⁵ Application at 1.

⁶ *Id.* at 1-2.

A COPY hereof shall be sent electronically by the Clerk of the Commission to all persons on the official Service List in this matter. The Service List is available from the Clerk of the Commission.