

UNITED STATES DEPARTMENT OF AGRICULTURE
Rural Utilities Service

BULLETIN 1717B-3

SUBJECT: Guide For Preparing Financial and Statistical Reports For Power Supply
Borrowers and Electric Distribution Borrowers with Generating Facilities

TO: All Electric Power Supply Borrowers and Electric Distribution Borrowers with Generating Facilities

EFFECTIVE DATE: Date of approval.

OFFICE OF PRIMARY INTEREST: Assistant Administrator - Electric Program

INSTRUCTIONS: This bulletin replaces Bulletin 1717B-3 dated December 22, 1993.
Suggestion to borrowers: Distribute copies of this bulletin to all units responsible for elements of the report.

AVAILABILITY: This Bulletin is available on the Rural Utilities Service Website at:
<http://www.usda.gov/rus/electric>

PURPOSE: To provide instructions to all borrowers required to submit operating reports to RUS. These instructions implement reporting requirements in the borrower's mortgage agreement with RUS; 7 CFR 1717, Subpart N; laws and regulations which authorize RUS to collect this information.



05/17/06

James R. Newby
Assistant Administrator
Electric Program

Date

INSTRUCTIONS FOR THE PREPARATION OF THE
OPERATING REPORT

FOR

POWER SUPPLY BORROWERS
RUS Forms 12a-i

AND FOR

DISTRIBUTION BORROWERS WITH GENERATING FACILITIES
RUS Forms 12d-g

UNITED STATES DEPARTMENT OF AGRICULTURE
Rural Utilities Service

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1. GENERAL

1.1 Borrowers' operating reports furnish RUS information that it needs for analyses concerning the security of Government loans, for the preparation of estimates to be used in forecasting expenses for future loans and for RUS to fulfill its reporting obligations. RUS believes that these reports, when supplemented by such additional information as each borrower may choose, will also be of great assistance to the boards of directors and managers in successfully coping with a variety of management problems. The operating reports also provide RUS with the data it needs to prepare the Annual Statistical Report which encompasses all RUS borrowers' operations.

1.2 Borrowers should accurately report the financial data recorded in their accounting records, and should prepare their reports in accordance with the detailed instructions contained in this guide. Both the borrower and RUS receive the maximum benefits when these operating reports are prepared correctly.

1.2.1 Borrowers are urged to use these forms monthly; however, for the months of January through November such use is at the borrower's option, except for individual borrowers which have been instructed to submit reports on a monthly or quarterly basis. Unless otherwise instructed or required, monthly or quarterly reports shall include Forms 12a, 12b and 12c. All reports, whether monthly, quarterly or annual must be prepared on a year-to-date basis.

1.2.2 All annual reports are due in RUS on March 1 of the following year. Reports for all other months are due by the 20th of the following month.

1.3 Each item on the forms has been assigned a number. The instructions in this bulletin show the account numbers which comprise the items in the balance sheet and statement of operations. The trial balance may be arranged in sections to facilitate preparation of the report.

1.4 "Red" figures on the report should be indicated by enclosing the amounts in parentheses e.g., (123,456). Note: Only use parentheses to indicate a negative amount not a credit amount. For example, do not use parentheses for reporting "Accumulated Provision for Depreciation and Amortization" on RUS Form 12a, Section B, Line 4.

1.5 A column for "Budget" has been provided on RUS Form 12a, Section A, "Statement of Operations." When used, this should consist of the cumulative monthly figures taken from the previously prepared annual budget. If there is a substantial difference between the budgeted and actual amounts, it would be appropriate to make an analysis of operations to determine whether remedial action is needed.

1.6 Report all amounts, rounded to the nearest dollar, and eliminate the cents. All totals and subtotals should be the sums of the rounded figures used.

1.7 If the report is submitted electronically one original signed copy of the Certification page should be mailed to RUS. If the form is submitted on paper, submit the original of each report, executed by the office manager or accountant and by the borrower's general manager, and two copies.

1.8 Copies of the RUS Forms 12a through I are available on the agency website.

2. INSTRUCTIONS

RUS FORM 12a, OPERATING REPORT - FINANCIAL

Section A, Statement of Operations

The "Year-to-Date" and "Budget" columns offer information to the management and the board of directors that is useful in appraising current operations. Budget information may be included on the forms submitted to RUS, at the borrower's option.

Each item of the current report in the "Year-to-Date," "This Year" column should be the sum of the figures shown (1) on the same item in the "This Month" column of the same report and (2) on the identical line in the "Year-to-Date," "This Year" column of the preceding month's report, except for January.

Item No.

- 1 **Electric Energy Revenues**
Accounts 440 through 447

Note: The Grand Total on RUS Form 12bSE, Column k, should equal Line 1, Column B, Section A of Form 12a.

- 2 **Income from Leased Property**
Account 412 minus 413

- 3 **Other Operating Revenue and Income**
Accounts 414 plus 449.1, 450, 451, 453 through 456

- 4 **TOTAL OPERATING REVENUES AND PATRONAGE CAPITAL**
Items 1 through 3

- 5 **Operating Expense - Production - Excluding Fuel**
Accounts 500, 502 through 507, 509, 517, 519 through 525, 535 through 540, 546, and 548 through 550

- 6 **Operating Expense - Production - Fuel**
Accounts 501, 518, and 547

- 7 **Operating Expense - Other Power Supply**
Accounts 555 through 557

- 8 **Operating Expense - Transmission**
Accounts 560 through 567

- 9 **Operating Expense - Distribution**
Accounts 580 through 589

- 10 **Operating Expense - Customer Accounts**
Accounts 901 through 905

Item No.

- 11 **Operating Expense – Customer Service & Information**
Accounts 907 through 910
- 12 **Operating Expense - Sales**
Accounts 911 through 916
- 13 **Operating Expense - Administrative & General**
Accounts 920 through 931
- 14 **TOTAL OPERATION EXPENSE**
Sum of Items 5 through 13
- 15 **Maintenance Expense - Production**
Accounts 510 through 514, 528 through 532, 541 through 545,
and 551 through 554
- 16 **Maintenance Expense - Transmission**
Accounts 568 through 573
- 17 **Maintenance Expense - Distribution**
Accounts 590 through 598
- 18 **Maintenance Expense - General Plant**
Account 935
- 19 **TOTAL MAINTENANCE EXPENSE**
Sum of Items 15 through 18
- 20 **Depreciation and Amortization Expense**
Accounts 403.1 through 403.8 and 404 through 407, 407.3 and 407.4
- 21 **Taxes**
All subaccounts of Account 408, 409.1, 410.1, 411.1, 411.3,
411.4 and 420
- 22 **Interest on Long-Term Debt**
Account 427
- 23 **Interest Charged to Construction - Credit**
Account 427.3
- 24 **Other Interest Expense**
Account 431
- 25 **Asset Retirement Obligations**
Account 411.10
- 26 **Other Deductions**
Accounts 409.2, 410.2, 411.2, 411.5, 411.6, 411.7, 411.8, 411.9, 425, plus 426.1
through 426.5, and 428 through 430

Item No.

- 27 **TOTAL COST OF ELECTRIC SERVICE**
Sum of Items 14 plus 19 through 25
- 28 **OPERATING MARGINS**
Item 4 minus Item 26
- 29 **Interest Income**
Account 419 and 432. Include interest earned on the Balance of Advance Payments, if any.
- 30 **Allowance for Funds Used During Construction**
Account 419.1
- 31 **Income (Loss) From Equity Investments**
Account 418.1 plus the amounts recorded in Account 421 relating to the income or loss from investments recorded on the equity method of accounting for investments.
- 32 **Other Non-operating Income (Net)**
Net sum of Accounts 415, 417, 418, 421, 421.1 less Accounts 416, 417.1, 421.2 and 422. Note: the amount recorded in Account 421 relating to the income or loss from investments recorded on the equity method of accounting and amounts recorded in Account 418.1 should be reported on line 30.
- 33 **Generation & Transmission Capital Credits**
Account 423
- 34 **Other Capital Credits and Patronage Dividends**
Account 424
- 35 **Extraordinary Items**
Net sum of Accounts 409.3 plus 434 minus 435, plus or minus 435.1.
- 36 **NET PATRONAGE CAPITAL OR MARGINS**
Item 28 through 35 as appropriate.

Section B, Balance SheetAssets and Other DebitsItem No.

- 1 **Total Utility Plant in Service**
Accounts 101 (Plant Accounts 301 through 399), 101.1, 102 through 106, 114, 116, 118, and 120.1 through 120.4, and 120.6
- 2 **Construction Work in Progress**
All subaccounts of Account 107

Item No.

- 3 **TOTAL UTILITY PLANT**
Item 1 plus Item 2
- 4 **Accumulated Provision for Depreciation and Amortization**
All subaccounts of Account 108 plus Accounts 109 through 113, 115, 119 and 120.5
- 5 **NET UTILITY PLANT**
Item 3 minus Item 4
- 6 **Non-Utility Property (Net)**
Accounts 121 minus 122
- 7 **Investments in Subsidiary Companies**
Account 123.11
- 8 **Investments in Associated Organizations - Patronage Capital**
Accounts 123.1
- 9 **Investments in Associated Organizations - Other-General Funds**
The amount of the investments recorded in Accounts 123.22 and 123.23 which are included in the general fund computation as provided for in 7 CFR Part 1717, Subpart N, "Investments, Loans and Guarantees by Electric Borrowers." (See Item 10 below for details on investments which are classified as nongeneral fund items.)
- 10 **Investments in Associated Organizations - Other-Nongeneral Funds**
The amount of the investments in Accounts 123.22 and 123.23 which are not included in the general fund computation as provided for in 7 CFR Part 1717, Subpart N. The following are classified as such investments:
- a. All CFC Capital Term Certificates except those purchased more than 24 months in advance of their due date.
 - b. Investments made prior to March 13, 1969, in rural area development projects, when such investments were made in accordance with RUS policy then in effect.
 - c. Investments made prior to August 19, 1969, which cannot be liquidated without loss of principal, when such investments were made in accordance with RUS policy then in effect.
 - d. Investments which have been specifically excluded by the Administrator or his/her designated representative

(Note: The above investments are nongeneral fund items regardless of the account in which they are recorded. However, the only general funds excludable investments to be reported for Item 10 are those which are recorded in Accounts 123.22 or 123.23. The sum of the amounts reported for Items 9 and 10 should equal the sum of the balances in Accounts 123.22 and 123.23.)

Item No.

- 11 **Investments in Economic Development Projects**
Report investments in economic development projects recorded in accounts: 123, Investments in Associated Organizations, and 124, Other Investments. (Note: Economic Development investment amounts should not be reported on any other line of the Balance Sheet.)
- 12 **Other Investments**
Account 124 less economic development investments.
- 13 **Special Funds**
Accounts 125 through 128
- 14 **TOTAL OTHER PROPERTY AND INVESTMENTS**
Items 6 through 13
- 15 **Cash - General Funds**
Accounts 131.1, 131.12 and 135. Item 49, "Accounts Payable," should be used for checks written and not paid as of the date of this report.
- 16 **Cash - Construction Fund - Trustee**
Account 131.2 and 131.3. Item 49, "Accounts Payable," should be used for checks written and not paid as of the date of this report.
- 17 **Special Deposits**
Accounts 132 through 134
- 18 **Temporary Investments**
Account 136
- 19 **Notes Receivable (Net)**
Accounts 141 plus 145 minus Account 141.1
- 20 **Accounts Receivable - Sales of Energy (Net)**
Accounts 142.1, less Accounts 144.1
- 21 **Accounts Receivable - Other (Net)**
Accounts 142.2, 143 and 146 less accounts 144.2 through 144.4
- 22 **Fuel Stock**
Accounts 151, 152, 153, 157, 158.1, and 158.2
- 23 **Materials and Supplies - Other**
Accounts 154 through 156, and 163
- 24 **Prepayments**
Accounts 165.1 and 165.2
- 25 **Other Current and Accrued Assets**
Accounts 171 through 174

Item No.

- 26 **TOTAL CURRENT AND ACCRUED ASSETS**
 Items 15 through 25
- 27 **Unamortized Debt Discount & Extraordinary Property Losses**
 Accounts 181, and 182.1
- 28 **Regulatory Assets**
 Accounts 182.2 and 182.3
- 29 **Other Deferred Debits**
 Accounts 183 through 189
- 30 **Accumulated Deferred Income Taxes**
 Account 190
- 31 **TOTAL ASSETS AND OTHER DEBITS**
 Total of Items 5, 14, 26 thru 30

Liabilities and Other Credits

- 32 **Memberships**
 Accounts 200.1 and 200.2
- 33 **Patronage Capital**
 - a. **Assigned and Assignable**
 Sum of all patronage capital assigned or assignable from inception excluding current year's margins
 - b. **Retired This Year**
 Sum of all patronage capital retired during current year
 - c. **Retired Prior Years**
 Sum of all patronage capital retired from inception to beginning of current year
 - d. **Net Patronage Capital**
 Item a minus Items b and c should equal sum of Accounts 201.1 and 201.2.
- 34 **Operating Margins - Prior Years**
 Accounts 219.1 and Account 219.4, "Other Margins and Equities - Prior Periods," when it applies to operating margins.
- 35 **Operating Margins - Current Year**
 Sum of Items 27, 32 and 33 - Section A - "Statement of Operations"
- 36 **Non-Operating Margins**
 Account 219.2 and Account 219.4, "Other Margins and Equities - Prior Periods," when it applies to non-operating margins, plus Items 28, 29, 30, 31 and 34, Section A - "Statement of Operations."

Item No.

- 37 **Other Margins and Equities**
Accounts 208, 211, 215, 216.1, 217, 218 and 219.3
- 38 **TOTAL MARGINS AND EQUITIES**
Sum of Items 32, 33d through 37
- 39 **Long-Term Debt - RUS (Net)**
Accounts 224.1 through 224.10. Report only the long-term portion of the debt under this item. The current portion of the debt (due within one year) should be reported on item 50.
- 40 **Long-Term Debt - RUS - Economic Development (Net)**
Report amounts in Accounts: 224.16, Long-Term Debt - RUS Economic Development Notes Executed, less: 224.17, RUS Notes Executed - Economic Development - Debit. Report only the long-term portion of the debt under this item. The current portion of the debt (due within one year) should be reported on item 51.
- 41 **Long-Term Debt - FFB - RUS Guaranteed**
Report amounts recorded in accounts 224.14 less 224.15 that relate to FFB loans. Report only the long-term portion of the debt under this item. The current portion of the debt (due within one year) should be reported on item 50.
- 42 **Long-Term Debt - Other - RUS Guaranteed**
Report amounts recorded in accounts 224.11, 224.12, 224.14, 225, 226 less Accounts 123.21, 224.13 and 224.15 pertaining to Non-FFB debt the repayment which is guaranteed by RUS. Report only the long-term portion of the debt under this item. The current portion of the debt (due within one year) should be reported on item 50.
- 43 **Long-Term Debt - Other (Net)**
Report amounts recorded in accounts 221, 222, 223, 224.11, 224.12, 224.14, 225, 226 less Accounts 123.21, 224.13 and 224.15 pertaining to debt the repayment of which is NOT guaranteed by RUS. Report only the long-term portion of the debt under this item. The current portion of the debt (due within one year) should be reported on item 50.
- 44 **TOTAL LONG-TERM DEBT**
Sum of items 39 through 43
- 45 **Obligations Under Capital Leases - Noncurrent**
Account 227. Report only the long term portion of the lease under the item. The current portion of the capital leases should be reported on item 52.
- 46 **Accumulated Operating Provisions and Asset Retirement Obligations**
Accounts 228.1 through 228.4, 229 and 230. Note: If the cumulative amount recorded in Account 228 is a debit balance, the amount should be reported on line 12, Other Investments.
- 47 **TOTAL OTHER NONCURRENT LIABILITIES**
Sum of items 45 and 46

Item No.

48	<u>Notes Payable</u> Accounts 232.1, 232.2, 232.3 and 234
49	<u>Accounts Payable</u> Accounts 232 and 234
50	<u>Current Maturities Long-Term Debt</u> Report amounts due within one year of the obligations reported on lines 39, 41, 42 and 43
51	<u>Current Maturities Long-Term Debt Rural Development</u> Report amounts due within one year of the obligations reported on line 40.
52	<u>Current Maturities Capital Leases</u> Report amounts due within one year of the obligations reported on line 45
53	<u>Taxes Accrued</u> Accounts 236.1 through 236.7
54	<u>Interest Accrued</u> Account 237
55	<u>Other Current and Accrued Liabilities</u> Accounts 235, 238.1, 238.2, 239, 240, 241, 242.1 through 242.5, and 243
56	<u>TOTAL CURRENT AND ACCRUED LIABILITIES</u> Sum of Items 48 through 55
57	<u>Deferred Credits</u> Accounts 251 through 254, 256, and 257
58	<u>Accumulated Deferred Income Taxes</u> Accounts 255, and 281 through 283
59	<u>Total Liabilities and Other Credits</u> Sum of Items 38, 44, 47 and 56 through 58

SECTION C, NOTES TO FINANCIAL STATEMENTS

Section C provides space for important disclosure notes to the financial statements not included in other parts of this form. A partial checklist of these disclosure notes is as follows:

- Prepaid or deferred charges amortized for a period exceeding 12 months.
- Capital leases for lessee; sales or financing leases for lessor.
- Unbilled revenue - report the amount not billed to distribution cooperatives for which kWh has been consumed. Please state if this amount is or is not included in Section B, line 19, Accounts Receivable (Net).
- Accounting changes.
- Commitments and contingencies.
- Margin Stabilization Plans

- Deferred compensation
- Short-term obligations expected to be refinanced.
- Deferred credits being amortized for a period exceeding 12 months.
- Related party transactions.
- Extraordinary items.
- Pension plans - employers.
- Deferred Taxes

RUS FORM 12b SE, OPERATING REPORT - SALES OF ELECTRICITY

This form is used to show sales of electric energy by purchaser classifications. RUS uses four (4) purchaser classifications: sales to ultimate consumers, sales for resale to RUS distribution borrowers, sales to resale to RUS power supply borrowers and sales for resale to other. Only one sale to ultimate consumers should be listed. Sum the values for each column where applicable and put this on the first line. Next list all sales to RUS distribution borrowers. These will usually be listed on one line each. However, if you have multiple sales to the same borrower then these should be listed on separate lines. After the last sale for resale to RUS distribution borrowers subtotal all the sales for resale to RUS distribution borrowers. Next list all sales to RUS power supply borrowers. You may have several sales to the same power supply borrower. If you do then each should be on a separate line. After the last sale for resale to an RUS power supply borrower subtotal all the sales for resale to RUS power supply borrowers. No adjustments nor miscellaneous sales entries should be made for utilities that are RUS borrowers. This means that for all adjustments that are sales to RUS borrowers the adjustment should be spread not entered as a separate item. Next, list sales for resale to all other entities. List each sale separately even if they are to the same entity. After the last sale to other entities subtotal the sales for resale to other and on the next line put the grand total of all sales. Detailed instructions for this form are as follows:

Sale No.	In the first and last columns, which are titled "Sale No.," number from one to the total number of sales. Do not start over for each category and do not number the subtotal rows.
Column a	Name of Company or Public Authority Enter the name of the purchaser in this column. Do not abbreviate or truncate the name or use acronyms.
Column b	Statistical Classification Enter the statistical classification code based on the contractual terms and conditions of the service as follows: RQ for Requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (e.g., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the suppliers's service to its ultimate consumers. LF for Long-term Firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service, which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

	IF	for Intermediate-term Firm service. This classification is the same as LF service except that “intermediate-term” means longer than one year but less than five years.
	SF	for Short-term Firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.
	LU	for Long-term service from a designated generating Unit. “Long-term” means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.
	IU	for Intermediate-term service from a designated Unit. The same as LU service except that “intermediate-term” means longer than one year but less than five years.
	OS	for Other Service. Use this category only for those services which cannot be placed in the above-defined categories.
	AD	for out-of-period Adjustment. Use this code for any accounting adjustments or “true-ups” for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.
Column c	RUS Borrower Designation	
Column d	Enter the borrower designation for a purchaser who is an RUS borrower.	
Column e	Average Monthly Billing Demand For all sales that involve a demand charge enter the average monthly billing demand, which is the amount on bills rendered to the purchaser.	
Column f	Average Monthly NonCoincident Peak (NCP) Demand For all sales that involve a demand charge enter the average monthly non-coincident peak demand, which is the maximum metered hourly (60-minute integration) demand in a month.	
Column g	Average Monthly Coincident Peak (CP) Demand For all sales that involve a demand charge enter the average monthly coincident peak demand, which is the metered demand during the hour (60-minute integration) in which the suppliers system reaches its monthly peak.	
Column h	Electricity Sold (MWh) Enter the amount in megawatt hours shown on bills rendered to the purchaser.	
Column i	Revenue – Demand Charges Enter the amount of demand charges rounded to the nearest dollar.	
Column j	Revenue – Energy Charges Enter the amount of energy charges rounded to the nearest dollar.	
Column k	Revenue – Other Charges Enter the amount of any other types of charges, including out-of-period adjustments, to the nearest dollar. Explain in a footnote all components of amounts in this column. Revenue – Total Enter the total of columns h, i and j.	

RUS FORM 12b PP OPERATING REPORT – PURCHASED POWER

This form is used to show purchases of electric energy by purchaser classifications. RUS uses three (3) purchaser classifications: purchases from RUS distribution borrowers, purchases from RUS power supply borrowers and purchases from other. List all purchases from RUS distribution borrowers. These will usually be listed on one line each. However, if you have multiple purchases from the same borrower then these should be listed on separate lines. After the last purchase from an RUS distribution borrower subtotal all the purchases from RUS distribution borrowers. Next list all purchases from RUS power supply borrowers. You may

have several purchases from the same power supply borrower. If you do then each should be on a separate line. After the last purchase from an RUS power supply borrower subtotal all the purchases from RUS power supply borrowers. No adjustments nor miscellaneous purchase entries should be made for utilities that are RUS borrowers. This means that for all adjustments that are to purchases from RUS borrowers the adjustment should be spread not entered as a separate item. Next list purchases from all other entities. List each purchase separately even if they are from the same entity. After the last purchase from other entities subtotal the purchases from other and on the next line put the grand total of all purchases. Detailed instructions for this form are as follows:

Purchase No. In the first and last columns, which are titled "Purchase No.", number from one to the total number of purchases. Do not start over for each category and do not number the subtotal rows.

Column a	Name of Company or Public Authority Enter the name of the seller in this column. Do not abbreviate or truncate the name or use acronyms.
Column b	Statistical Classification Enter the statistical classification code based on the contractual terms and conditions of the service as follows: RQ for Requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (ie', the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its ultimate consumers. LF for Long-term Firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service, which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract. IF for Intermediate-term Firm service. This classification is the same as LF service except that "intermediate-term" means longer than one year but less than five years. SF for Short-term Firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less. LU for Long-term service from a designated generating Unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit. IU for Intermediate-term service from a designated Unit. The same as LU service except that "intermediate-term" means longer than one year but less than five years. OS for Other Service. Use this category only for those services which cannot be placed in the above-defined categories. AD for out-of-period Adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.
Column c	RUS Borrower Designation Enter the borrower designation for a seller who is an RUS borrower.
Column d	Average Monthly Billing Demand (MW)

	For all purchases that involve a demand charge enter the average monthly billing demand, which is the amount on bills rendered to your company from the seller.
Column e	Average Monthly NonCoincident Peak (NCP) Demand For all purchases that involve a demand charge enter the average monthly non-coincident peak demand, which is the maximum metered hourly (60-minute integration) demand in a month.
Column f	Average Monthly Coincident Peak (CP) Demand For all purchases that involve a demand charge enter the average monthly coincident peak demand, which is the metered demand during the hour (60-minute integration) in which the suppliers system reaches its monthly peak.
Column g	Electricity Purchased Enter the amount in megawatt hours shown on bills rendered to the purchaser.
Column h	Revenue – Demand Charges Enter the amount of demand charges rounded to the nearest dollar.
Column i	Revenue – Energy Charges Enter the amount of energy charges rounded to the nearest dollar.
Column j	Revenue – Other Charges Enter the amount of any other types of charges, including out-of-period adjustments, to the nearest dollar. Explain in a footnote all components of amounts in this column.
Column k	Revenue – Total Enter the total of columns h, i and j.

RUS FORM 12c, OPERATING REPORT - SOURCES AND DISTRIBUTION OF ENERGY

This form is used to report the source of all energy used by the borrower. It is set up by classifications and shows maximum demands, net energy (MWh), and total cost of power for each source. All power and/or energy received or used, regardless of whether or not it was delivered to an isolated or to the integrated system, is to be reported on this form. Detailed instructions for its preparation are:

Lines 1 thru 6	GENERATED IN OWN PLANTS Report totals of net generation by types of production rather than by individual plants. Amounts reported should reconcile with the individual plant reports, Form 12d, 12e, 12f IC, 12f CC, and 12g. Line 5 is for plants that do not fall into the categories for which RUS has a specific plant form. These include wind plants, photovoltaic plants, etc. Line 6 is the total of lines 1 thru 5.
Line 7	PURCHASED POWER This line is the Grand total from Form 12b PP.
Lines 8 thru 10	Interchanged Power These items are to be used for reporting totals of all energy which is received from or delivered to other power suppliers on an exchange basis. Include energy banking activities as well as normal daily exchanges. All energy delivered by other power suppliers, including loss considerations, should be reported as "Received into System" in Line 8. All energy delivered to other power suppliers, including loss considerations, should be reported as "Delivered Out of System" in Line 9. Line 10, "Net Interchange," equals Line 8 minus Line 9. When this is a negative figure, it should be so indicated by use of parentheses ().

Lines 11 thru 14	<u>TRANSMISSION FOR/OR BY OTHERS - (WHEELING)</u> Report all energy wheeled for other suppliers on these lines. Do not include energy delivered to others which is being wheeled for the borrower and is included in the borrower's energy sales data. Energy delivered by other suppliers (including loss allowances) for wheeling purposes should be reported on Line 11. Also, include any third party wheeling costs. Energy wheeled by the borrower and delivered to their other suppliers' customers should be reported on Line 12. Line 13, Net, equals Line 11 minus Line 12.
Line 14	<u>Total Energy Available for Sale</u> Sum of Lines 6, 7, 10 and 13.
Line 15	<u>Total Sales</u> From the Grand total line of Form 12b SE, column k.
Line 16	<u>Energy Furnished to others Without Charge</u> All energy furnished without charge should be reported on this line and not included as part of sales on Form 12b SE.
Line 17	<u>Energy Used by Borrower</u> All energy used by borrower for headquarters, construction, etc., should be reported on this line. Do not include station use in this category.
Line 18	<u>TOTAL ENERGY ACCOUNTED FOR</u> Sum of Items 15 through 17.
Line 19	<u>Energy Losses - MWh</u> Line 14 minus Line 18.
Line 20	<u>Energy Losses - Percentage</u> Line 19 divided by Line 14 x 100.
Column b	<u>Number of plants</u> This column should contain the total number of plants of each type which should be the same as the number of Forms 12d, 12g, 12e, 12f CC and 12f IC that are completed.
Column c	<u>Nameplate Capacity</u> This column should contain the total size of the plants of each type. This is calculated by adding the total size for each plant by type for all plants of a particular type. The total size is always found on line 6 of Section a of Form 12c. It is in column m of Form 12d and column b of Form 12e, 12f IC, 12f CC and column c of Form 12g.
Column d	<u>Net Energy Received by System</u> The energy which has been delivered to the system (this includes both integrated and isolated systems) during the year is to be reported in this column. An explanation of any adjustment should be included as a footnote and included in the amount reported in column d.
Column e	<u>Cost</u> The cost of power and energy received by the system should be shown in this column. The amounts reported for generation should be equal to the power cost of the individual production plant reports (RUS Forms 12d thru 12g). The

amounts reported for purchased power and interchange should be the amounts which will be paid for these items. The sum of the amounts reported for these items should reconcile with the charges to the 555 account.

RUS FORMS 12d, 12e, 12f IC, 12f CC AND 12g, - PLANT OPERATING REPORT**General**

Pertinent information relating to the operation and maintenance of generating facilities is prepared on RUS Forms for each:

- 12d fossil-fired steam generating plant;
- 12e hydro generating plant;
- 12f IC internal combustion operating plant or gas turbine generating plants;
- 12f CC combined cycle plant
- 12g nuclear plant.

Power supply borrowers will prepare and submit the forms applicable to their system. A separate plant operating report is to be submitted for each generating plant or for each type of generating plant, i.e., gas turbine and steam, when both types are in one plant.

If you have a type of plant that is not listed above such as a photovoltaic plant or a wind generating plant then you do not have to complete a plant form.

Distribution borrowers having generating facilities will prepare and submit the generating plant operating reports applicable to their system. Distribution borrowers will not submit any other Form 12.

Two reports should be completed for each plant in which the borrower is a partial owner. The first form should be completed as a total plant report. The second form should reflect only the borrower's involvement with the plant, including costs charged to the borrower, and output taken from the plant.

For all Forms 12d, e, f IC f CC and g Sections A, B & C should be completed for the total plant and Sections A and D should be completed for the borrower's involvement.

The form reflecting only the borrower's involvement in the plant should be labeled at the top with the plant name, and the percentage owed by the borrower. For example, if borrower ZZ 9999 owns 25.1 percent of the Jones plant the line marked plant should read: "Jones (ZZ 9999 25.1 percent share)."

The total plant report form should have the plant's name and should indicate that this is the total plant form. For the example above the plant line should read: "Jones (Total Plant)."

When generating plants are used as standby power sources, or are not in operation, a report for each of such plant is also to be prepared and submitted. There are certain continuing costs associated with these plants such as depreciation, taxes, interest, insurance, nominal maintenance, cleaning, inspection, etc., which should be considered when evaluating all costs associated with generating plant ownership.

**UNIFORM INFORMATION PERTINENT TO GENERATING PLANT OPERATING
REPORTS**
RUS FORMS 12d, 12e, 12f IC, 12f CC AND 12g

Each Form 12d, 12e, 12f IC, 12f CC, and 12g has a space at the top where the plant name is to be inserted. In this space the official name of the plant should be supplied. Each of the generating plant operating report Forms 12d, 12e, 12f IC, 12f CC, and 12g is designed to provide information of a uniform nature that is pertinent to each type of generation as follows:

Unit Data

Each form has a place in Section A for the unit number, the gross generation, and the size or manufacturer's rating for each unit as shown in Table 1.

Table 1			
Form	Unit Number	Gross Generation	Size
12d	Column a	Column n	Column m
12e	Column a	Column c	Column b
12f IC and 12f CC	Column a	Column k	Column b
12g	Column a	Column d	Column c

Each unit should be listed separately. Space has been provided for five units on each form. If a plant has more than five units, attach a copy of the form and continue to list the units on it. The size should be listed in units of kW. Gross generation should be in units of MWh.

In the columns for gross generation and for size, space has been provided on line 6 for total gross generation and total size. These items are simply the total for all units (including those listed on separate pages) of the indicated items.

Operating Hours

Operating hours are divided into four categories, and should be reported in units of hours rounded to the nearest hour. Each form has a portion of Section A devoted to operating hours as shown in Table 2.

Table 2
Operating Hours

Form	In Service	On Standby	Out Of Service	
			Scheduled	Unscheduled
12d	Column h	Column i	Column j	Column k
12e	Column d	Column e	Column f	Column g
12f IC & 12f CC	Column g	Column h	Column i	Column j
12g	Column e	Column f	Column g	Column h

The sum of the hours reported for each unit should equal the number of hours in the year. Each column of each form should be filled out in accordance with the following instructions:

Item

In Service

All hours in which the facilities are in operation for the production of energy or connected and operating as spinning reserve should be reported in this column. This includes all hours connected to the load in case of prime movers, or all hours with steam pressure available for immediate service in case of boilers.

On Standby

All hours for facilities ready for service, but not producing energy should be reported in this column. This should include those hours when the unit is ready to carry load and start-up time when the unit has cooled. This is the same for boilers whether maintained filled or empty so long as these are normal standby procedures.

Out of Service - Scheduled

All hours of outages due to planned maintenance, regardless of whether the unit would otherwise have been operating or on standby, should be reported in this column. In case of an unscheduled outage, in which additional time is utilized for scheduled maintenance, only the hours by which the unscheduled outage was extended by the scheduled maintenance should be in this column.

Out of Service – Unscheduled

All hours of outages not due to planned maintenance.

Please note that scheduled and unscheduled outages exceeding a 24-hour duration period should be listed in the remarks section of form 12e or 12f, or on the back, or on an attachment thereto: This listing should show, (1) the cause of the outage, (2) the period of the outage, and (3) the cost of repair with a breakdown of the labor and material cost involved.

Totals

The "In-Service," "On Standby," "Out of Service - Scheduled" and "Out of Service - Unscheduled" should be individually totaled and the total entered in the sixth row of each column.

Station Service, Net Generation, and Station Service % of Gross

Forms 12d, 12e, 12f IC, 12f CC, and 12g each have space provided for "Station Service," "Net Generation," and "Station Service % of Gross" in Section A as shown in Table 3.

Table 3			
Form	Station Service	Net Generation	Station Service % of Gross
12d	Column n Line 7	Column n Line 8	Column n Line 9
12e	Column c Line 7	Column c Line 8	Column c Line 9
12f IC & 12f CC	Column k Line 7	Column k Line 8	Column k Line 9
12g	Column d Line 7	Column d Line 8	Column d Line 9

Each item on each form should be filled out in accordance with the following instructions:

1. **Station Service**

This is the energy used for auxiliaries, lighting and heating of the generating plant. Energy used in lighting and heating general office, meeting rooms, etc., is not included in station service, if such office is not an integral part of the power plant building.

2. Net Generation

This is the amount of energy delivered to the transmission system and is obtained by deducting the station service from the total of the gross generation column.

3. Station Service % of Gross

The % of Gross figure is obtained by dividing the amount of energy used for station service by the total gross generation X 100.

Labor Report

Section B of each form is devoted to the labor report. Each item of each form should be filled in according to the following instructions. (Note: Those borrowers involved in plants which are only partially owned should note that this section should be completed for these plants even though the employees at the plant are not borrower employees. See the discussion on reports for partially owned plants and non-owner operated plants above.)

Item**Number of Employees Full-Time**

Indicate the total number of full-time employees of the operations and maintenance staff including superintendents. Full-time employees are those employees which put in a full year's work even though they may be employed on a temporary basis. When two or more part-time employees are used during the year to perform one employee's work, they should be reported as one employee.

Number of Employees Part-Time

Indicate the number of employees regularly employed on a part-time basis. Exclude employees hired for short periods of time to complete special jobs.

Total Employee Hours Worked

Indicate the total employee-hours worked by all employees. Do not include employee-hours for labor charged to other accounts or any labor not on the cooperative's or lead owner's payroll, such as contract labor or specialists from manufacturers or suppliers which may have been utilized in operation or maintenance work.

Plant Payroll

Indicate the total annual payroll of the plant for the above staff and the breakdown between operation, maintenance, and other accounts. Operation or maintenance personnel often are engaged in work other than operating or maintaining the plant covered by the report, such as construction or retirement activities associated with the plant or a generating plant employee working in the step-up substation which is a transmission facility rather than a generation facility. All labor not classified as operation or maintenance of the plant involved should be reported in the space entitled "Other Accounts, Plant Payroll." The sum of the amounts charged, respectively, to operation, maintenance, and other accounts should equal the amount reported for total payroll or total labor. This breakdown should be obtainable directly from the accounting distribution of the payroll. The amount reported for payroll should include any administrative and general salaries which may have been distributed to production or transmission expense by the general office.

Factors and Maximum Demand

Section C provides space for information on the factors and the maximum demand for a plant. These items should be filled out in accordance with the following instructions:

Item

Load Factor (%)

Load Factor is defined as the ratio of the average load on the plant over a designated period of time to the peak load occurring in that period. Divide gross kWh generated by the actual hours in the period to obtain the average load. The average load is divided by the peak load in that period to obtain the load factor.

$$\text{Load Factor} = \frac{\text{Gross kWh Generated}}{\text{Hours in period} \times \text{Maximum Demand in kW}} \times 100$$

Example:

For a plant that had a gross generation of 1,019,280 kWh during a period of one year and had a maximum demand of 270 kW during that period the calculation would be as follows:

$$\text{Annual Load Factor} = \frac{1,019,280 \text{ kWh}}{8,760 \text{ Hours} \times 270 \text{ kW}} \times 100 = 43.09\%$$

Plant Factor (%)

Plant factor is defined as the ratio of the average load on the plant over a designated period of time, to the aggregate rating of all of the generating equipment installed in the plant. Divide gross kWh generated by the actual hours in the period multiplied by total plant capacity.

$$\text{Plant Factor} = \frac{\text{Gross kWh Generated}}{\text{Hours in period} \times \text{Plant Capacity in kW}} \times 100$$

Example:

For a plant that had a gross generation of 1,019,280 kWh during a period of one year and has a capacity of 320 kW the calculation would be as follows:

$$\text{Annual Plant Factor} = \frac{1,019,280 \text{ kWh}}{8,760 \text{ Hours} \times 320 \text{ kW}} \times 100 = 36.36\%$$

Running Plant Capacity Factor (%)

Running Plant Capacity Factor (RPCF) is defined as the ratio of the actual energy output to the energy output that would have resulted if each unit had been operated at its full rated capacity throughout its actual hours of operation.

$$\text{RPCF} = \frac{\text{Gross kWh Generated}}{(\sum \text{Unit Capacity in kW} \times \text{Unit Hours Operated for all units})} \times 100$$

Example:

For a plant that had a gross generation of 1,019,280 kWh during a period of one year and had the unit capacities and hours operated during that period as listed in Table 4:

Table 4		
Unit	Capacity (kW)	Hours Operated
1	40	3960
2	40	3420
3	40	3010
4	200	4790

the calculation would be as follows:

$$\text{Annual RPCF} = \frac{1,019,280 \text{ kWh}}{(40 \times 3960) + (40 \times 3420) + (40 \times 3010) + (200 \times 4790)} \times 100 = 74.53\%$$

Maximum Demand

If the 15-minute integrated maximum demand is obtained from a watt-hour demand meter or a recording type demand meter, enter it in the space marked "15-Minute Gross Maximum Demand." If the maximum demand is obtained from an instrument which records or indicates the instantaneous demand, enter it under "Indicated Gross Maximum Demand" and leave the space for the 15-minute demand blank.

Cost of Net Energy Generated

Forms 12d, 12e, 12f IC, 12f CC, and 12g each contain a section designated to report the costs of the different means of power production. The annual balances of the various costs are to be reported in the appropriate columns. All accounting by plant crews for time and material should be reported in accordance with RUS Bulletin 181-1, "Uniform System of Accounts." A copy of Bulletin 181-1, or appropriate excerpts thereof, should be furnished to plant personnel. Explanation and training should be provided so that expenditures are properly classified.

Item

Fixed Costs

Items under this classification include direct charges to specific generating plants or prorated charges to individual plants when the borrower has more than one of the same type of generating plant. Table 5 shows where in Section D each of the items that make up the fixed costs are located on the forms:

Table 5				
Form	Column	Depreciation	Interest	Total Fixed Costs
12d	a	Line 21	Line 22	Line 23
12e	a	Line 16	Line 17	Line 18
12f IC	a	Line 18	Line 19	Line 20
12f CC	a	Line 22	Line 23	Line 24
12g	a	Line 20	Line 21	Line 22

Each item should be filled out in units of dollars rounded to the nearest dollar.

Depreciation

This is charged against each type of generation as indicated by the balance in Account 403.1 for steam, Account 403.2 for nuclear, Account 403.3 for hydro, and Account 403.4 for other production. Also included in this line is the accretion expense account 411.10. If these balances represent charges on more than one plant, they should be prorated to each plant on the basis established by the depreciation register.

Interest

These are charges for interest on long-term debt only. They represent the balance after deducting Account 432, "Interest Charges to Construction," from the sum of Accounts 427, "Interest on RUS Construction Loans" and "Interest on Other Long-Term Debt," respectively. The amount thus determined is prorated to each generating plant, to transmission lines and stations, and to distribution lines and stations on the basis of investment.

Total Fixed Costs

This is the total of the two items discussed above, depreciation and interest, as indicated on the forms.

Mills/Net kWh

For the purpose of analysis and evaluation, it is important to know the cost in mills per net kilowatt-hour generated for certain items reported in the "Cost of Net Energy Generated" section. The items for which this information is needed have been indicated by the open spaces in the "Mills/Net kWh" column. These unit costs are obtained by dividing the total cost reported for the item by the net generation reported in the gross generation columns.

Remarks

Any remarks, including an explanation of unscheduled outages, should be made in the space provided at the end of the Form 12e or 12f IC, 12f CC, or on the back.

Information Pertinent to Plant Operating Reports for Specific Types of Plants

Certain specific information pertinent to the type of generation for which each generating plant report is prepared is required in addition to the uniform information which has previously been referred to. Spaces have been provided on the individual type of generation report forms for submitting this specific information as follows:

Operating Report Steam Plant, RUS Form 12d

Item

Times Started

Column b of Section A of Form 12d has space for the number of times during the year which each unit was started and a total number of times all units were started.

Fuel Consumption

Columns c, d, e, and f of Section A of Form 12d are for the fuel consumption (coal, oil, gas, and other, respectively) of each unit for the year. The units for the items in each column are indicated on the form except for column f units, which are to be specified. Figures reported in column f should be expressed in thousands also. On line 6 of each column you should enter the total of lines 1 through 5. On line 7 the average BTU per the indicated unit (i.e., BTU/lb. for coal) should be entered. In column f insert the units after the slash. Line 8 should be line 6 times line 7 divided by 1000. On line 9 should be entered the delivered cost of each fuel in dollars rounded to the nearest dollar. This figure should not include handling charges once the fuel has been delivered and therefore may be different from the figures entered on lines 2 through 5 of Section D. The grand total of all BTUs consumed by the plant should be entered in Column g on line 8 and is the sum of line 8 Columns c through f.

BTU Per kWh

In column o of Section A of Form 12d space has been provided for the BTUs/kWh for both gross generation (Line 6) and net generation (Line 8). The BTU per gross kWh should be calculated and dividing line 8 column g of Section A by line 6 column n of Section A and multiply by 1000. The BTU per net kWh should be calculated by dividing line 8 column g of Section A by line 8 column n of Section A and multiplying by 1000.

\$ 10^6 BTU

In column c of Section D space has been provided for the cost of fuel in \$/ 10^6 BTU. This item is calculated by dividing the corresponding 10^6 BTU figure from row 8 of Section A. The following five formulas should be used:

Line 2 Column c Section D = (Line 2 Column a Section D) divided by
(Line 8 Column c Section A)

Line 3 Column c Section D = (Line 3 Column a Section D) divided by
(Line 8 Column d Section A)

Line 4 Column c Section D = (Line 4 Column a Section D) divided by
(Line 8 Column e Section A)

Line 5 Column c Section D = (Line 5 Column a Section D) divided by
(Line 8 Column f Section A)

Line 6 Column c Section D = (Line 6 Column a Section D) divided by
(Line 8 Column g Section A)

Operating Report - Hydro Plant, RUS Form 12e

The specific information required on this form in addition to the uniform information for a generating plant report is the "Hydraulic Data" section and at the bottom of Section A.

In the space provided, show the maximum and minimum elevations in feet that occurred during the year, of the pool behind the dam and the tail race below the dam. Also indicate whether or not water was spilled over the spillway of the dam during the year.

Operating Report - Internal Combustion Plant, RUS Form 12f IC **Operating Report - Combined Cycle Plant, RUS Form 12f CC**

Item

Fuel Consumption

Columns c, d, and e of Section A of Form 12f IC and 12f CC are for the fuel consumption (oil, gas, and other, respectively) of each unit for the year. The units for the items in each column are indicated on the form except for column e units which are to be specified. Figures reported in column e should be expressed in thousands also. On line 6 of each column you should enter the total lines 1 through 5. On line 7 the average BTU per the indicated unit (i.e., BTU/gal for oil) should be entered. In column e insert the units after the slash. Line 8, the total 10^6 BTU for the plant should be line 6 times line 7 divided by 1000. On line 9 the delivered cost of each fuel in dollars rounded to the nearest dollar should be entered. This figure should not include handling charges once the fuel has been delivered and therefore may be different from the figures entered on lines 2 through 4 of Section D. The grand total of all BTUs consumed by the plant should be entered in column f on line 8 and is the sum of line 8 columns c through e.

BTUs/kWh

In column 1 of Section A of Form 12f IC and 12f CC, space has been provided for the BTUs/kWh for both gross generation (Line 6) and net generation (Line 8). The BTU per gross kWh should be calculated by dividing line 8 column f by line 8 column k both of Section A and multiplying A by 1000.

$\$/10^6$ BTU

In column c of Section D, space has been provided for the cost of fuel in $\$/10^6$ BTU. This item is calculated by dividing the corresponding dollar figure from column a of Section E by the corresponding 10^6 BTU figure from row 8 of Section A. Use the following four formulas:

$$\text{Line 2 Column c Section D} = (\text{Line 2 Column a Section D}) \text{ divided by} \\ (\text{Line 8 Column c Section A})$$

$$\text{Line 3 Column c Section D} = (\text{Line 3 Column a Section D}) \text{ divided by} \\ (\text{Line 8 Column d Section A})$$

$$\text{Line 4 Column c Section D} = (\text{Line 4 Column a Section D}) \text{ divided by} \\ (\text{Line 8 Column e Section A})$$

$$\text{Line 6 Column c Section D} = (\text{Line 6 Column a Section D}) \text{ divided by} \\ (\text{Line 8 Column f Section A})$$

Operating Report - Nuclear Plant, RUS Form 12g

Item

Times Started

Column b of Section A of Form 12g has space for the number of times during the year which each unit was started and a total number of times all units were started.

RUS Form 12h, Operating Report - Annual Supplement

Section A, Utility Plant

As reflected in the column headings, each line of this section, as appropriate, should show:

Column

a **Balance Beginning of Year**

These balances should be the same as shown in "Balance End of Year" column of the previous year's report.

b **Additions**

This column should show the additions to plant during the year including any corrections for additions for the current or preceding year. Include in this column transfers involving Account 103, "Experimental Electric Plant Unclassified," Account 106, "Completed Construction Not Classified - Electric," and Account 107, "Construction Work in Progress - Electric," made to close the records for items in these accounts. A credit amount will be shown in this column on lines 22 or 27 if the "Balance End of Year" in either Account 106 or Account 107 is less than "Balance Beginning of Year." Any amount paid for electric plant purchased during the year should be shown in Item 19 in this column.

Column

c **Retirements**

This column should show the physical retirements of plant made during the year including any corrections for retirements for the current or preceding year. Any amount received during the year for electric plant sold should be shown in Item 19 in this column.

d **Adjustments and Transfers**

Include in this column:

1. Transfers between electric plant purchased or sold and the electric plant in service accounts.
2. Transfer between electric plants in service accounts and electric plant leased to others.

3. Transfer between electric plant in service accounts and electric plant held for future use.
4. Reclassifications or transfers within the electric plant service accounts.

Do not include in this column corrections of additions and retirements for the current or preceding year. (These should be shown in the "Additions and Retirements" columns, respectively.)

Do not include transfers from Account 107 to 103 or 106, or from 103 or 106 to the electric plant in service accounts. (These are to be shown in the Additions column.)

Ordinarily, column d should add to zero. However, when electric plant purchased is transferred to the electric plant in service accounts, a difference will occur because of the accumulated provision for depreciation. When the electric plant in service accounts are credited with electric plant sold, a difference will develop. This is because of the adjustment to the accumulated provision for depreciation and the gain or loss.

e **Balance End of Year**

These balances should be determined at year-end directly from the accounts. Each line and column total should be verified to see that "Balance Beginning of Year" plus "Additions" minus "Retirements" and plus or minus "Adjustments and Transfers" equal "Balance End of Year." The amount for Item 27 should agree with Form 12a, Section B, Item 2. The total of this column should agree with Form 12a, Section B, Item 3.

Section B, Accumulated Provision for Depreciation and Amortization - Utility Plant

This section is used to report the beginning balances, changes during the year, and the closing balance of the Accumulated Provision Accounts listed. The annual rate of depreciation or amortization in effect at the end of the year for each type of plant should be reported as a percentage figure in column a. If more than one rate is used for one type of plant, determine and report the composite rate for the plant. The amount of the annual provision for each account is to be reported in column c. The sum of the original cost of property retired plus cost of removal, less salvage is to be reported in column d for each type of plant as appropriate. Column e is to be used for adjusting the reserves for reclassifications or transfers within the utility plant accounts reflected in Section A, column d. (Note: The amount for Item 18, column f should equal the amount reported in the monthly operating report, RUS Form 12a, Section B, Item 4.)

The amount of depreciation and amortization of electric plant charged to expense during the year plus any corrections of accruals for previous years which are charged to expense should be reported in Item 19. This should agree with the amount reported on Form 12a, Section A, Item 20, This Year.

The amount of depreciation and amortization of electric plant charged to clearing and other accounts plus any corrections of accruals charged to clearing and other accounts should be reported in Item 20. The sum of the amounts in Items 19 plus 20 should equal the total accruals reported in column c, Item 18.

The amount of charges to the accumulated provision for amortization and depreciation accounts representing original cost of plant retired should be reported in Item 21.

The amount of charges to the accumulated provision for depreciation accounts for cost of removal of plant retired should be reported in Item 22.

The amount of credits to the accumulated provision for depreciation accounts for material salvaged from retirements should be reported in Item 23. Note: The sum of the amounts reported in Item 21 plus 22 minus 23 should equal the amount reported in column d, Item 18.

The amount to be reported in Item 24 is the sum of the cost of improvements or replacements of physical plant for which there were associated retirements less net salvage. This definition applies to both force account and contract construction.

Section C, Non-Utility Property

As reflected in the column headings, report activities within Accounts 121 and 122. See instructions under Sections A and B for additional information on details to be reported.

Note: The difference between the amounts reported in column e (Item 1 minus Item 2) should agree with the amount reported on Form 12a, Section B, line 6 for the month of December.

Section D, Demand and Energy at Power Sources

This section is to be used for reporting the simultaneous peaks established monthly (in megawatts) and monthly output (in megawatt-hours) for the combined sources of electric energy of the respondent. Specific instructions for the various columns are:

Column

- a. Peak Demand (MW) - Enter the sum of the monthly maximum coincidental demands measured at generation or purchased power sources, plus or minus net interchange, minus temporary deliveries (not interchange) of emergency power to another system. Enter the highest monthly peak in the annual peak space. All entries should be made in megawatts.

When coincidental demand data is not available, enter the sum of the noncoincidental demands in accordance with the instructions for coincidental demands.

Note: The entries for this column are to be expressed in megawatts rounded to the nearest tenth. When deductions are made for emergency deliveries, the entry should be footnoted and a brief explanation of the transaction should be furnished in the remarks space of this section.

- b. Date - Enter the date when the peak occurred.
- c. Time - Enter the time of day when the monthly peak occurred using military time as illustrated below:

12:30 AM = 0030
9:30 AM = 0930
6:40 PM = 1840
9:45 PM = 2145

- d. Type of Reading - Enter a C if the demand data is coincidental and an N if it is noncoincidental.
- e. Energy Output (MWh) - Enter by months the sum of net generation and purchases, plus or minus net interchange and plus or minus net transmission or wheeling. Enter the sum of the monthly amounts in the annual total space. This amount should agree with that on Item 14, Column d of RUS Form 12c.

Note: The entries for this column are to be expressed in megawatt-hours rounded to the nearest tenth.

Section E, Demand and Energy at Delivery Points

This section is to be used for reporting the monthly power deliveries under two classes as indicated in the format. Specific instructions for the various columns are:

Column

- a. Delivered to RUS Borrowers Demand (MW) - Enter the sum of the noncoincidental maximum demand (in megawatts) delivered to RUS Borrowers. Include sales to RUS distribution borrowers and sales to RUS generation and transmission borrowers.
- b. Delivered to RUS Borrowers Energy (MWh) - Enter the sum of the energy delivered (in megawatt-hours) to RUS borrowers.
- c. Delivered to Others Demand (MW) - Enter the sum of the on-peak maximum demand (in megawatts) delivered to ultimate consumers and sales to other than RUS borrowers.
- d. Delivered to Others Energy (MWh) - Enter the sum of the energy delivered (in megawatt-hours) to ultimate consumers and sales to other than RUS borrowers.
- e. Total Delivered Demand (MW) – Sum of column a + c.
- f. Total Delivered energy (MWH) - Sum of column b + d.

Section F, Investments, Loan Guarantees and Loans - Power Supply

This section is used to implement the reporting requirements placed on RUS borrowers in 7 CFR 1717.658 Records, reports and audits.

General Instructions:

1. Before completing this section, borrowers should review 7 CFR 1717, Subpart N, Investments, Loans and Guarantees by Electric Borrowers.
2. RUS Form 12h, Section F, has been revised so that its items correspond to those reported in the Balance Sheet (RUS Form 12a, Section B, Balance Sheet.) Now, all investment items summarized on the Balance Sheet are now also reported individually on Form 12h and classified as either **Included**, that is subject to the 15% Rule*, or **Excluded**. Separate reporting on individual investments is required so that RUS can test the completeness of

the items reported and the accuracy with which they were classified as **Included** or **Excluded**.

* The 15 percent Rule states: (a) A borrower in compliance with all provisions of its RUS mortgage, RUS loan contract, and any other agreements with RUS may, without prior written approval of the Administrator, invest its own funds or make loans or guarantees not in excess of 15 percent of its total utility plant without regard to any provision contained in any RUS mortgage or RUS loan contract to the effect that the borrower must obtain prior approval from RUS, provided, however, that the borrower may not, without the prior written approval of the Administrator, make such investments, loans, and guarantees to extend, add to, or modify its electric system. Moreover, funds necessary to make timely payments of principal and interest on loans secured by the RUS mortgage remain subject to RUS controls on borrower investments, loans and guarantees.

(b) RUS will not consider requests from borrowers to exclude investments, loans, or guarantees made below the 15 percent level. (Categorical exclusions are set forth in 7 CFR 1717.655.)

3. Form 12h, Section F report totals (e.g. Non-Utility Plant (Net)) should match balance sheet items in amount. Please ensure that they match. RUS's data processing system reports all items that do not match.
4. **Exhibit A of this Bulletin** is a one page guide that classifies most investments as either Included or Excluded. **Exhibit B of this Bulletin** describes each type of investment in greater detail and classifies it as included or excluded. Guidelines were developed in accordance with 7 CFR 1717.655, Exclusion of certain investments, loans, and guarantees. If you need further clarification, contact the RUS Power Supply Division office for assistance.
5. All investments must be reported separately, except: Energy Resource Conservation (ERC) loans; Loans to Employees, Officers, and Directors; and small balance accounts receivable items should be reported as totals. A full description of each individually reported investment is needed by RUS to verify its proper classification as Included or Excluded.
6. Loan guarantees that an RUS borrower makes (e.g. member guarantees of its power supplier's loan from RUS) in conformance with the terms of a formal agreement with RUS are excludable.
7. If you need more space than the printed forms provide, please show the remainder of your investments, separately, on the continuation form provided which has column headings like the Form 12h, Section F. Insert the report item name and number. A continuation form is enclosed.

Please review the following material carefully.

ITEMS INCLUDED IN 15% RULE CALCULATION:
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All items properly reported on RUS Form 12a, Section B, Balance Sheet, items 6 through 13, 15, 17 through 19, and 21 must be reported as **Included** or **Excluded** items, as defined below. The sum of the **Included** items, plus the sum of the borrower's commitments to invest during the next 12 months following the reporting period, plus the sum of loan guarantees (the balances of loans outstanding which the borrower has guaranteed) except those amounts **Excluded**, added together, may not exceed 15% of Total Utility Plant to comply with the 15% Rule. [Reference: 7 CFR 1717.655, Exclusions of certain investments, loans, and guarantees.].

New: Balance Sheet item 20 is now Accounts Receivable - Sales of Energy (Net). It is NOT included in the 15% Rule calculation.

EXCLUDED INVESTMENTS:

The following information is derived from 7 CFR 1717.655:

(a) In calculating the amount of investments, loans and guarantees permitted, there is excluded from the computation any investment, loan or guarantee of the type which by the terms of the borrower's RUS mortgage or RUS loan contract the borrower may make in unlimited amounts without RUS approval.

(b) Furthermore, the borrower may make unlimited investments, without prior approval of the Administrator, in:

- Securities or deposits issued, guaranteed or fully insured as to payment by the United States Government or any agency thereof;
- Capital term certificates, bank stock, or other similar securities of the supplemental lender which have been purchased as a condition of membership in the supplemental lender, or as a condition of receiving financial assistance from such lender, as well as any other investment made in, or loans made to, the National Rural Utilities Cooperative Finance Corporation, the Saint Paul Bank for Cooperatives, and CoBank, ACB;
- Patronage capital allocated from an electric power supply cooperative of which the borrower is a member; and
- Patronage capital allocated from an electric distribution cooperative to a power supply borrower.

(c) Without prior approval of the Administrator, the borrower may also:

- Invest or lend funds derived directly from:
- Grants which the borrower is not obligated to repay, regardless of the source or purpose of the grant; and

- Loans received from or guaranteed by any Federal, State or local government program designed to promote rural economic development, provided that the borrower uses the loan proceeds for such purpose;
- Make loans guaranteed by an agency of USDA, up to the amount of principal whose repayment, with interest, is fully guaranteed; and
- Make unlimited investments in and unlimited loans to finance the following community infrastructure that serves primarily consumers located in rural areas as defined in 7 CFR 1710.2, and guarantee debt issued for the construction or acquisition of such infrastructure, up to an aggregate amount of such guarantees not to exceed 20 percent of the borrower's equity:

Water and waste disposal systems;
Solid waste disposal systems;
Telecommunication and other electronic communication systems; and
Natural gas distribution systems.

Note: If the system is a component of a larger organization other than the borrower itself (e.g., if it is a component of a subsidiary of the borrower or a corporation independent of the borrower), to be eligible for the exemption the borrower must certify annually that a majority of the gross revenues of the larger organization during the most recent fiscal year came from customers of said system who were located in a rural area.

(d) Also excluded from the calculation of investments, loans and guarantees made by the borrower are:

- Amounts properly recordable in Account 142 Customer Accounts Receivable, and Account 143 Other Accounts Receivable;
- Any investment, loan, or guarantee that the borrower is required to make by an agency of USDA, for example, as a condition of obtaining financial assistance for itself or any other person or organization;
- Investments included in an irrevocable trust for the purpose of funding post-retirement benefits of the borrower's employees;
- Reserves required by a reserve bond agreement or other agreement legally binding on the borrower, that are dedicated to making required payments on debt secured under the RUS mortgage, not to exceed the amount of reserves specifically required by such agreements; and
- Investments included in an irrevocable trust approved by RUS and dedicated to the payment of decommissioning costs of nuclear facilities of the borrower.

(e) Grandfathered exclusions. All amounts of individual investments, loans, and guarantees excluded by RUS as of February 16, 1995, shall remain excluded. Such exclusions must have been based on the RUS mortgage, RUS loan contract, regulations, bulletins, memoranda, or other written notice from RUS. Profits, interest, and other returns earned (regardless of whether or not they are reinvested) on such investments, loans and guarantees after February 16, 1995, shall be excluded only if they are eligible for exclusion. Any new commitments of money to such investments, loans and guarantees shall likewise be excluded only if they are eligible. See 7 CFR 1717.655 for complete eligibility.

(f) Any investment, loan or guarantee made by a borrower that is not excluded under 7 CFR 1717.655 or under 7 CFR 1717.657 shall be included in the aggregate amount of investments, loans and guarantees made by the borrower, regardless of whether RUS has specifically approved the investment, loan or guarantee under 7 CFR 1717.657, or has approved a related transaction (e.g., a lien accommodation).

PART I. INVESTMENTS

Report all individual items that are summarized in the following Balance Sheet categories:

1. **Non-Utility Property (Net):**

Report items summarized as Balance sheet item 6.

2. **Investments in Associated Organizations:**

Report items summarized as Balance sheet items 7, 8, 9 and 10.

3. **Investments in Economic Development Projects:**

Report items summarized as Balance sheet item 11.

4. **Other Investments:**

Report items summarized as Balance sheet item 12.

5. **Special Funds:**

Report items summarized as Balance sheet item 13.

6. **Cash-General:**

Report items summarized as Balance sheet item 15.

7. **Special Deposits:**

Report items summarized as Balance sheet item 17.

8. **Temporary Investments**

Report items summarized as Balance sheet item 18.

9. **Accounts Receivable and Notes Receivable (Net)**

Report items summarized as Balance sheet item 19 and 21.

10. Commitments To Invest Within 12 Months But Not Actually Purchased

These items do not appear on the RUS Form 12a, Part B, Balance Sheet. Report any legally binding commitments to invest within the 12 months following the reporting period.

Column headings:

Column (a), **Investment Description**, giving issuer's name e.g. C.D. 1st National Bank, Omaha NE, or US Treasury Certificates, other investments, giving the name, the city and state of their address, type of investment. **The description must be sufficiently detailed so that RUS can verify that the investment is properly classified as included or excluded under the 15% rule.**

Column (b), **Included Amount**: See Exhibit A or Exhibit B of this bulletin.

Column (c), **Excluded Amount**: See Exhibit A or Exhibit B of this bulletin.

Column (d), **Income or Loss**: For each investment that is accounted for under the equity method of accounting and reported in Item 2, Investments in Associated Organizations, Item 3, Investments in Economic Development Projects, and Item 4, Other Investments, indicate the amount of income or loss recognized during the reporting period. If there were no investments to account for under the equity method of accounting, please enter zero. For each receivable reported in Item 9, Accounts & Notes Receivable (Net), indicate the amounts, if any, charged to the provision for uncollectible notes receivable. If there were no charges for uncollectible notes receivable, please enter zero.

Column (e), **Rural Development**: Identify investments in rural economic development by placing an X in column e. Include investments in any/all types of projects or products that were made to improve the economy and/or quality of life in your area.

Examples of Rural Economic Development Investments include (but are not limited to): energy resources and conservation loans, rural development loans/grants, water/wastewater, satellite/cable TV, natural/propane gas, telephone/Internet, power quality, load management, agricultural services, housing, industrial parks/organizations, incubator buildings, public health/safety, financing/revolving loan funds, security services, etc.

PART II. LOAN GUARANTEES

In this part, reporting RUS borrowers should list each loan guarantee they have given. They should not report those they have received from RUS or any other source. For example, a reporting power supply system's guarantee of a bank's loan to a local rural development project should be reported here. By contrast, the guarantee by RUS of a Federal Financing Bank loan to the reporting power supply system, should not be reported here.

List all loans your system has guaranteed. This includes but is not limited to: your guarantees of loans to rural economic development projects, guarantees of loans to your subsidiary organizations, or to associated/nonassociated organizations, other power supply organizations.

Excluded Guarantees: Guarantees are **Excludable** when they were made by the reporting system, as required by the terms of a formal agreement with RUS in connection with a loan or loan guarantee from RUS. Guarantees are not excludable when they were made by the reporting

system without the formal approval of RUS. For example, a guarantee is **Includable** when a reporting power supply borrower system guarantees the repayment of a loan made to a subsidiary of the power supply system by a bank, but the terms of that loan were not specifically agreed to by RUS. By contrast, the "member guarantees" provided by distribution or power supply system supporting an RUS Insured, FFB or other loan to its power supplier are **Excludable** when that "member guarantee" was required by terms of a formal agreement with RUS.

Column (a), **Organization**: Identify the legal person, or entity whose loan is guaranteed, the city and state of their address.

Column (b), **Maturity Date**: This is the date when the final payment on the loan guaranteed by your organization is payable. If the final date has been extended, the **new** final date payment should be furnished here.

Column (c), **Original Amount**: The original loan amount owed upon execution of the note, usually the face amount, or a portion thereof, if it is a partial guarantee.

Column (d), **Loan Balance**: The remaining balance of the original loan amount that is outstanding, or portion thereof if it is a partial guarantee.

Column (e), **Rural Development**: Insert the code "X" if the investment was made primarily for rural economic development purposes.

Line 4, **Totals**, report the totals of Original Amounts and Loan Balances for all guarantees.

Line 5, **Totals (Include Loan Guarantees Only)**, report the sums of the Original Amounts and remaining Loan Balances or portion of the loan balances (shown in column d) that your organization guaranteed, which are not **Excludable**, that is, those which are subject to the 15% Rule limitation.

PART III, RATIO OF INVESTMENTS AND LOAN GUARANTEES TO TOTAL UTILITY PLANT.

Divide the sum of the Included Investments (Part I, item 11, Total, column (b)) plus Included Loan Guarantees (Part II, Totals, Column (c)) by the Total Utility Plant (Form 7, Part C. Balance Sheet, item 3).

Note: the balance of the "Loans" in Part IV is not a part of this calculation. This percentage should be expressed as a whole number and one decimal digit, e.g. 15.1%. Values of 15.1% or more are in non-compliance and must be explained.

PART IV, LOANS

List each note receivable, draft, demand loan, time loan, and similar evidence of indebtedness for each loan made by your organization. However, loans to your Employees, Officers, and Directors and ERC Loans (both items printed on the form) should be reported as totals.

Column (a) Organization - Name of the debtor organization;
Column (b) Maturity Date - Final maturity date;

Column (c) Original Amount - Original loan amount;
Column (d) Loan Balance - Outstanding loan balance, or carrying value; and
Column (e) Rural Development - "X" for loans made primarily for Rural Development purposes.

Section G, Materials and Supplies Inventory

This section is used to report activities in the inventory accounts by six categories as listed in the format. The beginning balance, additions, deductions, and closing balance for each category are to be reported. This information should be ascertained from the inventory records. The sum of the amounts for Items 1 and 2 for column d should equal the amount reported on RUS Form 12a, Section B, Item 22, "Fuel Stock." The sum of the amounts reported for Items 3 through 6 in column d should equal the amount reported on form 12a, Section B, Item 23, "Materials and Supplies - Other." The amounts reported in column d for each item should be the sum of column a plus column b minus column c.

Section H, Long-Term Debt and Debt Service Requirements

List the name of each party holding the indebtedness and:

Column

- a Enter book balance for each indebtedness and the total thereof. (Note: The total should reconcile with the amount reported in RUS Form 12a, Section B, item 44, Total Long-Term Debt plus the amounts recorded in item 50, Current Maturities Long-Term Debt-Rural Development.)
- b Enter the amount of interest billed during the year for each indebtedness and the total thereof. The amount includes interest charged to construction as well as interest charged to expense. When other than four quarterly billings are due in any one calendar year (as may be the case with FFB billings), the amount reported here should be normalized to reflect four quarterly billings.
- c Enter the amount of principal paid, billed during the year, for each indebtedness and the total thereof. If a portion of the principal amount is being refinanced (e.g., the proceeds from an RUS-guaranteed loan are used to pay off a CFC intermediate-term construction loan), that amount should not be included in this column as part of the principal billed. The amount shown, however, should be asterisked and the refinanced portion should be explained in an attached footnote.
- d Enter sum of entries in Columns b plus c.

Section I, Annual Meeting and Board Data**Item No.****1 Date of Last Annual Meeting**

Use date scheduled even if no legal meeting was held. If no meeting was held, so state.

2 Total Number of Members

The number of members in the cooperative which are eligible to vote is to be reported in this block.

3. Number of Members Present at Meeting

Report number of members present in person as determined by registration or votes cast. Only report persons eligible to vote. Do not report total number of persons in attendance.

4. Was Quorum Present?

A "yes" or "no" answer is sufficient.

5. Number of Members Voting by Proxy or Mail

Report the number of absentee ballots cast. Include both proxy votes and absentee votes. If none, so state.

6 Total Number of Board Members

List number of board members when all vacancies are filled.

7 Annual Cost of Directors Fees and Expenses

Include all fees, expenses, and per diem paid to board members for all purposes during the current year, including attendance at board meetings, training seminars, delegated board business, association meetings, amounts paid for insurance and other expenses directly associated with individual board members.

8 Does Manager Have Written Contract?

A "yes" or "no" answer is requested.

Section J, Man-Hour and Payroll Statistics**Item No.****1 Number of Full Time Employees**

The number reported should be the number of employees hired full-time for normal operations of the system. It should not include employees added to do emergency work, employees added for seasonal employment, or for special assignments. If an employee works for the first 6 months of the year, quits in July, and is replaced immediately or later by another employee, these two men should be reported as one full-time employee.

2 Man-Hours Worked - Regular Time

Report the total number of employee-hours worked for which the employee received a regular rate of pay. Include both salaries and hourly rate employees. All leave with pay is to be counted as hours worked. All leave without pay is not to be counted.

Item No.**3 Man-Hours Worked - Overtime**

Report the total number of employee-hours worked for which premium rates of pay were paid to employees.

4 Payroll - Expensed

Enter the amount of payroll which was charged to the operation and maintenance expense accounts (Accounts 500 through 598 and 901 through 931, and 935) during the year.

5 Payroll - Capitalized

Enter the amount of payroll which was used in construction and retirement work. (All payroll charged to Accounts 107.1 through 107.3, 108.8, plus all payroll directly charged to the plant Accounts 301 through 399.)

6 Payroll - Other

Enter the amount of payroll which was not included in Items 4 and 5.

Section K, Long Term Leases

Report in this section by lessor, type of property, and amount of rental for the year (accrued or paid) on all "restricted property" which is held under "long-term" lease from other parties. "Restricted Property" means all properties other than automobiles, trucks, trailers tractors, other vehicles (including without limitation aircraft and ships), office garage and warehouse space and office equipment (including without limitation computers). "Long-Term" means leases having unexpired terms (taking into account terms of renewal at the option of the lessor whether or not such leases have theretofore been renewed) of more than 12 months. General plant is not to be included in the data to be reported in this section. Leases accounted for as capital leases, the cost of which is included in utility (or non-utility) plant should also be disclosed here with proper additional information included in Form 12a, Section C, "Notes to Financial Statements", and Section H, "Long-Term Debt - Other and Debt Service Requirements." Identify these leases by placing "(CL)" following the name of the lessor.

RUS Form 12i, Operating Report - Lines and Stations

Form 12i is designed to report the transmission and distribution plant expense of the entire system of the borrower under the heading of "Lines" and "Stations." All accounting by plant crews for time and material should be reported in accordance with 7 CFR 1767, Subpart B, Uniform System of Accounts. A copy of part 1767 or appropriate excerpts thereof, should be furnished to plant personnel. Explanation and training should be provided so that all expenditures are properly classified.

Section A, Expense and Costs**Item No.****1 Supervision and Engineering**
Account 560**2 Load Dispatching**
Account 561

Item No.

- 3 **Station Expenses**
Account 562
- 4 **Overhead Line Expenses**
Account 563
- 5 **Underground Line Expenses**
Account 564
- 6 **Miscellaneous Expenses**
Account 566
- 7 **SUBTOTAL**
Sum Items 1 through 6
- 8 **Transmission of Electricity by Others**
Account 565
- 9 **Rents**
Accounts 567
- 10 **TOTAL TRANSMISSION OPERATION**
Sum Items 7 through 9
- 11 **Supervision and Engineering**
Account 568
- 12 **Structures**
Account 569
- 13 **Station Equipment**
Account 570
- 14 **Overhead Lines**
Account 571
- 15 **Underground Lines**
Account 572
- 16 **Miscellaneous Transmission Plant**
Account 573
- 17 **TOTAL TRANSMISSION MAINTENANCE**
Sum Items 11 through 16
- 18 **TOTAL TRANSMISSION EXPENSE**
Items 10 plus 17
- 19 **Distribution Expense - Operation**
Accounts 580 through 589

Item No.

- 20 **Distribution Expense - Maintenance**
 Accounts 590 through 598
- 21 **TOTAL DISTRIBUTION EXPENSE**
 Item 19 plus 20
- 22 **TOTAL OPERATION AND MAINTENANCE**
 Item 18 plus 21

Fixed Costs

Under this classification include direct charges to transmission and distribution plant or prorated charges on some items between generating, transmission, and distribution plant. The basis for calculating or prorating these costs is given below for each item.

Depreciation

These charges for transmission and distribution are indicated by the balances in Account 403.5 and 403.6, respectively. The charges should be prorated to "lines" and "stations" on the basis established in the depreciation register.

Interest charges

These are reported as described on page 20.

Item No.

- 23 **Depreciation - Transmission**
 Account 403.5
- 24 **Depreciation - Distribution**
 Account 403.6
- 25 **Interest - Transmission**
 Account 427
- 26 **Interest - Distribution**
 Account 427
- 27 **TOTAL TRANSMISSION**
 Sum Items 18, 23, and 25
- 28 **TOTAL DISTRIBUTION**
 Sum Items 21, 24, and 26
- 29 **TOTAL LINES AND STATIONS**
 Sum Items 27 and 28

Section B, Facilities in Service

Miles of line and substation capacity in service are to be reported in Section B of Form 12i. Transmission lines are to be subdivided and reported by voltage. Distribution lines are to be reported in total only. Substations are to be grouped and reported in three categories as shown on the form.

Section C, Labor and Material Summary

Labor and material costs used in operation and maintenance of lines and stations are to be reported in this summary. Include work performed by contractors as well as work performed by payroll employees. Work performed by payroll employees should be reported on the basis of payroll or inventory records. Work performed by contractors should be added to that to be reported for payroll employees.. Estimates should be used for the contractor work when contractor invoices do not furnish the required detail. Part-time or temporary employees should be included in the number of employees, When one or more employees work less than a month the hours worked by such employees should be totaled and divided by 8 to convert into employee-days. These employee-days should be divided by the number of work days in the month to obtain the number of employees. This number should be rounded off to the nearest whole number and added to the number of full-time employees, the sum of which is the number to be reported.

Section D, Outages**Item No.****1 Total**

Show the total hours all delivery points were out due to both scheduled and unscheduled outages. Hours out should be expressed in hours and tenths of an hour. One hour and 6 minutes equal 1.1 hours.

2 Average Number Distribution Consumers Served

Show the average number of distribution consumers served. This should be obtained from the distribution member or system and reported by the power supply borrower.

3 Average Number of Hours Out Per Consumer

Item 1 divided by item 2.

EXHIBIT A
INVESTMENTS UNDER THE 15 PERCENT RULE

Investments to be INCLUDED in the 15 Percent Calculation

Annuity-type investments	Money market mutual funds
Asset management accounts	Mortgage-backed securities (unless backed by full faith and credit of a U.S. Government Agency)
Brokerage Accounts (non-FDIC)	Municipal bonds
Cash and CD's* (uninsured part)	Mutual funds
Commercial paper (except NRUCFC)	Options (stock)
Common stock	Patronage capital, other than that from power supplier, or supplemental lender(s)
Convertible certificates (bonds, debentures, preference stock)	Preferred stock
Corporate bonds	Real Estate Investment Trusts
Energy resource conservation loans	Repurchase agreements
Futures contracts	Unit investment trusts
Lines of credit (to others, including G&T's)	Warrants
Loan guarantees NOT required by RUS	Zero coupon bonds
Loans - Personal	
Membership certificates	

Investments to be EXCLUDED from 15 Percent Calculation

Capital term certificates, bank stocks, etc., purchases as condition of supplemental lender membership or financing	Patronage capital, from power supply cooperative from supplemental lender(s)
CoBank cash investment services certificates	Post Retirement Benefits - Funded Revenue Bond(Debt Service) Reserves
Commercial paper issued by NRUCFC	Surplus Funds Program (St. Paul Bank for Cooperatives)
Deferred compensation (including MINT)	U.S. Savings Bonds
Loan guarantees required by RUS	U.S. Treasury bills
Mortgage backed securities backed by full faith and credit of a U.S. Government agency (e.g., Ginnies FCSFAC, FmHA CBO's, Frannies, FFB, GSA, and TVA)	U.S. Treasury bonds
NRUCFC membership certificates	U.S. Treasury notes
NRUCFC securities (debt)	U.S. Governments backed by full faith and credit, U.S. Treasury: Ginnies, Maritime Administration Guaranteed Ship Financing Bonds (issued after 1972)
	Farm Credit System Financial Assistance Corporation
	FmHA, SBA, and WMATA

Investments Which May Be EXCLUDED Within Certain Limits

* Several forms of investment may be excluded from the 15 percent calculation to the extent that they are insured by U.S. Government agencies, such as FDIC, etc. However, any such investments in excess of the insured amount (typically \$100,000) are Included in the 15 percent calculation.

INVESTMENT DESCRIPTIONS

<u>Type of Investment</u>	<u>Description</u>	<u>Includable or Excludable</u>
Annuity	Provides regular, guaranteed income payments for life or set time period.	Includable
Asset Management Account	One-stop financial plan that included brokerage account, checking, debit and credit card, money market fund.	Includable
Brokerage Accounts (Accounts not FDIC insured)	Stock Brokers, Banks, other agents providing investment services	Includable
Capital term certificates, bank stock, or similar securities	Securities of the supplemental lender which have been purchased as a condition of membership in the supplemental lender, or as a condition of receiving financial assistance from such lender.	Excludable
Cash, if it is not FDIC Insured	See U.S. Government issued, guaranteed, or fully insured securities or deposits.	Includable
Certificate of Deposit (CD) (Less than \$100,000) In FDIC Bank	Receipt for set sum of money left in bank for set period of time at an agreed-upon interest; at end of period, bank pays deposit plus interest.	Excludable
CoBank Cash Investment Services	Short-term unsecured notes sold by the CoBank.	Excludable
Commercial Paper	Short-term unsecured notes sold by large corporations.	Includable
Commercial Paper, NRUCFC	Short-term unsecured notes sold by NRUCFC.	Excludable

INVESTMENT DESCRIPTIONS

<u>Type of Investment</u>	<u>Description</u>	<u>Includable or Excludable</u>
Common Stock	Security that represents ownership in a company.	Includable
Convertible:	Bond, debenture, or preferred share of stock, which may be exchanged by owner for common stock, usually of same company.	Includable
Corporate Bond	Debt obligation of corporation.	Includable
Debt Service Reserves	Cash set aside to ensure prompt payment of Revenue Bonds or RUS Loans, Guarantees, or Loans that are secured by liens accommodated by RUS.	Excludable: Limited to req. by Bond Agreement or/ amount due in 3 mos. after Report Date
Deferred Compensation	Periodic payments made to an employee after retirement, either for the employee's life or for a specified number of years, for specific duties performed during periods of active employment.	Excludable
Energy Resource Conservation (ERC) Loans	Loans made by RUS borrower to its consumers for the cost of labor and materials for the following energy conservation measures: <ol style="list-style-type: none">1. Caulking2. Weather-stripping3. Ceiling insulation4. Wall insulation5. Floor insulation6. Duct insulation7. Pipe insulation8. Water heater insulation9. Storm windows10. Thermal windows11. Storm or thermal doors	Includable

INVESTMENT DESCRIPTIONS

<u>Type of Investment</u>	<u>Description</u>	<u>Includable or Excludable</u>
Energy Resource Conservation (ERC) Loans (Continued)	12. Clock thermostats 13. Attic ventilation fans	
Futures contracts	Contracts covering sale of financial instruments or physical commodities for future delivery; includes agricultural products, metals, Treasury bills, foreign currencies, and stock index futures (i.e., Standard and Poor's 500).	Includable
Line of Credit	Bank's moral commitment to make loans to a company for a specific maximum amount for a given period of time, typically 1 year. There is usually no commitment fee charged on the unused line. However, a compensating balance requirement often exists.	Includable
Loan Guarantee	Guarantees for the payment of debt obligations of others; i.e., including but not limited to rural development projects, subsidiary organizations, associated/nonassociated organizations, power supply organizations, etc.	Includable Excludable if required by RUS to support an RUS loan or RUS loan guarantee.
Loans - Employees, Directors, Officers, and Others	Agreement by which an owner of property (the lender) allows another party (the borrower) to use the property for a specified time period, and in return the borrower will pay the lender a payment (usually interest), and return the property (usually cash) at the end of the time period. A loan is usually evidenced by a Promissory Note. Loans to a power supply	Includable

INVESTMENT DESCRIPTIONS

<u>Type of Investment</u>	<u>Description</u>	<u>Includable or Excludable</u>
Loans - Employees, Directors, Officers, and Others (Continued)	cooperative, G&T, of which the cooperative is a member, are excludable, if these loans have been given specific RUS approval for exclusion or are required by RUS.	
Membership Certificates NRUCFC, CoBank	Membership required to become eligible to obtain loans. financing.	Excludable
Other Membership Certificates	Membership fee.	Includable
Money market deposit account	A type of money market fund at a bank or savings and loan association with limited checking privileges	Excludable if FDIC & Under \$100,000
Money market mutual fund	An investment company which buys short-term money market instruments.	Includable
Mortgage-backed securities	Securities representing a share ownership of mortgages guaranteed as to payment by a Agency of the Federal governments; includes Ginnie Maes, Fannie Maes, Freddie Macs, etc.	Excludable
Mortgage-Backed securities	Not guaranteed as to payment by an agency of the Federal Government.	Includable
Municipal bond	Debt obligation of state, city, town or their agencies.	Includable
Municipal bond Public Utility Cooperative (Municipalities)	Debt obligation of public utility cooperative that is required by law to obtain financing through bonds.	Includable

INVESTMENT DESCRIPTIONS

<u>Type of Investment</u>	<u>Description</u>	<u>Includable or Excludable</u>
Mutual fund	Investment trust in which your dollars are pooled with those of hundreds of others and invested by professional managers in stocks or bonds.	Includable
National Rural Utilities Cooperative Finance Corporation (NRUCFC) membership certificate	Security that represents ownership in NRUCFC.	Excludable
NRUCFC Patronage Capital	The amounts paid or payable by the NRUCFC in connection with the furnishing of credit services to member cooperatives etc., i.e., which were in excess of the cost of service.	Excludable
NRUCFC Securities, Other	All securities issued by NRUCFC, including patronage capital, are excludable investments.	Excludable
Negotiable order of withdrawal (NOW) account	NOW interest-bearing checking account.	Excludable if FDIC & under \$100,000
Options	The right to buy (call) or sell (put) a stock at a given price (strike price) for a given period of time.	Includable
Patronage Capital, G&T Power Suppliers	Amounts paid or payable by the cooperative in connection with the furnishing of electric energy and all other amounts which the G&T power supplier is obligated to credit to the cooperative as patronage capital.	Excludable

INVESTMENT DESCRIPTIONS

<u>Type of Investment</u>	<u>Description</u>	<u>Includable or Excludable</u>
Patronage Capital, Other than Power Suppliers & supplemental lenders	Amounts paid or payable by the other associated companies in connection with the furnishing of supplies, etc., which are in excess of the cost of service and all other amounts which the associated companies are obligated to credit to the cooperative as patronage capital.	Includable
Preferred stock	Stock sold with a fixed dividend; if company is liquidated, has priority over common stock.	Includable
Real estate investment trusts (REIT)	Corporation or trust that invests in or finances real estate: offices, shopping centers, apartments, hotels, etc.; sold as securities.	Includable
Repurchase Agreement	Short-term buy/sell deal involving any money market instruments (but usually Treasury bills, notes, and bonds) in which there is an agreement that securities will be resold to the seller on an agreed-upon date, often the next day. The money market fund holds the securities as collateral and charges interest for the loan.	Includable
Savings account	Account in which money deposited earns interest.	Excludable if FDIC insured & less than \$100,000

INVESTMENT DESCRIPTIONS

<u>Type of Investment</u>	<u>Description</u>	<u>Includable or Excludable</u>
SuperNOW account	Interest-bearing bank account.	Excludable if FDIC insured & less than \$100,000
Surplus Funds Program, (St. Paul Bank for Cooperatives)	Short-term unsecured notes sold by the Banks of Cooperatives. (St. Paul, Springfield, and CoBank).	Excludable
Treasury bills	Short-term U.S. Treasury securities; maturities: 13, 26, 52 weeks.	Excludable
Treasury bonds	Long-term U.S. Treasury securities; maturities: 10 years or more.	Excludable
Treasury notes	Medium-term securities of U.S. Treasury, maturities: not less than 1 year and not more than 10 years.	Excludable
Unit investment trust	Fixed portfolio of securities deposited with a trustee; offered to public in units; categories include municipal bonds, corporate bonds, public utility common stocks, etc.	Includable
U.S. Savings Bonds	Debt obligations of U.S. Treasury designed for small investor.	Excludable
U.S. Government issued, guaranteed, or fully insured, securities or deposits	Securities or deposits issued, guaranteed, or fully insured, as to payment by the U.S. Government, or any agency thereof.	Excludable

INVESTMENT DESCRIPTIONS

<u>Type of Investment</u>	<u>Description</u>	<u>Includable or Excludable</u>
U.S. Government issued, guaranteed, or fully insured, securities or deposits, (continued)	<p>Deposits are fully insured, up to a \$100,000 limit, by the following agencies:</p> <ol style="list-style-type: none"> 1. Federal Deposit Insurance Corporation (FDIC) 2. National Credit Union Share Insurance Fund 	Excludable
	<p>Securities fully backed with the full faith and credit of the U.S. Government are as follows:</p> <ol style="list-style-type: none"> 1. Farm Credit System Financial Assistance Corporation (FCSFAC) 2. Farmers Home Administration (FmHA) Certificates of Beneficial Ownership (CBO) 3. Federal Financing Bank (FFB) 4. General Services Administration (GSA) 5. Government National Mortgage Association (GNMA), also known as Ginnie Mae 6. Maritime Administration Guaranteed Ship Financing Bonds, issued after 1972 7. Small Business Administration (SBA) 8. Washington Metropolitan Area Transit Authority (WMATA) Bonds 	Excludable
	<p>The following investments are securities backed by the full faith and credit of U.S. Government agencies are Excludable Investments:</p> <ol style="list-style-type: none"> 1. Farm Credit System 2. Federal Home Loan Banks (FHLB) 3. Federal Home Loan Mortgage Corporation (FHLMC) (Freddie Mac) 	Excludable

INVESTMENT DESCRIPTIONS

<u>Type of Investment</u>	<u>Description</u>	<u>Includable or Excludable</u>
U.S. Government issued, guaranteed, or fully insured, securities or deposits, (continued)	4. Federal National Mortgage Association (FNMA) (Fannie Mae) 5. Financing Corporation (FICO) 6. Resolution Funding Corporation (REFCORP) 7. Student Loan Marketing Association (Sallie Mae) 8. Tennessee Valley Authority (TVA) 9. United States Postal Service	
Warrant	Gives holder right to purchase a given stock at a stipulated price over a fixed number of years.	Includable
Zero coupon bond	Debt instruments; sold at discount from face value with no annual interest paid out; capital appreciation realized upon maturity; includes Training Investment Growth Receipts (TIGERS), and Certificates of Accrual on Treasury Securities (CATS).	Includable
Decommissioning Costs of Nuclear Generating Plants	The fund set aside to pay the costs of removing or otherwise disposing of a nuclear generating facility.	Excludable if RUS has formally approved funding plan.
Debt Service Reserve Funds for Pollution Control Bonds	Pollution Control Bond Fund.	Excludable if RUS has formally approved the plan.

INVESTMENT DESCRIPTIONS

<u>Type of Investment</u>	<u>Description</u>	<u>Includable or Excludable</u>
Debt Service Reserves: for Revenue Bonds or RUS Loans, Guarantees, Loans Lien Accommodated By RUS	Cash set aside to ensure timely payment of principal and interest payments, limited to amount due within 3 months after report date unless revenue bond agreement requires a larger fund.	Excludable
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