



Control Number: 47951



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JOINT APPLICATION OF RAYBURN §  
COUNTRY ELECTRIC COOPERATIVE, §  
INC. AND TRINITY VALLEY §  
ELECTRIC COOPERATIVE, INC. TO §  
TRANSFER CERTIFICATE RIGHTS TO §  
FACILITIES IN ANDERSON, §  
KAUFMAN, AND VAN ZANDT §  
COUNTIES §

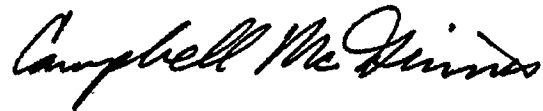
BEFORE THE  
PUBLIC UTILITY COMMISSION  
FILING CLERK  
PUBLIC UTILITY COMMISSION  
OF TEXAS

**RESPONSE OF  
RAYBURN COUNTRY ELECTRIC COOPERATIVE, INC.  
TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

TO: Public Utility Commission of Texas, Legal Division, Alexander Petak, 1701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326

Rayburn Country Electric Cooperative, Inc. ("Rayburn") timely submits these Responses to the Commission Staff's First Request for Information ("RFI") to Rayburn Country Electric Cooperative, Inc. Rayburn stipulates that all parties may treat these answers as if they were filed under oath. Rayburn reserves the right to object at the time of hearing to the admissibility of the information produced.

Respectfully submitted,



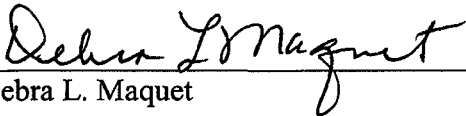
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**ATTORNEYS FOR RAYBURN  
COUNTRY ELECTRIC  
COOPERATIVE, INC.**

**CERTIFICATE OF SERVICE**

I hereby certify that a true and complete copy of the above and foregoing was served on all parties of record on this 6<sup>th</sup> day of February, 2018.

  
\_\_\_\_\_  
Debra L. Maquet

**Staff's RFI 1-1**

Please provide the FERC account numbers and dollar amounts by FERC account for all Rayburn accounts affected by the transfer of property from Trinity Valley Electric Cooperative ("Trinity Valley"). Please update once the final transfer price and transaction closing date are known.

**Response:**

Please see attached.

Preparer: David Braun

Sponsor: David Naylor

**Summary of Transmission Assets Transferred from TVEC to Rayburn  
Year Ending December 31, 2017**

<b>Account</b>	<b>Original Cost</b>	<b>Accumulated Depreciation</b>	<b>Net Book Value</b>
350.00 - Land & Rights	4,443,895.30	-	4,443,895.30
352.00 - Structures & Improvements	1,695,199.05	595,997.18	1,099,201.87
353.00 - Station Equipment	3,146,896.49	1,286,233.97	1,860,662.52
354.00 - Towers & Fixtures	-	-	-
355.00 - Poles & Fixtures	6,649,693.17	2,532,564.41	4,117,128.76
356.00 - Overhead Conductor	3,829,351.61	1,679,618.59	2,149,733.02
357.00 - Underground Conduit	2,962.22	664.43	2,297.79
358.00 - U/G Conductors & Devices	975.64	218.54	757.10
<b>Subtotal Transmission Plant</b>	<b>\$ 19,768,973.48</b>	<b>\$ 6,095,297.12</b>	<b>\$ 13,673,676.36</b>
<b>Construction Work in Progress</b>	<b>680,000.00</b>	<b>-</b>	<b>680,000.00</b>
<b>Total Transferred</b>	<b>\$ 20,448,973.48</b>	<b>\$ 6,095,297.12</b>	<b>\$ 14,353,676.36</b>

<b>Rayburn's Response to Commission Staff's RFI 1-1</b>					
Values as of December 31, 2017					
FROM: <i>Trinity Valley</i>			TO: <i>Rayburn</i>		
Acct. No.	Description	Amount	Acct. No.	Description	Amount
350.00	Land & Rights	4,443,895.30	350	Land & Rights	4,443,895.30
352.00	Structures & Improvements	1,695,199.05	352	Structures & Improvements	1,695,199.05
353.00	Station Equipment	3,146,896.49	353	Station Equipment	3,146,896.49
355.00	Poles & Fixtures	6,649,693.17	355	Poles & Fixtures	6,649,693.17
356.00	Overhead Conductor	3,829,351.61	356	Overhead Conductor	3,829,351.61
357.00	Underground Conduit	2,962.22	357	Underground Conduit	2,962.22
358.00	Underground Conductors & Devi	975.64	358	Underground Conductors & Devi	975.64
	Subtotal Transmission Plant	19,768,973.48		Subtotal Transmission Plant	19,768,973.48
107.20	Construction Work in Progress	680,000.00	107	Construction Work in Progress	680,000.00
	Total Transmission Plant	20,448,973.48		Total Transmission Plant	20,448,973.48
108.50	Accum Deprec - Transmission	6,095,297.12	108.5	Accum Deprec - Transmission	6,095,297.12
	Net Transmission Plant	14,353,676.36		Net Transmission Plant	14,353,676.36
224.12	CFC Notes	14,353,676.36	224	Long Term Note CFC -- TVEC	14,353,676.36

**Staff's RFI 1-2**

Please refer to Item No. 24 in Exhibit A of the application. Please provide complete journal entries, including all debits and credits by FERC account, which Rayburn will use to record the transfer. Please update to provide the final journal entries recorded once the transfer has been finalized.

**Response:**

Values as of December 31, 2017

Acct No.	Description	Debit	Credit
350	Land & Rights	4,443,895.30	
352	Structures & Improvements	1,695,199.05	
353	Station Equipment	3,146,896.49	
355	Poles & Fixtures	6,649,693.17	
356	Overhead Conductor	3,829,351.61	
357	Underground Conduit	2,962.22	
358	Underground Conductors & Devices	975.64	
107	Construction Work in Progress	680,000.00	
109	Accum Deprec - Transmission		6,095,297.12
224	Long Term Note CFC -- TVEC		14,353,676.36
	<b>Totals</b>	<b>20,448,973.48</b>	<b>20,448,973.48</b>

Preparer: David Braun

Sponsor: David Naylor

**Staff's RFI 1-3**

Please explain how this transfer will affect Rayburn's future TCOS rates. Please provide the estimated time frame when the transferred property will be included in Rayburn TCOS rates.

**Response:**

Rayburn's future TCOS rates will increase with the inclusion of the transferred property. Rayburn recently received approval for a new, full TCOS filing in Docket 47370. Rayburn anticipates filing an interim TCOS within one quarter of the approval of this transfer.

Preparer: David Naylor

Sponsor: David Naylor



**Staff's RFI 1-4**

What is the estimated additional property tax burden on Rayburn as a result of the acquisition of the property from Trinity Valley?

**Response:**

Rayburn anticipates the additional property tax burden to be the same amount as currently paid by Trinity Valley of \$44,166.89.

Preparer: David Braun

Sponsor: David Naylor

**Staff's RFI 1-5**

What is Rayburn's estimated additional depreciation expense associated with the transmission assets in this acquisition?

**Response:**

Rayburn estimates the additional depreciation expense to be \$455,154.82 -- \$ 15,325,078.18 in depreciable plant at Rayburn's 2.97% depreciation rate. This is the transmission rate approved in Rayburn's most recent TCOS filing (Docket No. 47370). Until the CWIP projects are completed and closed to plant, they are not depreciable assets and will not be included in the depreciation expenses.

Preparer: David Braun

Sponsor: David Naylor

**Staff's RFI 1-6**

Please provide Rayburn's cost of long-term debt for the most recently reported financial period.

**Response:**

From Rayburn's 2016 Audited Financial Statements, Rayburn paid \$10,541,137 in interest on long-term debt expense. Rayburn's average debt outstanding for the period ending December 31, 2016 was \$189,219,914. The average cost of debt is 5.57%.

The average debt outstanding was calculated as follows:

- Total long-term debt at December 31, 2016 and 2015
- Add: Current maturities of long-term debt at December 31, 2016 and 2015
- Total of long-term debt and current maturities at each year-end
- Average of the totals for each year-end

Preparer: David Braun

Sponsor: David Naylor