

INSTRUCTIONS FOR SUBMITTING ANNUAL FINANCING PLAN

Each electric cooperative subject to Chapter 3 of Title 56 of the Code of Virginia shall submit a proposed Financing Plan to the Division of Utility Accounting and Finance by March 1, for the calendar year currently underway. (Submitting a proposed financing plan in no way constitutes approval under Chapter 3 of Title 56 of the Code of Virginia.) The mailing address is as follows.

Virginia State Corporation Commission
Division of Utility Accounting and Finance
P.O. Box 1197 Richmond,
Virginia 23218

The plan shall include:

- A) The current board approved financial goals and objectives (with a timetable for achieving each) in the following areas:

-Actual and Modified Times Interest Earned Ratio (TIER) -Equity Growth and Management (Define equity ratio used) -Capital Credit Rotation Cycle -Debt Service Coverage (DSC)

Include the date the goals were approved and explain how the proposed financing plan for the current year will help the cooperative achieve its board approved goals;

- B) A comparison of the previous year's financial goals and objectives to the actual levels achieved, with a brief narrative to explain the differences;
- C) A comparison of the previous year's financing plan to the actual transactions, with a brief narrative to explain the differences;
- D) A review of variable-rate, long-term debt issues outstanding for the preceding year, to include: end-of-month balances during the year; amount outstanding at year end; average interest or dividend rate for each month, as well as the high and low rates for each month; and case number and date of Commission approval for the issue;
- E) An estimate of total capital requirements for the upcoming year and the proportion of the total which will be internally versus externally funded;

- F) A description of proposed financing that will be raised externally, an approximate date the proposed securities will be issued (1st quarter, etc.), a list of the purposes for which the funds will be required (capital outlays should be segregated by major projects);
- G) A pro forma balance sheet for the end of the current calendar year;
- H) The cooperative's long-term, target capitalization ratios, with a brief narrative describing the logic that led the cooperative to suggest the proposed financing mix, to include consideration of financing beyond the current year; and
- I) A list of lenders (other than CFC and REA) which the cooperative has established a borrower-lender relationship. If none, provide an explanation as to why, and the cooperative's plans (or steps that the cooperative has taken) for establishing alternate sources of financing.