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Sulphur Springs Valley Electric Cooperative, Inc.

A Touchstone Energy® Cooperative



311 E. Wilcox, Sierra Vista AZ 85635

Arizona Corporation Commission
Docket Control
1200 W. Washington
Phoenix, AZ 85007

Arizona Corporation Commission

DOCKETED

JUN 03 2015

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AZ CORP COMMISSION
DOCKET CONTROL

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RECEIVED

April 9, 2015
RESUBMITTED May 28, 2015

COMPLIANCE REFERENCE DOCKET NO: E-01575A-10-0311

Dear Sirs,

In August 2014, Sulphur Springs Valley Electric Cooperative (SSVEC) refinanced \$52,073,201.23 in long term debt. Prior to refinancing this debt, SSVEC obtained bids from the National Rural Electric Cooperative Finance Corporation (CFC), SSVEC's current lender, and CoBank ACB (CoBank). Also considered, were the capital credit retirement policies, penalties and penalty reimbursement policies of both lenders. All factors considered, it was determined through the bidding and evaluation process that CoBank was the least cost lender for fixed rate loans. As a result, SSVEC refinanced with them.

Attachment 1 addresses the requirements of Docket E-0175A-10-0311 and illustrates the loans prior to and after the refinancing. This document will show that SSVEC complied with the requirements of the docket as follows:

1. The interest rate of the refinanced debt ranges from 3.399% - 4.398% compared to 1.31 - 6.70% previously.
2. The term of the loan will not be shorter than the remaining term of the loan being refinanced. In each of the loans the maturity date is the same or later than the loan being refinanced.
3. The resulting loan will not be an interest only loan. Rather, the resulting loan should be an amortizing loan that requires the Cooperative to make periodic principal payments no less frequently than yearly. All of the loans are amortizing loans that require periodic principal payments.

Please feel free to contact me if there are any questions or additional information is needed.

Respectfully,

Sara Bojorquez, Assistant to Kirby Chapman, Chief Financial and Administrative Officer
Phone: (520) 515-3457
sbojorquez@ssvec.com

[-----Original CFC or New CoBank Loan That is Being Refinanced-----]										[-----CoBank Loan-----]				
Original CFC Loan #	Original Advance	Original Maturity	Time 'til Maturity 8/20/2014	Original Interest Rate	CoBank Loan #	Facility	Account	{-----Refinanced Amount-----}	New Loan #	Maturity	Interest Rate	Time 'til Maturity 8/20/2014		
9029014	9/12/2003	09/30/2017	3.11	5.60%	219737	T2-8B	2639366							
9029016	9/12/2003	09/30/2019	5.11	6.05%	230514	T2-15	2695184							
9019001	3/31/1989	04/1/2024	9.62	6.05%	230527	T2-16	2695197							
9020001	6/1/1996	01/1/2027	12.37	6.05%	230533	T2-17	2695225							
9021001	6/1/1996	03/20/2029	14.58	6.05%	230542	T2-18	2695231							
9022001	10/7/1996	06/20/2030	15.83	6.05%	230558	T2-19	2695264	5,000,000.00	2831658	9/30/2026	3.3990	12.00		
9030004	6/29/2005	03/31/2035	20.61	0.00%	219752	T2-9B	2639374							
9030005	6/29/2005	03/31/2035	20.61	0.00%	219768	T2-10B	2639397							
9030006	6/29/2005	03/31/2035	20.61	0.00%	219775	T2-11B	2639402							
9030007	2/16/2006	12/31/2035	21.36	6.70%	9030007									
9030008	2/16/2006	12/31/2035	21.36	6.70%	9030008									
9030009	2/16/2006	12/31/2035	21.36	6.70%	9030009									
9030001	1/18/2005	09/20/2036	22.09	5.80%	192743	T2								
9016001	4/1/2013	12/31/2037	23.36	5.80%	192752	T2		17,000,000.00	2831671	9/30/2035	4.1210	21.00		
9033006	6/20/2008	03/20/2038	23.58	5.45%	235213	T2-21	2721871							
9033001&9033002	3/6/2008	03/31/2038	23.61	5.45%	230504	T2-14	2695157							
9033007	6/30/2008	06/20/2038	23.83	5.45%	235222	T2-22	2721887							
9033010, 9033011, & 9033012	12/22/2068	09/20/2038	24.08	5.05%	245601	T2-23	2774294							
N/A - New Loan	4/2/2013	12/20/2038	24.33	1.31%	230565	T2-20	2695293	15,500,000.00	2831696	9/30/2037	4.2410	23.00		
9033023	12/21/2011	09/30/2041	27.11	3.20%	219781	T2-12B	2639418							
9033024		03/31/2042	27.61	0.00%	219799	T2-13B	2639425	14,573,201.23	2831717		4.3980			
Total								\$	52,073,201.23					