

§ 1710.204

with a total utility plant of less than \$500 million must provide an approved load forecast that meets the requirements of this subpart in support of an application for any RUS loan or loan guarantee that exceeds \$3 million or 5 percent of total utility plant, whichever is greater. The distribution borrower may comply with this requirement by participation in and inclusion of its load forecasting information in the approved load forecast of its power supply borrower. The borrower is not required to maintain on an ongoing basis either an approved load forecast or an approved load forecast work plan.

(d) A distribution borrower with a total utility plant of less than \$500 million and that is unaffiliated with a power supply borrower must provide an approved load forecast that meets the requirements of this subpart in support of an application for any RUS loan or loan guarantee which exceeds \$3 million or 5 percent of total utility plant, whichever is greater. The borrower is not required to maintain on an ongoing basis either an approved load forecast or an approved load forecast work plan.

(e) A distribution borrower with a total utility plant of \$500 million or more must maintain an approved load forecast that meets the requirements of this subpart on an ongoing basis and provide an approved load forecast in support of any request for RUS financing assistance. The borrower must also maintain an approved load forecast work plan. The distribution borrower may comply with this requirement by participation in and inclusion of its load forecasting information in the approved load forecast of its power supply borrower.

§ 1710.204 Filing requirements for borrowers that must maintain an approved load forecast on an ongoing basis.

(a) *Filing of load forecasts and updates.* A power supply or distribution borrower required to maintain an approved load forecast on an ongoing basis under § 1710.202 or § 1710.203 may elect either of the following two methods of compliance:

(1) Submitting a new load forecast to RUS for review and approval at least every 36 months, and then submitting

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updates to the load forecast to RUS for review and approval in each intervening year; or

(2) Submitting a new load forecast to RUS for review and approval not less frequently than every 24 months.

(b) *Extensions.* RUS may extend any time period required under this section for up to 3 months at the written request of the borrower's general manager. A request to extend a time period beyond 3 months must be accompanied by a written request from the borrower's general manager, an amendment to the borrower's approved load forecast work plan incorporating the extension, a board resolution approving the extension request and any amendment to the approved load forecast work plan, and any other relevant supporting information. RUS may extend the time periods contained in this section for up to 24 months.

§ 1710.205 Minimum approval requirements for all load forecasts.

(a) *Documents required for RUS approval of a borrower's load forecast.* The borrower must provide the following documents to obtain RUS approval for a load forecast:

(1) The load forecast and supporting documentation;

(2) A memorandum from the borrower's general manager to the board of directors recommending that the board approve the load forecast and its uses; and

(3) A board resolution from the borrower's board of directors approving the load forecast and its uses.

(b) *Contents of Load Forecast.* All load forecasts submitted by borrowers for approval must include:

(1) A narrative describing the borrower's system, service territory, and consumers;

(2) A narrative description of the borrower's load forecast including future load projections, forecast assumptions, and the methods and procedures used to develop the forecast;

(3) Projections of usage by consumer class, number of consumers by class, annual system peak demand, and season of peak demand for the number of years agreed upon by RUS and the borrower;

(4) A summary of the year-by-year results of the load forecast in a format that allows efficient transfer of the information to other borrower planning or loan support documents;

(5) The load impacts of a borrower's demand side management activities, if applicable;

(6) Graphic representations of the variables specifically identified by management as influencing a borrower's loads; and

(7) A database that tracks all relevant variables that might influence a borrower's loads.

(c) *Formats.* RUS does not require a specific format for the narrative, documentation, data, and other information in the load forecast, provided that all required information is included and available. All data must be in a tabular form that can be transferred electronically to RUS computer software applications. RUS will evaluate borrower load forecasts for readability, understanding, filing, and electronic access. If a borrower's load forecast is submitted in a format that is not readily usable by RUS or is incomplete, RUS will require the borrower to submit the load forecast in a format acceptable to RUS.

(d) *Document retention.* The borrower must retain its latest approved load forecasts, and supporting documentation until RUS approval of its next load forecast. Any approved load forecast work plan must be retained as part of the approved load forecast.

(e) *Consultation with RUS.* The borrower must designate and make appropriate staff and consultants available for consultation with RUS to facilitate RUS review of the load forecast work plan and the load forecast when requested by RUS.

(f) *Correlation and consistency with other RUS loan support documents.* If a borrower relies on an approved load forecast or an update of an approved load forecast as loan support, the borrower must demonstrate that the approved load forecast and the other primary support documentation for the loan were reconciled. For example, both the load forecast and the financial forecasts require input assumptions for wholesale power costs, distribution costs, other systems costs, average revenue

per kWh, and inflation. Also, a borrower's engineering planning documents, such as the construction work plan, incorporate consumer and usage per consumer projections from the load forecast to develop system design criteria. The assumptions and data common to all the documents must be consistent.

(g) *Coordination.* Power supply borrowers and their members that are subject to the requirement to maintain an approved load forecast on an ongoing basis are required to coordinate preparation of their respective load forecasts, updates of load forecasts, and approved load forecast work plan. A load forecast of a power supply borrower must consider the load forecasts of all its member systems.

§ 1710.206 Approval requirements for load forecasts prepared pursuant to approved load forecast work plans.

(a) *Contents of load forecasts prepared under an approved load forecast work plan.* In addition to the minimum requirements for load forecasts under § 1710.205, load forecasts developed and submitted by borrowers required to have an approved load forecast work plan shall include the following:

(1) Scope of the load forecast. The narrative shall address the overall approach, time periods, and expected internal and external uses of the forecast. Examples of internal uses include providing information for developing or monitoring demand side management programs, supply resource planning, load flow studies, wholesale power marketing, retail marketing, cost of service studies, rate policy and development, financial planning, and evaluating the potential effects on electric revenues caused by competition from alternative energy sources or other electric suppliers. Examples of external uses include meeting state and Federal regulatory requirements, obtaining financial ratings, and participation in reliability council, power pool, regional transmission group, power supplier or member system forecasting and planning activities.

(2) Resources used to develop the load forecast. The discussion shall identify and discuss the borrower personnel, consultants, data processing, methods