**Section 285.4020 Schedule D-2: Cost of Short-term Debt**

a) Provide the cost of any short-term debt in Schedule D-2, even if short-term debt is not included in the capital structure provided in Schedule D-1.

b) From and including the most recently completed calendar or fiscal year through the end of the capital structure measurement period, provide monthly balances of the following with actual and forecasted data identified:

1) Balance of short-term debt;

2) Balance of total CWIP;

3) Balance of CWIP accruing AFUDC; and

4) Net amount outstanding, which equals the greater of:

A) subsection (b)(1) less (subsection (b)(1) divided by subsection (b)(2) multiplied by subsection (b)(3)); or

B) subsection (b)(1) less subsection (b)(3).

c) For each type of issue, the following information is required:

1) Type (e.g., commercial paper, line of credit, bank loan);

2) Average original term to maturity;

3) Amount outstanding;

4) Average interest rate;

5) Interest requirement (subsection (c)(3) multiplied by subsection (c)(4)); and

6) Cost of short-term debt (subsection (c)(5) divided by subsection (c)(3)).

d) Additional instructions:

1) Provide all balances required for Schedule D-2 on a 12 month average basis. Each monthly short-term balance shall be reduced by an amount equal to the concurrent, monthly balance of CWIP accruing AFUDC if the AFUDC rate is set in accordance with the Uniform System of Accounts. However, in no case shall the resulting amount equal less than zero;

2) Provide totals wherever applicable;

3) Describe all special provisions associated with each short-term debt issue (e.g., compensating balance requirements);

4) Do not include long-term debt due within one year; and

5) Interest rates shall equal the annualized rates that the utility paid no more than 60 days prior to the rate filing date or the prevailing or forecasted interest rates on short-term debt of similar risk and terms.

e) The following supporting work papers or documents shall accompany Schedule D-2:

1) Formulas used to set interest rates on variable and adjustable rate issues;

2) Portions of documents describing the manner by which interest rates on variable and adjustable rate debt issues are set (e.g., loan agreements);

3) Documents supporting all interest rates;

4) A description of company policy regarding short-term financing, including its uses, sources (e.g., commercial paper, bank loans, and lines of credit) and limitations (i.e., amount relative to total capital); and

5) Formula and rates of return the company uses to calculate AFUDC rates.