

Reclamation Manual

Directives and Standards

Example of Calculation of SOD Interest During Construction (IDC) and Weighted Average Interest Rate for Repayment Purposes														
Year		1	2	3	4	5	6	7	8	9	10	11	12	Total
Interest rate (%)		3.00%	2.50%	4.00%	4.00%	4.20%	4.30%	5.00%	5.00%	5.50%	6.20%	6.00%	4.50%	
		(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)
Construction Expenditures:		5,000.0	6,000.0	10,000.0	12,000.0	20,000.0	38,000.0	53,000.0	60,000.0	68,000.0	65,000.0	57,000.0	5,000.0	399,000.0
1/2 Year's Expenditure	YEAR	2,500.0	3,000.0	5,000.0	6,000.0	10,000.0	19,000.0	26,500.0	30,000.0	34,000.0	32,500.0	28,500.0	2,500.0	
Year 1 IDC	1	75.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	75.0
Year 2 IDC	2	152.25	75.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	227.3
Year 3 IDC	3	156.82	151.88	200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	508.7
Year 4 IDC	4	161.52	155.67	408.00	240.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	965.2
Year 5 IDC	5	166.37	159.56	424.32	489.60	420.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,659.9
Year 6 IDC	6	171.36	163.55	441.29	509.18	857.64	817.00	0.00	0.00	0.00	0.00	0.00	0.00	2,960.0
Year 7 IDC	7	176.50	167.64	458.94	529.55	893.66	1,669.13	1,325.00	0.00	0.00	0.00	0.00	0.00	5,220.4
Year 8 IDC	8	181.79	171.83	477.30	550.73	931.19	1,740.90	2,716.25	1,500.00	0.00	0.00	0.00	0.00	8,270.0
Year 9 IDC	9	187.25	176.13	496.39	572.76	970.30	1,815.76	2,852.06	3,075.00	1,870.00	0.00	0.00	0.00	12,015.7
Year 10 IDC	10	192.87	180.53	516.25	595.67	1,011.06	1,893.84	2,994.67	3,228.75	3,842.85	2,015.00	0.00	0.00	16,471.5
Year 11 IDC	11	198.65	185.04	536.90	619.50	1,053.52	1,975.28	3,144.40	3,390.19	4,054.21	4,154.93	1,710.00	0.00	21,022.6
Year 12 IDC	12	204.61	189.67	558.38	644.28	1,097.77	2,060.21	3,301.62	3,559.70	4,277.19	4,412.54	3,522.60	112.50	23,941.1
Total Interest Accrued		2,024.99	1,776.51	4,517.78	4,751.29	7,235.15	11,972.13	16,334.00	14,753.63	14,044.24	10,582.47	5,232.60	112.50	93,337.3
Total Expenditures		7,024.99	7,776.51	14,517.78	16,751.29	27,235.15	49,972.13	69,334.00	74,753.63	82,044.24	75,582.47	62,232.60	5,112.50	492,337.3
Prorated Interest Cost		2.17%	1.90%	4.84%	5.09%	7.75%	12.83%	17.50%	15.81%	15.05%	11.34%	5.61%	0.12%	
Wtd Avg Interest Rate		0.07%	0.05%	0.19%	0.20%	0.33%	0.55%	0.87%	0.79%	0.83%	0.70%	0.34%	0.01%	4.925%

Note: The weighted average interest rate assumes that all SOD construction expenditures are applied proportionally to all purposes of the project. If certain interest bearing purposes would be funded and specifically identified as plant-in-service at a different time than other purposes, the weighted average interest rate could be affected, therefore the table may need to be modified.