

## DATA REQUEST

192. On page 16, lines 4-5, you estimate that the retirement of the annexed members' patronage obligation will cost \$402,649.39.

A. Please provide a detailed breakdown and explanation showing how you arrived at that figure.

B. Please provide the documents which contractually obligate any member leaving the Intercounty system to make a payment to retire that member's "patronage obligation."

C. Please explain why RMU should be required to pay \$402,649.39 for the retirement of the annexed members' patronage obligation.

D. Please identify any person or entity that has ever paid any amount to Intercounty for the retirement of a "patronage obligation" and fully explain the circumstances giving rise to that situation.

E. Define "patronage obligation" and how it is calculated for a given member.

## RESPONSE

A. A listing of the annexed member's patronage data is attached.

B. This does not apply to a cooperative.

C. The patronage obligation of \$402,649.39 given in my testimony is the amount due from the cooperative to the members in the annexed area and is based on past energy purchases. This amount is part of the mortgage obligation owed to the members by Intercounty and should not be the obligation of the remaining members to pay.

D. This does not apply to a cooperative.

E. The term patronage, or capital credits, refers to any margin amount over the costs necessary to operate the cooperative in a given year. It is calculated by dividing the revenue received from each individual member by the total system revenue and multiplying the resulting fraction by the year-end margin for each member. The resultant is the patronage obligation, or capital credits due that member.

Exhibit 23  
Date 12-5-00 Case No. EA-2000-308  
Reporter JK