



## Legislation Text

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File #: 2021-130, Version: 1

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### **Resolution - Approval for Amendment to Allocation of 2020 Net Margins to Capital Credits - K Jones**

Submitted By: Kat Jones

Department: Financial Services

Financial Impact and Cost/Benefit Considerations: None.

The Cooperative previously approved in July 2021, the amount of net margins available for allocation to PEC members for capital credits and allocation factors. The Cooperative wishes to reduce the amount of non-operating margins and thereby increase the amount of net margins available for allocation and include additional allocation factors for Residential, Small Power, Large Power, Industrial, Public Authorities, and Transmission Light and Power. The impact to members is an approximate increase by \$.00004 per kWh of usage in 2020 to the amount previously listed in allocation letters mailed to members in July 2021.

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Cooperative reduce the non-operating margins previously reported by \$251,954 for 2020 and increase the net margins for 2020 by such amount;

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Cooperative adjust the allocation previously adopted in July 2021;

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that net margins shown in the Cooperative's Audited Financial Statements for the year ended December 31, 2020, in the amount of \$33,800,592 adjusted for an unbilled revenue amount of (\$4,014,949) and adjusted for non-operating margins not related to providing electric services of \$565,129 be approved for member allocation. This amount of \$37,250,412 shall be allocated first to revenue class on the basis on contribution to gross margin and then second on the basis of total gross electric billings for the calendar year 2020 to those patrons having positive billing amounts during the year within each class.

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the additional allocation factors calculated for 2020 are Residential 0.0004238369, Small Power 0.0004072205, Large Power 0.0002661764, Industrial 0.0000313760, Public Authorities 0.0002097254, and Transmission Light and Power 0.0000138084; and.

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Chief Executive Officer or designee is authorized to take such actions as needed to implement this resolution.