

Special Seasonal Edition

The Spotlight

PIE&G
PRESQUE ISLE ELECTRIC AND GAS CO-OP



A Touchstone Energy Cooperative

1937 - 2012

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Summer 2012

DIRECTORS RETURN APPROXIMATELY \$1.5 MILLION TO MEMBERS

CAPITAL CREDITS FROM THE EARLY 1980'S AND MID 1990'S TO BE RETIRED

At their regular meeting in April, PIE&G's board of directors took action to retire capital credits in the amount of approximately \$1.5 million. Members who received service in 1982-83 and 1992-97 will receive an amount of the above in proportion to their energy use. Checks will be mailed in the fall of 2012 and winter of 2013.

PIE&G is a member-owned, not-for-profit organization. When revenues exceed expenses, the co-op generates "capital" that is "credited" to individual members on a pro rata basis depending on their "patronage" or purchase of electricity or gas.

These capital credits are used to build the facilities needed to serve the co-op's members. Capital credits are refunded whenever the board of directors determines that the co-op's financial condition will not be impaired.

SECURE PAY BY PHONE OPTION NOW AVAILABLE

Paying your energy bill just got easier! We now offer a secure pay by phone system available 24 hours a day to pay by credit card or check, to enter meter readings and to check account balances.

You can also manage your account online by logging in to pieg.com to access E-bill any time to pay by credit card or check. If you prefer, you may continue paying by check either by mail or by calling our office. Or, you can call your bank to enroll in automatic payments. Our customer service reps are available to help you work through the details, whichever method of payment you feel most comfortable with.

However, to comply with new PCI (payment card industry) credit card regulations, **soon we will no longer be able to handle credit card payments by phone.** We're looking out for your financial interests by protecting your credit card security. We encourage you to try our new **free** pay by phone option to save time, stamps and to protect your credit card security.

HOW TO USE SECURE PAY OPTION TO PAY YOUR ENERGY BILL BY PHONE:

1. Call **1-866-999-4571**
2. Have your account number ready.
3. Follow the prompts you'll hear for options:
 - Option 1: Get your balance
 - Option 2: Make a payment
 - Option 3: Provide a meter reading
 - Option 4: Create or change your PIN
 - Option 5: Change your phone number.
4. If you choose to pay from your checking or savings account, you'll be prompted to create a 4-digit PIN (personal identification number). Please contact our Member Service Reps to set your PIN for the first time.
5. Wait until you receive your confirmation number which tells you your payment was complete.

✂ CLIP & SAVE • CLIP & SAVE ✂

Owned By Those We Serve . . . Locally Controlled . . . Committed to Community . . . Not For Profit



MPSC AFFIRMS 2011 RATE REQUESTS

As previously reported (in Nov-Dec 2011 Country Lines and November Spotlight), the Michigan Public Service Commission (MPSC) issued orders affirming PIE&G's 2011 request to increase natural gas and electric rates. The MPSC conducted an audit of PIE&G's financial operations and concluded that the rate requests were reasonable and it was in the public interest to approve the amounts requested. The increase will allow PIE&G to continue its tree clearing, line replacement programs and natural gas system enhancements – thereby improving the overall reliability of electric and natural gas service to our members. The increase (around \$2.86 per month for the average residential member) became effective for all bills rendered in November, 2011. Annual electric bills have been prorated such that the new rate is applicable only for those months of service from November, 2011 until the end of the 2011-2012 annual service period. Your co-op is continuously challenged with striking the right balance between the need to raise rates, the impact to members, and the challenges to maintain reliable service.

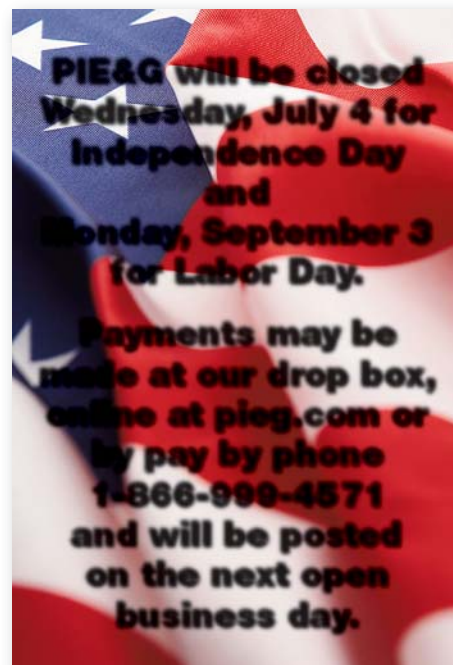


2012 EO PROGRAMS

Energy Optimization programs give residents and small business owners a menu of options to improve the energy efficiency. PIE&G offers programs that include:

- Low Income Services
- ENERGY STAR® and Energy Saving Products
- Appliance Recycling
- Efficient Heating, Ventilation, and Air Conditioning
- Online Home Audit
- Farm
- Commercial and Industrial Services

Visit Michigan-energy.org for links to PIE&G programs or call our EO customer service center toll free at **877.296.4319**. Hours are Monday – Friday 8 a.m. to 8 p.m. and Saturday from 9 a.m. – 1 p.m.



WHAT IS AN AVAILABILITY CHARGE?

The "Availability" Charge is a combination of costs necessary to bring natural gas and electricity to your doorstep – energy is "available" to you at all times and at your convenience 24/7. The Availability Charge recovers taxes, depreciation and insurance on equipment in the field as well as the maintenance and repairs of our distribution system.

Even though you may not be using energy, the overhead and underground lines, poles, meters and transformers all need to be in place to bring the energy to you when you need it. In other words, these system costs are still incurred by PIE&G, regardless of the amount of energy used. All members, whether on monthly or annual billing, pay the availability charge. Most utilities, like DTE and Consumers Energy, include an availability charge in their rates, even if it doesn't appear as a line item on their bills.

Currently, your cooperative does not fully recover all of the cost of your distribution system through this availability charge, as that actual cost for a residential service is about \$22 per month.

Presque Isle Electric & Gas Co-op

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TWN, long distance phone service and natural gas service are not regulated by the Michigan Public Service Commission.