

The Spotlight



A Touchstone Energy Cooperative

What's Inside

- Directors Return Close to \$1 Million to Members
- What is an Availability Charge?
- Government Regulations Affect Your Electric Bill

Special Seasonal 2011 Edition

DIRECTORS RETURN CLOSE TO \$1 MILLION TO MEMBERS

CAPITAL CREDITS FROM 1982 TO BE RETIRED

In February, PIE&G's board of directors took action to retire capital credits in the amount of approximately \$960,000. Members who received electric service in 1982 will receive an amount of the above in proportion to their energy use. Checks will be mailed later this year.

Presque Isle Electric & Gas Co-op 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.



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 cost are still incurred by PIE&G, regardless of the amount of energy used. All members, whether on monthly or annual billing, pay an 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 the actual cost for residential service is about \$22.00 per month.

Rising Rates

GOVERNMENT REGULATIONS AFFECT YOUR ELECTRIC BILL

The cost of electricity hinges on several things – availability, prices for power plant fuels and materials, and the amount of power consumers demand. Now a slew of volatile federal rulemaking has hit power producers – greenhouse gas regulations, the “Clean Air Transport Rule”, cooling water intake requirements, and a decision on treating coal ash as hazardous waste, for starters – will trigger higher electric bills.

Perhaps the most pressing challenge facing electric utilities involves U.S. Environmental Protection Agency (EPA) regulation of carbon dioxide and other greenhouse gases as pollutants under the federal “Clean Air Act”. On Jan. 2, the EPA began restricting the amount of greenhouse gases emitted by fossil fuel-burning power plants and other stationary industrial sources.

This action will significantly impact electricity production. Fossil fuels like coal and natural gas fuel 70% of America’s electricity generation. According to Glenn English, CEO of the National Rural Electric Association (NRECA), the EPA’s rulemaking will eventually have the practical effect of eliminating coal as a power plant option. “Electric co-ops are urging Congress and the White House to approve a 2 year moratorium on EPA regulation of carbon dioxide and greenhouse gases – a delay giving lawmakers the opportunity to fashion climate change legislation that protects consumers and keeps electric bills affordable,” notes English.

Excerpts from “Red Tape Overload”, appearing in March-April Country Lines, co-written by Perry Stambaugh and Megan McKoy-Noe of NRECA.

Tip of the Month

By replacing your five most-used lightbulbs with ENERGY STAR-qualified bulbs, you could save \$70 a year.

Source: U.S. Environmental Protection Agency



Energy Optimization



Energy Optimization (EO) is part of Michigan's “Clean, Renewable and Efficient Energy Act,” (Public Act 295), a state energy law enacted in October 2008 that requires all electric utilities to implement energy efficiency and renewable energy programs. The goal of the legislation is to help consumers reduce their energy usage by encouraging participation in energy efficiency measures.

For more information about EO programs, please call our EO customer service center toll free number 1-877-296-4319. Hours are Monday - Friday 8:00 a.m. - 8:00 p.m. Eastern Time and Saturday from 9:00 a.m. - 1:00 p.m. Eastern Time. You can also find more information on our EO website by visiting www.michigan-energy.org.

PIE&G offices will be closed Monday, July 4th for Independence Day and Monday, September 5th for Labor Day.

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.