

Proposed Changes At A Glance

1. Establish 2018 Power Supply Cost Recovery Factor (PSCR)
2. Revise language in the Rate Book associated with Non-Residential members.

1. Establish the 2018 Power Supply Cost Recovery Factor (PSCR)

Existing Situation

- o Power supply costs from Wolverine Power Cooperative (WPC) are passed on at cost to members of PIE&G through the PSCR mechanism.
- o PIE&G, working with WPC, establishes a factor to collect or refund power supply costs that are above or below the base energy rates based upon cost and sales forecasts.
- o The collection of funds through the PSCR Factor is reconciled annually with the actual energy costs billed to PIE&G by WPC and the difference is either refunded or charged to the membership.
- o The 2017 PSCR Factor was established at 0.87 mills/kWh or \$0.00087/kWh.
- o The overall estimated energy rate billed to the members of PIE&G is the sum of the PSCR Basing Point and the current year's PSCR Factor. That rate for 2018 is \$0.08726/kWh or 87.26 mills/kWh.
- o Prior action of the Board has set the PSCR Basing Point to 87.85 mills/kWh.

Proposed Change

- o This approval will establish the maximum PSCR Factor for 2018.
- o Should actual power supply costs be lower than forecasted, then the cooperative may apply a lesser PSCR Factor. Should actual power supply costs be higher than forecasted, the excess will be collected through the next year's PSCR Factor.
- o The established maximum PSCR Factor shall be - 0.59 mills/kWh or -\$0.00059/kWh. This represents a decrease of \$1.08 per month or 1.09% for the average residential monthly account.

	Basing Point	PSCR Factor	Total Energy Rate
2017	\$ 0.08785	\$ 0.00087	\$ 0.08872
2018	\$ 0.08785	\$ (0.00059)	\$ 0.08726
	Difference		\$ (0.00146)

- o The proposed change includes an estimated under-collection of 2017 power supply costs of \$360,000. Should actual under-collections for 2017 be lower than forecasted, the cooperative may charge less than the established rate.

Management Recommends

- o Establish the 2018 PSCR Factor of **-\$0.00059** per kWh effective with bills rendered on or after February 1, 2018.
- o Management will bring forward the 2017 over/under collection at the first Special Member Regulation Board Meeting of 2018.

2. Revise Rate Book Language for Non-Residential Members

Existing Situation

- o Management has reviewed certain portions of the current Rate Book and determined the need to revise some areas due to references to MPSC regulation. These instances were overlooked when the Rate Book was initially adopted upon transition to Member Regulation.

Proposed Change

- o The proposed changes are to Pages B-59,B-60 and and B-75 and are included as exhibits in this packet

Management Recommends

- o Management requests the board approve the modifications to the Rate Book as indicated in this packet.

**PRESQUE ISLE ELECTRIC & GAS CO-OP
SPECIAL BOARD MEETING
9AM SEPTEMBER 26, 2017**

AGENDA

- | | |
|---|----------------|
| Call to Order | Chairman Brown |
| Roll Call | |
| PA 167 of 2008 | CEO Sobeck |
| Introduction of Guests | |
| Member Comment | |
| Action Items | CEO Sobeck |
| 1. Establish the 2018 Power Supply Cost Recovery Factor | |
| 2. Revise Rate Book language | |
| Adjournment | |

**PRESQUE ISLE ELECTRIC & GAS CO-OP
BOARD RESOLUTION
SEPTEMBER 26, 2017**

**RESOLUTION 2017-MR-05
2018 PSCR FACTOR**

WHEREAS, PIE&G transitioned to member regulation with an effective date of September 23, 2012 thus providing that certain of its rates are no longer regulated by the MPSC; and

WHEREAS, PIE&G in conjunction with Wolverine Power Supply Cooperative (WPSC), it's wholesale electric energy supplier, has conducted an analysis of projected energy costs and sales volumes; and

WHEREAS, PIE&G's staff has reviewed the analysis with the Board of Directors; and

WHEREAS, results of that analysis indicate and overall energy cost of 87.26 mills/kWh or \$0.08726/kWh which, when combined with PIE&G's current PSCR basing point of 87.85 mills/kWh provides for a 2018 PSCR Factor of **-0.59** mills/kWh.

NOW BE IT HEREBY RESOLVED that the PIE&G Board of Directors accepts the analysis as provided by the cooperative staff as a reasonable basis for establishing the maximum 2018 PSCR Factor of **-0.59** mills/kWh or **\$0.00059**/kWh effective with all bills rendered on or after February 1, 2018 and directs staff to amend the appropriate tariffs in its Electric Rate Book.

BE IT FURTHER RESOLVED that the cooperative staff may apply a lesser PSCR Factor than approved in this resolution because of an over-collection of power supply costs from the membership, in which case they shall notify the Board of Directors of their intent to do so.

CERTIFICATION

I, Sandra Borowicz, Secretary of the Board of Directors of Presque Isle Electric & Gas Co-op, do hereby certify that the above is a true and correct copy of a resolution adopted at a special meeting of the Board of Directors of Presque Isle Electric & Gas Co-op held on September 26, 2017.

By: _____
Sandra Borowicz, Secretary

Dated: _____

Presque Isle Electric & Gas Co-op

2018 PSCR Plan Overview

Line No.

1	Projected Energy Purchases (kWh)		256,279,573
2	Less: Line Losses (8%)		20,502,366
3	Projected Energy Sales (kWh)		235,777,207
4	Projected Energy Costs		20,574,114
5	PSCR Rate - \$/kWh (Line 4/Line 3)	\$	0.08726
6	PSCR Base - \$/kWh		<u>0.08785</u>
7	PSCR Factor - \$/kWh (Line 5 - Line 6)	-\$	0.00059
8	PSCR Rate - mills/kWh (Line 4/Line 3)		87.26
9	PSCR Base - mills/kWh		<u>87.85</u>
10	PSCR Factor - mills/kWh (Line 8 - Line 9)		(0.59)

Presque Isle Electric & Gas Co-op

2018 PSCR Plan

Summary

<u>Description</u>	<u>2018 Rates</u>	<u>Units</u>	<u>Annual Totals</u>
Forecasted Energy Charge - General - 2018	\$ 0.050854	kWh	256,279,573
Energy Charge - Contract - 2018		kWh	
True-up Energy Charge - General - 2016		kWh	259,904,544
True-up Energy Charge - Contract - 2016		kWh	
Forecasted Base Demand (Wolv 12CP) General - 2018	\$ 6.4195	kW/mo.	464,067
Forecasted Base Demand (Wolv 12CP) Contract - 2018		kW/mo.	
True-Up Base Demand (Wolv 12CP) General - 2016		kW/mo.	473,432
True-Up Base Demand (Wolv 12CP) Contract - 2016		kW/mo.	
Forecasted MISO-Coin Demand (1CP) General - 2016	\$ 6.4139	kW/mo.	483,265
Forecasted MISO-Coin Demand (1CP) Contract - 2016		kW/mo.	
True-Up MISO-Coin Demand (1CP) General - 2014		kW/mo.	487,428
True-Up MISO-Coin Demand (1CP) Contract - 2014		kW/mo.	
Member's Base Demand Units Total (12 CP) - Current year		NA kW/mo.	464,067
Total Dist. Members Coincident Peak (Wolv 12CP) - Current year		NA kW	5,674,013
Energy (Total) - Current year		NA kWh	256,279,573
General Energy, % Total Energy		NA % and pts.	100.0%
General Demand, % Total Demand		NA %	49.5%
Member's Share of Coin. Peak - Current Year Actual		NA % and pts.	8.18%
Member's Share of Coin. Peak - Used for Billing		NA % and pts.	8.18%
Fuel Clause Adjustment, True Up		NA \$/kWh	0.00000
C&I Credits (Tier A); i.e., average demand > 2,000 kW	\$ 0.009000	kWh	
C&I Credits (Tier B); i.e., average demand > 500 kW	\$ 0.005000	kWh	14,935,026
Efficient Electric Heat Credit	\$ 0.030000	kWh	2,884,128
Electric Water Heater Credits	\$ 4.50	no.	1,159
Backup Generation	\$ 2.50	kW-mo.	
Dedicated Excluded Facilities Charge	16.98%	Invest. \$	
Shared Excluded Facilities Charge	16.98%	Invest. \$	643,215
Substation Maintenance Charge (% charge)	10.34%	Invest. \$	8,034,616
Substation Investment Charge (\$/sub)	\$ 2,253.00	# subs	18
Substation Investment Charge (\$/sub); shared subs	varies	\$	
Prepaid Substation Credit	NA	\$	
Prepaid Excluded Facilities Credit	NA	\$	
Excess Revenue	NA	\$	
Other Charges/(Credits)	NA	\$	

Dollar Amounts

Forecasted Energy Charge - General - 2018	\$	\$	13,032,841
Energy Charge - Contract - 2018	\$		
True-up Energy Charge - General - 2016	\$		
True-up Energy Charge - Contract - 2016	\$		
Forecasted Base Demand (Wolv 12CP) General - 2018	\$		2,979,078
Forecasted Base Demand (Wolv 12CP) Contract - 2018	\$		
True-Up Base Demand (Wolv 12CP) General - 2016	\$		
True-Up Base Demand (Wolv 12CP) Contract - 2016	\$		
Forecasted MISO-Coin Demand (1CP) General - 2016	\$		3,099,615
Forecasted MISO-Coin Demand (1CP) Contract - 2016	\$		
True-Up MISO-Coin Demand (1CP) General - 2014	\$		
True-Up MISO-Coin Demand (1CP) Contract - 2014	\$		
Fuel Clause Adjustment, True Up	\$		
C&I Credits (Tier A); i.e., average demand > 2,000 kW	\$		
C&I Credits (Tier B); i.e., average demand > 500 kW	\$		(74,675)
Efficient Electric Heat Credit	\$		(86,524)
Electric Water Heater Credits	\$		(62,582)
Backup Generation	\$		
Dedicated Excluded Facilities Charge	\$		
Shared Excluded Facilities Charge	\$		8,933
Substation Maintenance Charge (% charge)	\$		830,779
Substation Investment Charge (\$/sub)	\$		486,648
Prepaid Substation Credit	\$		
Prepaid Excluded Facilities Credit	\$		
Excess Revenue	\$		
Other Charges/(Credits)	\$		
Total	\$	\$	20,214,114
Non-Energy Components	\$	\$	7,181,272

Contribution to Bundled Rate

Forecasted Energy Charge - General - 2018	\$/MWh	\$	50.85
Energy Charge - Contract - 2018	\$/MWh		
True-up Energy Charge - General - 2016	\$/MWh		
True-up Energy Charge - Contract - 2016	\$/MWh		
Forecasted Base Demand (Wolv 12CP) General - 2018	\$/MWh		11.62
Forecasted Base Demand (Wolv 12CP) Contract - 2018	\$/MWh		
True-Up Base Demand (Wolv 12CP) General - 2016	\$/MWh		
True-Up Base Demand (Wolv 12CP) Contract - 2016	\$/MWh		
Forecasted MISO-Coin Demand (1CP) General - 2016	\$/MWh		12.09
Forecasted MISO-Coin Demand (1CP) Contract - 2016	\$/MWh		
True-Up MISO-Coin Demand (1CP) General - 2014	\$/MWh		
True-Up MISO-Coin Demand (1CP) Contract - 2014	\$/MWh		
Fuel Clause Adjustment, True Up	\$/MWh		
C&I Credits (Tier A); i.e., average demand > 2,000 kW	\$/MWh		
C&I Credits (Tier B); i.e., average demand > 500 kW	\$/MWh		(0.29)
Efficient Electric Heat Credit	\$/MWh		(0.34)
Electric Water Heater Credits	\$/MWh		(0.24)
Backup Generation	\$/MWh		
Dedicated Excluded Facilities Charge	\$/MWh		
Shared Excluded Facilities Charge	\$/MWh		0.03
Substation Maintenance Charge (% charge)	\$/MWh		3.24
Substation Investment Charge (\$/sub)	\$/MWh		1.90
Prepaid Substation Credit	\$/MWh		
Prepaid Excluded Facilities Credit	\$/MWh		
Excess Revenue	\$/MWh		
Other Charges/(Credits)	\$/MWh		
Total	\$/MWh	\$	78.88

Inputs for Member's PSCR Factor

Member's Line Losses	%		8.00000%
Member's Line Losses	kWh		20,502,366
Wholesale Purchases - Member's Losses	kWh		235,777,207
Member's HQ Energy Use	kWh		0
Member's Sales to its Members	kWh		235,777,207
Non-PSCR Sales	kWh		0
PSCR Sales	kWh		235,777,207
Member's HQ Energy Use	\$		0
Prior Year (Over)/Under Collection	\$		360,000
PSCR Cost	\$		20,574,114
Power Supply Rate Before HQ Use and (O)/U Coll.	\$/MWh	\$	85.73
PSCR Rate	\$/MWh	\$	87.26
PSCR Base	\$/MWh	\$	87.85
PSCR Factor	\$/MWh	\$	(0.59)
Member's PSCR Revenue	\$	\$	20,573,919
Member's PSCR Cost	\$		20,574,114
Member's Over/(Under) Collection	\$	\$	(195)

Presque Isle Electric & Gas
2018 PSCR Plan comparison to 2017 Budget

Input by Wolverine Input by Member Not Included in Budget	2018 Rates	2018 PSCR Plan												YTD
		January	February	March	April	May	June	July	August	September	October	November	December	
Units														
Forecasted Energy Charge - General -2018	\$ 0.050854	23,887,088	21,561,186	22,424,997	19,157,424	19,655,890	19,769,951	23,039,296	22,082,483	19,596,142	20,384,154	21,461,793	23,259,169	256,279,573
Energy Charge - Contract -2018														
True-up Energy Charge - General -2016		23,803,201	22,022,402	21,193,541	19,984,949	19,654,503	20,122,398	24,435,237	24,333,108	19,773,593	20,223,412	20,508,754	23,849,446	259,904,544
True-up Energy Charge - Contract -2016														
Forecasted Base Demand (Wolv 12CP) General -2018	\$ 6.4195	41,573	40,360	37,479	33,156	31,149	35,687	43,338	47,428	37,928	34,237	39,512	42,220	464,067
Forecasted Base Demand (Wolv 12CP) Contract -2018														
True-Up Base Demand (Wolv 12CP) General -2016		40,527	40,685	37,415	33,040	36,837	38,377	42,006	50,908	38,019	34,997	38,134	42,487	473,432
True-Up Base Demand (Wolv 12CP) Contract -2016														
Forecasted MISO-Coin Demand (1CP) General -2016	\$ 6.4139	40,272	40,272	40,272	40,272	40,272	40,272	40,272	40,272	40,272	40,272	40,272	40,272	483,265
Forecasted MISO-Coin Demand (1CP) Contract -2016														
True-Up MISO-Coin Demand (1CP) General -2014		40,619	40,619	40,619	40,619	40,619	40,619	40,619	40,619	40,619	40,619	40,619	40,619	487,428
True-Up MISO-Coin Demand (1CP) Contract -2014														
Member's Base Demand Units Total (12 CP) - Current year	NA	41,573	40,360	37,479	33,156	31,149	35,687	43,338	47,428	37,928	34,237	39,512	42,220	464,067
Total Dist. Members Coincident Peak (Wolv 12CP) - Current year	NA	494,662	468,498	451,079	391,173	436,835	503,366	456,663	552,357	518,362	419,281	477,280	504,457	5,674,013
Energy (Total) - Current year	NA	23,887,088	21,561,186	22,424,997	19,157,424	19,655,890	19,769,951	23,039,296	22,082,483	19,596,142	20,384,154	21,461,793	23,259,169	256,279,573
General Energy, % Total Energy	NA	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
General Demand, % Total Demand	NA	50.6%	49.8%	50.0%	50.1%	45.8%	48.2%	50.8%	48.2%	49.9%	49.5%	50.9%	49.8%	49.5%
Member's Share of Coin. Peak - Current Year Actual	NA	8.40%	8.61%	8.31%	8.48%	7.13%	7.09%	9.49%	8.59%	7.32%	8.17%	8.28%	8.37%	8.18%
Member's Share of Coin. Peak - Used for Billing	NA	8.18%	8.18%	8.18%	8.18%	8.18%	8.18%	8.18%	8.18%	8.18%	8.18%	8.18%	8.18%	8.18%
Fuel Clause Adjustment, True Up	NA	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
C&I Credits (Tier A); i.e., average demand > 2,000 kW	\$ 0.009000													
C&I Credits (Tier B); i.e., average demand > 500 kW	\$ 0.005000	1,217,279	1,175,753	1,295,562	1,222,321	1,306,211	1,422,395	1,593,049	1,268,389	1,111,278	1,044,000	1,110,881	1,167,908	14,935,026
Efficient Electric Heat Credit	\$ 0.030000	230,488	489,719	426,845	435,383	306,793	331,184	156,306	58,372	73,969	58,920	102,087	214,062	2,884,128
Electric Water Heater Credits	\$ 4.50	1,212	1,223	1,215	1,166	1,154	1,142	1,147	1,133	1,134	1,152	1,103	1,126	1,159
Backup Generation	\$ 2.50	0	0	0	0	0	0	0	0	0	0	0	0	0
Dedicated Excluded Facilities Charge	16.98%	0	0	0	0	0	0	0	0	0	0	0	0	0
Shared Excluded Facilities Charge	16.98%	643,215	643,215	643,215	643,215	643,215	643,215	643,215	643,215	643,215	643,215	643,215	643,215	643,215
Substation Maintenance Charge (% charge)	10.34%	7,801,699	7,801,699	7,801,699	7,801,699	7,801,699	7,801,699	7,801,699	7,801,699	7,801,699	8,315,699	8,315,699	9,568,699	8,034,616
Substation Investment Charge (\$/sub)	\$ 2,253.00	18	18	18	18	18	18	18	18	18	18	18	18	18
Substation Investment Charge (\$/sub); shared subs	varies	0	0	0	0	0	0	0	0	0	0	0	0	0
Prepaid Substation Credit	NA	0	0	0	0	0	0	0	0	0	0	0	0	0
Prepaid Excluded Facilities Credit	NA	0	0	0	0	0	0	0	0	0	0	0	0	0
Excess Revenue	NA	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Charges/(Credits)	NA	0	0	0	0	0	0	0	0	0	0	0	0	0
Dollar Amounts														
Forecasted Energy Charge - General -2018	\$ 1,214,754	\$ 1,096,473	\$ 1,140,401	\$ 974,232	\$ 999,581	\$ 1,005,381	\$ 1,171,640	\$ 1,122,983	\$ 996,542	\$ 1,036,616	\$ 1,091,418	\$ 1,182,822	\$ 1,303,841	
Energy Charge - Contract -2018	0	0	0	0	0	0	0	0	0	0	0	0	0	
True-up Energy Charge - General -2016	0	0	0	0	0	0	0	0	0	0	0	0	0	
True-up Energy Charge - Contract -2016	0	0	0	0	0	0	0	0	0	0	0	0	0	
Forecasted Base Demand (Wolv 12CP) General -2018	266,878	259,091	240,596	212,845	199,961	229,093	278,208	304,464	243,479	219,784	253,647	271,031	2,979,078	
Forecasted Base Demand (Wolv 12CP) Contract -2018	0	0	0	0	0	0	0	0	0	0	0	0	0	
True-Up Base Demand (Wolv 12CP) General -2016	0	0	0	0	0	0	0	0	0	0	0	0	0	
True-Up Base Demand (Wolv 12CP) Contract -2016	0	0	0	0	0	0	0	0	0	0	0	0	0	
Forecasted MISO-Coin Demand (1CP) General -2016	258,301	258,301	258,301	258,301	258,301	258,301	258,301	258,301	258,301	258,301	258,301	258,301	3,099,615	
Forecasted MISO-Coin Demand (1CP) Contract -2016	0	0	0	0	0	0	0	0	0	0	0	0	0	
True-Up MISO-Coin Demand (1CP) General -2014	0	0	0	0	0	0	0	0	0	0	0	0	0	
True-Up MISO-Coin Demand (1CP) Contract -2014	0	0	0	0	0	0	0	0	0	0	0	0	0	
Fuel Clause Adjustment, True Up	0	0	0	0	0	0	0	0	0	0	0	0	0	
C&I Credits (Tier A); i.e., average demand > 2,000 kW	0	0	0	0	0	0	0	0	0	0	0	0	0	
C&I Credits (Tier B); i.e., average demand > 500 kW	(6,086)	(5,879)	(6,478)	(6,112)	(6,531)	(7,112)	(7,965)	(6,342)	(5,556)	(5,220)	(5,554)	(5,840)	(74,675)	
Efficient Electric Heat Credit	(6,915)	(14,692)	(12,805)	(13,061)	(9,204)	(9,936)	(4,689)	(1,751)	(2,219)	(1,768)	(3,063)	(6,422)	(86,524)	
Electric Water Heater Credits	(5,454)	(5,504)	(5,468)	(5,247)	(5,193)	(5,139)	(5,162)	(5,099)	(5,103)	(5,184)	(4,964)	(5,067)	(62,582)	
Backup Generation	0	0	0	0	0	0	0	0	0	0	0	0	0	
Dedicated Excluded Facilities Charge	0	0	0	0	0	0	0	0	0	0	0	0	0	
Shared Excluded Facilities Charge	744	744	744	744	744	744	744	744	744	744	744	744	8,933	
Substation Maintenance Charge (% charge)	67,225	67,225	67,225	67,225	67,225	67,225	67,225	67,225	67,225	71,654	71,654	82,450	830,779	
Substation Investment Charge (\$/sub)	40,554	40,554	40,554	40,554	40,554	40,554	40,554	40,554	40,554	40,554	40,554	40,554	486,648	
Prepaid Substation Credit	0	0	0	0	0	0	0	0	0	0	0	0	0	
Prepaid Excluded Facilities Credit	0	0	0	0	0	0	0	0	0	0	0	0	0	
Excess Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Charges/(Credits)	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total	\$ 1,830,001	\$ 1,696,314	\$ 1,723,071	\$ 1,529,481	\$ 1,545,438	\$ 1,579,112	\$ 1,798,857	\$ 1,781,079	\$ 1,593,967	\$ 1,615,482	\$ 1,702,738	\$ 1,818,575	\$ 20,214,114	
Non-Energy Components	\$ 615,247	\$ 599,841	\$ 582,670	\$ 555,249	\$ 545,857	\$ 573,730	\$ 627,217	\$ 658,097	\$ 597,425	\$ 578,866	\$ 611,320	\$ 635,753	\$ 7,181,272	

Presque Isle Electric & Gas
2018 PSCR Plan comparison to 2017 Budget

Input by Wolverine
Input by Member
Not Included in Budget

2018
Rates

	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2018 PSCR Plan													
Contribution to Bundled Rate													
Forecasted Energy Charge - General -2018	\$ 50.85	\$ 50.85	\$ 50.85	\$ 50.85	\$ 50.85	\$ 50.85	\$ 50.85	\$ 50.85	\$ 50.85	\$ 50.85	\$ 50.85	\$ 50.85	\$ 50.85
Energy Charge - Contract -2018													
True-up Energy Charge - General -2016													
True-up Energy Charge - Contract -2016													
Forecasted Base Demand (Wolv 12CP) General -2018	11.17	12.02	10.73	11.11	10.17	11.59	12.08	13.79	12.42	10.78	11.82	11.65	11.62
Forecasted Base Demand (Wolv 12CP) Contract -2018													
True-Up Base Demand (Wolv 12CP) General -2016													
True-Up Base Demand (Wolv 12CP) Contract -2016													
Forecasted MISO-Coin Demand (1CP) General -2016	10.81	11.98	11.52	13.48	13.14	13.07	11.21	11.70	13.18	12.67	12.04	11.11	12.09
Forecasted MISO-Coin Demand (1CP) Contract -2016													
True-Up MISO-Coin Demand (1CP) General -2014													
True-Up MISO-Coin Demand (1CP) Contract -2014													
Fuel Clause Adjustment, True Up													
C&I Credits (Tier A); i.e., average demand > 2,000 kW													
C&I Credits (Tier B); i.e., average demand > 500 kW	(0.25)	(0.27)	(0.29)	(0.32)	(0.33)	(0.36)	(0.35)	(0.29)	(0.28)	(0.26)	(0.26)	(0.25)	(0.29)
Efficient Electric Heat Credit	(0.29)	(0.68)	(0.57)	(0.68)	(0.47)	(0.50)	(0.20)	(0.08)	(0.11)	(0.09)	(0.14)	(0.28)	(0.34)
Electric Water Heater Credits	(0.23)	(0.26)	(0.24)	(0.27)	(0.26)	(0.26)	(0.22)	(0.23)	(0.26)	(0.25)	(0.23)	(0.22)	(0.24)
Backup Generation													
Dedicated Excluded Facilities Charge													
Shared Excluded Facilities Charge	0.03	0.03	0.03	0.04	0.04	0.04	0.03	0.03	0.04	0.04	0.03	0.03	0.03
Substation Maintenance Charge (% charge)	2.81	3.12	3.00	3.51	3.42	3.40	2.92	3.04	3.43	3.52	3.34	3.54	3.24
Substation Investment Charge (\$/sub)	1.70	1.88	1.81	2.12	2.06	2.05	1.76	1.84	2.07	1.99	1.89	1.74	1.90
Prepaid Substation Credit													
Prepaid Excluded Facilities Credit													
Excess Revenue													
Other Charges/(Credits)													
Total	\$ 76.61	\$ 78.67	\$ 76.84	\$ 79.84	\$ 78.62	\$ 79.87	\$ 78.08	\$ 80.66	\$ 81.34	\$ 79.25	\$ 79.34	\$ 78.19	\$ 78.88
Inputs for Member's PSCR Factor													
Member's Line Losses	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.0000%
Member's Line Losses	1,910,967	1,724,895	1,794,000	1,532,594	1,572,471	1,581,596	1,843,144	1,766,599	1,567,691	1,630,732	1,716,943	1,860,734	20,502,366
Wholesale Purchases - Member's Losses	21,976,121	19,836,291	20,630,997	17,624,830	18,083,419	18,188,355	21,196,152	20,315,884	18,028,451	18,753,422	19,744,850	21,398,435	235,777,207
Member's HQ Energy Use													0
Member's Sales to its Members	21,976,121	19,836,291	20,630,997	17,624,830	18,083,419	18,188,355	21,196,152	20,315,884	18,028,451	18,753,422	19,744,850	21,398,435	235,777,207
Non-PSCR Sales	0	0	0	0	0	0	0	0	0	0	0	0	0
PSCR Sales	21,976,121	19,836,291	20,630,997	17,624,830	18,083,419	18,188,355	21,196,152	20,315,884	18,028,451	18,753,422	19,744,850	21,398,435	235,777,207
Member's HQ Energy Use	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Year (Over)/Under Collection	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	360,000
PSCR Cost	1,860,001	1,726,314	1,753,071	1,559,481	1,575,438	1,609,112	1,828,857	1,811,079	1,623,967	1,645,482	1,732,738	1,848,575	20,574,114
Power Supply Rate Before HQ Use and (O)/U Coll.	\$ 83.27	\$ 85.52	\$ 83.52	\$ 86.78	\$ 85.46	\$ 86.82	\$ 84.87	\$ 87.67	\$ 88.41	\$ 86.14	\$ 86.24	\$ 84.99	\$ 85.73
PSCR Rate	\$ 87.26	\$ 87.26	\$ 87.26	\$ 87.26	\$ 87.26	\$ 87.26	\$ 87.26	\$ 87.26	\$ 87.26	\$ 87.26	\$ 87.26	\$ 87.26	\$ 87.26
PSCR Base	\$ 87.85	\$ 87.85	\$ 87.85	\$ 87.85	\$ 87.85	\$ 87.85	\$ 87.85	\$ 87.85	\$ 87.85	\$ 87.85	\$ 87.85	\$ 87.85	\$ 87.85
PSCR Factor	\$ (0.59)	\$ (0.59)	\$ (0.59)	\$ (0.59)	\$ (0.59)	\$ (0.59)	\$ (0.59)	\$ (0.59)	\$ (0.59)	\$ (0.59)	\$ (0.59)	\$ (0.59)	\$ (0.59)
Member's PSCR Revenue	\$ 1,917,636	\$ 1,730,915	\$ 1,800,261	\$ 1,537,943	\$ 1,577,959	\$ 1,587,116	\$ 1,849,576	\$ 1,772,764	\$ 1,573,163	\$ 1,636,424	\$ 1,722,936	\$ 1,867,227	\$ 20,573,919
Member's PSCR Cost	1,860,001	1,726,314	1,753,071	1,559,481	1,575,438	1,609,112	1,828,857	1,811,079	1,623,967	1,645,482	1,732,738	1,848,575	20,574,114
Member's Over/(Under) Collection	\$ 57,635	\$ 4,601	\$ 47,190	\$ (21,538)	\$ 2,521	\$ (21,996)	\$ 20,719	\$ (38,315)	\$ (50,804)	\$ (9,058)	\$ (9,802)	\$ 18,653	\$ (195)

**PRESQUE ISLE ELECTRIC & GAS CO-OP
BOARD RESOLUTION
SEPTEMBER 26, 2017**

**RESOLUTION 2017-MR-06
ELECTRIC RATE BOOK REVISIONS**

WHEREAS, PIE&G transitioned to member regulation with an effective date of September 23, 2012 thus providing that certain of its rates are no longer regulated by the MPSC; and

WHEREAS, PIE&G staff has reviewed the current Rate Book and determined that revisions to the non-residential billing rules to reflect the Cooperative's member regulated status; and

WHEREAS, PIE&G's staff has reviewed the recommended revisions with the Board of Directors; and

NOW BE IT HEREBY RESOLVED that the PIE&G Board of Directors accepts the proposed revisions and directs staff to amend the appropriate tariffs in its Electric Rate Book.

CERTIFICATION

I, Sandra Borowicz, Secretary of the Board of Directors of Presque Isle Electric & Gas Co-op, do hereby certify that the above is a true and correct copy of a resolution adopted at a special meeting of the Board of Directors of Presque Isle Electric & Gas Co-op held on September 26, 2017.

By: _____
Sandra Borowicz, Secretary

Dated: _____

**B4 BILLING PRACTICES APPLICABLE TO NON-RESIDENTIAL
ELECTRIC AND GAS MEMBERS
(CONT'D FROM SHEET NO. B-58.00)**

- (v) A meter switched by the Cooperative or Cooperative representative.
- (vi) An incorrect application of the rate schedule.
- (vii) Other similar act or omission by the Cooperative in determining the amount of a member's bill. An undercharge or overcharge that is caused by a non-registering meter, a metering inaccuracy, ~~or the use of an estimated meter read or a member read is not a~~ billing error. **Board of Directors" means the directors of Presque Isle Electric & Gas Co-op.**
- (d) ~~"Commission" means the Michigan public service commission.~~
- (e) "Complaint determination" means the written decision of a hearing officer after an informal hearing.
- (f) "Member" means a purchaser of electricity or natural gas that is supplied or distributed by the Cooperative for non-residential purposes, including service to schools and centrally metered apartment buildings.
- (g) "Existing member" means a member who has been receiving service continuously for at least the last 6 months.
- (h) "Hearing officer" means a notary public who is qualified to administer oaths to conduct informal small commercial member complaint hearings against the Cooperative company and who is on a list on file with the ~~commission.~~ **Board of Directors.**
- (i) "Informal appeal" means an appeal of a complaint determination of a hearing officer made to the ~~commission staff.~~ **Board of Directors.**
- (j) "Informal hearing" means a dispute resolution process for small commercial members that is administered by a hearing officer.
- (k) "Meter" means a device that measures the quantity of gas used by a member, including a device that measures the heat content of gas or a device that measures and registers the amount of electrical power used.

Continued on Sheet No. B-60.00

Issued **October 17, 2012**
By: Brian Burns
President and CEO
Onaway, Michigan

Effective for service rendered on and
September 23, 2012

Issued under the authority of the Board
of Directors dated 9/23/12

**B4 BILLING PRACTICES APPLICABLE TO NON-RESIDENTIAL
ELECTRIC AND GAS MEMBERS
(CONT'D FROM SHEET NO. B-59.00)**

(l) "Positive identification information" means a consistently used appropriate identification including, but not limited to:

(i) A driver's license or ID card issued by a state, U.S. military card, military dependent's ID card, native American tribal document, or passport.

(ii) Articles of incorporation, tax identification documents, business license, certificate of authority, or similar documents proving identity of a business.

(m) ~~"Regulation officer" means a member of the commission staff who resolves complaints in accordance with these rules.~~



(m)

(n) "Settlement agreement" means a documented agreement that is entered into by a member and the Cooperative and that resolves any matter in dispute or provides for the payment of amounts not in dispute over a reasonable period of time.

(n)

(o) "Small commercial member" means a non-residential member with usage of 200 Mcf of gas or less per year or 15,000 kWh of electric usage or less per year.

(o)

(p) "Space heating season" means the period from November 1 through March 31.

(p)

(q) "Unauthorized use of Cooperative service" means theft, fraud, interference, or diversion of service, including but not limited to, meter tampering (for example, any act which affects the proper registration of service through a meter), bypassing (for example, unmetered service that flows through a device connected between a service line and member facilities), and service restoration by anyone other than the Cooperative or its representative.

(q)

(r) "Utility" means a person, firm, corporation, cooperative, association, or other legal entity that is subject to the jurisdiction of the commission and that distributes or sells electricity or natural gas for nonresidential use.

R 460.1603 Discrimination prohibited.

Rule 3. The Cooperative shall not discriminate against or penalize a member for exercising any right granted by these rules.

Continued on Sheet No. B-61.00

Issued **October 17, 2012**
By: Brian Burns
President and CEO
Onaway, Michigan

Effective for service rendered on and
September 23, 2012

Issued under the authority of the Board
of Directors dated 9/23/12

**B4 BILLING PRACTICES APPLICABLE TO NON-RESIDENTIAL
ELECTRIC AND GAS MEMBERS
(CONT'D FROM SHEET NO. B-74.00)**

The Cooperative has the burden of proof by a preponderance of the evidence.

Move this line up to
sheet B-74 at bottom
of page.

- (3) (2) All witnesses who appear for either party shall testify under oath.
- (4) (3) A hearing shall be informal and the proceedings need not be recorded or transcribed. All relevant evidence shall be received and the formal rules of evidence shall not apply.
- (5) (4) For each hearing where the member has not put his or her position in writing, the hearing officer shall compile a record that contains all of the following:
- (a) A concise statement, in writing, of the position of the Cooperative.
 - (b) A concise statement, in writing, of the position of the member.
 - (c) Copies of all evidence submitted by the parties.
- (6) (7) At the conclusion of the hearing, the hearing officer may orally state his or her findings and decision, or adjourn the hearing and inform the parties that the decision will be transmitted within 7 business days. At the request of the member, the hearing officer shall adjourn the hearing and transmit the decision within 7 business days. In all cases, the hearing officer shall issue a complaint determination in a form that is approved by the Board of Directors. The complaint determination shall contain both of the following:
- (a) A concise summary of the evidence and arguments presented by the parties.
 - (b) The decision, and the reasons for the decision, based solely upon the evidence received.
- (7) (8) At the conclusion of the hearing and again upon issuance of the complaint determination, the hearing officer shall advise the member and the Cooperative of all of the following:
- (a) That each party has the right to make an informal appeal to the **Board of Directors**, by mail, telephone, internet, fax, or in person, within 7 business days of issuance of the complaint determination.
 - (b) That, if appealed, the decision of the hearing officer, including a finding that service may be shut off, cannot be implemented until a review by the Board of Directors is completed.
 - (c) The address and telephone number where the member or the Cooperative may make an informal appeal to the Board of Directors.

Continued on Sheet No. B-76.00

Issued **October 29, 2014**
By: Brian Burns
President and CEO
Onaway, Michigan

Effective for service rendered on and
November 1, 2014

Issued under the authority of the Board
of Directors dated **9/29/14**