





















**ADJUSTED TOTAL MARGINS**  
**(continued from prior page)**

<u>Step Three:</u> Add: Issued Capital Credits/Past Years' Allocations	\$ 1,594,069
Less General Capital Credit Retired to Members	\$( 724,509)
<u>Step Four:</u> Less Member Remaining Capital Credits Retired	\$( 872,730) <sup>8</sup>
Adjusted Total Margins	\$ 612,641

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<sup>8</sup> Presque Isle actually retired remaining capital credits in the amount of \$1,677,037 however, the reduction allowed in Step 4 cannot be used to reduce the Adjusted TIER below the floor of 1.60.

### CALCULATION OF REQUIRED TIER REVISION

$$1.8 \text{ TIER} = \frac{\text{Necessary Margin} + \text{Interest}}{\text{Interest}}$$

$$\text{Interest} = \$1,537,520^9$$

$$1.8 \text{ TIER} = \frac{\text{Necessary Margin} + \$1,537,520 \text{ Interest}}{\$1,537,520 \text{ Interest}}$$

$$\text{Necessary Margins} = \$1,230,016$$

Target TIER:

$$1.8 \text{ TIER} = \frac{\$1,230,016 \text{ Necessary Margin} + \$1,537,520 \text{ Interest}}{\$1,537,520 \text{ Interest}}$$

Actual Adjusted Total TIER:

$$\text{TIER} = \frac{\$612,641^{10} + \$1,537,520 \text{ Interest}}{\$1,537,520 \text{ Interest}} = 1.40 \text{ TIER}$$

Based on Adjusted Total TIER of 1.40, an increase of \$617,375 or 1.76% is required.

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<sup>9</sup> From Exhibit A-2.

<sup>10</sup> From Exhibit A-3.

**RECONCILIATION OF OPERATING AND TOTAL MARGINS**Line No.

1	Operating Margins		\$	393,862 <sup>11</sup>
2	Other Income			
3	a. Non Operating Margins – Interest	\$	68,349	<sup>12</sup>
	b. Income from Equity Investments	\$	(471,140)	<sup>13</sup>
	c. Non Operating Margins – Other	\$	0	<sup>14</sup>
	d. G&T Capital Credits	\$	1,489,900	<sup>15</sup>
	Other Capital Credits and Patronage Dividends	\$	<u>198,493</u>	<sup>16</sup>
3.	Total Additions to Operating Margins		\$	1,285,602
4	Total Margins		\$	1,679,465

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<sup>11</sup> From Exhibit A-2.

<sup>12</sup> From December 2018 Form 7, Part 1A, line 21, “*Non Operating Margins – Interest*”.

<sup>13</sup> From December 2018 Form 7, Part 1A, line 23, “*Income(Loss) from Equity Investments*”.

<sup>14</sup> From December 2018 Form 7, Part 1A, line 24, “*Non Operating Margins – Other*”.

<sup>15</sup> From December 2018 Form 7, Part 1A, line 25a, “*Generation and Transmission Capital Credits*”.

<sup>16</sup> From December 2018 Form 7, Part 1A, line 26, “*Other Capital Credits and Patronage Dividends*”.

**CALCULATION OF REQUIRED AND REQUESTED INCREASE**Line No.

1	Required \$ Increase Per Exhibit A-4	\$ 617,375
2	2018 Revenue from Electric Sales	\$ 35,145,650 <sup>17</sup>
3	Required % Increase	1.76%
4	2018 kWh Sales	247,825,873 <sup>18</sup>
5	Average Mills Per kWh Increase	2.49 mills per kWh

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<sup>17</sup> From December 2018 Form 7, Page 5, Electric Operations Plant Ratios, Sales & Revenue Report, Year to Date Total Sales of Electric Energy, dollars.

<sup>18</sup> From December 2018 Form 7, Page 5, Electric Operations Plant Ratios, Sales & Revenue Report, Year to Date Total kWh sold.

# PRESQUE ISLE ELECTRIC & GAS CO-OP

19831 M68 Hwy. P.O. Box 308 Onaway, MI 49765 (989) 733-8515 1-800-423-6634 Fax (989) 733-2247

## CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

DocuSigned by:

*Randy Stempky*

3/20/2019

Signature of Chief Financial Officer

Date

*Thomas Sobek*

3/20/2019

Signature of Chief Executive Officer

Date

## PART 1A - STATEMENT OF ELECTRICAL OPERATIONS FOR THE PERIOD ENDED DECEMBER 31, 2018

RUS Form 7 Line Number	ITEM	YEAR TO DATE			THIS MONTH
		2017	2018	BUDGET	
1.	Operating Revenue - Electric	35,617,160	36,281,323	35,419,092	2,924,653
1.	<b>Total Revenue</b>	<b>35,617,160</b>	<b>36,281,323</b>	<b>35,419,092</b>	<b>2,924,653</b>
3.	Cost of Purchased Energy - Electric	20,722,593	20,933,066	20,574,235	1,672,024
3.	<b>Total Cost of Energy Sold</b>	<b>20,722,593</b>	<b>20,933,066</b>	<b>20,574,235</b>	<b>1,672,024</b>
	<b>Gross Revenues</b>	<b>14,894,568</b>	<b>15,348,257</b>	<b>14,844,857</b>	<b>1,252,629</b>
5.	Distribution Expense - Operation	1,056,367	1,268,600	1,253,044	79,132
6.	Distribution Expense - Maintenance	3,593,859	4,050,076	4,188,339	360,105
7.	Consumer Accounts Expense	1,377,122	1,597,765	1,681,105	106,854
8.	Customer Service and Informational Expens	803,051	844,751	917,774	35,299
10.	Administrative and General Expense	1,485,628	1,609,085	1,588,700	139,523
	<b>Total Operation &amp; Maintenance Expense</b>	<b>8,316,027</b>	<b>9,370,276</b>	<b>9,628,962</b>	<b>720,913</b>
12.	Depreciation & Amortization Expense	3,019,129	3,086,468	3,089,396	257,517
13.	Tax Expense - Property & Gross Receipts	873,652	898,771	872,598	133,372
14.	Tax Expense - Other	1,052	1,060	1,733	9
15.	Interest on Long-Term Debt	1,587,376	1,537,520	1,791,330	147,022
17.	Interest Expense - Other	20,045	59,301	15,524	7,100
18.	Other Deductions	1,000	1,000	0	0
	<b>Total Cost of Operations</b>	<b>13,818,280</b>	<b>14,954,395</b>	<b>15,399,543</b>	<b>1,265,932</b>
20.	Patronage Capital & Operating Margins	1,076,287	393,862	(554,686)	(13,303)
21.	Non-Operating Margins - Interest	69,171	68,349	51,429	1,598
23.	Income (Loss) from Equity Investments	(102,178)	(471,140)	(263,241)	(114,797)
24.	Non-Operating Margins - Other	0	0	0	0
25.a	Generation and Transmission Capital Credits	1,340,933	1,486,730	1,300,000	1,486,730
25.b	G & T Capital Credits - PSDFC	0	0	0	0
26.	Other Capital Credits and Patronage Dividen	199,893	198,493	195,652	18,500
27.	Extraordinary Items See attached sheet	0	0	0	0
28.	<b>Patronage Capital</b>	<b>2,584,106</b>	<b>1,676,295</b>	<b>729,154</b>	<b>1,378,728</b>
	<b>Net T.I.E.R.</b>	<b>2.61</b>	<b>2.05</b>		
	<b>Operating T.I.E.R.</b>	<b>1.67</b>	<b>1.25</b>		

## PART 2A - DATA ON ELECTRICAL DISTRIBUTION PLANT

ITEM	YEAR TO DATE	
	2017	2018
1. New Services Connected	213	245
2. Services Retired	88	27
3. Total Services in Place	35,780	36,050
4. Idle Services (Excl Seasonal)	2,312	2,400
5. Miles Distribution - Overhead	3,838	3,841
6. Miles Distribution - Underground	1,051	1,068
7. Total Miles Energized (5 + 6)	4,889	4,908

# PRESQUE ISLE ELECTRIC & GAS CO-OP

19831 M68 Hwy. P.O. Box 308 Onaway, MI 49765 (989) 733-8515 1-800-423-6634 Fax (989) 733-2247

## PART 3 - COMBINED BALANCE SHEET AS OF DECEMBER 31, 2018

RUS Form 7 Line Number	ASSETS AND OTHER DEBITS	RUS Form 7 Line Number	LIABILITIES AND OTHER CREDITS
1a.	Utility Plant in Service - Electric 108,812,471	30a.	Memberships - Electric 260,060
1b.	Utility Plant in Service - Gas 43,379,841	30b.	Memberships - Gas 25,205
1.	<b>Utility Plant in Service - Combined 152,192,312</b>	30.	<b>Memberships - Combined 285,265</b>
2a.	Construction Work in Progress - Electric 865,356	31a.	Patronage Capital - Electric 41,275,861
2b.	Construction Work in Progress - Gas 148,846	31b.	Patronage Capital - Gas 6,486,821
2.	<b>Construction Work in Progress - Combined 1,014,201</b>	31.	<b>Patronage Capital - Combined 47,762,682</b>
3a.	Total Utility Plant (1 + 2) - Electric 109,677,827	32a.	Operating Margins - Prior Years - Electric (253,082)
3b.	Total Utility Plant (1 + 2) - Gas 43,528,687	32b.	Operating Margins - Prior Years - Gas 0
3.	<b>Total Utility Plant - Combined 153,206,513</b>	32.	<b>Operating Margins - Prior Years - Combined (253,082)</b>
4a.	Accumulated Provision for Depreciation - Electric 56,718,916	33a.	Operating Margins - Current Year - Electric 393,862
4b.	Accumulated Provision for Depreciation - Gas 10,427,978	33b.	Operating Margins - Current Year - Gas 827,536
4.	<b>Accum. Provision for Depreciation - Combined 67,146,894</b>	33.	<b>Operating Margins - Current Year - Combined 1,221,399</b>
5a.	Net Utility Plant (3 - 4) - Electric 52,958,911	34a.	Non Operating Margins - Electric 1,282,433
5b.	Net Utility Plant (3 - 4) - Gas 33,100,708	34b.	Non Operating Margins - Gas 63,178
5.	<b>Net Utility Plant - Combined 86,059,619</b>	34.	<b>Non Operating Margins - Combined 1,345,611</b>
7.	Investments in Subsidiary Companies 0	35a.	Other Margins and Equities - Electric 3,598,250
8.a	Invest. in Assoc. Org- Patronage Capital - WPC 20,379,590	35b.	Other Margins and Equities - Gas 7,179
8.b	Invest. in Assoc. Org- Patronage Capital - Other 5,309,166	35.	<b>Other Margins and Equities - Combined 3,605,429</b>
9.	Invest. in Assoc. Org. - Other - General Funds 4,800	36a.	Total Margins and Equities (30 thru 35) - Electric 46,557,385
10.	Invest. in Assoc. Org. - Other - Nongeneral Funds 1,500,225	36b.	Total Margins and Equities (30 thru 35) - Gas 7,409,919
11.	Invest. in Economic Development Projects 0	36.	<b>Total Margins and Equities (30 thru 35) - Combined 53,967,304</b>
12.	Other Investments 0	37.	Long Term Debt - RUS (Net)
13.	Restricted Funds 0		(Payments-Unapplied \$ -0- ) 0
14.	Total Other Property and Investments (6 thru 13) 27,193,781	38.	Long Term Debt - RUS - Econ. Dev. (Net) 0
15.	Cash - General Funds 1,210,125	39.	Long Term Debt - Other - RUS Guaranteed 0
16.	Cash - Construction Funds 0	40.	Long Term Debt - Other (Net) 58,272,209
17.	Special Deposits 0	41.	Total Long Term Debt (37 thru 40) 58,272,209
18.	Temporary Investments 1,609,260	42.	Obligations Under Capital Leases 0
19.	Notes Receivable - Net 0	43.	Deferred Compensation 0
20.	Accounts Receivable - Net Sales of Energy 4,203,386	44.	Total Other Non Current Liabilities (42+43) 0
21.	Accounts Receivable - Net Other 295,032	45.	Line of Credit Balance Due 2,500,000
22.	Materials and Supplies - Electric and Other 1,945,684	46.	Accounts Payable 2,755,927
23.	Prepayments 373,934	47.	Consumers Deposits 596,468
24.	Other Current and Accrued Assets 0	48.	Other Current and Accrued Liabilities 5,140,316
25.	Total Current and Accrued Assets (15 thru 24) 9,637,421	49.	Total Current and Accrued Liabilities (45 thru 48) 10,992,711
26.	Regulatory Assets 0	50.	Deferred Credits
27.	Other Deferred Debits 341,403	51.	Accumulated Deferred Income Taxes 0
28.	Accumulated Deferred Income Taxes 0	52.	Total Liabilities and Other Credits
29.	<b>Total Assets and Other Debits ( 5 + 14 + 25 thru 28) 123,232,224</b>		<b>(36+41+44+49 thru 51) 123,232,224</b>
			<i>ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION</i>
		53.	Balance Beginning of the Year - Electric 21,653,464
		54.	Balance Beginning of the Year - Gas 4,660,838
		55.	Balance Beginning of the Year - Gas AER 1,054,511
			Amount Received This Year (Net) - Electric 635,199
			Amount Received This Year (Net) - Gas 108,053
			Amount Received This Year (Net) - Gas AER
			Total Contributions in Aid of Construction - Electric 22,288,663
			Total Contributions in Aid of Construction - Gas 4,768,891
			Total Contributions in Aid of Construction - Gas AER 1,054,511

## PART 4 - NOTES TO COMBINED FINANCIAL STATEMENTS

THIS SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.

# PRESQUE ISLE ELECTRIC & GAS CO-OP

19831 M68 Hwy. P.O. Box 308 Onaway, MI 49765 (989) 733-8515 1-800-423-6634 Fax (989) 733-2247

## ELECTRIC OPERATIONS PLANT RATIOS, SALES & REVENUE REPORT FOR THE MONTH ENDING DECEMBER 31, 2018

### BALANCE SHEET RATIOS

Current Assets to Current Liabilities	- Combined	87.67 %
Margins & Equities as % of Assets	- Combined	43.79 %
Long Term Debt as % of Net Utility Plant	- Combined	67.71 %
Long Term Debt as % of Plant	- Combined	38.04 %
Modified Debt Service Coverage Ratio	- Combined	2.04

### CONSUMER SALES AND REVENUE DATA - MONTHLY

CLASS OF SERVICE	Number Receiving Service	kWh Sold	Amount	Number of Minimum Bills
	A.	B.	C.	D.
Sales - Residential	17,641	12,259,920	1,697,954	999
Sales - Seasonal	13,540	2,895,215	681,677	15,608
Sales - General Service - Oil	469	440,136	56,014	80
Sales - Irrigation	26	7,528	1,514	16
Sales - General Service	1,555	2,499,667	300,962	205
Sales - Large Power - Oil	9	124,467	13,401	
Sales - Large Power	41	2,289,021	228,790	1
Sales - Public Street & Highway Lighting	38	12,270	3,845	
Sales - Public Buildings	331	358,410	44,760	44
Consumer Sales - PSCR			(150,532)	
Total Sales of Electric Energy (1 thru 11)	33,650	20,886,634	2,878,384	16,953
Other Electric Revenue			46,269	
Total (12 + 13)			2,924,653	
Last Year kWh Sales	33,468	20,650,998		

### CONSUMER SALES AND REVENUE DATA - YEAR TO DATE

CLASS OF SERVICE	Average Number Receiving Service	kWh Sold Cumulative	Amount Cumulative
	B.	C.	D.
Sales - Residential	17,591	139,660,811	19,549,457
Sales - Seasonal	13,516	33,888,309	8,004,170
Sales - General Service - Oil	469	4,675,662	606,939
Sales - Irrigation	26	248,483	35,244
Sales - General Service	1,503	32,078,144	3,804,192
Sales - Large Power - Oil	9	1,385,237	153,078
Sales - Large Power	41	30,975,401	3,048,095
Sales - Public Street & Highway Lighting	38	158,397	46,753
Sales - Public Buildings	332	4,755,429	585,984
Consumer Sales - PSCR			(688,262)
Total Sales of Electric Energy (1 thru 11)	33,525	247,825,873	35,145,650
Other Electric Revenue			1,135,673
Total (12 + 13)			36,281,323
Last Year kWh Sales		236,535,693	

### KWH AND KWH STATISTICS

ITEM	THIS MONTH	YEAR-TO-DATE
1. kWh Purchased	23,509,140	267,335,055
2. Interchange kWh-Net	562	36,752
3. Total kWh (1 + 2)	23,509,702	267,371,807
4. Total kWh-Sold	20,886,634	247,825,873
5. Office Use - **For Information Purposes Only**	25,947	247,221
6. Total Unaccounted for (3 - 4)	2,623,068	19,545,934
7. Percent System Loss (6/3)x100	11.16	7.31
8. Maximum Demand (kw)	39,407	55,233
9. Month When Maximum Demand Occurred		7



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## STATISTICAL INFORMATION FOR THE MONTH ENDING DECEMBER 31, 2018

	THIS YEAR	LAST YEAR
1. KWHRS Sold Per Consumer:		
a. For the Month	621	617
b. Year to Date	<u>616</u>	<u>591</u>
2. Average Monthly Bill	85.54	94.33
Average Residential Bill	<u>96.25</u>	<u>97.53</u>
3. Average Bill:		
a. Year To Date	87.36	86.25
b. YTD Residential	<u>92.61</u>	<u>89.93</u>
4. Cost Per KWHR Purchased		
a. This Month Mills	71.12	78.93
b. Year to Date Mills	<u>78.29</u>	<u>80.64</u>
5. Revenue Per KWHR Sold:		
a. This Month Mills	137.81	152.88
b. Year to Date Mills	<u>141.82</u>	<u>145.98</u>
6. Power Cost Adjustment		
a. This Month	<u>-0.000590</u>	<u>0.000870</u>
7. Number of New Members - Electric	82	68
Number of Transferred Members Added - Electric	1326	1411
7. Number of New Members - Gas	115	47
Number of Transferred Members Added - Gas	<u>144</u>	<u>151</u>
8. Security Lights Billed	<u>1941</u>	<u>1945</u>
9. Regular Payroll - Hours	13,677.00	12,198.50
Overtime Payroll - Hours	782.25	1,995.50
Total Payroll	<u>14,459.25</u>	<u>14,194.00</u>
10. Number of Employees		
Full Time	77	71
Temporary	<u>8</u>	<u>6</u>
11. Principal Paid To CFC-YTD	1,823,401.11	1,621,675.15
Interest Paid To CFC-YTD	<u>2,598,518.74</u>	<u>2,435,745.78</u>
12. Interest Paid on Line of Credit - YTD	<u>74,958.72</u>	<u>24,143.47</u>

**TIER CALCULATION**

CO-OP: **Presque Isle Electric & Gas Co-op**

Case:

Year: **2018**

FORM 7 LINE	ITEM	2018 All Costs	
			\$
	<u>Operating Revenue</u>		
	Sales of Electricity	36,281,323	
	Other	-	
1	Operating Revenue	<u>36,281,323</u>	
	<u>Operating Expenses</u>		
3	Cost of Purchased Energy	20,933,066	
4	Transmission Expense		
5	Distribution Expense - Operation	1,268,600	
6	Distribution Expense - Maintenance	4,050,076	
7	Consumer Accounts Expense	1,597,765	
8	Customer Service & Info. Expense	844,751	
9	Sales Expense		
10	Administrative & General Expense	1,609,085	
11	Total O & M Expense	<u>30,303,343</u>	
12	Depreciation & Amortization Exp.	3,086,468	
13	Tax Exp. - Property & Gross Recpts.	898,771	
14	Tax Expense - Other	1,060	
15	Interest on Long-Term Debt (mpsc)	<b>1,537,520</b>	
16	Interest Charged to Const. - Cr.		
17	Interest Expense - Other	59,301	
18	Other Deductions	1,000	
19	Total Cost of Operations	<u>35,887,461</u>	
20	<b>Ptrng Cap. &amp; OPERATING Margins</b>	393,862	
21	Non-Operating Margins - Interest	68,349	
22	AFUDC		
nt listed	Loss from Property Retirements		
23	Inc. (Loss) from Equity Investments	(471,140)	
24	Non-Operating Margins - Other	-	
25.a	Gen. & Trans. Capital Crs.	1,486,730	
25.b	G & T Capital Crs - PSDFC	-	
26	Other Capital Crs. & Patronage Div's.	198,493	
27	Extraordinary Items	-	
28	<b>Ptrng Capital or Margins (20-27)</b>	<u><b>1,676,294</b></u>	
<b>Part II: Adjusted Margins &amp; TIER AS FILED</b>			
	Actual Total Margin (Ln 28)	1,676,294	
Step II	Back Out:		
	Gain/Loss from Equity Investments	488,366	
	G&T Credits, Allocated/Not Paid	(1,486,730)	
	Other Cap Crs, Allocated/NT Pd	(65,290)	
	Weather Normalization Adjustment		
	Adjustment for Non-Operating Loss		
	<b>Total Mrgns Less Cap. Crs. Allocation</b>	<u>612,640</u>	
Step III	Add Back:		
	Estimated Storm Restoration Costs		
	Cap Crs Pd for Prior Years	1,594,069	
	Less offset of Cap Crs Retired/Members	(2,628,193)	
	<b>Preliminary Adjusted Total Margins</b>	<u>(421,484)</u>	
Step IV	Back Out:		
	Member Remaining Cap Crs. Retired		
	Adjust for difference in LT Debt Interest		
	Adjust for Add Back of C.C. Retired/Members	1,034,124	
	<b>Adjusted Total Margin</b>	<u>612,640</u>	
<b>Resulting TIER:</b>			
	Adjusted Total Margin	612,640	
	+ Interest, L/T Debt +	1,537,520	
	+ Interest, L/T Debt	1,537,520	
	<b>= TIER</b>	<b>1.40</b>	
	[Quiet zone = 1.6 - 2.2]		
<b>Part III - Increase in Rates resulting from the 2018 PSCR/TIER Reconciliation</b>			
<b>Part III: Increase Calculation</b>			
	Target TIER as per Co-op Application	1.80	
	x Interest, LT Debt	1,537,520	
	Subtotal	2,767,560	
	LESS Interest, LT Debt	(1,537,520)	
	= Target Total Margin	1,230,041	
	LESS Adjusted Total Margin	(612,640)	
	Rate Increase for Co-op's Target TIER	617,401	
<u>Percent Increase</u>			
	Annualized (Year) Electric Sales Revenue	\$ 35,145,650	
	Percent Increase Needed for Target TIER	1.76%	
	2018 kWh Sales	247,825,873	
	Increase per kWh	0.00249	
	Average Residential Bill - kWh	662	
	Monthly Residential Increase	\$ 1.65	

**Comparison of  
Present and Proposed Rate Schedules**

<u>Present Rates</u>		<u>Proposed Rates</u>	
<b><u>Residential Monthly Service (A)</u></b>		<b><u>Residential Monthly Service (A)</u></b>	
Monthly Service Charge	\$18.00 /month	Monthly Service Charge	\$18.00 /month
Distribution Variable Charge (All kWh)	\$0.02772 /kWh	Distribution Variable Charge (All kWh)	\$0.03067 /month
Power Supply Energy Charge (All kWh)	\$0.08601 /kWh	Power Supply Energy Charge (All kWh)	\$0.08601 /kWh
PSCR	(\$0.00608) /kWh	PSCR	(\$0.00608) /kWh
Energy Optimization Surcharge	\$0.00229 /kWh	Energy Optimization Surcharge	\$0.00229 /kWh
<b><u>Seasonal Residential Monthly Service (S)</u></b>		<b><u>Seasonal Residential Monthly Service (S)</u></b>	
<i>Yearly Rate</i>		<i>Yearly Rate</i>	
Monthly Service Charge	\$228.00 /year	Monthly Service Charge	\$228.00 /year
Distribution Variable Charge (All kWh)	\$0.07335 /kWh	Distribution Variable Charge (All kWh)	\$0.07815 /kWh
Power Supply Energy Charge (All kWh)	\$0.08601 /kWh	Power Supply Energy Charge (All kWh)	\$0.08601 /kWh
PSCR	(\$0.00608) /kWh	PSCR	(\$0.00608) /kWh
Energy Optimization Surcharge	\$0.00229 /kWh	Energy Optimization Surcharge	\$0.00229
<b><u>General Monthly Service (GS)</u></b>		<b><u>General Monthly Service (GS)</u></b>	
Monthly Service Charge		Monthly Service Charge	
Single Phase	\$16.00 /month	Single Phase	\$16.00 /month
Three Phase	\$35.00 /month	Three Phase	\$35.00 /month
Distribution Variable Charge (All kWh)	\$0.02535 /kWh	Distribution Variable Charge (All kWh)	\$0.02609 /kWh
Energy Charge	\$0.08321 /kWh	Energy Charge	\$0.08321 /kWh
PSCR	(\$0.00608) /kWh	PSCR	(\$0.00608) /kWh
Energy Optimization Surcharge	\$3.10 /month	Energy Optimization Surcharge	\$3.10 /month
<b><u>Large General Monthly Service (LG)</u></b>		<b><u>Large General Monthly Service (LG)</u></b>	
Monthly Service Charge	\$50.00 /month	Monthly Service Charge	\$50.00 /month
Distribution Demand Charge	\$1.98 /kW	Distribution Demand Charge	\$1.98 /kW
Demand Charge - Power Supply	\$7.02 /kW	Demand Charge - Power Supply	\$7.02 /kW
Distribution Variable Charge	\$0.01470 /kWh	Distribution Variable Charge	\$0.01548 /kWh
Energy Charge	\$0.06481 /kWh	Energy Charge	\$0.06481 /kWh
Primary Monthly Service Discount	(\$0.20) /kW	Primary Monthly Service Discount	(\$0.20) /kW
Primary Meter Discount	-2.00%	Primary Meter Discount	-2.00%
PSCR	(\$0.00608) /kWh	PSCR	(\$0.00608) /kWh
Energy Optimization Surcharge	\$74.14 /month	Energy Optimization Surcharge	\$74.14 /month
<b><u>Optional Large Power TOD Monthly Service (LPTOD)</u></b>		<b><u>Optional Large Power TOD Monthly Service (LPTOD)</u></b>	
Monthly Service Charge	\$60.00 /month	Monthly Service Charge	\$60.00 /month
Demand Charge		Demand Charge	
Peak Period	\$6.00 /kW	Peak Period	\$6.00 /kW
Maximum	\$6.55 /kW	Maximum	\$6.55 /kW
Energy Charge	\$0.06951 /kWh	Energy Charge	\$0.06951 /kWh
Primary Monthly Service Discount	(\$0.20) /kW	Primary Monthly Service Discount	(\$0.20) /kW
Primary Meter Discount	-2.00%	Primary Meter Discount	-2.00%
PSCR	(\$0.00608) /kWh	PSCR	(\$0.00608) /kWh
Energy Optimization Surcharge	\$74.14 /month	Energy Optimization Surcharge	\$74.14 /month
<b><u>Customer Owned Backup Generation (CBG)</u></b>		<b><u>Customer Owned Backup Generation (CBG)</u></b>	
Demand Charge	(\$2.50) /kW	Demand Charge	(\$2.50) /kW

**Comparison of  
Present and Proposed Rate Schedules**

<u>Present Rates</u>		<u>Proposed Rates</u>	
<b><u>Outdoor Lighting Monthly Service (OD)</u></b>		<b><u>Outdoor Lighting Monthly Service (OD)</u></b>	
175 W MV	\$11.40 /month	175 W MV	\$12.48 /month
400 W MV	\$19.70 /month	400 W MV	\$22.17 /month
100 W HPS	\$9.00 /month	100 W HPS	\$9.62 /month
250 W HPS	\$14.80 /month	250 W HPS	\$16.35 /month
40 W LED Type 5	\$6.80 /month	40 W LED Type 5	\$7.05
70 W LED Type 3	\$7.70 /month	70 W LED Type 3	\$8.13
70 W LED Type 5	\$7.70 /month	70 W LED Type 5	\$8.13 /month
PSCR	-\$0.00608 /kWh	PSCR	-\$0.00608 /kWh
<b><u>Primary Monthly Service (PSDS)</u></b>		<b><u>Primary Monthly Service (PSDS)</u></b>	
<i>Rider C&amp;I</i>		<i>Rider C&amp;I</i>	
Monthly Service Charge	/month	Monthly Service Charge	\$0.00 /month
Distribution Demand Charge	\$6.10 /kW	Distribution Demand Charge	\$6.10 /kW
Power Supply Demand Charge	\$7.16 /kW	Demand Charge	\$7.16 /kW
Distribution Variable Charge	\$0.00540 /kWh	Distribution Variable Charge	\$0.00646 /kWh
Power Supply Energy Charge	\$0.06091 /kWh	Energy Charge	\$0.06091 /kWh
Reactive Charge	\$0.25 /kVar	Reactive Charge	\$0.25 /kVar
PSCR	(\$0.00608) /kWh	PSCR	(\$0.00608) /kWh
Energy Optimization Surcharge	\$ 400.99 /month	Energy Optimization Surcharge	\$ 400.99 /month
<b><u>Controlled Heating Monthly Service (CH)</u></b>		<b><u>Controlled Heating Monthly Service (CH)</u></b>	
<i>Schedule A</i>		<i>Schedule A</i>	
Energy Charge Discount	(\$0.03000) /kWh	Energy Charge	(\$0.03000) /kWh
<i>Schedule GS</i>		<i>Schedule GS</i>	
Energy Charge Discount	(\$0.03000) /kWh		(\$0.03000)
<b><u>Efficient Electric Heating</u></b>		<b><u>Efficient Electric Heating</u></b>	
Energy Charge Discount	(\$0.03000) /kWh	Energy Charge	(\$0.03000) /kWh
<b><u>Partial Controlled Heating Monthly Service (PCH)</u></b>		<b><u>Partial Controlled Heating Monthly Service (PCH)</u></b>	
Energy Charge	(\$0.0150) /kWh	Energy Charge	(\$0.0150) /kWh
<b><u>Green/Renewable Energy -- Rider</u></b>		<b><u>Green/Renewable Energy -- Rider</u></b>	
Energy Charge	\$ 2.50 /100 kWh	Energy Charge	\$ 2.50 /100 kWh
<b><u>Controlled Water Heater Credit (CWH)</u></b>		<b><u>Controlled Water Heater Credit (CWH)</u></b>	
Option #1	(\$4.50) /month	Option #1	(\$4.50) /month
Option #2	(\$6.00) /month	Option #2	(\$6.00) /month
Option #3	(\$7.50) /month	Option #3	(\$7.50) /month
<b><u>Net Metering</u></b>		<b><u>Net Metering</u></b>	
Variable Energy Charge	\$0.10450 /kWh	Variable Energy Charge	\$0.10745 /kWh
PSCR	(\$0.00608) /kWh	PSCR	(\$0.00608) /kWh
<b><u>Distributed Renewable Energy (DRE)</u></b>		<b><u>Distributed Renewable Energy (DRE)</u></b>	
Excess Generation Credit	\$0.05600 /kWh		\$0.05600

**Comparison of Revenue  
Present and Proposed Rates**

(a)	(b)	(c)	(d)	(e)	
Line No.	Rate Class	Present Rate Revenue	Proposed Rates		
			Proposed Revenue	Increase (Decrease)	
				Amount	%
		(\$)	(\$)	(\$)	(%)
1	Residential Service (A)	20,088,147	20,529,385	441,238	2.20
2	Seasonal Residential Monthly Service (S)	6,394,957	6,504,874	109,918	1.72
3	General Monthly Service (GS)	4,779,805	4,810,597	30,792	0.64
4	Large General Monthly Service (LG)	579,768	584,009	4,241	0.73
5	Optional Large Power TOD Monthly Service (LPTOD)	1,304,515	1,304,515	-	-
6	Customer Owned Backup Generation (CBG)	-	-	-	-
7	Outdoor Lighting Monthly Service (OD)	197,926	211,340	13,414	6.78
8	Primary Monthly Service (PSDS)	1,156,679	1,171,163	14,484	1.25
9	Controlled Heating Monthly Service (CH)	(106,642)	(106,642)	-	-
10	Partial Controlled Heating Monthly Service (PCH)	-	-	-	-
11	Controlled Water Heater Credit (CWH)	(74,424)	(74,424)	-	-
12	Net Metering	(3,617)	(3,725)	(108)	2.99
13		-			
14		-			
15	<b>Total</b>	34,317,113	34,931,092	613,979	1.79

**Summary of Consumers, Energy Sales, and  
Revenue Under Proposed Rates**

(a)	(b)	(c)	(d)	(e)	(f)
Rate Class	Billing Determinants	Units	Proposed Rates		
			Rate	Revenue	% Split
<b><u>Residential Service (A)</u></b>					
Service Charge	18,457	/month	\$18.00	\$ 3,986,712	46.5%
Distribution Variable Charge	149,572,086	/kWh	\$0.03067	4,587,376	53.5%
Power Supply Energy Charge	149,572,086	/kWh	\$0.08601	12,864,695	
PSCR	149,572,086	/kWh	(\$0.00608)	(909,398)	
				<u>\$ 20,529,385</u>	<u>100.0%</u>
<b><u>Seasonal Residential Monthly Service (S)</u></b>					
<i>Yearly Rate</i>					
Availability Charge	12,653	/year	\$228.00	\$ 2,884,922	61.7%
Distribution Variable Charge	22,899,496	/kWh	\$0.07815	1,789,596	38.3%
Power Supply Energy Charge	22,899,496	/kWh	\$0.08601	1,969,586	
PSCR	22,899,496	/kWh	(\$0.00608)	(139,229)	
				<u>\$ 6,504,874</u>	<u>100.0%</u>
<b><u>General Monthly Service (GS)</u></b>					
Monthly Service Charge					
Single Phase	2,032.8	/month	\$16.00	\$ 390,304	
Three Phase	298.2	/month	\$35.00	125,230	32.2%
Distribution Variable Charge	41,610,760	/kWh	\$0.02609	1,085,625	67.8%
Energy Charge	41,610,760	/kWh	\$0.08321	3,462,431	
Energy Charge Credits	41,610,760	/kWh	\$0.00000	-	
PSCR	41,610,760	/kWh	(\$0.00608)	(252,993)	
				<u>\$ 4,810,597</u>	<u>100.0%</u>
<b><u>Large General Monthly Service (LG)</u></b>					
Monthly Service Charge	33	/month	\$50.00	\$ 19,900	14.3%
Distribution Demand Charge	17,841	/kW	\$1.98	35,325	25.3%
Demand Charge - Power Supply	17,841	/kW	\$7.02	125,244	
Oil Related Demand Credit	-	/kW	\$0.00000	-	
Distribution Variable Charge	5,437,816	/kWh	\$0.01548	84,177	60.4%
Energy Charge	5,437,816	/kWh	\$0.06481	352,425	
Primary Monthly Service Discount	-	/kVa	(\$0.20)	-	
Primary Meter Discount	-		-2.0%	-	
PSCR	5,437,816	/kWh	(\$0.00608)	(33,062)	
				<u>\$ 584,009</u>	<u>100.0%</u>

**Summary of Consumers, Energy Sales, and  
Revenue Under Proposed Rates**

(a)	(b)	(c)	(d)	(e)	(f)
Rate Class	Billing Determinants	Units	Proposed Rates		
			Rate	Revenue	% Split
<b><u>Optional Large Power TOD Monthly Service (LPTOD)</u></b>					
Monthly Service Charge		14 /month	\$60.00	\$ 10,080	3.6%
Demand Charge					
Peak Period	31,011	/kW	\$6.00	186,066	
Maximum	40,941	/kW	\$6.55	268,164	96.4%
Energy Charge	13,246,180	/kWh	\$0.06951	920,742	
Primary Monthly Service Discount	-	/kVa	(\$0.20)	-	
Primary Meter Discount	-	/kWh	(\$0.02)	-	
PSCR	13,246,180	/kWh	(\$0.00608)	(80,537)	
				<u>\$ 1,304,515</u>	<u>100.0%</u>
<b><u>Customer Owned Backup Generation (CBG)</u></b>					
Demand Charge		- /kW	(\$2.50)	\$ -	
				<u>\$ -</u>	
<b><u>Outdoor Lighting Monthly Service (OD)</u></b>					
175 W MV	264	/month	\$12.48	\$ 39,487	
400 W MV	4	/month	\$22.17	1,064	
100 W HPS	469	/month	\$9.62	54,141	
250 W HPS	37	/month	\$16.35	7,243	
40 W LED Type 5	247	/month	\$7.05	20,896	
70 W LED Type 3	432	/month	\$8.13	42,105	
70 W LED Type 5	530	/month	\$8.13	51,707	
PSCR	872,231	/kWh	(\$0.00608)	(5,303)	
				<u>\$ 211,340</u>	
<b><u>Primary Monthly Service (PSDS)</u></b>					
<i><u>Rider C&amp;I</u></i>					
Monthly Service Charge		4 /cons	\$0.00	\$ -	
Distribution Demand Charge	29,674	/kW	\$6.10	181,011	15.6%
Power Supply Demand Charge	20,031	/kW	\$7.16	143,422	12.4%
Oil Related Demand Credit	-	/kW	\$0.00000	-	
Distribution Variable Charge	13,664,100	/kWh	\$0.00646	88,270	
Power Supply Energy Charge	13,664,100	/kWh	\$0.06091	832,280	72.0%
Reactive Charge	16,169	/kVar	\$0.25	4,042	
PSCR	12,806,400	/kWh	(\$0.00608)	(77,863)	
				<u>\$ 1,171,163</u>	<u>100.0%</u>
<b><u>Controlled Heating Monthly Service (CH)</u></b>					
<i><u>Schedule A</u></i>					
Energy Charge Discount	3,298,075	/kWh	(\$0.03000)	\$ (98,942)	
<i><u>Schedule GS</u></i>					
Energy Charge Discount	256,652	/kWh	(\$0.03000)	\$ (7,700)	
Total				<u>\$ (106,642)</u>	

**Summary of Consumers, Energy Sales, and  
Revenue Under Proposed Rates**

(a)	(b)	(c)	(d)	(e)	(f)
Rate Class	Billing Determinants	Units	Proposed Rates		
			Rate	Revenue	% Split
<b><u>Partial Controlled Heating Monthly Service (PCH)</u></b>					
Energy Charge	-	/kWh	(\$0.0150)	\$ -	
				\$ -	
<b><u>Controlled Water Heater Credit (CWH)</u></b>					
Option #1	522	/month	(\$4.50)	\$ (28,175)	
Option #2	576	/month	(\$6.00)	(41,502)	
Option #3	53	/month	(\$7.50)	(4,748)	
Total	1,151	/month		\$ (74,424)	
<b><u>Net Metering</u></b>					
Variable Energy Charge	(36,752)	/month	\$0.10745	\$ (3,949)	
PSCR	(36,752)	/month	(\$0.00608)	223	
Total				\$ (3,725)	
<b><u>Grand Total</u></b>				\$ 34,931,092	

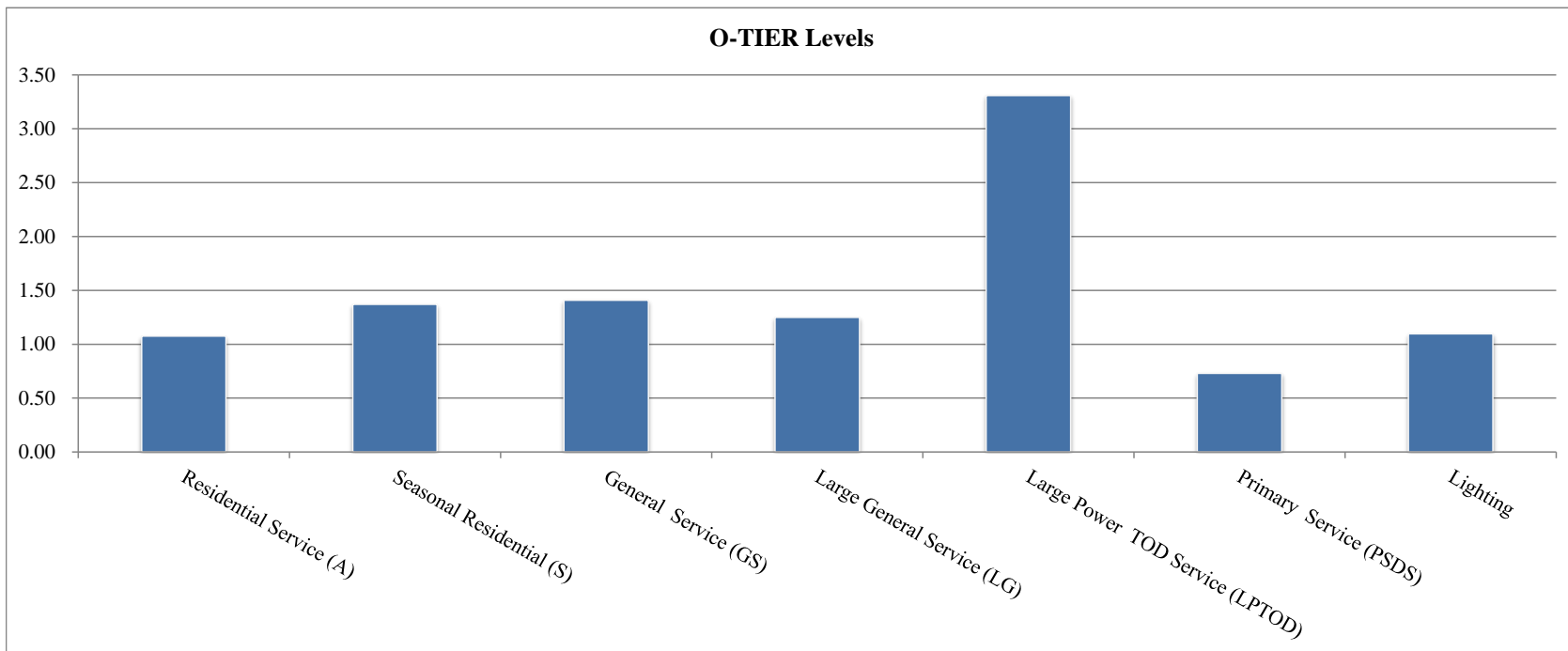


**Cost of Service Summary  
Revenue Requirements Summary -- BUNDLED**

<b>Line No.</b>	<b>Description</b>	<b>Total</b>	<b>Residential Service (A)</b>	<b>Seasonal Residential (S)</b>	<b>General Service (GS)</b>	<b>Large General Service (LG)</b>	<b>Large Power TOD Service (LPTOD)</b>	<b>Primary Service (PSDS)</b>	<b>Outdoor Lighting</b>
1	<b><u>Revenue Requirements</u></b>								
2	Revenue Requirements	35,518,303	20,791,186	6,586,369	4,868,444	591,026	1,281,144	1,185,630	214,505
3									
4	<b><u>Present Rates</u></b>								
5	Revenue-Present Rates	34,498,180	20,084,530	6,394,957	4,779,805	579,768	1,304,515	1,156,679	197,926
6	Revenue Credits	402,751	234,478	74,658	55,802	6,769	15,230	13,504	2,311
7		34,900,931	20,319,008	6,469,615	4,835,607	586,537	1,319,745	1,170,183	200,237
8									
9	Required Incr./ (Decr)	617,372	472,178	116,754	32,837	4,489	(38,601)	15,447	14,268
10	Percent	1.79%	2.35%	1.83%	0.69%	0.77%	(2.96%)	1.34%	7.21%
11									

**Cost of Service Summary**  
**Margin by Rate Class**

Line No.	Description	Total	Residential Service (A)	Seasonal Residential (S)	General Service (GS)	Large General Service (LG)	Large Power TOD Service (LPTOD)	Primary Service (PSDS)	Outdoor Lighting
19	<b><u>O-TIER Under Present Rates</u></b>								
20	Revenue-Present Rates	34,900,931	20,319,008	6,469,615	4,835,607	586,537	1,319,745	1,170,183	200,237
21	Operating Expenses Allocated	34,555,941	20,254,776	6,303,633	4,774,778	583,608	1,266,676	1,174,825	197,644
22	Margin Under Present Rates	344,990	64,232	165,982	60,829	2,928	53,068	(4,642)	2,592
23	Allocated LT Interest Expense	1,528,628	852,039	449,102	148,780	11,782	22,981	17,162	26,782
24	O-TIER - Present Rates	1.23	1.08	1.37	1.41	1.25	3.31	0.73	1.10
25									
26	O-TIER Parity Index - Present Rates	1.00	0.88	1.12	1.15	1.02	2.70	0.60	0.89
27									



**Cost of Service Summary**  
**Class Allocation Summary -- BUNDLED**

<b>Line No.</b>	<b>Category</b>	<b>Total</b>	<b>Residential Service (A)</b>	<b>Seasonal Residential (S)</b>	<b>General Service (GS)</b>	<b>Large General Service (LG)</b>	<b>Large Power TOD Service (LPTOD)</b>	<b>Primary Service (PSDS)</b>	<b>Outdoor Lighting</b>
36	<b>Power Supply</b>								
37	Direct and Revenue Related								
38	Wholesale Cost	(56,553)					(32,009)	(24,544)	
39	Allocated Cost								
40	Subtotal	(56,553)					(32,009)	(24,544)	
41	Capacity Related								
42	Wholesale Cost	6,386,329	3,760,138	905,268	1,007,189	146,566	303,981	259,153	4,035
43	Allocated Cost	55,522	34,790	5,328	8,867	1,346	2,803	2,322	68
44	Subtotal	6,441,851	3,794,927	910,595	1,016,056	147,912	306,784	261,474	4,102
45	Energy Related								
46	Wholesale Cost	12,732,823	7,700,267	1,179,191	2,142,712	280,016	682,101	703,622	44,915
47	Allocated Cost	110,634	67,118	10,278	18,677	2,441	5,752	5,977	391
48	Subtotal	12,843,457	7,767,384	1,189,469	2,161,389	282,457	687,854	709,598	45,306
49	Sub. Power Supply	19,228,754	11,562,312	2,100,064	3,177,444	430,368	962,629	946,529	49,408
50	<b>Transmission</b>								
51	Direct								
52	Capacity								
53	Energy								
54	Allocated Cost								
55	Sub. Transmission								
56	<b>Distribution</b>								
57	Direct	114,333							114,333
58	Consumer	10,410,066	5,664,354	3,883,189	782,460	25,981	20,867	4,185	29,030
59	Capacity	5,765,150	3,564,520	603,116	908,540	134,676	297,648	234,916	21,734
60	Energy								
61	Sub. Distribution	16,289,549	9,228,874	4,486,305	1,691,000	160,658	318,515	239,101	165,097
62									
63	<b>Total</b>	<b>35,518,303</b>	<b>20,791,186</b>	<b>6,586,369</b>	<b>4,868,444</b>	<b>591,026</b>	<b>1,281,144</b>	<b>1,185,630</b>	<b>214,505</b>

**Cost of Service Summary  
Rate Design Factors -- BUNDLED**

Line No.	Category	Units	Total	Residential Service (A)	Seasonal Residential (S)	General Service (GS)	Large General Service (LG)	Large Power TOD Service (LPTOD)	Primary Service (PSDS)	Outdoor Lighting	
64	<b><u>Costs Broken Down by Function</u></b>										
65	<b><u>Power Supply</u></b>										
66	Direct and Revenue Related										
67	Wholesale Cost	\$/Mo./cons	(0.13)					(190.53)	(681.78)		
68	Allocated Cost	\$/Mo./cons									
69	Subtotal		(0.13)					(190.53)	(681.78)		
70	Capacity Related										
71	Wholesale Cost	¢/kWh	2.58	2.51	3.95	2.42	2.70	2.29	1.90	0.46	
72	Allocated Cost	¢/kWh	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.01	
73	Subtotal	¢/kWh	2.61	2.54	3.98	2.44	2.72	2.32	1.91	0.47	
74	Energy Related										
75	Wholesale Cost	¢/kWh	5.15	5.15	5.15	5.15	5.15	5.15	5.15	5.15	
76	Allocated Cost	¢/kWh	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	
77	Subtotal	¢/kWh	5.19	5.19	5.19	5.19	5.19	5.19	5.19	5.19	
78	Sub. Power Supply	¢/kWh	7.78	7.73	9.17	7.64	7.91	7.27	6.93	5.66	
79	<b><u>Transmission</u></b>										
80	Direct	¢/kWh									
81	Capacity	¢/kWh									
82	Energy	¢/kWh									
83	Allocated Cost	¢/kWh									
84	Sub. Transmission	¢/kWh									
85	<b><u>Distribution</u></b>										
86	Direct	\$/Mo./cons	0.27							4.81	
87	Consumer	\$/Mo./cons	24.46	25.57	25.57	27.97	65.28	124.21	116.25	1.22	
88	Capacity	¢/kWh	2.33	2.38	2.63	2.18	2.48	2.25	1.72	2.49	
89	Energy	¢/kWh									
90	Sub. Distribution	¢/kWh	6.59	6.17	19.59	4.06	2.95	2.40	1.75	18.93	
91	Total	¢/kWh	14.36	13.90	28.76	11.70	10.87	9.67	8.68	24.59	
92	<b><u>Costs Broken Down by Classification</u></b>										
93	Direct	\$/Mo./cons	0.14					(190.53)	(681.78)	4.81	
94	Consumer	\$/Mo./cons	24.46	25.57	25.57	27.97	65.28	124.21	116.25	1.22	
95	Capacity	¢/kWh	4.94	4.92	6.61	4.63	5.20	4.56	3.63	2.96	
96	Energy	¢/kWh	5.19	5.19	5.19	5.19	5.19	5.19	5.19	5.19	
97	Total		14.36	13.90	28.76	11.70	10.87	9.67	8.68	24.59	

**Statement of Operations**  
**Present Rates**  
**For the Test Year Ended December 31, 2018**

(a) Line No.	(b) Description	(c) Actual Test Year	(d) Adjustments <sup>1</sup>	(e) Pro Forma Test Year
1	<b><u>Operating Revenue</u></b>			
2	Sales of Electricity	\$ 35,145,650	\$ (754,113)	\$ 34,391,537
3	Other	1,135,673		1,135,673
4	<b>Total Operating Revenue</b>	<u>\$ 36,281,323</u>	<u>\$ (754,113)</u>	<u>\$ 35,527,210</u>
5	<b><u>Operating Expenses</u></b>			
6	Cost of Purchased Power	\$ 20,933,066	\$ (714,132)	\$ 20,218,934
7	Transmission - O & M			
8	Distribution - Operation	1,268,600	-	1,268,600
9	Distribution - Maintenance	4,050,076	-	4,050,076
10	Consumer Accounts	1,597,765	-	1,597,765
11	Consumer Service & Information	844,751	-	844,751
12	Sales		-	-
13	Administrative & General	1,609,085	-	1,609,085
14	Depreciation & Amortization	3,086,468	-	3,086,468
15	Taxes - Property	898,771	-	898,771
16	Taxes - Other	1,060	-	1,060
17	Interest on Long Term Debt	1,537,520	-	1,537,520
18	Other Interest Expense	59,301	-	59,301
19	Other Deductions	1,000	-	1,000
20	<b>Total Operating Expenses</b>	<u>\$ 35,887,463</u>	<u>\$ (714,132)</u>	<u>\$ 35,173,331</u>
21	<b>Net Operating Margins</b>	<u>\$ 393,860</u>	<u>\$ (39,981)</u>	<u>\$ 353,879</u>
22	<b><u>Non-Operating Margins</u></b>			
23	Non-Operating Margins (Interest Income)	\$ 68,349	\$ -	68,349
24	Income (Loss) from Property Retirements	(471,140)	488,366	17,226
25	Non-Operating Margins (Other) <sup>2</sup>	-		-
26	Generation and Transmission Capital Credits <sup>3</sup>	1,486,730	(1,486,730)	-
27	Other Capital Credits & Patronage Dividends <sup>3</sup>	198,493	(65,290)	133,203
28	<b>Total Non-Operating Margins</b>	<u>\$ 1,282,432</u>	<u>\$ (1,063,654)</u>	<u>\$ 218,778</u>
29	<b>Total Patronage Capital &amp; Margins</b>	<u>\$ 1,676,292</u>	<u>\$ (1,103,635)</u>	<u>\$ 572,657</u>

<sup>1</sup> See Page 2, "Summary of Adjustments," for references to schedules supporting each adjustment.

**Supporting Adjustment Schedules  
Summary of Adjustments**

(a) Description	(b) Pages	(c) Amounts
I. Sales of Electricity		
Schedule A - Adjustment to Revenue	4	<u>\$ (754,113)</u>
II. Purchased Power		
Schedule B - Purchased Power	8	<u>\$ (714,132)</u>
III. Generation and Transmission Capital Credits		
Schedule C - Other Adjustments to Revenue Requirements	9	<u>\$ (1,486,730)</u>
IV. Other Adjustments to Revenue Requirements		
Schedule C - Other Capital Credits	9	<u>\$ (65,290)</u>
V. Other Adjustments to Revenue Requirements		
Schedule C - Income (Loss) From Equity Investments	9	<u>\$ 488,366</u>

**Schedule A**  
**Summary of Consumers, Energy Sales, and**  
**Revenue Under Present Rates**

**I. Consumer and Sales Data for December 31, 2010 (Per Billing Records)**

(a) Line No.	(b) Description	(c) Avg. No. Cons.	(d) Energy Sales (kWh)	(e) Billing Demand (kW)	(f) Revenue (\$)
1	Residential Service (A)	18,457	149,572,086	N.A.	21,161,408
2	Seasonal Residential Monthly Service (S)	12,653	22,899,496	N.A.	6,589,230
3	General Monthly Service (GS)	2,331	41,610,760	N.A.	5,089,132
4	Large General Monthly Service (LG)	33	5,437,816	17,841.0	639,399
5	Optional Large Power TOD Monthly Service (LPTOD)	14	13,246,180	40,941.0	1,375,089
6	Customer Owned Backup Generation (CBG)			N.A.	
7	Outdoor Lighting Monthly Service (OD)	904	872,231	N.A.	203,481
8	Primary Monthly Service (PSDS)	3	13,664,100	29,674.0	1,240,917
9	Controlled Heating Monthly Service (CH)			N.A.	
10	Partial Controlled Heating Monthly Service (PCH)			N.A.	
11	Controlled Water Heater Credit (CWH)			N.A.	(74,424)
12	Net Metering		36,752		(3,593)
13					
14					
15					
16					
17					
18	<b>Total</b> <small>(No. of Consumers Excludes Water Heaters and Street Lighting)</small>	33,491	247,339,421	88,456.0	36,220,639

**I.a. Consumer and Sales Data for the Year Ended December 31, 2015 (As Recorded on Form 7, Part R)**

Line No.	Description	Avg. No. Cons.	Energy Sales (kWh)	Billing Demand (kW)	Revenue (\$)
19	Residential Sales	17,591	139,660,811	N.A.	19,549,457
20	Residential Sales Seasonal	13,516	33,888,309	N.A.	8,004,170
21	Irrigation Sales	26	248,483	N.A.	35,244
22	Comm. And Ind. 1000 kVa or Less	1,972	36,753,806	N.A.	4,411,131
23	Comm. And Ind. Over 1000 kVa	50	32,360,638	N.A.	3,201,173
24	Public Street and Highway Lighting	38	158,397	N.A.	46,753
25	Other Sales to Public Auth.	332	4,755,429	N.A.	585,984
26	Sales for Resale - RUS Borrowers			N.A.	
27	PSCR Revenue			N.A.	(688,262)
28	<b>Total</b> <small>(No. of Consumers Excludes Water Heaters and Street Lighting)</small>	33,525	247,825,873	-	35,145,650

**Schedule A**  
**Summary of Consumers, Energy Sales, and**  
**Revenue Under Present Rates**

**II. Consumer and Sales Data for Pro Forma Test Year**

(a) Line No.	(b) Description	(c) Avg. No. Cons.	(d) Energy Sales (kWh)	(e) Billing Demand (kW)	(f) Revenue (\$)
1	Residential Service (A)	18,457	149,572,086	N.A.	20,088,147
2	Seasonal Residential Monthly Service (S)	12,653	22,899,496	N.A.	6,394,957
3	General Monthly Service (GS)	2,331	41,610,760	N.A.	4,779,805
4	Large General Monthly Service (LG)	33	5,437,816	17,841.0	579,768
5	Optional Large Power TOD Monthly Service (LPTOD)	14	13,246,180	31,011.0	1,304,515
6	Customer Owned Backup Generation (CBG)	-		N.A.	-
7	Outdoor Lighting Monthly Service (OD)	774	872,231	N.A.	197,926
8	Primary Monthly Service (PSDS)	3	13,664,100	29,674.0	1,156,679
9	Controlled Heating Monthly Service (CH)	-	-	N.A.	(106,642)
10	Partial Controlled Heating Monthly Service (PCH)	-	-	N.A.	-
11	Controlled Water Heater Credit (CWH)	1,151	-	N.A.	(74,424)
12	Net Metering		(36,752)	N.A.	(3,617)
13					
14					
15					
16					
17					
18	<b>Total</b> <small>(No. of Consumers Excludes Water Heaters and Street Lighting)</small>	33,491	247,265,917	78,526.0	34,317,113
19					
20	Less: Controlled Water Heater Switch Credits				(74,424)
21	<b>Total Revenues</b>				<b>34,391,537</b>



**Presque Isle Electric & Gas**

**Calculation of Revenues Under Present Rates  
and Comparison to Cost Based Distribution Charges**

(a)	(b)	(c)	(d)	(e)	(f)
Rate Class	Description	Billing Determinants	Rate	Revenue	% Split
<b><u>Residential Service (A)</u></b>					
	Service Charge	18,457 /month	\$18.00	\$ 3,986,712	49.0%
	Distribution Variable Charge (All kWh)	149,572,086 /kWh	\$0.02772	4,146,138	51.0%
	Power Supply Energy Charge (All kWh)	149,572,086 /kWh	\$0.08601	12,864,695	
	PSCR	149,572,086 /kWh	(\$0.00608)	(909,398)	
				\$ 20,088,147	100.0%
<b><u>Seasonal Residential Monthly Service (S)</u></b>					
<i>Yearly Rate</i>					
	Availability Charge	12,653 /year	\$228.00	\$ 2,884,922	63.2%
	Distribution Variable Charge (All kWh)	22,899,496 /kWh	\$0.07335	1,679,678	36.8%
	Power Supply Energy Charge (All kWh)	22,899,496 /kWh	\$0.08601	1,969,586	
	PSCR	22,899,496 /kWh	(\$0.00608)	(139,229)	
				\$ 6,394,957	100.0%
<i>Seasonal Monthly Rate</i>					
	Availability Charge	- /month	\$19.00	\$ -	
	Distribution Variable Charge (All kWh)	- /kWh	\$0.07335	-	
	Power Supply Energy Charge (All kWh)	- /kWh	\$0.08601	-	
	PSCR	- /kWh	(\$0.00608)	-	
				\$ -	0.0%
<b><u>General Monthly Service (GS)</u></b>					
	Monthly Service Charge				
	Single Phase	2,032.8 /month	\$16.00	\$ 390,304	
	Three Phase	298.2 /month	\$35.00	125,230	32.8%
	Distribution Variable Charge (All kWh)	41,610,760 /kWh	\$0.02535	1,054,833	67.2%
	Energy Charge	41,610,760 /kWh	\$0.08321	3,462,431	
	Energy Charge Credits	41,610,760 /kWh	\$0.00000	-	
	PSCR	41,610,760 /kWh	(\$0.00608)	(252,993)	
				\$ 4,779,805	100.0%

**Presque Isle Electric & Gas**

**Calculation of Revenues Under Present Rates  
and Comparison to Cost Based Distribution Charges**

(a)	(b)	(c)	(d)	(e)	(f)	
Rate Class	Description	Billing Determinants	Present Rates	Rate	Revenue	% Split
<b>Large General Monthly Service (LG)</b>						
	Monthly Service Charge	33 /month	\$50.00	\$	19,900	14.7%
	Distribution Demand Charge	17,841 /kW	\$1.98		35,325	26.1%
	Demand Charge - Power Supply	17,841 /kW	\$7.02		125,244	
	Oil Related Demand Credit	- /kW			-	
	Distribution Variable Charge	5,437,816 /kWh	\$0.01470		79,936	59.1%
	Energy Charge	5,437,816 /kWh	\$0.06481		352,425	
	Primary Monthly Service Discount	- /kVa	(\$0.20)		-	
	Primary Meter Discount	-	-2.0%		-	
	PSCR	5,437,816 /kWh	(\$0.00608)		(33,062)	
				\$	<u>579,768</u>	<u>100.0%</u>
<b>Optional Large Power TOD Monthly Service (LPTOD)</b>						
	Monthly Service Charge	14 /month	\$60.00	\$	10,080	3.6%
	Demand Charge					
	Peak Period	31,011 /kW	\$6.00		186,066	
	Maximum	40,941 /kW	\$6.55		268,164	96.4%
	Energy Charge	13,246,180 /kWh	\$0.06951		920,742	
	Primary Monthly Service Discount	- /kVa	(\$0.20)		-	
	Primary Meter Discount	- /kWh	-2%		-	
	PSCR	13,246,180 /kWh	(\$0.00608)		(80,537)	
				\$	<u>1,304,515</u>	<u>100.0%</u>
<b>Customer Owned Backup Generation (CBG)</b>						
	Demand Charge	- /kW	(\$2.50)	\$	-	
				\$	<u>-</u>	
<b>Outdoor Lighting Monthly Service (OD)</b>						
	175 W MV	264 /month	\$11.40	\$	36,070	
	400 W MV	4 /month	\$19.70		946	
	100 W HPS	469 /month	\$9.00		50,652	
	250 W HPS	37 /month	\$14.80		6,556	
	40 W LED Type 5	247 /month	\$6.80		20,155	
	70 W LED Type 3	432 /month	\$7.70		39,878	
	70 W LED Type 5	530 /month	\$7.70		48,972	
	Total	1,982 /month				
	PSCR	872,231 /kWh	(\$0.00608)		(5,303)	
				\$	<u>197,926</u>	

**Presque Isle Electric & Gas**

**Calculation of Revenues Under Present Rates  
and Comparison to Cost Based Distribution Charges**

(a)	(b)	(c)	(d)	(e)	(f)
Rate Class	Description	Billing Determinants	Rate	Revenue	% Split
<b><u>Primary Monthly Service (PSDS)</u></b>					
<i>Rider C&amp;I</i>					
	Monthly Service Charge	4 /cons	\$0.00	\$ -	0.0%
	Distribution Demand Charge	29,674 /kW	\$6.10	181,011	71.0%
	Power Supply Demand Charge	20,031 /kW	\$7.16	143,422	
	Oil Related Demand Credit	- /kW		-	
	Distribution Variable Charge	13,664,100 /kWh	\$0.00540	73,786	29.0%
	Power Supply Energy Charge	13,664,100 /kWh	\$0.06091	832,280	
	Reactive Charge	16,169 /kVar	\$0.25	4,042	
	PSCR	12,806,400 /kWh	(\$0.00608)	(77,863)	
				\$ 1,156,679	100.0%
<b><u>Controlled Heating Monthly Service (CH)</u></b>					
<i>Schedule A</i>					
	Energy Charge Discount	3,298,075 /kWh	(\$0.03000)	\$ (98,942)	
<i>Schedule GS</i>					
	Energy Charge	256,652 /kWh	(\$0.03000)	\$ (7,700)	
	Total			\$ (106,642)	
<b><u>Partial Controlled Heating Monthly Service (PCH)</u></b>					
	Energy Charge	- /kWh	(\$0.0150)	\$ -	
				\$ -	
<b><u>Controlled Water Heater Credit (CWH)</u></b>					
	Option #1	522 /month	(\$4.50)	\$ (28,175)	
	Option #2	576 /month	(\$6.00)	(41,502)	
	Option #3	53 /month	(\$7.50)	(4,748)	
	Total	1,151 /month		\$ (74,424)	
<b><u>Net Metering</u></b>					
	Variable Energy Charge	(36,752) /month	\$0.10450	\$ (3,841)	
	PSCR	(36,752) /month	(\$0.00608)	223	
	Total			\$ (3,617)	
<b><u>Grand Total</u></b>				\$ 34,317,113	

**Schedule B**  
**Estimate of Pro Forma**  
**Test Year Purchased Power Expense**

(a) <b>Line No.</b>	(b) <b>Description</b>	(c) <b>Amount</b>	(d) <b>Units</b>
1	PSCR Base	\$0.08785	/kWh sold
2	PSCR Factor <sup>1</sup>	-\$0.00608	/kWh sold
3	Average Test Year Power Cost	\$0.08177	/kWh sold
4			
5	Total Test Year Energy Sales	247,265,917	kWh
6			
7	Pro Forma Test Year Purchased Power Cost	\$ 20,218,934	
8			
9	Less: Actual Test Year Purchased Power Cost	\$ 20,933,066	
10	Adjustment	\$ (714,132)	

<sup>1</sup> As planned by Presque Isle Electric for application during 2019 excluding prior period reconciliations.

Total 2019 PSCR Factor	(\$0.00757)
Less: Prior Period Reconciliation (\$360,000 ÷ 242,383,186 kWh)	(\$0.00149)
Adjusted PSCR Factor	(\$0.00608)

**Schedule C**  
**Other Adjustments to Revenue Requirements**

**Generation and Transmission Capital Credits**

Eliminate Unpaid Test Year G&T Capital Credits	\$ (1,486,730)
Add Patronage Capital Refunds Received	
	<u>\$ (1,486,730)</u>

**Other Capital Credits and Patronage Dividends**

Eliminate Unpaid Test Year Other Capital Credits	\$ (198,493)
Add Patronage Capital Refunds Received	133,203
	<u>\$ (65,290)</u>

**Income (Loss) from Equity Investments**

Eliminate Test Year losses from Equity Investments	<u>\$ 488,366</u>
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**Schedule D**  
**Adjusted Statement of Operations**  
**at Present Rates for Cost of Service Study Input**  
**For the Test Year Ended December 31, 2018**

(a) Line No.	(b) Description	(c) Total System <sup>1</sup>	(d) Adjustment <sup>2</sup>	(e) Adjusted System
	<b><u>Operating Revenue</u></b>	(\$)	(\$)	(\$)
1	Sales of Electricity	34,391,537	106,642	34,498,179
2	Other	1,135,673	(732,922)	402,751
3	<b>Total Operating Revenue</b>	<b>35,527,210</b>	<b>(626,280)</b>	<b>34,900,930</b>
4	<b><u>Operating Expenses</u></b>			
5	Cost of Purchased Power			
6	Direct Assign. Chgs (Cr.)	(56,553)		(56,553)
7	Substation Charges	1,316,327		1,316,327
8	MISO Demand	3,059,829	-	3,059,829
9	Base Demand	3,266,695	59,805	3,326,500
10	Energy	12,632,636	100,187	12,732,823
11			-	-
12	Distribution - Operation	1,268,600	(8,892)	1,259,708
13	Distribution - Maintenance	4,050,076	(8,892)	4,041,184
14	Consumer Accounts	1,597,765	-	1,597,765
15	Consumer Service & Information	844,751	(732,922)	111,829
16	Sales	-	-	-
17	Administrative & General	1,609,085	(8,892)	1,600,193
18	Depreciation & Amortization	3,086,468	(8,892)	3,077,576
19	Taxes - Property	898,771	-	898,771
20	Taxes - Other	1,060	-	1,060
21	Other Interest Expense	59,301	-	59,301
22	Other Deductions	1,000	-	1,000
23	<b>Total Operating Expenses</b> (Before Long Term Interest)	<b>33,635,811</b>	<b>(608,496)</b>	<b>33,027,315</b>
24	Long Term Interest	1,537,520	(8,892)	1,528,628
25	Proposed Margin <sup>3</sup>	1,190,032	(8,892)	1,181,140
26	<b>Gross Revenue Requirements</b>	<b>36,363,363</b>	<b>(626,280)</b>	<b>35,737,083</b>
27	Non-Operating Margins	218,778		218,778
28	<b>Net Revenue Requirements</b>	<b>36,144,585</b>	<b>(626,280)</b>	<b>35,518,305</b>
29				
30	Target Increase	617,375	-	617,375
31	Percent	1.80%		1.79%

**Schedule D**  
**Adjustment to Eliminate Non-COS Revenue and Expenses**

1. Revenue <sup>1</sup>				(\$)
Controlled Heating Service (CH)	3,554,727	-\$0.03000	=	(106,642)
			=	
Total -- Sales of Electricity			=	<u>(106,642)</u>
Eliminate EO Charges from Other Operating Revenue			=	<u>732,922</u>
2. Expenses				
Purchased Power <sup>2</sup>				
Energy:				
Controlled Heating Service (CH)				
3,339,576 kWh	x	-\$0.03000	=	(100,187)
	kWh	x	/kWh	=
Subtotal -- Energy Expenses			=	<u>(100,187)</u>
Demand:				
Eliminate Water Heater Switch Credits				
Per 2015 PSCR Plan			=	(59,805)
-				
Subtotal -- Demand Expenses			=	<u>(59,805)</u>
Subtotal -- Purchased Power Expenses			=	<u>(159,993)</u>
Customer Service & Information				
Energy Optimization Program Costs (Acct. 905)			=	<u>732,922</u>
Subtotal -- Specific O&M Account Adjustments			=	<u>572,929</u>
Distribution - Operation <sup>3</sup>			=	8,892
Distribution - Maintenance <sup>3</sup>			=	8,892
Administrative and General <sup>3</sup>			=	8,892
Depreciation <sup>3</sup>			=	8,892
Interest <sup>3</sup>			=	8,892
Margin Requirements <sup>3</sup>			=	<u>8,892</u>
Subtotal			=	<u>53,350</u>
Total -- Expenses			=	<u><u>(106,642)</u></u>

<sup>1</sup> From Exhibit II, Schedule A.

<sup>2</sup> From Exhibit II.

<sup>3</sup> Split remainder of revenue approximately equal between Operation Requirements Categories