



What's Inside

- 2018 Capital Credit Allocations
- \$2.470 Million Member Refund Approved
- \$45,000 Sales Tax Refunds to Members
- \$14,500 in Scholarships Awarded

A Touchstone Energy Cooperative

June 2019

2018 CAPITAL CREDIT ALLOCATION

When the cooperative's revenues exceed expenses at year end, the excess revenue or margin is assigned to members as capital credits, in proportion to the amount of revenue contributed through energy purchases. **The assignment of this excess revenue or margin is called a "capital credit allocation".**

In 2018, PIE&G's electric operation produced a margin of over \$393,000 and its natural gas division produced a margin of \$827,000. In addition, PIE&G's power supplier, Wolverine Power Supply Cooperative, also allocated a margin of approximately \$1,486,000 to PIE&G for its energy purchases made on behalf of PIE&G members. PIE&G then allocated these margins to you, the member, as capital credits, depending on the services you receive (electric, natural gas or both). Capital credit allocations will be noted on your June, July or August bill. **The allocations cannot be deducted from your bill. They are held in reserve on your account until the board authorizes a retirement and refund.**

Capital credits are retired and refunded to members when the board of directors determines that the financial condition of the co-op will not be impaired. Until then, allocated, unretired margins represent a member contribution of operating capital that allows PIE&G to finance its operations – including new construction and system improvements – while reducing borrowing and interest expense until the capital is retired and refunded to members in later years.

DIRECTORS APPROVE \$2.470 MILLION IN REFUNDS TO MEMBERS

Capital Credits from 1987-1988 & 2002-2003 to be Retired

At their April meeting, PIE&G's board of directors authorized approximately \$2,470,000 in capital credit retirements. Members who received electric service in 1987-1988 or 2002-2003 will receive an amount of the above in proportion to their energy use. **Checks for the capital credit refund will be mailed in the fall of 2019.**

As a member-owned, not-for-profit organization, when PIE&G revenues exceed expenses, "capital" is generated and "credited" to individual members on a pro rata basis, depending on their purchases of electricity or gas.

Capital credits are used to build the facilities needed to serve members or may be retired and refunded whenever the board of directors determines that the co-op's financial condition will not be impaired. Since its inception, PIE&G has refunded approximately \$16.9 million in capital credits back to its members.

CO-OPS OBTAIN \$45,000 STATE TAX REFUND FOR MEMBERS

A few years ago, PIE&G, together with other Michigan electric co-ops, sought relief from the State of Michigan for certain sales tax. The cooperatives were successful. The State of Michigan now returns sales tax assessed on positive operating margins.

For 2018, PIE&G generated positive margins for both electric and natural gas operations. Thus, sales tax refunds of approximately \$14,000 will be given back to electric members and over \$31,000 will be refunded to natural gas members. For members receiving a monthly billing, the **2018 tax refunds have been returned as a credit beginning with bills mailed in May 2019. Seasonal members will see the refunds on their annual summer bills.** Although the individual refund may be small, it reflects PIE&G's commitment to keeping members' services affordable.



\$14,500 IN SCHOLARSHIPS AWARDED TO LOCAL HS GRADS

The PIE&G Communities First Fund board of directors is pleased to announce that fourteen scholarships of \$1,000 each were awarded to the following high school seniors:



Congratulations Graduates!

ALCONA
Raegen Eller

CHEBOYGAN
Amy Ostman
Devin Socolovitch

HILLMAN
Brooke Grulke
Cameryn Koenig
Nicholas Taratuta

POSEN
Brooke Ciarkowski
Jeremy Misiak

ALPENA
Lindsey Hoppe

**FOREST HILLS
CENTRAL**
Katherine Bell

ONAWAY
Cienna Domke

ROGERS CITY
Daniel Bielas
Amanda Wirgau

ATLANTA
Sara Blanton

In addition to these scholarships, the A. Barkley Travis Memorial Scholarship, valued at \$500, was awarded to Savannah Pasney from Cheboygan.

2019 NATURAL GAS PIPELINE LEAK SURVEYS UNDERWAY



PIE&G crews will be travelling a portion of its natural gas service territory soon to conduct leak surveys. Employees conduct this survey on foot and with a mobile ATV mounted unit as part of PIE&G's routine maintenance and damage prevention programs. The surveys allow PIE&G to find leaks that are very small so that repairs can be made before the leaks become a danger. PIE&G performs leak surveys each year for its commercial accounts and performs ongoing leak surveys on a five-year rotation across its entire service area. Areas impacted this year will be:

Black Lake (south side) • Tower

Bear Lake Area • Johannesburg • Vienna Corners

Celebrate Independence Day!

Our office will be closed
Thursday, July 4th
 in observance of
 Independence Day.

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 OF
 JULY**

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