

Presque Isle Electric & Gas Co-op
SPECIAL BOARD MEETING
September 28, 2021

A special meeting of the Board of Directors of Presque Isle Electric & Gas Co-op was held on September 28, 2021 at PIE&G headquarters on Main Street (M-211) in Onaway, Michigan. Chairman Berg called the meeting to order at 9:00 a.m.

Roll call was taken with Directors Arbour, Berg, Borowicz, Brown, Knopf, Krajniak, Lucas, Peterson and Wozniak present. A quorum was present. Also attending were President & Chief Executive Officer Sobeck, and leadership team members Stempky, Cryderman, DeMaestri, and Attorney Ekdahl.

Public Act 167 of 2008: The Electric Cooperative Member Regulation Act: CEO Sobeck provided a brief summary of PA 167, which allows electric cooperatives to establish rates, charges, accounting standards, billing practices, and terms and conditions of service.

INTRODUCTION OF GUESTS & MEMBER COMMENT

Member, Kimberlee Pappas from Cheboygan, was in attendance to simply observe the meeting.

ACTION ITEMS

CFO Stempky indicated there were two (2) items for the board's consideration and discussed the following;

- 1. Acceptance of 2022 Power Supply Cost Recovery (PSCR) Factor Reconciliation:** An analysis of projected energy costs and sales volumes was conducted by Wolverine Power Cooperative and PIE&G for 2022. 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. This resulted in an overall estimated energy cost to PIE&G of \$0.09547/kWh or 95.47 mills/kWh. Prior action of the Board has set the PSCR Basing Point at \$.08785/kWh or 87.85 mills/kWh. This results in a maximum PSCR Factor of \$0.00762/kWh or 7.62 mills/kWh for 2022. The maximum PSCR Factor for 2021 was established at -\$0.00439/kWh or -4.39 mills/kWh. The difference is an increase of \$0.01201/kWh for 2022. The proposed change includes an estimated under-collection of 2021 power supply costs of \$720,000. Should actual under-collections be lower than forecasted, the cooperative may charge less than the established rate. Management will bring forward the 2021 over/under collection at the first Special Member Regulation Meeting of 2022. Discussion ensued. ***A motion was made by Brown, supported by Krajniak, to adopt Resolution 2021-MR-07 accepting management's analysis as a reasonable basis for establishing the maximum 2022 Electric PSCR Factor of 7.62 mills/kWh or \$0.00762/kWh effective with all bills rendered on or after February 1, 2022 and direct staff to amend the appropriate tariffs in its Electric Rate Book. A roll call vote was taken with all directors voting in the affirmative. Motion carried by a 9-0 vote. (Refer to Board Resolution 2021-MR-07 attached.)***

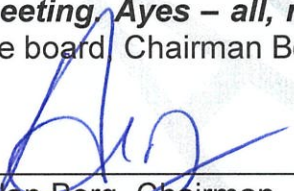
2. **Continuation of Energy Optimization/Energy Waste Reduction Charges (EO/EWR):** EO/EWR programs were mandated by the State of Michigan to promote energy efficiency and reduce energy waste. The programs will no longer apply to cooperatives as of December 31, 2021. Wolverine Power Cooperative has developed a program to continue the promotion of EO/EWR programs and has offered to administer the programs on PIE&G's behalf. The PIE&G Board of Directors authorized the continuation of the EO/EWR programs at it's August 24, 2021 meeting. The recommendation is to continue the EO/EWR programs through the Wolverine Power Cooperative program and continue with the application of the current EO/EWR surcharges.

EWR Surcharge Schedule	
Residential Monthly	\$0.00229/kWh
Residential Seasonal	\$0.00229/kWh
General Service 1PH	\$3.10/month
General Service 3PH	\$3.10/month
Large General Service	\$74.14/month
Optional Large Power	
Time of Day Service	\$74.14/month
Primary Service	\$400.99/month
Outdoor Lighting	\$0.00312/kWh

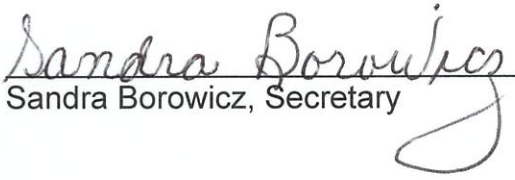
Discussion ensued. ***A motion was made by Peterson, supported by Borowicz, to adopt Resolution 2021-MR-08 authorizing the EO/EWR surcharges as presented for all rate classes and directs staff to provide an analysis of surcharge revenues and program expenses annually as part of the September Member Regulation Special Meeting. A roll call vote was taken with all directors voting in the affirmative. Motion carried by a 9-0 vote. (Refer to Board Resolution 2021-MR-08 attached.)***

ADJOURNMENT

A motion was made by Brown, seconded by Wozniak, to adjourn the special meeting. Ayes – all, motion carried. There being no further business to come before the board, Chairman Berg adjourned the meeting at 9:21 a.m.



 Allan Berg, Chairman



 Sandra Borowicz, Secretary

/ddm

**PRESQUE ISLE ELECTRIC & GAS CO-OP
BOARD RESOLUTION
SEPTEMBER 28, 2021**

**RESOLUTION 2021-MR-07
2022 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 an overall energy cost of 95.47 mills/kWh or \$0.09547/kWh which, when combined with PIE&G's current PSCR basing point of 87.85 mills/kWh provides for a 2022 PSCR Factor of **7.62** 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 2022 PSCR Factor of **7.62** mills/kWh or **\$0.00762**/kWh effective with all bills rendered on or after February 1, 2022 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 28, 2021.

By: *Sandra Borowicz*
Sandra Borowicz, Secretary

Dated: *September 28, 2021*

**PRESQUE ISLE ELECTRIC & GAS CO-OP
BOARD RESOLUTION
SEPTEMBER 28, 2021**

**RESOLUTION 2021-MR-08
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 and board of directors acknowledge the termination of the Energy Optimization/Energy Waste Reduction (EO/EWR) programs mandated by the State of Michigan; and

WHEREAS, Wolverine Power Cooperative (WPC) has developed a program to continue the promotion of Energy Waste Reduction (EWR) programs and has offered to administer the program on PIE&G's behalf; and

WHEREAS, PIE&G staff has recommended continuing the EWR programs through the WPC program and continuing with the application of the current EO/EWR surcharges; and

WHEREAS, at its August 24, 2021 meeting the PIE&G Board of Directors approved staff's recommendation and authorized the continuation of the EWR program.

NOW BE IT HEREBY RESOLVED that the PIE&G Board of Directors authorizes the EWR Surcharges as currently assessed per the attached schedule for all rate classes.

BE IT FURTHER RESOLVED that PIE&G Board of Directors wishes to review the details of the EWR program and directs staff to provide an analysis of surcharge revenues and program expenses annually as part of the September Member Regulation Special meeting.

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