

**Proposed Changes At A Glance**

<p>1. Reconcile 2020 Power Supply Cost Recovery Factor Collections</p> <p>2. Review and accept the 2020 TIER Analysis and approve a revenue increase of \$607,762.00</p>	<p>3. Approve the application of the 2020 revenue increase to the Monthly, Seasonal, General Service, Large General Service, Primary Service, and Outdoor Lighting Rate Classes.</p> <p>4. Approve temporary suspension of Section II,B,2c of Policy 307 - Energy Rate Design</p>	<p>5. Review and approve the distribution rate design per management's recommendation</p> <p>6. Approve Opt-out procedures and fees for members wishing to keep their existing Nonstandard (Non-AMI) meter</p>
--	---	--

**1. Reconcile 2020 Power Supply Cost Recovery (PSCR) Factor Collections**

<p><b>Existing Situation</b></p> <ul style="list-style-type: none"> <li>o Power supply costs from Wolverine Power Supply Cooperative (WPSC) are passed through at cost to the members of Presque Isle Electric &amp; Gas Co-op.</li> <li>o PIE&amp;G, working with WPSC establishes a factor to collect or return power supply costs (PSCR) that are above or below the base energy rates, based upon cost and sales forecasts.</li> <li>o This PSCR Factor collection is reconciled annually with actual costs and the difference is either returned or charged to the membership.</li> <li>o The reconciliation for the 12 month period ending December 31, 2020 indicates that there was an under-collection of \$399,899.62. This amount has been rolled into the 2021 PSCR factor and is currently being collected from the membership throughout the 2021 calendar year.</li> </ul>	<p><b>Proposed Action</b></p> <ul style="list-style-type: none"> <li>o Accept the reconciliation of the 2020 PSCR Factor cumulative under-collection of \$399,899.62.</li> </ul>	<p><b>Management Recommends</b></p> <ul style="list-style-type: none"> <li>o Approval of the Proposed Power Supply Cost Recovery Reconciliation net under-recovery of \$399,899.62.</li> <li>o The under-collection of \$399,899.62 will continue to be collected for the remainder of the 2021 calendar year.</li> </ul>
---	--	---

**2. Review and accept the 2020 TIER Analysis and approve a revenue increase of \$607,762**

<p><b>Existing Situation</b></p> <ul style="list-style-type: none"> <li>o The TIER analysis based upon the 2020 operating year indicates an Adjusted TIER of 1.44. Management has reviewed this analysis with the board of directors.</li> </ul>	<p><b>Proposed Change</b></p> <ul style="list-style-type: none"> <li>o Accept the 2020 TIER analysis which indicates an Adjusted TIER of 1.44 and a revenue increase of \$607,762 is necessary to return to a TIER of 1.80.*</li> </ul> <p>*Note that the TIER Analysis indicates an increase of \$607,762 however, when applying the increases across all rate classes, the result is an increase of \$607,760.</p>	<p><b>Management Recommends</b></p> <ul style="list-style-type: none"> <li>o Management recommends acceptance of the 2020 TIER analysis and approval of the request to increase revenue by \$607,762</li> </ul>
--	--	---

**3. Review and approve management's request to implement the revenue increase on the Monthly, Seasonal, General Service, Large General Service, Primary Service and Outdoor Lighting**

<b>Existing Situation</b>	<b>Proposed Change</b>	<b>Management Recommends</b>																												
<ul style="list-style-type: none"> <li>o The 2020 TIER analysis indicates a revenue increase of \$607,762 is required.</li> <li>o Management has presented updated Cost of Service Study exhibits which indicate that there continue to be subsidies between rate classes.</li> <li>o PIE&amp;G Board Policy No. 307 provides that the cooperative will design energy rates in a manner that allocates costs across rate classes in an equitable manner and minimizes subsidies between rate classes.</li> <li>o The Cost of Service Study indicates there continues to be a need to increase the revenue requirement and rates of the Monthly, Seasonal, General Service, Large General Service, Primary Service, and Outdoor Lighting rate classes.</li> </ul>	<ul style="list-style-type: none"> <li>o The proposed revenue/rate increase should be allocated to the Monthly, Seasonal, General Service, Large General Service, Primary Service, and Outdoor Lighting rate classes in the following manner.</li> </ul> <table style="width: 100%; border-collapse: collapse;"> <tr><td>Residential Monthly</td><td style="text-align: right;">\$365,223</td></tr> <tr><td>Residential Seasonal</td><td style="text-align: right;">\$153,345</td></tr> <tr><td>General Service</td><td style="text-align: right;">\$ 67,970</td></tr> <tr><td>Large General Service</td><td style="text-align: right;">\$ 7,265</td></tr> <tr><td>Primary Service</td><td style="text-align: right;">\$ 12,100</td></tr> <tr><td>Outdoor Lighting</td><td style="text-align: right;">\$ 1,857</td></tr> <tr><td style="text-align: right;">Total</td><td style="text-align: right;">\$607,760</td></tr> </table>	Residential Monthly	\$365,223	Residential Seasonal	\$153,345	General Service	\$ 67,970	Large General Service	\$ 7,265	Primary Service	\$ 12,100	Outdoor Lighting	\$ 1,857	Total	\$607,760	<ul style="list-style-type: none"> <li>o Implementation of the revenue/rate increase to the following rate classes</li> </ul> <table style="width: 100%; border-collapse: collapse;"> <tr><td>Residential Monthly</td><td style="text-align: right;">\$365,223</td></tr> <tr><td>Residential Seasonal</td><td style="text-align: right;">\$153,345</td></tr> <tr><td>General Service</td><td style="text-align: right;">\$ 67,970</td></tr> <tr><td>Large General Service</td><td style="text-align: right;">\$ 7,265</td></tr> <tr><td>Primary Service</td><td style="text-align: right;">\$ 12,100</td></tr> <tr><td>Outdoor Lighting</td><td style="text-align: right;">\$ 1,857</td></tr> <tr><td style="text-align: right;">Total</td><td style="text-align: right;">\$607,760</td></tr> </table> <ul style="list-style-type: none"> <li>o Implementation of the revenue/rate increase to be effective with bills rendered on or after September 1, 2021</li> </ul>	Residential Monthly	\$365,223	Residential Seasonal	\$153,345	General Service	\$ 67,970	Large General Service	\$ 7,265	Primary Service	\$ 12,100	Outdoor Lighting	\$ 1,857	Total	\$607,760
Residential Monthly	\$365,223																													
Residential Seasonal	\$153,345																													
General Service	\$ 67,970																													
Large General Service	\$ 7,265																													
Primary Service	\$ 12,100																													
Outdoor Lighting	\$ 1,857																													
Total	\$607,760																													
Residential Monthly	\$365,223																													
Residential Seasonal	\$153,345																													
General Service	\$ 67,970																													
Large General Service	\$ 7,265																													
Primary Service	\$ 12,100																													
Outdoor Lighting	\$ 1,857																													
Total	\$607,760																													

**4. Temporary Suspension of Section II,B,2c of Policy 307 - Energy Rate Design**

<b>Existing Situation</b>	<b>Proposed Change</b>	<b>Management Recommends</b>
<ul style="list-style-type: none"> <li>o Section II,B,2c of Policy 307 - Energy Rate Design requires that the Monthly Availability Charge for each rate class be no more than 70% of the cost of service study amount and no less than 60%. The current availability charge for the Seasonal Rate Class is 73%. The current cost of service study does not account for the new HQ or AMI projects which will increase the availability charge and should be taken into account when completed.</li> </ul>	<ul style="list-style-type: none"> <li>o Management proposes suspending Section II,B,2c until a cost of service study is completed based upon the 2021 operating year.</li> </ul>	<ul style="list-style-type: none"> <li>o Management proposes suspension of Section II,B,2c until the completion of the cost of service study to be conducted upon completion of the 2021 operating year.</li> </ul>

**5. Approve increases to the kWh charges for Residential Monthly, Seasonal, General Service, Large General Service, Primary Service, and Outdoor Lighting**

<b>Existing Situation</b>	<b>Proposed Change</b>	<b>Management Recommends</b>																																																																														
<ul style="list-style-type: none"> <li>o The cooperative has approved increases to the Residential Monthly, Seasonal, General Service, Large General Service, Primary Service, and Outdoor Lighting rate classes.</li> </ul>	<ul style="list-style-type: none"> <li>o Management suggests increases in the following manner.</li> </ul> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Rate Class</th> <th style="text-align: right;">Current \$/kWh</th> <th style="text-align: right;">Proposed \$/kWh</th> </tr> </thead> <tbody> <tr><td>Monthly</td><td style="text-align: right;">\$ 0.03067</td><td style="text-align: right;">\$ 0.03305</td></tr> <tr><td>Seasonal</td><td style="text-align: right;">\$ 0.07815</td><td style="text-align: right;">\$ 0.08441</td></tr> <tr><td>General Service</td><td style="text-align: right;">\$ 0.02609</td><td style="text-align: right;">\$ 0.02776</td></tr> <tr><td>Large General Service</td><td style="text-align: right;">\$ 0.01548</td><td style="text-align: right;">\$ 0.01726</td></tr> <tr><td>Primary Service</td><td style="text-align: right;">\$ 0.00646</td><td style="text-align: right;">\$ 0.00745</td></tr> <tr><td colspan="3">Outdoor Lighting - Monthly Charge</td></tr> <tr><td>175W MV</td><td style="text-align: right;">\$ 12.48</td><td style="text-align: right;">\$ 12.73</td></tr> <tr><td>400W MV</td><td style="text-align: right;">\$ 22.17</td><td style="text-align: right;">\$ 22.71</td></tr> <tr><td>100W HPS</td><td style="text-align: right;">\$ 9.62</td><td style="text-align: right;">\$ 9.77</td></tr> <tr><td>250W HPS</td><td style="text-align: right;">\$ 16.35</td><td style="text-align: right;">\$ 16.70</td></tr> <tr><td>40W LED T5</td><td style="text-align: right;">\$ 7.05</td><td style="text-align: right;">\$ 7.10</td></tr> <tr><td>70W LED T3/T5</td><td style="text-align: right;">\$ 8.13</td><td style="text-align: right;">\$ 8.21</td></tr> </tbody> </table>	Rate Class	Current \$/kWh	Proposed \$/kWh	Monthly	\$ 0.03067	\$ 0.03305	Seasonal	\$ 0.07815	\$ 0.08441	General Service	\$ 0.02609	\$ 0.02776	Large General Service	\$ 0.01548	\$ 0.01726	Primary Service	\$ 0.00646	\$ 0.00745	Outdoor Lighting - Monthly Charge			175W MV	\$ 12.48	\$ 12.73	400W MV	\$ 22.17	\$ 22.71	100W HPS	\$ 9.62	\$ 9.77	250W HPS	\$ 16.35	\$ 16.70	40W LED T5	\$ 7.05	\$ 7.10	70W LED T3/T5	\$ 8.13	\$ 8.21	<ul style="list-style-type: none"> <li>o The cooperative establish electric distribution rates as follows:</li> </ul> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Rate Class</th> <th style="text-align: right;">Current \$/kWh</th> <th style="text-align: right;">Proposed \$/kWh</th> </tr> </thead> <tbody> <tr><td>Monthly</td><td style="text-align: right;">\$ 0.03067</td><td style="text-align: right;">\$ 0.03305</td></tr> <tr><td>Seasonal</td><td style="text-align: right;">\$ 0.07815</td><td style="text-align: right;">\$ 0.08441</td></tr> <tr><td>General Service</td><td style="text-align: right;">\$ 0.02609</td><td style="text-align: right;">\$ 0.02776</td></tr> <tr><td>Large General Service</td><td style="text-align: right;">\$ 0.01548</td><td style="text-align: right;">\$ 0.01726</td></tr> <tr><td>Primary Service</td><td style="text-align: right;">\$ 0.00646</td><td style="text-align: right;">\$ 0.00745</td></tr> <tr><td colspan="3">Outdoor Lighting - Monthly Charge</td></tr> <tr><td>175W MV</td><td style="text-align: right;">\$ 12.48</td><td style="text-align: right;">\$ 12.73</td></tr> <tr><td>400W MV</td><td style="text-align: right;">\$ 22.17</td><td style="text-align: right;">\$ 22.71</td></tr> <tr><td>100W HPS</td><td style="text-align: right;">\$ 9.62</td><td style="text-align: right;">\$ 9.77</td></tr> <tr><td>250W HPS</td><td style="text-align: right;">\$ 16.35</td><td style="text-align: right;">\$ 16.70</td></tr> <tr><td>40W LED T5</td><td style="text-align: right;">\$ 7.05</td><td style="text-align: right;">\$ 7.10</td></tr> <tr><td>70W LED T3/T5</td><td style="text-align: right;">\$ 8.13</td><td style="text-align: right;">\$ 8.21</td></tr> </tbody> </table>	Rate Class	Current \$/kWh	Proposed \$/kWh	Monthly	\$ 0.03067	\$ 0.03305	Seasonal	\$ 0.07815	\$ 0.08441	General Service	\$ 0.02609	\$ 0.02776	Large General Service	\$ 0.01548	\$ 0.01726	Primary Service	\$ 0.00646	\$ 0.00745	Outdoor Lighting - Monthly Charge			175W MV	\$ 12.48	\$ 12.73	400W MV	\$ 22.17	\$ 22.71	100W HPS	\$ 9.62	\$ 9.77	250W HPS	\$ 16.35	\$ 16.70	40W LED T5	\$ 7.05	\$ 7.10	70W LED T3/T5	\$ 8.13	\$ 8.21
Rate Class	Current \$/kWh	Proposed \$/kWh																																																																														
Monthly	\$ 0.03067	\$ 0.03305																																																																														
Seasonal	\$ 0.07815	\$ 0.08441																																																																														
General Service	\$ 0.02609	\$ 0.02776																																																																														
Large General Service	\$ 0.01548	\$ 0.01726																																																																														
Primary Service	\$ 0.00646	\$ 0.00745																																																																														
Outdoor Lighting - Monthly Charge																																																																																
175W MV	\$ 12.48	\$ 12.73																																																																														
400W MV	\$ 22.17	\$ 22.71																																																																														
100W HPS	\$ 9.62	\$ 9.77																																																																														
250W HPS	\$ 16.35	\$ 16.70																																																																														
40W LED T5	\$ 7.05	\$ 7.10																																																																														
70W LED T3/T5	\$ 8.13	\$ 8.21																																																																														
Rate Class	Current \$/kWh	Proposed \$/kWh																																																																														
Monthly	\$ 0.03067	\$ 0.03305																																																																														
Seasonal	\$ 0.07815	\$ 0.08441																																																																														
General Service	\$ 0.02609	\$ 0.02776																																																																														
Large General Service	\$ 0.01548	\$ 0.01726																																																																														
Primary Service	\$ 0.00646	\$ 0.00745																																																																														
Outdoor Lighting - Monthly Charge																																																																																
175W MV	\$ 12.48	\$ 12.73																																																																														
400W MV	\$ 22.17	\$ 22.71																																																																														
100W HPS	\$ 9.62	\$ 9.77																																																																														
250W HPS	\$ 16.35	\$ 16.70																																																																														
40W LED T5	\$ 7.05	\$ 7.10																																																																														
70W LED T3/T5	\$ 8.13	\$ 8.21																																																																														

**6. Approve Opt Out procedures and fees for members wishing to keep their existing Nonstandard (Non AMR) meter**

<b>Existing Situation</b>	<b>Proposed Change</b>	<b>Management Recommends</b>
<ul style="list-style-type: none"> <li>o The board approved fees and charges for members wishing to opt out of the Cooperative's AMI program to a Nonstandard AMR meter at its June 2020 Special Meeting.</li> <li>o The board requested management develop procedures and fees for those members who wish to further opt out to a Nonstandard, Non AMR meter, i.e. a "dumb" meter.</li> <li>o Cooperative staff have developed a procedure in which a member must request a waiver from the board of directors in order to opt out of the Nonstandard (AMR) meter to a Nonstandard (Non AMR) meter.</li> <li>o The Cooperative Staff also has developed a monthly fee to opt out to a Nonstandard (Non AMR), i.e. "dumb" meter of \$15.55 per month.</li> </ul>	<ul style="list-style-type: none"> <li>o The proposed procedure for those members wishing to pursue an Opt Out to a Nonstandard (Non AMR) meter is to request a waiver to do so in writing to the board of directors.</li> <li>o If approved, a monthly fee of \$15.55 will be assessed for each meter to which the waiver applies.</li> </ul>	<ul style="list-style-type: none"> <li>o Approve the waiver request procedure and the monthly charge of \$15.55.</li> </ul>

**PRESQUE ISLE ELECTRIC & GAS CO-OP  
SPECIAL BOARD MEETING  
9 A.M. March 23, 2021**

**AGENDA**

Call to Order – Chairman Berg

Roll Call

PA167 of 2008: The Electric Cooperative Member-Regulation Act – CFO Stempky

Review Items:

1. Accept 2020 Power Supply Cost Recovery (PSCR) Factor Reconciliation
2. Accept 2020 Electric Operations TIER Analysis
3. Implement Revenue Increase to Specific Rate Classes
4. Temporary Suspension of Section II,B,2c of Policy 307 – Energy Rate Design
5. Electric Rate Design
6. Approve Changes to PIE&G Rate Book regarding Opt-out procedures and fees for Automated Metering Infrastructure (AMI)

Member Comment – CFO Stempky

Action Items:

1. Accept 2020 Power Supply Cost Recovery (PSCR) Factor Reconciliation
2. Accept 2020 Electric Operations TIER Analysis
3. Approve Revenue Increase to Specific Rate Classes
4. Approve suspension of Section II,B,2c of Policy 307 – Energy Rate Design
5. Approve the Recommended Rate Design for each Rate Class
6. Approve Changes to PIE&G Rate Book regarding Opt-out procedures and fees for Automated Metering Infrastructure (AMI)

Adjournment

**PRESQUE ISLE ELECTRIC & GAS CO-OP  
BOARD RESOLUTION  
MARCH 23, 2021**

**RESOLUTION 2021-MR-01  
2020 POWER SUPPLY COST RECOVERY (PSCR) FACTOR  
RECONCILIATION**

**WHEREAS**, PIE&G transitioned to member-regulation with an effective date of September 23, 2012 thus providing that its electric rates, charges, accounting standards, billing practices, and terms and conditions of service are under authority of the board of directors and not the Michigan Public Service Commission (MPSC); and

**WHEREAS**, PIE&G staff has reviewed the 2020 PSCR Factor reconciliation exhibits with the Board of Directors; and

**WHEREAS**, the 2020 PSCR Factor reconciliation indicates that PIE&G has experienced a cumulative under-collection of power supply costs of \$399,899.62 for the 12-month period ending December 31, 2020; and

**WHEREAS**, PIE&G has incorporated the under-collection of \$399,899.62 into its 2021 PSCR Factor application.

**NOW BE IT HEREBY RESOLVED** that the PIE&G Board of Directors accepts management's 2020 ELECTRIC PSCR Factor reconciliation analysis, which indicates an under-collection of \$399,899.62 and directs management to continue recovering this amount from the membership through the use of the 2021 PSCR Factor.

**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 March 23, 2021.

By: \_\_\_\_\_  
Sandra Borowicz, Secretary

Dated: \_\_\_\_\_

**PRESQUE ISLE ELECTRIC & GAS CO-OP  
BOARD RESOLUTION  
MARCH 23, 2021**

**RESOLUTION 2021-MR-02  
2020 ELECTRIC OPERATIONS TIMES INTEREST EARNED RATIO (TIER)  
ANALYSIS**

**WHEREAS**, PIE&G transitioned to member regulation with an effective date of September 23, 2012 thus providing that its electric rates and charges are no longer regulated by the Michigan Public Service Commission; and

**WHEREAS**, PIE&G has established Board Policy No. 307 – Energy Rate Design, which requires energy rates be developed and implemented to generate margins adequate to meet annual lender requirements and the Cooperative’s long-term financial objectives; and

**WHEREAS**, PIE&G was authorized by the MPSC to employ the Times Interest Earned Ratio (TIER) Analysis rate setting mechanism when regulated by the Commission and continues to do so in order to satisfy the requirements of Board Policy No. 307; and

**WHEREAS**, the TIER rate setting mechanism provides for a TIER range of 1.6 to 2.2 with a Target TIER of 1.8 and PIE&G has established that the TIER calculation for the 2020 operating year indicates an adjusted TIER of 1.44; and

**WHEREAS**, an adjusted TIER of 1.44 falls outside the “Quiet Zone”; and

**WHEREAS**, a revenue increase of \$607,762 is required to achieve a 1.8 Target TIER;

**NOW BE IT HEREBY RESOLVED** that the PIE&G Board of Directors accepts management’s 2020 ELECTRIC TIER analysis, which indicates a revenue increase of \$607,762 is required to achieve a Target TIER of 1.8.

**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 March 23, 2021.

By: \_\_\_\_\_  
Sandra Borowicz, Secretary

Dated: \_\_\_\_\_

**PRESQUE ISLE ELECTRIC & GAS CO-OP  
BOARD RESOLUTION  
March 23, 2021**

**RESOLUTION 2021-MR-03  
2021 ELECTRIC RATE REVENUE REQUIREMENTS**

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

**WHEREAS**, PIE&G has established Board Policy No. 307 – Energy Rate Design which requires energy rates be developed and implemented to in a manner that allocates cost across rate classes in an equitable manner and minimizes subsidies between rate classes; and;

**WHEREAS**, PIE&G has established that the 2020 TIER Analysis provides for an increase of \$607,762 to achieve a Target TIER of 1.8; and

**WHEREAS**, PIE&G has reviewed an updated Cost of Service Study Analysis which indicates subsidies continue to exist between rate classes; and

**WHEREAS**, PIE&G desires to develop and implement distribution rates across rate classes in an equitable manner and minimize subsidies between rate classes;

**NOW BE IT HEREBY RESOLVED** that the PIE&G Board of Directors directs management to implement electric rate increases to the residential monthly, seasonal, general service, large general service, primary service and outdoor lighting rate classes in the following manner effective with bills rendered on or after September 1, 2021:

Residential Monthly Total Increase	\$ 365,223
Residential Seasonal Total Increase	\$ 153,345
General Service	\$ 67,970
Large General Service	\$ 7,265
Primary Service	\$ 12,100
Outdoor Lighting Total Increase	\$ 1,857

**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 March 23, 2021.

By: \_\_\_\_\_  
Sandra Borowicz, Secretary

Dated: \_\_\_\_\_

**PRESQUE ISLE ELECTRIC & GAS CO-OP  
BOARD RESOLUTION  
March 23, 2021**

**BOARD RESOLUTION No. 2021-MR-04  
TEMPORARY CHANGE TO CERTAIN PORTIONS OF POLICY 307  
(RATE POLICY STATEMENT – ENERGY RATE DESIGN)**

**WHEREAS**, the Board of Directors by its Policy 307 (Rate Policy Statement – Energy Rate Design) has established the method by which the Cooperative is to develop the monthly availability charge for each electric rate class based upon its most recent cost of service study; and

**WHEREAS**, the availability charge for the Seasonal Residential Service rate class is currently not in conformity with this requirement of Policy 307; and

**WHEREAS**, the Board of Directors acknowledges that the completion of the current construction of the new Headquarters and Service Center facility and the implementation of its Advanced Metering Infrastructure projects will require an updated cost of service study which will impact the availability charge calculation; and

**WHEREAS**, the Board of Directors wishes to ensure that the impact of the completion of current projects is accurately reflected in the rate design in accordance with Policy 307; and

**WHEREAS**, the Cooperative intends to conduct a cost of service study based upon the 2021 operating year financial results, to be conducted in the first quarter of 2022.

**NOW BE IT HEREBY RESOLVED** that the PIE&G Board of Directors approves a temporary suspension of Board Policy 307, Section II, B, 2c to maintain the current availability charge for all rate classes until the completion of a cost of service study to be conducted based upon the 2021 operating year financial results.

**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 meeting of the Board of Directors of Presque Isle Electric & Gas Co-op held on March 23, 2021.

By: \_\_\_\_\_  
Sandra Borowicz, Secretary

Dated: \_\_\_\_\_



**PRESQUE ISLE ELECTRIC & GAS CO-OP**  
**BOARD RESOLUTION**  
**March 23, 2021**

**RESOLUTION 2021-MR-05**  
**2021 ELECTRIC RATE DESIGN**

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

**WHEREAS**, PIE&G has established Board Policy No. 307 – Energy Rate Design which requires energy rates be developed and implemented in a manner that phases out intentional subsidies within rate classes and minimizes subsidies between classes; and

**WHEREAS**, PIE&G has established that the 2020 TIER Analysis provides for an increase of \$607,762 to achieve a Target TIER of 1.8; and

**WHEREAS**, PIE&G has established that the increase of \$607,762 is to be implemented on the Residential Monthly, Seasonal, General Service, Large General Service, Primary Service and Outdoor Lighting rate classes; and

**WHEREAS**, PIE&G has reviewed an updated Cost of Service Study Analysis which indicates subsidies continue to exist within rate classes;

**NOW BE IT HEREBY RESOLVED** that the PIE&G Board of Directors directs management to implement electric distribution rate increases to the residential monthly, seasonal, general service, large general service, primary service and outdoor lighting rate classes in the following manner effective with bills rendered on or after September 1, 2021:

Residential Monthly	distribution charge	\$0.03305 per kWh
Residential Seasonal	distribution charge	\$0.08441 per kWh
General Service	distribution charge	\$0.02776 per kWh
Large General Service	distribution charge	\$0.01726 per kWh
Primary Service	distribution charge	\$0.00745 per kWh
Outdoor Lighting	175W MV	\$ 12.73 per month
	400W MV	\$ 22.71 per month
	100W HPS	\$ 9.77 per month
	250W HPS	\$ 16.70 per month
	40W LED T5	\$ 7.10 per month
	70W LED T3/T5	\$ 8.21 per month

**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 March 23, 2021.

By: \_\_\_\_\_  
Sandra Borowicz, Secretary

Dated: \_\_\_\_\_

**PRESQUE ISLE ELECTRIC & GAS CO-OP  
BOARD RESOLUTION  
MARCH 23, 2021**

**RESOLUTION 2021-MR-06  
REVISIONS TO PIE&G RATE BOOK TO ACCOMMODATE OPT OUT  
PROVISIONS TO ADVANCED METERING INFRASTRUCTURE**

**WHEREAS**, PIE&G has begun the process of installing an Advanced Metering Infrastructure (AMI) system; and

**WHEREAS**, PIE&G acknowledges the cost to install an AMI system is considerable and that it is necessary to protect that investment by promoting its use to the membership; and

**WHEREAS**, PIE&G also wishes to accommodate the request of some members to provide an Opt Out provision for its AMI system; and

**WHEREAS**, PIE&G recognizes that opting out of the AMI system provides unique costs and challenges; and

**WHEREAS**, PIE&G wishes to recognize the additional costs associated with opting out of the AMI system by providing a process and fee structure for those members who wish to elect to opt out of the AMI system; and

**WHEREAS**, PIE&G management has proposed a procedure and fee structure to the Board of Directors for its review and approval which includes identification of Standard (AMI) meters and Nonstandard (AMR) meters and Nonstandard (Non AMR) meters and the process and fees required **for members taking service on residential monthly rate Service Schedule A**, to elect a Nonstandard (Non AMR) meter; and

**WHEREAS**, PIE&G management has identified a procedure by which members must request in writing that the board of directors approve a waiver in order to utilize a Nonstandard (Non AMR) meter; and

**WHEREAS**, PIE&G management has further determined that if a waiver is granted, the additional monthly fee associated with the Nonstandard (Non AMR) meter will be \$15.55.

**PRESQUE ISLE ELECTRIC & GAS CO-OP  
BOARD RESOLUTION  
MARCH 23, 2021**

**NOW BE IT HEREBY RESOLVED** that the PIE&G Board of Directors accepts management's recommended changes to PIE&G Rate Book sheet D-5.01 to provide the membership with an additional Opt Out option to its AMI system and the fees associated with it as listed below.

**Nonstandard (AMR) Meter**

Pre-deployment Opt Out One-time Fee	-	\$10.00 per billing meter
Post-deployment Opt Out One-time Fee	-	\$50.00 per billing meter
Monthly Opt Out Fee	-	\$ 5.00 per month per billing meter

**Nonstandard (Non AMR) Meter**

Pre-deployment Opt Out One-time Fee	-	\$10.00 per billing meter
Post-deployment Opt Out One-time Fee	-	\$50.00 per billing meter
Monthly Opt Out Fee	-	\$15.55 per month per billing meter

**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 March 23, 2021.

By: \_\_\_\_\_  
Sandra Borowicz, Secretary

Dated: \_\_\_\_\_

**Presque Isle Electric & Gas Cooperative**

**Opt-Out Charge Calculation**

<b>Line No.</b>	<b>Description</b>	<b>Amount</b>	<b>Notes</b>
1	<b><u>Travel and Reading Labor</u></b>		
2	Total System Miles of Line	4,908	12/31/20 Form 7
3	Relevant Portion of System and Shortcutting	75%	Estimate
4	Miles of Line	<u>3,681</u>	L2 x L3
5	Customers	<u>500</u>	Estimate
6	Avg. Miles Between Customers	7.36	L4 / L6
7	Miles per Hour	<u>40</u>	Avg. Speed Limit
8	Travel Minutes per Customer	11.04	
9	Minutes to Read a Meter	<u>2.64</u>	Estimate
10	Total Minutes Per Customer	13.68	L8 + L9
11	Total Minutes Travel and Reading	<u>6,842</u>	L5 x L 10
12	Total Hours Reading Meters	<u>114</u>	L11 / 60
13			
14	Labor and Benefits per Hour	\$48.50	2021 Avg. Hourly Rate Inc. Benefits
15	Total Labor Cost to Read Meters	<u>\$ 5,530</u>	L12 x L14
16	Labor Cost per Customer per Month	<u>\$11.06</u>	L15 / L5
17			
18	<b><u>Transportation</u></b>		
19	Total Miles	3,681	L4
20	Cost Per Mile	<u>\$0.61</u>	2021 Mileage Rate
21	Total Vehicle Cost	<u>\$ 2,245</u>	L19 x L20
22	Vehicle Cost per Customer per Month	<u>\$4.49</u>	L21 / L5
23			
24	<b>Total Monthly Travel and Reading Cost per Opt Out Meter</b>	<u><u>\$15.55</u></u>	L16 + L22

---

**RESIDENTIAL SERVICE SCHEDULE A**

Availability

Available to any Member-Consumer desiring service for domestic and farm uses, which includes only those purposes which are usual in an individual permanent residence, or separately metered apartments, and in the usual other buildings normally served through the residential meter.

This rate is also available to any Member-Consumer of the Cooperative for residential service to dwellings that are occupied seasonally, where consumption for the prior billing year exceeded 7,200 kWh. Seasonal Member-Consumers taking service under Schedule A whose consumption does not attain 7,200 kWh's during two consecutive subsequent billing years shall be returned to the Seasonal Residential Service, Schedule S.

Nature of the Service

Single-phase, 60 cycles, at available secondary voltages.

Billing Rate

Distribution Service:

Monthly Availability Charge: \$18.00 per Member-Consumer per month, plus

Or Annual Availability Charge: \$216.00

Distribution Variable Charge: \$0.03067 per kWh for all kWh, plus

This service is subject to the Energy Optimization Surcharge shown on Sheet No. D-1.03.

Power Supply Service

Energy Charge: \$0.08601 per kWh for all kWh

(Continued on Sheet No. D-5.01)

---

Issued  
By: Thomas J. Sobeck  
President and CEO  
Onaway, Michigan

Effective for bills rendered on and  
after **September 1, 2020**

Issued under the authority of the Board  
of Directors dated **6/23/20**

---

**RESIDENTIAL SERVICE**  
**SCHEDULE A (Cont'd)**  
**(Continued from Sheet No. D-5.00)**

Tax Adjustments

- A. Bills shall be increased within the limits of political subdivisions which levy special taxes, license fees or rentals against the Cooperative's property, or its operations, or the production and/or sale of electric energy, to offset such special charges and thereby prevent other Member-Consumers from being compelled to share such local increases.
- B. Bills shall be increased to offset any new or increased specific tax or excise imposed by any governmental authority which increases the Cooperative's cost of providing electric service.

Power Supply Cost Recovery Clause and Factor

This rate schedule is subject to the Cooperative's Power Supply Cost Recovery Clause as set forth on Sheet Nos. D-1.00 and D-1.01.

Nonstandard (AMR) Metering Provision

Member-Consumers taking service under Residential Service Schedule A may request a Nonstandard (AMR) metering option. To participate in the Nonstandard (AMR) metering option, the Member-Consumer must satisfy the following criteria:

- A. The meter must be located outside and be accessible to Cooperative employees at all times,
- B. The member-consumer shall have zero instances of unauthorized use, theft, fraud and/or threats of violence toward Cooperative employees,
- C. The Member-Consumer shall enter into a written agreement with the Cooperative requesting the Nonstandard (AMR) metering option, subject to the following terms:
  - 1) Upfront charge - If the Cooperative has not yet installed an AMI meter at the Member-Consumer's premises, a one-time charge of \$10.00 per billing meter per request will be assessed. If the Cooperative has installed an AMI meter at the premises, a one-time charge of \$50.00 per billing meter will be assessed to exchange the AMI meter for a Nonstandard (AMR) meter.
  - 2) Monthly Charge - A recurring charge of \$5.00 per month per billing meter will be assessed for each Nonstandard (AMR) meter. Multiple metering units will be charged per billing meter.

---

Issued  
By: Thomas J. Sobeck  
President and CEO  
Onaway, Michigan

Effective for bills rendered on and  
after **September 1, 2020**

Issued under the authority of the Board  
of Directors dated **6/23/20**

- 
- 3) Satisfactory payment history - The Member-Consumer shall maintain a satisfactory payment history on all accounts (i.e. the member's accounts were not delinquent more than 1 time in the past 12 months), as defined in Section B2 Consumer Standards and Billing Practices for Electric Residential Service, R 460.102 – Definitions.
- B. The Nonstandard (AMR) metering option is not available to Seasonal Member-Consumers taking service under Seasonal Residential Schedule S or those taking service under Residential Monthly Service Schedule A, and
- C. The Nonstandard (AMR) metering option will only be available for Member-Consumers who have requested service prior to November 1, 2020.

**Nonstandard (Non AMR) Metering Provision**

Member-Consumers taking service under Residential Service Schedule A may petition the Board of Directors for a waiver of Nonstandard (AMR) metering option and retain their existing Nonstandard (Non AMR, i.e. "dumb") meter. Requests must be made in writing and satisfy the following criteria:

- A. The meter must be located outside and be accessible to Cooperative employees at all times,
- B. The member-consumer shall have zero instances of unauthorized use, theft, fraud and/or threats of violence toward Cooperative employees,
- C. The Member-Consumer shall enter into a written agreement with the Cooperative requesting the Nonstandard (Non AMR) metering option, subject to the following terms:
- 1) Upfront charge - If the Cooperative has not yet installed an AMI meter at the Member-Consumer's premises, a one-time charge of \$10.00 per billing meter per request will be assessed. If the Cooperative has installed an AMI meter at the premises, a one-time charge of \$50.00 per billing meter will be assessed to exchange the AMI meter for a Nonstandard (AMR) meter.
  - 2) Monthly Charge - A recurring charge of \$15.55 per month per billing meter will be assessed for each Nonstandard (Non AMR) meter. Multiple metering units will be charged per billing meter.
  - 3) Satisfactory payment history - The Member-Consumer shall maintain a satisfactory payment history on all accounts (i.e. the member's accounts were not delinquent more than 1 time in the past 12 months), as defined in Section B2 Consumer Standards and Billing Practices for Electric Residential Service, R 460.102 – Definitions.
- D. The Nonstandard (Non AMR) metering option is not available to Seasonal Member-Consumers taking service under Seasonal Residential Schedule S or those taking service under Residential Monthly Service Schedule A, and

---

Issued  
By: Thomas J. Sobeck  
President and CEO  
Onaway, Michigan

Effective for bills rendered on and  
after **September 1, 2020**

Issued under the authority of the Board  
of Directors dated **6/23/20**



E. The Nonstandard (Non AMR) metering option will only be available for Member-Consumers who have requested service prior to November 1, 2020.

**Bill Frequency**

**With the exception of Bills Rendered Annually described below, all Member-Consumers taking service under Schedule A will be billed once per month and subject to the terms of Meter Reading found below.**

Bills Rendered Annually

Upon written agreement of the Cooperative and seasonal Member-Consumers that qualify for, and elect to receive service under this rate schedule, bills for service provided hereunder may be rendered annually. Annual bills will be calculated using the Schedule A rate applied to the Member-Consumer's annual energy consumption along with the Annual Availability Charge, which shall be prepaid.

**Seasonal Member-Consumers taking service concurrently under Schedules A and EEH shall be billed once per month and the Member-Consumer is responsible for monthly meter readings as noted under the heading, Meter Reading, found below. An EEH service agreement between the Member-Consumer and the Cooperative is required for service under these concurrent schedules.**

(Continued on Sheet No. D-5.02)

---

Issued  
By: Thomas J. Sobeck  
President and CEO  
Onaway, Michigan

Effective for bills rendered on and  
after **September 1, 2020**

Issued under the authority of the Board  
of Directors dated **6/23/20**

MICHIGAN DEPARTMENT OF COMMERCE  
PUBLIC SERVICE COMMISSION  
MONTHLY REPORT OF POWER SUPPLY COST

This form is authorized by Act 3, P.A. 1939,  
as amended. Filing of this form is voluntary.  
However, failure to file this form or an alter-  
native submission approved by the Commission  
will place you in violation of the Act.

INSTRUCTIONS

When completed, a copy of all bills for power and fuel, and any worksheets or other documents required to support the data reported herein are to be mailed to: MICHIGAN DEPARTMENT OF COMMERCE, PUBLIC SERVICE COMMISSION, Electric Division - Audit, 6545 Mercantile, P.O. Box 30221, Lansing, Michigan 48909. Alternatively, any of the above documentation may be submitted in a microcomputer readable format approved by MPSC Staff.

For assistance or clarification, please contact the Public Service Commission Staff at: (Area Code 517) 334-6416

STATUTORY REFERENCE

Section 6j(11) of Act 3, P.A. 1939, as amended, sets forth: "(1) Not more than 45 days following the last day of each billing month in which a power supply cost recovery factor has been applied to customer's bills, the utility shall file with the commission a detailed statement for that month of the revenues recorded pursuant to the power supply cost recovery factor and the allowances for cost of power supply included in the base rates established in the latest commission order for the utility, and the cost of power supply. The detailed statement shall be in the manner and form prescribed by the commission. The commission shall establish procedures for insuring that the detailed statement is promptly verified and corrected if necessary."

1. NAME OF REPORTING UTILITY:	PRESQUE ISLE ELECTRIC COOPERATIVE
2. THIS REPORT FILED FOR THE COST MONTH OF:	December 2020
3. IS THIS REPORT SUBMITTED AS AN ORIGINAL OR REVISION? IF THIS IS A REVISION, ATTACH AN EXPLANATION.	Original
4. DATE OF REPORT SUBMISSION:	None-Member Regulated
5. UTILITY REPRESENTATIVE TO WHOM QUESTIONS REGARDING THIS REPORT MAY BE DIRECTED - NAME:	Dawn Cryderman
PHONE No. (include area code):	(989) 733-8515
6. POWER SUPPLY COST RECOVERY FACTOR AUTHORIZED (or requested):	mills per kWh -7.500

NAME OF REPORTING UTILITY: || PRESQUE ISLE ELECTRIC COOPERATIVE

7. REVENUES RECORDED PURSUANT TO THE POWER SUPPLY COST RECOVERY FACTOR AND THE ALLOWANCE FOR POWER SUPPLY INCLUDED IN BASE RATES FOR THIS MONTH:			
a. kWh sales subject to the PSCR clause are:	kWh		21,240,141
b. Applied PSCR factor:	mills per kWh		-8.246336276
c. PSCR factor revenues: (a * b)		\$	(175,153.35)
d. Allowance for power supply included in case rates:			
e. Revenues collected pursuant to allowance for power supply included in base rates: (a * d)	mills per kWh		87.85
		\$	1,865,946.39
f. TOTAL POWER SUPPLY COST REVENUE: (c + e)		\$	1,690,793.04
8. THE TOTAL COST OF POWER (from attached worksheets ) APPLICABLE TO SALES REPORTED ABOVE:			\$ 1,558,278.98
9. MONTHLY OVER/(UNDER) COLLECTION : (7f-8)			\$ 132,514.07
10. TOTAL OVER/(UNDER) COLLECTION THIS PSCR YEAR			\$ (384,536.90)

11. Is there a major difference between actual and projected costs this month: Please circle Yes or No (if yes, please explain)  
NO

12. Do you anticipate any significant changes which would have an effect on next month's projected costs? Please circle Yes or No (if yes, briefly explain the change)  
NO

13. Authorized refund/surcharge this month due to reconciliation of prior year(s) PSCR:

MEMBER REGULATED	PSCR YEAR	2019 Roll In	Seasonal	Year to Date	Remaining
Auth.PSCR adj.(m/kWh)					
Auth.PSCR adj.(dollars)		\$ 36,374.96	\$ 2,366.53	\$ 27,140.10	\$ 9,234.86
MEMBER REGULATED	PSCR YEAR	2019 Roll In	Monthly	Year to Date	Remaining
Auth.PSCR adj.(m/kWh)					
Auth.PSCR adj.(dollars)		\$ 163,025.90	\$ 13,485.75	\$ 156,898.04	\$ 6,127.86

NAME OF REPORTING UTILITY :	PRESQUE ISLE ELECTRIC COOPERATIVE			PRESQUE ISLE ELECTRIC COOPERATIVE					
	2020			YEAR TO DATE					
	December								
	(ag)	(ah)	(ai)	(aj)	(ak)	(al)			
	*UNITS	\$	\$/Unit	*UNITS	\$	\$/Unit			
PURCHASED POWER FROM WOLVERINE									
1 Energy-A	23,992,624	\$ 1,167,265.17	0.048651	258,737,048	\$ 12,587,816.23	0.048651			
2 Energy-C&I	853,657	\$ 41,531.27	0.048651	9,868,337	\$ 480,104.45	0.048651			
3 C & I Energy Credit	853,657	\$ (4,268.29)	(0.005000)	9,868,337	\$ (49,341.70)	(0.005000)			
5 Total Energy	24,846,281	\$ 1,204,528.15	0.048479	268,605,385	\$ 13,018,578.98	0.048467			
6 Demand-Rate A	40,144	\$ 255,978.22	6.376500	467,072	\$ 2,978,284.62	6.376500			
7 Demand-Rate C & I	1,347	\$ 8,589.15	6.376500	17,015	\$ 108,496.12	6.376498			
8 Miso-Demand Rate A	44,025	\$ 235,335.66	5.345501	527,012	\$ 2,817,142.85	5.345500			
9 Miso-Demand Rate C & I	2,556	\$ 13,663.10	5.345501	31,960	\$ 170,842.20	5.345500			
12 Load Management Credits		\$ (12,776.19)			\$ (\$151,533.87)				
13 Substation Fixed Charge	18	\$ 40,554.00	\$ 2,253.00	252	\$ 486,648.00	1931.142857			
14 Substation Investment Charge		\$ 69,685.75	Varies		\$ 829,777.83	Varies			
15 Shared Excluded Facilities		\$ 778.06	Varies		\$ 9,336.72	Varies			
16 Renewable Energy Contracts		\$ 2,365.73	Varies		\$ 4,236.19	Varies			
17 True Ups Billed		\$ (10,186.25)			\$ (123,847.98)	Varies			
18 TOTAL WPSC	24,846,281	\$ 1,808,515.38	0.072788	268,605,385	\$ 20,147,961.66	0.075010			
18B WPSC True Ups Already Booked		\$ 10,186.25			\$ 123,847.98				
18C Actual WPSC True Up					\$ -				
18D Estimated WPSC True Up		\$ (258,185.39)			\$ (258,185.39)				
18E Renewable Energy Contracts		\$ (2,365.73)			\$ (4,236.19)				
18F Final WPSC After True Up		\$ 1,558,150.51	0.062712		\$ 20,009,388.06	0.000000			
18N Total NEG Purchases	1,553	\$ 128.44	0.082704443	51,236	\$ 4,519.37	0.088207			
19 Total kWh Purchase & Cost	24,847,834	\$ 1,558,278.98	0.06271287	268,656,621	\$ 20,013,907.53	0.074496			
20 Less: Line Loss	3,607,693		0.14519145	22,067,837		0.082141			
21 kWh Available for Use	21,240,141	\$ 1,558,278.98	0.07336481	246,588,784	\$ 20,013,907.53	0.081163			
22 PSCR SALES & POWER COSTS	21,240,141	\$ 1,558,278.98	0.073364813	246,588,784	\$ 20,013,907.53	0.081163			
PSCR OVER/(UNDER) RECOVERY									
A. PSCR REVENUE									
23 1. Mills/kWh	87.8500	(8.24633628)	79.6037	87.850000	(8.2463)	79.603664			
24 2. PSCR Sales	21,240,141	21,240,141	21,240,141	246,588,784	246,588,784	246,588,784			
25 3. PSCR Revenue [(1*2)/1000]	\$ 1,865,946.39	\$ (175,153.35)	\$ 1,690,793.04	21,662,825	\$ (2,033,454.03)	\$ 19,629,370.64			
26 C. PSCR COST			\$ 1,558,278.98			\$ 20,013,907.53			
27 D. OVER/(UNDER) RECOVERY			\$ 132,514.07			\$ (384,536.90)			
Current Year to Date			\$ (384,536.90)			\$ (384,536.90)			
Surcharge Distribution:	kWh	Recovery	FACTOR	kWh	Recovery	Surcharge Remaining	Target Recovery	Est pscr kWh:	Adjustment
Prior Year Monthly - 2019	18,069,272	\$ 13,485.75	0.746336	210,224,332	\$ 156,898.04	\$ 6,127.86	\$ 163,025.90	228,241,962	
Prior Year Seasonal - 2019	3,170,869	\$ 2,366.53	0.746336	36,364,452	27,140.10	9,234.86	36,374.96	38,930,982	
Total		\$ 15,852.29	0.746336	246,588,784	184,038.14	15,362.72	199,401	267,172,944	0.746336
Combined PSCR	21,240,141	\$ (159,301.06)	(7.50)	246,588,784	(1,849,416)	(7.50000)			

**TEST YEAR MARGINS AND INTEREST**  
**12 MONTHS ENDED DECEMBER 31, 2020**

	<u>Operating Margins</u>	<u>Total Margins</u>	<u>Interest</u>
December 31, 2020	\$297,781 <sup>1</sup>	\$3,191,039 <sup>2</sup>	\$1,666,384 <sup>3</sup>

---

<sup>1</sup> From December 2020 Form 7, Part 1A, line 20, *Patronage Capital and Operating Margins*.

<sup>2</sup> From December 2020 Form 7, Part 1A, line 28, *Patronage Capital*.

<sup>3</sup> From December 2020 Form 7, Part 1A, line 15, *Interest on Long Term Debt*.

**ADJUSTED TOTAL MARGINS**

<u>Step One:</u>	Unadjusted Total Margins	\$ 3,191,039 <sup>4</sup>
<u>Step Two:</u>	Add Back Net Loss From Equity Investments	\$ 134,309 <sup>5</sup>
	Less Misc. Non-Operating Margins	\$ (1,487,106) <sup>6</sup>
	Less G&T Capital Credits Allocated/Not Paid	\$ (1,244,361) <sup>7</sup>
	Less Other Capital Credits Allocated/Not Paid	\$ (76,802) <sup>8</sup>

(continued on next page)

---

<sup>4</sup> From Exhibit A-2.

<sup>5</sup> From December 2020 Form 7, page 1, column (b), line 23, "Income (Loss) from Equity Investments" includes a \$134,309 loss on disposition of utility plant. Accounts 421.10 and 421.20 Gain/(Loss) on Disposition of Utility Plant are to be removed from Total Margins, which results in an increase of \$134,309.

<sup>6</sup> From December 2020 Form 7, page 1, column (b), line 23, "Income (Loss) from Equity Investments". The total amount of \$1,363,770 includes one-time Miscellaneous Non-Operating Income of \$1,487,106 comprised of the following:

ECONOMIC DEVELOPMENT FUNDS	\$ 204,063
PAYROLL PROTECTION PROGRAM LOAN FORGIVENESS	\$ 1,181,207
PROPERTY DAMAGE INSURANCE PROCEEDS	\$ 42,632
RESEARCH & DEVELOPMENT FUNDS & GRANTS	\$ 59,204
Total	<u>\$ 1,487,106</u>

<sup>7</sup> From December 2020 Form 7, page 1, column (b), line 25a, "Generation and Transmission Capital Credits" + Line 25b, "G&T Capital Credits – PSDFC".

<sup>8</sup> From December 2020 Form 7, page 1, column (b), line 26, "Other Capital Credits and Patronage Dividends", i.e. \$221,486 less \$144,684. The \$144,684 is comprised of the following declared and paid other capital credits or patronage dividends.

NRUCFC	\$ 79,079
COBANK	\$ 13,402
NISC	\$ 6,889
NRTC	\$ 55
CRC	\$ 218
RESCO	\$ 45,041
Total	<u>\$ 144,684</u>

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

<u>Step Three:</u> Add: Issued Capital Credits/Past Years' Allocations	\$ 1,559,881
Less General Capital Credit Retired to Members	\$ (705,984)
<u>Step Four:</u> Less Member Remaining Capital Credits Retired	\$ (645,631)
Adjusted Total Margins	\$ 725,345

### CALCULATION OF REQUIRED TIER REVISION

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

$$\text{Interest} = \$1,666,384^9$$

$$1.8 \text{ TIER} = \frac{\text{Necessary Margin} + \$1,666,384 \text{ Interest}}{\$1,666,384 \text{ Interest}}$$

$$\text{Necessary Margins} = \$1,333,107$$

Target TIER:

$$1.8 \text{ TIER} = \frac{\$1,333,107 \text{ Necessary Margin} + \$1,666,384 \text{ Interest}}{\$1,666,384 \text{ Interest}}$$

Actual Adjusted Total TIER:

$$\text{TIER} = \frac{\$725,345^{10} + \$1,666,384 \text{ Interest}}{\$1,666,384 \text{ Interest}} = 1.44 \text{ TIER}$$

Based on Adjusted Total TIER of 1.44, an increase of \$607,762 or 1.73% is required.

---

<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		\$ 297,781 <sup>11</sup>
2	Other Income		
3	a. Non Operating Margins – Interest	\$ 63,641 <sup>12</sup>	
	b. Income from Equity Investments	\$ 1,363,770 <sup>13</sup>	
	c. Non Operating Margins – Other	\$ 0 <sup>14</sup>	
	d. G&T Capital Credits	\$ 1,244,361 <sup>15</sup>	
	Other Capital Credits and Patronage Dividends	\$ <u>221,486</u> <sup>16</sup>	
3.	Total Additions to Operating Margins		\$ 2,893,258
4	Total Margins		\$ 3,191,039

---

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

<sup>12</sup> From December 2020 Form 7, Part 1A, line 21, “*Non Operating Margins – Interest*”.

<sup>13</sup> From December 2020 Form 7, Part 1A, line 23, “*Income(Loss) from Equity Investments*”.

<sup>14</sup> From December 2020 Form 7, Part 1A, line 24, “*Non Operating Margins – Other*”.

<sup>15</sup> From December 2020 Form 7, Part 1A, line 25a, “*Generation and Transmission Capital Credits*”.

<sup>16</sup> From December 2020 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	\$ 607,762
2	2020 Revenue from Electric Sales	\$ 35,139,049 <sup>17</sup>
3	Required % Increase	1.73%
4	2020 kWh Sales	246,588,784 <sup>18</sup>
5	Average Mills Per kWh Increase	2.46 mills per kWh

---

<sup>17</sup> From December 2020 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 2020 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.*

\_\_\_\_\_  
Signature of Chief Financial Officer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Chief Executive Officer

\_\_\_\_\_  
Date

## PART 1A - STATEMENT OF ELECTRICAL OPERATIONS FOR THE PERIOD ENDED DECEMBER 31, 2020

RUS Form 7 Line Number	ITEM	YEAR TO DATE			THIS MONTH
		2019	2020	BUDGET	
1.	Operating Revenue - Electric	36,111,342	35,978,308	36,874,758	2,972,941
1.					
	<b>Total Revenue</b>	<b>36,111,342</b>	<b>35,978,308</b>	<b>36,874,758</b>	<b>2,972,941</b>
3.	Cost of Purchased Energy - Electric	20,398,138	20,014,076	19,876,512	1,558,447
3.					
	<b>Total Cost of Energy Sold</b>	<b>20,398,138</b>	<b>20,014,076</b>	<b>19,876,512</b>	<b>1,558,447</b>
	<b>Gross Revenues</b>	<b>15,713,204</b>	<b>15,964,232</b>	<b>16,998,246</b>	<b>1,414,494</b>
5.	Distribution Expense - Operation	1,324,033	1,269,187	1,331,453	104,984
6.	Distribution Expense - Maintenance	3,706,754	4,360,867	4,366,872	538,987
7.	Consumer Accounts Expense	1,516,174	1,551,827	1,690,106	121,788
8.	Customer Service and Informational Expens	800,230	700,087	931,886	57,435
10.	Administrative and General Expense	2,030,245	1,866,857	1,794,660	251,969
	<b>Total Operation &amp; Maintenance Expense</b>	<b>9,377,436</b>	<b>9,748,824</b>	<b>10,114,977</b>	<b>1,075,162</b>
12.	Depreciation & Amortization Expense	3,241,603	3,277,333	3,768,157	280,201
13.	Tax Expense - Property & Gross Receipts	873,448	905,454	893,442	93,017
14.	Tax Expense - Other	1,080	1,216	1,060	135
15.	Interest on Long-Term Debt	1,553,180	1,666,384	1,835,341	212,501
17.	Interest Expense - Other	110,514	67,241	15,441	5,655
18.	Other Deductions	1,006	0	1,000	0
	<b>Total Cost of Operations</b>	<b>15,158,267</b>	<b>15,666,451</b>	<b>16,629,418</b>	<b>1,666,670</b>
20.	Patronage Capital & Operating Margins	554,937	297,781	368,828	(252,176)
21.	Non-Operating Margins - Interest	79,685	63,641	68,760	147
23.	Income (Loss) from Equity Investments	(310,393)	1,363,770	(286,659)	75,814
24.	Non-Operating Margins - Other	0	0	0	0
25.a	Generation and Transmission Capital Credit	1,141,584	1,244,361	1,300,000	1,244,361
25.b	G & T Capital Credits - PSDFC	0	0	0	0
26.	Other Capital Credits and Patronage Divid	224,848	221,486	199,193	8,545
27.	Extraordinary Items See attached sheet	0	0	0	0
28.	<b>Patronage Capital</b>	<b>1,690,660</b>	<b>3,191,039</b>	<b>1,650,122</b>	<b>1,076,691</b>
	<b>Net T.I.E.R.</b>	<b>2.02</b>	<b>2.84</b>		
	<b>Operating T.I.E.R.</b>	<b>1.33</b>	<b>1.17</b>		

## PART 2A - DATA ON ELECTRICAL DISTRIBUTION PLANT

ITEM	YEAR TO DATE	
	2019	2020
1. New Services Connected	242	305
2. Services Retired	30	36
3. Total Services in Place	36,234	36,544
4. Idle Services (Excl Seasonal)	2,425	2,407
5. Miles Distribution - Overhead	3,835	3,828
6. Miles Distribution - Underground	1,086	1,108
7. Total Miles Energized (5 + 6)	4,921	4,936

# 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, 2020

RUS Form 7 Line Number	ASSETS AND OTHER DEBITS	RUS Form 7 Line Number	LIABILITIES AND OTHER CREDITS
1a.	Utility Plant in Service - Electric 115,243,943	30a.	Memberships - Electric 274,460
1b.	Utility Plant in Service - Gas 44,728,581	30b.	Memberships - Gas 27,085
1.	Utility Plant in Service - Combined <b>159,972,524</b>	30.	Memberships - Combined <b>301,545</b>
2a.	Construction Work in Progress - Electric 14,799,663	31a.	Patronage Capital - Electric 40,803,815
2b.	Construction Work in Progress - Gas 194,082	31b.	Patronage Capital - Gas 7,774,674
2.	Construction Work in Progress - Combined <b>14,993,745</b>	31.	Patronage Capital - Combined <b>48,578,489</b>
3a.	Total Utility Plant (1+ 2) - Electric 130,043,606	32a.	Operating Margins - Prior Years - Electric 21,064
3b.	Total Utility Plant (1 + 2) - Gas 44,922,663	32b.	Operating Margins - Prior Years - Gas 0
3.	Total Utility Plant - Combined <b>174,966,269</b>	32.	Operating Margins - Prior Years - Combined <b>21,064</b>
4a.	Accumulated Provision for Depreciation - Electric 61,364,134	33a.	Operating Margins - Current Year - Electric 297,781
4b.	Accumulated Provision for Depreciation - Gas 13,700,459	33b.	Operating Margins - Current Year - Gas 606,692
4.	Accum. Provision for Depreciation - Combined <b>75,064,593</b>	33.	Operating Margins - Current Year - Combined <b>904,474</b>
5a.	Net Utility Plant (3 - 4) - Electric 68,679,472	34a.	Non Operating Margins - Electric 2,893,258
5b.	Net Utility Plant (3 - 4) - Gas 31,222,204	34b.	Non Operating Margins - Gas 540,849
5.	Net Utility Plant - Combined <b>99,901,676</b>	34.	Non Operating Margins - Combined 3,434,106
7.	Investments in Subsidiary Companies 0	35a.	Other Margins and Equities - Electric 4,424,119
8.a	Invest. in Assoc. Org- Patronage Capital - WPC 19,563,165	35b.	Other Margins and Equities - Gas 7,208
8.b	Invest. in Assoc. Org- Patronage Capital - Other 5,534,285	35.	Other Margins and Equities - Combined <b>4,431,326</b>
9.	Invest. in Assoc. Org. - Other - General Funds 4,800	36a.	Total Margins and Equities (30 thru 35) - Electric 48,714,496
10.	Invest. in Assoc. Org. - Other - Nongeneral Funds 1,417,768	36b.	Total Margins and Equities (30 thru 35) - Gas 8,956,508
11.	Invest. in Economic Development Projects 0	36.	Total Margins and Equities (30 thru 35) - Combined 57,671,004
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) 26,520,018	38.	Long Term Debt - RUS - Econ. Dev. (Net) 0
15.	Cash - General Funds 1,832,679	39.	Long Term Debt - Other - RUS Guaranteed 0
16.	Cash - Construction Funds 0	40.	Long Term Debt - Other (Net) 67,483,649
17.	Special Deposits 0	41.	Total Long Term Debt (37 thru 40) 67,483,649
18.	Temporary Investments 573,471	42.	Obligations Under Capital Leases 0
19.	Notes Receivable - Net 0	43.	Deferred Compensation 0
20.	Accounts Receivable - Net Sales of Energy 5,334,363	44.	Total Other Non Current Liabilities (42+43) 0
21.	Accounts Receivable - Net Other 387,319	45.	Line of Credit Balance Due 4,000,000
22.	Materials and Supplies - Electric and Other 2,709,315	46.	Accounts Payable 2,788,014
23.	Prepayments 390,775	47.	Consumers Deposits 594,147
24.	Other Current and Accrued Assets 0	48.	Other Current and Accrued Liabilities 5,279,509
25.	Total Current and Accrued Assets (15 thru 24) 11,227,924	49.	Total Current and Accrued Liabilities (45 thru 48) 12,661,671
26.	Regulatory Assets 0	50.	Deferred Credits 139,208
27.	Other Deferred Debits 305,915	51.	Accumulated Deferred Income Taxes
28.	Accumulated Deferred Income Taxes 0	52.	Total Liabilities and Other Credits
29.	Total Assets and Other Debits ( 5 + 14 + 25 thru 28) <b>137,955,532</b>		(36+41+44+49 thru 51) <b>137,955,532</b>
			<i>ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION</i>
		53.	Balance Beginning of the Year - Electric 23,026,307
		54.	Balance Beginning of the Year - Gas 4,969,442
		55.	Balance Beginning of the Year - Gas AER 1,054,511
			Amount Received This Year (Net) - Electric 746,103
			Amount Received This Year (Net) - Gas 174,852
			Amount Received This Year (Net) - Gas AER
			Total Contributions in Aid of Construction - Electric 23,772,410
			Total Contributions in Aid of Construction - Gas 5,144,294
			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, 2020

### BALANCE SHEET RATIOS

Current Assets to Current Liabilities	- Combined	88.68 %
Margins & Equities as % of Assets	- Combined	41.80 %
Long Term Debt as % of Net Utility Plant	- Combined	67.55 %
Long Term Debt as % of Plant	- Combined	38.57 %
Modified Debt Service Coverage Ratio	- Combined	2.03

### 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	17,916	12,803,368	1,714,744	834
Sales - Seasonal	13,682	3,170,869	745,490	12,639
Sales - General Service - Oil	499	386,886	48,960	74
Sales - Irrigation	25	960	1,224	16
Sales - General Service	1,611	2,441,346	279,817	209
Sales - Large Power - Oil	2	2,240	910	1
Sales - Large Power	39	2,128,457	227,895	1
Sales - Public Street & Highway Lighting	37	11,889	3,903	
Sales - Public Buildings	326	294,126	36,088	40
Consumer Sales - PSCR			(148,366)	
Total Sales of Electric Energy (1 thru 11)	34,137	21,240,141	2,910,665	13,814
Other Electric Revenue			62,276	
Total (12 + 13)			2,972,941	
Last Year kWh Sales	33,834	21,214,656		

### 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	17,814	142,375,455	19,362,145
Sales - Seasonal	13,611	36,364,452	8,244,820
Sales - General Service - Oil	494	4,084,212	523,247
Sales - Irrigation	25	99,239	18,750
Sales - General Service	1,596	32,650,330	3,684,747
Sales - Large Power - Oil	6	474,136	60,241
Sales - Large Power	40	26,344,062	2,511,838
Sales - Public Street & Highway Lighting	37	142,518	46,788
Sales - Public Buildings	326	4,054,380	485,974
Consumer Sales - PSCR			200,499
Total Sales of Electric Energy (1 thru 11)	33,949	246,588,784	35,139,049
Other Electric Revenue			839,258
Total (12 + 13)			35,978,308
Last Year kWh Sales		245,783,857	

### KWH AND KWH STATISTICS

ITEM	THIS MONTH	YEAR-TO-DATE
1. kWh Purchased	24,846,281	268,605,385
2. Interchange kWh-Net	1,553	51,236
3. Total kWh (1 + 2)	24,847,834	268,656,621
4. Total kWh-Sold	21,240,141	246,588,784
5. Office Use - **For Information Purposes Only**	35,151	279,611
6. Total Unaccounted for (3 - 4)	3,607,693	22,067,837
7. Percent System Loss (6/3)x100	14.52	8.21
8. Maximum Demand (kw)	41,491	54,934
9. Month When Maximum Demand Occurred		7

# 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

## STATISTICAL INFORMATION FOR THE MONTH ENDING DECEMBER 31, 2020

	THIS YEAR	LAST YEAR
1. KWHRs Sold Per Consumer:		
a. For the Month	622	627
b. Year to Date	<u>605</u>	<u>608</u>
2. Average Monthly Bill	85.26	103.13
Average Residential Bill	<u>95.71</u>	<u>91.83</u>
3. Average Bill:		
a. Year To Date	86.25	86.60
b. YTD Residential	<u>90.58</u>	<u>85.89</u>
4. Cost Per KWHR Purchased		
a. This Month Mills	62.72	90.71
b. Year to Date Mills	<u>74.50</u>	<u>77.01</u>
5. Revenue Per KWHR Sold:		
a. This Month Mills	137.04	164.48
b. Year to Date Mills	<u>142.50</u>	<u>142.54</u>
6. Power Cost Adjustment		
a. This Month	<u>-0.007500</u>	<u>-0.009230</u>
7. Number of New Members - Electric	125	87
Number of Transferred Members Added - Electric	1417	1251
7. Number of New Members - Gas	52	33
Number of Transferred Members Added - Gas	<u>152</u>	<u>139</u>
8. Security Lights Billed	<u>2001</u>	<u>1970</u>
9. Regular Payroll - Hours	15,768.50	13,559.00
Overtime Payroll - Hours	1,317.75	1,483.50
Total Payroll	<u>17,086.25</u>	<u>15,042.50</u>
10. Number of Employees		
Full Time	80	76
Temporary	<u>7</u>	<u>7</u>
11. Principal Paid To CFC-YTD	2,225,923.34	2,016,636.10
Interest Paid To CFC-YTD	<u>2,684,783.20</u>	<u>2,667,674.54</u>
12. Interest Paid on Line of Credit - YTD	<u>78,678.62</u>	<u>149,836.67</u>

TIER CALCULATION			
CO-OP: Presque Isle Electric & Gas Co-op			
Case:			
Year: 2020			
FORM		2020	
7 LINE	ITEM	All Costs	
		\$	
	Operating Revenue		
	Sales of Electricity	35,978,308	
	Other	-	
1	Operating Revenue	35,978,308	
	Operating Expenses		
3	Cost of Purchased Energy	20,014,076	
4	Transmission Expense		
5	Distribution Expense - Operation	1,269,187	
6	Distribution Expense - Maintenance	4,360,867	
7	Consumer Accounts Expense	1,551,827	
8	Customer Service & Info. Expense	700,087	
9	Sales Expense		
10	Administrative & General Expense	1,866,857	
11	Total O & M Expense	29,762,900	
12	Depreciation & Amortization Exp.	3,277,333	
13	Tax Exp. - Property & Gross Recpts.	905,454	
14	Tax Expense - Other	1,216	
15	Interest on Long-Term Debt (mpsc)	1,666,384	
16	Interest Charged to Const. - Cr.		
17	Interest Expense - Other	67,241	
18	Other Deductions	-	
19	Total Cost of Operations	35,680,527	
20	Ptrng Cap. & OPERATING Margins	297,781	
21	Non-Operating Margins - Interest	63,641	
22	AFUDC		
nt listed	Loss from Property Retirements		
23	Inc. (Loss) from Equity Investments	1,363,770	
24	Non-Operating Margins - Other	-	
25.a	Gen. & Trans. Capital Crs.	1,244,361	
25.b	G & T Capital Crs - PSDFC	-	
26	Other Capital Crs. & Patronage Div's.	221,486	
27	Extraordinary Items	-	
28	Ptrng Capital or Margins (20-27)	3,191,039	
<b>Part II: Adjusted Margins &amp; TIER AS FILED</b>			
	Actual Total Margin (Ln 28)	3,191,039	
Step II	Back Out:		
	Gain/Loss from Equity Investments	134,309	
	One-time Miscellaneous Non-Operating Income	(1,487,106)	
	G&T Credits, Allocated/Not Paid	(1,244,361)	
	Other Cap Crs, Allocated/Nt Pd	(76,802)	
	Weather Normalization Adjustment		
	Adjustment for Non-Operating Loss		
	<b>Total Mrgns Less Cap. Crs. Allocation</b>	517,079	
Step III	Add Back:		
	Estimated Storm Restoration Costs		
	Cap Crs Pd for Prior Years	1,559,881	
	Less offset of Cap Crs Retired/Members	(705,984)	
	<b>Preliminary Adjusted Total Margins</b>	1,370,976	
Step IV	Back Out:		
	Member Remaining Cap Crs. Retired	(645,631)	
	Adjust for difference in LT Debt Interest		
	Adjust for Add Back of C.C. Retired/Members		
	<b>Adjusted Total Margin</b>	725,345	
	<b>Resulting TIER:</b>		
	Adjusted Total Margin	725,345	
	+ Interest, L/T Debt +	1,666,384	
	+ Interest, L/T Debt	1,666,384	
	<b>= TIER</b>	<b>1.44</b>	
	[Quiet zone = 1.6 - 2.2]		
<b>Part III - Increase in Rates resulting from the 2020 PSCR/TIER Reconciliation</b>			
<b>Part III: Increase Calculation</b>			
	Target TIER as per Co-op Application	1.80	
	x Interest, LT Debt	1,666,384	
	Subtotal	2,999,490	
	LESS Interest, LT Debt	(1,666,384)	
	= Target Total Margin	1,333,107	
	LESS Adjusted Total Margin	(725,345)	
	Rate Increase for Co-ops Target TIER	607,762	
	Percent Increase		
	Annualized (Year) Electric Sales Revenue	\$ 35,139,049	
	Percent Increase Needed for Target TIER	1.73%	
	2020 kWh Sales	246,588,784	
	Increase per kWh	0.00246	
	Average Residential Bill - kWh	666	
	Monthly Residential Increase	\$ 1.64	

**Presque Isle Electric & Gas  
Determination of 2020 TIER Rate Adjustments**

Rate Code	Applicable Rate Schedule	kWh Sales	2020 Tier Increase <sup>1</sup>		Distribution Charge	
			Total	per kWh	Present	Proposed
RES	A	142,155,604				
RESSE	A	11,445,251				
	Total Sch. A	<u>153,600,855</u>	\$ 365,223	\$ 0.00238	\$ 0.03067	\$ 0.03305
RESSE	S	24,487,489	\$ 153,345	\$ 0.00626	\$ 0.07815	\$ 0.08441
GS1	GS	26,920,395				
GS3	GS	13,878,463				
	Total Sch. GS	<u>40,798,858</u>	\$ 67,970	\$ 0.00167	\$ 0.02609	\$ 0.02776
LGS	LGS	4,088,278	\$ 7,265	\$ 0.00178	\$ 0.01548	\$ 0.01726
LPTOD	LPTOD	10,482,420	\$ -	\$ -	\$ -	\$ -
PSDS	PSDS opt 1-B	12,241,800	\$ 12,100	\$ 0.00099	\$ 0.00646	\$ 0.00745
SYL	OD	558,591	\$ 1,857	\$ 0.00332	See Below	
		<u>246,258,291</u>	\$ 607,760			

Rate Code	Type	kWh Per Light	Increase		Monthly Rate	
			per kWh	per Month	Present	Proposed
dvc 1	175 mv	74	\$ 0.00332	\$0.25	\$12.48	\$12.73
dvc 2	400 mv	163	\$ 0.00332	\$0.54	\$22.17	\$22.71
dvc 3	100 hps	45	\$ 0.00332	\$0.15	\$9.62	\$9.77
dvc 4	250 hps	106	\$ 0.00332	\$0.35	\$16.35	\$16.70
dvc 10	40 T5	14	\$ 0.00332	\$0.05	\$7.05	\$7.10
dvc 11	70 T5	25	\$ 0.00332	\$0.08	\$8.13	\$8.21
dvc 12	70 T3	25	\$ 0.00332	\$0.08	\$8.13	\$8.21

<sup>1</sup> Class increases based on PIE&G's 2019 (2018 Actual) COS Study updated for 2020 Revenue Requirements.



**Comparison of  
Present and Proposed Rate Schedules**

<u>Present Rates</u>	<u>Proposed Rates</u>
<b><u>Residential Monthly Service (A)</u></b>	
Monthly Service Charge	\$18.00 /month
Distribution Variable Charge (All kWh)	\$0.03067 /kWh
Power Supply Energy Charge (All kWh)	\$0.08601 /kWh
PSCR	(\$0.00535) /kWh
Energy Optimization Surcharge	\$0.00229 /kWh
<b><u>Seasonal Residential Monthly Service (S)</u></b>	
<i>Yearly Rate</i>	
Monthly Service Charge	\$228.00 /year
Distribution Variable Charge (All kWh)	\$0.07815 /kWh
Power Supply Energy Charge (All kWh)	\$0.08601 /kWh
PSCR	(\$0.00535) /kWh
Energy Optimization Surcharge	\$0.00229 /kWh
<b><u>General Monthly Service (GS)</u></b>	
Monthly Service Charge	
Single Phase	\$16.00 /month
Three Phase	\$35.00 /month
Distribution Variable Charge (All kWh)	\$0.02609 /kWh
Energy Charge	\$0.08321 /kWh
PSCR	(\$0.00535) /kWh
Energy Optimization Surcharge	\$3.10 /month
<b><u>Large General Monthly Service (LG)</u></b>	
Monthly Service Charge	\$50.00 /month
Distribution Demand Charge	\$1.98 /kW
Demand Charge - Power Supply	\$7.02 /kW
Distribution Variable Charge	\$0.01548 /kWh
Energy Charge	\$0.06481 /kWh
Primary Monthly Service Discount	(\$0.20) /kW
Primary Meter Discount	-2.00%
PSCR	(\$0.00535) /kWh
Energy Optimization Surcharge	\$74.14 /month
<b><u>Optional Large Power TOD Monthly Service (LPTOD)</u></b>	
Monthly Service Charge	\$60.00 /month
Demand Charge	
Peak Period	\$6.00 /kW
Maximum	\$6.55 /kW
Energy Charge	\$0.06951 /kWh
Primary Monthly Service Discount	(\$0.20) /kW
Primary Meter Discount	-2.00%
PSCR	(\$0.00535) /kWh
Energy Optimization Surcharge	\$74.14 /month
<b><u>Customer Owned Backup Generation (CBG)</u></b>	
Demand Charge	(\$2.50) /kW

<b><u>Residential Monthly Service (A)</u></b>	
Monthly Service Charge	\$18.00 /month
Distribution Variable Charge (All kWh)	\$0.03305 /month
Power Supply Energy Charge (All kWh)	\$0.08601 /kWh
PSCR	(\$0.00535) /kWh
Energy Optimization Surcharge	\$0.00229 /kWh

<b><u>Seasonal Residential Monthly Service (S)</u></b>	
<i>Yearly Rate</i>	
Monthly Service Charge	\$228.00 /year
Distribution Variable Charge (All kWh)	\$0.08441 /kWh
Power Supply Energy Charge (All kWh)	\$0.08601 /kWh
PSCR	(\$0.00535) /kWh
Energy Optimization Surcharge	\$0.00229

<b><u>General Monthly Service (GS)</u></b>	
Monthly Service Charge	
Single Phase	\$16.00 /month
Three Phase	\$35.00 /month
Distribution Variable Charge (All kWh)	\$0.02776 /kWh
Energy Charge	\$0.08321 /kWh
PSCR	(\$0.00535) /kWh
Energy Optimization Surcharge	\$3.10 /month

<b><u>Large General Monthly Service (LG)</u></b>	
Monthly Service Charge	\$50.00 /month
Distribution Demand Charge	\$1.98 /kW
Demand Charge - Power Supply	\$7.02 /kW
Distribution Variable Charge	\$0.01726 /kWh
Energy Charge	\$0.06481 /kWh
Primary Monthly Service Discount	(\$0.20) /kW
Primary Meter Discount	-2.00%
PSCR	(\$0.00535) /kWh
Energy Optimization Surcharge	\$74.14 /month

<b><u>Optional Large Power TOD Monthly Service (LPTOD)</u></b>	
Monthly Service Charge	\$60.00 /month
Demand Charge	
Peak Period	\$6.00 /kW
Maximum	\$6.55 /kW
Energy Charge	\$0.06951 /kWh
Primary Monthly Service Discount	(\$0.20) /kW
Primary Meter Discount	-2.00%
PSCR	(\$0.00535) /kWh
Energy Optimization Surcharge	\$74.14 /month

<b><u>Customer Owned Backup Generation (CBG)</u></b>	
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>	
175 W MV \$12.48 /month	175 W MV \$12.73 /month
400 W MV \$22.17 /month	400 W MV \$22.71 /month
100 W HPS \$9.62 /month	100 W HPS \$9.77 /month
250 W HPS \$16.35 /month	250 W HPS \$16.70 /month
40 W LED Type 5 \$7.05 /month	40 W LED Type 5 \$7.10
70 W LED Type 3 \$8.13 /month	70 W LED Type 3 \$8.21
70 W LED Type 5 \$8.13 /month	70 W LED Type 5 \$8.21 /month
PSCR -\$0.00535 /kWh	PSCR (\$0.00535) /kWh
Energy Optimization Surcharge \$0.00312 /kWh	Energy Optimization Surcharge \$0.00312 /kWh
<b><u>Primary Monthly Service (PSDS)</u></b>	
<i>Rider C&amp;I</i>	
Monthly Service Charge \$0.00 /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 \$0.00646 /kWh	Distribution Variable Charge \$0.00745 /kWh
Power Supply Energy Charge \$0.06091 /kWh	Energy Charge \$0.06091 /kWh
Reactive Charge \$0.25 /kVar	Reactive Charge \$0.25 /kVar
PSCR (\$0.00535) /kWh	PSCR (\$0.00535) /kWh
Energy Optimization Surcharge \$ 400.99 /month	Energy Optimization Surcharge \$ 400.99 /month
<b><u>Controlled Heating Monthly Service (CH)</u></b>	
<i>Schedule A</i>	
Energy Charge Discount (\$0.03000) /kWh	Energy Charge (\$0.03000) /kWh
<i>Schedule GS</i>	
Energy Charge Discount (\$0.03000) /kWh	(\$0.03000)
<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>	
Energy Charge (\$0.0150) /kWh	Energy Charge (\$0.0150) /kWh
<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>	
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>	
Variable Energy Charge \$0.10745 /kWh	Variable Energy Charge \$0.10983 /kWh
PSCR (\$0.00535) /kWh	PSCR (\$0.00535) /kWh
<b><u>Distributed Renewable Energy (DRE)</u></b>	
Excess Generation Credit \$0.05600 /kWh	\$0.05600

**Comparison of Revenue  
Present and Proposed Rates**

(a) Line No.	(b) Rate Class	(c)	(d)	(e)	
		Present Rate Revenue	Proposed Revenue	Proposed Rates	
				Proposed Revenue	Increase (Decrease) Amount
		(\$)	(\$)	(\$)	(%)
1	Residential Service (A)	20,638,811	20,994,793	355,982	1.72
2	Seasonal Residential Monthly Service (S)	6,521,628	6,664,978	143,351	2.20
3	General Monthly Service (GS)	4,841,039	4,910,529	69,490	1.44
4	Large General Monthly Service (LG)	587,988	597,667	9,679	1.65
5	Optional Large Power TOD Monthly Service (LPTOD)	1,314,206	1,314,206	-	-
6	Customer Owned Backup Generation (CBG)	-	-	-	-
7	Outdoor Lighting Monthly Service (OD)	211,979	214,866	2,887	1.36
8	Primary Monthly Service (PSDS)	1,180,532	1,194,060	13,527	1.15
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	(3,752)	(3,840)	(87)	2.33
13		-			
14		-			
15	<b>Total</b>	35,111,363	35,706,193	594,829	1.69

**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	44.6%
Distribution Variable Charge	149,572,086	/kWh	\$0.03305	4,943,357	55.4%
Power Supply Energy Charge	149,572,086	/kWh	\$0.08601	12,864,695	
PSCR	149,572,086	/kWh	(\$0.00535)	(799,972)	
				\$ 20,994,793	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	59.9%
Distribution Variable Charge	22,899,496	/kWh	\$0.08441	1,932,946	40.1%
Power Supply Energy Charge	22,899,496	/kWh	\$0.08601	1,969,586	
PSCR	22,899,496	/kWh	(\$0.00535)	(122,476)	
				\$ 6,664,978	100.0%
<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	30.9%
Distribution Variable Charge	41,610,760	/kWh	\$0.02776	1,155,115	69.1%
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	(\$0.00535)	(222,551)	
				\$ 4,910,529	100.0%
<b><u>Large General Monthly Service (LG)</u></b>					
Monthly Service Charge	33	/month	\$50.00	\$ 19,900	13.3%
Distribution Demand Charge	17,841	/kW	\$1.98	35,325	23.7%
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	\$0.01726	93,857	63.0%
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	(\$0.00535)	(29,084)	
				\$ 597,667	100.0%

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

(a)	(b)	(c)	(d)	(e)	(f)
Rate Class	Billing	Units	Proposed Rates		
	Determinants		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	(\$0.00535)	(70,846)	
				<u>\$ 1,314,206</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	\$12.73	\$ 40,278	
400 W MV	4	/month	\$22.71	1,090	
100 W HPS	469	/month	\$9.77	54,986	
250 W HPS	37	/month	\$16.70	7,398	
40 W LED Type 5	247	/month	\$7.10	21,044	
70 W LED Type 3	432	/month	\$8.21	42,520	
70 W LED Type 5	530	/month	\$8.21	52,216	
PSCR	872,231	/kWh	(\$0.00535)	(4,665)	
				<u>\$ 214,866</u>	
<b><u>Primary Monthly Service (PSDS)</u></b>					
<i>Rider C&amp;I</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	\$0.00745	101,798	
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	(\$0.00535)	(68,494)	
				<u>\$ 1,194,060</u>	<u>100.0%</u>
<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 Discount	256,652	/kWh	(\$0.03000)	\$ (7,700)	
Total				<u>\$ (106,642)</u>	

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

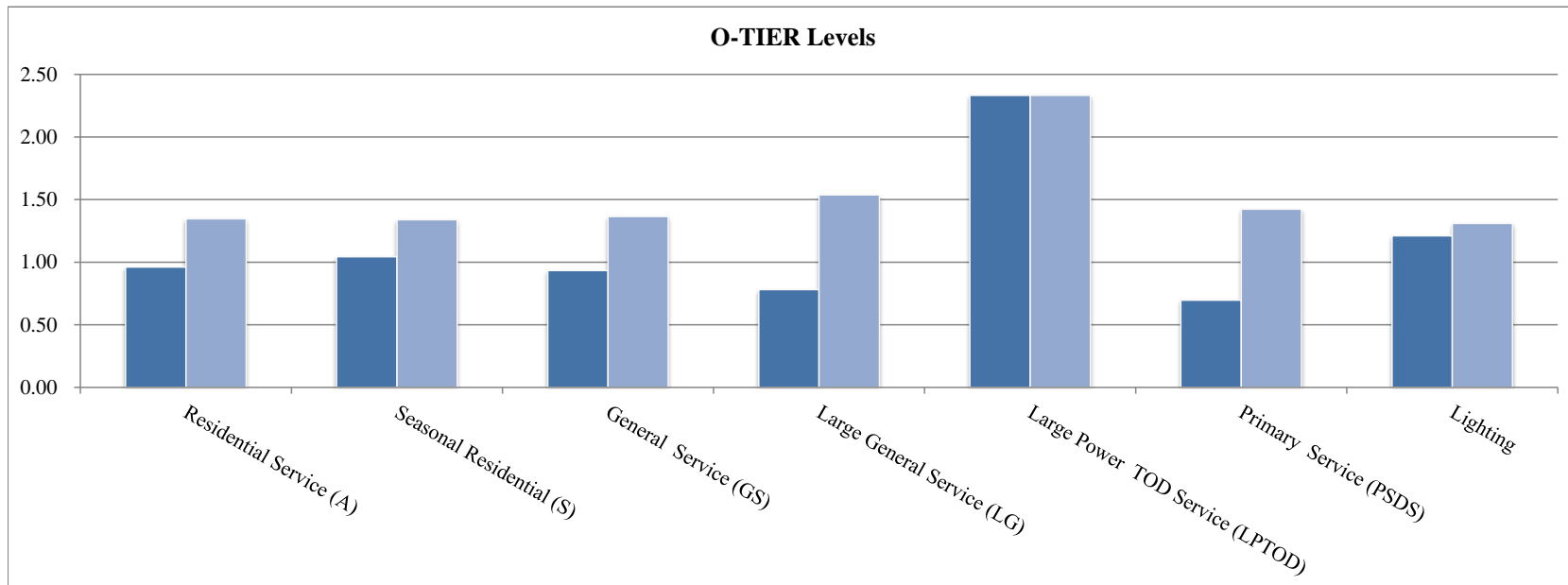
(a)	(b)	(c)	(d)	(e)	(f)
Rate Class	Billing Determinants	Units	Proposed Rates		
			Rate	Revenue	% Split
<b><u>Partial Controlled Heating Monthly Service (PCH)</u></b>					
Energy Charge	-	/kWh	(\$0.0150)	\$ -	
				<u>\$ -</u>	
<b><u>Controlled Water Heater Credit (CWH)</u></b>					
Option #1	522	/month	(\$4.50)	\$ (28,175)	
Option #2	576	/month	(\$6.00)	(41,502)	
Option #3	53	/month	(\$7.50)	(4,748)	
Total	<u>1,151</u>	/month		<u>\$ (74,424)</u>	
<b><u>Net Metering</u></b>					
Variable Energy Charge	(36,752)	/month	\$0.10983	\$ (4,036)	
PSCR	(36,752)	/month	(\$0.00535)	197	
Total				<u>\$ (3,840)</u>	
<b><u>Grand Total</u></b>				<u><u>\$ 35,706,193</u></u>	

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

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
1	<b>Revenue Requirements</b>								
2	Revenue Requirements	36,164,717	21,167,794	6,729,087	4,947,701	599,925	1,300,094	1,201,925	218,192
3									
4	<b>Present Rates</b>								
5	Revenue-Present Rates	35,292,431	20,635,059	6,521,628	4,841,039	587,988	1,314,206	1,180,532	211,979
6	Revenue Credits	264,526	154,665	48,881	36,285	4,407	9,850	8,848	1,589
7		35,556,957	20,789,724	6,570,509	4,877,324	592,395	1,324,056	1,189,380	213,568
8									
9	Required Incr./((Decr)	607,760	378,070	158,577	70,377	7,530	(23,962)	12,545	4,624
10	Percent	1.72%	1.83%	2.43%	1.45%	1.28%	(1.82%)	1.06%	2.18%
11									
12	<b>Proposed Rates</b>								
13	Revenue-Proposed Rates	35,887,259	20,990,953	6,664,978	4,910,529	597,667	1,314,206	1,194,060	214,866
14	Revenue Credits	264,526	154,665	48,881	36,285	4,407	9,850	8,848	1,589
15		36,151,785	21,145,618	6,713,859	4,946,814	602,074	1,324,056	1,202,908	216,455
16									
17	Required Incr./((Decr)	12,932	22,176	15,227	887	(2,149)	(23,962)	(983)	1,737
18	Percent		0.11%	0.23%	0.02%	(0.36%)	(1.82%)	(0.08%)	0.81%

**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	35,556,957	20,789,724	6,570,509	4,877,324	592,395	1,324,056	1,189,380	213,568
21	Operating Expenses Allocated	35,551,388	20,825,931	6,548,894	4,888,006	595,197	1,290,873	1,195,039	207,446
22	Margin Under Present Rates	5,569	(36,207)	21,615	(10,683)	(2,802)	33,183	(5,659)	6,122
23	Allocated LT Interest Expense	1,657,327	923,775	486,913	161,306	12,774	24,916	18,607	29,037
24	O-TIER - Present Rates	1.00	0.96	1.04	0.93	0.78	2.33	0.70	1.21
25									
26	O-TIER Parity Index - Present Rates	1.00	0.96	1.04	0.93	0.78	2.32	0.69	1.21
27									
28	<b><u>O-TIER Under Proposed Rates</u></b>								
29	Revenue-Proposed Rates	36,151,785	21,145,618	6,713,859	4,946,814	602,074	1,324,056	1,202,908	216,455
30	Operating Expenses Allocated	35,551,388	20,825,931	6,548,894	4,888,006	595,197	1,290,873	1,195,039	207,446
31	Margin - Proposed Rates	600,397	319,687	164,965	58,807	6,877	33,183	7,869	9,009
32	Allocated LT Interest Expense	1,657,327	923,775	486,913	161,306	12,774	24,916	18,607	29,037
33	O-TIER - Proposed Rates	1.36	1.35	1.34	1.36	1.54	2.33	1.42	1.31
34									
35	O-TIER Parity Index - Proposed Rates	1.0	1.0	1.0	1.0	1.1	1.7	1.0	1.0





**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><u>Power Supply</u></b>								
37	Direct and Revenue Related								
38	Wholesale Cost	(56,903)					(32,207)	(24,696)	
39	Allocated Cost								
40	Subtotal	(56,903)					(32,207)	(24,696)	
41	Capacity Related								
42	Wholesale Cost	6,425,822	3,783,391	910,866	1,013,418	147,472	305,861	260,755	4,060
43	Allocated Cost	64,367	40,332	6,176	10,279	1,560	3,250	2,691	78
44	Subtotal	6,490,189	3,823,723	917,042	1,023,697	149,032	309,111	263,447	4,138
45	Energy Related								
46	Wholesale Cost	12,811,564	7,747,886	1,186,483	2,155,963	281,748	686,319	707,973	45,193
47	Allocated Cost	128,259	77,810	11,916	21,652	2,830	6,669	6,929	454
48	Subtotal	12,939,823	7,825,696	1,198,399	2,177,615	284,577	692,988	714,902	45,646
49	Sub. Power Supply	19,373,109	11,649,419	2,115,441	3,201,311	433,609	969,892	953,653	49,784
50	<b><u>Transmission</u></b>								
51	Direct								
52	Capacity								
53	Energy								
54	Allocated Cost								
55	Sub. Transmission								
56	<b><u>Distribution</u></b>								
57	Direct	116,037							116,037
58	Consumer	10,693,564	5,819,125	3,989,292	803,512	26,462	21,111	4,236	29,825
59	Capacity	5,982,007	3,699,250	624,354	942,878	139,854	309,090	244,036	22,545
60	Energy								
61	Sub. Distribution	16,791,608	9,518,375	4,613,646	1,746,390	166,315	330,202	248,272	168,408
62									
63	<b>Total</b>	<b>36,164,717</b>	<b>21,167,794</b>	<b>6,729,087</b>	<b>4,947,701</b>	<b>599,925</b>	<b>1,300,094</b>	<b>1,201,925</b>	<b>218,192</b>

**Cost of Service Summary  
Rate Design Factors -- 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>
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	(0.13)					(191.71)	(685.99)	
68	Allocated Cost								
69	Subtotal	(0.13)					(191.71)	(685.99)	
70	Capacity Related								
71	Wholesale Cost	2.60	2.53	3.98	2.44	2.71	2.31	1.91	0.47
72	Allocated Cost	0.03	0.03	0.03	0.02	0.03	0.02	0.02	0.01
73	Subtotal	2.62	2.56	4.00	2.46	2.74	2.33	1.93	0.47
74	Energy Related								
75	Wholesale Cost	5.18	5.18	5.18	5.18	5.18	5.18	5.18	5.18
76	Allocated Cost	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
77	Subtotal	5.23	5.23	5.23	5.23	5.23	5.23	5.23	5.23
78	Sub. Power Supply	7.83	7.79	9.24	7.69	7.97	7.32	6.98	5.71
79	<b><u>Transmission</u></b>								
80	Direct								
81	Capacity								
82	Energy								
83	Allocated Cost								
84	Sub. Transmission								
85	<b><u>Distribution</u></b>								
86	Direct	0.27							4.88
87	Consumer	25.12	26.27	26.27	28.73	66.49	125.66	117.68	1.25
88	Capacity	2.42	2.47	2.73	2.27	2.57	2.33	1.79	2.58
89	Energy								
90	Sub. Distribution	6.79	6.37	20.15	4.20	3.06	2.49	1.82	19.31
91	Total	14.63	14.16	29.39	11.89	11.03	9.81	8.80	25.02
92	<b><u>Costs Broken Down by Classification</u></b>								
93	Direct	0.14					(191.71)	(685.99)	4.88
94	Consumer	25.12	26.27	26.27	28.73	66.49	125.66	117.68	1.25
95	Capacity	5.04	5.03	6.73	4.73	5.31	4.67	3.71	3.06
96	Energy	5.23	5.23	5.23	5.23	5.23	5.23	5.23	5.23
97	Total	14.63	14.16	29.39	11.89	11.03	9.81	8.80	25.02

**Statement of Operations**  
**Present Rates**  
**For the Test Year Ended December 31, 2020**

(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	\$ 35,397,235	\$ (211,448)	\$ 35,185,787
3	Other	839,258		839,258
4	<b>Total Operating Revenue</b>	<b>\$ 36,236,493</b>	<b>\$ (211,448)</b>	<b>\$ 36,025,045</b>
5	<b><u>Operating Expenses</u></b>			
6	Cost of Purchased Power	\$ 20,272,261	\$ 71,707	\$ 20,343,968
7	Transmission - O & M			
8	Distribution - Operation	1,269,187	-	1,269,187
9	Distribution - Maintenance	4,360,867	-	4,360,867
10	Consumer Accounts	1,551,827	-	1,551,827
11	Consumer Service & Information	700,087	-	700,087
12	Sales		-	-
13	Administrative & General	1,866,857	-	1,866,857
14	Depreciation & Amortization	3,277,333	-	3,277,333
15	Taxes - Property	905,454	-	905,454
16	Taxes - Other	1,216	-	1,216
17	Interest on Long Term Debt	1,666,384	-	1,666,384
18	Other Interest Expense	67,241	-	67,241
19	Other Deductions	-	-	-
20	<b>Total Operating Expenses</b>	<b>\$ 35,938,714</b>	<b>\$ 71,707</b>	<b>\$ 36,010,421</b>
21	<b>Net Operating Margins</b>	<b>\$ 297,779</b>	<b>\$ (283,155)</b>	<b>\$ 14,624</b>
22	<b><u>Non-Operating Margins</u></b>			
23	Non-Operating Margins (Interest Income)	\$ 63,641	\$ -	63,641
24	Income (Loss) from Property Retirements	1,363,770	(1,352,797)	10,973
25	Non-Operating Margins (Other) <sup>2</sup>	-	-	-
26	Generation and Transmission Capital Credits <sup>3</sup>	-	-	-
27	Other Capital Credits & Patronage Dividends <sup>3</sup>	221,486	(76,802)	144,684
28	<b>Total Non-Operating Margins</b>	<b>\$ 1,648,897</b>	<b>\$ (1,429,599)</b>	<b>\$ 219,298</b>
29	<b>Total Patronage Capital &amp; Margins</b>	<b>\$ 1,946,676</b>	<b>\$ (1,712,754)</b>	<b>\$ 233,922</b>

<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	\$ (211,448)
II. Purchased Power		
Schedule B - Purchased Power	8	\$ 71,707
III. Generation and Transmission Capital Credits		
Schedule C - Other Adjustments to Revenue Requirements	9	\$ -
IV. Other Adjustments to Revenue Requirements		
Schedule C - Other Capital Credits	9	\$ (76,802)
V. Other Adjustments to Revenue Requirements		
Schedule C - Income (Loss) From Equity Investments	9	\$ (1,352,797)

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

**I. Consumer and Sales Data for December 31, 2018 (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, 2020 (As Recorded on Form 7, Part R)**

Line No.	Description	Avg. No. Cons.	Energy Sales (kWh)	Billing Demand (kW)	Revenue (\$)
19	Residential Sales	17,814	142,375,455	N.A.	19,362,145
20	Residential Sales Seasonal	13,611	36,364,452	N.A.	8,244,820
21	Irrigation Sales	25	99,239	N.A.	18,750
22	Comm. And Ind. 1000 kVa or Less	2,090	36,734,542	N.A.	4,207,994
23	Comm. And Ind. Over 1000 kVa	46	26,818,198	N.A.	2,572,079
24	Public Street and Highway Lighting	37	142,518	N.A.	46,788
25	Other Sales to Public Auth.	326	4,054,380	N.A.	485,974
26	Sales for Resale - RUS Borrowers			N.A.	
27	PSCR Revenue			N.A.	458,684
28	<b>Total</b> <small>(No. of Consumers Excludes Water Heaters and Street Lighting)</small>	33,949	246,588,784	-	35,397,234

**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.	20,638,811
2	Seasonal Residential Monthly Service (S)	12,653	22,899,496	N.A.	6,521,628
3	General Monthly Service (GS)	2,331	41,610,760	N.A.	4,841,039
4	Large General Monthly Service (LG)	33	5,437,816	17,841.0	587,988
5	Optional Large Power TOD Monthly Service (LPTOD)	14	13,246,180	31,011.0	1,314,206
6	Customer Owned Backup Generation (CBG)	-		N.A.	-
7	Outdoor Lighting Monthly Service (OD)	774	872,231	N.A.	211,979
8	Primary Monthly Service (PSDS)	3	13,664,100	29,674.0	1,180,532
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.	(3,752)
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	35,111,363
19					
20	Less: Controlled Water Heater Switch Credits				(74,424)
21	<b>Total Revenues</b>				<b>35,185,787</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>Residential Service (A)</b>					
	Service Charge	18,457 /month	\$18.00	\$ 3,986,712	46.5%
	Distribution Variable Charge (All kWh)	149,572,086 /kWh	\$0.03067	4,587,376	53.5%
	Power Supply Energy Charge (All kWh)	149,572,086 /kWh	\$0.08601	12,864,695	
	PSCR	149,572,086 /kWh	(\$0.00535)	(799,972)	
				\$ 20,638,811	100.0%
<b>Seasonal Residential Monthly Service (S)</b>					
<i>Yearly Rate</i>					
	Availability Charge	12,653 /year	\$228.00	\$ 2,884,922	61.7%
	Distribution Variable Charge (All kWh)	22,899,496 /kWh	\$0.07815	1,789,596	38.3%
	Power Supply Energy Charge (All kWh)	22,899,496 /kWh	\$0.08601	1,969,586	
	PSCR	22,899,496 /kWh	(\$0.00535)	(122,476)	
				\$ 6,521,628	100.0%
<i>Seasonal Monthly Rate</i>					
	Availability Charge	- /month	\$18.00	\$ -	
	Distribution Variable Charge (All kWh)	- /kWh	\$0.03067	-	
	Power Supply Energy Charge (All kWh)	- /kWh	\$0.08601	-	
	PSCR	- /kWh	(\$0.00608)	-	
				\$ -	0.0%
<b>General Monthly Service (GS)</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 (All kWh)	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	(\$0.00535)	(222,551)	
				\$ 4,841,039	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><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		-	
	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	(\$0.00535)	(29,084)	
				\$ 587,988	100.0%
<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	-2%	-	
	PSCR	13,246,180 /kWh	(\$0.00535)	(70,846)	
				\$ 1,314,206	100.0%
<b><u>Customer Owned Backup Generation (CBG)</u></b>					
	Demand Charge	- /kW	(\$2.50)	\$ -	
				\$ -	
<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	
	Total	1,982 /month			
	PSCR	872,231 /kWh	(\$0.00535)	(4,665)	
				\$ 211,979	



**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	67.2%
	Power Supply Demand Charge	20,031 /kW	\$7.16	143,422	
	Oil Related Demand Credit	- /kW		-	
	Distribution Variable Charge	13,664,100 /kWh	\$0.00646	88,270	32.8%
	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	(\$0.00535)	(68,494)	
				<u>\$ 1,180,532</u>	<u>100.0%</u>
<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 Discount	256,652 /kWh	(\$0.03000)	\$ (7,700)	
	Total			<u>\$ (106,642)</u>	
<b><u>Partial Controlled Heating Monthly Service (PCH)</u></b>					
	Energy Charge	- /kWh	(\$0.0150)	\$ -	
				<u>\$ -</u>	
<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	<u>1,151 /month</u>		<u>\$ (74,424)</u>	
<b><u>Net Metering</u></b>					
	Variable Energy Charge	(36,752) /month	\$0.10745	\$ (3,949)	
	PSCR	(36,752) /month	(\$0.00535)	197	
	Total			<u>\$ (3,752)</u>	
<b><u>Grand Total</u></b>				<u><u>\$ 35,111,363</u></u>	

**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>	<u>-\$0.00535</u>	/kWh sold
3	Average Test Year Power Cost	\$0.08250	/kWh sold
4			
5	Total Test Year Energy Sales	<u>246,588,784</u>	kWh
6			
7	Pro Forma Test Year Purchased Power Cost	\$ 20,343,968	
8			
9	Add: Schedule CH Power Cost <sup>2</sup>	\$ -	
10	Add: Schedule PSDS Power Cost <sup>4</sup>		
9	Less: Water Heater Credits <sup>2</sup>		
9	Total ProForma Test Year Purchased Power	<u>\$ 20,343,968</u>	
8			
9	Less: Actual Test Year Purchased Power Cost	<u>\$ 20,272,261</u>	
10	Adjustment	<u><u>\$ 71,707</u></u>	

<sup>1</sup> As planned by Presque Isle Electric for application during 2021 excluding prior period reconciliations.

Total 2021 PSCR Factor	(\$0.00439)
Less: Prior Period Reconciliation (\$240,000 ÷ 250416425 kWh)	<u>\$0.00096</u>
Adjusted PSCR Factor	<u><u>(\$0.00535)</u></u>

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

**Generation and Transmission Capital Credits**

Eliminate Unpaid Test Year G&T Capital Credits	\$ -
Add Patronage Capital Refunds Received	
	<u>\$ -</u>

**Other Capital Credits and Patronage Dividends**

Eliminate Unpaid Test Year Other Capital Credits	\$ (221,486)
Add Patronage Capital Refunds Received	144,684
	<u>\$ (76,802)</u>

**Income (Loss) from Equity Investments**

Misc Non-Operating Margins	\$ (1,487,106)
Eliminate Test Year losses from Equity Investments	134,309
	<u>\$ (1,352,797)</u>

**Schedule D**  
**Adjusted Statement of Operations**  
**at Present Rates for Cost of Service Study Input**  
**For the Test Year Ended December 31, 2020**

(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	35,185,787	106,642	35,292,429
2	Other	839,258	(574,732)	264,526
3	Total Operating Revenue	36,025,045	(468,090)	35,556,955
4	<b><u>Operating Expenses</u></b>			
5	Cost of Purchased Power			
6	Direct Assign. Chgs (Cr.)	(56,903)		(56,903)
7	Substation Charges	1,324,467		1,324,467
8	MISO Demand	3,078,751	-	3,078,751
9	Base Demand	3,286,896	60,175	3,347,071
10	Energy	12,710,757	100,807	12,811,564
11			-	-
12	Distribution - Operation	1,269,187	(9,057)	1,260,130
13	Distribution - Maintenance	4,360,867	(9,057)	4,351,810
14	Consumer Accounts	1,551,827	-	1,551,827
15	Consumer Service & Information	700,087	(574,732)	125,355
16	Sales	-	-	-
17	Administrative & General	1,866,857	(9,057)	1,857,800
18	Depreciation & Amortization	3,277,333	(9,057)	3,268,276
19	Taxes - Property	905,454	-	905,454
20	Taxes - Other	1,216	-	1,216
21	Other Interest Expense	67,241	-	67,241
22	Other Deductions	-	-	-
23	<b>Total Operating Expenses</b> (Before Long Term Interest)	34,344,037	(449,977)	33,894,061
24	Long Term Interest	1,666,384	(9,057)	1,657,327
25	Proposed Margin <sup>3</sup>	841,684	(9,057)	832,627
26	<b>Gross Revenue Requirements</b>	36,852,105	(468,090)	36,384,015
27	Non-Operating Margins	219,298		219,298
28	<b>Net Revenue Requirements</b>	36,632,807	(468,090)	36,164,717
29				
30	Target Increase	607,762	-	607,762
31	Percent	1.73%		1.72%

**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)				
3,360,228 kWh	x	-\$0.03000	=	(100,807)
	kWh	x	/kWh	=
Subtotal -- Energy Expenses			=	<u>(100,807)</u>
Demand:				
Eliminate Water Heater Switch Credits				
Per 2015 PSCR Plan			=	(60,175)
-				
Subtotal -- Demand Expenses			=	<u>(60,175)</u>
Subtotal -- Purchased Power Expenses			=	<u>(160,982)</u>
Customer Service & Information				
Energy Optimization Program Costs (Acct. 905)				732,922
Subtotal -- Specific O&M Account Adjustments				<u>571,940</u>
Distribution - Operation <sup>3</sup>			=	9,057
Distribution - Maintenance <sup>3</sup>			=	9,057
Administrative and General <sup>3</sup>			=	9,057
Depreciation <sup>3</sup>			=	9,057
Interest <sup>3</sup>			=	9,057
Margin Requirements <sup>3</sup>			=	<u>9,057</u>
Subtotal				<u>54,340</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