



SPECIAL BOARD MEETING

MARCH 29, 2022

Vision

Our members and Northeast Michigan will regard us as a trusted energy and community partner.

Mission

To provide energy and other services to sustain and improve the quality of life for our members through the use of a cooperative business structure.

Our members will regard us as a trusted energy partner.

BOARD OF DIRECTORS MEMBER REGULATION

Agenda

- Call to Order – Chairman Berg
- Roll Call
- PA167 of 2008 – CFO Stempky
- Review Items – CFO Stempky
 - 2021 Power Supply Cost Recovery (PSCR) Factor Reconciliation
 - 2021 Electric TIER Analysis and Revenue Increase
 - Implement Revenue Increase to Specific Rate Classes
 - Electric Rate Design
 - Revise Renewable Energy Tariffs

BOARD OF DIRECTORS MEMBER REGULATION

- Introduction of Guests & Member Comment
- Action Items – CFO Stempky
 - Acceptance of 2021 Power Supply Cost Recovery (PSCR) Factor Reconciliation
 - Acceptance of 2021 Electric TIER Analysis and Revenue Increase
 - Approve Revenue Increase to Specific Rate Classes
 - Approve Recommended Rate Design for each Rate Class
 - Approve Revisions to Renewable Energy Tariffs
- Adjournment

BOARD OF DIRECTORS MEMBER REGULATION



- PIE&G became Member Regulated September 23, 2012. (Public Act 167 of 2008)
- Allows electric cooperatives to establish rates, charges, accounting standards, billing practices, and terms and conditions of service.
- Introduction of Guests

BOARD OF DIRECTORS MEMBER REGULATION



- 5 Issues for Board Consideration
 - Acceptance of 2021 PSCR Factor Reconciliation
 - Acceptance of 2021 TIER Analysis and Revenue Increase
 - Implement Revenue Increase to Specific Rate Classes
 - Electric Rate Design
 - Revise Renewable Energy Tariffs

Member Regulation 2021 PSCR Factor Reconciliation

2021 Under Collection --
\$852,724.36

Roll in prior year (2020) Over Collection --
\$12,225.02

Total amount to be collected in 2022 --
\$840,499.34

Member Regulation PSCR Factor Reconciliation

Resolution 2022-MR-01

- Accept management's 2021 Electric PSCR Factor reconciliation analysis which indicates an under-collection of \$840,499.34 and direct management to continue recovering this amount from the membership through the use of the 2022 PSCR Factor.

OPTION 1

INCLUDING POLE INVENTORY EXPENSES

Member
Regulation
Electric Rate
Review –
TIER Analysis

0.73 TIER

\$2,031,825 revenue increase to achieve 1.8 TIER

7.87 mills per kWh sold

OPTION 2

EXCLUDING POLE INVENTORY EXPENSES

Member
Regulation
Electric Rate
Review –
TIER Analysis

0.94 TIER

\$1,631,066 revenue increase to achieve 1.8 TIER

6.32 mills per kWh sold

Member Regulation Electric Rate Review – TIER Analysis

Resolution 2022-MR-02

OPTION 1

- Accept management's adjusted Electric TIER analysis (including Pole Inventory Expenses) which indicates a revenue increase of \$2,031,825 is required to achieve a Target TIER of 1.80.

OPTION 2

- Accept management's adjusted Electric TIER analysis (excluding Pole Inventory Expenses) which indicates a revenue increase of \$1,631,066 is required to achieve a Target TIER of 1.80.

Member Regulation Electric Rate Review – Increase per Cost of Service Study

Who should increase apply to?

- **Cost of Service Study**
 - Power Systems Engineering updated the 2019 Cost of Service Study using 2021 data.
 - The Cost of Service Study indicates increases to all rate classes.

OPTION 1

Member Regulation Electric Rate Review – Increase per Cost of Service Study (Including Pole Inventory Expenses)

Rate Class	COSS Revenue Adjustments	%
Residential Monthly	\$1,341,347	5.72%
Residential Seasonal	\$ 309,896	4.33%
General Service	\$ 197,320	3.55%
Large General Service	\$ 19,802	2.90%
LPTOD	\$ 74,961	4.95%
Primary Service	\$ 71,569	5.16%
Outdoor Lighting	\$ 16,934	8.48%
Total	\$2,031,829	5.09%

OPTION 2

Member Regulation Electric Rate Review – Increase per Cost of Service Study (Excluding Pole Inventory Expenses)

Rate Class	COSS Revenue Adjustments	%
Residential Monthly	\$1,113,365	4.75%
Residential Seasonal	\$ 194,588	2.72%
General Service	\$ 156,861	2.82%
Large General Service	\$ 16,114	2.36%
LPTOD	\$ 67,793	4.48%
Primary Service	\$ 66,168	4.77%
Outdoor Lighting	\$ 16,180	8.10%
Total	\$1,631,069	4.08%

Member Regulation Electric Rate Review – Revenue Increase

Resolution 2022-MR-03

- Accept management's recommendation to implement the revenue increase to the Residential Monthly, Seasonal, General Service, Large General Service, Large Power Time of Day, Primary Service, and Outdoor Lighting Rate Classes, per the schedule on the preceding page.
- Increase to be effective with bills rendered on or after September 1, 2022.

OPTION 1

INCLUDING POLE INVENTORY EXPENSES

Member
Regulation
Electric Rate
Review –
Rate Design



How should
the increase
be applied?

Availability Charge?
Commodity Charge?
Both?

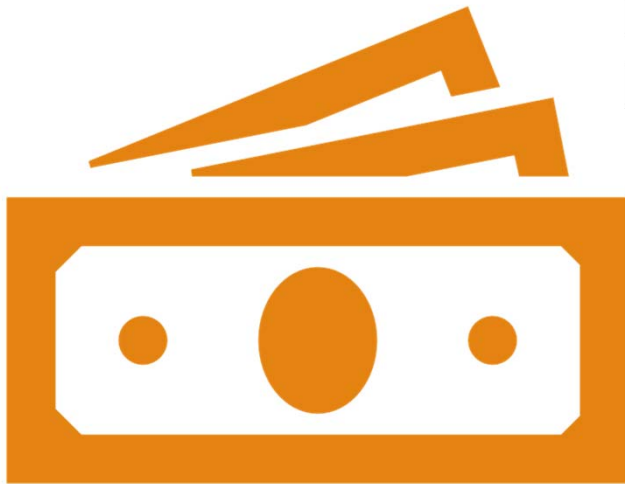


Cost of Service
Study Update

Availability
charge should
be \$29.99 per
month for
residential and
seasonal
accounts.

OPTION 1

Member Regulation Electric Rate Review Rate Design



Board Policy 307 – Revenue Requirement & Rate Policy Statement

- Requires Availability Charge to be between 60% and 70% of the COSS Availability Charge result.

- COSS Availability Charge -- \$29.99

Current Availability Charge – Residential	Seasonal
\$18.00	\$19.00

Percentage of COSS	60%	63%
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OPTION 1

Member Regulation Electric Rate Review Rate Design

Propose Adjusting the Rate Classes in the following manner:

Rate Class	Availability* Charge	kWh Charge	\$ Increase
Residential Monthly	\$18.00	\$0.04163	\$0.00858
Residential Seasonal	\$19.00	\$0.09736	\$0.01295
General Service 1PH	\$16.00	\$0.03230	\$0.00454
General Service 3PH	\$35.00	\$0.03230	\$0.00454
Large General Service	\$50.00	\$0.02074	\$0.00348
Large Power Time of Day	\$60.00	\$0.07493	\$0.00542
Primary Service	\$0.00	\$0.01246	\$0.00501

*No change to availability charges

OPTION 1

Member Regulation Electric Rate Review Rate Design

Outdoor Lighting	Proposed Rate
40 W LED T5	\$ 7.51
70 W LED T3/5	\$ 8.95

OPTION 1

Member Regulation Electric Rate Review Rate Design

- Average Residential customer will see an increase of approximately \$5.71 per month or \$68.52 per year based on the average monthly usage of 666 kWh.
- Average Seasonal customer will see an increase of approximately \$3.34 per month or \$40.08 per year based on the average monthly usage of 258 kWh.

OPTION 2

INCLUDING POLE INVENTORY EXPENSES

Member
Regulation
Electric Rate
Review –
Rate Design



How should
the increase
be applied?

Availability Charge?
Commodity Charge?
Both?

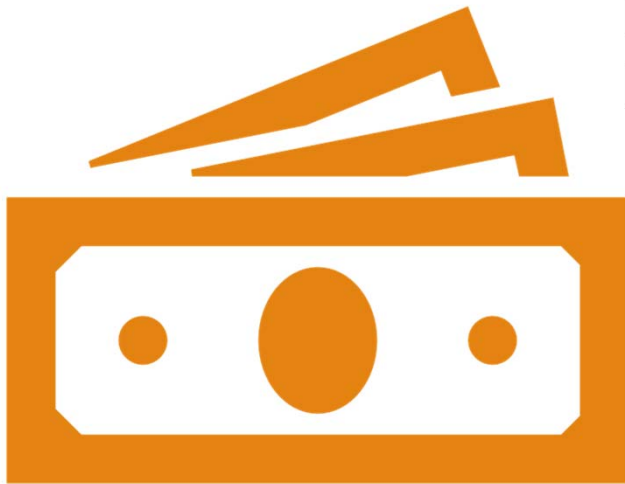


Cost of Service
Study Update

Availability
charge should
be \$29.33 per
month for
residential and
seasonal
accounts.

OPTION 2

Member Regulation Electric Rate Review Rate Design



Board Policy 307 – Revenue Requirement & Rate Policy Statement

- Requires Availability Charge to be between 60% and 70% of the COSS Availability Charge result.

- COSS Availability Charge -- \$29.33

- Current Availability Charge – Residential Seasonal
\$18.00 \$19.00

- Percentage of COSS 61% 65%

OPTION 2

Member Regulation Electric Rate Review Rate Design

Propose Adjusting the Rate Classes in the following manner:

Rate Class	Availability* Charge	kWh Charge	\$ Increase
Residential Monthly	\$18.00	\$0.04017	\$0.00712
Residential Seasonal	\$19.00	\$0.09254	\$0.00813
General Service 1PH	\$16.00	\$0.03137	\$0.00361
General Service 3PH	\$35.00	\$0.03137	\$0.00361
Large General Service	\$50.00	\$0.02010	\$0.00284
Large Power Time of Day	\$60.00	\$0.07441	\$0.00490
Primary Service	\$0.00	\$0.01208	\$0.00463

*No change to availability charges

OPTION 2

Member Regulation Electric Rate Review Rate Design

- Outdoor Lighting

40 W LED T5

70 W LED T3/5

Proposed Rate

\$ 7.49

\$ 8.91

OPTION 2

Member Regulation Electric Rate Review Rate Design

- Average Residential customer will see an increase of approximately \$4.74 per month or \$56.88 per year based on the average monthly usage of 666 kWh.
- Average Seasonal customer will see an increase of approximately \$2.10 per month or \$25.20 per year based on the average monthly usage of 258 kWh.

Member Regulation Electric Rate Review – Rate Design

Resolution 2022-MR-04

- Accept management's recommendation to implement electric distribution rate increases to the Residential Monthly, Seasonal, General Service, Large General Service, Large Power Time of Day, Primary Service, and Outdoor Lighting Rate Classes, per the schedule outlined on the preceding pages.
- Increase to be effective with bills rendered on or after September 1, 2022.

Member Regulation Electric Rate Review – Revise Renewable Energy Tariffs

Resolution 2022-MR-05

- Accept management's recommendation to revise the Distributed Renewable Energy and Buy All/Sell All Tariffs to reflect changes to Wolverine Power Cooperative's rate structure.
- Change to be effective with bills rendered on or after June 1, 2022.

Board of Directors Member Regulation



Member Comments

- PIE&G Tradition of Inviting Member Comments (in this case not required by PA167)...
- Welcome Member Comments

Board of Directors Member Regulation



ACTION ITEMS:

- Approval of Resolutions

BOARD OF
DIRECTORS
MEMBER
REGULATION

Adjourn

Our members will regard us as a trusted energy partner.

PRESQUE ISLE ELECTRIC & GAS CO-OP
SPECIAL BOARD MEETING
9 A.M. March 29, 2022

AGENDA

Call to Order – Chairman Berg

Roll Call

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

Review Items:

1. Accept 2021 Power Supply Cost Recovery (PSCR) Factor Reconciliation
2. Accept 2021 Electric Operations TIER Analysis
3. Implement Revenue Increase to Specific Rate Classes
4. Electric Rate Design
5. Revisions to Renewable Energy Tariffs

Member Comment – CFO Stempky

Action Items:

1. Accept 2021 Power Supply Cost Recovery (PSCR) Factor Reconciliation
2. Accept 2021 Electric Operations TIER Analysis
3. Approve Revenue Increase to Specific Rate Classes
4. Approve the Recommended Rate Design for each Rate Class
5. Revisions to Renewable Energy Tariffs

Adjournment

**PRESQUE ISLE ELECTRIC & GAS CO-OP
BOARD RESOLUTION
MARCH 29, 2022**

**RESOLUTION 2022-MR-01
2021 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 2021 PSCR Factor reconciliation exhibits with the Board of Directors; and

WHEREAS, the 2021 PSCR Factor reconciliation indicates that PIE&G has experienced a cumulative under-collection of power supply costs of \$840,499.34 for the 12-month period ending December 31, 2021; and

WHEREAS, PIE&G has incorporated the under-collection of \$840,499.34 into its 2022 PSCR Factor application.

NOW BE IT HEREBY RESOLVED that the PIE&G Board of Directors accepts management's 2021 ELECTRIC PSCR Factor reconciliation analysis, which indicates an under-collection of \$840,499.34 and directs management to continue recovering this amount from the membership through the use of the 2022 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 29, 2022.

By: _____
Sandra Borowicz, Secretary

Dated: _____

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 2021 after true up
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 -4.390

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		22,064,310
b. Applied PSCR factor:	mills per kWh		-5.98693846
c. PSCR factor revenues: (a * b)		\$	(132,097.67)
d. Allowance for power supply included in case rates:			
	mills per kWh		87.85
e. Revenues collected pursuant to allowance for power supply included in base rates: (a * d)		\$	1,938,349.63
f. TOTAL POWER SUPPLY COST REVENUE: (c + e)		\$	1,806,251.97
8. THE TOTAL COST OF POWER (from attached worksheets) APPLICABLE TO SALES REPORTED ABOVE:			\$ 1,894,544.85
9. MONTHLY OVER(UNDER) COLLECTION : (7f-8)			\$ (88,292.88)
10. TOTAL OVER/(UNDER) COLLECTION THIS PSCR YEAR			\$ (852,724.36)
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	2020 Roll In	Seasonal	Year to Date	Remaining
Auth.PSCR adj.(m/kWh)					
Auth.PSCR adj.(dollars)		\$ 65,942.52	\$ 5,603.17	\$ 68,022.58	\$ (2,080.06)
MEMBER REGULATED	PSCR YEAR	2020 Roll In	Monthly	Year to Date	Remaining
Auth.PSCR adj.(m/kWh)					
Auth.PSCR adj.(dollars)		\$ 333,957.10	\$ 29,632.18	\$ 344,102.03	\$ (10,144.93)

NAME OF REPORTING UTILITY :		PRESQUE ISLE ELECTRIC COOPERATIVE			PRESQUE ISLE ELECTRIC COOPERATIVE		
2021		December 241215/241979			YEAR TO DATE		
		(ag)	(ah)	(ai)	(aj)	(ak)	(al)
		*UNITS	\$	\$/Unit	*UNITS	\$	\$/Unit
PURCHASED POWER FROM WOLVERINE							
1	Energy-A	24,292,905	\$ 1,238,354.88	0.050976	266,379,778	\$ 13,090,489.69	0.049142
2	Energy-C&I	1,030,466	\$ 56,896.00	0.055214	13,656,970	\$ 682,364.91	0.049965
3	Total Energy	25,323,371	\$ 1,295,250.88	0.051148	280,036,748	\$ 13,772,854.59	0.049182
4	Demand-Rate A	43,087	\$ 596,012.20	13.832762	527,680	\$ 6,567,694.04	12.446358
5	Demand-Rate C & I	2,479	\$24,712.64	9.968794	33,220	\$ 272,318.30	8.197420
6	Total Demand	45,566	\$ 620,724.84	13.622544	560,900	\$ 6,840,012.34	12.194709
7	Load Management Credits		\$0.00			\$0.00	
8	Substation Fixed Charge	18	\$ 49,320.00	\$ 2,740.00	252	\$ 591,840.00	2348.571429
9	Substation Investment Charge		\$ 93,508.28	Varies		\$ 916,929.07	Varies
10	Shared Excluded Facilities		\$ 3,569.72	Varies		\$ 19,250.56	Varies
11	Renewable Energy Contracts		\$ (31.94)	Varies		\$ 4,063.57	Varies
12	True Ups Billed		\$ 13,920.80			\$ 139,208.00	Varies
13	TOTAL WPSC	25,323,371	\$ 2,076,262.58	0.081990	280,036,748	\$ 22,284,158.13	0.079576
13b	WPSC True Ups Already Booked		(\$13,920.80)			\$ (139,208.00)	
13c	Actual WPSC True Up					\$ -	
13d	Estimated WPSC True Up		\$ (167,940.00)			\$ (167,940.00)	
13e	Renewable Energy Contracts		\$ 31.94			\$ (4,063.57)	
13f	Final WPSC After True Up		\$ 1,894,433.72	0.074810		\$ 21,972,946.56	0.000000
13n	Total NEG Purchases	1,564	\$ 111.13	0.071055	70,341	\$ 6,316.77	0.089802
14	Total kWh Purchase & Cost	25,324,935	\$ 1,894,544.85	0.074809	280,107,089	\$ 21,979,263.33	0.078467
15	Less: Line Loss	3,260,625		0.128751554	22,035,395		0.078668
16	kWh Available for Use	22,064,310	\$ 1,894,544.85	0.08586468	258,071,694	\$ 21,979,263.33	0.085167
17	PSCR SALES & POWER COSTS	22,064,310	\$ 1,894,544.85	0.085865	258,071,694	\$ 21,979,263.33	0.085167
PSCR OVER/(UNDER) RECOVERY							
		<u>BASE</u>	<u>FACTOR</u>	<u>TOTAL</u>	<u>BASE</u>	<u>FACTOR</u>	<u>TOTAL</u>
A. PSCR REVENUE							
18	1. Mills/kWh	87.8500	(5.98693846)	81.8631	87.850000	(5.9869)	81.863062
19	2. PSCR Sales	22,064,310	22,064,310	22,064,310	258,071,694	258,071,694	258,071,694
20	3. PSCR Revenue [(1*2)/1000]	\$ 1,938,349.63	\$ (132,097.67)	\$ 1,806,251.97	22,671,598	\$ (1,545,059.35)	\$ 21,126,538.97
21	C. PSCR COST		\$ 1,894,544.85			\$ 21,979,263.33	
22	D. OVER/(UNDER) RECOVERY		\$ (88,292.88)			\$ (852,724.36)	
Current Year to Date		\$ (852,724.36)			\$ (852,724.36)		
Surcharge Distribution:		<u>kWh</u>	<u>Recovery</u>	<u>FACTOR</u>	<u>kWh</u>	<u>Recovery</u>	<u>Surcharge Remaining: Target Recovery</u>
Prior Year Monthly - 2020		18,555,617	\$ 29,632.18	1.596938	215,476,075	\$ 344,102.03	\$ (10,144.93) \$ 333,957.10
Prior Year Seasonal - 2020		3,508,693	\$ 5,603.17	1.596938	42,595,619	68,022.58	(2,080.06) 65,942.52
Total			\$ 35,235.35	1.596938	258,071,694	412,124.61	(12,224.99) 399,899.62
Combined PSCR		22,064,310	\$ (96,862.32)	(4.39)			250,416,425
							1.596938

OPTION 1

**INCLUDING 2021 POLE
INVENTORY EXPENSES
PAID TO DAVEY
RESOURCE GROUP IN THE
AMOUNT OF \$400,759**

Presque Isle Electric & Gas Co-op
Proposed Rate, Tariff and Billing Rules Changes
Open Member Meeting: March 29, 2022

Page 1

Proposed Changes At A Glance

- | | | |
|--|--|--|
| 1. Reconcile 2021 Power Supply Cost Recovery Factor Collections
2. Review and accept the 2021 TIER Analysis and approve a revenue increase of \$2,031,825 | 3. Approve the application of the 2021 revenue increase to the Monthly, Seasonal, General Service, Large General Service, Large Power Time of Day, Primary Service, and Outdoor Lighting Rate Classes. | 4. Review and approve the distribution rate design per management's recommendation |
|--|--|--|

1. Reconcile 2021 Power Supply Cost Recovery (PSCR) Factor Collections

Existing Situation	Proposed Action	Management Recommends
<ul style="list-style-type: none"> o Power supply costs from Wolverine Power Supply Cooperative (WPSC) are passed through at cost to the members of Presque Isle Electric & Gas Co-op. o PIE&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. o This PSCR Factor collection is reconciled annually with actual costs and the difference is either returned or charged to the membership. o The reconciliation for the 12 month period ending December 31, 2021 indicates that there was an under-collection of \$840,499.34. This amount has been rolled into the 2022 PSCR factor and is currently being collected from the membership throughout the 2022 calendar year. 	<ul style="list-style-type: none"> o Accept the reconciliation of the 2021 PSCR Factor cumulative under-collection of \$840,499.34. 	<ul style="list-style-type: none"> o Approval of the Proposed Power Supply Cost Recovery Reconciliation net under-recovery of \$840,499.34. o The under-collection of \$840,499.34 will continue to be collected for the remainder of the 2022 calendar year.

2. Review and accept the 2021 TIER Analysis and approve a revenue increase of \$2,031,825

Existing Situation	Proposed Change	Management Recommends
<ul style="list-style-type: none"> o The TIER analysis based upon the 2021 operating year indicates an Adjusted TIER of 0.73. Management has reviewed this analysis with the board of directors. 	<ul style="list-style-type: none"> o Accept the 2021 TIER analysis which indicates an Adjusted TIER of 0.73 and a revenue increase of \$2,031,825 is necessary to return to a TIER of 1.80.* <p style="margin-top: 20px;">*Note that the TIER Analysis indicates an increase of \$2,031,825 however, when applying the increases across all rate classes the result is an increase of \$2,031,829.</p>	<ul style="list-style-type: none"> o Management recommends acceptance of the 2021 TIER analysis and approval of the request to increase revenue by \$2,031,825

Presque Isle Electric & Gas Co-op
Proposed Rate, Tariff and Billing Rules Changes
Open Member Meeting: March 29, 2022

Page 2

3. Review and approve management's request to implement the revenue increase on the Monthly, Seasonal, General Service, Large General Service, Large Power Time of Day, Primary Service, and Outdoor Lighting Rate Classes.

Existing Situation	Proposed Change	Management Recommends																																
<ul style="list-style-type: none">o The board has approved an increase in revenue of \$2,031,825 based upon the 2021 TIER analysis.o Management has presented updated Cost of Service Study exhibits which indicate that there continue to be subsidies between rate classes.o PIE&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.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, Large Power Time of Day, Primary Service, and Outdoor Lighting rate classes.	<ul style="list-style-type: none">o The proposed revenue/rate increase should be allocated to the Monthly, Seasonal, General Service, Large General Service, Large Power Time of Day, Primary Service, and Outdoor Lighting rate classes in the following manner. <table><tr><td>Residential Monthly</td><td>\$ 1,341,347</td></tr><tr><td>Residential Seasonal</td><td>\$ 309,896</td></tr><tr><td>General Service</td><td>\$ 197,320</td></tr><tr><td>Large General Service</td><td>\$ 19,802</td></tr><tr><td>Large Power Time of Day</td><td>\$ 74,961</td></tr><tr><td>Primary Service</td><td>\$ 71,569</td></tr><tr><td>Outdoor Lighting</td><td>\$ 16,934</td></tr><tr><td>Total</td><td>\$ 2,031,829</td></tr></table>	Residential Monthly	\$ 1,341,347	Residential Seasonal	\$ 309,896	General Service	\$ 197,320	Large General Service	\$ 19,802	Large Power Time of Day	\$ 74,961	Primary Service	\$ 71,569	Outdoor Lighting	\$ 16,934	Total	\$ 2,031,829	<ul style="list-style-type: none">o Implementation of the revenue/rate increase to the following rate classes <table><tr><td>Residential Monthly</td><td>\$ 1,341,347</td></tr><tr><td>Residential Seasonal</td><td>\$ 309,896</td></tr><tr><td>General Service</td><td>\$ 197,320</td></tr><tr><td>Large General Service</td><td>\$ 19,802</td></tr><tr><td>Large Power Time of Day</td><td>\$ 74,961</td></tr><tr><td>Primary Service</td><td>\$ 71,569</td></tr><tr><td>Outdoor Lighting</td><td>\$ 16,934</td></tr><tr><td>Total</td><td>\$ 2,031,829</td></tr></table> <ul style="list-style-type: none">o Implementation of the revenue/rate increase to be effective with bills rendered on or after September 1, 2022	Residential Monthly	\$ 1,341,347	Residential Seasonal	\$ 309,896	General Service	\$ 197,320	Large General Service	\$ 19,802	Large Power Time of Day	\$ 74,961	Primary Service	\$ 71,569	Outdoor Lighting	\$ 16,934	Total	\$ 2,031,829
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Residential Monthly	\$ 1,341,347																																	
Residential Seasonal	\$ 309,896																																	
General Service	\$ 197,320																																	
Large General Service	\$ 19,802																																	
Large Power Time of Day	\$ 74,961																																	
Primary Service	\$ 71,569																																	
Outdoor Lighting	\$ 16,934																																	
Total	\$ 2,031,829																																	

4. Approved increases to the kWh charges for Residential Monthly, Seasonal, General Service, Large General Service, Large Power Time of Day, Primary Service and Outdoor Lighting Rate Classes

Existing Situation	Proposed Change	Management Recommends																																																												
<ul style="list-style-type: none"> The cooperative has approved increases to the Residential Monthly, Seasonal, General Service, Large General Service, Large Power Time of Day, Primary Service, and Outdoor Lighting rate classes. 	<ul style="list-style-type: none"> The cooperative has approved increases in the following manner. <table> <tr> <th>Rate Class</th><th>Current \$/kWh</th><th>Proposed \$/kWh</th></tr> <tr> <td>Monthly</td><td>\$ 0.03305</td><td>\$ 0.04163</td></tr> <tr> <td>Seasonal</td><td>\$ 0.08441</td><td>\$ 0.09736</td></tr> <tr> <td>General Service</td><td>\$ 0.02776</td><td>\$ 0.03230</td></tr> <tr> <td>Large General Service</td><td>\$ 0.01726</td><td>\$ 0.02074</td></tr> <tr> <td>Large Power Time of Day</td><td>\$ 0.06951</td><td>\$ 0.07493</td></tr> <tr> <td>Primary Service</td><td>\$ 0.00745</td><td>\$ 0.01246</td></tr> <tr> <td colspan="3">Outdoor Lighting - Monthly Charge</td></tr> <tr> <td>40W LED T5</td><td>\$ 7.10</td><td>\$ 7.51</td></tr> <tr> <td>70W LED T3/T5</td><td>\$ 8.21</td><td>\$ 8.95</td></tr> </table>	Rate Class	Current \$/kWh	Proposed \$/kWh	Monthly	\$ 0.03305	\$ 0.04163	Seasonal	\$ 0.08441	\$ 0.09736	General Service	\$ 0.02776	\$ 0.03230	Large General Service	\$ 0.01726	\$ 0.02074	Large Power Time of Day	\$ 0.06951	\$ 0.07493	Primary Service	\$ 0.00745	\$ 0.01246	Outdoor Lighting - Monthly Charge			40W LED T5	\$ 7.10	\$ 7.51	70W LED T3/T5	\$ 8.21	\$ 8.95	<ul style="list-style-type: none"> The cooperative establish electric distribution rates as follows: <table> <tr> <th>Rate Class</th><th>Current \$/kWh</th><th>Proposed \$/kWh</th></tr> <tr> <td>Monthly</td><td>\$ 0.03305</td><td>\$ 0.04163</td></tr> <tr> <td>Seasonal</td><td>\$ 0.08441</td><td>\$ 0.09736</td></tr> <tr> <td>General Service</td><td>\$ 0.02776</td><td>\$ 0.03230</td></tr> <tr> <td>Large General Service</td><td>\$ 0.01726</td><td>\$ 0.02074</td></tr> <tr> <td>Large Power Time of Day</td><td>\$ 0.06951</td><td>\$ 0.07493</td></tr> <tr> <td>Primary Service</td><td>\$ 0.00745</td><td>\$ 0.01246</td></tr> <tr> <td colspan="3">Outdoor Lighting - Monthly Charge</td></tr> <tr> <td>40W LED T5</td><td>\$ 7.10</td><td>\$ 7.51</td></tr> <tr> <td>70W LED T3/T5</td><td>\$ 8.21</td><td>\$ 8.95</td></tr> </table>	Rate Class	Current \$/kWh	Proposed \$/kWh	Monthly	\$ 0.03305	\$ 0.04163	Seasonal	\$ 0.08441	\$ 0.09736	General Service	\$ 0.02776	\$ 0.03230	Large General Service	\$ 0.01726	\$ 0.02074	Large Power Time of Day	\$ 0.06951	\$ 0.07493	Primary Service	\$ 0.00745	\$ 0.01246	Outdoor Lighting - Monthly Charge			40W LED T5	\$ 7.10	\$ 7.51	70W LED T3/T5	\$ 8.21	\$ 8.95
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5. Revise Renewable Energy Tariffs

Existing Situation	Proposed Change	Management Recommends
<ul style="list-style-type: none"> Wolverine Power Cooperative (WPC) revised its Distributed Renewable Energy (DRE) and Buy All/Sell All programs to changes in their rate structure. PIE&G Tariffs D21.00 - D21.03 and D22.00 - D22.03 require revisions to support WPC's new rates. 	<ul style="list-style-type: none"> Revise Tariff Sheets D21.00-D21.03 and D22.00 - D22.03 to reflect the new terms and conditions of the WPC's DRE and BASA programs. 	<ul style="list-style-type: none"> Approve revisions to tariff Sheets D21.00-D21.03 and D22.00 - D22.03.

**PRESQUE ISLE ELECTRIC & GAS CO-OP
BOARD RESOLUTION
MARCH 29, 2022**

**RESOLUTION 2022-MR-02
2021 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 2021 operating year indicates an adjusted TIER of 0.73; and

WHEREAS, an adjusted TIER of 0.73 falls outside the “Quiet Zone”; and

WHEREAS, a revenue increase of \$2,031,825 is required to achieve a 1.8 Target TIER;

NOW BE IT HEREBY RESOLVED that the PIE&G Board of Directors accepts management’s 2021 ELECTRIC TIER analysis, which indicates a revenue increase of \$2,031,825 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 29, 2022.

By: _____
Sandra Borowicz, Secretary

Dated: _____

PRESQUE ISLE ELECTRIC & GAS CO-OP
BOARD RESOLUTION
March 29, 2022

RESOLUTION 2022-MR-03
2022 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 2021 TIER Analysis provides for an increase of \$2,031,825 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, large power time of day, primary service, and outdoor lighting rate classes in the following manner effective with bills rendered on or after September 1, 2022:

Residential Monthly Total Increase	\$1,341,347
Residential Seasonal Total Increase	\$ 309,896
General Service	\$ 197,320
Large General Service	\$ 19,802
Large Power Time of Day	\$ 74,961
Primary Service	\$ 71,569
Outdoor Lighting Total Increase	\$ 16,934

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 29, 2022.

By: _____
Sandra Borowicz, Secretary

Dated: _____

PRESQUE ISLE ELECTRIC & GAS CO-OP
BOARD RESOLUTION
March 29, 2022

RESOLUTION 2022-MR-04
2022 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 2021 TIER Analysis provides for an increase of \$2,031,825 to achieve a Target TIER of 1.8; and

WHEREAS, PIE&G has established that the increase of \$2,031,825 is to be implemented on the Residential Monthly, Seasonal, General Service, Large General Service, Large Power Time of Day, 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, large power time of day, primary service, and outdoor lighting rate classes in the following manner effective with bills rendered on or after September 1, 2022:

Residential Monthly	distribution charge	\$0.04163 per kWh
Residential Seasonal	distribution charge	\$0.09736 per kWh
General Service	distribution charge	\$0.03230 per kWh
Large General Service	distribution charge	\$0.02074 per kWh
Large Power Time of Day	kWh charge	\$0.07493 per kWh
Primary Service	distribution charge	\$0.01246 per kWh
Outdoor Lighting		
	40W LED T5	\$ 7.51 per month
	70W LED T3/T5	\$ 8.95 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 29, 2022.

By: _____
Sandra Borowicz, Secretary

Dated: _____

TEST YEAR MARGINS AND INTEREST
12 MONTHS ENDED DECEMBER 31, 2021

	<u>Operating Margins</u>	<u>Total Margins</u>	<u>Interest</u>
December 31, 2021	(\$1,363,049) ¹	(\$146,769) ²	\$1,895,651 ³

¹ From December 2021 Form 7, Part 1A, line 20, *Patronage Capital and Operating Margins*.

² From December 2021 Form 7, Part 1A, line 28, *Patronage Capital*.

³ From December 2021 Form 7, Part 1A, line 15, *Interest on Long Term Debt*.

ADJUSTED TOTAL MARGINS

<u>Step One:</u>	Unadjusted Total Margins	\$ (146,769) ⁴
<u>Step Two:</u>	Add Back Net Loss from Equity Investments	\$ 598,834 ⁵
	Add Misc. Non-Operating Loss	\$ 20,656 ⁶
	Add Annualized Revenue from Rate Increase	\$ 456,325 ⁷
	Less G&T Capital Credits Allocated/Not Paid	\$ (1,506,149) ⁸
	Less Other Capital Credits Allocated/Not Paid	\$ (97,073) ⁹

(continued on next page)

⁴ From Exhibit A-2.

⁵ From December 2021 Form 7, page 1, column (b), line 23, "Income (Loss) from Equity Investments" includes a \$589,754 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 \$589,754.

⁶ From December 2021 Form 7, page 1, column (b), line 23, "Income (Loss) from Equity Investments". The total amount of (\$592,074) includes a one-time Miscellaneous Non-Operating Loss of \$20,656 comprised of the following:

PROPERTY DAMAGE INSURANCE PROCEEDS	\$ (20,656)
------------------------------------	-------------

⁷ From Exhibit A-7, Annualized Increase in Revenue at New Rates.

⁸ From December 2021 Form 7, page 1, column (b), line 25a, "Generation and Transmission Capital Credits" + Line 25b, "G&T Capital Credits – PSDFC".

⁹ From December 2021 Form 7, page 1, column (b), line 26, "Other Capital Credits and Patronage Dividends", i.e. \$264,554 less \$167,481. The \$167,481 is comprised of the following declared and paid other capital credits or patronage dividends.

NRUCFC	\$ 90,116
COBANK	\$ 13,151
NISC	\$ 5,715
NRTC	\$ 1,130
CRC	\$ 4,645
<u>RESCO</u>	<u>\$ 52,724</u>
Total	<u>\$ 167,481</u>

ADJUSTED TOTAL MARGINS
(continued from prior page)

<u>Step Three:</u> Add: Issued Capital Credits/Past Years' Allocations	\$ 1,612,016
Less General Capital Credit Retired to Members	\$ (704,446)
<u>Step Four:</u> Less Member Remaining Capital Credits Retired	\$ (748,698)
Adjusted Total Margins	\$ (515,304)

CALCULATION OF REQUIRED TIER REVISION

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

$$\text{Interest} = \$1,895,651^{10}$$

$$1.8 \text{ TIER} = \frac{\text{Necessary Margin} + \$1,895,651 \text{ Interest}}{\$1,895,651 \text{ Interest}}$$

$$\text{Necessary Margins} = \$1,516,521$$

Target TIER:

$$1.8 \text{ TIER} = \frac{\$1,516,521 \text{ Necessary Margin} + \$1,895,651 \text{ Interest}}{\$1,895,651 \text{ Interest}}$$

Actual Adjusted Total TIER:

$$\text{TIER} = \frac{(\$515,304)^{11} + \$1,895,651 \text{ Interest}}{\$1,895,651 \text{ Interest}} = 0.73 \text{ TIER}$$

Based on Adjusted Total TIER of 0.73, an increase of \$2,031,825 or 5.33% is required.

¹⁰ From Exhibit A-2.

¹¹ From Exhibit A-3.

RECONCILIATION OF OPERATING AND TOTAL MARGINSLine No.

1	Operating Margins		\$ (1,363,049) ¹²
2	Other Income		
3	a. Non Operating Margins – Interest	\$ 46,731 ¹³	
	b. Income from Equity Investments	\$ (601,154) ¹⁴	
	c. Non Operating Margins – Other	\$ 0 ¹⁵	
	d. G&T Capital Credits	\$ 1,506,149 ¹⁶	
	Other Capital Credits and Patronage Dividends	\$ <u>264,554</u> ¹⁷	
3.	Total Additions to Operating Margins		\$ 1,216,280
4	Total Margins		\$ (146,769)

¹² From Exhibit A-2.

¹³ From December 2021 Form 7, Part 1A, line 21, “*Non Operating Margins – Interest*”.

¹⁴ From December 2021 Form 7, Part 1A, line 23, “*Income(Loss) from Equity Investments*”.

¹⁵ From December 2021 Form 7, Part 1A, line 24, “*Non Operating Margins – Other*”.

¹⁶ From December 2021 Form 7, Part 1A, line 25a, “*Generation and Transmission Capital Credits*”.

¹⁷ From December 2021 Form 7, Part 1A, line 26, “*Other Capital Credits and Patronage Dividends*”.

CALCULATION OF REQUIRED AND REQUESTED INCREASELine No.

1	Required \$ Increase Per Exhibit A-4	\$ 2,031,825
2	2021 Revenue from Electric Sales	\$ 38,066,530 ¹⁸
3	Required % Increase	5.34%
4	2021 kWh Sales	258,071,694 ¹⁹
5	Average Mills Per kWh Increase	7.87 mills per kWh

¹⁸ From December 2021 Form 7, Page 5, Electric Operations Plant Ratios, Sales & Revenue Report, Year to Date Total Sales of Electric Energy, dollars.

¹⁹ From December 2021 Form 7, Page 5, Electric Operations Plant Ratios, Sales & Revenue Report, Year to Date Total kWh sold.

ANNUALIZED REVENUE FROM RATE INCREASE

EXHIBIT A-7
PAGE 1 OF 2

	OLD RATE \$/KWH JANUARY THROUGH JULY	NEW RATE \$/KWH AUGUST THROUGH DECEMBER
RESIDENTIAL	\$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

	KWH SOLD AT OLD RATE JANUARY THROUGH JULY	KWH SOLD AT NEW RATE AUGUST THROUGH DECEMBER	TOTAL KWH SOLD 2021	ANNUALIZED REVENUE AT OLD RATES
RESIDENTIAL	85,182,325	57,442,998	142,625,323	\$4,374,319
SEASONAL -- OVER 7,200 kWh	11,019,693	1,153,910	12,173,603	\$373,364
SEASONAL	27,616,223	606,386	28,222,609	\$2,205,597
GS1	15,996,029	12,117,124	28,113,153	\$733,472
GS3	8,747,882	6,736,438	15,484,320	\$403,986
LGS	2,526,957	2,262,821	4,789,778	\$74,146
PSDS	7,677,600	5,292,000	12,969,600	\$83,784
	158,766,709	85,611,677	244,378,386	\$8,248,667

	KWH REVENUE AT OLD RATE JANUARY THROUGH JULY	KWH REVENUE AT NEW RATE AUGUST THROUGH DECEMBER	TOTAL KWH REVENUE 2021	ANNUALIZED REVENUE AT NEW RATES	ANNUALIZED INCREASE IN REVENUE AT NEW RATES
RESIDENTIAL	\$2,612,542	\$1,898,491	\$4,511,033	\$4,713,767	\$202,734
SEASONAL -- OVER 7,200 kWh	\$337,974	\$38,137	\$376,111	\$402,338	\$26,227
SEASONAL	\$2,158,208	\$51,185	\$2,209,393	\$2,382,270	\$172,878
GS1	\$417,336	\$336,371	\$753,708	\$780,421	\$26,713
GS3	\$228,232	\$187,004	\$415,236	\$429,845	\$14,609
LGS	\$39,117	\$39,056	\$78,174	\$82,672	\$4,498
PSDS	\$49,597	\$39,425	\$89,023	\$96,624	\$7,601
	\$5,843,007	\$2,589,669	\$8,432,676	\$8,887,936	\$455,259

STREET LIGHTS (FROM EXHIBIT A-7 PAGE 2 OF 2)

\$1,066

ANNUALIZED INCREASE IN REVENUE AT NEW RATES

\$456,325

ANNUALIZED REVENUE FROM RATE INCREASE -- SECURITY LIGHTS

EXHIBIT A-7
PAGE 2 OF 2

	OLD MONTHLY CHARGE JANUARY THROUGH JULY	NEW MONTHLY CHARGE AUGUST THROUGH DECEMBER
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

	AVERAGE NUMBER OF SECURITY LIGHTS PER MONTH	ANNUALIZED SYL REVENUE AT OLD RATES
175W MV	1	\$150
400W MV	0	\$0
100W HPS	0	\$0
250W HPS	0	\$0
40W LED T5	283	\$23,942
70W LED T3/T5	1,723	\$168,096
	2,007	\$192,187

	SYL REVENUE AT OLD RATE JANUARY THROUGH JULY	SYL REVENUE AT NEW RATE AUGUST THROUGH DECEMBER	TOTAL SYL REVENUE 2021	ANNUALIZED SYL REVENUE AT NEW RATES	ANNUALIZED INCREASE IN SYL REVENUE AT NEW RATES
175W MV	\$87	\$64	\$151	\$153	\$2
400W MV	\$0	\$0	\$0	\$0	\$0
100W HPS	\$0	\$0	\$0	\$0	\$0
250W HPS	\$0	\$0	\$0	\$0	\$0
40W LED T5	\$13,966	\$10,047	\$24,013	\$24,112	\$99
70W LED T3/T5	\$98,056	\$70,729	\$168,785	\$169,750	\$965
	\$112,109	\$80,839	\$192,949	\$194,014	\$1,066

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, 2021

RUS Form 7 Line Number	ITEM	YEAR TO DATE			THIS MONTH
		2020	2021	BUDGET	
1.	Operating Revenue - Electric	35,978,308	38,784,574	38,137,397	3,397,264
1.					
	Total Revenue	35,978,308	38,784,574	38,137,397	3,397,264
3.	Cost of Purchased Energy - Electric	20,014,076	21,979,421	20,901,005	1,894,703
3.					
	Total Cost of Energy Sold	20,014,076	21,979,421	20,901,005	1,894,703
	Gross Revenues	15,964,232	16,805,153	17,236,392	1,502,561
5.	Distribution Expense - Operation	1,269,187	1,889,286	1,406,963	236,468
6.	Distribution Expense - Maintenance	4,360,867	4,977,714	4,392,502	1,131,277
7.	Consumer Accounts Expense	1,551,827	1,778,699	1,783,569	144,114
8.	Customer Service and Informational Expens	700,087	771,202	918,303	91,334
10.	Administrative and General Expense	1,866,857	2,183,864	2,030,391	209,251
	Total Operation & Maintenance Expense	9,748,824	11,600,765	10,531,728	1,812,445
12.	Depreciation & Amortization Expense	3,277,333	3,445,218	3,528,718	317,849
13.	Tax Expense - Property & Gross Receipts	905,454	1,077,549	1,129,849	183,422
14.	Tax Expense - Other	1,216	4,593	884	852
15.	Interest on Long-Term Debt	1,666,384	1,895,651	2,198,633	219,465
17.	Interest Expense - Other	67,241	137,044	53,031	10,882
18.	Other Deductions	0	7,384	1,000	0
	Total Cost of Operations	15,666,451	18,168,202	17,443,843	2,544,915
20.	Patronage Capital & Operating Margins	297,781	(1,363,049)	(207,451)	(1,042,354)
21.	Non-Operating Margins - Interest	63,641	46,731	74,017	68
23.	Income (Loss) from Equity Investments	1,363,770	(601,154)	(390,767)	(284,874)
24.	Non-Operating Margins - Other	0	0	0	0
25.a	Generation and Transmission Capital Credit	1,244,361	1,506,149	1,300,000	1,506,149
25.b	G & T Capital Credits - PSDFC	0	0	0	0
26.	Other Capital Credits and Patronage Dividen	221,486	264,554	211,670	18,618
27.	Extraordinary Items See attached sheet	0	0	0	0
28.	Patronage Capital	3,191,039	(146,769)	987,469	197,607
	Net T.I.E.R.	2.84	0.93		
	Operating T.I.E.R.	1.17	0.33		

PART 2A - DATA ON ELECTRICAL DISTRIBUTION PLANT

ITEM	YEAR TO DATE	
	2020	2021
1. New Services Connected	305	412
2. Services Retired	36	32
3. Total Services in Place	36,544	36,901
4. Idle Services (Excl Seasonal)	2,407	2,354
5. Miles Distribution - Overhead	3,828	3,820
6. Miles Distribution - Underground	1,108	1,137
7. Total Miles Energized (5 + 6)	4,936	4,957

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, 2021

RUS Form 7 Line Number	ASSETS AND OTHER DEBITS	RUS Form 7 Line Number	LIABILITIES AND OTHER CREDITS
1a.	Utility Plant in Service - Electric 141,215,836	30a.	Memberships - Electric 282,455
1b.	Utility Plant in Service - Gas 45,666,425	30b.	Memberships - Gas 28,160
1c.	Utility Plant in Service - Fiber 1,196,410	30c.	Memberships - Fiber 0
1.	Utility Plant in Service - Combined 188,078,671	30.	Memberships - Combined 310,615
2a.	Construction Work in Progress - Electric 1,024,036	31a.	Patronage Capital - Electric 42,541,709
2b.	Construction Work in Progress - Gas 542,513	31b.	Patronage Capital - Gas 8,919,193
2c.	Construction Work in Progress - Fiber 864,966	31c.	Patronage Capital - Fiber 0
2.	Construction Work in Progress - Combined 2,431,515	31.	Patronage Capital - Combined 51,460,902
3a.	Total Utility Plant (1+ 2) - Electric 142,239,872	32a.	Operating Margins - Prior Years - Electric 21,064
3b.	Total Utility Plant (1 + 2) - Gas 46,208,938	32b.	Operating Margins - Prior Years - Gas 0
3c.	Total Utility Plant (1 + 2) - Fiber 2,061,377	32c.	Operating Margins - Prior Years - Fiber 0
3.	Total Utility Plant - Combined 190,510,187	32.	Operating Margins - Prior Years - Combined 21,064
4a.	Accumulated Provision for Depreciation - Electric 63,955,826	33a.	Operating Margins - Current Year - Electric (1,363,049)
4b.	Accumulated Provision for Depreciation - Gas 15,318,991	33b.	Operating Margins - Current Year - Gas 368,087
4c.	Accumulated Provision for Depreciation - Fiber 10,498	33c.	Operating Margins - Current Year - Fiber (690,397)
4.	Accum. Provision for Depreciation - Combined 79,285,316	33.	Operating Margins - Current Year - Combined (1,685,359)
5a.	Net Utility Plant (3 - 4) - Electric 78,284,046	34a.	Non Operating Margins - Electric 1,216,280
5b.	Net Utility Plant (3 - 4) - Gas 30,889,947	34b.	Non Operating Margins - Gas 46,284
5c.	Net Utility Plant (3 - 4) - Fiber 2,050,878	34c.	Non Operating Margins - Fiber 0
5.	Net Utility Plant - Combined 111,224,871	34.	Non Operating Margins - Combined 1,262,564
7.	Investments in Subsidiary Companies 0	35a.	Other Margins and Equities - Electric 4,757,808
8.a	Invest. in Assoc. Org- Patronage Capital - WPC 19,457,298	35b.	Other Margins and Equities - Gas 7,207
		35c.	Other Margins and Equities - Fiber 0
8.b	Invest. in Assoc. Org- Patronage Capital - Other 5,668,134	35.	Other Margins and Equities - Combined 4,765,016
9.	Invest. in Assoc. Org. - Other - General Funds 4,800	36a.	Total Margins and Equities (30 thru 35) - Electric 47,456,267
10.	Invest. in Assoc. Org. - Other - Nongeneral Funds 1,394,779	36b.	Total Margins and Equities (30 thru 35) - Gas 9,368,932
		36c.	Total Margins and Equities (30 thru 35) - Fiber (690,397)
11.	Invest. in Economic Development Projects 0	36.	Total Margins and Equities (30 thru 35) - Combined 56,134,802
12.	Other Investments 0	37.	Long Term Debt - RUS (Net)
13.	Restricted Funds 0		(Payments-Unapplied \$ -0-
14.	Total Other Property and Investments (6 thru 13) 26,525,011	38.	Long Term Debt - RUS - Econ. Dev. (Net) 0
15.	Cash - General Funds 3,439,604	39.	Long Term Debt - Other - RUS Guaranteed 0
16.	Cash - Construction Funds 0	40.	Long Term Debt - Other (Net) 79,391,733
17.	Special Deposits 0	41.	Total Long Term Debt (37 thru 40) 79,391,733
18.	Temporary Investments 1,626,158	42.	Obligations Under Capital Leases 0
19.	Notes Receivable - Net 0	43.	Deferred Compensation 0
20.	Accounts Receivable - Net Sales of Energy 6,222,674	44.	Total Other Non Current Liabilities (42+43) 0
21.	Accounts Receivable - Net Other 9,775,192	45.	Line of Credit Balance Due 10,576,530
22.	Materials and Supplies - Electric and Other 7,363,697	46.	Accounts Payable 14,364,205
23.	Prepayments 182,659	47.	Consumers Deposits 544,949
24.	Other Current and Accrued Assets 0	48.	Other Current and Accrued Liabilities 6,224,315
25.	Total Current and Accrued Assets (15 thru 24) 28,609,984	49.	Total Current and Accrued Liabilities (45 thru 48) 31,709,998
26.	Regulatory Assets 0	50.	Deferred Credits (167,940)
27.	Other Deferred Debits 708,728	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) 167,068,593		(36+41+44+49 thru 51) 167,068,593
			ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION
		53.	Balance Beginning of the Year - Electric 23,772,410
		54.	Balance Beginning of the Year - Gas 5,144,294
		55.	Balance Beginning of the Year - Gas AER 1,054,511
			Amount Received This Year (Net) - Electric 1,212,499
			Amount Received This Year (Net) - Gas 259,278
			Amount Received This Year (Net) - Gas AER
			Total Contributions in Aid of Construction - Electric 24,984,909
			Total Contributions in Aid of Construction - Gas 5,403,573
			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, 2021

BALANCE SHEET RATIOS

Current Assets to Current Liabilities	- Combined	90.22 %
Margins & Equities as % of Assets	- Combined	33.60 %
Long Term Debt as % of Net Utility Plant	- Combined	71.38 %
Long Term Debt as % of Plant	- Combined	41.67 %
Modified Debt Service Coverage Ratio	- Combined	1.46

CONSUMER SALES AND REVENUE DATA - MONTHLY

CLASS OF SERVICE	Number Receiving Service A.	kWh Sold B.	Amount C.	Number of Minimum Bills D.
Sales - Residential	18,143	12,759,826	1,784,095	730
Sales - Seasonal	13,786	3,508,693	814,008	12,608
Sales - General Service - Oil	496	440,457	56,433	67
Sales - Irrigation	27	2,574	2,164	16
Sales - General Service	1,691	2,790,863	329,650	187
Sales - Large Power - Oil	2	96,160	9,078	
Sales - Large Power	40	2,158,746	210,724	1
Sales - Public Street & Highway Lighting	37	11,864	3,972	
Sales - Public Buildings	325	295,127	37,571	36
Consumer Sales - PSCR			53,058	
Total Sales of Electric Energy (1 thru 11)	34,547	22,064,310	3,300,753	13,645
Other Electric Revenue			96,511	
Total (12 + 13)			3,397,264	
Last Year kWh Sales	34,137	21,240,141		

CONSUMER SALES AND REVENUE DATA - YEAR TO DATE

CLASS OF SERVICE	Average Number Receiving Service B.	kWh Sold Cumulative C.	Amount Cumulative D.
Sales - Residential	18,002	142,866,798	20,042,071
Sales - Seasonal	13,734	42,594,748	9,426,031
Sales - General Service - Oil	497	4,440,150	577,934
Sales - Irrigation	26	107,538	21,186
Sales - General Service	1,656	34,961,822	4,066,338
Sales - Large Power - Oil	2	917,120	88,260
Sales - Large Power	39	27,867,278	2,674,365
Sales - Public Street & Highway Lighting	37	142,497	47,433
Sales - Public Buildings	326	4,173,743	514,371
Consumer Sales - PSCR			440,600
Total Sales of Electric Energy (1 thru 11)	34,319	258,071,694	37,898,590
Other Electric Revenue			885,984
Total (12 + 13)			38,784,574
Last Year kWh Sales		246,588,784	

KWH AND KWH STATISTICS

ITEM	THIS MONTH	YEAR-TO-DATE
1. kWh Purchased	25,323,371	280,036,748
2. Interchange kWh-Net	1,564	70,341
3. Total kWh (1 + 2)	25,324,935	280,107,089
4. Total kWh-Sold	22,064,310	258,071,694
5. Office Use - **For Information Purposes Only**	65,182	562,222
6. Total Unaccounted for (3 - 4)	3,260,625	22,035,395
7. Percent System Loss (6/3)x100	12.88	7.87
8. Maximum Demand (kw)	45,566	59,254
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, 2021

	THIS YEAR	LAST YEAR
1. KWHRS Sold Per Consumer:		
a. For the Month	639	622
b. Year to Date	<u>627</u>	<u>605</u>
2. Average Monthly Bill	95.54	85.26
Average Residential Bill	<u>98.34</u>	<u>95.71</u>
3. Average Bill:		
a. Year To Date	92.03	86.25
b. YTD Residential	<u>92.78</u>	<u>90.58</u>
4. Cost Per KWHR Purchased		
a. This Month Mills	74.82	62.72
b. Year to Date Mills	<u>78.47</u>	<u>74.50</u>
5. Revenue Per KWHR Sold:		
a. This Month Mills	149.60	137.04
b. Year to Date Mills	<u>146.85</u>	<u>142.50</u>
6. Power Cost Adjustment		
a. This Month	<u>-0.004390</u>	<u>-0.007500</u>
7. Number of New Members - Electric	165	125
Number of Transferred Members Added - Electric	1453	1417
7. Number of New Members - Gas	51	52
Number of Transferred Members Added - Gas	<u>164</u>	<u>152</u>
8. Security Lights Billed	<u>2025</u>	<u>2001</u>
9. Regular Payroll - Hours	17,374.00	15,768.50
Overtime Payroll - Hours	5,052.75	1,317.75
Total Payroll	<u>22,426.75</u>	<u>17,086.25</u>
10. Number of Employees		
Full Time	93	80
Temporary	<u>8</u>	<u>7</u>
11. Principal Paid To CFC-YTD	2,607,463.91	2,225,923.34
Interest Paid To CFC-YTD	<u>2,945,467.55</u>	<u>2,684,783.20</u>
12. Interest Paid on Line of Credit - YTD	<u>172,216.69</u>	<u>78,678.62</u>

TIER CALCULATION			
CO-OP:	Presque Isle Electric & Gas Co-op		
Case:			
Year:	2021		
FORM			
7 LINE	ITEM	2021 All Costs	
		\$	
	Operating Revenue		
	Sales of Electricity	38,784,574	
	Other	-	
1	Operating Revenue	38,784,574	
	Operating Expenses		
3	Cost of Purchased Energy	21,979,421	
4	Transmission Expense		
5	Distribution Expense - Operation	1,889,286	
6	Distribution Expense - Maintenance	4,977,714	
7	Consumer Accounts Expense	1,778,699	
8	Customer Service & Info. Expense	771,202	
9	Sales Expense		
10	Administrative & General Expense	2,183,864	
11	Total O & M Expense	33,580,186	
12	Depreciation & Amortization Exp.	3,445,218	
13	Tax Exp. - Property & Gross Recpts.	1,077,549	
14	Tax Expense - Other	4,593	
15	Interest on Long-Term Debt (mpsc)	1,895,651	
16	Interest Charged to Const. - Cr.		
17	Interest Expense - Other	137,044	
18	Other Deductions	7,384	
19	Total Cost of Operations	40,147,624	
20	Ptrng Cap. & OPERATING Margins	(1,363,049)	
21	Non-Operating Margins - Interest	46,731	
22	AFUDC		
nt lsted	Loss from Property Retirements		
23	Inc. (Loss) from Equity Investments	(601,154)	
24	Non-Operating Margins - Other	-	
25.a	Gen. & Trans. Capital Crs.	1,506,149	
25.b	G & T Capital Crs - PSDFC	-	
26	Other Capital Crs. & Patronage Div's.	264,554	
27	Extraordinary Items	-	
28	Ptrng Capital or Margins (20-27)	(146,769)	
Part II: Adjusted Margins & TIER AS FILED			
	Actual Total Margin (Ln 28)	(146,769)	
Step II	Back Out:		
	Gain/Loss from Equity Investments	598,834	
	One-time Miscellaneous Non-Operating Income	20,656	
	Annualized Revenue from Rate Increase	456,325	
	G&T Credits, Allocated/Not Paid	(1,506,149)	
	Other Cap Crs. Allocated/Nt Pd	(97,073)	
	Weather Normalization Adjustment		
	Adjustment for Non-Operating Loss		
	Total Mrgns Less Cap. Crs. Allocation	(674,176)	
Step III	Add Back:		
	Estimated Storm Restoration Costs		
	Cap Crs Pd for Prior Years	1,612,016	
	Less offset of Cap Crs Retired/Members	(704,446)	
	Preliminary Adjusted Total Margins	233,394	
Step IV	Back Out:		
	Member Remaining Cap Crs. Retired	(748,698)	
	Adjust for difference in LT Debt Interest		
	Adjust for Add Back of C.C. Retired/Members		
	Adjusted Total Margin	(515,304)	
	Resulting TIER:		
	Adjusted Total Margin	(515,304)	
	+ Interest, L/T Debt +	1,895,651	
	+ Interest, L/T Debt	1,895,651	
	= TIER	0.73	
	[Quiet zone = 1.6 - 2.2]		
Part III - Increase in Rates resulting from the 2021 PSCR/TIER Reconciliation			
Part III: Increase Calculation			
	Target TIER as per Co-op Application	1.80	
	x Interest, LT Debt	1,895,651	
	Subtotal	3,412,171	
	LESS Interest, LT Debt	(1,895,651)	
	= Target Total Margin	1,516,521	
	LESS Adjusted Total Margin	515,304	
	Rate Increase for Co-ops Target TIER	2,031,825	
	Percent Increase		
	Annualized (Year) Electric Sales Revenue	\$ 38,066,530	
	Percent Increase Needed for Target TIER	5.34%	
	2021 kWh Sales	258,071,694	
	Increase per kWh	0.00787	
	Average Residential Bill - kWh	666	
	Monthly Residential Increase	\$ 5.24	

**Presque Isle Electric & Gas
Determination of 2021 TIER Rate Adjustments
Including DRG**

Rate Code	Applicable Rate Schedule	kWh Sales	2021 Tier Increase ¹		Distribution Charge	
			Total	per kWh	Present	Proposed
RES	A					
RESSE	A					
	Total Sch. A	156,264,167	\$ 1,341,347	\$ 0.00858	\$ 0.03305	\$ 0.04163
RESSE	S	23,929,934	\$ 309,896	\$ 0.01295	\$ 0.08441	\$ 0.09736
GS1	GS					
GS3	GS					
	Total Sch. GS	43,483,173	\$ 197,320	\$ 0.00454	\$ 0.02776	\$ 0.03230
LGS	LGS	5,682,508	\$ 19,802	\$ 0.00348	\$ 0.01726	\$ 0.02074
LPTOD	LPTOD	13,842,235	\$ 74,961	\$ 0.00542	\$ 0.06951	\$ 0.07493
PSDS	PSDS opt 1-B	14,278,961	\$ 71,569	\$ 0.00501	\$ 0.00745	\$ 0.01246
SYL	OD	574,692	\$ 16,934	\$ 0.02947	See Below	
		258,055,670	\$ 2,031,829			

Rate Code	Type	kWh Per Light	Increase		Monthly Rate	
			per kWh	per Month	Present	Proposed
dvc 1	175 mv	74				
dvc 2	400 mv	163				
dvc 3	100 hps	45				
dvc 4	250 hps	106				
dvc 10	40 T5	14	\$ 0.02947	\$0.41	\$7.10	\$7.51
dvc 11	70 T5	25	\$ 0.02947	\$0.74	\$8.21	\$8.95
dvc 12	70 T3	25	\$ 0.02947	\$0.74	\$8.21	\$8.95

¹ Class increases based on PIE&G's 2019 (2018 Actual) COS Study updated for 2021 Revenue Requirements and Estimates

² Since LPTOD does not have a Variable Distribution Charge, the adjustment is applied to the total energy charge. This cost is included in the total energy charge.

Statement of Operations
Present Rates
For the Test Year Ended December 31, 2021

(a) Line No.	(b) Description	(c) Actual Test Year	(d) Adjustments ¹	(e) Pro Forma Test Year
1	<u>Operating Revenue</u>			
2	Sales of Electricity	\$ 37,898,590	\$ 2,365,719	\$ 40,264,309
3	Other	885,984		885,984
4	Total Operating Revenue	<u>\$ 38,784,574</u>	<u>\$ 2,365,719</u>	<u>\$ 41,150,293</u>
5	<u>Operating Expenses</u>			
6	Cost of Purchased Power	\$ 21,979,421	\$ 1,928,341	\$ 23,907,762
7	Transmission - O & M			
8	Distribution - Operation	1,889,286	-	1,889,286
9	Distribution - Maintenance	4,977,714	-	4,977,714
10	Consumer Accounts	1,778,699	-	1,778,699
11	Consumer Service & Information	771,202	-	771,202
12	Sales		-	-
13	Administrative & General	2,183,864	-	2,183,864
14	Depreciation & Amortization	3,445,218	-	3,445,218
15	Taxes - Property	1,077,549	-	1,077,549
16	Taxes - Other	4,593	-	4,593
17	Interest on Long Term Debt	1,895,651	-	1,895,651
18	Other Interest Expense	137,044	-	137,044
19	Other Deductions	7,384	-	7,384
20	Total Operating Expenses	<u>\$ 40,147,625</u>	<u>\$ 1,928,341</u>	<u>\$ 42,075,966</u>
21	Net Operating Margins	<u>\$ (1,363,051)</u>	<u>\$ 437,378</u>	<u>\$ (925,673)</u>
22	<u>Non-Operating Margins</u>			
23	Non-Operating Margins (Interest Income)	\$ 46,731	\$ -	46,731
24	Income (Loss) from Property Retirements	(601,154)	619,490	18,336
25	Non-Operating Margins (Other) ²	-		-
26	Generation and Transmission Capital Credits ³	1,506,149	(1,506,149)	-
27	Other Capital Credits & Patronage Dividends ³	264,554	(97,073)	167,481
28	Total Non-Operating Margins	<u>\$ 1,216,280</u>	<u>\$ (983,732)</u>	<u>\$ 232,548</u>
29	Total Patronage Capital & Margins	<u><u>\$ (146,771)</u></u>	<u><u>\$ (546,354)</u></u>	<u><u>\$ (693,125)</u></u>

¹ 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	\$ 2,365,719
II. Purchased Power		
Schedule B - Purchased Power	8	\$ 1,928,341
III. Generation and Transmission Capital Credits		
Schedule C - Other Adjustments to Revenue Requirements	9	\$ (1,506,149)
IV. Other Adjustments to Revenue Requirements		
Schedule C - Other Capital Credits	9	\$ (97,073)
V. Other Adjustments to Revenue Requirements		
Schedule C - Income (Loss) From Equity Investments	9	\$ 619,490

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)	2,007	565,278	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	Total <small>(No. of Consumers Excludes Water Heaters and Street Lighting)</small>	33,491	246,958,964	88,456.0	36,220,639

I.a. Consumer and Sales Data for the Year Ended December 31, 2021 (As Recorded on Form 7, Part R)

Line No.	Description	Avg. No. Cons.	Energy Sales (kWh)	Billing Demand (kW)	Revenue (\$)
19	Residential Sales	18,002	142,866,798	N.A.	20,042,071
20	Residential Sales Seasonal	13,734	42,594,748	N.A.	9,426,031
21	Irrigation Sales	26	107,538	N.A.	21,186
22	Comm. And Ind. 1000 kVa or Less	2,153	39,401,972	N.A.	4,644,272
23	Comm. And Ind. Over 1000 kVa	41	28,784,398	N.A.	2,762,625
24	Public Street and Highway Lighting	37	142,497	N.A.	47,433
25	Other Sales to Public Auth.	326	4,173,743	N.A.	514,371
26	Sales for Resale - RUS Borrowers			N.A.	
27	PSCR Revenue			N.A.	440,600
28	Total <small>(No. of Consumers Excludes Water Heaters and Street Lighting)</small>	34,319	258,071,694	-	37,898,589

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)	18,913	156,302,573	N.A.	23,443,309
2	Seasonal Residential Monthly Service (S)	12,966	23,929,934	N.A.	7,148,980
3	General Monthly Service (GS)	2,395	43,483,173	N.A.	5,564,427
4	Large General Monthly Service (LG)	34	5,682,508	18,643.8	681,769
5	Optional Large Power TOD Monthly Service (LPTOD)	14	13,842,235	42,783.3	1,513,476
6	Customer Owned Backup Generation (CBG)	-		N.A.	-
7	Outdoor Lighting Monthly Service (OD)	-	590,715	N.A.	199,736
8	Primary Monthly Service (PSDS)	3	14,278,961	31,009.3	1,387,762
9	Controlled Heating Monthly Service (CH)	-	-	N.A.	(111,441)
10	Partial Controlled Heating Monthly Service (PCH)	-	-	N.A.	-
11	Controlled Water Heater Credit (CWH)	1,151	-	N.A.	(74,424)
12	Net Metering		(38,406)	N.A.	(4,311)
13					
14					
15					
16					
17					
18	Total <small>(No. of Consumers Excludes Water Heaters and Street Lighting)</small>	34,325	258,071,694	92,436.4	39,749,285
19	Add: Year End PSCR Unbilled				440,600
20	Less: Controlled Water Heater Switch Credits				(74,424)
21	Total Revenues				40,264,309

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		Billing	Present Rates		
	Description	Determinants	Rate	Revenue	% Split
<u>Residential Service (A)</u>					
	Service Charge	18,913 /month	\$18.00	\$ 4,085,235	44.2%
	Distribution Variable Charge (All kWh)	156,302,573 /kWh	\$0.03305	5,165,800	55.8%
	Power Supply Energy Charge (All kWh)	156,302,573 /kWh	\$0.08601	13,443,584	
	PSCR	156,302,573 /kWh	\$0.00479	748,690	
				<u>\$ 23,443,309</u>	<u>100.0%</u>
<u>Seasonal Residential Monthly Service (S)</u>					
<i><u>Yearly Rate</u></i>					
	Availability Charge	12,966 /year	\$228.00	\$ 2,956,217	59.4%
	Distribution Variable Charge (All kWh)	23,929,934 /kWh	\$0.08441	2,019,926	40.6%
	Power Supply Energy Charge (All kWh)	23,929,934 /kWh	\$0.08601	2,058,214	
	PSCR	23,929,934 /kWh	\$0.00479	114,624	
				<u>\$ 7,148,980</u>	<u>100.0%</u>
<i><u>Seasonal Monthly Rate</u></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)	-	
				<u>\$ -</u>	<u>0.0%</u>
<u>General Monthly Service (GS)</u>					
	Monthly Service Charge				
	Single Phase	2,083.1 /month	\$16.00	\$ 399,950	
	Three Phase	311.6 /month	\$35.00	130,865	30.5%
	Distribution Variable Charge (All kWh)	43,483,173 /kWh	\$0.02776	1,207,093	69.5%
	Energy Charge	43,483,173 /kWh	\$0.08321	3,618,235	
	Energy Charge Credits	43,483,173 /kWh	\$0.00000	-	
	PSCR	43,483,173 /kWh	\$0.00479	208,284	
				<u>\$ 5,564,427</u>	<u>100.0%</u>

Presque Isle Electric & Gas**Calculation of Revenues Under Present Rates
and Comparison to Cost Based Distribution Charges**

(a)	(b)	(c)	(d)	(e)	(f)
Rate Class		Billing	Present Rates		
	Description	Determinants	Rate	Revenue	% Split
<u>Large General Monthly Service (LG)</u>					
	Monthly Service Charge	34 /month	\$50.00	\$ 20,392	13.1%
	Distribution Demand Charge	18,644 /kW	\$1.98	36,915	23.8%
	Demand Charge - Power Supply	18,644 /kW	\$7.02	130,880	
	Oil Related Demand Credit	- /kW		-	
	Distribution Variable Charge	5,682,508 /kWh	\$0.01726	98,080	63.1%
	Energy Charge	5,682,508 /kWh	\$0.06481	368,283	
	Primary Monthly Service Discount	- /kVa	(\$0.20)	-	
	Primary Meter Discount	-	-2.0%	-	
	PSCR	5,682,508 /kWh	\$0.00479	27,219	
				<u>\$ 681,769</u>	<u>100.0%</u>
<u>Optional Large Power TOD Monthly Service (LPTOD)</u>					
	Monthly Service Charge	14 /month	\$60.00	\$ 10,329	3.6%
	Demand Charge				
	Peak Period	32,406 /kW	\$6.00	194,439	
	Maximum	42,783 /kW	\$6.55	280,230	96.4%
	Energy Charge	13,842,235 /kWh	\$0.06951	962,174	
	Primary Monthly Service Discount	- /kVa	(\$0.20)	-	
	Primary Meter Discount	- /kWh	-2%	-	
	PSCR	13,842,235 /kWh	\$0.00479	66,304	
				<u>\$ 1,513,476</u>	<u>100.0%</u>
<u>Customer Owned Backup Generation (CBG)</u>					
	Demand Charge	- /kW	(\$2.50)	\$ -	
				<u>\$ -</u>	
<u>Outdoor Lighting Monthly Service (OD)</u>					
	175 W MV	- /month	\$12.73	\$ -	
	400 W MV	- /month	\$22.71	-	
	100 W HPS	- /month	\$9.77	-	
	250 W HPS	- /month	\$16.70	-	
	40 W LED Type 5	269 /month	\$7.10	22,961	
	70 W LED Type 3	512 /month	\$8.21	50,477	
	70 W LED Type 5	1,253 /month	\$8.21	123,468	
	Total	2,035 /month			
	PSCR	590,715 /kWh	\$0.00479	2,830	
				<u>\$ 199,736</u>	

Presque Isle Electric & Gas**Calculation of Revenues Under Present Rates
and Comparison to Cost Based Distribution Charges**

(a)	(b)	(c)	(d)	(e)	(f)
Rate Class		Billing	Present Rates		
	Description	Determinants	Rate	Revenue	% Split
<u>Primary Monthly Service (PSDS)</u>					
<i><u>Rider C&I</u></i>					
	Monthly Service Charge	4 /cons	\$0.00	\$ -	0.0%
	Distribution Demand Charge	31,009 /kW	\$6.10	189,157	64.0%
	Power Supply Demand Charge	20,932 /kW	\$7.16	149,876	
	Oil Related Demand Credit	- /kW		-	
	Distribution Variable Charge	14,278,961 /kWh	\$0.00745	106,378	36.0%
	Power Supply Energy Charge	14,278,961 /kWh	\$0.06091	869,732	
	Reactive Charge	16,897 /kVar	\$0.25	4,224	
	PSCR	14,278,961 /kWh	\$0.00479	68,396	
				<u>\$ 1,387,762</u>	<u>100.0%</u>
<u>Controlled Heating Monthly Service (CH)</u>					
<i><u>Schedule A</u></i>					
	Energy Charge Discount	3,446,483 /kWh	(\$0.03000)	\$ (103,394)	
<i><u>Schedule GS</u></i>					
	Energy Charge Discount	268,201 /kWh	(\$0.03000)	\$ (8,046)	
	Total			<u>\$ (111,441)</u>	
<u>Partial Controlled Heating Monthly Service (PCH)</u>					
	Energy Charge	- /kWh	(\$0.0150)	\$ -	
				<u>\$ -</u>	
<u>Controlled Water Heater Credit (CWH)</u>					
	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>	
<u>Net Metering</u>					
	Variable Energy Charge	(38,406) /month	\$0.10745	\$ (4,127)	
	PSCR	(38,406) /month	\$0.00479	(184)	
	Total			<u>\$ (4,311)</u>	
<u>Grand Total</u>		<u>258,071,694</u>		<u>\$ 39,749,285</u>	

Schedule B
Estimate of Pro Forma
Test Year Purchased Power Expense

(a) Line No.	(b) Description	(c) Amount	(d) Units
1	PSCR Base	\$0.08785	/kWh sold
2	PSCR Factor ¹	\$0.00479	/kWh sold
3	Average Test Year Power Cost	\$0.09264	/kWh sold
4			
5	Total Test Year Energy Sales	258,071,694	kWh
6			
7	Pro Forma Test Year Purchased Power Cost	\$ 23,907,762	
8			
9	Add: Schedule CH Power Cost ²	\$ -	
10	Add: Schedule PSDS Power Cost ⁴		
9	Less: Water Heater Credits ²		
9	Total ProForma Test Year Purchased Power	\$ 23,907,762	
8			
9	Less: Actual Test Year Purchased Power Cost	\$ 21,979,421	
10	Adjustment	\$ 1,928,341	

¹ 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)	\$0.00096
Adjusted PSCR Factor	(\$0.00535)

Exhibit B
Classification of 2022 Purchased Power for COS Input

II. Adjustment of Purchased Power per PSCR to Test Year Levels for COS Input

Description	Per WPSC Calculations					Adjusted to Test Year Levels (WPSC x 1.014)				
	Total	Energy	CP Demand	NCP Demand	Substations	Total	Energy	CP Demand	NCP Demand	Substations
Wolverine										
Variable										
Dynamic - Std	\$ 11,013,376	\$ 11,013,376				\$ 11,170,746	\$ 11,170,746			
Dynamic - C&I	608,856	608,856				617,556	617,556			
Adjustment to Sync Dynamic Energy		-				-	-			
Renewable - Std	617,345	617,345				626,166	626,166			
Renewable - C&I	33,187	33,187				33,661	33,661			
Energy Stabiliation - Std	(319,128)	(319,128)				(323,688)	(323,688)			
Energy Stabiliation - C&I	(17,031)	(17,031)				(17,274)	(17,274)			
Margin and True Up - Std	407,237	407,237				413,056	413,056			
Margin and True Up - C&I	21,892	21,892				22,205	22,205			
Sub-Total	\$ 12,365,734	\$ 12,365,734	\$ -	\$ -	\$ -	\$ 12,542,428	\$ 12,542,428	\$ -	\$ -	\$ -
Revenue Credit -Std	(1,205,754)	(1,205,754)				(1,222,983)	(1,222,983)			
Revenue Credit -C&I	(1,405)	(1,405)				(1,425)	(1,425)			
True Up	-	-				-	-			
Total Variable	\$ 11,158,575	\$ 11,158,575	\$ -	\$ -	\$ -	\$ 11,318,020	\$ 11,318,020	\$ -	\$ -	\$ -
Delivery - Std	\$ 3,319,803			\$ 3,319,803		\$ 3,367,240			\$ 3,367,240	
Delivery - C&I	160,085			160,085		162,372			162,372	
Total Delivery	\$ 3,479,888	\$ -	\$ -	\$ 3,479,888	\$ -	\$ 3,529,612	\$ -	\$ -	\$ 3,529,612	\$ -
Fixed	\$ -					\$ -				
Base - Std	\$ 5,090,039	\$ 5,090,039				\$ 5,162,771	\$ 5,162,771			
Base - C&I	91,340	91,340				92,645	92,645			
Monthly - Std	1,711,793		1,711,793			1,736,253		1,736,253		
Monthly - C&I	78,971		78,971			80,099		80,099		
Annual - Std	56,698		56,698			57,508		57,508		
Annual - C&I	-		-			-		-		
	\$ 7,028,841	\$ 5,181,379	\$ 1,847,462	\$ -	\$ -	\$ 7,129,276	\$ 5,255,416	\$ 1,873,860	\$ -	\$ -
Sub-Station										
Maintenance	\$ 666,576				\$ 666,576	\$ 676,101				\$ 676,101
Investment	1,168,179				1,168,179	1,184,871				1,184,871
Total	\$ 1,834,755	\$ -	\$ -	\$ -	\$ 1,834,755	\$ 1,860,972	\$ -	\$ -	\$ -	\$ 1,860,972
Excluded Facilities	\$ 68,897				\$ 68,897	\$ 69,881				\$ 69,881
Prior Period True Up	\$ -	\$ -				\$ -	\$ -			
Total Wolverine	\$ 23,570,956	\$ 16,339,954	\$ 1,847,462	\$ 3,479,888	\$ 1,903,652	\$ 23,907,762	\$ 16,573,436	\$ 1,873,860	\$ 3,529,612	\$ 1,930,853
MWh Delivered Net of Transmission Losses	275,066									
Cooperative Line Losses	7.500%									
Cooperative Sales	254,436									
Average Cost per kWh	\$0.09264									
PSCR Base	\$0.08785									
2022 PSCR Before Reconciliations	\$0.00479									
Total Power Cost										
Test Year	\$ 23,907,762									
PSCR	\$ 23,570,956									
Multiplier	1.014									

Schedule C
Other Adjustments to Revenue Requirements

Generation and Transmission Capital Credits

Eliminate Unpaid Test Year G&T Capital Credits	\$ (1,506,149)
Add Patronage Capital Refunds Received	
	<u>\$ (1,506,149)</u>

Other Capital Credits and Patronage Dividends

Eliminate Unpaid Test Year Other Capital Credits	\$ (264,554)
Add Patronage Capital Refunds Received	167,481
	<u>\$ (97,073)</u>

Income (Loss) from Equity Investments

Misc Non-Operating Margins	\$ 20,656
Eliminate Test Year losses from Equity Investments	598,834
	<u>\$ 619,490</u>

Cost of Service Summary
Revenue Requirements Summary -- BUNDLED

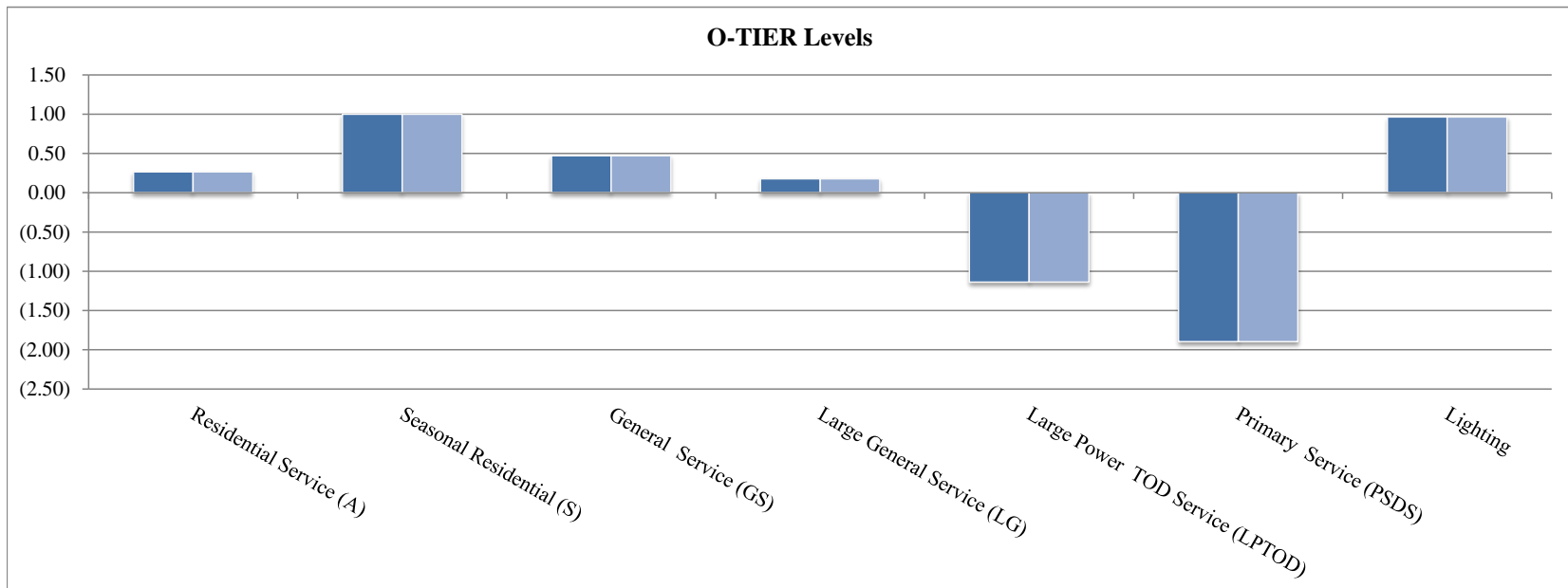
Cost of Service Study Summary
1 of 4

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)	0 Outdoor Lighting
1	<u>Revenue Requirements</u>								
2	Revenue Requirements	42,246,154	24,944,202	7,508,853	5,800,647	706,337	1,599,017	1,469,033	218,067
3									
4	<u>Present Rates</u>								
5	Revenue-Present Rates	39,935,148	23,438,998	7,148,980	5,564,427	681,769	1,513,476	1,387,762	199,736
6	Revenue Credits	279,178	163,857	49,977	38,900	4,766	10,580	9,702	1,396
7		40,214,326	23,602,855	7,198,957	5,603,327	686,535	1,524,056	1,397,464	201,132
8									
9	Required Incr./(Decr)	2,031,829	1,341,347	309,896	197,320	19,802	74,961	71,569	16,934
10	Percent	5.09%	5.72%	4.33%	3.55%	2.90%	4.95%	5.16%	8.48%
11									
12	<u>Proposed Rates</u>								
13	Revenue-Proposed Rates	39,935,148	23,438,998	7,148,980	5,564,427	681,769	1,513,476	1,387,762	199,736
14	Revenue Credits	279,178	163,857	49,977	38,900	4,766	10,580	9,702	1,396
15		40,214,326	23,602,855	7,198,957	5,603,327	686,535	1,524,056	1,397,464	201,132
16									
17	Required Incr./(Decr)	2,031,829	1,341,347	309,896	197,320	19,802	74,961	71,569	16,934
18	Percent		5.72%	4.33%	3.55%	2.90%	4.95%	5.16%	8.48%

Cost of Service Summary
Margin by Rate Class

Cost of Service Study Summary
2 of 4

Line No.	Description	0 0 Total	Residential Service (A)	Seasonal Residential (S)	General Service (GS)	Large General Service (LG)	Large Power TOD Service (LPTOD)	Primary Service (PSDS)	0 Outdoor Lighting
19	<u>O-TIER Under Present Rates</u>								
20	Revenue-Present Rates	40,214,326	23,602,855	7,198,957	5,603,327	686,535	1,524,056	1,397,464	201,132
21	Operating Expenses Allocated	41,194,860	24,357,089	7,198,727	5,698,259	698,220	1,583,224	1,457,248	202,093
22	Margin Under Present Rates	(980,534)	(754,234)	230	(94,933)	(11,685)	(59,168)	(59,785)	(960)
23	Allocated LT Interest Expense	1,840,791	1,028,020	543,022	179,278	14,213	27,653	20,634	27,970
24	O-TIER - Present Rates	0.47	0.27	1.00	0.47	0.18	(1.14)	(1.90)	0.97
25									
26	O-TIER Parity Index - Present Rates	1.00	0.57	2.14	1.01	0.38	(2.44)	(4.06)	2.07
27									
28	<u>O-TIER Under Proposed Rates</u>								
29	Revenue-Proposed Rates	40,214,326	23,602,855	7,198,957	5,603,327	686,535	1,524,056	1,397,464	201,132
30	Operating Expenses Allocated	41,194,860	24,357,089	7,198,727	5,698,259	698,220	1,583,224	1,457,248	202,093
31	Margin - Proposed Rates	(980,534)	(754,234)	230	(94,933)	(11,685)	(59,168)	(59,785)	(960)
32	Allocated LT Interest Expense	1,840,791	1,028,020	543,022	179,278	14,213	27,653	20,634	27,970
33	O-TIER - Proposed Rates	0.47	0.27	1.00	0.47	0.18	(1.14)	(1.90)	0.97
34									
35	O-TIER Parity Index - Proposed Rates	1.0	0.6	2.1	1.0	0.4	(2.4)	(4.1)	2.1



Cost of Service Summary
Class Allocation Summary -- BUNDLED

Cost of Service Study Summary
3 of 4

Line No.	Category	Total	Residential Service (A)	Seasonal Residential (S)	General Service (GS)	Large General Service (LG)	Large Power TOD Service (LPTOD)	Primary Service (PSDS)	0 Outdoor Lighting
36	<u>Power Supply</u>								
37	Direct and Revenue Related								
38	Wholesale Cost	(2,600)	0	0	0	0	(1,472)	(1,128)	0
39	Allocated Cost	0	0	0	0	0	0	0	0
40	Subtotal	(2,600)	0	0	0	0	(1,472)	(1,128)	0
41	Capacity Related								
42	Wholesale Cost	1,873,860	1,169,548	179,100	298,051	45,336	100,204	80,162	1,459
43	Allocated Cost	23,140	14,445	2,212	3,681	560	1,236	989	18
44	Subtotal	1,897,001	1,183,993	181,312	301,732	45,896	101,439	81,151	1,477
45	Energy Related								
46	Wholesale Cost	16,573,436	10,035,367	1,536,780	2,792,488	364,930	888,948	916,994	37,929
47	Allocated Cost	204,662	123,942	18,980	34,489	4,507	10,963	11,313	468
48	Subtotal	16,778,098	10,159,309	1,555,760	2,826,977	369,438	899,911	928,307	38,398
49	Sub. Power Supply	18,672,499	11,343,302	1,737,072	3,128,709	415,334	999,878	1,008,329	39,875
50	<u>Transmission</u>								
51	Direct	0	0	0	0	0	0	0	0
52	Capacity	3,532,212	2,201,235	337,089	560,969	85,328	188,596	150,874	8,120
53	Energy	0	0	0	0	0	0	0	0
54	Allocated Cost	0	0	0	0	0	0	0	0
55	Sub. Transmission	3,532,212	2,201,235	337,089	560,969	85,328	188,596	150,874	8,120
56	<u>Distribution</u>								
57	Direct	118,176	0	0	0	0	0	0	118,176
58	Consumer	12,509,647	6,806,687	4,666,313	940,385	31,353	25,270	5,092	34,547
59	Capacity	7,413,620	4,592,978	768,379	1,170,583	174,322	385,273	304,737	17,348
60	Energy	0	0	0	0	0	0	0	0
61	Sub. Distribution	20,041,443	11,399,664	5,434,692	2,110,969	205,675	410,543	309,829	170,071
62									
63	Total	42,246,155	24,944,202	7,508,853	5,800,647	706,337	1,599,017	1,469,033	218,067

Cost of Service Summary
Rate Design Factors -- BUNDLED

Cost of Service Study Summary
4 of 4

Line No.	Category	0 0 Total	Residential Service (A)	Seasonal Residential (S)	General Service (GS)	Large General Service (LG)	Large Power TOD Service (LPTOD)	Primary Service (PSDS)	0 Outdoor Lighting
64	<u>Costs Broken Down by Function</u>								
65	<u>Power Supply</u>								
66	Direct and Revenue Related								
67	Wholesale Cost	(0.01)	0.00	0.00	0.00	0.00	(8.55)	(30.59)	0.00
68	Allocated Cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
69	Subtotal	(0.01)	0.00	0.00	0.00	0.00	(8.55)	(30.59)	0.00
70	Capacity Related								
71	Wholesale Cost	0.73	0.75	0.75	0.69	0.80	0.72	0.56	0.25
72	Allocated Cost	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.00
73	Subtotal	0.74	0.76	0.76	0.69	0.81	0.73	0.57	0.25
74	Energy Related								
75	Wholesale Cost	6.42	6.42	6.42	6.42	6.42	6.42	6.42	6.42
76	Allocated Cost	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08
77	Subtotal	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
78	Sub. Power Supply	7.24	7.26	7.26	7.20	7.31	7.22	7.06	6.75
79	<u>Transmission</u>								
80	Direct	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
81	Capacity	1.37	1.41	1.41	1.29	1.50	1.36	1.06	1.37
82	Energy	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
83	Allocated Cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Sub. Transmission	1.37	1.41	1.41	1.29	1.50	1.36	1.06	1.37
85	<u>Distribution</u>								
86	Direct	0.27	0.00	0.00	0.00	0.00	0.00	0.00	4.84
87	Consumer	28.68	29.99	29.99	32.81	76.88	146.79	138.02	1.41
88	Capacity	2.87	2.94	3.21	2.69	3.07	2.78	2.13	2.94
89	Energy	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
90	Sub. Distribution	7.77	7.30	22.71	4.85	3.62	2.97	2.17	28.80
91	Total	16.37	15.96	31.38	13.34	12.43	11.55	10.29	36.92
92	<u>Costs Broken Down by Classification</u>								
93	Direct	0.26	0.00	0.00	0.00	0.00	(8.55)	(30.59)	4.84
94	Consumer	28.68	29.99	29.99	32.81	76.88	146.79	138.02	1.41
95	Capacity	4.98	5.11	5.38	4.68	5.38	4.88	3.76	4.56
96	Energy	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
97	Total	16.37	15.96	31.38	13.34	12.43	11.55	10.29	36.92

Comparison of Present and Proposed Rate Schedules

<u>Present Rates</u>		<u>Draft Proposed Rates</u>	
<u>Residential Monthly Service (A)</u>		<u>Residential Monthly Service (A)</u>	
Monthly Service Charge	\$18.00 /month	Monthly Service Charge	\$18.00 /month
Distribution Variable Charge (All kWh)	\$0.03305 /kWh	Distribution Variable Charge (All kWh)	\$0.04660 /month
Power Supply Energy Charge (All kWh)	\$0.08601 /kWh	Power Supply Energy Charge (All kWh)	\$0.08101 /kWh
PSCR	\$0.00479 /kWh	PSCR	\$0.00479 /kWh
Energy Optimization Surcharge	\$0.00229 /kWh	Energy Optimization Surcharge	\$0.00229 /kWh
<u>Seasonal Residential Monthly Service (S)</u>		<u>Seasonal Residential Monthly Service (S)</u>	
<i><u>Yearly Rate</u></i>		<i><u>Yearly Rate</u></i>	
Monthly Service Charge	\$228.00 /year	Monthly Service Charge	\$228.00 /year
Distribution Variable Charge (All kWh)	\$0.08441 /kWh	Distribution Variable Charge (All kWh)	\$0.10240 /kWh
Power Supply Energy Charge (All kWh)	\$0.08601 /kWh	Power Supply Energy Charge (All kWh)	\$0.08101 /kWh
PSCR	\$0.00479 /kWh	PSCR	\$0.00479 /kWh
Energy Optimization Surcharge	\$0.00229 /kWh	Energy Optimization Surcharge	\$0.00229
<u>General Monthly Service (GS)</u>		<u>General Monthly Service (GS)</u>	
Monthly Service Charge		Monthly Service Charge	
Single Phase	\$16.00 /month	Single Phase	\$16.00 /month
Three Phase	\$35.00 /month	Three Phase	\$35.00 /month
Distribution Variable Charge (All kWh)	\$0.02776 /kWh	Distribution Variable Charge (All kWh)	\$0.03630 /kWh
Energy Charge	\$0.08321 /kWh	Energy Charge	\$0.07921 /kWh
PSCR	\$0.00479 /kWh	PSCR	\$0.00479 /kWh
Energy Optimization Surcharge	\$3.10 /month	Energy Optimization Surcharge	\$3.10 /month
<u>Large General Monthly Service (LG)</u>		<u>Large General Monthly Service (LG)</u>	
Monthly Service Charge	\$50.00 /month	Monthly Service Charge	\$50.00 /month
Distribution Demand Charge	\$1.98 /kW	Distribution Demand Charge	\$1.98 /kW
Demand Charge - Power Supply	\$7.02 /kW	Demand Charge - Power Supply	\$7.31 /kW
Distribution Variable Charge	\$0.01726 /kWh	Distribution Variable Charge	\$0.02550 /kWh
Energy Charge	\$0.06481 /kWh	Energy Charge	\$0.05941 /kWh
Primary Monthly Service Discount	(\$0.20) /kW	Primary Monthly Service Discount	(\$0.20) /kW
Primary Meter Discount	-2.00%	Primary Meter Discount	-2.00%
PSCR	\$0.00479 /kWh	PSCR	\$0.00479 /kWh
Energy Optimization Surcharge	\$74.14 /month	Energy Optimization Surcharge	\$74.14 /month
<u>Optional Large Power TOD Monthly Service (LPTOD)</u>		<u>Optional Large Power TOD Monthly Service (LPTOD)</u>	
Monthly Service Charge	\$60.00 /month	Monthly Service Charge	\$60.00 /month
Demand Charge		Demand Charge	
Peak Period	\$6.00 /kW	Peak Period	\$8.25 /kW
Maximum	\$6.55 /kW	Maximum	\$6.55 /kW
Energy Charge	\$0.06951 /kWh	Energy Charge	\$0.06971 /kWh
Primary Monthly Service Discount	(\$0.20) /kW	Primary Monthly Service Discount	(\$0.20) /kW
Primary Meter Discount	-2.00%	Primary Meter Discount	-2.00%
PSCR	\$0.00479 /kWh	PSCR	\$0.00479 /kWh
Energy Optimization Surcharge	\$74.14 /month	Energy Optimization Surcharge	\$74.14 /month
<u>Customer Owned Backup Generation (CBG)</u>		<u>Customer Owned Backup Generation (CBG)</u>	
Demand Charge	(\$2.50) /kW	Demand Charge	(\$2.50) /kW

Comparison of Present and Proposed Rate Schedules

<u>Present Rates</u>		<u>Draft Proposed Rates</u>	
<u>Outdoor Lighting Monthly Service (OD)</u>		<u>Outdoor Lighting Monthly Service (OD)</u>	
175 W MV	\$12.73 /month	175 W MV	\$0.00 /month
400 W MV	\$22.71 /month	400 W MV	\$0.00 /month
100 W HPS	\$9.77 /month	100 W HPS	\$0.00 /month
250 W HPS	\$16.70 /month	250 W HPS	\$0.00 /month
40 W LED Type 5	\$7.10 /month	40 W LED Type 5	\$7.77 /month
70 W LED Type 3	\$8.21 /month	70 W LED Type 3	\$8.91 /month
70 W LED Type 5	\$8.21 /month	70 W LED Type 5	\$8.91 /month
PSCR	\$0.00479 /kWh	PSCR	\$0.00479 /kWh
Energy Optimization Surcharge	\$0.00312 /kWh	Energy Optimization Surcharge	\$0.00312 /kWh
<u>Primary Monthly Service (PSDS)</u>		<u>Primary Monthly Service (PSDS)</u>	
<i><u>Rider C&I</u></i>		<i><u>Rider C&I</u></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	\$11.46 /kW
Distribution Variable Charge	\$0.00745 /kWh	Distribution Variable Charge	\$0.00770 /kWh
Power Supply Energy Charge	\$0.06091 /kWh	Energy Charge	\$0.05931 /kWh
Reactive Charge	\$0.25 /kVar	Reactive Charge	\$0.25 /kVar
PSCR	\$0.00479 /kWh	PSCR	\$0.00479 /kWh
Energy Optimization Surcharge	\$ 400.99 /month	Energy Optimization Surcharge	\$ 400.99 /month
<u>Controlled Heating Monthly Service (CH)</u>		<u>Controlled Heating Monthly Service (CH)</u>	
<i><u>Schedule A</u></i>			
Energy Charge Discount	(\$0.03000) /kWh	Energy Charge	(\$0.03000) /kWh
<i><u>Schedule GS</u></i>			
Energy Charge Discount	(\$0.03000) /kWh		(\$0.03000) /kWh
<u>Efficient Electric Heating</u>		<u>Efficient Electric Heating</u>	
Energy Charge Discount	(\$0.03000) /kWh	Energy Charge	(\$0.03000) /kWh
<u>Partial Controlled Heating Monthly Service (PCH)</u>		<u>Partial Controlled Heating Monthly Service (PCH)</u>	
Energy Charge	(\$0.0150) /kWh	Energy Charge	(\$0.0150) /kWh
<u>Green/Renewable Energy -- Rider</u>		<u>Green/Renewable Energy -- Rider</u>	
Energy Charge	\$ 2.50 /100 kWh	Energy Charge	\$ 2.50 /100 kWh
<u>Controlled Water Heater Credit (CWH)</u>		<u>Controlled Water Heater Credit (CWH)</u>	
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
<u>Net Metering</u>		<u>Net Metering</u>	
Variable Energy Charge	\$0.10745 /kWh	Variable Energy Charge	\$0.12761 /kWh
PSCR	\$0.00479 /kWh	PSCR	\$0.00479 /kWh
<u>Distributed Renewable Energy (DRE)</u>			
Excess Generation Credit	\$0.05600 /kWh		\$0.05600

**Comparison of Revenue
Present and Proposed Rates**

(a)	(b)	(c)	(d)	(e)	(e)
Line No.	Rate Class	Present Rate Revenue	Draft Proposed Rates		
			Proposed Revenue	Increase (Decrease)	
				Amount	%
		(\$)	(\$)	(\$)	(%)
1	Residential Service (A)	23,443,309	24,779,696	1,336,387	5.70
2	Seasonal Residential Monthly Service (S)	7,148,980	7,459,830	310,850	4.35
3	General Monthly Service (GS)	5,564,427	5,761,840	197,414	3.55
4	Large General Monthly Service (LG)	681,769	703,314	21,545	3.16
5	Optional Large Power TOD Monthly Service (LPTOD)	1,513,476	1,589,159	75,683	5.00
6	Customer Owned Backup Generation (CBG)	-	-	-	-
7	Outdoor Lighting Monthly Service (OD)	199,736	216,615	16,879	8.45
8	Primary Monthly Service (PSDS)	1,387,762	1,458,495	70,733	5.10
9	Controlled Heating Monthly Service (CH)	(111,441)	(111,441)	-	-
10	Partial Controlled Heating Monthly Service (PCH)	-	-	-	-
11	Controlled Water Heater Credit (CWH)	(74,424)	(74,424)	-	-
12	Net Metering	(4,311)	(5,085)	(774)	17.96
13		-			
14		-			
15	Total	39,749,285	41,778,000	2,028,716	5.10

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

I. Consumer and Sales Data for Pro Forma Test Year

(a)	(b)	(c)	(d)	(e)	(f)	(f)	(f)
Line		Avg. No.	Energy	Billing	Revenue ²		
No.	Description	Cons.	Sales ¹	Demand	Draft Proposed Rates	COS Levels	Over/(Under) COS
			(kWh)	(kW)	(\$)	(\$)	(\$)
1	Residential Service (A)	18,913	156,302,573	N.A.	24,779,696	24,780,345	(649)
2	Seasonal Residential Monthly Service (S)	12,966	23,929,934	N.A.	7,459,830	7,458,876	954
3	General Monthly Service (GS)	2,395	43,483,173	N.A.	5,761,840	5,761,747	93
4	Large General Monthly Service (LG)	34	5,682,508	18,644	703,314	701,571	1,743
5	Optional Large Power TOD Monthly Service (LPTC)	14	13,842,235	42,783	1,589,159	1,588,437	722
6	Customer Owned Backup Generation (CBG)	-	-	N.A.	-	-	-
7	Outdoor Lighting Monthly Service (OD)	-	590,715	N.A.	216,615	216,670	(55)
8	Primary Monthly Service (PSDS)	3	14,278,961	31,009	1,458,495	1,459,331	(836)
9	Controlled Heating Monthly Service (CH)	-	-	N.A.	(111,441)		
10	Partial Controlled Heating Monthly Service (PCH)	-	-	N.A.	-		
11	Controlled Water Heater Credit (CWH)	1,151	-	N.A.	(74,424)		
12	Net Metering	-	(38,406)	N.A.	(5,085)		
13	-	-	-	-			-
14	-	-	-	-			-
15	-	-	-	-			-
16	-	-	-	-			-
17	-	-	-	-			-
18	Total	34,325	258,071,694	92,436.4	41,778,000	41,966,977	1,973
19	Less: Controlled Water Heater Credits				(74,424)		
20	Add: Unbilled PSKR Revenues				440,600		
21	Total Sales of Electricity				42,293,024		

¹ See Revenue Requirements, page 4.

² See Pages 4.

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

(a)	(b)	(c)	(d)	(e)	(f)
Rate Class	Billing	Units	Draft Proposed Rates		
	Determinants		Rate	Revenue	% Split
<u>Residential Service (A)</u>					
Service Charge	18,913	/month	\$18.00	\$ 4,085,235	35.9%
Distribution Variable Charge (All kWh)	156,302,573	/kWh	\$0.04660	7,283,700	64.1%
Power Supply Energy Charge (All kWh)	156,302,573	/kWh	\$0.08101	12,662,071	
PSCR	156,302,573	/kWh	\$0.00479	748,690	
				<u>\$ 24,779,696</u>	<u>100.0%</u>
<u>Seasonal Residential Monthly Service (S)</u>					
<i>Yearly Rate</i>					
Availability Charge	12,966	/year	\$228.00	\$ 2,956,217	54.7%
Distribution Variable Charge (All kWh)	23,929,934	/kWh	\$0.10240	2,450,425	45.3%
Power Supply Energy Charge (All kWh)	23,929,934	/kWh	\$0.08101	1,938,564	
PSCR	23,929,934	/kWh	\$0.00479	114,624	
				<u>\$ 7,459,830</u>	<u>100.0%</u>
<u>General Monthly Service (GS)</u>					
Monthly Service Charge					
Single Phase	2,083.1	/month	\$16.00	\$ 399,950	
Three Phase	311.6	/month	\$35.00	130,865	25.2%
Distribution Variable Charge (All kWh)	43,483,173	/kWh	\$0.03630	1,578,439	74.8%
Energy Charge	43,483,173	/kWh	\$0.07921	3,444,302	
Energy Charge Credits	43,483,173	/kWh	\$0.00000	-	
PSCR	43,483,173	/kWh	\$0.00479	208,284	
				<u>\$ 5,761,840</u>	<u>100.0%</u>
<u>Large General Monthly Service (LG)</u>					
Monthly Service Charge	34	/month	\$50.00	\$ 20,392	10.1%
Distribution Demand Charge	18,644	/kW	\$1.98	36,915	18.3%
Demand Charge - Power Supply	18,644	/kW	\$7.31	136,286	
Oil Related Demand Credit	-	/kW		-	
Distribution Variable Charge	5,682,508	/kWh	\$0.02550	144,904	71.7%
Energy Charge	5,682,508	/kWh	\$0.05941	337,598	
Primary Monthly Service Discount	-	/kVa	(\$0.20)	-	
Primary Meter Discount	-		-2.0%	-	
PSCR	5,682,508	/kWh	\$0.00479	27,219	
				<u>\$ 703,314</u>	<u>100.0%</u>

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

(a)	(b)	(c)	(d)	(e)	(f)
Rate Class	Billing	Units	Draft Proposed Rates		
	Determinants		Rate	Revenue	% Split
<u>Optional Large Power TOD Monthly Service (LPTOD)</u>					
Monthly Service Charge	14	/month	\$60.00	\$ 10,329	3.6%
Demand Charge					
Peak Period	32,406	/kW	\$8.25	267,353	
Maximum	42,783	/kW	\$6.55	280,230	96.4%
Energy Charge	13,842,235	/kWh	\$0.06971	964,942	
Primary Monthly Service Discount	-	/kVa	(\$0.20)	-	
Primary Meter Discount	-	/kWh	-2%	-	
PSCR	13,842,235	/kWh	\$0.00479	66,304	
				<u>\$ 1,589,159</u>	<u>100.0%</u>
<u>Customer Owned Backup Generation (CBG)</u>					
Demand Charge	-	/kW	(\$2.50)	<u>\$ -</u>	
				<u>\$ -</u>	
<u>Outdoor Lighting Monthly Service (OD)</u>					
175 W MV	-	/month	\$0.00	\$ -	
400 W MV	-	/month	\$0.00	-	
100 W HPS	-	/month	\$0.00	-	
250 W HPS	-	/month	\$0.00	-	
40 W LED Type 5	269	/month	\$7.77	25,133	
70 W LED Type 3	512	/month	\$8.91	54,761	
70 W LED Type 5	1,253	/month	\$8.91	133,946	
Total	2,035	/month			
PSCR	579,248	/kWh	\$0.00479	2,775	
				<u>\$ 216,615</u>	
<u>Primary Monthly Service (PSDS)</u>					
<i><u>Rider C&I</u></i>					
Monthly Service Charge	4	/cons	\$0.00	\$ -	0.0%
Distribution Demand Charge	31,009	/kW	\$6.10	189,157	63.2%
Power Supply Demand Charge	20,932	/kW	\$11.46	239,885	
Oil Related Demand Credit	-	/kW		-	
Distribution Variable Charge	14,278,961	/kWh	\$0.00770	109,948	36.8%
Power Supply Energy Charge	14,278,961	/kWh	\$0.05931	846,885	
Reactive Charge	16,897	/kVar	\$0.25	4,224	
PSCR	14,278,961	/kWh	\$0.00479	68,396	100.0%
				<u>\$ 1,458,495</u>	
<u>Controlled Heating Monthly Service (CH)</u>					
<i><u>Schedule A</u></i>					
Energy Charge Discount	3,446,483	/kWh	(\$0.03000)	\$ (103,394)	
<i><u>Schedule GS</u></i>					
Energy Charge Discount	268,201	/kWh	(\$0.03000)	<u>\$ (8,046)</u>	
Total				<u>\$ (111,441)</u>	

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

(a)	(b)	(c)	(d)	(e)	(f)
Rate Class	Billing Determinants	Units	Draft Proposed Rates		
			Rate	Revenue	% Split
<u>Partial Controlled Heating Monthly Service (PCH)</u>					
Energy Charge	-	/kWh	(\$0.0150)	\$	-
				\$	-
<u>Controlled Water Heater Credit (CWH)</u>					
Option #1	522	/month	(\$4.50)	\$	(28,175)
Option #2	576	/month	(\$6.00)		(41,502)
Option #3	53	/month	(\$7.50)		(4,748)
Total	1,151	/month		\$	(74,424)
<u>Net Metering</u>					
Variable Energy Charge	(38,406)	/month	\$0.12761	\$	(4,901)
PSCR	(38,406)	/month	\$0.00479		(184)
Total				\$	(5,085)
<u>Grand Total</u>	258,060,227			\$	41,778,000

OPTION 2

**EXCLUDING 2021 POLE
INVENTORY EXPENSES
PAID TO DAVEY
RESOURCE GROUP IN THE
AMOUNT OF \$400,759**

Presque Isle Electric & Gas Co-op
Proposed Rate, Tariff and Billing Rules Changes
Open Member Meeting: March 29, 2022

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Proposed Changes At A Glance

- | | | |
|--|--|--|
| 1. Reconcile 2021 Power Supply Cost Recovery Factor Collections
2. Review and accept the 2021 TIER Analysis and approve a revenue increase of \$1,631,066 | 3. Approve the application of the 2021 revenue increase to the Monthly, Seasonal, General Service, Large General Service, Large Power Time of Day, Primary Service, and Outdoor Lighting Rate Classes. | 4. Review and approve the distribution rate design per management's recommendation |
|--|--|--|

1. Reconcile 2021 Power Supply Cost Recovery (PSCR) Factor Collections

Existing Situation	Proposed Action	Management Recommends
<ul style="list-style-type: none"> o Power supply costs from Wolverine Power Supply Cooperative (WPSC) are passed through at cost to the members of Presque Isle Electric & Gas Co-op. o PIE&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. o This PSCR Factor collection is reconciled annually with actual costs and the difference is either returned or charged to the membership. o The reconciliation for the 12 month period ending December 31, 2021 indicates that there was an under-collection of \$840,499.34. This amount has been rolled into the 2022 PSCR factor and is currently being collected from the membership throughout the 2022 calendar year. 	<ul style="list-style-type: none"> o Accept the reconciliation of the 2021 PSCR Factor cumulative under-collection of \$840,499.34. 	<ul style="list-style-type: none"> o Approval of the Proposed Power Supply Cost Recovery Reconciliation net under-recovery of \$840,499.34. o The under-collection of \$840,499.34 will continue to be collected for the remainder of the 2022 calendar year.

2. Review and accept the 2021 TIER Analysis and approve a revenue increase of \$1,631,066

Existing Situation	Proposed Change	Management Recommends
<ul style="list-style-type: none"> o The TIER analysis based upon the 2021 operating year indicates an Adjusted TIER of 0.94. Management has reviewed this analysis with the board of directors. 	<ul style="list-style-type: none"> o Accept the 2021 TIER analysis which indicates an Adjusted TIER of 0.94 and a revenue increase of \$1,631,066 is necessary to return to a TIER of 1.80.* <p style="margin-top: 20px;">*Note that the TIER Analysis indicates an increase of \$1,631,066 however, when applying the increases across all rate classes the result is an increase of \$1,631,069.</p>	<ul style="list-style-type: none"> o Management recommends acceptance of the 2021 TIER analysis and approval of the request to increase revenue by \$1,631,066

Presque Isle Electric & Gas Co-op
Proposed Rate, Tariff and Billing Rules Changes
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3. Review and approve management's request to implement the revenue increase on the Monthly, Seasonal, General Service, Large General Service, Large Power Time of Day, Primary Service, and Outdoor Lighting Rate Classes.

Existing Situation	Proposed Change	Management Recommends																																
<ul style="list-style-type: none">o The board has approved an increase in revenue of \$1,631,066 based upon the 2021 TIER analysis.o Management has presented updated Cost of Service Study exhibits which indicate that there continue to be subsidies between rate classes.o PIE&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.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, Large Power Time of Day, Primary Service, and Outdoor Lighting rate classes.	<ul style="list-style-type: none">o The proposed revenue/rate increase should be allocated to the Monthly, Seasonal, General Service, Large General Service, Large Power Time of Day, Primary Service, and Outdoor Lighting rate classes in the following manner. <table><tr><td>Residential Monthly</td><td>\$ 1,113,365</td></tr><tr><td>Residential Seasonal</td><td>\$ 194,588</td></tr><tr><td>General Service</td><td>\$ 156,861</td></tr><tr><td>Large General Service</td><td>\$ 16,114</td></tr><tr><td>Large Power Time of Day</td><td>\$ 67,793</td></tr><tr><td>Primary Service</td><td>\$ 66,168</td></tr><tr><td>Outdoor Lighting</td><td>\$ 16,180</td></tr><tr><td>Total</td><td>\$ 1,631,069</td></tr></table>	Residential Monthly	\$ 1,113,365	Residential Seasonal	\$ 194,588	General Service	\$ 156,861	Large General Service	\$ 16,114	Large Power Time of Day	\$ 67,793	Primary Service	\$ 66,168	Outdoor Lighting	\$ 16,180	Total	\$ 1,631,069	<ul style="list-style-type: none">o Implementation of the revenue/rate increase to the following rate classes <table><tr><td>Residential Monthly</td><td>\$ 1,113,365</td></tr><tr><td>Residential Seasonal</td><td>\$ 194,588</td></tr><tr><td>General Service</td><td>\$ 156,861</td></tr><tr><td>Large General Service</td><td>\$ 16,114</td></tr><tr><td>Large Power Time of Day</td><td>\$ 67,793</td></tr><tr><td>Primary Service</td><td>\$ 66,168</td></tr><tr><td>Outdoor Lighting</td><td>\$ 16,180</td></tr><tr><td>Total</td><td>\$ 1,631,069</td></tr></table> <ul style="list-style-type: none">o Implementation of the revenue/rate increase to be effective with bills rendered on or after September 1, 2022	Residential Monthly	\$ 1,113,365	Residential Seasonal	\$ 194,588	General Service	\$ 156,861	Large General Service	\$ 16,114	Large Power Time of Day	\$ 67,793	Primary Service	\$ 66,168	Outdoor Lighting	\$ 16,180	Total	\$ 1,631,069
Residential Monthly	\$ 1,113,365																																	
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Outdoor Lighting	\$ 16,180																																	
Total	\$ 1,631,069																																	

4. Approved increases to the kWh charges for Residential Monthly, Seasonal, General Service, Large General Service, Large Power Time of Day, Primary Service and Outdoor Lighting Rate Classes

Existing Situation	Proposed Change	Management Recommends																																																												
<ul style="list-style-type: none"> The cooperative has approved increases to the Residential Monthly, Seasonal, General Service, Large General Service, Large Power Time of Day, Primary Service, and Outdoor Lighting rate classes. 	<ul style="list-style-type: none"> The cooperative has approved increases in the following manner. <table> <tr> <th>Rate Class</th><th>Current \$/kWh</th><th>Proposed \$/kWh</th></tr> <tr> <td>Monthly</td><td>\$ 0.03305</td><td>\$ 0.04017</td></tr> <tr> <td>Seasonal</td><td>\$ 0.08441</td><td>\$ 0.09254</td></tr> <tr> <td>General Service</td><td>\$ 0.02776</td><td>\$ 0.03137</td></tr> <tr> <td>Large General Service</td><td>\$ 0.01726</td><td>\$ 0.02010</td></tr> <tr> <td>Large Power Time of Day</td><td>\$ 0.06951</td><td>\$ 0.07441</td></tr> <tr> <td>Primary Service</td><td>\$ 0.00745</td><td>\$ 0.01208</td></tr> <tr> <td colspan="3">Outdoor Lighting - Monthly Charge</td></tr> <tr> <td>40W LED T5</td><td>\$ 7.10</td><td>\$ 7.49</td></tr> <tr> <td>70W LED T3/T5</td><td>\$ 8.21</td><td>\$ 8.91</td></tr> </table>	Rate Class	Current \$/kWh	Proposed \$/kWh	Monthly	\$ 0.03305	\$ 0.04017	Seasonal	\$ 0.08441	\$ 0.09254	General Service	\$ 0.02776	\$ 0.03137	Large General Service	\$ 0.01726	\$ 0.02010	Large Power Time of Day	\$ 0.06951	\$ 0.07441	Primary Service	\$ 0.00745	\$ 0.01208	Outdoor Lighting - Monthly Charge			40W LED T5	\$ 7.10	\$ 7.49	70W LED T3/T5	\$ 8.21	\$ 8.91	<ul style="list-style-type: none"> The cooperative establish electric distribution rates as follows: <table> <tr> <th>Rate Class</th><th>Current \$/kWh</th><th>Proposed \$/kWh</th></tr> <tr> <td>Monthly</td><td>\$ 0.03305</td><td>\$ 0.04017</td></tr> <tr> <td>Seasonal</td><td>\$ 0.08441</td><td>\$ 0.09254</td></tr> <tr> <td>General Service</td><td>\$ 0.02776</td><td>\$ 0.03137</td></tr> <tr> <td>Large General Service</td><td>\$ 0.01726</td><td>\$ 0.02010</td></tr> <tr> <td>Large Power Time of Day</td><td>\$ 0.06951</td><td>\$ 0.07441</td></tr> <tr> <td>Primary Service</td><td>\$ 0.00745</td><td>\$ 0.01208</td></tr> <tr> <td colspan="3">Outdoor Lighting - Monthly Charge</td></tr> <tr> <td>40W LED T5</td><td>\$ 7.10</td><td>\$ 7.49</td></tr> <tr> <td>70W LED T3/T5</td><td>\$ 8.21</td><td>\$ 8.91</td></tr> </table>	Rate Class	Current \$/kWh	Proposed \$/kWh	Monthly	\$ 0.03305	\$ 0.04017	Seasonal	\$ 0.08441	\$ 0.09254	General Service	\$ 0.02776	\$ 0.03137	Large General Service	\$ 0.01726	\$ 0.02010	Large Power Time of Day	\$ 0.06951	\$ 0.07441	Primary Service	\$ 0.00745	\$ 0.01208	Outdoor Lighting - Monthly Charge			40W LED T5	\$ 7.10	\$ 7.49	70W LED T3/T5	\$ 8.21	\$ 8.91
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5. Revise Renewable Energy Tariffs

Existing Situation	Proposed Change	Management Recommends
<ul style="list-style-type: none"> Wolverine Power Cooperative (WPC) revised its Distributed Renewable Energy (DRE) and Buy All/Sell All programs to changes in their rate structure. PIE&G Tariffs D21.00 - D21.03 and D22.00 - D22.03 require revisions to support WPC's new rates. 	<ul style="list-style-type: none"> Revise Tariff Sheets D21.00-D21.03 and D22.00 - D22.03 to reflect the new terms and conditions of the WPC's DRE and BASA programs. 	<ul style="list-style-type: none"> Approve revisions to tariff Sheets D21.00-D21.03 and D22.00 - D22.03.

**PRESQUE ISLE ELECTRIC & GAS CO-OP
BOARD RESOLUTION
MARCH 29, 2022**

**RESOLUTION 2022-MR-02
2021 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 2021 operating year indicates an adjusted TIER of 0.94; and

WHEREAS, an adjusted TIER of 0.94 falls outside the "Quiet Zone"; and

WHEREAS, a revenue increase of \$1,631,066 is required to achieve a 1.8 Target TIER;

NOW BE IT HEREBY RESOLVED that the PIE&G Board of Directors accepts management's 2021 ELECTRIC TIER analysis, which indicates a revenue increase of \$1,631,066 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 29, 2022.

By: _____
Sandra Borowicz, Secretary

Dated: _____

PRESQUE ISLE ELECTRIC & GAS CO-OP
BOARD RESOLUTION
March 29, 2022

RESOLUTION 2022-MR-03
2022 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 2021 TIER Analysis provides for an increase of \$1,631,066 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, large power time of day, primary service, and outdoor lighting rate classes in the following manner effective with bills rendered on or after September 1, 2022:

Residential Monthly Total Increase	\$1,113,365
Residential Seasonal Total Increase	\$ 194,588
General Service	\$ 156,861
Large General Service	\$ 16,114
Large Power Time of Day	\$ 67,793
Primary Service	\$ 66,168
Outdoor Lighting Total Increase	\$ 16,180

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 29, 2022.

By: _____
Sandra Borowicz, Secretary

Dated: _____

PRESQUE ISLE ELECTRIC & GAS CO-OP
BOARD RESOLUTION
March 29, 2022

RESOLUTION 2022-MR-04
2022 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 2021 TIER Analysis provides for an increase of \$1,631,066 to achieve a Target TIER of 1.8; and

WHEREAS, PIE&G has established that the increase of \$1,631,066 is to be implemented on the Residential Monthly, Seasonal, General Service, Large General Service, Large Power Time of Day, 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, large power time of day, primary service, and outdoor lighting rate classes in the following manner effective with bills rendered on or after September 1, 2022:

Residential Monthly	distribution charge	\$0.04017 per kWh
Residential Seasonal	distribution charge	\$0.09254 per kWh
General Service	distribution charge	\$0.03137 per kWh
Large General Service	distribution charge	\$0.02010 per kWh
Large Power Time of Day	kWh charge	\$0.07441 per kWh
Primary Service	distribution charge	\$0.01208 per kWh
Outdoor Lighting		
	40W LED T5	\$ 7.49 per month
	70W LED T3/T5	\$ 8.91 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 29, 2022.

By: _____
Sandra Borowicz, Secretary

Dated: _____

TEST YEAR MARGINS AND INTEREST
12 MONTHS ENDED DECEMBER 31, 2021

	<u>Operating Margins</u>	<u>Total Margins</u>	<u>Interest</u>
December 31, 2021	(\$1,363,049) ¹	(\$146,769) ²	\$1,895,651 ³

¹ From December 2021 Form 7, Part 1A, line 20, *Patronage Capital and Operating Margins*.

² From December 2021 Form 7, Part 1A, line 28, *Patronage Capital*.

³ From December 2021 Form 7, Part 1A, line 15, *Interest on Long Term Debt*.

ADJUSTED TOTAL MARGINS

<u>Step One:</u>	Unadjusted Total Margins	\$ (146,769) ⁴
<u>Step Two:</u>	Add Back Net Loss from Equity Investments	\$ 598,834 ⁵
	Add Misc. Non-Operating Loss	\$ 20,656 ⁶
	Add Annualized Revenue from Rate Increase	\$ 456,325 ⁷
	Add Back One-time Expenses for System Mapping	\$ 400,759 ⁸
	Less G&T Capital Credits Allocated/Not Paid	\$ (1,506,149) ⁹

(continued on next page)

⁴ From Exhibit A-2.

⁵ From December 2021 Form 7, page 1, column (b), line 23, "Income (Loss) from Equity Investments" includes a \$589,754 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 \$589,754.

⁶ From December 2021 Form 7, page 1, column (b), line 23, "Income (Loss) from Equity Investments". The total amount of (\$592,074) includes a one-time Miscellaneous Non-Operating Loss of \$20,656 for property damage insurance proceeds.

⁷ From Exhibit A-7, Annualized Increase in Revenue at New Rates.

⁸ Operating Expenses in 2021 included \$400,759 paid to Davey Resource Group for one-time charges related to gathering pole inventory data for Electric System Mapping. These charges should be added back to margins since they will not be incurred again once the pole inventory is completed.

⁹ From December 2021 Form 7, page 1, column (b), line 25a, "Generation and Transmission Capital Credits" + Line 25b, "G&T Capital Credits – PSDFC".

ADJUSTED TOTAL MARGINS
(continued from prior page)

Less Other Capital Credits Allocated/Not Paid	\$ (97,073) ¹⁰
<u>Step Three:</u> Add: Issued Capital Credits/Past Years' Allocations	\$ 1,612,016
Less General Capital Credit Retired to Members	\$ (704,446)
<u>Step Four:</u> Less Member Remaining Capital Credits Retired	\$ (748,698)
Adjusted Total Margins	\$ (114,545)

¹⁰ From December 2021 Form 7, page 1, column (b), line 26, "*Other Capital Credits and Patronage Dividends*", i.e. \$264,554 less \$167,481. The \$167,481 is comprised of the following declared and paid other capital credits or patronage dividends.

NRUCFC	\$ 90,116
COBANK	\$ 13,151
NISC	\$ 5,715
NRTC	\$ 1,130
CRC	\$ 4,645
<u>RESCO</u>	<u>\$ 52,724</u>
Total	<u>\$ 167,481</u>

CALCULATION OF REQUIRED TIER REVISION

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

$$\text{Interest} = \$1,895,651^{11}$$

$$1.8 \text{ TIER} = \frac{\text{Necessary Margin} + \$1,895,651 \text{ Interest}}{\$1,895,651 \text{ Interest}}$$

$$\text{Necessary Margins} = \$1,516,521$$

Target TIER:

$$1.8 \text{ TIER} = \frac{\$1,516,521 \text{ Necessary Margin} + \$1,895,651 \text{ Interest}}{\$1,895,651 \text{ Interest}}$$

Actual Adjusted Total TIER:

$$\text{TIER} = \frac{(\$114,545)^{12} + \$1,895,651 \text{ Interest}}{\$1,895,651 \text{ Interest}} = 0.94 \text{ TIER}$$

Based on Adjusted Total TIER of 0.94, an increase of \$1,631,066 or 4.28% is required.

¹¹ From Exhibit A-2.

¹² From Exhibit A-3.

RECONCILIATION OF OPERATING AND TOTAL MARGINSLine No.

1	Operating Margins		\$ (1,363,049) ¹³
2	Other Income		
3	a. Non Operating Margins – Interest	\$ 46,731 ¹⁴	
	b. Income from Equity Investments	\$ (601,154) ¹⁵	
	c. Non Operating Margins – Other	\$ 0 ¹⁶	
	d. G&T Capital Credits	\$ 1,506,149 ¹⁷	
	Other Capital Credits and Patronage Dividends	\$ <u>264,554</u> ¹⁸	
3.	Total Additions to Operating Margins		\$ 1,216,280
4	Total Margins		\$ (146,769)

¹³ From Exhibit A-2.

¹⁴ From December 2021 Form 7, Part 1A, line 21, “*Non Operating Margins – Interest*”.

¹⁵ From December 2021 Form 7, Part 1A, line 23, “*Income(Loss) from Equity Investments*”.

¹⁶ From December 2021 Form 7, Part 1A, line 24, “*Non Operating Margins – Other*”.

¹⁷ From December 2021 Form 7, Part 1A, line 25a, “*Generation and Transmission Capital Credits*”.

¹⁸ From December 2021 Form 7, Part 1A, line 26, “*Other Capital Credits and Patronage Dividends*”.

CALCULATION OF REQUIRED AND REQUESTED INCREASELine No.

1	Required \$ Increase Per Exhibit A-4	\$ 1,631,066
2	2021 Revenue from Electric Sales	\$ 38,066,530 ¹⁹
3	Required % Increase	4.28%
4	2021 kWh Sales	258,071,694 ²⁰
5	Average Mills Per kWh Increase	6.32 mills per kWh

¹⁹ From December 2021 Form 7, Page 5, Electric Operations Plant Ratios, Sales & Revenue Report, Year to Date Total Sales of Electric Energy, dollars.

²⁰ From December 2021 Form 7, Page 5, Electric Operations Plant Ratios, Sales & Revenue Report, Year to Date Total kWh sold.

ANNUALIZED REVENUE FROM RATE INCREASE

EXHIBIT A-7
PAGE 1 OF 2

	OLD RATE \$/KWH JANUARY THROUGH JULY	NEW RATE \$/KWH AUGUST THROUGH DECEMBER
RESIDENTIAL	\$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

	KWH SOLD AT OLD RATE JANUARY THROUGH JULY	KWH SOLD AT NEW RATE AUGUST THROUGH DECEMBER	TOTAL KWH SOLD 2021	ANNUALIZED REVENUE AT OLD RATES
RESIDENTIAL	85,182,325	57,442,998	142,625,323	\$4,374,319
SEASONAL -- OVER 7,200 kWh	11,019,693	1,153,910	12,173,603	\$373,364
SEASONAL	27,616,223	606,386	28,222,609	\$2,205,597
GS1	15,996,029	12,117,124	28,113,153	\$733,472
GS3	8,747,882	6,736,438	15,484,320	\$403,986
LGS	2,526,957	2,262,821	4,789,778	\$74,146
PSDS	7,677,600	5,292,000	12,969,600	\$83,784
	158,766,709	85,611,677	244,378,386	\$8,248,667

	KWH REVENUE AT OLD RATE JANUARY THROUGH JULY	KWH REVENUE AT NEW RATE AUGUST THROUGH DECEMBER	TOTAL KWH REVENUE 2021	ANNUALIZED REVENUE AT NEW RATES	ANNUALIZED INCREASE IN REVENUE AT NEW RATES
RESIDENTIAL	\$2,612,542	\$1,898,491	\$4,511,033	\$4,713,767	\$202,734
SEASONAL -- OVER 7,200 kWh	\$337,974	\$38,137	\$376,111	\$402,338	\$26,227
SEASONAL	\$2,158,208	\$51,185	\$2,209,393	\$2,382,270	\$172,878
GS1	\$417,336	\$336,371	\$753,708	\$780,421	\$26,713
GS3	\$228,232	\$187,004	\$415,236	\$429,845	\$14,609
LGS	\$39,117	\$39,056	\$78,174	\$82,672	\$4,498
PSDS	\$49,597	\$39,425	\$89,023	\$96,624	\$7,601
	\$5,843,007	\$2,589,669	\$8,432,676	\$8,887,936	\$455,259

STREET LIGHTS (FROM EXHIBIT A-7 PAGE 2 OF 2)

\$1,066

ANNUALIZED INCREASE IN REVENUE AT NEW RATES

\$456,325

ANNUALIZED REVENUE FROM RATE INCREASE -- SECURITY LIGHTS

EXHIBIT A-7
PAGE 2 OF 2

	OLD MONTHLY CHARGE JANUARY THROUGH JULY	NEW MONTHLY CHARGE AUGUST THROUGH DECEMBER
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

	AVERAGE NUMBER OF SECURITY LIGHTS PER MONTH	ANNUALIZED SYL REVENUE AT OLD RATES
175W MV	1	\$150
400W MV	0	\$0
100W HPS	0	\$0
250W HPS	0	\$0
40W LED T5	283	\$23,942
70W LED T3/T5	1,723	\$168,096
	2,007	\$192,187

	SYL REVENUE AT OLD RATE JANUARY THROUGH JULY	SYL REVENUE AT NEW RATE AUGUST THROUGH DECEMBER	TOTAL SYL REVENUE 2021	ANNUALIZED SYL REVENUE AT NEW RATES	ANNUALIZED INCREASE IN SYL REVENUE AT NEW RATES
175W MV	\$87	\$64	\$151	\$153	\$2
400W MV	\$0	\$0	\$0	\$0	\$0
100W HPS	\$0	\$0	\$0	\$0	\$0
250W HPS	\$0	\$0	\$0	\$0	\$0
40W LED T5	\$13,966	\$10,047	\$24,013	\$24,112	\$99
70W LED T3/T5	\$98,056	\$70,729	\$168,785	\$169,750	\$965
	\$112,109	\$80,839	\$192,949	\$194,014	\$1,066

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, 2021

RUS Form 7 Line Number	ITEM	YEAR TO DATE			THIS MONTH
		2020	2021	BUDGET	
1.	Operating Revenue - Electric	35,978,308	38,784,574	38,137,397	3,397,264
1.					
	Total Revenue	35,978,308	38,784,574	38,137,397	3,397,264
3.	Cost of Purchased Energy - Electric	20,014,076	21,979,421	20,901,005	1,894,703
3.					
	Total Cost of Energy Sold	20,014,076	21,979,421	20,901,005	1,894,703
	Gross Revenues	15,964,232	16,805,153	17,236,392	1,502,561
5.	Distribution Expense - Operation	1,269,187	1,889,286	1,406,963	236,468
6.	Distribution Expense - Maintenance	4,360,867	4,977,714	4,392,502	1,131,277
7.	Consumer Accounts Expense	1,551,827	1,778,699	1,783,569	144,114
8.	Customer Service and Informational Expens	700,087	771,202	918,303	91,334
10.	Administrative and General Expense	1,866,857	2,183,864	2,030,391	209,251
	Total Operation & Maintenance Expense	9,748,824	11,600,765	10,531,728	1,812,445
12.	Depreciation & Amortization Expense	3,277,333	3,445,218	3,528,718	317,849
13.	Tax Expense - Property & Gross Receipts	905,454	1,077,549	1,129,849	183,422
14.	Tax Expense - Other	1,216	4,593	884	852
15.	Interest on Long-Term Debt	1,666,384	1,895,651	2,198,633	219,465
17.	Interest Expense - Other	67,241	137,044	53,031	10,882
18.	Other Deductions	0	7,384	1,000	0
	Total Cost of Operations	15,666,451	18,168,202	17,443,843	2,544,915
20.	Patronage Capital & Operating Margins	297,781	(1,363,049)	(207,451)	(1,042,354)
21.	Non-Operating Margins - Interest	63,641	46,731	74,017	68
23.	Income (Loss) from Equity Investments	1,363,770	(601,154)	(390,767)	(284,874)
24.	Non-Operating Margins - Other	0	0	0	0
25.a	Generation and Transmission Capital Credit	1,244,361	1,506,149	1,300,000	1,506,149
25.b	G & T Capital Credits - PSDFC	0	0	0	0
26.	Other Capital Credits and Patronage Dividen	221,486	264,554	211,670	18,618
27.	Extraordinary Items See attached sheet	0	0	0	0
28.	Patronage Capital	3,191,039	(146,769)	987,469	197,607
	Net T.I.E.R.	2.84	0.93		
	Operating T.I.E.R.	1.17	0.33		

PART 2A - DATA ON ELECTRICAL DISTRIBUTION PLANT

ITEM	YEAR TO DATE	
	2020	2021
1. New Services Connected	305	412
2. Services Retired	36	32
3. Total Services in Place	36,544	36,901
4. Idle Services (Excl Seasonal)	2,407	2,354
5. Miles Distribution - Overhead	3,828	3,820
6. Miles Distribution - Underground	1,108	1,137
7. Total Miles Energized (5 + 6)	4,936	4,957

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, 2021

RUS Form 7 Line Number	ASSETS AND OTHER DEBITS	RUS Form 7 Line Number	LIABILITIES AND OTHER CREDITS
1a.	Utility Plant in Service - Electric 141,215,836	30a.	Memberships - Electric 282,455
1b.	Utility Plant in Service - Gas 45,666,425	30b.	Memberships - Gas 28,160
1c.	Utility Plant in Service - Fiber 1,196,410	30c.	Memberships - Fiber 0
1.	Utility Plant in Service - Combined 188,078,671	30.	Memberships - Combined 310,615
2a.	Construction Work in Progress - Electric 1,024,036	31a.	Patronage Capital - Electric 42,541,709
2b.	Construction Work in Progress - Gas 542,513	31b.	Patronage Capital - Gas 8,919,193
2c.	Construction Work in Progress - Fiber 864,966	31c.	Patronage Capital - Fiber 0
2.	Construction Work in Progress - Combined 2,431,515	31.	Patronage Capital - Combined 51,460,902
3a.	Total Utility Plant (1+ 2) - Electric 142,239,872	32a.	Operating Margins - Prior Years - Electric 21,064
3b.	Total Utility Plant (1 + 2) - Gas 46,208,938	32b.	Operating Margins - Prior Years - Gas 0
3c.	Total Utility Plant (1 + 2) - Fiber 2,061,377	32c.	Operating Margins - Prior Years - Fiber 0
3.	Total Utility Plant - Combined 190,510,187	32.	Operating Margins - Prior Years - Combined 21,064
4a.	Accumulated Provision for Depreciation - Electric 63,955,826	33a.	Operating Margins - Current Year - Electric (1,363,049)
4b.	Accumulated Provision for Depreciation - Gas 15,318,991	33b.	Operating Margins - Current Year - Gas 368,087
4c.	Accumulated Provision for Depreciation - Fiber 10,498	33c.	Operating Margins - Current Year - Fiber (690,397)
4.	Accum. Provision for Depreciation - Combined 79,285,316	33.	Operating Margins - Current Year - Combined (1,685,359)
5a.	Net Utility Plant (3 - 4) - Electric 78,284,046	34a.	Non Operating Margins - Electric 1,216,280
5b.	Net Utility Plant (3 - 4) - Gas 30,889,947	34b.	Non Operating Margins - Gas 46,284
5c.	Net Utility Plant (3 - 4) - Fiber 2,050,878	34c.	Non Operating Margins - Fiber 0
5.	Net Utility Plant - Combined 111,224,871	34.	Non Operating Margins - Combined 1,262,564
7.	Investments in Subsidiary Companies 0	35a.	Other Margins and Equities - Electric 4,757,808
8.a	Invest. in Assoc. Org- Patronage Capital - WPC 19,457,298	35b.	Other Margins and Equities - Gas 7,207
		35c.	Other Margins and Equities - Fiber 0
8.b	Invest. in Assoc. Org- Patronage Capital - Other 5,668,134	35.	Other Margins and Equities - Combined 4,765,016
9.	Invest. in Assoc. Org. - Other - General Funds 4,800	36a.	Total Margins and Equities (30 thru 35) - Electric 47,456,267
10.	Invest. in Assoc. Org. - Other - Nongeneral Funds 1,394,779	36b.	Total Margins and Equities (30 thru 35) - Gas 9,368,932
		36c.	Total Margins and Equities (30 thru 35) - Fiber (690,397)
11.	Invest. in Economic Development Projects 0	36.	Total Margins and Equities (30 thru 35) - Combined 56,134,802
12.	Other Investments 0	37.	Long Term Debt - RUS (Net)
13.	Restricted Funds 0		(Payments-Unapplied \$ -0-
14.	Total Other Property and Investments (6 thru 13) 26,525,011	38.	Long Term Debt - RUS - Econ. Dev. (Net) 0
15.	Cash - General Funds 3,439,604	39.	Long Term Debt - Other - RUS Guaranteed 0
16.	Cash - Construction Funds 0	40.	Long Term Debt - Other (Net) 79,391,733
17.	Special Deposits 0	41.	Total Long Term Debt (37 thru 40) 79,391,733
18.	Temporary Investments 1,626,158	42.	Obligations Under Capital Leases 0
19.	Notes Receivable - Net 0	43.	Deferred Compensation 0
20.	Accounts Receivable - Net Sales of Energy 6,222,674	44.	Total Other Non Current Liabilities (42+43) 0
21.	Accounts Receivable - Net Other 9,775,192	45.	Line of Credit Balance Due 10,576,530
22.	Materials and Supplies - Electric and Other 7,363,697	46.	Accounts Payable 14,364,205
23.	Prepayments 182,659	47.	Consumers Deposits 544,949
24.	Other Current and Accrued Assets 0	48.	Other Current and Accrued Liabilities 6,224,315
25.	Total Current and Accrued Assets (15 thru 24) 28,609,984	49.	Total Current and Accrued Liabilities (45 thru 48) 31,709,998
26.	Regulatory Assets 0	50.	Deferred Credits (167,940)
27.	Other Deferred Debits 708,728	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) 167,068,593		(36+41+44+49 thru 51) 167,068,593
			ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION
		53.	Balance Beginning of the Year - Electric 23,772,410
		54.	Balance Beginning of the Year - Gas 5,144,294
		55.	Balance Beginning of the Year - Gas AER 1,054,511
			Amount Received This Year (Net) - Electric 1,212,499
			Amount Received This Year (Net) - Gas 259,278
			Amount Received This Year (Net) - Gas AER
			Total Contributions in Aid of Construction - Electric 24,984,909
			Total Contributions in Aid of Construction - Gas 5,403,573
			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, 2021

BALANCE SHEET RATIOS

Current Assets to Current Liabilities	- Combined	90.22 %
Margins & Equities as % of Assets	- Combined	33.60 %
Long Term Debt as % of Net Utility Plant	- Combined	71.38 %
Long Term Debt as % of Plant	- Combined	41.67 %
Modified Debt Service Coverage Ratio	- Combined	1.46

CONSUMER SALES AND REVENUE DATA - MONTHLY

CLASS OF SERVICE	Number Receiving Service A.	kWh Sold B.	Amount C.	Number of Minimum Bills D.
Sales - Residential	18,143	12,759,826	1,784,095	730
Sales - Seasonal	13,786	3,508,693	814,008	12,608
Sales - General Service - Oil	496	440,457	56,433	67
Sales - Irrigation	27	2,574	2,164	16
Sales - General Service	1,691	2,790,863	329,650	187
Sales - Large Power - Oil	2	96,160	9,078	
Sales - Large Power	40	2,158,746	210,724	1
Sales - Public Street & Highway Lighting	37	11,864	3,972	
Sales - Public Buildings	325	295,127	37,571	36
Consumer Sales - PSCR			53,058	
Total Sales of Electric Energy (1 thru 11)	34,547	22,064,310	3,300,753	13,645
Other Electric Revenue			96,511	
Total (12 + 13)			3,397,264	
Last Year kWh Sales	34,137	21,240,141		

CONSUMER SALES AND REVENUE DATA - YEAR TO DATE

CLASS OF SERVICE	Average Number Receiving Service B.	kWh Sold Cumulative C.	Amount Cumulative D.
Sales - Residential	18,002	142,866,798	20,042,071
Sales - Seasonal	13,734	42,594,748	9,426,031
Sales - General Service - Oil	497	4,440,150	577,934
Sales - Irrigation	26	107,538	21,186
Sales - General Service	1,656	34,961,822	4,066,338
Sales - Large Power - Oil	2	917,120	88,260
Sales - Large Power	39	27,867,278	2,674,365
Sales - Public Street & Highway Lighting	37	142,497	47,433
Sales - Public Buildings	326	4,173,743	514,371
Consumer Sales - PSCR			440,600
Total Sales of Electric Energy (1 thru 11)	34,319	258,071,694	37,898,590
Other Electric Revenue			885,984
Total (12 + 13)			38,784,574
Last Year kWh Sales		246,588,784	

KWH AND KWH STATISTICS

ITEM	THIS MONTH	YEAR-TO-DATE
1. kWh Purchased	25,323,371	280,036,748
2. Interchange kWh-Net	1,564	70,341
3. Total kWh (1 + 2)	25,324,935	280,107,089
4. Total kWh-Sold	22,064,310	258,071,694
5. Office Use - **For Information Purposes Only**	65,182	562,222
6. Total Unaccounted for (3 - 4)	3,260,625	22,035,395
7. Percent System Loss (6/3)x100	12.88	7.87
8. Maximum Demand (kw)	45,566	59,254
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, 2021

	THIS YEAR	LAST YEAR
1. KWHRS Sold Per Consumer:		
a. For the Month	639	622
b. Year to Date	<u>627</u>	<u>605</u>
2. Average Monthly Bill	95.54	85.26
Average Residential Bill	<u>98.34</u>	<u>95.71</u>
3. Average Bill:		
a. Year To Date	92.03	86.25
b. YTD Residential	<u>92.78</u>	<u>90.58</u>
4. Cost Per KWHR Purchased		
a. This Month Mills	74.82	62.72
b. Year to Date Mills	<u>78.47</u>	<u>74.50</u>
5. Revenue Per KWHR Sold:		
a. This Month Mills	149.60	137.04
b. Year to Date Mills	<u>146.85</u>	<u>142.50</u>
6. Power Cost Adjustment		
a. This Month	<u>-0.004390</u>	<u>-0.007500</u>
7. Number of New Members - Electric	165	125
Number of Transferred Members Added - Electric	1453	1417
7. Number of New Members - Gas	51	52
Number of Transferred Members Added - Gas	<u>164</u>	<u>152</u>
8. Security Lights Billed	<u>2025</u>	<u>2001</u>
9. Regular Payroll - Hours	17,374.00	15,768.50
Overtime Payroll - Hours	5,052.75	1,317.75
Total Payroll	<u>22,426.75</u>	<u>17,086.25</u>
10. Number of Employees		
Full Time	93	80
Temporary	<u>8</u>	<u>7</u>
11. Principal Paid To CFC-YTD	2,607,463.91	2,225,923.34
Interest Paid To CFC-YTD	<u>2,945,467.55</u>	<u>2,684,783.20</u>
12. Interest Paid on Line of Credit - YTD	<u>172,216.69</u>	<u>78,678.62</u>

TIER CALCULATION			
CO-OP: Presque Isle Electric & Gas Co-op			
Case:			
Year: 2021			
FORM			
7 LINE	ITEM	2021 All Costs	
		\$	
	Operating Revenue		
	Sales of Electricity	38,784,574	
	Other	-	
1	Operating Revenue	38,784,574	
	Operating Expenses		
3	Cost of Purchased Energy	21,979,421	
4	Transmission Expense		
5	Distribution Expense - Operation	1,889,286	
6	Distribution Expense - Maintenance	4,977,714	
7	Consumer Accounts Expense	1,778,699	
8	Customer Service & Info. Expense	771,202	
9	Sales Expense		
10	Administrative & General Expense	2,183,864	
11	Total O & M Expense	33,580,186	
12	Depreciation & Amortization Exp.	3,445,218	
13	Tax Exp. - Property & Gross Recpts.	1,077,549	
14	Tax Expense - Other	4,593	
15	Interest on Long-Term Debt (mpsc)	1,895,651	
16	Interest Charged to Const. - Cr.		
17	Interest Expense - Other	137,044	
18	Other Deductions	7,384	
19	Total Cost of Operations	40,147,624	
20	Ptrng Cap. & OPERATING Margins	(1,363,049)	
21	Non-Operating Margins - Interest	46,731	
22	AFUDC		
nt lsted	Loss from Property Retirements		
23	Inc. (Loss) from Equity Investments	(601,154)	
24	Non-Operating Margins - Other	-	
25.a	Gen. & Trans. Capital Crs.	1,506,149	
25.b	G & T Capital Crs - PSDFC	-	
26	Other Capital Crs. & Patronage Div's.	264,554	
27	Extraordinary Items	-	
28	Ptrng Capital or Margins (20-27)	(146,769)	
Part II: Adjusted Margins & TIER AS FILED			
	Actual Total Margin (Ln 28)	(146,769)	
Step II	Back Out:		
	Gain/Loss from Equity Investments	598,834	
	One-time Miscellaneous Non-Operating Income	20,656	
	Annualized Revenue from Rate Increase	456,325	
	Add back DRG expenses for System Mapping	400,759	
	G&T Credits, Allocated/Not Paid	(1,506,149)	
	Other Cap Crs. Allocated/Nt Pd	(97,073)	
	Weather Normalization Adjustment		
	Adjustment for Non-Operating Loss		
	Total Mrgns Less Cap. Crs. Allocation	(273,417)	
Step III	Add Back:		
	Estimated Storm Restoration Costs		
	Cap Crs Pd for Prior Years	1,612,016	
	Less offset of Cap Crs Retired/Members	(704,446)	
	Preliminary Adjusted Total Margins	634,153	
Step IV	Back Out:		
	Member Remaining Cap Crs. Retired	(748,698)	
	Adjust for difference in LT Debt Interest		
	Adjust for Add Back of C.C. Retired/Members		
	Adjusted Total Margin	(114,545)	
	Resulting TIER:		
	Adjusted Total Margin	(114,545)	
	+ Interest, L/T Debt +	1,895,651	
	+ Interest, L/T Debt	1,895,651	
	= TIER	0.94	
	[Quiet zone = 1.6 - 2.2]		
Part III - Increase in Rates resulting from the 2021 PSCR/TIER Reconciliation			
Part III: Increase Calculation			
	Target TIER as per Co-op Application	1.80	
	x Interest, LT Debt	1,895,651	
	Subtotal	3,412,171	
	LESS Interest, LT Debt	(1,895,651)	
	= Target Total Margin	1,516,521	
	LESS Adjusted Total Margin	114,545	
	Rate Increase for Co-ops Target TIER	1,631,066	
	Percent Increase		
	Annualized (Year) Electric Sales Revenue	\$ 38,066,530	
	Percent Increase Needed for Target TIER	4.28%	
	2021 kWh Sales	258,071,694	
	Increase per kWh	0.00632	
	Average Residential Bill - kWh	666	
	Monthly Residential Increase	\$ 4.21	

Presque Isle Electric & Gas
Determination of 2021 TIER Rate Adjustments
Excluding DRG

Rate Code	Applicable Rate Schedule	kWh Sales	2021 Tier Increase ¹		Distribution Charge	
			Total	per kWh	Present	Proposed
RES	A					
RESSE	A					
	Total Sch. A	156,264,167	\$ 1,113,365	\$ 0.00712	\$ 0.03305	\$ 0.04017
RESSE	S	23,929,934	\$ 194,588	\$ 0.00813	\$ 0.08441	\$ 0.09254
GS1	GS					
GS3	GS					
	Total Sch. GS	43,483,173	\$ 156,861	\$ 0.00361	\$ 0.02776	\$ 0.03137
LGS	LGS	5,682,508	\$ 16,114	\$ 0.00284	\$ 0.01726	\$ 0.02010
LPTOD	LPTOD	13,842,235	\$ 67,793	\$ 0.00490	\$ 0.06951	\$ 0.07441
PSDS	PSDS opt 1-B	14,278,961	\$ 66,168	\$ 0.00463	\$ 0.00745	\$ 0.01208
SYL	OD	574,692	\$ 16,180	\$ 0.02815	See Below	
		258,055,670	\$ 1,631,069			

Rate Code	Type	kWh Per Light	Increase		Monthly Rate	
			per kWh	per Month	Present	Proposed
dvc 1	175 mv	74				
dvc 2	400 mv	163				
dvc 3	100 hps	45				
dvc 4	250 hps	106				
dvc 10	40 T5	14	\$ 0.02815	\$0.39	\$7.10	\$7.49
dvc 11	70 T5	25	\$ 0.02815	\$0.70	\$8.21	\$8.91
dvc 12	70 T3	25	\$ 0.02815	\$0.70	\$8.21	\$8.91

¹ Class increases based on PIE&G's 2019 (2018 Actual) COS Study updated for 2021 Revenue Requirements and Estimates

² Since LPTOD does not have a Variable Distribution Charge, the adjustment is applied to the total energy charge. This cost is allocated to the other classes.

Statement of Operations
Present Rates
For the Test Year Ended December 31, 2021

(a) Line No.	(b) Description	(c) Actual Test Year	(d) Adjustments ¹	(e) Pro Forma Test Year
1	<u>Operating Revenue</u>			
2	Sales of Electricity	\$ 37,898,590	\$ 2,365,719	\$ 40,264,309
3	Other	885,984		885,984
4	Total Operating Revenue	<u>\$ 38,784,574</u>	<u>\$ 2,365,719</u>	<u>\$ 41,150,293</u>
5	<u>Operating Expenses</u>			
6	Cost of Purchased Power	\$ 21,979,421	\$ 1,928,341	\$ 23,907,762
7	Transmission - O & M			
8	Distribution - Operation	1,889,286	(400,759)	1,488,527
9	Distribution - Maintenance	4,977,714	-	4,977,714
10	Consumer Accounts	1,778,699	-	1,778,699
11	Consumer Service & Information	771,202	-	771,202
12	Sales		-	-
13	Administrative & General	2,183,864	-	2,183,864
14	Depreciation & Amortization	3,445,218	-	3,445,218
15	Taxes - Property	1,077,549	-	1,077,549
16	Taxes - Other	4,593	-	4,593
17	Interest on Long Term Debt	1,895,651	-	1,895,651
18	Other Interest Expense	137,044	-	137,044
19	Other Deductions	7,384	-	7,384
20	Total Operating Expenses	<u>\$ 40,147,625</u>	<u>\$ 1,527,582</u>	<u>\$ 41,675,207</u>
21	Net Operating Margins	<u>\$ (1,363,051)</u>	<u>\$ 838,137</u>	<u>\$ (524,914)</u>
22	<u>Non-Operating Margins</u>			
23	Non-Operating Margins (Interest Income)	\$ 46,731	\$ -	46,731
24	Income (Loss) from Property Retirements	(601,154)	619,490	18,336
25	Non-Operating Margins (Other) ²	-		-
26	Generation and Transmission Capital Credits ³	1,506,149	(1,506,149)	-
27	Other Capital Credits & Patronage Dividends ³	264,554	(97,073)	167,481
28	Total Non-Operating Margins	<u>\$ 1,216,280</u>	<u>\$ (983,732)</u>	<u>\$ 232,548</u>
29	Total Patronage Capital & Margins	<u><u>\$ (146,771)</u></u>	<u><u>\$ (145,595)</u></u>	<u><u>\$ (292,366)</u></u>

¹ 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	\$ 2,365,719
II. Purchased Power		
Schedule B - Purchased Power	8	\$ 1,928,341
III. Generation and Transmission Capital Credits		
Schedule C - Other Adjustments to Revenue Requirements	9	\$ (1,506,149)
IV. Other Adjustments to Revenue Requirements		
Schedule C - Other Capital Credits	9	\$ (97,073)
V. Other Adjustments to Revenue Requirements		
Schedule C - Income (Loss) From Equity Investments	9	\$ 619,490
VI. Member Capital Credits		
Prior Years Allocations	Input	\$ 1,612,016
Less: General Capital Credits Retired	Input	704,446
Less: Remaining Capital Credits Retired	Input	748,698
		\$ 158,872
VII. Distribution Operation		
Schedule C - Account 588	9	\$ (400,759)

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)	2,004	565,278	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	Total <small>(No. of Consumers Excludes Water Heaters and Street Lighting)</small>	33,491	246,958,964	88,456.0	36,220,639

I.a. Consumer and Sales Data for the Year Ended December 31, 2021 (As Recorded on Form 7, Part R)

Line No.	Description	Avg. No. Cons.	Energy Sales (kWh)	Billing Demand (kW)	Revenue (\$)
19	Residential Sales	18,002	142,866,798	N.A.	20,042,071
20	Residential Sales Seasonal	13,734	42,594,748	N.A.	9,426,031
21	Irrigation Sales	26	107,538	N.A.	21,186
22	Comm. And Ind. 1000 kVa or Less	2,153	39,401,972	N.A.	4,644,272
23	Comm. And Ind. Over 1000 kVa	41	28,784,398	N.A.	2,762,625
24	Public Street and Highway Lighting	37	142,497	N.A.	47,433
25	Other Sales to Public Auth.	326	4,173,743	N.A.	514,371
26	Sales for Resale - RUS Borrowers			N.A.	
27	PSCR Revenue			N.A.	440,600
28	Total <small>(No. of Consumers Excludes Water Heaters and Street Lighting)</small>	34,319	258,071,694	-	37,898,589

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

II. Consumer and Sales Data for Pro Forma Test Year Adjusted to Current Test Year Levels

(a) Line No.	(b) Description	(c) Avg. No. Cons.	(d) Energy Sales (kWh)	(e) Billing Demand (kW)	(f) Revenue (\$)
1	Residential Service (A)	18,913	156,302,573	N.A.	23,443,309
2	Seasonal Residential Monthly Service (S)	12,966	23,929,934	N.A.	7,148,980
3	General Monthly Service (GS)	2,395	43,483,173	N.A.	5,564,427
4	Large General Monthly Service (LG)	34	5,682,508	18,643.8	681,769
5	Optional Large Power TOD Monthly Service (LPTOD)	14	13,842,235	42,783.3	1,513,476
6	Customer Owned Backup Generation (CBG)	-		N.A.	-
7	Outdoor Lighting Monthly Service (OD)	-	590,715	N.A.	199,736
8	Primary Monthly Service (PSDS)	3	14,278,961	31,009.3	1,387,762
9	Controlled Heating Monthly Service (CH)	-	-	N.A.	(111,441)
10	Partial Controlled Heating Monthly Service (PCH)	-	-	N.A.	-
11	Controlled Water Heater Credit (CWH)	1,151	-	N.A.	(74,424)
12	Net Metering		(38,406)	N.A.	(4,311)
13					
14					
15					
16					
17					
18	Total <small>(No. of Consumers Excludes Water Heaters and Street Lighting)</small>	34,325	258,071,694	92,436.4	39,749,285
19	Add: Year End PSCR Unbilled				440,600
20	Less: Controlled Water Heater Switch Credits				(74,424)
21	Total Revenues				40,264,309

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

III. Calculation of Revenues at Present Rates

(a)	(b)	(c)	(d)	(e)	(f)
Rate Class		Billing	Present Rates		
	Description	Determinants	Rate	Revenue	% Split
Residential Service (A)					
	Service Charge	18,913 /month	\$18.00	\$ 4,085,235	44.2%
	Distribution Variable Charge (All kWh)	156,302,573 /kWh	\$0.03305	5,165,800	55.8%
	Power Supply Energy Charge (All kWh)	156,302,573 /kWh	\$0.08601	13,443,584	
	PSCR	156,302,573 /kWh	\$0.00479	748,690	
				<u>\$ 23,443,309</u>	<u>100.0%</u>

Seasonal Residential Monthly Service (S)

Yearly Rate

	Availability Charge	12,966 /year	\$228.00	\$ 2,956,217	59.4%
	Distribution Variable Charge (All kWh)	23,929,934 /kWh	\$0.08441	2,019,926	40.6%
	Power Supply Energy Charge (All kWh)	23,929,934 /kWh	\$0.08601	2,058,214	
	PSCR	23,929,934 /kWh	\$0.00479	114,624	
				<u>\$ 7,148,980</u>	<u>100.0%</u>

Seasonal Monthly Rate

	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)	-	
				<u>\$ -</u>	<u>0.0%</u>

General Monthly Service (GS)

Monthly Service Charge					
	Single Phase	2,083.1 /month	\$16.00	\$ 399,950	
	Three Phase	311.6 /month	\$35.00	130,865	30.5%
	Distribution Variable Charge (All kWh)	43,483,173 /kWh	\$0.02776	1,207,093	69.5%
	Energy Charge	43,483,173 /kWh	\$0.08321	3,618,235	
	Energy Charge Credits	43,483,173 /kWh	\$0.00000	-	
	PSCR	43,483,173 /kWh	\$0.00479	208,284	
				<u>\$ 5,564,427</u>	<u>100.0%</u>

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

III. Calculation of Revenues at Present Rates

(a)	(b)	(c)	(d)	(e)	(f)
Rate Class		Billing	Present Rates		
	Description	Determinants	Rate	Revenue	% Split
<u>Large General Monthly Service (LG)</u>					
	Monthly Service Charge	34 /month	\$50.00	\$ 20,392	13.1%
	Distribution Demand Charge	18,644 /kW	\$1.98	36,915	23.8%
	Demand Charge - Power Supply	18,644 /kW	\$7.02	130,880	
	Oil Related Demand Credit	- /kW		-	
	Distribution Variable Charge	5,682,508 /kWh	\$0.01726	98,080	63.1%
	Energy Charge	5,682,508 /kWh	\$0.06481	368,283	
	Primary Monthly Service Discount	- /kVa	(\$0.20)	-	
	Primary Meter Discount	-	-2.0%	-	
	PSCR	5,682,508 /kWh	\$0.00479	27,219	
				<u>\$ 681,769</u>	<u>100.0%</u>

Optional Large Power TOD Monthly Service (LPTOD)

	Monthly Service Charge	14 /month	\$60.00	\$ 10,329	3.6%
	Demand Charge				
	Peak Period	32,406 /kW	\$6.00	194,439	
	Maximum	42,783 /kW	\$6.55	280,230	96.4%
	Energy Charge	13,842,235 /kWh	\$0.06951	962,174	
	Primary Monthly Service Discount	- /kVa	(\$0.20)	-	
	Primary Meter Discount	- /kWh	-2%	-	
	PSCR	13,842,235 /kWh	\$0.00479	66,304	
				<u>\$ 1,513,476</u>	<u>100.0%</u>

Customer Owned Backup Generation (CBG)

	Demand Charge	- /kW	(\$2.50)	\$ -	
				<u>\$ -</u>	

Outdoor Lighting Monthly Service (OD)

	175 W MV	- /month	\$12.73	\$ -	
	400 W MV	- /month	\$22.71	-	
	100 W HPS	- /month	\$9.77	-	
	250 W HPS	- /month	\$16.70	-	
	40 W LED Type 5	269 /month	\$7.10	22,961	
	70 W LED Type 3	512 /month	\$8.21	50,477	
	70 W LED Type 5	1,253 /month	\$8.21	123,468	
	Total	2,035 /month			
	PSCR	590,715 /kWh	\$0.00479	2,830	
				<u>\$ 199,736</u>	

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

III. Calculation of Revenues at Present Rates

(a)	(b)	(c)	(d)	(e)	(f)
Rate Class		Billing	Present Rates		
	Description	Determinants	Rate	Revenue	% Split
<u>Primary Monthly Service (PSDS)</u>					
<i><u>Rider C&I</u></i>					
	Monthly Service Charge	4 /cons	\$0.00	\$ -	0.0%
	Distribution Demand Charge	31,009 /kW	\$6.10	189,157	64.0%
	Power Supply Demand Charge	20,932 /kW	\$7.16	149,876	
	Oil Related Demand Credit	- /kW		-	
	Distribution Variable Charge	14,278,961 /kWh	\$0.00745	106,378	36.0%
	Power Supply Energy Charge	14,278,961 /kWh	\$0.06091	869,732	
	Reactive Charge	16,897 /kVar	\$0.25	4,224	
	PSCR	14,278,961 /kWh	\$0.00479	68,396	
				<u>\$ 1,387,762</u>	<u>100.0%</u>
<u>Controlled Heating Monthly Service (CH)</u>					
<i><u>Schedule A</u></i>					
	Energy Charge Discount	3,446,483 /kWh	(\$0.03000)	\$ (103,394)	
<i><u>Schedule GS</u></i>					
	Energy Charge Discount	268,201 /kWh	(\$0.03000)	\$ (8,046)	
	Total			<u>\$ (111,441)</u>	
<u>Partial Controlled Heating Monthly Service (PCH)</u>					
	Energy Charge	- /kWh	(\$0.0150)	\$ -	
				<u>\$ -</u>	
<u>Controlled Water Heater Credit (CWH)</u>					
	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>	
<u>Net Metering</u>					
	Variable Energy Charge	(38,406) /month	\$0.10745	\$ (4,127)	
	PSCR	(38,406) /month	\$0.00479	(184)	
	Total			<u>\$ (4,311)</u>	
<u>Grand Total</u>		<u>258,071,694</u>		<u>\$ 39,749,285</u>	

Schedule B
Estimate of Pro Forma
Test Year Purchased Power Expense

I. Determination of Pro Forma Purchased Power Excluding Reconciliations

Line No.	Description	Amount	Units
1	PSCR Base	\$0.08785	/kWh sold
2	PSCR Factor ¹	\$0.00479	/kWh sold
3	Average Test Year Power Cost	\$0.09264	/kWh sold
4			
5	Total Test Year Energy Sales	258,071,694	kWh
6			
7	Pro Forma Test Year Purchased Power Cost	\$ 23,907,762	
8			
9	Add: Schedule CH Power Cost ²	\$ -	
10	Add: Schedule PSDS Power Cost ⁴		
9	Less: Water Heater Credits ²		
9	Total ProForma Test Year Purchased Power	\$ 23,907,762	
8			
9	Less: Actual Test Year Purchased Power Cost	\$ 21,979,421	
10	Adjustment	\$ 1,928,341	

Exhibit B
Classification of 2022 Purchased Power for COS Input

II. Adjustment of Purchased Power per PSCR to Test Year Levels for COS input

Description	Per WPSC Calculations					Adjusted to Test Year Levels (WPSC x 1.014)				
	Total	Energy	CP Demand	NCP Demand	Substations	Total	Energy	CP Demand	NCP Demand	Substations
Wolverine										
Variable										
Dynamic - Std	\$ 11,013,376	\$ 11,013,376				\$ 11,170,746	\$ 11,170,746			
Dynamic - C&I	608,856	608,856				617,556	617,556			
Adjustment to Sync Dynamic Energy		-				-	-			
Renewable - Std	617,345	617,345				626,166	626,166			
Renewable - C&I	33,187	33,187				33,661	33,661			
Energy Stabiliation - Std	(319,128)	(319,128)				(323,688)	(323,688)			
Energy Stabiliation - C&I	(17,031)	(17,031)				(17,274)	(17,274)			
Margin and True Up - Std	407,237	407,237				413,056	413,056			
Margin and True Up - C&I	21,892	21,892				22,205	22,205			
Sub-Total	\$ 12,365,734	\$ 12,365,734	\$ -	\$ -	\$ -	\$ 12,542,428	\$ 12,542,428	\$ -	\$ -	\$ -
Revenue Credit -Std	(1,205,754)	(1,205,754)				(1,222,983)	(1,222,983)			
Revenue Credit -C&I	(1,405)	(1,405)				(1,425)	(1,425)			
True Up	-	-				-	-			
Total Variable	\$ 11,158,575	\$ 11,158,575	\$ -	\$ -	\$ -	\$ 11,318,020	\$ 11,318,020	\$ -	\$ -	\$ -
Delivery - Std	\$ 3,319,803			\$ 3,319,803		\$ 3,367,240			\$ 3,367,240	
Delivery - C&I	160,085			160,085		162,372			162,372	
Total Delivery	\$ 3,479,888	\$ -	\$ -	\$ 3,479,888	\$ -	\$ 3,529,612	\$ -	\$ -	\$ 3,529,612	\$ -
Fixed	\$ -					\$ -				
Base - Std	\$ 5,090,039	\$ 5,090,039				\$ 5,162,771	\$ 5,162,771			
Base - C&I	91,340	91,340				92,645	92,645			
Monthly - Std	1,711,793		1,711,793			1,736,253		1,736,253		
Monthly - C&I	78,971		78,971			80,099		80,099		
Annual - Std	56,698		56,698			57,508		57,508		
Annual - C&I	-		-			-		-		
	\$ 7,028,841	\$ 5,181,379	\$ 1,847,462	\$ -	\$ -	\$ 7,129,276	\$ 5,255,416	\$ 1,873,860	\$ -	\$ -
Sub-Station										
Maintenance	\$ 666,576				\$ 666,576	\$ 676,101				\$ 676,101
Investment	1,168,179				1,168,179	1,184,871				1,184,871
Total	\$ 1,834,755	\$ -	\$ -	\$ -	\$ 1,834,755	\$ 1,860,972	\$ -	\$ -	\$ -	\$ 1,860,972
Excluded Facilities	\$ 68,897				\$ 68,897	\$ 69,881				\$ 69,881
Prior Period True Up	\$ -	\$ -				\$ -				
Total Wolverine	\$ 23,570,956	\$ 16,339,954	\$ 1,847,462	\$ 3,479,888	\$ 1,903,652	\$ 23,907,762	\$ 16,573,436	\$ 1,873,860	\$ 3,529,612	\$ 1,930,853
MWh Delivered Net of Transmission Losses	275,066									
Cooperative Line Losses	7.500%									
Cooperative Sales	254,436									
Average Cost per kWh	\$0.09264									
PSCR Base	\$0.08785									
2022 PSCR Before Reconciliations	\$0.00479									
Total Power Cost										
Based on Test Year Sales	\$ 23,907,762									
Based on PSCR Calculations from WPSC	\$ 23,570,956									
Multiplier	1.014									

Schedule C
Other Adjustments to Revenue Requirements

Generation and Transmission Capital Credits

Eliminate Unpaid Test Year G&T Capital Credits	\$ (1,506,149)
Add Patronage Capital Refunds Received	
	<u>\$ (1,506,149)</u>

Other Capital Credits and Patronage Dividends

Eliminate Unpaid Test Year Other Capital Credits	\$ (264,554)
Add Patronage Capital Refunds Received	167,481
	<u>\$ (97,073)</u>

Income (Loss) from Equity Investments

Misc Non-Operating Margins	\$ 20,656
Eliminate Test Year losses from Equity Investments	598,834
	<u>\$ 619,490</u>

Account 588 - Miscellaneous Distribution

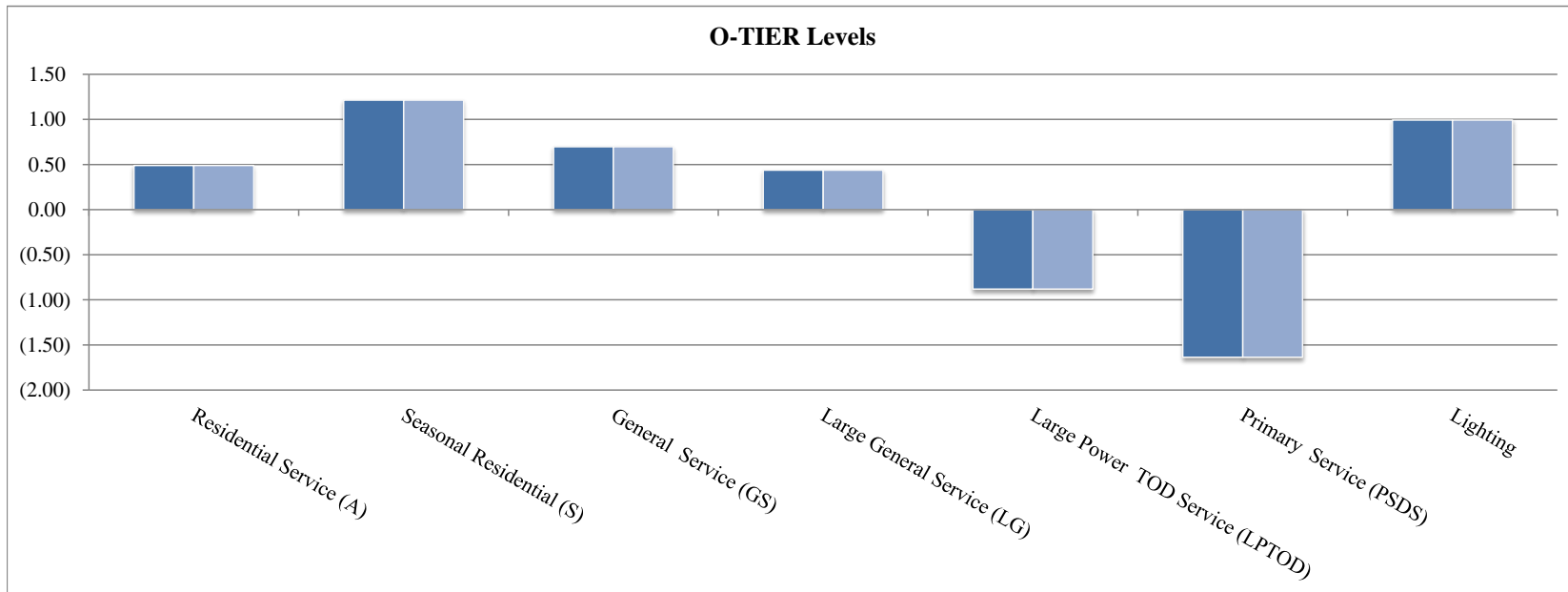
Eliminate One Time Expense to Davey Resource Group	<u>\$ (400,759)</u>
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**Cost of Service Summary
Revenue Requirements Summary -- BUNDLED**

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)	0 Outdoor Lighting
1	<u>Revenue Requirements</u>								
2	Revenue Requirements	41,845,395	24,716,220	7,393,545	5,760,188	702,650	1,591,849	1,463,631	217,312
3									
4	<u>Present Rates</u>								
5	Revenue-Present Rates	39,935,148	23,438,998	7,148,980	5,564,427	681,769	1,513,476	1,387,762	199,736
6	Revenue Credits	279,178	163,857	49,977	38,900	4,766	10,580	9,702	1,396
7		40,214,326	23,602,855	7,198,957	5,603,327	686,535	1,524,056	1,397,464	201,132
8									
9	Required Incr./(Decr)	1,631,070	1,113,365	194,588	156,861	16,114	67,793	66,168	16,180
10	Percent	4.08%	4.75%	2.72%	2.82%	2.36%	4.48%	4.77%	8.10%
11									
12	<u>Proposed Rates</u>								
13	Revenue-Proposed Rates	39,935,148	23,438,998	7,148,980	5,564,427	681,769	1,513,476	1,387,762	199,736
14	Revenue Credits	279,178	163,857	49,977	38,900	4,766	10,580	9,702	1,396
15		40,214,326	23,602,855	7,198,957	5,603,327	686,535	1,524,056	1,397,464	201,132
16									
17	Required Incr./(Decr)	1,631,070	1,113,365	194,588	156,861	16,114	67,793	66,168	16,180
18	Percent		4.75%	2.72%	2.82%	2.36%	4.48%	4.77%	8.10%

Cost of Service Summary
Margin by Rate Class

Line No.	Description	0 0 Total	Residential Service (A)	Seasonal Residential (S)	General Service (GS)	Large General Service (LG)	Large Power TOD Service (LPTOD)	Primary Service (PSDS)	0 Outdoor Lighting
19	<u>O-TIER Under Present Rates</u>								
20	Revenue-Present Rates	40,214,326	23,602,855	7,198,957	5,603,327	686,535	1,524,056	1,397,464	201,132
21	Operating Expenses Allocated	40,794,101	24,129,106	7,083,418	5,657,800	694,533	1,576,056	1,451,847	201,342
22	Margin Under Present Rates	(579,775)	(526,251)	115,539	(54,473)	(7,997)	(52,000)	(54,383)	(210)
23	Allocated LT Interest Expense	1,840,791	1,028,024	543,025	179,279	14,213	27,653	20,634	27,963
24	O-TIER - Present Rates	0.69	0.49	1.21	0.70	0.44	(0.88)	(1.64)	0.99
25									
26	O-TIER Parity Index - Present Rates	1.00	0.71	1.77	1.02	0.64	(1.29)	(2.39)	1.45
27									
28	<u>O-TIER Under Proposed Rates</u>								
29	Revenue-Proposed Rates	40,214,326	23,602,855	7,198,957	5,603,327	686,535	1,524,056	1,397,464	201,132
30	Operating Expenses Allocated	40,794,101	24,129,106	7,083,418	5,657,800	694,533	1,576,056	1,451,847	201,342
31	Margin - Proposed Rates	(579,775)	(526,251)	115,539	(54,473)	(7,997)	(52,000)	(54,383)	(210)
32	Allocated LT Interest Expense	1,840,791	1,028,024	543,025	179,279	14,213	27,653	20,634	27,963
33	O-TIER - Proposed Rates	0.69	0.49	1.21	0.70	0.44	(0.88)	(1.64)	0.99
34									
35	O-TIER Parity Index - Proposed Rates	1.0	0.7	1.8	1.0	0.6	(1.3)	(2.4)	1.4



Cost of Service Summary
Class Allocation Summary -- BUNDLED

Line No.	Category	Total	Residential Service (A)	Seasonal Residential (S)	General Service (GS)	Large General Service (LG)	Large Power TOD Service (LPTOD)	Primary Service (PSDS)	0 Outdoor Lighting
36	<u>Power Supply</u>								
37	Direct and Revenue Related								
38	Wholesale Cost	(2,600)	0	0	0	0	(1,472)	(1,128)	0
39	Allocated Cost	0	0	0	0	0	0	0	0
40	Subtotal	(2,600)	0	0	0	0	(1,472)	(1,128)	0
41	Capacity Related								
42	Wholesale Cost	1,873,860	1,169,548	179,100	298,051	45,336	100,204	80,162	1,459
43	Allocated Cost	23,140	14,445	2,212	3,681	560	1,236	989	18
44	Subtotal	1,897,001	1,183,993	181,312	301,732	45,896	101,439	81,151	1,477
45	Energy Related								
46	Wholesale Cost	16,573,436	10,035,367	1,536,780	2,792,488	364,930	888,948	916,994	37,929
47	Allocated Cost	204,662	123,942	18,980	34,489	4,507	10,963	11,313	468
48	Subtotal	16,778,098	10,159,309	1,555,760	2,826,977	369,438	899,911	928,307	38,398
49	Sub. Power Supply	18,672,499	11,343,302	1,737,072	3,128,709	415,334	999,878	1,008,329	39,875
50	<u>Transmission</u>								
51	Direct	0	0	0	0	0	0	0	0
52	Capacity	3,532,212	2,201,235	337,089	560,969	85,328	188,596	150,874	8,120
53	Energy	0	0	0	0	0	0	0	0
54	Allocated Cost	0	0	0	0	0	0	0	0
55	Sub. Transmission	3,532,212	2,201,235	337,089	560,969	85,328	188,596	150,874	8,120
56	<u>Distribution</u>								
57	Direct	118,341	0	0	0	0	0	0	118,341
58	Consumer	12,232,015	6,655,566	4,562,712	919,514	30,648	24,695	4,968	33,912
59	Capacity	7,290,328	4,516,117	756,672	1,150,996	171,339	378,680	299,460	17,065
60	Energy	0	0	0	0	0	0	0	0
61	Sub. Distribution	19,640,684	11,171,683	5,319,384	2,070,510	201,988	403,375	304,428	169,317
62									
63	Total	41,845,396	24,716,220	7,393,545	5,760,188	702,650	1,591,849	1,463,631	217,312

Cost of Service Summary
Rate Design Factors -- BUNDLED

Line No.	Category	0 0 Total	Residential Service (A)	Seasonal Residential (S)	General Service (GS)	Large General Service (LG)	Large Power TOD Service (LPTOD)	Primary Service (PSDS)	0 Outdoor Lighting
64	<u>Costs Broken Down by Function</u>								
65	<u>Power Supply</u>								
66	Direct and Revenue Related								
67	Wholesale Cost	(0.01)	0.00	0.00	0.00	0.00	(8.55)	(30.59)	0.00
68	Allocated Cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
69	Subtotal	(0.01)	0.00	0.00	0.00	0.00	(8.55)	(30.59)	0.00
70	Capacity Related								
71	Wholesale Cost	0.73	0.75	0.75	0.69	0.80	0.72	0.56	0.25
72	Allocated Cost	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.00
73	Subtotal	0.74	0.76	0.76	0.69	0.81	0.73	0.57	0.25
74	Energy Related								
75	Wholesale Cost	6.42	6.42	6.42	6.42	6.42	6.42	6.42	6.42
76	Allocated Cost	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08
77	Subtotal	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
78	Sub. Power Supply	7.24	7.26	7.26	7.20	7.31	7.22	7.06	6.75
79	<u>Transmission</u>								
80	Direct	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
81	Capacity	1.37	1.41	1.41	1.29	1.50	1.36	1.06	1.37
82	Energy	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
83	Allocated Cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Sub. Transmission	1.37	1.41	1.41	1.29	1.50	1.36	1.06	1.37
85	<u>Distribution</u>								
86	Direct	0.27	0.00	0.00	0.00	0.00	0.00	0.00	4.86
87	Consumer	28.04	29.33	29.33	32.08	75.15	143.45	134.68	1.39
88	Capacity	2.82	2.89	3.16	2.65	3.02	2.74	2.10	2.89
89	Energy	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
90	Sub. Distribution	7.61	7.15	22.23	4.76	3.55	2.91	2.13	28.67
91	Total	16.21	15.82	30.90	13.25	12.37	11.50	10.25	36.79
92	<u>Costs Broken Down by Classification</u>								
93	Direct	0.27	0.00	0.00	0.00	0.00	(8.55)	(30.59)	4.86
94	Consumer	28.04	29.33	29.33	32.08	75.15	143.45	134.68	1.39
95	Capacity	4.93	5.06	5.33	4.63	5.32	4.83	3.72	4.51
96	Energy	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
97	Total	16.21	15.82	30.90	13.25	12.37	11.50	10.25	36.79

Comparison of Present and Proposed Rate Schedules

<u>Present Rates</u>		<u>Draft Proposed Rates</u>	
<u>Residential Monthly Service (A)</u>		<u>Residential Monthly Service (A)</u>	
Monthly Service Charge	\$18.00 /month	Monthly Service Charge	\$18.00 /month
Distribution Variable Charge (All kWh)	\$0.03305 /kWh	Distribution Variable Charge (All kWh)	\$0.04520 /month
Power Supply Energy Charge (All kWh)	\$0.08601 /kWh	Power Supply Energy Charge (All kWh)	\$0.08101 /kWh
PSCR	\$0.00479 /kWh	PSCR	\$0.00479 /kWh
Energy Optimization Surcharge	\$0.00229 /kWh	Energy Optimization Surcharge	\$0.00229 /kWh
<u>Seasonal Residential Monthly Service (S)</u>		<u>Seasonal Residential Monthly Service (S)</u>	
<u>Yearly Rate</u>		<u>Yearly Rate</u>	
Monthly Service Charge	\$228.00 /year	Monthly Service Charge	\$228.00 /year
Distribution Variable Charge (All kWh)	\$0.08441 /kWh	Distribution Variable Charge (All kWh)	\$0.09760 /kWh
Power Supply Energy Charge (All kWh)	\$0.08601 /kWh	Power Supply Energy Charge (All kWh)	\$0.08101 /kWh
PSCR	\$0.00479 /kWh	PSCR	\$0.00479 /kWh
Energy Optimization Surcharge	\$0.00229 /kWh	Energy Optimization Surcharge	\$0.00229
<u>General Monthly Service (GS)</u>		<u>General Monthly Service (GS)</u>	
Monthly Service Charge		Monthly Service Charge	
Single Phase	\$16.00 /month	Single Phase	\$16.00 /month
Three Phase	\$35.00 /month	Three Phase	\$35.00 /month
Distribution Variable Charge (All kWh)	\$0.02776 /kWh	Distribution Variable Charge (All kWh)	\$0.03540 /kWh
Energy Charge	\$0.08321 /kWh	Energy Charge	\$0.07921 /kWh
PSCR	\$0.00479 /kWh	PSCR	\$0.00479 /kWh
Energy Optimization Surcharge	\$3.10 /month	Energy Optimization Surcharge	\$3.10 /month
<u>Large General Monthly Service (LG)</u>		<u>Large General Monthly Service (LG)</u>	
Monthly Service Charge	\$50.00 /month	Monthly Service Charge	\$50.00 /month
Distribution Demand Charge	\$1.98 /kW	Distribution Demand Charge	\$1.98 /kW
Demand Charge - Power Supply	\$7.02 /kW	Demand Charge - Power Supply	\$7.31 /kW
Distribution Variable Charge	\$0.01726 /kWh	Distribution Variable Charge	\$0.02500 /kWh
Energy Charge	\$0.06481 /kWh	Energy Charge	\$0.05941 /kWh
Primary Monthly Service Discount	(\$0.20) /kW	Primary Monthly Service Discount	(\$0.20) /kW
Primary Meter Discount	-2.00%	Primary Meter Discount	-2.00%
PSCR	\$0.00479 /kWh	PSCR	\$0.00479 /kWh
Energy Optimization Surcharge	\$74.14 /month	Energy Optimization Surcharge	\$74.14 /month
<u>Optional Large Power TOD Monthly Service (LPTOD)</u>		<u>Optional Large Power TOD Monthly Service (LPTOD)</u>	
Monthly Service Charge	\$60.00 /month	Monthly Service Charge	\$60.00 /month
Demand Charge		Demand Charge	
Peak Period	\$6.00 /kW	Peak Period	\$8.25 /kW
Maximum	\$6.55 /kW	Maximum	\$6.55 /kW
Energy Charge	\$0.06951 /kWh	Energy Charge	\$0.06921 /kWh
Primary Monthly Service Discount	(\$0.20) /kW	Primary Monthly Service Discount	(\$0.20) /kW
Primary Meter Discount	-2.00%	Primary Meter Discount	-2.00%
PSCR	\$0.00479 /kWh	PSCR	\$0.00479 /kWh
Energy Optimization Surcharge	\$74.14 /month	Energy Optimization Surcharge	\$74.14 /month
<u>Customer Owned Backup Generation (CBG)</u>		<u>Customer Owned Backup Generation (CBG)</u>	
Demand Charge	(\$2.50) /kW	Demand Charge	(\$2.50) /kW

Comparison of Present and Proposed Rate Schedules

<u>Present Rates</u>		<u>Draft Proposed Rates</u>	
<u>Outdoor Lighting Monthly Service (OD)</u>		<u>Outdoor Lighting Monthly Service (OD)</u>	
175 W MV	\$12.73 /month	175 W MV	\$13.55 /month
400 W MV	\$22.71 /month	400 W MV	\$23.89 /month
100 W HPS	\$9.77 /month	100 W HPS	\$10.51 /month
250 W HPS	\$16.70 /month	250 W HPS	\$17.71 /month
40 W LED Type 5	\$7.10 /month	40 W LED Type 5	\$7.74
70 W LED Type 3	\$8.21 /month	70 W LED Type 3	\$8.88
70 W LED Type 5	\$8.21 /month	70 W LED Type 5	\$8.88 /month
PSCR	\$0.00479 /kWh	PSCR	\$0.00479 /kWh
Energy Optimization Surcharge	\$0.00312 /kWh	Energy Optimization Surcharge	\$0.00312 /kWh
<u>Primary Monthly Service (PSDS)</u>		<u>Primary Monthly Service (PSDS)</u>	
<i><u>Rider C&I</u></i>		<i><u>Rider C&I</u></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	\$11.46 /kW
Distribution Variable Charge	\$0.00745 /kWh	Distribution Variable Charge	\$0.00740 /kWh
Power Supply Energy Charge	\$0.06091 /kWh	Energy Charge	\$0.05931 /kWh
Reactive Charge	\$0.25 /kVar	Reactive Charge	\$0.25 /kVar
PSCR	\$0.00479 /kWh	PSCR	\$0.00479 /kWh
Energy Optimization Surcharge	\$ 400.99 /month	Energy Optimization Surcharge	\$ 400.99 /month
<u>Controlled Heating Monthly Service (CH)</u>		<u>Controlled Heating Monthly Service (CH)</u>	
<i><u>Schedule A</u></i>			
Energy Charge Discount	(\$0.03000) /kWh	Energy Charge	(\$0.03000) /kWh
<i><u>Schedule GS</u></i>			
Energy Charge Discount	(\$0.03000) /kWh		(\$0.03000) /kWh
<u>Efficient Electric Heating</u>		<u>Efficient Electric Heating</u>	
Energy Charge Discount	(\$0.03000) /kWh	Energy Charge	(\$0.03000) /kWh
<u>Partial Controlled Heating Monthly Service (PCH)</u>		<u>Partial Controlled Heating Monthly Service (PCH)</u>	
Energy Charge	(\$0.0150) /kWh	Energy Charge	(\$0.0150) /kWh
<u>Green/Renewable Energy -- Rider</u>		<u>Green/Renewable Energy -- Rider</u>	
Energy Charge	\$ 2.50 /100 kWh	Energy Charge	\$ 2.50 /100 kWh
<u>Controlled Water Heater Credit (CWH)</u>		<u>Controlled Water Heater Credit (CWH)</u>	
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
<u>Net Metering</u>		<u>Net Metering</u>	
Variable Energy Charge	\$0.10745 /kWh	Variable Energy Charge	\$0.10745 /kWh
PSCR	\$0.00479 /kWh	PSCR	\$0.00479 /kWh
<u>Distributed Renewable Energy (DRE)</u>			
Excess Generation Credit	\$0.05600 /kWh		\$0.05600

Comparison of Revenue Present and Proposed Rates

(a)	(b)	(c)	(d)	(e)	(e)
Line No.	Rate Class	Present Rate Revenue	Draft Proposed Rates		
			Proposed Revenue	Increase (Decrease)	
				Amount	%
		(\$)	(\$)	(\$)	(%)
1	Residential Service (A)	23,443,309	24,560,872	1,117,563	4.77
2	Seasonal Residential Monthly Service (S)	7,148,980	7,344,967	195,986	2.74
3	General Monthly Service (GS)	5,564,427	5,722,706	158,279	2.84
4	Large General Monthly Service (LG)	681,769	700,473	18,704	2.74
5	Optional Large Power TOD Monthly Service (LPTOD)	1,513,476	1,582,238	68,762	4.54
6	Customer Owned Backup Generation (CBG)	-	-	-	-
7	Outdoor Lighting Monthly Service (OD)	199,736	215,916	16,180	8.10
8	Primary Monthly Service (PSDS)	1,387,762	1,454,211	66,449	4.79
9	Controlled Heating Monthly Service (CH)	(111,441)	(111,441)	-	-
10	Partial Controlled Heating Monthly Service (PCH)	-	-	-	-
11	Controlled Water Heater Credit (CWH)	(74,424)	(74,424)	-	-
12	Net Metering	(4,311)	(4,311)	(0)	0.00
13		-			
14		-			
15	Total	39,749,285	41,391,207	1,641,923	4.13

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

I. Consumer and Sales Data for Pro Forma Test Year

(a)	(b)	(c)	(d)	(e)	(f)	(f)	(f)
Line		Avg. No.	Energy	Billing	Revenue ²		
No.	Description	Cons.	Sales ¹	Demand	Draft Proposed Rates	COS Levels	COS Shortfall
			(kWh)	(kW)	(\$)	(\$)	(\$)
1	Residential Service (A)	18,913	156,302,573	N.A.	24,560,872	24,552,363	8,509
2	Seasonal Residential Monthly Service (S)	12,966	23,929,934	N.A.	7,344,967	7,343,568	1,399
3	General Monthly Service (GS)	2,395	43,483,173	N.A.	5,722,706	5,721,288	1,418
4	Large General Monthly Service (LG)	34	5,682,508	18,644	700,473	697,883	2,590
5	Optional Large Power TOD Monthly Service (LPTC)	14	13,842,235	42,783	1,582,238	1,581,269	969
6	Customer Owned Backup Generation (CBG)	-	-	N.A.	-	-	-
7	Outdoor Lighting Monthly Service (OD)	-	590,715	N.A.	215,916	215,916	(0)
8	Primary Monthly Service (PSDS)	3	14,278,961	31,009	1,454,211	1,453,930	281
9	Controlled Heating Monthly Service (CH)	-	-	N.A.	(111,441)	-	-
10	Partial Controlled Heating Monthly Service (PCH)	-	-	N.A.	-	-	-
11	Controlled Water Heater Credit (CWH)	1,151	-	N.A.	(74,424)	-	-
12	Net Metering	-	(38,406)	N.A.	(4,311)	-	-
13	-	-	-	-	-	-	-
14	-	-	-	-	-	-	-
15	-	-	-	-	-	-	-
16	-	-	-	-	-	-	-
17	-	-	-	-	-	-	-
18	Total	34,325	258,071,694	92,436.4	41,391,207	41,566,217	15,165
19	Less: Controlled Water Heater Credit				(74,424)		
20	Add: Unbilled PSCR Revenues				440,600		
21	Total Sales of Electricity				41,906,231		

¹ See Exhibit JCL-3, page 5.

² See Pages 3-5.

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

(a)	(b)	(c)	(d)	(e)	(f)
Rate Class	Billing Determinants	Units	Draft Proposed Rates		
			Rate	Revenue	% Split
<u>Residential Service (A)</u>					
Service Charge	18,913	/month	\$18.00	\$ 4,085,235	36.6%
Distribution Variable Charge	156,302,573	/kWh	\$0.04520	7,064,876	63.4%
Power Supply Energy Charge	156,302,573	/kWh	\$0.08101	12,662,071	
PSCR	156,302,573	/kWh	\$0.00479	748,690	
				<u>\$ 24,560,872</u>	<u>100.0%</u>
<u>Seasonal Residential Monthly Service (S)</u>					
<i><u>Yearly Rate</u></i>					
Availability Charge	12,966	/year	\$228.00	\$ 2,956,217	55.9%
Distribution Variable Charge	23,929,934	/kWh	\$0.09760	2,335,562	44.1%
Power Supply Energy Charge	23,929,934	/kWh	\$0.08101	1,938,564	
PSCR	23,929,934	/kWh	\$0.00479	114,624	
				<u>\$ 7,344,967</u>	<u>100.0%</u>
<u>General Monthly Service (GS)</u>					
Monthly Service Charge					
Single Phase	2,083	/month	\$16.00	\$ 399,950	
Three Phase	312	/month	\$35.00	130,865	25.6%
Distribution Variable Charge	43,483,173	/kWh	\$0.03540	1,539,304	74.4%
Energy Charge	43,483,173	/kWh	\$0.07921	3,444,302	
Energy Charge Credits	43,483,173	/kWh	\$0.00000	-	
PSCR	43,483,173	/kWh	\$0.00479	208,284	
				<u>\$ 5,722,706</u>	<u>100.0%</u>
<u>Large General Monthly Service (LG)</u>					
Monthly Service Charge	34	/month	\$50.00	\$ 20,392	10.2%
Distribution Demand Charge	18,644	/kW	\$1.98	36,915	18.5%
Demand Charge - Power Supply	18,644	/kW	\$7.31	136,286	
Oil Related Demand Credit	-	/kW	\$0.00000	-	
Distribution Variable Charge	5,682,508	/kWh	\$0.02500	142,063	71.3%
Energy Charge	5,682,508	/kWh	\$0.05941	337,598	
Primary Monthly Service Discount	-	/kVa	(\$0.20)	-	
Primary Meter Discount	-		-2.0%	-	
PSCR	5,682,508	/kWh	\$0.00479	27,219	
				<u>\$ 700,473</u>	<u>100.0%</u>

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

(a)	(b)	(c)	(d)	(e)	(f)
Rate Class	Billing Determinants	Units	Draft Proposed Rates		
			Rate	Revenue	% Split
<u>Optional Large Power TOD Monthly Service (LPTOD)</u>					
Monthly Service Charge	14	/month	\$60.00	\$ 10,329	3.6%
Demand Charge	-				
Peak Period	32,406	/kW	\$8.25	267,353	
Maximum	42,783	/kW	\$6.55	280,230	96.4%
Energy Charge	13,842,235	/kWh	\$0.06921	958,021	
Primary Monthly Service Discount	-	/kVa	(\$0.20)	-	
Primary Meter Discount	-	/kWh	(\$0.02)	-	
PSCR	13,842,235	/kWh	\$0.00479	66,304	
				<u>\$ 1,582,238</u>	<u>100.0%</u>
<u>Customer Owned Backup Generation (CBG)</u>					
Demand Charge	-	/kW	(\$2.50)	\$ -	
				<u>\$ -</u>	
<u>Outdoor Lighting Monthly Service (OD)</u>					
175 W MV	-	/month	\$13.55	\$ -	
400 W MV	-	/month	\$23.89	-	
100 W HPS	-	/month	\$10.51	-	
250 W HPS	-	/month	\$17.71	-	
40 W LED Type 5	269	/month	\$7.74	25,036	
70 W LED Type 3	512	/month	\$8.88	54,571	
70 W LED Type 5	1,253	/month	\$8.88	133,480	
PSCR	590,715	/kWh	\$0.00479	2,830	
				<u>\$ 215,916</u>	
<u>Primary Monthly Service (PSDS)</u>					
<i><u>Rider C&I</u></i>					
Monthly Service Charge	4	/cons	\$0.00	\$ -	
Distribution Demand Charge	31,009	/kW	\$6.10	189,157	14.8%
Power Supply Demand Charge	20,932	/kW	\$11.46	239,885	18.8%
Oil Related Demand Credit	-	/kW	\$0.00000	-	
Distribution Variable Charge	14,278,961	/kWh	\$0.00740	105,664	
Power Supply Energy Charge	14,278,961	/kWh	\$0.05931	846,885	66.4%
Reactive Charge	16,897	/kVar	\$0.25	4,224	
PSCR	14,278,961	/kWh	\$0.00479	68,396	
				<u>\$ 1,454,211</u>	<u>100.0%</u>
<u>Controlled Heating Monthly Service (CH)</u>					
<i><u>Schedule A</u></i>					
Energy Charge Discount	3,446,483	/kWh	(\$0.03000)	\$ (103,394)	
<i><u>Schedule GS</u></i>					
Energy Charge Discount	268,201	/kWh	(\$0.03000)	\$ (8,046)	
Total				<u>\$ (111,441)</u>	

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

(a)	(b)	(c)	(d)	(e)	(f)
Rate Class	Billing Determinants	Units	Draft Proposed Rates		
			Rate	Revenue	% Split
<u>Partial Controlled Heating Monthly Service (PCH)</u>					
Energy Charge	-	/kWh	(\$0.0150)	\$	-
				\$	-
<u>Controlled Water Heater Credit (CWH)</u>					
Option #1	522	/month	(\$4.50)	\$	(28,175)
Option #2	576	/month	(\$6.00)		(41,502)
Option #3	53	/month	(\$7.50)		(4,748)
Total	1,151	/month		\$	(74,424)
<u>Net Metering</u>					
Variable Energy Charge	(38,406)	/month	\$0.10745	\$	(4,127)
PSCR	(38,406)	/month	\$0.00479		(184)
Total				\$	(4,311)
<u>Grand Total</u>				\$	41,391,207

PRESQUE ISLE ELECTRIC & GAS CO-OP
BOARD RESOLUTION
March 29, 2022

RESOLUTION 2022-MR-05
Revisions to Renewable Energy Tariffs

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 Board of Directors approved Distributed Renewable Energy (DRE) Program and Buy All/Sell All (BASA) tariffs its March 28, 2017 Member Regulation Special Meeting; and

WHEREAS, the tariff was designed to accommodate the newly developed programs and rate structure at Wolverine Power Cooperative (WPC); and

WHEREAS, WPC has made changes to their renewable energy programs that require changes to PIE&G's tariffs.

NOW BE IT HEREBY RESOLVED that the PIE&G Board of Directors accepts the proposed revisions to the Renewable Energy Tariffs as provided by cooperative staff as a reasonable basis for establishing options to its membership to participate in Renewable Energy programs at PIE&G June 1, 2022.

BE IT FURTHER RESOLVED, that the board directs staff to amend the appropriate tariffs in its Electric Rate Book.

CERTIFICATION

I, Sandra Borowicz, Secretary of the Board of Directors of Presque Isle Electric & Gas Co-op, do hereby certify that the above is a true and correct copy of a resolution adopted at a special meeting of the Board of Directors of Presque Isle Electric & Gas Co-op held on March 29, 2022.

By: _____
Sandra Borowicz, Secretary

Dated: _____