

Presque Isle Electric & Gas Co-op
SPECIAL BOARD MEETING
September 27, 2022

A special meeting of the Board of Directors of Presque Isle Electric & Gas Co-op was held on September 27, 2022 at PIE&G headquarters at 3149 Main Street (M-211) in Onaway, Michigan. Chairman Berg called the meeting to order at 9:30 a.m.

Roll call was taken with Directors Arbour, Berg, Borowicz, Brown, Knopf, Krajniak, Lucas, Peterson, and Wozniak present. A quorum was present. Also attending were President & Chief Executive Officer Sobeck, and leadership team members Stempky, Chaskey, Cryderman, Chagnon-Hazelman, Hartung, Kieliszewski, Larson, Largent, McLennan, VanSchoten, and Attorney Ekdahl.

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

INTRODUCTION OF GUESTS & MEMBER COMMENT

Member Larry Meitzner was in attendance.

ACTION ITEMS

CFO Stempky indicated there was one (1) item for the board's consideration and discussed the following.

- 1. Acceptance of 2023 Power Supply Cost Recovery (PSCR) Factor Reconciliation:** An analysis of projected energy costs and sales volumes was conducted by Wolverine Power Cooperative and PIE&G for 2023. The overall estimated energy rate billed to the members of PIE&G is the sum of the PSCR Basing Point and the current year's PSCR Factor. This resulted in an overall estimated energy cost to PIE&G of \$0.09954/kWh or 99.54 mills/kWh. Prior action of the Board has set the PSCR Basing Point at \$.08785/kWh or 87.85 mills/kWh. This results in a maximum PSCR Factor of \$0.01169/kWh or 11.69 mills/kWh for 2023. The maximum PSCR Factor for 2022 was established at \$0.00762/kWh or 7.62 mills/kWh. The difference is an increase of \$0.00407/kWh for 2023. The proposed change includes an estimated under-collection of 2022 power supply costs of \$720,000. Should actual under-collections be lower than forecasted, the cooperative may charge less than the established rate. Management will bring forward the 2022 over/under collection at the first Special Member Regulation Meeting of 2023. Discussion ensued. ***A motion was made by Brown, supported by Knopf, to adopt Resolution 2022-MR-06 accepting management's analysis as a reasonable basis for establishing the maximum 2023 Electric PSCR Factor of 11.69 mills/kWh or \$0.01169/kWh effective with all bills rendered on or after February 1, 2023 and direct staff to amend the***

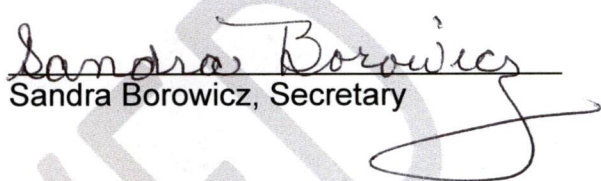
appropriate tariffs in its Electric Rate Book. A roll call vote was taken with eight (8) directors voting in the affirmative, one (1) opposed (Arbour). Motion carried by a 8-1 vote.

ADJOURNMENT

A motion was made by Peterson, seconded by Wozniak, to adjourn the special meeting. Ayes – all, motion carried. There being no further business to come before the board, Chairman Berg adjourned the meeting at 9:44 a.m.



Allan Berg, Chairman



Sandra Borowicz, Secretary

/mv

APPROVED