

Your Co-op's 2023 Annual Report



John Brown



Allan Berg

To Our Member-Owners:

In 2023, PIE&G marked significant achievements with historic milestones. Our Advanced Metering Infrastructure (A.M.I.) project progressed; by July 2024, 99.7% of our electric meters were upgraded. Currently, we are focused on the testing phase of our natural gas system. The board must approve the funding for full deployment to begin in 2025; the project is estimated to take two years.

PIE&G Connect also made impressive advancements in our fiber-to-the-home internet project, connecting over 4,900 services and constructing 1,400 miles of fiber. As of June 2024, the project is 45% complete.

Looking ahead, we are excited about continuing the rollout of our smart grid and expanding high-speed internet access in Northeast Michigan.

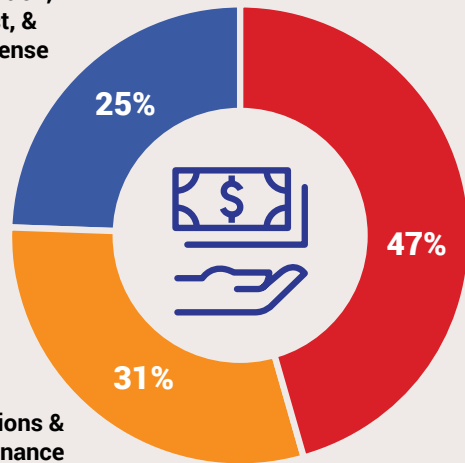
We remain committed to keeping service rates affordable and maintaining reliability. We appreciate your trust and support as we continue to serve you.

Sincerely,

John F. Brown, Chairman of the Board
Allan Berg, President & Chief Executive Officer

Where Your Energy Dollar Goes:

Depreciation,
Interest, &
Tax Expense



Cost of
Energy

Operations &
Maintenance

-3% Member Capital Contribution

2023 Statistical Summary:

	ELECTRIC	NATURAL GAS
Active Meters	35,099	13,413
Energy Sold	249,709,978 kWh	10,380,950 CCF
New Services	360	247
Miles of Line	3,805 (overhead) 1,178 (underground)	897

Treasurer's Report

STATEMENT OF OPERATIONS	2022	2023
Operating Revenues	\$ 55,126,406	\$ 59,381,956
Operating Expenses		
Cost of Purchased Power	28,993,930	27,739,701
Operations & Maintenance Expenses	17,996,785	18,140,505
Depreciation	6,265,696	6,506,066
Interest	4,268,100	6,404,650
Taxes	1,664,137	2,102,270
Total Operating Expenses	59,188,648	60,893,192
Net Operating Income	(4,062,242)	(1,511,236)
NONOPERATING MARGINS		
Capital Credits—G&T and Other	2,070,419	2,412,791
Nonoperating Margins—Other	(2,016,237)	(1,099,942)
NET MARGINS	(4,008,060)	(198,387)
BALANCE SHEET		
Assets		
Total Utility Plant	224,128,249	258,801,359
Accumulated Depreciation	(87,854,153)	(93,963,372)
Net Utility Plant	136,274,096	164,837,987
Investments in Associated Organizations	24,630,290	26,621,449
Cash & Cash Equivalents	7,306,149	5,464,214
Accounts Receivable	7,853,637	6,476,997
Materials & Supplies	10,550,148	16,175,199
Other Assets	216,471	251,563
Deferred Debits	45,406	43,555
TOTAL ASSETS	186,876,197	219,870,964
EQUITIES & LIABILITIES		
Margins & Equities		
Patronage Capital	51,411,136	51,171,549
Other Equities	21,064	21,064
Total Margins & Equities	51,432,200	51,192,613
Liabilities		
Long-term Debt	\$105,949,734	136,558,512
Accounts Payable	28,365,748	30,769,342
Other Current & Accrued Liabilities	1,128,515	1,350,497
Total Liabilities	135,443,997	168,678,351
TOTAL EQUITIES & LIABILITIES	186,876,197	219,870,964



Presque Isle Electric & Gas Co-op's Statement of Operations and Balance Sheet for the years ending December 31, 2022 and 2023 are included in this annual report. As indicated by these financial reports, the cooperative continues to experience cost pressures which have affected all segments of our economy. Despite this, our electric and natural gas operations continue to provide competitive energy alternatives to our members, and our fiber-to-the-home project continues to grow and provide many benefits to our membership.

Our independent auditing firm, Eide Bailly, has confirmed that the financial statements and records presented to them accurately reflect the financial position of the cooperative. The reports of the results of our operations are in conformity with generally accepted accounting principles.

It has been my distinguished pleasure to serve as treasurer for the past year.

Brentt Lucas, Treasurer