

**PRESQUE ISLE ELECTRIC & GAS CO-OP**  
**SPECIAL BOARD MEETING**  
**9:30 A.M. March 28, 2023**

**AGENDA**

Call to Order – Chairman Brown

Roll Call

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

Review Items:

1. Accept 2022 Power Supply Cost Recovery (PSCR) Factor Reconciliation
2. Accept 2022 Electric Operations TIER Analysis
3. Implement Revenue Increase to Specific Rate Classes
4. Electric Rate Design
5. Revisions to Residential and Seasonal Rate Tariffs

Member Comment – CFO Stempky

Action Items:

1. Accept 2022 Power Supply Cost Recovery (PSCR) Factor Reconciliation-  
Pg 30
2. Accept 2022 Electric Operations TIER Analysis- Pg 34
3. Approve Revenue Increase to Specific Rate Classes- Pg 48
4. Approve the Recommended Rate Design for each Rate Class- Pg 49
5. Revisions to Residential and Seasonal Rate Tariffs- Pg 73

Adjournment

**Presque Isle Electric & Gas Co-op**  
**Proposed Rate, Tariff and Billing Rules Changes**  
**Open Member Meeting: March 28, 2023**

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**Proposed Changes At A Glance**

<p>1. Reconcile 2022 Power Supply Cost Recovery Factor Collections</p> <p>2. Review and accept the 2022 TIER Analysis and approve a revenue increase of \$3,735,417</p>	<p>3. Approve the application of the 2023 revenue increase to the Monthly, Seasonal, General Service, Large General Service, Large Power Time of Day, Primary Service, and Outdoor Lighting Rate Classes.</p>	<p>4. Review and approve the distribution rate design per management's recommendation</p> <p>o Revise Tariff Sheets D5.03 and D6.01 to allow for monthly billing of Seasonal Accounts.</p>
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**1. Reconcile 2022 Power Supply Cost Recovery (PSCR) Factor Collections**

<p><b>Existing Situation</b></p> <ul style="list-style-type: none"> <li>o Power supply costs from Wolverine Power Supply Cooperative (WPSC) are passed through at cost to the members of Presque Isle Electric &amp; Gas Co-op.</li> <li>o PIE&amp;G, working with WPSC establishes a factor to collect or return power supply costs (PSCR) that are above or below the base energy rates, based upon cost and sales forecasts.</li> <li>o This PSCR Factor collection is reconciled annually with actual costs and the difference is either returned or charged to the membership.</li> <li>o The reconciliation for the 12 month period ending December 31, 2022 indicates that there was an over-collection of \$54,524.31. This amount has been rolled into the 2023 PSCR factor and is currently being refunded to the membership throughout the 2023 calendar year.</li> </ul>	<p><b>Proposed Action</b></p> <ul style="list-style-type: none"> <li>o Accept the reconciliation of the 2022 PSCR Factor cumulative over-collection of \$54,524.31.</li> </ul>	<p><b>Management Recommends</b></p> <ul style="list-style-type: none"> <li>o Approval of the Proposed Power Supply Cost Recovery Reconciliation net over-recovery of \$54,524.31.</li> <li>o The over-collection of \$54,524.31 will continue to be refunded for the remainder of the 2023 calendar year.</li> </ul>
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**2. Review and accept the 2022 TIER Analysis and approve a revenue increase of \$3,735,417**

<p><b>Existing Situation</b></p> <ul style="list-style-type: none"> <li>o The TIER analysis based upon the 2022 operating year indicates an Adjusted TIER of 0.19. Management has reviewed this analysis with the board of directors.</li> </ul>	<p><b>Proposed Change</b></p> <ul style="list-style-type: none"> <li>o Accept the 2022 TIER analysis which indicates an Adjusted TIER of 0.19 and a revenue increase of \$3,735,417 is necessary to return to a TIER of 1.80.*</li> </ul>	<p><b>Management Recommends</b></p> <ul style="list-style-type: none"> <li>o Management recommends acceptance of the 2022 TIER analysis and approval of the request to increase revenue by \$3,735,417</li> </ul>
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**Presque Isle Electric & Gas Co-op**  
**Proposed Rate, Tariff and Billing Rules Changes**  
**Open Member Meeting: March 28, 2023**

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.**

<b>Existing Situation</b>	<b>Proposed Change</b>	<b>Management Recommends</b>																																																
<ul style="list-style-type: none"> <li>The board has approved an increase in revenue of \$3,735,417 based upon the 2022 TIER analysis.</li> <li>Management has presented updated Cost of Service Study exhibits which indicate that there continue to be subsidies between rate classes.</li> <li>PIE&amp;G Board Policy No. 307 provides that the cooperative will design energy rates in a manner that allocates costs across rate classes in an equitable manner and minimizes subsidies between rate classes.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> </ul> <table> <tr> <td>Residential Monthly</td><td>\$</td><td>2,084,369</td></tr> <tr> <td>Residential Seasonal</td><td>\$</td><td>1,202,237</td></tr> <tr> <td>General Service</td><td>\$</td><td>338,966</td></tr> <tr> <td>Large General Service</td><td>\$</td><td>23,648</td></tr> <tr> <td>Large Power Time of Day</td><td>\$</td><td>41,628</td></tr> <tr> <td>Primary Service</td><td>\$</td><td>28,487</td></tr> <tr> <td>Outdoor Lighting</td><td>\$</td><td>16,082</td></tr> <tr> <td><b>Total</b></td><td><b>\$</b></td><td><b>3,735,417</b></td></tr> </table>	Residential Monthly	\$	2,084,369	Residential Seasonal	\$	1,202,237	General Service	\$	338,966	Large General Service	\$	23,648	Large Power Time of Day	\$	41,628	Primary Service	\$	28,487	Outdoor Lighting	\$	16,082	<b>Total</b>	<b>\$</b>	<b>3,735,417</b>	<ul style="list-style-type: none"> <li>Implementation of the revenue/rate increase to the following rate classes</li> </ul> <table> <tr> <td>Residential Monthly</td><td>\$</td><td>2,084,369</td></tr> <tr> <td>Residential Seasonal</td><td>\$</td><td>1,202,237</td></tr> <tr> <td>General Service</td><td>\$</td><td>338,966</td></tr> <tr> <td>Large General Service</td><td>\$</td><td>23,648</td></tr> <tr> <td>Large Power Time of Day</td><td>\$</td><td>41,628</td></tr> <tr> <td>Primary Service</td><td>\$</td><td>28,487</td></tr> <tr> <td>Outdoor Lighting</td><td>\$</td><td>16,082</td></tr> <tr> <td><b>Total</b></td><td><b>\$</b></td><td><b>3,735,417</b></td></tr> </table> <ul style="list-style-type: none"> <li>Implementation of the revenue/rate increase to be effective with bills rendered on or after June 1, 2023</li> </ul>	Residential Monthly	\$	2,084,369	Residential Seasonal	\$	1,202,237	General Service	\$	338,966	Large General Service	\$	23,648	Large Power Time of Day	\$	41,628	Primary Service	\$	28,487	Outdoor Lighting	\$	16,082	<b>Total</b>	<b>\$</b>	<b>3,735,417</b>
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**4. Approve increases to the availability charges and kWh charges for Residential Monthly, Seasonal, General Service, Large General Service, Large Power Time of Day, Primary Service and Outdoor Lighting Rate Classes**

<b>Existing Situation</b>	<b>Proposed Change</b>	<b>Management Recommends</b>																																																																																																																		
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**5. Revise Residential and Seasonal Service Tariffs**

<b>Existing Situation</b>	<b>Proposed Change</b>	<b>Management Recommends</b>
<ul style="list-style-type: none"> <li>Seasonal Residential Service Schedule S only allows for annual billing of members on this rate. PIE&amp;G Tariffs D5.03 and D6.01 require revisions to support monthly billing.</li> </ul>	<ul style="list-style-type: none"> <li>Revise Tariff Sheets D5.03 and D6.01 to allow for monthly billing of Seasonal Accounts.</li> </ul>	<ul style="list-style-type: none"> <li>Approve revisions to tariff Sheets D5.03 and D6.01</li> </ul>



# SPECIAL BOARD MEETING

## MARCH 28, 2023

### Vision

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

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### 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

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## Agenda

- Call to Order – Chairman Brown
- Roll Call
- PAI 67 of 2008 – CFO Stempky
- Review Items – CFO Stempky
  - 2022 Power Supply Cost Recovery (PSCR) Factor Reconciliation
  - 2022 Electric TIER Analysis and Revenue Increase
  - Implement Revenue Increase to Specific Rate Classes
  - Electric Rate Design
  - Revise Residential and Seasonal Rate Tariffs



# BOARD OF DIRECTORS MEMBER REGULATION

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- Introduction of Guests & Member Comment
- Action Items – CFO Stempky
  - Acceptance of 2022 Power Supply Cost Recovery (PSCR) Factor Reconciliation
  - Acceptance of 2022 Electric TIER Analysis and Revenue Increase
  - Approve Revenue Increase to Specific Rate Classes
  - Approve Recommended Rate Design for each Rate Class
  - Approve Revisions to Residential and Seasonal Rate Tariffs
- Adjournment

# BOARD OF DIRECTORS MEMBER REGULATION

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- 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

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- 5 Issues for Board Consideration
  - Acceptance of 2022 PSCR Factor Reconciliation
  - Acceptance of 2022 TIER Analysis and Revenue Increase
  - Implement Revenue Increase to Specific Rate Classes
  - Electric Rate Design
  - Revise Residential and Seasonal Rate Tariffs



# Member Regulation 2022 PSCR Factor Reconciliation

2022 Over Collection --  
\$ 33,850.66

Roll in prior year (2021) Over Collection --  
\$20,673.65

Total amount to be refunded in 2023 --  
\$54,524.31

# Member Regulation PSCR Factor Reconciliation

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## **Resolution 2023-MR-01**

- Accept management's 2022 Electric PSCR Factor reconciliation analysis which indicates an over-collection of \$54,524.31 and direct management to continue refunding this amount to the membership through the use of the 2023 PSCR Factor.

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# Member Regulation Electric Rate Review – TIER Analysis

0.19 TIER

\$3,735,417 revenue increase to achieve 1.8 TIER

14.33 mills per kWh sold

# Member Regulation Electric Rate Review – TIER Analysis

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## **Resolution 2023-MR-02**

- Accept management's adjusted Electric TIER analysis which indicates a revenue increase of \$3,735,417 is required to achieve a Target TIER of 1.80.

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

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## Who should increase apply to?

- **Cost of Service Study**
  - Power Systems Engineering updated the 2019 Cost of Service Study using 2022 data.
  - The Cost of Service Study indicates increases to all rate classes.

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

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Rate Class	COSS Revenue Adjustments	%
Residential Monthly	\$2,084,369	8.11%
Residential Seasonal	\$1,202,237	15.75%
General Service	\$ 338,966	5.65%
Large General Service	\$ 23,648	3.24%
LPTOD	\$ 41,628	2.52%
Primary Service	\$ 28,487	1.92%
Outdoor Lighting	\$ 16,082	7.16%
Total	\$3,735,417	8.63%

# Member Regulation Electric Rate Review – Revenue Increase

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## **Resolution 2023-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 June 1, 2023.

# 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 \$37.13 per  
month for  
residential and  
seasonal  
accounts.



## BOARD POLICY NO. 307

### SUBJECT: REVENUE REQUIREMENT AND RATE POLICY STATEMENT

#### I. OBJECTIVE

To set forth policy relating to the development of revenue requirements and implementation of rates that align with the mission and vision of the cooperative.

#### II. POLICY CONTENT AND PROVISIONS

##### A. Commitment to Rate Design


The Cooperative shall develop energy rates that allow the cooperative to provide service that is reliable, cost based, and maintains the cooperative's financial strength.

##### B. Fundamentals

1. The cooperative will review revenue requirements annually based on a Times Interest Earned Ratio (TIER) Ratemaking mechanism. Cost-of-service studies will be prepared at least once every five (5) years to have information needed to develop rates that generate margins adequate to meet annual lender requirements and the long-term financial objectives of the Cooperative (see Board Policy 204, Financial Policy).
2. Rates will be developed based on cost-of-service studies and will be implemented that:
  - a. Allocate cost across rate classes in an equitable manner.
  - b. Minimize subsidies between classes.
  - c. Setting availability charges at a target percentage of 65% of the most current Cost of Service Study availability charge when the current availability charge is above 70% or below 60% of the Cost of Service Study availability charge.\*
  - d. Annually coordinate distribution rates with expected wholesale power supply rates via implementation of a Power Supply Cost Recovery (PSCR) clause per 1982 PA 304 (PSCR Act) and an annual PSCR and GCR plan.

#### III. RESPONSIBILITY

The Chief Executive Officer shall be responsible for implementing rates as approved by the board of directors and shall routinely report to the board as to the need to adjust rates to account for change in cost or cost-of-service studies.

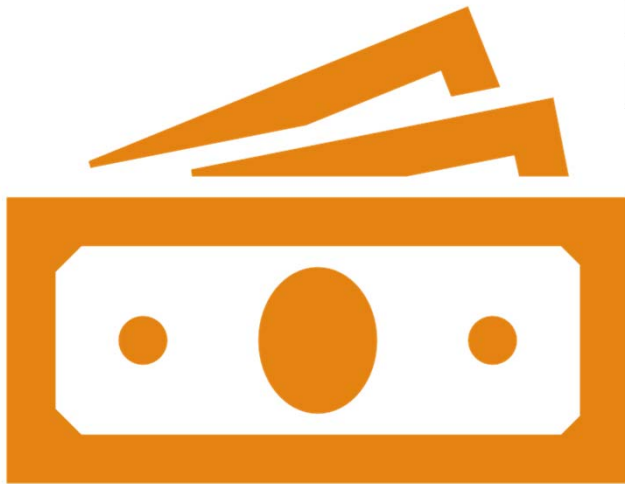


David W. Smith, Secretary

\*The range and target set in Paragraph B2C will take effect with all distribution revenue/rate class adjustments adopted by the Board of Directors after September 1, 2013.

# Member Regulation Electric Rate Review Rate Design

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## Board Policy 307 – Revenue Requirement & Rate Policy Statement

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

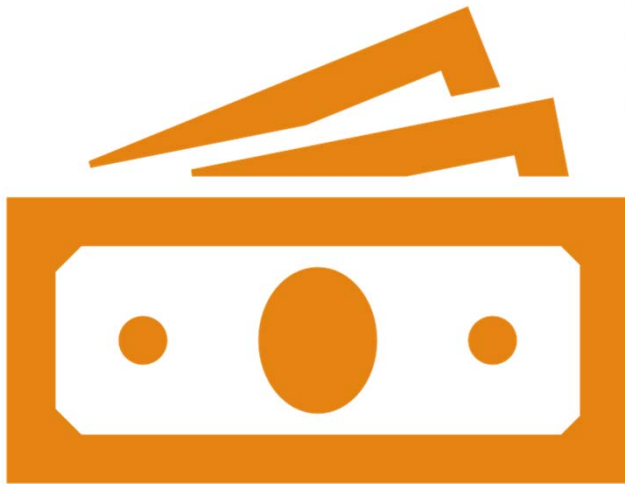
- COSS Availability Charge -- \$37.13

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

- Percentage of COSS      48%      51%

# Member Regulation Electric Rate Review Rate Design

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## 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 -- \$37.13

- Proposed Availability Charge – Residential      Seasonal  
\$24.00      \$25.00

- Percentage of COSS      65%      67%

# Member Regulation Electric Rate Review Rate Design

Propose Adjusting the Rate Classes in the following manner:

Rate Class	Availability Charge	\$ Increase	kWh Charge	\$ Increase
Residential Monthly	\$24.00	\$6.00	\$0.04612	\$0.00449
Residential Seasonal	\$25.00	\$6.00	\$0.10810	\$0.01074
General Service 1PH	\$24.00	\$8.00	\$0.03482	\$0.00252
General Service 3PH	\$42.00	\$7.00	\$0.03482	\$0.00252
Large General Service	\$50.00	\$0	\$0.02486	\$0.00412
Large Power Time of Day	\$60.00	\$0	\$0.07791	\$0.00298
Primary Service	\$0	\$0	\$0.01444	\$0.00198

# Member Regulation Electric Rate Review Rate Design

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- Outdoor Lighting

## Proposed Rate

40 W LED T5

\$ 7.91

70 W LED T3/5

\$ 9.64

# Member Regulation Electric Rate Review Rate Design

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- Average Residential customer will see an increase of approximately \$9.34 per month or \$112.08 per year based on the average monthly usage of 664 kWh.
- Average Seasonal customer will see an increase of approximately \$8.92 per month or \$107.04 per year based on the average monthly usage of 240 kWh.

# Member Regulation Electric Rate Review – Rate Design

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## **Resolution 2023-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 June 1, 2023.

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**SEASONAL RESIDENTIAL SERVICE  
SCHEDULE S (Contd)  
(Continued on Sheet No. D-6.00)**

Tax Adjustments

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

Power Supply Cost Recovery Clause and Factor

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

**Bill Frequency**

**With the exception of those consuming more than 7,200 kWh in the prior billing year and electing that option, or Member-Consumers taking service concurrently under Schedules S and EEH, all Member-Consumers taking service under Schedule S may, at the Cooperative's discretion and upon a 45 day notice, be billed once per month for the monthly availability and energy charges if the Cooperative is able to obtain a meter reading through its Advanced Metering Infrastructure (AMI) system. If readings are not obtainable through the AMI system, at the Cooperative's discretion, the account may be billed annually.**

Minimum Charge

For seasonal Member-Consumers billed annually, the annual minimum charge shall be the annual availability charge payable in advance.

Terms of Payment

This rate schedule is subject to the Cooperative's Allowable Charges as set forth in R 460.122.

Rules and Regulations

Service is governed by the Cooperative's Standard Rules and Regulations.

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Issued **May 24, 2023**  
By: **Thomas J. Sobeck**  
President and CEO  
Onaway, Michigan

Effective for bills rendered on and  
after **June 1, 2023**

Issued under the authority of the Board  
of Directors dated **March 28, 2023**



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**RESIDENTIAL SERVICE SCHEDULE A**  
**(Continued from Sheet No. D-5.02)**

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

**Bill Frequency**

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

~~Bills Rendered Annually~~

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

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

(Continued on Sheet No. D-5.04)

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Issued **May 24, 2023**  
By: Thomas J. Sobeck  
President and CEO  
Onaway, Michigan

Effective for bills rendered on and  
after **June 1, 2023**

Issued under the authority of the Board  
of Directors dated **March 28, 2023**

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**RESIDENTIAL SERVICE SCHEDULE A (Cont'd)**  
**(Continued from Sheet No. D-5.03)**

**Meter Reading**

Meter readings are to be supplied by the Member-Consumers on a once per month basis prior to the due date. If the Member-Consumer fails to provide a reading for three consecutive months, the Cooperative will obtain a reading and bill each metered account the Meter Reading Charge as shown on Sheet No. C9.00.

**Terms of Payment**

This rate schedule is subject to the Cooperative's Allowable Charges as set forth in R 460.122.

**Rules and Regulations**

Service is governed by the Cooperative's Standard Rules and Regulations.

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Issued **April 6, 2021**  
By: Thomas J. Sobeck  
President and CEO  
Onaway, Michigan

Effective for bills rendered on and  
after **May 1, 2021**

Issued under the authority of the Board  
of Directors dated **3/23/21**

# Member Regulation Electric Rate Review – Revise Residential Monthly/Seasonal Tariffs

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## **Resolution 2023-MR-05**

- Accept management's recommendation to revise the Residential Service Schedule A tariff and the Seasonal Residential Service Schedule S tariff to allow for monthly billing of seasonal accounts.
- Change to be effective with bills rendered on or after June 1, 2023.

# Board of Directors Member Regulation

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## Member Comments

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

# Board of Directors Member Regulation

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## ACTION ITEMS:

- Approval of Resolutions

**PRESQUE ISLE ELECTRIC & GAS CO-OP  
BOARD RESOLUTION  
MARCH 28, 2023**

**RESOLUTION 2023-MR-01  
2022 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 2022 PSCR Factor reconciliation exhibits with the Board of Directors; and

**WHEREAS**, the 2022 PSCR Factor reconciliation indicates that PIE&G has experienced a cumulative over-collection of power supply costs of \$54,524.31 for the 12-month period ending December 31, 2022; and

**WHEREAS**, PIE&G has incorporated the over-collection of \$54,524.31 into its 2023 PSCR Factor application.

**NOW BE IT HEREBY RESOLVED** that the PIE&G Board of Directors accepts management's 2022 ELECTRIC PSCR Factor reconciliation analysis, which indicates an over-collection of \$54,524.31 and directs management to continue refunding this amount to the membership through the use of the 2023 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 28, 2023.

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 2022	
3. IS THIS REPORT SUBMITTED AS AN ORIGINAL OR REVISION? IF THIS IS A REVISION, ATTACH AN EXPLANATION.	Original	
4. DATE OF REPORT SUBMISSION:	None-Member Regulated	
5. UTILITY REPRESENTATIVE TO WHOM QUESTIONS REGARDING THIS REPORT MAY BE DIRECTED - NAME:	Dawn Cryderman	
PHONE No. (include area code):	(989) 733-8515	
6. POWER SUPPLY COST RECOVERY FACTOR AUTHORIZED (or requested):	mills per kWh	7.620

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		22,980,962	
b. Applied PSCR factor:	mills per kWh		4.316617853	
c. PSCR factor revenues: (a * b)			\$ 99,200.03	
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)			\$ 2,018,877.51	
f. TOTAL POWER SUPPLY COST REVENUE: (c + e)			\$ 2,118,077.54	
8. THE TOTAL COST OF POWER (from attached worksheets ) APPLICABLE TO SALES REPORTED ABOVE:			\$ 2,281,221.01	
9. MONTHLY OVER(UNDER) COLLECTION : (7f-8)			\$ (163,143.47)	
10. TOTAL OVER/(UNDER) COLLECTION THIS PSCR YEAR			\$ 33,850.66	
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	2021 Roll In	Seasonal	Year to Date	Remaining
Auth.PSCR adj.(m/kWh)					
Auth.PSCR adj.(dollars)		\$ 138,662.12	\$ 11,577.62	\$ 131,331.17	\$ 7,330.95
MEMBER REGULATED	PSCR YEAR	2021 Roll In	Monthly	Year to Date	Remaining
Auth.PSCR adj.(m/kWh)					
Auth.PSCR adj.(dollars)		\$ 701,837.22	\$ 64,337.28	\$ 729,841.82	\$ (28,004.60)



NAME OF REPORTING UTILITY :		PRESQUE ISLE ELECTRIC COOPERATIVE			PRESQUE ISLE ELECTRIC COOPERATIVE		
2022		December 256532/257808			YEAR TO DATE		
		(ag)	(ah)	(ai)	(aj)	(ak)	(al)
PURCHASED POWER		*UNITS	\$	\$/Unit	*UNITS	\$	\$/Unit
FROM WOLVERINE							
1 Energy-A		24,499,792	\$ 1,338,779.85	0.054645	271,086,971	\$ 14,144,249.94	0.052176
2 Energy-C&I		1,026,138	\$ 65,802.45	0.064126	13,645,501	\$ 851,954.21	0.062435
3 Total Energy		25,525,930	\$ 1,404,582.30	0.055026	284,732,472	\$ 14,996,204.15	0.052668
4 Demand-Rate A		43,323	\$ 643,349.00	14.850057	554,829	\$ 6,858,529.67	12.361520
5 Demand-Rate C & I		2,331	\$ 15,534.00	6.664093	31,324	\$ 170,311.00	5.437077
6 Total Demand		45,654	\$ 658,883.00	14.432098	586,153	\$ 7,028,840.67	11.991478
7 Load Management Credits			\$0.00			\$0.00	
8 Substation Fixed Charge	18	\$ 55,548.00	\$ 3,086.00		252	\$ 666,576.00	2645.142857
9 Substation Investment Charge		\$ 98,553.67	Varies			\$ 1,172,520.10	Varies
10 Shared Excluded Facilities		\$ 6,598.41	Varies			\$ 64,179.19	Varies
11 Renewable Energy Contracts		\$ (13.67)	Varies			\$ (1,456.14)	Varies
12 True Ups Billed		\$ -				\$ (167,940.00)	Varies
13 TOTAL WPSC		25,525,930	\$ 2,224,151.71	0.087133	284,732,472	\$ 23,758,923.97	0.083443
13b WPSC True Ups Already Booked			\$0.00			\$ 167,940.00	
13c Actual WPSC True Up						\$ -	
13d Estimated WPSC True Up		\$ 56,901.00				\$ 56,901.00	
13e Renewable Energy Contracts		\$ 13.67				\$ 1,456.14	
13f Final WPSC After True Up		\$ 2,281,066.38	0.089363			\$ 23,985,221.11	0.000000
13n Total NEG Purchases	2,123	\$ 154.63	0.072836		108,417	\$ 8,242.74	0.076028
14 Total kWh Purchase & Cost		25,528,053	\$ 2,281,221.01	0.089361	284,840,889	\$ 23,993,463.85	0.084235
15 Less: Line Loss		2,547,091		0.099776156	24,146,561		0.084772
16 kWh Available for Use		22,980,962	\$ 2,281,221.01	0.09926569	260,694,328	\$ 23,993,463.85	0.092037
17 PSCR SALES & POWER COSTS		22,980,962	\$ 2,281,221.01	0.099266	260,694,328	\$ 23,993,463.85	0.092037
PSCR OVER/(UNDER) RECOVERY		BASE	FACTOR	TOTAL	BASE	FACTOR	TOTAL
A. PSCR REVENUE							
18 1. Mills/kWh		87.8500	4.31661785	92.1666	87.850000	4.3166	92.166618
19 2. PSCR Sales		22,980,962	22,980,962	22,980,962	260,694,328	260,694,328	260,694,328
20 3. PSCR Revenue [(1*2)/1000]		\$ 2,018,877.51	\$ 99,200.03	\$ 2,118,077.54	22,901,997	\$ 1,125,317.79	\$ 24,027,314.51
21 C. PSCR COST				\$ 2,281,221.01			\$ 23,993,463.85
22 D. OVER/(UNDER) RECOVERY				\$ (163,143.47)			\$ 33,850.66
Current Year to Date			\$ 33,850.66			\$ 33,850.66	
Surcharge Distribution:	kWh	Recovery	FACTOR	kWh	Recovery	Surcharge Remaining:	Target Recovery
Prior Year Monthly - 2021	19,476,185	\$ 64,337.28	3.303382	220,937,751	\$ 729,841.82	\$ (28,004.60)	\$ 701,837.22
Prior Year Seasonal - 2021	3,504,777	\$ 11,577.62	3.303382	39,756,577	131,331.17	7,330.95	138,662.12
Total		\$ 75,914.90	3.303382	260,694,328	861,172.99	(20,673.65)	840,499.34
Combined PSCR	22,980,962	\$ 175,114.93	7.62				
						Est pscr kWh:	Adjustment
						212,441,324	
						41,994,676	
						254,436,000	3.303382

**PRESQUE ISLE ELECTRIC & GAS CO-OP  
BOARD RESOLUTION  
MARCH 28, 2023**

**RESOLUTION 2023-MR-02  
2022 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 2022 operating year indicates an adjusted TIER of 0.19; and

**WHEREAS**, an adjusted TIER of 0.19 falls outside the “Quiet Zone”; and

**WHEREAS**, a revenue increase of \$3,735,417 is required to achieve a 1.8 Target TIER;

**NOW BE IT HEREBY RESOLVED** that the PIE&G Board of Directors accepts management’s 2022 ELECTRIC TIER analysis, which indicates a revenue increase of \$3,735,417 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 28, 2023.

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

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

**TEST YEAR MARGINS AND INTEREST**  
**12 MONTHS ENDED DECEMBER 31, 2022**

	<u>Operating Margins</u>	<u>Total Margins</u>	<u>Interest</u>
December 31, 2022	(\$3,380,664) <sup>1</sup>	(\$2,677,767) <sup>2</sup>	\$2,319,511 <sup>3</sup>

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<sup>1</sup> From December 2022 Form 7, Part 1A, line 20, *Patronage Capital and Operating Margins*.

<sup>2</sup> From December 2022 Form 7, Part 1A, line 28, *Patronage Capital*.

<sup>3</sup> From December 2022 Form 7, Part 1A, line 15, *Interest on Long Term Debt*.

**ADJUSTED TOTAL MARGINS**

<u>Step One:</u>	Unadjusted Total Margins	\$ (2,677,767) <sup>4</sup>
<u>Step Two:</u>	Add Back Net Loss from Equity Investments	\$ 1,259,467 <sup>5</sup>
	Add Misc. Non-Operating Loss	\$ 0 <sup>6</sup>
	Add Annualized Revenue from Rate Increase	\$ 1,223,830 <sup>7</sup>
	Less G&T Capital Credits Allocated/Not Paid	\$ (1,572,196) <sup>8</sup>
	Less Other Capital Credits Allocated/Not Paid	\$ (113,142) <sup>9</sup>

(continued on next page)

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

<sup>5</sup> From December 2022 Form 7, page 1, column (b), line 23, "Income (Loss) from Equity Investments" includes a \$1,259,467 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 \$1,259,467.

<sup>6</sup> From December 2022 Form 7, page 1, column (b), line 23, "Income (Loss) from Equity Investments". No one-time Miscellaneous Non-Operating Losses were incurred in 2022.

<sup>7</sup> From Exhibit A-7, Annualized Increase in Revenue at New Rates.

<sup>8</sup> From December 2022 Form 7, page 1, column (b), line 25a, "Generation and Transmission Capital Credits" + Line 25b, "G&T Capital Credits – PSDFC".

<sup>9</sup> From December 2022 Form 7, page 1, column (b), line 26, "Other Capital Credits and Patronage Dividends", i.e. \$326,964 less \$213,822. The \$213,822 is comprised of the following declared and paid other capital credits or patronage dividends.

NRUCFC	\$ 107,057
COBANK	\$ 32,494
NISC	\$ 10,266
NRTC	\$ 0
CRC	\$ 3,681
<u>RESCO</u>	<u>\$ 60,324</u>
Total	<u>\$ 213,822</u>

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

<u>Step Three:</u> Add: Issued Capital Credits/Past Years' Allocations	\$ 1,060,166
Less General Capital Credit Retired to Members	\$ (683,381)
<u>Step Four:</u> Less Member Remaining Capital Credits Retired	\$ (376,785)
Adjusted Total Margins	\$(1,879,808)

### CALCULATION OF REQUIRED TIER REVISION

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

$$\text{Interest} = \$2,319,511^{10}$$

$$1.8 \text{ TIER} = \frac{\text{Necessary Margin} + \$2,319,511 \text{ Interest}}{\$2,319,511 \text{ Interest}}$$

$$\text{Necessary Margins} = \$1,855,609$$

Target TIER:

$$1.8 \text{ TIER} = \frac{\$1,855,609 \text{ Necessary Margin} + \$2,319,511 \text{ Interest}}{\$2,319,511 \text{ Interest}}$$

Actual Adjusted Total TIER:

$$\text{TIER} = \frac{(\$1,879,808)^{11} + \$2,319,511 \text{ Interest}}{\$2,319,511 \text{ Interest}} = 0.19 \text{ TIER}$$

Based on Adjusted Total TIER of 0.19, an increase of \$3,735,417 or 9.16% is required.

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<sup>10</sup> From Exhibit A-2.

<sup>11</sup> From Exhibit A-3.

**RECONCILIATION OF OPERATING AND TOTAL MARGINS**Line No.

1	Operating Margins	\$ (3,380,664) <sup>12</sup>
2	Other Income	
3	a. Non Operating Margins – Interest	\$ 47,133 <sup>13</sup>
	b. Income from Equity Investments	\$ (1,243,396) <sup>14</sup>
	c. Non Operating Margins – Other	\$ 0 <sup>15</sup>
	d. G&T Capital Credits	\$ 1,572,196 <sup>16</sup>
	Other Capital Credits and Patronage Dividends	\$ <u>326,964</u> <sup>17</sup>
3.	Total Additions to Operating Margins	\$ 702,897
4	Total Margins	\$ (2,677,767)

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<sup>12</sup> From Exhibit A-2.

<sup>13</sup> From December 2022 Form 7, Part 1A, line 21, “*Non Operating Margins – Interest*”.

<sup>14</sup> From December 2022 Form 7, Part 1A, line 23, “*Income(Loss) from Equity Investments*”.

<sup>15</sup> From December 2022 Form 7, Part 1A, line 24, “*Non Operating Margins – Other*”.

<sup>16</sup> From December 2022 Form 7, Part 1A, line 25a, “*Generation and Transmission Capital Credits*”.

<sup>17</sup> From December 2022 Form 7, Part 1A, line 26, “*Other Capital Credits and Patronage Dividends*”.

**CALCULATION OF REQUIRED AND REQUESTED INCREASE**Line No.

1	Required \$ Increase Per Exhibit A-4	\$ 3,735,417
2	2022 Revenue from Electric Sales	\$ 40,769,838 <sup>18</sup>
3	Required % Increase	9.16%
4	2022 kWh Sales	260,694,328 <sup>19</sup>
5	Average Mills Per kWh Increase	14.33 mills per kWh

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<sup>18</sup> From December 2022 Form 7, Page 6, Electric Operations Plant Ratios, Sales & Revenue Report, Year to Date Total Sales of Electric Energy, dollars.

<sup>19</sup> From December 2022 Form 7, Page 6, 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	\$0.03305	\$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

	KWH SOLD AT OLD RATE JANUARY THROUGH JULY	KWH SOLD AT NEW RATE AUGUST THROUGH DECEMBER	TOTAL KWH SOLD 2022	ANNUALIZED REVENUE AT OLD RATES
RESIDENTIAL	87,040,500	57,888,398	144,928,898	\$4,789,900
SEASONAL -- OVER 7,200 kWh	7,907,534	5,780,829	13,688,363	\$452,400
SEASONAL	15,009,459	11,255,764	26,265,223	\$2,217,047
GS1	17,609,578	12,572,237	30,181,815	\$837,847
GS3	8,820,652	6,291,467	15,112,119	\$419,512
LGS	3,522,154	2,558,193	6,080,347	\$104,947
LPTOD	6,493,360	4,747,800	11,241,160	\$781,373
PSDS	7,486,200	5,422,200	12,908,400	\$96,168
	153,889,437	106,516,888	260,406,325	\$9,699,195

	KWH REVENUE AT OLD RATE JANUARY THROUGH JULY	KWH REVENUE AT NEW RATE AUGUST THROUGH DECEMBER	TOTAL KWH REVENUE 2022	ANNUALIZED REVENUE AT NEW RATES	ANNUALIZED INCREASE IN REVENUE AT NEW RATES
RESIDENTIAL	\$2,876,689	\$2,409,894	\$5,286,583	\$6,033,390	\$746,807
SEASONAL -- OVER 7,200 kWh	\$261,344	\$240,656	\$502,000	\$569,847	\$67,847
SEASONAL	\$1,266,948	\$1,095,861	\$2,362,810	\$2,557,182	\$194,372
GS1	\$488,842	\$406,083	\$894,925	\$974,873	\$79,947
GS3	\$244,861	\$203,214	\$448,076	\$488,121	\$40,046
LGS	\$60,792	\$53,057	\$113,849	\$126,106	\$12,257
LPTOD	\$451,353	\$355,753	\$807,106	\$842,300	\$35,194
PSDS	\$55,772	\$67,561	\$123,333	\$160,839	\$37,506
	\$5,706,602	\$4,832,079	\$10,538,681	\$11,752,658	\$1,213,977

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

\$9,854

ANNUALIZED INCREASE IN REVENUE AT NEW RATES

\$1,223,830

# 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	\$12.73	\$12.73
400W MV	\$22.71	\$22.71
100W HPS	\$9.77	\$9.77
250W HPS	\$16.70	\$16.70
40W LED T5	\$7.10	\$7.51
70W LED T3/T5	\$8.21	\$8.95

	AVERAGE NUMBER OF SECURITY LIGHTS PER MONTH	ANNUALIZED SYL REVENUE AT OLD RATES
175W MV	1	\$153
400W MV	0	\$0
100W HPS	0	\$0
250W HPS	0	\$0
40W LED T5	282	\$24,026
70W LED T3/T5	1,746	\$172,016
	2,029	\$196,195

	SYL REVENUE AT OLD RATE JANUARY THROUGH JULY	SYL REVENUE AT NEW RATE AUGUST THROUGH DECEMBER	TOTAL SYL REVENUE 2022	ANNUALIZED SYL REVENUE AT NEW RATES	ANNUALIZED INCREASE IN SYL REVENUE AT NEW RATES
175W MV	\$89	\$64	\$153	\$153	\$0
400W MV	\$0	\$0	\$0	\$0	\$0
100W HPS	\$0	\$0	\$0	\$0	\$0
250W HPS	\$0	\$0	\$0	\$0	\$0
40W LED T5	\$14,015	\$10,589	\$24,605	\$25,414	\$809
70W LED T3/T5	\$100,343	\$78,134	\$178,476	\$187,520	\$9,044
	\$114,447	\$88,786	\$203,233	\$213,087	\$9,854

# PRESQUE ISLE ELECTRIC & GAS CO-OP

3149 Main Street 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, 2022

RUS Form 7 Line Number	ITEM	YEAR TO DATE			THIS MONTH
		2021	2022	BUDGET	
1.	Operating Revenue - Electric	38,784,574	41,456,782	41,788,361	3,917,777
1.					
	<b>Total Revenue</b>	<b>38,784,574</b>	<b>41,456,782</b>	<b>41,788,361</b>	<b>3,917,777</b>
3.	Cost of Purchased Energy - Electric	21,979,421	23,993,618	23,571,074	2,281,375
3.					
	<b>Total Cost of Energy Sold</b>	<b>21,979,421</b>	<b>23,993,618</b>	<b>23,571,074</b>	<b>2,281,375</b>
	<b>Gross Revenues</b>	<b>16,805,153</b>	<b>17,463,164</b>	<b>18,217,287</b>	<b>1,636,402</b>
5.	Distribution Expense - Operation	1,889,286	2,803,665	1,894,380	241,440
6.	Distribution Expense - Maintenance	4,977,714	5,528,035	4,747,255	802,618
7.	Consumer Accounts Expense	1,778,699	1,879,277	1,733,883	126,191
8.	Customer Service and Informational Expens	771,202	525,311	778,270	54,376
10.	Administrative and General Expense	2,183,864	2,247,202	2,068,046	220,975
	<b>Total Operation &amp; Maintenance Expense</b>	<b>11,600,765</b>	<b>12,983,489</b>	<b>11,221,834</b>	<b>1,445,601</b>
12.	Depreciation & Amortization Expense	3,445,218	4,059,088	3,905,028	351,506
13.	Tax Expense - Property & Gross Receipts	1,077,549	1,317,005	1,004,674	330,314
14.	Tax Expense - Other	4,593	880	1,216	(105)
15.	Interest on Long-Term Debt	1,895,651	2,319,511	2,191,033	251,301
17.	Interest Expense - Other	137,044	161,854	56,133	26,117
18.	Other Deductions	7,384	2,000	1,000	0
	<b>Total Cost of Operations</b>	<b>18,168,202</b>	<b>20,843,828</b>	<b>18,380,918</b>	<b>2,404,734</b>
20.	Patronage Capital & Operating Margins	(1,363,049)	(3,380,664)	(163,631)	(768,332)
21.	Non-Operating Margins - Interest	46,731	47,133	23,887	511
23.	Income (Loss) from Equity Investments	(601,154)	(1,243,396)	(217,268)	(312,372)
24.	Non-Operating Margins - Other	0	0	0	0
25.a	Generation and Transmission Capital Credit	1,506,149	1,572,196	1,300,000	1,572,196
25.b	G & T Capital Credits - PSDFC	0	0	0	0
26.	Other Capital Credits and Patronage Dividen	264,554	326,964	223,167	6,879
27.	Extraordinary Items See attached sheet	0	0	0	0
28.	<b>Patronage Capital</b>	<b>(146,769)</b>	<b>(2,677,767)</b>	<b>1,166,155</b>	<b>498,882</b>
	<b>Net T.I.E.R.</b>	<b>0.93</b>	<b>-0.08</b>		
	<b>Operating T.I.E.R.</b>	<b>0.33</b>	<b>-0.36</b>		

## PART 2A - DATA ON ELECTRICAL DISTRIBUTION PLANT

ITEM	YEAR TO DATE	
	2021	2022
1. New Services Connected	412	329
2. Services Retired	32	44
3. Total Services in Place	36,901	37,191
4. Idle Services (Excl Seasonal)	2,354	2,372
5. Miles Distribution - Overhead	3,820	3,813
6. Miles Distribution - Underground	1,137	1,159
7. Total Miles Energized (5 + 6)	4,957	4,971

# PRESQUE ISLE ELECTRIC & GAS CO-OP

3149 Main Street 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, 2022

RUS Form 7 Line Number	ASSETS AND OTHER DEBITS	RUS Form 7 Line Number	LIABILITIES AND OTHER CREDITS
1a.	Utility Plant in Service - Electric 147,012,355	30a.	Memberships - Electric 289,085
1b.	Utility Plant in Service - Gas 46,675,323	30b.	Memberships - Gas 29,120
1c.	Utility Plant in Service - Fiber 2,538,370	30c.	Memberships - Fiber 15
1.	Utility Plant in Service - Combined <b>196,226,048</b>	30.	Memberships - Combined <b>318,220</b>
2a.	Construction Work in Progress - Electric 2,348,590	31a.	Patronage Capital - Electric 40,921,831
2b.	Construction Work in Progress - Gas 1,052,053	31b.	Patronage Capital - Gas 9,328,760
2c.	Construction Work in Progress - Fiber 18,986,786	31c.	Patronage Capital - Fiber (690,397)
2.	Construction Work in Progress - Combined <b>22,387,429</b>	31.	Patronage Capital - Combined <b>49,560,194</b>
3a.	Total Utility Plant (1+ 2) - Electric 149,360,945	32a.	Operating Margins - Prior Years - Electric 21,064
3b.	Total Utility Plant (1 + 2) - Gas 47,727,376	32b.	Operating Margins - Prior Years - Gas 0
3c.	Total Utility Plant (1 + 2) - Fiber 21,525,155	32c.	Operating Margins - Prior Years - Fiber 0
3.	Total Utility Plant - Combined <b>218,613,477</b>	32.	Operating Margins - Prior Years - Combined <b>21,064</b>
4a.	Accumulated Provision for Depreciation - Electric 67,106,624	33a.	Operating Margins - Current Year - Electric (3,380,664)
4b.	Accumulated Provision for Depreciation - Gas 17,017,260	33b.	Operating Margins - Current Year - Gas 749,802
4c.	Accumulated Provision for Depreciation - Fiber 72,068	33c.	Operating Margins - Current Year - Fiber (1,431,379)
4.	Accum. Provision for Depreciation - Combined <b>84,195,951</b>	33.	Operating Margins - Current Year - Combined <b>(4,062,241)</b>
5a.	Net Utility Plant (3 - 4) - Electric 82,254,322	34a.	Non Operating Margins - Electric 702,896
5b.	Net Utility Plant (3 - 4) - Gas 30,710,116	34b.	Non Operating Margins - Gas (329,736)
5c.	Net Utility Plant (3 - 4) - Fiber 21,453,088	34c.	Non Operating Margins - Fiber 86,099
5.	Net Utility Plant - Combined <b>134,417,525</b>	34.	Non Operating Margins - Combined <b>459,259</b>
7.	Investments in Subsidiary Companies 0	35a.	Other Margins and Equities - Electric 5,158,368
8.a	Invest. in Assoc. Org- Patronage Capital - WPC 19,969,327	35b.	Other Margins and Equities - Gas 6,415
		35c.	Other Margins and Equities - Fiber 0
8.b	Invest. in Assoc. Org- Patronage Capital - Other 5,771,217	35.	Other Margins and Equities - Combined <b>5,164,783</b>
9.	Invest. in Assoc. Org. - Other - General Funds 4,800	36a.	Total Margins and Equities (30 thru 35) - Electric 43,712,580
10.	Invest. in Assoc. Org. - Other - Nongeneral Funds 1,370,582	36b.	Total Margins and Equities (30 thru 35) - Gas 9,784,361
		36c.	Total Margins and Equities (30 thru 35) - Fiber (2,035,663)
11.	Invest. in Economic Development Projects 0	36.	Total Margins and Equities (30 thru 35) - Combined 51,461,279
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) 27,115,926	38.	Long Term Debt - RUS - Econ. Dev. (Net) 0
15.	Cash - General Funds 5,253,346	39.	Long Term Debt - Other - RUS Guaranteed 0
16.	Cash - Construction Funds 0	40.	Long Term Debt - Other (Net) 105,949,733
17.	Special Deposits 0	41.	Total Long Term Debt (37 thru 40) 105,949,733
18.	Temporary Investments 1,087,607	42.	Obligations Under Capital Leases 0
19.	Notes Receivable - Net 0	43.	Deferred Compensation 0
20.	Accounts Receivable - Net Sales of Energy 6,164,940	44.	Total Other Non Current Liabilities (42+43) 0
21.	Accounts Receivable - Net Other 580,501	45.	Line of Credit Balance Due 15,180,973
22.	Materials and Supplies - Electric and Other 10,550,148	46.	Accounts Payable 5,261,314
23.	Prepayments 216,471	47.	Consumers Deposits 515,260
24.	Other Current and Accrued Assets 0	48.	Other Current and Accrued Liabilities 7,400,409
25.	Total Current and Accrued Assets (15 thru 24) 23,853,014	49.	Total Current and Accrued Liabilities (45 thru 48) 28,357,957
26.	Regulatory Assets 0	50.	Deferred Credits 414,360
27.	Other Deferred Debits 796,864	51.	Accumulated Deferred Income Taxes
28.	Accumulated Deferred Income Taxes 0	52.	Total Liabilities and Other Credits
29.	Total Assets and Other Debits ( 5 + 14 + 25 thru 28) <b>186,183,329</b>		(36+41+44+49 thru 51) <b>186,183,329</b>
			<i>ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION</i>
		53.	Balance Beginning of the Year - Electric 24,984,909
		54.	Balance Beginning of the Year - Gas 5,403,573
		55.	Balance Beginning of the Year - Gas AER 1,054,511
			Amount Received This Year (Net) - Electric 2,151,119
			Amount Received This Year (Net) - Gas 326,511
			Amount Received This Year (Net) - Gas AER
			Total Contributions in Aid of Construction - Electric 27,136,028
			Total Contributions in Aid of Construction - Gas 5,730,084
			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.

The Balance Sheet has been modified to eliminate the Accounts Receivable (Acct. #142.70) and Accounts Payable (Acct. #232.70) amounts that are due between Divisions, which nets to zero.

The AR and AP amount was \$ 5,117,162.10

# PRESQUE ISLE ELECTRIC & GAS CO-OP

3149 Main Street 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, 2022

### BALANCE SHEET RATIOS

Current Assets to Current Liabilities	- Combined	84.11 %
Margins & Equities as % of Assets	- Combined	27.64 %
Long Term Debt as % of Net Utility Plant	- Combined	78.82 %
Long Term Debt as % of Plant	- Combined	48.46 %
Modified Debt Service Coverage Ratio	- Combined	1.07

### 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	18,331	13,572,860	2,159,974	555
Sales - Seasonal	13,811	3,504,640	851,617	12,559
Sales - General Service - Oil	492	458,074	65,308	51
Sales - Irrigation	28	1,008	1,093	19
Sales - General Service	1,752	2,812,165	379,907	158
Sales - Large Power - Oil	2	81,000	8,943	0
Sales - Large Power	43	2,170,690	225,716	1
Sales - Public Street & Highway Lighting	37	11,890	4,475	0
Sales - Public Buildings	323	368,635	51,547	31
Consumer Sales - PSCR			87,229	
Total Sales of Electric Energy (1 thru 11)	34,819	22,980,962	3,835,808	13,374
Other Electric Revenue			81,969	
Total (12 + 13)			3,917,777	
Last Year kWh Sales	34,547	22,064,310		

### 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	18,224	145,188,066	22,801,194
Sales - Seasonal	13,785	39,744,976	9,435,350
Sales - General Service - Oil	493	4,612,040	663,119
Sales - Irrigation	28	290,077	44,819
Sales - General Service	1,715	36,268,946	4,753,291
Sales - Large Power - Oil	2	1,085,760	116,926
Sales - Large Power	43	29,150,147	3,217,608
Sales - Public Street & Highway Lighting	37	142,307	51,134
Sales - Public Buildings	324	4,212,009	581,421
Consumer Sales - PSCR			(895,024)
Total Sales of Electric Energy (1 thru 11)	34,651	260,694,328	40,769,838
Other Electric Revenue			686,944
Total (12 + 13)			41,456,782
Last Year kWh Sales		258,071,694	

### KWH AND KWH STATISTICS

ITEM	THIS MONTH	YEAR-TO-DATE
1. kWh Purchased	25,525,930	284,732,473
2. Interchange kWh-Net	2,123	108,417
3. Total kWh (1 + 2)	25,528,053	284,840,890
4. Total kWh-Sold	22,980,962	260,694,328
5. Office Use - **For Information Purposes Only**	68,324	705,441
6. Total Unaccounted for (3 - 4)	2,547,091	24,146,562
7. Percent System Loss (6/3)x100	9.98	8.48
8. Maximum Demand (kw)	45,654	56,983
9. Month When Maximum Demand Occurred		8

# PRESQUE ISLE ELECTRIC & GAS CO-OP

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## STATISTICAL INFORMATION FOR THE MONTH ENDING DECEMBER 31, 2022

	THIS YEAR	LAST YEAR
1. KWHRS Sold Per Consumer:		
a. For the Month	660	639
b. Year to Date	<u>627</u>	<u>627</u>
2. Average Monthly Bill	110.16	95.54
Average Residential Bill	<u>117.83</u>	<u>98.34</u>
3. Average Bill:		
a. Year To Date	98.05	92.03
b. YTD Residential	<u>104.26</u>	<u>92.78</u>
4. Cost Per KWHR Purchased		
a. This Month Mills	89.37	74.82
b. Year to Date Mills	<u>84.24</u>	<u>78.47</u>
5. Revenue Per KWHR Sold:		
a. This Month Mills	166.91	149.60
b. Year to Date Mills	<u>156.39</u>	<u>146.85</u>
6. Power Cost Adjustment		
a. This Month	<u>0.007620</u>	<u>-0.004390</u>
7. Number of New Members - Electric	131	165
Number of Transferred Members Added - Electric	1195	1453
7. Number of New Members - Gas	49	51
Number of Transferred Members Added - Gas	<u>143</u>	<u>164</u>
8. Security Lights Billed	<u>2040</u>	<u>2025</u>
9. Regular Payroll - Hours	18,881.00	17,374.00
Overtime Payroll - Hours	2,304.00	5,052.75
Total Payroll	<u>21,185.00</u>	<u>22,426.75</u>
10. Number of Employees		
Full Time	110	93
Temporary	<u>3</u>	<u>8</u>
11. Principal Paid To CFC-YTD	3,204,513.36	2,607,463.91
Interest Paid To CFC-YTD	<u>3,835,115.97</u>	<u>2,945,467.55</u>
12. Interest Paid on Line of Credit - YTD	<u>327,493.71</u>	<u>172,216.69</u>

<b>TIER CALCULATION</b>			
CO-OP: <b>Presque Isle Electric &amp; Gas Co-op</b>			
Case:			
Year: <b>2022</b>			
FORM			
7 LINE	ITEM	<b>2022</b> <b>All Costs</b>	
		\$	
	Operating Revenue		
	Sales of Electricity	41,456,782	
	Other	-	
1	Operating Revenue	41,456,782	
	Operating Expenses		
3	Cost of Purchased Energy	23,993,618	
4	Transmission Expense		
5	Distribution Expense - Operation	2,803,665	
6	Distribution Expense - Maintenance	5,528,035	
7	Consumer Accounts Expense	1,879,277	
8	Customer Service & Info. Expense	525,311	
9	Sales Expense		
10	Administrative & General Expense	2,247,202	
11	Total O & M Expense	36,977,108	
12	Depreciation & Amortization Exp.	4,059,088	
13	Tax Exp. - Property & Gross Recpts.	1,317,005	
14	Tax Expense - Other	880	
15	Interest on Long-Term Debt (mpsc)	2,319,511	
16	Interest Charged to Const. - Cr.		
17	Interest Expense - Other	161,854	
18	Other Deductions	2,000	
19	Total Cost of Operations	44,837,446	
20	<b>Ptrng Cap. &amp; OPERATING Margins</b>	(3,380,664)	
21	Non-Operating Margins - Interest	47,133	
22	AFUDC		
nt lsted	Loss from Property Retirements		
23	Inc. (Loss) from Equity Investments	(1,243,396)	
24	Non-Operating Margins - Other	-	
25.a	Gen. & Trans. Capital Crs.	1,572,196	
25.b	G & T Capital Crs - PSDFC	-	
26	Other Capital Crs. & Patronage Div's.	326,964	
27	Extraordinary Items	-	
28	<b>Ptrng Capital or Margins (20-27)</b>	<b>(2,677,767)</b>	
<b>Part II: Adjusted Margins &amp; TIER AS FILED</b>			
	Actual Total Margin (Ln 28)	(2,677,767)	
Step II	Back Out:		
	Gain/Loss from Equity Investments	1,259,467	
	One-time Miscellaneous Non-Operating Income	-	
	Annualized Revenue from Rate Increase	1,223,830	
	G&T Credits, Allocated/Not Paid	(1,572,196)	
	Other Cap Crs. Allocated/Nt Pd	(113,142)	
	Weather Normalization Adjustment		
	Adjustment for Non-Operating Loss		
	<b>Total Mrgns Less Cap. Crs. Allocation</b>	<b>(1,879,808)</b>	
Step III	Add Back:		
	Estimated Storm Restoration Costs		
	Cap Crs Pd for Prior Years	1,060,166	
	Less offset of Cap Crs Retired/Members	(683,381)	
	<b>Preliminary Adjusted Total Margins</b>	<b>(1,503,023)</b>	
Step IV	Back Out:		
	Member Remaining Cap Crs. Retired	(789,729)	
	Adjust for difference in LT Debt Interest		
	Adjust for Add Back of C.C. Retired/Members	412,944	
	<b>Adjusted Total Margin</b>	<b>(1,879,808)</b>	
	<b>Resulting TIER:</b>		
	Adjusted Total Margin	(1,879,808)	
	+ Interest, L/T Debt +	2,319,511	
	+ Interest, L/T Debt	2,319,511	
	<b>= TIER</b>	<b>0.19</b>	
	[Quiet zone = 1.6 - 2.2]		
<b>Part III - Increase in Rates resulting from the 2022 PSCR/TIER Reconciliation</b>			
<b>Part III: Increase Calculation</b>			
	Target TIER as per Co-op Application	1.80	
	x Interest, LT Debt	2,319,511	
	Subtotal	4,175,120	
	LESS Interest, LT Debt	(2,319,511)	
	= Target Total Margin	1,855,609	
	LESS Adjusted Total Margin	(1,879,808)	
	Rate Increase for Co-ops Target TIER	3,735,417	
	Percent Increase		
	Annualized (Year) Electric Sales Revenue	\$ 40,769,838	
	Percent Increase Needed for Target TIER	9.16%	
	2022 kWh Sales	260,694,328	
	Increase per kWh	0.01433	
	Average Residential Bill - kWh	664	
	Monthly Residential Increase	\$ 9.51	

**PRESQUE ISLE ELECTRIC & GAS CO-OP**  
**BOARD RESOLUTION**  
**March 28, 2023**

**RESOLUTION 2023-MR-03**  
**2023 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 2022 TIER Analysis provides for an increase of \$3,735,417 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 June 1, 2023:

Residential Monthly Total Increase	\$2,084,369
Residential Seasonal Total Increase	\$1,202,237
General Service	\$ 338,966
Large General Service	\$ 23,648
Large Power Time of Day	\$ 41,628
Primary Service	\$ 28,487
Outdoor Lighting Total Increase	\$ 16,082

**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 28, 2023.

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

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



**PRESQUE ISLE ELECTRIC & GAS CO-OP**  
**BOARD RESOLUTION**  
**March 28, 2023**

**RESOLUTION 2023-MR-04**  
**2023 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 2022 TIER Analysis provides for an increase of \$3,735,417 to achieve a Target TIER of 1.8; and

**WHEREAS**, PIE&G has established that the increase of \$3,735,417 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 June 1, 2023:

Residential Monthly	availability charge	\$24.00 per month
	distribution charge	\$0.04612 per kWh
Residential Seasonal	availability charge	\$25.00 per month
	distribution charge	\$0.10810 per kWh
General Service (1PH)	availability charge	\$24.00 per month
	distribution charge	\$0.03482 per kWh
General Service (3PH)	availability charge	\$42.00 per month
	distribution charge	\$0.03482 per kWh
Large General Service	distribution charge	\$0.02486 per kWh
Large Power Time of Day	kWh charge	\$0.07791 per kWh
Primary Service	distribution charge	\$0.01444 per kWh

## Outdoor Lighting

40W LED T5	\$ 7.91 per month
70W LED T3/T5	\$ 9.64 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 28, 2023.

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

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

**Presque Isle Electric & Gas**  
**Determination of 2022 TIER Rate Adjustments**

Rate Code	Applicable Rate Schedule	Consumers	kWh Sales	2022 Tier Increase <sup>1</sup>	Service Charges			Increase from Service Charges	Remaining Increase		Distribution Charge	
					Present	Proposed	Change		Total	per kWh	Present	Proposed
RES	A											
RESSE	A											
	Total Sch. A	19,096	157,847,725	\$ 2,084,369	18.00	24.00	6.00	\$ 1,374,912	\$ 709,457	0.00449	0.04163	0.04612
RESSE	S	13,091	24,172,436	\$ 1,202,237	228.00	300.00	72.00	\$ 942,552	\$ 259,685	0.01074	0.09736	0.10810
GS1	GS	2,103			16.00	24.00	8.00	201,907				
GS3	GS	315			35.00	42.00	7.00	26,435				
	Total Sch. GS	2,418	43,923,825	\$ 338,966				\$ 228,342	\$ 110,624	0.00252	0.03230	0.03482
LGS	LGS	34	5,740,094	\$ 23,648	50.00	50.00		\$ -	\$ 23,648	0.00412	0.02074	0.02486
LPTOD	LPTOD	14	13,982,511	41,628	60.00	60.00		-	41,628	0.00298	0.07493	0.07791
PSDS	PSDS opt 1-B	3	14,423,662	28,487				-	28,487	0.00198	0.01246	0.01444
SYL	OD		592,079	16,082				-	16,082	0.02716	See Below	
		37,074	260,682,332	\$ 3,735,417				\$ 2,545,806	\$ 1,189,611			

Rate Code	Type	kWh Per Light	Increase		Monthly Rate	
			per kWh	per Month	Present	Proposed
dvc 10	40 T5	15	\$ 0.02716	\$0.40	\$7.51	\$7.91
dvc 11	70 T5	26	\$ 0.02716	\$0.69	\$8.95	\$9.64
dvc 12	70 T3	26	\$ 0.02716	\$0.69	\$8.95	\$9.64

<sup>1</sup> Class increases based on PIE&G's 2019 (2018 Actual) COS Study updated for 2022 Revenue Requirements and Estimated 2022 Sales Volumes by Rate Class.

<sup>2</sup> Since LPTOD does not have a Variable Distribution Charge, the adjustment is applied to the total energy charge. This can be converted to a demand adjustment, if preferred.

**Statement of Operations**  
**Present Rates**  
**For the Test Year Ended December 31, 2022**

(a) Line No.	(b) Description	(c) Actual Test Year	(d) Adjustments <sup>1</sup>	(e) Pro Forma Test Year
1	<b><u>Operating Revenue</u></b>			
2	Sales of Electricity	\$ 40,769,838	\$ 2,582,084	\$ 43,351,922
3	Other	686,944		686,944
4	<b>Total Operating Revenue</b>	<u>\$ 41,456,782</u>	<u>\$ 2,582,084</u>	<u>\$ 44,038,866</u>
5	<b><u>Operating Expenses</u></b>			
6	Cost of Purchased Power	\$ 23,993,618	\$ 1,227,398	\$ 25,221,016
7	Transmission - O & M			
8	Distribution - Operation	2,803,665	-	2,803,665
9	Distribution - Maintenance	5,528,035	-	5,528,035
10	Consumer Accounts	1,879,277	-	1,879,277
11	Consumer Service & Information	525,311	-	525,311
12	Sales		-	-
13	Administrative & General	2,247,202	-	2,247,202
14	Depreciation & Amortization	4,059,088	-	4,059,088
15	Taxes - Property	1,317,005	-	1,317,005
16	Taxes - Other	880	-	880
17	Interest on Long Term Debt	2,319,511	-	2,319,511
18	Other Interest Expense	161,854	-	161,854
19	Other Deductions	2,000	-	2,000
20	<b>Total Operating Expenses</b>	<u>\$ 44,837,446</u>	<u>\$ 1,227,398</u>	<u>\$ 46,064,844</u>
21	<b>Net Operating Margins</b>	<u>\$ (3,380,664)</u>	<u>\$ 1,354,686</u>	<u>\$ (2,025,978)</u>
22	<b><u>Non-Operating Margins</u></b>			
23	Non-Operating Margins (Interest Income)	\$ 47,133	\$ -	47,133
24	Income (Loss) from Property Retirements	(1,243,396)	1,259,467	16,071
25	Non-Operating Margins (Other) <sup>2</sup>	-		-
26	Generation and Transmission Capital Credits <sup>3</sup>	1,572,196	(1,572,196)	-
27	Other Capital Credits & Patronage Dividends <sup>3</sup>	326,964	(213,822)	113,142
28	<b>Total Non-Operating Margins</b>	<u>\$ 702,897</u>	<u>\$ (526,551)</u>	<u>\$ 176,346</u>
29	<b>Total Patronage Capital &amp; Margins</b>	<u><u>\$ (2,677,767)</u></u>	<u><u>\$ 828,135</u></u>	<u><u>\$ (1,849,632)</u></u>

<sup>1</sup> See Page 2, "Summary of Adjustments," for references to schedules supporting each adjustment.

**Supporting Adjustment Schedules  
Summary of Adjustments**

(a) Description	(b) Pages	(c) Amounts
I. Sales of Electricity		
Schedule A - Adjustment to Revenue	4	\$ 2,582,084
II. Purchased Power		
Schedule B - Purchased Power	8	\$ 1,227,398
III. Generation and Transmission Capital Credits		
Schedule C - Other Adjustments to Revenue Requirements	9	\$ (1,572,196)
IV. Other Adjustments to Revenue Requirements		
Schedule C - Other Capital Credits	9	\$ (213,822)
V. Other Adjustments to Revenue Requirements		
Schedule C - Income (Loss) From Equity Investments	9	\$ 1,259,467

**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) <b>Line</b>	(b) <b>Description</b>	(c) <b>Avg. No.</b>	(d) <b>Energy</b>	(e) <b>Billing</b>	(f) <b>Revenue</b>
<b>No.</b>		<b>Cons.</b>	<b>Sales</b>	<b>Demand</b>	
			(kWh)	(kW)	(\$)
1	Residential Service (A)	18,457	149,572,086	N.A.	21,161,408
2	Seasonal Residential Monthly Service (S)	12,653	22,899,496	N.A.	6,589,230
3	General Monthly Service (GS)	2,331	41,610,760	N.A.	5,089,132
4	Large General Monthly Service (LG)	33	5,437,816	17,841.0	639,399
5	Optional Large Power TOD Monthly Service (LPTOD)	14	13,246,180	40,941.0	1,375,089
6	Customer Owned Backup Generation (CBG)			N.A.	
7	Outdoor Lighting Monthly Service (OD)	904	572,264	N.A.	203,481
8	Primary Monthly Service (PSDS)	3	13,664,100	29,674.0	1,240,917
9	Controlled Heating Monthly Service (CH)			N.A.	
10	Partial Controlled Heating Monthly Service (PCH)			N.A.	
11	Controlled Water Heater Credit (CWH)			N.A.	(74,424)
12	Net Metering		(36,752)		(3,593)
13					
14					
15					
16					
17					
18	<b>Total</b> <small>(No. of Consumers Excludes Water Heaters and Street Lighting)</small>	33,491	246,965,950	88,456.0	36,220,639

**I.a. Consumer and Sales Data for the Year Ended December 31, 2022 (As Recorded)**

<b>Line</b>	<b>Description</b>	<b>Avg. No.</b>	<b>Energy</b>	<b>Billing</b>	<b>Revenue</b>
<b>No.</b>		<b>Cons.</b>	<b>Sales</b>	<b>Demand</b>	
			(kWh)	(kW)	(\$)
19	Residential Sales	18,224	145,188,066	N.A.	22,801,194
20	Residential Sales Seasonal	13,785	39,744,976	N.A.	9,435,350
21	Irrigation Sales	28	290,077	N.A.	44,819
22	Comm. And Ind. 1000 kVa or Less	2,208	40,880,986	N.A.	5,416,410
23	Comm. And Ind. Over 1000 kVa	45	30,235,907	N.A.	3,334,534
24	Public Street and Highway Lighting	37	142,307	N.A.	51,134
25	Other Sales to Public Auth.	324	4,212,009	N.A.	581,421
26	Sales for Resale - RUS Borrowers			N.A.	
27	PSCR Revenue			N.A.	(895,024)
28	<b>Total</b> <small>(No. of Consumers Excludes Water Heaters and Street Lighting)</small>	34,651	260,694,328	-	40,769,838

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

**II. Consumer and Sales Data for Pro Forma Test Year**

(a) <b>Line</b>	(b) <b>Description</b>	(c) <b>Avg. No. Cons.</b>	(d) <b>Energy Sales</b>	(e) <b>Billing Demand</b>	(f) <b>Revenue</b>
<b>No.</b>			(kWh)	(kW)	(\$)
1	Residential Service (A)	19,096	157,886,520	N.A.	25,682,581
2	Seasonal Residential Monthly Service (S)	13,091	24,172,436	N.A.	7,632,449
3	General Monthly Service (GS)	2,418	43,923,825	N.A.	6,000,573
4	Large General Monthly Service (LG)	34	5,740,094	18,832.7	732,236
5	Optional Large Power TOD Monthly Service (LPTOD)	14	13,982,511	43,216.8	1,662,062
6	Customer Owned Backup Generation (CBG)	-		N.A.	-
7	Outdoor Lighting Monthly Service (OD)	1	592,079	N.A.	225,735
8	Primary Monthly Service (PSDS)	3	14,423,662	31,323.5	1,533,370
9	Controlled Heating Monthly Service (CH)	-	-	N.A.	(112,570)
10	Partial Controlled Heating Monthly Service (PCH)	-	-	N.A.	-
11	Controlled Water Heater Credit (CWH)	1,151	-	N.A.	(74,424)
12	Net Metering		(38,795)	N.A.	(4,514)
13					
14					
15					
16					
17					
18	<b>Total</b> <small>(No. of Consumers Excludes Water Heaters and Street Lighting)</small>	34,657	260,682,332	93,373.1	43,277,498
19	Add: Year End PSCR Unbilled				
20	Less: Controlled Water Heater Switch Credits				(74,424)
21	<b>Total Revenues</b>				<b>43,351,922</b>
22					
23					
24	Growth Adjustments from 2018 Sales Data	103.46%	105.56%		2,582,084

**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
<b><u>Residential Service (A)</u></b>					
	Service Charge	19,096 /month	\$18.00	\$ 4,124,755	38.6%
	Distribution Variable Charge (All kWh)	157,886,520 /kWh	\$0.04163	6,572,816	61.4%
	Power Supply Energy Charge (All kWh)	157,886,520 /kWh	\$0.08601	13,579,820	
	PSCR	157,886,520 /kWh	\$0.00890	1,405,190	
				<u>\$ 25,682,581</u>	<u>100.0%</u>
<b><u>Seasonal Residential Monthly Service (S)</u></b>					
<u>Yearly Rate</u>					
	Availability Charge	13,091 /year	\$228.00	\$ 2,984,815	55.9%
	Distribution Variable Charge (All kWh)	24,172,436 /kWh	\$0.09736	2,353,428	44.1%
	Power Supply Energy Charge (All kWh)	24,172,436 /kWh	\$0.08601	2,079,071	
	PSCR	24,172,436 /kWh	\$0.00890	215,135	
				<u>\$ 7,632,449</u>	<u>100.0%</u>
<u>Seasonal Monthly Rate</u>					
	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>
<b><u>General Monthly Service (GS)</u></b>					
	Monthly Service Charge				
	Single Phase	2,103.2 /month	\$16.00	\$ 403,819	
	Three Phase	314.7 /month	\$35.00	132,191	27.4%
	Distribution Variable Charge (All kWh)	43,923,825 /kWh	\$0.03230	1,418,740	72.6%
	Energy Charge	43,923,825 /kWh	\$0.08321	3,654,901	
	Energy Charge Credits	43,923,825 /kWh	\$0.00000	-	
	PSCR	43,923,825 /kWh	\$0.00890	390,922	
				<u>\$ 6,000,573</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
<b><u>Large General Monthly Service (LG)</u></b>					
	Monthly Service Charge	34 /month	\$50.00	\$ 20,589	11.6%
	Distribution Demand Charge	18,833 /kW	\$1.98	37,289	21.1%
	Demand Charge - Power Supply	18,833 /kW	\$7.02	132,206	
	Oil Related Demand Credit	- /kW		-	
	Distribution Variable Charge	5,740,094 /kWh	\$0.02074	119,050	67.3%
	Energy Charge	5,740,094 /kWh	\$0.06481	372,015	
	Primary Monthly Service Discount	- /kVa	(\$0.20)	-	
	Primary Meter Discount	-	-2.0%	-	
	PSCR	5,740,094 /kWh	\$0.00890	51,087	
				<u>\$ 732,236</u>	<u>100.0%</u>
<b><u>Optional Large Power TOD Monthly Service (LPTOD)</u></b>					
	Monthly Service Charge	14 /month	\$60.00	\$ 10,429	3.6%
	Demand Charge				
	Peak Period	32,735 /kW	\$6.00	196,409	
	Maximum	43,217 /kW	\$6.55	283,070	96.4%
	Energy Charge	13,982,511 /kWh	\$0.07493	1,047,710	
	Primary Monthly Service Discount	- /kVa	(\$0.20)	-	
	Primary Meter Discount	- /kWh	-2%	-	
	PSCR	13,982,511 /kWh	\$0.00890	124,444	
				<u>\$ 1,662,062</u>	<u>100.0%</u>
<b><u>Customer Owned Backup Generation (CBG)</u></b>					
	Demand Charge	- /kW	(\$2.50)	\$ -	
				<u>\$ -</u>	
<b><u>Outdoor Lighting Monthly Service (OD)</u></b>					
	175 W MV	1 /month	\$12.73	\$ 158	
	400 W MV	- /month	\$22.71	-	
	100 W HPS	- /month	\$9.77	-	
	250 W HPS	- /month	\$16.70	-	
	40 W LED Type 5	292 /month	\$7.51	26,294	
	70 W LED Type 3	1,289 /month	\$8.95	138,454	
	70 W LED Type 5	517 /month	\$8.95	55,559	
	Total	2,099 /month			
	PSCR	592,079 /kWh	\$0.00890	5,270	
				<u>\$ 225,735</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
<b><u>Primary Monthly Service (PSDS)</u></b>					
	<i><u>Rider C&amp;I</u></i>				
	Monthly Service Charge	4 /cons	\$0.00	\$ -	0.0%
	Distribution Demand Charge	31,324 /kW	\$6.10	191,073	51.5%
	Power Supply Demand Charge	21,144 /kW	\$7.16	151,395	
	Oil Related Demand Credit	- /kW		-	
	Distribution Variable Charge	14,423,662 /kWh	\$0.01246	179,719	48.5%
	Power Supply Energy Charge	14,423,662 /kWh	\$0.06091	878,545	
	Reactive Charge	17,068 /kVar	\$0.25	4,267	
	PSCR	14,423,662 /kWh	\$0.00890	128,371	
				<u>\$ 1,533,370</u>	<u>100.0%</u>
<b><u>Controlled Heating Monthly Service (CH)</u></b>					
	<i><u>Schedule A</u></i>				
	Energy Charge Discount	3,481,409 /kWh	(\$0.03000)	\$ (104,442)	
	<i><u>Schedule GS</u></i>				
	Energy Charge Discount	270,919 /kWh	(\$0.03000)	\$ (8,128)	
	Total			<u>\$ (112,570)</u>	
<b><u>Partial Controlled Heating Monthly Service (PCH)</u></b>					
	Energy Charge	- /kWh	(\$0.0150)	\$ -	
				<u>\$ -</u>	
<b><u>Controlled Water Heater Credit (CWH)</u></b>					
	Option #1	522 /month	(\$4.50)	\$ (28,175)	
	Option #2	576 /month	(\$6.00)	(41,502)	
	Option #3	53 /month	(\$7.50)	(4,748)	
	Total	<u>1,151 /month</u>		<u>\$ (74,424)</u>	
<b><u>Net Metering</u></b>					
	Variable Energy Charge	(38,795) /month	\$0.10745	\$ (4,168)	
	PSCR	(38,795) /month	\$0.00890	(345)	
	Total			<u>\$ (4,514)</u>	
<b><u>Grand Total</u></b>		<u>260,682,332</u>		<u>\$ 43,277,498</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 <sup>1</sup>	\$0.00890	/kWh sold
3	Average Test Year Power Cost	\$0.09675	/kWh sold
4			
5	Total Test Year Energy Sales	260,682,332	kWh
6			
7	Pro Forma Test Year Purchased Power Cost	\$ 25,221,016	
8			
9	Add: Schedule CH Power Cost <sup>2</sup>	\$ -	
10	Add: Schedule PSDS Power Cost <sup>4</sup>		
9	Less: Water Heater Credits <sup>2</sup>		
9	Total ProForma Test Year Purchased Power	\$ 25,221,016	
8			
9	Less: Actual Test Year Purchased Power Cost	\$ 23,993,618	
10	Adjustment	\$ 1,227,398	

<sup>1</sup> As planned by Presque Isle Electric for application during 2023 excluding prior period reconciliations.

Total 2023 PSCR Factor	\$0.01169
Less: Prior Period Reconciliation (\$720,000 ÷ 258,203,575 kWh)	\$0.00279
Adjusted PSCR Factor	\$0.00890

**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 1.010)				
	Total	Energy	CP Demand	NCP Demand	Substations	Total	Energy	CP Demand	NCP Demand	Substations
<b>Wolverine</b>										
Variable										
Dynamic - Std	\$ 24,173,719	\$ 24,173,719				\$ 24,406,533	\$ 24,406,533			
Dynamic - C&I	1,197,864	1,197,864				1,209,400	1,209,400			
Adjustment to Sync Dynamic Energy		-				-	-			
Renewable - Std	(1,646,587)	(1,646,587)				(1,662,445)	(1,662,445)			
Renewable - C&I	(85,627)	(85,627)				(86,452)	(86,452)			
Energy Stabilization - Std	(10,157,466)	(10,157,466)				(10,255,291)	(10,255,291)			
Energy Stabilization - C&I	(530,517)	(530,517)				(535,626)	(535,626)			
Margin and True Up - Std	423,612	423,612				427,692	427,692			
Margin and True Up - C&I	22,029	22,029				22,241	22,241			
Sub-Total	\$ 13,397,027	\$ 13,397,027	\$ -	\$ -	\$ -	\$ 13,526,052	\$ 13,526,052	\$ -	\$ -	\$ -
Revenue Credit -Std	(1,427,669)	(1,427,669)				(1,441,419)	(1,441,419)			
Revenue Credit -C&I	175,752	175,752				177,445	177,445			
True Up	-	-				-	-			
Total Variable	\$ 12,145,110	\$ 12,145,110	\$ -	\$ -	\$ -	\$ 12,262,078	\$ 12,262,078	\$ -	\$ -	\$ -
Delivery - Std	\$ 3,484,447			\$ 3,484,447		\$ 3,518,005			\$ 3,518,005	
Delivery - C&I	142,280			142,280		143,650			143,650	
Total Delivery	\$ 3,626,727	\$ -	\$ -	\$ 3,626,727	\$ -	\$ 3,661,656	\$ -	\$ -	\$ 3,661,656	\$ -
Fixed	\$ -					\$ -				
Base - Std	\$ 5,318,135	\$ 5,318,135				\$ 5,369,353	\$ 5,369,353			
Base - C&I	89,841	89,841				90,706	90,706			
Monthly - Std	1,452,304		1,452,304			1,466,291		1,466,291		
Monthly - C&I	71,011		71,011			71,695		71,695		
Annual - Std	32,565		32,565			32,879		32,879		
Annual - C&I	-		-			-		-		
	\$ 6,963,856	\$ 5,407,976	\$ 1,555,880	\$ -	\$ -	\$ 7,030,924	\$ 5,460,060	\$ 1,570,864	\$ -	\$ -
Sub-Station										
Maintenance	\$ 749,736				\$ 749,736	\$ 756,957				\$ 756,957
Investment	1,388,082				1,388,082	1,401,450				1,401,450
Total	\$ 2,137,818	\$ -	\$ -	\$ -	\$ 2,137,818	\$ 2,158,407	\$ -	\$ -	\$ -	\$ 2,158,407
Excluded Facilities	\$ 106,921				\$ 106,921	\$ 107,951				\$ 107,951
Prior Period True Up	\$ -	\$ -				\$ -	\$ -			
Total Wolverine	\$ 24,980,432	\$ 17,553,086	\$ 1,555,880	\$ 3,626,727	\$ 2,244,739	\$ 25,221,016	\$ 17,722,138	\$ 1,570,864	\$ 3,661,656	\$ 2,266,358
MWh Delivered Net of Transmission Losses	279,139									
Cooperative Line Losses	7.500%									
Cooperative Sales	258,204									
Average Cost per kWh	\$0.09675									
PSCR Base	\$0.08785									
2022 PSCR Before Reconciliations	\$0.00890									
Total Power Cost										
Test Year	\$ 25,221,016									
PSCR	\$ 24,980,432									
Multiplier	1.010									

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

**Generation and Transmission Capital Credits**

Eliminate Unpaid Test Year G&T Capital Credits	\$ (1,572,196)
Add Patronage Capital Refunds Received	
	<u>\$ (1,572,196)</u>

**Other Capital Credits and Patronage Dividends**

Eliminate Unpaid Test Year Other Capital Credits	\$ (326,964)
Add Patronage Capital Refunds Received	113,142
	<u>\$ (213,822)</u>

**Income (Loss) from Equity Investments**

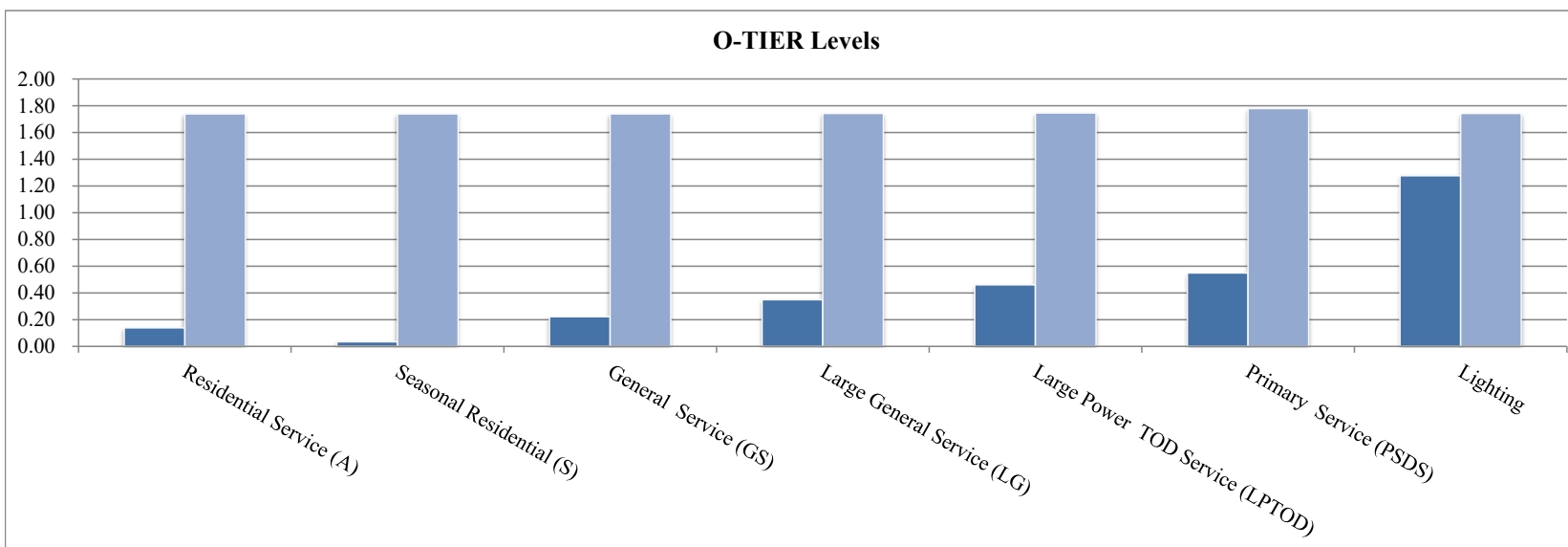
Misc Non-Operating Margins	\$ -
Eliminate Test Year losses from Equity Investments	1,259,467
	<u>\$ 1,259,467</u>

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

Line No.	Description	Total	Residential Service (A)	Seasonal Residential (S)	General Service (GS)	Large General Service (LG)	Large Power TOD Service (LPTOD)	Primary Service (PSDS)	0 Outdoor Lighting
1	<b><u>Revenue Requirements</u></b>								
2	Revenue Requirements	47,546,176	27,967,005	8,895,492	6,387,343	761,717	1,716,931	1,574,073	243,615
3									
4	<b><u>Present Rates</u></b>								
5	Revenue-Present Rates	43,464,492	25,678,067	7,632,449	6,000,573	732,236	1,662,062	1,533,370	225,735
6	Revenue Credits	346,267	204,569	60,805	47,805	5,833	13,241	12,216	1,798
7		43,810,759	25,882,636	7,693,254	6,048,378	738,069	1,675,303	1,545,586	227,533
8									
9	Required Incr./(Decr)	3,735,416	2,084,369	1,202,237	338,966	23,648	41,628	28,487	16,082
10	Percent	8.59%	8.12%	15.75%	5.65%	3.23%	2.50%	1.86%	7.12%
11									
12	<b><u>Proposed Rates</u></b>								
13	Revenue-Proposed Rates	47,199,729	27,760,939	8,834,660	6,339,609	755,927	1,703,892	1,562,794	241,908
14	Revenue Credits	346,267	204,569	60,805	47,805	5,833	13,241	12,216	1,798
15		47,545,996	27,965,508	8,895,465	6,387,414	761,760	1,717,133	1,575,010	243,706
16									
17	Required Incr./(Decr)	179	1,497	26	(70)	(43)	(202)	(937)	(91)
18	Percent		0.01%	0.00%	(0.00%)	(0.01%)	(0.01%)	(0.06%)	(0.04%)

**Cost of Service Summary**  
**Margin by Rate Class**

Line No.	Description	Total	Residential Service (A)	Seasonal Residential (S)	General Service (GS)	Large General Service (LG)	Large Power TOD Service (LPTOD)	Primary Service (PSDS)	Outdoor Lighting
19	<b><u>O-TIER Under Present Rates</u></b>								
20	Revenue-Present Rates	43,810,759	25,882,636	7,693,254	6,048,378	738,069	1,675,303	1,545,586	227,533
21	Operating Expenses Allocated	45,817,975	27,004,994	8,374,563	6,222,120	749,146	1,692,881	1,556,377	217,895
22	Margin Under Present Rates	(2,007,216)	(1,122,358)	(681,309)	(173,742)	(11,076)	(17,578)	(10,791)	9,638
23	Allocated LT Interest Expense	2,338,273	1,301,611	704,822	223,549	17,010	32,540	23,943	34,799
24	O-TIER - Present Rates	0.14	0.14	0.03	0.22	0.35	0.46	0.55	1.28
25									
26	O-TIER Parity Index - Present Rates	1.00	0.97	0.24	1.57	2.46	3.25	3.88	9.02
27									
28	<b><u>O-TIER Under Proposed Rates</u></b>								
29	Revenue-Proposed Rates	47,545,996	27,965,508	8,895,465	6,387,414	761,760	1,717,133	1,575,010	243,706
30	Operating Expenses Allocated	45,817,975	27,004,994	8,374,563	6,222,120	749,146	1,692,881	1,556,377	217,895
31	Margin - Proposed Rates	1,728,021	960,514	520,902	165,294	12,615	24,252	18,633	25,811
32	Allocated LT Interest Expense	2,338,273	1,301,611	704,822	223,549	17,010	32,540	23,943	34,799
33	O-TIER - Proposed Rates	1.74	1.74	1.74	1.74	1.74	1.75	1.78	1.74
34									
35	O-TIER Parity Index - Proposed Rates	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0



**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	<b><u>Power Supply</u></b>								
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	1,570,864	980,438	150,141	249,851	38,008	84,006	67,204	1,217
43	Allocated Cost	19,791	12,354	1,892	3,148	479	1,057	846	15
44	Subtotal	1,590,656	992,792	152,033	252,999	38,487	85,063	68,050	1,233
45	Energy Related								
46	Wholesale Cost	17,722,138	10,731,918	1,643,447	2,986,314	390,260	950,649	980,643	38,907
47	Allocated Cost	223,278	135,228	20,708	37,629	4,917	11,962	12,343	490
48	Subtotal	17,945,416	10,867,146	1,664,155	3,023,943	395,178	962,611	992,986	39,397
49	Sub. Power Supply	19,533,472	11,859,938	1,816,188	3,276,942	433,664	1,046,203	1,059,907	40,630
50	<b><u>Transmission</u></b>								
51	Direct	0	0	0	0	0	0	0	0
52	Capacity	3,664,256	2,283,593	349,701	581,941	88,526	195,663	156,528	8,303
53	Energy	0	0	0	0	0	0	0	0
54	Allocated Cost	0	0	0	0	0	0	0	0
55	Sub. Transmission	3,664,256	2,283,593	349,701	581,941	88,526	195,663	156,528	8,303
56	<b><u>Distribution</u></b>								
57	Direct	132,907	0	0	0	0	0	0	132,907
58	Consumer	15,637,705	8,511,449	5,835,010	1,174,646	38,266	30,255	6,088	41,991
59	Capacity	8,577,837	5,312,025	894,593	1,353,815	201,261	444,810	351,549	19,784
60	Energy	0	0	0	0	0	0	0	0
61	Sub. Distribution	24,348,448	13,823,474	6,729,603	2,528,460	239,527	475,065	357,637	194,682
62									
63	<b>Total</b>	47,546,176	27,967,005	8,895,492	6,387,343	761,717	1,716,931	1,574,073	243,615



**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	<b><u>Costs Broken Down by Function</u></b>								
65	<b><u>Power Supply</u></b>								
66	Direct and Revenue Related								
67	Wholesale Cost	(0.01)	0.00	0.00	0.00	0.00	(8.47)	(30.30)	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	(8.47)	(30.30)	0.00
70	Capacity Related								
71	Wholesale Cost	0.60	0.62	0.62	0.57	0.66	0.60	0.47	0.21
72	Allocated Cost	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.00
73	Subtotal	0.61	0.63	0.63	0.58	0.67	0.61	0.47	0.22
74	Energy Related								
75	Wholesale Cost	6.80	6.80	6.80	6.80	6.80	6.80	6.80	6.80
76	Allocated Cost	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09
77	Subtotal	6.88	6.88	6.88	6.88	6.88	6.88	6.88	6.88
78	Sub. Power Supply	7.49	7.51	7.51	7.46	7.55	7.48	7.35	7.10
79	<b><u>Transmission</u></b>								
80	Direct	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
81	Capacity	1.41	1.45	1.45	1.32	1.54	1.40	1.09	1.45
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	1.41	1.45	1.45	1.32	1.54	1.40	1.09	1.45
85	<b><u>Distribution</u></b>								
86	Direct	0.30	0.00	0.00	0.00	0.00	0.00	0.00	5.46
87	Consumer	35.53	37.14	37.14	40.59	92.93	174.06	163.46	1.72
88	Capacity	3.29	3.37	3.70	3.08	3.51	3.18	2.44	3.46
89	Energy	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
90	Sub. Distribution	9.34	8.76	27.84	5.76	4.17	3.40	2.48	34.02
91	Total	18.24	17.72	36.80	14.54	13.27	12.28	10.91	42.57
92	<b><u>Costs Broken Down by Classification</u></b>								
93	Direct	0.30	0.00	0.00	0.00	0.00	(8.47)	(30.30)	5.46
94	Consumer	35.53	37.14	37.14	40.59	92.93	174.06	163.46	1.72
95	Capacity	5.31	5.44	5.78	4.98	5.72	5.19	3.99	5.12
96	Energy	6.88	6.88	6.88	6.88	6.88	6.88	6.88	6.88
97	Total	18.24	17.72	36.80	14.54	13.27	12.28	10.91	42.57

## Comparison of Present and Alternative Rate Schedules

	<u>Present Rates</u>	<u>Proposed \$24 R/\$25 S SC</u>
<b><u>Residential Monthly Service (A)</u></b>		
Monthly Service Charge	\$18.00 /month	\$24.00 /month
Distribution Variable Charge (All kWh)	\$0.04163 /kWh	\$0.04612 /kWh
Power Supply Energy Charge (All kWh)	\$0.08601 /kWh	\$0.08601 /kWh
PSCR	\$0.00890 /kWh	\$0.00890 /kWh
<b><u>Seasonal Residential Monthly Service (S)</u></b>		
<i><u>Yearly Rate</u></i>		
Monthly Service Charge	\$228.00 /year	\$300.00 /year
Distribution Variable Charge (All kWh)	\$0.09736 /kWh	\$0.10810 /kWh
Power Supply Energy Charge (All kWh)	\$0.08601 /kWh	\$0.08601 /kWh
PSCR	\$0.00890 /kWh	\$0.00890 /kWh
<i><u>Seasonal Monthly Rate</u></i>		
Monthly Service Charge	\$18.00 /month	\$24.00 /month
Distribution Variable Charge (All kWh)	\$0.03067 /kWh	\$0.04612 /kWh
Power Supply Energy Charge (All kWh)	\$0.08601 /kWh	\$0.08601 /kWh
PSCR	(\$0.00608) /kWh	\$0.00890 /kWh
<b><u>General Monthly Service (GS)</u></b>		
Monthly Service Charge		
Single Phase	\$16.00 /month	\$24.00 /month
Three Phase	\$35.00 /month	\$42.00 /month
Distribution Variable Charge (All kWh)	\$0.03230 /kWh	\$0.03482 /kWh
Energy Charge	\$0.08321 /kWh	\$0.08321 /kWh
Energy Charge Credits	\$0.00000 /kWh	\$0.00000 /kWh
PSCR	\$0.00890 /kWh	\$0.00890 /kWh
<b><u>Large General Monthly Service (LG)</u></b>		
Monthly Service Charge	\$50.00 /month	\$50.00 /month
Distribution Demand Charge	\$1.98 /kW	\$1.98 /kW
Demand Charge - Power Supply	\$7.02 /kW	\$7.02 /kW
Oil Related Demand Credit	\$0.00000 /kW	\$0.00000 /kW
Distribution Variable Charge	\$0.02074 /kWh	\$0.02486 /kWh
Energy Charge	\$0.06481 /kWh	\$0.06481 /kWh
Primary Monthly Service Discount	(\$0.20) /kW	(\$0.20) /kW
Primary Meter Discount	-2.00%	-2.00%
PSCR	\$0.00890 /kWh	\$0.00890 /kWh

## Comparison of Present and Alternative Rate Schedules

	<u>Present Rates</u>	<u>Proposed \$24 R/\$25 S SC</u>
<b><u>Optional Large Power TOD Monthly Service (LPTOD)</u></b>		
Monthly Service Charge	\$60.00 /month	\$60.00 /month
Demand Charge		
Peak Period	\$6.00 /kW	\$6.00 /kW
Maximum	\$6.55 /kW	\$6.55 /kW
Energy Charge	\$0.07493 /kWh	\$0.07791 /kWh
Primary Monthly Service Discount	(\$0.20) /kW	(\$0.20) /kW
Primary Meter Discount	-2.00%	-2.00%
PSCR	\$0.00890 /kWh	\$0.00890 /kWh
<b><u>Customer Owned Backup Generation (CBG)</u></b>		
Demand Charge	(\$2.50) /kW	(\$2.50) /kW
<b><u>Outdoor Lighting Monthly Service (OD)</u></b>		
40 W LED Type 5	\$7.51 /month	\$7.91 /month
70 W LED Type 3	\$8.95 /month	\$9.64 /month
70 W LED Type 5	\$8.95 /month	\$9.64 /month
PSCR	\$0.00890 /kWh	\$0.00890 /kWh
<b><u>Primary Monthly Service (PSDS)</u></b>		
<i><u>Rider C&amp;I</u></i>		
Monthly Service Charge	\$0.00 /month	\$0.00 /month
Distribution Demand Charge	\$6.10 /kW	\$6.10 /kW
Power Supply Demand Charge	\$7.16 /kW	\$7.16 /kW
Oil Related Demand Credit	\$0.00 /kW	\$0.00 /kW
Distribution Variable Charge	\$0.01246 /kWh	\$0.01444 /kWh
Power Supply Energy Charge	\$0.06091 /kWh	\$0.06091 /kWh
Reactive Charge	\$0.25 /kVar	\$0.25 /kVar
PSCR	\$0.00890 /kWh	\$0.00890 /kWh
<b><u>Controlled Heating Monthly Service (CH)</u></b>		
<i><u>Schedule A</u></i>		
Energy Charge Discount	(\$0.03000) /kWh	(\$0.03000) /kWh
<i><u>Schedule GS</u></i>		
Energy Charge Discount	(\$0.03000) /kWh	(\$0.03000) /kWh
<b><u>Efficient Electric Heating</u></b>		
Energy Charge Discount	(\$0.03000) /kWh	(\$0.03000) /kWh
PSCR	(\$0.00608) /kWh	\$0.00890 /kWh
<b><u>Partial Controlled Heating Monthly Service (PCH)</u></b>		
Energy Charge	(\$0.0150) /kWh	(\$0.0150) /kWh

**Comparison of  
Present and Alternative Rate Schedules**

	<b><u>Present Rates</u></b>	<b><u>Proposed \$24 R/\$25 S SC</u></b>
<b><u>Green/Renewable Energy -- Rider</u></b>		
Energy Charge	\$ 2.50 /100 kWh	\$ 2.50 /100 kWh
<b><u>Controlled Water Heater Credit (CWH)</u></b>		
Option #1	(\$4.50) /month	(\$4.50) /month
Option #2	(\$6.00) /month	(\$6.00) /month
Option #3	(\$7.50) /month	(\$7.50) /month
<b><u>Net Metering</u></b>		
Variable Energy Charge	\$0.10745 /kWh	\$0.13213 /kWh
PSCR	\$0.00890 /kWh	\$0.00890 /kWh
<b><u>Distributed Renewable Energy (DRE)</u></b>		
Excess Generation Credit	\$0.05600 /kWh	\$0.05600 /kWh

### Comparison of Revenue at Present and Proposed Rates

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Line No.	Rate Class	Present Rate Revenue	Proposed \$24 R/\$25 S SC		Cost of Service (Target)			
			Proposed Revenue	Increase (Decrease)		Target Revenue	Increase(Decrease)	
				Amount	%		Increase	%
		(\$)	(\$)	(\$)	(%)	(\$)	(\$)	(%)
1	Residential Service (A)	25,682,581	27,766,410	2,083,829	8.11	27,762,436	2,084,369	8.12
2	Seasonal Residential Monthly Service (S)	7,632,449	8,834,634	1,202,185	15.75	8,834,686	1,202,237	15.75
3	General Monthly Service (GS)	6,000,573	6,339,609	339,036	5.65	6,339,539	338,966	5.65
4	Large General Monthly Service (LG)	732,236	755,885	23,649	3.23	755,884	23,648	3.23
5	Optional Large Power TOD Monthly Service (LPTOD)	1,662,062	1,703,730	41,668	2.51	1,703,690	41,628	2.50
6	Customer Owned Backup Generation (CBG)	-	-	-	-	-	-	-
7	Outdoor Lighting Monthly Service (OD)	225,735	241,935	16,200	7.18	241,817	16,082	7.12
8	Primary Monthly Service (PSDS)	1,533,370	1,561,928	28,559	1.86	1,561,857	28,487	1.86
9	Controlled Heating Monthly Service (CH)	(112,570)	(112,570)	-	-			
10	Partial Controlled Heating Monthly Service (PCH)	-	-	-	-			
11	Controlled Water Heater Credit (CWH)	(74,424)	(74,424)	-	-			
12	Net Metering	(4,514)	(5,471)	(958)	21.21			
13		-						
14		-						
15	<b>Total</b>	43,277,498	47,011,666	3,734,168	8.63	47,199,909	3,735,417	8.63

2022 TIER Adjustment  
Present and Proposed Rates  
Comparison Present and Proposed Revenues  
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**Summary of Consumers, Energy Sales, and  
Revenue Under Proposed Rates**

(a)	(b)	(c)	(d)	(e)	(f)
Rate Class	Billing	Units	Proposed \$24 R/\$25 S SC		
	Determinants		Rate	Revenue	% Split
<b><u>Residential Service (A)</u></b>				(\$)	
Service Charge	19,096	/month	\$24.00	\$ 5,499,674	43.0%
Distribution Variable Charge (All kWh)	157,886,520	/kWh	\$0.04612	7,281,726	57.0%
Power Supply Energy Charge (All kWh)	157,886,520	/kWh	\$0.08601	13,579,820	
PSCR	157,886,520	/kWh	\$0.00890	1,405,190	
Total				\$ 27,766,410	100.0%
<b><u>Seasonal Residential Monthly Service (S)</u></b>					
<i>Yearly Rate</i>					
Availability Charge	13,091	/year	\$300.00	\$ 3,927,388	60.0%
Distribution Variable Charge (All kWh)	24,172,436	/kWh	\$0.10810	2,613,040	40.0%
Power Supply Energy Charge (All kWh)	24,172,436	/kWh	\$0.08601	2,079,071	
PSCR	24,172,436	/kWh	\$0.00890	215,135	
Total				\$ 8,834,634	100.0%
<b><u>General Monthly Service (GS)</u></b>					
Monthly Service Charge					
Single Phase	2,103.2	/month	\$24.00	\$ 605,728	
Three Phase	314.7	/month	\$42.00	158,630	33.3%
Distribution Variable Charge (All kWh)	43,923,825	/kWh	\$0.03482	1,529,428	66.7%
Energy Charge	43,923,825	/kWh	\$0.08321	3,654,901	
Energy Charge Credits	43,923,825	/kWh	\$0.00000	-	
PSCR	43,923,825	/kWh	\$0.00890	390,922	
Total				\$ 6,339,609	100.0%
<b><u>Large General Monthly Service (LG)</u></b>					
Monthly Service Charge	34	/month	\$50.00	\$ 20,589	10.3%
Distribution Demand Charge	18,833	/kW	\$1.98	37,289	18.6%
Demand Charge - Power Supply	18,833	/kW	\$7.02	132,206	
Oil Related Demand Credit	-	/kW	\$0.00000	-	
Distribution Variable Charge	5,740,094	/kWh	\$0.02486	142,699	71.1%
Energy Charge	5,740,094	/kWh	\$0.06481	372,015	
Primary Monthly Service Discount	-	/kVa	(\$0.20)	-	
Primary Meter Discount	-		-2.0%	-	
PSCR	5,740,094	/kWh	\$0.00890	51,087	
Total				\$ 755,885	100.0%

2022 TIER Adjustment  
Present and Proposed Rates  
Comparison Present and Proposed Revenues  
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**Summary of Consumers, Energy Sales, and  
Revenue Under Proposed Rates**

(a)	(b)	(c)	(d)	(e)	(f)
Rate Class	Billing Determinants	Units	Proposed \$24 R/\$25 S SC		
			Rate	Revenue	% Split
<b><u>Optional Large Power TOD Monthly Service (LPTOD)</u></b>					
Monthly Service Charge	14	/month	\$60.00	\$ 10,429	3.6%
Demand Charge					
Peak Period	32,735	/kW	\$6.00	196,409	
Maximum	43,217	/kW	\$6.55	283,070	96.4%
Energy Charge	13,982,511	/kWh	\$0.07791	1,089,377	
Primary Monthly Service Discount	-	/kVa	(\$0.20)	-	
Primary Meter Discount	-	/kWh	-2.00%	-	
PSCR	13,982,511	/kWh	\$0.00890	124,444	
Total				<u>\$ 1,703,730</u>	<u>100.0%</u>
<b><u>Customer Owned Backup Generation (CBG)</u></b>					
Demand Charge	-	/kW	(\$2.50)	\$ -	
Total				<u>\$ -</u>	
<b><u>Outdoor Lighting Monthly Service (OD)</u></b>					
40 W LED Type 5	292	/Light	\$7.91	27,694	
70 W LED Type 3	1,289	/Light	\$9.64	149,128	
70 W LED Type 5	517	/Light	\$9.64	59,843	
Total	2,098	/Light			
PSCR	592,079	/kWh	\$0.00890	5,270	
Total				<u>\$ 241,935</u>	
<b><u>Primary Monthly Service (PSDS)</u></b>					
<i><u>Rider C&amp;I</u></i>					
Monthly Service Charge	4	/cons	\$0.00	\$ -	
Distribution Demand Charge	31,324	/kW	\$6.10	191,073	15.6%
Power Supply Demand Charge	21,144	/kW	\$7.16	151,395	12.4%
Oil Related Demand Credit	-	/kW	\$0.00000	-	
Distribution Variable Charge	14,423,662	/kWh	\$0.01444	208,278	
Power Supply Energy Charge	14,423,662	/kWh	\$0.06091	878,545	72.0%
Reactive Charge	17,068	/kVar	\$0.25	4,267	
PSCR	14,423,662	/kWh	\$0.00890	128,371	
Total				<u>\$ 1,561,928</u>	<u>100.0%</u>
<b><u>Controlled Heating Monthly Service (CH)</u></b>					
<i><u>Schedule A</u></i>					
Energy Charge Discount	3,481,409	/kWh	(\$0.03000)	\$ (104,442)	
<i><u>Schedule GS</u></i>					
Energy Charge Discount	270,919	/kWh	(\$0.03000)	(8,128)	
Total				<u>\$ (112,570)</u>	

2022 TIER Adjustment  
Present and Proposed Rates  
Comparison Present and Proposed Revenues  
Page 7 of 7

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

(a)	(b)	(c)	(d)	(e)	(f)
Rate Class	Billing Determinants	Units	Proposed \$24 R/\$25 S SC		
			Rate	Revenue	% Split
<b><u>Partial Controlled Heating Monthly Service (PCH)</u></b>					
Energy Charge	-	/kWh	(\$0.0150)	\$	-
				\$	-
<b><u>Controlled Water Heater Credit (CWH)</u></b>					
Option #1	522	/month	(\$4.50)	\$	(28,175)
Option #2	576	/month	(\$6.00)		(41,502)
Option #3	53	/month	(\$7.50)		(4,748)
Total	1,151	/month		\$	(74,424)
<b><u>Net Metering</u></b>					
Variable Energy Charge	(38,795)	/month	\$0.13213	\$	(5,126)
PSCR	(38,795)	/month	\$0.00890		(345)
Total				\$	(5,471)
<b><u>Grand Total</u></b>	260,682,332			\$	47,011,666



**PRESQUE ISLE ELECTRIC & GAS CO-OP**  
**BOARD RESOLUTION**  
**March 28, 2023**

**RESOLUTION 2023-MR-05**  
**Revisions to Residential Monthly/Seasonal 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 is currently implementing an Advanced Metering Infrastructure (AMI) system for all electric and natural gas meters; and

**WHEREAS**, the AMI system will allow for all residential (monthly and seasonal) accounts to be billed monthly; and

**WHEREAS**, PIE&G's current tariff sheets D-5.03 and D-6.01 require adjustments to allow for monthly billing of seasonal accounts.

**NOW BE IT HEREBY RESOLVED** that the PIE&G Board of Directors accepts the proposed revisions to Tariff Sheets D-5.03 and D-6.01 as provided by cooperative staff to accommodate monthly billing on all residential (monthly and seasonal) accounts.

**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 28, 2023.

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

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

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**SEASONAL RESIDENTIAL SERVICE  
SCHEDULE S (Contd)  
(Continued on Sheet No. D-6.00)**

Tax Adjustments

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

Power Supply Cost Recovery Clause and Factor

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

**Bill Frequency**

**With the exception of those consuming more than 7,200 kWh in the prior billing year and electing that option, or Member-Consumers taking service concurrently under Schedules S and EEH, all Member-Consumers taking service under Schedule S may, at the Cooperative's discretion and upon a 45 day notice, be billed once per month for the monthly availability and energy charges if the Cooperative is able to obtain a meter reading through its Advanced Metering Infrastructure (AMI) system. If readings are not obtainable through the AMI system, at the Cooperative's discretion, the account may be billed annually.**

Minimum Charge

For seasonal Member-Consumers billed annually, the annual minimum charge shall be the annual availability charge payable in advance.

Terms of Payment

This rate schedule is subject to the Cooperative's Allowable Charges as set forth in R 460.122.

Rules and Regulations

Service is governed by the Cooperative's Standard Rules and Regulations.

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Issued **May 24, 2023**  
By: **Thomas J. Sobeck**  
President and CEO  
Onaway, Michigan

Effective for bills rendered on and  
after **June 1, 2023**

Issued under the authority of the Board  
of Directors dated **March 28, 2023**

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**RESIDENTIAL SERVICE SCHEDULE A**  
**(Continued from Sheet No. D-5.02)**

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

**Bill Frequency**

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

~~Bills Rendered Annually~~

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

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

(Continued on Sheet No. D-5.04)

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Issued **May 24, 2023**  
By: Thomas J. Sobeck  
President and CEO  
Onaway, Michigan

Effective for bills rendered on and  
after **June 1, 2023**

Issued under the authority of the Board  
of Directors dated **March 28, 2023**

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**RESIDENTIAL SERVICE SCHEDULE A (Cont'd)**  
**(Continued from Sheet No. D-5.03)**

**Meter Reading**

Meter readings are to be supplied by the Member-Consumers on a once per month basis prior to the due date. If the Member-Consumer fails to provide a reading for three consecutive months, the Cooperative will obtain a reading and bill each metered account the Meter Reading Charge as shown on Sheet No. C9.00.

**Terms of Payment**

This rate schedule is subject to the Cooperative's Allowable Charges as set forth in R 460.122.

**Rules and Regulations**

Service is governed by the Cooperative's Standard Rules and Regulations.

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Issued **April 6, 2021**  
By: Thomas J. Sobeck  
President and CEO  
Onaway, Michigan

Effective for bills rendered on and  
after **May 1, 2021**

Issued under the authority of the Board  
of Directors dated **3/23/21**

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BOARD OF  
DIRECTORS  
MEMBER  
REGULATION

Adjourn

Our members will regard us as a trusted energy partner.