

**Presque Isle Electric & Gas Co-op**  
**SPECIAL BOARD MEETING**  
**February 25, 2025**

A special meeting of the Board of Directors of Presque Isle Electric & Gas Co-op was held on February 25, 2025 at PIE&G headquarters in Onaway, Michigan. Chairperson Borowicz called the meeting to order at 9:30 a.m.

Roll call was taken with Directors Borowicz, Brown, Knopf, Krajniak, Lucas, Nagel, Peterson, Smigelski, and Wozniak present. A quorum was present. Also attending were President & Chief Executive Officer Berg, and leadership team members Stempky, Ellenberger, Hartung, Karsten, Knouse, LaBar, Larson, Schalk, VanSchoten, and Attorney Ryan. Sommer Poquette, from Keep It Real Social, was also in attendance.

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

**INTRODUCTION OF GUESTS & MEMBER COMMENT**

No guests or members were in attendance.

**ACTION ITEMS**

CFO Stempky indicated there were five (5) items for the board's consideration and discussed the following;

1. **Accept 2024 Power Supply Cost Recovery (PSCR) Factor Reconciliation:** The reconciliation for the 12-month period ending December 31, 2024 indicates that there was an over-collection of \$1,408,349.50. This amount is currently being refunded to the membership throughout the 2025 calendar year. ***A motion was made by Knopf, supported by Nagel, to accept management's 2024 Electric PSCR Factor reconciliation analysis, which indicates an over-collection of \$1,408,349.50 and directs management to continue refunding this amount to the membership using the 2025 PSCR Factor. A roll call vote was taken with all directors voting in the affirmative. Motion carried by a 9-0 vote. (Refer to Board Resolution 2025-MR-01)***
2. **Accept 2025 Electric Revenue Increase:** CFO Stempky presented staff's recommendation of a 5% rate increase to meet financial goals and targets, including debt service and equity goals. A 5% increase would be a \$2,492,930 revenue increase to be implemented on May 1, 2025. ***A motion was made by Lucas, supported by Smigelski, to authorize a 5% Electric Revenue Increase. A roll call vote was taken with eight (8) directors voting in the affirmative and one (1) opposed (Peterson). Motion carried by an 8-1 vote. (Refer to Board Resolution 2025-MR-02)***



- 3. Implement Revenue Increase to Specific Rate Classes:** PIE&G has established that the 2025 Electric Rate Analysis provides for a revenue increase of \$2,492,930. The updated Cost of Service Study indicates 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. Management's recommendation is that the proposed revenue/rate increase be allocated in the following manner and effective with bills rendered on or after May 1, 2025:

Residential Monthly Total Increase	\$1,483,484
Residential Seasonal Total Increase	\$ 699,865
General Service	\$ 182,566
Large General Service	\$ 18,378
Large Power Time of Day	\$ 70,859
Primary Service	\$ 13,213
Outdoor Lighting Total Increase	<u>\$ 24,565</u>
Total	\$ 2,492,930

***A motion was made by Borowicz, supported by Knopf, to direct 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 May 1, 2025:***

<b>Residential Monthly Total Increase</b>	<b>\$1,483,484</b>
<b>Residential Seasonal Total Increase</b>	<b>\$ 699,865</b>
<b>General Service</b>	<b>\$ 182,566</b>
<b>Large General Service</b>	<b>\$ 18,378</b>
<b>Large Power Time of Day</b>	<b>\$ 70,859</b>
<b>Primary Service</b>	<b>\$ 13,213</b>
<b>Outdoor Lighting Total Increase</b>	<b><u>\$ 24,565</u></b>
<b>Total</b>	<b>\$ 2,492,930</b>

***A roll call vote was taken with seven (7) directors voting in the affirmative and two (2) opposed (Krajniak, Peterson). Motion carried by a 7-2 vote. (Refer to Board Resolution 2025-MR-03)***

- 4. Electric Rate Design:** Management recommends increases to the availability charges and distribution rate for the Residential Monthly, Residential Seasonal, General Service, Large General Service, Large Power Time of Day, Primary Service, and Outdoor Lighting rate classes, per the 2025 Cost of Service Study,



and suggests increases be applied in the following manner for bills rendered on or after May 1, 2025:

Residential Monthly	availability charge	\$28.00 per month
	distribution charge	\$0.05819 per kWh
Residential Seasonal	availability charge	\$28.00 per month
	distribution charge	\$0.14695 per kWh
General Service (1PH)	availability charge	\$28.00 per month
	distribution charge	\$0.04270 per kWh
General Service (3PH)	availability charge	\$32.00 per month
	distribution charge	\$0.04270 per kWh
Large General Service	availability charge	\$74.00 per month
	distribution charge	\$0.02979 per kWh
Large Power Time of Day	availability charge	\$148.00 per month
	kWh charge	\$0.08560 per kWh
Primary Service	distribution charge	\$0.01726 per kWh
Outdoor Lighting	40W LED T5	\$ 9.67 per month
	70W LED T3/T5	\$ 12.30 per month

***A motion was made by Brown, supported by Wozniak, to direct management to implement electric availability charge increases and distribution rate increases to the residential monthly, residential 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 May 1, 2025:***

Residential Monthly	availability charge	\$28.00 per month
	distribution charge	\$0.05819 per kWh
Residential Seasonal	availability charge	\$28.00 per month
	distribution charge	\$0.14695 per kWh
General Service (1PH)	availability charge	\$28.00 per month
	distribution charge	\$0.04270 per kWh
General Service (3PH)	availability charge	\$32.00 per month
	distribution charge	\$0.04270 per kWh

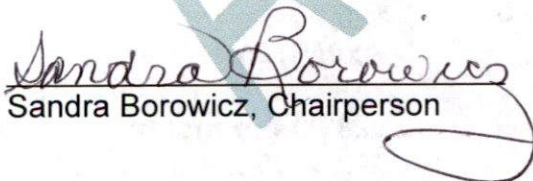
Large General Service	availability charge	\$74.00 per month
	distribution charge	\$0.02979 per kWh
Large Power Time of Day	availability charge	\$148.00 per month
	kWh charge	\$0.08560 per kWh
Primary Service	distribution charge	\$0.01726 per kWh
Outdoor Lighting	40W LED T5	\$ 9.67 per month
	70W LED T3/T5	\$ 12.30 per month

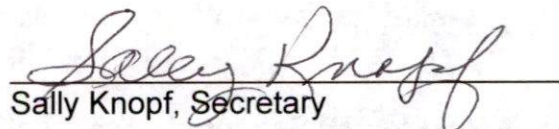
***A roll call vote was taken with seven (7) directors voting in the affirmative and two (2) opposed (Krajniak, Peterson). Motion carried by a 7-2 vote. (Refer to Board Resolution 2025-MR-04)***

- 5. AMI Opt Out Tariff – Residential Service Schedule A Revision:** CAO Knouse presented the proposed revisions to the Residential Service Schedule A tariff to update the Opt Out procedure for eligible Member-Consumers. ***A motion was made by Nagel, supported by Smigelski, to accept management's recommendation to revise the Residential Service Schedule A tariff to update the Opt Out procedure for eligible Member-Consumers. A roll call vote was taken with eight (8) voting in the affirmative and one (1) opposed (Brown). Motion carried by an 8-1 vote. (Refer to Board Resolution 2025-MR-05)***

#### **ADJOURNMENT**

***A motion was made by Brown, seconded by Knopf to adjourn the special meeting. Ayes – all, motion carried.*** There being no further business to come before the board, Chairperson Borowicz adjourned the meeting at 10:14 a.m.

  
Sandra Borowicz, Chairperson

  
Sally Knopf, Secretary

/mv