

PRESQUE ISLE ELECTRIC & GAS CO-OP
BOARD RESOLUTION
June 24, 2025

RESOLUTION 2025-MR-06
ICE STORM RECOVERY CHARGE

WHEREAS, Presque Isle Electric & Gas Co-op sustained significant damage to its electric infrastructure due to the storm event occurring in late March 2025, resulting in substantial unbudgeted costs for emergency restoration, equipment replacement, and service recovery; and

WHEREAS, the Cooperative is awaiting a potential declaration from the Federal Emergency Management Agency (FEMA) for public assistance to recover eligible disaster-related expenses, but such declaration has not yet taken place and if granted, is not immediate and is subject to a lengthy federal review process; and

WHEREAS, recovery and restoration efforts required immediate capital investment to repair damaged infrastructure, restore full operational capacity, and implement resilience improvements to mitigate future risk; and

WHEREAS, the Cooperative expects to obtain emergency loan funding in an amount exceeding \$100,000,000 from National Rural Utilities Cooperative Finance Corporation (NRUCFC), under terms approved by the Board; and

WHEREAS, the associated interest payments represent a recurring and immediate cash obligation; and

WHEREAS, the Cooperative operates on a not-for-profit, member-owned basis and must ensure sufficient cash flow to maintain system reliability, financial stability, and continued service to its members during the interim period; and

WHEREAS, the Board of Directors finds it in the best interest of the membership to implement a surcharge to recover the cost of interest on the emergency storm loans as well as the cost of other improvements to mitigate future risk, thereby maintaining the Cooperative's financial integrity while minimizing the long-term impact on rates.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Presque Isle Electric & Gas hereby authorizes the implementation of a charge of \$20 per meter per month on member bills for the purpose of recovering interest expenses and cost of improvements to mitigate future risk, except that the charge shall not be implemented on more than one residential meter per residential site;

BE IT FURTHER RESOLVED, that this charge will remain in effect until a determination by the Board of Directors that the charge is no longer necessary.

CERTIFICATION

I, Sally Knopf, 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 meeting of the Board of Directors of Presque Isle Electric & Gas Co-op held on June 24, 2025.

By: Sally Knopf, Sec -
Sally Knopf, Secretary

Dated: June 24, 2025