

The Spotlight

PIE&G
PRESQUE ISLE ELECTRIC AND GAS CO-OP



What's Inside

- Capital Credits: Allocations vs. Retirements
- Pay Anytime
- Natural Gas Safety
- Be Safe around Power Lines

A Touchstone Energy Cooperative

July 2018

2017 CAPITAL CREDIT ALLOCATION

When the cooperative's revenues exceed expenses at year end, capital credits are assigned to members in proportion to the amount of revenue contributed through energy purchases. Capital credits are sometimes called "patronage capital" and **the assignment of this excess revenue or margin is called a "capital credit allocation"**.

In 2017, PIE&G's power supplier, Wolverine Power Supply Cooperative, allocated a margin of approximately \$1,341,000 to PIE&G for its energy purchases made on behalf of PIE&G members. In addition, PIE&G's electric operation produced a margin of over \$1,076,000 and its natural gas division produced a margin of \$471,000. These margins were then **allocated** to you, the member-owner, as capital credits depending on the services you receive (electric, natural gas or both) and will be noted on your June, July or August bill.

Capital credits are retired and refunded to members when the board of directors determines that the financial condition of the co-op will not be impaired. Until then, allocated, unretired margins represent a contribution of operating capital that allows PIE&G to finance its operations – including new construction and system improvements – while reducing borrowing and interest expense until the capital is retired and refunded to members in later years.

DIRECTORS APPROVE \$2.392 MILLION IN REFUNDS TO MEMBERS

Capital Credits from the 1986-1987 & 2000-2002 to be Retired

At their April meeting, PIE&G's board of directors authorized approximately \$2,392,000 in capital credit retirements. Members who received electric service in 1986-1987 or 2000-2002 will receive an amount of the above in proportion to their energy use. **Checks for the capital credit refund will be mailed in the fall of 2018.**



As a member-owned, not-for-profit organization, when PIE&G revenues exceed expenses, "capital" is generated and "credited" to individual members on a pro rata basis, depending on their purchases of electricity or gas.

Capital credits are used to build the facilities needed to serve members or may be retired and refunded whenever the board of directors determines that the co-op's financial condition will not be impaired. Since its inception, PIE&G has refunded approximately \$14.5 million in capital credits back to its members. That's the cooperative difference!

CO-OPS OBTAIN STATE TAX REFUND FOR MEMBERS

\$57,500 for Sales Tax on Margins Returned

A few years ago, PIE&G, together with other Michigan electric co-ops, sought relief from the State of Michigan for certain sales tax. The cooperatives were successful. The State of Michigan now returns sales tax assessed on positive operating margins.

For 2017, PIE&G generated positive margins for both electric and natural gas operations. Thus, a sales tax refund of approximately \$40,000 was given back to electric members and over \$17,500 was refunded to natural gas members. The tax refunds were reflected as a credit on monthly bills mailed in May 2018. Annual accounts will see the credit on bills mailed this summer. Although the individual refund may be small, it reflects PIE&G's commitment to keeping members' services affordable.

July 2018



PRESQUE ISLE ELECTRIC AND GAS CO-OP

Owned By Those We Serve . . . Locally Controlled . . . Committed to Community . . . Not For Profit

PAY BY PHONE ANYTIME 1-866-999-4571

Pay anytime with our automated Pay By Phone service. It's free, fast and available anytime!

TO PAY BY PHONE:

- Call 1-866-999-4571.
- Have your account number ready.
- Follow the prompts for options to:
 1. Check your account status,
 2. Make a payment, (*You may pay by credit card or check. For check payments, you must enter your 4-digit PIN (personal identification number). First time users must call Member Services at 1-800-423-6634 for a PIN. Wait for your payment confirmation number that your payment was processed.*)
 3. Enter your meter reading,
 4. Create or change your PIN,
 5. Update your phone number.



HOME REPAIR SAFETY STARTS WITH A CALL TO PIE&G FIRST!



Photo Courtesy of Werner Ladder Co.

Whether it's replacing a few shingles, painting trim or planting trees, summer is the time for outdoor projects at home. Before you start your project, PIE&G reminds you to exercise caution near electrical equipment maintained by the co-op. Substations and power lines carry extremely high voltages, and if contact is accidentally made, the results can be dangerous—or even deadly. Safe home repairs start with a call to PIE&G. We will come out to disconnect



your service to avoid potential contact and electrocution. Let us know when repairs are done and we'll come back out to reconnect.

Planning to dig a hole to plant a tree or put up a bird feeder? CALL MISS DIG BEFORE you dig! Personal safety of the public, environment, property, and utility infrastructures is our number one priority.

Please allow five (5) business days before you start your home repair project, and call PIE&G at 1-800-423-6634. If you plan to dig, call the Miss Dig system at least three (3) full working days prior at 1-800-482-7171 or simply dial 811. There is no cost for these services during business hours.

Safety starts with a call to PIE&G and MISS DIG first!

Presque Isle Electric & Gas Co-op

19831 M-68 Hwy • P.O. Box 308 • Onaway, MI 49765
989-733-8515 • 800-423-6634 • www.pieg.com

GAS EMERGENCY ONLY: 1-800-655-8565

We will gladly accept your Visa, MasterCard, Discover or American Express.



No additional charge for using your credit card.

Most natural gas rates and charges are not regulated by the Michigan Public Service Commission.

3 R'S OF NATURAL GAS SAFETY

Knowing how to recognize a natural gas emergency will help you react quickly.

RECOGNIZE



Signs of a natural gas leak may include:

- "Rotten egg" smell (gas companies add an odorant to help you recognize the smell of a leak).
- Blowing or hissing sound.
- Dead or discolored vegetation where the gas pipe enters the house.
- Bubbling in wet or flooded areas, or dirt or dust blowing from a hole in the ground (possible underground pipe leak).
- Flames, if a leak has ignited.

REPORT



Once you are in a safe location, call PIE&G toll-free at **1-800-655-8565**, anytime 24/7. Trained employees will investigate at no charge. Please report any unusual activity near a natural gas pipeline or facility.

REACT



Leave the area immediately, being careful not to ignite the gas by following these warnings:

- Do not use an open flame including matches, lighters or candles.
- Do not start vehicles.
- Do not use any electrical device, such as light switches or telephones (including cell phones), or appliances such as garage door openers. They could cause a spark and ignite the gas.
- Do not try to shut off any natural gas valves or gas appliances (the longer you stay in a dangerous situation, the greater the likelihood of injury).
- Do not re-enter the building or return to the area until a PIE&G employee or a qualified utility representative says it is safe to do so.
- Do not try to put out the flames if natural gas ignites. Burning gas will not explode.
- Do not try to locate the source of the gas leak. Leave it to the professionals at your utility.
- If you are outside digging a hole and believe you have damaged a gas line, leave the area immediately.