

The Spotlight



A Touchstone Energy Cooperative

What's Inside

- Capital Credits: Allocations vs. Retirements
- Welcome Aurora Gas Customers!
- \$10,000 in Scholarships Awarded
- Gas Pipeline Leak Surveys Underway

June 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.

Welcome

AURORA GAS CUSTOMERS!

On May 1, 2018, PIE&G purchased Aurora Gas Company (AGC) of Onaway. Former AGC customers are now Co-op members and the purchase increased PIE&G's natural gas services by approximately 2900 meters. Final AGC bills were mailed the first week in May along with important information regarding the transition to the Co-op. PIE&G is working within existing franchise authority to transition the former AGC customers' rates as quickly as possible to PIE&G's rates. Until the new rates are approved, the Aurora gas rate will remain in place.

If you have any questions, please call our Member Service Reps at 1-800-423-6634 Monday - Friday from 8:00 am to 4:30 pm. We appreciate your patience and understanding during the transition. **We look forward to serving you!**

June 2018



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



A Touchstone Energy Cooperative



Congratulations Graduates!

PIE&G Communities First Fund Board Awards \$10,000 in Scholarships to Area High School Grads

At their recent meeting, the PIE&G Communities First Fund board of directors awarded ten (10) scholarships of \$1,000 each to each of the following 2018 high school graduates:

ATLANTA

Breanna Webster

HILLMAN

Delton Ableidinger
Josie Appelgren
Andrea Taratuta

ONAWAY

Katelyn Adair
Kiersten Waldie

CHEBOYGAN

Jacob Blaskowski
Addie Budzinski

JOHANNESBURG-LEWISTON

Alyssa Bartle

POSEN

Noelle Strzelecki

NATURAL GAS PIPELINE LEAK

REPAIRS UNDERWAY

PIE&G crews will be travelling a portion of its natural gas service territory again this year to conduct leak surveys. Employees conduct this survey on foot and with a mobile ATV mounted unit as part of PIE&G's routine maintenance and damage prevention programs. The surveys allow PIE&G to find leaks that are very small so that repairs can be made before the leaks become a danger. PIE&G performs ongoing leak surveys on a five year rotation across its entire service area. Areas impacted this year will be:

Afton • Cheboygan • Indian River • Mullett Lake • Wolverine



CELEBRATE Independence Day!

Our office will be closed **Wednesday, July 4th** in observance of Independence Day.



Grow YOUR \$AVINGS!

VISIT OUR WEBSITE for a full list of incentives!

Save BIG with heat pumps

Looking to change the way you heat and cool your home? Heat pumps are an efficient, convenient alternative to propane and traditional furnaces/air conditioners.

Heat pumps provide:

- Reliable performance in cold climates
- Significant energy savings
- Increased comfort



ONLINE: michigan-energy.org PHONE: 877.296.4319

Energy Optimization programs and incentives are applicable to Michigan service locations only. Other restrictions may apply. For a complete list of participating utilities, visit michigan-energy.org.



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.