

The Spotlight



What's Inside

- 2019 Capital Credit Allocations
- \$1.345 Million Member Refund Approved
- \$37,700 Sales Tax Refunds to Members
- \$10,500 in Scholarships Awarded

June 2020

2019 CAPITAL CREDIT ALLOCATION

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

In 2019, PIE&G's electric operation produced a margin of over \$554,000 and its natural gas division produced a margin of \$451,000. In addition, PIE&G's power supplier, Wolverine Power Supply Cooperative, also allocated a margin of approximately \$1,141,000 to PIE&G for its energy purchases made on behalf of PIE&G members. PIE&G then allocated these margins to you, the member, as capital credits, depending on the services you receive (electric, natural gas or both). Capital credit allocations will be noted on your June, July or August bill. **The allocations cannot be deducted from your bill. They are held in reserve on your account until the board authorizes a retirement and refund.**

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 member 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 \$1.345 MILLION IN REFUNDS TO MEMBERS

Capital Credits from 1988, 1989, 2003 & 2004 to be Retired

At their April meeting, PIE&G's board of directors authorized approximately \$1,345,000 in capital credit retirements. Members who received electric service in 1988, 1989, 2003 or 2004 will receive an amount of the above in proportion to their energy use. **Checks for the capital credit refund are expected to be mailed in the fall of 2020.**

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 \$19.3 million in capital credits back to its members.

CO-OPS OBTAIN STATE TAX REFUND FOR MEMBERS

\$37,700 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 2019, PIE&G generated positive margins for both electric and natural gas operations. Thus, sales tax refunds of over \$20,700 will be given back to electric members and approximately \$17,000 will be refunded to natural gas members. For members receiving a monthly billing, **the 2019 tax refunds have been returned as a credit reflected on bills mailed in May 2020. Seasonal members will see the refunds on their annual summer bills.** Although the individual refund may be small, it reflects PIE&G's commitment to keeping members' services affordable.

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

June 2020



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

\$10,500 IN SCHOLARSHIPS AWARDED TO LOCAL HS GRADS

The PIE&G Communities First Fund Board of Directors is pleased to announce that ten (10) scholarships of \$1,000 each were awarded to the following high school seniors:

ALPENA

Alysa Funk
Nikita Cordes
Johnathon Clayton
Elizabeth Belanger

HILLMAN

Joslynn Brown
INLAND LAKES
Shaylee Michael
Ava Hansel

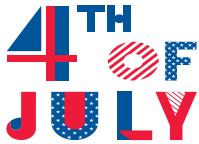
JOBURG-LEWISTON

Brianna Matson
POSEN
George Kroll
Eyan Hincka

*Congratulations
Graduates!*

In addition to these scholarships, the A. Barkley Travis Memorial Scholarship, valued at \$500, was awarded to Makenna Grulke from Hillman.

Our office will be closed
Friday, July 3rd in observance of
Independence Day.



**HAVE A SAFE
AND HAPPY
HOLIDAY**



PROTECT YOUR HOME AGAINST MOLD & MILDEW.

Fight the damaging effects of excess moisture in your home with an ENERGY STAR® dehumidifier.



\$15 Rebate for ENERGY STAR Dehumidifiers

APPLY ONLINE

michigan-energy.org • 877.296.4319



2020 NATURAL GAS PIPELINE LEAK SURVEYS UNDERWAY

PIE&G crews will be travelling a portion of its natural gas service territory soon 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 leak surveys each year for its commercial accounts and performs ongoing residential leak surveys on a five-year rotation across its entire service area. Areas impacted this year will be **Hubbard Lake, Spruce, City of Onaway and along the US 23 corridor from Rogers City to Cheboygan.**

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.



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