

The Spotlight

What's Inside

- PIE&G Project Updates
- \$817,000 Approved in Capital Credit Refunds
- \$28,491 in Sales Tax Refunds Obtained for Gas Members



July 2023

ADVANCED METERING AND FIBER UPDATES

The Advanced Metering Infrastructure (AMI) project has made great strides so far. As of May 2023, approximately 34,868 meters (95.7%) were deployed out of 36,257 total meters. In addition to mounting equipment on several radio towers, PIE&G's Engineering team is working to install additional 100-foot poles (custom manufactured for PIE&G by Moran Iron Works of Onaway) in strategic locations throughout our service territory.

Communications equipment mounted high on the poles and towers will help PIE&G collect meter readings, detect outages for faster response and restorations, and identify potential issues for repairs or maintenance. The new system will provide members with the most advanced, secure, and reliable technology available.

PIE&G Connect fiber operations achieved a major milestone of connecting its 1,000th subscriber to high-speed fiber internet in May. Underground fiber installation work resumed this Spring for members in the Fingerboard, Onaway and Black Lake areas who were on hold due to winter ground conditions. Voice service is in the final stages of testing so that phone service will be available to residential internet subscribers soon. In the coming months, we will be focused on extending fiber to all zones in Phase 1 and starting connections for Phase 2. For more information on the fiber network construction status, please select "Project Info" on our website piegconnect.com.

DIRECTORS APPROVE \$817,000 IN REFUNDS TO MEMBERS

Capital Credits from 1991, 1992 and 2005 to be Retired

At their April meeting, PIE&G's board of directors authorized approximately \$817,000 in capital credit retirements. Members who received electric service in 1991, 1992 and/or 2005 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 2023.**

As a member-owned, not-for-profit organization, when PIE&G revenues exceed expenses, "capital" is generated which is refunded as "credits" to individual members on a pro rata basis, depending on their purchases of energy or services.

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 \$24.5 million in capital credits back to its members.

2023 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 2022, PIE&G's electric operation did not produce a margin, but its natural gas division did produce a margin of \$749,801. In addition, PIE&G's power supplier, Wolverine Power Supply Cooperative, also allocated a margin of approximately \$1,543,116 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.



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July 2023

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
- Dirt or dust blowing from a hole in the ground or bubbling in a water puddle (possible underground pipe leak).
- Flames, if a leak has ignited.



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.



REPORT



Once you are in a safe location, call PIE&G toll-free at **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.

CO-OPS OBTAIN STATE TAX REFUND FOR MEMBERS

\$28,491 for Sales Tax on Natural Gas Margins Returned

Several 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 and now the State of Michigan returns sales tax assessed to PIE&G on positive operating margins.

For 2022, PIE&G generated positive margins only for its natural gas operations. Thus, sales tax refunds of over \$28,491 will be refunded to natural gas members. The **2022 tax refunds have been returned as a credit reflected on monthly bills mailed in June 2023.**

Although the individual refund may be small, still it reflects PIE&G's commitment to keeping members' services affordable.

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TO PAY BY PHONE:

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



SUMMER HOLIDAY OFFICE CLOSINGS

PIE&G's office will be closed Tuesday, July 4th for Independence Day and Monday, September 4th for Labor Day. Payments may be made anytime:

- with SmartHub (go to pieg.com to create an account or download the free SH mobile app at Google Play or the App Store)
- by calling our free automated phone system (toll free) 1-866-999-4571 or at our drive up drop box at our office in Onaway.

Electric emergency: call 1-800-423-6634

Natural gas emergency: call 1-800-655-8565

Presque Isle Electric & Gas Co-op

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