

The Spotlight



What's Inside

- \$1.437 Million Member Refund Approved
- \$40,800 Sales Tax Refunds to Members
- \$13,000 in Scholarships Awarded

June 2021

2020 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 2020, PIE&G's electric operation produced a margin of over \$477,000 and its natural gas division produced a margin of \$607,000. In addition, PIE&G's power supplier, Wolverine Power Supply Cooperative, also allocated a margin of approximately \$1,244,000 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.

HEADQUARTERS, AMI AND FIBER UPDATES

Construction on the new PIE&G headquarters is nearing completion as finish work inside the building continues. PIE&G hopes to begin moving some of its operations into the new facility later this summer.

The Advanced Metering Infrastructure (AMI) project is in full swing as meters and more 100-foot towers (manufactured for PIE&G by Moran Iron Works of Onaway) are installed. Communications equipment mounted high on the 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, safe, secure, and reliable technology available.

On the fiber front, PIE&G's inventory of all equipment on its electric poles is underway as part of the Make Reading Engineering (MRE) phase of the fiber project. This information is needed to create digital maps of the electric distribution system to enable planning for the design and eventual construction of the network.

All three ambitious projects will allow PIE&G to provide members with modern, enhanced services. The new building and AMI projects are expected to add efficiencies to daily operations, and AMI will help improve reliability. Access to high-speed internet has become a staple in our everyday lives and is as essential as our electricity and natural gas service.

Watch for updates at pieg.com, on Facebook, or in Spotlight and *Country Lines*.

DIRECTORS APPROVE \$1.437 MILLION IN REFUNDS TO MEMBERS

Capital Credits from 1989 and 2004 to be Retired

At their April meeting, PIE&G's board of directors authorized approximately \$1,437,600 in capital credit retirements. Members who received electric service in 1989 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 2021.**

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 \$20.6 million in capital credits back to its members.

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CO-OPS OBTAIN STATE TAX REFUND FOR MEMBERS

\$40,800 for Sales Tax on 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. The State of Michigan now returns sales tax assessed on positive operating margins.

For 2020, PIE&G generated positive margins for both electric and natural gas operations. Thus, sales tax refunds of over \$18,100 will be given back to electric members and over \$22,700 will be refunded to natural gas members. For members receiving a monthly billing, the **2020 tax refunds have been returned as a credit reflected on bills mailed in May 2021. 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.



Our office will be closed on Monday, July 5th in observance of the Independence Day holiday. Access your account anytime online at pieg.com or by calling 1-888-999-4571.

\$13,000 IN SCHOLARSHIPS AWARDED TO LOCAL HS GRADS



The PIE&G Communities First Fund Board of Directors is pleased to announce that twelve (12) scholarships of \$1,000 each were awarded to the following high school seniors:

Alpena

Karli Myers

Cheboygan

Noah Demers
Madelyn Maltby

Hillman

Jaden Dove
Emma Hardies
Emalie Lis

Rogers City

Austin Bielas
Mackenzie Bruning
Megan Deleka

Mount Pleasant

Emma Stempky

Onaway

Eliana Prow

Posen

Luke Chappa

In addition to the above awards, The A. Barkley Travis Memorial Scholarship, valued at \$500, was awarded to Marisa Perry from Atlanta, and the Peterson Vocational School Scholarship, valued at \$500, was awarded to Zachary Kazyaka from Hillman.

Congratulations Graduates!

2021 NATURAL GAS PIPELINE LEAK SURVEYS UNDERWAY

PIE&G crews will be traveling 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: Atlanta, Hillman, Lake Avalon, Long Rapids, Lachine, and Black Lake.



Presque Isle Electric & Gas Co-op

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