

The Spotlight



What's Inside

- \$817,000 Member Refund Approved
- \$28,491 in Sales Tax Refunded to Gas Members
- \$16,000 in High School Scholarships Awarded

June 2023

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.

ADVANCED METERING AND FIBER UPDATES

The Advanced Metering Infrastructure (AMI) project has made great strides so far. As of April 2023, approximately 33,362 meters (92.8%) 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 1,000 active high-speed internet subscribers in May. Underground fiber installation work resumed in April for members in the Onaway and Black Lake areas with pending applications due to winter ground conditions. Voice service is in the final stages of testing so that phone service will be available to internet subscribers soon. In the coming months, we will be focused on extending fiber and

voice for Phase 1 and starting on 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 approved 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.

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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 \$28,491.54 will be refunded to natural gas members. For members receiving a monthly billing, **the 2022 tax refunds have been returned as a credit reflected on bills mailed in June 2023.** Seasonal members will see the refunds on their annual summer bills. Although the individual refund may be small, still it reflects PIE&G's commitment to keeping members' services affordable.

\$16,000 IN HIGH SCHOOL SCHOLARSHIPS AWARDED

The PIE&G Communities First Fund Board of Directors is pleased to announce fifteen (15) scholarship awards of \$1,000 each to the following area high school seniors:

**Alpena**

Eve Dragiewicz

Cheboygan

Luke Karsten and Jordan Socolovitch

Gaylord

Isaac Hopp

Hillman

Brody Appelgren, Brooke Bennett and Julia Taratuta

Onaway

Aubrey Benson, Hudson Decker, Cason Kreft and Mackenzie Robbins

Petoskey

Cadence Glass

Posen

Macy Kroll, Ethan Purol and Ava Wesner

In addition to the above awards, the A. Barkley Travis Memorial Scholarship, valued at \$500, was awarded to Emma Wickersham from Rogers City High School. The Peterson Vocational School Scholarship, valued at \$500, was awarded to Andrew Drake from Wolverine High School.

2023 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. A survey on the steel pipeline from Indian River to Onaway is also conducted yearly.

Areas impacted this year will be: Afton, Benton Township, Mullett Lake, Tower, and Wildwood Lake.

Presque Isle Electric & Gas Co-op

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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.*



Our office will be closed on Tuesday, July 4th in observance of the Independence Day holiday. Access your account anytime with SmartHub (online at pieg.com or with the free mobile app), online at pieg.com or by calling 1-888-999-4571.