

**PRESQUE ISLE ELECTRIC & GAS CO-OP
SPECIAL BOARD MEETING
7PM SEPTEMBER 29, 2014**

AGENDA

- | | |
|---|----------------|
| Call to Order | Chairman Brown |
| Roll Call | |
| PA 167 of 2008 | CEO Burns |
| Introduction of Guests | |
| Member Comment | |
| Action Items | CFO Sobeck |
| 1. Establish the 2015 Power Supply Cost Recovery Factor | |
| 2. Revise billing Rule 460.1633 – Hearing Procedures | |
| 3. Revise billing Rule 460.1623- Reporting Requirements | |
| 4. Revise billing Rule 460.133 -Reporting Requirements. | |
| Adjournment | |

Proposed Changes At A Glance

1. Establish 2015 Power Supply Cost Recovery Factor (PSCR)	2. Consider Revisions to the Cooperative's Billing Rules	
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1. Establish the 2015 Power Supply Cost Recovery Factor (PSCR)

<p>Existing Situation</p> <ul style="list-style-type: none"> o Power supply costs from Wolverine Power Cooperative (WPC) are passed on at cost to members of PIE&G through the PSCR mechanism. o PIE&G, working with WPC, establishes a factor to collect or refund power supply costs that are above or below the base energy rates based upon cost and sales forecasts. o The collection of funds through the PSCR Factor is reconciled annually with the actual energy costs billed to PIE&G by WPC and the difference is either refunded or charged to the membership. o The 2014 PSCR Factor was established at 1.06 mills/kWh or \$0.00106/kWh. o The overall estimated energy rate billed to the members of PIE&G is the sum of the PSCR Basing Point and the current year's PSCR Factor. That rate for 2014 was \$0.08891/kWh or 88.91 mills/kWh. o Prior action of the Board has set the PSCR Basing Point to 87.85 mills/kWh. 	<p>Proposed Change</p> <ul style="list-style-type: none"> o This approval will establish the maximum PSCR Factor for 2015. o Should actual power supply costs be lower than forecasted, then the cooperative may apply a lesser PSCR Factor. o The established maximum PSCR Factor shall be -0.31 mills/kWh or -\$0.00031/kWh. This represents a decrease of \$0.94 per month or 1.00% for the average residential monthly account. <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr> <th></th> <th style="text-align: center;">Basing Point</th> <th style="text-align: center;">PSCR Factor</th> <th style="text-align: center;">Total Energy Rate</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">2014</td> <td style="text-align: center;">\$ 0.08785</td> <td style="text-align: center;">\$ 0.00106</td> <td style="text-align: center;">\$ 0.08891</td> </tr> <tr> <td style="text-align: center;">2015</td> <td style="text-align: center;">\$ 0.08785</td> <td style="text-align: center;">\$ (0.00031)</td> <td style="text-align: center;">\$ 0.08754</td> </tr> <tr> <td></td> <td style="text-align: center;">Difference</td> <td></td> <td style="text-align: center;">\$ (0.00137)</td> </tr> </tbody> </table> <ul style="list-style-type: none"> o The proposed change includes an estimated over-collection of 2014 power supply costs of \$180,000. Should actual over-collections for 2014 be higher than forecasted, the cooperative may charge less than the established rate. 		Basing Point	PSCR Factor	Total Energy Rate	2014	\$ 0.08785	\$ 0.00106	\$ 0.08891	2015	\$ 0.08785	\$ (0.00031)	\$ 0.08754		Difference		\$ (0.00137)	<p>Management Recommends</p> <ul style="list-style-type: none"> o Establish the 2015 PSCR Factor of -\$0.00031 per kWh effective with bills rendered on or after February 1, 2015. o Management will bring forward the 2014 over/under collection at the first Special Member Regulation Board Meeting of 2015.
	Basing Point	PSCR Factor	Total Energy Rate															
2014	\$ 0.08785	\$ 0.00106	\$ 0.08891															
2015	\$ 0.08785	\$ (0.00031)	\$ 0.08754															
	Difference		\$ (0.00137)															

2. Consider Revisions to the Cooperative's Billing Rules

<p>Existing Situation</p> <ul style="list-style-type: none"> o Rule 460.1633, paragraph 8(a) of the Cooperative's billing rules for non-residential members states the following: "That each party has the right to an informal appeal to the commission by mail, telephone, internet, fax, or in person, within 7 business days of issuance of the complaint determination." 	<p>Proposed Change</p> <ul style="list-style-type: none"> o The proposed change would replace the term "commission" with "Board of Directors". This was an oversight when the original Member Regulation Rate Book was adopted. 	<p>Management Recommends</p> <ul style="list-style-type: none"> o The term "commission" be replaced with "Board of Directors".
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2. Consider Revisions to the Cooperative's Billing Rules Continued

Existing Situation

- o Rule 460.1623, Rule 23 currently states:
"Upon request by the **commission** or its designated representative, records which are required by these rules or which are necessary for the administration of these rules shall be available within the **state of Michigan** for examination by the **commission** or its designated representative"
- o Rule 460.133, Rule 33 currently states:
"The cooperative shall file with the Board of Directors **each month**, a report that contains detailed information concerning the following:

Proposed Change

- o The proposed change would replace the term "commission" with **Board of Directors** and eliminate the phrase "within the state of Michigan".
- o The proposed change would replace the phrase "each month" with **"upon request"**.

Management Recommends

- o The term "commission" be replaced with Board of Directors and the phrase "within the state of Michigan" be removed.
- o The phrase "each month" be replaced with "upon request".

Presque Isle Electric & Gas Co-op

2015 PSCR Plan Overview

Line No.

1	Projected Energy Purchases (kWh)		261,421,194
2	Less: Line Losses (7.73%)		20,207,858
3	Projected Energy Sales (kWh)		241,213,336
4	Projected Energy Costs	\$	21,115,212
5	PSCR Rate - \$/kWh (Line 4/Line 3)	\$	0.08754
6	PSCR Base - \$/kWh		<u>0.08785</u>
7	PSCR Factor - \$/kWh (Line 5 - Line 6)	-\$	0.00031
8	PSCR Rate - mills/kWh (Line 4/Line 3)		87.54
9	PSCR Base - mills/kWh		<u>87.85</u>
10	PSCR Factor - mills/kWh (Line 8 - Line 9)		(0.31)

Presque Isle Electric & Gas Co-op

2015 PSCR Plan

Summary

	Rates	Units	Amounts
<u>Units</u>			
Energy (Non-Contract)	\$ 0.057127	kWh	261,421,194
Energy (Contract)	\$ 0.057127	kWh	0
Energy (Total)	NA	kWh	261,421,194
Energy C&I Discount #1	\$ (0.009000)	kWh	0
Energy C&I Discount #2	\$ (0.005000)	kWh	9,193,461
Econ. Dev. Rate Year 1	\$ (0.010000)	kWh	0
Fuel Clause True Up	\$ -	kWh	0
Demand Wolv 12CP (Non-Contract) - 20'	\$ -	kW	475,764
Demand True Up (Wolv 12CP)	\$ -	kW	0
Demand Wolv 12CP (Total)	\$ 7.8694	kW	475,764
Trans. Members' Wolv 12CP	NA	kW	5,918,487
Member's Share of Wolv 12CP	NA	% and pts.	8%
Demand MISO 1CP	\$ 2.0971	kW	516,984
Excluded Facilities (Radials)	16.99%	GBV \$	1,942,317
Excluded Facilities (Lines)	16.99%	GBV \$	7,215,577
Distribution Substation, %	10.34%	GBV \$	7,969,978
Distribution Substation, \$/sub	\$ 2,253.00	# subs	18
Shared Sub charge, \$		\$	0
Backup Generation	\$ (2.50)	kW	0
Electric Heating	\$ (0.03)	kWh	3,408,050
Electric Water Heaters	\$ (4.50)	no.	13,032
Margin Stabilization		\$	0
<u>Dollar Amounts</u>			
Energy (Non-Contract)		\$	14,934,209
Energy (Contract)		\$	0
Energy C&I Discount #1		\$	0
Energy C&I Discount #2		\$	(45,967)
Econ. Dev. Rate Year 1		\$	0
Fuel Clause True Up		\$	0
Demand Wolv Coin		\$	3,743,977
Demand MISO Coincident		\$	1,084,167
Excluded Facilities (Radials)		\$	330,000
Excluded Facilities (Lines)		\$	98,968
Distribution Substation, %		\$	824,096
Distribution Substation, \$/sub		\$	486,648
Shared Sub charge, \$		\$	0
Backup Generation		\$	0
Electric Heat		\$	(102,242)
Electric Water Heaters		\$	(58,644)
Margin Stabilization		\$	0
Total		\$	21,295,212

		0
		0
<u>Contribution to Bundled Rate</u>		
Energy (Non-Contract)	\$/MWh	57.13
Energy (Contract)	\$/MWh	0
Energy C&I Discount #1	\$/MWh	0
Energy C&I Discount #2	\$/MWh	(0.18)
Econ. Dev. Rate Year 1	\$/MWh	0
Fuel Clause True Up	\$/MWh	0
Demand Wolv Coin	\$/MWh	14.32
Demand MISO Coincident	\$/MWh	4.15
Excluded Facilities (Radials)	\$/MWh	1.26
Excluded Facilities (Lines)	\$/MWh	0.38
Distribution Substation, %	\$/MWh	3.15
Distribution Substation, \$/sub	\$/MWh	1.86
Shared Sub charge, \$	\$/MWh	0
Backup Generation	\$/MWh	0
Electric Heat	\$/MWh	(0.39)
Electric Water Heaters	\$/MWh	(0.22)
Margin Stabilization	\$/MWh	0
Total	\$/MWh	81.46

Inputs for Member's PSCR Factor

Member's Line Losses	7.73	%	
Member's Line Losses	kWh		20,207,858
Wholesale Purchases - Member's Losses	kWh		241,213,336
Member's HQ Energy Use	kWh		0
Member's Sales to its Members	kWh		241,213,336
Non-PSCR Sales	kWh		0
PSCR Sales	kWh		241,213,336
Member's HQ Energy Use	\$		0
Prior Year (Over)/Under Collection	\$		(180,000)
PSCR Cost	\$		21,115,212
Power Supply Rate Before HQ Use and (O)/U Coll.	\$/MWh		88.28
PSCR Rate	\$/MWh		87.54
PSCR Base	\$/MWh		87.85
PSCR Factor	\$/MWh		(0.31)
Member's PSCR Revenue	\$		21,115,815
Member's PSCR Cost	\$		21,115,212
Member's Over/(Under) Collection	\$		604

Units	Proposed Rates	Units	2015 PSCR Plan												
			January	February	March	April	May	June	July	August	September	October	November	December	Full Year
Energy (Non-Contract)	\$ 0.057127	kWh	24,652,286	22,147,074	22,071,366	20,187,352	19,587,583	19,778,497	23,847,085	22,449,090	19,638,800	20,526,832	22,138,801	24,396,428	261,421,194
Energy (Contract)	\$ 0.057127	kWh													0
Energy (Total)	NA	kWh	24,652,286	22,147,074	22,071,366	20,187,352	19,587,583	19,778,497	23,847,085	22,449,090	19,638,800	20,526,832	22,138,801	24,396,428	261,421,194
Energy C&I Discount #1	\$ (0.009000)	kWh	0	0	0	0	0	0	0	0	0	0	0	0	0
Energy C&I Discount #2	\$ (0.005000)	kWh	778,732	720,959	765,782	711,165	713,520	715,408	852,557	825,640	809,574	807,312	746,603	746,209	9,193,461
Econ. Dev. Rate Year 1	\$ (0.010000)	kWh	0	0	0	0	0	0	0	0	0	0	0	0	0
Fuel Clause True Up	\$ -	kWh													0
Demand Wolv 12CP (Non-Contract) - 2015	\$ 7.8694	kW	43,132	40,709	39,147	33,717	32,471	41,172	46,584	44,097	38,364	36,180	38,791	41,400	475,764
Demand True Up (Wolv 12CP)	\$ -	kW													0
Demand Wolv 12CP (Total)	\$ 7.8694	kW	43,132	40,709	39,147	33,717	32,471	41,172	46,584	44,097	38,364	36,180	38,791	41,400	475,764
Trans. Members' Wolv 12CP	NA	kW	513,256	481,721	456,118	398,820	421,229	527,829	627,647	567,882	521,284	422,432	472,101	508,169	5,918,487
Member's Share of Wolv 12CP	NA	% and pts.	8.4%	8.5%	8.6%	8.5%	7.7%	7.8%	7.4%	7.8%	7.4%	8.6%	8.2%	8.1%	8.0%
Demand MISO 1CP	\$ 2.0971	kW	43,082	43,082	43,082	43,082	43,082	43,082	43,082	43,082	43,082	43,082	43,082	43,082	516,984
Excluded Facilities (Radials)	16.99%	GBV \$	1,942,317	1,942,317	1,942,317	1,942,317	1,942,317	1,942,317	1,942,317	1,942,317	1,942,317	1,942,317	1,942,317	1,942,317	1,942,317
Excluded Facilities (Lines)	16.99%	GBV \$	7,215,577	7,215,577	7,215,577	7,215,577	7,215,577	7,215,577	7,215,577	7,215,577	7,215,577	7,215,577	7,215,577	7,215,577	7,215,577
Distribution Substation, %	10.34%	GBV \$	7,969,978	7,969,978	7,969,978	7,969,978	7,969,978	7,969,978	7,969,978	7,969,978	7,969,978	7,969,978	7,969,978	7,969,978	7,969,978
Distribution Substation, \$/sub	\$ 2,253.00	# subs	18	18	18	18	18	18	18	18	18	18	18	18	18
Shared Sub charge, \$	\$		0	0	0	0	0	0	0	0	0	0	0	0	0
Backup Generation	\$ (2.50)	kW	0	0	0	0	0	0	0	0	0	0	0	0	0
Electric Heating	\$ (0.03)	kWh	362,645	491,718	776,717	442,532	277,501	319,460	131,997	59,542	57,203	65,807	125,488	297,440	3,408,050
Electric Water Heaters	\$ (4.50)	no.	1,086	1,086	1,086	1,086	1,086	1,086	1,086	1,086	1,086	1,086	1,086	1,086	13,032
Margin Stabilization	\$		0	0	0	0	0	0	0	0	0	0	0	0	0

Dollar Amounts			January	February	March	April	May	June	July	August	September	October	November	December	Full Year
Energy (Non-Contract)	\$	\$	1,408,311	1,265,196	1,260,871	1,153,243	1,118,980	1,129,886	1,362,312	1,282,449	1,121,906	1,172,636	1,264,723	1,393,695	14,934,209
Energy (Contract)	\$	\$	0	0	0	0	0	0	0	0	0	0	0	0	0
Energy C&I Discount #1	\$	\$	0	0	0	0	0	0	0	0	0	0	0	0	0
Energy C&I Discount #2	\$	\$	(3,894)	(3,605)	(3,829)	(3,556)	(3,568)	(3,577)	(4,263)	(4,128)	(4,048)	(4,037)	(3,733)	(3,731)	(45,967)
Econ. Dev. Rate Year 1	\$	\$	0	0	0	0	0	0	0	0	0	0	0	0	0
Fuel Clause True Up	\$	\$	0	0	0	0	0	0	0	0	0	0	0	0	0
Demand Wolv Coin	\$	\$	339,423	320,355	308,063	265,333	255,527	323,999	366,588	347,017	301,902	284,715	305,262	325,793	3,743,977
Demand MISO Coincident	\$	\$	90,347	90,347	90,347	90,347	90,347	90,347	90,347	90,347	90,347	90,347	90,347	90,347	1,084,167
Excluded Facilities (Radials)	\$	\$	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	330,000
Excluded Facilities (Lines)	\$	\$	8,585	8,633	8,768	8,637	8,785	7,969	7,582	7,933	7,519	8,750	8,394	8,323	98,968
Distribution Substation, %	\$	\$	68,675	68,675	68,675	68,675	68,675	68,675	68,675	68,675	68,675	68,675	68,675	68,675	824,096
Distribution Substation, \$/sub	\$	\$	40,554	40,554	40,554	40,554	40,554	40,554	40,554	40,554	40,554	40,554	40,554	40,554	486,648
Shared Sub charge, \$	\$	\$	0	0	0	0	0	0	0	0	0	0	0	0	0
Backup Generation	\$	\$	0	0	0	0	0	0	0	0	0	0	0	0	0
Electric Heat	\$	\$	(10,879)	(14,752)	(23,302)	(13,276)	(8,325)	(9,584)	(3,960)	(1,786)	(1,716)	(1,974)	(3,765)	(8,923)	(102,242)
Electric Water Heaters	\$	\$	(4,887)	(4,887)	(4,887)	(4,887)	(4,887)	(4,887)	(4,887)	(4,887)	(4,887)	(4,887)	(4,887)	(4,887)	(58,644)
Margin Stabilization	\$	\$	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	\$	\$	1,963,735	1,798,017	1,772,761	1,632,569	1,592,679	1,670,882	1,950,449	1,853,673	1,647,751	1,682,279	1,793,071	1,937,345	21,295,212

Contribution to Bundled Rate			January	February	March	April	May	June	July	August	September	October	November	December	Full Year
Energy (Non-Contract)	\$/MWh	\$	57.13	57.13	57.13	57.13	57.13	57.13	57.13	57.13	57.13	57.13	57.13	57.13	57.13
Energy (Contract)	\$/MWh	\$	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Energy C&I Discount #1	\$/MWh	\$	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Energy C&I Discount #2	\$/MWh	\$	(0.16)	(0.16)	(0.17)	(0.18)	(0.18)	(0.18)	(0.18)	(0.18)	(0.21)	(0.20)	(0.17)	(0.15)	(0.18)
Econ. Dev. Rate Year 1	\$/MWh	\$	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fuel Clause True Up	\$/MWh	\$	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Demand Wolv Coin	\$/MWh	\$	13.77	14.46	13.96	13.14	13.05	16.38	15.37	15.46	15.37	13.87	13.79	13.35	14.32
Demand MISO Coincident	\$/MWh	\$	3.66	4.08	4.09	4.48	4.61	4.57	3.79	4.02	4.60	4.40	4.08	3.70	4.15
Excluded Facilities (Radials)	\$/MWh	\$	1.12	1.24	1.25	1.36	1.40	1.39	1.15	1.22	1.40	1.34	1.24	1.13	1.26
Excluded Facilities (Lines)	\$/MWh	\$	0.35	0.39	0.40	0.43	0.40	0.40	0.32	0.35	0.38	0.43	0.38	0.34	0.38
Distribution Substation, %	\$/MWh	\$	2.79	3.10	3.11	3.40	3.51	3.47	2.88	3.06	3.50	3.35	3.10	2.81	3.15
Distribution Substation, \$/sub	\$/MWh	\$	1.65	1.83	1.84	2.01	2.07	2.05	1.70	1.81	2.06	1.98	1.83	1.66	1.86
Shared Sub charge, \$	\$/MWh	\$	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Backup Generation	\$/MWh	\$	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Electric Heat	\$/MWh	\$	(0.44)	(0.67)	(1.06)	(0.66)	(0.43)	(0.48)	(0.17)	(0.08)	(0.09)	(0.10)	(0.17)	(0.37)	(0.39)
Electric Water Heaters	\$/MWh	\$	(0.20)	(0.22)	(0.22)	(0.24)	(0.25)	(0.25)	(0.20)	(0.22)	(0.25)	(0.24)	(0.22)	(0.20)	(0.22)
Margin Stabilization	\$/MWh	\$	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	\$/MWh	\$	79.66	81.19	80.32	80.87	81.31	84.48	81.79	82.57	83.90	81.96	80.99	79.41	81.46

Presque Isle Electric & Gas Co-op

	Proposed Rates	Units	2015 PSCR Plan												
			January	February	March	April	May	June	July	August	September	October	November	December	Full Year
Inputs for Member's PSCR Factor															
Member's Line Losses		%	7.73%	7.73%	7.73%	7.73%	7.73%	7.73%	7.73%	7.73%	7.73%	7.73%	7.73%	7.73%	7.73000%
Member's Line Losses		kWh	1,905,622	1,711,969	1,706,117	1,560,482	1,514,120	1,528,878	1,843,380	1,735,315	1,518,079	1,586,724	1,711,329	1,885,844	20,207,858
Wholesale Purchases - Member's Losses		kWh	22,746,664	20,435,105	20,365,249	18,626,870	18,073,463	18,249,619	22,003,705	20,713,775	18,120,721	18,940,108	20,427,472	22,510,584	241,213,336
Member's HQ Energy Use		kWh	0	0	0	0	0	0	0	0	0	0	0	0	0
Member's Sales to its Members		kWh	22,746,664	20,435,105	20,365,249	18,626,870	18,073,463	18,249,619	22,003,705	20,713,775	18,120,721	18,940,108	20,427,472	22,510,584	241,213,336
Non-PSCR Sales		kWh	0	0	0	0	0	0	0	0	0	0	0	0	0
PSCR Sales		kWh	22,746,664	20,435,105	20,365,249	18,626,870	18,073,463	18,249,619	22,003,705	20,713,775	18,120,721	18,940,108	20,427,472	22,510,584	241,213,336
Member's HQ Energy Use		\$	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Year (Over)/Under Collection		\$	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(180,000)
PSCR Cost		\$	1,948,735	1,783,017	1,757,761	1,617,569	1,577,679	1,655,882	1,935,449	1,838,673	1,632,751	1,667,279	1,778,071	1,922,345	21,115,212
Power Supply Rate Before HQ Use and (O)/U Coll.		\$/MWh	\$ 86.33	\$ 87.99	\$ 87.05	\$ 87.65	\$ 88.12	\$ 91.56	\$ 88.64	\$ 89.49	\$ 90.93	\$ 88.82	\$ 87.78	\$ 86.06	\$ 88.28
PSCR Rate		\$/MWh	\$ 87.54	\$ 87.54	\$ 87.54	\$ 87.54	\$ 87.54	\$ 87.54	\$ 87.54	\$ 87.54	\$ 87.54	\$ 87.54	\$ 87.54	\$ 87.54	\$ 87.54
PSCR Base		\$/MWh	\$ 87.85	\$ 87.85	\$ 87.85	\$ 87.85	\$ 87.85	\$ 87.85	\$ 87.85	\$ 87.85	\$ 87.85	\$ 87.85	\$ 87.85	\$ 87.85	\$ 87.85
PSCR Factor		\$/MWh	\$ (0.31)	\$ (0.31)	\$ (0.31)	\$ (0.31)	\$ (0.31)	\$ (0.31)	\$ (0.31)	\$ (0.31)	\$ (0.31)	\$ (0.31)	\$ (0.31)	\$ (0.31)	\$ (0.31)
Member's PSCR Revenue		\$	\$ 1,991,243	\$ 1,788,889	\$ 1,782,774	\$ 1,630,596	\$ 1,582,151	\$ 1,597,572	\$ 1,926,204	\$ 1,813,284	\$ 1,586,288	\$ 1,658,017	\$ 1,788,221	\$ 1,970,577	\$ 21,115,815
Member's PSCR Cost		\$	\$ 1,948,735	\$ 1,783,017	\$ 1,757,761	\$ 1,617,569	\$ 1,577,679	\$ 1,655,882	\$ 1,935,449	\$ 1,838,673	\$ 1,632,751	\$ 1,667,279	\$ 1,778,071	\$ 1,922,345	\$ 21,115,212
Member's Over/(Under) Collection		\$	\$ 42,508	\$ 5,872	\$ 25,013	\$ 13,027	\$ 4,472	\$ (58,310)	\$ (9,245)	\$ (25,390)	\$ (46,463)	\$ (9,262)	\$ 10,150	\$ 48,231	\$ 604

Residential Bill Comparison as of October 1 2014

	Residential Monthly Current	Residential Monthly Proposed	Residential Seasonal Current	Residential Seasonal Proposed
Consumption	650	650	2372	2372
kwh rate	0.11373	0.11373	0.15936	0.15936
Consumption Charge	\$73.92	\$73.92	\$378.00	\$378.00
Monthly Service Charge	\$18.00	\$18.00	\$228.00	\$228.00
PSCR Factor	0.00106	-0.00031	0.00106	-0.00031
PSCR Charge	\$0.69	-\$0.20	\$2.51	-\$0.74
Tax	\$3.71	\$3.66	\$22.61	\$22.43
Total Bill	\$96.32	\$95.38	\$631.13	\$627.70
		(\$0.94)		(\$3.43)
		-0.99%		-0.55%

**PRESQUE ISLE ELECTRIC & GAS CO-OP
BOARD RESOLUTION
SEPTEMBER 29, 2014**

**RESOLUTION 2014-MR3
2015 PSCR FACTOR**

WHEREAS, PIE&G transitioned to member regulation with an effective date of September 23, 2012 thus providing that certain of its rates are no longer regulated by the MPSC; and

WHEREAS, PIE&G in conjunction with Wolverine Power Supply Cooperative (WPSC), it's wholesale electric energy supplier, has conducted an analysis of projected energy costs and sales volumes; and

WHEREAS, PIE&G's staff has reviewed the analysis with the Board of Directors; and

WHEREAS, results of that analysis indicate and overall energy cost of 87.54 mills/kWh or \$0.08754/kWh which, when combined with PIE&G's current PSCR basing point of 87.85 mills/kWh provides for a 2015 PSCR Factor of -0.31 mills/kWh.

NOW BE IT HEREBY RESOLVED that the PIE&G Board of Directors accepts the analysis as provided by the cooperative staff as a reasonable basis for establishing the maximum 2015 PSCR Factor of -0.31 mills/kWh or -\$0.00031/kWh effective with all bills rendered on or after February 1, 2015 and directs staff to amend the appropriate tariffs in its Electric Rate Book.

BE IT FURTHER RESOLVED that the cooperative staff may apply a lesser PSCR Factor than approved in this resolution because of an over-collection of power supply costs from the membership, in which case they shall notify the Board of Directors of their intent to do so.

CERTIFICATION

I, David Smith, Secretary of the Board of Directors of Presque Isle Electric & Gas Co-op, do hereby certify that the above is a true and correct copy of a resolution adopted at a special meeting of the Board of Directors of Presque Isle Electric & Gas Co-op held on September 29, 2014.

By: _____
David Smith, Secretary

Dated: _____

Cooperative shall be required to refund to Member-Consumers, or to credit to Member-Consumers' bills any net amount determined to have been recovered which is in excess of the amounts actually expensed by Cooperative for power supply. Cooperative shall recover from Member-Consumers any net amount by which the amount determined to have been recovered over the period covered was less than the amount determined to have been actually expensed by Cooperative for power supply.

For the twelve (12) months ending December 2015, the Power Supply Cost Recovery Factor is **(\$0.00031)** per kWh. The allowance for cost of power supply included in base rates is \$0.08785 per kWh.

Draft

Issued: **September 29, 2014**
By: Brian Burns
President and CEO
Onaway, Michigan

Effective for bills rendered on and after
after **February 1, 2015**.

Issued under authority of the Board of
Directors dated **09/29/14**

**PRESQUE ISLE ELECTRIC & GAS CO-OP
BOARD RESOLUTION
SEPTEMBER 29, 2014**

**RESOLUTION 2014-MR4
ELECTRIC RATE BOOK AMENDMENTS**

WHEREAS, PIE&G transitioned to member regulation with an effective date of September 23, 2012 thus providing that certain of its rates and charges are no longer regulated by the MPSC; and

WHEREAS, PIE&G's staff has recommended changes to the current rate book to amend the billing dispute appeals process for non-residential members to reflect their right to make an informal appeal to the Board of Directors rather than the Michigan Public Service Commission; and

WHEREAS, PIE&G staff has reviewed the requested change with the Board of Directors

NOW BE IT HEREBY RESOLVED that the PIE&G Board of Directors amends the Electric Rate Book to provide the source of appeal for non-residential billing disputes is now the Cooperative's board of Directors and not the Michigan Public Service Commission and directs staff to amend the appropriate tariffs in its Electric Rate Book.

CERTIFICATION

I, David Smith, Secretary of the Board of Directors of Presque Isle Electric & Gas Co-op, do hereby certify that the above is a true and correct copy of a resolution adopted at a special meeting of the Board of Directors of Presque Isle Electric & Gas Co-op held on September 29, 2014.

By: _____
David Smith, Secretary

Dated: _____

**B4 BILLING PRACTICES APPLICABLE TO NON-RESIDENTIAL
ELECTRIC AND GAS MEMBERS
(CONT'D FROM SHEET NO. B-74.00)**

- (3) The Cooperative has the burden of proof by a preponderance of the evidence.
- (4) All witnesses who appear for either party shall testify under oath.
- (5) A hearing shall be informal and the proceedings need not be recorded or transcribed. All relevant evidence shall be received and the formal rules of evidence shall not apply.
- (6) For each hearing where the member has not put his or her position in writing, the hearing officer shall compile a record that contains all of the following:
- (a) A concise statement, in writing, of the position of the Cooperative.
 - (b) A concise statement, in writing, of the position of the member.
 - (c) Copies of all evidence submitted by the parties.
- (7) At the conclusion of the hearing, the hearing officer may orally state his or her findings and decision, or adjourn the hearing and inform the parties that the decision will be transmitted within 7 business days. At the request of the member, the hearing officer shall adjourn the hearing and transmit the decision within 7 business days. In all cases, the hearing officer shall issue a complaint determination in a form that is approved by the Board of Directors. The complaint determination shall contain both of the following:
- (a) A concise summary of the evidence and arguments presented by the parties.
 - (b) The decision, and the reasons for the decision, based solely upon the evidence received.
- (8) At the conclusion of the hearing and again upon issuance of the complaint determination, the hearing officer shall advise the member and the Cooperative of all of the following: **Replace with "Board of Directors"**
- (a) That each party has the right to make an informal appeal to the **commission** staff, by mail, telephone, internet, fax, or in person, within 7 business days of issuance of the complaint determination.
 - (b) That, if appealed, the decision of the hearing officer, including a finding that service may be shut off, cannot be implemented until a review by the Board of Directors is completed.
 - (c) The address and telephone number where the member or the Cooperative may make an informal appeal to the Board of Directors.

Continued on Sheet No. B-76.00

Issued **October 17, 2012**
By: Brian Burns
President and CEO
Onaway, Michigan

Effective for service rendered on and
September 23, 2012

Issued under the authority of the Board
of Directors dated 9/23/12

**B4 BILLING PRACTICES APPLICABLE TO NON-RESIDENTIAL
ELECTRIC AND GAS MEMBERS
(CONT'D FROM SHEET NO. B-74.00)**

- (3) The Cooperative has the burden of proof by a preponderance of the evidence.
- (4) All witnesses who appear for either party shall testify under oath.
- (5) A hearing shall be informal and the proceedings need not be recorded or transcribed. All relevant evidence shall be received and the formal rules of evidence shall not apply.
- (6) For each hearing where the member has not put his or her position in writing, the hearing officer shall compile a record that contains all of the following:
- (d) A concise statement, in writing, of the position of the Cooperative.
 - (e) A concise statement, in writing, of the position of the member.
 - (f) Copies of all evidence submitted by the parties.
- (7) At the conclusion of the hearing, the hearing officer may orally state his or her findings and decision, or adjourn the hearing and inform the parties that the decision will be transmitted within 7 business days. At the request of the member, the hearing officer shall adjourn the hearing and transmit the decision within 7 business days. In all cases, the hearing officer shall issue a complaint determination in a form that is approved by the Board of Directors. The complaint determination shall contain both of the following:
- (a) A concise summary of the evidence and arguments presented by the parties.
 - (b) The decision, and the reasons for the decision, based solely upon the evidence received.
- (8) At the conclusion of the hearing and again upon issuance of the complaint determination, the hearing officer shall advise the member and the Cooperative of all of the following:
- (a) That each party has the right to make an informal appeal to the **Board of Directors**, by mail, telephone, internet, fax, or in person, within 7 business days of issuance of the complaint determination.
 - (b) That, if appealed, the decision of the hearing officer, including a finding that service may be shut off, cannot be implemented until a review by the Board of Directors is completed.
 - (c) The address and telephone number where the member or the Cooperative may make an informal appeal to the Board of Directors.

Continued on Sheet No. B-76.00

**PRESQUE ISLE ELECTRIC & GAS CO-OP
BOARD RESOLUTION
SEPTEMBER 29, 2014**

**RESOLUTION 2014-MR5
ELECTRIC RATE BOOK AMENDMENTS**

WHEREAS, PIE&G transitioned to member regulation with an effective date of September 23, 2012 thus providing that certain of its rates and charges are no longer regulated by the MPSC; and

WHEREAS, PIE&G's staff has recommended changes to the current rate book to amend the billing information reporting requirements for residential and non-residential members to reflect the fact that reports are now under the jurisdiction of the Board of Directors rather than the Michigan Public Service Commission; and

WHEREAS, PIE&G staff has reviewed the requested change with the Board of Directors

NOW BE IT HEREBY RESOLVED that the PIE&G Board of Directors amends the Electric Rate Book to provide that cooperative staff is now required to report billing information to the Board of Directors upon their request (R 460.133 Rule 33) and not to the Michigan Public Service Commission (R 460.1623 Rule 23) and directs staff to amend the appropriate tariffs in its Electric Rate Book.

CERTIFICATION

I, David Smith, Secretary of the Board of Directors of Presque Isle Electric & Gas Co-op, do hereby certify that the above is a true and correct copy of a resolution adopted at a special meeting of the Board of Directors of Presque Isle Electric & Gas Co-op held on September 29, 2014.

By: _____
David Smith, Secretary

Dated: _____

**B2 CONSUMER STANDARDS AND BILLING PRACTICES
FOR ELECTRIC RESIDENTIAL SERVICE
(CONT'D FROM SHEET NO. B-38.00)**

- (e) Clear and concise explanations of both existing and proposed rate schedules.
- (f) An explanation of its power supply cost recovery or gas cost recovery process.

(5) The cooperative shall post suitable signs in conspicuous locations at all bill payment offices that are operated by the cooperative or authorized agents calling attention to the fact that the rules, regulations, rate schedules, proposed rate schedules, explanations of rate schedules, and explanations of proposed rate schedules are on file and available for inspection. Upon request, the cooperative shall provide a copy of these rules, explanations, or schedules to a member without charge.

R 460.133 Reporting requirements.

Rule 33. The cooperative shall file with the with the Board of Directors **upon request**, a report that contains detailed information concerning all of the following:

- (a) The payment performance of its members in relation to established due and payable periods.
- (b) The number and general description of all complaints registered with the cooperative.
- (c) The number of shutoff notices issued by the cooperative and the reasons for the notices.
- (d) The number of hearings held by the cooperative, the types of disputes involved, and the number of complaint determinations issued.
- (e) The number of written settlement agreements entered into by the cooperative.
- (f) The number of shutoffs of service and the number of reconnections.
- (g) Any other member service quality information requested by the Board of Directors.

R 460.134 Inspection.

This rule has been deleted.

R 460.135 Member access to consumption data.

Rule 35. The cooperative shall provide to each member, upon request, a clear and concise statement of the member's actual energy usage, and/or weather adjusted consumption data for each billing period during the last 12 months. The cooperative shall notify its members at least once each year by whatever method is used to transmit the members' bills, that a member may request energy usage and weather adjusted consumption data.

Continued on Sheet No. B-40.00

**B4 BILLING PRACTICES APPLICABLE TO NON-RESIDENTIAL
ELECTRIC AND GAS MEMBERS
(CONT'D FROM SHEET NO. B-67.00)**

- (d) Post suitable signs in conspicuous locations at all bill payment offices that are operated by the Cooperative indicating that the rules, regulations, rate schedules, proposed rate schedules, explanations of rate schedules, and explanations of proposed rate schedules are on file and available for inspection. Upon request, the Cooperative shall provide 1 copy of the rules, explanations, or schedules to a member without charge.
- (e) Upon request, inform the Cooperative's members as to the method of reading meters.
- (f) Furnish any reasonable additional information.

R 460.1619 Inspection.

Rule 19. The Cooperative shall permit authorized staff of the commission to inspect all of the Cooperative's operations that relate to member service.

R 460.1620 Member access to consumption data.

Rule 20. The Cooperative shall provide to each member, upon request, a clear and concise statement of the member's actual energy usage, or weather adjusted consumption data, for each billing period during the last 12 months, unless that data is not reasonably ascertainable by the Cooperative. The Cooperative shall notify its members at least once each year in writing, or by whatever method is used to transmit the members' bills, that a member may request consumption data.

R 460.1621 Servicing Cooperative equipment on member's premises.

Rule 21. Each Cooperative shall service and maintain its equipment used on a member's premises and shall correctly set and keep in proper adjustment any devices that control the member's service in accordance with the Cooperative's rate schedules.

R 460.1622 Member complaints; investigation; records.

Rule 22. The Cooperative shall promptly and thoroughly investigate member complaints concerning the charges, practices, facilities, or services of the Cooperative. The Cooperative shall keep records of member complaints that will enable the Cooperative to review and analyze its procedures and actions. The records shall be available to the commission.

R 460.1623 Records and reports.

Rule 23. Upon request by the **Board of Directors** or its designated representative, records which are required by these rules or which are necessary for the administration of these rules shall be available within the state of Michigan for examination by the **Board of Directors** or its designated representative.

Continued on Sheet No. B-69.00

Issued **September 25, 2014**
By: Brian Burns
President and CEO
Onaway, Michigan

Effective for service rendered on and
September 29, 2014

Issued under the authority of the Board
of Directors dated **9/29/14**