

**Presque Isle Electric & Gas Co-op**  
**BOARD OF DIRECTORS SPECIAL MEETING**  
**September 29, 2014**

A special meeting of the Board of Directors of Presque Isle Electric & Gas Co-op was held on September 29, 2014 at PIE&G headquarters in Onaway, Michigan. Chairman Brown called the meeting to order at 7:00 p.m.

Roll call was taken with Directors Berg, Brown, Knopf, Krajniak, Peterson, Smith, Wegmeyer, and Wozniak present. Also attending the meeting were Chief Executive Officer Burns, Attorney Werth, Chief Financial Officer Sobeck, Information Systems Manager Kieliszewski, Operations Manager Szymoniak, and Executive Assistant Krzywiecki.

The Pledge of Allegiance was recited.

**INTRODUCTION OF GUESTS**

Member and director candidate Mr. Bob Lyon was present.

**PA 167 OF 2008 – MEMBER REGULATION**

CEO Burn presented a brief history of how Presque Isle Electric & Gas Co-op became Member Regulated under Public Act 167 of 2008.

**ACTION ITEMS**

**2015 Power Supply Cost Recovery (PSCR):** CFO Sobeck explained the analysis of projected energy costs and sales volumes conducted by Wolverine Power Cooperative and PIE&G. A projected overall energy cost to PIE&G with its current PSCR basing point of 87.85 mills/kWh provides for a 2015 PSCR factor of -0.31 mills/kWh. This is a reduction of 1.37 mills/kWh when compared with the 2014 PSCR factor of 1.06 mills/kWh and represents a reduction of approximately 1.00% per month for the average residential monthly account. Management recommended approval of Resolution 2014-MR3 (copy attached). ***A motion by Peterson, seconded by Knopf, to approve Resolution 2014-MR3. A roll call vote was taken with all directors voting in the affirmative. Motion carried.***


**Electric Rate Book Revisions:** It was noted that when the electric rate book was adopted in 2012 when Member Regulation was enacted, a few changes were overlooked. More specifically, Rule 460.1633 refers to the “commission” and it was recommended it be replaced with the term “Board of Directors.” Management recommends approval of Resolution 2014-MR4 (copy attached). ***A motion by***


**Wozniak, seconded by Krajniak, to approve Board Resolution 2014-MR4. A roll call vote was taken with all directors voting in the affirmative. Motion carried.**

Rule 460.1623 refers to the "commission" and "within the state of Michigan" and it was recommended commission should be replaced with "Board of Directors" and the other phrase be removed. In addition, Rule 460.133 refers to "each month" and it is suggested it be replaced with "upon request". Management recommends approval of Resolution 2014-MR5 (copy attached). **A motion by Peterson, seconded by Smith, to approve Board Resolution 2014-MR5. A roll call vote was taken with all directors voting in the affirmative. Motion carried.**

#### ADJOURNMENT

**A motion by Berg, seconded by Knopf, to adjourn the meeting.** There being no further business to come before the Board, Chairman Brown declared the meeting adjourned at 7:20 p.m.

  
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John F. Brown, Chairman

  
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David W. Smith, Secretary

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