

**PRESQUE ISLE ELECTRIC & GAS CO-OP  
SPECIAL BOARD MEETING  
9AM SEPTEMBER 29, 2015**

**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 2016 Power Supply Cost Recovery Factor	
Adjournment	

**Proposed Changes At A Glance**

1. Establish 2016 Power Supply Cost Recovery Factor (PSCR)

**1. Establish the 2016 Power Supply Cost Recovery Factor (PSCR)**

**Existing Situation**

- 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 2015 PSCR Factor was established at -0.031 mills/kWh or -\$0.00031/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 2015 was \$0.08754/kWh or 87.54 mills/kWh.
- o Prior action of the Board has set the PSCR Basing Point to 87.85 mills/kWh.

**Proposed Change**

- o This approval will establish the maximum PSCR Factor for 2016.
- 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 **-1.31** mills/kWh or **-\$0.00131**/kWh. This represents a decrease of \$0.68 per month or 0.69% for the average residential monthly account.

	Basing Point	PSCR Factor	Total Energy Rate
2015	\$ 0.08785	\$ (0.00031)	\$ 0.08754
2016	\$ 0.08785	\$ (0.00131)	\$ 0.08654
	<b>Difference</b>		<b>\$ (0.00100)</b>

- o The proposed change includes an estimated over/under-collection of 2015 power supply costs of \$0. Should actual over-collections for 2015 be higher than forecasted, the cooperative may charge less than the established rate.

**Management Recommends**

- o Establish the 2016 PSCR Factor of **-\$0.00131** per kWh effective with bills rendered on or after February 1, 2016.
- o Management will bring forward the 2015 over/under collection at the first Special Member Regulation Board Meeting of 2016.

# Presque Isle Electric & Gas Co-op

## 2016 PSCR Plan Overview

Line No.

1	Projected Energy Purchases (kWh)		264,122,537
2	Less: Line Losses (7.90%)		20,865,680
3	Projected Energy Sales (kWh)		243,256,857
4	Projected Energy Costs		21,050,264
5	PSCR Rate - \$/kWh (Line 4/Line 3)	\$	0.08654
6	PSCR Base - \$/kWh		<u>0.08785</u>
7	<b>PSCR Factor - \$/kWh (Line 5 - Line 6)</b>	<b>-\$</b>	<b>0.00131</b>
8	PSCR Rate - mills/kWh (Line 4/Line 3)		86.54
9	PSCR Base - mills/kWh		<u>87.85</u>
10	<b>PSCR Factor - mills/kWh (Line 8 - Line 9)</b>		<b>(1.31)</b>

# Presque Isle Electric & Gas Co-op

## 2016 PSCR Plan

### Summary

#### Units

Energy (previous Dec. total)		
Forecast Energy Charge - General	\$ 0.055162	245,872,265
Forecast Energy Charge - C&I	\$ 0.055162	18,250,272
True-up Energy Charge - General	\$ 0.055162	0
True-up Energy Charge - C&I	\$ 0.055162	0
Forecasted Base Demand (Wolv 12CP) General - 2015	\$ 5.9414	446,109
Forecasted Base Demand (Wolv 12CP) C&I - 2015	\$ 5.9414	29,597
True-Up Base Demand (Wolv 12CP) General - 2013	\$ 5.9414	0
True-Up Base Demand (Wolv 12CP) C&I - 2013	\$ 5.9414	0
Forecasted MISO-Coincident Demand (1CP) General - 2013	\$ 5.3601	450,216
Forecasted MISO-Coincident Demand (1CP) C&I - 2013	\$ 5.3601	37,212
True-Up MISO-Coincident Demand (1CP) General - 2011	\$ 5.3601	0
True-Up MISO-Coincident Demand (1CP) C&I - 2011	\$ 5.3601	0
Member's Base Demand Units Total (12 CP) - Current year	NA	475,706
Total Dist. Members Coincident Peak (Wolv 12CP) - Current year	NA	5,839,955
Energy (Total) - Current year	NA	264,122,537
General Energy, % Total Energy	NA	93.1%
General Demand, % Total Demand	NA	100.0%
Member's Share of Coin. Peak - Current Year Actual	NA	8.15%
Member's Share of Coin. Peak - Used for Billing	NA	8.10%
Fuel Clause Adjustment, True Up	NA	0.00000
C&I Credits (Tier A); i.e., average demand > 2,000 kW	\$ 0.009000	0
C&I Credits (Tier B); i.e., average demand > 500 kW	\$ 0.005000	17,682,372
Efficient Electric Heat Credit	\$ 0.030000	3,974,070
Electric Water Heater Credits	\$ 4.50	1,236
Backup Generation	\$ 2.50	0
Dedicated Excluded Facilities Charge	16.98%	0
Shared Excluded Facilities Charge	16.98%	827,417
Substation Maintenance Charge (% charge)	10.34%	7,793,187
Substation Investment Charge (\$/sub)	\$ 2,253.00	18
Substation Investment Charge (\$/sub); shared subs	varies	24
Prepaid Substation Credit	NA	0
Prepaid Excluded Facilities Credit	NA	0
Excess Revenue	NA	0
Other Charges/(Credits)	NA	0

**Dollar Amounts**

Forecast Energy Charge - General	\$ 13,562,806
Forecast Energy Charge - C&I	1,006,722
True-up Energy Charge - General	0
True-up Energy Charge - C&I	0
Forecasted Base Demand (Wolv 12CP) General - 2015	2,650,512
Forecasted Base Demand (Wolv 12CP) C&I - 2015	175,848
True-Up Base Demand (Wolv 12CP) General - 2013	0
True-Up Base Demand (Wolv 12CP) C&I - 2013	0
Forecasted MISO-Coincident Demand (1CP) General - 2013	2,413,203
Forecasted MISO-Coincident Demand (1CP) C&I - 2013	199,460
True-Up MISO-Coincident Demand (1CP) General - 2011	0
True-Up MISO-Coincident Demand (1CP) C&I - 2011	0
Fuel Clause Adjustment, True Up	0
C&I Credits (Tier A); i.e., average demand > 2,000 kW	0
C&I Credits (Tier B); i.e., average demand > 500 kW	(88,412)
Efficient Electric Heat Credit	(119,222)
Electric Water Heater Credits	(66,749)
Backup Generation	0
Dedicated Excluded Facilities Charge	0
Shared Excluded Facilities Charge	11,380
Substation Maintenance Charge (% charge)	805,816
Substation Investment Charge (\$/sub)	500,067
Prepaid Substation Credit	0
Prepaid Excluded Facilities Credit	0
Excess Revenue	0
Other Charges/(Credits)	0
Total	\$ 21,051,430
Non-Energy Components	\$ 2,514,128

**Contribution to Bundled Rate**

Forecast Energy Charge - General	\$	51.35
Forecast Energy Charge - C&I		3.81
True-up Energy Charge - General		
True-up Energy Charge - C&I		
Forecasted Base Demand (Wolv 12CP) General - 2015		10.04
Forecasted Base Demand (Wolv 12CP) C&I - 2015		0.67
True-Up Base Demand (Wolv 12CP) General - 2013		
True-Up Base Demand (Wolv 12CP) C&I - 2013		
Forecasted MISO-Coincident Demand (1CP) General - 2013		9.14
Forecasted MISO-Coincident Demand (1CP) C&I - 2013		0.76
True-Up MISO-Coincident Demand (1CP) General - 2011		
True-Up MISO-Coincident Demand (1CP) C&I - 2011		
Fuel Clause Adjustment, True Up		
C&I Credits (Tier A); i.e., average demand > 2,000 kW		
C&I Credits (Tier B); i.e., average demand > 500 kW		(0.33)
Efficient Electric Heat Credit		(0.45)
Electric Water Heater Credits		(0.25)
Backup Generation		
Dedicated Excluded Facilities Charge		
Shared Excluded Facilities Charge		0.04
Substation Maintenance Charge (% charge)		3.05
Substation Investment Charge (\$/sub)		1.89
Prepaid Substation Credit		
Prepaid Excluded Facilities Credit		
Excess Revenue		
Other Charges/(Credits)		
Total	\$	79.70

**Inputs for Member's PSCR Factor**

Member's Line Losses		7.90000%
Member's Line Losses		20,865,680
Wholesale Purchases - Member's Losses		243,256,857
Member's HQ Energy Use		0
Member's Sales to its Members		243,256,857
Non-PSCR Sales		0
PSCR Sales		243,256,857
Member's HQ Energy Use		0
Prior Year (Over)/Under Collection		0
PSCR Cost		21,051,430
Power Supply Rate Before HQ Use and (O)/U Coll.	\$	86.54
PSCR Rate	\$	86.54
PSCR Base	\$	87.85
PSCR Factor	\$	(1.31)
Member's PSCR Revenue	\$	21,051,448
Member's PSCR Cost		21,051,430
Member's Over/(Under) Collection	\$	18

Presque Isle Electric & Gas  
2016 PSCR Plan comparison to 2015 Budget

2016 PSCR Plan												YTD	
Input by Wolverine	January	February	March	April	May	June	July	August	September	October	November	December	YTD
<b>Input by Member</b>													
<b>Not Included in Budget</b>													
<b>Units</b>													
Energy (previous Dec. total)													
Forecast Energy Charge - General	23,950,824	21,995,000	21,814,267	18,286,100	17,910,734	17,616,300	21,536,579	20,536,100	18,106,178	19,250,300	21,440,200	23,429,683	245,872,265
Forecast Energy Charge - C&I	1,450,400	1,398,648	1,528,500	1,476,075	1,553,200	1,597,950	1,806,704	1,693,544	1,553,250	1,530,867	1,335,950	1,325,184	18,250,272
True-up Energy Charge - General	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Energy Charge - C&I	0	0	0	0	0	0	0	0	0	0	0	0	0
Forecasted Base Demand (Wolv 12CP) General - 2015	39,999	41,575	38,200	31,501	27,675	32,079	43,950	42,690	36,220	33,150	39,075	39,995	446,109
Forecasted Base Demand (Wolv 12CP) C&I - 2015	2,415	2,366	2,501	2,268	2,165	2,662	3,030	2,687	2,519	2,526	2,171	2,287	29,597
True-Up Base Demand (Wolv 12CP) General - 2013	0	0	0	0	0	0	0	0	0	0	0	0	0
True-Up Base Demand (Wolv 12CP) C&I - 2013	0	0	0	0	0	0	0	0	0	0	0	0	0
Forecasted MISO-Coincident Demand (1CP) General - 2013	37,518	37,518	37,518	37,518	37,518	37,518	37,518	37,518	37,518	37,518	37,518	37,518	450,216
Forecasted MISO-Coincident Demand (1CP) C&I - 2013	3,101	3,101	3,101	3,101	3,101	3,101	3,101	3,101	3,101	3,101	3,101	3,101	37,212
True-Up MISO-Coincident Demand (1CP) General - 2011	0	0	0	0	0	0	0	0	0	0	0	0	0
True-Up MISO-Coincident Demand (1CP) C&I - 2011	0	0	0	0	0	0	0	0	0	0	0	0	0
Member's Base Demand Units Total (12 CP) - Current year	42,414	43,941	40,701	33,769	29,840	34,741	46,980	45,377	38,739	35,676	41,246	42,282	475,706
Total Dist. Members Coincident Peak (Wolv 12CP) - Current year	525,395	499,829	465,907	392,951	400,230	481,164	602,742	552,357	518,362	419,281	477,280	504,457	5,839,955
Energy (Total) - Current year	25,401,224	23,393,648	23,342,767	19,762,175	19,463,934	19,214,250	23,343,283	22,229,644	19,659,428	20,781,167	22,776,150	24,754,867	264,122,537
General Energy, % Total Energy	94.3%	94.0%	93.5%	92.5%	92.0%	91.7%	92.3%	92.4%	92.1%	92.6%	94.1%	94.6%	93.1%
General Demand, % Total Demand	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Member's Share of Coin. Peak - Current Year Actual	8.07%	8.79%	8.74%	8.59%	7.46%	7.22%	7.79%	8.22%	7.47%	8.51%	8.64%	8.38%	8.15%
Member's Share of Coin. Peak - Used for Billing	8.10%	8.10%	8.10%	8.10%	8.10%	8.10%	8.10%	8.10%	8.10%	8.10%	8.10%	8.10%	8.10%
Fuel Clause Adjustment, True Up	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
C&I Credits (Tier A); i.e., average demand > 2,000 kW	0	0	0	0	0	0	0	0	0	0	0	0	0
C&I Credits (Tier B); i.e., average demand > 500 kW	1,410,400	1,358,648	1,490,600	1,376,075	1,453,200	1,547,950	1,706,704	1,693,544	1,453,250	1,530,867	1,335,950	1,325,184	17,682,372
Efficient Electric Heat Credit	502,128	638,724	647,315	602,748	477,897	352,760	124,074	51,702	46,182	56,127	162,815	311,598	3,974,070
Electric Water Heater Credits	1,019	1,017	1,389	1,352	1,408	1,297	1,308	1,289	1,153	1,162	1,235	1,204	1,236
Backup Generation	0	0	0	0	0	0	0	0	0	0	0	0	0
Dedicated Excluded Facilities Charge	0	0	0	0	0	0	0	0	0	0	0	0	0
Shared Excluded Facilities Charge	827,417	827,417	827,417	827,417	827,417	827,417	827,417	827,417	827,417	827,417	827,417	827,417	827,417
Substation Maintenance Charge (% charge)	7,793,187	7,793,187	7,793,187	7,793,187	7,793,187	7,793,187	7,793,187	7,793,187	7,793,187	7,793,187	7,793,187	7,793,187	7,793,187
Substation Investment Charge (\$/sub)	18	18	18	18	18	18	18	18	18	18	18	18	18
Prepaid Substation Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Prepaid Excluded Facilities Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Excess Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Charges/(Credits)	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Dollar Amounts</b>													
Forecast Energy Charge - General	\$ 1,321,175	\$ 1,213,288	\$ 1,203,319	\$ 1,008,698	\$ 987,992	\$ 971,750	\$ 1,188,001	\$ 1,132,812	\$ 998,773	\$ 1,061,885	\$ 1,182,684	\$ 1,292,428	\$ 13,562,806
Forecast Energy Charge - C&I	80,007	77,152	84,315	81,423	85,678	88,146	99,661	93,419	85,680	84,446	73,694	73,100	1,006,722
True-up Energy Charge - General	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Energy Charge - C&I	0	0	0	0	0	0	0	0	0	0	0	0	0
Forecasted Base Demand (Wolv 12CP) General - 2015	237,650	247,014	226,961	187,160	164,428	190,594	261,125	253,638	215,198	196,957	232,160	237,626	2,650,512
Forecasted Base Demand (Wolv 12CP) C&I - 2015	14,348	14,057	14,859	13,475	12,863	15,816	18,002	15,965	14,966	15,008	12,899	13,588	175,848
True-Up Base Demand (Wolv 12CP) General - 2013	0	0	0	0	0	0	0	0	0	0	0	0	0
True-Up Base Demand (Wolv 12CP) C&I - 2013	0	0	0	0	0	0	0	0	0	0	0	0	0
Forecasted MISO-Coincident Demand (1CP) General - 2013	201,100	201,100	201,100	201,100	201,100	201,100	201,100	201,100	201,100	201,100	201,100	201,100	2,413,203
Forecasted MISO-Coincident Demand (1CP) C&I - 2013	16,622	16,622	16,622	16,622	16,622	16,622	16,622	16,622	16,622	16,622	16,622	16,622	199,460
True-Up MISO-Coincident Demand (1CP) General - 2011	0	0	0	0	0	0	0	0	0	0	0	0	0
True-Up MISO-Coincident Demand (1CP) C&I - 2011	0	0	0	0	0	0	0	0	0	0	0	0	0
Fuel Clause Adjustment, True Up	0	0	0	0	0	0	0	0	0	0	0	0	0
C&I Credits (Tier A); i.e., average demand > 2,000 kW	0	0	0	0	0	0	0	0	0	0	0	0	0
C&I Credits (Tier B); i.e., average demand > 500 kW	(7,052)	(6,793)	(7,453)	(6,880)	(7,266)	(7,740)	(8,534)	(8,468)	(7,266)	(7,654)	(6,680)	(6,626)	(88,412)
Efficient Electric Heat Credit	(15,064)	(19,162)	(19,419)	(18,082)	(14,337)	(10,583)	(3,722)	(1,551)	(1,385)	(1,684)	(4,884)	(9,348)	(119,222)
Electric Water Heater Credits	(4,586)	(4,577)	(6,251)	(6,084)	(6,336)	(5,837)	(5,886)	(5,801)	(5,189)	(5,229)	(5,558)	(5,418)	(66,749)
Backup Generation	0	0	0	0	0	0	0	0	0	0	0	0	0
Dedicated Excluded Facilities Charge	0	0	0	0	0	0	0	0	0	0	0	0	0
Shared Excluded Facilities Charge	948	948	948	948	948	948	948	948	948	948	948	948	11,380
Substation Maintenance Charge (% charge)	67,151	67,151	67,151	67,151	67,151	67,151	67,151	67,151	67,151	67,151	67,151	67,151	805,816
Substation Investment Charge (\$/sub)	40,554	40,554	40,554	40,554	40,554	42,471	42,471	42,471	42,471	42,471	42,471	42,471	500,067
Prepaid Substation Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Prepaid Excluded Facilities Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Excess Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Charges/(Credits)	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>\$ 1,952,856</b>	<b>\$ 1,847,356</b>	<b>\$ 1,822,707</b>	<b>\$ 1,586,085</b>	<b>\$ 1,549,398</b>	<b>\$ 1,570,440</b>	<b>\$ 1,876,940</b>	<b>\$ 1,808,308</b>	<b>\$ 1,629,070</b>	<b>\$ 1,672,022</b>	<b>\$ 1,812,608</b>	<b>\$ 1,923,643</b>	<b>\$ 21,051,430</b>
Non-Energy Components	\$ 314,023	\$ 309,901	\$ 308,112	\$ 308,804	\$ 311,300	\$ 319,949	\$ 328,153	\$ 328,438	\$ 329,419	\$ 328,733	\$ 324,070	\$ 320,489	\$ 2,514,128

Presque Isle Electric & Gas  
2016 PSCR Plan comparison to 2015 Budget

Input by Wolverine	2016 PSCR Plan												
Input by Member	January	February	March	April	May	June	July	August	September	October	November	December	YTD
Not Included in Budget													
<b>Contribution to Bundled Rate</b>													
Forecast Energy Charge - General	\$ 52.01	\$ 51.86	\$ 51.55	\$ 51.04	\$ 50.76	\$ 50.57	\$ 50.89	\$ 50.96	\$ 50.80	\$ 51.10	\$ 51.93	\$ 52.21	\$ 51.35
Forecast Energy Charge - C&I	3.15	3.30	3.61	4.12	4.40	4.59	4.27	4.20	4.36	4.06	3.24	2.95	3.81
True-up Energy Charge - General													
True-up Energy Charge - C&I													
Forecasted Base Demand (Wolv 12CP) General - 2015	9.36	10.56	9.72	9.47	8.45	9.92	11.19	11.41	10.95	9.48	10.19	9.60	10.04
Forecasted Base Demand (Wolv 12CP) C&I - 2015	0.56	0.60	0.64	0.68	0.66	0.82	0.77	0.72	0.76	0.72	0.57	0.55	0.67
True-Up Base Demand (Wolv 12CP) General - 2013													
True-Up Base Demand (Wolv 12CP) C&I - 2013													
Forecasted MISO-Coincident Demand (1CP) General - 2013	7.92	8.60	8.62	10.18	10.33	10.47	8.61	9.05	10.23	9.68	8.83	8.12	9.14
Forecasted MISO-Coincident Demand (1CP) C&I - 2013	0.65	0.71	0.71	0.84	0.85	0.87	0.71	0.75	0.85	0.80	0.73	0.67	0.76
True-Up MISO-Coincident Demand (1CP) General - 2011													
True-Up MISO-Coincident Demand (1CP) C&I - 2011													
Fuel Clause Adjustment, True Up													
C&I Credits (Tier A); i.e., average demand > 2,000 kW													
C&I Credits (Tier B); i.e., average demand > 500 kW	(0.28)	(0.29)	(0.32)	(0.35)	(0.37)	(0.40)	(0.37)	(0.38)	(0.37)	(0.37)	(0.29)	(0.27)	(0.33)
Efficient Electric Heat Credit	(0.59)	(0.82)	(0.83)	(0.92)	(0.74)	(0.55)	(0.16)	(0.07)	(0.07)	(0.08)	(0.21)	(0.38)	(0.45)
Electric Water Heater Credits	(0.18)	(0.20)	(0.27)	(0.31)	(0.33)	(0.30)	(0.25)	(0.26)	(0.26)	(0.25)	(0.24)	(0.22)	(0.25)
Backup Generation													
Dedicated Excluded Facilities Charge													
Shared Excluded Facilities Charge	0.04	0.04	0.04	0.05	0.05	0.05	0.04	0.04	0.05	0.05	0.04	0.04	0.04
Substation Maintenance Charge (% charge)	2.64	2.87	2.88	3.40	3.45	3.49	2.88	3.02	3.42	3.23	2.95	2.71	3.05
Substation Investment Charge (\$/sub)	1.60	1.73	1.74	2.05	2.08	2.21	1.82	1.91	2.16	2.04	1.86	1.72	1.89
Prepaid Substation Credit													
Prepaid Excluded Facilities Credit													
Excess Revenue													
Other Charges/(Credits)													
<b>Total</b>	<b>\$ 76.88</b>	<b>\$ 78.97</b>	<b>\$ 78.08</b>	<b>\$ 80.26</b>	<b>\$ 79.60</b>	<b>\$ 81.73</b>	<b>\$ 80.41</b>	<b>\$ 81.35</b>	<b>\$ 82.86</b>	<b>\$ 80.46</b>	<b>\$ 79.58</b>	<b>\$ 77.71</b>	<b>\$ 79.70</b>
<b>Inputs for Member's PSCR Factor</b>													
Member's Line Losses	7.90%	7.90%	7.90%	7.90%	7.90%	7.90%	7.90%	7.90%	7.90%	7.90%	7.90%	7.90%	7.90000%
Member's Line Losses	2,006,697	1,848,098	1,844,079	1,561,212	1,537,651	1,517,926	1,844,119	1,756,142	1,553,095	1,641,712	1,799,316	1,955,634	20,865,680
Wholesale Purchases - Member's Losses	23,394,527	21,545,550	21,498,688	18,200,963	17,926,283	17,696,324	21,499,164	20,473,502	18,106,333	19,139,455	20,976,834	22,799,233	243,256,857
Member's HQ Energy Use	0	0	0	0	0	0	0	0	0	0	0	0	0
Member's Sales to its Members	23,394,527	21,545,550	21,498,688	18,200,963	17,926,283	17,696,324	21,499,164	20,473,502	18,106,333	19,139,455	20,976,834	22,799,233	243,256,857
Non-PSCR Sales	0	0	0	0	0	0	0	0	0	0	0	0	0
PSCR Sales	23,394,527	21,545,550	21,498,688	18,200,963	17,926,283	17,696,324	21,499,164	20,473,502	18,106,333	19,139,455	20,976,834	22,799,233	243,256,857
Member's HQ Energy Use	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Year (Over)/Under Collection	0	0	0	0	0	0	0	0	0	0	0	0	0
PSCR Cost	1,952,855	1,847,356	1,822,707	1,586,085	1,549,398	1,570,440	1,876,940	1,808,308	1,629,070	1,672,022	1,812,608	1,923,643	21,051,430
Power Supply Rate Before HQ Use and (O)/U Coll.	\$ 83.47	\$ 85.74	\$ 84.78	\$ 87.14	\$ 86.43	\$ 88.74	\$ 87.30	\$ 88.32	\$ 89.97	\$ 87.36	\$ 86.41	\$ 84.37	\$ 86.54
PSCR Rate	\$ 86.54	\$ 86.54	\$ 86.54	\$ 86.54	\$ 86.54	\$ 86.54	\$ 86.54	\$ 86.54	\$ 86.54	\$ 86.54	\$ 86.54	\$ 86.54	\$ 86.54
PSCR Base	\$ 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	\$ (1.31)	\$ (1.31)	\$ (1.31)	\$ (1.31)	\$ (1.31)	\$ (1.31)	\$ (1.31)	\$ (1.31)	\$ (1.31)	\$ (1.31)	\$ (1.31)	\$ (1.31)	\$ (1.31)
Member's PSCR Revenue	\$ 2,024,562	\$ 1,864,552	\$ 1,860,496	\$ 1,575,111	\$ 1,551,341	\$ 1,531,440	\$ 1,860,538	\$ 1,771,777	\$ 1,566,922	\$ 1,656,328	\$ 1,815,335	\$ 1,973,046	\$ 21,051,448
Member's PSCR Cost	1,952,855	1,847,356	1,822,707	1,586,085	1,549,398	1,570,440	1,876,940	1,808,308	1,629,070	1,672,022	1,812,608	1,923,643	21,051,430
Member's Over/(Under) Collection	\$ 71,707	\$ 17,196	\$ 37,789	\$ (10,974)	\$ 1,943	\$ (39,000)	\$ (16,402)	\$ (36,531)	\$ (62,148)	\$ (15,693)	\$ 2,727	\$ 49,403	\$ 18



**PRESQUE ISLE ELECTRIC & GAS CO-OP  
BOARD RESOLUTION  
SEPTEMBER 29, 2015**

**RESOLUTION 2015-MR-07  
2016 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 86.54 mills/kWh or \$0.08654/kWh which, when combined with PIE&G's current PSCR basing point of 87.85 mills/kWh provides for a 2016 PSCR Factor of -1.31 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 2016 PSCR Factor of -1.31 mills/kWh or -\$0.00131/kWh effective with all bills rendered on or after February 1, 2016 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, 2015.

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 2016, the Power Supply Cost Recovery Factor is **(\$0.00131)** per kWh. The allowance for cost of power supply included in base rates is \$0.08785 per kWh.

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Issued: **September 29, 2015**  
By: Brian Burns  
President and CEO  
Onaway, Michigan

Effective for bills rendered on and after  
after **February 1, 2016.**

Issued under authority of the Board of  
Directors dated **09/29/15**

## Residential Bill Comparison as of October 1, 2015

	Residential Monthly Current	<b>Residential Monthly Proposed</b>	Residential Seasonal Current	<b>Residential Seasonal Proposed</b>
Consumption	660	660	2455	2455
kwh rate*	0.11602	0.11602	0.16165	0.16165
Consumption Charge	\$76.57	\$76.57	\$396.85	\$396.85
Monthly Service Charge	\$18.00	\$18.00	\$228.00	\$228.00
PSCR Factor	-0.00031	-0.00131	-0.00031	-0.00131
PSCR Charge	-\$0.20	-\$0.86	-\$0.76	-\$3.22
LIEAF Charge	\$0.97	\$0.97	\$0.97	\$0.97
Tax	\$3.71	\$3.69	\$24.74	\$24.64
Total Bill	\$99.05	\$98.37	\$649.80	\$647.24
		<b>(\$0.68)</b>		<b>(\$2.56)</b>
		<b>-0.69%</b>		<b>-0.39%</b>

\*Includes the EO Charge of \$0.00229/kWh