

Presque Isle Electric & Gas Co-op
MEMBER REGULATION MEETING
March 22, 2016

A special meeting of the Board of Directors of Presque Isle Electric & Gas Co-op was held on March 22, 2016 at PIE&G headquarters in Onaway, Michigan. Chairman Brown called the meeting to order at 9:00 a.m.

Roll call was taken with Directors, Berg, Borowicz, Brown, Knopf, Krajniak, Lucas, Peterson, Smith, and Wozniak in attendance. A quorum was present. Also attending were Chief Executive Officer Burns, Attorney Werth, Chief Financial Officer Sobeck, Information Systems Manager Kieliszewski, Operations Manager Szymoniak, and Executive Assistant DeMaestri.

Chairman Brown moved to amend the agenda to seat Director Lucas at the Member Regulation Meeting instead of at the Regular Board Meeting because he will be asked to vote on the member regulation resolutions. ***A motion by Peterson, seconded by Borowicz to seat Director Brentt Lucas at the 9:00 a.m. Member Regulation Meeting. Ayes -all, motion carried.***

Public Act 167 of 2008: The Electric Cooperative Member Regulation Act: CEO Burns provided a summary of PA 167 and highlighted the process and rationale for becoming a member regulated cooperative.

GUESTS & MEMBER COMMENT

No guests or members were in attendance.

ACTION ITEMS

CFO Sobeck indicated there were two (2) items for the board's consideration and action and referred to the information distributed earlier.

1. **Reconcile 2015 Power Supply Cost Recovery (PSCR) Factor Collections:** It was reported that PIE&G experienced an over-collection of power supply costs for the 12 month period ending December 31, 2015 which will result in a reduced factor for 2016. ***A motion was made by Krajniak, supported by Knopf, to accept management's 2015 Electric PSCR factor collection analysis, which indicates an over-collection of \$131,244.23 and directs management to continue refunding this amount to the membership through the use of the 2016 PSCR factor. A roll call vote was taken with all directors voting in the affirmative. Motion carried by a 9-0 vote. (Refer to Board Resolution 2016 MR-1 attached.)***

2. **Review and accept the 2015 Electric Operations TIER Analysis:** The TIER analysis for the 2015 electric operating year indicated an adjusted TIER of 1.60, which falls within the TIER range of 1.6 to 2.2. ***A motion was made by***

Wozniak, supported by Borowicz, to accept management's 2015 Electric TIER analysis that indicated an adjusted TIER of 1.60 and no adjustment in revenue is required. A roll call vote was taken with all directors voting in the affirmative. Motion carried by a 9-0 vote. (Refer to Board Resolution 2016 MR-2 attached.)

There being no further business to come before the board, Chairman Brown adjourned the meeting at 9:06 a.m.



John F. Brown, Chairman



David W. Smith, Secretary

/ddm

EXHIBIT