

**Presque Isle Electric & Gas Co-op**  
**SPECIAL BOARD MEETING**  
**September 26, 2017**

A special meeting of the Board of Directors of Presque Isle Electric & Gas Co-op was held on September 26, 2017 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 Sobeck, Attorney at Law Michael Ekdahl, Operations Manager Szymoniak, Information Systems Manager Kieliszewski, IT Security/Computer Systems Specialist Hartung, System Engineer Repke, Supply Chain Manager Stempky, Executive Assistant DeMaestri.

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

**GUESTS & MEMBER COMMENT**

There were no guests in attendance.


**ACTION ITEMS**

CEO Sobeck indicated there were two (2) items for the board's consideration and referred to the information provided in the packet.

1. **2018 Power Supply Cost Recovery (PSCR) Factor:** CEO Sobeck explained the results of 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 2018 PSCR factor of -0.59 mills/kWh. This is a decrease of 1.46 mills/kWh when compared with the 2017 PSCR factor of 0.87 mills/kWh and represents a decrease of approximately 1.09% per month for the average residential monthly account. Management recommended approval of Resolution 2017 MR-05. *A motion was made by Berg, supported by Knopf, to adopt 2017-MR05. A roll call vote was taken with all directors voting in the affirmative. Motion carried by a 9-0 vote. (Refer to Board Resolution 2017 MR-05 attached.)*
  
2. **Revise Rate Book Language:** *A motion was made by Smith, supported by Berg, to accept the proposed revisions to the Electric Rate Book. A roll call vote was taken with all directors voting in the affirmative. Motion carried by a 9-0 vote. (Refer to Board Resolution 2017 MR-06 attached.)*

There being no further business to come before the board, Chairman Brown adjourned the meeting at 9:13 a.m.

  
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John F. Brown, Chairman

  
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Sandra Borowicz, Secretary

/ddm

**PRESQUE ISLE ELECTRIC & GAS CO-OP  
BOARD RESOLUTION  
SEPTEMBER 26, 2017**

**RESOLUTION 2017-MR-05  
2018 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 87.26 mills/kWh or \$0.08726/kWh which, when combined with PIE&G's current PSCR basing point of 87.85 mills/kWh provides for a 2018 PSCR Factor of -0.59 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 2018 PSCR Factor of -0.59 mills/kWh or \$0.00059/kWh effective with all bills rendered on or after February 1, 2018 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, Sandra Borowicz, 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 26, 2017.

By: Sandra Borowicz  
Sandra Borowicz, Secretary  
Dated: September 26, 2017

PRESQUE ISLE ELECTRIC & GAS CO-OP  
BOARD RESOLUTION  
SEPTEMBER 26, 2017

RESOLUTION 2017-MR-06  
ELECTRIC RATE BOOK REVISIONS

**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 staff has reviewed the current Rate Book and determined that revisions to the non-residential billing rules to reflect the Cooperative's member regulated status; and

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

**NOW BE IT HEREBY RESOLVED** that the PIE&G Board of Directors accepts the proposed revisions and directs staff to amend the appropriate tariffs in its Electric Rate Book.

CERTIFICATION

I, Sandra Borowicz, 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 26, 2017.

By: Sandra Borowicz  
Sandra Borowicz, Secretary

Dated: September 26, 2017

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**B4 BILLING PRACTICES APPLICABLE TO NON-RESIDENTIAL  
ELECTRIC AND GAS MEMBERS  
(CONT'D FROM SHEET NO. B-58.00)**

- (v) A meter switched by the Cooperative or Cooperative representative.
- (vi) An incorrect application of the rate schedule.
- (vii) Other similar act or omission by the Cooperative in determining the amount of a member's bill. An undercharge or overcharge that is caused by a non-registering meter, a metering inaccuracy, ~~or the use of an estimated meter read on a member read is not a~~ billing error. "Board of Directors" means the directors of Presque Isle Electric & Gas Co-op.
- (d) ~~"Commission" means the Michigan public service commission.~~
- (e) "Complaint determination" means the written decision of a hearing officer after an informal hearing.
- (f) "Member" means a purchaser of electricity or natural gas that is supplied or distributed by the Cooperative for non-residential purposes, including service to schools and centrally metered apartment buildings.
- (g) "Existing member" means a member who has been receiving service continuously for at least the last 6 months.
- (h) "Hearing officer" means a notary public who is qualified to administer oaths to conduct informal small commercial member complaint hearings against the Cooperative company and who is on a list on file with the ~~commission.~~ Board of Directors.
- (i) "Informal appeal" means an appeal of a complaint determination of a hearing officer made to the ~~commission staff.~~ Board of Directors.
- (j) "Informal hearing" means a dispute resolution process for small commercial members that is administered by a hearing officer.
- (k) "Meter" means a device that measures the quantity of gas used by a member, including a device that measures the heat content of gas or a device that measures and registers the amount of electrical power used.

Continued on Sheet No. B-60.00

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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-59.00)**

(l) "Positive identification information" means a consistently used appropriate identification including, but not limited to:

(i) A driver's license or ID card issued by a state, U.S. military card, military dependent's ID card, native American tribal document, or passport.

(ii) Articles of incorporation, tax identification documents, business license, certificate of authority, or similar documents proving identity of a business.

~~(m) "Regulation officer" means a member of the commission staff who resolves complaints in accordance with these rules.~~

 (m) ~~(m)~~ "Settlement agreement" means a documented agreement that is entered into by a member and the Cooperative and that resolves any matter in dispute or provides for the payment of amounts not in dispute over a reasonable period of time.

(n) ~~(n)~~ "Small commercial member" means a non-residential member with usage of 200 Mcf of gas or less per year or 15,000 kWh of electric usage or less per year.

(o) ~~(o)~~ "Space heating season" means the period from November 1 through March 31.

(p) ~~(p)~~ "Unauthorized use of Cooperative service" means theft, fraud, interference, or diversion of service, including but not limited to, meter tampering (for example, any act which affects the proper registration of service through a meter), bypassing (for example, unmetered service that flows through a device connected between a service line and member facilities), and service restoration by anyone other than the Cooperative or its representative.

(q) ~~(q)~~ "Utility" means a person, firm, corporation, cooperative, association, or other legal entity that is subject to the jurisdiction of the commission and that distributes or sells electricity or natural gas for nonresidential use.

**R 460.1603 Discrimination prohibited.**

Rule 3. The Cooperative shall not discriminate against or penalize a member for exercising any right granted by these rules.

Continued on Sheet No. B-61.00

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)**

The Cooperative has the burden of proof by a preponderance of the evidence. Move this line up to sheet B-74 at bottom of page.

- (3) (2) All witnesses who appear for either party shall testify under oath.
- (4) (3) 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.
- (5) (4) 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.
- (6) (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.
- (7) (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

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

Effective for service rendered on and  
**November 1, 2014**

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