

**Presque Isle Electric & Gas Co-op**  
**SPECIAL BOARD MEETING**  
**September 25, 2018**

A special meeting of the Board of Directors of Presque Isle Electric & Gas Co-op was held on September 25, 2018 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 Arbour, Berg, Borowicz, Brown, Knopf, Krajniak, Lucas, Peterson, and Wozniak in attendance. A quorum was present. Also attending were Chief Executive Officer Sobeck, Attorney at Law Michael Ek Dahl, Chief Financial Officer Stempky, Operations Manager Szymoniak, Information Systems Manager Kieliszewski, Director of Administration & Controller Cryderman, IT Security/Computer Systems Specialist Hartung, and 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**

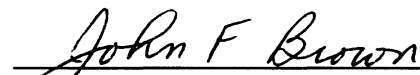
Mr. Peter Redmond of Cheboygan was in attendance.

**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. **2019 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 2019 PSCR factor of -7.57 mills/kWh. This is a decrease of 6.98 mills/kWh when compared with the 2018 PSCR factor of -0.59 mills/kWh and represents a decrease of approximately 5.04% per month for the average residential monthly account. Management recommended approval of Resolution 2018-MR-03. ***A motion was made by Berg, supported by Krajniak, to adopt 2018-MR-03. A roll call vote was taken with all directors voting in the affirmative. Motion carried by a 9-0 vote. (Refer to Board Resolution 2018-MR-03 attached.)***
  
2. **Revise Rate Book Language:** ***A motion was made by Berg, supported by Krajniak, 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 2018-MR-04 attached.)***

There being no further business to come before the board, Chairman Brown adjourned the meeting at 9:26 a.m.

  
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John F. Brown, Chairman  
/ddm

  
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Sandra Borowicz, Secretary

**PRESQUE ISLE ELECTRIC & GAS CO-OP  
BOARD RESOLUTION  
SEPTEMBER 25, 2018**

**RESOLUTION 2018-MR-03  
2019 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 an overall energy cost of 80.28 mills/kWh or \$0.08028/kWh which, when combined with PIE&G's current PSCR basing point of 87.85 mills/kWh provides for a 2019 PSCR Factor of -7.57 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 2019 PSCR Factor of -7.57 mills/kWh or \$0.00757/kWh effective with all bills rendered on or after February 1, 2019 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 25, 2018.

By: Sandra Borowicz  
Sandra Borowicz, Secretary

Dated: September 25, 2018

**PRESQUE ISLE ELECTRIC & GAS CO-OP  
BOARD RESOLUTION  
SEPTEMBER 25, 2018**

**RESOLUTION 2018-MR-04  
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 changes to the Buy All/Sell All Renewable Energy Program offered by Wolverine Power Cooperative; and

**WHEREAS**, PIE&G's staff has recommended revisions to Tariff Sheets D-22.00 – D-22.02 to accommodate the changes in Wolverine Power Cooperative's Buy All/Sell All program; and

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

**NOW BE IT HEREBY RESOLVED** that the PIE&G Board of Directors accepts the proposed revisions to tariff sheets D-22.00 – D-22.02 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 25, 2018.

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