

**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 and 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