

Presque Isle Electric & Gas Co-op
SPECIAL BOARD MEETING
March 26, 2019

A special meeting of the Board of Directors of Presque Isle Electric & Gas Co-op was held on March 26, 2019 at PIE&G headquarters in Onaway, Michigan. Chairman Brown called the meeting to order at 9:25 a.m.

Roll call was taken with Directors Arbour, Berg, Borowicz, Brown, Knopf, Krajniak, Lucas, Peterson and Wozniak present. A quorum was present. Also attending were Chief Executive Officer Sobeck, Chief Financial Officer Stempky, Attorney Ekdahl, Information Systems Manager Kieliszewski, Director of Administration & Controller Cryderman, IT SEC/CSS 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.

REVIEW ITEMS

CFO Sobeck indicated there was one (1) item for the board's consideration and discussed the following;

- 1. Reconcile 2018 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, 2018 in the amount of \$879,343.17 and management is currently refunding this amount to the membership through the use of the 2019 PSCR Factor. Discussion ensued.

GUESTS & MEMBER COMMENT

No guests or members were in attendance.

ACTION ITEMS

- 1. Reconcile 2018 Power Supply Cost Recovery (PSCR) Factor Collections:** *A motion was made by Krajniak, supported by Knopf, to accept management's 2018 Electric PSCR Factor reconciliation analysis, which indicates an over-collection of \$879,343.17 and directs management to continue refunding this amount to the membership through the use of the 2019 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 2019-MR-01 attached.)*

There being no further business to come before the board, Chairman Brown adjourned the meeting at 9:28 a.m.

John F. Brown
John F. Brown, Chairman

Sandra Borowicz
Sandra Borowicz, Secretary

/ddm

APPROVED

**PRESQUE ISLE ELECTRIC & GAS CO-OP
BOARD RESOLUTION
MARCH 26, 2019**

**RESOLUTION 2019-MR-01
2018 POWER SUPPLY COST RECOVERY (PSCR) FACTOR
RECONCILIATION**

WHEREAS, PIE&G transitioned to member-regulation with an effective date of September 23, 2012 thus providing that its electric rates, charges, accounting standards, billing practices, and terms and conditions of service are under authority of the board of directors and not the Michigan Public Service Commission (MPSC); and

WHEREAS, PIE&G staff has reviewed the 2018 PSCR Factor reconciliation exhibits with the Board of Directors; and

WHEREAS, the 2018 PSCR Factor reconciliation indicates that PIE&G has experienced a cumulative over-collection of power supply costs of \$879,343.17 for the 12 month period ending December 31, 2018; and

WHEREAS, PIE&G has incorporated the over-collection of \$879,343.17 into its 2019 PSCR Factor application.

NOW BE IT HEREBY RESOLVED that the PIE&G Board of Directors accepts management's 2018 ELECTRIC PSCR Factor reconciliation analysis, which indicates an over-collection of \$879,343.17 and directs management to continue refunding this amount to the membership through the use of the 2019 PSCR Factor.

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 March 26, 2019

By: Sandra Borowicz
Sandra Borowicz, Secretary

Dated: March 26, 2019