

**PRESQUE ISLE ELECTRIC & GAS CO-OP
SPECIAL BOARD MEETING
9:25 A.M. March 26, 2019**

AGENDA

Call to Order – Chairman Brown

Roll Call

PA167 of 2008: The Electric Cooperative Member-Regulation Act – CEO Sobeck

Review Items:

1. Accept 2018 Power Supply Cost Recovery (PSCR) Factor Reconciliation

Member Comment – CEO Sobeck

Action Items:

1. Accept 2018 Power Supply Cost Recovery (PSCR) Factor Reconciliation

Adjournment

Proposed Changes At A Glance

1. Reconcile 2018 Power Supply Cost Recovery Factor Collections		
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1. Reconcile 2018 Power Supply Cost Recovery (PSCR) Factor Collections

Existing Situation	Proposed Action	Management Recommends
<ul style="list-style-type: none"> o Power supply costs from Wolverine Power Supply Cooperative (WPSC) are passed through at cost to the members of Presque Isle Electric & Gas Co-op. o PIE&G, working with WPSC establishes a factor to collect or return power supply costs (PSCR) that are above or below the base energy rates, based upon cost and sales forecasts. o This PSCR Factor collection is reconciled annually with actual costs and the difference is either returned or charged to the membership. o The reconciliation for the 12 month period ending December 31, 2018 indicates that there was an over-collection of \$879,343.17 This amount has been rolled into the 2019 PSCR factor and is currently being refunded to the membership throughout the 2019 calendar year. 	<ul style="list-style-type: none"> o Accept the reconciliation of the 2018 PSCR Factor cumulative over-collection of \$879,343.17. 	<ul style="list-style-type: none"> o Approval of the Proposed Power Supply Cost Recovery Reconciliation net over-recovery of \$879,343.17. o The over-collection of \$879,343.17 will continue to be refunded for the remainder of the 2019 calendar year.

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**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, Secretary

Dated: _____

MICHIGAN DEPARTMENT OF COMMERCE
PUBLIC SERVICE COMMISSION
MONTHLY REPORT OF POWER SUPPLY COST

This form is authorized by Act 3, P.A. 1939,
as amended. Filing of this form is voluntary.
However, failure to file this form or an alter-
native submission approved by the Commission
will place you in violation of the Act.

INSTRUCTIONS

When completed, a copy of all bills for power and fuel, and any worksheets or other documents required to support the data reported herein are to be mailed to: MICHIGAN DEPARTMENT OF COMMERCE, PUBLIC SERVICE COMMISSION, Electric Division - Audit, 6545 Mercantile, P.O. Box 30221, Lansing, Michigan 48909. Alternatively, any of the above documentation may be submitted in a microcomputer readable format approved by MPSC Staff.

For assistance or clarification, please contact the Public Service Commission Staff at: (Area Code 517) 334-6416

STATUTORY REFERENCE

Section 6j(11) of Act 3, P.A. 1939, as amended, sets forth: "(1) Not more than 45 days following the last day of each billing month in which a power supply cost recovery factor has been applied to customer's bills, the utility shall file with the commission a detailed statement for that month of the revenues recorded pursuant to the power supply cost recovery factor and the allowances for cost of power supply included in the base rates established in the latest commission order for the utility, and the cost of power supply. The detailed statement shall be in the manner and form prescribed by the commission. The commission shall establish procedures for insuring that the detailed statement is promptly verified and corrected if necessary."

1. NAME OF REPORTING UTILITY:	PRESQUE ISLE ELECTRIC COOPERATIVE
2. THIS REPORT FILED FOR THE COST MONTH OF:	December 2018
3. IS THIS REPORT SUBMITTED AS AN ORIGINAL OR REVISION? IF THIS IS A REVISION, ATTACH AN EXPLANATION.	Original
4. DATE OF REPORT SUBMISSION:	None-Member Regulated
5. UTILITY REPRESENTATIVE TO WHOM QUESTIONS REGARDING THIS REPORT MAY BE DIRECTED - NAME:	Dawn Cryderman
PHONE No. (include area code):	(989) 733-8515
6. POWER SUPPLY COST RECOVERY FACTOR AUTHORIZED (or requested):	mills per kWh -0.590

NAME OF REPORTING UTILITY: PRESQUE ISLE ELECTRIC COOPERATIVE

7. REVENUES RECORDED PURSUANT TO THE POWER SUPPLY COST RECOVERY FACTOR AND THE ALLOWANCE FOR POWER SUPPLY INCLUDED IN BASE RATES FOR THIS MONTH:		
a. kWh sales subject to the PSCR clause are:	kWh	20,886,634
b. Applied PSCR factor:	mills per kWh	0.217833725
c. PSCR factor revenues: (a * b)		\$ 4,549.81
d. Allowance for power supply included in case rates:	mills per kWh	87.85
e. Revenues collected pursuant to allowance for power supply included in base rates: (a * d)		\$ 1,834,890.80
f. TOTAL POWER SUPPLY COST REVENUE: (c + e)		\$ 1,839,440.61
8. THE TOTAL COST OF POWER (from attached worksheets) APPLICABLE TO SALES REPORTED ABOVE:		
		\$ 1,672,035.87
9. MONTHLY OVER(UNDER) COLLECTION : (7f-8)		
		\$ 167,404.74
10. TOTAL OVER/(UNDER) COLLECTION THIS PSCR YEAR		
		\$ 888,463.75

11. Is there a major difference between actual and projected costs this month: Please circle Yes or No (if yes, please explain)
NO

12. Do you anticipate any significant changes which would have an effect on next month's projected costs? Please circle Yes or No (if yes, briefly explain the change)

NO

13. Authorized refund/surcharge this month due to reconciliation of prior year(s) PSCR:

MEMBER REGULATED	PSCR YEAR	2017 Roll In	Seasonal	Year to Date	Remaining
Auth.PSCR adj.(m/kWh)					
Auth.PSCR adj.(dollars)		\$ (26,693.65)	\$ (2,338.85)	\$ (27,377.72)	\$ 684.07
MEMBER REGULATED	PSCR YEAR	2017 Roll In	Monthly	Year to Date	Remaining
Auth.PSCR adj.(m/kWh)					
Auth.PSCR adj.(dollars)		\$ (164,387.86)	\$ (14,534.08)	\$ (172,824.38)	\$ 8,436.52

NAME OF REPORTING UTILITY :	PRESQUE ISLE ELECTRIC COOPERATIVE			PRESQUE ISLE ELECTRIC COOPERATIVE				
	2018			YEAR TO DATE				
	(ag)	(ah)	(ai)	(aj)	(ak)	(al)		
PURCHASED POWER	*UNITS	\$	\$/Unit	*UNITS	\$	\$/Unit		
FROM WOLVERINE								
1 Energy-A	22,667,947	\$ 1,152,755.78	0.050854	256,595,789	\$ 13,048,922.27	0.050854		
2 Energy-C&I	841,193	\$ 42,778.03	0.050854	10,739,266	\$ 546,134.62	0.050854		
3 C & I Energy Credit	841,193	\$ (4,205.97)	(0.005000)	10,739,266	\$ (53,696.34)	(0.005000)		
5 Total Energy	23,509,140	\$ 1,191,327.84	0.050675	267,335,055	\$ 13,541,360.56	0.050653		
6 Demand-Rate A	38,247	\$ 245,526.62	6.419500	495,416	\$ 3,180,323.02	6.419500		
7 Demand-Rate C & I	1,160	\$ 7,446.62	6.419500	14,895	\$ 95,618.48	6.419502		
8 Miso-Demand Rate A	38,618	\$ 247,691.99	6.413900	463,416	\$ 2,972,303.88	6.413900		
9 Miso-Demand Rate C & I	1,654	\$ 10,608.59	6.413900	19,848	\$ 127,303.12	6.413902		
12 Load Management Credits		\$ (14,092.53)			\$ (\$163,202.64)			
13 Substation Fixed Charge	18	\$ 40,554.00	\$ 2,253.00	252	\$ 486,648.00	1931.142857		
14 Substation Investment Charge		\$ 67,323.51	Varies		\$ 809,094.17	Varies		
15 Dedicated Excluded Facilities		\$ -	Varies		\$ -	Varies		
16 Shared Excluded Facilities		\$ 725.39	Varies		\$ 8,704.68	Varies		
17 True Ups Billed		\$ 3,528.72			\$ 25,034.15	Varies		
18 TOTAL WPSC	23,509,140	\$ 1,800,640.75	0.076593	267,335,055	\$ 21,083,187.43	0.078864		
18B WPSC True Ups Already Booked		\$ (3,528.72)			\$ (25,034.15)			
18C Actual WPSC True Up		\$ -			\$ -			
18D Estimated WPSC True Up		\$ (125,184.85)			\$ (125,184.85)			
18F Final WPSC After True Up		\$ 1,671,927.18	0.071118		\$ 20,932,968.43	0.000000		
18N Total NEG Purchases	562	\$ 108.69	0.193399	36,752	\$ 4,055.61	0.110351		
19 Total kWh Purchase & Cost	23,509,702	\$ 1,672,035.87	0.071121	267,371,807	\$ 20,937,024.04	0.078307		
20 Less: Line Loss	2,623,068		0.111573852	19,545,934		0.073104		
21 kWh Available for Use	20,886,634	\$ 1,672,035.87	0.08005291	247,825,873	\$ 20,937,024.04	0.084483		
22 PSCR SALES & POWER COSTS	20,886,634	\$ 1,672,035.87	0.080053	247,825,873	\$ 20,937,024.02	0.084483		
PSCR OVER/(UNDER) RECOVERY								
	<u>BASE</u>	<u>FACTOR</u>	<u>TOTAL</u>	<u>BASE</u>	<u>FACTOR</u>	<u>TOTAL</u>		
A. PSCR REVENUE								
23 1. Mills/kWh	87.8500	0.217834	88.0678	87.850000	0.2178	88.067834		
24 2. PSCR Sales	20,886,634	20,886,634	20,886,634	247,825,873	247,825,873	247,825,873		
25 3. PSCR Revenue [(1*2)/1000]	\$ 1,834,890.80	\$ 4,549.81	\$ 1,839,440.61	21,771,503	\$ 53,984.83	\$ 21,825,487.78		
26 C. PSCR COST			\$ 1,672,035.87			\$ 20,937,024.02		
27 D. OVER/(UNDER) RECOVERY			\$ 167,404.74			\$ 888,463.75		
Current Year to Date			\$ 888,463.74			\$ 888,463.74		
Surcharge Distribution:	<u>kWh</u>	<u>Recovery</u>	<u>FACTOR</u>	<u>kWh</u>	<u>Recovery</u>	<u>Surcharge Remaining; Target Recovery</u>	<u>Est pscr kWh;</u>	<u>Adjustment</u>
Prior Year Monthly - 2017	17,991,419	\$ (14,534.08)	(0.807834)	213,935,581	\$ (172,824.38)	\$ 8,436.52	\$ (164,387.86)	204,433,271
Prior Year Seasonal - 2017	2,895,215	\$ (2,338.85)	(0.807834)	33,890,292	(27,377.72)	684.07	(26,693.65)	32,102,422
Total		\$ (16,872.93)	(0.807834)	247,825,873	(200,202.10)	9,120.59	(191,082)	236,535,693
Combined PSCR	20,886,634	\$ (12,323.11)	(0.59)	247,825,873	(146,217)	(0.59000)		