

**PRESQUE ISLE ELECTRIC & GAS CO-OP
SPECIAL BOARD MEETING
9 A.M. June 23, 2020**

AGENDA

Call to Order – Chairman Berg

Roll Call

PA167 of 2008: The Electric Cooperative Member-Regulation Act – CFO Stempky

Review Items:

1. Accept 2019 Power Supply Cost Recovery (PSCR) Factor Reconciliation
2. Accept 2019 Electric Operations TIER Analysis
3. Approve changes to PIE&G Rate Book to identify Standard and Nonstandard Meters and Opt-out procedures and fees for Automated Metering Infrastructure (AMI).

Member Comment – CFO Stempky

Action Items:

1. Accept 2019 Power Supply Cost Recovery (PSCR) Factor Reconciliation
2. Accept 2019 Electric Operations TIER Analysis
3. Approve changes to the PIE&G Rate Book to accommodate Opt Out provisions and fees for Presque Isle's AMI system.

Adjournment

Proposed Changes At A Glance

<p>1. Reconcile 2019 Power Supply Cost Recovery Factor Collections</p> <p>2. Review and accept the 2019 TIER Analysis.</p>	<p>3. Revise PIE&G's Rate Book Sheet A-6.01 to define Standard and Non-Standard Meters. Revise Sheet D-5.01 of Residential Service Schedule A to provide Opt Out procedures and fees for Automated Metering Infrastructure (AMI).</p>	
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1. Reconcile 2019 Power Supply Cost Recovery (PSCR) Factor Collections

<p>Existing Situation</p> <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, 2019 indicates that there was an under-collection of \$199,400.87. This amount has been rolled into the 2020 PSCR factor and is currently being collected from the membership throughout the 2020 calendar year. 	<p>Proposed Action</p> <ul style="list-style-type: none"> o Accept the reconciliation of the 2019 PSCR Factor cumulative under-collection of \$199,400.87. 	<p>Management Recommends</p> <ul style="list-style-type: none"> o Approval of the Proposed Power Supply Cost Recovery Reconciliation net under-recovery of \$199,400.87. o The under-collection of \$199,400.87 will continue to be collected for the remainder of the 2020 calendar year.
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2. Review and accept the 2019 TIER Analysis

<p>Existing Situation</p> <ul style="list-style-type: none"> o The TIER analysis based upon the 2019 operating year indicates an Adjusted TIER of 1.60. Management has reviewed this analysis with the board. 	<p>Proposed Action</p> <ul style="list-style-type: none"> o Accept the 2019 TIER analysis which establishes an adjusted TIER of 1.60 and indicates no adjustment to revenue is necessary. 	<p>Management Recommends</p> <ul style="list-style-type: none"> o Management recommends acceptance of the 2019 TIER analysis.
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3. Revise the PIE&G Rate Book to accommodate a Provision for Opting Out of PIE&G's Automated Metering Infrastructure (AMI) System

<p>Existing Situation</p> <ul style="list-style-type: none"> o PIE&G is beginning the process of implementing an Automated Metering Infrastructure (AMI) system. PIE&G's current Rate Book does not address AMI or the opportunity for the membership to elect not to have an AMI meter installed. PIE&G wishes to offer an AMI alternative for those members who are concerned over the implications of AMI meters which requires changes to the current Rate Book. Those changes include the identification of Standard vs Nonstandard meters and the fees associated with Opting Out of the AMI Standard meter option. Nonstandard meter options at this point are an AMR or Drive By meter. 	<p>Proposed Action</p> <ul style="list-style-type: none"> o Approve changes to pages A-6.01 and D-5.01 to identify the procedures and fees associated with Opting Out of the cooperative's AMI system. This includes the identification of a Standard meter to mean an AMI meter and the identification of a Nonstandard meter as an AMR or Drive By meter. The option to use a non AMR or "Dumb" meter is not currently recommended by management but will be evaluated over the implementation period to determine the need to consider both making it available and the fees that should be associated with it. 	<p>Management Recommends</p> <ul style="list-style-type: none"> o Management recommends acceptance of the proposed changes to the PIE&G Rate Book.
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**PRESQUE ISLE ELECTRIC & GAS CO-OP
BOARD RESOLUTION
JUNE 23, 2020**

**RESOLUTION 2020-MR-01
2019 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 2019 PSCR Factor reconciliation exhibits with the Board of Directors; and

WHEREAS, the 2019 PSCR Factor reconciliation indicates that PIE&G has experienced a cumulative under-collection of power supply costs of \$199,400.87 for the 12 month period ending December 31, 2019; and

WHEREAS, PIE&G has incorporated the under-collection of \$199,400.87 into its 2020 PSCR Factor application.

NOW BE IT HEREBY RESOLVED that the PIE&G Board of Directors accepts management's 2019 ELECTRIC PSCR Factor reconciliation analysis, which indicates an under-collection of \$199,400.87 and directs management to continue recovering this amount from the membership through the use of the 2020 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 June 23, 2020.

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
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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."

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1. NAME OF REPORTING UTILITY:	PRESQUE ISLE ELECTRIC COOPERATIVE
2. THIS REPORT FILED FOR THE COST MONTH OF:	December 2019
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
	-9.230

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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		21,214,656
b. Applied PSCR factor:	mills per kWh		-5.681770151
c. PSCR factor revenues: (a * b)		\$	(120,536.80)
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)		\$	1,863,707.53
f. TOTAL POWER SUPPLY COST REVENUE: (c + e)		\$	1,743,170.73
8. THE TOTAL COST OF POWER (from attached worksheets) APPLICABLE TO SALES REPORTED ABOVE:			\$ 2,188,278.21
9. MONTHLY OVER(UNDER) COLLECTION : (7f-8)			\$ (445,107.48)
10. TOTAL OVER/(UNDER) COLLECTION THIS PSCR YEAR			\$ (206,646.41)

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	2018 Roll In		<u>Seasonal</u>	<u>Year to Date</u>	<u>Remaining</u>
Auth.PSCR adj.(m/kWh)						
Auth.PSCR adj.(dollars)		\$ (120,813.73)		\$ (10,815.64)	\$ (127,077.30)	\$ 6,263.57
MEMBER REGULATED	PSCR YEAR	2018 Roll In		<u>Monthly</u>	<u>Year to Date</u>	<u>Remaining</u>
Auth.PSCR adj.(m/kWh)						
Auth.PSCR adj.(dollars)		\$ (758,529.43)		\$ (64,458.84)	\$ (745,020.32)	\$ (13,509.11)

NAME OF REPORTING UTILITY :	PRESQUE ISLE ELECTRIC COOPERATIVE			PRESQUE ISLE ELECTRIC COOPERATIVE				
	2019			YEAR TO DATE				
	(ag)	(ah)	(ai)	(aj)	(ak)	(al)		
PURCHASED POWER FROM WOLVERINE	*UNITS	\$	\$/Unit	*UNITS	\$	\$/Unit		
1 Energy-A	23,047,736	\$ 1,139,134.34	0.049425	250,039,161	\$ 12,358,185.49	0.049425		
2 Energy-C&I	1,065,552	\$ 52,664.90	0.049425	14,794,831	\$ 731,234.50	0.049425		
3 C & I Energy Credit	1,065,552	\$ (5,327.76)	(0.005000)	14,794,831	\$ (73,974.20)	(0.005000)		
5 Total Energy	24,113,288	\$ 1,186,471.48	0.049204	264,833,992	\$ 13,015,445.79	0.049146		
6 Demand-Rate A	41,039	\$ 262,231.00	6.389800	454,366	\$ 2,903,307.82	6.389800		
7 Demand-Rate C & I	1,919	\$ 12,262.02	6.389797	23,531	\$ 150,358.37	6.389799		
8 Miso-Demand Rate A	38,830	\$ 216,974.27	5.587800	465,960	\$ 2,603,691.28	5.587800		
9 Miso-Demand Rate C & I	2,532	\$ 14,148.31	5.587800	30,384	\$ 169,779.72	5.587800		
12 Load Management Credits		\$ (14,022.78)			\$ (\$158,562.69)			
13 Substation Fixed Charge	18	\$ 40,554.00	\$ 2,253.00	252	\$ 486,648.00	1931.142857		
14 Substation Investment Charge		\$ 69,390.53	Varies		\$ 819,204.51	Varies		
15 Dedicated Excluded Facilities		\$ -	Varies		\$ -	Varies		
16 Shared Excluded Facilities		\$ 769.06	Varies		\$ 9,228.72	Varies		
17 True Ups Billed		\$ (2,317.81)			\$ 4,423.42	Varies		
18 TOTAL WPSC	24,113,288	\$ 1,786,460.09	0.074086	264,833,992	\$ 20,003,524.94	0.075532		
18B WPSC True Ups Already Booked		\$ 2,317.81			\$ (4,423.42)			
18C Actual WPSC True Up		\$ -			\$ -			
18D Estimated WPSC True Up		\$ 398,943.83			\$ 398,943.83			
18F Final WPSC After True Up		\$ 2,187,721.73	0.090727		\$ 20,398,045.35	0.000000		
18N Total NEG Purchases	5,209	\$ 556.48	0.106830	42,594	\$ 4,225.52	0.099205		
19 Total kWh Purchase & Cost	24,118,497	\$ 2,188,278.21	0.090730	264,876,586	\$ 20,402,270.87	0.077026		
20 Less: Line Loss	2,903,841		0.12039892	19,092,729		0.072082		
21 kWh Available for Use	21,214,656	\$ 2,188,278.21	0.10314936	245,783,857	\$ 20,402,270.87	0.083009		
22 PSCR SALES & POWER COSTS	21,214,656	\$ 2,188,278.21	0.103149	245,783,857	\$ 20,402,270.86	0.083009		
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	(5.681770)	82.1682	87.850000	(5.6818)	82.168230		
24 2. PSCR Sales	21,214,656	21,214,656	21,214,656	245,783,857	245,783,857	245,783,857		
25 3. PSCR Revenue [(1*2)/1000]	\$ 1,863,707.53	\$ (120,536.80)	\$ 1,743,170.73	21,592,112	\$ (1,396,487.38)	\$ 20,195,624.46		
26 C. PSCR COST			\$ 2,188,278.21			\$ 20,402,270.86		
27 D. OVER/(UNDER) RECOVERY			\$ (445,107.48)			\$ (206,646.41)		
Current Year to Date			\$ (206,646.41)			\$ (206,646.41)		
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 - 2018	18,166,478	\$ (64,458.84)	(3.548230)	209,969,576	\$ (745,020.32)	\$ (13,509.11)	\$ (758,529.43)	213,935,581
Prior Year Seasonal - 2018	3,048,178	\$ (10,815.64)	(3.548230)	35,814,281	\$ (127,077.30)	\$ 6,263.57	(120,813.73)	33,890,292
Total		\$ (75,274.48)	(3.548230)	245,783,857	(872,097.62)	(7,245.54)	(879,343)	247,825,873
Combined PSCR	21,214,656	\$ (195,811.27)	(9.23)	245,783,857	(2,268,585)	(9,23000)		

**PRESQUE ISLE ELECTRIC & GAS CO-OP
BOARD RESOLUTION
JUNE 23, 2020**

**RESOLUTION 2020-MR-02
2019 ELECTRIC OPERATIONS TIMES INTEREST EARNED RATIO
(TIER) ANALYSIS**

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 has established Board Policy No. 307 – Energy Rate Design, which requires energy rates be developed and implemented to generate margins adequate to meet annual lender requirements and the Cooperative’s long-term financial objectives; and

WHEREAS, PIE&G was authorized by the MPSC to employ the Times Interest Earned Ratio (TIER) Analysis rate setting mechanism when regulated by the Commission and continues to do so in order to satisfy the requirements of Board Policy No. 307; and

WHEREAS, the TIER rate setting mechanism provides that margins are adequate and there is no need to adjust revenue for a TIER range of 1.60 to 2.20, and PIE&G’s management has reviewed with the Board of Directors and established that the TIER calculation for the 2019 operating year indicates an adjusted TIER of 1.60.

NOW BE IT HEREBY RESOLVED that the PIE&G Board of Directors accepts management’s 2019 ELECTRIC TIER analysis that indicates an adjusted TIER of 1.60 and no adjustment in revenue is required.

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 June 23, 2020.

By: _____
Sandra Borowicz, Secretary

Dated: _____

TEST YEAR MARGINS AND INTEREST
12 MONTHS ENDED DECEMBER 31, 2019

	<u>Operating Margins</u>	<u>Total Margins</u>	<u>Interest</u>
December 31, 2019	\$554,937 ¹	\$1,690,660 ²	\$1,553,180 ³

¹ From December 2019 Form 7, Part 1A, line 20, *Patronage Capital and Operating Margins*.

² From December 2019 Form 7, Part 1A, line 28, *Patronage Capital*.

³ From December 2019 Form 7, Part 1A, line 15, *Interest on Long Term Debt*.

ADJUSTED TOTAL MARGINS

<u>Step One:</u>	Unadjusted Total Margins	\$ 1,690,660 ⁴
<u>Step Two:</u>	Add Back Net Loss From Equity Investments	\$ 313,272 ⁵
	Add Annualized Revenue from Rate Increase	\$ 376,718 ⁶
	Less G&T Capital Credits Allocated/Not Paid	\$(1,141,584) ⁷
	Less Other Capital Credits Allocated/Not Paid	\$(71,592) ⁸

(continued on next page)

⁴ From Exhibit A-2.

⁵ From December 2019 Form 7, page 1, column (b), line 23, "Income (Loss) from Equity Investments" includes a \$313,272 loss on disposition of utility plant. Accounts 421.10 and 421.20 Gain/(Loss) on Disposition of Utility Plant are to be removed from Total Margins. When that is done, Total Margins increase by \$313,272.

⁶ From Exhibit A-7, Annualized Increase in Revenue at New Rates.

⁷ From December 2019 Form 7, page 1, column (b), line 25a, "Generation and Transmission Capital Credits" + Line 25b, "G&T Capital Credits – PSDFC".

⁸ From December 2019 Form 7, page 1, column (b), line 26, "Other Capital Credits and Patronage Dividends", i.e. \$224,848 less \$153,256. The \$153,256 is comprised of the following declared and paid other capital credits or patronage dividends.

NRUCFC	\$ 91,059
COBANK	\$ 6,029
NISC	\$ 5,595
CRC	\$ 323
RESCO	\$ <u>50,250</u>
Total	\$ <u>153,256</u>

ADJUSTED TOTAL MARGINS
(continued from prior page)

<u>Step Three:</u> Add: Issued Capital Credits/Past Years' Allocations	\$ 1,642,488
Less General Capital Credit Retired to Members	\$(716,939)
<u>Step Four:</u> Less Member Remaining Capital Credits Retired	\$(1,161,115) ⁹
Adjusted Total Margins	\$ 931,908

⁹ Presque Isle actually retired remaining capital credits in the amount of \$1,770,448 however, the reduction allowed in Step 4 cannot be used to reduce the Adjusted TIER below the floor of 1.60.

CALCULATION OF REQUIRED TIER REVISION

$$1.8 \text{ TIER} = \frac{\text{Necessary Margin} + \text{Interest}}{\text{Interest}}$$

$$\text{Interest} = \$1,553,180^{10}$$

$$1.8 \text{ TIER} = \frac{\text{Necessary Margin} + \$1,553,180 \text{ Interest}}{\$1,553,180 \text{ Interest}}$$

$$\text{Necessary Margins} = \$ 1,242,544$$

Target TIER:

$$1.8 \text{ TIER} = \frac{\$1,242,544 \text{ Necessary Margin} + \$1,553,180 \text{ Interest}}{\$1,553,180 \text{ Interest}}$$

Actual Adjusted Total TIER:

$$\text{TIER} = \frac{\$931,908^{11} + \$1,553,180 \text{ Interest}}{\$1,553,180 \text{ Interest}} = 1.60 \text{ TIER}$$

Based on Adjusted Total TIER of 1.60, no adjustment is required.

¹⁰ From Exhibit A-2.

¹¹ From Exhibit A-3.

RECONCILIATION OF OPERATING AND TOTAL MARGINSLine No.

1	Operating Margins		\$	554,937 ¹²
2	Other Income			
3	a. Non Operating Margins – Interest	\$	79,685 ¹³	
	b. Income from Equity Investments	\$	(310,393) ¹⁴	
	c. Non Operating Margins – Other	\$	0 ¹⁵	
	d. G&T Capital Credits	\$	1,141,584 ¹⁶	
	Other Capital Credits and Patronage Dividends	\$	<u>224,848</u> ¹⁷	
3.	Total Additions to Operating Margins			\$ 1,135,723
4	Total Margins			\$ 1,690,660

¹² From Exhibit A-2.

¹³ From December 2019 Form 7, Part 1A, line 21, “*Non Operating Margins – Interest*”.

¹⁴ From December 2019 Form 7, Part 1A, line 23, “*Income(Loss) from Equity Investments*”.

¹⁵ From December 2019 Form 7, Part 1A, line 24, “*Non Operating Margins – Other*”.

¹⁶ From December 2019 Form 7, Part 1A, line 25a, “*Generation and Transmission Capital Credits*”.

¹⁷ From December 2019 Form 7, Part 1A, line 26, “*Other Capital Credits and Patronage Dividends*”.

CALCULATION OF REQUIRED AND REQUESTED INCREASELine No.

1	Required \$ Increase Per Exhibit A-4	\$ 0.00
2	2019 Revenue from Electric Sales	\$ 35,034,795 ¹⁸
3	Required % Increase	0.00%
4	2019 kWh Sales	245,783,857 ¹⁹
5	Average Mills Per kWh Increase	0.00 mills per kWh

¹⁸ From December 2019 Form 7, Page 5, Electric Operations Plant Ratios, Sales & Revenue Report, Year to Date Total Sales of Electric Energy, dollars.

¹⁹ From December 2019 Form 7, Page 5, Electric Operations Plant Ratios, Sales & Revenue Report, Year to Date Total kWh sold.

ANNUALIZED REVENUE FROM RATE INCREASE

	OLD RATE \$/KWH JANUARY THROUGH JULY	NEW RATE \$/KWH AUGUST THROUGH DECEMBER
RESIDENTIAL	\$0.02772	\$0.03067
SEASONAL	\$0.07335	\$0.07815
GS - OIL	\$0.02535	\$0.02609
IRRIGATION	\$0.02535	\$0.02609
GS	\$0.02535	\$0.02609
LARGE POWER - OIL	\$0.01470	\$0.01548
LARGE POWER	\$0.01470	\$0.01548
PUBLIC BUILDINGS	\$0.02535	\$0.02609
LIGHTING (MONTHLY CHARGE)		

	KWH SOLD AT OLD RATE JANUARY THROUGH JULY	KWH SOLD AT NEW RATE AUGUST THROUGH DECEMBER	TOTAL KWH SOLD 2019
RESIDENTIAL	82,350,453	54,367,602	136,718,055
SEASONAL	21,001,895	14,812,386	35,814,281
GS - OIL	2,740,334	1,764,808	4,505,142
IRRIGATION	21,756	204,118	225,874
GS	18,370,132	13,980,183	32,350,315
LARGE POWER - OIL	768,606	539,692	1,308,298
LARGE POWER	17,900,808	12,342,002	30,242,810
PUBLIC BUILDINGS	2,605,005	1,871,997	4,477,002
LIGHTING (MONTHLY CHARGE)	83,104	58,976	142,080
	145,842,093	99,941,764	245,783,857

	KWH REVENUE AT OLD RATE JANUARY THROUGH JULY	KWH REVENUE AT NEW RATE AUGUST THROUGH DECEMBER	TOTAL KWH REVENUE 2019	ANNUALIZED REVENUE AT NEW RATES	ANNUALIZED INCREASE IN REVENUE AT NEW RATES
RESIDENTIAL	\$2,282,755	\$1,667,454	\$3,950,209	\$4,193,143	\$242,934
SEASONAL	\$1,540,489	\$1,157,588	\$2,698,077	\$2,798,886	\$100,809
GS - OIL	\$69,467	\$46,044	\$115,511	\$117,539	\$2,028
IRRIGATION	\$552	\$5,325	\$5,877	\$5,893	\$16
GS	\$465,683	\$364,743	\$830,426	\$844,020	\$13,594
LARGE POWER - OIL	\$11,299	\$8,354	\$19,653	\$20,252	\$600
LARGE POWER	\$263,142	\$191,054	\$454,196	\$468,159	\$13,963
PUBLIC BUILDINGS	\$66,037	\$48,840	\$114,877	\$116,805	\$1,928
LIGHTING (MONTHLY CHARGE)	\$25,635	\$19,273	\$44,908	\$45,755	\$847
	\$4,725,058	\$3,508,677	\$8,233,734	\$8,610,452	\$376,718

PRESQUE ISLE ELECTRIC & GAS CO-OP

19831 M68 Hwy. P.O. Box 308 Onaway, MI 49765 (989) 733-8515 1-800-423-6634 Fax (989) 733-2247

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

Signature of Chief Financial Officer

Date

Signature of Chief Executive Officer

Date

PART 1A - STATEMENT OF ELECTRICAL OPERATIONS FOR THE PERIOD ENDED DECEMBER 31, 2019

RUS Form 7 Line Number	ITEM	YEAR TO DATE			THIS MONTH
		2018	2019	BUDGET	
1.	Operating Revenue - Electric	36,281,323	36,111,342	34,240,575	3,590,886
1.					
	Total Revenue	36,281,323	36,111,342	34,240,575	3,590,886
3.	Cost of Purchased Energy - Electric	20,933,066	20,398,138	19,459,019	2,187,815
3.					
	Total Cost of Energy Sold	20,933,066	20,398,138	19,459,019	2,187,815
	Gross Revenues	15,348,257	15,713,204	14,781,556	1,403,072
5.	Distribution Expense - Operation	1,268,600	1,324,033	1,248,797	97,635
6.	Distribution Expense - Maintenance	4,050,076	3,706,754	4,066,521	346,051
7.	Consumer Accounts Expense	1,597,765	1,516,174	1,659,365	116,235
8.	Customer Service and Informational Expens	844,751	800,230	909,165	90,580
10.	Administrative and General Expense	1,609,085	2,030,245	1,684,067	207,306
	Total Operation & Maintenance Expense	9,370,276	9,377,436	9,567,915	857,807
12.	Depreciation & Amortization Expense	3,086,468	3,241,603	3,206,570	289,074
13.	Tax Expense - Property & Gross Receipts	898,771	873,448	872,598	66,562
14.	Tax Expense - Other	1,060	1,080	1,052	1
15.	Interest on Long-Term Debt	1,537,520	1,553,180	1,923,470	150,206
17.	Interest Expense - Other	59,301	110,514	15,443	8,949
18.	Other Deductions	1,000	1,006	0	6
	Total Cost of Operations	14,954,395	15,158,267	15,587,048	1,372,604
20.	Patronage Capital & Operating Margins	393,862	554,937	(805,492)	30,467
21.	Non-Operating Margins - Interest	68,349	79,685	60,175	1,019
23.	Income (Loss) from Equity Investments	(471,140)	(310,393)	(162,685)	(85,897)
24.	Non-Operating Margins - Other	0	0	0	0
25.a	Generation and Transmission Capital Credits	1,486,730	1,141,584	1,300,000	1,141,584
25.b	G & T Capital Credits - PSDFC	0	0	0	0
26.	Other Capital Credits and Patronage Dividen	198,493	224,848	194,410	13,283
27.	Extraordinary Items See attached sheet	0	0	0	0
28.	Patronage Capital	1,676,295	1,690,660	586,408	1,100,457
	Net T.I.E.R.	2.05	2.02		
	Operating T.I.E.R.	1.25	1.33		

PART 2A - DATA ON ELECTRICAL DISTRIBUTION PLANT

ITEM	YEAR TO DATE	
	2018	2019
1. New Services Connected	245	242
2. Services Retired	27	30
3. Total Services in Place	36,050	36,234
4. Idle Services (Excl Seasonal)	2,400	2,425
5. Miles Distribution - Overhead	3,841	3,835
6. Miles Distribution - Underground	1,068	1,086
7. Total Miles Energized (5 + 6)	4,908	4,921

PRESQUE ISLE ELECTRIC & GAS CO-OP

19831 M68 Hwy. P.O. Box 308 Onaway, MI 49765 (989) 733-8515 1-800-423-6634 Fax (989) 733-2247

PART 3 - COMBINED BALANCE SHEET AS OF DECEMBER 31, 2019

RUS Form 7 Line Number	ASSETS AND OTHER DEBITS	RUS Form 7 Line Number	LIABILITIES AND OTHER CREDITS
1a.	Utility Plant in Service - Electric 110,753,332	30a.	Memberships - Electric 266,750
1b.	Utility Plant in Service - Gas 44,120,767	30b.	Memberships - Gas 26,065
1.	Utility Plant in Service - Combined 154,874,099	30.	Memberships - Combined 292,815
2a.	Construction Work in Progress - Electric 1,695,304	31a.	Patronage Capital - Electric 40,464,770
2b.	Construction Work in Progress - Gas 64,424	31b.	Patronage Capital - Gas 7,375,566
2.	Construction Work in Progress - Combined 1,759,728	31.	Patronage Capital - Combined 47,840,336
3a.	Total Utility Plant (1 + 2) - Electric 112,448,636	32a.	Operating Margins - Prior Years - Electric 21,064
3b.	Total Utility Plant (1 + 2) - Gas 44,185,191	32b.	Operating Margins - Prior Years - Gas 0
3.	Total Utility Plant - Combined 156,633,827	32.	Operating Margins - Prior Years - Combined 21,064
4a.	Accumulated Provision for Depreciation - Electric 59,202,703	33a.	Operating Margins - Current Year - Electric 554,937
4b.	Accumulated Provision for Depreciation - Gas 12,048,666	33b.	Operating Margins - Current Year - Gas 451,017
4.	Accum. Provision for Depreciation - Combined 71,251,369	33.	Operating Margins - Current Year - Combined 1,005,954
5a.	Net Utility Plant (3 - 4) - Electric 53,245,933	34a.	Non Operating Margins - Electric 1,135,723
5b.	Net Utility Plant (3 - 4) - Gas 32,136,525	34b.	Non Operating Margins - Gas (50,336)
5.	Net Utility Plant - Combined 85,382,458	34.	Non Operating Margins - Combined 1,085,387
7.	Investments in Subsidiary Companies 0	35a.	Other Margins and Equities - Electric 4,114,021
8.a	Invest. in Assoc. Org- Patronage Capital - WPC 19,878,686	35b.	Other Margins and Equities - Gas 7,209
8.b	Invest. in Assoc. Org- Patronage Capital - Other 5,417,402	35.	Other Margins and Equities - Combined 4,121,230
9.	Invest. in Assoc. Org. - Other - General Funds 4,800	36a.	Total Margins and Equities (30 thru 35) - Electric 46,557,265
10.	Invest. in Assoc. Org. - Other - Nongeneral Funds 1,477,458	36b.	Total Margins and Equities (30 thru 35) - Gas 7,809,522
11.	Invest. in Economic Development Projects 0	36.	Total Margins and Equities (30 thru 35) - Combined 54,366,786
12.	Other Investments 0	37.	Long Term Debt - RUS (Net)
13.	Restricted Funds 0		(Payments-Unapplied \$ -0-) 0
14.	Total Other Property and Investments (6 thru 13) 26,778,346	38.	Long Term Debt - RUS - Econ. Dev. (Net) 0
15.	Cash - General Funds 972,960	39.	Long Term Debt - Other - RUS Guaranteed 0
16.	Cash - Construction Funds 0	40.	Long Term Debt - Other (Net) 56,146,573
17.	Special Deposits 0	41.	Total Long Term Debt (37 thru 40) 56,146,573
18.	Temporary Investments 1,656,790	42.	Obligations Under Capital Leases 0
19.	Notes Receivable - Net 0	43.	Deferred Compensation 0
20.	Accounts Receivable - Net Sales of Energy 5,168,545	44.	Total Other Non Current Liabilities (42+43) 0
21.	Accounts Receivable - Net Other 305,173	45.	Line of Credit Balance Due 3,800,000
22.	Materials and Supplies - Electric and Other 2,130,544	46.	Accounts Payable 3,000,191
23.	Prepayments 406,006	47.	Consumers Deposits 583,011
24.	Other Current and Accrued Assets 0	48.	Other Current and Accrued Liabilities 4,999,371
25.	Total Current and Accrued Assets (15 thru 24) 10,640,018	49.	Total Current and Accrued Liabilities (45 thru 48) 12,382,573
26.	Regulatory Assets 0	50.	Deferred Credits 273,545
27.	Other Deferred Debits 368,655	51.	Accumulated Deferred Income Taxes
28.	Accumulated Deferred Income Taxes 0	52.	Total Liabilities and Other Credits
29.	Total Assets and Other Debits (5 + 14 + 25 thru 28) 123,169,477		(36+41+44+49 thru 51) 123,169,477
			<i>ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION</i>
		53.	Balance Beginning of the Year - Electric 22,288,663
		54.	Balance Beginning of the Year - Gas 4,768,891
		55.	Balance Beginning of the Year - Gas AER 1,054,511
			Amount Received This Year (Net) - Electric 737,643
			Amount Received This Year (Net) - Gas 200,551
			Amount Received This Year (Net) - Gas AER
			Total Contributions in Aid of Construction - Electric 23,026,307
			Total Contributions in Aid of Construction - Gas 4,969,442
			Total Contributions in Aid of Construction - Gas AER 1,054,511

PART 4 - NOTES TO COMBINED FINANCIAL STATEMENTS

THIS SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.

PRESQUE ISLE ELECTRIC & GAS CO-OP

19831 M68 Hwy. P.O. Box 308 Onaway, MI 49765 (989) 733-8515 1-800-423-6634 Fax (989) 733-2247

ELECTRIC OPERATIONS PLANT RATIOS, SALES & REVENUE REPORT FOR THE MONTH ENDING DECEMBER 31, 2019

BALANCE SHEET RATIOS

Current Assets to Current Liabilities	- Combined	85.93 %
Margins & Equities as % of Assets	- Combined	44.14 %
Long Term Debt as % of Net Utility Plant	- Combined	65.76 %
Long Term Debt as % of Plant	- Combined	35.85 %
Modified Debt Service Coverage Ratio	- Combined	2.06

CONSUMER SALES AND REVENUE DATA - MONTHLY

CLASS OF SERVICE	Number Receiving Service	kWh Sold	Amount	Number of Minimum Bills
	A.	B.	C.	D.
Sales - Residential	17,769	12,266,761	1,631,643	994
Sales - Seasonal	13,554	3,048,178	714,296	12,546
Sales - General Service - Oil	469	464,728	54,978	53
Sales - Irrigation	25	7,764	1,945	12
Sales - General Service	1,602	2,666,707	298,449	217
Sales - Large Power - Oil	9	112,622	11,399	
Sales - Large Power	40	2,267,597	209,456	1
Sales - Public Street & Highway Lighting	37	11,865	3,876	
Sales - Public Buildings	329	368,434	43,004	44
Consumer Sales - PSCR			520,382	
Total Sales of Electric Energy (1 thru 11)	33,834	21,214,656	3,489,428	13,867
Other Electric Revenue			101,459	
Total (12 + 13)			3,590,886	
Last Year kWh Sales	33,650	20,886,634		

CONSUMER SALES AND REVENUE DATA - YEAR TO DATE

CLASS OF SERVICE	Average Number Receiving Service	kWh Sold Cumulative	Amount Cumulative
	B.	C.	D.
Sales - Residential	17,681	136,718,055	18,223,607
Sales - Seasonal	13,544	35,814,281	8,146,036
Sales - General Service - Oil	469	4,505,142	550,646
Sales - Irrigation	25	225,874	31,356
Sales - General Service	1,577	32,350,315	3,580,166
Sales - Large Power - Oil	9	1,308,298	132,060
Sales - Large Power	40	30,242,810	2,728,066
Sales - Public Street & Highway Lighting	37	142,080	44,908
Sales - Public Buildings	330	4,477,002	519,207
Consumer Sales - PSCR			1,078,744
Total Sales of Electric Energy (1 thru 11)	33,712	245,783,857	35,034,795
Other Electric Revenue			1,076,547
Total (12 + 13)			36,111,342
Last Year kWh Sales		247,825,873	

KWH AND KWH STATISTICS

ITEM	THIS MONTH	YEAR-TO-DATE
1. kWh Purchased	24,113,288	264,833,992
2. Interchange kWh-Net	5,209	42,594
3. Total kWh (1 + 2)	24,118,497	264,876,586
4. Total kWh-Sold	21,214,656	245,783,857
5. Office Use - **For Information Purposes Only**	27,943	249,068
6. Total Unaccounted for (3 - 4)	2,903,841	19,092,729
7. Percent System Loss (6/3)x100	12.04	7.21
8. Maximum Demand (kw)	42,958	52,559
9. Month When Maximum Demand Occurred		7

PRESQUE ISLE ELECTRIC & GAS CO-OP

19831 M68 Hwy. P.O. Box 308 Onaway, MI 49765 (989) 733-8515 1-800-423-6634 Fax (989) 733-2247

STATISTICAL INFORMATION FOR THE MONTH ENDING DECEMBER 31, 2019

	THIS YEAR	LAST YEAR
1. KWHRS Sold Per Consumer:		
a. For the Month	627	621
b. Year to Date	<u>608</u>	<u>616</u>
2. Average Monthly Bill	103.13	85.54
Average Residential Bill	<u>91.83</u>	<u>96.25</u>
3. Average Bill:		
a. Year To Date	86.60	87.36
b. YTD Residential	<u>85.89</u>	<u>92.61</u>
4. Cost Per KWHR Purchased		
a. This Month Mills	90.71	71.12
b. Year to Date Mills	<u>77.01</u>	<u>78.29</u>
5. Revenue Per KWHR Sold:		
a. This Month Mills	164.48	137.81
b. Year to Date Mills	<u>142.54</u>	<u>141.82</u>
6. Power Cost Adjustment		
a. This Month	<u>-0.009230</u>	<u>-0.000590</u>
7. Number of New Members - Electric	87	82
Number of Transferred Members Added - Electric	1251	1326
7. Number of New Members - Gas	33	115
Number of Transferred Members Added - Gas	<u>139</u>	<u>144</u>
8. Security Lights Billed	<u>1970</u>	<u>1941</u>
9. Regular Payroll - Hours	13,559.00	13,677.00
Overtime Payroll - Hours	1,483.50	782.25
Total Payroll	<u>15,042.50</u>	<u>14,459.25</u>
10. Number of Employees		
Full Time	76	77
Temporary	<u>7</u>	<u>8</u>
11. Principal Paid To CFC-YTD	2,016,636.10	1,823,401.11
Interest Paid To CFC-YTD	<u>2,667,674.54</u>	<u>2,598,518.74</u>
12. Interest Paid on Line of Credit - YTD	<u>149,836.67</u>	<u>74,958.72</u>

TIER CALCULATION			
CO-OP:	Presque Isle Electric & Gas Co-op		
Case:			
Year:	2019		
FORM	2019		
7 LINE	ITEM	All Costs	
		\$	
	<u>Operating Revenue</u>		
	Sales of Electricity	36,111,342	
	Other	-	
1	Operating Revenue	36,111,342	
	<u>Operating Expenses</u>		
3	Cost of Purchased Energy	20,398,138	
4	Transmission Expense		
5	Distribution Expense - Operation	1,324,033	
6	Distribution Expense - Maintenance	3,706,754	
7	Consumer Accounts Expense	1,516,174	
8	Customer Service & Info. Expense	800,230	
9	Sales Expense		
10	Administrative & General Expense	2,030,245	
11	Total O & M Expense	29,775,574	
12	Depreciation & Amortization Exp.	3,241,603	
13	Tax Exp. - Property & Gross Recpts.	873,448	
14	Tax Expense - Other	1,080	
15	Interest on Long-Term Debt (mpsc)	1,553,180	
16	Interest Charged to Const. - Cr.		
17	Interest Expense - Other	110,514	
18	Other Deductions	1,006	
19	Total Cost of Operations	35,556,405	
20	Ptrng Cap. & OPERATING Margins	554,937	
21	Non-Operating Margins - Interest	79,685	
22	AFUDC		
nt lsted	Loss from Property Retirements		
23	Inc. (Loss) from Equity Investments	(310,393)	
24	Non-Operating Margins - Other	-	
25.a	Gen. & Trans. Capital Crs.	1,141,584	
25.b	G & T Capital Crs - PSDFC	-	
26	Other Capital Crs. & Patronage Div's.	224,848	
27	Extraordinary Items	-	
28	Ptrng Capital or Margins (20-27)	1,690,660	
Part II: Adjusted Margins & TIER AS FILED			
	Actual Total Margin (Ln 28)	1,690,660	
Step II	Back Out:		
	Gain/Loss from Equity Investments	313,272	
	Annualized Revenue from Rate Increase	376,718	
	G&T Credits, Allocated/Not Paid	(1,141,584)	
	Other Cap Crs, Allocated/Nt Pd	(71,592)	
	Weather Normalization Adjustment		
	Adjustment for Non-Operating Loss		
	Total Mrgns Less Cap. Crs. Allocation	1,167,474	
Step III	Add Back:		
	Estimated Storm Restoration Costs		
	Cap Crs Pd for Prior Years	1,642,488	
	Less offset of Cap Crs Retired/Members	(2,487,387)	
	Preliminary Adjusted Total Margins	322,575	
Step IV	Back Out:		
	Member Remaining Cap Crs. Retired		
	Adjust for difference in LT Debt Interest		
	Adjust for Add Back of C.C. Retired/Members	609,333	
	Adjusted Total Margin	931,908	
Resulting TIER:			
	Adjusted Total Margin	931,908	
	+ Interest, L/T Debt	+ 1,553,180	
	+ Interest, L/T Debt	1,553,180	
	= TIER	1.60	
	[Quiet zone = 1.6 - 2.2]		
Part III N/A - Increase in Rates resulting from the 2019 PSCR/TIER Reconciliation			

**PRESQUE ISLE ELECTRIC & GAS CO-OP
BOARD RESOLUTION
JUNE 23, 2020**

**RESOLUTION 2020-MR-03
REVISIONS TO PIE&G RATE BOOK TO ACCOMMODATE OPT OUT
PROVISIONS TO AUTOMATED METERING INFRASTRUCTURE**

WHEREAS, PIE&G has begun the process of installing an Automated Metering Infrastructure (AMI) system; and

WHEREAS, PIE&G acknowledges the cost to install an AMI system is considerable and that it is necessary to protect that investment by promoting its use to the membership; and

WHEREAS, PIE&G also wishes to accommodate the request of some members to provide an Opt Out provision for its AMI system; and

WHEREAS, PIE&G recognizes that opting out of the AMI system provides unique costs and challenges; and

WHEREAS, PIE&G wishes to recognize the additional costs associated with opting out of the AMI system by providing a process and fee structure for those members who wish to elect to opt out of the AMI system; and

WHEREAS, PIE&G management has proposed a procedure and fee structure to the Board of Directors for its review and approval which includes identification of Standard (AMI) meters and Nonstandard (AMR) meters and the process and fees required **for members taking service on residential monthly rate Service Schedule A**, to elect a Nonstandard (AMR) meter; and

WHEREAS, PIE&G management has proposed that the Opt Out provision only offer an AMR meter option at this time; and

WHEREAS, PIE&G's Board of Directors wishes management to undertake a review of the need to offer an Opt Out provision that provides for a Nonstandard meter that is not an AMR meter, i.e. a "dumb" meter, along with the fees associated with a "dumb" meter option.

**PRESQUE ISLE ELECTRIC & GAS CO-OP
BOARD RESOLUTION
JUNE 23, 2020**

NOW BE IT HEREBY RESOLVED that the PIE&G Board of Directors accepts management's recommended changes to PIE&G Rate Book sheets A-6.01 and D-5.01 to provide the membership with an Opt Out option to its AMI system and the fees associated with it as listed below.

Pre-deployment Opt Out One-time Fee	-	\$10.00 per billing meter
Post-deployment Opt Out One-time Fee	-	\$50.00 per billing meter
Monthly Opt Out Fee	-	\$ 5.00 per month per billing meter

BE IT FURTHER RESOLVED that PIE&G management will undertake a review of the need to offer an Opt Out provision that provides for a Nonstandard meter that is not an AMR meter, i.e. a "dumb" meter, and if necessary, develop provisions and fees associated with a "dumb" meter option for consideration.

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 June 23, 2020.

By: _____
Sandra Borowicz, Secretary

Dated: _____

DEFINITIONS, TECHNICAL TERMS AND ABBREVIATIONS
(Continued from Sheet No. A-6.00)

- Year - Unless preceded by the word “calendar”, the term “year” shall refer to a “billing year”.
- Billing Year - The period between two successive, scheduled meter readings, when a member is billed under the provisions of an annual rate schedule.
- Permanent Residence - A member-consumer’s primary place of residence as evidenced by homestead exemption .
- Seasonal Residence - A member’s secondary residence, not meeting the definition above of a “permanent residence”, which the member-consumer uses on a part-time, irregular or seasonal basis for such purposes as vacation, recreation, retreat, etc.
- Standard Meter - A meter equipped with the ability to interact directly with the Cooperative’s Automated Metering Infrastructure (AMI). All residential seasonal and commercial services are required to have a Standard (AMI) meter installed as part of their service.
- Nonstandard Meter - Any meter that is not equipped with the ability to interact directly with the Cooperative’s AMI system. Residential Monthly accounts, Residential Service Schedule A may elect a nonstandard meter (Automated Meter Reading – AMR meter) which indirectly interacts with the Cooperative’s AMI system. A Nonstandard meter option is only available to Residential Monthly accounts, Residential Service Schedule A.
- Member-Consumer Meter Readings - While the Cooperative installs its AMI system, member-consumers will be required to continue to read their meter on a monthly basis and provide - the actual reading to Cooperative on or before the due date.

DEFINITIONS, TECHNICAL TERMS AND ABBREVIATIONS
(Continued from Sheet No. A-6.00)

- Year - Unless preceded by the word “calendar”, the term “year” shall refer to a “billing year”.
- Billing Year - The period between two successive, scheduled meter readings, when a member is billed under the provisions of an annual rate schedule.
- Permanent Residence - A member-consumer’s primary place of residence as evidenced by homestead exemption.
- Seasonal Residence - A member’s secondary residence, not meeting the definition above of a “permanent residence”, which the member-consumer uses on a part-time, irregular or seasonal basis for such purposes as vacation, recreation, retreat, etc.
- Standard Meter - - - - ~~A meter equipped with the hardware necessary~~ ability to interact directly with the Cooperative’s Automated Metering Infrastructure (AMI). All residential seasonal and commercial services are required to have a Standard (AMI) meter installed as part of their service.
- Nonstandard Meter - ~~Any meter that is not equipped with the hardware necessary~~ ability to interact directly with the Cooperative’s AMI system. Residential Monthly accounts, Residential Service Schedule A may elect a nonstandard meter (Automated Meter Reading – AMR meter) which indirectly interacts with the Cooperative’s AMI system. A Nonstandard meter option is only available to Residential Monthly accounts, Residential Service Schedule A.
- Member-Consumer Meter Readings-System - ~~While the Cooperative installs its AMI system, Because of the physical size and low member-consumer density, Cooperative requires that member-consumers will be required to continue to read on monthly billed rates read~~ their meter on a monthly basis and provide that-the actual reading to Cooperative on or before the due date.

RESIDENTIAL SERVICE SCHEDULE A

Availability

Available to any Member-Consumer desiring service for domestic and farm uses, which includes only those purposes which are usual in an individual permanent residence, or separately metered apartments, and in the usual other buildings normally served through the residential meter.

This rate is also available to any Member-Consumer of the Cooperative for residential service to dwellings that are occupied seasonally, where consumption for the prior billing year exceeded 7,200 kWh. Seasonal Member-Consumers taking service under Schedule A whose consumption does not attain 7,200 kWh's during two consecutive subsequent billing years shall be returned to the Seasonal Residential Service, Schedule S.

Nature of the Service

Single-phase, 60 cycles, at available secondary voltages.

Billing Rate

Distribution Service:

Monthly Availability Charge: \$18.00 per Member-Consumer per month, plus

Or Annual Availability Charge: \$216.00

Distribution Variable Charge: \$0.03067 per kWh for all kWh, plus

This service is subject to the Energy Optimization Surcharge shown on Sheet No. D-1.03.

Power Supply Service

Energy Charge: \$0.08601 per kWh for all kWh

(Continued on Sheet No. D-5.01)

Issued
By: Thomas J. Sobeck
President and CEO
Onaway, Michigan

Effective for bills rendered on and
after **September 1, 2020**

Issued under the authority of the Board
of Directors dated **6/23/20**

RESIDENTIAL SERVICE
SCHEDULE A (Cont'd)
(Continued from Sheet No. D-5.00)

Tax Adjustments

- A. Bills shall be increased within the limits of political subdivisions which levy special taxes, license fees or rentals against the Cooperative's property, or its operations, or the production and/or sale of electric energy, to offset such special charges and thereby prevent other Member-Consumers from being compelled to share such local increases.
- B. Bills shall be increased to offset any new or increased specific tax or excise imposed by any governmental authority which increases the Cooperative's cost of providing electric service.

Power Supply Cost Recovery Clause and Factor

This rate schedule is subject to the Cooperative's Power Supply Cost Recovery Clause as set forth on Sheet Nos. D-1.00 and D-1.01.

Nonstandard (AMR) Metering Provision

Member-Consumers taking service under Residential Service Schedule A may request a Nonstandard (AMR) metering option. To participate in the Nonstandard (AMR) metering option, the Member-Consumer must satisfy the following criteria:

- A. The meter must be located outside and be accessible to Cooperative employees at all times,
- B. The member-consumer shall have zero instances of unauthorized use, theft, fraud and/or threats of violence toward Cooperative employees,
- C. The Member-Consumer shall enter into a written agreement with the Cooperative requesting the Nonstandard (AMR) metering option, subject to the following terms:
 - 1) Upfront charge - If the Cooperative has not yet installed an AMI meter at the Member-Consumer's premises, a one-time charge of \$10.00 per billing meter per request will be assessed. If the Cooperative has installed an AMI meter at the premises, a one-time charge of \$50.00 per billing meter will be assessed to exchange the AMI meter for a Nonstandard (AMR) meter.
 - 2) Monthly Charge - A recurring charge of \$5.00 per month per billing meter will be assessed for each Nonstandard (AMR) meter. Multiple metering units will be charged per billing meter.

Issued
By: Thomas J. Sobeck
President and CEO
Onaway, Michigan

Effective for bills rendered on and
after **September 1, 2020**

Issued under the authority of the Board
of Directors dated **6/23/20**

-
- 3) Satisfactory payment history - The Member-Consumer shall maintain a satisfactory payment history on all accounts (i.e. the member's accounts were not delinquent more than 1 time in the past 12 months), as defined in Section B2 Consumer Standards and Billing Practices for Electric Residential Service, R 460.102 – Definitions.
- B. The Nonstandard (AMR) metering option is not available to Seasonal Member-Consumers taking service under Seasonal Residential Schedule S or those taking service under Residential Monthly Service Schedule A, and
- C. The Nonstandard (AMR) metering option will only be available for Member-Consumers who request service prior to November 1, 2020.

Bill Frequency

With the exception of Bills Rendered Annually described below, all Member-Consumers taking service under Schedule A will be billed once per month and subject to the terms of Meter Reading found below.

Bills Rendered Annually

Upon written agreement of the Cooperative and seasonal Member-Consumers that qualify for, and elect to receive service under this rate schedule, bills for service provided hereunder may be rendered annually. Annual bills will be calculated using the Schedule A rate applied to the Member-Consumer's annual energy consumption along with the Annual Availability Charge, which shall be prepaid.

Seasonal Member-Consumers taking service concurrently under Schedules A and EEH shall be billed once per month and the Member-Consumer is responsible for monthly meter readings as noted under the heading, Meter Reading, found below. An EEH service agreement between the Member-Consumer and the Cooperative is required for service under these concurrent schedules.

(Continued on Sheet No. D-5.02)

Issued
By: Thomas J. Soback
President and CEO
Onaway, Michigan

Effective for bills rendered on and
after **September 1, 2020**

Issued under the authority of the Board
of Directors dated **6/23/20**

RESIDENTIAL SERVICE SCHEDULE A

Availability

Available to any Member-Consumer desiring service for domestic and farm uses, which includes only those purposes which are usual in an individual permanent residence, or separately metered apartments, and in the usual other buildings normally served through the residential meter.

This rate is also available to any Member-Consumer of the Cooperative for residential service to dwellings that are occupied seasonally, where consumption for the prior billing year exceeded 7,200 kWh. Seasonal Member-Consumers taking service under Schedule A whose consumption does not attain 7,200 kWh's during two consecutive subsequent billing years shall be returned to the Seasonal Residential Service, Schedule S.

Nature of the Service

Single-phase, 60 cycles, at available secondary voltages.

Billing Rate

Distribution Service:

Monthly Availability Charge: \$18.00 per Member-Consumer per month, plus

Or Annual Availability Charge: \$216.00

Distribution Variable Charge: \$0.~~02772~~03067 per kWh for all kWh, plus

This service is subject to the Energy Optimization Surcharge shown on Sheet No. D-1.03.

Power Supply Service

Energy Charge: \$0.08601 per kWh for all kWh

(Continued on Sheet No. D-5.01)

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RESIDENTIAL SERVICE
SCHEDULE A (Contd)
(Continued from Sheet No. D-5.00)

Tax Adjustments

- A. Bills shall be increased within the limits of political subdivisions which levy special taxes, license fees or rentals against the Cooperative's property, or its operations, or the production and/or sale of electric energy, to offset such special charges and thereby prevent other Member-Consumers from being compelled to share such local increases.
- B. Bills shall be increased to offset any new or increased specific tax or excise imposed by any governmental authority which increases the Cooperative's cost of providing electric service.

Power Supply Cost Recovery Clause and Factor

This rate schedule is subject to the Cooperative's Power Supply Cost Recovery Clause as set forth on Sheet Nos. D-1.00 and D-1.01.

Non Standard (AMR) Metering Provision

Member-Consumers taking service under Residential Service Schedule A ~~members may elect~~ request a Non Standard (AMR) metering option. ~~In order to~~ To participate in the Non Standard (AMR) metering option, the ~~a~~ Member-Consumer ~~has~~ must satisfy the following criteria:

- A. ~~a~~ The meter ~~that is~~ must be located outside and be accessible to Cooperative employees at all times, and
- ~~A. B. The~~ member-consumer shall have zero instances of unauthorized use, theft, fraud and/or threats of violence toward Cooperative employees ~~and~~,
- B. ~~A~~ The Member-Consumer shall enter into a written agreement ~~between with~~ the Cooperative ~~and the member-consumer is required~~ requesting for the Non Standard (AMR) metering option, ~~and will be subject to the following terms-charges:~~

1) Upfront charge: - ~~If there currently~~ Cooperative has not yet ~~is no~~ installed an AMI meter ~~installed at the m~~ Member-Consumer's premises, ~~there will be a \$10.00 one-time charge of \$10.00 per billing meter per request will be assessed. If there~~ Cooperative ~~is currently~~ has installed an AMI meter ~~installed at on~~ the premises, ~~there will be a \$50.00 one-time charge of \$50.00 per billing meter will be assessed to exchange the AMI meter for a Non Standard (AMR) meter.~~

2) Monthly Charge: - A recurring charge of \$5.00 per month per billing meter will be assessed for each Non Standard (AMR) meter. Multiple metering units will be charged per billing

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3) Satisfactory payment history - The Member-Consumer shall maintain a satisfactory payment history on all accounts (i.e. the member's accounts were not delinquent more than 1 time in the past 12 months), as defined in Section B2 Consumer Standards and Billing Practices for Electric Residential Service, R 460.102 – Definitions.

C. The Non Standard (AMR) metering option is not available to Seasonal Member-Consumers, taking service under Seasonal Residential Schedule S or those taking service under Residential Monthly Service Schedule A, and

D. The Non Standard (AMR) metering option will only be available for Member-Consumers who request service prior to November 1, 2020.

Bill Frequency

With the exception of Bills Rendered Annually described below, all Member-Consumers taking service under Schedule A will be billed once per month and subject to the terms of Meter Reading found below.

Bills Rendered Annually

Upon written agreement of the Cooperative and seasonal Member-Consumers that qualify for, and elect to receive service under this rate schedule, bills for service provided hereunder may be rendered annually. Annual bills will be calculated using the Schedule A rate applied to the Member-Consumer's annual energy consumption along with the Annual Availability Charge, which shall be prepaid.

Seasonal Member-Consumers taking service concurrently under Schedules A and EEH shall be billed once per month and the Member-Consumer is responsible for monthly meter readings as noted under the heading, Meter Reading, found below. An EEH service agreement between the Member-Consumer and the Cooperative is required for service under these concurrent schedules.

(Continued on Sheet No. D-5.02)

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