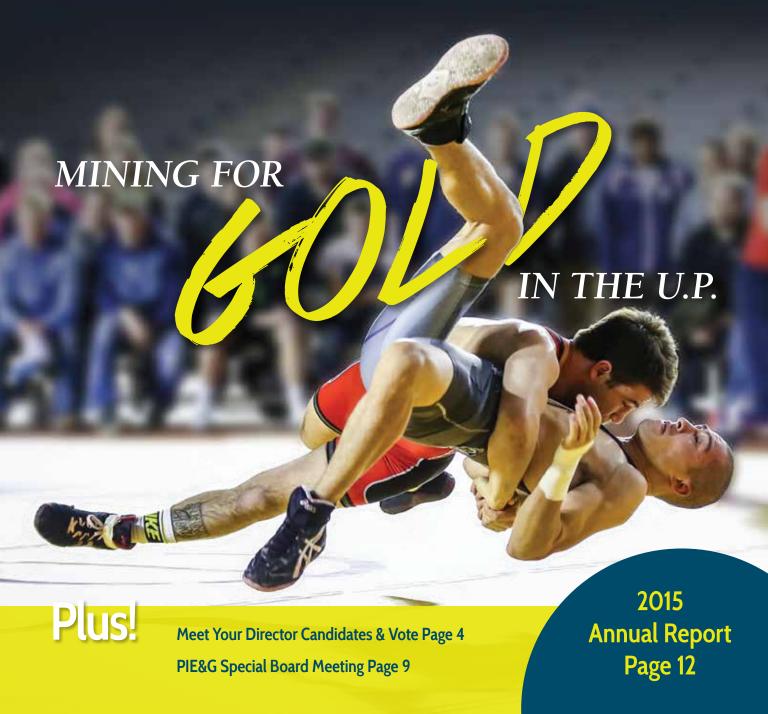
September/October 2016

MICHIGAN COUNTRY LINES





act is now! WaterFurnace units can save you up to 70% on heating, cooling & hot water by capturing the clean, renewable energy in your backyard to provide incredible home comfort. Now, for a limited time, we're offering homeowners with traditional systems a very special Switch-to-Geo rebate package on our most efficient and comfortable geothermal heat pumps—the 7 Series and the 5 Series—from now until Dec. 9, 2016. Contact your local WaterFurnace dealer to learn more about the Geothermal Upgrade Event!

7 SERIES **INSTANT REBATE**

5 SERIES **INSTANT REBATE** **GEOTHERMAL UPGRADE EVENT**

ACT NOW FOR A 30% Tax Credit **EXPIRES DEC. 2016**

Your Local WaterFurnace Dealers

Bad Axe

B & D Hta (989) 269-5280 bdheating.com

Berrien Springs

WaterFurnace Michiana (269) 473-5667 gogreenmich geothermal.com

Big Rapids

Stratz Htg & Clg, Inc. (231) 796-3717 stratzgeocomfort.com

Caro

AllTemp Comfort, Inc. (866) 844-HEAT (4328) geo4less.com

Carsonville

Certified Temperature Innovations (810) 300-7748

Clifford

Orton Refrigeration & Htg (989) 761-7691 sanduskygeothermal.com

DeWitt

S & J Hta & Cla (517) 669-3705 geothermalservices ofmichigan.com

Grand Rapids

Total Comfort Resource, LLC (616) 406-3182 totalcomfortresource.com

Hart/Ludington

Adams Htg & Clg (231) 873-2665 adamsheatingcooling.com

Indian River

M & M Plmb & Hta (231) 238-7201 mm-plumbing.com

Jackson/Adrian

Comfort 1 Htg & A/C (517) 764-1500 comfort1.net/geothermal

Kalkaska

Kalkaska Plmb & Htg (231) 258-3588 kalkaskageothermal.net

Mt Pleasant

Walton Htg & Clg (989) 774-1566 waltonheating.com

Muskegon

Adams Htg & Clg (231) 873-2665 adamsheating cooling.com

Kiessel Geothermal Htg & Clg (231) 747-7509 kiesselsgeo.com

Portland

ESI Htg & Clg (517) 647-6906 esiheating.com

Sunfield

Mark Woodman Plmb & Htg (517) 886-1138 mwphonline.com

Traverse City

Geofurnace Htg & Clg (231) 943-1000 watergeofurnace.com

D & W Mechanical (231) 941-1215 dwgeothermal.com





Michigan's Electric Cooperatives countrylines.com

September 2016 Vol. 36, No. 8

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POSTMASTER: SEND ALL UAA TO CFS.

Association officers are **Robert Kran**, Great Lakes Energy, chairman; **Mark Kappler**, HomeWorks Tri-County Electric, vice chairman; and **Eric Baker**, Wolverine Power Cooperative, secretary-treasurer. **Craig Borr** is president and CEO.

CONTACT US/LETTERS TO EDITOR:

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Change of Address:

Please notify your electric cooperative. See page 4 for contact information.

The appearance of advertising does not constitute an endorsement of the products or services advertised.

IN THIS ISSUE

ALL POLITICS IS LOCAL—SO IS THE FUTURE OF RURAL AMERICA

Justin LaBerge

COOKING COMMUNITY

Desserts—So Delicious You'll Be Tempted To Eat Dessert First Christin McKamey & Our Readers

| FEATURE

Mining For Gold In The U.P. Emily Haines Lloyd

READERS' PAGE

The Wheels On The Bus Jack O'Malley Guess Our New Mystery Photo

ON THE COVER

During Northern Michigan University's 15-year anniversary event, Sam Jones, an NMU student-athlete (wearing red) won the 59kg match by technical fall 9-0 against All-Navy wrestler Angel Oliveras.

Photo—Courtesy of Northern Michigan University

IN YOUR WORDS

What is your favorite Michigan craft beer?

Please submit answers to countrylines.com by October 1.

Last month's responses to the question: Where can you get the best burger in Michigan?

"Clyde's in Manistique"

"Corky's in Allegan"

"West Pier Drive-In, Sault Ste. Marie"

"Stella's Lounge, Grand Rapids"

A student-athlete at NMU, Elizabeth Becker, is a force to be reckoned with in her weightlifting division and brings that same focus to the kitchen. With a major in environmental sustainability and dreams of owning an organic farm one day (along with an Olympic medal), Elizabeth cooks mainly organic meals. Her crockpot veggie mac & cheese is perfect for the health-conscious athlete, as well as the comfort food junkie. Visit micoopkitchen.com for this recipe and read more about NMU's Olympic athlete training on page 14.



Board Of Directors

Allan Berg, Vice-Chairman

1117 E. Heythaler Hwy., Rogers City, MI 49779 989-734-0044 • *Term Expires 2017*

Sandy Borowicz

5341 Carlson Rd., Cheboygan, MI 49721 231-627-9220 • Term Expires 2018

John Brown, Chairman

21 W. Devereaux Lake Rd., Indian River, MI 49749 231-625-2099 • *Term Expires 2017*

Sally Knopf

1849 W. 638 Hwy., Rogers City, MI 49779 989-734-4196 • *Term Expires 2018*

Kurt Krajniak

7630 Wallace Rd., Alpena, MI 49707 989-884-3037 • Term Expires 2016

Brentt Lucas

15841 Carr Rd., Posen, MI 49776 989-379-4694 • *Term Expires 2016*

Daryl Peterson, Treasurer

P.O. Box 54, Hillman, MI 49746 989-742-3145 • Term Expires 2018

David Smith, Secretary

P.O. Box 180, Atlanta, MI 49709 989-785-5345 • *Term Expires 2017*

Raymond Wozniak

6737 State St., Posen, MI 49776 989-766-2498 • Term Expires 2016

President & CEO: Brian J. Burns

bburns@pieg.com

Presque Isle Electric & Gas Co-op 19831 M-68 Hwy., P.O. Box 308

Onaway, 49765

Business Office & Billing: 989-733-8515

Toll-Free: **800-423-6634**

Gas Emergency Toll-Free: 800-655-8565

pieg.com

2015 CEO Annual Salary \$174,597 Director Compensation Rate:

- \$750 per regular meeting
- \$200 per special meeting

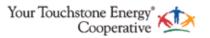
New Memberships in 2015:

- Electric—1254
- Natural Gas—257

2015 non-member revenue \$133,810

Most PIE&G natural gas rates and charges are not regulated by the Michigan Public Service Commission.

Presque Isle Electric & Gas Co-op is an equal opportunity provider and employer.



Meet Your Candidates & Vote!

Just like you, these candidates are member-owners of this co-op. Your vote is important!

See instructions on the cover wrap of this magazine for voting details.

PRESQUE ISLE DISTRICT

GREG DILLER Rogers City



I've lived in the Presque Isle District since 1982 with my wife, Mary, a retired teacher at Onaway Schools. We have three grown children.

After earning degrees in economics, marketing and finance, I began Mariner Financial Group in Rogers City. I developed and managed investment strategies for individuals and locally-owned small businesses before retiring in 2010.

I also worked at The UAW Education Center Black Lake for 12 years during and after college, where I designed and operated a video production facility and ran sound and lighting. After the UAW's reorganization, I continued working as a lifeguard and night auditor.

I also retired from The Coast Guard Reserves as a Lieutenant Commander. I believe my experience would be valuable to PIE&G and the board of directors.

LEO ROMEL Metz



My wife, Denyse and I have been married for 40 years, and we live near Metz. We have nine children who are now grown and eight grandchildren. We've been members of PIE&G for 40 years.

I was employed by Erb-Stock Building Lumber yard (formerly of Posen and then Hillman) for more than 30 years until the business closed. I then went to work for the Posen Elevator and Ace Hardware until my retirement. I served in the Army and was stationed in Germany during the Vietnam War. I'm a 30-year

member of the Knights of Columbus, and I enjoy gardening. Now that I'm retired, I'm interested in getting involved with Presque Isle Electric & Gas Co-op as a director.

RAYMOND WOZNIAK Posen



My wife, Loretta, and I have been PIE&G members for more than 50 years. As a current PIE&G director, I have completed the Credentialed Cooperative Director Certificate program. My community service includes serving as a firefighter, fire chief since 1967, Posen Potato Festival Grand Marshall in 2003, and the Posen Village Council for 20 years. After 34 years of service at U.S. Steel-Calcite Plant as an electrician, I retired in 1993. I understand the energy challenges facing PIE&G members and am committed

to working for a sound energy future while keeping the price affordable. I would appreciate your vote for reelection.

ALPENA DISTRICT

BOB GROCHOWSKI



I'm a Long Rapids resident and have been a PIE&G member for 20 years.

My work experience has been in a variety of industries and at various levels within the organizations in both private and public sectors. I worked in industry for 25 years. I've spent the past 16 years in the insurance industry, where I currently work in life, health and group employee benefits.

I volunteer at Besser Credit Union, initially on the Supervisory Committee, and currently, on the Board of Directors as president for the last eight years.

I believe my varied industrial and business background, along with my credit union board experience, would be an asset to PIE&G's board of directors and provide me with another opportunity to give back to the community I live in.

DUANE JENNINGS Long Rapids



I reside in Long Rapids Township in Alpena County with my wife, Tatum, and our two wonderful children. We were both born and raised in Alpena County. I'm from Lachine and graduated from Alpena High School. After attending Alpena Community College, I earned a degree in Logistics Management from Central Michigan University. I moved to southern Michigan to work in the automotive industry for approximately 10 years. When the opportunity arose to place my roots with my family in northern Michigan, we were excited.

Today, Tatum and I own the Beaver Lake Service Center, Inc., and JCD Transport LLC, both in Lachine. I look forward to the opportunity to serve the members of Presque Isle Electric-& Gas Co-op. Thank you for your time and consideration.

KURT KRAJNIAK Alpena



I grew up in Alpena County and have been a PIE&G member since 1984. My professional background consists of 35 years in outside plant engineering and equipment installation in the communication industry with GTE and Verizon. I have worked with numerous utility companies, municipalities, private companies and customers during my career. My experiences with utility coordination, service outages, corporate operation and budgeting provided me a well-rounded background in the utility industry.

I understand the challenges facing PIE&G members. I am committed to working for affordable energy costs and reliable service for the members. It has been a privilege to serve on the PIE&G board. I would be honored to continue representing PIE&G members as a director, and I would appreciate your vote. Thank you.

BRENTT LUCAS Wellington Twp.



I am a lifetime Wellington Township, Alpena County resident. I'm married to Michelle with three children and expecting our fourth.

I operate a small hog business partnered with my family, Lucas Dairy Farms LLC. I serve on the Alpena Soil District board, MMPA Young Cooperators 2015 top four candidate, Alpena FFA, Alpena County 4-H Clubs, 4-H Council, MSU Dairy Club Judging team, and past board member Huron Shores Farm Bureau. I graduated from Alpena High School and MSU Dairy Tech Program.

Maintaining quality utility service is not only important to me and my operations, but also to my community. Keeping affordable electric and gas services in our rural area is a challenge that as a board member must be met and maintained.

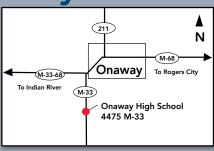
I appreciate the opportunity to serve PIE&G.

Don't miss your co-op's

2016 Annual Meeting

Onaway High School
Friday, Oct. 28
10 a.m.
Registration starts
at 8:30 a.m.
Lunch is provided

See you there!



Just like you, these candidates are member-owners of the co-op.

Your vote is important!

\$100

prize drawing for voting by mail, with an additional \$50 if you are present at the meeting!

See the back cover of this magazine and the ballot cover wrap for voting details.



ALL POLITICS IS LOCAL

So is the future of rural America.

By Justin LaBerge

n two months, Americans will go to the polls and cast votes for a president, 34 senators, 435 members of Congress, 12 governors, 5,920 state legislators and countless other local races.

While the presidential race is at the top of most voters' minds, it is the state and local races that have a more direct and immediate impact on the "kitchen table" issues that matter most to families. For rural America, the stakes in this election are especially high.

Rural America continues to experience population decline driven by out-migration of residents to larger urban areas. The trends underlying much of this out-migration—issues such as globalization, technology advances and the shift from a manufacturing-based economy to a service and knowledge-based economy—are largely beyond the control of any community, state or even country.

Although the challenges facing rural America are global, the prevailing sentiment among rural stakeholders and researchers is that the solutions are largely homegrown. In other words, if rural America is to enjoy a prosperous future, it will be thanks to the ingenuity, self-reliance and determination of its people. The rural electrification movement is a prime example of this.

When for-profit utilities based in urban areas declined to build electric lines in sparsely populated rural areas, the residents of those communities banded together to form cooperatives and build their own systems with the help of government loans. Today, America's electric cooperatives are finding new ways to support and promote the interests of the communities they serve.

Co-ops Vote

One program that is particularly relevant today is the Co-ops Vote initiative. This non-partisan, nationwide program is designed to promote civic engagement and voter participation in communities served by electric cooperatives. Co-op members can go to vote coop to gather information on the

voter registration process in their state, dates of elections, information on the candidates running in those elections and explanations of key issues affecting rural America.

Visitors to the website can also take a pledge to be a co-op voter. By taking this pledge, they can send a message to candidates at all levels of government that electric cooperative members will be showing up at the polls in force and are paying close attention to the issues that impact the quality of life in their communities.

Growing our own leaders

Mil Duncan, a noted scholar on rural economic development issues, said in a recent essay, "far and away the biggest challenge rural development practitioners face is the need for greater human capital—for more leaders, more entrepreneurs..."

To answer the call for more rural leaders, America's electric cooperatives created the Washington Youth Tour program. Each year, approximately 1,700 high school students representing electric cooperatives from across the nation converge in Washington, D.C., for a weeklong, all-expenses-paid leadership development experience.

Previous Youth Tour participants have become university presidents, CEOs of Fortune 500 companies and members of Congress. Many more have returned home to serve in many underappreciated leadership roles—coaches, small business owners, church deacons, county commissioners—that form the backbone of our communities.

Making the most of natural strengths

One of the greatest advantages enjoyed by electric cooperatives is their ability to leverage the unique strengths of the communities they serve.

The members of each cooperative are empowered to explore different approaches to solving problems and figure out what solutions are best for their community. This applies to the energy sources

they use to generate electricity, the technologies they use to operate the system and the policies and procedures they adopt. What works for co-op members in Michigan might not be right for co-op members in Oregon.

While many rural communities face similar challenges driven by similar factors, the best way to address those issues can vary widely from community to community.

Fostering connectivity

In the early 1900s, electricity access was a key factor in determining the quality of life and economic prosperity of a community. Those that had electricity enjoyed many modern conveniences. Those without it languished in darkness and struggled to compete.

When electric cooperatives brought electricity to rural America, the playing field was leveled and small towns experienced a renaissance. A similar trend is unfolding as broadband access makes its way to more rural communities.

One recent high-profile example involves Christopher Ingraham, a data journalist at the Washington Post. In 2015, he wrote a short article based on a dataset from the USDA that ranked American communities on qualities that are often indicators of desirable places to live. The community with the lowest score in the USDA ranking was Red Lake County, MN.

His story generated a lot of comments, including many from the people of Red Lake County who encouraged him to come out for a visit. He did, and was struck by the kindness of the residents and beauty of the landscape.

As a journalist who writes about data, Ingraham wasn't tied to any particular location. As long as he has a reliable high-speed internet connection, he can do his job and email his editor the finished stories. In March of this year, he announced in another story that Red Lake County had won him

over, and he'd be moving there with his wife and young children. He can make this move because of high-speed broadband.

The shift to a knowledge-based economy might hurt some traditional rural industries, but as more companies embrace teleworking, employees who were forced to move to large cities to work in certain industries can keep their jobs while working remotely from rural communities.

Expanding access to broadband in rural areas is one of the key issues addressed by the Co-ops Vote program, and Ingraham's story is just one example why.

Taking action for the future

The challenges facing rural America will not be solved by one person, one idea or one action. But on November 8, we will determine which leaders we trust to enact policies that will help small communities help themselves.

Study the issues that are critical to the future of your community. Look at the positions and backgrounds of every candidate running for every race, from the president to county road commissioner. Then join millions of fellow electric cooperative members at the polls.



Recycle And Save!

Do you have an old refrigerator or chest freezer taking up valuable space in your basement or garage? While you may not think about these older appliances often, they can be costing you hundreds of dollars each year. Presque Isle Electric & Gas Co-op's Energy Optimization program offers free pick up and recycling of older functioning appliances, and you can earn \$50 for proper removal and disposal of each secondary refrigerator or freezer.

Program includes:

Free pick up and recycling of the units is handled by the Energy Optimization team. While our drivers are at your home to pick up your old or inefficient refrigerator or chest freezer, we can also recycle window air conditioners and dehumidifiers. All items must be in working condition.

How to participate

Contact the Energy Optimization team at **877-296-4319** to schedule an appointment. A representative from our team will come to your home for the pick up, and a cash incentive will be mailed to you. It's that simple!

Cash incentives are available for the following functional appliances:

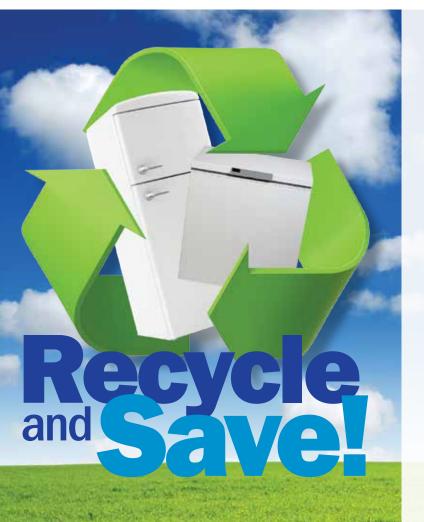
Appliance Type	Pick up or Ride- Along Item	Incentive Amount
Refrigerator	Pick up	\$50
Chest Freezer	Pick up	\$50
Window Air Conditioner	Ride-Along	\$15
Dehumidifier	Ride-Along	\$15

Limit two appliances per year, per residence.

More ways to save!

Are you working on a remodeling project? Your electric utility's Energy Optimization program offers cash incentives for qualifying ENERGY STAR® appliances from refrigerators, washers and dryers, ceiling fans, room air conditioners, televisions and more. Visit michigan-energy.org for a complete list of cash incentives for your home.

Please visit **michigan-energy.org** for more information, or call **877-296-4319** with any questions. ■



Ready to upgrade or get rid of an old refrigerator or freezer?

Recycle it and save! Earn cash incentives for recycling your old, functioning appliances.

- Refrigerator = \$50
- Freezer = \$50
- **Dehumidifier** (ride along item) = \$15
- Window Air Conditioner (ride along item) = \$15

Contact the Energy Optimization team to schedule a free pick up.

Shopping for new appliances?

Energy Optimization offers cash incentives for qualifying ENERGY STAR® appliances. Visit our website for a complete list of savings opportunities.

ONLINE: michigan-energy.org **PHONE**: 877-296-4319





Energy Optimization programs and incentives are applicable to Michigan electric service locations only. Other restrictions may apply. For a complete list of participating utilities, visit michigan-energy.org.

Michigan's Great Outdoors







Bear watching on my deck! Photo by Suzanne Aidif, Millersburg



Photo Fun

Presque Isle Electric & Gas Co-op invites members to share their amazing photos. Selected photos will be published in Michigan Country Lines. Upcoming topics and deadlines are: Country Roads due Sept. **25**—November/December issue and Wild Weather due **Nov. 25**—January 2017 issue.

To submit photos, and for details and instructions, go to http://bit.ly/countrylines

We look forward to seeing your best photos!



My daughter, Kamille, kayaking on Lake Louise in Johannesburg. Photo by Michele Lemon, Johannesburg



Hiking and sightseeing in winter. Hiked across Munising Bay to view the ice caves on Grand Island. Photo by Valarie Pardike, Rogers City

Notice To Members Of Presque Isle Electric & Gas Co-op A special board meeting is set for September 27 at 9 a.m. at the cooperative's Onaway office.

The board of directors will consider changes to the cooperative's rates and tariffs at its meeting on Sept. 27, 2016, to be held at 19831 M68 Highway, Onaway, MI. The meeting will start at 9 a.m. and is open to all members of Presque Isle Electric & Gas Co-op.

The session will begin with an opportunity for members to provide direct input to the board of directors. Time constraints on each member's comments will be at the discretion of the board chairman, but members are asked to keep comments to less than five minutes.

The board will establish the 2016 Power Supply Cost Recovery Factor, to be applied to the cooperative's retail member-consumers' kilowatt-hour use. The Power Supply Cost Recovery Factor represents the power supply costs as established by the cooperative in conjunction with Wolverine Power Cooperative. The factor is established annually and reviewed monthly.

The board will also consider revisions to the following:

- 1. Outdoor Lighting Service tariff (Schedule OD).
- 2. Consumer Standards and Billing Practices for Electric and Gas Residential Service.

Notices of changes or additions to the cooperative's rates or service rules shall be sent to all members, as required by P.A. 167, by first class mail or by publication in Michigan Country Lines at least 30 days prior to their effective date.

Participation: Any interested member may attend and participate. Persons needing any accommodation to participate should contact Presque Isle Electric & Gas Co-op at 800-423-6634 a week in advance to request mobility, visual, hearing or other assistance. Comments may also be made before the meeting date by calling CEO Brian Burns at 800-423-6634, or by email at bburns@pieg.com.

DESSERTS

These decadent dessert recipes are irresistible and will satisfy any craving.

Nana's Sour Cream Rhubarb Pie

Tonya Langlois, Rogers City

- 1 unbaked pie crust
- 5 cups chopped rhubarb
- 1 egg
- ¾ cup white sugar
- 1 cup sour cream
- 1/3 cup flour

Crumble Topping

- ½ cup flour
- ½ cup brown sugar
- 1/4 cup melted butter



Preheat oven to 450 F. Shape pie crust into pie plate. Mix egg, white sugar, sour cream, and 1/3 cup flour. Evenly coat chopped rhubarb with mixture and place in unbaked pie crust. Mix ½ cup flour, brown sugar, and butter until crumbly. Sprinkle on top of rhubarb. Bake at 450 F for 15 minutes, reduce heat to 350 F and bake for 40 minutes more. Watch edges and cover as needed to avoid over darkening. Serve warm immediately.

Photos—831 Creative

Sopapilla Cheesecake (Mexican Cheesecake)

Theresa Timko, Caro



- 2 packages cream cheese, softened
- ¾ cup sugar
- 1 teaspoon vanilla
- 2 tubes crescent rolls
- mini chocolate chips
- 1 teaspoon cinnamon
- ½ cup sugar
- ½ stick melted butter to drizzle

Preheat oven to 375 F. Mix cream cheese, ¾ cup sugar and vanilla together. Spray bottom of a 9x13-inch pan and lay out one tube of crescent rolls, carefully pressing seams together to form one crust on all sides of pan. Spread cream cheese mixture over crust. Sprinkle desired amount of mini chocolate chips over the cream cheese mixture. Lay remaining tube of rolls over this mixture and gently press seams together. Combine cinnamon and ½ cup sugar together and sprinkle over the top crust (this makes the goodness layer!). Drizzle the melted butter over the top and bake about 25 minutes. Cool completely and refrigerate before cutting bars.

Creeping Crust Cobbler

Ginny Horton, Brethren

- ½ cup butter
- 1 cup flour
- 1 teaspoon baking powder
- ½ cup milk
- 2 cups fruit: blackberries, blueberries, raspberries, apricots, peaches, etc.
- 1 cup or less of sugar



Preheat oven to 350 F. Melt butter in a 10-inch baking dish. Mix flour, sugar, baking powder, then add milk and mix together. Spoon mixture over melted butter. Heat fresh or canned fruit with sugar, using less sugar if the fruit is canned. Pour the

fruit mixture over dough. Bake for about 30 minutes or until crust is golden brown; crust will rise to the top. Serve warm or cold, if any lasts that long!

Frozen Mocha Pie

Linda Ackerman, Thompsonville

- 1 teaspoon instant espresso powder
- 2 teaspoon boiling water
- 1 package (1 ounce or 4 serving size) vanilla flavor instant pudding
- 1¾ cup very cold milk
- 1 (8 ounce) container whipped topping, thawed
- 1 prepared chocolate crumb pie shell



Dissolve espresso powder in hot water. Chill, then add to milk. In a large bowl, prepare pudding as directed on package (using espresso/ milk mixture). Fold whipped topping into pudding mixture; pour into pie shell. Freeze for two hours or

until pie is firm. Top each serving with additional whipped topping and a drizzle of chocolate syrup. Garnish with chocolate shavings, if desired.



Your Co-op's 2015 Annual Report



Brian Burns and John Brown



To Our Member-Owners:

We are pleased to report that 2015 was another favorable year for your cooperative. Our natural gas operation continues to provide a positive impact on all aspects of the cooperative. Natural gas operating margins were near record highs again, and coupled with lower interest costs will require a rate decrease. Yes, a decrease! Once we have regulatory approval that allows us to implement the rate decrease across our service territory, we will apply it. We expect that to happen in the coming months.

Our electric operation also had a successful year, despite the six-day Christmas Eve windstorm. Although the total cost of the storm was over \$500,000, our electric operations still yielded positive margins.

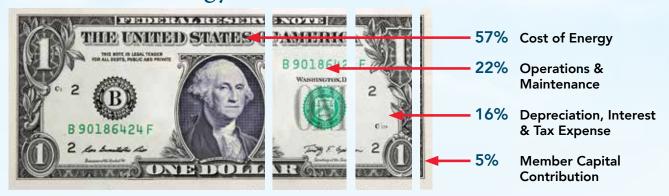
In keeping with our mission, we continue to invest in and rehabilitate the infrastructure that delivers energy to you. In 2015, our total utility plant investments exceeded \$4 million.

PIE&G's board of directors kept its commitment to the cooperative business model by authorizing \$1,225,000 in capital credit retirements in 2016. To date, the board has authorized the return of more than \$11 million to you, our member-owners. On behalf of the board and our employees, we thank you for your trust and support. We are pleased to have the opportunity to serve you.

Respectfully,

John Brown Chairman of the Board Brian J. Burns
President & Chief Executive Officer

Where Your Energy Dollar Goes:



2015 Statistical Summary:

	ELECTRIC	NATURAL GAS
Active Meters	33,160	9,151
Energy Sold	239,756,252 kWh	7,348,500 CCF
New Services	180	228
Miles of Line	3,840 (overhead)	593
	1,025 (underground)	

Treasurer's Report



Daryl Peterson

Presque Isle Electric & Gas Co-op's Statement of Operations and Balance Sheet for the years ending December 31, 2015 and 2014 are included in this annual report. As indicated by these financial reports, the cooperative has completed another successful year. Our electric and natural gas operations continue to provide competitive energy alternatives for our members.

Our independent auditor, Harris Group, has confirmed that the financial statements and records presented to them accurately reflect the financial position of the cooperative. The reports of the results of our operations are in conformity with generally accepted accounting principles.

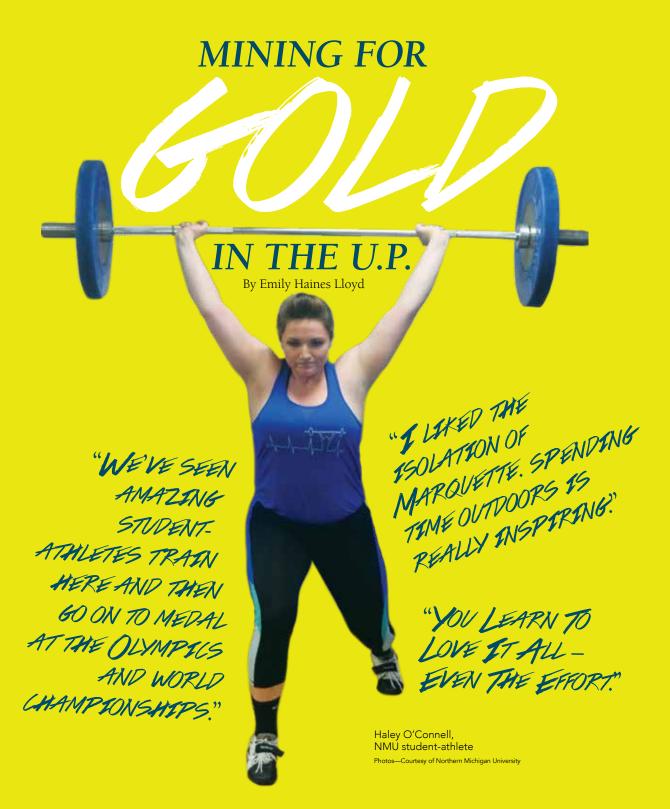
It has been my distinguished pleasure to serve as treasurer for the past year.

Daryl Peterson, Treasurer

Statement of Operations	2014	2015
OPERATING REVENUES	\$ 46,156,932	\$43,840,025
OPERATING EXPENSES		
Cost of Purchased Power	. 26,634,255	24,747,830
Operations & Maintenance Expense	. 8,899,910	9,721,568
Depreciation		3,599,611
Interest		2,412,002
Taxes	. 1,126,459	<u>1,086,199</u>
Total Operating Expenses	<u>42,816,576</u>	<u>41,567,210</u>
Member Capital Contribution	. 3,340,356	2,272,815
NON-OPERATING MARGINS		
Capital Credits—G&T and Other	. 1,681,344	2,027,832
Non-Operating Margins - Other	(279,645)	<u>(247,972)</u>
NET MARGINS	4.742.055	4.052.675

Balance Sheet

ASSETS	
Total Utility Plant	134,265,482
Accumulated Depreciation	(57,822,400)
Net Utility Plant	76,443,082
Investments in Associated Organizations	25,439,018
Cash & Cash Equivalents	2,031,248
Accounts Receivable	4,550,055
Materials & Supplies	1,439,184
Other Assets	452,143
Deferred Debits	<u>252,010</u>
Total Assets	110,606,740
EQUITIES & LIABILITIES Margins & Equities	
Patronage Capital	51,083,100
Other Equities	(1,319,079)
Total Margins & Equities	49,764,021
Liabilities	
Long Term Debt	46,629,653
Notes Payable	5,000,000
Accounts Payable	8,953,251
Other Current & Accrued Liabilities	259,816
Total Liabilities	<u>60,842,720</u>
TOTAL EQUITIES & LIABILITIES	110,606,740



n the shores of Lake Superior in the Upper Peninsula, you can catch a glimpse of the world's largest wooden dome, fittingly called Superior Dome. It's certainly a site to see, but even more remarkable is what is happening inside. Along with hosting Northern Michigan University's football, soccer, and track and field teams, Superior Dome is home to the NMU Olympic Training Site—one of only 18 Olympic Training Sites in the country. These training sites are world-class facilities used by elite

athletes. All of the sites have hosted Olympic or Paralympic trials, and most of them have hosted world cup or world championship events.

At NMU-OTS, you'll find some of the nation's most distinguished Greco-Roman wrestlers and



The Superior Dome on the campus of Northern Michigan University.

weightlifters preparing to make their mark in the sporting world.

"The program has been around since 1985," said Michael Kaurala, Director of Facilities at NMU-OTS. "We've seen amazing studentathletes train here and then go on to medal at the Olympics and world championships."

At the time of the interview, the 2016 Rio Olympics were just around the corner, with eight current or former NMU-OTS athletes competing in various events—Greco-Roman wrestling, freestyle wrestling, boxing, weightlifting and paracanoe.

"It's always an exciting time when the Olympics come around," said Kaurala. "When current or former athletes work so hard and then perform well—it's a great feeling."

As only one of two wrestling OTSs in the country, the draw for student athletes is tremendous.

Nate Lewis, from Arlington, WA, entered the program hoping to pursue his weightlifting and academic dreams.

"I was looking for a positive training environment without sacrificing my education," said Lewis. "I liked the isolation of Marquette. It keeps me more focused on my training, as well as my studies. Plus, spending time outdoors is really inspiring."

The athletes know a lot about the outdoors, as coaches like to take the athletes out of the state-of-the-art facility sometimes to run along the shore of Lake Superior or up and down the sand dunes for variety in their workouts.

Dalton Roberts, a Greco-Roman wrestler, has had a lot of success in his sport both nationally and internationally. Roberts hopes to become an Olympian and World Team Member and isn't afraid to put in the hard work to make it happen.

"It's a lot of work, for sure," said Roberts. "But it also feels great to do what I love every day. People think it's hard and it is, but you learn to love it all—even the effort."

So, if you're going on a picturesque drive in the U.P. and happen to catch a glimpse of the enormous white dome peeking out through the treetops, take a moment for a closer look. Under that dome you'll find gorgeous Douglas Fir wood beams and a state-of-the-art training facility, with hardworking young men and women who have dreams big enough to fill the entire stadium.



Northern Michigan University-Olympic Training Site's Greco-Roman Wrestling Team.

NMU-075'S GOLDEN GTRL

The world was watching when Helen Maroulis became the first woman to win a gold medal in wrestling for the United States at the 2016 Olympic Games. Cheering crowds in Rio were likely only eclipsed by the roaring fans in Marquette, MI—where Maroulis spent her senior year of high school and trained at NMU-OTS.

A Maryland native, Maroulis decided to finish high school in Marquette in order to pursue her wrestling dreams at NMU-OTS. Those dreams came to an apex in Rio as she battled to trim down to compete in the 53kg weight class against Japan's Saori Yoshida, three-time reigning Olympic gold medalist and 13-time world champion.

Against the odds, but with all the determination and focus she acquired through her years of training, Maroulis pinned the legend to win gold. NMU-OTS celebrated the success of their former wrestler by using her example to inspire training their current athletes whose Olympic dreams shine as brightly as their goldwinning alumna.

NOTICE OF HEARING FOR THE REGULATED NATURAL GAS DIVISION **CUSTOMERS OF PRESQUE ISLE ELECTRIC & GAS CO-OP** CASE NO. U-17695-R

- Presque Isle Electric & Gas Co-Op (Presque Isle) requests Michigan Public Service Commission (Commission) approval to reconcile its gas cost recovery (GCR) costs and revenues for the 12-month period ended March 31, 2016, for its Regulated Gas Division.
- The information below describes how a person may participate in this case.
- You may call or write Presque Isle Electric & Gas Co-Op, 19831 M-68 Highway, P.O. Box 308, Onaway, Michigan 49765, 800-423-6634 for a free copy of its application. Any person may review the application at the offices of Presque Isle Electric & Gas Co-op.
- The first public hearing in this matter will be held:

DATE/TIME: Tuesday, October 4, 2016, at 9:30 a.m.

This hearing will be a prehearing conference to set future hearing dates and decide other procedural matters.

BEFORE: Administrative Law Judge Mark E. Cummins

LOCATION: Michigan Public Service Commission, 7109 West Saginaw Highway, Lansing, Michigan

PARTICIPATION: Any interested person may attend and participate. The hearing site is accessible, including handicapped parking. Persons needing any accommodation to participate should contact the Commission's Executive Secretary at 517-284-8090 in advance to request mobility, visual, hearing or other assistance.

The Commission will hold a public hearing to consider Presque Isle's June 6, 2016, application to reconcile its 2015/2016 GCR costs and revenues for the 12-month period ended March 31, 2016, for its regulated natural gas division. Presque Isle represents that the Company experienced an under collection (gas costs exceeded gas revenues) of \$371,297. Presque Isle states that it is currently collecting the under collection through its GCR plan, authorized by the Commission in Case No. U-17945.

All documents filed in this case shall be submitted electronically through the Commission's E-Dockets website at michigan.gov/mpscedockets. Requirements and instructions for filing can be found in the User Manual on the E-Dockets help page. Documents may also be submitted, in Word or PDF format, as an attachment to an email sent to mpscedockets@michigan.gov. If you require assistance prior to e-filing, contact Commission staff at 517-284-8090 or by email at mpscedockets@michigan.gov.

Any person wishing to intervene and become a party to the case shall electronically file a petition to intervene with this Commission by September 27, 2016. (Interested persons may elect to file using the traditional paper format.) The proof of service shall indicate service upon Presque Isle's attorney, Richard J. Aaron, Dykema, Gossett PLLC, Capitol View, 201 Townsend Street, Suite 900, Lansing, Michigan 48933.

Any person wishing to appear at the hearing to make a statement of position without becoming a party to the case may participate by filing an appearance. To file an appearance, the individual must attend the hearing and advise the presiding administrative law judge of his or her wish to make a statement of position. All information submitted to the Commission in this matter becomes public information, thus available on the Michigan Public Service Commission's website, and subject to disclosure. Please do not include information you wish to remain private.

Requests for adjournment must be made pursuant to the Michigan Administrative Hearing System's Administrative Hearing Rules R 792.10422 and R 792.10432. Requests for further information on adjournment should be directed to 517-284-8130.

A copy of the Presque Isle's request may be reviewed on the Commission's website at michigan.gov/mpscedockets and at the office of Presque Isle Electric & Gas Co-Op. For more information on how to participate in a case, you may contact the Commission at the above address or by telephone at 517-284-8090.

Jurisdiction is pursuant to 1909 PA 300, as amended, MCL 462.2 et seq.; 1919 PA 419, as amended, MCL 460.54 et seg.; 1939 PA 3, as amended, MCL 460.1 et seg.; 1969 PA 306, as amended, MCL 24.201 et seg.; 1982 PA 304, as amended, MCL 460.6h et seq.; and the Michigan Administrative Hearing System's Administrative Hearing Rules, 2015 AC, R 792.10401 et seq.

August 1, 2016

Access To Rules & Rates

Please be advised that the following information is available to Presque Isle Electric & Gas Co-op members:

- 1. Complete rate schedules;
- 2. Clear and concise explanation of all rates that the member may be eligible to receive;
- Assistance from the cooperative in determining the most appropriate rate for a member when the member is eligible to receive service under more than one rate;
- 4. Clear and concise explanation of the members' actual energy use for each billing period during the last 12 months.

The information can be obtained by contacting Presque Isle Electric & Gas Co-op at 800-423-6634.

Public Act 295: The Clean Renewable and Efficient Energy Act

2015 Annual Energy Optimization Report, Presque Isle Electric & Gas Co-op, MPSC Case Number U-17785

Presque Isle Electric & Gas (PIE&G) contracted with the Michigan Electric Cooperative Association (MECA) to administer the Energy Optimization efforts in order to comply with PA-295. MECA filed a four-year Energy Optimization plan with the MPSC on August 1, 2011, as required by PA 295. This EO plan was approved by the MPSC on November 10, 2011, and we began implementing the plan January 1, 2012. WECC was selected to implement all Residential, Commercial, and Industrial Programs, and the Energy Optimization website www.michigan-energy.org. WECC has subcontracted with JACO, Michigan Energy Options, Franklin Energy, Morgan Marketing Partners, and Honeywell to assist with the implementation of the EO Programs. MECA contracted with KEMA as the independent 3rd party evaluation contractor for the certification of kWh savings.

In 2015, PIE&G collected \$515,898 through the Energy Optimization Surcharge and spent \$364,501 resulting in an over-collection of \$151,397 which will be applied towards the 2016 EO Program delivery expenses and goal achievement. Presque Isle achieved 2,054 MWh of energy savings in 2015. For every dollar spent on energy efficiency programs, customers will save \$3.00 in avoided energy costs. The full report can be obtained at michigan-energy.org or http://efile.mpsc.state.mi.us/efile.

Notice to Members of Presque Isle Electric and Gas Cooperative

Case No. U-16596, 2015 Renewable Energy Plan Annual Report Summary

The Michigan Public Service Commission (MPSC) requires all Michigan electric utilities to get approximately two percent of their power supply from renewable sources by 2012 and increasing to 10 percent by 2015.

Under this requirement, Presque Isle Electric and Gas Cooperative submits an annual report to the MPSC regarding its Renewable Energy Plan. In 2015, Presque Isle acquired a total of 7,692 renewable energy credits (4,927 credits from Harvest Wind Farm, LLC and 2,765 credits from Thunder Bay—Four Mile) and 257 incentive credits from Thunder Bay—Four Mile. All credit transfers were directed through Presque Isle's wholesale power supplier, Wolverine Power Supply Cooperative, Inc. Wolverine will continue to generate renewable energy and bank unused renewable energy credits for future use and compliance with statutory renewable portfolio standard requirements on behalf of all of its members.

A full copy of the cooperative's Renewable Energy Plan annual report that was filed with the MPSC is available on the cooperative's website at pieg.com or by request at any of the cooperative's offices.

Fuel Mix Report

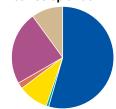
The fuel mix characteristics of Presque Isle Electric & Gas Co-op as required by Public Act 141 of 2000 for the 12-month period ended 6/30/16.

COMPARISON OF FUEL SOURCES USED

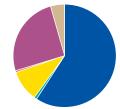
Regional average fuel mix used		
Your co-op's fuel mix		
FUEL SOURCE		
Coal	50.3%	55.0%
Oil	0.5%	0.6%
Gas	17.9%	12.8%
Hydroelectric	1.4%	0.7%
Nuclear	22.8%	25.7%
Renewable Fuels	7.1%	5.2%
	7.170	3.2%
Biofuel	0.6%	0.7%
Biofuel Biomass		0.2.70
2.0.00	0.6%	0.7%
Biomass	0.6% 0.4%	0.7% 0.5%
Biomass Solar	0.6% 0.4% 0.1%	0.7% 0.5% 0.1%

NOTE: Biomass above excludes wood; solid waste incineration includes landfill gas; and wind includes a long-term renewable purchase power contract in Wolverine's mix, but does not include renewable energy credits (RECs) that bring the total for renewable fuels above 10%.

Your Co-op's Fuel Mix



Regional Average Fuel Mix



EMISSIONS AND WASTE COMPARISON

TYPE OF	lbs/MWh	
EMISSION/WASTE	Your Co-op	Regional Average*
Sulfur Dioxide	5.8	7.6
Carbon Dioxide	1,603	2,170
Oxides of Nitrogen	1.6	2.0
High-level	0.0072	0.0083
Nuclear Waste		

*Regional average information was obtained from the MPSC website and is for the 12-month period ending 12/31/2015.

Presque Isle Electric & Gas purchases 100% of its electricity from Wolverine Power Cooperative, which provided this fuel mix and environmental data.

The Wheels On The Bus

By Jack O'Malley

dmit it. You just sang "go round and round" in your head. September brings cooler temperatures, football season, and the start of a new school year accompanied by a fleet of familiar vehicles on northern Michigan roads. Recognized by their distinctive color and flashing lights, school buses transported an estimated 26.9 million students in the United States last year.

Buses can only operate with a dedicated crew of drivers, and one of the best can be found in Chippewa Hills. Kent Blackmer says the first day of school can be a bittersweet time. "Summer is over, but I see all the kids again!" Yes, Kent loves being part of the kids' day. He feeds off their energy each morning, and Ken admits some days can be pandemonium, especially with the elementary kids. High school students, however, are surprisingly mellow, most listening to their music or reading during the trip to and from school.

A six-year veteran of the Chippewa Hills School District, Ken enjoys many laughs with the kids each day. Most know him by name. Some simply refer to him as Mr. Bus Driver. Either way, he says, the kids are "respectful and well behaved." And the parents? "Supportive and, like most of us, happy to have an expert behind the wheel!"

While Kent enjoys driving, he says the job does have its share of stress. "You always have to be on guard. My job is to be aware. Sometimes awareness can be difficult, especially when noise levels rise or winter roads are slippery, but I can't get distracted." Safety is paramount. Kent insists that students follow rules on his bus. And while he can't control other motorists on the road, he hopes drivers watch out for his big



yellow bus. "Unfortunately, people do run my stop sign." When they do, he gets a plate number and reports the driver.

School buses across the state roll out every morning and afternoon with drivers like Kent, happy to be behind the wheel. Kent said he does have an all-time favorite part of the job. "It may seem silly,"



Jack O'Malley

he remarked. "But I always enjoy the reaction of the family pets when they see their children coming up the driveway happy to see them come home."

Parts of the Chippewa Hills School District are serviced by HomeWorks Tri-County Electric Cooperative.

I Remember...

We invite members to share their fondest memories. Country Lines will pay \$50 for stories we publish.

Guidelines

- 1. Approximately 200 words
- 2. Digital photos must be at least 600 KB
- 3. Only one entry per household, per month
- 4. Country Lines retains reprint rights
- **5.** Please include your name, address, email, phone number and the name of your electric co-op
- 6. Submit your memories online: countrylines.com



Where In Michigan Is This?

Identify the correct location of the photo on the left by Sept. 30 and be entered into a drawing to win a \$50 electric bill credit. Enter your guess at countrylines.com or send by mail to: *Country Lines* Mystery Photo, 201 Townsend St., Suite 900, Lansing, MI 48933. Include the name on your account, address, phone number, and name of your co-op.

Our Mystery Photo Contest winner from the July/August 2016 issue is David LaLiberte, a Midwest Cooperative member who correctly identified the photo as downtown Kalamazoo, the corner of South Street and the Kalamazoo Mall.





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