

A SPECIAL MEETING OF THE ONTONAGON COUNTY R.E.A.  
BOARD OF DIRECTORS WAS HELD AT 500 J. K. Paul Street  
Ontonagon, MI 49953

Meeting Minutes  
9:30 A.M. May 18, 2026

**Opening**

- Call to Order – Gaunt at 9:30am
- Roll Call – Gasperich, Myhren, P. Koski, Gaunt, C. Koski, Hodges, Lehto in person. Others present in person included CEO Dallas Aho, Operations Manager Sironen and Administrative Assistant Kelsey Preiss. Attorney Pat Greeley and Consultant Tom Sobeck were present via Teams.
- Members present – In person: Phyllis Luepke, Richard Luepke, Bruce Johanson, Hans Impola, Mike Urbis, Morgan Impola. Carol Impola attended via Teams.

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

**Review Items:**

- 1) 2025 Power Supply Cost Recovery (PSCR) Factor Reconciliation
- 2) 2025 TIER Analysis and recommended revenue increase
- 3) Implementation of the recommended Rate Increases to the Monthly, Seasonal, C&I Small, C&I Large, and Public Buildings rate classes

**Member Comment** – Each in person member spoke on their thoughts about the rate increase and the general running of the REA.

**Action Items:**

- 1) Accept 2025 Power Supply Cost Recovery (PSCR) Factor Reconciliation

M/S to adopt Resolution 2026-MR-01 2025 Power Supply Cost Recovery (PSCR) Factor Reconciliation – Gasperich/Myhren. All in favor, motion passed.

- 2) Accept 2025 TIER Analysis and recommended revenue increase

M/S to adopt Resolution 2026-MR-02 2025 Electric Operations Times Interest Earned Ratio (TIER) Analysis – Gasperich/Hodges. All in favor, motion passed.

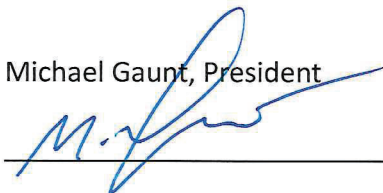
- 3) Approve the recommended for rate increases to the Monthly, Seasonal, C&I Small, C&I Large, and Public Buildings rate classes

M/S to adopt Resolution 2026-MR-03 2026 Electric Rate Design – Gasperich/Lehto. All in favor, motion passed.

**Adjournment**

M/S to adjourn 10:21Am - Myhren/Gasperich. All in favor, motion passed.

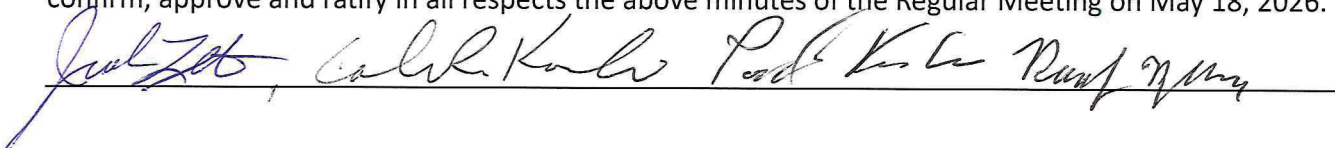
Michael Gaunt, President



Mildred Ann Gasperich, Secretary



We the undersigned Directors of the Ontonagon County Rural Electrification Association do hereby confirm, approve and ratify in all respects the above minutes of the Regular Meeting on May 18, 2026.



**ONTONAGON COUNTY RURAL  
ELECTRIFICATION ASSOCIATION  
BOARD RESOLUTION  
MAY 18, 2026**

**RESOLUTION 2026-MR-01  
2025 POWER SUPPLY COST RECOVERY (PSCR) FACTOR  
RECONCILIATION**

**WHEREAS**, OCREA transitioned to member-regulation with an effective date of November 5, 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**, OCREA staff has reviewed the 2025 PSCR Factor reconciliation exhibits with the Board of Directors; and

**WHEREAS**, the 2025 PSCR Factor reconciliation indicates that OCREA has experienced a cumulative under-collection of power supply costs of \$101,057.30 for the 12-month period ending December 31, 2025; and

**WHEREAS**, OCREA has incorporated the under-collection of \$101,057.30 into its 2025 PSCR Factor calculation.

**NOW BE IT HEREBY RESOLVED** that the OCREA Board of Directors accepts management's 2025 ELECTRIC PSCR Factor reconciliation analysis, which indicates an under-collection of \$101,057.30 and directs management to continue recovering this amount from the membership through the use of the 2026 PSCR Factor.

**CERTIFICATION**

I, Mildred Ann Gasperich, Secretary of the Board of Directors of Ontonagon County Rural Electrification Association 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 Ontonagon County Rural Electrification Association held on May 18, 2026.

By: Mildred Ann Gasperich  
Mildred Ann Gasperich Secretary

Dated: May 18, 2026

**ONTONAGON COUNTY RURAL  
ELECTRIFICATION ASSOCIATION  
BOARD RESOLUTION  
MAY 18, 2026**

**RESOLUTION 2026-MR-02  
2025 ELECTRIC OPERATIONS TIMES INTEREST EARNED RATIO (TIER)  
ANALYSIS**

**WHEREAS**, OCREA transitioned to member regulation with an effective date of November 5, 2012 thus providing that its electric rates and charges are no longer regulated by the Michigan Public Service Commission; and

**WHEREAS**, OCREA has determined that the Times Interest Earned Ratio (TIER) Analysis rate setting mechanism will provide margins adequate to meet its lender requirements and long-term financial objectives; and

**WHEREAS**, OCREA wishes to establish a target TIER of 1.5 and OCREA has established that the TIER calculation for the 2025 operating year indicates an adjusted TIER of 1.08; and

**WHEREAS**, an adjusted TIER of 1.08 fails to meet the target TIER of 1.5; and

**WHEREAS**, a revenue increase of \$937,281 or 12.18% is required to achieve a 1.5 Target TIER.

**NOW BE IT HEREBY RESOLVED** that the OCREA Board of Directors accepts management's 2025 TIER analysis, which indicates a revenue increase of \$937,281 is required to achieve a Target TIER of 1.5.

**CERTIFICATION**

I, Mildred Ann Gasperich, Secretary of the Board of Directors of the Ontonagon County Rural Electrification Association, 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 the Ontonagon County Rural Electrification Association held on May 18, 2026.

By: Mildred Ann Gasperich  
Mildred Ann Gasperich, Secretary

Dated: May 18, 2026

**ONTONAGON COUNTY RURAL  
ELECTRIFICATION ASSOCIATION  
BOARD RESOLUTION  
May 18, 2026**

**RESOLUTION 2026-MR-03  
2026 ELECTRIC RATE DESIGN**

**WHEREAS**, OCREA transitioned to member regulation with an effective date of November 5, 2012 thus providing that its electric rates and charges are no longer regulated by the MPSC; and

**WHEREAS**, OCREA has established that the 2025 TIER Analysis provides for an increase of \$937,281 to achieve a Target TIER of 1.5; and

**WHEREAS**, OCREA has determined that the increase of \$937,281 is to be implemented on the Residential Monthly, Seasonal, C&I Small, C&I Large, and Public Buildings rate classes.

**NOW BE IT HEREBY RESOLVED** that the OCREA Board of Directors directs management to implement electric distribution rate increases to the Residential Monthly, Seasonal, C&I Small, C&I Large, Public Building rate classes in the following manner effective with bills rendered on or after September 1, 2026:

Rate Class	Monthly Charge Increase	kWh Charge Increase
Monthly	\$4.00	\$0.0231
Seasonal	\$6.00	\$0.0231
C&I Small	\$8.00	\$0.0231
C&I Large	\$8.00	\$0.0231
Public Buildings	\$4.00	\$0.0231

**BE IT FURTHER RESOLVED** that the OCREA Board of Directors directs management to undertake a Cost of Service Study to assure that the rate adjustments assure cost recovery among rate classes is equitable and recommend rate adjustments at the September Member Regulation Special Meeting if necessary.

**CERTIFICATION**

I, Mildred Ann Gasperich, Secretary of the Board of Directors of the Ontonagon County Rural Electrification Association, 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 the Ontonagon County Rural Electrification Association held on May 18, 2026.

By:   
Mildred Ann Gasperich, Secretary

Dated: 5/18/2026