

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter, on the Commission's own motion,)	
regarding the regulatory reviews, revisions,)	
determinations, and/or approvals necessary for)	Case No. U-20376
UPPER PENINSULA POWER COMPANY to fully)	
comply with Public Act 295 of 2008, as amended)	
by Public Act 342 of 2016.)	
_____)	

At the May 19, 2020 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Sally A. Talberg, Chairman
Hon. Daniel C. Scripps, Commissioner
Hon. Tremaine L. Phillips, Commissioner

ORDER APPROVING AMENDED SETTLEMENT AGREEMENT

On February 7, 2019, the Commission opened this docket and directed Upper Peninsula Power Company (UPPCo) to file an energy waste reduction (EWR) plan for the 2020 and 2021 calendar years. On July 1, 2019, UPPCo filed an application, with supporting testimony and exhibits, requesting approval of its EWR plan for the 2020 and 2021 calendar years.

A prehearing conference was held on September 4, 2019, before Administrative Law Judge Martin D. Snider. The Commission Staff also participated in the proceeding. Subsequently, the parties filed a settlement agreement resolving all issues in the case.

On May 8, 2020, the Commission issued an order approving the settlement agreement. Due to circumstances surrounding the coronavirus pandemic, the parties filed an amended settlement

agreement on May 13, 2020, to delay the implementation of the surcharge related to this proceeding to January of 2021.

The Commission has reviewed the amended settlement agreement and finds that the public interest is adequately represented by the parties who entered into the amended settlement agreement. The Commission further finds that the amended settlement agreement is in the public interest, represents a fair and reasonable resolution of the proceeding, and should be approved.

THEREFORE, IT IS ORDERED that the amended settlement agreement, attached as Exhibit A, is approved.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel.

Electronic notifications should be sent to the Executive Secretary at mpscedockets@michigan.gov and to the Michigan Department of the Attorney General - Public Service Division at pungpl@michigan.gov. In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General - Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

Sally A. Talberg, Chairman

Daniel C. Scripps, Commissioner

Tremaine L. Phillips, Commissioner

By its action of May 19, 2020.

Lisa Felice, Executive Secretary

STATE OF MICHIGAN

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regarding the regulatory reviews, revisions,)	Case No. U-20376
determinations, and/or approvals necessary for)	
UPPER PENINSULA POWER COMPANY to)	
fully comply with Public Act 295 of 2008, as)	
amended by Public Act 342 of 2016.)	
_____)	

AMENDED SETTLEMENT AGREEMENT

Pursuant to Section 78 of the Administrative Procedures Act of 1969, as amended, MCL 24.278 ("APA") and Rule 431 of the Michigan Administrative Hearing System's Administrative Rules, R 792.10431, Upper Peninsula Power Company ("UPPCO" or the "Company") and the Michigan Public Service Commission Staff ("Staff") agree as follows:

1. UPPCO filed its biennial energy waste reduction plan case on July 1, 2019, which was resolved by a settlement agreement dated April 7, 2020 (hereafter the "Settlement Agreement") and a May 8, 2020 order issued by the Michigan Public Service Commission ("MPSC" or "the Commission") approving the Settlement Agreement.

2. Paragraph 7.k of the Settlement Agreement required that the plan should become effective for the first full billing month following the issuance of a Commission order approving the Settlement Agreement, and paragraph 7.j of the Settlement Agreement asked the Commission to approve the EWR surcharges shown on Attachment 4 to the Settlement Agreement, which are necessary to achieve the increased EWR savings targets specified in the plan.

3. The public and private responses to the COVID-19 pandemic, particularly Governor Gretchen Whitmer's March 23, 2020 "Stay Home, Stay Safe" executive order (EO 202021), have resulted in virtually all residential customers on the Company's electric system being sequestered at home continuously throughout the daytime hours, when a significant portion of the population would have ordinarily been outside the home for work and other activities. It is unclear how long home sequestration, remote working, and/or "social distancing" measures will remain in effect; however, it is reasonable to expect continued disruption of work and public activities beyond June 1, 2020.

4. UPPCO's implementation contractors are under the same stay-at-home and social distancing restrictions as all other Michiganders; therefore, savings targets and programs may need to be calibrated to appropriately account for these restrictions in 2020. Moreover, delaying the planned increases in EWR surcharges will mitigate the short term impact of increased electric rates for UPPCO's customers during the economic hardship resulting from the COVID-19 pandemic. As established through the Commission Order issued on April 15, 2020 in Case No. U-20757, impacts related to program implementation, as well as associated costs and savings for program year 2020, shall be addressed in Case No. U-20757.

5. UPPCO and Staff have agreed to enter into this Amended Settlement Agreement in view of the foregoing. Pursuant to Section 78 of the APA, UPPCO and Staff hereby stipulate and agree as follows:

- a. The increased 2020-2021 EWR plan surcharges set forth in the April 7, 2020 Settlement Agreement approved by the Commission's May 8, 2020 Order Approving Settlement Agreement in Case No. U-20376, should be revised to become effective on January 1, 2021, and the parties

respectfully request the Commission to issue an amended order reflecting this revised effective implementation date.

- b. The EWR Surcharges shown on Attachment 4 of the Settlement Agreement should take effect on January 1, 2021. Attachment 1 is a revised tariff sheet showing the January 1, 2021 effective date.

6. All of the signatories are of the opinion that this amended settlement agreement is reasonable, prudent and will aid in the expeditious conclusion of this case.

7. This amended settlement agreement is based on the extraordinary facts and circumstances arising from the COVID-19 pandemic and is intended solely for the reasons set forth herein. This amended settlement agreement is entered into for the sole and express purpose of reaching a compromise among the parties. All offers of settlement and discussions relating to this settlement are considered privileged under MRE 408. If the Commission approves this amended settlement agreement without modification, neither the parties to the settlement nor the Commission shall make any references to, or use this amended settlement agreement or the order approving it, as a reason, authority, rationale or example for taking any action or position or making any subsequent decision in any other case or proceeding; provided, however, such references may be made to enforce or implement the provisions of this amended settlement agreement and the order approving it.

8. Pursuant to Rule 431 of the Michigan Administrative Hearing System's Administrative Rules, R 792.10431(6) the parties agree any order approving this amended settlement agreement shall not establish precedent for future proceedings and shall not be used as such. This amended settlement agreement is based on the facts and circumstances of this case and is intended as the final disposition of this case only. If the Commission approves this

amended settlement agreement, without modification, the undersigned parties agree not to appeal, challenge or otherwise contest the Commission order approving this amended settlement agreement only. Except as otherwise set forth herein, the parties agree and understand that this amended settlement agreement does not limit any party's right to take new and/or different positions in the next EWR plan.

9. This amended settlement agreement is not severable. Each provision of this amended settlement agreement is dependent upon all other provisions of this amended settlement agreement. Failure to comply with any provision of this amended settlement agreement constitutes failure to comply with the entire amended settlement agreement. If the Commission rejects or modifies this amended settlement agreement or any provision of this amended settlement agreement, this amended settlement shall be deemed to be withdrawn, shall not constitute any part of the record in this proceeding or be used for any other purpose, and shall not operate to prejudice the pre-negotiation positions of any party.

10. The parties agree to waive Section 81 of the Administrative Procedures Act of 1969 (MCL 24.281), as it applies to the issues in this proceeding, if the Commission approves this amended settlement agreement without modification.

UPPER PENINSULA POWER COMPANY

Paul Collins

Digitally signed by: Paul Collins
DN: CN = Paul Collins email =
collinsp@millercanfield.com C = AD O =
Miller Canfield
Date: 2020.05.13 18:22:03 -04'00'

Dated: May 13, 2020

By: _____
Its Attorney
Sherri A. Wellman (P38989)
Paul M. Collins (P69619)
MILLER, CANFIELD, PADDOCK and STONE, P.L.C.
One Michigan Avenue, Suite 900
Lansing, Michigan 48933
(517) 483-4954

MICHIGAN PUBLIC SERVICE COMMISSION STAFF

Amit T. Singh

Digitally signed by Amit T.
Singh
Date: 2020.05.13 17:33:00
-04'00'

Dated: May 13, 2020

By: _____
Its Attorneys
Monica M. Stephens (P73782)
Amit T. Singh (P75492)
Assistant Attorneys General
Public Service Division
7109 West Saginaw Highway
3rd Floor
Lansing, MI 48917
(517) 241-6680

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UPPER PENINSULA POWER COMPANY

MPSC Vol No 8-ELECTRIC

14th Rev. Sheet No. D-73.00
Replaces 13th Rev. Sheet No. D-73.00**D2. Energy Waste Reduction (EWR)****EWR****Energy Waste Reduction Surcharge**

This surcharge permits, pursuant to Section 91(4) of 2008 Pa 295, and as amended in 2016 PA 342, the adjustment of distribution rates, via the application of an Energy Waste Reduction Surcharge, to allow recovery of the energy waste reduction alternative compliance payment made by the Company in compliance with Section 91(1) of 2008 Pa 295 as amended in 2016 PA 342.

All customer bills subject to the provisions of this tariff, including any bills rendered under special contract, shall be adjusted by the Energy Waste Reduction Surcharge per kWh or Customer as follows:

<u>Tariff</u>	<u>Energy Charges</u>
---------------	-----------------------

R	A-1	\$0.0072 /kWh
R	AH-1	\$0.0072 /kWh
D		

<u>Tariff</u>	<u>Per Month/Meter</u>	<u>Per Day/Meter</u>
---------------	------------------------	----------------------

R	C-1	\$6.78	\$0.2228
R	H-1	\$6.78	\$0.2228
R	P-1	\$68.92	\$2.2658
R	Cp-U	\$660.82	\$21.7257
R	WP-3	\$2,693.07	\$88.5392
R	CP-RR	\$660.82	\$21.7257
R	RTMP	\$7,299.14	\$239.9718
R	RTMP-D	\$7,299.14	\$239.9718
R	Special Contract	\$7,299.14	\$239.9718
R	SL-3	\$3.52	\$0.1156
D			
D			
D			
D			

Issued: XX-XX-XX

By G R Haehnel

2021¹⁰Director of Regulatory Affairs
Marquette, MichiganEffective for Service
On and After: 01~~5~~-01-Issued Under Auth. of
Mich Public Serv Comm
Dated: XX-XX-2020
In Case No: U-20376


PROOF OF SERVICE

STATE OF MICHIGAN)

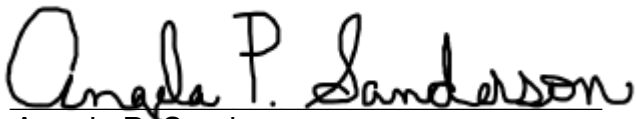
Case No. U-20376

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on May 19, 2020 A.D. she electronically notified the attached list of this **Commission Order via e-mail transmission**, to the persons as shown on the attached service list (Listserv Distribution List).


Brianna Brown

Subscribed and sworn to before me
this 19th day of May 2020.



Angela P. Sanderson
Notary Public, Shiawassee County, Michigan
As acting in Eaton County
My Commission Expires: May 21, 2024

Service List for Case: U-20376

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Upper Peninsula Power Company	jlarsen@uppc.com

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Tri-County Electric Co-Op
Citizens Gas Fuel Company
Consumers Energy Company
SEMCO Energy Gas Company
Superior Energy Company
WEC Energy Group
Upper Peninsula Power Company
Midwest Energy Coop
Midwest Energy Coop
Alger Delta Cooperative
Cherryland Electric Cooperative
Great Lakes Energy Cooperative
Great Lakes Energy Cooperative
Stephenson Utilities Department
Ontonagon County Rural Elec
Presque Isle Electric & Gas Cooperative, INC
Thumb Electric
Bishop Energy
AEP Energy
CMS Energy
Just Energy Solutions
Constellation Energy
Constellation Energy
Constellation New Energy
DTE Energy
First Energy
My Choice Energy
Calpine Energy Solutions
Santana Energy
Spartan Renewable Energy, Inc. (Wolverine Power Marketing Corp)
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City of Crystal Falls
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Thomas Krichel

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Marquette Board of Light & Power

Premier Energy Marketing LLC

City of Marshall

Doug Motley

Marc Pauley

City of Portland

Alpena Power

Liberty Power

Wabash Valley Power

Wolverine Power

Lowell S.

Realgy Energy Services

Volunteer Energy Services

Hillsdale Board of Public Utilities

Michigan Gas Utilities/Upper Penn Power/Wisconsin

Direct Energy

Direct Energy

Direct Energy

Direct Energy

Realgy Corp.

Katie Abraham, MMEA

Indiana Michigan Power Company

Santana Energy

MEGA

MEGA

ITC Holdings

Dickinson Wright

Xcel Energy

Matthew Peck

Consumers Energy

MidAmerican Energy Services, LLC

MidAmerican Energy Services, LLC

MidAmerican Energy Services, LLC

Northern States Power

Midwest Energy Coop

Midwest Energy Coop

Midwest Energy Coop

Consumers Energy

Consumers Energy

DTE Energy

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American Transmission Company

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Phil Forner