

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of)	
UPPER PENINSULA POWER COMPANY)	
to commence a renewable energy cost)	Case No. U-20726
reconciliation proceeding for the 12-month)	
period ended December 31, 2019.)	
_____)	

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

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

ORDER APPROVING SETTLEMENT AGREEMENT

On June 25, 2020, Upper Peninsula Power Company (UPPCo) filed an application, with supporting testimony and exhibits, requesting authority to reconcile its renewable energy revenues and expenses for the 12-month period ended December 31, 2019. UPPCo also filed its 2019 renewable energy annual report.

A prehearing conference was held on September 3, 2020, before Administrative Law Judge Sally L. Wallace. UPPCo and the Commission Staff participated in the proceeding. Subsequently, the parties submitted a settlement agreement resolving all issues in the case.

The Commission has reviewed the settlement agreement and finds that the public interest is adequately represented by the parties who entered into the settlement agreement. The Commission

further finds that the 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 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

Daniel C. Scripps, Chair

Sally A. Talberg, Commissioner

Tremaine L. Phillips, Commissioner

By its action of November 19, 2020.

Lisa Felice, Executive Secretary

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SETTLEMENT AGREEMENT

Pursuant to MCL 24.278 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. Pursuant to the Michigan Public Service Commission’s (“MPSC” or the “Commission”) March 5, 2020 Order issued in Case No. U-20721 et al., on June 25, 2020, the Company filed with the Commission its Renewable Energy reconciliation application, including its Renewable Energy Annual Report (“Report”) for 2019 and direct case.

2. In its direct case, UPPCO represents that for the 12-month period ending December 31, 2019, its renewable energy plan did not include a renewable energy surcharge. Therefore, as no renewable energy surcharges were applied to UPPCO’s customers in 2019, UPPCO reported no related collections. Instead, the 2019 renewable energy plan provided for the Company to meet renewable energy standards through existing power supply resources, with the costs thereof to be addressed and accounted for through Power Supply Cost Recovery proceedings, without a separate renewable energy surcharge.

3. On August 6, 2020, the Commission's Executive Secretary issued the Notice of Hearing in this proceeding directing the Company to mail a copy of the Notice of Hearing to all cities, incorporated villages, townships and counties in its service area and to intervenors in Case No. U-20487. Further, the Company was directed to publish the Notice of Hearing in daily newspapers of general circulation throughout its service area. On August 31, 2020, the Company electronically filed its affidavit of mailing and proofs of publication.

4. On September 3, 2020, Administrative Law Judge Sally Wallace conducted the prehearing conference. The Company and Staff attended the prehearing conference. There were no intervenors.

5. Staff thoroughly reviewed the Company's RE Plan reconciliation. Staff also reviewed the RE Credit inventory, generation, and compliance support from the Company and from the Michigan Renewable Energy Certification System (MIRECS).

6. Following the prehearing conference, the parties participated in settlement discussions and agree as follows:

- a. UPPCO's 2019 Renewable Energy Annual Report satisfies the requirements of Section 51 of Act 295, MCL 460.1001 *et seq.*, as amended, and UPPCO is in compliance with the renewable energy standards for 2019.
- b. UPPCO and Staff agree that UPPCO meets the 2019 renewable energy credit portfolio requirements. UPPCO was required to retire 90,079 RECs for 2019 compliance.
- c. Because all of UPPCO's costs for its renewable energy are already included in its base rates or in rates that are used as part of the Power

Supply Cost Recovery proceedings, for the 12-month period that ended December 31, 2019, UPPCO was not authorized to charge, nor did it collect, a renewable energy surcharge. Thus, there are no revenues or expenses to reconcile in this proceeding.

7. All the parties are of the opinion that this Settlement Agreement is reasonable, in the public interest, and will aid in the expeditious conclusion of this case.

8. This 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 Michigan Rules of Evidence, Rule 408. If the Commission approves this Settlement Agreement without modification, neither the parties to the Settlement Agreement or the Commission shall make any reference to, or use this 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, however, such references may be made to enforce or implement the provisions of this Settlement Agreement and the order approving it.

9. The parties further agree that any order approving this Settlement Agreement shall not establish precedent for future proceedings. This Settlement Agreement is based on the facts and circumstances of this case and is intended as the final disposition of Case No. U-20726. If the Commission approves this Settlement Agreement, without modification, the undersigned parties agree not to appeal, challenge or otherwise contest the Commission order approving this Settlement Agreement.

10. This Settlement Agreement is not severable. Each provision of this Settlement Agreement is dependent upon all other provisions of this Settlement Agreement. Failure to

comply with any provision of this Settlement Agreement constitutes failure to comply with the entire settlement agreement. If the Commission rejects or modifies this Settlement Agreement or any provision of this Settlement Agreement, this Settlement Agreement shall be deemed to be withdrawn. It 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 position of any party.

11. All signatories agree to waive § 81 of the Administrative Procedures Act of 1969, as amended, MCL 24.281, as it applies to the issues in this proceeding, if the Commission approves this Settlement Agreement without modification.

UPPER PENINSULA POWER COMPANY

Sherri Wellman

Digitally signed by: Sherri Wellman
DN: CN = Sherri Wellman email =
wellmans@millercanfield.com C = AD
O = Miller Canfield
Date: 2020.10.19 13:45:21 -04'00'

Dated: October 19, 2020

By: _____
Its Attorney
Sherri A. Wellman (P38989)
MILLER, CANFIELD, PADDOCK and STONE, P.L.C.
One Michigan Avenue, Suite 900
Lansing, Michigan 48933
(517) 487-2070

MICHIGAN PUBLIC SERVICE COMMISSION STAFF



Dated: October 19, 2020

By: _____
One of Its Attorney
Michael J. Orris (P51232)
Amit T. Singh (P75492)
Assistant Attorneys General
Public Service Division
7109 W. Saginaw Hwy., 3rd Floor
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(517) 284-8140

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PROOF OF SERVICE

STATE OF MICHIGAN)

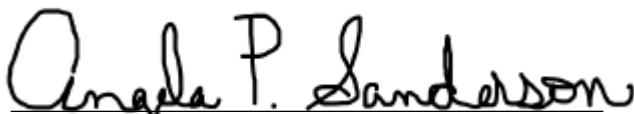
Case No. U-20726

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on November 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 November 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-20726

Name	Email Address
Amit T. Singh	singha9@michigan.gov
Michael J. Orris	orrism@michigan.gov
Sally Wallace	wallaces2@michigan.gov
Sherri A. Wellman	wellmans@millercanfield.com
Upper Peninsula Power Company (UPPCO)	jlarsen@uppc.co.com