

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-20869
UPPER PENINSULA POWER COMPANY to fully)	
comply with Public Act 295 of 2008, as amended)	
by Public Act 342 of 2016.)	
_____)	

At the September 9, 2021 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Daniel C. Scripps, Chair
Hon. Tremaine L. Phillips, Commissioner
Hon. Katherine L. Peretick, Commissioner

ORDER APPROVING SETTLEMENT AGREEMENT

On March 31, 2021, Upper Peninsula Power Company (UPPCo) filed an application, with supporting testimony and exhibits, requesting authority to reconcile its energy waste reduction plan revenues and costs for 2020.

A prehearing conference was held on May 5, 2021, before Administrative Law Judge Sharon L. Feldman (ALJ). UPPCo and the Commission Staff participated in the proceeding. On May 13, 2021, the ALJ issued a ruling granting the late intervention of Verso Corporation. 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:

- A. The settlement agreement, attached as Exhibit A, is approved.
- B. Upper Peninsula Power Company shall file, within 30 days of the date of this order, tariff sheets substantially similar to Attachment 1 to the settlement agreement.

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

Tremaine L. Phillips, Commissioner

Katherine L. Peretick, Commissioner

By its action of September 9, 2021.

Lisa Felice, Executive Secretary

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)	
UPPER PENINSULA POWER COMPANY)	Case No. U-20869
to fully comply with Public Act 295 of 2008, as)	
amended by Public Act 342 of 2016, and to reconcile)	
its 2020 energy waste reduction costs and revenues)	
<u>and approve revised surcharges.</u>)	

SETTLEMENT AGREEMENT

As provided in § 78 of the Administrative Procedures Act of 1969 ("APA"), as amended, MCL 24.278, and Rule 431 of the Michigan Administrative Hearing System's Administrative Hearing Rules, 2015 AC, R 792.10431, Upper Peninsula Power Company ("UPPCO"), the Michigan Public Service Commission Staff ("Staff") and Verso Corporation ("Verso") hereby agree as follows:

1. On March 31, 2021, UPPCO filed with the Michigan Public Service Commission ("Commission") its Application, along with the testimony and exhibits of its witnesses Eric W. Stocking, Natasha L. Wonch, Andrew McNeally, and Richard A. Morgan to reconcile its Energy Waste Reduction ("EWR") plan revenues and costs for the 12-month period ended December 31, 2020.

2. On April 5, 2021, the Commission's Executive Secretary issued a Notice of Hearing directing UPPCO 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 Nos. U-20276 and U-20376. The Commission further directed UPPCO to publish the Notice of Hearing in daily

newspapers of general circulation throughout its service area. UPPCO filed with the Commission the requisite affidavit of mailing and proofs of publication on April 20, 2021.

3. On May 5, 2021, Administrative Law Judge Sharon Feldman presided over a prehearing conference in this matter. Staff entered its Appearance.

4. On May 5, 2021 Verso filed its late intervention, and on May 12, 2021, Verso filed a stipulation signed by UPPCO and Staff consenting to Verso's intervention. On May 13, 2021, the Ruling Granting Late Intervention was issued and served by ALJ Feldman.

5. Staff performed a financial audit of the Company's financial expenditures for program year 2020. Staff requested print screens of the Company's General Ledger screens for Surcharge Revenue Collected and Program Expenditures. All submissions were found to be accurate and matched the exhibits submitted with the filing. The Company was also asked to submit customer bill copies to ensure the appropriate surcharges were billed to the correct rate classes, and Staff found the surcharges in the sample bills to be in compliance.

6. Subsequently, the parties engaged in settlement discussions and, as a result, have reached agreement on all of the issues in this case. The parties to this settlement agreement agree that on the same day this settlement agreement is filed in this docket, revised exhibits supporting the understandings reached herein will also be filed in the docket and as such the parties agree as follows:

- a. In 2020, UPPCO exceeded 1st Year Savings of 7,424 MWh, Lifetime Savings of 92,805 MWh and Low Income Spend of \$259,482 goals by achieving 14,141 MWh of 1st Year Savings, 143,121 MWh of Lifetime Savings and \$456,858 of Low Income Spend.

- b. For 2020, UPPCO earned a financial incentive mechanism (“FIM”) performance payment of \$432,471.
- c. The reconciliation of 2020 EWR revenues and payments results in a cumulative under-recovery of \$821,977 through December 31, 2020, inclusive of the rolled-in 2019 EWR reconciled under-recovery approved in Case No. U-20706 and interest through December 2020.
- d. UPPCO should be authorized to true-up the net cumulative under-recovery and recover the FIM performance payment identified herein by implementing the revised EWR surcharges set forth in Attachment 1 hereto to be effective September 1, 2021, except as otherwise addressed in paragraph 6e herein.
- e. The parties acknowledge that Attachment 1 hereto sets forth self-direct surcharges and Verso, who requested to implement its self-direct program effective January 1, 2021, agrees to the self-direct surcharges effective January 1, 2021, until otherwise revised by a future MPSC order.
- f. The 2021 EWR 1st Year Savings Goal shall be 7,569 MWh.

7. All of the signatories are of the opinion that this settlement agreement is reasonable, in the public interest and will aid the expeditious conclusion of this case.

8. This settlement agreement is intended to be a final disposition of this proceeding, and the parties join in respectfully requesting that the Commission grant prompt approval. The parties agree not to appeal, challenge, or contest the Commission’s order accepting and approving this settlement agreement without modification. If the Commission does not accept

the settlement agreement without modification, the agreement shall be withdrawn and shall not constitute any part of the record in this proceeding or be used for any other purpose whatsoever.

9. This settlement agreement has been made for the sole and express purpose of settling this case, and all discussions relating hereto are and shall be privileged and shall not be used in any manner, or be admissible for any other purpose in connection with this proceeding or any other proceeding hereof. This settlement agreement does not constitute precedent in any other case or proceeding. Without limiting the generality of the foregoing, this settlement agreement shall not constitute *res judicata* or collateral estoppel as to any issue. Neither the parties to the settlement nor the Commission shall use this settlement agreement or the order approving it, as precedent in any case or proceeding; provided however, reference may be made to enforce or implement the provisions thereof in subsequent proceedings.

10. The parties agree to waive Section 81 of the APA of 1969, as amended, MCL 24.281, as it applies to 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: 2021.08.03 15:13:26 -04'00'

Dated: August 3, 2021

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: August 3, 2021

By: 
One of Its Attorneys
Amit T. Singh (P75492)
Monica M. Stephens (P73782)
Assistant Attorneys General
Public Service Division
7109 W. Saginaw Hwy, 3rd Floor
Lansing, Michigan 48917
(517) 284-8140

VERSO CORPORATION

Dated: August 3, 2021

By:  Digitally signed by Timothy J. Lundgren
Date: 2021.08.09 08:55:06 -04'00'
Timothy J. Lundgren
Its Attorney
Timothy J. Lundgren (P62807)
Potomac Law Group
120 North Washington Square, Suite 300
Lansing, Michigan 48933
(616) 915-3726

37725105.7/130062.00126

ATTACHMENT 1
TO SETTLEMENT AGREEMENT

MPSC Case No. U-20869

MPSC Vol No 8-ELECTRIC
73.00

1~~65~~th Rev. Sheet No. D-

Replaces 1~~54~~th 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, with an effective date of September 1, 2021 for customers participating in the Company's Energy Waste Reduction program, or January 1, 2021 for customers who opt to implement a self-directed Energy Waste Reduction plan.

<u>Tariff</u>	<u>Energy Charges</u>
A-1	\$0.00 8477 /kWh
AH-1	\$0.00 8477 /kWh

<u>Tariff</u>	<u>Per Month/Meter</u>	<u>Per Day/Meter</u>
C-1	\$ 8.337.18	\$0. 27392361
H-1	\$ 8.337.18	\$0. 27392361
P-1	\$ 84.7373.01	\$ 2.78552.4003
Cp-U	\$ 789.51694.12	\$ 25.956422.8203
WP-3	\$ 3,013.252,775.92	\$ 99.065891.2631
RTMP	\$ 10,660.357,996.57	\$ 350.4771262.9009
RTMP-D	\$ 10,660.357,996.57	\$ 350.4771262.9009
Special Contract	\$ 10,660.357,996.57	\$ 350.4771262.9009
SL-3	\$ 4.343.73	\$ 0.14270.1227

<u>Tariff - Self-direct</u>	<u>Per Month/Meter</u>	<u>Per Day/Meter</u>
Cp-U	\$226.56	\$7.4485
WP-3	\$923.31	\$30.3554
RTMP	\$2,502.50	\$82.2740
RTMP-D	\$2,502.50	\$82.2740
Special Contract	\$2,502.50	\$82.2740

Issued: ~~12xx-10xx-20xx~~
By G R Haehnel

Effective for Service
On and After: ~~0901~~-01-

2021

~~Director of Regulatory Affairs~~ Chief Financial Officer

Issued Under Auth. of

Marquette, Michigan

Mich Public Serv Comm
Dated: ~~11xx-19xx-2020xxxx~~
In Case No: U-20~~869706~~


PROOF OF SERVICE

STATE OF MICHIGAN)

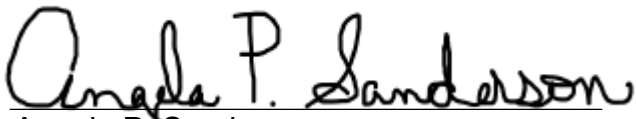
Case No. U-20869

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on September 9, 2021 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 9th day of September 2021.



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

Service List for Case: U-20869

Name	Email Address
Amit T. Singh	singha9@michigan.gov
Justin K. Ooms	jkooms@varnumlaw.com
Monica M. Stephens	stephensm11@michigan.gov
Sharon Feldman	feldmans@michigan.gov
Sherri A. Wellman	wellmans@millercanfield.com
Timothy J. Lundgren	tlundgren@potomacclaw.com
Upper Peninsula Power Company (UPPCO)	jlarsen@uppc.co.com

GEMOTION DISTRIBUTION SERVICE LIST

kadarkwa@itctransco.com
sejackinchuk@varnumlaw.com
awallin@cloverland.com
bmalski@cloverland.com
mheise@cloverland.com
vobmgr@UP.NET
braukerL@MICHIGAN.GOV
info@VILLAGEOFCLINTON.ORG
jgraham@HOMEWORKS.ORG
mkappler@HOMEWORKS.ORG
psimmer@HOMEWORKS.ORG
frucheyb@DTEENERGY.COM
mpsc.filings@CMSENERGY.COM
jim.vansickle@SEMCOENERGY.COM
kay8643990@YAHOO.COM
vickie.nugent@wecenergygroup.com
jlarsen@uppcoco.com
estocking@uppcoco.com
dave.allen@TEAMMIDWEST.COM
bob.hance@teammidwest.com
tharrell@ALGERDELTA.COM
tonya@CECELEC.COM
bscott@GLENERGY.COM
sculver@glenegy.com
kmarklein@STEPHENSON-MI.COM
debbie@ONTOREA.COM
ddemaestri@PIEG.COM
dbraun@TECMI.COOP
rbishop@BISHOPENERGY.COM
mkuchera@AEPENERGY.COM
todd.mortimer@CMSENERGY.COM
igoodman@commerceenergy.com
david.fein@CONSTELLATION.COM
kate.stanley@CONSTELLATION.COM
kate.fleche@CONSTELLATION.COM
mpscfilings@DTEENERGY.COM
bgorman@FIRSTENERGYCORP.COM
rarchiba@FOSTEROIL.COM
greg.bass@calpinesolutions.com
rabaey@SES4ENERGY.COM
cborr@WPSCI.COM
gpirkola@escanaba.org
crystalfallsmgr@HOTMAIL.COM
felicel@MICHIGAN.GOV
mmann@USGANDE.COM
mpolega@GLADSTONEMI.COM
dan@megautilities.org
lrgustafson@CMSENERGY.COM

ITC
Energy Michigan
Cloverland
Cloverland
Cloverland
Village of Baraga
Linda Brauker
Village of Clinton
Tri-County Electric Co-Op
Tri-County Electric Co-Op
Tri-County Electric Co-Op
Citizens Gas Fuel Company
Consumers Energy Company
SEMCO Energy Gas Company
Superior Energy Company
Upper Michigan Energy Resources Corporation
Upper Peninsula Power Company
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)
City of Escanaba
City of Crystal Falls
Lisa Felice
Michigan Gas & Electric
City of Gladstone
Integrays Group
Lisa Gustafson

GEMOTION DISTRIBUTION SERVICE LIST

daustin@IGSENERGY.COM	Interstate Gas Supply Inc
krichel@DLIB.INFO	Thomas Krichel
cityelectric@BAYCITYMI.ORG	Bay City Electric Light & Power
jreynolds@MBLP.ORG	Marquette Board of Light & Power
bschlansker@PREMIERENERGYLLC.COM	Premier Energy Marketing LLC
ttarkiewicz@CITYOFMARSHALL.COM	City of Marshall
d.motley@COMCAST.NET	Doug Motley
mpauley@GRANGERNET.COM	Marc Pauley
ElectricDept@PORTLAND-MICHIGAN.ORG	City of Portland
kd@alpenapower.com	Alpena Power
dbodine@LIBERTYPOWERCORP.COM	Liberty Power
leew@WVPA.COM	Wabash Valley Power
tking@WPSCI.COM	Wolverine Power
ham557@GMAIL.COM	Lowell S.
BusinessOffice@REALGY.COM	Realgy Energy Services
jeinstein@volunteerenergy.com	Volunteer Energy Services
cmcarthur@HILLSDALEBPU.COM	Hillsdale Board of Public Utilities
mrzwiers@INTEGRYSGROUP.COM	Michigan Gas Utilities/Upper Penn Power/Wisconsin
Teresa.ringenbach@directenergy.com	Direct Energy
christina.crable@directenergy.com	Direct Energy
angela.schorr@directenergy.com	Direct Energy
ryan.harwell@directenergy.com	Direct Energy
johnbistranin@realgy.com	Realgy Corp.
kabraham@mpower.org	Katie Abraham, MMEA
mgobrien@aep.com	Indiana Michigan Power Company
mvorabouth@ses4energy.com	Santana Energy
suzy@megautilities.org	MEGA
tanya@meagutilities.org	MEGA
general@itctransco.com	ITC Holdings
lpage@dickinsonwright.com	Dickinson Wright
Deborah.e.erwin@xcelenergy.com	Xcel Energy
mmpeck@fischerfranklin.com	Matthew Peck
CANDACE.GONZALES@cmsenergy.com	Consumers Energy
JHDillavou@midamericanenergyservices.com	MidAmerican Energy Services, LLC
JCAltmayer@midamericanenergyservices.com	MidAmerican Energy Services, LLC
LMLann@midamericanenergyservices.com	MidAmerican Energy Services, LLC
karl.j.hoesly@xcelenergy.com	Northern States Power
kerri.wade@teammidwest.com	Midwest Energy Coop
dixie.teague@teammidwest.com	Midwest Energy Coop
meghan.tarver@teammidwest.com	Midwest Energy Coop
sarah.jorgensen@cmsenergy.com	Consumers Energy
Michael.torrey@cmsenergy.com	Consumers Energy
adella.crozier@dteenergy.com	DTE Energy
camilo.erna@dteenergy.com	DTE Energy
Michelle.Schlosser@xcelenergy.com	Xcel Energy
dburks@glenergy.com	Great Lakes Energy
kabraham@mpower.org	Michigan Public Power Agency

GEMOTION DISTRIBUTION SERVICE LIST

shannon.burzycki@wecenergygroup.com

kerdmann@atcllc.com

handrew@atcllc.com

phil@allendaleheating.com

tlundgren@potomaclaw.com

lcappelle@potomaclaw.com

Michigan Gas Utilities Corporation

American Transmission Company

American Transmission Company

Phil Forner

Timothy Lundgren

Laura Chappelle