

STATE OF MICHIGAN  
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission's own motion,	)	
regarding the regulatory reviews, revisions,	)	
determinations, and/or approvals necessary for	)	Case No. U-21317
<b>UPPER MICHIGAN ENERGY RESOURCES</b>	)	
<b>CORPORATION</b> to fully comply with	)	
Public Act 295 of 2008, as amended by	)	
Public Act 342 of 2016.	)	
_____	)	

At the July 26, 2023 meeting of the Michigan Public Service Commission in Lansing,  
Michigan.

PRESENT: Hon. Daniel C. Scripps, Chair  
Hon. Katherine L. Peretick, Commissioner  
Hon. Alessandra R. Carreon, Commissioner

**ORDER APPROVING SETTLEMENT AGREEMENT**

On March 27, 2023, Upper Michigan Energy Resources Corporation (UMERC) filed an application, with supporting testimony and exhibits, for authority to reconcile its energy waste reduction costs and revenues for the 12-month period ended December 31, 2022. On June 12, 2023, UMEREC filed its 2022 Efficiency United Annual Report.

A prehearing conference was held on May 11, 2023, before Administrative Law Judge Christopher S. Saunders (ALJ). The ALJ granted Tilden Mining Company L.C.'s petition to intervene at the prehearing conference. UMEREC and the Commission Staff also 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](mailto:mpscedockets@michigan.gov) and to the Michigan Department of Attorney General – Public Service Division at [pungpl@michigan.gov](mailto: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

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Daniel C. Scripps, Chair

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Katherine L. Peretick, Commissioner

I abstain.

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Alessandra R. Carreon, Commissioner

By its action of July 26, 2023.

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Lisa Felice, Executive Secretary

**STATE OF MICHIGAN**  
**BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION**

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In the matter of the application of <b>UPPER</b>	)	
<b>MICHIGAN ENERGY RESOURCES</b>	)	Case No. U-21317
<b>CORPORATION</b> for authority to reconcile the	)	
2022 electric and natural gas energy waste	)	
reduction costs and revenues and related approvals.	)	
_____	)	

**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 Michigan Energy Resources Corporation (“UMERC”), Tilden Mining Company (“Tilden”), and the Michigan Public Service Commission Staff (“Staff”) hereby agree as follows:

1. On March 27, 2023, UMEREC filed with the Michigan Public Service Commission (“Commission”) its application, along with the testimony and exhibits of its witnesses James M. Beyer and Diane J. Mier to reconcile its electric and gas energy waste reduction (“EWR”) revenues and costs for the 12-month period ending December 31, 2022. On June 12, 2023, UMEREC filed the 2022 Efficiency United Annual Report.

2. On April 11, 2023, the Commission’s Executive Secretary issued a Notice of Hearing directing UMEREC 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-18061 and U-20880. The Commission further directed UMEREC to publish the Notice of Hearing in daily

newspapers of general circulation throughout its service area. UMERC filed with the Commission the affidavit of mailing and proofs of publication prior to the prehearing conference.

3. On May 11, 2023, Administrative Law Judge Christopher Saunders presided over a prehearing conference in this matter. Staff and the Company participated. Tilden's petition to intervene was granted.

4. Staff completed a financial audit of the 2022 plan year collections and costs reconciliation. Staff tested the general ledger accounts for surcharge revenue and payments to the state appointed EWR program administrator, Efficiency United, to the numbers filed in this case. Staff also sampled bill copies of customers to ensure the appropriate surcharges were billed to specific customer rate classes. UMERC was compliant and the Efficiency United Report shows the programs, as a whole, met the legislative targets for both electric and natural gas in the 2022 plan year.

5. Subsequently, the parties engaged in settlement discussions and, as a result, reached agreement on all of the issues in this case. The parties to this settlement agreement agree as follows:

- a. UMERC made payments of \$95,265 and \$316,553 for its WPSC Rate Zone gas and electric service respectively, and \$2,076,266 for its WEPCO Rate Zone to the Independent Energy Waste Reduction Program Administrator in 2022.
- b. The proposed reconciliation of the WPSC Rate Zone 2022 EWR gas and electric revenues and payments should be approved by the Commission as set forth in Exhibit A-2 and Exhibit A-4. The 2022 EWR gas result is a net over-recovery of \$574, including interest through December 31, 2022, and

the 2022 EWR electric result is a total over-recovery of \$40,024 including interest through December 31, 2022. These results shall be rolled into the beginning balance of the gas and electric WPSC Rate Zone 2023 EWR reconciliation, respectively.

- c. The proposed reconciliation of the WEPCO Rate Zone 2022 EWR revenues and payments should be approved by the Commission as set forth in Exhibit A-4 and the resulting total over-recovery of \$369,229 including interest through December 31, 2022, shall be rolled into the beginning balance of the WEPCO Rate Zone 2023 EWR reconciliation.

6. 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.

7. 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.

8. 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 EWR proceedings.

9. 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 MICHIGAN ENERGY RESOURCES  
CORPORATION

Dated: July 11, 2023

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Its Attorney  
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Dated: July 11, 2023

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# PROOF OF SERVICE

STATE OF MICHIGAN )

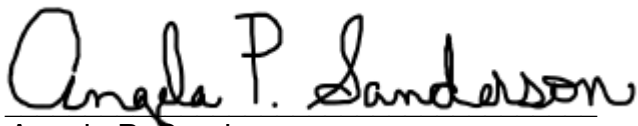
Case No. U-21317

County of Ingham )

Brianna Brown being duly sworn, deposes and says that on July 26, 2023 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 26<sup>th</sup> day of July 2023.



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

**Service List for Case:****U-21317**

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Presque Isle Electric & Gas Cooperative, INC

Realgy Corp.

Realgy Energy Services

Santana Energy

Santana Energy

Spartan Renewable Energy, Inc. (Wolverine Power Marketing Corp)

Stephenson Utilities Department

Superior Energy Company

Texas Retail Energy, LLC

Thumb Electric Cooperative

Upper Michigan Energy Resources Corporation

Upper Peninsula Power Company

Upper Peninsula Power Company

Village of Baraga

Village of Clinton

Volunteer Energy Services

Wabash Valley Power

Wolverine Power

Wood, Amanda

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Xcel Energy