

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of	)	
UPPER PENINSULA POWER COMPANY	)	
for reconciliation of its power supply cost recovery	)	Case No. U-21268
plan (Case No. U-21267) for the 12 months	)	
ended December 31, 2023.	)	
_____	)	

At the September 5, 2024 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 28, 2024, Upper Peninsula Power Company (UPPCo) filed an application, with supporting testimony and exhibits, requesting approval of its power supply cost recovery reconciliation for the 12-month period ended December 31, 2023, pursuant to Section 6j of Public Act 304 of 1982, as amended, MCL 460.6j.

A prehearing conference was held on May 7, 2024, before Administrative Law Judge Jonathan F. Thoits. 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:

- A. The settlement agreement, attached as Exhibit A, is approved.
- B. Upper Peninsula Power Company shall reflect the net cumulative 2023 power supply cost underrecovery of \$2,064,642 as its 2024 power supply cost recovery reconciliation beginning balance.

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 LARA-MPSC-Edockets@michigan.gov and to the Michigan Department of Attorney General - Public Service Division at sheacl@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

Katherine L. Peretick, Commissioner

Alessandra R. Carreon, Commissioner

By its action of September 5, 2024.

Lisa Felice, Executive Secretary

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of	)	
UPPER PENINSULA POWER COMPANY	)	Case No. U-21268
for reconciliation of its power supply cost	)	
recovery plan for the 12-months ended	)	
December 31, 2023.	)	
	)	

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 ACR 792.10431, Upper Peninsula Power Company (“UPPCO”) and the Michigan Public Service Commission Staff (“Staff”) hereby agree as follows:

1. On March 28, 2024, UPPCO filed with the Michigan Public Service Commission (“Commission”) its application, along with the testimony and exhibits of Nicole E. Bell, seeking authority to reconcile its power supply costs with its power supply revenues for the 12-month period ending December 31, 2023.

2. On April 5, 2024, a Notice of Hearing was issued directing UPPCO to mail a copy of the Notice of Hearing to all cities, incorporated villages, townships, and counties in its electric service area and to intervenors in Case Nos. U-21267, U-21058, U-21286 and U-20276. The Commission further directed UPPCO to publish the Notice of Hearing in newspapers of general circulation throughout its service area. Complying with the directives, UPPCO electronically filed an affidavit of mailing and proofs of publication prior to the prehearing conference.

3. On May 7, 2024, Administrative Law Judge Jonathan Thoits presided over a prehearing conference in this matter, and Staff entered its Appearance. There were no intervenors.

4. Staff has performed its due diligence by assessing the reasonableness and prudence of the Company's operations described in the testimony and exhibits of the Company's witnesses, reviewing all discovery responses, and completing an analysis of the entire record.

5. Subsequently, Staff and UPPCO entered into settlement discussions, and as a result thereof have agreed to settle all contested issues as follows:

- a. The 2023 power supply expenses were incurred under reasonable and prudent policies and practices.
- b. For the 12-month period ending December 31, 2023, it is agreed that the difference between PSCR revenues and expenses for 2023 results in a net cumulative under-recovery of \$2,064,642. This amount includes the under-recovery of \$3,372,830 from the 2022 PSCR reconciliation and interest through December 2023. It is agreed that UPPCO will reflect the 2023 power supply cost net cumulative under-recovery of \$2,064,642 as its 2024 PSCR reconciliation beginning balance.

6. It is the opinion of the parties that Commission approval of this settlement agreement will promote the public interest, will represent a fair and reasonable resolution of this proceeding, will aid in expeditious conclusion of this case, and will minimize the time and expense which would otherwise have to be devoted to this matter by the Commission and the parties.

7. This settlement agreement is intended for a final disposition of Case No. U-21268, and the parties join in respectfully requesting that the Commission grant prompt approval. Each signatory agrees not to appeal, challenge, or contest the Commission's order accepting and approving this settlement agreement without modification. It is agreed that if the Commission does not accept this settlement agreement in its entirety, then 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 and all offers of settlement and discussions are privileged and shall not be used in any manner, nor be admissible, for any other purpose in connection with this proceeding or any other proceeding except so as to prove the contents herein.

9. All signatories agree to waive § 81 of the APA 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

Dated: August 15, 2024

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

Digitally signed by: Sherri A. Wellman
DN: CN = Sherri A. Wellman email =
wellmans@millercanfield.com C = US O = Miller Canfield
Date: 2024.08.15 16:06:31 -04'00'

MICHIGAN PUBLIC SERVICE COMMISSION STAFF

Michael J. Orris



2024.08.19 15:59:32

-04'00'

Dated: August 15, 2024

By:

Its Attorney

Michael J. Orris (P51232)

Assistant Attorney General

Public Service Division

7109 West Saginaw Highway, 3rd Floor

Lansing, Michigan 48917

(517) 284-8140

PROOF OF SERVICE

STATE OF MICHIGAN)

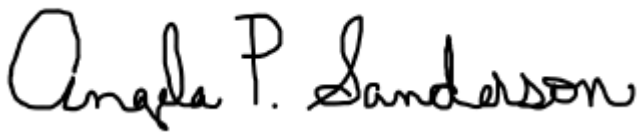
Case No. U-21268

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on September 5, 2024 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 5th day of September 2024.



Angela P. Sanderson
Notary Public, Shiawassee County, Michigan
As acting in Eaton County
My Commission Expires: May 21, 2030

Service List for Case: U-21268

Name	On Behalf Of	Email Address
Jonathan F. Thoits	ALJs - MPSC	thoitsj@michigan.gov
Michael J. Orris	MPSC Staff	orrism@michigan.gov
Sherri A. Wellman	Upper Peninsula Power Company (UPPCO)	wellmans@millercanfield.com
Upper Peninsula Power Company (UPPCO)	Upper Peninsula Power Company (UPPCO)	jlarsen@uppcoco.com