S T A T E O F M I C H I G A N

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of **UPPER PENINSULA POWER COMPANY** for authority to increase its rates for the generation and distribution of electricity and for other relief.	))))))	Case No. U-21555

At the September 26, 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 21, 2024, Upper Peninsula Power Company (UPPCo) filed an application, with supporting testimony, exhibits, and workpapers, requesting authority to increase its retail electric base rates in the annual amount of approximately $16.9 million, along with other related relief. UPPCo indicated in its application that the projected revenue deficiency of approximately $16.9 million is based upon the use of a projected test year ending December 31, 2025. Application, pp. 3-4.

A prehearing conference was held on April 19, 2024, before Administrative Law Judge Lesley C. Fairrow (ALJ). The ALJ granted or recognized the intervention of the Michigan Department of Attorney General (Attorney General), Citizens Utility Board of Michigan (CUB), Calumet Electronics Corporation (Calumet), Billerud Americas Corporation, and the Association of Businesses Advocating Tariff Equity (ABATE). UPPCo and the Commission Staff (Staff) also participated in the proceeding. On June 26, 2024, the case was reassigned to Administrative Law Judge James M. Varchetti.

On July 19, 2024, the Staff, the Attorney General, CUB, ABATE, and Calumet filed their direct cases. Subsequently, the parties filed a settlement agreement, attached as Exhibit A, resolving all issues in the case.

Key terms of the settlement agreement include, among other things, that the parties agree UPPCo should be authorized to increase its retail electric rates in the annual amount of $9,000,000. The parties further agree that this increase represents an overall capital structure with 50.0% common equity, an authorized rate of return on common equity of 9.86%, and a jurisdictional rate base of $372.1 million. The parties agree that the rate increase shall be allocated to UPPCo's customer classes in the manner set forth in Attachment 1 to the settlement agreement. The parties also agree to revisions to the company's tariff sheets set forth in attachments to the settlement agreement, which, among other things, reflect new customer charges and rates effective on January 1, 2025.

The parties further agree that UPPCo will adopt the state reliability mechanism (SRM) capacity charge calculation method supported in the direct testimony and exhibits of company witness Eric W. Stocking, with the SRM capacity rates reflected in Attachment 1 to the settlement agreement, and the capacity charge shown on Attachment 3 to the settlement agreement. The SRM capacity charge will be subject to a reasonableness and prudency review in the company's next general rate case.

The settlement agreement also requires UPPCo to include Federal Energy Regulatory Commission tests utilizing the most recent 12-months of system peaks available at the time of filing and the projected system peaks for the test year examining whether a 12 coincident peak (CP) or 4 CP demand component of the production capacity cost allocator would more appropriately align the utility's costs with their causation. Additionally, the parties agree that UPPCo will donate $200,000 to organizations benefitting low-income customers within its service territory, and the company will confer with the Staff and the Attorney General to identify appropriate organizations to receive this donation and the parameters of the donation.

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. Effective January 1, 2025, Upper Peninsula Power Company shall implement the rates and tariffs for the sale of electricity, as approved by this order, and as set forth in the attachments to the settlement agreement.

C. Within 30 days of this order, Upper Peninsula Power Company shall file with the Commission Staff tariff sheets substantially similar to those contained in the attachments to the settlement agreement. After the tariff sheets have been reviewed and accepted by the Commission Staff for inclusion in the company's tariff book, Upper Peninsula Power Company shall promptly file the final tariff sheets in this docket and serve all parties.

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 sheac1@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 26, 2024.

Lisa Felice, Executive Secretary

EXHIBIT A

S T A T E O F M I C H I G A N

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of **UPPER PENINSULA POWER COMPANY** for authority to increase retail electric rates for the generation and distribution of electricity and other relief.	))))))	Case No. U-21555

SETTLEMENT AGREEMENT

Pursuant to Section 78 of the Administrative Procedures Act of 1969 as amended, MCL 24.278, and Rule 431 of the Michigan Administrative Hearing System's Administrative Hearing Rules (R 792.10431), Upper Peninsula Power Company ("UPPCO" or the "Company"), the Michigan Public Service Commission ("MPSC" or the "Commission") Staff ("Staff"), Attorney General Dana Nessel ("Attorney General"), Citizens Utility Board of Michigan ("CUB"), Calumet Electronics Corporation ("Calumet"), Billerud Americas Corporation ("Billerud"), and the Association of Businesses Advocating Tariff Equity ("ABATE") agree as follows:

1. On March 21, 2024, UPPCO filed its Application in this case proposing, among other things, an annual increase in its retail electric rates of approximately $16.9 million. The Application was supported by filed testimony and exhibits.

2. On March 22, 2024, the Commission's Executive Secretary issued the Notice of Hearing. The prehearing conference was scheduled for April 19, 2024, before Administrative Law Judge ("ALJ") Lesley C. Fairrow[1].

[1] On June 26, 2024, an Interoffice Communication was filed in this case advising of the assignment of ALJ James M. Varchetti to this matter, and the reassignment of ALJ Fairrow to another case.

3. At the prehearing conference, Staff and UPPCO participated and the Attorney General, CUB, Calumet, Billerud, and ABATE were granted intervention.

4. On July 19, 2024, Staff, the Attorney General, CUB, Calumet, and ABATE filed testimony and exhibits.

5. The parties have engaged in extensive settlement discussions, which negotiations have led to the agreements incorporated in this settlement agreement.

6. It is the opinion of the signing parties that this settlement agreement is reasonable, prudent, and in the public interest, will aid in the expeditious conclusion of this proceeding, and will minimize the expense which would otherwise have to be devoted by the Commission and the parties.

7. This settlement agreement resolves all the issues in this case and all provisions of the settlement agreement are dependent upon all other provisions.

8. By this settlement agreement, UPPCO, Staff, the Attorney General, CUB, Calumet, and ABATE agree as follows:

a. As based on a projected 2025 test year, UPPCO's rates will be adjusted to reflect an annual revenue increase of $9,000,000. The agreed upon annual revenue increase of $9,000,000 represents, among other things, the newly approved depreciation rates approved in Case No. U-21513, a balanced capital structure with 50.0% common equity, an authorized rate of return on common equity of 9.86%, and jurisdictional rate base of $372.1 million.

b. Effective January 1, 2025, UPPCO should be authorized to implement rates for service rendered consistent with paragraph 8a herein in accordance with the tariff sheets attached hereto as Attachment 1, which UPPCO and Staff have determined are consistent with the cost-based requirements of MCL 460.11(1). On a class-by-class basis, the tariff sheets in Attachment 1 implement percentage rate changes as set forth in Attachment 2 hereto. These tariff sheets, among other changes, do not reflect a change in customer fixed monthly charges.

c. UPPCO will adopt the State Reliability Mechanism ("SRM") capacity charge calculation method supported in the Direct Testimony and Exhibits of Eric

Stocking. The capacity rates are reflected in Attachment 1, and the Capacity Charge is shown on Attachment 3. The instant proceeding meets the 2024 obligation of the Company to file each year a contested case for annual review of its SRM capacity charge. Ordering Paragraph E of the Commission's November 30, 2017 order in Case No. U-18254 remains in effect for all subsequent years. UPPCO's SRM capacity charge will be subject to review in the Company's next general rate case.

d. There will be no change in fixed customer charges from those established in Case No. U-21286. In its next general rate case, UPPCO will include a calculation, in native format with formulas intact, of customer charges that are calculated consistent with the Commission's guidance from its Opinion and Order in Case No. U-4331, dated January 18, 1974.

e. The rates shown in Attachment 1 were derived using the distribution plant allocator for distribution construction work in progress.

f. UPPCO agrees to submit its Distributed Generation ("DG") tariff in accordance with the Commission's July 23, 2024 Order in Case No. U-21569.

g. In its next rate case filing UPPCO will include FERC tests using the most recent 12-months of system peaks available at the time of the filing and the projected system peaks for the test year examining whether a 12CP or 4CP demand component of the production capacity cost allocator would more appropriately align UPPCO's cost with their causation.

h. UPPCO will donate $200,000 to organizations benefitting low-income customers within the Company's service territory, and UPPCO will confer with Staff and the Attorney General to identify appropriate organizations to receive this donation and the parameters of the donation. UPPCO will also provide reporting to Staff and other interested parties on how such funds are distributed.

9. Each signatory agrees not to appeal, challenge, or contest the terms and rates approved by the Commission in this case if they are the result of a Commission order accepting and approving this settlement agreement without modification. If the Commission does not accept this settlement agreement without modification, this settlement agreement shall be withdrawn and shall not constitute any part of the record in this proceeding or be used for any other purpose whatsoever.

10. This settlement agreement is entered into for the sole and express purpose of reaching compromise among the parties. All offers of settlement and discussions relating to this settlement agreement are considered privileged under MRE 408. If the Commission approves the settlement agreement without modification, neither the parties to the settlement nor 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; provided however, such reference may be made to enforce or implement the provisions of this settlement agreement and the order approving it.

11. This Settlement Agreement is not severable. Each provision of the Settlement Agreement is dependent upon all other provisions of the Settlement Agreement. Failure to comply with any provision of the Settlement Agreement constitutes failure to comply with the entire Settlement Agreement. If the Commission rejects or modifies this Settlement Agreement., or any provision of the Settlement Agreement, the Settlement Agreement shall be withdrawn and shall not constitute any part of the record in this proceeding or be used for any other purpose. Each party agrees not to appeal or otherwise contest any Commission order accepting and approving this Settlement Agreement without modification.

12. 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 settlement agreement without modification.

UPPER PENINSULA POWER COMPANY

Paul M. Collins

Digitally signed by: Paul M. Collins
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ASSOCIATION OF BUSINESSES ADVOCATING TARIFF EQUITY

Dated: ____________, 2024 By: Stephen Campbell Digitally signed by: Stephen Campbell DN: CN = Stephen Campbell email = scampbell@clarkhill.com C = US O = Clark Hill PLC Date: 2024.08.21 15:21:06 -04'00'

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CITIZENS UTILITY BOARD OF MICHIGAN

Dated: _____________, 2024 By: (Please see next page for this signature)

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CITIZENS UTILITY BOARD OF MICHIGAN

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CALUMET ELECTRONICS CORPORATION

Dated: August 23, 2024

By: Kyle M. Asher

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By signing below Billerud does not join but hereby affirms that it does not object to this Settlement Agreement.

BILLERUD AMERICAS CORPORATION

Dated: August 15, 2024

By: Timothy J. Lundgren

Digitally signed by Timothy J. Lundgren
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Attachment 1
to Settlement Agreement in
Case No. U-21555

D2. Residential Service **A-1**

WHO MAY TAKE SERVICE:
Any residential customer in a single family dwelling or a duplex using service for domestic purposes. This rate is also available to certain multiple dwellings in accordance with the standard rules. Services to garages and outbuildings not used for commercial purposes will also be classified as residential. Farm customers using electric service for the production of agricultural products for commercial purposes will be placed on the appropriate commercial rate. Optional Power Supply Service is available only to Customers not taking power supply service under rate schedule RAST, or not required to receive service under rate schedule PSDS.

CHARACTER OF SERVICE:
Single-phase, alternating current, 60 hertz, nominally at 120/240 volts.

RATE: DISTRIBUTION SERVICE

Service Charge:
$15.00/Mo. for Year-Round
$0.4932/Day for Year-Round
$30.00/Mo. for Seasonal
$0.9863/Day for Seasonal

Energy Charge:
R $0.13567 per kWh for all kWh

POWER SUPPLY SERVICE (Optional)

Energy Charge:
R Non-Capacity $0.08567 per kWh for all kWh
R Capacity $0.00623 per kWh for all kWh

MINIMUM CHARGE:
The service charge included in the rate.

POWER SUPPLY COST RECOVERY CLAUSE:
This rate is subject to the Company's Power Supply Cost Recovery shown on Sheet No. D-3.00.

ENERGY OPTIMIZATION SURCHARGE:
This rate is subject to the Energy Optimization Surcharge shown on Sheet No. D-73.00.

Continued on Sheet No. D-5.00

D2. Residential Heating Service **AH-1**

WHO MAY TAKE SERVICE:
Any residential customer in a single family dwelling or a duplex using service for domestic purposes, provided the major electric space heating facilities are permanently installed and are the primary source of space heating. This rate is also available to certain multiple dwellings in accordance with the standard rules. Services to garages and outbuildings not used for commercial purposes will also be classified as residential. Farm customers using electric service for the production of agricultural products for commercial purposes will be placed on the appropriate commercial rate. Optional Power Supply Service is available only to Customers not taking power supply service under rate schedule RAST, or not required to receive service under rate schedule PSDS.

CHARACTER OF SERVICE:
Single-phase, alternating current, 60 hertz, nominally at 120/240 volts.

RATE: DISTRIBUTION SERVICE
Service Charge:
$15.00 per month
$0.4932 per day

Energy Charge:
For billing months of June through September
R $0.13567 per kWh for all kWh
For billing months of October through May
R $0.13567 per kWh for the first 500 kWh
R $0.06783 per kWh for the excess

POWER SUPPLY SERVICE (Optional)
Energy Charge:
For billing months of June through September
R Non-Capacity $0.08567 per kWh for all kWh
R Capacity $0.00623 per kWh for all kWh

For billing months of October through May
R Non-Capacity $0.08567 for the first 500 kWh
R Capacity $0.00623 for the first 500 kWh
R Non-Capacity $0.04284 for the excess kWh
R Capacity $0.00311 for the excess kWh

POWER SUPPLY COST RECOVERY CLAUSE:
This rate is subject to the Company's Power Supply Cost Recovery shown on Sheet No. D-3.00.

ENERGY OPTIMIZATION SURCHARGE:
This rate is subject to the Energy Optimization Surcharge shown on Sheet No. D-73.00.

MINIMUM CHARGE:
The service charge included in the rate.

Continued on Sheet D-9.00

D2. General Service **C-1**

WHO MAY TAKE SERVICE:
Any customer for commercial or industrial purpose with a billing demand of less than 25 kW. Optional Power Supply Service is available only to Customers not taking power supply service under rate schedule RAST, or not required to receive service under rate schedule PSDS.

CHARACTER OF SERVICE:
Single or three-phase, alternating current, 60 hertz at standard available voltages.

RATE: DISTRIBUTION SERVICE:
Service Charge:
$19.00 per month
$0.6247 per day

Energy Charge:
R $0.16047 per kWh for all kWh

POWER SUPPLY SERVICE (Optional)
Energy Charge:
R Non-Capacity $0.08927 per kWh for all kWh
R Capacity $0.00641 per kWh for all kWh

MINIMUM CHARGE:
The service charge included in the rate, plus the energy optimization surcharge.

POWER SUPPLY COST RECOVERY CLAUSE:
This rate is subject to the Company's Power Supply Cost Recovery shown on Sheet No. D-3.00.

ENERGY OPTIMIZATION SURCHARGE:
This rate is subject to the Energy Optimization Surcharge shown on Sheet No. D-73.00.

TERMS OF PAYMENT:
Bills are due in 21 days from date of bill. A delayed payment charge of 2% may be applied to the unpaid balance if the bill is not paid in full on or before the due date thereon.

RULES APPLYING:
(1) Service is governed by the Company's Standard Rules and Regulations.
(2) Conjunctional billing will not be permitted in cases where the customer is presently being served lighting and power loads through separate meters. In these instances, whenever the customer at his expense will arrange his wiring to receive energy through one single metered service, then this rate shall apply to his entire requirements.

D2. Commercial Heating Service **H-1**

WHO MAY TAKE SERVICE:
Any customer for commercial purposes provided that their electric space heating facilities are permanently installed and are the primary source of space heating. Optional Power Supply Service is available only to Customers not taking power supply service under rate schedule RAST, or not required to receive service under rate schedule PSDS.

CHARACTER OF SERVICE:
Single or three-phase, alternating current, 60 hertz, nominally at 120/240 volts.

RATE: DISTRIBUTION SERVICE
Service Charge:
$19.00 per month
$0.6247 per day

Energy Charge:
For billing months of June through September
R $0.16047 per kWh for all kWh
For billing months of October through May
R $0.16047 per kWh for first 1000 kWh
R $0.08024 per kWh for the excess

POWER SUPPLY SERVICE (Optional)
Energy Charge:
For billing months of June through September
R Non-Capacity $0.08927 per kWh for all kWh
R Capacity $0.00641 per kWh for all kW
For billing months of October through May
R Non-Capacity $0.08927 per kWh for first 1000 kWh
R Capacity $0.00641 per kWh for first 1000 kWh
R Non-Capacity $0.04464 per kWh for the excess
R Capacity $0.00320 per kWh for the excess

MINIMUM CHARGE:
The service charge included in the rate, plus the energy optimization charge.

POWER SUPPLY COST RECOVERY CLAUSE:
This rate is subject to the Company's Power Supply Cost Recovery shown on Sheet No. D-3.00.

ENERGY OPTIMIZATION SURCHARGE:
This rate is subject to the Energy Optimization Surcharge shown on Sheet No. D-73.00.

Continued to Page D-14.10

D2. Light and Power Service **P-1**

WHO MAY TAKE SERVICE:
Any customer for light and power purposes with a billing demand equal to or greater than 25 kW but less than 200 kW. To qualify, the customer must maintain a demand equal to or greater than 25 kW for three consecutive months and at least once in each succeeding twelve-month period. Optional Power Supply Service is available only to Customers not taking power supply service under rate schedule RAST, or not required to receive service under rate schedule PSDS.

CHARACTER OF SERVICE:
Single or three-phase, alternating current, 60 hertz at standard available voltages.

RATE: DISTRIBUTION SERVICE

Service Charge:
$37.00 per month
$1.2164 per day

Demand Charge:
R $8.17 per kW per month

Energy Charge:
R $0.04013 per kWh for all kWh

POWER SUPPLY SERVICE (Optional)

Demand Charge:
R Capacity $6.57 per kW per month
R Non-Capacity $1.00 per kW per month

Energy Charge:
R $0.07564 per kWh for all kWh

MINIMUM CHARGE:
The capacity charge for 25 kW or the contract minimum, whichever is greater, plus the energy optimization charge.

POWER SUPPLY COST RECOVERY CLAUSE:
This rate is subject to the Company's Power Supply Cost Recovery shown on Sheet No. D-3.00.

ENERGY OPTIMIZATION SURCHARGE:
This rate is subject to the Energy Optimization Surcharge shown on Sheet No. D-73.00.

POWER FACTOR BILLING ADJUSTMENT:
This rate is subject to the Company's Power Factor Billing Adjustment.

Continued on Sheet No. D-17.00

D2. Large Commercial & Industrial Service **Cp-U**

WHO MAY TAKE SERVICE:

This schedule is applicable to customers whose monthly demand is equal to or greater than 200 kW for three consecutive months and at least once in each succeeding 12 month period and others taking standby service. This service is not available for customers required to take service under the Power Supply Default Service. Customers taking service under the Retail Access Service Tariff (RAST) shall be responsible for the Distribution Charges but not the Power Supply Charges under this rate schedule. Customers that purchase power supply service from the Company shall be subject to both the Distribution and Power Supply charges contained in this rate schedule.

R Customers that take service directly from a company-owned substation
R where a de minimis amount of load is served in conjunction with other
R Customer accounts, as determined by the Company in its sole
R discretion, will be classified as Transmission and shall receive the
R Substation Transformer Capacity charge.

MONTHLY RATE

		Secondary	Primary	Transmission
	DISTRIBUTION SERVICE			
	Customer Charge:			
	Monthly	$500.00	$650.00	$1500.00
	Daily	$16.4383	$21.3698	$49.3150
	Demand Charge			
R	1. Customer Demand:$/KW	$7.48	$4.38	$0.00
	Per KW of maximum demand during the current and preceding 11 months, plus,			
	2. On-Peak			
R	Firm Demand: $/KW	$7.88	$4.61	$3.39
R	Interruptible Demand: $/KW	$7.88	$4.61	$3.39
	7:00 AM to 11:00 PM; Monday through Friday (except holidays).			
R	Substation Transformer Capacity: $/kVA			$1.04

Continued to Sheet No. D-25.20

D2. Large Commercial & Industrial Service **Cp-U**

Continued from Sheet No. D-25.10

		Secondary	Primary	Transmission
	POWER SUPPLY SERVICE (Optional)			
	On-Peak			
	Firm Demand: $/kW			
R	Capacity	$5.48	$4.93	$4.39
R	Non-Capacity	$0.97	$0.88	$0.78
R	Total	$6.45	$5.81	$5.17
	Interruptible Demand: $/kW			
R	Capacity	$0.00	$0.00	$0.00
R	Non-Capacity	$0.00	$0.00	$0.00
R	Total	$0.00	$0.00	$0.00

7:00 AM to 11:00 PM; Monday through Friday (except holidays).

Energy Charge

1. On-Peak

		Secondary	Primary	Transmission
R	Energy Charge:$/kWh	$0.08069	$0.07778	$0.07493

7:00 AM to 11:00 PM; Monday through Friday (except holidays).

2. Off-Peak

		Secondary	Primary	Transmission
R	Energy Charge:$/kWh	$0.05246	$0.05056	$0.04871

11:00 PM to 7:00 AM; Monday through Friday, all day Saturday, Sunday, and holidays.

MINIMUM CHARGE

The monthly minimum charge is the customer charge, demand charges, substation charges and the energy optimization charge.

POWER SUPPLY COST RECOVERY CLAUSE

This rate is subject to the Company's Power Supply Cost Recovery shown on Sheet No. D-3.00.

PRIMARY & TRANSMISSION CHARGES

The customer shall provide a support for the company to terminate the primary conductors and install other required equipment. Customer owned substation equipment shall be operated and maintained by the customer. The support and substation equipment is subject to the company's inspection and approval.

ENERGY OPTIMIZATION

This rate is subject to the Energy Optimization Surcharge shown on Sheet No. D-73.00.

DEFINITIONS

For customers with company metering equipment installed at:

Secondary	Under 6,000 volts
Primary	6,000 volts to 15,000 volts, inclusive
Transmission	Over 15,000 volts

Continued to Sheet No. D-25.30

D2. Light and Power Service **WP-3**

WHO MAY TAKE SERVICE:

Any customer for light and power purposes with a billing demand equal to or greater than 5,000 kW and a minimum of 500 kW of on-site generation, served at Transmission or Sub Transmission available voltages. To qualify, the customer must maintain a demand greater than 5,000 kW for three consecutive months in any twelve-month period. Once qualified for this rate schedule, Customer must attain a demand in excess of 5,000 kW once in each succeeding twelve-month period to remain eligible for this rate schedule. A minimum of 1,000 kW of interruptible load is required for interruptible service. Company retains the right to limit Interruptible loads to 8 Mw in total under this rate schedule.

Optional Power Supply Service is available only to Customers not taking power supply service under rate schedule RAST, or not required to receive service under rate schedule PSDS.

R Customers that take service directly from a company-owned substation
R where a de minimis amount of load is served in conjunction with other
R Customer accounts, as determined by the Company in its sole
R discretion, will be classified as Transmission and shall receive the
R Substation Transformer Capacity charge.

CHARACTER OF SERVICE:

Three-phase, alternating current, 60 hertz at standard available voltages.

RATES:

	<u>DISTRIBUTION SERVICE</u>	
	Customer Charge:	
	Monthly	$1500.00
	Daily	$49.3150
	Customer Demand Charge per month: $/kW	$0.00
R	Firm Demand Charge per month: $/kW	$2.89
R	Interruptible Demand Charge per month: $/kW	$2.89
	Substation Transformer Capacity: $/kVa	$1.04
	<u>POWER SUPPLY SERVICE (Optional)</u>	
	<u>Firm Demand Charge per month</u>: $/kW	
R	Capacity	$4.39
R	Non-Capacity	$0.78
R	Total	$5.17
	<u>Interruptible Demand Charge per month: $/kW</u>	
R	Capacity	$0.00
	Non-Capacity	$0.00
R	Total	$0.00
R	On-Peak Energy: $/kWh	$0.07493
R	Off-Peak Energy: $/kWh	$0.04871

Continued on Sheet No. D-29.00

Issued: XX-XX-XX
By G R Haehnel
Chief Executive Officer
Marquette, Michigan

Effective for Service
On and After: 01-01-25
Issued Under Auth. of
Mich Public Serv Comm
Dated: XX-XX-XX
In Case No: U-21555

D2. Street Lighting Service **SL-3**

WHO MAY TAKE SERVICE:
Any municipality for customer owned, operated and maintained street lighting and/or traffic signal system.

CHARACTER OF SERVICE:
Single-phase, alternating current, 60 hertz, nominally at 120/240 volts.

RATE:

Service Charge:
$19.00 per month
$0.6247 per day

	Energy Charge ($/kWh)		
R	Capacity	$0.02577	
R	Non-Capacity	$0.13470	
R	Total	$0.16047	

MINIMUM CHARGE:
The service charge included in the rate, plus the energy optimization charge.

POWER SUPPLY COST RECOVERY CLAUSE:
This rate is subject to the Company's Power Supply Cost Recovery shown on Sheet No. D-3.00.

ENERGY OPTIMIZATION SURCHARGE:
This rate is subject to the Energy Optimization Surcharge shown on Sheet No. D-73.00.

TERMS OF PAYMENT:
Bills are due in 21 days from date of bill. A delayed payment charge of 2% may be applied to the unpaid balance if the bill is not paid in full on or before the due date thereon.

CONTRACT:
Minimum period of three years subject to automatic renewal periods of one year each. The contract may be terminated at the end of any yearly period upon 90 days written notice by either party. If the contract is terminated before the three year period, the customer may be responsible for the lesser of the cost of removal or the remaining monthly charges.

RULES APPLYING:
Service is governed by the Company's Standard Rules and Regulations.

D2. Street Lighting Service (Closed) **SL-5**

WHO MAY TAKE SERVICE:

Any municipality owning its own street lighting system including poles, fixtures, wires, transformers, time switches and other accessories. Additions to mercury vapor lighting services are closed to new customers. This option is closed to new customers effective January 1, 2014.

HOURS OF SERVICE:

All night - Dusk to Dawn

CHARACTER OF SERVICE:

Single-phase, alternating current, 60 hertz at the Company's distribution voltage.

RATE:

Light Emitting Diode (LED)

Non-Capacity

	Watts	Per Lamp Per Month All Night
R	0-99	$13.76
R	100-199	$18.09
R	200-299	$22.41
R	300-399	$26.73

Sodium Vapor

Non-Capacity

	Lumens	Watts	Per Lamp Per Month All Night
R	9,000	100	$15.31
R	14,000	150	$18.11
R	27,000	250	$23.50
R	45,000	400	$29.85

Mercury Vapor

Non-Capacity

	Lumens	Watts	All Night
R	20,000	400	$35.39

Capacity Energy: All Lights

R $0.00641 per kWh

Type of Facility	Monthly Charge
Additional Wood Pole	$4.51/pole
Span of Conductor (200 feet)	$3.26/span

Continued on Sheet No. D-52.00

D2. Street Lighting Service **SL-6**

WHO MAY TAKE SERVICE:
Any municipality from Company owned, operated and maintained street lighting system as available. Additions to mercury vapor lighting services are closed to new customers.

HOURS OF SERVICE: All night - Dusk to Dawn

CHARACTER OF SERVICE:
Single-phase, alternating current, 60 hertz at the Company's distribution voltage.

Non-Capacity Rate:

	Sodium Vapor Lumens	Watts	Per Lamp Per Month All Night
R	5,670	70	$20.97 (Closed)
R	9,000	100	$21.81 (Closed)
R	14,000	150	$26.46 (Closed)
R	27,000	250	$30.03 (Closed)
R	45,000	400	$42.30 (Closed)

	Mercury Vapor Lumens	Watts	All Night
R	7,500	175	$22.20 (Closed)
R	20,000	400	$40.75 (Closed)

	Metal Halide Lumens	Watts	All Night
R	8,800	175	$36.20 (Closed)
R	36,000	400	$44.57 (Closed)
R	110,000	1,000	$82.14 (Closed)

	LED Lumens	Watts	All Night
R	9,000*	100*	$7.30
R	14,000*	150*	$8.03
R	27,000*	250*	$9.49
R	45,000*	400*	$13.87
R	120,000*	1,000*	$29.19

Capacity Rate: All Lights
R $0.00641 per kWh

Continued on Sheet No. D-54.00

D2. Dusk To Dawn Outdoor Security Lighting **Z-3**

WHO MAY TAKE SERVICE:
Any customer for dusk to dawn outdoor security lighting where customer takes service at the same premises under a standard rate schedule. Additions to mercury vapor lighting services are closed to new customers.

HOURS OF SERVICE:
Daily from dusk to dawn.

CHARACTER OF SERVICE:
Single-phase, alternating current, 60 hertz, nominally at 120 volts.

Non-Capacity Rate:

Sodium Vapor

	Lumens	Watts	Monthly Charge
R	9,000	100	$24.04/Lamp (Closed)
R	27,000	250	$36.83/Lamp (Closed)
R	45,000	400	$44.57/Lamp (Closed)

Mercury Vapor

	Lumens	Watts	Monthly Charge
R	7,500	175	$21.32/Lamp (Closed)
R	20,000	400	$39.81/Lamp (Closed)

Metal Halide

	Lumens	Watts	Monthly Charge
R	36,000	400	$44.27/Lamp (Closed)
R	110,000	1,000	$81.50/Lamp (Closed)

LED

	Lumens	Watts	Monthly Charge
R	9,000	100*	$8.03/Lamp
R	14,000	150*	$8.83/Lamp
R	27,000	250*	$10.43/Lamp
R	45,000	400*	$15.25/Lamp
R	120,000	1,000*	$32.11/Lamp

*The wattages and lumens listed under the LED lamps are wattages and lumens of sodium vapor lamps to which the LED lamps are considered equivalent. Actual wattages and lumens of LED lamps may vary.

SPECIAL TERMS AND CONDITIONS
The above charges are for lighting on existing company-owned distribution facilities. The Company will own and install the luminaire, complete with lamp, control device and up to and including a 6-foot mast arm, mounted on an existing company pole. If the customer requests a mast arm in excess of 6 feet it will be considered special facilities. If the customer requests an additional pole and span, the monthly charges listed below shall be added to the above charges.

Continued on Sheet No. D-58.00

Attachment 2
to Settlement Agreement in
Case No. U-21555

Schedule F-2

Michigan Public Service Commission

Upper Peninsula Power Company
Summary of Present and Proposed Revenue by Rate Schedule

Case No:	U-21555
Exhibit No:	**Settlement**
Schedule	**V2 8/8/2024**
Page:	
Witness:	

Line No.	(a) Description	(b) Total Present Revenue	(c) Total Proposed Revenue	(d) Total Net Increase/ (Decrease)	(e) Total Net Increase/ (Decrease) (%)
1	**UPPCO RETAIL SYSTEM**				
2	A-1	$56,658,040	$60,016,548	$3,358,509	5.93%
3	AH-1	$4,614,607	$4,658,731	$44,124	0.96%
4	C-1	$14,736,005	$16,653,873	$1,917,868	13.01%
5	H-1	$1,062,060	$1,132,118	$70,058	6.60%
6	P-1	$11,289,546	$12,903,863	$1,614,317	14.30%
7	Cp-U	$10,933,286	$12,424,135	$1,490,849	13.64%
8	WP-3	$4,644,474	$5,133,171	$488,697	10.52%
9	RTMP	$193,389	$193,389	$0	0.00%
10	RTMP-D	$0	$0	$0	0.00%
11	Z-3	$171,652	$172,328	$676	0.39%
12	SL	$669,803	$684,705	$14,902	2.22%
13					
14					
15	MPSC JURISDICTIONAL	$104,972,861	$113,972,861	$9,000,000	8.57%

Attachment 3
to Settlement Agreement in
Case No. U-21555

Michigan Public Service Commission
Upper Peninsula Power Company
Capacity Charge Calculation

Case No. U-21555
Attachment 3

Capacity Costs Determination		Integrated Retail System
Capacity Related Revenue Requirement:	**$**	**9,943,776**
Section 3(b) Offset:		
Capacity Revenue	$	-
Ancillary Services + Opp Sales	$	(195,629)
Generation Value	$	(6,029,131)
Total Section 3(b) Offset:	**$**	**(6,224,760)**
Net Capacity Revenue Requirement	**$**	**3,719,016**
Capacity Charge Demand (MW)	$	98.6
Capacity Charge ($ / MW-Year)	$	37,718
Capacity Charge ($ / MW-Day)	$	103

P R O O F   O F   S E R V I C E

STATE OF MICHIGAN)

Case No. U-21555

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on September 26, 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 J. Brown

Brianna Brown

Subscribed and sworn to before me
this 26th day of September 2024.

Angela P. Sanderson

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

Service List for Case: U-21555

Name	On Behalf Of	Email Address
Anna B. Stirling	MPSC Staff	stirlinga1@michigan.gov
Christopher M. Bzdok	Department of Attorney General	chris@tropospherelegal.com
Christopher M. Bzdok	Citizens Utility Board of Michigan (CUB)	chris@tropospherelegal.com
Hannah E. Buzolits	Calumet Electronics Corporation	hbuzolits@dykema.com
Holly L. Hillyer	Department of Attorney General	holly@tropospherelegal.com
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Lori Mayabb	MPSC Staff	mayabbl@michigan.gov
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