

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	)	Case No. U-21434
recovery plan (Case No. U-21433) for the	)	
12 months ended December 31, 2024.	)	
_____	)	

At the September 30, 2025 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Daniel C. Scripps, Chair
Hon. Katherine L. Peretick, Commissioner
Hon. Shaquila Myers, Commissioner

ORDER APPROVING SETTLEMENT AGREEMENT

On March 31, 2025, Upper Peninsula Power Company (UPPCo) filed an application in this docket, with supporting testimony and exhibits, under Section 6j of Public Act 304 of 1982, MCL 460.6j, requesting to reconcile its power supply cost recovery revenues and expenses incurred during the 12-month period ended December 31, 2024.

A prehearing conference was held on May 15, 2025, before Administrative Law Judge Sally L. Wallace. UPPCo and the Commission Staff participated in the proceeding. Subsequently, the parties filed 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's power supply cost recovery reconciliation for the 12-month period ended December 31, 2024, is approved, as set forth in the settlement agreement.
- C. Upper Peninsula Power Company shall reflect the \$1,170,265 underrecovery as the beginning balance for its 2025 power supply cost recovery reconciliation.

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

Shaquila Myers, Commissioner

By its action of September 30, 2025.

Lisa Felice, Executive Secretary

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In the matter of the application of	)	
UPPER PENINSULA POWER COMPANY	)	Case No. U-21434
for reconciliation of its power supply cost	)	
recovery plan (U-21433) for the 12-months ended	)	
December 31, 2024.	)	
	)	

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

1. On March 31, 2025, 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, 2024.

2. On April 14, 2025, 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-21433, U-21602, U-21555 and U-21286. 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 15, 2025, Administrative Law Judge Sally L. Wallace 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 2024 power supply expenses were incurred under reasonable and prudent policies and practices.
- b. UPPCO proposed to shift from applied cost calculation to actual power supply costs in its over/under PSCR calculations. Staff agreed that shifting from applied cost calculation to actual costs was a reasonable change to make in this reconciliation and in future reconciliations.
- c. For the 12-month period ending December 31, 2024, it is agreed that the difference between PSCR revenues and expenses for 2024 results in a net cumulative under-recovery of \$1,170,265. This amount includes the 2024 principal over-recovery of \$969,541, the under-recovery of \$2,064,642 from the 2023 PSCR reconciliation and interest of \$75,164 through December 2024. It is agreed that UPPCO will reflect the 2024 power supply cost net cumulative under-recovery of \$1,170,265 as its 2025 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-21434, 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 28, 2025

Sherri A. Wellman
By: _____
Its Attorney
Sherri A. Wellman (P38989)
MILLER, CANFIELD, PADDOCK and STONE, P.L.C.
123 West Allegan Street, Suite 200
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: 2025.08.28 16:04:58 -04'00'

MICHIGAN PUBLIC SERVICE COMMISSION STAFF

Dated: August 28, 2025

By: _____

One of Its Attorneys
Daniel E. Sonneveldt (P58222)
Alena Clark (P73252)
Assistant Attorneys General
Public Service Division
7109 West Saginaw Highway, 3rd Floor
Lansing, Michigan 48917
(517) 284-8140

PROOF OF SERVICE

STATE OF MICHIGAN)

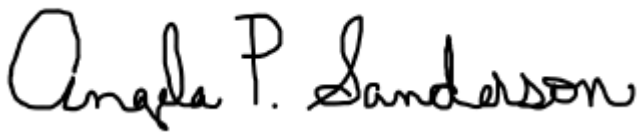
Case No. U-21434

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on September 30, 2025 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 30th day of September 2025.



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

Service List for Case: U-21434

Name	On Behalf Of	Email Address
Alena M. Clark	MPSC Staff	clarka55@michigan.gov
Daniel E. Sonneveldt	MPSC Staff	sonneveltdt@michigan.gov
Sally L. Wallace	ALJs - MPSC	wallaces2@michigan.gov
Sherri A. Wellman	Upper Peninsula Power Company	wellmans@millercanfield.com
Upper Peninsula Power Company	Upper Peninsula Power Company	jlarsen@upppo.com