

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of	)	
UPPER MICHIGAN ENERGY RESOURCES	)	
CORPORATION for approval to implement a power	)	Case No. U-21881
supply cost recovery plan for the 12 months	)	
ending December 31, 2026.	)	
_____	)	

At the August 27, 2026 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 September 29, 2025, Upper Michigan Energy Resources Corporation (UMERC) filed an application in this docket, with supporting testimony and exhibits, seeking authority to implement a power supply cost recovery plan for the 12-month period ending December 31, 2026, pursuant to Section 6j of Public Act 304 of 1982, MCL 460.6j.

A prehearing conference was held on November 19, 2025, before Administrative Law Judge Sally L. Wallace (ALJ Wallace), at which ALJ Wallace granted intervention to Tilden Mining Company L.C. UMERC and the Commission Staff also participated in the proceeding. On April 23, 2026, the case was reassigned to Administrative Law Judge Jonathan F. Thoits (ALJ Thoits). On May 15, 2026, a second prehearing conference was held before ALJ Thoits, and on May 26,

2026, UMERC filed amended testimony and revised exhibits. 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. Within 30 days of the date of this order, Upper Michigan Energy Resources Corporation shall file with the Commission tariff sheets substantially similar to those attached 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 Michigan Energy Resources Corporation 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 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 August 27, 2026.

Lisa Felice, Executive Secretary

STATE OF MICHIGAN
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In the matter of the application of	)	
UPPER MICHIGAN ENERGY RESOURCES	)	Case No. U-21881
CORPORATION for approval to implement a power	)	
supply cost recovery plan for the twelve months ending	)	
December 31, 2026.	)	
_____	)	

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 Systems Administrative Rules, R 792.10431, Upper Michigan Energy Resources Corporation (“UMERC”), the Michigan Public Service Commission Staff (“Staff”) and Tilden Mining Company L.C. (“Tilden”) hereby agree as follows:

1. On September 29, 2025, UMERC filed with the Michigan Public Service Commission (“MPSC” or the “Commission”) its application in this docket, along with the testimony and exhibits of its witness James M. Beyer, seeking approval to implement a 2026 Power Supply Cost Recovery (“PSCR”) plan, authority to continue its existing contingency matrix mechanism (Adjustment Mechanism), and sponsored a five-year forecast pursuant to MCL 460.6j(4).

2. On October 20, 2025, the Commission’s Executive Secretary issued a Notice of Hearing directing UMERC to mail a copy of the Notice of Hearing to all cities, incorporated villages, townships, and counties in its Michigan electric service areas, and to all intervenors in Case Nos. U-18061, U-21541, U-21431, and 21600 and to publish the Notice of Hearing in

newspapers of general circulation throughout its Michigan electric service areas. On November 12, 2025, UMEREC filed its proofs of mailing and publication in this docket.

3. On November 19, 2025, Administrative Law Judge (“ALJ”) Sally L. Wallace presided over a prehearing conference in this matter. Staff entered its appearance, and Tilden’s petition to intervene was granted.

4. On February 26, 2026, following oral argument on Tilden’s motion to compel discovery, ALJ Wallace issued her Ruling holding Tilden’s motion to compel discovery in abeyance until the Commission issued its order on rehearing in Case No. U-21813, and suspending the case schedule. On April 17, 2026, the Commission issued its Order denying the petition for rehearing in Case No. U-21813. Thereafter, the parties agreed to a second prehearing conference on May 15, 2026, to reestablish a case schedule in this docket.

5. On May 15, 2026, a prehearing conference was held before ALJ Jonathan F. Thoits.¹ The Company, Staff and Tilden were in attendance, and a new case schedule was established.

6. Pursuant to the case schedule, on May 26, 2026, UMEREC filed the amended testimony and exhibits of Witness Beyer to address the Commission’s directives in Case No. U-21813 regarding Renegade Solar.

7. The Staff conducted discovery and an analysis of the amended PSCR plan and the decisions underlying that plan. Staff’s review found UMEREC’s amended PSCR plan for the 12-month period ending December 31, 2026, is consistent with past Commission approvals, is based on reasonable projections.

¹ On April 23, 2026, ALJ Wallace filed a Memorandum reassigning this case to ALJ Thoits.

8. The parties have discussed the issues in this case, negotiated the terms of this Settlement Agreement, and agree as follows:

- A. UMERB's 2026 amended PSCR Plan for its WEPCo Rate Zone and the WPSC Rate Zone is reasonable and should be approved by the Commission by adopting this Settlement Agreement.
- B. The Commission should approve and authorize UMERB to implement a 2026 base PSCR factor of (\$0.00138) per KWh in its WEPCo and WPSC Rate Zones effective, as reflected on Attachment 1 to this Settlement Agreement, with the first billing month following the Commission's approval of this settlement agreement through December 31, 2026². Attachment 2 to this Settlement Agreement shows the tariff sheet reflecting this factor.
- C. The Commission should approve and authorize UMERB to adjust on a monthly basis the Maximum PSCR factors for its WEPCo and WPSC Rate Zones pursuant to the Adjustment Mechanism as set forth in the tariff sheet attached as Attachment 2 hereto.
- D. UMERB's amended 5-year forecast of power supply requirements was filed pursuant to and meets the statutory mandates of 1982 PA 304.

9. It is the opinion of the signatories that this Settlement Agreement is reasonable, will promote the public interest, will aid the expeditious conclusion of this case, and will minimize the time and expense which would otherwise have to be devoted to this matter by the parties. This

² For the period before Commission approval of the settlement agreement, UMERB has self-implemented its filed PSCR factor pursuant to MCL 460.6j(9).

Settlement Agreement is not severable, and all provisions of same are dependent upon all other provisions contained herein.

10. This Settlement Agreement has been made for the sole and express purpose of settling this case. All offers of settlement and discussions relating hereto are, and shall be considered, privileged under MRE 408, 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.

11. Neither the parties to the case nor the Commission shall use this Settlement Agreement or the order approving it, as precedent in any case or proceeding; provided however, reference to Paragraph 8 may be made to enforce or implement the provisions thereof.

12. 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 to the case 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.

13. All signatories waive Section 81 of the APA of 1969, as amended, MCL 24.281, as it applies to the issues in this proceeding, if the Commission approves this Settlement Agreement without modification.

UPPER MICHIGAN ENERGY RESOURCES
CORPORATION

Dated: July 30, 2026

By:

Sherri A. Wellman

Its Attorney
Sherri A. Wellman (P38989)
Miller, Canfield, Paddock and Stone, P.L.C.
123 West Allegan Street, Suite 200
Lansing, MI 48933

Digitally signed by: Sherri A. Wellman
DN: CN = Sherri A. Wellman email =
wellmans@millercanfield.com C = US O = Miller Canfield
Date: 2026.07.30 12:30:29 -04'00'

MICHIGAN PUBLIC SERVICE COMMISSION
STAFF

Dated: July 30, 2026

By:  Michael Orris
2026.07.30 13:27:10
-04'00'

One of Its Attorneys
Michael J. Orris (P51232)
Adam M. Cozort (P78363)
Assistant Attorney General
Public Service Division
7109 W. Saginaw Hwy., 3rd Floor
Lansing, MI 48917

TILDEN MINING COMPANY L.C.

Dated: July 30, 2026

By: Jennifer U.
Heston  Digitally signed by Jennifer U.
Heston
Date: 2026.07.30 14:06:46
-04'00'

Its Attorney
Jennifer U. Heston (P65202)
Potomac Law Group, PLLC
1717 Pennsylvania Avenue, NW
Suite 1025
Washington, DC 20006

Attachment 1
to Settlement Agreement
(MPSC Case No. U-21881)

Upper Michigan Energy Resources Corporation
Development of 2026 Power Supply Cost Recovery Factors
January - June Actuals, July - December Forecast

[illegible]

Attachment 2
to Settlement Agreement
(MPSC Case No. U-21881)

POWER SUPPLY COST RECOVERY

PSCR FACTORS

All rates for metered electric service shall include an amount up to the Adjusted Maximum Power Supply Cost Recovery (PSCR) Factor for the specified billing period as set forth below. The Maximum PSCR Factor includes an increase or decrease of 0.010391 mills per kWh for each full 0.01 mill increase or decrease in the projected annual power supply costs above or below a cost base of 54.95 mills per kWh, rounded to the nearest one-hundredth of a mill per kWh or 57.10 mills per kWh. The projected power supply costs per kWh shall equal the total projected annual net power cost divided by the projected annual net system energy requirements. Net system energy requirements shall be the sum of net generation and net purchased and interchange power. An amount not exceeding the Adjusted Maximum PSCR Factor for each month shall be placed into effect in the first billing cycle of that month and shall continue in effect until the first billing cycle of a subsequent month for which a subsequent PSCR Factor becomes operative.

The PSCR Factor shall be applicable to all Power Supply charges for the following Rate Schedules:

<u>Class of Service</u>	<u>Rate Schedule No.</u>
Residential	Rg1, Rg2, Rg-1M and Rg-OTOU-1M
General Secondary	Cg1, Cg2, Cg3, Cg3C, Cg5, TssM, TssU, Cg-1M, Cg-3M, Cg-OTOU-1M, Mp-1M
General Primary	Cp1, Cp2, Cp3, Cp4, Schedule A, CpLC and Cp-1M
Lighting	Ms2, Ms3, GL1, LED1, Ls-1M
Other	Mg1, Ds1
ERER 1, ERER 3	
100% Renewable power	No adjustment for PSCR
50% Renewable power	PSCR factor applicable to rate schedule customer is served under applied to 50% of the kWh for the billing period.
25% Renewable power	PSCR factor applicable to rate schedule customer is served under applied to 75% of the kWh for the billing period.
ERER 2	
Kilowatt-hour in excess of nominated block	PSCR factor applicable to rate schedule customer is served under.
Customer Generating System	CGS Category 1, CGS Category 2, CGS Biogas and DG-1

Power Supply Cost Recovery Factors

	2026 Plan Year	Prior Period PSCR	Maximum 2026 PSCR	Adjusted Maximum 2026 PSCR	Actual Factor Billed
<u>Billing Month</u>	<u>PSCR Factor \$/kWh</u>	<u>Reconciliation Factor \$/kWh</u>	<u>Factor \$/kWh</u>	<u>Factor \$/kWh</u>	<u>\$/kWh</u>
Jan 2026	\$0.00630	\$0.00000	\$0.00630	\$0.00630	\$0.00630
Feb 2026	\$0.00630	\$0.00000	\$0.00630	\$0.00630	\$0.00630
Mar 2026	\$0.00630	\$0.00000	\$0.00630	\$0.00630	\$0.00630
Apr 2026	\$0.00630	\$0.00000	\$0.00630	\$0.00630	\$0.00630
May 2026	\$0.00630	\$0.00000	\$0.00630	\$0.00630	\$0.00630
Jun 2026	\$0.00630	\$0.00000	\$0.00630	(\$0.00475)	(\$0.00475)
Jul 2026	\$0.00630	\$0.00000	\$0.00630	(\$0.00625)	(\$0.00625)
Aug 2026	\$0.00630	\$0.00000	\$0.00630	(\$0.00625)	(\$0.00625)
Sep 2026	(\$0.0063000138)	\$0.00000	(\$0.0063000138)		
Oct 2026	(\$0.0063000138)	\$0.00000	(\$0.0063000138)		
Nov 2026	(\$0.0063000138)	\$0.00000	(\$0.0063000138)		
Dec 2026	(\$0.0063000138)	\$0.00000	(\$0.0063000138)		

Parentheses indicate a credit factor. Should the Company apply lesser factors than those above or if the factors are later revised pursuant to commission orders or 1982 PA 304, the Company will notify the commission if necessary and file a revision of the above list. The Maximum PSCR Factor is subject to adjustment as shown on Sheet No. D-3.01

(Continued on Sheet No. D-4.00)

Issued ~~xxxxxxx~~
T. T. Eidukas
Vice-President,
Milwaukee, Wisconsin

Effective for bills rendered for
the 2026 Plan year

Issued under authority of the
Section 6j(9) of 1982 PA304
For self-implementing
in Case No. U-21881

POWER SUPPLY COST RECOVERY
(Continued from Sheet No. D-3.00)

ADJUSTED MAXIMUM PSCR FACTORS

The Maximum PSCR Factor is subject to adjustment. The Adjusted Maximum PSCR Factor is calculated based upon changes to the PSCR Plan's forecasted NYMEX Price for the specified billing period as set forth in the table below. The Adjusted Maximum PSCR Factors are the maximum PSCR Factors the Company may charge. The actual PSCR factor charged in any month may be less than the Adjusted Maximum PSCR Factor.

No less than fifteen days before the beginning of each month, the Company shall file with the Michigan Public Service Commission a worksheet reflective of the calculation below and an updated tariff sheet reflecting the adjustment.

ADJUSTMENT MECHANISM (SAMPLE)

Base PSCR Factor from Plan \$/MWh	(\$6.301.38)
Jan-Dec NYMEX Average Forecast \$/Dth (X)	\$3.903.51
Jan-Dec NYMEX Average from Plan \$/Dth (X _{plan})	\$3.923.48
Difference	(\$0.02)
Adjusted Maximum PSCR Factor \$/kWh	(\$0.0063000138)

2026 NYMEX Increase

<u>Greater than or</u> <u>Equal to</u>	<u>But less</u> <u>than</u>	<u>Adjusted Maximum PSCR</u> <u>Factor (\$/kWh)</u>	<u>Greater than</u> <u>or Equal to</u>	<u>But less than</u>	<u>Adjusted Maximum PSCR</u> <u>Factor (\$/kWh)</u>
\$0.00	\$0.25	(\$0.0063000138)	\$2.50	\$2.75	\$0.0089100000
\$0.25	\$0.50	(\$0.0065200124)	\$2.75	\$3.00	\$0.0092300014
\$0.50	\$0.75	(\$0.0067500110)	\$3.00	\$3.25	\$0.0095500028
\$0.75	\$1.00	(\$0.0069900097)	\$3.25	\$3.50	\$0.0098900041
\$1.00	\$1.25	(\$0.0072400083)	\$3.50	\$3.75	\$0.0102400055
\$1.25	\$1.50	(\$0.0074900069)	\$3.75	\$4.00	\$0.0106000069
\$1.50	\$1.75	(\$0.0077600055)	\$4.00	\$4.25	\$0.0109700083
\$1.75	\$2.00	(\$0.0080300041)	\$4.25	\$4.50	\$0.0113600097
\$2.00	\$2.25	(\$0.0083100028)	\$4.50	\$4.75	\$0.0117600110
\$2.25	\$2.50	(\$0.0086100014)	\$4.75	\$5.00	\$0.0121700124
				>\$5.00	\$0.0126000138

DEFINITIONS:

NYMEX Increase = (X – X_{plan})

X = the average NYMEX price (\$/Dth) for the remaining months of the PSCR plan year averaged over the first five trading days of the month prior to implementation of the proposed PSCR factor.

X_{plan} = NYMEX average price for the remaining months of the PSCR plan as incorporated into the current year PSCR Plan.

(Continued on Sheet No. D-4.00)

Issued ~~xxxxxxxxxx~~
T. T. Eidukas
Vice-President,
Milwaukee, Wisconsin

Effective for bills rendered for
the 2026 Plan year

Issued under authority of the
Section 6j(9) of 1982 PA304
For self-implementing
in Case No. U-21881

PROOF OF SERVICE

STATE OF MICHIGAN)

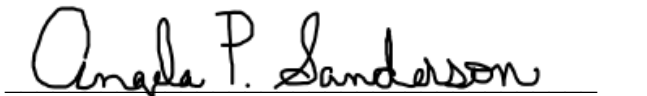
Case No. U-21881

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on August 27, 2026 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 27th day of August 2026.


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

Service List for Case: U-21881

Name	On Behalf Of	Email Address
Adam M. Cozort	MPSC Staff	cozortal@michigan.gov
Jennifer U. Heston	Tilden Mining Company, LC	jheston@potomaclaw.com
John G. Walker Mogen	Upper Michigan Energy Resources Corporation	mogen@millercanfield.com
Jonathan F. Thoits	ALJs - MPSC	thoitsj@michigan.gov
Michael J. Orris	MPSC Staff	orrism@michigan.gov
Sherri A. Wellman	Upper Michigan Energy Resources Corporation	wellmans@millercanfield.com
Upper Michigan Energy Resources Corporation	Upper Michigan Energy Resources Corporation	colleen.sipiorski@wecenergygroup.com