

Founded in 1852
by Sidney Davy Miller

MILLER CANFIELD

Sherri A. Wellman
TEL +1.517.483.4954
FAX +1.517.374.6304
E-MAIL Wellmans@MillerCanfield.com

Miller, Canfield, Paddock and Stone, P.L.C.
120 N. Washington Square, Suite 900
One Michigan Avenue Building
Lansing, Michigan 48933
TEL (517) 487-2070
FAX (517) 374-6304
millercanfield.com

MICHIGAN
ILLINOIS NEW
YORK OHIO
WASHINGTON,
D.C.
CALIFORNIA
CANADA
CHINA
MEXICO
POLAND
UKRAINE
QATAR

March 13, 2023

Ms. Lisa Felice
Executive Secretary
Michigan Public Service Commission
7109 W. Saginaw Hwy
Lansing, MI 48917

Re: Upper Peninsula Power Company
2023 RE Reconciliation
Case No. U-21553

Dear Ms. Felice:

Enclosed for electric filing in the above case, please find Upper Peninsula Power Company's Application and supporting Direct Testimony and Exhibit of Nicole E. Bell. Also enclosed is my Appearance.

Should you have any questions, please kindly advise.

Very truly yours,

Miller, Canfield, Paddock and Stone, P.L.C.

By: _____
Sherri A. Wellman

SAW:vs
Enclosures
cc w/enc: Nicole E. Bell
Eric W. Stocking

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * *

In the matter of the application of)	
UPPER PENINSULA POWER COMPANY)	Case No. U-21553
to commence a renewable energy cost)	
reconciliation proceeding for the 12-month)	
<u>period ended December 31, 2023.</u>)	

APPLICATION

Upper Peninsula Power Company (“UPPCO” or the “Company”) hereby requests the Michigan Public Service Commission (“Commission”) to approve the Company’s 2023 Renewable Energy Annual Report (“Report”) and the reconciliation of its renewable cost pursuant to MCL 460.1049 for the 2023 calendar year. In support thereof, the Company respectfully represents as follows:

1. UPPCO is a Michigan corporation, with its principal office located in Marquette, Michigan, and is engaged as a public utility in the generation, purchase, distribution, and sale of electric energy in its service territory in the Upper Peninsula of Michigan.

2. UPPCO serves certain cities, villages and townships located in the counties of Alger, Baraga, Delta, Houghton, Iron, Keweenaw, Marquette, Menominee, Ontonagon, and Schoolcraft. UPPCO’s Michigan retail electric business is subject to the jurisdiction of the Commission pursuant to 1909 PA 106, as amended, MCL 460.551 et seq.; 1909 PA 300, as amended, MCL 462.2 et seq.; 1919 PA 419, as amended, MCL 460.51 et seq.; and 1939 PA 3, as amended, MCL 460.1 et seq.

3. By Order Approving Settlement Agreement, dated July 24, 2018, in Case No. U-18235, the Commission approved the Company's renewable energy plan and, as of the date of this application, the approved plan has not been amended and therefore relates to this 2023 reconciled period. As approved, the renewable energy plan provides for meeting renewable energy standards through existing power supply resources, with the costs thereof to be addressed and accounted for through Power Supply Cost Recovery ("PSCR") proceedings, without a separate renewable energy surcharge.

4. By order dated March 1, 2024, the Commission established a filing deadline of March 15, 2024, for UPPCO's renewable energy reconciliation for the 2023 calendar year.

5. UPPCO's actions with regards to renewable energy for the 2023 calendar year: (i) comply with the renewable energy standards; (ii) are consistent with UPPCO's renewable energy plan, as approved by the Commission; and (iii) are reasonable and prudent.

6. UPPCO's renewable energy plan for the 2023 calendar year did not include any renewable energy surcharge. Thus, there are no separate renewable energy surcharge revenues to be reconciled. Further, UPPCO is not seeking pursuant to MCL 460.1049(2) a modification to its renewable energy cost recovery mechanism.

7. UPPCO's 2023 Report is filed herewith as Exhibit A-1 (NEB-1) to the prefiled direct testimony of Nicole E. Bell, which is filed contemporaneously herewith and in support of hereof.

WHEREFORE, Upper Peninsula Power Company requests that this Commission:

A. Find and determine that the Company's 2023 Renewable Energy Annual Report satisfies all applicable requirements;

- B. Find and determine that UPPCO's actions in 2023 complied with renewable standard standards, and were reasonable and prudent;
- C. Find and determine that UPPCO's reconciliation for 2023 does not result in any under-recovery or over-recovery of revenues; and
- D. Grant such other relief as is just and reasonable.

Respectfully Submitted,

UPPER PENINSULA POWER COMPANY

Dated: March 13, 2024

By: _____

Its Attorney

Sherri A. Wellman (P38989)

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

One Michigan Avenue, Suite 900

Lansing, Michigan 48933

(517) 487-2070

40286446.1/130062.00001

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of)
UPPER PENINSULA POWER COMPANY)
to commence a renewable energy cost)
reconciliation proceeding for the 12-month period)
ended December 31, 2023.)
_____)

Case No. U-21553

DIRECT TESTIMONY AND EXHIBIT OF
NICOLE E. BELL
ON BEHALF OF
UPPER PENINSULA POWER COMPANY

March 13, 2024

1 **Q. Please state your name, business address, and the name of your employer?**

2 A. My name is Nicole E. Bell. My business address is 18494 Canal Road, Houghton, Michigan
3 49931. I am employed by Upper Peninsula Power Company (“UPPCO” or the “Company”).

4
5 **Q. Please provide your title and describe your job responsibilities.**

6 A. My title is Regulatory Analyst within UPPCO’s Regulatory Affairs department. My
7 responsibilities in this role include a wide variety of issues touching several aspects of
8 UPPCO’s business, including tariff administration, Renewable Portfolio Standard (“RPS”)
9 compliance analysis, sales and peak demand forecasting, rate design and revenue analysis,
10 among other related duties.

11
12 **Q. Briefly describe your educational background and applicable professional experience.**

13 A. I graduated from the Community College of the Air Force in 2013 with an Associate of
14 Applied Science in Weather Technology. I graduated from American Military University in
15 2016 with a Bachelor of Science in Environmental Science. I graduated from Grand Canyon
16 University in 2021 with a Master’s in Business Administration. In January 2011, I entered
17 employment with the United States Air Force (USAF) as a Weather Specialist, tasked with
18 the observing, recording, forecasting, and dissemination of weather data and information to
19 military installations throughout the United States. In January 2015, I completed my
20 enlistment in the USAF and began employment with the Tucson Electric Power Company
21 (“TEPC”) as a Renewable Energy Forecaster and Trading Analyst in the Wholesale
22 Marketing and Renewables departments of TEPC. My responsibilities in this position
23 included the forecasting and analysis of renewable resource output and availability, the

1 updating and maintaining of TEPC's renewable resource forecasting models, and other
2 analysis of the department's generation resources, including analysis of transactions between
3 TEPC and its counterparties. I cross-trained in several different positions throughout the
4 Wholesale Marketing department, where I completed tasks related to the scheduling of
5 power purchases and sales, creation and monitoring of transaction tags, creation and
6 monitoring of transmission reservations, and the conducting of daily communication
7 between counterparties. In January 2020, I left my employment with TEPC. I began
8 employment with UPPCO in March 2020 as a Regulatory Analyst within the Regulatory
9 Affairs department.

10
11 **Q. Have you previously testified before the Michigan Public Service Commission**
12 **(“MPSC” or the “Commission”)?**

13 A. Yes. I have provided testimony in several cases before the Commission. Recent notable
14 examples include the following proceedings on behalf of UPPCO: Case No. U-21286
15 (General Rate Case), Case No. U-21059 (2022 PSCR reconciliation), Case No. U-21433
16 (2024 PSCR Plan), and Renewable Energy reconciliation cases, most recently, Case Nos. U-
17 21356, U-21201, and U-21013.

18
19 **Q. What is the purpose of your testimony in this proceeding?**

20 A. The purpose of my testimony is to present UPPCO's analysis and discussion regarding
21 the following items:

- 22 1. UPPCO's 2023 Renewable Energy Annual Report.
- 23 2. Renewable energy revenues and costs.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

Q. Are you sponsoring any exhibits in this proceeding?

A. Yes, I am sponsoring Exhibit A-1 (NEB-1), UPPCO’s 2023 Renewable Energy Annual Report.

Q. Was this exhibit prepared by you or under your direction and supervision?

A. Yes.

Q. Does UPPCO continue to take a reasonable and prudent approach to implementing the 2018 renewable energy plan that was approved by the Commission?

A. Yes. The actions and decisions made by UPPCO have been reasonable and prudent, and consistent with the plan approved by the Commission on its July 24, 2018 Order in Case No. U-18235.

Q. Did UPPCO recover any renewable energy cost through a renewable energy surcharge?

A. No. All costs associated with UPPCO’s renewable energy are included in the Company’s base rates or in rates that are adjusted as part of the Power Supply Cost Recovery process. As such, the Company does not have any renewable energy surcharge revenues to reconcile against costs in this proceeding.

Q. Does UPPCO plan to change its method for recovering any of its renewable energy costs?

1 A. No, not at this time.

2

3 **Q. Is UPPCO banking any renewable energy credits for future use in Michigan?**

4 A. Yes.

5

6 **Q. At the end of 2023, how many renewable energy credits, including incentive credits,**
7 **does UPPCO have banked for future compliance?**

8 A. The Company had a 2023 year-end balance of 262,849 renewable energy credits.

9

10 **Q. Does this conclude your direct testimony at this time?**

11 A. Yes, it does.

12

13

14

15

16

17

18

19

20

21

22

23

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of)	
UPPER PENINSULA POWER COMPANY)	
to commence a renewable energy cost)	Case No. U-21553
reconciliation proceeding for the 12-month period)	
<u>ended December 31, 2023.</u>)	

EXHIBIT A-1 (NEB-1)
2023 RENEWABLE ENERGY
ANNUAL REPORT

Renewable Energy Annual Report

Revised March 2024

Electric Provider:

Reporting Period: Calendar Year 2023

- The purpose of this annual report is to provide information regarding activities that occurred within calendar year 2023.
- Many of the requested figures are available from MIRECS reports; names of which are noted within this template. If your figures agree with those within MIRECS, you may submit the MIRECS report as an attachment to this annual report. If your figures differ from those within MIRECS, please explain any discrepancies. Staff from the MPSC and MIRECS Administrator, APX, Inc., are available to help reconcile.

Section 51(1)(a).

Within this section, list the method and the retail sales in MWh for the reporting period.

List the Method: either average of 2020-2022 retail sales or the 2022 weather normalized retail sales.

Average of 2020 – 2022 Retail Sales

The method chosen should be consistent with the method approved in the initial plan case from 2017. All sales are retail (net of wholesale).

(A) List the sales in MWh based on the method selected above. Please show the calculation of this figure (including listing the sales of each year if the three-year average method is used).

Average(775,788; 743,221; 728,956) * 0.15 = 112,398

(B) 15% RPS Portfolio: List the energy credits used for the 15% RPS portfolio for the 2023 compliance year. This number should agree with the compliance requirement listed in the 2023 compliance subaccount in MIRECS. Take into account any energy waste reduction substitutions and limits on their use.

MIRECS has not generated the amount of energy credits used for the 2023 compliance year. Retail sales for the 2023 compliance year were entered into MIRECS on March 7, 2024.

Calculate the renewable energy percentage. Figure above divided by sales in MWh above (B divided by A).

N/A

MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
PUBLIC SERVICE COMMISSION

ENTRY OF APPEARANCE IN AN ADMINISTRATIVE HEARING

This form is issued as provided for by 1939 PA 3, as amended, and by 1933 PA 254, as amended. The filing of this form, or an acceptable alternative, is necessary to ensure subsequent service of any hearing notices, Commission orders, and related hearing documents.

General Instructions:

Type or print legibly in ink. For assistance or clarification, please contact the Public Service Commission at 517-284-8090.

*Please Note: The Commission will provide **electronic** service of documents to all parties in this proceeding.*

THIS APPEARANCE TO BE ENTERED IN ASSOCIATION WITH THE ADMINISTRATIVE HEARING:

Case / Company Name: _____ Docket No. U-_____

Please enter my appearance in the above-entitled matter on behalf of:

1. (Name)
2. (Name)
3. (Name)
4. (Name)
5. (Name)
6. (Name)
7. (Name)

Name _____

Address _____

City _____ State _____

Zip _____ Phone _____

Email _____

Date _____

Signature: _____

I am not an attorney

I am an attorney whose:

Michigan Bar # is P-_____

_____ Bar # is: _____
(state)