

Founded in 1852  
by Sidney Davy Miller

# MILLER CANFIELD

Sherry 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.  
123 West Allegan Street, Suite 200  
Lansing, Michigan 48933  
TEL (517) 487-2070  
FAX (517) 374-6304  
millercanfield.com

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

March 6, 2025

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

Re: Upper Michigan Energy Resources Corporation  
2024 PSCR Reconciliation  
Case No. U-21432

Dear Ms. Felice:

Enclosed for electronic filing in the above captioned case please find Upper Michigan Energy Resources Corporation's Application and the supporting Direct Testimony and Exhibit of James M. Beyer. Also included for filing is my Appearance.

Should you have any questions, please contact me.

Very truly yours,

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

By: \_\_\_\_\_  
Sherry A. Wellman

SAW/vs

Enclosures

cc w/enc: James Beyer ([James.beyer@wecenergygroup.com](mailto:James.beyer@wecenergygroup.com))  
Richard Stasik ([richard.stasik@wecenergygroup.com](mailto:richard.stasik@wecenergygroup.com))  
Koby Bailey ([koby.bailey@wecenergygroup.com](mailto:koby.bailey@wecenergygroup.com))  
Theodore Eidukas ([theodore.eidukas@wecenergygroup.com](mailto:theodore.eidukas@wecenergygroup.com))

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

\* \* \* \* \*

In the matter of the application of **UPPER MICHIGAN** )  
**ENERGY RESOURCES CORPORATION** for ) Case No. U-21432  
reconciliation of its power supply cost recovery plan )  
(U-21431) for the 12 months ended December 31, 2024. )

**APPLICATION**

UPPER MICHIGAN ENERGY RESOURCES CORPORATION (“UMERC” or the “Company”) requests the Michigan Public Service Commission (“MPSC” or the “Commission”) to approve the reconciliation of UMERC’s power supply costs and revenues pursuant to 1982 PA 304 (“Act 304”) for the 12-month period January 2024 through December 2024, and represents to the Commission as follows:

1. UMERC is a public service corporation organized under the laws of Michigan with its principal offices located in Milwaukee, Wisconsin, and with a service center located at 800 Industrial Park Drive, Iron Mountain, Michigan. UMERC provides retail electric service to the public in service areas located in the Upper Peninsula, including the counties of Alger, Baraga, Delta, Dickinson, Gogebic, Houghton, Iron, Marquette, Menominee, and Ontonagon.

2. On January 1, 2017, pursuant to a Settlement Agreement approved by the Commission on December 9, 2016, in Case No. U-18061 (“U-18061 Settlement Agreement”), UMERC was established as a Michigan regulated utility providing service only to electric and natural gas customers in the Upper Peninsula of Michigan.

3. UMERC’s retail electric business in Michigan is subject to the Commission’s jurisdiction 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.*

4. Incorporated in UMEREC's rate schedules during the 12-month period ending December 31, 2024 were two PSCR clauses (one for the WEPCo Rate Zone and another for the WPSC Rate Zone) as authorized by the Commission in Case No. U-18061, which resulted in the application of separate and different PSCR base and line loss factors for each rate zone. However, recently, the Commission in its October 10, 2024 Order Approving Settlement Agreement in Case No. U-21541, authorized UMEREC, among other things, to implement a new singular PSCR base rate of \$57.10 per MWh and a line loss factor of 0.010391 for both the WEPCo and WPSC Rate Zones to be effective January 1, 2025.

5. For the WEPCo Rate Zone, the 12-month reconciliation of UMEREC's power supply costs and revenues for 2024 results in a total under-recovery of \$89,328 inclusive of an interest amount. UMEREC's WEPCo Rate Zone 2023 PSCR reconciliation approved in Case No. U-21266 reflected an over-recovery of \$290,828. The 2024 total under-recovery includes the roll-in of the 2023 over-recovery.

6. For the WPSC Rate Zone, the 12-month reconciliation of UMEREC's power supply costs and revenues for 2024 result in a total under-recovery of \$23,507 inclusive of an interest amount. UMEREC's WPSC Rate Zone 2023 PSCR reconciliation approved in Case No. U-21266 reflected an over-recovery of \$252,962. The 2024 total under-recovery includes the roll-in of the 2023 over-recovery.

7. Based on the approvals granted in Case No. U-21541, UMEREC seeks to roll-in the total cumulative under-recovery of \$112,835 (\$89,328 plus \$23,507) into the beginning balance of its (now combined) UMEREC PSCR clause for the 2025 PSCR reconciliation.

8. The testimony and exhibit of James M. Beyer are filed in support of this Application. UMERC represents that its proposals are just and reasonable and in the public interest.

WHEREFORE, Upper Michigan Energy Resources Corporation requests that this Commission:

A. Approve the reconciliation of UMERC's 12-month power supply costs and revenues as presented by UMERC;

B. Find and determine that the power supply costs incurred by UMERC during 2024, as included in this reconciliation, were reasonably and prudently incurred;

C. Find and determine that UMERC's total cumulative under-recovery of \$112,835, as of December 31, 2024, should be rolled into the beginning balance of its 2025 PSCR reconciliation; and

E. Grant UMERC such other and additional relief as shall be lawful and proper.

Respectfully submitted,

UPPER MICHIGAN ENERGY RESOURCES  
CORPORATION

Dated: March 6, 2025

By: \_\_\_\_\_

Its Attorney  
Sherri A. Wellman (P38989)  
MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.  
123 West Allegan Street, Suite 200  
Lansing, MI 48933  
(517) 487-2070

**STATE OF MICHIGAN**  
**BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION**

\*\*\*\*\*

In the matter of the application of **UPPER MICHIGAN** )  
**ENERGY RESOURCES CORPORATION** for ) Case No. U-21432  
reconciliation of its power supply cost recovery plan )  
(U-21431) for the 12 months ended December 31, 2024. )

**DIRECT TESTIMONY AND EXHIBIT OF**  
**JAMES M. BEYER**  
**ON BEHALF OF**  
**UPPER MICHIGAN ENERGY RESOURCES CORPORATION**

March 6, 2025

1 **Q. Please state your name, business address, and position.**

2 A. My name is James M. Beyer. My business address is WEC Energy Group (“WEC”), 2830  
3 South Ashland Avenue, Green Bay, WI 54304. I am a Project Specialist in the State  
4 Regulatory Affairs Department of WEC. Upper Michigan Energy Resources Corporation  
5 (“UMERC” or the “Company”) is a wholly owned subsidiary of WEC.

6

7 **Q. Please describe briefly your education, professional, and utility background.**

8 A. I graduated from Northern Michigan University, Marquette, Michigan, with a Bachelor of  
9 Science Degree in Accounting in 2002 and from Lakeland College, Sheboygan, Wisconsin,  
10 with a Master of Business Administration degree in 2006. I have been employed by WEC  
11 and its predecessors, first as a Pricing Analyst and currently as a Project Specialist since  
12 2004. In my current position, I perform and am otherwise involved in rate related studies,  
13 service and tariff administration, financial analyses, and rate development and  
14 administration.

15

16 **Q. Have you testified before a regulatory agency?**

17 A. Yes. I have testified before the Public Service Commission of Wisconsin and the  
18 Michigan Public Service Commission (“MPSC” or the “Commission”). Most recently I  
19 have provided direct testimony and exhibits in UMERC’s most recent general electric  
20 rate case in Case No. U-21541, in annual reconciliations related to Renewable Energy  
21 (Case No. U-21554), Energy Waste Reduction (“EWR”) (Case No. U-21562) and Power  
22 Supply Cost Recovery (“PSCR”) (Case No. U-21266) and in annual plans related to  
23 EWR (Case No. U-21326) and PSCR (U-21600).

1 Outside of Michigan I have provided testimony and exhibits to the Public Service  
2 Commission of Wisconsin on many rate-making issues, most recently in 5-UR-110, as well  
3 as in multiple fuel reconciliation dockets.  
4

5 **Q. Please describe UMERC.**

6 A. UMERC is a Michigan jurisdictional regulated utility authorized to serve the former  
7 Michigan electric customers of Wisconsin Electric Power Company (“WEPCO”) and  
8 Wisconsin Public Service Corporation (“WPS Corp”) and the former Michigan natural gas  
9 customers of WPS Corp. Michigan approvals for UMERC to provide retail electric and  
10 natural gas service in the state of Michigan were granted by the Commission in its  
11 December 9, 2016 Order in Case No. U-18061. The approvals granted in Case No. U-  
12 18061 included, but were not limited to the, (i) transfer of the electric distribution assets  
13 of WEPCO and WPS Corp used for providing retail electric service in Michigan, (ii) (at  
14 least initially, with the exception of the Tilden Mining Company, L.C. (“Tilden”) and  
15 Empire Iron Mining Partnership (collectively the “Mines”)) transfer of WEPCO’s and  
16 WPS Corp’s Michigan retail tariff electric customers to UMERC, and (iii) assumption of  
17 WEPCO’s and WPS Corp’s power supply cost recovery (“PSCR”) clauses.  
18

19 **Q. What happened with the Mines’ load upon UMERC’s completion of the Upper  
20 Peninsula (“UP”) generation solution?**

21 A. Consistent with the approvals granted in Case No. U-18061, WEPCO continued to serve  
22 the Mines until UMERC’s completion of the UP generation solution on March 31, 2019,  
23 and the corresponding termination of both of the 2015-2020 Large Curtailable Special

1 Contracts between WEPCO and the Mines that were approved by the Commission's  
2 April 23, 2015 Order in Case No. U-17862 ("Mines' Special Contracts"). Once those  
3 events occurred, the Mines transferred to, and became customers of, UMERC. In a  
4 signed letter appended as Attachment B to WEPCO's September 1, 2016 Application  
5 Requesting Approval of Amendment in Case No. U-17862, WEPCO and Empire agreed  
6 that Empire's special contract would terminate no later than October 15, 2016. The  
7 Commission approved the termination letter in its December 9, 2016 Order in Case No.  
8 U-17862. Therefore, upon the transfer of Tilden to UMERC, service has been pursuant to  
9 a Special Contract between UMERC and Tilden, which was approved by the MPSC on  
10 October 25, 2017, in Case No. U-18224. Tilden is not a PSCR customer.

11  
12 **Q. What is the purpose of your testimony in this proceeding?**

13 A. The purpose of my testimony is to support the reconciliation of UMERC's actual power  
14 supply costs to the revenues it collected pursuant to authorized base rates and PSCR factors  
15 for the 12-month period ended December 31, 2024.

16  
17 **Q. What PSCR bases and loss factors were used for determining PSCR cost recovery for  
18 the WEPCo and WPSC Rate Zones in 2024?**

19 A. As part of the approvals sought in Case No. U-18061, the PSCR clauses of WEPCO and  
20 WPS Corp were transferred to UMERC. Since that time, UMERC recovered PSCR costs  
21 via separate PSCR clauses for the customers of its WEPCo Rate Zone and WPSC Rate  
22 Zone using each rate zone's own PSCR base and factor. The WEPCo Rate Zone reflected  
23 the loss factor of 1.04 and the PSCR base of \$45.47 per MWh, and the WPSC Rate Zone

1 reflected the loss factor of 1.0276 and the PSCR base of \$40.52 per MWh. Recently, the  
2 Commission in its October 10, 2024 Order Approving Settlement Agreement in Case No.  
3 U-21541, authorized UMEREC, among other things, to implement a new singular PSCR  
4 base rate of \$57.10 per MWh and a line loss factor of 0.010391 for both the WEPCo and  
5 WPSC Rate Zones. However, because the new singular PSCR base and line loss factor did  
6 not take effect until January 1, 2025, this filing reconciles UMEREC's 2024 PSCR revenues  
7 and costs using rate zone's PSCR base and factor in effect prior to January 1, 2025.

## 9 **UMERC POWER SUPPLY**

10 **Q. How does UMEREC meet its customers' power supply and transmission service**  
11 **requirements?**

12 A. The Company owns generation, participates in the Midcontinent Independent System  
13 Operator, Inc. ("MISO") Market, receives transmission services from the American  
14 Transmission Company LLC ("ATC") and purchases power from customer-owned  
15 generation to meet its customers' power supply and transmission service requirements.

17 **Q. Please describe UMEREC's owned generation currently operating in the UP.**

18 A. As part of the UP generating solution, UMEREC installed natural gas-fueled reciprocating  
19 internal combustion engines ("RICE") at the following two facilities in the UP: (i) the  
20 Kuester Power Plant, with seven generators, each with a capacity of approximately 18  
21 MW, and (ii) the Mihm Power Plant, with three generators, each with a capacity of  
22 approximately 18 MW.

1 **Q. How is UMERC recovering the PSCR costs related to its RICE generation, and its**  
2 **participation in the MISO Market and the ATC for power supply and transmission**  
3 **services?**

4 A. Pursuant to the PSCR clauses, fuel costs relating to the RICE generation, costs for  
5 participation in the MISO, and transmission costs relating to ATC are being recovered from  
6 the WEPCo Rate Zone and WPSC Rate Zone customers via the PSCR mechanism.  
7 Additionally, as a customer of the Company, Tilden is paying UMERC for fuel costs to  
8 operate the RICE units for its load, purchases of power from MISO for its load, and  
9 transmission costs for transmission services for its load, pursuant to the terms of the  
10 approved Tilden Special Contract. UMERC credits the monthly revenues received from  
11 Tilden for energy and transmission to the total UMERC PSCR fuel, purchased power,  
12 MISO and ATC costs.

13  
14 The total UMERC generated and purchased MWh is also reduced by the Tilden load  
15 requirements, resulting in the UMERC WEPCo and WPSC Rate Zones load requirements  
16 excluding Tilden. The PSCR cost per MWh are determined by dividing the remaining  
17 PSCR cost by the UMERC WEPCo and WPSC Rate Zone load requirements excluding  
18 Tilden. Both rate zones are charged the same PSCR cost per MWh. However, as discussed  
19 earlier, for the retail WEPCo Rate Zone the loss factor of 1.04 is being applied to the 2024  
20 PSCR cost per MWh to determine the UMERC PSCR system costs assigned to the WEPCo  
21 Rate Zone sales. For the WPSC Rate Zone, the loss factor of 1.0276 is being applied to  
22 the 2024 PSCR cost per MWh to determine the UMERC PSCR system costs assigned to  
23 the WPSC Rate Zone sales.

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

**Q. Did any of the generating units at the Kuester or Mihm power plants experience outages during 2024 lasting more than 90 days?**

A. No. There were no outages at the Kuester or Mihm power plants lasting more than 90 days.

**Q. Did UMERC suspend operations of Kuester and/or Mihm for economic reasons in 2024?**

A. No. UMERC did not suspend the operations of either plant due to economic reasons in 2024.

**Q. Do the costs in this reconciliation include Northern Natural Gas Pipeline (“NNG”) reservation fees and transportation charges for transporting natural gas to the Kuester and Mihm power plants?**

A. Yes. The Company has firm transportation contracts with NNG with a daily capacity of 24,610 dth and a reservation rate of \$0.48/dth/day. The firm transportation contracts are for a 20 year term and began on November 1, 2019. These contracts were approved by Federal Energy Regulatory Commission and include reservation fees and a NNG approved tariff gas transportation rate. The total pipeline reservation fees were \$4.3 million and the gas transportation fees were about \$211,000 for 2024.

**Q. Please explain why the Company contracts for firm transport from the pipelines.**

A. The interstate pipelines serving the UMERC area have much of their firm transportation capacity sold and allocated to the various shippers for multiple years. During severe or colder-than-normal weather consumption increases dramatically for many and it is likely

1 that contracted firm transportation capacity could be fully utilized. Unlike firm  
2 transportation, released capacity or interruptible capacity is typically subject to recall under  
3 such conditions, therefore any supplier relying on interruptible or released capacity would  
4 likely be unable to deliver its supply to the Company's service territory. The Company  
5 secures firm transportation capacity to provide reliable transportation of supply, rather than  
6 relying on interruptible or released capacity, which may potentially be lower priced but  
7 which also carries the risk of being unavailable when it is most needed.

8  
9 **Q. Please describe the pipeline balancing services used by the Company.**

10 A. The Company has contracted for balancing services for about 4,000 Dth/day with NNG.  
11 UMERC's balancing fees for 2024 were approximately \$204,000.

12  
13 **Q. Did UMERC incur any demurrage or penalty charges during the reconciliation  
14 period?**

15 A. No.

16  
17 **Q. Describe UMERC's natural gas fuel purchases.**

18 A. UMERC employed a mix of supply terms for natural gas fuel purchases: (i) term supplies,  
19 which were supplies for longer than one month, (ii) first of the month ("FOM") base-load  
20 supplies, and (iii) daily purchases.

21  
22 **Q. Has UMERC included cost associated with a risk management plan and if so, what is  
23 the amount of gas risk management transaction costs included in this reconciliation?**

1 A. No. UMERC’s hedging strategy is intended to manage price risk with physical term supplies  
 2 and first of month base-load supplies in the winter season, which do not include gas risk  
 3 management transaction costs. Term purchases provide enhanced reliability for customers  
 4 during the winter months while hedging against daily price volatility by minimizing  
 5 UMERC’s exposure to the daily prices for its gas needs. There were no risk management  
 6 transaction costs incurred with the physical term supplies and first of month base-load  
 7 supply.

8

9 **Q. Please describe MISO charges and payments for this reconciliation.**

10 A. For 2024, UMERC had MISO energy purchases of 1,340,290 MWh for \$35.2 million and  
 11 incurred MISO Market other charges and credits as follows:

12

Net Revenue Sufficiency Guarantee	(\$41,828)
Distribution of Excess Congestion	\$0
Net Congestion Expense / (Revenue)	(\$3,714,663)
Net Losses Expense / (Revenue)	(\$817,527)
ASM Charges	\$282,711
<b>Total MISO Market Other Charges &amp; Credits</b>	<b>(\$4,291,307)</b>

13

14 **Q. Are you sponsoring any exhibits in connection with your testimony?**

15 A. Yes, I am sponsoring Exhibit A-1 (JMB-1) consisting of three pages.

16

17 **Q. Was Exhibit A-1 (JMB-1) prepared by you?**

18 A. Yes, it was.

19

20 **Q. Please describe Exhibit A-1 (JMB-1).**

1 A. Exhibit A-1 (JMB-1) details the UMERC 2024 WEPCo Rate Zone and WPSC Rate Zone  
2 PSCR reconciliations, including interest calculations. Page 1 compares the 2024 actual  
3 PSCR costs with the projected PSCR costs as approved in the Commission’s February 8,  
4 2024 Order Approving Settlement Agreement in the 2024 PSCR Plan in Case No. U-  
5 21431. Page 2 details the calculation of PSCR revenues as well as PSCR costs, interest,  
6 and over/(under) recovery for the months of January through December 2024, resulting in  
7 a net under-recovery of \$89,328 in the WEPCo Rate Zone and a net under-recovery of  
8 \$23,507 in the WPSC Rate Zone for the reconciliation period. Page 3 details the UMERC  
9 RICE generation dispatch, the MISO Market purchases and opportunity sales (which  
10 include sales to Tilden), and the related PSCR system costs and MWh by month for 2024,  
11 and the determination of the rate zone power supply costs based on the cost per MWh of  
12 the monthly power supply sources.

13  
14 **Q. Please describe what “Purchased Power Agreements” is at line 8 on page 3 of Exhibit**  
15 **A-1 (JMB-1).**

16 A. Purchased Power Agreements (“PPAs”) are purchased power charges and credits received  
17 by UMERC under the WEPCO and WPS Corp PPAs related to true-ups of prior year  
18 capacity and energy charges.

19  
20 **Q. Please describe what “Other Purchased Power” is at line 9 on page 3 of Exhibit A-1**  
21 **(JMB-1).**

22 A. Other Purchased Power includes costs for purchases of power from customer owned  
23 generation.

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

**Q. Please describe the “Economic Buyouts” that appear on page 3, line 12 of Exhibit A-1 (JMB-1).**

A. The WPSC Rate Zone has an electric interruptible program for its Large Commercial and Industrial customers, which allows the Company to interrupt service for two types of electric system conditions. The first condition is known as emergency interruption, and occurs when system demand, required operating reserves and firm transaction sales cannot be supplied by available generating capacity plus purchased energy. Customers are required to interrupt load during emergency interruptions. The second condition is known as "economic interruption" and occurs when purchased energy is available but at a market price higher than the cost of typical peaking generation. When an economic interruption is declared, the customer is required to reduce load to its firm nomination, or the customer may choose to "buyout" of the interruption and continue to purchase energy above its firm nomination, with the “buyout” energy being priced at the higher market price. The intent of the buyout provision is to allow the interruptible customers the option of purchasing the higher cost power.

Consistent with the UMER-C-WPSC interruptible tariffs, the Company declared several economic interruptions and, as a result, recorded buyout volumes of 2,741 MWhs and related revenues of \$254,162 in 2024. Because the cost of purchasing energy to supply these sales was included in purchased power costs, the total revenues received from the buyout sales have been credited to the 2024 PSCR costs and the buyout volumes have been removed from the PSCR requirement sales as non-firm sales.

1 **Q. Please describe the “Opportunity Sales and Mines Revenues” that appear on page 3,**  
2 **line 13 of Exhibit A-1 (JMB-1).**

3 A. As described previously, UMERC credits the monthly revenues received from Tilden for  
4 energy and transmission to the UMERC PSCR fuel, purchased power, MISO and ATC  
5 costs. Page 3, line 13 of Exhibit A-1 (JMB-1) includes these PSCR related revenues from  
6 Tilden, as well as any opportunity sales revenue received by UMERC for sales of energy  
7 and related ancillary services to the MISO Market.

8

9 **Q. Is UMERC’s 2023 beginning over/(under) recovery balance for the WEPCo Rate**  
10 **Zone the same as the as-settled amount in the 2023 PSCR Reconciliation in Case No.**  
11 **U-21266?**

12 A. Yes. The 2023 PSCR Reconciliation over-recovery amount of \$290,828, shown as the  
13 beginning over/(under) recovery balance for 2024, on Page 2, line 23 of Exhibit A-1 (JMB-  
14 1), is the amount approved for the UMERC WEPCo Rate Zone in the 2023 PSCR  
15 Reconciliation in Case No. U-21266.

16

17 **Q. Is UMERC’s 2024 beginning over/(under) recovery balance for the WPSC Rate Zone**  
18 **the same as the as-settled amount in the 2023 PSCR Reconciliation in Case No. U-**  
19 **21266?**

20 A. Yes. The 2023 PSCR Reconciliation over-recovery amount of \$252,962, shown as the  
21 beginning over/(under) recovery balance for 2024, on Page 2, line 57 of Exhibit A-1 (JMB-  
22 1), is the amount approved for the UMERC WPSC Rate Zone in the 2023 PSCR  
23 Reconciliation in Case No. U-21266.

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

**Q. Please describe in more detail the under-recoveries experienced by UMERC in the WEPCo and WPSC Rate Zones for the 12-month period ending December 31, 2024.**

A. Throughout 2024, UMERC experienced an over-recovery due to low natural gas prices and low MISO Market prices, and therefore continued to reduce the PSCR factors (eventually resulting in negative charges) in both the WEPCo and WPSC Rate Zones. While UMERC’s goal was a \$0 end of year balance for both rate zones December actual sales and costs were slightly higher than forecasted which resulted in an ending balance under-recovery in the amount of \$89,328, as shown on Page 2 of Exhibit A-1 (JMB-1), line 32 for the WEPCo Rate Zone and an ending balance under-recovery of \$23,507 (line 66) for the WPSC Rate Zone. As stated above, Page 2 of Exhibit A-1 (JMB-1) details the over/under-recovery balance by month as well as the monthly interest calculation for the reconciliation period. Interest is calculated on the average recovery balance for each month.

**Q. How does UMERC propose to address the PSCR over/under-recovery balances at the end of 2024?**

A. Based on the Commission’s Order in Case No. U-21541, combining the PSCR clauses for the rate zones, UMERC proposes to roll-in the total cumulative under-recovery balance of \$112,835 (\$89,328 plus \$23,507) into the UMERC PSCR beginning recovery balance for 2025.

**DETERMINATION OF PSCR COSTS**

1 **Q. What system power supply costs and related system power supply MWh were used in**  
2 **the calculation of the average PSCR system cost per MWh for the WEPCo and WPSC**  
3 **Rate Zones for 2024?**

4 A. For 2024, the UMEREC system power supply costs and related UMEREC system supply  
5 MWh were used in the calculation of the average PSCR system cost per MWh for both  
6 the WEPCo and WPSC Rate Zones.

7  
8 The UMEREC system power supply costs and related UMEREC system supply MWh are  
9 shown on Page 3 of Exhibit (A-1) (JMB-1), lines 2 through 31. The total UMEREC system  
10 power supply costs, line 16 was divided by the total UMEREC system supply MWh, line  
11 29, resulting in the average UMEREC PSCR System Cost per MWh, as shown on line 31.

12 The UMEREC PSCR System Cost per MWh are shown as being used for the WEPCo Rate  
13 Zone on line 34 and for the WPSC Rate Zone on line 42.

14  
15 **Q. How were the WEPCo and WPSC Rate Zone PSCR costs determined?**

16 A. As shown on Page 3 of Exhibit (A-1) (JMB-1), the WEPCo Rate Zone loss factor of 1.04  
17 (line 35), was applied to the average PSCR system costs per MWh on supply (line 34)  
18 resulting in the PSCR costs per MWh on sales (line 36). The PSCR costs per MWh on  
19 sales (line 36) was then applied to the WEPCo Rate Zone sales (line 38), resulting in the  
20 WEPCo Rate Zone PSCR costs (line 39). The WEPCo Rate Zone PSCR costs are also  
21 shown on Page 2 of Exhibit (A-1) (JMB-1), line 20.

22  
23 As shown on Page 3 of Exhibit (A-1) (JMB-1), the WPSC Rate Zone loss factor of

1 1.0276 (line 43), was applied to the average PSCR system costs per MWh on supply (line  
2 42) resulting in the PSCR costs per MWh on sales (line 44). The PSCR costs per MWh  
3 on sales (line 44) was then applied to the WPSC Rate Zone sales (line 46), resulting in  
4 the WPSC Rate Zone PSCR costs (line 47). The WPSC Rate Zone PSCR costs are also  
5 shown on Page 2 of Exhibit (A-1) (JMB-1), line 54.  
6

## 7 **COMPARISON OF ACTUAL PSCR COSTS TO PSCR PLAN**

8 **Q. Please summarize the primary reasons for the variance in the UMEREC PSCR system**  
9 **costs between the 2024 PSCR plan as approved compared to the 2024 actual UMEREC**  
10 **PSCR system costs incurred.**

11 A. As shown on Exhibit A-1 (JMB-1), Page 1, line 27, the actual average UMEREC PSCR  
12 system cost per MWh was \$10.72/MWh (or 21.0%) lower than the 2024 original plan  
13 primarily due to lower prices for natural gas used to fuel the RICE units. Lower natural gas  
14 prices also resulted in lower market prices for power purchased in the MISO Market  
15 throughout 2024. Although both natural gas and market prices were lower than expected,  
16 the difference between planned and actual market prices exceeded the difference between  
17 planned and actual natural gas prices, resulting in MISO reducing the economic dispatch  
18 of the RICE units and the significant increase in purchased power in 2024. The decision to  
19 purchase more energy from the market over dispatching the RICE units resulted in less fuel  
20 costs for UMEREC's customers. Overall, UMEREC's PSCR system costs were lower than  
21 the original plan by \$5.1 million (line 12).  
22

1 Q. **Were the costs of power supply incurred through reasonable and prudent actions on**  
2 **the part of UMERC?**

3 A. Yes. The PSCR costs that UMERC incurred in 2024 through the operation of its owned  
4 generation and its activity in the MISO Market were reasonable and prudent.

5

6 **PSCR COST RECONCILIATION APPROVAL**

7 Q. **What is UMERC requesting the Commission to approve in this PSCR reconciliation**  
8 **filing?**

9 A. UMERC requests that for both the WEPCo and WPSC Rate Zones, the Commission  
10 approve the 2024 reconciliation of all power supply revenues received, whether included  
11 in base rates or collected through the PSCR clause, with the power supply costs incurred  
12 by UMERC in 2024, and authorize the roll-in of the combined 2024 ending WEPCo and  
13 WPSC Rate Zone PSCR under-recovery balance of \$112,835 into the 2025 beginning  
14 UMERC balance, respectively.

15

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

17 A. Yes, it does.

18

Upper Michigan Energy Resources Corporation  
2024 Power Supply Cost Recovery Reconciliation  
Comparison of Actual to Plan

Case No: U-21432  
Exhibit: A-1 (JMB-1)  
Witness: James M. Beyer  
Page: 1 of 3

	2024			
	<u>PSCR Plan</u>	<u>PSCR Actual</u>	<u>Variance</u>	<u>%</u>
1 <b>UMERC PSCR System Costs</b>				
2 Kuester Fuel Costs	\$23,413,160	\$10,990,498	(\$12,422,662)	-53.1%
3 Mihm Fuel Costs	\$10,052,785	\$4,829,167	(\$5,223,618)	-52.0%
4 MISO Market Purchases Cost	\$22,260,890	\$35,213,901	\$12,953,011	58.2%
5 MISO Market Other Charges & Credits	(\$1,146,868)	(\$4,291,307)	(\$3,144,439)	274.2%
6 Purchased Power Agreements	\$0	\$0	\$0	0.0%
7 Other Purchased Power	\$0	\$89,196	\$89,196	0.0%
8 ATC & MISO Transmission Charges	\$20,056,514	\$22,830,081	\$2,773,567	13.8%
9 Voluntary Green Program Credits	(\$7,989)	(\$5,008)	\$2,981	-37.3%
10 Economic Buyouts	\$0	(\$254,162)	(\$254,162)	0.0%
11 Opportunity Sales	(\$44,187,614)	(\$44,023,944)	\$163,670	-0.4%
12 <b>UMERC PSCR System Costs</b>	<b>\$30,440,879</b>	<b>\$25,378,422</b>	<b>(\$5,062,457)</b>	<b>-16.6%</b>
13				
14 Kuester Generation (MWh)	730,398	374,808	(355,590)	-48.7%
15 Mihm Generation (MWh)	308,194	170,307	(137,887)	-44.7%
16 MISO Purchased Power (MWh)	706,975	1,340,290	633,315	89.6%
17 Other Purchased Power (MWh)	-	1,705	1,705	0.0%
18 Economic Buyouts (MWh)	-	(2,741)	(2,741)	0.0%
19 Opportunity Sales (MWh)	(1,148,421)	(1,253,994)	(105,573)	9.2%
20 <b>UMERC PSCR System (MWh)</b>	<b>597,146</b>	<b>630,375</b>	<b>33,229</b>	<b>5.6%</b>
21				
22 Kuester Fuel Cost (\$/MWh)	\$32.06	\$29.32	(\$2.73)	-8.5%
23 Mihm Fuel Cost (\$/MWh)	\$32.62	\$28.36	(\$4.26)	-13.1%
24 MISO Market Purchases Cost (\$/MWh)	\$31.49	\$26.27	(\$5.21)	-16.6%
25 Economic Buyouts (\$/MWh)	\$0.00	\$92.72	\$92.72	0.0%
26 Opportunity Sales (\$/MWh)	\$38.48	\$35.11	(\$3.37)	-8.8%
27 <b>PSCR System Cost on Supplied (\$/MWh)</b>	<b>\$50.98</b>	<b>\$40.26</b>	<b>(\$10.72)</b>	<b>-21.0%</b>
28				
29 <b>UMERC WEPCO Rate Zone</b>	<b><u>Plan</u></b>	<b><u>Plan</u></b>	<b><u>Variance</u></b>	<b><u>%</u></b>
30 WEPCO Rate Zone PSCR Costs	\$18,831,806	\$14,570,892	(\$4,260,914)	-22.6%
31 WEPCO Rate Zone Sales (MWh)	355,207	346,882	(8,325)	-2.3%
32 WEPCO Rate Zone PSCR Cost (\$/MWh)	\$53.02	\$42.01	(\$11.01)	-20.8%
33				
34 <b>UMERC WPSC Rate Zone</b>	<b><u>Plan</u></b>	<b><u>Variance</u></b>	<b><u>%</u></b>	
35 WPSC Rate Zone PSCR Costs	\$11,473,870	\$8,452,295	(\$3,021,575)	-26.3%
36 WPSC Rate Zone Sales (MWh)	219,033	203,826	(15,206)	-6.9%
37 WPSC Rate Zone PSCR Cost (\$/MWh)	\$52.38	\$41.47	(\$10.92)	-20.8%

Upper Michigan Energy Resources Corporation  
 2024 Power Supply Cost Recovery Reconciliation  
 Determination of Over/(Under) Recovery and Interest

	2024 1	2024 2	2024 3	2024 4	2024 5	2024 6	2024 7	2024 8	2024 9	2024 10	2024 11	2024 12	2025 1	Total
<b>UMERC - WEPCO Rate Zone</b>														
1 Sales Subject to PSCR Billed (Mwh)	31,774	29,062	29,781	29,175	26,123	26,272	31,345	31,913	28,045	25,960	25,582	31,111		346,144
2 Unbilled Sales Subject to PSCR (Mwh)	15,233	14,406	13,771	11,434	11,740	12,838	13,213	12,491	11,486	11,600	13,827	15,280		157,322
3 Unbilled Prior Month Sales Subject to PSCR (Mwh)	(14,541)	(15,233)	(14,406)	(13,771)	(11,434)	(11,740)	(12,838)	(13,213)	(12,491)	(11,486)	(11,600)	(13,827)		(156,583)
4 Sales Subject to PSCR Calendar (Mwh)	32,466	28,234	29,147	26,838	26,429	27,370	31,720	31,190	27,041	26,073	27,809	32,563		346,882
5														
6														
7 PSCR Base Incl. Losses (\$/Mwh)	45.47	45.47	45.47	45.47	45.47	45.47	45.47	45.47	45.47	45.47	45.47	45.47	57.10	
8 PSCR Factor Applied (\$/Mwh)	7.55	7.55	7.55	7.55	2.50	(0.50)	(4.75)	(8.25)	(10.40)	(13.50)	(20.00)	(13.00)	(17.42)	0.00
9														
10 PSCR Revenue Billed (\$)	\$1,684,653	\$1,540,860	\$1,579,014	\$1,399,522	\$1,174,760	\$1,069,801	\$1,166,668	\$1,119,180	\$896,607	\$661,190	\$830,652	\$872,709		\$13,995,616
11 PSCR Revenue Unbilled Current Month (\$)	\$807,671	\$763,793	\$660,616	\$514,198	\$478,071	\$477,843	\$463,396	\$399,340	\$292,559	\$376,659	\$387,875	\$872,469		\$6,494,490
12 PSCR Revenue Unbilled Prior Month (\$)	(\$770,978)	(\$807,671)	(\$763,793)	(\$660,616)	(\$514,198)	(\$478,071)	(\$477,843)	(\$463,396)	(\$399,340)	(\$292,559)	(\$376,659)	(\$387,875)		(\$6,392,999)
13 Total PSCR Revenue (\$)	\$1,721,346	\$1,496,982	\$1,475,837	\$1,253,104	\$1,138,633	\$1,069,573	\$1,152,221	\$1,055,124	\$789,826	\$745,290	\$841,868	\$1,357,303		\$14,097,107
14														
15 UMERC PSCR System Costs	\$3,712,371	\$1,348,068	\$1,463,623	\$1,868,804	\$1,829,944	\$1,626,556	\$2,262,203	\$1,939,641	\$2,114,360	\$2,363,686	\$2,055,342	\$2,793,823		\$25,378,422
16 UMERC PSCR System Supply (MWh)	57,550	53,130	52,435	54,096	46,538	50,825	56,240	54,315	49,804	49,136	48,407	57,899		630,375
17 UMERC PSCR System Cost (\$/MWh)	\$64.51	\$25.37	\$27.91	\$34.55	\$39.32	\$32.00	\$40.22	\$35.71	\$42.45	\$48.11	\$42.46	\$48.25		
18 UMERC-WEPCO PSCR Loss Factor	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04		
19 UMERC-WEPCO PSCR Cost/Mwh on Sales	\$67.09	\$26.39	\$29.03	\$35.93	\$40.89	\$33.28	\$41.83	\$37.14	\$44.15	\$50.03	\$44.16	\$50.18		
20 UMERC-WEPCO Rate Zone PSCR Costs (\$)	\$2,178,143	\$745,103	\$846,142	\$964,281	\$1,080,698	\$910,874	\$1,326,861	\$1,158,410	\$1,193,842	\$1,304,450	\$1,228,055	\$1,634,033		\$14,570,892
21														
22 Over/(Under) Recovery (\$)	(\$456,797)	\$751,879	\$629,695	\$288,823	\$57,935	\$158,699	(\$174,640)	(\$103,286)	(\$404,016)	(\$559,160)	(\$386,187)	(\$276,730)		(\$473,785)
23 Beginning Recovery Balance (\$)	\$290,828	(\$165,969)	\$685,910	\$1,215,605	\$1,504,428	\$1,562,363	\$1,721,062	\$1,546,422	\$1,443,136	\$1,039,120	\$479,960	\$93,773		\$290,828
24 Ending Recovery Balance (\$)	(\$165,969)	\$589,910	\$1,215,605	\$1,504,428	\$1,562,363	\$1,721,062	\$1,546,422	\$1,443,136	\$1,039,120	\$479,960	\$93,773	(\$182,957)		(\$182,957)
25 Average Recovery Balance (\$)	\$62,430	\$290,971	\$900,758	\$1,360,017	\$1,533,396	\$1,641,713	\$1,633,742	\$1,494,779	\$1,241,128	\$759,540	\$286,867	(\$44,592)		
26														
27 Interest Rate Undercollection (%)	5.32%	5.31%	5.32%	5.31%	5.32%	5.31%	5.30%	5.29%	5.02%	4.78%	4.62%	4.50%		
28 Interest Rate Overcollection (%)	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%		
29 Days in Month	31	29	31	30	31	30	31	31	30	31	30	31		366
30 Monthly Interest (\$)	\$534	\$1,680	\$7,706	\$11,259	\$13,118	\$13,591	\$13,976	\$12,787	\$10,275	\$6,498	\$2,375	(\$170)		\$93,629
31 Interest Balance (\$)	\$534	\$2,214	\$9,920	\$21,179	\$34,297	\$47,888	\$61,864	\$74,651	\$84,926	\$91,424	\$93,799	\$93,629		
32 Ending Recovery Balance + Interest (\$)	(\$165,435)	\$588,124	\$1,225,525	\$1,525,607	\$1,596,660	\$1,768,950	\$1,608,286	\$1,517,787	\$1,124,046	\$571,384	\$187,572	(\$89,328)		(\$89,328)
33														
34														
<b>UMERC - WPSC Rate Zone</b>														
35 Sales Subject to PSCR Billed (Mwh)	19,898	19,122	17,457	18,387	10,875	16,057	17,042	17,313	17,398	15,877	16,760	17,386		203,572
36 Unbilled Sales Subject to PSCR (Mwh)	5,244	4,980	4,638	3,951	4,064	3,938	4,685	4,604	3,993	3,927	4,557	5,171		53,751
37 Unbilled Prior Month Sales Subject to PSCR (Mwh)	(4,917)	(5,244)	(4,980)	(4,638)	(3,951)	(4,064)	(3,938)	(4,685)	(4,604)	(3,993)	(3,927)	(4,557)		(53,497)
38 Sales Subject to PSCR Calendar (Mwh)	20,225	18,859	17,114	17,701	10,988	15,932	17,789	17,233	16,786	15,811	17,390	18,000		203,826
39														
40														
41 PSCR Base Incl. Losses (\$/Mwh)	40.52	40.52	40.52	40.52	40.52	40.52	40.52	40.52	40.52	40.52	40.52	40.52	57.10	
42 PSCR Factor Applied (\$/Mwh)	11.86	11.86	11.86	6.75	2.95	(1.60)	(5.10)	(7.00)	(10.00)	(14.00)	(8.00)	(13.77)		0.00
43														
44 PSCR Revenue Billed (\$)	\$1,042,264	\$1,001,625	\$914,374	\$869,155	\$472,739	\$624,946	\$603,642	\$580,335	\$530,988	\$421,057	\$545,035	\$465,013		\$8,071,173
45 PSCR Revenue Unbilled Current Month (\$)	\$274,662	\$260,845	\$219,223	\$171,767	\$158,170	\$139,496	\$157,028	\$140,528	\$105,881	\$127,706	\$121,882	\$295,268		\$2,172,456
46 PSCR Revenue Unbilled Prior Month (\$)	(\$257,559)	(\$274,662)	(\$260,845)	(\$219,223)	(\$171,767)	(\$158,170)	(\$139,496)	(\$157,028)	(\$140,528)	(\$105,881)	(\$127,706)	(\$295,268)		(\$2,134,747)
47 Total PSCR Revenue (\$)	\$1,059,367	\$987,808	\$872,752	\$821,699	\$459,142	\$606,272	\$621,174	\$563,835	\$496,341	\$442,882	\$539,211	\$638,399		\$8,108,882
48														
49 UMERC PSCR System Costs	\$3,712,371	\$1,348,068	\$1,463,623	\$1,868,804	\$1,829,944	\$1,626,556	\$2,262,203	\$1,939,641	\$2,114,360	\$2,363,686	\$2,055,342	\$2,793,823		\$25,378,422
50 UMERC PSCR System Supply (MWh)	57,550	53,130	52,435	54,096	46,538	50,825	56,240	54,315	49,804	49,136	48,407	57,899		630,375
51 UMERC PSCR System Cost (\$/MWh)	\$64.51	\$25.37	\$27.91	\$34.55	\$39.32	\$32.00	\$40.22	\$35.71	\$42.45	\$48.11	\$42.46	\$48.25		
52 UMERC-WPSC PSCR Loss Factor	1.0276	1.0276	1.0276	1.0276	1.0276	1.0276	1.0276	1.0276	1.0276	1.0276	1.0276	1.0276		
53 UMERC-WPSC PSCR Cost/Mwh on Sales	\$66.29	\$26.07	\$28.68	\$35.50	\$40.41	\$32.89	\$41.33	\$36.70	\$43.63	\$49.43	\$43.63	\$49.58		
54 UMERC-WPSC Rate Zone PSCR Costs (\$)	\$1,340,692	\$491,641	\$490,840	\$628,376	\$444,012	\$523,989	\$735,206	\$632,449	\$732,377	\$781,559	\$758,720	\$892,433		\$8,452,294
55														
56 Over/(Under) Recovery (\$)	(\$281,325)	\$496,167	\$381,912	\$193,323	\$15,130	\$82,283	(\$114,032)	(\$68,614)	(\$236,036)	(\$338,677)	(\$219,509)	(\$254,034)		(\$343,412)
57 Beginning Recovery Balance (\$)	\$252,962	(\$28,363)	\$467,804	\$849,716	\$1,043,039	\$1,058,169	\$1,140,452	\$1,140,452	\$1,026,420	\$957,806	\$721,770	\$383,093		\$252,962
58 Ending Recovery Balance (\$)	(\$28,363)	\$467,804	\$849,716	\$1,043,039	\$1,058,169	\$1,140,452	\$1,140,452	\$1,026,420	\$957,806	\$721,770	\$383,093	\$163,584		(\$90,450)
59 Average Recovery Balance (\$)	\$112,300	\$219,721	\$658,760	\$946,378	\$1,050,604	\$1,099,311	\$1,083,436	\$992,113	\$839,788	\$552,432	\$273,339	\$36,567		
60														
61 Interest Rate Undercollection (%)	5.320%	5.310%	5.320%	5.310%	5.320%	5.310%	5.300%	5.290%	5.020%	4.780%	4.620%	4.500%		
62 Interest Rate Overcollection (%)	10.20%	10.20%	10.20%	10.20%	10.20%	10.20%	10.20%	10.20%	10.20%	10.20%	10.20%	10.20%		
63 Days in Month	31	29	31	30	31	30	31	31	30	31	30	31		366
64 Monthly Interest (\$)	\$970	\$1,776	\$5,691	\$7,912	\$9,077	\$9,191	\$9,360	\$8,571	\$7,021	\$4,773	\$2,285	\$316		\$66,943
65 Interest Balance (\$)	\$970	\$2,746	\$8,437	\$16,349	\$25,426	\$34,617	\$43,977	\$52,548	\$59,569	\$64,342	\$66,627	\$66,943		
66 Ending Recovery Balance + Interest (\$)	(\$27,393)	\$470,550	\$858,153	\$1,059,388	\$1,083,595	\$1,175,069	\$1,070,397	\$1,010,354	\$781,339	\$447,435	\$230,211	(\$23,507)		(\$23,507)

Upper Michigan Energy Resources Corporation  
2024 Power Supply Cost Recovery Reconciliation  
Determination of Power Supply Costs

Case No: U-21432  
Exhibit: A-1 (JMB-1)  
Witness: James M. Beyer  
Page 3 of 3

	1	2	3	4	5	6	7	8	9	10	11	12	Total
<b>1 U MERC PSCR System Costs</b>													
2 Kuester Plant	\$1,235,626	\$983,224	\$775,050	\$531,012	\$672,073	\$815,424	\$1,076,778	\$859,355	\$758,985	\$939,616	\$850,250	\$1,493,106	\$10,990,498
3 Mihm Plant	\$654,183	\$347,658	\$323,718	\$252,679	\$320,247	\$372,853	\$519,738	\$442,734	\$440,856	\$263,060	\$323,298	\$568,141	\$4,829,167
<b>4 U MERC System Fuel Costs</b>	\$1,889,809	\$1,330,881	\$1,098,768	\$783,692	\$992,320	\$1,188,277	\$1,596,516	\$1,302,089	\$1,199,842	\$1,202,677	\$1,173,548	\$2,061,247	\$15,819,665
5													
6 MISO Market Purchases Cost	\$4,850,681	\$3,006,933	\$2,767,658	\$2,447,925	\$2,415,615	\$2,524,807	\$2,808,457	\$2,858,250	\$2,429,393	\$2,837,672	\$2,948,238	\$3,318,272	\$35,213,901
7 MISO Market Other Charges & Credits	(\$350,520)	(\$226,725)	(\$229,686)	(\$142,929)	(\$126,308)	(\$704,187)	(\$760,265)	(\$713,560)	(\$250,721)	(\$260,565)	(\$216,272)	(\$309,569)	(\$4,291,307)
8 Purchased Power Agreements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 Other Purchased Power	\$186	\$6,112	\$7,595	\$3,866	\$5,410	\$26,571	\$8,786	\$3,792	\$9,961	\$655	\$12,304	\$3,959	\$89,196
10 ATC & MISO Transmission Charges	\$1,813,550	\$1,940,381	\$1,961,915	\$1,916,019	\$1,824,452	\$1,854,516	\$1,967,817	\$1,940,128	\$1,741,446	\$1,883,329	\$2,062,489	\$1,924,039	\$22,830,081
11 Voluntary Green Program Credits	(\$539)	(\$422)	(\$412)	(\$491)	(\$355)	(\$418)	(\$266)	(\$422)	(\$394)	(\$391)	(\$435)	(\$463)	(\$5,008)
12 Economic Buyouts	(\$78,139)	\$0	\$966	\$23	\$295	(\$12)	(\$64,771)	(\$12,627)	(\$65,834)	(\$14,129)	\$4,997	(\$24,931)	(\$254,162)
13 Opportunity Sales & Mines Revenue	(\$4,412,658)	(\$4,709,091)	(\$4,143,181)	(\$3,139,302)	(\$3,281,485)	(\$3,262,997)	(\$3,294,070)	(\$3,438,009)	(\$2,949,332)	(\$3,285,561)	(\$3,929,527)	(\$4,178,731)	(\$44,023,944)
<b>14 U MERC System Purchases &amp; Sales</b>	\$1,822,562	\$17,187	\$364,855	\$1,085,112	\$837,624	\$438,279	\$665,687	\$637,553	\$914,519	\$1,161,010	\$881,794	\$732,576	\$9,558,758
15													
<b>16 U MERC PSCR System Costs</b>	\$3,712,371	\$1,348,068	\$1,463,623	\$1,868,804	\$1,829,944	\$1,626,556	\$2,262,203	\$1,939,641	\$2,114,360	\$2,363,686	\$2,055,342	\$2,793,823	\$25,378,422
17													
<b>18 U MERC System Supply (MWh)</b>													
19 Kuester Plant(MWh)	42,085	20,591	16,955	19,749	28,433	29,254	48,279	38,572	29,630	32,740	27,934	40,586	374,808
20 Mihm Plant (MWh)	22,249	7,287	7,182	9,556	13,979	13,490	23,515	20,093	17,637	9,162	10,628	15,529	170,307
<b>21 U MERC System Generation (MWh)</b>	64,334	27,878	24,137	29,305	42,412	42,744	71,794	58,665	47,267	41,902	38,562	56,115	545,115
22													
23 MISO Purchased Power (MWh)	97,691	129,185	141,013	130,233	107,765	109,869	91,860	105,295	89,427	111,214	118,009	108,729	1,340,290
24 Other Purchase Power (MWh)	5	-	-	115	146	843	14	71	42	5	364	100	1,705
25 Economic Buyouts (MWh)	(840)	-	(13)	-	-	-	(581)	(194)	(770)	(140)	-	(204)	(2,741)
26 Opportunity & Mines Sales (MWh)	(103,640)	(103,933)	(112,702)	(105,557)	(103,785)	(102,631)	(106,847)	(109,522)	(86,162)	(103,845)	(108,528)	(106,841)	(1,253,994)
<b>27 U MERC System Purchases &amp; Sales (MWh)</b>	(6,784)	25,252	28,298	24,791	4,126	8,081	(15,554)	(4,350)	2,537	7,234	9,845	1,784	85,260
28													
<b>29 U MERC PSCR System Supply (MWh)</b>	57,550	53,130	52,435	54,096	46,538	50,825	56,240	54,315	49,804	49,136	48,407	57,899	630,375
30													
<b>31 U MERC PSCR System Cost (\$/MWh)</b>	\$64.51	\$25.37	\$27.91	\$34.55	\$39.32	\$32.00	\$40.22	\$35.71	\$42.45	\$48.11	\$42.46	\$48.25	\$40.26
32													
<b>33 U MERC - WEPCO Rate Zone</b>													
34 U MERC PSCR System Cost (\$/MWh)	\$64.51	\$25.37	\$27.91	\$34.55	\$39.32	\$32.00	\$40.22	\$35.71	\$42.45	\$48.11	\$42.46	\$48.25	
35 U MERC-WEPCO PSCR Loss Factor	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	
36 U MERC-WEPCO PSCR Cost/Mwh on Sales	\$67.09	\$26.39	\$29.03	\$35.93	\$40.89	\$33.28	\$41.83	\$37.14	\$44.15	\$50.03	\$44.16	\$50.18	
37													
<b>38 U MERC WEPCO Rate Zone PSCR Sales (MWhs)</b>	32,466	28,234	29,147	26,838	26,429	27,370	31,720	31,190	27,041	26,073	27,809	32,563	346,882
39 <b>U MERC WEPCO Rate Zone PSCR Costs</b>	\$2,178,143	\$745,103	\$846,142	\$964,281	\$1,080,698	\$910,874	\$1,326,861	\$1,158,410	\$1,193,842	\$1,304,450	\$1,228,055	\$1,634,033	\$14,570,892
40													
<b>41 U MERC - WPSC Rate Zone</b>													
42 U MERC PSCR System Cost (\$/MWh)	\$64.51	\$25.37	\$27.91	\$34.55	\$39.32	\$32.00	\$40.22	\$35.71	\$42.45	\$48.11	\$42.46	\$48.25	
43 U MERC-WPSC PSCR Loss Factor	1.0276	1.0276	1.0276	1.0276	1.0276	1.0276	1.0276	1.0276	1.0276	1.0276	1.0276	1.0276	
44 U MERC-WPSC PSCR Cost/Mwh on Sales	\$66.29	\$26.07	\$28.68	\$35.50	\$40.41	\$32.89	\$41.33	\$36.70	\$43.63	\$49.43	\$43.63	\$49.58	
45													
<b>46 U MERC WPSC Rate Zone PSCR Sales (Mwhs)</b>	20,225	18,859	17,114	17,701	10,988	15,932	17,789	17,233	16,786	15,811	17,390	18,000	203,826
<b>47 U MERC WPSC Rate Zone PSCR Costs</b>	\$1,340,692	\$491,641	\$490,840	\$628,376	\$444,012	\$523,989	\$735,206	\$632,449	\$732,377	\$781,559	\$758,720	\$892,433	\$8,452,294

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 )