

Founded in 1852
by Sidney Davy Miller

MILLER CANFIELD

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September 16, 2026

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

Re: Upper Michigan Energy Resources Corporation
2025 PSCR Reconciliation
Case No. U-21601

Dear Ms. Felice:

Enclosed for electronic filing in this case is a fully executed Settlement Agreement and a Proof of Service.

Should you have any questions, please contact me.

Very truly yours,

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

Sherri A. Wellman

By: _____
Sherri A. Wellman

Digitally signed by: Sherri A. Wellman
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Canfield
Date: 2026.09.16 11:41:52 -04'00'

SAW:ehk
Enclosures
cc w/enc Honorable Sarah A. Stancati (stancatis@michigan.gov)
Anna B. Stirling (stirlingal@michigan.gov)
James Beyer (James.beyer@wecenergygroup.com)
Richard Stasik (Richard.stasik@wecenergygroup.com)
Conor Ward (Conor.ward@wecenergygroup.com)

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of UPPER	)	
MICHIGAN ENERGY RESOURCES	)	Case No. U-21601
CORPORATION for reconciliation of its power	)	
cost recovery plan (U-21600) for the 12-month	)	
<u>period ended December 31, 2025.</u>	)	

SETTLEMENT AGREEMENT

Pursuant to MCL 24.278 and Rule 431 of the Michigan Administrative Hearing System’s Administrative Hearing Rules, 792.10431, Upper Michigan Energy Resources Corporation (“UMERC” or the “Company”) and the Commission Staff (“Staff”) agree as follows:

1. On March 23, 2026, the Company filed with the Michigan Public Service Commission (“MPSC” or the “Commission”) its application, testimony and an exhibit seeking authority to reconcile the power supply costs and revenues for the 12-month period ending December 31, 2025.

2. On April 3, 2026, the Commission’s Executive Secretary issued the Notice of Hearing in this proceeding directing the Company to mail a copy of the Notice of Hearing to all cities, incorporated villages, townships, and counties in its electric service area, as well as to intervenors in Case Nos. U-21541 and U-21600. Furthermore, the Company was directed to publish the Notice of Hearing in newspapers of general circulation in its electric service area. Consistent with the Executive Secretary’s directives, the Company electronically filed its affidavit of mailing and proofs of publication prior to the prehearing conference.

3. On May 7, 2026, Administrative Law Judge (“ALJ”) Jacqueline Langwith conducted the prehearing conference¹. The Company and Staff attended the prehearing conference. There were no intervenors.

4. Staff conducted a review that consisted of tests of mathematical accuracy and analytical tests for reasonableness. Staff also conducted a detailed analysis of the PSCR costs and revenues for the reconciliation period.

5. Subsequently, the parties engaged in settlement discussions and agreed as follows:

- a. The expenditures charged for the cost of power supply were reasonably and prudently incurred for the 12-month period ending December 31, 2025, and the purchase practices followed comport with the 2025 power supply cost recovery (“PSCR”) Plan as approved by the Commission in Case No. U-21600.
- b. UMERC experienced a total cumulative under-recovery of \$53,349 during the period ending December 31, 2025. This amount reflects the roll-in of the 2024 reconciled balances authorized in Case No. U-21432 and interest.
- c. UMERC shall reflect the total cumulative under-recovery of \$53,349 as the 2026 PSCR reconciliation beginning balance for its (now combined) UMERC PSCR clause.

6. All the parties are of the opinion that this Settlement Agreement is in the public interest, represents a fair and reasonable resolution of the proceeding, and will aid in the expeditious conclusion of this case.

¹ Pursuant to an August 13, 2026 Memo, this case was reassigned to ALJ Sarah A. Stancati.

7. This Settlement Agreement is entered into for the sole and express purpose of reaching a compromise among the parties. All offers of settlement and discussions relating to this settlement are considered privileged under Michigan Rule of Evidence 408. If the Commission approves this Settlement Agreement without modification, neither the parties to the Settlement Agreement or the Commission shall make any reference to, or use this Settlement Agreement nor 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, however, such references may be made to enforce or implement the provisions of this Settlement Agreement and the order approving it.

8. The parties further agree that any order approving this Settlement Agreement shall not establish precedent for future proceedings. This Settlement Agreement is based on the facts and circumstances of this case and is intended as the final disposition of Case No. U-21601. If the Commission approves this Settlement Agreement, without modification, the undersigned parties agree not to appeal, challenge, or otherwise contest the Commission order approving this Settlement Agreement.

9. This Settlement Agreement is not severable. Each provision of this Settlement Agreement is dependent upon all other provisions of this Settlement Agreement. Failure to comply with any provision of this Settlement Agreement constitutes failure to comply with the entire Settlement Agreement. If the Commission rejects or modifies this Settlement Agreement or any provision of this Settlement Agreement, this Settlement Agreement shall be deemed to be withdrawn, it shall not constitute any part of the record in this proceeding or be used for any other purpose and shall not operate to prejudice the pre-negotiation position of any party.

10. All parties agree to waive § 81 of the Administrative Procedures Act 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

Sherri A. Wellman

Digitally signed by: Sherri A. Wellman
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wellmans@millercanfield.com C = US O = Miller
Canfield
Date: 2026.09.15 13:22:43 -04'00'

Dated: September 15, 2026

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

MICHIGAN PUBLIC SERVICE COMMISSION STAFF

Anna Stirling

Anna B Stirling

2026.09.15 15:12:05
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Dated: _____, 2026

By: _____
Its Attorney
Anna B. Stirling (P84919)
Assistant Attorney General
Michigan Public Service Commission
7109 W. Saginaw Hwy., 3rd Floor
Lansing, Michigan 48917
(517) 284-8140

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of **UPPER MICHIGAN**)
ENERGY RESOURCES CORPORATION for)
reconciliation of its power supply cost recovery plan)
(U-21600) for the 12 months ended December 31, 2025.)

Case No. U-21601

PROOF OF SERVICE

STATE OF MICHIGAN)
) ss
COUNTY OF INGHAM)

Elizabeth H. Kunc, being first duly sworn, deposes and states that on September 16, 2026, she served the **Settlement Agreement** and this **Proof of Service** upon the parties listed below via electronic mail.

Honorable Sarah A. Stancati
Anna B. Stirling

stancatis@michigan.gov
stirlingal@michigan.gov

Elizabeth H. Kunc

Digitally signed by: Elizabeth H. Kunc
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kunc@milleranfield.com C = US O = Miller Canfield
OU = Legal Secretary
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Elizabeth H. Kunc

Subscribed and sworn before me
on this 16th day of September, 2026.

Victoria J. Seyfried

Digitally signed by: Victoria J. Seyfried
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seyfried@milleranfield.com C = US O = Miller
Canfield OU = Legal Secretary
Date: 2026.09.16 11:43:16 -04'00'

Victoria Seyfried, Notary Public
State of Michigan, County of Clinton
My Commission Expires: 3/29/2030
Acting in the County of Ingham