

Founded in 1852
by Sidney Davy Miller



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September 29, 2026

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

Re: Upper Peninsula Power Company
2025 PSCR Reconciliation
Case No. U-21603

Dear Ms. Felice:

Enclosed for electronic filing is a fully executed Settlement Agreement and a Proof of Service relative to the above-referenced matter.

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

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Canfield
Date: 2026.09.29 10:49:50 -04'00'

SAW:ehk
Enclosures

cc w/enc: Honorable Lesley C. Fairrow (fairrowl1@michigan.gov)
Michael J. Orris (orrism@michigan.gov)
Nicole Bell (nbell@uppc.com)
Eric Stocking (estocking@uppc.com)

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of	)	
UPPER PENINSULA POWER COMPANY	)	Case No. U-21603
for reconciliation of its power supply cost	)	
recovery plan (U-21602) for the 12-months ended	)	
December 31, 2025.	)	
_____	)	

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, 2026, 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, 2025.

2. On April 3, 2026, 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-21555 and U-21602. 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 5, 2026, Administrative Law Judge Lesley C. Fairrow presided over a prehearing conference in this matter, and Staff entered its Appearance. There were no intervenors.

4. Staff 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 audit responses, and completing an analysis of the entire record. Staff's audit resulted in a cumulative under-recovery of \$4,381,465. This \$7,342 difference as compared to the Company's filed under-recovered amount of \$4,388,807 consists of: (i) a \$5,815 adjustment to Net Purchased Power Cost for an invoice being recorded for an incorrect amount in December; (ii) a \$1,518 adjustment to Net Purchased Power Cost for Monthly Network Charge discrepancies in January, February, September, October, and November, (iii) a \$6 adjustment to net monthly interest from the previous adjustments; and (iv) a \$3 rounding adjustment.

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 2025 power supply expenses were incurred under reasonable and prudent policies and practices.
- b. For the 12-month period ending December 31, 2025, it is agreed that the difference between PSCR revenues and expenses for 2025 results in a total cumulative under-recovery of \$4,381,465. This amount includes the under-recovery of \$1,170,265 from the 2024 PSCR reconciliation and interest through December 2025. It is agreed that UPPCO will reflect the 2025 power supply cost total cumulative under-recovery of \$4,381,465 as its 2026 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-21603, 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: September 28, 2026

Sherri A. Wellman
Digitally signed by: Sherri A. Wellman
DN: CN = Sherri A. Wellman email =
wellmans@millercanfield.com C = US O = Miller Canfield
Date: 2026.09.28 15:44:32 -04'00'
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



September 28, 2026

By: _____

Its Attorney

Michael J. Orris (P51232)

Assistant Attorney General

Public Service Division

7109 West Saginaw Highway, 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 PENINSULA POWER COMPANY	)	Case No. U-21603
for reconciliation of its power supply cost	)	
recovery plan (U-21602) for the 12 months	)	
ended December 31, 2025.	)	
_____	)	

PROOF OF SERVICE

STATE OF MICHIGAN)
) ss
COUNTY OF INGHAM)

Elizabeth H. Kunc, being first duly sworn, deposes and states that on September 29, 2026, she served the **Settlement Agreement** and this **Proof of Service** upon the parties listed below via electronic mail.

Honorable Lesley C. Fairrow	fairrowl1@michigan.gov
Michael J. Orris	orrism@michigan.gov

Elizabeth H. Kunc

Digitally signed by: Elizabeth H. Kunc
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kunc@millercanfield.com C = US O = Miller
Canfield OU = Legal Secretary
Date: 2026.09.29 10:46:23 -04'00'

Elizabeth H. Kunc

Subscribed and sworn before me
on this 29th day of September, 2026.

Kacey O'Neill

Digitally signed by: Kacey O'Neill
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oneill@millercanfield.com C = AD
Date: 2026.09.29 10:47:06 -04'00'

Kacey O'Neill, Notary Public
State of Michigan, County of Livingston
My Commission Expires: 12/26/2026
Acting in the County of Ingham