

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	)	Case No. U-20533
power supply cost recovery plan for the 12 months	)	
ending December 31, 2020.	)	
_____	)	

At the April 15, 2020 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Sally A. Talberg, Chairman
Hon. Daniel C. Scripps, Commissioner
Hon. Tremaine L. Phillips, Commissioner

ORDER APPROVING SETTLEMENT AGREEMENT

On September 24, 2019, Upper Michigan Energy Resources Corporation filed an application, with supporting testimony and exhibits, seeking authority to implement a power supply cost recovery plan for the 12-month period ending December 31, 2020.

A prehearing conference was held on December 11, 2019, before Administrative Law Judge Jonathan F. Thoits (ALJ). At the prehearing conference, the ALJ granted intervenor status to Citizens Against Rate Excess. The Commission Staff also participated in the proceeding. 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 in conformity with Attachments 1 and 2 to the settlement agreement.

C. If Upper Michigan Energy Resources Corporation desires to apply lesser power supply cost recovery factors than those approved by this order, it shall notify the Commission and the parties 10 days prior to the use of the lesser factor and shall file during the billing month a tariff sheet showing the lesser factor applied.

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 mpscedockets@michigan.gov and to the Michigan Department of the Attorney General – Public Service Division at pungp1@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

Sally A. Talberg, Chairman

Daniel C. Scripps, Commissioner

Tremaine L. Phillips, Commissioner

By its action of April 15, 2020.

Lisa Felice, Executive Secretary

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of	)	
UPPER MICHIGAN ENERGY RESOURCES	)	
CORPORATION for approval of a power supply cost	)	
recovery plan and authorization of monthly power supply	)	Case No. U-20533
<u>cost recovery factors for the calendar year 2020.</u>	)	

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 the Citizens Against Rate Excess (“CARE”) hereby agree as follows:

1. On September 24, 2019, UMERC filed with the Michigan Public Service Commission (“Commission”) its Application in this docket, along with the testimony and exhibits of its witness John G. Guntlisbergen, to implement a Power Supply Cost Recovery (“PSCR”) plan and PSCR factors for the 2020 calendar year. UMERC’s Application requested, among other things, approval to implement a 2020 PSCR factor of (\$0.00406) per KWh for its service to the WEPCo Rate Zone, and a 2020 PSCR factor of \$0.00040 per KWh for its service to the WPSC Rate Zone.

2. On November 7, 2019, the Commission’s Executive Secretary issued a Notice of Hearing and a correspondence directing UMERC to: (i) 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-20227 and U-18061; (ii) publish the Notice of Hearing in daily newspapers of general circulation throughout its Michigan electric service areas; and (iii) serve a copy of its testimony and exhibits on all persons who petitioned to intervene. UMERL filed its proofs of mailing and publication in this docket.

3. On December 11, 2019, Administrative Law Judge Jonathan F. Thoits presided over a prehearing conference in this matter. Staff entered its appearance, and the Citizens Against Rate Excess (“CARE”) was granted intervention.

4. On February 25, 2020, Staff filed the direct testimony and exhibits of Raushawn D. Bodiford, who represented the Staff conducted an analysis of the PSCR Plan and the decisions underlying that plan.

5. In response to the initial filing, Staff thoroughly reviewed the Company’s filing, along with all exhibits. Staff’s review found UMERL’s 2020 PSCR Plan is consistent with past Commission approvals and is based on reasonable projections. Staff recommended that the proposed PSCR factors be approved.

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

A. UMERL’s 2020 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 UMERL to implement: (i) a 2020 PSCR factor of (\$0.00406) per KWh in its WEPCo Rate Zone; and (ii) a 2020 PSCR factor of \$0.00040 per KWh for the WPSC Rate Zone. Attachments 1 and 2 to this Settlement Agreement show the tariff sheets reflecting these changes.

C. UMERB's 5-year forecast of power supply requirements meets the statutory mandates of 1982 PA 304 and there are no costs unlikely to be permitted to be recovered in customer rates.

7. It is the opinion of the signatories that this Settlement Agreement 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 Settlement Agreement is not severable, and all provisions of the same are dependent upon all other provisions contained herein.

8. 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.

9. 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 5 may be made to enforce or implement the provisions thereof in the 2020 PSCR reconciliation proceeding.

10. 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.

11. 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

Sherri Wellman

Digitally signed by: Sherri Wellman
DN: CN = Sherri Wellman email =
wellmans@millercanfield.com C = AD O
= Miller Canfield
Date: 2020.03.02 14:18:23 -05'00'

Dated: ~~XXXXX~~ February 3/2, 2020

By:

One of its Attorneys
Sherri A. Wellman (P38989)
Paul M. Collins (P69719)
Miller, Canfield, Paddock and Stone, P.L.C.
One Michigan Avenue, Suite 900
Lansing, MI 48933

MICHIGAN PUBLIC SERVICE COMMISSION
STAFF



Dated: ~~XXXXX~~ February 3/2, 2020

By:

One of its Attorneys
Daniel E. Sonneveldt (P58222)
Nicholas A. Taylor (P81020)
Assistant Attorneys General
Special Litigation Division
7109 W. Saginaw Hwy., 3rd Floor
Lansing, MI 48917

CITIZENS AGAINST RATE EXCESS

**John R
Liskey**

Digitally signed by John R Liskey
DN: cn=John R Liskey, o=John R
Liskey Attorney At Law PLLC, ou,
email=john@liskeypllc.com,
c=US
Date: 2020.03.02 08:37:37 -05'00'

Dated: ~~XXXXX~~ February 3/2, 2020

By:

Its Attorney
John R. Liskey (P31580)
John R. Liskey Attorney At Law PLLC
921 N. Washington Ave.
Lansing, MI 48906

POWER SUPPLY COST RECOVERY**PSCR FACTORS**

All rates for metered electric service shall include an amount up to the Power Supply Cost Recovery (PSCR) Factor for the specified billing period as set forth below. The PSCR Factor includes an increase or decrease of 0.0104 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 45.47 mills per kWh, rounded to the nearest one-hundredth of a mill 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 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	Rg 1 and Rg 2
General Secondary	Cg 1, Cg 2, Cg 3, Cg3C, Cg 5, TssM and TssU
General Primary	Cp 1, Cp 2, Cp 3, Cp 4, Schedule A & Cp LC
Lighting	Ms2, Ms3, GL1, LED1
Other	Mg 1, DS 1
ERER 1, ERER 3	
100% Renewable power	No adjustment for PSCR
50% Renewable power	(1-.50) x PSCR factor applicable to rate schedule customer is served under. Customer pays 50% of PSCR factor.
25% Renewable power	(1-.25) x PSCR factor applicable to rate schedule customer is served under. Customer pays 75% of PSCR factor.
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

Power Supply Cost Recovery Factors

	2020	Prior Period		
	Plan Year	PSCR	Maximum	Actual
Billing	PSCR Factor	Reconciliation	2020	Factor
Month	\$/kWh	Factor	PSCR Factor	Billed
		\$/kWh	\$/kWh	\$/kWh
Jan 2020	(\$0.00406)	\$0.00000	(\$0.00406)	
Feb 2020	(\$0.00406)	\$0.00000	(\$0.00406)	
Mar 2020	(\$0.00406)	\$0.00000	(\$0.00406)	
Apr 2020	(\$0.00406)	\$0.00000	(\$0.00406)	
May 2020	(\$0.00406)	\$0.00000	(\$0.00406)	
Jun 2020	(\$0.00406)	\$0.00000	(\$0.00406)	
Jul 2020	(\$0.00406)	\$0.00000	(\$0.00406)	
Aug 2020	(\$0.00406)	\$0.00000	(\$0.00406)	
Sep 2020	(\$0.00406)	\$0.00000	(\$0.00406)	
Oct 2020	(\$0.00406)	\$0.00000	(\$0.00406)	
Nov 2020	(\$0.00406)	\$0.00000	(\$0.00406)	
Dec 2020	(\$0.00406)	\$0.00000	(\$0.00406)	

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.

(Continued on Sheet No. D-4.00)

Issued December 16, 2019
T. T. Eidukas
Vice-President,
Milwaukee, Wisconsin

Effective for bills rendered for
the 2020 Plan year

Issued under authority of the
Section 6j(9) of 1982 PA304
For self-implementing
in Case No. U-20533

M.P.S.C. No. 1 – Electric
Upper Michigan Energy Resources Corporation

WPSC Rate Zone
Thirty-seventh Revised Sheet No. D-100.00
Replaces Thirty-sixth Revised Sheet No. D-100.00

**SECTION D – WPSC RATE ZONE
RATE SCHEDULES**

D1. POWER SUPPLY COST RECOVERY

PSCRM

1. PSCR FACTORS

All rates for metered electric Power Supply service shall include an amount up to the Power Supply Cost Recovery Factor (the PSCR Factor) for the specified billing period as set forth below. The PSCR Factor for the period covered shall consist of an increase or decrease of .010276 mills per kwh for each full .01 mill per kwh increase or decrease in power supply costs above or below a base cost of 39.43 mills per kwh rounded to the nearest .01 mills per kwh. The projected power supply and transmission service costs per kwh shall equal the total projected net power costs in that month divided by that month's net system kwh requirements. MPSC Order dated April 23, 2015 in Case No. U-17669 established the PSCR base and loss factor effective for service on and after the beginning of the first business month following April 23, 2015, on a bill rendered basis.

An amount not exceeding the PSCR Factor for each month shall be placed into effect in the first billing cycle of that monthly billing period and shall continue in effect until the first billing cycle of a subsequent month for which a subsequent PSCR Factor becomes operative. This procedure shall apply to the following rate schedules:

<u>Class of Service</u>	<u>Schedule No.</u>
Residential	Rg-1M, RG-OTOUM
Commercial & Industrial	Cg-1M, Cg-3M, Cg-OTOUM, Cp-1M
Other	Mp-1M

Power Supply Cost Recovery Factors

<u>Billing Month</u>	<u>2020 Plan Year PSCR Factor \$/kWh</u>	<u>Prior Period PSCR Reconciliation Factor \$/kWh</u>	<u>Maximum 2020 PSCR Factor \$/kWh</u>	<u>Actual Factor Billed \$/kWh</u>
Jan 2020	\$0.00040	\$0.00000	\$0.00040	
Feb 2020	\$0.00040	\$0.00000	\$0.00040	
Mar 2020	\$0.00040	\$0.00000	\$0.00040	
Apr 2020	\$0.00040	\$0.00000	\$0.00040	
May 2020	\$0.00040	\$0.00000	\$0.00040	
Jun 2020	\$0.00040	\$0.00000	\$0.00040	
Jul 2020	\$0.00040	\$0.00000	\$0.00040	
Aug 2020	\$0.00040	\$0.00000	\$0.00040	
Sep 2020	\$0.00040	\$0.00000	\$0.00040	
Oct 2020	\$0.00040	\$0.00000	\$0.00040	
Nov 2020	\$0.00040	\$0.00000	\$0.00040	
Dec 2020	\$0.00040	\$0.00000	\$0.00040	

Parentheses indicate a credit factor.

(Continued on Sheet No. D-101.00)

Issued December 16, 2019
T. T. Eidukas
Vice-President,
Milwaukee, Wisconsin

Effective for bills rendered for
the 2020 Plan year

Issued under authority of the
Section 6j(9) of 1982 PA304
For self-implementing
in Case No. U-20533

PROOF OF SERVICE

STATE OF MICHIGAN)

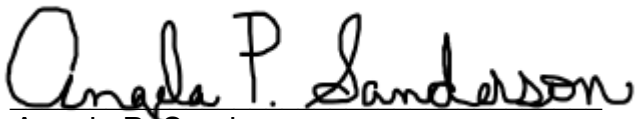
Case No. U-20533

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on April 15, 2020 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 15th day of April 2020.



Angela P. Sanderson
Notary Public, Shiawassee County, Michigan
As acting in Eaton County
My Commission Expires: May 21, 2024

Service List for Case: U-20533

Name	Email Address
Daniel E. Sonneveldt	sonneveldtd@michigan.gov
John R. Liskey	john@liskeypllc.com
Jonathan Thoits	thoitsj@michigan.gov
Nicholas Q. Taylor	taylorn10@michigan.gov
Sherri A. Wellman	wellmans@millercanfield.com
Upper Michigan Energy Resources Corporation	dennis.derricks@wecenergygroup.com