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July 3, 2017

Ms. Kavita Kale
Michigan Public Service Commission
7109 W. Saginaw Highway
Lansing, MI 48917

Re: Upper Michigan Energy Resources Corporation
2018-19 Biennial EWRP
Case No: U-18266

Dear Ms. Kale:

Enclosed for electronic filing in the above case please find Upper Michigan Energy Resources Corporation's Application with supporting Testimony and Exhibits in regards to the case mentioned-above.

Enclosed also is my appearance.

Additionally, a draft notice of hearing is being e-mailed to Angela McGuire at the Michigan Public Service Commission.

Very truly yours,

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

By: _____
Michael C. Rampe

cc: Robert Garvin
Ted Eidukas
Dennis Derricks
Eric Rogers
James Beyer
Diane Mier
Amy Winkler

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission’s own motion,)
regarding the regulatory reviews, revisions,)
determinations, and/or approvals necessary for) Case No. U-18266
UPPER MICHIGAN ENERGY RESOURCES)
CORPORATION to fully comply with Public Act 295)
of 2008, as amended by Public Act 342 of 2016.)

APPLICATION

UPPER MICHIGAN ENERGY RESOURCES CORPORATION (“UMERC” or the “Company”) requests authority from the Michigan Public Service Commission (“Commission”) to implement the Company’s 2018-2019 Energy Waste Reduction (“EWR”) plan, including continuing alternative compliance payments and charges for recovery of same pursuant to MCL 460.1091. In support thereof, the Company respectfully represents as follows:

1. UMERC is a public service corporation organized under the laws of Michigan with service centers located at 800 Industrial Park Drive, Iron Mountain, Michigan, and 1717 Tenth Avenue, Menominee, Michigan.

2. Pursuant to a Settlement Agreement approved by the Commission in Case No. U-18061 (“U-18061 Settlement Agreement”) UMERC was granted authority by the Commission to, among other things, provide retail electric service to the former Michigan electric customers of Wisconsin Electric Power Company (“WEPCo”) in service areas located in Alger, Baraga, Delta, Dickinson, Gogebic, Houghton, Iron, Marquette, Menominee, and Ontonagon Counties (“WEPCo Rate Zone”) and to the former Michigan electric and natural gas customers of

Wisconsin Public Service Corporation (“WPS Corp” or “WPSC”) in a service area located in Menominee County, Michigan (“WPSC Rate Zone”).

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., as amended.

4. The Michigan Legislature enacted the Michigan clean, renewable, and efficient energy act, 2008 PA 295 (“PA 295”), MCL 460.1001 et seq., effective October 6, 2008. PA 295 was amended by the Clean and Renewable Energy and Energy Waste Reduction Act, 2016 PA 342 (“Act 342”) effective April 20, 2017. PA 295 required electric providers and natural gas providers to file energy optimization (“EO”) plans on a biennial basis. As amended by Act 342, providers are required to file EWR plans. PA 295, as amended by Act 342, and the Commission’s March 28, 2017 Order in Case No. U-18260 *et al* require the Company to file its biennial EWR plan for 2018-2019 in this matter.

5. In lieu of establishing an EWR plan, MCL 460.1091 provides for alternative compliance payments for a provider that each year pays not less than 2.0% of total utility sales revenues for the second year preceding to an independent EWR program administrator selected by the Commission (“Administrator”).

6. The Commission’s May 26, 2009 Order in Case No. U-15812, September 13, 2011 Order in Case No. U-16677, December 6, 2013 Order in Case No. U-17357, and October 27, 2015 Order in Case No. U-17777, approved WEPCo’s plans for making alternative compliance payments to the Administrator in lieu of an EO plan, and approved WEPCo’s proposed charges for recovering the costs thereof. The Commission’s May 26, 2009 Order in

Case No. U-15811, December 6, 2011 Order in Case No. U-16676, September 24, 2013 Order in Case No. U-17356, and September 10, 2015 Order in Case No. U-17776, likewise approved WPS Corp's plan for making alternative compliance payments to the Administrator and proposed charges for recovering the costs thereof.

7. The U-18061 Settlement Agreement (§ 5.n.) provides that UMERC shall adopt the following EO plan:

(1) For natural gas customers in the WPS Corp Rate Zone, UMERC Shall adopt and implement the natural gas EO plan approved in Case No. U-17776 for WPS Corp's Michigan gas operations, which includes a 2017 payment to the Administrator of \$114,894 and adopt the EO surcharges approved in Case No. U-18018 for WPS Corp's natural gas service.

(2) For electric service customers, UMERC shall make a 2017 EO payment to the Administrator in the amount of \$1,307,301, based on the sum of: (i) the \$394,499 approved for WPS Corp for 2107 in Case No. U-17776; and (ii) the \$912,802 approved for UMERC for 2017 in Case No. U-18019. EO surcharges for the WEPCo Rate Zone shall be those approved for UMERC's WEPCo Rate Zone in Case No. U-18019, and the EO surcharges for the WPS Corp Rate Zone shall be those approved in Case No. U-18018.

The Company's 2018-2019 EWR plan proposes to continue to make alternative compliance payments.

8. MCL 460.1091(1) describes the calculation of the amount of annual payments to the Administrator. Based on its calculations, UMERC proposes that \$897,587 be paid to the Administrator in 2018 in connection with electric services provided in the WEPCo Rate Zone and \$401,053 be paid to the Administrator in 2018 in connection with electric services provided in the WPSC Rate Zone. These amounts constitute 2.00% of UMERC's electric retail revenues for 2016 from customers in the WEPCo Rate Zone and WPSC Rate Zone when these customers were customers of WEPCo and WPS Corp, respectively. Additionally, UMERC proposes that \$58,043 be paid to the Administrator in 2018 in connection with gas service; this constitutes

2.00% of gas retail revenues for 2016 when UMERC's WPSC Rate Zone were customers of WPS Corp. The amounts to be paid in 2019 will be finalized as actual 2017 revenues become known.

9. UMERC's EWR surcharges for 2018 are based on the level of revenue and payments to the Administrator for 2016. The requested surcharges are set forth in proposed Exhibits A-4, A-6, and A-8, filed herewith. The Company's 2019 payments to the Administrator, which will be based upon actual 2017 revenues (which are not known at the time of this filing), and revised 2019 EWR surcharges will be proposed in UMERC's 2017 EO reconciliation.

10. This Application is supported by the pre-filed direct testimony and exhibits of Eric Alan Rogers (addressing the WEPCo Rate Zone), James M. Beyer (addressing the WPSC Rate Zone), and Diane J. Mier (addressing EWR for natural gas service).

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

A. Find and determine that the Company's proposed payments to the Administrator for 2018 satisfy the Company's obligations under Subpart C of 2008 PA 295, as amended by Act 342;

B. Authorize the Company, beginning as of January 1, 2018, to implement, subject to reconciliation, the EWR charges set forth in Mr. Rogers', Mr. Beyers', and Ms. Mier's testimony and exhibits and approve the proposed tariff provisions related to such EWR charges; and

C. Grant such other and further relief and authorizations as may be lawful and proper.

Respectfully submitted,
UPPER MICHIGAN ENERGY RESOURCES
CORPORATION

Dated: July 3, 2017

By: _____
Its Attorney
Michael C. Rampe (P58189)
MILLER, CANFIELD,
PADDOCK and STONE, PLC
One Michigan Avenue, Suite 900
Lansing, MI 48933
(517) 487-2070

Attorney for Upper Michigan Energy Resources Corporation

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission's own motion,)
regarding the regulatory reviews, revisions,)
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UPPER MICHIGAN ENERGY RESOURCES)
CORPORATION to fully comply with Public Act 295)
of 2008, as amended by Public Act 342 of 2016.)

DIRECT TESTIMONY

OF

ERIC ALAN ROGERS

ON BEHALF OF

UPPER MICHIGAN ENERGY RESOURCES CORPORATION

July 3, 2017

WISCONSIN ELECTRIC POWER COMPANY
Before the Michigan Public Service Commission

Direct Testimony of Eric Alan Rogers

1 **Q. Would you please state your name and your business address?**

2 A. My name is Eric Alan Rogers. My business address is 231 W. Michigan Street,
3 Milwaukee, Wisconsin 53201.

4 **Q. By whom are you employed?**

5 A. I'm employed by WEC Business Services, which provides various services to Upper
6 Michigan Energy Resources Corporation ("UMERC" or "the Company") and to
7 Wisconsin Electric Power Company ("Wisconsin Electric" or "WEPCo"). WEC
8 Business Services, UMERC and Wisconsin Electric are all wholly-owned subsidiaries of
9 WEC Energy Group, Inc.

10 **Q. Would you please describe your educational background?**

11 A. I earned a Bachelor of Science degree in Civil and Environmental Engineering from the
12 University of Wisconsin – Madison in 1975, and a Master of Science degree in
13 Environmental Engineering from Stanford University in 1978. I also took course work
14 but did not complete a degree at the University of Washington Graduate School of
15 Business.

16 **Q. Are you registered as a Professional Engineer in the State of Wisconsin?**

17 A. Yes, I am.

18 **Q. Would you briefly describe your professional experience prior to joining WEC**
19 **Business Services?**

1 A. I worked for the United States Bureau of Reclamation in Denver, Colorado, as a design
2 engineer for two years, and for Battelle Pacific Northwest Laboratories in Richland,
3 Washington, as a research engineer for three years prior to joining Wisconsin Electric in
4 1982.

5 **Q. Would you describe your responsibilities at WEC Business Services?**

6 A. I began in 1982 as a forecasting analyst and I developed the residential sales forecast for
7 several rate cases and advance plans for Wisconsin Electric. During the mid-1980s and
8 early 1990s, I was responsible for analyzing the cost effectiveness of proposed demand-
9 side programs and evaluating the performance of actual demand-side programs. In the
10 early 1990s, I became responsible for the load research group, and I've since performed
11 numerous analyses of load data. In 2001, I developed the load profiling and settlement
12 methodology which is now being used for Michigan customers who select alternate
13 energy suppliers. Around 2002, I assumed responsibilities for cost-of-service analysis
14 and rate design. I am currently a team leader in the Regulatory Affairs and Policy
15 Department. My responsibilities include class load analyses, revenue forecasts, cost-of-
16 service studies, and rate design, and I continue to work closely with the sales forecasting
17 group.

18 **Q. Have you previously presented testimony on behalf of the applicant in other cases?**

19 A. Yes, I presented testimony on cost-of-service and rate design in our previous rate cases
20 before the Michigan Public Service Commission ("Commission"), Case Nos. U-15071,
21 U-15500, U-15981 and U-16830. I also presented testimony on energy optimization
22 ("EO") plans, now known as Energy Waste Reduction Plans, in Case Nos. U-15812, U-
23 16677, U-17357 and U-17777, and on the reconciliation of the EO surcharges for 2009

1 through 2015 in Case Nos. U-16368, U-16369, U-16743, U-17287, U-17607, U-18019
2 and U-18337, respectively. I also presented testimony on the impacts to the Company's
3 revenue requirements of our proposed ownership exchange agreement with Wolverine
4 Power Supply Cooperative, Inc. for a portion of the Presque Isle Power Plant in Case No.
5 U-17213. I also presented testimony in Case No. U-17479 and Case No. U-17490. I
6 have also presented testimony on cost-of-service and rate design in several cases before
7 the Public Service Commission of Wisconsin, including the 2004 and 2005 carve-out rate
8 cases (Docket 05-UR-101), the environmental trust financing case (Docket 6630-ET-
9 100), and the test-year 2006, 2008, 2010, 2013, and 2015 rate cases (Dockets 05-UR-102,
10 05-UR-103, 05-UR-104, 05-UR-106 and 05-UR-107, respectively). I also submitted
11 testimony to the Federal Energy Regulatory Commission ("FERC") in three cases
12 involving power sales agreements with our Michigan wholesale customers (Dockets
13 ER06-997, ER06-998 and ER06-999) and our FERC general rate case (Docket ER06-
14 1320).

15 **Q. What is the purpose of this testimony?**

16 A. The purpose of this testimony is to present the Company's Energy Waste Reduction
17 (EWR) Plan for 2018 and 2019, in response to the Commission's order in this Case dated
18 March 28, 2017, specifically as it relates to UMEREC's WEPCo Rate Zone, as discussed
19 below.

20 **Q. Will you please give some history of UMEREC?**

21 A. Yes, Pursuant to a Settlement Agreement approved by the Commission on December 9,
22 2016, in Case No. U-18061 ("U-18061 Settlement Agreement"), UMEREC was
23 established as a Michigan regulated utility providing service only to electric and natural

1 gas customers in the Upper Peninsula of Michigan. Pursuant to the U-18061 Settlement
2 Agreement, Wisconsin Electric transferred all of its Michigan jurisdictional distribution
3 substations, distribution lines, and other distribution assets used in providing retail
4 electric service in Michigan, as well as its Michigan retail full requirements and retail
5 access full service customers to UMERC (“WEPCo Rate Zone”), except one customer,
6 Tilden Mining Company, L.C. (“Tilden”). Tilden remains a customer of Wisconsin
7 Electric until transferred as a customer of UMERC as described in the U-18061
8 Settlement Agreement, which is estimated to be in mid-2019. Similarly, Wisconsin
9 Public Service Corporation (“WPS Corp” or “WPSC”) transferred all of its Michigan
10 jurisdictional electric distribution substations, distribution lines, natural gas distribution
11 assets and other distribution assets used in providing retail electric and natural gas service
12 in Michigan, and all of WPS Corp’s Michigan retail full requirements electric and gas
13 customers, retail access electric customers, and gas transportation customers to UMERC
14 (“WPSC Rate Zone”).

15 **Q. How does the U-18061 Settlement Agreement affect Wisconsin Electric in these**
16 **EWR Plan proceedings?**

17 A. Upon the formation of UMERC on January 1, 2017, pursuant to the U-18061 Settlement
18 Agreement, one customer, Tilden, remained with Wisconsin Electric; that customer is
19 served under the Tilden Special Contract approved in Case No. U-17862, but was
20 formerly served under the Company’s CpLC tariff. I refer to this customer as the “CpLC
21 Class”. I refer to the other customers that were formally served by Wisconsin Electric (in
22 the WEPCo Rate Zone), and are now served by UMERC in this case, as “non-CpLC”,
23 “other retail” or “UMERC classes.” The EWR Plan for the WEPCo CpLC class (Tilden)

1 is presented in Case U-18267. The EWR Plan in the WEPCo Rate Zone builds upon the
2 annual EO surcharge report and reconciliation, covering the period from January 2016,
3 through December 2016, which was filed on April 28, 2017 in Case No. U-18337. For
4 the WEPCo Rate Zone, the Company intends to continue the option provided in 2008 PA
5 295 Section 91(1) to make payments to an independent EWR program administrator,
6 Efficiency United. Payments to Efficiency United (“Administrator”) for 2018 are
7 calculated, as are the surcharges required to recover those payments from customers.

8 **Q. Are you sponsoring any exhibits with this testimony?**

9 A. Yes. I’m sponsoring the following exhibits:

10 Exhibit A-1 (EAR-1): Comparison of EO Surcharge Revenues Collected from
11 Customers and Payments Made to the EO Administrator in
12 2016 & Regulatory Asset (Liability) Split Between the
13 CpLC class (Tilden) and Other Retail Customers (for
14 UMEREC’s WEPCo Rate Zone)

15 Exhibit A-2 (EAR-2): Calculation of Total Payments to EWR Administrator and
16 Collections from Customers in 2018 and Percentage of the
17 Total Collected from Customers Not Opting Out with Self-
18 Directed Programs for UMEREC’s WEPCo Rate Zone

19 Exhibit A-3 (EAR-3): Derivation of Energy Waste Reduction Surcharges for 2018
20 Under Act 295 Section 91 for UMEREC’s WEPCo Rate
21 Zone

22 Exhibit A-4 (EAR-4): Tariff Sheets for Revised EWR Surcharges for UMEREC’s
23 WEPCo Rate Zone

1 **Q. Were these Exhibits prepared by you or under your direction and supervision?**

2 A. Yes.

3 **Q. Would you explain Exhibit A-1 (EAR-1), please?**

4 A. Yes. Page 1 of Exhibit A-1 (EAR-1) is identical to Page 1 of Exhibit A-1 (EAR) filed in
5 Case No. U-18337 on May 1, 2017, except column R on the right hand side has been
6 added to show the allocation by class of the year-end regulatory asset (or liability) and
7 sub-total collections for Non-CpLC customers in the WEPCo Rate Zone and CpLC
8 (Tilden) have been added in rows 35 and 36, respectively. The Exhibit is repeated here
9 for completeness, as the subsequent exhibits rely on it. Page 2 of Exhibit A-1 (EAR-1) is
10 identical to Page 2 of the Exhibit in Case No. U-18337, and Page 3 is identical except
11 projections for 2017 and 2018 under the current EO surcharges have been added. Page 4
12 has been added to this exhibit to show the projections for 2018 and 2019 under the
13 proposed EWR surcharges for UMERCC's WEPCo Rate Zone.

14 **Q. What is the purpose of Exhibit A-1 (EAR-1) pages 2 through 4?**

15 A. The purpose of pages 2 through 4 of Exhibit A-1 (EAR-1) is to document the
16 methodology for splitting the regulatory asset (liability) between the CpLC and the non-
17 CpLC retail classes.

18 **Q. Could you describe Exhibit A-1 (EAR-1) pages 2 through 4?**

19 A. The calculation history goes back to the beginning of WEPCo's EO surcharge in July
20 2009. The values for total surcharges collected, CpLC surcharges collected, total
21 payments to the EO Administrator and total monthly carrying cost are derived directly
22 from WEPCo's past EO surcharge reconciliation reports. The payments attributed to
23 CpLC are based on the proportion of CpLC payments in the various EO surcharge plans,

1 through June 2015. Starting in July 2015, the payment attributed to CpLC is based on the
2 June 2015 payment plus the additional payment authorized by the July 9, 2015 Order in
3 Case U-17607. The monthly carrying cost for CpLC is proportional to the previous
4 month's regulatory asset (liability).

5 **Q. What are the results shown in Exhibit A-1 (EAR-1) pages 2 through 4?**

6 A. At the end of 2017, the projected total regulatory liability will be \$70,699.75, with at
7 regulatory asset of \$1,268.85 for the CpLC class and a regulatory liability of \$71,968.60
8 for the UMERC WEPCo Rate Zone classes, as indicated in cells H122, I122 and J122,
9 respectively.

10 **Q. Are you proposing to modify the EWR surcharges?**

11 A. Yes. The new EWR surcharges for UMERC's WEPCo Rate Zone are derived in Exhibits
12 A-2 (EAR-2) and A-3 (EAR-3). Under the proposed EWR surcharges, the regulatory
13 assets (liabilities) are projected to approach zero by the end of 2019, as indicated in cells
14 H173, I173 and J173.

15 **Q. Would you explain Exhibit A-2 (EAR-2)?**

16 A. Yes. Exhibit A-2 (EAR-2) shows the derivation of the amount that needs to be collected
17 from customers. It starts with a summary of the calculations made in Ex. A-2 (EAR-2) of
18 Case No. U-18337, which derives the \$897,587 amount the Company will pay to the
19 EWR Administrator in 2018 for the WEPCo Rate Zone (the 2019 payment for the
20 WEPCo Rate Zone will be determined when 2017 sales revenues are known, and
21 adjustments to surcharges may be proposed at that same time). Then adjustments are
22 made for the projected regulatory asset (liability) at the end of 2017 and for payments
23 from customers opting out with self-directed programs.

1 **Q. Would you explain Exhibit A-3 (EAR-3)?**

2 A. Yes. Page 1 of Exhibit A-3 (EAR-3) shows the 2016 booked revenue for each class. The
3 EWR surcharge revenue to collect in 2018 for the WEPCo Rate Zone is calculated for
4 each class by taking 2% of the 2016 total booked revenue and adjusting for the projected
5 regulatory asset (liability) at the end of the 2017. The EWR surcharge values for
6 customers not opting out are then calculated by dividing the amount to collect by the
7 appropriate billing determinants (energy for residential and customer-days for commercial
8 and industrial) and adjusting by the factor calculated in Exhibit A-2 (EAR-2) to account
9 for the low-income-program payments for the customers opting out. Surcharges for
10 lighting classes are shown on page 2 of Exhibit A-3 (EAR-3). Pages 3 and 4 of Exhibit
11 A-3 (EAR-3) show similar calculations for customers opting out. Page 5 of Exhibit A-3
12 (EAR-3) shows a summary of the anticipated collections in 2018.

13 **Q. Have you prepared tariff sheets with the proposed revised EWR surcharges for the**
14 **WEPCo Rate Zone, which would be implemented on January 1, 2018?**

15 A. Yes. The tariff sheets with the proposed revised EWR surcharges, which would be
16 implemented on January 1, 2018, are in Exhibit A-4 (EAR-4).

17 **Q. Does this conclude your testimony?**

18 A. Yes.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	
1																			
2																			
3																			
4																			
5	Comparison of EO Surcharges Collected from Customers and Payments Made to EO Administrator in 2016																		
6	Wisconsin Electric																		
7	Actual EO Surcharges Collected from Customers in 2016																		
8																			
9	Customer Class	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Actual Total Collected in 2016	Total Expected to be Collected in 2016	Difference Between Actual & Expected Recovery in 2016	Allocation of Projected Year End 2017 Reg Asset (Liability)	
10	Residential		\$53,126.98	\$50,708.09	\$47,470.05	\$44,116.93	\$38,473.95	\$43,908.78	\$47,200.28	\$49,097.91	\$45,110.18	\$41,655.15	\$42,089.56	\$53,611.88	\$556,569.73	\$576,523.00	(\$19,953.27)	(\$39,834.73)	
11																			
12	Cg1	72	\$21,276.60	\$21,109.87	\$22,009.82	\$21,477.29	\$20,764.34	\$22,599.97	\$21,137.51	\$19,156.48	\$21,954.85	\$21,759.04	\$20,837.25	\$22,058.55	\$256,141.57	\$250,332.07	\$5,809.50	(\$18,332.53)	
13	Cg2	76	\$582.30	\$529.87	\$535.29	\$588.02	\$511.60	\$592.57	\$551.44	\$508.08	\$551.47	\$616.22	\$514.03	\$546.05	\$6,626.93	\$6,506.00	\$120.93	(\$474.30)	
14	Cg3 & Cg3C	74	\$5,725.45	\$4,347.00	\$4,660.10	\$4,903.51	\$5,245.51	\$5,281.87	\$4,772.71	\$5,114.52	\$5,460.74	\$4,758.27	\$5,051.18	\$4,793.58	\$60,114.43	\$66,933.21	(\$6,818.78)	(\$4,302.50)	
15	Cg5	40 & 48	\$1,692.34	\$1,043.85	\$1,077.54	\$1,045.61	\$991.55	\$1,113.69	\$1,016.76	\$857.00	\$1,034.05	\$1,066.95	\$984.91	\$1,102.40	\$13,026.66	\$20,979.00	(\$7,952.34)	(\$932.34)	
16	TSSM	MSM	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
17	Cp1	P51	\$1,520.32	\$490.58	\$974.20	\$1,136.59	\$844.31	\$1,104.14	\$941.75	\$909.28	\$1,201.54	\$811.84	\$1,006.69	\$113.67	\$11,054.91	\$11,885.50	(\$830.59)	(\$791.22)	
18	Cp2, Cp3 & Cp4	P53 & P63	\$523.02	\$593.85	\$625.11	\$656.36	\$625.11	\$645.94	\$614.69	\$666.78	\$864.74	\$635.53	\$666.77	\$7,763.84	\$7,626.31	\$137.53	(\$555.67)		
19	Schedule A	M26												\$0.00	\$365.16		(\$365.16)	\$0.00	
20	CpLC / Special Contract	M22	\$3,859.66	\$3,610.64	\$3,859.66	\$3,735.14	\$3,859.66	\$3,735.14	\$3,859.66	\$3,859.66	\$3,735.14	\$3,859.66	\$1,867.57	\$1,929.83	\$41,771.42	\$45,569.00	(\$3,797.58)	\$1,268.85	
21	Special Contract	M27	\$1,183.46	\$1,107.11	\$1,183.46	\$1,145.28	\$1,183.46	\$1,145.28	\$1,183.46	\$1,183.46	\$1,145.28	\$1,183.46	\$1,145.28	\$1,183.46	\$13,972.45	\$13,972.00	\$0.45	(\$1,000.03)	
22	Ms1	S51	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
23	Retail Access		\$6,062.99	\$3,627.09	\$5,465.62	\$4,526.45	\$4,793.15	\$5,788.99	\$4,984.93	\$4,939.25	\$5,367.18	\$5,642.48	\$5,871.19	\$6,094.06	\$63,163.38	\$59,672.22	\$3,491.16	(\$4,520.72)	
24																			
25	Total Non-Res Metered		\$42,426.14	\$36,459.85	\$40,390.80	\$39,214.24	\$38,818.68	\$42,007.59	\$39,094.16	\$37,142.41	\$41,117.03	\$40,562.66	\$37,913.63	\$38,488.38	\$473,635.58	\$483,840.47	(\$10,204.89)		
26																			
27	Gh1	L51	\$478.87	\$505.75	\$486.71	\$449.18	\$469.97	\$480.96	\$409.50	\$444.15	\$463.29	\$458.25	\$450.22	\$475.07	\$5,571.92	\$5,618.26	(\$46.34)	(\$398.79)	
28	Ms2	S52	\$882.94	\$1,008.11	\$889.77	\$889.77	\$889.77	\$889.65	\$889.84	\$196.73	\$998.33	\$892.83	\$870.77	\$1,139.15	\$10,437.66	\$11,483.93	(\$1,046.27)	(\$747.04)	
29	Ms3	S53	\$48.12	\$59.72	\$48.82	\$51.61	\$51.74	\$51.28	\$51.28	\$2.98	\$51.53	\$51.28	\$51.28	\$75.18	\$594.82	\$547.87	\$46.95	(\$42.57)	
30	TSSU	MSU	\$43.62	\$13.81	\$56.36	\$46.14	\$42.30	\$44.45	\$48.25	\$18.73	\$62.86	\$41.31	\$40.09	\$46.98	\$504.90	\$642.00	(\$137.10)	(\$36.14)	
31																			
32	Total Un-Metered		\$1,453.55	\$1,587.39	\$1,481.66	\$1,436.70	\$1,453.78	\$1,466.34	\$1,398.87	\$662.59	\$1,576.01	\$1,443.67	\$1,412.36	\$1,736.38	\$17,109.30	\$18,292.06	(\$1,182.76)		
33																			
34	Total Michigan Retail		\$97,006.67	\$88,755.33	\$89,342.51	\$84,767.87	\$78,746.41	\$87,382.71	\$87,693.31	\$86,902.91	\$87,803.23	\$83,661.47	\$81,415.55	\$93,836.63	\$1,047,314.61	\$1,078,655.53	(\$31,340.92)	(\$70,699.75)	
35	Non-CpLC (UMERC)		\$93,147.01	\$85,144.69	\$85,482.85	\$81,032.73	\$74,886.75	\$83,647.57	\$83,833.65	\$83,043.25	\$84,068.09	\$79,801.81	\$79,547.98	\$91,906.80	\$1,005,543.19	\$1,033,086.53	(\$27,543.34)	(\$71,968.60)	
36	CpLC		\$3,859.66	\$3,610.64	\$3,859.66	\$3,735.14	\$3,859.66	\$3,735.14	\$3,859.66	\$3,859.66	\$3,735.14	\$3,859.66	\$1,867.57	\$1,929.83	\$41,771.42	\$45,569.00	(\$3,797.58)	\$1,268.85	
37	Payments to Administrator in 2016		\$82,527.17	\$82,527.17	\$82,527.17	\$82,527.17	\$82,527.17	\$82,527.17	\$82,527.17	\$82,527.17	\$82,527.17	\$82,527.17	\$82,527.17	\$82,527.17	\$990,326.04				
38																			
39	Monthly Carrying Cost		(\$129.08)	(\$133.22)	(\$135.02)	(\$141.02)	(\$141.71)	(\$140.65)	(\$154.29)	(\$151.87)	(\$165.69)	(\$180.07)	(\$180.54)	(\$234.69)	(\$1,887.85)				
40																			
41	Month-End Regulatory Asset (Liability)		(\$455,572.30)	(\$470,180.88)	(\$476,542.26)	(\$483,492.62)	(\$485,874.34)	(\$482,235.29)	(\$487,231.48)	(\$492,551.91)	(\$497,079.52)	(\$502,521.27)	(\$503,835.64)	(\$502,904.56)	(\$514,448.71)				
42																			
43																			
44	Note: Monthly carrying cost is based on monthly FDIC 30-day AA Grade commercial paper rate, which is proxy for the Company's short-term borrowing rate.																		

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
9	Month	Total Surcharges Collected From Customers	Surcharges Collected From CplC	Surcharges Collected From Other Retail Customers	Total Payments to EO Administrator	Payments to EO Administrator for CplC	Payments to EO Administrator for Other Retail Customers	Total Month-End Regulatory Asset (Liability)	Month-End Regulatory Asset (Liability) for CplC	Month-End Regulatory Asset (Liability) for Other Retail Customers	Total Monthly Carrying Cost	Monthly Carrying Cost for CplC	Monthly Carrying Cost for Other Retail Customers	Source	
10	Jul 2009	\$24,226.16	\$2,040.92	\$22,185.24				-\$24,226.16	-\$2,040.92	-\$22,185.24				Case U-15812 Ex. A-1 & A-2	
11	Aug 2009	\$36,122.86	\$2,040.92	\$34,081.94				-\$60,352.65	-\$4,082.15	-\$56,270.50	-\$3.63	-\$0.31	-\$3.32	Case U-15812 Ex. A-1 & A-2	
12	Sep 2009	\$35,205.30	\$1,975.08	\$33,230.22	\$176,218.67	\$9,206.70	\$167,011.97	\$80,652.17	\$3,148.89	\$77,503.29	-\$8.55	-\$0.58	-\$7.97	Case U-15812 Ex. A-1 & A-2	
13	Oct 2009	\$34,954.20	\$2,040.92	\$32,913.28				\$44,707.39	\$1,108.34	\$44,599.05	\$9.41		\$0.37	Case U-15812 Ex. A-1 & A-2	
14	Nov 2009	\$35,277.67	\$1,975.08	\$33,302.59	\$44,054.67	\$2,301.67	\$41,753.00	\$54,488.96	\$1,435.04	\$53,053.91	\$4.57	\$0.11	\$4.46	Case U-15812 Ex. A-1 & A-2	
15	Dec 2009	\$39,807.30	\$2,040.92	\$37,766.38	\$44,054.66	\$2,301.67	\$41,752.99	\$58,742.68	\$1,695.97	\$57,046.71	\$6.36	\$0.17	\$6.19	Case U-15812 Ex. A-1 & A-2	
16	Jan 2010	\$47,801.56	\$2,040.92	\$45,760.64	\$26,819.58	\$1,401.21	\$25,418.37	\$37,767.06	\$1,056.44	\$36,710.62	\$6.36	\$0.18	\$6.18	Case U-15812 Ex. A-2 & Case U-16369 Ex. A-1	
17	Feb 2010	\$35,612.56	\$1,843.40	\$33,769.16	\$26,819.58	\$1,401.21	\$25,418.37	\$28,978.17	\$614.36	\$28,363.81	\$4.29	\$0.11	\$3.98	Case U-15812 Ex. A-2 & Case U-16369 Ex. A-1	
18	Mar 2010	\$36,325.99	\$2,040.92	\$34,285.07	\$26,819.58	\$1,401.21	\$25,418.37	\$19,474.90	-\$25.27	\$19,500.18	\$3.14	\$0.07	\$3.07	Case U-15812 Ex. A-2 & Case U-16369 Ex. A-1	
19	Apr 2010	\$36,312.61	\$1,975.08	\$34,337.53	\$26,819.58	\$1,401.21	\$25,418.37	\$9,984.95	-\$599.14	\$10,584.10	\$3.08	\$0.00	\$3.08	Case U-15812 Ex. A-2 & Case U-16369 Ex. A-1	
20	May 2010	\$32,017.94	\$2,040.92	\$29,977.02	\$26,819.58	\$1,401.21	\$25,418.37	\$4,788.17	-\$1,238.94	\$6,027.11	\$1.58	-\$0.09	\$1.67	Case U-15812 Ex. A-2 & Case U-16369 Ex. A-1	
21	Jun 2010	\$35,890.98	\$1,975.08	\$33,915.90	\$26,819.58	\$1,401.21	\$25,418.37	-\$4,282.39	-\$2,822.39	\$2,460.36	\$0.84	-\$0.22	\$1.06	Case U-15812 Ex. A-2 & Case U-16369 Ex. A-1	
22	Jul 2010	\$37,445.78	\$2,212.38	\$35,233.40	\$26,819.58	\$1,401.21	\$25,418.37	-\$14,907.88	-\$2,623.89	-\$12,283.99	\$0.71	\$0.30	\$0.41	Case U-15812 Ex. A-2 & Case U-16369 Ex. A-1	
23	Aug 2010	\$39,602.78	\$2,218.10	\$37,384.68	\$26,819.58	\$1,401.21	\$25,418.37	-\$27,694.98	-\$3,441.47	-\$24,253.50	-\$3.90	-\$0.69	-\$3.21	Case U-15812 Ex. A-2 & Case U-16369 Ex. A-1	
24	Sep 2010	\$37,840.11	\$2,146.54	\$35,693.57	\$26,819.58	\$1,401.21	\$25,418.37	-\$38,720.13	\$4,187.37	-\$34,532.76	-\$4.62	-\$0.57	-\$4.05	Case U-15812 Ex. A-2 & Case U-16369 Ex. A-1	
25	Oct 2010	\$33,184.95	\$2,218.10	\$30,966.85	\$26,819.58	\$1,401.21	\$25,418.37	-\$45,092.28	-\$5,004.99	-\$40,087.30	-\$6.78	-\$0.73	-\$6.05	Case U-15812 Ex. A-2 & Case U-16369 Ex. A-1	
26	Nov 2010	\$36,522.52	\$2,146.54	\$34,375.98	\$26,819.58	\$1,401.21	\$25,418.37	-\$54,803.11	-\$5,751.19	-\$49,051.92	-\$7.89	-\$0.88	-\$7.01	Case U-15812 Ex. A-2 & Case U-16369 Ex. A-1	
27	Dec 2010	\$42,416.45	\$2,218.10	\$40,198.35	\$26,819.58	\$1,401.21	\$25,418.37	-\$70,408.62	-\$6,568.99	-\$63,839.63	-\$8.68	-\$0.91	-\$7.77	Case U-15812 Ex. A-2 & Case U-16369 Ex. A-1	
28	Jan 2011	\$43,122.75	\$2,218.10	\$40,904.65	\$46,856.42	\$2,448.05	\$44,408.37	-\$66,686.10	-\$6,340.08	-\$60,346.03	-\$11.15	-\$1.04	-\$10.11	Case U-15812 Ex. A-2 & Case U-16743 Ex. A-1	
29	Feb 2011	\$37,046.64	\$2,003.44	\$35,043.20	\$46,856.42	\$2,448.05	\$44,408.37	-\$56,886.88	-\$5,896.46	-\$50,990.42	-\$10.56	-\$1.00	-\$9.56	Case U-15812 Ex. A-2 & Case U-16743 Ex. A-1	
30	Mar 2011	\$38,072.44	\$2,218.10	\$35,854.34	\$46,856.42	\$2,448.05	\$44,408.37	-\$48,110.96	-\$5,667.35	-\$42,443.61	-\$8.06	-\$0.84	-\$7.22	Case U-15812 Ex. A-2 & Case U-16743 Ex. A-1	
31	Apr 2011	\$35,498.17	\$2,146.54	\$33,351.63	\$46,856.42	\$2,448.05	\$44,408.37	-\$36,759.53	-\$5,366.63	-\$31,392.90	-\$6.82	-\$0.80	-\$6.02	Case U-15812 Ex. A-2 & Case U-16743 Ex. A-1	
32	May 2011	\$34,835.25	\$2,218.10	\$32,617.15	\$46,856.42	\$2,448.05	\$44,408.37	-\$24,743.57	-\$5,137.44	-\$19,606.13	-\$5.21	-\$0.76	-\$4.45	Case U-15812 Ex. A-2 & Case U-16743 Ex. A-1	
33	Jun 2011	\$35,541.13	\$2,146.54	\$33,394.59	\$46,856.42	\$2,448.05	\$44,408.37	-\$13,430.55	-\$4,836.39	-\$8,594.16	-\$2.27	-\$0.47	-\$1.80	Case U-15812 Ex. A-2 & Case U-16743 Ex. A-1	
34	Jul 2011	\$38,097.08	\$2,218.10	\$35,878.98	\$46,856.42	\$2,448.05	\$44,408.37	-\$4,672.22	-\$4,606.80	-\$65.42	-\$1.01	-\$0.36	-\$0.65	Case U-15812 Ex. A-2 & Case U-16743 Ex. A-1	
35	Aug 2011	\$37,767.02	\$2,218.10	\$35,548.92	\$46,856.42	\$2,448.05	\$44,408.37	\$4,416.83	-\$4,377.19	\$8,794.02	-\$0.35	-\$0.35	\$0.00	Case U-15812 Ex. A-2 & Case U-16743 Ex. A-1	
36	Sep 2011	\$36,297.72	\$2,146.54	\$34,151.18	\$46,856.42	\$2,448.05	\$44,408.37	\$14,975.24	-\$14,075.39	\$19,050.63	-\$0.29	-\$0.29	-\$0.58	Case U-15812 Ex. A-2 & Case U-16743 Ex. A-1	
37	Oct 2011	\$33,378.13	\$2,218.10	\$31,160.03	\$46,856.42	\$2,448.05	\$44,408.37	\$28,455.11	-\$3,845.86	\$32,300.97	\$1.58	-\$0.43	\$2.01	Case U-15812 Ex. A-2 & Case U-16743 Ex. A-1	
38	Nov 2011	\$35,153.22	\$2,146.54	\$33,006.68	\$46,856.42	\$2,448.05	\$44,408.37	\$40,160.44	-\$3,544.64	\$43,705.08	\$2.13	-\$0.29	\$2.42	Case U-15812 Ex. A-2 & Case U-16743 Ex. A-1	
39	Dec 2011	\$41,471.41	\$2,218.10	\$39,253.31	\$46,856.42	\$2,448.05	\$44,408.37	\$45,548.80	-\$3,314.98	\$48,863.79	\$3.35	-\$0.30	\$3.65	Case U-15812 Ex. A-2 & Case U-16743 Ex. A-1	
40	Jan 2012	\$72,835.93	\$4,885.46	\$67,950.47	\$46,856.42	\$4,806.67	\$42,049.75	\$50,312.84	-\$3,394.06	\$53,706.90	\$3.80	-\$0.28	\$4.08	Case U-16677 Ex. A-2 & Case U-17287 Ex. A-1	
41	Feb 2012	\$78,336.64	\$4,570.28	\$73,766.36	\$77,596.17	\$4,806.67	\$42,049.75	\$49,576.15	-\$3,157.92	\$52,734.07	\$3.77	-\$0.25	\$4.02	Case U-16677 Ex. A-2 & Case U-17287 Ex. A-1	
42	Mar 2012	\$76,801.92	\$4,885.46	\$71,916.46	\$77,596.17	\$4,806.67	\$42,049.75	\$50,375.77	-\$3,237.06	\$53,612.83	\$5.37	-\$0.34	\$5.71	Case U-16677 Ex. A-2 & Case U-17287 Ex. A-1	
43	Apr 2012	\$71,278.52	\$4,727.86	\$66,550.66	\$77,596.17	\$4,806.67	\$42,049.75	\$56,698.88	-\$3,158.60	\$59,857.49	\$5.46	-\$0.35	\$5.81	Case U-16677 Ex. A-2 & Case U-17287 Ex. A-1	
44	May 2012	\$72,748.38	\$4,885.46	\$67,862.92	\$77,596.17	\$4,806.67	\$42,049.75	\$61,552.82	-\$3,237.74	\$64,790.55	\$6.14	-\$0.34	\$6.48	Case U-16677 Ex. A-2 & Case U-17287 Ex. A-1	
45	Jun 2012	\$71,673.60	\$4,727.86	\$66,945.74	\$77,596.17	\$4,806.67	\$42,049.75	\$67,482.38	-\$3,159.30	\$70,641.68	\$6.99	-\$0.37	\$7.36	Case U-16677 Ex. A-2 & Case U-17287 Ex. A-1	
46	Jul 2012	\$84,874.41	\$4,885.46	\$79,988.95	\$77,596.17	\$4,806.67	\$42,049.75	\$60,212.00	-\$3,238.46	\$63,450.47	\$7.87	-\$0.37	\$8.24	Case U-16677 Ex. A-2 & Case U-17287 Ex. A-1	
47	Aug 2012	\$80,478.75	\$4,885.46	\$75,593.29	\$77,596.17	\$4,806.67	\$42,049.75	\$57,336.44	-\$3,317.64	\$60,654.08	\$7.02	-\$0.38	\$7.40	Case U-16677 Ex. A-2 & Case U-17287 Ex. A-1	
48	Sep 2012	\$74,955.32	\$4,727.86	\$70,227.46	\$77,596.17	\$4,806.67	\$42,049.75	\$59,982.70	-\$3,239.14	\$63,221.85	\$5.41	-\$0.31	\$5.72	Case U-16677 Ex. A-2 & Case U-17287 Ex. A-1	
49	Oct 2012	\$74,117.03	\$4,885.46	\$69,231.57	\$77,596.17	\$4,806.67	\$42,049.75	\$63,467.85	-\$3,318.26	\$66,786.11	\$6.00	-\$0.32	\$6.32	Case U-16677 Ex. A-2 & Case U-17287 Ex. A-1	
50	Nov 2012	\$76,678.49	\$4,727.86	\$71,950.63	\$77,596.17	\$4,806.67	\$42,049.75	\$64,392.93	-\$3,239.84	\$67,632.77	\$7.40	-\$0.39	\$7.79	Case U-16677 Ex. A-2 & Case U-17287 Ex. A-1	
51	Dec 2012	\$79,271.33	\$4,885.46	\$74,385.87	\$77,596.17	\$4,806.67	\$42,049.75	\$62,725.29	-\$3,319.02	\$66,044.31	\$7.51	-\$0.38	\$7.89	Case U-16677 Ex. A-2 & Case U-17287 Ex. A-1	
52	Jan 2013	\$99,259.57	\$4,885.46	\$94,374.11	\$82,349.75	\$5,101.12	\$77,248.63	\$45,821.74	-\$3,103.68	\$48,925.42	\$6.27	-\$0.33	\$6.60	Case U-16677 Ex. A-2 & Case U-17607 Ex. A-1	
53	Feb 2013	\$79,846.29	\$4,412.68	\$75,433.61	\$82,349.75	\$5,101.12	\$77,248.63	\$48,329.79	-\$2,415.55	\$50,745.33	\$4.58	-\$0.31	\$4.89	Case U-16677 Ex. A-2 & Case U-17607 Ex. A-1	
54	Mar 2013	\$80,246.48	\$4,885.46	\$75,361.02	\$82,349.75	\$5,101.12	\$77,248.63	\$50,437.08	-\$2,200.08	\$52,637.17	\$4.03	-\$0.20	\$4.23	Case U-16677 Ex. A-2 & Case U-17607 Ex. A-1	
55	Apr 2013	\$79,033.32	\$4,727.86	\$74,305.46	\$82,349.75	\$5,101.12	\$77,248.63	\$53,757.72	-\$1,827.00	\$55,584.72	\$4.20	-\$0.18	\$4.38	Case U-16677 Ex. A-2 & Case U-17607 Ex. A-1	
56	May 2013	\$73,818.61	\$4,885.46	\$68,933.15	\$82,349.75	\$5,101.12	\$77,248.63	\$62,291.99	-\$1,611.45	\$63,903.44	\$3.14	-\$0.11	\$3.25	Case U-16677 Ex. A-2 & Case U-17607 Ex. A-1	
57	Jun 2013	\$72,282.97	\$4,727.86	\$67,555.11	\$82,349.75	\$5,101.12	\$77,248.63	\$72,362.41	-\$1,238.27	\$73,600.68	\$3.63	-\$0.09	\$3.72	Case U-16677 Ex. A-2 & Case U-17607 Ex. A-1	
58	Jul 2013	\$81,820.16	\$4,885.46	\$76,934.70	\$82,349.75	\$5,101.12	\$77,248.63	\$72,896.22	-\$1,022.68	\$73,918.89	\$4.22	-\$0.07	\$4.29	Case U-16677 Ex. A-2 & Case U-17607 Ex. A-1	
59	Aug 2013	\$72,773.09	\$4,885.46	\$67,887.63	\$82,349.75	\$5,101.12	\$77,248.63	\$82,475.91	-\$807.05	\$83,282.97	\$3.04	-\$0.04	\$3.08	Case U-16677 Ex. A-2 & Case U-17607 Ex. A-1	
60	Sep 2013	\$64,994.67	\$4,727.86	\$60,266.81	\$82,349.75	\$5,101.12	\$77,248.63	\$99,834.44	-\$433.82	\$100,268.25	\$3.44	-\$0.03	\$3.47	Case U-16677 Ex. A-2 & Case U-17607 Ex. A-1	
61	Oct 2013	\$77,430.98	\$4,885.46	\$72,545.52	\$82,349.75	\$5,101.12	\$77,248.63	\$104,757.37	-\$218.17	\$104,539.20	\$4.16	-\$0.02	\$4.18	Case U-16677 Ex. A-2 & Case U-17607 Ex. A-1	
62	Nov 2013	\$82,354.30	\$4,727.86	\$77,626.44	\$82,349.75	\$5,101.12	\$77,248.63	\$104,757.14	\$155.08	\$104,602.07	\$4.33	-\$0.01	\$4.34	Case U-16677 Ex. A-2 & Case U-17607 Ex. A-1	
63	Dec 2013	\$72,063.93	\$4,885.46	\$67,178.47	\$82,349.75	\$5,101.12	\$77,248.63	\$115,047.33	\$370.75	\$114,676.57	\$4.36	-\$0.01	\$4.35	Case U-16677 Ex. A-2 & Case U-17607 Ex. A-1	
64	Jan 2014	\$96,528.45	\$5,642.44	\$90,886.02	\$85,017.33	\$5,536.26	\$79,481.07	\$103,540.99	\$264.60	\$103,276.40	\$4.79	\$0.02	\$4.77	Case U-17357 Ex. A-2 & Case U-17837 Ex. A-1	
65	Feb 2014	\$85,826.85	\$5,096.40	\$80,730.46	\$85,017.33	\$5,536.26	\$79,481.07	\$102,736.65	\$704.47	\$102,032.18	\$5.18	\$0.01	\$5.17	Case U-17357 Ex. A-2 & Case U-17837 Ex. A-1	
66	Mar 2014	\$89,695.24	\$5,642.44	\$84,052.80	\$85,017.33	\$5,536.26	\$79,481.07	\$98,063.88	\$598.33	\$97,465.55	\$5.14	\$0.04	\$5.10	Case U-17357 Ex. A-2 & Case U-17837 Ex. A-1	
67	Apr 2014	\$82,192.50	\$5,460.42	\$76,732.07	\$85,017.33	\$5,536.26	\$79,481.07	\$100,893.62	\$674.20	\$100,219.41	\$4.90	\$0.03	\$4.87	Case U-17357 Ex.	

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
76															
77															
78															
79															
80															
81	Regulatory Asset (Liability) Split Between CpCL and Other Retail Customers														
82	Wisconsin Electric and UMERC WEPCo Zone														
83															
84	Month	Total Surcharges Collected From Customers	Surcharges Collected From CpCL	Surcharges Collected From Other Retail Customers	Total Payments to EO Administrator	Payments to EO Administrator for CpCL	Payments to EO Administrator for Other Retail Customers	Total Month-End Regulatory Asset (Liability)	Month-End Regulatory Asset (Liability) for CpCL	Month-End Regulatory Asset (Liability) for Other Retail Customers	Total Monthly Carrying Cost	Monthly Carrying Cost for CpCL	Monthly Carrying Cost for Other Retail Customers	Source	
85	Jan 2015	\$98,073.59	\$5,642.44	\$92,431.15	\$82,459.00	\$5,369.66	\$77,089.34	\$136,914.33	\$98.30	\$136,816.03	\$11.44	\$0.03	\$11.41	Case U-17357 Ex. A-2 & Case U-18019 Ex. A-1	
86	Feb 2015	\$265,094.48	\$183,323.60	\$81,770.88	\$82,459.00	\$5,369.66	\$77,089.34	-\$45,712.02	-\$177,855.62	\$132,143.60	\$9.13	\$0.01	\$9.12	Case U-17357 Ex. A-2 & Case U-18019 Ex. A-1	
87	Mar 2015	\$287,562.73	\$202,965.40	\$84,597.33	\$82,459.00	\$5,369.66	\$77,089.34	-\$250,818.80	-\$375,463.23	\$124,644.43	-\$3.05	-\$11.87	\$8.82	Case U-17357 Ex. A-2 & Case U-18019 Ex. A-1	
88	Apr 2015	\$274,067.56	\$196,418.14	\$77,649.42	\$82,459.00	\$5,369.66	\$77,089.34	-\$442,444.08	-\$566,536.71	\$124,092.64	-\$16.71	-\$25.01	\$8.30	Case U-17357 Ex. A-2 & Case U-18019 Ex. A-1	
89	May 2015	\$274,364.76	\$202,965.40	\$71,399.36	\$82,459.00	\$5,369.66	\$77,089.34	-\$634,379.34	-\$764,170.22	\$129,790.88	-\$29.50	-\$37.77	\$8.27	Case U-17357 Ex. A-2 & Case U-18019 Ex. A-1	
90	Jun 2015	\$271,042.73	\$196,418.14	\$74,624.59	\$82,459.00	\$5,369.66	\$77,089.34	-\$823,005.36	-\$955,269.63	\$132,264.27	-\$42.29	-\$50.94	\$8.65	Case U-17357 Ex. A-2 & Case U-18019 Ex. A-1	
91	Jul 2015	\$282,761.14	\$202,965.40	\$79,795.74	\$987,552.00	\$910,462.66	\$77,089.34	-\$118,276.22	-\$247,844.01	\$129,567.79	-\$61.72	-\$71.64	\$9.92	Case U-17357 Ex. A-2 & Case U-18019 Ex. A-1	
92	Aug 2015	\$283,944.63	\$202,965.40	\$80,979.23	\$211,758.00	\$134,668.66	\$77,089.34	-\$190,470.75	-\$316,157.27	\$125,686.53	-\$7.89	-\$16.53	\$8.64	Case U-17357 Ex. A-2 & Case U-18019 Ex. A-1	
93	Sep 2015	\$271,886.06	\$196,418.14	\$75,467.92	\$211,758.00	\$134,668.66	\$77,089.34	-\$250,611.51	-\$377,927.83	\$127,316.32	-\$12.70	-\$21.08	\$8.38	Case U-17357 Ex. A-2 & Case U-18019 Ex. A-1	
94	Oct 2015	\$278,291.34	\$202,965.40	\$75,325.94	\$211,758.00	\$134,668.66	\$77,089.34	-\$317,167.82	-\$446,259.20	\$129,091.38	-\$22.97	-\$34.64	\$11.67	Case U-17357 Ex. A-2 & Case U-18019 Ex. A-1	
95	Nov 2015	\$271,603.63	\$196,418.14	\$75,185.49	\$211,758.00	\$134,668.66	\$77,089.34	-\$377,042.52	-\$508,049.58	\$131,007.06	-\$29.07	-\$40.90	\$11.83	Case U-17357 Ex. A-2 & Case U-18019 Ex. A-1	
96	Dec 2015	\$290,199.80	\$202,965.40	\$87,234.40	\$211,758.00	\$134,668.66	\$77,089.34	-\$455,572.30	-\$576,464.87	\$120,892.57	-\$87.98	-\$118.55	\$30.57	Case U-17357 Ex. A-2 & Case U-18019 Ex. A-1	
97	Jan 2016	\$97,006.67	\$3,859.66	\$93,147.01	\$82,527.17	\$5,083.34	\$77,443.83	-\$470,180.88	-\$575,404.52	\$105,223.64	-\$129.08	-\$163.33	\$34.25	Case U-17777 Ex. A-2 & This Exhibit Page 1	
98	Feb 2016	\$88,755.33	\$3,610.64	\$85,144.69	\$82,527.17	\$5,083.34	\$77,443.83	-\$476,542.26	-\$574,094.85	\$97,552.59	-\$133.22	-\$163.03	\$29.81	Case U-17777 Ex. A-2 & This Exhibit Page 1	
99	Mar 2016	\$89,342.51	\$3,859.66	\$85,482.85	\$82,527.17	\$5,083.34	\$77,443.83	-\$483,492.62	-\$573,033.83	\$89,541.21	-\$135.02	-\$162.66	\$27.64	Case U-17777 Ex. A-2 & This Exhibit Page 1	
100	Apr 2016	\$84,767.87	\$3,735.14	\$81,032.73	\$82,527.17	\$5,083.34	\$77,443.83	-\$485,874.34	-\$571,852.77	\$85,978.43	-\$141.02	-\$167.14	\$26.12	Case U-17777 Ex. A-2 & This Exhibit Page 1	
101	May 2016	\$78,746.41	\$3,859.66	\$74,886.75	\$82,527.17	\$5,083.34	\$77,443.83	-\$482,235.29	-\$570,795.88	\$88,560.59	-\$141.71	-\$166.79	\$25.08	Case U-17777 Ex. A-2 & This Exhibit Page 1	
102	Jun 2016	\$87,362.71	\$3,735.14	\$83,647.57	\$82,527.17	\$5,083.34	\$77,443.83	-\$487,231.48	-\$569,614.16	\$82,382.68	-\$140.65	-\$166.48	\$25.83	Case U-17777 Ex. A-2 & This Exhibit Page 1	
103	Jul 2016	\$87,693.31	\$3,859.66	\$83,833.65	\$82,527.17	\$5,083.34	\$77,443.83	-\$492,551.91	-\$568,570.86	\$76,018.95	-\$154.29	-\$180.38	\$26.09	Case U-17777 Ex. A-2 & This Exhibit Page 1	
104	Aug 2016	\$86,902.91	\$3,859.66	\$83,043.25	\$82,527.17	\$5,083.34	\$77,443.83	-\$497,079.52	-\$567,522.49	\$70,442.97	-\$151.87	-\$175.31	\$23.44	Case U-17777 Ex. A-2 & This Exhibit Page 1	
105	Sep 2016	\$87,803.23	\$3,735.14	\$84,068.09	\$82,527.17	\$5,083.34	\$77,443.83	-\$502,521.27	-\$566,363.46	\$63,842.19	-\$165.69	-\$189.17	\$23.48	Case U-17777 Ex. A-2 & This Exhibit Page 1	
106	Oct 2016	\$83,661.47	\$3,859.66	\$79,801.81	\$82,527.17	\$5,083.34	\$77,443.83	-\$503,835.64	-\$565,342.73	\$61,507.09	-\$180.07	-\$202.95	\$22.88	Case U-17777 Ex. A-2 & This Exhibit Page 1	
107	Nov 2016	\$81,415.55	\$1,867.57	\$79,547.98	\$82,527.17	\$5,083.34	\$77,443.83	-\$502,904.56	-\$562,329.54	\$59,424.98	-\$180.54	-\$202.58	\$22.04	Case U-17777 Ex. A-2 & This Exhibit Page 1	
108	Dec 2016	\$93,836.63	\$1,929.83	\$91,906.80	\$82,527.17	\$5,083.34	\$77,443.83	-\$514,448.71	-\$559,438.45	\$44,989.74	-\$234.69	-\$262.42	\$27.73	Case U-17777 Ex. A-2 & This Exhibit Page 1	
109															
110	2017 Projection Under Current EO Surcharge														
111	Jan 2017	\$150,366.89	\$64,557.55	\$85,809.34	\$187,491.23	\$111,424.42	\$76,066.81	-\$477,564.45	-\$512,832.65	\$35,268.20	-\$240.08	-\$261.07	\$20.99	Case U-18019 Ex. A-2 & current sales projection	
112	Feb 2017	\$150,366.89	\$64,557.55	\$85,809.34	\$187,491.23	\$111,424.42	\$76,066.81	-\$440,662.97	-\$466,205.10	\$25,542.13	-\$222.86	-\$239.32	\$16.46	Case U-18019 Ex. A-2 & current sales projection	
113	Mar 2017	\$150,366.89	\$64,557.55	\$85,809.34	\$187,491.23	\$111,424.42	\$76,066.81	-\$403,744.27	-\$419,555.79	\$15,811.51	-\$205.64	-\$217.56	\$11.92	Case U-18019 Ex. A-2 & current sales projection	
114	Apr 2017	\$150,366.89	\$64,557.55	\$85,809.34	\$187,491.23	\$111,424.42	\$76,066.81	-\$366,808.35	-\$372,884.71	\$6,076.36	-\$188.41	-\$195.79	\$7.38	Case U-18019 Ex. A-2 & current sales projection	
115	May 2017	\$150,366.89	\$64,557.55	\$85,809.34	\$187,491.23	\$111,424.42	\$76,066.81	-\$329,855.19	-\$326,191.85	-\$3,663.34	-\$171.18	-\$174.01	\$2.83	Case U-18019 Ex. A-2 & current sales projection	
116	Jun 2017	\$150,366.89	\$64,557.55	\$85,809.34	\$187,491.23	\$111,424.42	\$76,066.81	-\$292,884.78	-\$279,477.20	-\$13,407.58	-\$153.93	-\$152.22	-\$1.71	Case U-18019 Ex. A-2 & current sales projection	
117	Jul 2017	\$150,366.89	\$64,557.55	\$85,809.34	\$187,491.23	\$111,424.42	\$76,066.81	-\$255,897.12	-\$232,740.75	-\$23,156.37	-\$136.68	-\$130.42	-\$6.26	Case U-18019 Ex. A-2 & current sales projection	
118	Aug 2017	\$150,366.89	\$64,557.55	\$85,809.34	\$187,491.23	\$111,424.42	\$76,066.81	-\$218,892.20	-\$185,982.49	-\$32,909.71	-\$119.42	-\$108.61	-\$10.81	Case U-18019 Ex. A-2 & current sales projection	
119	Sep 2017	\$150,366.89	\$64,557.55	\$85,809.34	\$187,491.23	\$111,424.42	\$76,066.81	-\$181,870.01	-\$139,202.41	-\$42,667.60	-\$102.15	-\$86.79	-\$15.36	Case U-18019 Ex. A-2 & current sales projection	
120	Oct 2017	\$150,366.89	\$64,557.55	\$85,809.34	\$187,491.23	\$111,424.42	\$76,066.81	-\$144,830.54	-\$92,400.50	-\$52,430.05	-\$84.87	-\$64.96	-\$19.91	Case U-18019 Ex. A-2 & current sales projection	
121	Nov 2017	\$150,366.89	\$64,557.55	\$85,809.34	\$187,491.23	\$111,424.42	\$76,066.81	-\$107,773.79	-\$45,576.75	-\$62,197.05	-\$67.59	-\$43.12	-\$24.47	Case U-18019 Ex. A-2 & current sales projection	
122	Dec 2017	\$150,366.89	\$64,557.55	\$85,809.34	\$187,491.23	\$111,424.42	\$76,066.81	-\$70,699.75	\$1,268.85	-\$71,968.60	-\$50.29	-\$21.27	-\$29.02	Case U-18019 Ex. A-2 & current sales projection	
123															
124	2018 Projection Under Current EO Surcharge														
125	Jan 2018	\$150,615.69	\$64,557.55	\$86,058.14	\$189,826.98	\$115,028.08	\$74,798.90	-\$31,521.45	\$51,739.97	-\$83,261.42	-\$32.99	\$0.59	-\$33.58	This Case Ex. A-2 and current sales projection	
126	Feb 2018	\$150,615.69	\$64,557.55	\$86,058.14	\$189,826.98	\$115,028.08	\$74,798.90	\$7,675.13	\$102,234.65	-\$94,559.52	-\$14.71	\$24.15	-\$38.86	This Case Ex. A-2 and current sales projection	
127	Mar 2018	\$150,615.69	\$64,557.55	\$86,058.14	\$189,826.98	\$115,028.08	\$74,798.90	\$46,890.00	\$152,752.89	-\$105,862.89	\$3.58	\$47.71	-\$44.13	This Case Ex. A-2 and current sales projection	
128	Apr 2018	\$150,615.69	\$64,557.55	\$86,058.14	\$189,826.98	\$115,028.08	\$74,798.90	\$86,123.18	\$203,294.71	-\$117,171.54	\$21.88	\$71.29	-\$49.41	This Case Ex. A-2 and current sales projection	
129	May 2018	\$150,615.69	\$64,557.55	\$86,058.14	\$189,826.98	\$115,028.08	\$74,798.90	\$125,374.66	\$253,860.11	-\$128,485.46	\$40.19	\$94.87	-\$54.68	This Case Ex. A-2 and current sales projection	
130	Jun 2018	\$150,615.69	\$64,557.55	\$86,058.14	\$189,826.98	\$115,028.08	\$74,798.90	\$164,644.45	\$304,449.11	-\$139,804.66	\$58.51	\$118.47	-\$59.96	This Case Ex. A-2 and current sales projection	
131	Jul 2018	\$150,615.69	\$64,557.55	\$86,058.14	\$189,826.98	\$115,028.08	\$74,798.90	\$203,932.58	\$355,061.72	-\$151,121.15	\$76.83	\$142.08	-\$65.25	This Case Ex. A-2 and current sales projection	
132	Aug 2018	\$150,615.69	\$64,557.55	\$86,058.14	\$189,826.98	\$115,028.08	\$74,798.90	\$243,239.04	\$405,697.95	-\$162,458.92	\$95.17	\$165.70	-\$70.53	This Case Ex. A-2 and current sales projection	
133	Sep 2018	\$150,615.69	\$64,557.55	\$86,058.14	\$189,826.98	\$115,028.08	\$74,798.90	\$282,563.84	\$456,357.81	-\$173,793.97	\$113.51	\$189.33	-\$75.82	This Case Ex. A-2 and current sales projection	
134	Oct 2018	\$150,615.69	\$64,557.55	\$86,058.14	\$189,826.98	\$115,028.08	\$74,798.90	\$321,906.99	\$507,041.31	-\$185,134.32	\$131.86	\$212.97	-\$81.11	This Case Ex. A-2 and current sales projection	
135	Nov 2018	\$150,615.69	\$64,557.55	\$86,058.14	\$189,826.98	\$115,028.08	\$74,798.90	\$361,268.51	\$557,748.46	-\$196,479.96	\$150.22	\$236.62	-\$86.40	This Case Ex. A-2 and current sales projection	
136	Dec 2018	\$150,615.69	\$64,557.55	\$86,058.14	\$189,826.98	\$115,028.08	\$74,798.90	\$400,648.39	\$608,479.27	-\$207,830.88	\$168.59	\$260.28	-\$91		

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
137															
138															
139															
140															
141															
142	Regulatory Asset (Liability) Split Between CpCL and Other Retail Customers														
143	Wisconsin Electric and UMERC WEPCo Zone														
144															
145	Month	Total Surcharges Collected From Customers	Surcharges Collected From CpLC	Surcharges Collected From Other Retail Customers	Total Payments to EO Administrator	Payments to EO Administrator for CpLC	Payments to EO Administrator for Other Retail Customers	Total Month-End Regulatory Asset (Liability)	Month-End Regulatory Asset (Liability) for CpLC	Month-End Regulatory Asset (Liability) for Other Retail Customers	Total Monthly Carrying Cost	Monthly Carrying Cost for CpLC	Monthly Carrying Cost for Other Retail Customers	#	Source
146	2018 Projection Under Proposed EWR Surcharge														
148	Jan 2018	\$187,021.22	\$115,080.92	\$71,940.30	\$189,826.98	\$115,028.08	\$74,798.90	-\$67,926.98	\$1,216.61	-\$69,143.59	-\$32.99	\$0.59	-\$33.59		This Case Ex. A-2 and current sales projection
149	Feb 2018	\$187,021.22	\$115,080.92	\$71,940.30	\$189,826.98	\$115,028.08	\$74,798.90	-\$65,152.92	\$1,164.33	-\$66,317.25	-\$31.70	\$0.57	-\$32.27		This Case Ex. A-2 and current sales projection
150	Mar 2018	\$187,021.22	\$115,080.92	\$71,940.30	\$189,826.98	\$115,028.08	\$74,798.90	-\$62,377.56	\$1,112.04	-\$63,489.60	-\$30.40	\$0.54	-\$30.95		This Case Ex. A-2 and current sales projection
151	Apr 2018	\$187,021.22	\$115,080.92	\$71,940.30	\$189,826.98	\$115,028.08	\$74,798.90	-\$59,600.91	\$1,059.72	-\$60,660.63	-\$29.11	\$0.52	-\$29.63		This Case Ex. A-2 and current sales projection
152	May 2018	\$187,021.22	\$115,080.92	\$71,940.30	\$189,826.98	\$115,028.08	\$74,798.90	-\$56,822.97	\$1,007.37	-\$57,830.34	-\$27.81	\$0.49	-\$28.31		This Case Ex. A-2 and current sales projection
153	Jun 2018	\$187,021.22	\$115,080.92	\$71,940.30	\$189,826.98	\$115,028.08	\$74,798.90	-\$54,043.72	\$955.00	-\$54,998.73	-\$26.52	\$0.47	-\$26.99		This Case Ex. A-2 and current sales projection
154	Jul 2018	\$187,021.22	\$115,080.92	\$71,940.30	\$189,826.98	\$115,028.08	\$74,798.90	-\$51,263.18	\$902.61	-\$52,165.79	-\$25.22	\$0.45	-\$25.67		This Case Ex. A-2 and current sales projection
155	Aug 2018	\$187,021.22	\$115,080.92	\$71,940.30	\$189,826.98	\$115,028.08	\$74,798.90	-\$48,481.35	\$850.19	-\$49,331.54	-\$23.92	\$0.42	-\$24.34		This Case Ex. A-2 and current sales projection
156	Sep 2018	\$187,021.22	\$115,080.92	\$71,940.30	\$189,826.98	\$115,028.08	\$74,798.90	-\$45,698.21	\$797.75	-\$46,495.96	-\$22.62	\$0.40	-\$23.02		This Case Ex. A-2 and current sales projection
157	Oct 2018	\$187,021.22	\$115,080.92	\$71,940.30	\$189,826.98	\$115,028.08	\$74,798.90	-\$42,913.78	\$745.28	-\$43,659.06	-\$21.33	\$0.37	-\$21.70		This Case Ex. A-2 and current sales projection
158	Nov 2018	\$187,021.22	\$115,080.92	\$71,940.30	\$189,826.98	\$115,028.08	\$74,798.90	-\$40,128.04	\$692.79	-\$40,820.83	-\$20.03	\$0.35	-\$20.37		This Case Ex. A-2 and current sales projection
159	Dec 2018	\$187,021.22	\$115,080.92	\$71,940.30	\$189,826.98	\$115,028.08	\$74,798.90	-\$37,341.01	\$640.27	-\$37,981.28	-\$18.73	\$0.32	-\$19.05		This Case Ex. A-2 and current sales projection
160															
161	2019 Projection Under Proposed EWR Surcharge														
162	Jan 2019	\$187,021.22	\$115,080.92	\$71,940.30	\$189,826.98	\$115,028.08	\$74,798.90	-\$34,552.68	\$587.73	-\$35,140.40	-\$17.43	\$0.30	-\$17.72		This Case Ex. A-2 and current sales projection
163	Feb 2019	\$187,021.22	\$115,080.92	\$71,940.30	\$189,826.98	\$115,028.08	\$74,798.90	-\$31,763.04	\$535.16	-\$32,298.20	-\$16.12	\$0.27	-\$16.40		This Case Ex. A-2 and current sales projection
164	Mar 2019	\$187,021.22	\$115,080.92	\$71,940.30	\$189,826.98	\$115,028.08	\$74,798.90	-\$28,972.10	\$482.57	-\$29,454.68	-\$14.82	\$0.25	-\$15.07		This Case Ex. A-2 and current sales projection
165	Apr 2019	\$187,021.22	\$115,080.92	\$71,940.30	\$189,826.98	\$115,028.08	\$74,798.90	-\$26,179.86	\$429.96	-\$26,609.82	-\$13.52	\$0.23	-\$13.75		This Case Ex. A-2 and current sales projection
166	May 2019	\$187,021.22	\$115,080.92	\$71,940.30	\$189,826.98	\$115,028.08	\$74,798.90	-\$23,386.32	\$377.32	-\$23,763.64	-\$12.22	\$0.20	-\$12.42		This Case Ex. A-2 and current sales projection
167	Jun 2019	\$187,021.22	\$115,080.92	\$71,940.30	\$189,826.98	\$115,028.08	\$74,798.90	-\$20,591.48	\$324.65	-\$20,916.13	-\$10.91	\$0.18	-\$11.09		This Case Ex. A-2 and current sales projection
168	Jul 2019	\$187,021.22	\$115,080.92	\$71,940.30	\$189,826.98	\$115,028.08	\$74,798.90	-\$17,795.33	\$271.96	-\$18,067.29	-\$9.61	\$0.15	-\$9.76		This Case Ex. A-2 and current sales projection
169	Aug 2019	\$187,021.22	\$115,080.92	\$71,940.30	\$189,826.98	\$115,028.08	\$74,798.90	-\$14,997.87	\$219.25	-\$15,217.12	-\$8.30	\$0.13	-\$8.43		This Case Ex. A-2 and current sales projection
170	Sep 2019	\$187,021.22	\$115,080.92	\$71,940.30	\$189,826.98	\$115,028.08	\$74,798.90	-\$12,199.11	\$166.51	-\$12,365.62	-\$7.00	\$0.10	-\$7.10		This Case Ex. A-2 and current sales projection
171	Oct 2019	\$187,021.22	\$115,080.92	\$71,940.30	\$189,826.98	\$115,028.08	\$74,798.90	-\$9,399.04	\$113.75	-\$9,512.79	-\$5.69	\$0.08	-\$5.77		This Case Ex. A-2 and current sales projection
172	Nov 2019	\$187,021.22	\$115,080.92	\$71,940.30	\$189,826.98	\$115,028.08	\$74,798.90	-\$6,597.67	\$60.96	-\$6,658.63	-\$4.39	\$0.05	-\$4.44		This Case Ex. A-2 and current sales projection
173	Dec 2019	\$187,021.22	\$115,080.92	\$71,940.30	\$189,826.98	\$115,028.08	\$74,798.90	-\$3,794.99	\$8.15	-\$3,803.14	-\$3.08	\$0.03	-\$3.11		This Case Ex. A-2 and current sales projection

	A	B	C	D	E
1					Case No. U-18266
2					Exhibit A-2 (EAR-2)
3					Witness: Eric A. Rogers
4					Date: July 2017
5					Page 1 of 1
6		Upper Michigan Energy Resources Corporation (Wepco Zone)			
7		Calculation of Total Payments to EO Administrator and Collections from Customers in 2018			
8		And Percentage of the Total Collected from Customers Not Opting Out with Self-Directed Programs			
9			2016 Revenue /		
10			2018 Payments		
11	1)	Total Revenue in 2016 From Full-Service Customers	\$48,694,101		
12	2)	Total Revenue in 2016 From RAS Customers	\$2,281,803		
13	3)	Revenue in 2016 from Customers Opting Out in 2016	\$6,096,567		
14	4)	Revenue in 2016 from Customers Not Opting Out in 2016	\$44,879,337		
15	5)	Payment to Administrator in 2018	\$897,587		
16	6)	50% of Regulatory Asset Plus at End of 2017	-\$35,984		
17	7)	Amount to Collect in 2018 from Customers Not Opting Out	\$861,602		
18	8)	Low Income Program Payments in Current Year (10% of Total Payments)	\$89,759		
19	9)	Low Income Program Payments from Customers Opting Out	\$10,948		
20	10)	Percent of Total Payment Collected from Customers Not Opting Out	98.73%		
21	Sources:	1) MPSC Form P521 Page 304 (M)			
22		2) MPSC Form P521 Page 302 (M)			
23					
24					
25		3) Case U-18337 Ex. A-2 (Cell B45 - Cell C45)			
26		4) Line 1 + Line 2 - Line 3			
27		5) Line 4 * 2%			
28		6) Exhibit A-1 Page 2 (Cell J122) * 50%			
29		7) Line 5 + Line 6			
30		8) Line 7 * 10%			
31		9) Line 8 * Line 3 / Line 1 plus Exhibit A-3 Cells D33 & D37			
32		10) (Line 7 - Line 9) / Line 7			

	A	B	C	D	E	F	G	H	I	J	K
1											
2											
3											
4											
5											
6											
7											
8											
9	Class	2016 Booked Revenue	2.00% of 2016 Booked Revenue (\$)	50% of Projected Reg Asset at End of 2017	Unadjusted EO Surcharge Revenue to Collect in 2018 (\$)	Adjustment to Account for Low Income Payment from Customers Opting Out	Adjusted EO Surcharge Revenue to Collect in 2018 (\$)	Portion of Annual Energy in Period	TY2018 Forecast Booked Sales (kWh)	2018 Volumetric Surcharge (\$/kWh)	Annual Total Collected by Surcharge
10	Residential	\$25,655,314	\$513,106	(\$19,917)	\$493,189	98.73%	\$486,925	1	164,811,724	\$0.00295	\$486,195
11											
12	Note: Surcharge for residential customers is calculated by: (Col G / (Col H) * Col I)										
13											
14	Class	2016 Booked Revenue	2.00% of 2016 Booked Revenue (\$)	50% of Projected Reg Asset at End of 2017	Unadjusted EO Surcharge Revenue to Collect in 2018 (\$)	Adjustment to Account for Low Income Payment from Customers Opting Out	Adjusted EO Surcharge Revenue to Collect in 2018 (\$)	Number of Days in Period	TY2018 Forecast Customers	2018 per Meter Surcharge (\$/Meter/Day)	Annual Total Collected by Surcharge
15	Cg1 Full Service	\$10,795,065		-\$9,166					2,793		
16	Cg1 Retail Access Service	\$502,733		-\$60					20		
17	Cg1 Total	\$11,297,798	\$225,956	-\$9,226	\$216,730	98.73%	\$213,977	365.00	2,813	\$0.20840	\$213,974
18											
19	Cg2	\$293,265	\$5,865	-\$237	\$5,628	98.73%	\$5,557	365.00	38	\$0.40063	\$5,557
20											
21	Cg3 & Cg3C Full Service	\$3,426,771	\$68,535	-\$2,151	\$66,384	98.73%			39		
22	Cg3 & Cg3C Retail Access Service	\$1,080,506		-\$1,804					35		
23	Cg3 & Cg3C Total	\$4,507,277	\$90,146	-\$3,956	\$86,190	98.73%	\$85,095	365.00	74	\$3.15051	\$85,095
24											
25	Cg5	\$847,669	\$16,953	-\$466	\$16,487	98.73%	\$16,278	365.00	101	\$0.44155	\$16,278
26											
27	TSSM & TSSU	\$52,539	\$1,051	-\$18	\$1,033	98.73%	\$1,020	365.00	17	\$0.16432	\$1,020
28											
29	Cp1 Full Service	\$582,294		-\$396					2		
30	Cp1 Retail Access Service	\$313,902		-\$384					2		
31	Total Cp1	\$896,196	\$17,924	-\$780	\$17,144	98.73%	\$16,926	365.00	4	\$11.59323	\$16,926
32											
33	Cp2, Cp3 & Cp4	\$5,711,905	\$114,238	-\$278	\$113,960	100.00%	\$113,960	365.00	2	\$156.10995	\$0
34											
35	Schedule A Full Service	\$0		\$0					0		
36	Schedule A Retail Access Service	\$384,662		-\$12					1		
37	Schedule A Total	\$384,662	\$7,693	-\$12	\$7,681	100.00%	\$7,681	365.00	1	\$21.04501	\$0
38											
39	Special Contract (Non Former CpLC)	\$565,053	\$11,301	-\$500	\$10,801	98.73%	\$10,664	365.00	1	\$29.21608	\$10,664
40											
41	Ms1	\$0	\$0	\$0	\$0	98.73%	\$0	365.00	0	\$0.00000	\$0
42											
43	Total Non-Res Metered	\$24,556,364	\$559,663	-\$15,455	\$542,039		\$471,159		5,943		\$349,514
44											
45											
46											
47											
48											
49	Note: Surcharge for Non-Res Metered customers is calculated by: (Col G / (Col H * Col I)										
50											
51	Class	2016 Booked Revenue	2.00% of 2016 Booked Revenue (\$)	50% of Projected Reg Asset at End of 2017	Unadjusted EO Surcharge Revenue to Collect in 2018 (\$)	Adjustment to Account for Low Income Payment from Customers Opting Out	Adjusted EO Surcharge Revenue to Collect in 2018 (\$)				
52	Gl1-Res	\$90,329	\$1,807	\$265	\$2,071	98.73%	\$2,045				
53	Gl1-GS	\$137,721	\$2,754	\$404	\$3,158	98.73%	\$3,118				
54	Gl1-GP	\$18,736	\$375	\$55	\$430	98.73%	\$424				
55	Ms2	\$491,568	\$9,831	\$1,654	\$11,485	98.73%	\$11,340				
56	Ms3	\$25,872	\$517	\$65	\$582	98.73%	\$575				
57											
58	Total Un-Metered	\$764,226	\$15,285	\$2,442	\$17,727		\$17,501				
59											
60	Total Michigan Retail	\$50,975,904	\$1,088,054	-\$32,930	\$1,052,954		\$975,585				

	A	B	C	D	E	F	G
61							Case No. U-18266
62							Exhibit A-3 (EAR-3)
63							Witness: Eric A. Rogers
64	Upper Michigan Energy Resources Corporation (Wepco Zone)						Date: July 2017
65	Derivation of Energy Waste Reduction Surcharges for 2018 Under Act 295 Section 91						Page 2 of 5
66							
67	For Customers Not Opting Out With Self-Directed Programs						
68							
		Assumed Monthly Consumption (kWh)					Imputed Monthly Energy
		(Filed in Case U-15220)		Total Lamps - G11	Total Lamps - Ms2	Total Lamps - Ms3	
69	Unmetered Lamp Size (Watts)						
70		50	21	0	0	0	0
71		70	31	84	0	0	2,604
72		100	48	622	2348	42	144,576
73		150	68	4	21	0	1,700
74		175	77	1	2	0	231
75		200	90	196	46	19	23,490
76		250	112	0	363	39	45,024
77		400	173	178	8	26	36,676
78		1000	403	0	0	0	0
79							
80							254,301
81							
				2016 Monthly Surcharge - G11 (\$/Lamp)	2016 Monthly Surcharge - Ms2 (\$/Lamp)	2016 Monthly Surcharge - Ms3 (\$/Lamp)	
82	Unmetered Lamp Size (Watts)						
83		50		NA	\$0.13	\$0.13	
84		70		\$0.18	\$0.18	\$0.18	
85		100		\$0.25	\$0.25	\$0.25	
86		150		\$0.38	\$0.38	\$0.38	
87		175		\$0.44	\$0.44	\$0.44	
88		200		\$0.51	\$0.51	\$0.51	
89		250		\$0.64	\$0.64	\$0.64	
90		400		\$1.02	\$1.02	\$1.02	
91		1000		NA	NA	\$2.54	
92							
				2016 Total Surcharge Revenue - G11 (\$)	2016 Total Surcharge Revenue - Ms2 (\$)	2016 Total Surcharge Revenue - Ms3 (\$)	
93	Unmetered Lamp Size (Watts)						
94		50		\$0.00	\$0.00	\$0.00	
95		70		\$181.44	\$0.00	\$0.00	
96		100		\$1,866.00	\$7,044.00	\$126.00	
97		150		\$18.24	\$95.76	\$0.00	
98		175		\$5.28	\$10.56	\$0.00	
99		200		\$1,199.52	\$281.52	\$116.28	
100		250		\$0.00	\$2,787.84	\$299.52	
101		400		\$2,178.72	\$97.92	\$318.24	
102		1000				\$0.00	
103							
104	Total			\$5,449	\$10,318	\$860	\$16,627
105	Total to Match			\$5,587	\$11,340	\$575	\$17,501
106							
107	Unit Surcharge (\$/kWh)						0.00573514
108							
109	Mg1 Annual kwh per Horsepower						20.7
110							
111	Mg1 Annual surcharge per Horsepower						\$0.12
112							
113	LED1 Monthly Hours of Use						350
114							
115	LED1 Monthly Surcharge						\$0.00729
116							
117	Note: Surcharges for Unmetered Lighting is calculated by Trial and Error such that Revenue Requirement is met						

	A	B	C	D	E	F	G	H	I	J
118										Case No. U-18266
119										Exhibit A-3 (EAR-3)
120										Witness: Eric A. Rogers
121	Upper Michigan Energy Resources Corporation (Wepeco Zone)									Date: July 2017
122	Derivation of Energy Waste Reduction Surcharges for 2018 Under Act 295 Section 91									Page 3 of 5
123										
124	For Customers Opting Out With Self-Directed Programs									
125										
126	Class		Adjusted EO Surcharge Revenue to Collect in 2018 (\$)	TY2018 Forecast Booked Sales (kWh)			Adjustment Factor	Portion of Annual Energy in Period	2018 Volumetric Surcharge (\$/kWh)	Revenue for Low Income Program from Customers Opting Out
127	Residential		\$486,925	164,811,724			0.09	1	NA	
128										
129										
130	Class		Adjusted EO Surcharge Revenue to Collect in 2018 (\$)	TY2018 Forecast Customers	TY2016 Forecast Customers Opting Out		Adjustment Factor	Number of Days in Period	2018 per Meter Surcharge (\$/Meter/Day)	Revenue for Low Income Program from Customers Opting Out
131	Cg1 & TSSM Full Service									
132	Cg1 Retail Access Service									
133	Cg1 & TSSM Total		\$213,977	2,813	0		0.09	365.00	\$0.01876	\$0
134										
135	Cg2		\$5,557	38	0		0.09	365.00	\$0.03606	\$0
136										
137	Cg3 & Cg3C Full Service									
138	Cg3 & Cg3C Retail Access Service									
139	Cg3 & Cg3C Total		\$85,095	74	0		0.09	365.00	\$0.28355	\$0
140										
141	Cg5		\$16,278	101	0		0.09	365.00	\$0.03974	\$0
142										
143	TSSM & TSSU		\$1,020	17	0		0.09	365.00	\$0.01479	\$0
144										
145	Cp1 Full Service									
146	Cp1 Retail Access Service									
147	Total Cp1		\$16,926	4	0		0.09	365.00	\$1.04339	\$0
148										
149	Cp2, Cp3 & Cp4		\$113,960	2	2		0.09	365.00	\$14.04990	\$10,256
150										
151	Schedule A Full Service									
152	Schedule A Retail Access Service									
153	Schedule A Total		\$7,681	1	1		0.09	365.00	\$1.89405	\$691
154										
155	Special Contract (Non Former CpLC)		\$10,664	1	0		0.09	365.00	\$2.62945	\$0
156										
157	Ms1		\$0	0	0		0.09	365.00	\$0.00000	\$0
158										
159	Total Non-Res Metered									\$10,948
160										
161										
162										
163										
164										
165										
166										
167										
168										
169	Note: Surcharges for Customers Opting out are calculated by: (Col E * Col G) / (Col F * Col H)									
170	Adjustment factor in column G is derived by trial and error such that revenue requirement is met									
171	Class		Adjusted EO Surcharge Revenue to Collect in 2018 (\$)							
172	G1-Res		\$204							
173	G1-GS		\$312							
174	G1-GP		\$42							
175	Ms2		\$1,134							
176	Ms3		\$57							
177										
178	Total Un-Metered		\$1,750							

	A	B	C	D	E	F	G
180							Case No. U-18266
181							Exhibit A-3 (EAR-3)
182							Witness: Eric A. Rogers
183	Upper Michigan Energy Resources Corporation (Wepco Zone)						Date: July 2017
184	Derivation of Energy Waste Reduction Surcharges for 2018 Under Act 295 Section 91						Page 4 of 5
185							
186	For Customers Opting Out With Self-Directed Programs						
187							
		Assumed Monthly Consumption (kWh) (Filed in Case U-					Imputed Monthly
188	Unmetered Lamp Size (Watts)	15220)		Total Lamps - G11	Total Lamps - Ms2	Total Lamps - Ms3	Energy
189	50	21		0	0	0	0
190	70	31		106	0	0	3,286
191	100	48		754	2464	46	156,672
192	150	68		1	18	0	1,292
193	175	77		0	2	0	154
194	200	90		212	44	19	24,750
195	250	112		0	403	63	52,192
196	400	173		182	8	21	36,503
197	1000	403		0	0	0	0
198							
199							274,849
200							
				2016 Monthly Surcharge - G11 (\$/Lamp)	2016 Monthly Surcharge - Ms2 (\$/Lamp)	2016 Monthly Surcharge - Ms3 (\$/Lamp)	
201	Unmetered Lamp Size (Watts)						
202	50			NA	\$0.01	\$0.01	
203	70			\$0.02	\$0.02	\$0.02	
204	100			\$0.02	\$0.02	\$0.02	
205	150			\$0.04	\$0.04	\$0.04	
206	175			\$0.04	\$0.04	\$0.04	
207	200			\$0.05	\$0.05	\$0.05	
208	250			\$0.06	\$0.06	\$0.06	
209	400			\$0.10	\$0.10	\$0.10	
210	1000			NA	NA	\$0.24	
211							
				2016 Total Surcharge Revenue - G11 (\$)	2016 Total Surcharge Revenue - Ms2 (\$)	2016 Total Surcharge Revenue - Ms3 (\$)	
212	Unmetered Lamp Size (Watts)						
213	50			\$0.00	\$0.00	\$0.00	
214	70			\$25.44	\$0.00	\$0.00	
215	100			\$180.96	\$591.36	\$11.04	
216	150			\$0.48	\$8.64	\$0.00	
217	175			\$0.00	\$0.96	\$0.00	
218	200			\$127.20	\$26.40	\$11.40	
219	250			\$0.00	\$290.16	\$45.36	
220	400			\$218.40	\$9.60	\$25.20	
221	1000					\$0.00	
222							
223	Total			\$552	\$927	\$93	\$1,573
224	Total to Match			\$559	\$1,134	\$57	\$1,750
225							
226	Unit Surcharge (\$/kWh)						0.00053064
227							
228	Mg1 Annual kwh per Horsepower						20.7
229							
230	Mg1 Annual surcharge per Horsepower						\$0.01
231							
232	LED1 Monthly Hours of Use						350
233							
234	LED1 Monthly Surcharge						\$0.00069

	A	B	C
235			Case No. U-18266
236			Exhibit A-3 (EAR-3)
237			Witness: Eric A. Rogers
238			Date: July 2017
239			Page 5 of 5
240			
241	Upper Michigan Energy Resources Corporation (Wepeco Zone)		
242	Total Collected from Surcharge From Customers Not Opting Out		
243			
244			
245		Total Collected Expected in 2018	Source
246	Residential	\$486,195	Page 1 Cell K10
247	Non-Res Metered	\$349,514	Page 1 Cell K43
248	Unmetered	\$16,627	Page 2 Cell G104
249	Total	<u>\$852,336</u>	
250			
251			
252	Total Collected from Surcharge From Customers Opting Out		
253			
254		Total Collected Expected in 2018	Source
255	Non-Res Metered	\$10,948	Page 3 Cell J159
256			
257			
258	Total Collected from Surcharge From All Customers		
259			
260			
261		Total Collected Expected in 2018	Source
262	Customers Not Opting Out	\$852,336	Page 5 Cell B247
263	Customers Opting Out	\$10,948	Page 5 Cell B253
264	Total	<u>\$863,284</u>	

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

WEPCo Rate Zone

Original Sheet No. D-5.00

ENERGY WASTE REDUCTION SURCHARGE

RESIDENTIAL RATE SCHEDULES

Customers on the Rg1 and Rg2 rate schedules shall receive a Delivery/distribution Energy **Waste Reduction** Surcharge per kWh, as indicated below:

\$0.00295

GENERAL SECONDARY, GENERAL PRIMARY, AND LIGHTING RATE SCHEDULES

Customers on the following rate schedules shall receive a Delivery/distribution Energy **Waste Reduction** Surcharge per meter*, per day, as indicated below.

RATE SCHEDULE	Customers without a Self-Directed Plan	Customers with a Self-Directed Plan
	RATE	RATE
Cg 1	\$0.20840	\$0.01876
Cg 2	\$0.40063	\$0.03606
Cg 3	\$3.15051	\$0.28355
Cg3C	\$3.15051	\$0.28355
Cg 5	\$0.44155	\$0.03974
Cp 1	\$11.59323	\$1.04339
Cp 2	\$156.10995	\$14.04990
Cp 3	\$156.10995	\$14.04990
Cp 4	\$156.10995	\$14.04990
A	\$21.04501	\$1.89405
Cp LC	\$3,783.48	\$378.35
TssM	\$0.16432	\$0.01479
TssU	\$0.16432	\$0.01479
Special Contracts	\$29.21608	\$2.62945

* Company assumes one meter per service point.

Customers on the following rate schedules shall receive a Delivery/distribution Energy **Waste Reduction** Surcharge per lamp, per month, as indicated below.

Lamp Size (Watts)	Customers without a Self-Directed Plan			Customers with a Self-Directed Plan		
	RATE			RATE		
	GL1	Ms2	Ms3	GL1	Ms2	Ms3
50	*	\$0.13	\$0.13	*	\$0.01	\$0.01
70	\$0.18	\$0.18	\$0.18	\$0.02	\$0.02	\$0.02
100	\$0.25	\$0.25	\$0.25	\$0.02	\$0.02	\$0.02
150	\$0.38	\$0.38	\$0.38	\$0.04	\$0.04	\$0.04
175	\$0.44	\$0.44	\$0.44	\$0.04	\$0.04	\$0.04
200	\$0.51	\$0.51	\$0.51	\$0.05	\$0.05	\$0.05
250	\$0.64	\$0.64	\$0.64	\$0.06	\$0.06	\$0.06
400	\$1.02	\$1.02	\$1.02	\$0.10	\$0.10	\$0.10
1000	*	*	\$2.54	*	*	\$0.24

* Not available for this rate.

(Continued on Sheet No. D-5.02)

Issued December 21, 2016
 T. T. Eidukas
 Vice-President,
 Milwaukee, Wisconsin

Effective for service rendered on and
 after January 1, 2017

Issued under authority of the
 Michigan Public Service Commission
 dated December 20, 2016
 in Case No. U-18019

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

WEPCo Rate Zone

Original Sheet No. D-6.00

ENERGY WASTE REDUCTION SURCHARGE
(Continued From Sheet No. D-5.01)

LED STREET LIGHTING SERVICE RATE SCHEDULE

The LED1 rate schedule shall receive an Energy *Waste Reduction* Surcharge per kWh as shown below. The kWh usage shall be calculated by multiplying the rated input wattage of the original fixture and related accessory equipment by 350 hours.

Customers without a self-directed plan	\$0.00729
Customers with a self-directed plan	\$0.00069

MUNICIPAL DEFENSE SIREN RATE SCHEDULE

The Mg1 rate schedule shall receive an Energy *Waste Reduction* Surcharge per year or any part of a year for each 2 horsepower or fraction thereof for each siren installed, as shown below.

Customers without a self-directed plan	\$0.12
Customers with a self-directed plan	\$0.01

OTHER RATE SCHEDULES

The following rate schedules shall receive an Energy *Waste Reduction* Surcharge as indicated above consistent with the rate schedule under which the customer is served. The Energy *Waste Reduction* Surcharge is not prorated based on the level of participation selected under rate schedules ERER1, ERER2 or ERER3.

RATE SCHEDULE

ERER1

ERER2

ERER3

Ds1

CGS Category 1

Customers contracting for Retail Access Service

Issued December 21, 2016
T. T. Eidukas
Vice-President,
Milwaukee, Wisconsin

Effective for service rendered on and
after January 1, 2017

Issued under authority of the
Michigan Public Service Commission
dated December 9, 2016
in Case No. U-18061

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission's own motion,)
regarding the regulatory reviews, revisions,)
determinations, and/or approvals necessary for) Case No. U-18266
UPPER MICHIGAN ENERGY RESOURCES)
CORPORATION to fully comply with Public Act 295)
of 2008, as amended by Public Act 342 of 2016.)

DIRECT TESTIMONY AND EXHIBITS

OF

JAMES M. BEYER

ON BEHALF OF

UPPER MICHIGAN ENERGY RESOURCES CORPORATION

July 3, 2017

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

2 A. My name is James M. Beyer and my business address is 700 North Adams Street, Green
3 Bay, Wisconsin 54307-9001.

4 **Q. By whom are you employed and in what capacity?**

5 A. I am employed by WEC Energy Group, Inc. (“WEC”) as a Project Specialist. I am
6 testifying on behalf of Upper Michigan Energy Resources Corporation (“UMERC” or the
7 “Company”), specifically as it relates to UMERC’s WPSC Rate Zone, as will be
8 discussed below.

9 **Q. Briefly describe your educational background and employment history.**

10 A. I graduated from Northern Michigan University, Marquette, Michigan, with a Bachelor of
11 Science Degree in Accounting in 2002; and from Lakeland College, Sheboygan,
12 Wisconsin, with a Master of Business Administration (“MBA”) degree in 2006. In 2004,
13 I was employed by Wisconsin Public Service Corporation (“WPS Corp” or “WPSC”) in
14 the Regulatory Affairs Department. After UMERC acquired WPS Corp’s Michigan-
15 based assets and customers in 2017, my employment responsibilities included UMERC.
16 I am currently involved in financial analyses and rate related studies, as well as tariff
17 development and administration.

18 **Q. Have you previously testified in any regulatory proceedings?**

19 A. Yes I have. I have testified before the Public Service Commission of Wisconsin.
20 Also, I submitted testimony and exhibits with the Michigan Public Service Commission
21 (“MPSC” or the “Commission”) in Case Nos. U-14745, U-15988, U-16166, U-16417, U-
22 17274, U-17605, 17669, U-17835, U-17775 and U-18018.

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

2 A. I am presenting UMEREC's analysis as to the following:

- 3 1. Calculation of the 2018 and 2019 Alternative EWR Compliance Payments
- 4 relating to electric service in UMEREC's WPSC Rate Zone; and
- 5 2. Approval of the projected electric EWR cost surcharges for UMEREC's WPSC
- 6 Rate Zone.

7 **Q. Will you please give some history of UMEREC as it relates to WPS Corp's electric**
8 **assets?**

9 A. Yes. Pursuant to a Settlement Agreement approved by the Commission on December 9,
10 2016, in Case No. U-18061 ("U-18061 Settlement Agreement"), UMEREC was
11 established as a Michigan regulated utility providing service only to electric and natural
12 gas customers in the Upper Peninsula of Michigan. Pursuant to the U-18061 Settlement
13 Agreement, Wisconsin Electric Power Company ("Wisconsin Electric" or "WEPCo")
14 and WPS Corp transferred all of their Michigan jurisdictional distribution substations,
15 distribution lines, and other distribution assets used in providing retail electric service in
16 Michigan, as well as its Michigan retail full requirements and retail access full service
17 customers to UMEREC. except one customer, Tilden Mining Company, L.C. ("Tilden")
18 which remains a customer of WEPCo. This created two zones of customers for UMEREC,
19 the "WEPCo Rate Zone" for UMEREC customers formerly served by Wisconsin Electric,
20 and the "WPSC Rate Zone" for UMEREC customers formerly served by WPS Corp. I will
21 be addressing the EWR plan for UMEREC's WPSC Rate Zone.

1 **Q. Please identify the exhibits that you are sponsoring with your direct testimony.**

2 A. I am sponsoring the following exhibits, all of which were prepared by me or under my
3 direction and supervision:

4 <u>Exhibit</u>	<u>Content</u>
5 Exhibit A-5 (JMB-1)	6 Computation EWR Electric Surcharges for the years 2018 for 7 UMERC's WPSC Rate Zone;
8 Exhibit A-6 (JMB-2)	9 Revised Tariff Sheet for UMERC's WPSC Rate Zone

10

11 **Q. Please briefly describe the exhibits that you are sponsoring.**

12 A. Exhibit A-5 (JMB-1) details the calculation of the annual required payments to an
13 independent EWR administrator relating to electric service and the projected EWR
14 surcharges for UMERC's WPSC Rate Zone.

15 Exhibit A-6 (JMB-2) is the revised tariff sheet reflecting the proposed EWR surcharges
16 for UMERC's WPSC Rate Zone.

17

18 **ALTERNATIVE EWR COMPLIANCE PAYMENTS**

19 **Q. How does the Company intend to comply with its EWR obligations under 2008 PA**
20 **295, as amended?**

21 A. On December 16, 2008, WPS Corp provided written notice to the Commission of its
22 intent to meet its EWR obligations pursuant to Section 91 by making payments to an
23 independent EWR administrator selected by the Commission. UMERC has provided
24 Notice of its intention to continue with this election for 2018 and 2019.

25 **Q. Please explain how the payments to the independent EWR administrator related to**
26 **retail electric service are determined.**

1 A. Pursuant to Section 91, for 2018, the amount of the payment for the WPSC Rate Zone is
2 2.00 percent of WPS Corp’s 2016 Michigan electric revenues, or \$402,448, as calculated
3 in Exhibit A-5 (JMB-1). The 2019 payment will be determined when 2017 sales
4 revenues are known, and adjustments to surcharges may be proposed at that same time.

5 **Q. When are the 2018 payments to the independent EWR administrator to be paid?**

6 A. Other than requiring that each annual payment be made during the calendar year, Act
7 295, as amended, is not specific as to when such payment should be made. UMERC
8 proposes that the independent EWR administrator payments for each year be made in
9 equal monthly installments throughout the year.

10

11 **EWR COST RECOVERY FACTORS AND PROCEDURES**

12 **Q. How does the Company propose to recover through rates the amount of the EWR**
13 **payments to the independent EWR administrator for UMERC’s WPSC Rate Zone?**

14 A. Section 91(3) of Act 295, as amended, provides that the Commission shall allow a
15 provider to recover alternative EWR compliance payments. As the payments are
16 determined based upon each customer class’s contribution to revenues, the cost thereof
17 should be allocated to each customer class based upon its contribution to revenues. For
18 various customer classes, Section 91(3) of the Act 295, as amended, prescribes how the
19 costs should be recovered (e.g., by volumetric, meter or other charges) from customers
20 within such class. From a timing perspective, absent other circumstances, the EWR costs
21 should be recovered as they are paid.

22 **Q. Will the EWR cost recovery mechanism proposed by the Company actually recover**
23 **the full cost of the alternative EWR compliance payments?**

1 A. Yes, but only with a reconciliation procedure. Under the current methodology, the
2 revenues actually collected vary from the projected amounts with changes in residential
3 customer volumes and changes in the number of meters throughout each EWR cost
4 recovery period. Therefore, in order to assure more accurate recovery of the cost of the
5 EWR payments made, the EWR cost recovery factors have been implemented subject to
6 a reconciliation mechanism. The current mechanism tracks the payments made and
7 revenues collected each month, including interest on undercollections and overcollections
8 at the Company's then current short-term borrowing rate, with a resulting reconciliation
9 adjustment "rolled-into" the proposed EWR cost recovery factors for the following year.

10
11 **TARIFFS AND BILLING INFORMATION**

12 **Q. Please describe the tariff additions and changes proposed in connection with the**
13 **recovery, through rates, of the cost of alternative EWR compliance.**

14 A. The Company currently recovers EWR electric compliance payments from customers in
15 the WPSC Rate Zone via the application of a volumetric or daily fixed EWR surcharge
16 from WPSC Rate Zone customers. It is the Company's intention to continue to recover
17 EWR alternative compliance payments via an EWR surcharge, as shown in Exhibit A-6
18 (JMB-2). The Company proposes to continue to adjust the EWR surcharges in
19 accordance with the current annual reconciliation process. Electric EWR surcharges
20 currently in effect are listed in the Company's Rate Book for Electric Service on Tariff
21 Sheet No.D-156.00.

22 **Q. Does this complete your direct testimony?**

23 A. Yes, it does.

UPPER MICHIGAN ENERGY RESOURCES CORPORATION
 Computation of Electric Energy Waste Reduction Alternative Compliance Payment
 and Proposed Surcharges

Rate Class	Historical 2016 Total Revenues	2.00% of Revenues	2016 Actual Volumes in kWh	Proposed Surcharges	
Residential					
RG-1-MI	\$ 6,230,260	\$ 124,605	57,533,122		
RG-1T-MI	164,444	3,289	1,663,522		
RG-2-MI	891,844	17,837	6,991,611		
RG-2T-MI	85,892	1,718	792,484		
Total	7,372,440	147,449	66,980,740	\$ 0.0022	per kWh
Small Commercial					
CG-1-MI	1,543,576	30,872	841		
CG-1T-MI	97,051	1,941	52		
CG-2-MI	192,536	3,851	60		
CG-2T-MI	2,959	59	1		
Total	1,836,121	36,722	954	\$ 3.32	per meter
Medium Commercial					
MP-1-MI	59,570	1,191	4		
CG-3-MI	988,517	19,770	40		
CG-4-MI	1,371	27	0		
Total	1,049,459	20,989	44	\$ 39.62	per meter
Large C&I					
CP-SEC-MI	1,670,148	33,403	40		
CP-PRI-MI	75,507	1,510	1		
CPB-MI	-	-	0		
Total	1,745,655	34,913	41	\$ 76.29	per meter
Transmission <10MW					
CPB-MI	15,080	302	0		
CP-TRAN-MI	1,712,790	34,256	1		
Total	1,727,870	34,557	1	\$ 2,289.43	per meter
Transmission >10MW					
CPB-MI	53,796	1,076	0		
CP-TRAN-MI	6,110,161	122,203	1		
Total	6,163,957	123,279	1	\$ 8,629.54	per meter
NatureWise					
PG-3-MI	-	-	0		
PG-2-MI	-	-	0		
NAT-R-MI	1,432	29	0		
NAT-F-MI	-	-	0		
Total	1,432	29	0	\$ -	
Lighting					
Ls-1M	225,471	4,509	1,435		
Total	225,471	4,509	1,435	\$ 0.18	per lamp
Grand Total	\$ 20,122,406	\$ 402,448			

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

WPSC Rate Zone
 1st Rev. Sheet No. D-156.00
 Replaces Original Sheet No. D-156.00

D12. ENERGY WASTE REDUCTION (EWR)

(EWR)

ENERGY WASTE REDUCTION SURCHARGE

This surcharge permits, pursuant to Section 91(4) of 2008 Pa 295, as amended, the adjustment of distribution rates, via the application of an Energy Waste Reduction Surcharge, to allow recovery of the energy waste reduction alternative compliance payment made by the Company in compliance with Section 91(1) of 2008 Pa 295, as amended.

All customer bills subject to the provisions of this tariff, including any bills rendered under special contract, shall be adjusted by the Energy Waste Reduction Surcharge per kWh or Customer as follows:

<u>Tariff</u>	<u>Energy Charges</u>
Rg-1M	\$0.0022 /kWh
RG-OTOU-1M	\$0.0022 /kWh

<u>Tariff</u>	<u>Per Month/Meter</u>	<u>Per Day/Meter</u>
Cg-1M	\$3.32	\$0.1092
Cg-1M Seasonal	\$6.64	\$0.2183
Cg-OTOU-1M	\$3.32	\$0.1092
Cg-OTOU-1M Seasonal	\$6.64	\$0.2183
Cg-3M	\$39.62	\$1.3026
Cg-3M Seasonal	\$79.24	\$2.6052
Mp-1M	\$39.62	\$1.3026
Cp-1M (Secondary)	\$76.29	\$2.5082
Cp-1M (Primary)	\$76.29	\$2.5082
Cp-1M (Transmission <10MW)	\$2,289.43	\$75.2689
Cp-1M (Transmission >10MW)	\$8,629.54	\$283.7109
Ls-1M	\$0.18	\$0.0059

Issued XX-XX-XX
 T. T. Eidukas
 Vice-President,
 Milwaukee, Wisconsin

Effective for service rendered on and
 after XX-XX-XX

Issued under authority of the
 Michigan Public Service Commission
 dated XX-XX-XX
 in Case No. U-18266

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission's own motion,)
regarding the regulatory reviews, revisions,)
determinations, and/or approvals necessary for) Case No. U-18266
UPPER MICHIGAN ENERGY RESOURCES)
CORPORATION to fully comply with Public Act 295)
of 2008, as amended by Public Act 342 of 2016.)

DIRECT TESTIMONY AND EXHIBITS

OF

DIANE J. MIER

ON BEHALF OF

UPPER MICHIGAN ENERGY RESOURCES CORPORATION

July 3, 2017

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

2 A. My name is Diane J. Mier and my business address is 700 North Adams Street, Green
3 Bay, Wisconsin 54307-9001.

4 **Q. By whom are you employed and in what capacity?**

5 A. I am employed by WEC Energy Group, Inc. (“WEC”) as a Project Specialist 2. I am
6 testifying in this case on behalf of Upper Michigan Energy Resources Corporation
7 (“UMERC” or the “Company”) which is a wholly owned subsidiary of WEC.

8 **Q. Briefly describe your educational background and employment history.**

9 A. I have a Bachelor of Science Degree from the University of Wisconsin – Green Bay, in
10 Managerial Accounting. I have been employed by Wisconsin Public Service Corporation
11 (“WPS Corp”), WPS Corp’s predecessor, or WEC since December of 2003, and have
12 held various positions in the Non-Regulated and Corporate Risk Departments. In
13 November 2014, I transferred to the Regulatory Affairs Department where I currently
14 hold the position of Project Specialist 2. After UMERC acquired WPS Corp’s Michigan-
15 based assets and customers in 2017, my employment responsibilities included UMERC.
16 In my current position, my primary duties are the calculation and administration of WPS
17 Corp’s natural gas rates and UMERC’s natural gas rates for its WPSC Rate Zone, which
18 will be discussed below.

19 **Q. Have you previously testified in any regulatory proceedings?**

20 A. Yes. I previously submitted testimony and exhibits with the Michigan Public Service
21 Commission (“MPSC or the “Commission”) in Case Nos. U-17279, U-17890, U-18018,
22 U-18112, and U-18336.

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

2 A. I am presenting UMERC's analysis as to the following:

- 3 1. Calculation of the 2018 Alternative EWR Compliance Payments relating to
4 natural gas service for UMERC's WPSC Rate Zone; and
5 2. Approval of the projected natural gas EWR cost surcharges for UMERC's WPSC
6 Rate Zone.

7 **Q. Will you please give some history of UMERC as it relates to natural gas service for**
8 **UMERC's WPSC Rate Zone?**

9 A. Yes. Pursuant to a Settlement Agreement approved by the Commission on December 9,
10 2016, in Case No. U-18061 ("U-18061 Settlement Agreement"), UMERC was
11 established as a Michigan regulated utility providing service only to electric and natural
12 gas customers in the Upper Peninsula of Michigan. Pursuant to the U-18061 Settlement
13 Agreement, WPS Corp transferred all of its Michigan jurisdictional electric distribution
14 substations, distribution lines, natural gas distribution assets and other distribution assets
15 used in providing retail electric and natural gas service in Michigan, and all of WPS
16 Corp's Michigan retail full requirements electric and gas customers, retail access electric
17 customers, and gas transportation customers to UMERC ("WPSC Rate Zone").

18 **Q. Please identify the exhibits that you are sponsoring with your direct testimony.**

19 A. I am sponsoring the following exhibits, all of which were prepared by me or under my
20 direction and supervision:

1	Exhibit	Content
2	Exhibit A-7 (DJM-1)	Computation of EWR Natural Gas Surcharges for the years
3		2018 for UMEREC’s WPSC Rate Zone;
4	Exhibit A-8 (DJM-2)	Revised Tariff Sheet No. D-9.00 related to natural gas service
5		for UMEREC’s WPSC Rate Zone

6 **Q. Please Briefly describe the exhibits that you are sponsoring.**

7 A. Exhibit A-7 (DJM-1) details the calculation of the annual required payments to an
8 independent EWR administrator relating to natural gas service and the projected EWR
9 surcharges for UMEREC’s WPSC Rate Zone.

10 Exhibit A-8 (DJM-2) is the revised tariff sheet related to natural gas service reflecting the
11 proposed EWR surcharges for UMEREC’s WPSC Rate Zone.

12

13 **ALTERNATIVE EWR COMPLIANCE PAYMENTS**

14 **Q. How does the Company intend to comply with its EWR obligations under 2008 PA**
15 **295, as amended?**

16 A. The Company recovers EWR costs from its customers by means of EWR surcharges
17 authorized by the Commission pursuant to 2008 PA 295 (MCL 460.1001 *et seq.*) as
18 amended by 2016 PA 342. On December 16, 2008, WPS Corp provided written notice to
19 the Commission that it intended to meet its EWR obligations pursuant to Section 91 by
20 making payments to an independent EWR administrator selected by the Commission.
21 UMEREC has provided notice of its intention to continue with this election for 2018 and
22 2019.

1 **Q. Please explain how the payments to the independent EWR administrator relating to**
2 **retail natural gas service are determined.**

3 A. Pursuant to Section 91, for 2018, the amount of the payment is 2.00 percent of 2016
4 Michigan natural gas revenues, or \$67,183, as calculated in Exhibit A-7 (DJM-1). The
5 amount of the payment for 2019 shall be determined when 2017 revenues are known, and
6 surcharge adjustments may be proposed at that same time.

7 **Q. When are the 2018 payments to the independent EWR administrator to be paid?**

8 A. Other than requiring that each annual payment be made during the calendar year, Act
9 295, as amended, is not specific as to when such payment should be made. The
10 Company proposes that the independent EWR administrator payments for each year be
11 made in equal monthly installments throughout the year.

12

13 **EWR COST RECOVERY FACTORS AND PROCEDURES**

14 **Q. How does the Company propose to recover through rates the amount of the EWR**
15 **payments to the independent EWR administrator?**

16 A. Section 91(3) of Act 295, as amended, provides that the Commission shall allow a
17 provider to recover alternative EWR compliance payments. As the payments are
18 determined based upon each customer class's contribution to revenues, the cost thereof
19 should be allocated to each customer class based upon its contribution to revenues. For
20 various customer classes, Section 91(3) of the Act 295, as amended, prescribes how the
21 costs should be recovered (e.g., by volumetric, meter or other charges) from customers
22 within such class. From a timing perspective, absent other circumstances, the EWR costs
23 should be recovered as they are paid.

1 **Q. Will the EWR cost recovery mechanism proposed by the Company actually recover**
2 **the full cost of the alternative EWR compliance payments?**

3 A. Yes, but only with a reconciliation procedure. Under the current methodology, the
4 revenues actually collected vary from the projected amounts with changes in residential
5 customer volumes and changes in the number of meters throughout each EWR cost
6 recovery period. Therefore, in order to assure more accurate recovery of the cost of the
7 EWR payments made, the EWR cost recovery factors have been implemented subject to
8 a reconciliation mechanism. The mechanism tracks the payments made and revenues
9 collected each month, including interest on under collections and over collections at the
10 Company's then current short-term borrowing rate, with a resulting reconciliation
11 adjustment "rolled-into" the proposed EWR cost recovery factors for the following year.

12

13 **TARIFFS AND BILLING INFORMATION**

14 **Q. Please describe the tariff additions and changes proposed in connection with the**
15 **recovery, through rates, of the costs of alternative EWR compliance.**

16 A. The Company currently recovers EWR natural gas compliance payments from customers
17 via the application of a volumetric or daily fixed EWR surcharge. It is the Company's
18 intention to continue to recover EWR alternative compliance payments via an EWR
19 surcharge, as shown in Exhibit A-8 (DJM-2). The Company proposes to continue to
20 adjust the EWR surcharges in accordance with the current annual reconciliation process.
21 Natural gas EWR surcharges currently in effect are listed in the Company's Rate Book
22 For Natural Gas Service on Tariff Sheet No.D-9.00.

1 Q. **Does this complete your direct testimony?**

2 A. Yes, it does.

UPPER MICHIGAN ENERGY RESOURCES CORPORATION
 Computation of Natural Gas Energy Waste Reduction Alternative Compliance Payment
 and Projected Surcharges for 2018 - 2019

Rate Class	Historical 2016 Total Revenues	2.0% Of 2016 Revenues	Actual Volumes	Proposed Surcharges 2018-2019	
			2016 Therms	Monthly Charge	Daily Charge
<u>Residential</u>					
Residential	\$ 2,118,431	\$ 42,369	4,443,265		
Total	\$ 2,118,431	\$ 42,369	4,443,265	\$ <u>0.0095</u>	per Therm
<u>Small General Service</u>					
			Number of Meters		
Small General Service	\$ 364,130	\$ 7,283	386		
Small GS Multi-Family	\$ 25,867	\$ 517	31		
Total	\$ 389,997	\$ 7,800	417	\$ <u>1.56</u>	\$ <u>0.0513</u> per meter
<u>Large General Service</u>					
Large GS 206	\$ 388,720	\$ 7,774	35		
Total	\$ 388,720	\$ 7,774	35	\$ <u>18.51</u>	\$ <u>0.6086</u> per meter
<u>Transportation</u>					
Transport Large	\$ 125,585	\$ 2,512	15	\$ <u>13.95</u>	\$ <u>0.4588</u> per meter
Transport Super Large	\$ 336,421	\$ 6,728	2	\$ <u>280.35</u>	\$ <u>9.2170</u> per meter
	\$ 462,006	\$ 9,240			
Grand Total	\$ 3,359,154	\$ 67,183			

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

1st Rev. Sheet No. D-9.00
Replaces Original Sheet No. D-9.00
Schedule GSC

**SECTION D
RATE SCHEDULES**

D3. SUPPLEMENTAL CHARGES

NATURAL GAS

1. Each Rate Schedule may be subject to Rule C3, Customer Attachment Program.
2. Energy Waste Reduction (EWR) Surcharge – This surcharge is pursuant to Section 91(4) of 2008 PA 295, as amended, the adjustment of distribution service rates, via the application of an Energy Waste Reduction Surcharge, to allow recovery of the energy optimization alternative compliance payment made by the Company in compliance with Section 91(1) of 2008 PA 295, as amended. The EWR compliance payments and the associated surcharges are subject to a reconciliation mechanism.

The approved Energy Waste Reduction Surcharges are listed below:

<u>Customer Class</u>	<u>EO Surcharge</u>	
Residential	\$0.0095/Therm	
	<u>Per Day/meter</u>	<u>Per Month/meter</u>
C & I Small-year round customers	\$0.0513	\$1.56
C & I Small-seasonal customers	\$0.1026	\$3.12
C & I Large	\$0.6086	\$18.51
Transportation Medium*	--	---
Transportation Large	\$0.4588	\$13.95
Transportation Super Large	\$9.2170	\$280.35

* No customers currently on this rate

Issued xxxx xx, 2017
T. T. Eidukas
Vice-President,
Milwaukee, Wisconsin

Effective for service rendered on and
after xxxx xx, 2017
Issued under authority of the
Michigan Public Service Commission
dated xxxx xx, 2017
in Case No. U-18266

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. _____

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)

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<input type="checkbox"/> I am not an attorney
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