

Founded in 1852
by Sidney Davy Miller

MILLER CANFIELD

Sherri A. Wellman
TEL +1.517.483.4954
FAX +1.517.374.6304
E-MAIL Wellmans@MillerCanfield.com

Miller, Canfield, Paddock and Stone, P.L.C.
120 N. Washington Square, Suite 900
One Michigan Avenue Building
Lansing, Michigan 48933
TEL (517) 487-2070
FAX (517) 374-6304
millercanfield.com

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

February 23, 2023

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

Re: Upper Michigan Energy Resources Corporation
Case No. U-21370

Dear Ms. Felice:

In regards to the annual review of Upper Michigan Energy Resources Corporation's State Reliability Mechanism, enclosed for electronic filing are the Application and Direct Testimony of Richard Stasik. Also enclosed is the Appearance of Sherri A. Wellman.

If you should have any questions, please kindly advise.

Very truly yours,

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

By: _____
Sherri A. Wellman

SAW/ehk
Enclosures
cc w/enc: James Beyer
Richard Stasik
Ted Eidukas
Koby Bailey

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)	
UPPER MICHIGAN ENERGY RESOURCES)	Case No. U-21370
CORPORATION for approval of an annual review of its)	
state reliability mechanism charge to comply with the)	
requirements of Section 6w of 2016 PA 341.)	
<hr/>)	

APPLICATION

Upper Michigan Energy Resources Corporation (“UMERC” or the “Company”) files this Application pursuant to paragraph 8 of the Settlement Agreement approved by the Michigan Public Service Commission (“MPSC” or the “Commission”) in its September 8, 2022 Order issued in Case No. U-21222 (“Order”), and states as follows:

1. UMERC is a public service corporation organized under the laws of Michigan with its principal offices located in Milwaukee, Wisconsin, and with service centers located at 800 Industrial Park Drive, Iron Mountain, Michigan, and 1717 Tenth Avenue, Menominee, Michigan. UMERC provides retail electric service to the public in service areas located in the Upper Peninsula, including the Counties of Alger, Baraga, Delta, Dickinson, Gogebic, Houghton, Iron, Marquette, Menominee, and Ontonagon.
2. UMERC serves full requirements electric customers, as well as distribution-only electric customers who qualify for retail access service.
3. UMERC’s retail electric business is subject to the Commission’s jurisdiction pursuant to 1909 PA 106, as amended; MCL 460.551 et seq, as amended; 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. By the order issued November 30, 2017 in Case No. U-18253 (“November 30 Order”), the Commission, among other things, authorized UMEREC, beginning June 1, 2018, to implement a state reliability mechanism (“SRM”) capacity charge of \$229,523 per megawatt-year, or \$629 per megawatt-day, for full-service customers. As directed, UMEREC shall impose the SRM charge on a pro rata basis on an alternative electric supplier operating in the Company’s service territory who fails to make a satisfactory demonstration regarding its forward capacity obligations. The SRM capacity charge as established by the Commission in its November 30 Order was extended by the Commission’s orders in Case Nos. U-20511, U-20751, U-21103 and U-21222 and remains in effect.

5. Paragraph 8 of the Settlement Agreement approved by the Order stated that the next annual review of the Company’s SRM capacity charge will be in UMEREC’s next general rate case. In the event a general rate case is not filed or is significantly delayed, the next annual review of the Company’s SRM capacity charge will occur in a standalone case commenced in 2023. UMEREC does not intend to file a case for general rate relief in 2023. Furthermore, as set forth below, UMEREC is seeking to continue the existing SRM capacity charge.

6. By this Application, and the concurrently filed supporting direct testimony of Richard Stasik, UMEREC files its application for its annual review.

7. UMEREC represents that because the Company has never been required to impose the charge, UMEREC does not propose any change to the approved charge, and respectfully requests that the Commission continue its approval as extended in the Order and allow for the SRM capacity charge to remain in effect until the final order in UMEREC’s next general rate case.

WHEREFORE, Upper Michigan Energy Resources Corporation requests that the Michigan Public Service Commission:

- A. Approve UMERC's Application;
- B. Authorize the continuation of the approval as extended in Case No. U-21222; and
- C. Grant UMERC such other and further relief as is just and reasonable.

UPPER MICHIGAN ENERGY RESOURCES
CORPORATION

Dated: February 23, 2023

By: _____
One of Its Attorneys
Sherri A. Wellman (P38989)
Paul M. Collins (P69719)
MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.
One Michigan Avenue, Suite 900
Lansing, MI 48933
(517) 487-2070

40268160.1/156197.00001

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)
UPPER MICHIGAN ENERGY RESOURCES) Case No. U-21370
CORPORATION for approval of an annual review of its)
state reliability mechanism charge to comply with the)
requirements of Section 6w of 2016 PA 341.)
_____)

DIRECT TESTIMONY OF

RICHARD STASIK ON BEHALF OF

UPPER MICHIGAN ENERGY RESOURCES CORPORATION

February 23, 2023

DIRECT TESTIMONY OF
RICHARD STASIK ON BEHALF OF
UPPER MICHIGAN ENERGY RESOURCES CORPORATION

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

2 A. My name is Richard Stasik. My business address is 231 W. Michigan Street,
3 Milwaukee, Wisconsin 53203.

4

5 **Q. On whose behalf are you testifying?**

6 A. I am testifying on behalf of Upper Michigan Energy Resources Corporation (“UMERC”
7 or the “Company”).

8

9 **Q. Please briefly describe your educational, professional, and utility background.**

10 A. I received a Bachelor of Science Degree with a double major in Accounting and
11 Management Information Systems from the University of Wisconsin – Milwaukee in
12 1999. I have been employed by Wisconsin Energy Corporation – the predecessor to
13 WEC Energy Group, since 2013. I worked as the IT Audit Manager within the Internal
14 Audit Department before joining State Regulatory Affairs as the Manager – Regulatory
15 Planning and Systems in January 2016. I was promoted to Director – State Regulatory
16 Affairs in 2018. In this position, I am responsible for overseeing and managing all of
17 WEC Energy Group’s operating utilities’ regulatory matters in Wisconsin, Michigan,
18 and Minnesota.

19

20 **Q. Have you ever testified in any regulatory proceedings?**

21 A. Yes. I have provided testimony to the Federal Energy Regulatory Commission on rate
22 and accounting issues associated with WEC retired power plant dockets (Docket Nos.
23 ER19-226-000, AC19-49-000, AC18-231-000, and ER19-103-000) and to the Public

DIRECT TESTIMONY OF
RICHARD STASIK ON BEHALF OF
UPPER MICHIGAN ENERGY RESOURCES CORPORATION

1 Service Commission of Wisconsin on rate making issues in rate case dockets (Docket
2 Nos. 5-UR-110 and 6690-UR-127). I provided direct and rebuttal testimony to the
3 Michigan Public Service Commission (“MPSC” or the “Commission”) on UMERC’s
4 Integrated Resource Plan filing in Case No. U-21081; provided direct testimony on the
5 Company’s state reliability mechanism (“SRM”) in Case No. U-21222, and provided
6 direct testimony on UMERC’s preferred criteria for legally enforceable obligations in
7 Case No. U-21130.

8
9 **Q. Are you sponsoring any exhibits in connection with your direct testimony in this**
10 **case?**

11 A. No.

12
13 **Q. Before you begin your testimony, can you please provide a brief description of**
14 **UMERC?**

15 A. Yes. Pursuant to the Commission’s December 9, 2016 approval of the Settlement
16 Agreement signed by all parties in Case No. U-18061, UMERC was established as a
17 Michigan jurisdictional regulated utility providing service only to electric and natural
18 gas customers in Michigan that were previously served by either Wisconsin Electric
19 Power Company (“WEPCO”) or Wisconsin Public Service Corporation (“WPS Corp”).
20 UMERC is engaged as a public utility in the business of purchasing, distributing and
21 selling electric energy to full service customers, as well as providing electric distribution
22 service only to customers that qualify for Retail Access Service. Currently, UMERC’s

DIRECT TESTIMONY OF
RICHARD STASIK ON BEHALF OF
UPPER MICHIGAN ENERGY RESOURCES CORPORATION

1 approved rates are based on general rates approved by the Commission for WEPCO and
2 WPS Corp.

3

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

5 A. The purpose of my testimony is to address paragraph 8 of the Settlement Agreement
6 approved by the Commission in its September 8, 2022 Order issued in Case No. U-
7 21222, which indicated that the next annual review of the Company's SRM capacity
8 charge will be in UMEREC's next general rate case. In the event a general rate case is not
9 filed or is significantly delayed, the next annual review of the Company's SRM capacity
10 charge will occur in a standalone case commenced in 2023.

11

12 **Q. Did the Commission approve capacity charges in Case No. U-18253 to comply with**
13 **MCL 460.6w regarding a state?**

14 A. Yes. MPSC Staff calculated capacity charges based on WEPCO's and WPS Corp's
15 most recent Michigan rate case filings.

16

17 **Q. Have the SRM charges approved in Case No. U-18253 been implemented by**
18 **UMERC?**

19 A. Yes, as of June 1, 2018, and the Commission in its orders in Case Nos. U-20511, U-
20 20751, and U-21103 extended its approval and continuation of UMEREC's existing SRM
21 capacity charge.

22

23 **Q. Is the Company proposing any changes to the approved SRM capacity charge?**

DIRECT TESTIMONY OF
RICHARD STASIK ON BEHALF OF
UPPER MICHIGAN ENERGY RESOURCES CORPORATION

1 A. Not at this time. Because the Company has never been required to actually charge same,
2 there is no basis to change the charge. Therefore, UMERC respectfully requests the
3 Commission to continue its approval as extended in Case No. U-21222, and direct the
4 Company's SRM capacity charge to remain in effect until the final order in UMERC's
5 next general rate case.

6

7 **Q. Does this conclude your direct testimony?**

8 A. Yes it does.

9

10 38830973.1/156197.00001

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: Upper Michigan Energy Resources Corporation Docket No. U- 21370

Please enter my appearance in the above-entitled matter on behalf of:

1. (Name) Upper Michigan Energy Resources Corporation
2. (Name)
3. (Name)
4. (Name)
5. (Name)
6. (Name)
7. (Name)

Name Sherri A. Wellman
Address Miller Canfield
One Michigan Avenue, Suite 900
City Lansing State MI
Zip 48933 Phone 517-483-4954
Email wellmans@millercanfield.com
Date 02/23/2023

<input type="radio"/> I am not an attorney
<input checked="" type="radio"/> I am an attorney whose:
Michigan Bar # is P- <u>38989</u>
_____ Bar # is: _____
(state)

Signature: _____