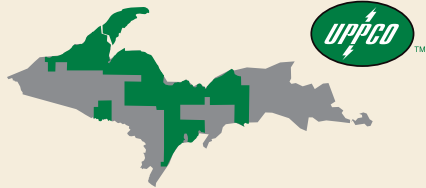




THE PROMISE WE SEE

Our Stories of Community & Environment | 2009





ABOUT UPPER PENINSULA POWER COMPANY

UPPCO provides electricity to power more than 50,000 homes and businesses in 118 communities throughout Michigan's Upper Peninsula. We were incorporated in 1947, through the merger of three smaller electric companies. One of our predecessors, Peninsula Electric Light & Power, began operating in the Keweenaw Peninsula in 1884 — just five years after Edison's incandescent light bulb put the practical use of electricity at everyone's fingertips.

Since then, we've grown and changed with the communities we serve. Today, nearly 150 UPPCO employees are dedicated to delivering electricity reliably, reducing costs for our customers, helping homes and businesses save energy (and money) and keeping environmentally friendly energy in our mix.

You can always learn more about us at www.uppco.com.

Contents

<u>Letter from Our Vice President & General Manager</u>	<u>1</u>
<u>Corporate Giving in 2009</u>	<u>2</u>
<u>Stories of Community in 2009</u>	<u>5</u>
<u>Stories of Environment in 2009</u>	<u>10</u>

LETTER FROM OUR VICE PRESIDENT & GENERAL MANAGER

THE PROMISE WE SEE

Dear Customers and Community Partners,

In 2009, UPPCO was fortunate. We were able to provide funding and help in our community at a time when it was perhaps needed most. And we were able to make continuing improvements to Upper Michigan's natural environment.

We're proud of what local organizations and individuals were able to accomplish with our support. These positive examples of caring and commitment, combined, form a sense of promise for the future.

At UPPCO, our view of the future is a good one, filled with continuing connections to the people we serve locally and ongoing efforts to help make the world just a little better for those around us.

We invite you to read our stories of community and caring for the environment from 2009, and to share in the promise we see ahead.

Sincerely,



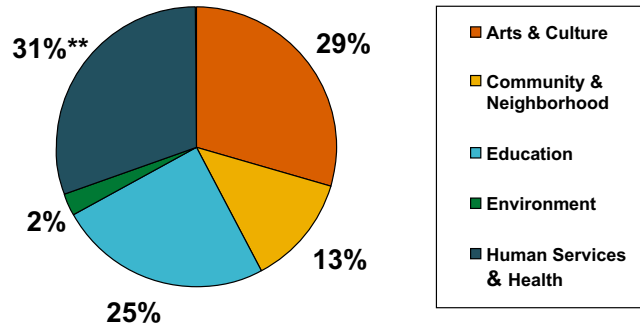
Keith Moyle
Vice President & General Manager
Upper Peninsula Power Company





THE PROMISE OF A STRONGER COMMUNITY

CORPORATE GIVING IN 2009



2009 Giving in Upper Michigan	
Giving by UPPCO	\$ 70,000
Giving by charitable foundation Wisconsin Public Service Foundation, Inc.*	61,915
Total	\$131,915

**Learn more about Wisconsin Public Service Foundation on page 3.*

*** Includes corporate gifts to United Way agencies.*

AREAS OF GIVING

Michigan's Upper Peninsula is filled with organizations that have big hearts and important needs. At UPPCO, we wish we could help them all. But we believe that to have the most possible impact — and make real differences happen in people's lives — it's important to focus our giving.

These are our current areas of giving.

- **Arts & Culture:** Strong arts and culture add to the richness of life in our communities. We support projects that promote diversity and make the arts accessible to all people, including theater, dance, music, drama and museums.
- **Community & Neighborhood:** Communities become stronger when neighbors work together. We support nonprofit organizations dedicated to community improvement, including revitalized business areas and economic growth.
- **Education:** Life-long learning helps ensure the well-being of our communities and the local economy. We support programs that complement our company's educational programs and philosophies, including opportunities for minorities and women. We support programs where businesses and educational institutions partner, provide career planning and mentor youth.
- **Environment:** As a company, we protect and encourage the wise use of natural resources. We also support others' efforts for the betterment of fish and wildlife, water and air quality, forests, energy efficiency, renewable energy and recycling.
- **Human Services & Health:** The physical and emotional well-being of everyone in our communities is a measure of the health of the communities. We support United Way by making company contributions, facilitating employee and retiree gifts and providing voluntary leadership. We support programs that serve limited-income, senior and handicapped individuals. And we support programs emphasizing wellness.

ABOUT WISCONSIN PUBLIC SERVICE FOUNDATION

Why does a foundation named after a neighboring state make contributions in Michigan? Good question.



Wisconsin Public Service Foundation is a private, charitable foundation supporting areas served by subsidiaries of our parent company, Integrys Energy Group. When the foundation first began in 1964, it was funded by stocks and bonds that had been purchased by Wisconsin Public Service — Integrys' first company. Today, the name remains, even though the foundation provides funding to programs in multiple states.

In Upper Michigan, the foundation makes contributions to charities and organizations needing financial assistance.

UPPCO also makes local contributions.

ORGANIZATIONS UPPCO & THE FOUNDATION SUPPORTED IN 2009

BEACON HOUSE	KEWEENAW COUNTY HISTORICAL SOCIETY	ONTONAGON THEATER OF PERFORMING ARTS
BELL FOUNDATION	LAKE SUPERIOR COMMUNITY PARTNERSHIP	PINE MOUNTAIN MUSIC FESTIVAL, INC.
BOOTJACK FIRE & RESCUE FOUNDATION, INC.	LEADER DOGS FOR THE BLIND	SALVATION ARMY
BOY SCOUTS OF AMERICA	LITTLE BROTHERS - FRIENDS OF THE ELDERLY	ST. VINCENT DE PAUL SOCIETY
CALUMET THEATRE COMPANY	MARQUETTE COUNTY	TRAVERSE AREA RECREATION AND TRAILS
CITY OF ISHPEMING - CARNEGIE LIBRARY	MARQUETTE COUNTY HUMANE SOCIETY	UNITED WAY OF MARQUETTE COUNTY
COPPER COUNTRY UNITED WAY	MARQUETTE RANGE IRON MINING HERITAGE THEME PARK	WELLS FIRE DEPT.
DUCKS UNLIMITED	MICHIGAN TECH FUND	WELLS SPORTS COMPLEX, INC.
FINLANDIA UNIVERSITY	NORTHERN MICHIGAN UNIVERSITY	WILLIAM BONIFAS FINE ARTS
HOSPITALITY HOUSE OF THE UPPER PENINSULA	NOQUEMANON TRAILS NETWORK COUNCIL	YMCA OF MARQUETTE COUNTY
HOUGHTON COUNTY FAIR ASSOCIATION	OMEGA HOUSE, INC.	
KEWEENAW COMMUNITY FOUNDATION		



STORIES OF COMMUNITY IN 2009

Giving comes in many forms. Often it shows itself as financial backing. Other times, it makes itself known through the hands and smiles of volunteers who give of themselves — and receive much in return.

In 2009, UPPCO gave to organizations with admirable and far-reaching goals for our communities. Whether our giving took the form of financial contributions or hands-on help, we take great pride in these organizations and our association with them.

We invite you to share just a few of these stories and the inspiration they bring.

STORIES OF COMMUNITY IN 2009

KEEPING WINTER SPORTS MEMORIES ALIVE

The U.S. National Ski and Snowboard Hall of Fame and Museum, located in the City of Ishpeming, Michigan, is the birthplace of organized skiing in the U.S. It's also home to an extensive collection of artifacts and archives relating to the history of snow skiing and snowboarding. In its 20,000 square feet of space, visitors find displays on more than 350 honored members, trophies, clothing and equipment. The Hall of Fame and Museum feature a gift shop, library, theater and — thanks to UPPCO — energy-efficient lighting, too.

“UPPCO did an initial energy check on the building to help us make our lighting more efficient,” says Tom West, president and CEO of the Hall of Fame. “And they are always a great source of advice.”

But more than that, Tom says, UPPCO has always been financially supportive of the museum, beginning with a 1990 capital campaign for the facility, which opened in 1992.

“I'd barely arrived in 2005 when we received a \$5,000 grant from UPPCO allowing us to do some educational programming and some work on our library,” Tom adds.

About 10,000 people visit the “ski hall” each year, and admission is free, which means donations are crucial to the success of the endeavor. Tom says he can count on UPPCO to maintain an annual supporting membership and support the Hall of Fame annual dinner event through sponsorship and the purchase of a table.

“These are all highly valued contributions I can count on and always appreciate,” Tom says. “I’m a big fan of UPPCO,” he adds with a chuckle, “even if they do send us a bill every month.”

Learn more about the U.S. National Ski and Snowboard Hall of Fame and Museum at www.skihall.com. ■



ENCOURAGING DOING & GIVING

Dollars for Doers

The UPPCO Dollars for Doers program encourages employees and retirees to volunteer for their favorite organization and, as a result, have that organization receive a grant on their behalf.

Employees and retirees who contribute at least 20 hours of volunteer time to qualifying organizations* can direct up to \$100 to be donated to the nonprofit organization of their choice.

Matching Gifts

Our Matching Gifts program encourages our employees and retirees to make their own financial contributions to nonprofit organizations in our communities.

Matching Gifts matches \$1 for each \$2 an employee or retiree contributes to a qualifying organization.* The minimum contribution that will be matched is \$50. The maximum contribution that will be matched per year is \$2,000.

**Dollars for Doers and Matching Gifts are funded by Wisconsin Public Service Foundation (see page 3). Qualifying organizations serve within UPPCO's service area and are tax-exempt under Section 501(c)(3) of the Internal Revenue Code.*

STORIES OF COMMUNITY IN 2009

SUPPORTING THE LOCAL BUSINESS ECONOMY

The Delta County Area Chamber of Commerce is more than 650 members strong. It's also the force behind numerous events and programs throughout the year that promote quality life in the Escanaba and Delta County area through a healthy business climate. UPPCO is both a member of the chamber and a sponsor of many of these events.

Starting with the Delta County Chamber of Commerce "Love Affair" gala — a dinner and dance fundraiser held each February to help the chamber fund other events without raising membership dues — UPPCO is "in some shape or form helping to sponsor all of our annual events," says Sheila Hughes of the Delta Chamber.

As a result of UPPCO's sponsorship of the chamber's golf outing, two scholarships are presented to Bay College students.

The chamber brings in regional and national speakers throughout the year as part of the Bay Area Economic Club. It also conducts the annual Delta Force Leadership Conference, which is a group of 20 to 25 people from the community who meet 10 times a year to learn to improve their leadership skills. Many UPPCO employees have participated in the Delta Force Leadership Conference over the years.

And UPPCO's involvement extends beyond financial support. Steve Lillie, an UPPCO customer service manager, serves on the Delta County Area Chamber of Commerce board of directors and is chair of the Legislative, Economic and Community Development Committee. He also serves as Chair of the Delta County Economic Development Alliance that is housed at the Commerce Center.

To find current happenings related to the Delta County Area Chamber of Commerce, visit www.deltami.org. ■

STORIES OF COMMUNITY IN 2009

BILL NELSON: USING VACATION TIME TO MAKE A DIFFERENCE

This summer Bill Nelson will mark 20 years with UPPCO. He works hard as a manager in our substation operations. But when it comes to the vacation, he doesn't use the time he's earned staying at relaxing resorts or taking luxury cruises. He takes a trip every two years to help build churches in Central and South America.

Traveling with a group of 10 to 20 others from Good News Assembly of God in Ishpeming, Michigan, Bill went to El Salvador in 2005, Ecuador in 2007 and Honduras in 2009.

"Usually we go on 10- to 15-day trips, and at least seven days are spent working," Bill says. "We are either constructing or renovating church buildings, so typically we're laying block, working on steel construction, pouring concrete, putting roofing on, you name it."

The churches, he says, are not magnificent architectural structures like churches often are in the U.S. or Europe.

"In Honduras the congregation met under an oak tree before we arrived," he says. "We helped them build a 40-by-60-foot facility. It's just a garage with a metal roof and looks like a big warehouse, but it's a big improvement over standing out in the weather. And now they have lighting so they can meet at night, too."

Bill isn't the first Nelson to go on mission trips. His dad, Bruce Nelson, a retired lineman who worked for UPPCO for 37 years, has gone on 12 such trips.

"He got me hooked on it," Bill says. "Now I'm working on my kids, who are 21 and 24, trying to get them to go." ■

Until a church building was constructed, church members in Via San Francisco, in the mountain foothills of Honduras, met under this tree. Pictured left to right are volunteer builder Bill Nelson, a manager of substation operations at UPPCO; Pastor Rene Perez Rivera; the construction foreman, Miguel; and Bill's father, Bruce Nelson, a retired lineman who worked for UPPCO for 37 years.





“Old Main” is the oldest building on the Finlandia University campus. It was erected by Suomi College, Finlandia’s predecessor, in 1898. Jacobsville sandstone, quarried at the Portage Entry of the Keweenaw Waterway, was brought by barge, cut and used to construct Old Main. Today, the building houses Finlandia’s administrative offices.

STORIES OF COMMUNITY IN 2009

HELPING FINLANDIA UNIVERSITY DO “SMALL” WELL

Finlandia University, in Hancock, Michigan, has a total student enrollment of 570 students this academic year. The university’s vision is to do “small” well, says its president, Philip Johnson. “And our relationships with local companies like UPPCO allow us to realize that vision.”

Philip estimates that in the past 20 years, UPPCO has contributed more than \$200,000 to the private, not-for-profit university. Recently, UPPCO has been integral in the development of Finlandia’s Jutila Center for Global Design and Business. This center, a nine-story former hospital, was renovated in two phases, with the second phase taking place in 2009. UPPCO made multiple-year commitments for the renovation, Philip says.

A distinction of the Jutila Center is a business incubator that enables collaboration between Finlandia’s art and design students and the businesses using the incubator, along with other Hancock-area businesses.

“It creates an intersection of real-world entrepreneurs with art and design students, which we think is one of the most unique

opportunities we provide our students,” Philip says.

In addition to capital projects, UPPCO also supports the arts at Finlandia, including a program that brings professional musicians from Finland to the university each year.

“UPPCO is always willing to respond to requests and opportunities,” Philip says. “And the personal interaction with Janet Wolfe, who recently retired from doing community relations for UPPCO, is wonderful. She really embodied UPPCO’s relationship with Finlandia.”

Philip says Finlandia University hosts three meetings a year with its “community partners,” which include Janet and UPPCO account executive Dan Crane.

“UPPCO is never absent from that meeting,” he says. “They are always engaging in conversations about our programs and strategic planning. I can’t say enough about how UPPCO has partnered with Finlandia.”

You can learn more about Finlandia University at www.finlandia.edu. ■



STORIES OF ENVIRONMENT IN 2009

UPPCO's environmental vision is to create energy solutions for a sustainable tomorrow.

We strive toward our vision every day by delivering electricity safely and responsibly. We proudly operate some of the cleanest electric power plants available — hydroelectric plants, which make electricity from the power of water.

You can learn more about how hydro power works and the energy our hydro plants produce. Just visit us online at www.uppc.com/environment/hydroelectric.aspx.



STORIES OF ENVIRONMENT IN 2009

MAKING THE WORLD A LITTLE GREENER

The city of Ishpeming, Michigan, is a little greener thanks to a cooperative effort between UPPCO and the Ishpeming Rotary Club. Together, our organizations have planted more than 30 trees in the city in three years.

The new trees include flowering crabs, maples, burning bush shrubs, arborvitae cedars and pine trees.

“The first year, we made a little park on a corner that had been just ‘blah,’” says Darlene Gendron, a customer service manager for UPPCO in Ishpeming. “We planted arborvitae and flowering crabs, and then the downtown business association bought picnic tables and an outdoor grill — so now people can have picnics there.”

Darlene says in 2008, the second year of the tree-planting initiative, trees were planted along Lake Shore Drive near Ishpeming’s downtown district. The third year, 9-foot pines were planted on the new Bell Memorial Hospital Grounds.

The tree planting is meant to commemorate Arbor Day, but Arbor Day falls in April, and the ground is usually too cold for tree planting then. So the effort is postponed until May. UPPCO works with local nurseries to purchase the tree stock and also coordinates the planting areas. The Rotary Club does the actual planting.

“We’ve had so much enthusiasm from the city with regard to the tree-planting program,” Darlene says. “People stop us on the street and want to get involved. And it’s so rewarding to see those trees. It’s just wonderful.”

You can learn more about Ishpeming, Michigan, at www.ishpeming.govoffice.com. ■

STORIES OF ENVIRONMENT IN 2009

RESTORING & MONITORING: THE DEAD RIVER & SILVER LAKE RESERVOIR

In 2009, UPPCO was dedicated to several ongoing environmental projects.

- **Dredging for Dead River Recovery.** UPPCO dredged ponds created as part of the Dead River Recovery — an undertaking to restore an area flooded in 2003. During dredging, 650 truckloads of sediment were removed from the ponds in six weeks.
- **Restoring a Sand Delta.** In 2009, UPPCO transformed a large mass of sand deposited in the Hoist Reservoir during the 2003 flood, making it into a piece of land that benefits fish and wildlife. Our project also opened up navigation for the public and landowners adjacent to the sand.
- **Ready for Reach 10 Recovery.** UPPCO is poised to proceed with plans for the Reach 10 Recovery Project. This project includes stabilizing banks, creating aquatic habitat and dredging sediment after the Tourist Park Dam, near Marquette, Michigan, is reconstructed by its owners in the summer of 2010.
- **Monitoring the Silver Lake Reservoir.** UPPCO continues to monitor the Silver Lake Reservoir, after voluntarily restricting the re-fill of the reservoir, in 2009, to an elevation of 1,466 feet for the protection of the remaining fish community. We have been consulting with the Michigan Department of Natural Resources and Environment to avoid common impacts associated with re-filling reservoirs that have remained de-watered for more than one season.

“The underlying theme to all of these projects is stabilizing eroding soils and creating both aquatic and wildlife habitat wherever possible,” says Shawn Puzen, an environmental consultant representing UPPCO. ■





STORIES OF ENVIRONMENT IN 2009

CREATING WILDLIFE HABITAT

With a goal of increasing wildlife habitat within the McClure Reservoir, in Negaunee Township, Michigan, UPPCO representatives met with members of the McClure Basin Association in 2009. We discussed how the association can help by keeping woody debris on the shoreline, and installing and maintaining wildlife nesting boxes.

The McClure Basin Association is an organization of property owners located on the McClure Reservoir within the Dead River Hydroelectric Project. Since 2005, UPPCO has provided 40 wildlife-nesting platforms to the association, and we've worked with property owners on the other reservoirs of the Dead River Hydroelectric Project to install hundreds more.

The nesting platforms serve a wide range of wildlife types, including ospreys, bats, wood ducks, owls, bluebirds, loons and kestrels. We keep our eye on the success of the wildlife structures, and conduct any maintenance necessary through a cooperative effort with the landowners.

The McClure Basin Association can be found online at www.mcclurebasin.com. ■



NATUREWISE®: MAKING RENEWABLE ENERGY AFFORDABLE

UPPCO's NatureWise® renewable energy program is a sound way to bring environmentally friendly power to your local community. Rather than producing electricity using coal or natural gas, NatureWise generates electricity from a blend of wind and biomass (gases produced naturally from landfills and farm animal waste). This cleanly produced, green electricity is then added to the power grid in the communities UPPCO serves.

NatureWise energy is available for homes and businesses — giving our customers the power to:

- Choose clean energy.
- Make a difference for the environment.
- Preserve resources for future generations.
- Reduce reliance on coal and natural gas.

It's easy, because there's:

- No equipment to buy or maintain.
- No change in lifestyle.
- The same high reliability from UPPCO.

And it's affordable! NatureWise energy costs only \$1.40 extra per month for each "block" of renewable energy customers choose to buy.* The charge is in addition to the standard monthly charges for electricity.

To sign up for NatureWise, call 800-562-7680. We'll be happy to help you.

For more information, visit our Web site at www.uppco.com/home/mi_naturewisefaq.aspx.

** A block is 100 kilowatt-hours of electricity, which is about 15% to 20% of the electricity a typical homeowner uses in a month.*



OUR ENVIRONMENTAL VISION & PRINCIPLES

UPPCO'S ENVIRONMENTAL VISION:

“CREATING ENERGY SOLUTIONS FOR A SUSTAINABLE TOMORROW”

UPPCO'S ENVIRONMENTAL PRINCIPLES

- 1. Protect the environment.** We reduce our impact on the environment and operate our facilities to meet or surpass environmental standards.
- 2. Use natural resources responsibly.** We conserve resources through efficient use, minimize the creation of waste and recycle whenever possible.
- 3. Use energy wisely.** We invest in energy efficiency and conservation in our own operations and help our customers do the same.
- 4. Improve environmental performance.** We commit to continually improve our environmental performance and meet our obligations with integrity.
- 5. Safeguard a healthy environment.** We protect the health and safety of our employees, customers and the public. We talk to our customers about using electricity safely.
- 6. Engage others.** We rely on open, honest dialog with our employees and the public to improve our environmental performance. We partner with educators, communities and other organizations and consider their environmental expectations in our decision making.
- 7. Embrace environmental sustainability.** We strive to meet the energy needs of today while ensuring a reliable energy future. This includes making business decisions that will protect and enhance the quality of the environment.
- 8. Measure and report performance.** We regularly review our environmental policy and performance, and assess our operations from an environmental perspective.

If you have questions about UPPCO and our activities in the community and environment, please contact Jodi Pineau at jlpineau@uppc.com.

LOCAL UPPCO OFFICES

Delta Service Center

2800 29th Avenue N.
Escanaba, MI 49829

Houghton General Office

600 East Lakeshore Drive
Houghton, MI 49931

Iron River Service Center

3313 US-2 East
Iron River, MI 49935

Ishpeming Service Center

500 North Washington Street
PO Box 357
Ishpeming, MI 49849

Munising Service Center

225 East Munising Avenue
PO Box 9
Munising, MI 49862

Ontonagon Service Center

680 Greenland Road
Ontonagon, MI 49953

West Houghton Service Center

18494 Canal Road
Houghton, MI 49931



www.uppco.com

