

recipe corner

Toasted Pecan Tossed Salad

Servings: 4 (1 cup)

6 cups mixed greens, torn
½ cup dried cherries
½ cup pecan halves, toasted
Parmesan cheese, shaved or grated

Balsamic Vinegar Dressing:

½ cup olive oil
⅓ cup balsamic vinegar
3 tablespoons soy sauce
1 tablespoon Dijon-style mustard
1 tablespoon snipped fresh parsley
1 teaspoon ground white pepper

In a screw-top jar, combine Balsamic Vinegar Dressing ingredients. Cover and shake until blended. In a large bowl, toss greens with about ⅓ cup of the dressing. Divide among chilled plates. Top each salad with 2 tablespoons dried cherries, 2 tablespoons toasted pecan halves and shaved Parmesan cheese.

Never miss a tasty recipe!

Beginning in February, Recipe Corner will be an online exclusive feature. Bookmark uppco.com/recipe and check back each month for the latest dish.

CONNECTING WITH US

Visit us online:

www.uppco.com

24-Hour Customer Service:

800-562-7680

customerservice@uppco.com

Customer Connection is published by UPPCO. Inquiries or comments should be directed to: Customer Communications Department – Customer Connection, P.O. Box 19076, Green Bay WI 54307-9076

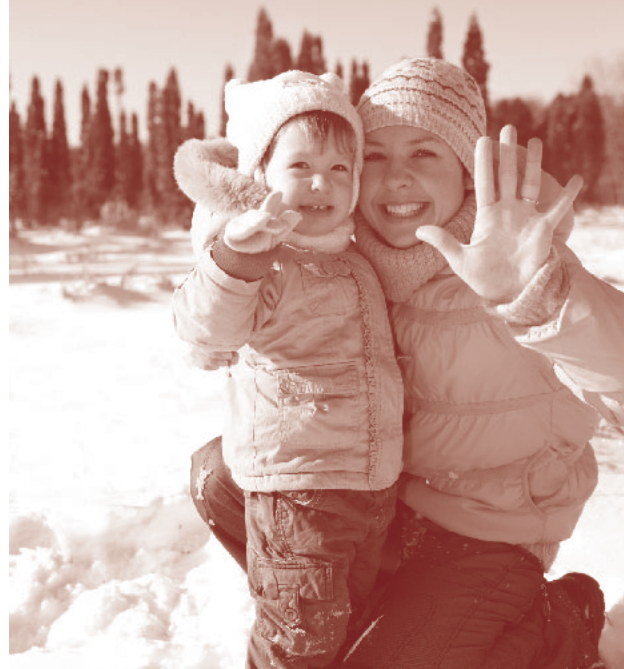
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UPCC0112



January 2012

customer connection

Ideas, Advice and News from Upper Peninsula Power Company



INSIDE:

- Important Information About Your Rates
- Enjoy Flexible Payment Options
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Toasted Pecan Tossed Salad



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IMPORTANT INFORMATION ABOUT YOUR RATES

An Explanation Of Changes To Your Electric Rates

On December 20, 2011, the Michigan Public Service Commission (MPSC) approved new retail base electric rates for Upper Peninsula Power Company. Overall, retail electric rates will increase by 4.17%.

While the net effect on customers will vary by rate classification, the average residential customer in our Integrated System using 500 kilowatt-hours of electricity per month will see an increase of approximately \$5.70 per month. An average residential customer in our Iron River System using 500 kilowatt-hours a month will see an increase of approximately \$8.36. For customers in our Iron River system, the increase is largely due to legislation that requires rates to more closely reflect the actual costs to serve the customer.

The major drivers in the rate increase are the cost of required upgrades at UPPCO's hydroelectric projects, and reduced wholesale electric sales.

We know rate increases are difficult for our customers. However, it's important to understand that the regulated utility business is unlike any other business. UPPCO has very high fixed costs — including maintaining and repairing over 3,300 miles of electric lines and poles, as well as other energy delivery facilities (such as electric substations and hydroelectric plants) to ensure the safe and reliable energy that customers absolutely depend upon. We simply can't cut back on the activities that make sure the lights come on when the switch is turned.

Lower Operating Costs Help To Hold Down Increase

While we must always be prepared to meet our customers' electric needs, you can be certain that we are doing what we can to keep costs as low as possible. In fact, UPPCO was able to reduce the rate increase through savings efforts such as workforce reduction; continuing to read meters bimonthly;

the sale of renewable energy certificates; and efforts to avoid costly improvements at Au Train and Cataract hydroelectric projects, which were sold.

Helping You Manage Energy Use And Costs

Just as we are committed to lowering our costs, we want to help you manage your energy use and costs. When you visit Home Energy Advice at uppco.com, you'll find a wealth of tools and information to help you learn more about your energy use and how to manage it. You can also visit www.encyclopedia.com for information on energy-saving programs and rebates offered through Efficiency United.

Rate Options For Residential Customers

As an UPPCO residential customer, you are charged electric rates based on the type of service you receive.

TYPES OF ELECTRIC SERVICES

Standard Service

This service is available to customers in a single-family dwelling or a duplex who use electricity for residential purposes. Most of our residential customers are billed on this rate.

Seasonal Service

This rate is the same as our standard rate except that you are billed only 6 months during the year — either May through October or November through April. This option is designed for customers who only use significant amounts of energy six months of the year, such as with a summer cottage.

Electric Heating Service

This service is available to residential customers with electric space heating units that are permanently installed and are the primary source of heating. During the months of October through May, the rate per kWh for usage in excess of 500 kWh is lower than the standard service rate.

For More Information

If you have any questions about the rate increase or would like to learn more about all of the rates that UPPCO offers, and which may be best for you, please contact us. Residential customers can call 24-Hour Customer Service at **800-562-7680**. Business customers can call the Business Solutions Center at **800-337-8445**. Copies of complete rate schedules are available upon request and on our website at uppco.com.



Enjoy Flexible Payment Options

Upper Peninsula Power Company offers many ways to help make paying your monthly energy bill quick, easy and convenient.

Just go to upppo.com/home/billing.aspx to learn more about the following billing and payment options:

Budget Billing

Consistently pay the same amount each month. Once every six months, your account will be reviewed and your monthly payment amount may be adjusted to reflect your actual use. Your bill for the 12th month will include any difference between what you paid and the actual cost of the energy you used throughout the year.

e-Bill Paperless Billing & Payment

When you sign up for **e-Bill**, you'll receive a monthly email reminder when your bill is ready for review and payment. You can also set recurring and automatic payments.

Quick Payment

Pay instantly by phone or online, 24 hours a day, using your credit card, debit card or checking account. A \$3.95 service fee per transaction is charged by our bill-processing partner.

Automatic Payment

Eliminate monthly check-writing and mailing tasks with an automatic withdrawal from your bank account each month.

ENVIRONMENTAL DISCLOSURE

Understanding The Environmental Characteristics Of Your Electricity

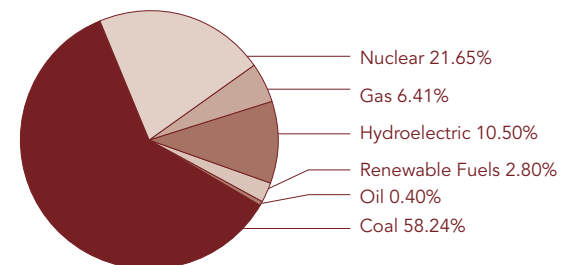
Beginning January 1, 2002, the Customer Choice and Electricity Reliability Act gave all consumers in Michigan the option to choose the company that provides their electric supply. When choosing a supplier, it is important to know the sources of generation different companies may have. Included here is information regarding Upper Peninsula Power Company's fuel mix and emissions compared to other regions.

The environmental characteristics of your electricity as reported to the Michigan Public Service Commission pursuant to Public Act 141 of 2000 are as follows:

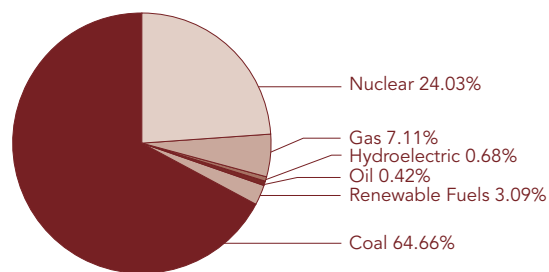
Average Fuel Mix Comparison: UPPCO Versus A Regional Average

Fuel Source	Percentage of Fuel Type Used to Produce UPPCO's Total Electricity	Percentage of Fuel Type Used to Produce Electricity in Michigan, Illinois, Indiana, Ohio and Wisconsin
Coal	58.24	64.66
Nuclear	21.65	24.03
Gas	6.41	7.11
Oil	0.40	0.42
Hydroelectric	10.50	0.68
Renewable Fuels	2.80	3.09
Biofuel	0.12	0.13
Biomass	0.36	0.40
Solar	0.01	0.01
Solid Waste Incineration	0.38	0.42
Wind	1.53	1.70
Wood	0.40	0.44
Other - Tire Derived	—	—

Percentage Of Fuel Type Used To Produce UPPCO's Total Electricity



Percentage Of Fuel Type Used To Produce Electricity In Michigan, Illinois, Indiana, Ohio And Wisconsin



- The information shown is for the UPPCO system, which includes generation in Michigan but does not include generation of any of its affiliate companies. It is for the period of November 2010 through October 2011. The regional information is for the 12-month period of August 2010 through July 2011.
- Solid Waste Incineration includes landfill gas.
- " — " denotes "not applicable" or "negligible."
- In this table, the fuel mix data for the electricity supplied to you by UPPCO includes regional average fuel mix data from Michigan, Illinois, Indiana, Ohio and Wisconsin as a proxy for the actual fuel mix of certain electricity

purchased by UPPCO. This is because the actual fuel mix of that purchased electricity could not be discerned. Purchased electricity accounted for 90.10% of the electricity supplied by UPPCO during the relevant period.

Airborne Emissions And High-Level Nuclear Waste Comparison: UPPCO Versus A Regional Average

Type of Emission/Waste	UPPCO Average	Regional Average for Fossil/Nuclear Generation for Michigan, Illinois, Indiana, Ohio and Wisconsin (16 mWh).
Sulfur Dioxide	0.8	8.21
Carbon Dioxide	3345.7	2186.0
Oxides of Nitrogen	18.8	2.01
High-Level Nuclear Waste	—	0.0083

- Emission rates are pounds per megawatt-hour (mWh) of regional fossil generation. The nuclear waste rate is pounds per megawatt-hour of regional nuclear generation.
- The regional information for sulfur dioxide, carbon dioxide and nitrogen oxides is for the calendar year 2009. The UPPCO information is for the 12-month period ending December 31, 2010.
- The regional nuclear waste produced is based on discharged fuel for a time span of approximately two years in length, ending in 2002. This data is collected irregularly by the Department of Energy (DOE); the amount of nuclear fuel burned (and discharged) per megawatt-hour has changed very little in recent years, according to the DOE.

The information shown in the tables includes data for different time periods, due to the availability of such data. In making energy purchase decisions, you may find it more helpful to compare the fuel mix data of individual suppliers to that of other individual suppliers, rather than comparing the fuel mix of any one supplier to the regional fuel mix.