

Frequently Asked Questions

UPPCO 2016 Rate Case

The Michigan Public Service Commission approved on September 8, 2016 a final rate increase of approximately 4.47 percent in UPPCO's 2016 retail base rates effective September 23.

What was the requested rate increase?

After fulfilling its promise of a two-year rate freeze, UPPCO filed for a rate increase of 6.45 percent in September of 2015.

In March of 2016, UPPCO was allowed to self-implement a 6.02 percent rate increase in this case.

The commission's order represents a reduction to the rates that were implemented in March of this year.

How will the approved proposal affect me?

An average residential customer using 500 kWh per month will see an increase of \$0.65 per month compared to what they have been paying under the rates that UPPCO self-implemented in March.

The decision will enable UPPCO to keep moving forward in providing efficient, safe and reliable service.

The effect on business customers will vary based on rate class and energy usage.

Will I notice anything else on my bill?

UPPCO will eliminate the self-implementation surcharge of 6.02 percent that was effective March 19.

By state law, customers who paid more than the final approved amount will be refunded the difference, with interest, between the commission's final rate increase and the amount collected by UPPCO under the self-implemented surcharge.

UPPCO will file a self-implementation reconciliation proceeding on or before December 15, 2016 in accordance with the Commission's order.

UPPPO's rate realignment surcharge currently on customer bills will be discontinued.

Why did UPPCO need to increase electric rates?

Major drivers for UPPCO's proposal included capital investments that allow UPPCO to serve all its customers with safe and reliable energy services.

The rate increase will allow UPPCO to make critical investments that will increase energy reliability for customers. This includes necessary improvements to some of UPPCO's 3,500 miles of distribution lines spanning 4,460 square miles of primarily rural, and in many cases, heavily-forested areas serving 54,000 customers.

UPPCO will also be clearing tree limbs and brush from at least 1,760 miles of lines between 2014 and 2017 to increase service reliability for customers.

What steps has UPPCO taken to reduce costs?

UPPCO is now a smaller company with fewer departments, providing greater opportunities to operate efficiently and reduce costs.

UPPCO has reduced energy costs that resulted in a reduction of the Power Supply Cost Recovery Charge on customer bills by: entering into a new power supply contract -- savings \$2 million; choosing not to renew a power supply contract – savings \$3 million; and, fighting to reduce "SSR" costs for the past few years that will result in additional savings for customers.

What other information is related to this subject?

Since our rate request was requested, UPPCO has been bringing necessary jobs to Michigan from Wisconsin.

UPPCO has also increased its commitment to contracting for goods and services with local U.P. vendors.