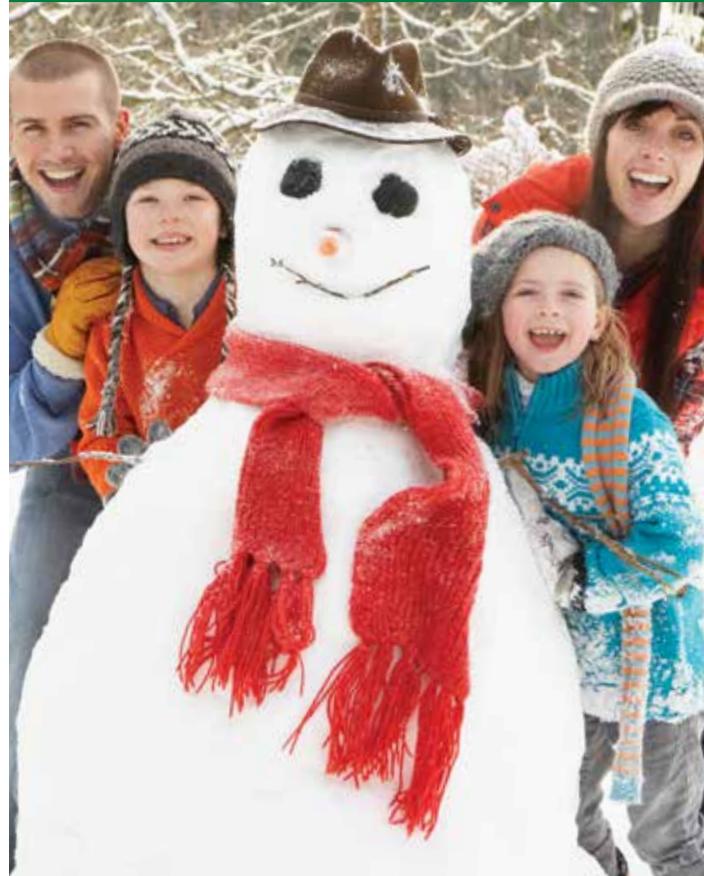


Connecting
with us



Ideas, Advice and News from Upper Peninsula Power Company



ONLINE
uppco.com

24-HOUR CUSTOMER SERVICE
800-562-7680
customerservice@uppco.com

24-HOUR ELECTRIC EMERGENCY
800-562-7809

PARA TRADUCCIONES

Le proporcionamos esta información como cliente. Si desea recibir una traducción, llame al 800-562-7680.

QUESTIONS OR COMMENTS

The UPPCO Connection
P.O. Box 19001
Green Bay, WI 54307-9001



Upper Peninsula Power Company

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JANUARY 2015

Rate Options & Your Energy Bill

An explanation of changes to your rates — and the options available to you.

Your January electric bill reflects Rate Realignment and Decoupling adjustments. The Rate Realignment adjustment is required by Michigan law to help bring your rates closer to the actual cost of providing electric service. The Decoupling adjustment allows recovery, within limits, of lost revenues from reduced sales, which are primarily associated with customer conservation measures and the weather. Residential customers in the UPPCO integrated system will see a Rate Realignment surcharge of \$0.00485/kWh and a Decoupling surcharge of \$0.00112/kWh, which equals an increase of \$2.99 per month for an average customer using 500 kWh per month. Residential customers in the UPPCO Iron River system will see a Rate Realignment surcharge of \$0.00524/kWh and a Decoupling surcharge of \$0.00112/kWh, which equals an increase of \$3.18 per month for an average customer using 500 kWh per month. These adjustments will be included on your bill through 2015.

MANAGING YOUR ENERGY USE & COSTS

We encourage you to visit the **Saving Energy** section at **uppco.com** to find a variety of tools and information to help you learn more about your energy use, and how to better manage it.

We also recommend visiting **efficiencyunited.com** to take advantage of energy-saving rebates and programs offered through Efficiency UNITED, in partnership with UPPCO.



FOR MORE INFORMATION

For more information about the changes to your rates, or for assistance in determining the most appropriate rate, please contact 24-Hour Customer Service at **customerservice@uppco.com** or **800-562-7680**. Copies of complete rate schedules are available on our website at **uppco.com**, and upon request by calling **800-562-7680**.



RATE OPTIONS FOR RESIDENTIAL CUSTOMERS

Want to manage your home energy costs? Understanding your rate options is a good place to start.

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

Standard Service

This rate is available to you if you live in a single-family dwelling, duplex or apartment and your electricity is for residential use. Most of our residential customers qualify for this electric rate.

Seasonal Service

This is the same as the Standard Service rate, except you're billed only 6 months during the year — either May–October or November–April. If you only use significant amounts of energy 6 months of the year, such as with a summer cottage, this rate option may be a good fit for you.

Electric Heating Service

You can take advantage of this rate option if you're a residential customer who permanently installed and use electric space heating units as your primary source of heating. During the months of October–May, the rate per kWh for using electricity in excess of 500 kWh is lower than the Standard Service rate.

Michigan Customer Choice Option

While most customers purchase both their energy supply and distribution service from UPPCO, Michigan Customer Choice allows you to choose your electric supplier. Under this program UPPCO would continue to deliver the electricity to your home, and charge you for the distribution costs of that power. Your electric supplier would then bill you for the power supply itself.

Business Corner



Your Account

You can have answers at your fingertips. It only takes a few minutes to gain quick and easy access to all your account information, through **Your Account** at upcco.com.

Understanding your business's energy use is the first step to managing your energy costs. If you're a new customer or haven't registered for online access yet, visit upcco.com and select "Register" to get started. You'll be guided through the simple four-step sign-up process.

Once logged in to **Your Account**, the first section you'll see is "Account Summary," — a main menu where you'll find details about your most recent account activity, including amount due and payments received.

Your Account offers many tools designed to give you a deeper understanding of your energy use:

View Payment History gives you access to 24 months of your past payments. You can even download a spreadsheet.

View Bill History offers a complete review of up to 24 months of bill history, including electricity used and detailed charges.

You'll also have access to enrolling in billing & payment options, reporting a power outage, and updating your account information.

ENERGY-SAVING TIPS

Colder and darker winter months can mean higher energy bills. Warm up to energy savings with these simple tips.



- **Keep your water heater at 120°F.** It's a do-it-yourself way to save up to 9% off your water heating costs.
- **Replace your most frequently used incandescent bulbs with compact fluorescent lighting.** CFLs use 75% less energy and last up to 10 times longer.
- **Avoid common energy wasters when it comes to dishwashing.** Don't pre-rinse dishes, which wastes about 20 gallons of water. Instead, simply scrape food off into your disposal or trash. Run the dishwasher only when full, and select the no-heat drying option.

ENVIRONMENTAL DISCLOSURE

Environmental Qualities of Your Electricity

As a Michigan resident, you have the option to choose the company that provides your electric supply. This stems from the Customer Choice and Electricity Reliability Act that took effect January 1, 2002. When choosing a supplier, you should know the sources of generation different companies may have. Included here is information about the Upper Peninsula Power Company's fuel mix and emissions, compared to other regions.

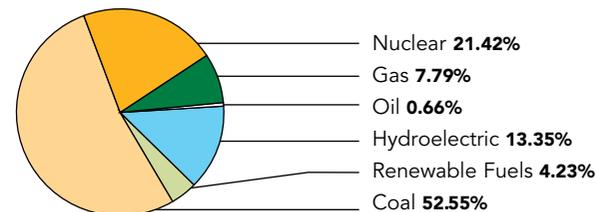
Average Fuel Mix: UPPCO Compared to Regional Average

The information shown in the tables below 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.

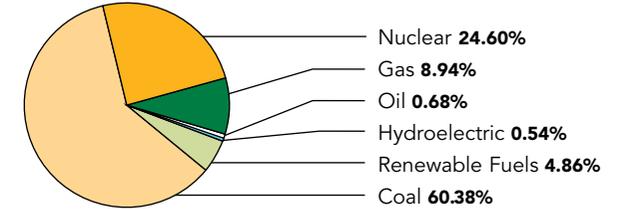
Fuel Source	Percentage of Fuel Type Used to Produce UPPCO's Total Electricity (October 2013 - September 2014)	Percentage of Fuel Type Used to Produce Electricity in Michigan, Illinois, Indiana, Ohio and Wisconsin (September 2013 - August 2014)
Coal	52.55	60.38
Nuclear	21.42	24.60
Natural Gas	7.79	8.94
Oil	0.66	0.68
Hydroelectric	13.35	0.54
Renewable Fuels Total	4.23	4.86
Biofuel	0.60	0.69
Biomass	0.35	0.40
Solar	0.03	0.04
Solid Waste Incineration ¹	0.04	0.05
Wind	2.76	3.17
Wood	0.45	0.52

¹ Includes landfill gas.

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 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 87.06% of the electricity supplied by UPPCO during the relevant period.

Airborne Emissions and High-Level Nuclear Waste Comparison: UPPCO Compared to Regional Average

Type of Emission/Waste	UPPCO Average (January 2013 - December 2013)	Regional Average for Fossil/Nuclear Generation for Michigan, Illinois, Indiana, Ohio and Wisconsin (lb/MWh) (September 2013 - August 2014)
Sulfur Dioxide	0.61	7.56
Carbon Dioxide ²	2,706.7	2,170
Oxides of Nitrogen	14.3	2.01
High-Level Nuclear Waste ³	—	0.0083

² Carbon Dioxide emissions for the historical years 1998 - 2008 have been revised by EIA due to changes in emission factors.

³ High-level nuclear waste is based on discharged fuel for a time span approximately two years in length, ending in 2002.