

## 2024 Rate Review

### Frequently Asked Questions

The following information is provided to help customers learn more about UPPCO's requested Rate Review:

#### **Why is UPPCO requesting an increase in rates?**

- The increase is required to address an under-recovery of revenue that is necessary to operate the electric utility. The under-recovery is being driven by the following:
  - Investments being made in existing infrastructure (poles, wires, electrical devices, technology, etc.) that enable the safe, efficient, and reliable delivery of energy to the customer.
  - Construction of system upgrades and new infrastructure necessary to support load growth and economic development throughout the region.
  - Significant increases in the cost of equipment, materials, supplies, and labor related to the company's capital projects.
  - Increased operating expenses (fuel for company vehicles, purchased power, tree trimming and vegetation management, contractors, non-capital materials and supplies, metering, routine maintenance performed on the company's distribution and generation assets, etc.).

#### **What is UPPCO requesting?**

- UPPCO is requesting the authority to collect ~\$16.9 million of additional revenue per year. Under UPPCO's proposal, the additional revenue will be recovered from the various customer classes (Residential, Commercial, Industrial, and Lighting) according to the computed cost of serving each customer class.

#### **Who is impacted?**

- All UPPCO customers may be affected by the case, depending on the outcome that is approved by the Michigan Public Service Commission.

#### **When was UPPCO's request filed?**

- UPPCO's request was filed with the Michigan Public Service Commission on March 21, 2024.

#### **How long does the Michigan Public Service Commission have to decide the outcome?**

- The Commission has up to 10 months (January 21, 2025) to decide the outcome of the case.

#### **When will the new rates go into effect?**

- The new rates won't go into effect until the Michigan Public Service Commission issues its decision on UPPCO's request. UPPCO anticipates the new rates won't go into effect until January 2025.

#### **What is happening in the industry?**

- Energy prices have risen throughout the nation as utilities have encountered significantly higher operational, construction, and energy production costs.
- In 2023, Michigan enacted new legislation that, among other things, requires electric utilities to transition to 100% renewable and clean energy resources by the year 2040:
  - 60% renewable energy by 2035
  - 100% renewable and clean energy by 2040
- UPPCO's Rate Review proposal does not include or reflect the impact of Michigan's 2023 energy legislation.

#### **What if I cannot afford to pay my energy bill?**

- UPPCO's Energy Assistance, Self-sufficiency & Education (EASE) Program is intended to assist customers that are eligible. Customers can request enrollment in UPPCO's EASE Program after pre-qualifying through Michigan's Department of Health & Human Services (DHHS) MIBridges website at <https://newmibridges.michigan.gov>.
- The State of Michigan offers a variety of resources to assist eligible households that apply through the Department of Health & Human Services (DHHS) MIBridges website at <https://newmibridges.michigan.gov>.
- Customers can find additional energy assistance information on UPPCO's website at <https://www.uppco.com/residential/help-with-your-energy-bill/>.