



Upper Peninsula Power Company

FOR IMMEDIATE RELEASE
CONTACT: Dave Forsberg

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UPPCO submits two filings with the Michigan Public Service Commission to help lower power costs for customers

Residential, commercial and industrial customers will benefit from the programs

MARQUETTE, MI – The Upper Peninsula Power Company (UPPCO) submitted two filings with the Michigan Public Service Commission, the net result of which will lower power costs for residential, commercial and industrial customers. While customers will only experience a minor reduction to their monthly bills, it is a step forward in addressing the cost of power for UPPCO customers, helping customers use less energy, and increasing support to lower-income customers.

Energy Waste Reduction (EWR)

This first filing involves UPPCO's decision to transfer administrative responsibility for the Energy Waste Reduction (EWR) program from the State to UPPCO. The EWR program provides funding for energy efficiency projects, including appliance rebates and lighting programs for residential, commercial and industrial customers. With UPPCO overseeing the program starting this January, the company expects to achieve an estimated \$1,000,000 in savings per year that it will pass on to customers. On average, residential customers will realize a \$1.30 to \$3.90 monthly savings. Commercial and industrial customers will also see a decrease of \$14.30 to \$129.00 a month.

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Low-Income Energy Assistance Fund (LIEAF)

The second filing involves UPPCO's decision to participate in the 2018 Low-Income Energy Assistance Fund (LIEAF), which provides weatherization, financial assistance during critical winter months, and energy-use education to help low-income households to permanently reduce energy bills and move toward self-sufficiency. UPPCO's participation in LIEAF will go into effect in September of 2017. It is expected to increase assistance to hundreds of customers.

LIEAF funds are distributed to several U.P. agencies. Superior Watershed Partnership's Executive Director, Carl Lindquist, sees a great need for this program "The Low-Income Energy Efficiency Fund helps make it possible to provide people with heating assistance and energy conservation assistance when they need it most. New funding for LIEAF means the Superior Watershed Partnership and other community action organizations will be able to help more people."

The LIEAF program has already proven to be a great benefit to many U.P. households. TrueNorth, a statewide organization that provides energy assistance to low-income households, has already assisted more than 700 UPPCO households in 2017 with paying heat and energy bills. TrueNorth's President and CEO, Bev Cassidy, noted, "The heating season in the U.P. is especially snowy and cold. Many households struggle to stay safe and warm during the long winter months. Grants that our organization receives through State and Federal utility funding provide vital assistance to households in need."

Net Impact to Customers

While the Michigan Public Service Commission will not determine the actual LIEAF rate until later in July, the monthly charge to customers will not exceed one dollar. When added to the larger savings from the

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EWR program, residential customers will experience an overall cost reduction of \$0.30 to \$2.90 a month. Commercial and industrial customers will experience an overall cost reduction of \$13.30 to \$128.00 a month.

UPPCO's new CEO, Jim Larsen, who started in his position just three months ago, is committed to finding solutions that will help to reduce costs and improve service for UPPCO customers. He explained, "For the past 30 months, UPPCO has prioritized operational projects so customers would continue to receive safe, reliable power during the ownership transition to a U.P. headquartered company." Larsen noted that with most of the projects nearing completion, UPPCO's management team can now refocus efforts on addressing energy costs and customer service. Larsen added, "We're working to make power more affordable for our customers. As a regulated utility in the U.P., there are many complex factors that contributed to these higher power costs. We're carefully reviewing each of them and addressing those that can be changed."

Larsen brings new energy to the company and a renewed commitment to transparency. He noted, "UPPCO is committed to communicating more regularly with our community and providing customers with more frequent updates on our initiatives and programs. Our 175 employees are your friends and neighbors. Together we're dedicated to delivering safe and reliable power, and in generation from clean renewable hydro energy."

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FACTS & RESOURCES

About the Current Energy Efficiency Program

UPPCO encourages customers to participate in its current energy efficiency program Efficiency UNITED. This program provides UPPCO customers with appliance recycling, appliance and HVAC rebates, weatherization products and energy audits. For a full list of services available to UPPCO customers please visit <https://efficiencyunited.com>. Customers can also call Efficiency UNITED at 877-367-3191 or email them at info@EfficiencyUnited.com to learn more.

About UPPCO

UPPCO is a regulated utility that serves approximately 52,000 customers in 10 counties of the Upper Peninsula. There are approximately 12 customers per square mile in a service territory of 4,460 square miles.

UPPCO and its 175 employees have a strong history of community involvement. In 2016, the company provided direct grants and volunteer support valued at more than \$104,200 to non-profit organizations, associations, and other causes across the U.P. The company's \$104,000 in contributions, which did not involve customer funds, included more than \$14,000 in personal donations to U.P. United Way campaigns from current UPPCO employees.