

D1. Power Supply Cost Recovery**PSCR****A. PSCR Factors:**

All rates for electric service shall include an amount up to the Power Supply Cost Recovery Factor (the PSCR Factor) for the specified billing period as set forth below.

The PSCR Factors for a given month will consist of an increase or decrease of 0.010623 mills per kWh for all customers in the Integrated System and in the Iron River System for each full 0.01 mill increase or decrease in the projected power supply costs for that month above or below a cost base of 42.90 mills per kWh, rounded to the nearest one-hundredth of a mill per kWh. The projected power supply costs per kWh shall equal the total projected net power cost in that month divided by the sum of that month's projected net system kWh requirements. Net system kWh requirements shall be the sum of net kWh generation and net kWh purchased and interchanged.

An amount not exceeding the PSCR Factor for each month shall be placed into effect in the first billing cycle of that monthly billing period and shall continue in effect until the first billing cycle of a subsequent month for which a subsequent PSCR Factor becomes operative.

B. Monthly Reports:

Not more than 45 days following the last day of each billing month in which a PSCR Factor has been applied to customers' bills, the Company shall file with the Commission a detailed statement for that month of the revenues recorded pursuant to the PSCR Factor and the allowance for cost of power supply included in the base rates established in the latest Commission order for the Company and the cost of power supply.

C. Annual Reconciliation:

All fuel cost and purchased and net interchanged power revenues received by the Company, whether included in base rates or collected pursuant to a fuel and purchased power cost adjustment clause or a power supply cost recovery clause, shall be subject to annual reconciliation with the cost of fuel and purchased and net interchanged power. Such annual reconciliations shall be conducted in accordance with the reconciliation procedures described in Section 6j (12) to (18) of 1939 PA 3, as amended, including the provisions for refunds, additional charges, deferral and recovery, and shall include consideration by the Commission of the reasonableness and prudence of expenditures charged pursuant to any fuel and purchased power cost adjustment clause in existence during the period being reconciled.

Continued on Sheet No. D-2.00

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By G R Haehnel
Director - Regulatory Affairs
Marquette, Michigan

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UPPER PENINSULA POWER COMPANY

MPSC Vol No 8-ELECTRIC
(2026 PSCR Plan, Case No. U-21883)

228th Revised Sheet No. D-2.00
Replaces 227th Revised Sheet No. D-2.00

D1. Power Supply Cost Recovery

PSCR

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Should the Company apply lesser factors than those below, or if the factors are later revised pursuant to Commission Orders or 1982 PA 304, the Company will notify the Commission and file a revision of the following list.

ALL CLASSES

Billing Months	Power Supply Cost Recovery Factors			
	Authorized 2026 Plan Year PSCR Factor \$/kWh	Prior Years Over/Under Recovery Factor \$/kWh	Maximum Authorized 2026 PSCR Factor \$/kWh	Actual Factor Billed \$/kWh
January 2026	\$0.01466	\$0.00624	\$0.02090	\$0.02090
February 2026	\$0.01466	\$0.00624	\$0.02090	\$0.02090
March 2026	\$0.01466	\$0.00624	\$0.02090	\$0.02090
April 2026	\$0.01466	\$0.00624	\$0.02090	\$0.02090
May 2026	\$0.01600	\$0.00742	\$0.02342	\$0.02342
June 2026	\$0.01600	\$0.00742	\$0.02342	\$0.02342
July 2026	\$0.01600	\$0.00742	\$0.02342	\$0.02342
August 2026	\$0.01600	\$0.00742	\$0.02342	\$0.02342
September 2026	\$0.01600	\$0.00742	\$0.02342	
October 2026	\$0.01600	\$0.00742	\$0.02342	
November 2026	\$0.01600	\$0.00742	\$0.02342	
December 2026	\$0.01600	\$0.00742	\$0.02342	

Continued on Sheet No. D-3.00

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Chief Executive Officer
Marquette, Michigan

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UPPER PENINSULA POWER COMPANY

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D1. Power Supply Cost Recovery				PSCR	
Continued from Sheet No. D-2.00					
<u>ALL CLASSES</u>					
Power Supply Cost Recovery Factors					
	Authorized 2025 Plan Year PSCR Factor \$/kWh	Prior Years Over/Under Recovery Factor \$/kWh	Maximum Authorized 2025 PSCR Factor \$/kWh	Actual Factor Billed \$/kWh	
Billing Months					
January 2025	\$0.01375	\$0.00047	\$0.01422	\$0.01422	
February 2025	\$0.01375	\$0.00047	\$0.01422	\$0.01422	
March 2025	\$0.01375	\$0.00047	\$0.01422	\$0.01422	
April 2025	\$0.01375	\$0.00047	\$0.01422	\$0.01422	
May 2025	\$0.01375	\$0.00047	\$0.01422	\$0.01422	
June 2025	\$0.01375	\$0.00047	\$0.01422	\$0.01422	
July 2025	\$0.01375	\$0.00047	\$0.01422	\$0.01422	
August 2025	\$0.01375	\$0.00047	\$0.01422	\$0.01422	
September 2025	\$0.01375	\$0.00047	\$0.01422	\$0.01422	
October 2025	\$0.01375	\$0.00047	\$0.01422	\$0.01422	
November 2025	\$0.01375	\$0.00047	\$0.01422	\$0.01422	
December 2025	\$0.01375	\$0.00047	\$0.01422	\$0.01422	

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Marquette, Michigan

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