

**MICHIGAN PUBLIC SERVICE COMMISSION**

**ANNUAL REPORT OF ELECTRIC UTILITIES (MAJOR AND NON-MAJOR)**

This form is authorized by 1919 PA 419, as amended, authorizes this form being MCL 460.51 et seq.; and 1969 PA 306, as amended, being MCL 24.201 et seq. Filing of this form is mandatory. Failure to complete and submit this form will place you violation of the Acts.

<b>Report submitted for year ending:</b> December 31, 2008	
<b>Present name of respondent:</b> Upper Peninsula Power Company	
<b>Address of principal place of business:</b>	
<b>Utility representative to whom inquires regarding this report may be directed:</b>	
<b>Name:</b> Denise Lepisto	<b>Title:</b> Accountant
<b>Address:</b> P. O. Box 130, 600 East Lakeshore Drive	
<b>City:</b> Houghton	<b>State:</b> MI <b>Zip:</b> 49931
<b>Telephone, Including Area Code:</b> (906) 483-4505	
<b>If the utility name has been changed during the past year:</b>	
<b>Prior Name:</b>	
<b>Date of Change:</b>	
<b>Two copies of the published annual report to stockholders:</b>	
[ X ]	were forwarded to the Commission
[ ]	will be forwarded to the Commission
<u>on or about</u>	
<b>Annual reports to stockholders:</b>	
[ ]	are published
[ X ]	are not published

**FOR ASSISTANCE IN COMPLETION OF THIS FORM:**

Contact the Michigan Public Service Commission (Bill Stosik) at  
(517) 241-5853 or [bmstosi@michigan.gov](mailto:bmstosi@michigan.gov) OR forward correspondence to:

Regulated Energy Division (Bill Stosik)  
Financial Analysis and Customer Choice Section  
6545 Mercantile Way  
P.O. Box 30221  
Lansing, MI 48909

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Upper Peninsula Power Company:

We have audited the balance sheet — regulatory basis of Upper Peninsula Power Company (the "Company") as of December 31, 2008, and the related statements of income — regulatory basis; retained earnings — regulatory basis; and cash flows — regulatory basis, for the year ended December 31, 2008, included on pages 110(M) through 123 of the accompanying Michigan Public Service Commission Form P-521. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, these financial statements were prepared in accordance with the accounting requirements of the Michigan Public Service Commission as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, such regulatory-basis financial statements present fairly, in all material respects, the assets, liabilities, and proprietary capital of the Company as of December 31, 2008, and the results of its operations and its cash flows for the year ended December 31, 2008, in accordance with the accounting requirements of the Michigan Public Service Commission as set forth in its applicable Uniform System of Accounts and published accounting releases.

This report is intended solely for the information and use of the board of directors and management of the Company, and for filing with the Michigan Public Service Commission, and is not intended to be and should not be used by anyone other than these specified parties.

*Deloitte & Touche LLP*

April 17, 2009



INSTRUCTIONS FOR THE FILING OF THE ANNUAL REPORT OF  
MAJOR AND NONMAJOR ELECTRIC UTILITIES

GENERAL INFORMATION

**I. Purpose:**

By authority conferred upon the Michigan Public Service Commission by 1909 PA 106, as amended, being MCL 460.556 et seq. and 1969 PA 306, as amended, being MCL 24.201 et seq., this form is a regulatory support requirement. It is designed to collect financial and operational information from public utilities, licensees and others subject to the jurisdiction of the Michigan Public Service Commission. This report is a nonconfidential public use form.

**II. Who Must Submit:**

Each major and nonmajor public utility, licensee, or other, as classified in the Commission's Uniform System of Accounts Prescribed for Public Utilities and Licensees must submit this form.

NOTE: Major utilities means utilities that had, in each of the last three consecutive years, sales or transmission service that exceeded any one or more of the following:

- (a) one million megawatt-hours of total sales;
- (b) 100 megawatt-hours of sales for resale;
- (c) 500 megawatt-hours of gross interchange out; or
- (d) 500 megawatt-hours of wheeling for others (deliveries plus losses)

**III. What and Where to Submit:**

(a) **Submit an original copy of this form to:**

Michigan Public Service Commission (Regulated Energy Division)  
Financial Analysis and Customer Choice Section  
6545 Mercantile Way  
P.O. Box 30221  
Lansing, MI 48909

**Retain one copy of this report for your files. Also submit the electronic version of this record to Bill Stosik at the address below or to [bmstosi@michigan.gov](mailto:bmstosi@michigan.gov)**

- (b) Submit immediately upon publication, one (1) copy of the latest annual report to stockholders and any annual financial or statistical report regularly prepared and distributed to bondholders, security analyst, or industry association. Do not include monthly and quarterly reports. If reports to stockholders are not prepared, enter "NA" in column (c) on Page 4, the List of Schedules.) Mail these reports to:

Michigan Public Service Commission (Regulated Energy Division)  
Financial Analysis and Customer Choice Section  
6545 Mercantile Way  
P.O. Box 30221  
Lansing, MI 48909

- (c) For the CPA certification, submit with the original submission, or within 30 days after the filing date for this form, a letter or report:

- (i) Attesting to the conformity, in all material aspects, of the below listed (schedules and) pages with the Commission's applicable Uniform Systems of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and
- (ii) Signed by independent certified public accountants or an independent licensed public accountant, certified or licensed by a regulatory authority or a state or other political subdivision of the U.S. (See 18 CFR 41.10-41.12 for specific qualifications).



<u>Schedules</u>	<u>Reference Page</u>
Comparative Balance Sheet	110 - 113
Statement of Income	114 - 117
Statement of Retained Earnings	118 - 119
Statement of Cash Flows	120 - 121
Notes to Financial Statements	122 - 123

When accompanying this form, insert the letter or report immediately following the cover sheet. Use the following form for the letter or report unless unusual circumstances or conditions, explained in the letter or report, demand that it be varied. Insert parenthetical phrases only when exceptions are reported.

In connection with our regular examination of the financial statements of \_\_\_\_\_ for the year ended on which we have reported separately under the date of \_\_\_\_\_ we have also reviewed schedules \_\_\_\_\_ of Form P-521 for the year filed with the Michigan Public Service Commission as set forth in its applicable Uniform System of Accounts and published accounting releases. Our review for this purpose included such tests of accounting records and such other auditing procedures as we considered necessary in the circumstances.

Based on our review, in our opinion the accompanying schedules identified in the preceding paragraph (except as noted below) conform in all material respects with the accounting requirements of the Michigan Public Service Commission as set forth in its applicable Uniform System of Accounts and published accounting releases.

State in the letter or report which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist.

- (d) Federal, state, and local governments and other authorized user may obtain additional blank copies to meet their requirements for a charge from:

Michigan Public Service Commission (Regulated Energy Division)  
Financial Analysis and Customer Choice Section  
6545 Mercantile Way  
P.O. Box 30221  
Lansing, MI 48909

#### **IV. When to Submit**

Submit this report form on or before April 30 of the year following the year covered by this report.

#### **GENERAL INSTRUCTIONS**

- I. Prepare this report in conformity with the Uniform System of Accounts (USOA). Interpret all accounting words and phrases in accordance with the USOA.
- II. Enter in whole number (dollars or MWH) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required). The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances

at the end of the current reporting year, and use for statement of income accounts the current year's accounts.


- III. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "NONE" where it truly and completely states the fact.
- IV. For any page(s) that is not applicable to respondent, either
- (a) Enter the words "NOT APPLICABLE" on the particular page(s), OR
  - (b) Omit the page(s) and enter "NA", "NONE", or "NOT APPLICABLE" in column (c) on the List of Schedules, pages 2, 3, 4 and 5.
- V. Complete this report by means which result in a permanent record. Complete the original copy in permanent black ink or typewriter print, if practical. Additional copies must be clear and readable.
- VI. Enter the month, day, and year for all dates. Use customary abbreviations. The "Date of Report" included in the header of each page is to be completed only for resubmissions (See VIII. below). The date of the resubmission must be reported in the header for all form pages, whether or not they are changed from the previous filing.
- VII. Indicate negative amounts (such as decreases) by enclosing the figures in parentheses ( ).
- VIII. When making revisions, resubmit only those pages that have been changed from the original submission. Submit the same number of copies as required for filing the form. Include with the resubmission the identification and Attestation page, page 1. Mail dated resubmissions to:
- Michigan Public Service Commission (Regulated Energy Division)  
Financial Analysis and Customer Choice Section  
6545 Mercantile Way  
P.O. Box 30221  
Lansing, MI 48909
- IX. Provide a supplemental statement further explaining accounts or pages as necessary. Attach the supplemental statement (8 1/2 x 11 inch size) to the page being supplemented. Provide the appropriate identification information, including the title(s) of the page and page number supplemented.
- X. Do not make references to reports of previous years or to other reports in lieu of required entries, except as specifically authorized.
- XI. Wherever (schedule) pages refer to figures from a previous year, the figures reported must be based upon those shown by the annual report of the previous year, or an appropriate explanation given as to why the different figures were used.
- XII. Respondents may submit computer printed schedules (reduced to 8 1/2 x 11 inch size) instead of the preprinted schedules if they are in substantially the same format.
- XIII. A copy of the FERC Annual Report Form is acceptable to substitute for the same schedules of this report.

#### DEFINITIONS

- I. Commission Authorization (Comm. Auth.) - The authorization of the Michigan Public Service Commission, or any other Commission. Name the Commission whose authorization was obtained and give the date of the authorization.
- II. Respondent - The person, corporation, licensee, agency, authority, or other legal entity or instrumentality in whose behalf the report is made.

**MPSC FORM P-521**

**ANNUAL REPORT OF ELECTRIC UTILITIES, LICENSEES AND OTHERS (Major and Nonmajor)**

IDENTIFICATION		
01 Exact Legal Name of Respondent  Upper Peninsula Power Company		02 Year of Report  December 31, 2008
03 Previous Name and Date of Change (if name changed during year)		
04 Address of Principal Business Office at End of Year (Street, City, St., Zip)  600 East Lakeshore Drive, Houghton, MI 49931		
05 Name of Contact Person  Denise Lepisto	06 Title of Contact Person  Accountant	
07 Address of Contact Person (Street, City, St., Zip)  600 East Lakeshore Drive, Houghton, MI 49931		
08 Telephone of Contact Person, Including Area Code:  (906) 483-4505	09 This Report is:  (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	10 Date of Report (Mo, Da, Yr)  April 30, 2009
ATTESTATION		
The undersigned officer certifies that he/she has examined the accompanying report; that to the best of his/her knowledge, information, and belief, all statements of fact contained in the accompanying report are true and the accompanying report is a corre		
01 Name  Keith E. Moyle	03 Signature  	04 Date Signed (Mo, Da, Yr)  April 30, 2008
02 Title  Vice President & General Manager		

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2009	Year of Report December 31, 2008
<b>LIST OF SCHEDULES (Electric Utility)</b>			
1. Enter in column (c) the terms "none", "not applicable", or "NA", as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none", "not applicable", or "NA".		2. The "M" prefix below denotes those pages where the information requested by the MPSC differs from that requested by FERC. Each of these pages also contains the "M" designation on the page itself.	
Title of Schedule (a)	Reference Page No. (b)	Remarks (c)	
<p style="text-align: center;"><b>GENERAL CORPORATE INFORMATION AND FINANCIAL STATEMENTS</b></p> <p>General Information 101</p> <p>Control Over Respondent &amp; Other Associated Companies M 102</p> <p>Corporations Controlled by Respondent 103 See FERC Form 1, Page 103</p> <p>Officers and Employees M 104</p> <p>Directors M 105</p> <p>Security Holders and Voting Powers M 106-107</p> <p>Important Changes During the Year 108-109 See FERC Form 1, Pages 108-109</p> <p>Comparative Balance Sheet M 110-113</p> <p>Statement of Income for the Year 114-117</p> <p>Statement of Retained Earnings for the Year 118-119</p> <p>Statement of Cash Flows 120-121</p> <p>Notes to Financial Statements 122-123 See FERC Form 1, Pages 122-123</p> <p style="text-align: center;"><b>BALANCE SHEET SUPPORTING SCHEDULES (Assets and Other Debits)</b></p> <p>Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion 200-201 None - Page 201</p> <p>Nuclear Fuel Materials 202-203 None</p> <p>Electric Plant in Service M 204-211</p> <p>Electric Plant Leased to Others 213 None</p> <p>Electric Plant Held for Future Use 214 None</p> <p>Construction Work in Progress - Electric M 216</p> <p>Construction Overheads - Electric 217</p> <p>General Description of Construction Overhead Procedure M 218</p> <p>Accumulated Provision for Depreciation of Electric Utility Plant M 219 See FERC Form 1, Page 219</p> <p>Nonutility Property M 221</p> <p>Investment in Subsidiary Companies 224-225 See FERC Form 1, Pages 224-225</p> <p>Materials and Supply 227 See FERC Form 1, Page 227</p> <p>Allowances 228-229 None</p> <p>Extraordinary Property Losses 230B None</p> <p>Unrecovered Plant and Regulatory Study Costs 230B None</p> <p>Other Regulatory Assets M 232 See FERC Form 1, Page 232</p> <p>Miscellaneous Deferred Debits M 233 See FERC Form 1, Page 233</p> <p>Accumulated Deferred Income Taxes (Account 190) M 234A-B</p> <p style="text-align: center;"><b>BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Credits)</b></p> <p>Capital Stock 250-251 See FERC Form 1, Pages 250-251</p> <p>Capital Stock Subscribed, Capital Stock Liability for Conversion Premium on Capital Stock, and Installments Received on Capital Stock 252</p>			

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2009	Year of Report December 31, 2008
<b>LIST OF SCHEDULES (Electric Utility) (Continued)</b>			
Title of Schedule (a)	Reference Page No. (b)	Remarks (c)	
<b>BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Other Credits) (Continued)</b>			
Other Paid-In Capital	253		
Discount on Capital Stock	254	None	
Capital Stock Expense	254	None	
Long-Term Debt	256-257	See FERC Form 1, Pages 256-257	
Reconciliation of Reported Net Income with Taxable Income for Federal Income Tax	M 261A-B		
Calculation of Federal Income Tax			
Taxes Accrued, Prepaid and Charged During Year	M 262-263	See FERC Form 1, Pages 262-263	
Distribution of Taxes Charged	M 262-263	See FERC Form 1, Pages 262-263	
Accumulated Deferred Investment Tax Credits	266-267	See FERC Form 1, Pages 266-267	
Other Deferred Credits	269	See FERC Form 1, Page 269	
Accumulated Deferred Income Taxes - Accelerated Amortization Property	M 272-273	None	
Accumulated Deferred Income Taxes - Other Property	M 274-275	See FERC Form 1, Pages 274-275	
Accumulated Deferred Income Taxes - Other	M 276A-B	See FERC Form 1, Pages 276-277	
Other Regulatory Liabilities	M 278	See FERC Form 1, Page 278	
<b>INCOME ACCOUNT SUPPORTING SCHEDULES</b>			
Electric Operating Revenues	M 300-301		
Sales of Electricity by Rate Schedules	304	See FERC Form 1, Page 304	
Sales for Resale	310-311	See FERC Form 1, Pages 310-311	
Electric Operation and Maintenance Expenses	320-323		
Number of Electric Department Employees	323		
Purchased Power	326-327	See FERC Form 1, Pages 326-327	
Transmission of Electricity for Others	328-330	None	
Transmission of Electricity by Others	332	See FERC Form 1, Page 332	
Miscellaneous General Expenses - Electric	M 335		
Depreciation and Amortization of Electric Plant	M 336-337	Page 337 - None	
Particulars Concerning Certain Income Deduction and Interest Charges Accounts	340		
<b>COMMON SECTION</b>			
Regulatory Commission Expenses	350-351	See FERC Form 1, Pages 350-351	
Research, Development and Demonstration Activities	352-353	None	
Distribution of Salaries and Wages	354-355	See FERC Form 1, Pages 354-355	
Common Utility Plant and Expenses	356	None	
<b>ELECTRIC PLANT STATISTICAL DATA</b>			
Monthly Transmission System Peak Load	M 400	None	
Electric Energy Account	401	See FERC Form 1, Page 401a	
Monthly Peaks and Output	401	See FERC Form 1, Page 401b	
Steam-Electric Generating Plant Statistics (Large Plants)	402-403	See FERC Form 1, Pages 402-403	
Hydroelectric Generating Plant Statistics (Large Plants)	406-407	See FERC Form 1, Pages 406-407	
Pumped Storage Generating Plant Statistics (Large Plants)	408-409	None	
Generating Plant Statistics (Small Plants)	410-411	See FERC Form 1, Pages 410-411	

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2009	Year of Report December 31, 2008
<b>LIST OF SCHEDULES (Electric Utility) (Continued)</b>			
Title of Schedule  (a)	Reference Page No.  (b)	Remarks  (c)	
<b>ELECTRIC PLANT STATISTICAL DATA (Continued)</b>			
Transmission Line Statistics	422-423	None	
Transmission Lines Added During Year	424-425	None	
Substations	426-427		
Electric Distribution Meters and Line Transformers	429		
Environmental Protection Facilities	430	Filing Not Required	
Environmental Protection Expenses	431	Filing Not Required	
Footnote Data	450	See FERC Form 1, Pages 101-427	
Stockholders' Report	---		
<b>MPSC SCHEDULES</b>			
Reconciliation of Deferred Income Tax Expense	117A-B		
Operating Loss Carry Forward	117C	None	
Plant Acquisition Adjustments and Accumulated Provision for Amortization of Plant Acquisition Adjustments	215		
Construction Work In Progress and Completed Construction Not Classified - Electric	216		
Accumulated Provision for Depreciation and Amortization of Nonutility Property	221		
Investments	222-223		
Notes & Accounts Receivable Summary for Balance Sheet	226A		
Accumulated Provision for Uncollectible Accounts - Credit	226A		
Receivables From Associated Companies	226B		
Production Fuel and Oil Stocks	227A-B		
Miscellaneous Current and Accrued Assets	230A		
Preliminary Survey and Investigation Charges	231A-B		
Deferred Losses from Disposition of Utility Plant	235A-B	None	
Unamortized Loss and Gain on Reacquired Debt	237A-B		
Securities Issued or Assumed and Securities Refunded or Retired During the Year	255		
Notes Payable	260A	None	
Payables to Associated Companies	260B		
Investment Tax Credits Generated and Utilized	264-265	Pages Eliminated by MPSC	
Miscellaneous Current and Accrued Liabilities	268		
Customer Advances for Construction	268		
Deferred Gains from Disposition of Utility Plant	270A-B	None	
Accumulated Deferred Income Taxes - Temporary	277	See FERC Form 1, Page 277	
Gain or Loss on Disposition of Property	280A-B		
Income from Utility Plant Leased to Others	281	None	
Particulars Concerning Certain Other Income Accounts	282		
Electric Operation and Maintenance Expenses (Nonmajor)	320N-324N	Not Applicable	
Number of Electric Department Employees	234N	Not Applicable	
Sales to Railroads & Railways and Interdepartmental Sales	331A	None	
Rent From Electric Property & Interdepartmental Rents	331A		
Sales of Water and Water Power	331B		
Misc. Service Revenues & Other Electric Revenues	331B		
Lease Rentals Charged	333A-D	Pages 333C & D - None	
Expenditures for Certain Civic, Political and Related Activities	341		

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 4/30/2009	December 31, 2008

**LIST OF SCHEDULES (Electric Utility) (Continued)**

Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
<b>MPSC SCHEDULES (Continued)</b>		
Extraordinary Items	342	None
Charges for Outside Professional and Other Consultative Services	357	
Summary of Costs Billed to Associated Companies	358-359	
Summary of Costs Billed from Associated Companies	360-361	
Monthly Transmission System Peak Load	400	None
Changes Made or Scheduled to be Made in Generating Plant Capacities	412	None
Steam-Electric Generating Plants	413A-B	None
Hydroelectric Generating Plants	414-415	
Pumped Storage Generating Plants	416-418	None
Internal Combustion Engine and Gas Turbine Generating Plants	420-421	



Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2009	Year of Report December 31, 2008
<b>GENERAL INFORMATION</b>			
<p>1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.</p> <p>Keith E. Moyle</p> <p>600 East Lakeshore Drive</p> <p>Houghton MI 49931</p>			
<p>2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and date organized.</p> <p>Incorporated February 26, 1947, under the laws of the State of Michigan Act 327 of the Public Acts of 1931.</p>			
<p>3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.</p> <p>N/A</p>			
<p>4. State the classes of utility and other services furnished by respondent during the year in each State in which respondent operated.</p> <p>Respondent operates only in the State of Michigan and is engaged in the business of generating, purchasing, distributing, and selling electricity.</p>			
<p>5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?</p> <p>(1) <input type="checkbox"/> Yes...Enter date when such independent accountant was initially engaged: _____.</p> <p>(2) <input checked="" type="checkbox"/> No</p>			

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original	(Mo, Da, Yr)	
	(2) <input type="checkbox"/> A Resubmission	4/30/2009	December 31, 2008

### CONTROL OVER RESPONDENT & OTHER ASSOCIATED COMPANIES

1. If any corporation, business trust, or similar organization or combination of such organizations jointly held control over the respondent at end of year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s), name of beneficiary or beneficiaries for whom trust was maintained, and purpose of the trust.

2. List any entities which respondent did not control either directly or indirectly and which did not control respondent but which were associated companies at any time during the year.

Upper Peninsula Power Company is a wholly-owned subsidiary of Integrys Energy Group, Inc. ("Holding Company" formerly known as WPS Resources Corporation).

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report End of 2008/Q4
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**CORPORATIONS CONTROLLED BY RESPONDENT**

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

**Definitions**

1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Line No.	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
1	WPS Investments LLC	Company which holds	3.00%	
2		Respondent's investments in		
3		American Transmission Co.		
4				
5				
6	*Jointly owned by Respondent (approximately			
7	3%); holding company, Integrys Energy Group,			
8	Inc. (approximately 83%); and, another utility			
9	subsidiary, Wisconsin Public Service Corp.			
10	(approximately 14%). Respondent became a			
11	member on June 29, 2001.			
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Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 4/30/2009	Year of Report December 31, 2008
<b>OFFICERS AND EMPLOYEES</b>					
<p>1. Report below the name, title and salary for the five executive officers</p> <p>2. Report in column (b) salaries and wages accrued during the year including deferred compensation.</p> <p>3. In column (c) report any other compensation provided, such as bonuses, car allowance, stock options and rights, savings contribution, etc., and explain in a footnote what the amounts represent. Provide type code for other compensation in column (d).</p> <p>4. If a change was made during the year in the incumbent of any position, show the name and total remuneration of the previous incumbent and the date the change in incumbency occurred.</p> <p>5. Upon request, the Company will provide the Commission with supplemental information on officers and other employees and salaries.</p>					
Line	Name and Title	Base Wages	Other Compensation	Type of Other Compensation	Total Compensation
	(a)	(b)	(c)	(d)	(e)
1	Charles A. Schrock Chief Executive Officer	None	None	None	None
2	Barbara A. Nick President	None	None	None	None
3	Keith E. Moyle Vice President and General Manager	142,434	60,920	A,B,C,D	203,354
4	Bradley A. Johnson Vice President and Treasurer	None	None	None	None
5	James F. Schott Vice President Regulatory Affairs	None	None	None	None
6	Barth J. Wolf Secretary	None	None	None	None
7	Dane E. Allen Assistant Secretary (Appointed 01/14/2008)	None	None	None	None
1	Footnote Data				
2	All officer's salaries, except for Keith E. Moyle, are reported on affiliated company's (Wisconsin Public Service Corporation) FERC Form 1.				
3					
4					
5					
<p>Compensation Type Codes:</p> <p>A = Executive Incentive Compensation</p> <p>B = Incentive Plan (Matching Employer Contribution)</p> <p>C = Stock Plans</p> <p>D = Other Reimbursements</p>					

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2009	Year of Report December 31, 2008
<b>DIRECTORS</b>			
1. Report below any information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent. 2. Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.			
Name and Title of Director (a)	Principal Business Address (b)	# of Directors Meetings During Yr (c)	Fees During Yr (d)
1 Thomas P. Meinz, Chairman	Integrus Energy Group, Inc. 700 North Adams Street Green Bay, WI 54301	4	None
2 Keith E. Moyle	Upper Peninsula Power Company 500 North Washington Street Ishpeming, MI 49849	4	None
3 Barbara A. Nick	Wisconsin Public Service Corporation 700 North Adams Street Green Bay, WI 54301	4	None
4 Joseph P. O'Leary	Integrus Energy Group, Inc. 130 East Randolph Drive Chicago, IL 60601	4	None
5 Charles A. Schrock	Wisconsin Public Service Corporation 700 North Adams Street Green Bay, WI 54301	2	None
<u>Footnote Data</u> 1  2  3  4  5			

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2009	Year of Report December 31, 2008
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<b>SECURITY HOLDERS AND VOTING POWERS</b>
<p>1. (A) Give the names and addresses of the 10 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes which each would have had the right to cast on that date if a meeting were then in order. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.), duration of trust, and principal holders of beneficiary interests in the trust. If the stock book was not closed or a list of stockholders was not compiled within one year prior to the end of the year, or if since the previous compilation of a list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.</p> <p>1. (B) Give also the name and indicate the voting powers resulting from ownership of securities of the respondent of each officer and director not included in the list of 10 largest security holders.</p> <p>2. If any security other than stock carries voting rights, explain in a supplemental statement the circumstances whereby such security became vested with voting rights and give other important particulars (details) concerning the voting rights of such security. State whether voting rights are actual or contingent; if contingent, describe the contingency.</p> <p>3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method, explain briefly in a footnote.</p> <p>4. Furnish particulars (details) concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets so entitled to be purchased by any officer, director, associated company, or any of the ten largest security holders. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the general public where the options, warrants, or rights were issued on a prorata basis.</p>
<p>1. Give date of the latest closing of the stock book prior to end of year, and state the purpose of such closing:</p> <p>Stock books are not closed.</p>
<p>2. State the total number of votes cast at the latest general proxy meeting prior to the end of year for election of directors of the respondent and number of such votes cast by proxy:</p> <p style="text-align: center;">Total:      1,473,736</p> <p style="text-align: center;">By Proxy:      0</p>
<p>3. Give the date and place of such meeting:</p> <p>Directors were elected May 14, 2008 via unanimous consent of the sole shareholder in lieu of an annual meeting.</p>

Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission		Date of Report (Mo, Da, Yr) 4/30/2009	Year of Report December 31, 2008
<b>SECURITY HOLDERS AND VOTING POWERS (Continued)</b>					
Line	Name (Title) and Address of Security Holder (a)	VOTING SECURITIES			
		Number of votes as of (date):			
		Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
4	TOTAL votes all voting securities		1,473,736		
5	TOTAL number of security holders		1		
6	TOTAL votes of security holders listed below		1,473,736		
7	Integrys Energy Group, Inc.		1,473,736		
8	130 East Randolph Drive				
9	Chicago, IL 60601				
10					
11	Instruction 2: Not Applicable				
12	Instruction 3: Not Applicable				
13	Instruction 4: Not Applicable				
14					
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<b># RESPONSE/NOTES TO INSTRUCTION #</b>  Instruction 2: Not Applicable Instruction 3: Not Applicable Instruction 4: Not Applicable					



Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/17/2009	Year/Period of Report End of 2008/Q4
<b>IMPORTANT CHANGES DURING THE QUARTER/YEAR</b>			
<p>Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none," "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.</p> <p>1. Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.</p> <p>2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.</p> <p>3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.</p> <p>4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization.</p> <p>5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.</p> <p>6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.</p> <p>7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.</p> <p>8. State the estimated annual effect and nature of any important wage scale changes during the year.</p> <p>9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.</p> <p>10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 106, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.</p> <p>11. (Reserved.)</p> <p>12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be included on this page.</p> <p>13. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.</p> <p>14. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.</p>			
<p>PAGE 108 INTENTIONALLY LEFT BLANK SEE PAGE 109 FOR REQUIRED INFORMATION.</p>			

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report 2008/Q4
Upper Peninsula Power Company			
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

1. None.
2. None.
3. None.
4. None.
5. None.
6. N/P Associated Co. - WPSR \$6,795,000 FERC \$20M authorization, Federal Power Act-Section 204, Docket ES05-15-000.
7. There were no changes to the Articles of Incorporation or By-Laws during this period.
8. Union employees received a 3.1% gross wage increase effective April 6, 2008. Non-union employees are governed by a merit-based pay system. Percentages have not been established.
9. See Note 11 of Notes to Financial Statements.
10. There were no materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 106, voting trustee, associated company, or known associate of any of these persons was a party or in which any such person had a material interest.
11. Reserved.
12. None.
13. Mr. Dane E. Allen was appointed Assistant Secretary on January 14, 2008.

Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2009	Year of Report December 31, 2008
<b>COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)</b>				
Line	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	<b>UTILITY PLANT</b>			
2	Utility Plant (101-106, 114)	200-201	197,102,719	211,249,682
3	Construction Work in Progress (107)	200-201	3,816,244	3,001,649
4	TOTAL Utility Plant (Enter total of lines 2 and 3)		<b>200,918,963</b>	<b>214,251,331</b>
5	(Less) Accum.Prov for Depr.Amort.Depl (108,111,115)	200-201	85,828,268	89,395,201
6	Net Utility Plant (Enter total of line 4 less 5)		<b>115,090,695</b>	<b>124,856,130</b>
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab (120.1)			
8	Nuclear Fuel Materials & Assemblies - Stock Account (120.2)			
9	Nuclear Fuel Assemblies in Reactor (120.3)			
10	Spent Nuclear Fuel (120.4)			
11	Nuclear Fuel under Capital Leases (120.6)			
12	Assemblies (120.5)	202-203		
13	Net Nuclear Fuel (Enter total of line 7 less 8)		0	0
14	Net Utility Plant (Enter total of lines 6 and 13)		<b>115,090,695</b>	<b>124,856,130</b>
15	Utility Plant Adjustments (116)	122		
16	Gas Stored Underground-Noncurrent (117)	---		
17	<b>OTHER PROPERTY AND INVESTMENTS</b>			
18	Nonutility Property (121)	221	5,608,592	5,766,207
19	(Less) Accum.Prov. for Depr. and Amort. (122)	---	720,889	800,455
20	Investments in Associated Companies (123)	222-223		
21	Investments in Subsidiary Companies (123.1)	224-225	13,673,844	14,156,119
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
23	Noncurrent Portion of Allowances	228-229		
24	Other Investments (124)			
25	Sinking Funds (125)			
26	Depreciation Fund (126)			
27	Amortization Fund - Federal (127)			
28	Other Special Funds (128)			
29	Special Funds (Non-Major Only) (129)			
30	Long-Term Portion of Derivative Assets (175)			
31	Long-Term Portion of Derivative Assets - Hedges (176)			
32	TOTAL Other Property and Investments (Total of lines 18 thru 21, 23 thru 31)		<b>18,561,547</b>	<b>19,121,871</b>
33	<b>CURRENT AND ACCRUED ASSETS</b>			
34	Cash and Working Funds (Non-Major Only) (130)			
35	Cash (131)	---	125,853	0
36	Special Deposits (132-134)	---	19,500	70,884
37	Working Fund (135)	---	3,050	3,050
38	Temporary Cash Investments (136)	222-223		
39	Notes Receivable (141)	226A		
40	Customer Accounts Receivable (142)	226A	11,153,866	9,593,739
41	Other Accounts Receivable (143)	226A	5,302,093	2,889,662
42	(Less) Accum.Prov. for Uncoll. Acct.- Credit (144)	226A	200,000	205,000
43	Notes Receivable from Assoc. Companies (145)	226B		
44	Accounts Receivable from Assoc. Companies (146)	226B	138,357	59,983
45	Fuel Stock (151)	227	428,456	724,757
46	Fuel Stock Expenses Undistributed (152)	227		
47	Residuals (Elec) and Extracted Products (153)	227		
48	Plant Materials and Operating Supplies (154)	227	966,061	987,291
49	Merchandise (155)	227		
50	Other Materials and Supplies (156)	227		
51	Nuclear Materials Held for Sale (157)	202-203, 207		
52	Allowances (158.1 and 158.2)	228-229		

Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2009	Year of Report December 31, 2008
<b>COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS) (Continued)</b>				
Line	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
53	(Less) Noncurrent Portion of Allowances	---		
54	Stores Expense Undistributed (163)	227	5,883	8,991
55	Gas Stored Underground-Current (164.1)	---		
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)	---		
57	Prepayments (165)	---	289,403	1,508,933
58	Advances for Gas (166-167)	---		
59	Interest and Dividends Receivable (171)	---		
60	Rents Receivable (172)	---		
61	Accrued Utility Revenues (173)	---	3,777,495	4,204,275
62	Misc Current and Accrued Assets (174)		4,118,313	4,573,629
63	Derivative Instrument Assets (175)		430,144	445,564
64	(Less) LT Portion of Derivative Inst. Assets (175)			
65	Derivative Instrument Assets - Hedges (176)			
66	(Less) LT Portion of Derivative Inst. Assets - Hedges (176)			
67	TOTAL Current and Accrued Assets (Enter total of lines 34 thru 66)		<b>26,558,474</b>	<b>24,865,758</b>
68	<b>DEFERRED DEBITS</b>			
69	Unamortized Debt Expenses (181)	---	72,449	62,411
70	Extraordinary Property Losses (182.1)	230		
71	Unrecovered Plant & Regulatory Study Costs (182.2)	230		
72	Other Regulatory Assets	232	44,671,670	67,621,674
73	Prelim. Survey & Invest. Charges (Elec) (183)	231	384,621	81,196
74	Prelim. Survey & Invest. Charges (Gas) (183.1)	---		
75	Other Prelim. Survey & Investigation Charges (183.2)			
76	Clearing Accounts (184)	---		
77	Temporary Facilities (185)	---		
78	Miscellaneous Deferred Debits (186)	233	333,399	355,235
79	Def. Losses from Disposition of Utility Plant (187)	235		
80	Research, Devel. and Demonstration Expend (188)	352-353		
81	Unamortized Loss on Reacquired Debt (189)	237	37,523	34,810
82	Accumulated Deferred Income Taxes (190)	234	7,375,883	6,808,267
83	Unrecovered Purchased Gas Costs (191)	---		
84	TOTAL Deferred Debits (Enter total of lines 69 thru 83)		<b>52,875,545</b>	<b>74,963,593</b>
85	TOTAL Assets and Other Debits (Enter total of lines 14 thru 16, 32, 67, and 84)		<b>213,086,261</b>	<b>243,807,352</b>

Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2009	Year of Report December 31, 2008
<b>COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)</b>				
Line	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	<b>PROPRIETARY CAPITAL</b>			
2	Common Stock Issued (201)	250-251	13,263,624	13,263,624
3	Preferred Stock Issued (204)	250-251		
4	Capital Stock Subscribed (202, 205)	252		
5	Stock Liability for Conversion (203, 206)	252		
6	Premium on Capital Stock (207)	252	5,420,433	6,920,433
7	Other Paid-In Capital (208-211)	253	40,250	40,250
8	Installments Received on Capital Stock (212)	252		
9	(Less) Discount on Capital Stock (213)	254		
10	(Less) Capital Stock Expense (214)	254		
11	Retained Earnings (215, 215.1, 216)	118-119	43,670,796	45,978,049
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	2,726,771	3,170,751
13	(Less) Reacquired Capital Stock (217)	250-251		
14	Noncorporate Proprietorship (Non-major only) (218)			
15	Accumulated Other Comprehensive Income (219)	122(a)(b)		
16	TOTAL Proprietary Capital (Enter total of lines 2 thru 15)		<b>65,121,874</b>	<b>69,373,107</b>
17	<b>LONG-TERM DEBT</b>			
18	Bonds (221)	256-257	12,600,000	11,700,000
19	(Less) Reacquired Bonds (222)	256-257		
20	Advances from Associated Companies (223)	256-257	30,000,000	30,000,000
21	Other Long-Term Debt (224)	256-257		
22	Unamortized Premium on Long-Term Debt (225)	---		
23	(Less) Unamortized Discount on Long-Term Debt -Debit (226)	---		
24	TOTAL Long-Term Debt (Enter total lines 18 thru 23)		<b>42,600,000</b>	<b>41,700,000</b>
25	<b>OTHER NONCURRENT LIABILITIES</b>			
26	Obligations Under Capital Leases-Noncurrent (227)			
27	Accumulated Prov. for Property Insurance (228.1)			
28	Accumulated Prov. for Injuries and Damage (228.2)			
29	Accumulated Prov. for Pensions and Benefits (228.3)		989,901	44,353,235
30	Accumulated Misc. Operating Provisions (228.4)			
31	Accumulated Provision for Rate Refunds (229)			
32	Long-Term Portion of Derivative Instrument Liabilities			
33	LT Portion of Derivative Instrument Liabilities - Hedges			
34	Asset Retirement Obligations (230)		746,718	789,187
35	TOTAL Other Noncurrent Liabilities (Enter total of lines 26 thru 34)		<b>1,736,619</b>	<b>45,142,422</b>
36	<b>CURRENT AND ACCRUED LIABILITIES</b>			
37	Notes Payable (231)			
38	Accounts Payable (232)		6,666,263	7,571,077
39	Notes Payable to Associated Companies (233)		1,250,000	6,795,000
40	Accounts Payable to Associated Companies (234)		7,231,203	7,118,522
41	Customer Deposits (235)		34,964	34,891
42	Taxes Accrued (236)	262-263	4,054,014	3,793,252
43	Interest Accrued (237)		195,720	181,740
44	Dividends Declared (238)			
45	Matured Long-Term Debt (239)			

Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2009	Year of Report December 31, 2008
<b>COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (Continued)</b>				
Line	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
46	Matured Interest (240)			
47	Tax Collections Payable (241)		187,120	141,646
48	Misc. Current and Accrued Liabilities (242)		2,979,832	1,782,435
49	Obligations Under Capital Leases -Current (243)			
50	Derivative Instrument Liabilities (244)		3,955	79,719
51	(Less) Long-Term Portion of Derivative Instrument Liab.			
52	Federal Income Taxes Accrued for Prior Years (244)			
53	Michigan Single Business Taxes Accrued for Prior Years (244.1)			
54	37 thru 53)		<b>22,603,071</b>	<b>27,498,282</b>
55	<b>DEFERRED CREDITS</b>			
56	Customer Advances for Construction (252)		5,489,659	5,283,976
57	Accumulated Deferred Investment Tax Credits (255)	266-267	715,278	678,299
58	Deferred Gains from Disposition of Utility Plt. (256)	270		
59	Other Deferred Credits (253)	269	43,194,161	21,949,364
60	Other Regulatory Liabilities	278	7,022,969	7,035,175
61	Unamortized Gain on Reacquired Debt (257)	237		
62	Accum. Deferred Income Taxes-Accel. Amort. (281)			
63	Accum. Deferred Income Taxes-Other Property (282)		21,279,549	23,841,808
64	Accum. Deferred Income Taxes-Other (283)	272-277	3,323,081	1,304,919
65	TOTAL Deferred Credits (Enter total of lines 56 thru 64)		<b>81,024,697</b>	<b>60,093,541</b>
66	TOTAL Liabilities and Other Credits (Enter total of lines 16, 24, 35, 54 and 65)		<b>213,086,261</b>	<b>243,807,352</b>

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 4/30/2009	December 31, 2008

**STATEMENT OF INCOME FOR THE YEAR**

1. Report amounts for accounts 412 and 413, Revenue and Expenses for Utility Plant Leased to Others, in another utility column (l,k,m,o) in a similar manner to a utility department. Spread the amount(s) over lines 02 thru 24 as appropriate. Include these amounts in columns (c) and (d) totals.
2. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.
3. Report data for lines 7,9, and 10 for Natural Gas companies using accounts 404.1,404.2, 404.3 407.1, and 407.2
4. Use pages 122-123 for important notes regarding the statement of income or any account thereof.
5. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in a material refund to the utility with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to....

Line	Title of Account (a)	Ref. Page No. (b)	TOTAL	
			Current Year (c)	Previous Year (d)
1	<b>UTILITY OPERATING INCOME</b>			
2	Operating Revenues (400)	300-301	122,295,875	125,353,366
3	Operating Expenses			
4	Operation Expenses (401)	320-323	95,279,325	96,785,408
5	Maintenance Expenses (402)	320-323	7,681,866	7,216,312
6	Depreciation Expenses (403)	336-337	5,336,833	5,333,563
7	Depreciation Expenses for Asset Retirement Costs (403.1)			
8	Amortization and Depl. of Utility Plant (404-405)	336-337	193,829	205,535
9	Amortization of Utility Plant Acq. Adj (406)	336-337	143,023	143,023
10	Amort. Of Property Losses, Unrecovered Plant and Regulatory Study Costs (407)			
11	Amort. Of Conversion Expenses (407)			
12	Regulatory Debits		0	(487)
13	(Less) Regulatory Credits			
14	Taxes Other Than Income Taxes (408.1)	262-263	4,142,099	4,289,395
15	Income Taxes-Federal (409.1)	262-263	900,656	2,625,546
16	-Other (409.1)	262-263	179,451	16,616
17	Provision for Deferred Income Taxes (410.1)	234,272-276	7,843,383	8,014,634
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234,272-276	6,447,412	8,092,974
19	Investment Tax Credit Adj. - Net (411.4)	266-267	(36,979)	(36,977)
20	(Less) Gains from Disp. of Utility Plant (411.7)	270A-B		
21	Losses from Disposition of Utility Plant (411.6)	235A-B		
22	(Less) Gains from Disposition of Allowances			
23	Losses from Disposition of Allowances			
24	Accretion Expense (411.10)			
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		<b>115,216,074</b>	<b>116,499,594</b>
26	Net Utility Operating Income ( Enter Total of line 2 less 25) ( Carry forward to page 117, line 27)		<b>7,079,801</b>	<b>8,853,772</b>



Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 4/30/2009		Year of Report December 31, 2008	
<b>STATEMENT OF INCOME FOR THE YEAR (Continued)</b>							
<p>...retain such revenues or recover amounts paid with respect to power and gas purchases.</p> <p>6. Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.</p> <p>7. If any notes appearing in the report to stockholders are applicable to this Statement of Income, such notes may be included on pages 122-123.</p> <p>8. Enter on pages 122-123 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.</p> <p>9. Explain in a footnote if the previous year's figures are different from that reported in prior years.</p> <p>10. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles, lines 2 to 23, and report the information in the blank space on pages 122-123 or in a footnote.</p>							
ELECTIC UTILITY		GAS UTILITY		OTHER UTILITY		Line	
Current Year (e)	Previous Year (f)	Current Year (g)	Previous Year (h)	Current Year (i)	Previous Year (j)		
							1
122,295,875	125,353,366						2
							3
95,279,325	96,785,408						4
7,681,866	7,216,312						5
5,336,833	5,333,563						6
							7
193,829	205,535						8
143,023	143,023						9
							10
							11
	(487)						12
							13
4,142,099	4,289,395						14
936,260	2,625,546						15
179,754	16,616						16
7,843,383	8,014,634						17
6,447,412	8,092,974						18
(36,979)	(36,977)						19
							20
							21
							22
							23
							24
115,251,981	116,499,594	0	0	0	0	0	25
7,043,894	8,853,772	0	0	0	0	0	26

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 4/30/2009	December 31, 2008

**STATEMENT OF INCOME FOR THE YEAR (Continued)**

Line	Account (a)	(Ref.) Page No. (b)	Total	
			Current Year (c)	Previous Year (d)
27	Net Utility Operating Income <i>(Carried forward from page 114)</i>		<b>7,079,801</b>	<b>8,853,772</b>
28	OTHER INCOME AND DEDUCTIONS			
29	Other Income			
30	Nonutility Operating Income			
31	Revenues From Merchandising, Jobbing and Contract Work (415)	282		
32	(Less) Costs and Exp. Of Merchandising, Job. And Contract Work (416)	282		
33	Revenues From Nonutility Operations ( 417)	282	593,233	538,321
34	(Less) Expenses of Nonutility Operations (417.1)	282	1,389,063	632,342
35	Nonoperating Rental Income (418)	282	3,900	4,100
36	Equity in Earnings of Subsidiary Companies (418.1)	119,282	2,115,535	1,901,841
37	Interest and Dividend Income (419)	282	60,449	309,453
38	Allowance for Other Funds Used During Construction (419.1)	282	50,043	
39	Miscellaneous Nonoperating Income (421)	282	(18,337)	(671,164)
40	Gain on Disposition of Property (421.1)	280	97,867	1,563,613
41	TOTAL Other Income <i>(enter Total of lines 31 thru 40)</i>		<b>1,513,627</b>	<b>3,013,822</b>
42	Other Income Deductions			
43	Loss on Disposition of Property (421.2)	280	4,558	86
44	Miscellaneous Amortization (425)	340		
45	Donations (426.1)		90,858	71,523
46	Life Insurance (426.2)			
47	Penalties (426.3)		282,178	3,181
48	Exp. For Certain Civic, Political & Related Activities (426.4)		33,623	13,436
49	Other Deductions (426.5)		2,583,543	
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		<b>2,994,760</b>	<b>88,226</b>
51	Taxes Applicable to Other Income and Deductions			
52	Taxes Other Than Income Taxes (408.2)	262-263	114,755	130,133
53	Income Taxes - Federal (409.2)	262-263	(321,902)	1,006,398
54	Income Taxes - Other (409.2)	262-263	(91,876)	5,918
55	Provision for Deferred Income Taxes (410.2)	234,272-276	733,101	337,876
56	(Less) Provision for Deferred Income Taxes - Cr. (411.2)	234,272-276	855,866	315,395
57	Investment Tax Credit Adjustment - Net (411.5)	264-265		
58	(Less) Investment Tax Credits (420)	264-265		
59	TOTAL Taxes on Other Income and Deductions (total of 52 thru 58)		<b>(421,788)</b>	<b>1,164,930</b>
60	Net Other Income and Deductions (total of lines 41,50 & 59)		<b>(1,059,345)</b>	<b>1,760,666</b>
61	INTEREST CHARGES			
62	Interest on Long-Term Debt (427)	257	1,160,340	1,244,220
63	Amort. Of Debt Disc. And Expense (428)	256-257	10,038	10,787
64	Amortizaiton of Loss on Reacquired Debt (428.1)		2,712	2,712
65	(Less) Amort. Of Premium on Debt-Credit (429)	256-257		
66	(Less) Amort. of Gain on Reacquired Debt-Credit (429.1)			
67	Interest on Debt to Associated Companies (430)	257-340	1,853,279	1,587,301
68	Other Interest Expense (431)	340	320,665	123,712
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		77,811	0
70	Net Interest Charges (total of lines 62 thru 69)		<b>3,269,223</b>	<b>2,968,732</b>
71	Income Before Extraordinary Items (total lines 27,60,70)		<b>2,751,233</b>	<b>7,645,706</b>
72	EXTRAORDINARY ITEMS			
73	Extraordinary Income (434)	342		
74	(Less) Extraordinary Deductions (435)	342		
75	Net Extraordinary Items (total line 73 less line 74)		<b>0</b>	<b>0</b>
76	Income Taxes-Federal and Other (409.3)	262-263		
77	Extraordinary Items After Taxes (Enter Total of lines 75 less line 76)		<b>0</b>	<b>0</b>
78	Net Income (Enter Total of lines 71 and 77)		<b>2,751,233</b>	<b>7,645,706</b>

Name of Respondent Upper Peninsula Power Co	This Report Is: <input type="checkbox"/> (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/09	Year of Report December 31, 2008
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FOOTNOTE DATA

Page Number (a)	Item Number (b)	Column Number (c)	Comments (d)
114	2 & 4	(c)	Includes \$2,334,681 for FERC Order 668A.
114	2 & 4	(d)	Includes \$4,336,473 for FERC Order 668A.

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 4/30/2009	December 31, 2008

### RECONCILIATION OF DEFERRED INCOME TAX EXPENSE

1. Report on this page the charges to accounts 410, 411 and 420 reported in the contra accounts 190, 281, 282, 283 and 284.
2. The charges to the subaccounts of 410 and 411 found on pages 114-117 should agree with the subaccount totals reported on these pages.
- In the event the deferred income tax expenses reported on pages 114-117 do not directly reconcile with the amounts found on these pages, then provide the additional information requested in instruction #3, on a separate page.

Line No.	Electric Utility	Gas Utility
1 Debits to Account 410 from:		
2 Account 190	7,330,084	
3 Account 281		
4 Account 282	154,891	
5 Account 283	358,408	
6 Account 284		
7 Reconciling Adjustments		
8 TOTAL Account 410.1 (on pages 114-115 line 17)	7,843,383	0
9 TOTAL Account 410.2 (on page 117 line 55)		
10 Credits to Account 411 from:		
11 Account 190	(6,136,091)	
12 Account 281		
13 Account 282		
14 Account 283	(311,321)	
15 Account 284		
16 Reconciling Adjustments		
17 TOTAL Account 411.1 ( on page 114-115 line 18)	(6,447,412)	0
18 TOTAL Account 411.2 ( on page 117 line 56)		
19 Net ITC Adjustment:		
20 ITC Utilized for the Year DR		
21 ITC Amortized for the Year CR	(36,979)	
22 ITC Adjustments:		
23 Adjust last year's estimate to actual per filed return		
24 Other (specify)		
25 Net Reconciling Adjustments Account 411.4*	(36,979)	0
26 Net Reconciling Adjustments Account 411.5**		
27 Net Reconciling Adjustments Account 420***		

\* on pages 114-15 line 19

\*\* on page 117 line 57

\*\*\* on page 117 line 58

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 4/30/2009	December 31, 2008

### RECONCILIATION OF DEFERRED INCOME TAX EXPENSE

3. (a) Provide a detailed reconciliation of the applicable deferred income tax expense subaccount(s) reported on pages 114-117 with the amount reported on these pages. (b) Identify all contra accounts (other than accounts 190 and 281-284).

(c) Identify the company's regulatory authority to utilize contra accounts other than accounts 190 or 281-284 for the recording of deferred income tax expense(s).

Other Utility	Total Utility	Other Income	Total Company	Line No.
	7330084.00		7330084.00	1
				2
				3
	154891.00	733101.00	887991.00	4
	358408.00		358408.00	5
				6
				7
0.00	7843383.00			8
		733101.00		9
	(6136091.00)	(781750.00)	(6917841.00)	10
				11
		(74115.00)	(74115.00)	13
	(311321.00)		(311321.00)	14
				15
				16
0.00	(6447412.00)			17
		(855865.00)		18
				19
				20
	(36979.00)		(36979.00)	21
				22
				23
				24
0.00	(36979.00)	0.00		25
		0		26
		0		27

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 4/30/2009	December 31, 2008

### STATEMENT OF RETAINED EARNINGS FOR THE YEAR

- Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.
- Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).
- State the purpose and amount for each reservation or appropriation of retained earnings.
- List first account 439 (Adjustments to Retained Earnings), reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit, items in that order.
- Show dividends for each class and series of capital stock.
- Show separately the state and federal income tax effect of items shown in account 439 (Adjustments to Retained Earnings)
- Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
- If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)		
1	Balance-Beginning of Year		43,637,610
2	Changes ( <i>Identify by prescribed retained earnings accounts</i> )		
3	Adjustments to Retained Earnings (Account 439)		
4	Credit: Unrealized gain on securities		
5	Credit: Taxes related to unrealized gain on securities		
6	Credit: Minimum pension liability		
7	Credit: Taxes related to minimum pension liability		
8	TOTAL Credits to Retained Earnings (439)		0
9	Debit: Redemption of Common Stock		
10	Debit:		
11	Debit:		
12	Debit:		
13	TOTAL Debits to Retained Earnings (439)		0
14	Balance Transferred from Income (Account 433 Less Account 418.1)		2,751,233
15	Appropriations of Retained Earnings (Account 436)		
16			
17			
18			
19			
20			
21	TOTAL Appropriations of Retained Earnings (Account 436)		0
22	Dividends Declared-Preferred Stock (Account 437)		
23	Dividends Declared-Preferred Stock		
24			
25			
26			
27			
28	TOTAL Dividends Declared-Preferred Stock (Account 437)		*****

Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2009	Year of Report December 31, 2008
<b>STATEMENT OF RETAINED EARNINGS FOR THE YEAR (Continued)</b>				
Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)	
29	Dividends Declared-Common Stock ( Account 438)			
30				
31				
32				
33				
34				
35	TOTAL Dividends Declared-Common Stock (Account 438)		<b>0</b>	
36	Transfers from Account 216.1 Unappropriated Undistributed Subsidiary Earnings		(443,980)	
37	Balance - End of the Year ( <i>Enter Total of lines 1 thru 36</i> )		<b>45,944,863</b>	
<b>APPROPRIATED RETAINED EARNINGS (Account 215)</b>				
State balance and purpose of each appropriated retained earnings amount at end of year and give accounting entries for any applications of appropriated retained earnings during the year.				
38				
39				
40				
41				
42				
43	TOTAL Appropriated Retained Earnings (Account 215)		<b>0</b>	
<b>APPROPRIATED RETAINED EARNINGS-AMORTIZATION RESERVE, FEDERAL (Account 215.1)</b>				
State below the total amount set aside through appropriations of retained earnings, as of the end of the year, in compliance with the provisions of Federally granted hydroelectric project licenses held by the respondent. If any reductions or changes other than the normal annual credits hereto have been made during the year, explain such items in a footnote.				
44	TOTAL Appropriated Retained Earnings-Amortization Reserve, Federal (Account 215.1)		33,186	
45	TOTAL Appropriated Retained Earnings (Account 215 & 215.1)		<b>33,186</b>	
46	TOTAL Retained Earnings (Accounts 215, 215.1 & 216)		<b>45,978,049</b>	
<b>UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)</b>				
47	Balance-Beginning of Year (Debit or Credit)		2,726,771	
48	Equity in Earnings for Year (Credit) (Account 418.1)		2,115,535	
49	(Less) Dividends Received (Debit)		1,671,555	
50	Other Changes ( <i>Explain</i> )			
51	Balance-End of Year ( <i>Enter Total of lines 47 thru 50</i> )		<b>3,170,751</b>	



Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 4/30/2009	December 31, 2008

### STATEMENT OF CASH FLOWS

1. If the notes to the cash flow statement in the respondent's annual stockholders report are applicable to this statement, such notes should be included on pages 122-123. Information about noncash investing and financing activities should be provided on pages 122-123. "Cash and Cash Equivalents at End of Year" with related amounts on the balance sheet.
2. Under "Other" specify significant amounts and group others.
3. Operating Activities-Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show on pages 122-123 the amounts of interest paid (net of amounts capitalized) and income taxes paid.

Line No.	Description (See instructions for Explanation of Codes) (a)	Amounts (b)
1	Net Cash Flow from Operating Activities: (enter outflows from company as negative #s)	
2	Net Income (Line 72 (c) on page 117	2,751,233
3	Noncash Charges (Credits) to Income:	
4	Depreciation and Depletion	5,416,399
5	Amortization of	
6	Regulatory Assets and Liabilities	32,922
7	Utility Plant Acquisition Adjustment	336,831
8	Deferred Income Taxes (Net)	1,273,208
9	Investment Tax Credit Adjustment (Net)	(36,979)
10	Net (Increase) Decrease in Receivables	2,353,787
11	Net (Increase) Decrease in Inventory	(320,638)
12	Net (Increase) Decrease in Allowances Inventory	0
13	Net (Increase) Decrease in Payables and Accrued Expenses	247,957
14	Net (Increase) Decrease in Other Regulatory Assets	(98,540)
15	Net (Increase) Decrease in Other Regulatory Liabilities	0
16	(Less) Allowance for Other Funds Used During Construction	127,853
17	(Less) Undistributed Earnings from Subsidiary Companies	482,275
18	Other:	
19	Pension Expense and Post Retirement Liability	3,648,486
20	Other Changes in Working Capital Besides Cash	(1,019,742)
21	Other Items Not Affecting Cash Flow	(3,210,023)
22	Net Cash Provided by ( Used in) Operating Activities (Total of lines 2 thru 21)	10,764,773
23		
24	Cash Flows from Investment Activities:	
25	Construction and Acquisition of Plant (including land):	
26	Gross Additions to Utility Plant (less nuclear fuel)	(17,370,683)
27	Gross Additions to Nuclear Fuel	
28	Gross Additions to Common Utility Plant	
29	Gross Additions to Nonutility Plant	
30	(Less) Allowance to Other Funds Used During Construction	
31	Other:	
32		
33		
34	Cash Outflows for Plant (Total of lines 26 thru 33)	(17,370,683)
35		
36	Acquisition of Other Noncurrent Assets (d)	
37	Proceeds from Disposal of Noncurrent Assets (d)	386,441
38		
39	Investments in and Advances to Assoc. and Subsidiary Companies	
40	Contributions and Advances from Assoc. and Subsidiary Companies	
41	Disposition of Investments in ( and Advances to)	
42	Associated and Subsidiary Companies	
43		
44	Purchase of Investment Securities (a)	
45	Proceeds from Sales of Investment Securities (a)	

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 4/30/2009	December 31, 2008

### STATEMENT OF CASH FLOWS (Continued)

<b>4. Investing Activities</b> (a) Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of asset acquired with liabilities assumed on pages 122-123. (b) Don not include on this statement the dollar amount of leases capitalized per USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost on pages 122-123.		<b>5. Codes used:</b> (a) Net proceeds or payments. (b) Bonds, debentures and other long-term debt. (c) Include commercial paper. (d) Identify separately such items as investments, fixed assets, intangibles, etc. Enter on pages 122-123 clarifications and explanations.
Line No.	Description (See instructions for Explanation of Codes) (a)	Amount (b)
46	Loans Made or Purchased	
47	Collections on Loans	
48		
49	Net (Increase) Decrease in Receivables	
50	Net (Increase) Decrease in Inventory	
51	Net (Increase) Decrease in Allowances Held for Speculation	
52	Net Increase (Decrease) in Payables and Accrued Expenses	
53	Other:	
54		
55		
56	Net Cash Provided by (Used in) Investing Activities	
57	(Total of lines 34 thru 55)	(16,984,242)
58		
59	Cash Flows from Financing Activities:	
60	Proceeds from Issuance of:	
61	Long Term Debt (b)	
62	Preferred Stock	
63	Common Stock	
64	Other: Equity contribution received from parent	1,500,000
65		
66	Net Increase in Short-Term Debt (c)	
67	Other: Issuance of Intercompany notes payable	5,545,000
68		
69		
70	Cash Provided by Outside Sources (Total of lines 61 thru 69)	7,045,000
71		
72	Payments for Retirement of:	
73	Long Term Debt (b)	(900,000)
74	Preferred Stock	
75	Common Stock	
76	Other:	
77		
78	Net Decrease in Short-Term Debt (c)	
79		
80	Dividends on Preferred Stock	
81	Dividends on Common Stock	
82	Net Cash Provided by (Used in) Financing Activities	
83	(Total of lines 70 thru 81)	6,145,000
84		
85	Net Increase (Decrease) in Cash and Cash Equivalents	
86	(Total of lines 22, 57 and 83)	(74,469)
87		
88	Cash and Cash Equivalents at Beginning of Year	148,403
89		
90	Cash and Cash Equivalents at End of Year	73,934

Name of Respondent Upper Peninsula Power Co	This Report Is: <input type="checkbox"/> (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/09	Year of Report December 31, 2008
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FOOTNOTE DATA

Page Number (a)	Item Number (b)	Column Number (c)	Comments (d)
120	19	(b)	Pension & Post Retirement Liability Pension Expense \$1,821,716 Post Retirement Liability 2,083,511 Pension & Post Retirement Funding <u>(256,741)</u> \$3,648,486
120	20	(b)	Other Changes in Working Capital Besides Cash: Accrued Revenue (\$426,780) Prepays (911,430) Current Regulatory Assets (764,259) Investments & Other Assets <u>1,082,727</u> \$1,019,742

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/17/2009	Year/Period of Report End of 2008/Q4
NOTES TO FINANCIAL STATEMENTS			
<p>1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.</p> <p>2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.</p> <p>3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.</p> <p>4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.</p> <p>5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.</p> <p>6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.</p> <p>7. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.</p> <p>8. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.</p> <p>9. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.</p>			
<p>PAGE 122 INTENTIONALLY LEFT BLANK SEE PAGE 123 FOR REQUIRED INFORMATION.</p>			

Name of Respondent Upper Peninsula Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report 2008/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

## NOTES TO FINANCIAL STATEMENTS

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### NOTE A--FERC FORM 1 REPORTING COMPARED TO REPORTING IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

The accompanying financial statements have been prepared in accordance with the accounting requirements of the FERC as set forth in the Uniform System of Accounts and accounting releases, which differs from generally accepted accounting principles ("GAAP").

1. Removal costs that do not have an associated legal obligation are recognized as a component of accumulated depreciation, whereas these costs are recognized for GAAP as a regulatory liability.
2. UPPCO accounts for its investment in majority-owned subsidiaries on the equity method rather than consolidating the assets, liabilities, revenues, and expenses of these subsidiaries, as required by GAAP.
3. Accumulated deferred income taxes are reported as deferred debits and deferred credits and are not netted into short-term or long-term classifications as required by GAAP.
4. FERC requires transactions for the real-time and day-ahead Regional Transmission Organization administered energy markets to be separately reported for each hour on the statement of income, whereas UPPCO combines the transactions of these two markets for a given hour for GAAP reporting purposes.
5. The GAAP financial statement presentation reports unamortized loss on reacquired debt and energy refunds or recoveries as regulatory assets and liabilities whereas the FERC financial statement presentation reports these balances as deferred debits and current assets and liabilities.

#### a. Nature of Operations

Upper Peninsula Power Company (the "Company" or "UPPCO") is an electric utility engaged in the supply and distribution of electric power in its franchised territory in the Upper Peninsula of Michigan. The Company is a wholly owned subsidiary of Integrys Energy Group, Inc.

The term "utility" refers to the regulated activities of the Company, while the term "non-utility" refers to the activities of the Company that are not regulated.

#### b. Use of Estimates

The preparation of financial statements in conformity with the accounting requirements of FERC requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates.

#### c. Property, Plant, and Equipment

Utility plant is stated at original cost. The cost of property additions, including replacement of units of property and betterments, is capitalized. Cost includes contract labor, company labor, materials, allowance for funds used during construction ("AFUDC"), and overheads. Expenditures for maintenance and repairs of property and costs of replacing items determined to be less than units of property are charged to operating expenses. The Company charges cost of removal and original cost of property, less salvage, to accumulated provision for depreciation when the property is retired, sold, or otherwise disposed of. Substantially all utility property is subject to lien and collateralized under first mortgage bonds.

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AFUDC is defined in the applicable regulatory system of accounts as the net cost, during the period of construction, of borrowed funds used for construction purposes and a reasonable rate on equity funds when so used. The Company is subject to one AFUDC rate. The rate utilized is the MPSC's found overall rate of return from the company's latest Commission Order. Historically, there have been few calculations of allowance for funds used during construction due to the small dollar amounts or short construction periods of the Company's construction projects. There were no construction projects qualifying for AFUDC in 2007. Three projects were subject to AFUDC in 2008.

d. Depreciation

The original cost of utility property is depreciated using the straight-line method over its estimated service life. The Company's book depreciation rates, effective for the years December 31, 2008 and 2007, are approved by the MPSC. The book depreciation calculated for those years was the equivalent of approximately 2.98% for 2008 and 3.01% for 2007 of depreciable plant.

e. Non-Utility Property

Non-utility property mainly consists of three Escanaba River Hydros (9 MW) purchased from New Page Corporation. Under terms of the purchase agreement, New Page will purchase all energy produced by the hydros through June 30, 2012.

f. Fair Value

Effective January 1, 2008, UPPCO adopted SFAS No. 157, "Fair Value Measurements." This standard defines fair value and requires enhanced disclosures about assets and liabilities carried at fair value. As of December 31, 2008, these additional disclosures are required only for financial assets and liabilities measured at fair value and for nonfinancial assets and liabilities measured at fair value on a recurring basis, following the guidance in FASB Staff Position FAS 157-2, "Effective Date of FASB Statement No. 157."

According to SFAS No. 157, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). SFAS No. 157 establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy defined by SFAS No. 157 are as follows:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are observable, either directly or indirectly, but are not quoted prices included within Level 1. Level 2 includes those financial instruments that are valued using external inputs within models or other valuation methodologies.

Level 3 – Pricing inputs include significant inputs that are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value.

As required by SFAS No. 157, financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

g. Taxes Other Than Income

The Company presents revenue net of pass-through taxes on the Statements of Income.

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#### h. Investments in Affiliates

WPS Investments LLC, jointly owned by the Company (3%), Wisconsin Public Service Corporation ("WPSC") (14%), and Integrys Energy Group (83%), holds Integrys Energy Group and its subsidiaries' entire investment in American Transmission Company LLC ("ATC"). The ownership interests have varied throughout 2008 and will continue to change as WPSC and the Company contribute additional assets to WPS Investments, or as cash is contributed by Integrys Energy Group. The Company's investment in WPS Investments LLC is accounted for under the equity method.

WPS Investments LLC, has a 34.06% ownership in ATC as of December 31, 2008. ATC is a for-profit, transmission only company. It owns, plans, maintains, monitors, and operates electric transmission assets in portions of Wisconsin, Michigan, and Illinois. ATC began operations on January 1, 2001. Its assets previously were owned and operated by multiple electric utilities serving the upper Midwest, all of which transferred their transmission assets to ATC in exchange for an ownership interest.

<u>(Thousands)</u>	<u>2008</u>	<u>2007</u>
WPS Investments LLC	\$14,152.9	\$13,670.6
ATC Management Inc.	3.2	3.2
Investments In Affiliates, At Equity Method	\$14,156.1	\$13,673.8

The Company recorded equity in earnings of WPS Investments LLC of \$2,077,240 in 2008 and \$1,863,528 in 2007.

The Company recorded dividends of \$1,633,261 and \$1,397,248 from WPS Investments LLC in 2008 and 2007, respectively.

#### i. Cash and Cash Equivalents

We consider short-term investments with an original maturity of three months or less to be cash equivalents.

The balance in cash and cash equivalents at the end of the current year consists of items shown below (in thousands).

	<u>2008</u>	<u>2007</u>
Cash	\$0	\$125.8
Working Funds	\$3.0	\$3.0
Special Deposits	\$70.9	\$19.5
	<u>\$73.9</u>	<u>\$148.3</u>

#### j. Inventories

Inventories consist of fossil fuels, and materials & supplies which are valued at average cost.

#### k. Risk Management Activities

As part of our regular operations, the Company may enter into contracts, including forwards and other contractual commitments, to manage changes in commodity prices. The Company accounts for its derivative contracts in accordance with SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended and interpreted. SFAS No. 133 establishes accounting and financial reporting standards for derivative instruments and requires, in part, that we recognize certain derivative instruments on the balance sheet as assets or liabilities at their fair value. If the derivatives qualify for regulatory deferral subject to the provisions of SFAS No. 71, *Accounting for the Effects of Certain Types of Regulation*, the derivatives are marked to fair value pursuant to SFAS No. 133 and are offset with a corresponding regulatory asset or liability. For additional information on Risk Management Activities, see Note 7, *Risk Management Activities*.

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# I. Regulatory Assets and Liabilities

The Company is subject to the provisions of SFAS No. 71, *Accounting for the Effects of Certain Types of Regulation*. Regulatory assets represent incurred costs that are probable of recovery from customers through the ratemaking process. Based on current evaluation of the various factors and conditions that are expected to impact future cost recovery, we believe the recovery of the regulatory asset is probable. If, at any reporting date, a previously recorded regulatory asset is no longer probable of recovery, the regulatory asset is reduced to the amount considered probable of recovery with reduction charged to current expense. The retiree health care regulatory asset is not earning a rate of return. Regulatory assets for which the Company has incurred costs, earn a rate of return that is subject to regulatory commission approval. Regulatory liabilities represent amounts imposed by rate actions of the Company's regulators that may require refunds to customers, represent amounts provided in current rates that are intended to recover costs that are expected to be incurred in the future for which the Company remains accountable, or represent gain or other reduction of allowable costs to be given to customers over future periods.

The following regulatory assets and liabilities are reflected on the Balance Sheets as of December 31:

## Regulatory Assets

	<i>in thousands</i>	
	<b>2008</b>	<b>2007</b>
Retiree Health Care	\$121	\$151
Warden Ash Site Groundwater Monitoring	1,155	1,210
2003 PSCR Dead River Costs	2,488	2,389
Pension Related	63,187	40,473
Asset Retirement Obligation	504	444
Risk Management Activities	167	4
	<b>\$67,622</b>	<b>\$44,671</b>

## Regulatory Liabilities

Income Tax Related	\$4,686	\$4,525
Risk Management Activities	96	430
Pension Related	43	0
JH Warden Gain	2,210	2,068
	<b>\$7,035</b>	<b>\$7,023</b>

# m. Revenues and Customer Receivables

Revenues are recognized on the accrual basis. The Company utilizes monthly cycle billing and applies the unbilled revenue method for recording revenue on services rendered but not billed. Under the unbilled revenue method, revenues are recognized for electric power delivered to customers through the end of the period but not billed to customers. Under FERC guidance issued in April 2006, energy transactions in a Regional Transmission Organization should be netted and measured on an hourly basis. FERC also determined that the day-ahead and real-time markets should be considered separately for purposes of netting energy transactions. We follow this FERC guidance in our consideration of our reporting requirements.

The Company uses automatic fuel and purchased power adjustment clauses for the MPSC retail electric portions of the business. Most wholesale electric contracts have no automatic fuel and purchase power adjustment clauses.

Billings to customers under the MPSC jurisdiction include base rate charges and a power supply cost recovery factor. The Company receives MPSC approval each year to recover projected power supply costs by establishment of power supply cost recovery factors. Annually, the MPSC reconciles these factors to actual costs and permits 100% recovery of allowed power supply costs. The Company recognizes any over or under recovery currently in its revenues and a deferred asset or liability is recognized on the balance sheet until settlement. The deferrals are relieved with additional billings or refunds. At December 31, 2008, the Company has also recorded regulatory



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assets related to power supply costs associated with the flooding of the Dead River in 2003 for which the MPSC has authorized deferral. (See further discussion in footnote 10).

The Company is required to provide service and grant credit to customers within their service territories. The Company continually reviews their customers' credit worthiness and obtains or refunds deposits accordingly. The Company is precluded from discontinuing service to residential customers during winter moratorium months. The Company calculates a reserve for potential uncollectible customer receivables.

n. Retirement of Debt

Premiums, discounts, and expenses incurred with the issuance of outstanding long-term debt are amortized over the terms of the debt issues. Any call premiums or unamortized expenses associated with refinancing higher-cost debt obligations used to finance regulated assets and operations are deferred as a regulatory asset and amortized consistent with regulatory treatment of those items, where appropriate.

o. Income Taxes

We account for income taxes using the asset and liability method as prescribed by SFAS No. 109, *Accounting for Income Taxes*. Under this method, deferred income taxes have been recorded using currently enacted tax rates for the differences between the tax basis of assets and liabilities and the basis reported in the financial statements. Due to the effects of regulation, certain adjustments made to deferred income taxes are, in turn, recorded as regulatory assets or liabilities.

Investment tax credits, which have been used to reduce our federal income taxes payable, have been deferred for financial reporting purposes. These deferred investment tax credits are being amortized over the useful lives of the property to which they are related.

The Company is a member of a consolidated group under Integrys Energy Group, Inc. Integrys Energy Group files a consolidated United States income tax return that includes domestic subsidiaries in which its ownership is 80 percent or more. Integrys Energy Group and its consolidated subsidiaries, including the Company, are parties to a tax allocation arrangement under which each entity determines its income tax provision on a stand-alone basis, after which effects of federal consolidation are accounted for.

Integrys Energy Group and its subsidiaries have routinely been subject to examination by various taxing jurisdictions, including the Internal Revenue Service ("IRS"), and other state and local taxing jurisdictions. At any given time there might be several of these audits open covering multiple tax years. Management has not been informed by any taxing jurisdictions of any material adjustment to any filed or proposed tax position as a result of the on-going examinations.

p. New Accounting Pronouncements

In December 2007, the FASB issued SFAS No. 141(R), "Business Combinations." SFAS No. 141(R) provides greater consistency in the accounting for and financial reporting of business combinations. Among other changes, the standard will require the following: (1) all assets acquired and liabilities assumed must be recognized at the transaction date, including those related to contractual contingencies; (2) transaction costs and restructuring costs that the acquirer expects, but is not obligated, to incur are to be expensed; (3) changes to deferred tax benefits as a result of the business combination must be recognized immediately in income from continuing operations or equity, depending on the circumstances; and, (4) in a bargain purchase, a gain is to be recorded instead of writing down fixed assets. Certain new disclosure requirements will enable the evaluation of the nature and financial effect of the business combination. SFAS No. 141(R) is effective for business combinations consummated after January 1, 2009. Also effective January 1, 2009, any adjustments to uncertain tax positions from business combinations consummated prior to January 1, 2009, will no longer be recorded as an adjustment to goodwill, but will be reported in income.

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In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities — an amendment of FASB Statement No. 133." SFAS No. 161 requires enhanced disclosures about (1) how and why an entity uses derivative instruments, (2) how derivative instruments and related hedged items are accounted for under SFAS No. 133, as amended, and (3) how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. SFAS No. 161 is effective for UPPCO for the reporting period ending March 31, 2009, and will result in expanded disclosures for derivatives instruments.

Emerging Issues Task Force (EITF) Issue No. 08-6, "Equity Method Investment Accounting Considerations," was ratified in November 2008. Issue No. 08-6 is intended to clarify the application of the equity method of accounting following adoption of SFAS No. 141(R). According to the guidance, the initial carrying value of an equity method investment should include transaction costs; an other-than-temporary impairment test should be performed on the overall investment, rather than on the underlying indefinite-lived intangible assets; the equity method investee's issuance of shares should be accounted for as the sale of a proportionate share of the investment; and, no gain or loss should be recognized when changing the method of accounting for an investment from the equity method to the cost method. UPPCO does not expect EITF Issue No. 08-6 to have a significant impact on its financial statements.

## 2. FAIR VALUE

Cash, and Cash Equivalents, Notes Payable, Accounts Payable, Accounts Receivable, and Outstanding Short-Term Debts: The carrying amount approximates fair value due to short maturity of these investments and obligations.

Long-Term Debt: The fair value of long-term debt is estimated based on the quoted market price for the same or similar issues or on the current market rates offered to the Company for debt of the same remaining maturity.

(Thousands)	December 31, 2008		December 31, 2007	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash and Cash Equivalents	\$73.9	\$73.9	\$148.4	\$148.4
Accounts Receivable	\$12,278.4	\$12,278.4	\$16,255.9	\$16,255.9
Accounts Payable	\$7,571.0	\$7,571.0	\$6,666.2	\$6,666.2
Notes Payable	\$6,795	\$6,795	\$1,250.0	\$1,250.0
Long-Term Debt	\$41,700.0	\$42,079.3	\$42,600.0	\$46,338.6
Risk Management Activities - Net	\$71.4	\$71.4	(\$426.0)	(\$426.0)

The following table shows UPPCO's financial assets and liabilities that were accounted for at fair value on a recurring basis as of December 31, 2008, categorized by Level within the fair value hierarchy.

Thousands	Level 1	Level 2	Level 3	Total
Risk Management assets				
Financial Transmission Rights	\$ -	\$ -	\$445.6	\$445.6
Risk Management liabilities				
Financial Transmission Rights	-	-	79.7	79.7

The valuation for financial transmission rights is derived from historical data from the MISO, which is considered a Level 3 input.

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The following table sets forth a reconciliation of changes in the fair value of items categorized as Level 3 measurements:

<i>Thousands</i>	Year Ended December 31, 2008
Balance at the beginning of period	\$426.2
Net realized gain included in earnings	1,317.1
Net unrealized loss recorded as regulatory assets or liabilities	(497.7)
Net purchases and settlements	(879.7)
<b>Balance at December 31, 2008</b>	<b>\$365.9</b>

Unrealized gains and losses on financial transmission rights are deferred as regulatory assets or liabilities, pursuant to SFAS No. 71. Therefore, these fair value measurements have no impact on earnings. Realized gains and losses on financial transmission rights, as well as the related transmission congestion costs, are recorded in purchased power on the Statements of Income.

### 3. SHORT-TERM DEBT AND LINES OF CREDIT

All short-term borrowings are from Integrys Energy Group and bear interest at Integrys Energy Group's weighted average borrowing rate on short-term loans. Short-term borrowings from Integrys Energy Group were as follows (in thousands):

	<u>2008</u>	<u>2007</u>
Maximum amount of short-term borrowings		
outstanding during the year	\$12,025.0	\$18,350.0
Average amount of short-term borrowings		
outstanding during the year	\$2,158.0	\$10,067
Weighted average interest rate on short-term borrowings	5.79%	5.55%
Short-term borrowings from Integrys Energy Group at December 31	\$6,795.0	\$1,250.0
Weighted average interest rate on short-term borrowing outstanding at year end	6.22%	4.94%

### 4. LONG-TERM DEBT

First mortgage bonds are secured by utility plant assets. A summary of long-term debt outstanding at December 31 is as follows:

	<i>(Thousands of Dollars)</i>	
	<u>2008</u>	<u>2007</u>
First Mortgage Bonds:		
9.32% Series Due 2021	\$10,800.0	\$11,700.0
Long-Term Notes for Assoc. Co:		
\$15 million Due 2013; \$15 million Due 2017	\$30,000.0	\$30,000.0
Current Portion Due	\$900.0	\$900.0
<b>Total Long-Term Debt</b>	<b>\$41,700.0</b>	<b>\$42,600.0</b>

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Amounts of long-term debt due in each year subsequent to December 31, 2008 are \$900,000 annually until maturity in 2021.

The Company's long-term first mortgage bonds are subject to the terms and conditions of the Company's First Mortgage Indenture. Under the terms of the indenture, substantially all property owned by the Company is pledged as collateral for these outstanding debt securities. All of these debt securities require semi-annual payments of interest. Principal payments are due on the maturity date of the series.

## 5. EMPLOYEE BENEFIT PLANS

UPPCO participates in one noncontributory, qualified retirement plan of Integrys Energy Group. On December 31, 2008, the WPS Retirement Plan, which UPPCO had participated in, merged into the Integrys Energy Group Retirement Plan ("IBS Pension Plan"). The plan merger had no effect on the level of plan benefits provided to participants or the management of the plan assets. Prior to the plan merger, WPS, a subsidiary of Integrys Energy Group, served as the plan sponsor for the WPS Retirement Plan. Integrys Business Support, LLC ("IBS") serves as the plan sponsor for the IBS Pension Plan. Prior to the change in plan sponsor, UPPCO had accounted for its participation in the WPS plan as a multiemployer plan. Accordingly, WPS allocated to the Company its share of the periodic pension cost. The Company did not report any plan assets or liabilities on its balance sheet, but recognized within long-term payable to affiliates, a long-term liability for the expense allocated from WPS less the amounts paid. The Company accounts for its participation in the pension plan sponsored by IBS as a multiple employer plan. Under affiliate agreements entered into in connection with the change in plan sponsor, the Company is responsible for its share of plan obligations and is entitled to its share of plan assets; accordingly, the Company accounts for its share of the IBS Pension Plan as its own plan. Therefore, as of December 31, 2008, the Company's Balance Sheet reflects the liabilities associated with past and current employees of the Company.

The Company follows SFAS No. 158, "*Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*" – an amendment of FASB Statements No. 87, 88, 106, and 132(R). SFAS No. 158 requires employers to recognize a defined benefit postretirement plan's funded status on the balance sheet, and recognize changes in the plan's funded status in the year in which the changes occur. The Company records changes in the funded status to regulatory asset or liability accounts, pursuant to SFAS No. 71. A measurement date of December 31 is used for all pension and other postretirement benefit plans.

UPPCO also participates in various other post retirement benefit plans sponsored by WPSC that provide medical, dental, and other benefits to its employees. These plans are accounted for as multiemployer plans. The Company does not report plan assets or liabilities on its balance sheet, but has recognized within a long-term payable to affiliates, a long-term liability of \$19.3 million as of December 31, 2008, and \$40.2 million as of December 31, 2007 for the expense allocated from WPSC less the amounts paid. The Company's share of other postretirement benefit costs was \$2.1 million in 2008, and \$2.9 million in 2007. Due to the regulated nature of the business, the Company has recorded a regulatory asset of \$19.4 million as of December 31, 2008, and \$17.2 million as of December 31, 2007, for its other postretirement benefit costs.

The Company also maintains a legacy non-qualified Supplemental Employee Retirement Plan ("SERP"). The liabilities for this plan are also recorded on the Company's Balance Sheet. There are no plan assets for this plan.

The Board of Directors has established the Employee Benefits Administrator Committee, which consists of Integrys Energy Group employees, to manage the operations and administration of all benefit plans and related trusts.

The costs of pension and postretirement benefits are expensed over the period during which the employee renders service. The transition obligation for postretirement benefits is being recognized over a 20-year period beginning in 1993. Integrys Energy Group uses a December 31 measurement date for all of its plans. The Company's share of pension costs was \$1.8 million in 2008, \$3.2 million in 2007, and \$4.3 million in 2006. The Company's share of other postretirement benefit costs was \$2.1 million in 2008, \$2.9 million in 2007, and \$3.8 million in 2006.

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Actuarial calculations are performed (based upon specific employees and their related years of service) in order to determine the Company's benefit cost.

The following tables provide a reconciliation of the changes in the plans' benefit obligation and fair value of assets during 2008 and 2007.

	Pension	
(Millions)	2008	2007
<b>Reconciliation of benefit obligation</b>		
Obligation at January 1	\$1.2	\$1.4
Service cost	1.0	0.0
Interest cost	5.3	0.1
Transfer in	83.2	0.0
Actuarial (gain) loss – net	2.4	0.0
Benefit payments	(6.4)	(0.3)
Obligation at December 31	\$86.7	\$1.2
<b>Reconciliation of fair value of plan assets</b>		
Fair value of plan assets at January 1	\$ 0.0	\$ 0.0
Actual return on plan assets	(13.8)	0.0
Employer contributions	0.3	0.3
Benefit payments	(6.4)	(0.3)
Transfer in	62.1	(0.0)
Fair value of plan assets at December 31	\$42.2	\$0.0

Amounts recognized in the Company's Balance Sheet at December 31, 2008 related to the pension plans and at December 31, 2007 related to the SERP consisted of:

	Pension	
(Millions)	2008	2007
Current liabilities	\$0.2	\$0.2
Noncurrent liabilities	44.3	1.0
Net liability recognized	\$44.5	\$1.2

The accumulated benefit obligation for all defined benefit pension plans was \$84.7 million and \$1.2 million at December 31, 2008, and 2007, respectively. Information for pension plans with an accumulated benefit obligation in excess of plan assets is presented in the following table.

	December 31,	
(Millions)	2008	2007
Projected benefit obligation	\$86.7	\$1.2
Accumulated benefit obligation	84.7	1.2
Fair value of plan assets	42.2	-

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The following table shows the amounts that have not yet been recognized in the Company's net periodic benefit cost as of December 31, 2008 and 2007:

	Pension	
(Millions)	2008	2007
<b>Regulatory asset</b>		
Net actuarial loss	\$42.6	\$0.3
Prior service cost	1.2	0.0
Total	<u>\$43.8</u>	<u>\$0.3</u>

The estimated prior service cost for defined benefit pension plans that will be amortized as a component of net periodic benefit cost during 2009 is \$0.2 million.

The following table presents the components of the net periodic benefit cost for the pension plans for 2008 and only the SERP for 2007:

	Pension	
(Millions)	2008	2007
<b>Net periodic benefit cost</b>		
Service cost	\$1.0	\$0.0
Interest cost	5.3	0.1
Expected return on plan assets	(4.8)	0.0
Amortization of prior service cost	0.3	0.0
Net periodic benefit cost	<u>\$1.8</u>	<u>\$0.1</u>

### Assumptions

The weighted average assumptions used at December 31 in the accounting for the Integrys Energy Group benefit plans are as follows:

	Pension	
	2008	2007
Discount rate for benefit obligations	6.45%	6.40%
Discount rate for net periodic benefit cost	6.40%	5.87%
Expected return on assets	8.50%	8.50%
Rate of compensation increase	4.27%	5.50%

The Company establishes its expected return on asset assumption based on consideration of historical and projected asset class returns. For each asset class, the expected return is calculated as the weighted-average of the historical and projected returns, as determined by an independent source. This amount is then compared to the historical investment performance of the trust holding the plan assets, as well as a group of peer companies for reasonableness.

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### Pension Plan Assets

The target allocations of the plan assets at December 31, 2008 and the weighted-average asset allocations of the plans at December 31, 2008 are as follows:

Asset category	<u>Pension Benefits Assets</u>	
	Target Allocation	Percentage of Plan Assets at December 31,
	2008	2008
Equity securities	64%	56%
Debt securities	33%	40%
Real estate	3%	4%
Total	100%	100%

### Cash Flows Related to Pension Plans

The Company's funding policy is to contribute at least the minimum amounts that are required to be funded under the Employee Retirement Income Security Act, but not more than the maximum amounts that are currently deductible for income tax purposes. The Company expects to contribute \$7.7 million to pension plans in 2009.

The following table shows the payments, reflecting expected future service, which the Company expects to make for pension benefits.

(Millions)	Pension
2009	\$ 6.5
2010	6.4
2011	6.5
2012	6.7
2013	6.9
2014-2018	32.3

### Defined Contribution Benefit Plans

Integrus Energy Group maintains a 401(k) Savings Plan for substantially all full-time employees. Prior to 2008, employees generally could contribute from 1% to 30% of their base compensation to individual accounts within the 401(k) Savings Plan. For Company union employees, the Company matches 50% of the employees' contributions up to 6% of eligible compensation. Participation in this plan automatically qualifies eligible non-union employees for participation in the WPSC Employee Stock Ownership Plan (ESOP). The Company match, in the form of Integrus Energy Group shares of common stock, is contributed to an employee's ESOP account. The plan requires a match equivalent to 100% of the first 4% and 50% of the next 2% contributed by non-union employees. The following changes became effective January 1, 2008: 1) Employees can contribute up to 50% of their base compensation; 2) There is a 100% employer match contributed to the WPSC ESOP for all eligible administrative employees on the first 5% contributed by the employee to their respective 401(k) account; and, 3) An employer retirement contribution based on age and service was added for administrative employees hired after January 1, 2008, and becomes effective for all administrative employees beginning January 1, 2013. UPPCO union employees do not participate in the WPSC ESOP. The Company's share of the total costs of the defined contribution benefit plans was \$0.4 million and \$0.4 million in 2008 and 2007, respectively.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

## 6. INCOME TAXES

The principal components of the Company's deferred tax assets and liabilities recognized in the balance sheet as of December 31 are as follows:

<i>(Thousands)</i>	2008	2007
<b>Deferred Tax Assets</b>		
Plant & Investment Related	1,453	3,878
Employee Benefits	2,699	1,953
Deferred Income and Deductions	1,035	377
Other	1,622	1,168
Total	6,808	7,376
<b>Deferred Tax Liabilities</b>		
Plant & Investment Related	(23,951)	(23,670)
Employee Benefits	-	-
Regulatory Deferrals	(964)	(673)
Deferred Income and Deductions	-	(16)
Other	(232)	(244)
Total	(25,147)	(24,603)

The following is a reconciliation of federal income taxes that would be computed by applying the federal statutory rate to income before income taxes, and the actual current and future income tax expense that was recorded on the income statements for the year ended December 31:

*Thousands, except for percentages*

	Rate	2008 Amount	Rate	2007 Amount
<b>Effective Income Tax</b>				
Statutory Federal Income Tax	35.0%	\$1,642	35.0%	\$3,922
State Income Taxes, Net	4.2	199	(0.1)	(9)
Investment Credit Restored	(0.8)	(37)	(0.3)	(38)
Plant-Related Differences	1.0	47	(0.4)	(40)
Benefits and Compensation	(4.3)	(200)	(2.4)	(267)
Other Differences, Net	5.5	252	0.0	(6)
<b>Effective Income Tax</b>	40.6%	\$1,903	31.8%	\$3,562
<b>Current Provision</b>				
Federal		\$578		\$3,707
State		88		22
Total Current Provision		666		3729
Deferred (Benefit) Provision		1,273		(56)
Interest		0		(74)
Investment Tax Credit Restored, Net		(37)		(37)
Total Deferred Provision		(1,236)		(167)
<b>Total Income Tax Expense</b>		\$1,903		\$3,562

The Company is refunding taxes provided in prior years at rates greater than current rates to customers prospectively as the temporary differences reverse. The net regulatory liability for these refunds totaled \$4.6 million as of December 31, 2008 and \$4.5 million as of December 31, 2007.



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## 7. RISK MANAGEMENT ACTIVITIES

The following table shows the Company's assets and liabilities from risk management activities as of December 31, 2008 and 2007.

Risk Management Activities (Thousands)	Assets		Liabilities	
	2008	2007	2008	2007
Financial Transmission Rights	\$446	\$430	\$80	\$4
<b>Balance Sheet Presentation</b>				
Current	\$446	\$430	\$80	\$4

Assets and liabilities from risk management activities are classified as current or long-term based upon the maturities of the underlying financial instruments.

Financial transmission rights are financial instruments used to manage the transmission congestion costs of the Company. Under the Michigan Power Supply Cost Mechanism any gains or losses resulting from the eventual settlement of these derivative instruments will be collected from or refunded to customers.

## 8. ASSET RETIREMENT OBLIGATIONS

The Company adopted the provisions of Interpretation of No. 47 as of December 31, 2005. Upon adoption of this Interpretation, the Company identified conditional asset retirement obligations related to asbestos abatement at certain generation facilities, office buildings, and service centers, as well as disposal of PCB-contaminated transformers. A \$0.6 million pre-tax cumulative effect of a change in accounting principle was deferred as a regulatory asset pursuant to SFAS No. 71 in connection with the implementation of the Interpretation, as we believe it is probable that the actual cost to dispose of the asset will be recoverable in future rates. Accretion is deferred as a regulatory asset pursuant to SFAS No. 71.

### Changes to Asset Retirement Obligation Liabilities

The following table describes changes to the asset retirement obligations of UPPCO through December 31, 2008.

Asset retirement obligations at December 31, 2006	\$942,343
Asset retirement obligations transferred in the sale of Warden	(243,758)
Accretion	48,132
Asset retirement obligations at December 31, 2007	746,717
Accretion	42,470
Asset retirement obligations at December 31, 2008	\$789,187

## 9. REGULATORY ENVIRONMENT

On December 8, 2004, the Company submitted a request to the MPSC to approve the Company's proposed treatment of the pre-tax gains from certain sales of undeveloped and partially developed lands located in the Upper Peninsula of Michigan as appropriate for ratemaking purposes. On April 28, 2005, the MPSC issued an order authorizing the Company to retain 100% of the pre-tax gains on certain lands owned up to \$18.5 million, and 73% of any pre-tax gains over that amount. Under the Order, the Company was not allowed to file for a retail electric service base rate increase until January 1, 2006. The Power Supply Cost Recovery Clause was not subject to the filing moratorium.

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On June 27, 2006, the MPSC issued a final order authorizing the Company to increase its retail electric rates by \$3.8 million (4.8%) with a 10.75% return on equity, and a 54.93% common equity ratio. The new rates were effective June 28, 2006. The retail electric rate increase was required in order to improve service quality and reliability, upgrade technology, and manage rising employee and retiree benefit costs. The Company's previous retail electric rate increase was in December 2002.

On June 8, 2007, the Company submitted a request to the MPSC to approve the Company's proposed treatment of the jurisdictional pre-tax gains from the sale of the Warden Generating Station in L'Anse Michigan as appropriate for ratemaking purposes. The company proposed to distribute 100% of the jurisdictional portion of the first \$800,000 of any pre-tax gains to customers. The Company further proposed to share the jurisdictional portion of any pre-tax gains above \$800,000 between the customers and shareholders on a 50% / 50% basis. Lastly, within 9 months after the sale of the Warden Generating Station, the Company proposed to file a plan for distributing the gains to retail customers. A settlement agreement was executed by all parties in this case, and the MPSC issued an order approving the settlement agreement on October 9, 2007. As provided for in the settlement agreement, the order approved the requested gains treatment, required the Company to file a plan for distributing the customer gains (approximately \$1.9M) to retail customers by April 5, 2008, and implements a base rate increase moratorium until March 14, 2009. The base rate increase moratorium does not preclude deferred accounting treatment for any governmental mandates and base rate increases for any unusual and extraordinary events that would cause serious financial harm to the Company, and the Company's Power Supply Cost Recovery Clause is not subject to the moratorium. On April 5, 2008, the Company filed a proposal to refund 50% of the net proceeds back to the customers and retain 50% of the net proceeds to use to offset costs of a potential merger with Wisconsin Public Service Corporation if a merger was pursued. See Footnote 10, "Flood Damage," for further information on settlement agreement.

Retail customer choice became available on January 1, 2002 in Michigan. Effective January 1, 2008, CertainTeed, one of UPPCO's five largest customers, became UPPCO's first retail customer to choose an alternative energy supplier for power supply service. CertainTeed began taking service from an alternative energy supplier which is affiliated with the new ownership of Warden Generating Station, as described above. The net impact of the loss of power supply service to CertainTeed on UPPCO's retail margin is approximately \$0.5M per year. Because CertainTeed is located adjacent to the Warden Generating Station, it is expected that CertainTeed will eventually elect to interconnect directly with the Warden Generating Station for both electric and steam service. If the direct interconnection occurs, the loss of distribution service revenue would cause an additional loss of approximately \$100,000 per year of margin.

As part of the regulatory approval process associated with its acquisition of PEC, Integrys Energy Group agreed to formally propose the formation of a centralized service company to provide administrative and general support services to Integrys Energy Group's six regulated utilities including UPPCO. These services include categories such as legal, accounting and finance, environmental, information technology, purchasing and warehousing, human resources, administrative services (e.g., real estate, printing, etc.), external/regulatory affairs, gas services and gas supply, among others. In addition, many of these same services will also be provided to Integrys Energy Group's nonregulated subsidiaries. The centralized service company became operational on January 1, 2008. The creation of a centralized service company required UPPCO to move some of the employees supporting these functions into the new service company along with many of the employees who provided these services from WPSC, PEC, PGL, and Integrys Energy Group. Certain assets were also transferred by affiliates to the centralized service company.

On March 4, 2009, the Company filed its plan to meet the Michigan Public Acts 286 and 295 that were effective October 6, 2008 as they relate to Energy Optimization ("EO") and renewable portfolio standard. MCL 460.1091 provides that a provider may, in lieu of establishing its own EO Plan, pay a portion of its revenues to an independent EO administrator selected by the Commission. On December 16, 2008, the Company filed a letter with the Commission notifying the Commission of the Company's intention to participate in the Section 91 alternative EO administrator program. The March 4 filing proposed billing surcharges to be collected from customers that will be forwarded to the energy optimization administrator. The March 4 filing also included the Company's 20 year plan to

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meet the renewable portfolio standard included in Act 286. The plan submitted indicates that the Company will be able to meet the Act 286 requirements with existing generation resources and power supply options and proposed that revenues generated from sale of excess renewable credits be returned to the customers in the power supply cost recovery mechanism.

## 10. COMMITMENTS, CONTINGENCIES, AND UNCERTAINTIES

The Company has made commitments for the purchase of commodities, mainly capacity or energy related to purchased power, which total \$34 million and extend through 2014.

For 2009, the Company has a Capacity Purchase Agreement with WPSC that entitles the Company to purchase 65 MW of capacity. The Company also has a purchase power agreement for interruptible partial requirements service for 38 to 52 MW's that varies by month. The rate is determined by a rate formula. Either party may terminate this agreement with 24 months prior notice.

The Company has a capacity and energy purchase agreement with White Pine Electric Power for 35 MW of capacity through December 31, 2014. Termination of this contract may occur on the fifth anniversary of the effective date, which will be in 2010.

### Flood Damage

In 2003, a fuse plug at the Silver Lake reservoir owned by UPPCO was breached, resulting in subsequent flooding downstream on the Dead River, located in the Upper Peninsula of Michigan. UPPCO completed significant environmental activities and is working with the Michigan Department of Environmental Quality ("MDEQ") to determine what additional activities and mitigation projects are necessary to resolve the impacts associated with this event. Integrys Energy Group maintains a comprehensive insurance program (which includes UPPCO) that is believed to be sufficient to cover the responsibilities related to this event. The aggregate self-insured retention on this policy for UPPCO is \$0.2 million.

As part of the UPPCO's 2009 Power Supply Cost Recovery Plan filing with the MPSC, UPPCO requested recovery of the remaining deferred replacement power costs related to the Silver Lake incident. Through December 31, 2008, UPPCO deferred replacement power costs of \$3.2 million, non-fuel operating and maintenance costs of \$0.8 million, and estimated related carrying costs of \$0.7 million based on MPSC orders that allowed deferral for all incremental costs and replacement power costs incurred as a result of the breach of the fuse plug spillway and earthen dike on the Silver Lake Reservoir. UPPCO offset the non-fuel operating and maintenance costs and related carrying costs, as well as a portion of the replacement power costs, with a settlement of \$2.2 million received from third parties involved in the incident. The remaining replacement power costs requested for recovery from Michigan retail customers was \$2.52 million. As part of the settlement agreement with the MPSC and interveners in the Power Supply Cost Recovery Plan case, UPPCO will offset \$1.9 million of the remaining replacement power costs with proceeds from the sale of the Warden plant. The proceeds from the sale of the Warden plant had previously been recorded as a liability to UPPCO customers. Pursuant to the proposed 2009 Settlement Agreement, the remaining \$0.55 million of deferred replacement power costs will not be recovered and will be recognized as an expense in 2009. The final MPSC Commission Order is expected to be issued later in 2009.

### UPPCO Litigation

#### Naterra Land, Inc. vs. UPPCO Mitigation

In 2005, UPPCO sold land to Naterra Land, Inc. ("Naterra") for \$5,900,000 related to several hydro electric properties in the Upper Peninsula of Michigan. These land sales were negotiated in a Vacant Land Offer to Purchase ("Agreement") dated November 2, 2005. Recently, Naterra filed suit against UPPCO and Integrys Energy Group, Inc. in the Federal District Court for the District of Minnesota relating to the Agreement. Specifically, Naterra alleges UPPCO and Integrys Energy Group engaged in fraud and that UPPCO breached the contract and its duty of

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NOTES TO FINANCIAL STATEMENTS (Continued)			

good faith and fair dealing relative to the Agreement. The litigation is pending and UPPCO and Integrys Energy Group are currently in settlement discussions with Naterra. UPPCO has established a reserve for this matter as of December 31, 2008 representing the amount that is believed to be probable and reasonably estimatable as of December 31, 2008. There may be adjustments in potential exposure to UPPCO based upon the litigation proceedings and/or outcome of the settlement discussions; however management believes that final resolution of the matter will not have a material adverse effect on UPPCO. Any changes in the estimate will be recorded as an adjustment to the reserve in the period that the adjustment is determined. See Note 9 "Regulatory Environment," for details on how the MPSC has agreed to handle the land sales for rate purposes.

#### 11. COMMON STOCK

<i>(Thousands)</i>	December 31	
	2008	2007
Common Stock of the Company, Consists of Common Stock Without Par Value, \$9 Stated Value, Authorized 3,000,000 Shares, Issued and Outstanding - 1,473,736 Shares in 2008 and 2007	\$13,263.6	\$13,263.6

All shares of the Company's common stock are owned by Integrys Energy Group, Inc.

#### 12. DIVIDEND RESTRICTION

The Company's indentures relating to first mortgage bonds contains certain limitations on the payment of cash dividends on common stock. Under the most restrictive provisions, approximately \$18.6 million of retained earnings was available at December 31, 2008, for the payment of common stock cash dividends by the Company.

#### 13. RELATED PARTY TRANSACTIONS

Integrys Energy Group and its consolidated subsidiaries file consolidated federal income tax returns. Integrys Energy Group pays the income taxes, which are then allocated to the appropriate entities. The tax allocable to each subsidiary is the amount of tax it would have paid had it filed a separate return of the tax year in question, after application of any credit to which it would be entitled on a separate return basis. Adjustments are made as necessary to reflect any items which are usable on the consolidated return, but which would not be usable on a separate return, such as deducting a capital loss that can be used against capital gains attributable to another member of the consolidated group. At December 31, 2007, the Company's Balance Sheet included intercompany taxes payable of \$1.2 million. At December 31, 2008, the intercompany taxes receivable totaled \$0.9 million.

IBS is a wholly owned centralized service company that provides administrative and general support services for Integrys Energy Group's six regulated utilities and portions of administrative and general support services for Integrys Energy Services. UPPCO was billed \$10.7 million in 2008 for services provided by IBS. At December 31, 2008, the amount owed to IBS was \$1.8 million.

The Company records related-party transactions for services provided to and network transmission services received from ATC. Network Transmission service costs paid to ATC by the Company were \$5.6 million and \$4.7 million in 2008 and 2007, respectively.

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<b>SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISION FOR DEPRECIATION, AMORTIZATION AND DEPLETION</b>				
Line No.	Item (a)	Total (b)	Electric (c)	
1	UTILITY PLANT			
2	In Service			
3	Plant in Service (Classified)	195,828,853	195,828,853	
4	Property Under Capital Leases			
5	Plant Purchased or Sold			
6	Completed Construction not Classified	15,420,829	15,420,829	
7	Experimental Plant Unclassified			
8	TOTAL (Enter Total of lines 3 thru 7)	211,249,682	211,249,682	
9	Leased to Others			
10	Held for Future Use			
11	Construction Work in Progress	3,001,649	3,001,649	
12	Acquisition Adjustments			
13	TOTAL Utility Plant (Enter Total of lines 8 thru 12)	214,251,331	214,251,331	
14	Accum. Prov. For Depr., Amort., & Depl.	89,395,201	89,395,201	
15	Net Utility Plant (Enter Total of line 13 less 14)	124,856,130	124,856,130	
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION			
17	In Service:			
18	Depreciation	84,891,575	84,891,575	
19	Amort. & Depl. Of Producing Natural Gas Land & Land Rights			
20	Amort. Of Underground Storage Land & Land Rights			
21	Amort. Of Other Utility Plant	1,523,988	1,523,988	
22	TOTAL In Service (Enter Total of lines 18 thru 21)	86,415,563	86,415,563	
23	Leased to Others			
24	Depreciation			
25	Amortization & Depletion			
26	TOTAL Leased to Others (Enter Total of lines 24 and 25)	0	0	
27	Held for Future Use			
28	Depreciation	2,979,638	2,979,638	
29	Amortization			
30	TOTAL held for Future Use (Enter Total of Lines 28 and 29)	2,979,638	2,979,638	
31	Abandonment of leases (Natural Gas)			
32	Amortization of Plant Acquisition Adjustment			
33	TOTAL Accumulated Provisions (Should agree with line 14 above) (Enter Total of lines 22, 26, 30, 31 & 32)	89,395,201	89,395,201	

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<b>ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106)</b>			
<p>1. Report below the original cost of plant in service in the same detail as in the current depreciation order.</p> <p>2. In addition to Account 101, Electric Plant in service (Classified), this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified - Electric.</p> <p>3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.</p> <p>4. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such amounts.</p> <p>5. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and</p>		<p>include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year of unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d), including the</p>	
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	1. INTANGIBLE PLANT		
2	301 Organization	2,005	
3	302 Franchises and Consents	7,551,275	
4	303 Miscellaneous Intangible Plant	21,393	
5	TOTAL Intangible Plant	7,574,673	0
6	2. PRODUCTION PLANT		
7	Steam Production Plant		
8	310.1 Land	143,334	
9	310.2 Land Rights		
10	311 Structures and Improvements		
11	312 Boiler Plant Equipment		
12	313 Engines and Engine-Driven Generators		
13	314 Turbogenerator Units		
14	315 Accessory Electric Equipment		
15	316 Miscellaneous Power Plant Equipment	116,660	
16	TOTAL Steam Production Plant	259,994	0
17	Nuclear Production Plant		
18	320.1 Land		
19	320.2 Land Rights		
20	321 Structures and Improvements		
21	322 Reactor Plant Equipment		
22	323 Turbogenerator Units		
23	324 Accessory Electric Equipment		

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**ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)**

reversals of the prior year's tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.

6. Show in column (f) reclassification or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f)

to primary account classifications.

7. For Account 399, state the nature and use of plant included in this account and, if substantial in amount, submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.

8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date of such filing.

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					1
			2,005	301	2
			7,551,275	302	3
13,614			7,779	303	4
13,614	0	0	7,561,059		5
					6
					7
			143,334	310.1	8
				310.2	9
				311	10
				312	11
				313	12
				314	13
				315	14
			116,660	316	15
0	0	0	259,994		16
					17
				320.1	18
				320.2	19
				321	20
				322	21
				323	22
				324	23



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<b>ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)</b>				
Line No.	Account (a)	Balance at Beginning of Year (b)	Addition (c)	
24	325 Miscellaneous Power Plant Equipment			
25	TOTAL Nuclear Production Plant	0	0	
26	Hydraulic Production Plant			
27	330.1 Land	285,252		
28	330.2 Land Rights	367,462		
29	331 Structures and Improvements	1,071,325	19,933	
30	332 Reservoirs, Dams and Waterways	29,952,225	8,790,611	
31	333 Water Wheels, Turbines and Generators	686,005	53,034	
32	334 Accessory Electric Equipment	1,350,398	162,990	
33	335 Miscellaneous Power Plant Equipment	624,801	144,943	
34	336 Roads, Railroads and Bridges	510,048	99,114	
35	TOTAL Hydraulic Production Plant	34,847,516	9,270,625	
36	Other Production Plant			
37	340.1 Land	63,016		
38	340.2 Land Rights			
39	341 Structures and Improvements	202,637		
40	342 Fuel Holders, Products and Accessories	1,276,907	7,621	
41	343 Prime Movers	2,489,856		
42	344 Generators	1,056,338		
43	345 Accessory Electric Equipment	701,981	27,870	
44	346 Miscellaneous Power Plant Equipment	31,837		
45	TOTAL Other Production Plant	5,822,572	35,491	
46	TOTAL Production Plant	40,930,082	9,306,116	
47	3. TRANSMISSION PLANT			
48	350.1 Land			
49	350.2 Land Rights			
50	352 Structures and Improvements			
51	353 Station Equipment			
52	354 Towers and Fixtures			
53	355 Poles and Fixtures			
54	356 Overhead Conductors and Devices			
55	357 Underground Conduit			
56	358 Underground Conductors and Devices			

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<b>ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)</b>							
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.		
				325	24		
0	0	0	0		25		
					26		
			285,252	330.1	27		
			367,462	330.2	28		
		57,732	1,148,990	331	29		
1,701		(57,732)	38,683,403	332	30		
			739,039	333	31		
		(3,852)	1,509,536	334	32		
		5,518	775,262	335	33		
			609,162	336	34		
1,701	0	1,666	44,118,106		35		
					36		
			63,016	340.1	37		
				340.2	38		
			202,637	341	39		
			1,284,528	342	40		
			2,489,856	343	41		
			1,056,338	344	42		
			729,851	345	43		
			31,837	346	44		
0	0	0	5,858,063		45		
1,701	0	1,666	50,236,163		46		
					47		
				350.1	48		
				350.2	49		
				352	50		
				353	51		
				354	52		
				355	53		
				356	54		
				357	55		
				358	56		

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<b>ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)</b>				
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	
57	359 Roads and Trails			
58	TOTAL Transmission Plant	0	0	
59	4. DISTRIBUTION PLANT			
60	360.1 Land	336,279	22,173	
61	360.2 Land Rights	387,362		
62	361 Structures and Improvements	1,235,468		
63	362 Station Equipment	22,231,021	1,756,376	
64	363 Storage Battery Equipment			
65	364 Poles, Towers and Fixtures	27,345,174	943,953	
66	365 Overhead Conductors and Devices	15,153,347	667,299	
67	366 Underground Conduit			
68	367 Underground Conductors and Devices	16,458,751	224,556	
69	368 Line Transformers	19,596,261	1,870,845	
70	368.1 Capacitors	73,758	104,149	
71	369 Services	12,699,693	656,748	
72	370 Meters	5,416,487	154,826	
73	371 Installations on Customers' Premises	591,861	71,268	
74	372 Leased Property on Customers' Premises			
75	373 Street Lighting and Signal Systems	1,872,388	71,114	
76	TOTAL Distribution Plant	123,397,850	6,543,307	
77	5. GENERAL PLANT			
78	389.1 Land	125,811	373,583	
79	389.2 Lands Rights		1,432	
80	390 Structures and Improvements	4,681,461	76,888	
81	391 Office Furniture and Equipment	1,695,198	33,302	
82	391.1 Computers / Computer Related Equipment	1,226,423	30,720	
83	392 Transportation Equipment	7,428,805	301,496	
84	393 Stores Equipment	100,995	3,044	
85	394 Tools, Shop and Garage Equipment	1,518,386	80,109	
86	395 Laboratory Equipment	1,274,169	53,642	
87	396 Power Operated Equipment	795,141	59,483	
88	397 Communication Equipment	2,408,461	234,281	
89	398 Miscellaneous Equipment	32,384		
90	SUBTOTAL	21,287,234	1,247,980	

Name of Respondent		This Report Is:		Date of Report		Year of Report	
Upper Peninsula Power Company		(1) [ X ] An Original (2) [   ] A Resubmission		(Mo, Da, Yr) 04/30/09		December 31, 2008	
ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)							
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)			Line No.	
				359		57	
0	0	0	0			58	
						59	
			358,452	360.1		60	
			387,362	360.2		61	
514		21,081	1,256,035	361		62	
299,442		(202,395)	23,485,560	362		63	
				363		64	
160,075			28,129,052	364		65	
53,836			15,766,810	365		66	
				366		67	
92,702		(139)	16,590,466	367		68	
248,884		117,206	21,335,428	368		69	
0		17,301	195,208	368.1		70	
56,866			13,299,575	369		71	
198,733			5,372,580	370		72	
45,588			617,541	371		73	
				372		74	
48,454			1,895,048	373		75	
1,205,094	0	(46,946)	128,689,117			76	
						77	
659			498,735	389.1		78	
			1,432	389.2		79	
36,304			4,722,045	390		80	
1,091,906			636,594	391		81	
481,742			775,401	391.1		82	
133,353			7,596,945	392		83	
			104,039	393		84	
		3,675	1,602,170	394		85	
		(3,675)	1,324,136	395		86	
			851,257	396		87	
		62,580	2,705,322	397		88	
			32,384	398		89	
1,743,964	0	62,580	20,853,830			90	

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/09	December 31, 2008

**ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)**

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
91	399 Other Tangible Property		
92	TOTAL General Plant	<b>21,287,234</b>	1,247,980
93	TOTAL (Accounts 101 and 106)	<b>193,189,839</b>	17,097,403
94			
95	102 Electric Plant Purchased		
96	(Less) 102 Electric Plant Sold		
97	103 Experimental Plant Unclassified		
98	TOTAL Electric Plant in Service (Total of lines 93 thru 97)	<b>193,189,839</b>	17,097,403

Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/30/09		Year of Report December 31, 2008	
<b>ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)</b>							
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)			Line No.	
				399		91	
1,743,964	0	62,580	<b>20,853,830</b>			92	
2,964,373	0	17,300	<b>207,340,169</b>			93	
						94	
				102		95	
						96	
				103		97	
2,964,373	0	17,300	<b>207,340,169</b>			98	

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/09	December 31, 2008

**PLANT ACQUISITION ADJUSTMENTS AND ACCUMULATED PROVISION FOR AMORTIZATION  
OF PLANT ACQUISITION ADJUSTMENTS (Accounts 114 & 115)**

1. Report the particulars called for concerning acquisition adjustments.
2. Provide a subheading for each account and list thereunder the information called for, observing the instructions below.
3. Explain each debit and credit during the year, give reference to any Commission orders or other authorizations concerning such amounts, and show contra account debited or credited.
4. For acquisition adjustments arising during the year
- state the name of the company from which the property was acquired, date of transaction, and date journal entries clearing Account 102, Plant Purchased or Sold, were filed with the Commission.
5. In the blank space at the bottom of the schedule, explain the plan of disposition of any acquisition adjustments not currently being amortized.
6. Give date Commission authorized use of Account 115.

Line No.	Description (a)	Balance Beginning of Year (b)	Debits (c)	CREDITS		Balance End of Year (f)
				Contra Acct. (d)	Amount (e)	
1	Account 114	3,575,565				3,575,565
2	Purchased Four (4) Hydro-Electric					
3	Generating Stations for Cliffs					
4	Electric Service on February 17, 1998					
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15	Account 115	2,836,615		406	(143,022)	2,979,637
16	Four (4) Hydro-Electric Generating					
17	Stations					
18						
19						
20						

Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/09	Year of Report December 31, 2008
<b>CONSTRUCTION WORK IN PROGRESS AND COMPLETED CONSTRUCTION NOT CLASSIFIED - ELECTRIC (Accounts 107 and 106)</b>				
<p>1. Report below descriptions and balances at end of year of projects in process of construction and completed construction not classified for projects actually in service. For any substantial amounts of completed construction not classified for plant actually in service explain the circumstances which have prevented final classification of such amounts to prescribed primary accounts for plant in service.</p> <p>2. The information specified by this schedule for Account 106, Completed Construction</p>		<p>Not Classified-Electric, shall be furnished even though this account is included in the schedule, Electric Plant in Service, pages 204-211, according to a tentative classification by primary accounts.</p> <p>3. Show items relating to "research and development" projects last under a caption Research and Development (See Account 107, Uniform System of Accounts).</p> <p>4. Minor projects may be grouped.</p>		
Line No.	Description of Project (a)	Construction Work in Progress-Electric (Account 107) (b)	Completed Construction Not Classified-Electric (Account 106) (c)	Estimated Additional Cost of Project (d)
1	Autrain Dam PMF Discharge Study	732,355		
2	Engineering for Bond Falls-FERC Mandate	593,296		4,854,034
3	McClure Penstock Evaluation & Replacement	435,009		27,670,653
4	Lincoln Avenue Sub Add Trans & Split Bus	360,658		83,917
5	Prickett Spillway Adequacy and Fuse Plug	263,894		1,605,285
6	Masonville Upgrade Regulators	116,141		0
7	Projects with Balances Less than \$100,000 Each	500,296	2,861,623	
8	Henry Street ByPass and Exits		164,674	
9	McClure Rebuild #2		101,079	
10	Three Phase Cooper Lake Rebuild Part 2		279,137	
11	Reconductor Old Mill Road		144,751	
12	Silver Lake Dam Replacement		8,629,194	
13	Portage CT Above Ground Oil Storage		1,058,521	
14	Victoria Hydro Replace Gen Circuit Breaker		159,138	
15	Victoria Trainer Gate Operator & Control System		154,575	
16	Escanaba Service Center Building & Land		375,015	
17	Portage Sub Add 69kv Section		146,520	
18	Ontonagon Sub Rebuild 12.5kv Section		483,239	
19	Freeman Sub Add 138kv Ckt Sewer & Transformer		863,363	
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35	<b>TOTAL</b>	<b>3,001,649</b>	<b>15,420,829</b>	<b>34,213,889</b>



Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/09	Year of Report December 31, 2008
<b>CONSTRUCTION OVERHEADS - ELECTRIC</b>				
<p>1. List in columns (a) the kinds of overheads according to the titles used by the respondent. Charges for outside professional services for engineering fees and management or supervision fees capitalized should be shown as separate items.</p> <p>2. On page 218 furnish information concerning construction overheads.</p> <p>3. A respondent should not report "none" to this page if no overhead apportionments are made, but rather</p> <p>should explain on page 218 the accounting procedures employed and the amounts of engineering, supervision and administrative costs, etc., which are directly charged to construction.</p> <p>4. Enter on this page engineering, supervision, administrative, and allowance for funds used during construction, etc., which are first assigned to a blanket work order and then prorated to construction jobs.</p>				
Line No.	Description of Overhead (a)	Total Amount Charged for the Year (b)		
1	Local Engineering	33,012		
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
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36				
37				
38				
39	<b>TOTAL</b>	<b>33,012</b>		

Name of Respondent Upper Peninsula Power Company Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 4/30/07	Year of Report December 31, 2007
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#### GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE

For each construction overhead explain: (a) the nature and extent of work, etc., the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of determination in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned. 2. Show below the computation of the allowance for funds used during construction rates, in accordance with the provisions of Electric Plant instruction 3 (17) of the U.S. of A. 3. Where a net-of-tax rate for borrowed funds is used, show the appropriate tax effect adjustment to the computations below in a manner that clearly indicates the amount of the reduction in the gross rate for tax effects.

1. Construction Overheads: Supervision and engineering are charged to specific requisitions involved, direct from the time vouchers. Pension expense, workmen's compensation insurance, payroll taxes, and other employee benefits including health and dental insurance, and long term disability insurance are allocated to construction based on direct payroll charges.
2. General Administration: By examination, certain administration and general salaries were transferred to construction costs based on direct payroll charges to construction projects involved.
3. Items 2 and 3 below (Gross rate for borrowed funds and rate for other funds) are based on Michigan Public Service Commission's found overall rate of return ordered by Case U-14745 dated June 26, 2006.

#### COMPUTATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION RATES

For line 1(5), column (d) below, enter the rate granted in the last rate proceeding. If such is not available, use the average rate earned during the preceding three years.

##### 1. Components of Formula (Derived from actual book balances and actual cost rates):

Line No.	Title (a)	Amount (b)	Capitalization Ratio (Percent) (c)	Cost Rate Percentage (d)
1	Average Short-Term Debt &	S \$ 2,158,074		
2	Short-Term Interest			s 5.79%
3	Long-Term Debt	D 42,600,000	39.56%	d 6.83%
4	Preferred Stock	P		p
5	Common Equity	C 65,088,687	60.44%	c 10.75%
6	Total Capitalization	\$ 107,688,687	100.00%	
7	Average Construction Work In Progress Balance	W \$ 5,303,540		

2. Gross Rate for Borrowed Funds 
$$\frac{S}{s} + \frac{D}{d} (1 - \frac{S}{s})$$

3. Rate for Other Funds 
$$[1 - \frac{S}{s}] [\frac{P}{p} + \frac{C}{c}]$$

##### 4. Weighted Average Rate Actually Used for the Year:

- a. Rate for Borrowed Funds - 3.96
- b. Rate for Other Funds - 3.79

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report End of 2008/Q4
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**ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)**

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, Line 11, column (c), and that reported for electric plant in service, pages 204-207, column 9d), excluding retirements of non-depreciable property.
3. The provisions of Account 108 in the Uniform System of accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

**Section A. Balances and Changes During Year**

Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1	Balance Beginning of Year	81,647,881	81,647,881		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	5,336,833	5,336,833		
4	(403.1) Depreciation Expense for Asset Retirement Costs				
5	(413) Exp. of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing	788,661	788,661		
7	Other Clearing Accounts				
8	Other Accounts (Specify, details in footnote):				
9	ARO Depreciation Expense	32,058	32,058		
10	TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)	6,157,552	6,157,552		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	2,954,126	2,954,126		
13	Cost of Removal	435,966	435,966		
14	Salvage (Credit)	510,758	510,758		
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	2,879,334	2,879,334		
16	Other Debit or Cr. Items (Describe, details in footnote):	-34,524	-34,524		
17					
18	Book Cost or Asset Retirement Costs Retired				
19	Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18)	84,891,575	84,891,575		

**Section B. Balances at End of Year According to Functional Classification**

20	Steam Production	97,351	97,351		
21	Nuclear Production				
22	Hydraulic Production-Conventional	12,359,198	12,359,198		
23	Hydraulic Production-Pumped Storage				
24	Other Production	4,362,326	4,362,326		
25	Transmission				
26	Distribution	56,077,271	56,077,271		
27	Regional Transmission and Market Operation				
28	General	11,995,429	11,995,429		
29	TOTAL (Enter Total of lines 20 thru 28)	84,891,575	84,891,575		

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/17/2009	2008/Q4
FOOTNOTE DATA			

**Schedule Page: 219 Line No.: 16 Column: c**

Gain)/Loss associated with land sales	\$ (23,332)
Reclass of cost of removal collected through rates	(14,731)
Other transfers	3,539
	<u>\$ (34,524)</u>

**Schedule Page: 219 Line No.: 19 Column: c**

**Steam Production**

End Balance (above)	97,351
Less: 108200 ARO Depreciation (Non-Rate base)	97,351
Add: 182376 ARO COR Depr (Rate base)	0
Ending Rate Base Reserve	<u>0</u>

**Nuclear Production**

End Balance (above)	0
Less: 108200 ARO Depreciation (Non-Rate base)	0
Add: 182376 ARO COR Depr (Rate base)	0
Ending Rate Base Reserve	<u>0</u>

**Hydraulic Production - Conventional**

End Balance (above)	12,359,199
Less: 108200 ARO Depreciation (Non-Rate base)	0
Add: 182376 ARO COR Depr (Rate base)	0
Ending Rate Base Reserve	<u>12,359,199</u>

**Hydraulic Production - Pumped Storage**

End Balance (above)	0
Less: 108200 ARO Depreciation (Non-Rate base)	0
Add: 182376 ARO COR Depr (Rate base)	0
Ending Rate Base Reserve	<u>0</u>

**Other Production**

End Balance (above)	4,362,327
Less: 108200 ARO Depreciation (Non-Rate base)	0
Add: 182376 ARO COR Depr (Rate base)	0
Ending Rate Base Reserve	<u>4,362,327</u>

**Transmission**

End Balance (above)	0
Less: 108200 ARO Depreciation (Non-Rate base)	0
Add: 182376 ARO COR Depr (Rate base)	0
Ending Rate Base Reserve	<u>0</u>

**Distribution**

End Balance (above)	56,077,271
Less: 108200 ARO Depreciation (Non-Rate base)	118,863
Add: 182376 ARO COR Depr (Rate base)	154,178
Ending Rate Base Reserve	<u>56,112,585</u>

**General**

End Balance (above)	11,995,429
Less: 108200 ARO Depreciation (Non-Rate base)	107,042
Add: 182376 ARO COR Depr (Rate base)	0

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Upper Peninsula Power Company			
FOOTNOTE DATA			

Ending Rate Base Reserve	11,888,387
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<b>Total</b>	
End Balance (above)	84,891,576
Less: 108200 ARO Depreciation (Non-Rate base)	323,257
Add: 182376 ARO COR Depr (Rate base)	154,178
Ending Rate Base Reserve	84,722,497

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/09	December 31, 2008

**NONUTILITY PROPERTY (Account 121)**

- |   |   |
|---|---|
| <p>1. Give a brief description and state the location of nonutility property included in Account 121.</p> <p>2. Designate with a double asterisk any property which is leased to another company. State name of lessee and whether lessee is an associated company.</p> <p>3. Furnish particulars (details) concerning sales, purchases, or transfers of Nonutility Property during the year.</p> | <p>4. List separately all property previously devoted to public service and give date of transfer to Account 121, Nonutility Property.</p> <p>5. Minor items (5% of the Balance at the End of the Year for Account 121 or \$100,000, whichever is less) may be grouped by (1) previously devoted to public service, or (2) other nonutility property.</p> |
|---|---|

Line No.	Description and Location (a)	Balance at Beginning of Year (b)	Purchases, Sales Transfers, etc. (c)	Balance at End of Year (d)
1	Two (2) Dam Sites in Baraga &			
2	Houghton County	48,341	208,498	256,839
3	Land in the Ontonagon River Area	108,774	473,983	582,757
4	Land in the City of Gladstone	205,031		205,031
5	Escanaba River Hydros Delta County	3,533,610	34,516	3,568,126
6	Eastern Hydro Dams	65,605	329,521	395,126
7	Bond Falls Ontonagon County	454,062	0	454,062
8	CWIP	1,193,169	(888,902)	304,267
9				
10				
11				
12				
13				
14				
15				
16				
17				
	TOTAL	5,608,592	157,616	5,766,208

**ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF  
NONUTILITY PROPERTY (Account 122)**

Report below the information called for concerning depreciation and amortization of nonutility property.

Line No.	Item (a)	Amount (b)
1	Balance, Beginning of Year	720,888
2	Accruals for Year, Charged to	
3	(417) Income from Nonutility Operations	79,566
4	(418) Nonoperating Rental Income	
5	Other Accounts (Specify):	
6		
7	TOTAL Accruals for Year (Enter Total of lines 3 thru 6)	79,566
8	Net Charges for Plant Retired:	
9	Book Cost of Plant Retired	
10	Cost of Removal	
11	Salvage (Credit)	
12	TOTAL Net Charges (Enter Total of lines 9 thru 11)	0
13	Other Debit or Credit Items (Describe):	
14		
15	Balance, End of Year (Enter Total of lines 1, 7, 12, and 14)	800,454

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/09	Year of Report December 31, 2008	
<b>INVESTMENTS (Accounts 123, 124, 136)</b>				
<p>1. Report below the investments in Accounts 123, <i>Investments in Associated Companies</i>, 124, <i>Other Investment</i>, and 136, <i>Temporary Cash Investments</i>.</p> <p>2. Provide a subheading for each account and list thereunder the information called for:</p> <p>(a) Investment in securities - List and describe each security owned, giving name of user, date acquired and date of maturity. For bonds, also give principal amount, date of issue, maturity, and interest rate. For capital stock (including capital stock of respondent reacquired under a definite plan for resale pursuant to authorization by the Board of Directors, and included</p> <p>in Account 124, <i>Other Investments</i>), state number of shares, class, and series of stock. Minor investments may be grouped by classes. Investments included in Account 136, <i>Temporary Cash Investments</i>, also may be grouped by classes.</p> <p>(b) Investment Advances-Report separately for each person or company the amounts of loans or investment advances which are properly includable in Account 123. Advances subject to current repayment should be included in Accounts 145 and 146. With respect to each advance, show whether the advance is a note or an open account. Each note should be</p>				
Line No.	Description of Investment  (a)	Book Cost at Beginning of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (b)		Purchases or Additions During Year (c)
		Original Cost	Book Value	
1	WPS Investments LLC	11,406,349	13,670,624	2,115,535
2	Date Acquired 6/29/2001			
3	3.00% Interest (Paid in Capital)			
4				
5	ATC Management, Inc.	3,220	3,220	
6	Date Acquired 6/29/2001			
7	1.96% Non-Voting Interest, 0% Voting Interest			
8	(Common Equity)			
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
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26				
27				
28				
29				
30		11,409,569	13,673,844	2,115,535

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/09	Year of Report December 31, 2008			
<b>INVESTMENTS (Accounts 123, 124, 136) (Cont'd)</b>						
<p>listed giving date of issuance, maturity date, and specifying whether note is a renewal. Designate any advances due from officers, directors, stockholders, or employees. Exclude amounts reported on page 229.</p> <p>3. For any securities, notes or accounts that were pledged designate with an asterisk such securities, notes, or accounts and in a footnote state the name of pledgee and purpose of the pledge.</p> <p>4. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.</p> <p>5. Report in column (g) interest and dividend revenues from investments including such revenues from securities disposed of during the year.</p> <p>6. In column (h) report for each investment disposed of during the year the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price thereof, not including any dividend or interest adjustment includible in column (g).</p>						
Sales or Other Dispositions During Year (d)	Principal Amount or No. of Shares at End of Year (e)	Book Cost at End of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (f) Original Cost      Book Value		Revenues for Year (g)	Gain of Loss from Improvement Disposed of (h)	Line No.
		11,406,349	14,152,898	1,633,261		1
						2
						3
						4
		3,220	3,220			5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
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0	0	11,409,569	14,156,118	1,633,261	0	29
						30



Name of Respondent Upper Peninsula Power Co	This Report Is: <input type="checkbox"/> (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/09	Year of Report December 31, 2008
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FOOTNOTE DATA

Page Number (a)	Item Number (b)	Column Number (c)	Comments (d)
222	1	(b)	Original cost was omitted in 2007. Book value for 2007 was entered in "original cost" column. 2008 beginning and end of year balances are correct.
222	1	(c)	Equity Earnings
223	1	(g)	Dividends

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Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report End of 2008/Q4
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**INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1)**

1. Report below investments in Accounts 123.1, investments in Subsidiary Companies.  
2. Provide a subheading for each company and List there under the information called for below. Sub - TOTAL by company and give a TOTAL in columns (e),(f),(g) and (h)  
(a) Investment in Securities - List and describe each security owned. For bonds give also principal amount, date of issue, maturity and interest rate.  
(b) Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.  
3. Report separately the equity in undistributed subsidiary earnings since acquisition. The TOTAL in column (e) should equal the amount entered for Account 418.1.

Line No.	Description of Investment (a)	Date Acquired (b)	Date Of Maturity (c)	Amount of Investment at Beginning of Year (d)
1	WPS Investments LLC	6/29/2001		13,670,624
2	3.00% Interest			
3	Paid in Capital			
4				
5				
6	ATC Management, Inc.	6/29/2001		3,220
7	1.96% Non-Voting Interest, 0% Voting Interest			
8	Common Equity			
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42	Total Cost of Account 123.1 \$ 0		TOTAL	13,673,844

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report End of 2008/Q4
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**INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1) (Continued)**

4. For any securities, notes, or accounts that were pledged designate such securities, notes, or accounts in a footnote, and state the name of pledgee and purpose of the pledge.
5. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.
6. Report column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year.
7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if difference from cost) and the selling price thereof, not including interest adjustment includible in column (f).
8. Report on Line 42, column (a) the TOTAL cost of Account 123.1

Equity in Subsidiary Earnings of Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)	Line No.
2,115,535	1,633,261	14,152,899		1
				2
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		3,220		6
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2,115,535	1,633,261	14,156,119		42

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report 2008/Q4
Upper Peninsula Power Company			
FOOTNOTE DATA			

**Schedule Page: 224 Line No.: 1 Column: f**

WPS Investments holds our investment in American Transmission Company, LLC. Dividends from American Transmission Company, LLC \$(1,633,261).

**Schedule Page: 224 Line No.: 6 Column: a**

ATC Management, Inc. is the corporate manager of the American Transmission Company, LLC.

Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/09	Year of Report December 31, 2008
<b>NOTES AND ACCOUNTS RECEIVABLE SUMMARY FOR BALANCE SHEET</b>				
Show separately by footnote the total amount of notes and accounts receivable from directors, officers, and		employees included in Notes Receivable (Account 141) and Other Accounts Receivable (Account 143).		
Line No.	Accounts (a)	Balance Beginning of Year (b)	Balance End of Year (c)	
1	Notes Receivable (Account 141)			
2	Customer Accounts Receivable (Account 142)	11,153,866	9,593,739	
3	Other Accounts Receivable (Account 143) (Disclose any capital stock subscriptions received)	5,302,093	2,889,662	
4	<b>TOTAL</b>	<b>16,455,959</b>	<b>12,483,401</b>	
5	Less: Accumulated Provision for Uncollectible Accounts-Cr. (Account 144)	200,000	205,000	
6	<b>TOTAL, Less Accumulated Provision for Uncollectible Accounts</b>	<b>16,255,959</b>	<b>12,278,401</b>	
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<b>ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNT-CR. (Account 144)</b>						
1. Report below the information called for concerning this accumulated provision.						
2. Explain any important adjustments of subaccounts.						
3. Entries with respect to officers and employees shall not include items for utility services.						
Line No.	Item (a)	Utility Customers (b)	Merchandise Jobbing and Contract Work (c)	Officers and Employees (d)	Other (e)	Total (f)
1	Balance beginning of year	200,000				200,000
2	Prov. For uncollectibles for current year	531,631				531,631
3	Account written off (less)	589,133				589,133
4	Coll. Of accounts written off	62,502				62,502
5	Adjustments (explain):					0 0
6	Balance end of year	205,000	0	0	0	<b>205,000</b>
7						
8						
9						
10						
11						

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/09	December 31, 2008

**RECEIVABLES FROM ASSOCIATED COMPANIES (Accounts 145, 146)**

- |   |  |
|---|--|
| <p>1. Report particulars of notes and accounts receivable from associated companies* at end of year.</p> <p>2. Provide separate headings and totals for Accounts 145, Notes Receivable from Associated Companies, and 146, Accounts Receivable from Associated Companies, in addition to a total for the combined accounts.</p> <p>3. For notes receivable, list each note separately and state purpose for which received. Show also in column (a) date of note, date of maturity and interest rate.</p> | <p>4. If any note was received in satisfaction of an open account, state the period covered by such open account.</p> <p>5. Include in column (f) interest recorded as income during the year including interest on accounts and notes held any time during the year.</p> <p>6. Give particulars of any notes pledged or discounted, also of any collateral held as guarantee of payment of any note or account.</p> |
|---|--|

\* NOTE: "Associated companies" means companies or persons that, directly or indirectly, through one or more intermediaries, control, or are controlled by, or are under common control with, the account company. This includes related parties.

"Control" (including the terms "controlling," "controlled by," and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether such power is exercised through one or more intermediary companies, or alone, or in conjunction with, or pursuant to an agreement, and whether such power is established through a majority or minority ownership or voting of securities, common directors, officers or stockholders, voting trusts, holding trusts, associated companies, contract or any other direct or indirect means.

Line No.	Particulars (a)	Balance Beginning of Year (b)	Totals for Year		Balance End of Year (e)	Interest for Year (f)
			Debits (c)	Credits (d)		
1	Integrus Energy Group, Inc.	10,423	255,756	266,179	0	
2	Wisconsin Public Service Corporation	25,026	1,220,137	1,250,019	(4,856)	
3	Michigan Gas Utilities Corporation	64,670	469,668	470,205	64,133	
4	WPS New England Generation, LLC	0	82	82	0	
5	Penvest, Inc.	2,000	0	2,000	0	
6	Upper Peninsula Building Development	32,813	17,151	49,964	0	
7	Integrus Energy Services, Inc.	0	952,383	952,371	12	
8	Wisconsin River Power Company	3,290	15,989	19,279	0	
9	Integrus Business Support, LLC	0				
10	Minnesota Energy Resources Corporation	135	0	135	0	
11	The Peoples Gas Light & Coke Company	0	1,220	526	694	
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25	TOTAL	138,357	2,932,386	3,010,760	59,983	0

Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report End of <u>2008/Q4</u>
<b>MATERIALS AND SUPPLIES</b>					
<p>1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material.</p> <p>2. Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected debited or credited. Show separately debit or credits to stores expense clearing, if applicable.</p>					
Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Department or Departments which Use Material (d)	
1	Fuel Stock (Account 151)	428,456	724,757	Electric	
2	Fuel Stock Expenses Undistributed (Account 152)				
3	Residuals and Extracted Products (Account 153)				
4	Plant Materials and Operating Supplies (Account 154)				
5	Assigned to - Construction (Estimated)	721,061	512,408	Electric	
6	Assigned to - Operations and Maintenance				
7	Production Plant (Estimated)	1,142	1,155	Electric	
8	Transmission Plant (Estimated)				
9	Distribution Plant (Estimated)	238,582	459,363	Electric	
10	Regional Transmission and Market Operation Plant (Estimated)				
11	Assigned to - Other (provide details in footnote)	5,276	14,365	Electric	
12	TOTAL Account 154 (Enter Total of lines 5 thru 11)	966,061	987,291		
13	Merchandise (Account 155)				
14	Other Materials and Supplies (Account 156)				
15	Nuclear Materials Held for Sale (Account 157) (Not applic to Gas Util)				
16	Stores Expense Undistributed (Account 163)	5,883	8,991		
17					
18					
19					
20	TOTAL Materials and Supplies (Per Balance Sheet)	1,400,400	1,721,039		



Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/09	Year of Report December 31, 2008
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**PRODUCTION FUEL AND OIL STOCKS (Included in Account 151)**

1. Report below the information called for concerning production fuel and oil stock.
2. Show quantities in tons Of 2000 lb. Barrels (42 gals.) or Mcf., whichever unit of quantity is applicable.
3. Each kind of coal or oil should be shown separately.
4. If the respondent obtained any of its fuel from its own coal mines or oil or gas lands or leases or from

affiliated companies, a statement should be submitted showing the quantity of such fuel so obtained, the quantity used and quantity on hand, and cost of the fuel classified as to the nature of the costs and expenses incurred with appropriate adjustment for the inventories at beginning and end of year.

Line No.	Item (a)	Total Cost (b)	KINDS OF FUEL AND OIL	
			Quantity (c)	Cost (d)
1	On hand beginning of year	428,456	5,176	400,456
2	Received during year	2,335,513	15,484	2,335,513
3	TOTAL	2,763,969	20,660	2,735,969
4	Used during year (specify department)	2,039,211	15,435	2,247,581
5				
6				
7				
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13				
14				
15	Sold or transferred			
16	TOTAL DISPOSED OF	2,039,211	15,435	2,247,581
17	BALANCE END OF YEAR	724,758	5,225	488,388

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/09	Year of Report December 31, 2008
<b>MISCELLANEOUS CURRENT AND ACCRUED ASSETS (Account 174)</b>			
1. Give description and amount of other current and accrued assets as of the end of year. 2. Minor items may be grouped by classes, showing number of items in each class.			
Line No.	Item (a)	Balance End of Year (b)	
1	Accrued Ad Valorem Taxes	3,741,900	
2	Deferred Power Supply Cost Revenue	831,729	
3			
4			
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25	TOTAL	4,573,629	

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	(Mo, Da, Yr) 04/30/09	December 31, 2008
<b>PRELIMINARY SURVEY AND INVESTIGATION CHARGES (Account 183)</b>			
1. Report below particulars concerning the cost of plans, surveys, and investigations made for the purpose of determining the feasibility of projects under		contemplation. 2. Minor items may be grouped by classes. Show the number of items in each group.	
Line No.	Description and Purpose of Project (a)	Balance Beginning of Year (b)	
1	Bond Falls - Enginerring for New FERC License Reg	62,058	
2	Victoria Investigation Drilling Piezometer	185,802	
3	Victoria Dam Re-Evaluate Hydrology	25,729	
4	Prickett IDF Assessment/Eval/Eng	76,598	
5	McClure Boat Landing Investigation	4,892	
6	Hoist Hydrological Study	29,542	
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<b>TOTAL</b>		<b>384,621</b>	

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr) 04/30/09	Year of Report December 31, 2008
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**PRELIMINARY SURVEY AND INVESTIGATION CHARGES (Account 183)**

Debits ( c )	CREDITS		Balance End of Year ( f )	Line No.
	Account Charged ( d )	Amount ( e )		
	332000	62,058	0	1
6,336	537000	192,138	0	2
369			26,098	3
	332000	76,598	0	4
	543000	4,892	0	5
25,556			55,098	6
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32,261		335,686	81,196	TOTAL

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report End of <u>2008/Q4</u>
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**OTHER REGULATORY ASSETS (Account 182.3)**

- Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
- Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$50,000 which ever is less), may be grouped by classes.
- For Regulatory Assets being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Assets  (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)
				Written off During the Quarter/Year Account Charged (d)	Written off During the Period Amount (e)	
1	Retiree Health and Life	151,044		926	30,210	120,834
2						
3	Warden Ash Site Monitoring	1,210,000		253	55,000	1,155,000
4						
5	Minimum Pension Liability Adjustment	40,473,009	64,279,469	230/108	41,565,784	63,186,694
6						
7	ARO Depr/Accr NonRate Base	583,941	74,528			658,469
8						
9	ARO COR Rate Base	( 139,447)		254	14,731	-154,178
10						
11	Derivatives	3,956	306,780	244	143,588	167,148
12						
13	PI Plant Outage PSCR-2003 Int	2,389,167	98,540			2,487,707
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44	TOTAL	44,671,670	64,759,317		41,809,313	67,621,674

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report End of 2008/Q4
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**MISCELLANEOUS DEFERRED DEBITS (Account 186)**

- Report below the particulars (details) called for concerning miscellaneous deferred debits.
- For any deferred debit being amortized, show period of amortization in column (a)
- Minor item (1% of the Balance at End of Year for Account 186 or amounts less than \$50,000, whichever is less) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	Warden Ash Site Cost	196,561	20,899	511	37,327	180,133
2						
3	Labor Load/Transp. Capital Acc	23,142	685,894	Various	691,233	17,803
4						
5	Work Orders	70,244	122,049	Various	97,587	94,706
6						
7	Minor Items	20,053	80			20,133
8						
9	Accruals to Subsidiaries	23,399	630,919	Various	611,858	42,460
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46						
47	Misc. Work in Progress					
48	Deferred Regulatory Comm. Expenses (See pages 350 - 351)					
49	<b>TOTAL</b>	333,399				355,235

Name of Respondent	This Report Is:	Date of Report	Year of Report
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**ACCUMULATED DEFERRED INCOME TAXES (Account 190)**

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.      2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Account Subdivision (a)	Balance at Beginning of Year (b)	Changes During Year	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Electric			
2				
3	Plant	987,953	(7,688,492)	6,447,412
4	Other than Plant	5,613,024	358,408	(311,321)
5	Plant (FAS 109)	387,682		
6	Other than Plant (FAS 109)	106,030		
7	Other			
8	TOTAL (Account 190) (Enter total of lines 2 thru 7)	7,094,689	(7,330,084)	6,136,091
9	Gas			
10				
11				
12				
13				
14				
15	Other			
16	TOTAL Gas (Enter total of lines 10 thru 15)	0	0	0
17	Other (Specify) Non Utility	281,194		781,750
18	TOTAL (Account 190) (Enter total of lines 8, 16 & 17)	7,375,883	(7,330,084)	6,917,841
19	Classification of Total:			
20	Federal Income Tax	5,175,598	(4,787,633)	4,570,116
21	State Income Tax	2,200,285	(2,542,451)	2,347,725
22	Local Income Tax			

**NOTES**

*In the space provided below, identify by amount and classification, significant items for which deferred taxes are being provided. Indicate insignificant amounts listed under Other.*

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/09	Year of Report December 31, 2008
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**ACCUMULATED DEFERRED INCOME TAXES (Account 190) (Continued)**

3. If more space is needed, use separate pages as required. and classification, significant items for which deferred taxes are being provided. Indicate insignificant amounts listed other Other.
4. In the space provided below, identify by amount

Changes During Year		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	DEBITS		CREDITS			
		Acct. No. (g)	Amount (h)	Acct. No. (i)	Amount (j)		
							1
							2
					1,677,986	1,424,859	3
			(1,403,791)			4,256,320	4
			(42,344)			345,338	5
			(106,030)				6
							7
0	0		(1,552,165)		1,677,986	6,026,517	8
							9
							10
							11
							12
							13
							14
							15
0	0		0		0	0	16
			(281,194)			781,750	17
0	0		(1,833,359)		1,677,986	6,808,267	18
							19
			(536,814)		1,413,092	5,834,359	20
			(1,296,545)		264,894	973,908	21
							22

NOTES (Continued)



Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/09	December 31, 2008

**UNAMORTIZED LOSS AND GAIN ON REACQUIRED DEBT (Account 189, 257)**

1. Report under separate subheadings for Unamortized Loss and Unamortized Gain on Reacquired Debt, particulars of gain and loss on reacquisition applicable to each class and series of long-term debt, including maturity date. If gain or loss resulted from a refunding transaction, include also the maturity date of the new issue.

2. In column (c) show the principal amount of bonds or other long-term debt reacquired.  
3. In column (d) show the net gain or net loss realized on each debt reacquisition as computed in accordance with General Instruction 16 of the Uniform System of Accounts.

Line No.	Designation of Long-Term Debt (a)	Date Reacquired (b)	Princ. Amt. Of Debt Reacquired (c)	Net Gain or Net Loss (d)
1	Acct 189 Unamortized Loss on Reacq Debt			
2	First Mortgage Bonds 10-3/4% series (1)	8/1/1991	3,150,000	(81,375)
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Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/09	December 31, 2008

**UNAMORTIZED LOSS AND GAIN ON REACQUIRED DEBT (Account 189, 257) (Continued)**

4. Show loss amounts in red or by enclosure in parentheses. Amortization of Loss on Reacquired Debt or credited to Account 429.1, Amortization of Gain on Reacquired Debt-Credit.
5. Explain any debits and credits other than amortization debited to Account 428.1,

Balance Beginning of Year (e)	Debits During Year (f)	Credits During Year (g)	Balance End of Year (h)	Line No.
				1
37,523		2,713	34,810	2
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Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report End of 2008/Q4
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**CAPITAL STOCKS (Account 201 and 204)**

1. Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.
2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.

Line No.	Class and Series of Stock and Name of Stock Series  (a)	Number of shares Authorized by Charter  (b)	Par or Stated Value per share  (c)	Call Price at End of Year  (d)
1	Common Stock Without Par	3,000,000	9.00	
2				
3	Cumulative Preferred Stock	300,000		
4				
5	Cumulative Preference Stock	1,000,000	1.00	
6				
7	NOTE: Respondent's common stock is held			
8	entirely by its parent holding company,			
9	Integrus Energy Group, Inc.			
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Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report End of 2008/Q4
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**CAPITAL STOCKS (Account 201 and 204) (Continued)**

3. Give particulars (details) concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.
4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or non-cumulative.
5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year.
- Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purposes of pledge.

OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent)		HELD BY RESPONDENT				Line No.
		AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	
1,473,736	13,263,624					1
						2
						3
						4
						5
						6
						7
						8
						9
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Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/09	Year of Report December 31, 2008
<b>CAPITAL STOCK SUBSCRIBED, CAPITAL STOCK LIABILITY FOR CONVERSION, PREMIUM ON CAPITAL STOCK AND INSTALLMENTS RECEIVED ON CAPITAL STOCK</b> <b>(Accounts 202 &amp; 205, 203 &amp; 206, 207, 212)</b>			
<p>1. Show for each of the above accounts the amounts applying to each class and series of capital stock.</p> <p>2. For Account 202, <i>Common Stock Subscribed</i>, and Account 205, <i>Preferred Stock Subscribed</i>, show the subscription price and the balance due on each class at the end of year.</p> <p>3. Describe in a footnote the agreement and transactions under which a conversion liability existed</p> <p>under Account 203, <i>Common Stock Liability for Conversion</i>, or Account 206, <i>Preferred Stock Liability for Conversion</i>, at the end of the year.</p> <p>4. For Premium on Account 207, <i>Capital Stock</i>, designate with a double asterisk any amounts representing the excess of consideration received over stated values of stocks without par value.</p>			
Line No.	Name of Account & Description of Item (a)	Number of Shares (b)	Amount (c)
1			
2	Account 207 - Premium on Capital Stock		
3			
4	Common Stock *	1,090,736	5,420,433
5	Capital Provided by Parent		1,500,000
6			
7			
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40	TOTAL	1,090,736	6,920,433

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr) 04/30/09	Year of Report December 31, 2008
<b>OTHER PAID - IN CAPITAL (Accounts 208-211, inc.)</b>			
<p>Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as total of all accounts for reconciliation with balance sheet, page 112. Add more columns for any account if deemed necessary. Explain changes made in any account during the year and give the accounting entries effecting such change.</p> <p>(a) <i>Donations Received from Stockholders</i> (Account 208)-State amount and give brief explanation of the origin and purpose of each donation.</p> <p>(b) <i>Reduction in Par or Stated Value of Capital Stock</i> (account 209)-State amount and give brief explanation</p>		<p>of the capital changes which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.</p> <p>(c) <i>Gain on Resale or Cancellation of Reacquired Capital Stock</i> (Account 210)-Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.</p> <p>(d) <i>Miscellaneous Paid-In Capital</i> (Account 211)-Classify amounts included in this account according to captions which, together with brief explanations, disclose the general nature of the transactions which gave rise to the reported amounts.</p>	
Line No.	Item (a)	Amount (b)	
1			
2	Account 210 - Gain on Resale or Cancellation of Reacquired Capital		
3			
4	Balance Beginning of Year	40,250	
5			
6			
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35	TOTAL	40,250	

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/09	December 31, 2008

**SECURITIES ISSUED OR ASSUMED AND SECURITIES REFUNDED OR RETIRED  
DURING THE YEAR**

- |  |   |
|--|---|
| <p>1. Furnish a supplemental statement giving a brief description of security financing and refinancing transactions during the year and the accounting for the securities, discounts, premiums, expenses, and related gains or losses. Identify as to Commission authorization numbers and dates.</p> <p>2. Furnish particulars (details) showing fully the accounting for the total principal amount, par value, or stated value of each class and series of security issued, assumed, retired, or refunded and the accounting for premiums, discounts, expenses, and gains or losses relating to the securities. Set forth the facts of the accounting clearly with regard to redemption premiums, unamortized discounts, expenses, and gains or losses relating to securities retired or refunded, including the accounting for such amounts carried in the respondent's accounts at the date of the refunding or refinancing transactions with respect to securities previously refunded or retired.</p> <p>3. Include in the identification of each class and series of security, as appropriate, the interest or dividend</p> | <p>rate, nominal date of issuance, maturity date, aggregate principal amount, par value or stated value, and number of shares. Give also the issuance of redemption price and name of the principal underwriting firm through which the security transactions were consummated.</p> <p>4. Where the accounting for amounts relating to securities refunded or retired is other than that specified in General Instruction 16 of the Uniform System of Accounts, give references to the commission authorization for the different accounting and state the accounting method.</p> <p>5. For securities assumed, give the name of the company for which the liability on the securities was assumed as well as particulars (details) of the transactions whereby the respondent undertook to pay obligations of another company. If any unamortized discounts, premiums, expenses, and gains or losses were taken over onto the respondent's books, furnish details of these amounts with amounts relating to refunded securities clearly earmarked.</p> |
|--|---|

Security financing:

Security fund requirements of the various series bonds were satisfied during the year.

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**LONG-TERM DEBT (Account 221, 222, 223 and 224)**

- Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other long-Term Debt.
- In column (a), for new issues, give Commission authorization numbers and dates.
- For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
- For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
- For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.
- In column (b) show the principal amount of bonds or other long-term debt originally issued.
- In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.
- For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.
- Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt issued (b)	Total expense, Premium or Discount (c)
1	Bonds (Account 221)		
2			
3	9.32% Series	18,000,000	224,361
4			
5	Advances from Affiliates (Account 223)		
6			
7	5.25% Note	15,000,000	
8	6.059% Note	15,000,000	
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
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33	TOTAL	48,000,000	224,361

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**LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)**

10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.
11. Explain any debits and credits other than debited to Account 428, Amortization and Expense, or credited to Account 429, Premium on Debt - Credit.
12. In a footnote, give explanatory (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principle repaid during year. Give Commission authorization numbers and dates.
13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.
14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
		Date From (f)	Date To (g)			
						1
						2
11/01/1991	11/01/2021	11/01/1991	11/01/2021	11,700,000	1,160,340	3
						4
						5
						6
08/29/2003	07/29/2013			15,000,000	798,438	7
10/01/2007	9/1/2017			15,000,000	921,472	8
						9
						10
						11
						12
						13
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				41,700,000	2,880,250	33

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**PAYABLES TO ASSOCIATED COMPANIES\* (Accounts 233, 234)**

1. Report particulars of notes and accounts payable to associated companies at end of year.
2. Provide separate totals for Accounts 233, Notes Payable to Associated Companies, and 234, Accounts Payable to Associated Companies, in addition to total for the combined accounts.
3. List each note separately and state the purpose for which issued. Show also in column (a) date of note, maturity and interest rate.
4. Include in column (f) the amount of any interest expense during the year on notes or accounts that were paid before the end of the year.
5. If collateral has been pledged as security to the payment of any note or account, describe such collateral.

*\*See definition on page 226B*

Line No.	Particulars (a)	Balance Beginning of Year (b)	Totals for Year		Balance End of Year (e)	Interest for Year (f)
			Debits (c)	Credits (d)		
1	Account 233:					
2	A/P Assoc Co-Integrus Energy Group, Inc.	1,250,000	51,970,000	57,515,000	6,795,000	133,369
3						
4	Account 234:					
5	A/P Assoc Co-Integrus Energy Group, Inc.	801,151	4,511,762	4,304,678	594,067	
6	A/P Assoc Co-Upper Peninsula Building Development	101,237	788,643	687,406	0	
7	A/P Assoc Co-Penwest, Inc.	1,450	10,852	9,402	0	
8	A/P Assoc Co-Wisconsin Public Service Corporation	5,144,210	75,037,245	74,600,690	4,707,655	
9	A/P Assoc Co-Wisconsin River Power Company	210	2,202	2,143	151	
10	A/P Assoc Co-Minnesota Energy Resources Corporation	11,372	14,336	3,029	65	
11	A/P Assoc Co-Michigan Gas Utilities Corporation	207	10,686	11,080	601	
12	A/P Assoc Co-Integrus Business Support, LLC	0	26,907,288	28,723,271	1,815,983	
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
	<b>TOTAL</b>	<b>7,309,837</b>	<b>159,253,014</b>	<b>165,856,699</b>	<b>13,913,522</b>	<b>133,369</b>

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Name of Respondent	This Report Is:	Date of Report	Year of Report
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**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES**

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.

2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.

Line No.		TOTAL AMOUNT
1	Utility net operating income (page 114 line 20)	
2	Allocations: Allowance for funds used during construction	
3	Interest expense	
4	Other (specify)	
5	Net income for the year (page 117 line 68)	2,751,233
6	Allocation of Net income for the year	
7	Add: Federal income tax expenses	1,902,557
8		
9	Total pre-tax income	4,653,790
10		
11	Add: Taxable income not reported on books:	2,491,792
12		
13		
14		
15	Add: Deductions recorded on books not deducted from return	277,131
16		
17		
18		
19	Subtract: Income recorded on books not included in return:	2,889,286
20		
21		
22		
23	Subtract: Deductions on return not charged against book income:	5,130,142
24		
25		
26	Federal taxable income for the year	(596,715)

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**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL  
INCOME TAXES (Continued)**

3. Allocate taxable income between utility and other income as required to allocate tax expense between 409.1 and 409.2

4. A substitute page, designed to meet a particular need of a company, may be used as long as data is consistent and meets the requirements of the above instructions.

Utility	Other	Line No.
		1
		2
		3
		4
		5
		6
2,439,100	(536,543)	7
		8
		9
		10
491,792	2,000,000	11
		12
		13
		14
(134,332)	411,463	15
		16
		17
		18
2,332,683	556,603	19
		20
		21
		22
4,992,599	137,543	23
		24
		25
		26

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**TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR**

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.

2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.)

Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.

3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.

4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See instruction 5) (a)	BALANCE AT BEGINNING OF YEAR		Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)			
1	Federal					
2	Income			578,754	2,698,127	1,206,967
3	Illinois					
4	Income Current Year		21,698		302	
5	Income Prior Year		-37,499		-10	
6	Michigan					
7	Income Current Year			68,392	192,186	
8	Income Prior Year					-194,071
9	Minnesota					
10	Income Current Year		469		26	
11	Income Prior Year		2		77	11
12	Wisconsin					
13	Income Current Year		-34,881	5,538	14,659	
14	Income Prior Year		63,251	13,645	781	556
15						
16	Other Taxes					
17	Social Security	39,817		750,742	748,610	
18	FUTA	1		11,588	10,557	
19	SUTA MI	4		10,801	10,004	
20	Unauthorized Ins. Tax	14,700		9,753	15,826	
21	Use Tax			8,107	8,107	
22	WI Recycling Fee	248		357	341	-264
23	Single Business Tax	-110,172		-83,796	-193,968	
24	NY Capital Tax			1,500	1,500	
25	NM Franchise Tax			50	50	
26	MI Property Tax PY	4,109,416		-234,184	3,373,988	-502,300
27	MI Property Tax CY			3,547,700		194,200
28	Payroll Tax Bill from IBS			241,370	241,370	
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL	4,054,014	13,040	4,930,317	7,122,533	705,099

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**TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)**

5. If any tax (exclude Federal and State income taxes)- covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Report in columns (i) through (l) how the taxes were distributed. Report in column (i) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
						1
	912,406	942,761			-364,007	2
						3
	22,000					4
	-37,509					5
						6
	123,794	166,140			-97,748	7
	194,071					8
						9
	495					10
	68					11
						12
	-25,760	5,387			151	13
	49,831	15,997			-2,352	14
						15
						16
41,949		750,742				17
1,032		8,921			2,667	18
800		6,334			4,467	19
8,626		9,753				20
		8,107				21
		357				22
		-83,796				23
		1,500				24
		50				25
-1,055		-234,184				26
3,741,900		3,432,971			114,729	27
		241,344			26	28
						29
						30
						31
						32
						33
						34
						35
						36
						37
						38
						39
						40
3,793,252	1,239,396	5,272,384			-342,067	41



Name of Respondent Upper Peninsula Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report 2008/Q4
FOOTNOTE DATA			

**Schedule Page: 262 Line No.: 2 Column: f**

Federal Liability transferred to UPPCO's Ledger	\$1,171,364
Interest Income/Expense	35,603
	<u>\$1,206,967</u>

**Schedule Page: 262 Line No.: 8 Column: f**

Michigan Single Business Tax Liability Transferred to State Income Tax	\$194,071
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**Schedule Page: 262 Line No.: 11 Column: f**

Minnesota Prior Year Interest and Penalty Expense	\$(11)
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**Schedule Page: 262 Line No.: 14 Column: f**

Wisconsin Prior Year Interest Expense	\$(292)
Wisconsin Recycling Surcharge True-up	(264)
	<u>\$(556)</u>

**Schedule Page: 262 Line No.: 28 Column: i**

Payroll taxes charged from IBS as follows:

FICA	\$223,259
FUTA	2,715
SUTA	<u>15,370</u>
	\$241,344

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Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report End of 2008/Q4
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**ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)**

Report below information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustments to the account balance shown in column (g). Include in column (i) the average period over which the tax credits are amortized.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Deferred for Year		Allocations to Current Year's Income		Adjustments (g)
			Account No. (c)	Amount (d)	Account No. (e)	Amount (f)	
1	Electric Utility						
2	3%						
3	4%	80,817			411.4	4,188	
4	7%						
5	10%	634,461			411.4	32,791	
6							
7							
8	TOTAL	715,278				36,979	
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL)						
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
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47							
48							

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report End of 2008/Q4
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**ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (continued)**

Balance at End of Year (h)	Average Period of Allocation to Income (i)	ADJUSTMENT EXPLANATION	Line No.
			1
			2
76,629	46.6 Years		3
			4
601,670	46.6 Years		5
			6
			7
678,299			8
			9
			10
			11
			12
			13
			14
			15
			16
			17
			18
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			47
			48

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/09	December 31, 2008

**MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (Account 242)**

1. Give description and amount of other current and accrued liabilities as of the end of year.  
2. Minor items may be grouped by classes, showing number of items in each class.

Line No.	Item (a)	Balance End of Year (b)
1	ESOP - Company Contribution	19,990
2	Workman's Compensation Accrual	8,478
3	Miscellaneous Payroll Deduction	1,155
4	Long Term Care	1,976
5	Current Pension Obligation	319,588
6	401(k) Deduction	421
7	Accrued Vacation Pay	967,982
8	Health Care/Life Accrual	94,432
9	Goal Sharing	340,506
10	Short Term Variable Pay Plan	27,907
11		
12		
13		
14		
15		
16		
17		
18		
19		
20	TOTAL	1,782,435

**CUSTOMER ADVANCES FOR CONSTRUCTION (Account 252)**

Line No.	List Advances by department (a)	Balance End of Year (b)
21		
22	Electric	5,283,976
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39	TOTAL	5,283,976

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report End of 2008/Q4
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OTHER DEFERRED CREDITS (Account 253)

1. Report below the particulars (details) called for concerning other deferred credits.
2. For any deferred credit being amortized, show the period of amortization.
3. Minor items (5% of the Balance End of Year for Account 253 or amounts less than \$10,000, whichever is greater) may be grouped by classes.

Line No.	Description and Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Contra Account (c)	Amount (d)		
1	Deferred Option Premium	170,000	421	170,000		
2						
3	Bond Falls Mitigation	150,519	537	44,767	269,738	375,490
4						
5	P.I. Ash Site	340,000			84,091	424,091
6						
7	Outstanding Checks Cancelled	1,070	232	354	22	738
8						
9	ELF Demitigation Buyout	287,648	143/456	507,341	219,693	
10						
11	Sick Leave Term. Pay	844,244	131	322,964	146,745	668,025
12						
13	Warden Ash Site	1,210,000	Various	73,076	18,076	1,155,000
14						
15	Advances from Assoc. Co.	40,190,680	182	43,082,394	22,217,734	19,326,020
16						
17						
18						
19						
20						
21						
22						
23						
24						
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44						
45						
46						
47	TOTAL	43,194,161		44,200,896	22,956,099	21,949,364

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report End of 2008/Q4
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**ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282)**

1. Report the information called for below concerning the respondent's accounting for deferred income taxes rating to property not subject to accelerated amortization
2. For other (Specify), include deferrals relating to other income and deductions.

Line No.	Account  (a)	Balance at Beginning of Year  (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 282			
2	Electric	14,912,091	154,890	
3	Gas			
4	Non Utility	6,367,458		
5	TOTAL (Enter Total of lines 2 thru 4)	21,279,549	154,890	
6				
7				
8				
9	TOTAL Account 282 (Enter Total of lines 5 thru	21,279,549	154,890	
10	Classification of TOTAL			
11	Federal Income Tax	21,239,885	130,570	
12	State Income Tax	39,664	24,320	
13	Local Income Tax			

**NOTES**

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report End of 2008/Q4
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**ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282) (Continued)**

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
			-1,804,828	254	-421,342	16,450,467	2
							3
733,101	74,115		-364,897	254		7,391,341	4
733,101	74,115		-2,169,725		-421,342	23,841,808	5
							6
							7
							8
733,101	74,115		-2,169,725		-421,342	23,841,808	9
							10
651,694	40,342		-1,152,075		-175,965	22,957,917	11
81,407	33,773		-1,017,650		-245,377	883,891	12
							13

NOTES (Continued)



Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report End of 2008/Q4
ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)					
1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.					
2. For other (Specify), include deferrals relating to other income and deductions.					
Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR		
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)	
1	Account 283				
2	Electric				
3					
4	Other than Plant	3,434,555	358,408	311,321	
5					
6	Other than Plant FAS109	-111,474			
7					
8					
9	TOTAL Electric (Total of lines 3 thru 8)	3,323,081	358,408	311,321	
10	Gas				
11					
12					
13					
14					
15					
16					
17	TOTAL Gas (Total of lines 11 thru 16)				
18					
19	TOTAL (Acct 283) (Enter Total of lines 9, 17 and 18)	3,323,081	358,408	311,321	
20	Classification of TOTAL				
21	Federal Income Tax	1,122,926	323,776	163,310	
22	State Income Tax	2,200,155	34,632	148,011	
23	Local Income Tax				

NOTES

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report End of 2008/Q4
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**ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Continued)**

3. Provide in the space below explanations for Page 276 and 277. Include amounts relating to insignificant items listed under Other.  
4. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
							2
							3
					-2,176,723	1,304,919	4
							5
			-111,474				6
							7
							8
			-111,474		-2,176,723	1,304,919	9
							10
							11
							12
							13
							14
							15
							16
							17
							18
			-111,474		-2,176,723	1,304,919	19
							20
			-105,448		-93,587	1,295,253	21
			-6,026		-2,083,136	9,666	22
							23

NOTES (Continued)

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report End of 2008/Q4
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**OTHER REGULATORY LIABILITIES (Account 254)**

1. Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than \$50,000 which ever is less), may be grouped by classes.
3. For Regulatory Liabilities being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	DEBITS		Credits (e)	Balance at End of Current Quarter/Year (f)
			Account Credited (c)	Amount (d)		
1	Derivatives	430,144	Various	544,244	209,757	95,657
2						
3	JH Warden Plant	2,068,112	431	440	141,945	2,209,617
4						
5	Deferred Taxes	4,524,713	Various	206,576	368,070	4,686,207
6						
7	FASB 158				43,694	43,694
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
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26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL	7,022,969		751,260	763,466	7,035,175

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/09	December 31, 2008

**GAIN OR LOSS ON DISPOSITION OF PROPERTY (Account 421.1 and 421. 2)**

1. Give a brief description of property creating the gain or loss. Include name of party acquiring the property (when acquired by another utility or associated company) and the date transaction was completed. Identify property by type: Leased, Held for Future Use, or Nonutility.
2. Individual gains or losses relating to property with an original cost of less than \$100,000 may be grouped with the number of such transactions disclosed in column (a).
3. Give the date of Commission approval of journal entries in column (b), when approval is required. Where approval is required but has not been received, give explanation following the item in column (a). (See account 102, Utility Plant Purchased or Sold.)

Line No.	Description of Property (a)	Original Cost of Related Property (b)	Date Journal Entry Approved (When Required) (c)	Account 421.1 (d)	Account 421.2 (e)
1	Gain on disposition of property:				
2	Sale of Non-Utility Land	0		74,096	
3	Sale of Warden Plant	0	1/31/2008	(570)	
4	Sale Land to MTU	659	7/31/2008	(659)	
5	Sale Twp of Forsyth Land	0	10/31/2008	25,000	
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17	Total Gain	659		97,867	

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/09	December 31, 2008

**GAIN OR LOSS ON DISPOSITION OF PROPERTY (Account 421.1 and 421.2) (Continued)**

Line No.	Description of Property (a)	Original Cost of Related Property (b)	Date Journal Entry Approved (When Required) (c)	Account 421.1 (d)	Account 421.2 (e)
18	Loss on disposition of property:				
19	Integrus Business Support, Inc. Leasehold				
20	Improvement	0			(4,558)
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34	Total Loss	0			(4,558)

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/09	Year of Report December 31, 2008
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PARTICULARS CONCERNING CERTAIN OTHER INCOME ACCOUNTS		
<p>1. Report in this schedule the information specified in the instructions below for the respective other income accounts. Provide a conspicuous subheading for each account and show a total for the account. Additional columns may be added for any account if deemed necessary.</p> <p>2. Merchandising, Jobbing and Contract Work (Accounts 415 and 416) - Describe the general nature of merchandising, jobbing and contract activities. Show revenues by class of activity, operating expenses classified as to operation, maintenance, depreciation, rents and net income before taxes. Give the bases of any allocations of expenses between utility and merchandising, jobbing and contract work activities.</p> <p>3. Nonutility Operations (Accounts 417 and 417.1) - Describe each nonutility operation and show revenues, operating expenses classified as to operation, maintenance, depreciation, rents, amortization, and net income before taxes, from the operation. Give the bases of any allocations of expenses between utility and nonutility operations. The book cost of property classified as nonutility operations should be included in Account 121.</p> <p>4. Nonoperating Rental Income (Account 418) - For each major item of miscellaneous property included in Account 121, Nonutility Property, which is not used in operations for which income is included in Account 417, but which is leased or rented to others, give name of lessee, brief description of property, effective</p>	<p>date and expiration date of lease, amount of rent revenues, operating expenses classified as to operation, maintenance, depreciation, rents, amortization, and net income, before taxes, from the rentals. If the property is leased on a basis other than that of a fixed annual rental, state the method of determining the rental. Minor items may be grouped by classes, but the number of items so grouped should be shown. Designate any lessees which are associated companies.</p> <p>5. Equity in earnings of subsidiary companies (Account 418.1) - Report the utility's equity in the earnings or losses of each subsidiary company for the year.</p> <p>6. Interest and Dividend Income (Account 419) - Report interest and dividend income, before taxes, identified as to the asset account or group of accounts in which are included the assets from which the interest or dividend income was derived. Income derived from investments, Accounts 123, 124 and 136 may be shown in total. Income from sinking and other funds should be identified with the related special funds. Show also expenses included in Account 419 as required by the Uniform System of Accounts.</p> <p>7. Miscellaneous Nonoperating Income (Account 421) - Give the nature and source of each miscellaneous nonoperating income, and expense and the amount for the year. Minor items may be grouped by classes.</p>	

Line No.	Item (a)	Amount (b)
1	<b>Revenues from Non-Utility Operations</b>	
2	Operation of Escanaba River Hydros	
3	Revenues	593,233
4	Operations	(220,628)
5	Maintenance	(1,088,869)
6	Depreciation	(79,566)
7	<b>Subtotal 417</b>	<b>(795,830)</b>
8		
9	<b>Non Operating Rental Income</b>	
10	Land Lease Income	3,900
11	<b>Subtotal 418</b>	<b>3,900</b>
12		
13		
14	<b>Equity Earnings in American Transmission Company</b>	2,115,535
15	<b>Subtotal 418.1</b>	<b>2,115,535</b>
16		
17	<b>Interest and Dividend Income</b>	
18	Interest on Miscellaneous	(93,970)
19	Interest on Funds Used for Construction	50,043
20	Interest on Tax Refunds	14,137
21	Interest on Under-Recovered PSC	112,705
22	Interest on Cash Investment	27,576
23		<b>110,491</b>
24		
25		
26		
27		
28		<b>1,434,096</b>

Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/09	Year of Report 12/31/08
<b>ELECTRIC OPERATING REVENUES (Account 400)</b>				
<p>1. Report below operating revenues for each prescribed account.</p> <p>2. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The average number of customers means the average of twelve figures at the close of each month.</p> <p>3. If increases or decreases from pervious year (columns (c), (e), and (g)), are not derived from previously reported figures explain any inconsistencies in a footnote.</p>				
Line No.	Title of Account (a)	OPERATING REVENUES		
		Amount for Year (b)	Amount for Previous Year (c)	
1	Sales of Electricity			
2	(440) Residential Sales	41,414,462	41,009,587	
3	(442) Commercial and Industrial Sales			
4	Small (or Commercial)	31,708,899	30,343,813	
5	Large (or Industrial)	22,651,019	22,390,138	
6	(444) Public Street and Highway Lighting	1,247,558	1,234,799	
7	(445) Other Sales to Public Authorities			
8	(446) Sales to Railroads and Railways			
9	(448) Interdepartmental Sales			
10	(449) Other Sales			
11				
12	TOTAL Sales to Ultimate Consumers	97,021,938	94,978,337	
13				
14	(447) Sales for Resale	20,733,296	25,983,537	
15	TOTAL Sales of Electricity	117,755,234 *	120,961,874	
16				
17	(Less) (449.1) Provision for Rate Refunds	(2,135,676)	(843,427)	
18	TOTAL Revenue Net of Provision for Refunds	119,890,910	121,805,301	
19	Other Operating Revenues			
20	(450) Forfeited discounts	99,990	91,825	
21	(451) Miscellaneous Service Revenues	24,119	25,845	
22	(453) Sales of Water and Water Power			
23	(454) Rent from Electric Property	272,961	333,522	
24	(455) Interdepartmental Rents			
25	(456) Other Electric Revenues	2,007,895	3,096,873	
26				
27				
28				
29				
30	TOTAL Other Operating Revenues	2,404,965	3,548,065	
31				
32	TOTAL Electric Operating Revenues	122,295,875	125,353,366	

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original	(Mo, Da, Yr)	12/31/08
	(2) <input type="checkbox"/> A Resubmission	04/30/09	

**ELECTRIC OPERATING REVENUES (Account 400) (Continued)**

4. Commercial and Industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in footnote.)
5. See Page 108, Important Changes During Year, for important new territory added and important rate increases or decreases.
6. For line 2, 4, 5, and 6, see page 304 for amounts relating to unbilled revenue by account.
7. Include unmetered sales. Provide details of such sales in a footnote.

MEGAWATT HOURS SOLD		AVERAGE NUMBER OF CUSTOMERS PER MONTH		Line No.
Amount for Year (d)	Amount for Previous Year (e)	Number for Year (f)	Number or Previous Year (g)	
269,270	277,968	46,066	46,033	1
				2
				3
247,758	247,987	5,570	5,549	4
324,612	329,523	17	14	5
5,834	5,927	173	214	6
				7
				8
				9
				10
				11
847,474	861,405	51,826	51,810	12
303,601	399,815	65	50	13
				14
1,151,075 **	1,261,220	51,891	51,860	15
				16
				17
1,151,075	1,261,220	51,891	51,860	18

\* Include \$ \_\_\_\_\_ unbilled revenues.

\*\* Includes \_\_\_\_\_ MWH relating to unbilled revenues.



Name of Respondent Upper Peninsula Power Co	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/09	Year of Report December 31, 2008
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FOOTNOTE DATA

Page Number (a)	Item Number (b)	Column Number (c)	Comments (d)
300	14	(b)	Includes \$2,334,681 for FERC Order 668A.
300	14	(c)	Includes \$4,336,473 for FERC Order 668A.
301	14	(d)	Includes 67,992 MWH for FERC Order 668A.
301	14	(e)	Includes 68,996 MWH for FERC Order 668A

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report End of 2008/Q4
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**SALES OF ELECTRICITY BY RATE SCHEDULES**

1. Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.
2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	440 Residential Sales					
2	A-1 Residential	212,900	33,518,747	39,299	5,417	0.1574
3	A-2 Residential	17,796	2,350,969	3,262	5,456	0.1321
4	AH-1 Electric Heat	34,655	4,801,211	3,360	10,314	0.1385
5	AH-2 Electric Heat	1,961	233,154	197	9,954	0.1189
6	Z-1 & 3 Dusk to Dawn	834	175,799			0.2108
7	Z-2 & 4 Dusk to Dawn	99	16,509			0.1668
8	Total	268,245	41,096,389	46,118	5,816	0.1532
9	442 Commercial & Industrial					
10	C-1 General Comm. Service	55,680	9,136,494	4,368	12,747	0.1641
11	C-2 General Comm. Service	6,671	830,177	426	15,660	0.1244
12	H-1 Commercial Heating	10,130	1,344,947	219	46,256	0.1328
13	H-2 Commercial Heating	705	78,371	26	27,115	0.1112
14	P-1 Light & Power	87,636	11,111,056	430	203,805	0.1268
15	P-2 Light & Power	8,869	1,008,474	55	161,255	0.1137
16	WP-1 Large Light & Power	286,862	21,743,550	64	4,482,219	0.0758
17	WP-2 Large Light & Power	7,358	751,509	6	1,226,333	0.1021
18	Schedule A	66,750	5,114,607	1	66,750,000	0.0766
19	CP-1 Commercial	4	98	5	800	0.0245
20	CP-RR Response Rewards	4,473	405,226	1	4,473,000	0.0906
21	WP-3	35,972	2,572,604	1	35,972,000	0.0715
22	Z-1 & 3 Dusk to Dawn	708	139,145			0.1965
23	Z-2 & 4 Dusk to Dawn	90	15,244			0.1694
24	Total	571,908	54,251,502	5,602	102,090	0.0949
25						
26	444 Public Street Hwy Lighting	5,834	1,247,267	172	33,919	0.2138
27	Total	5,834	1,247,267	172	33,919	0.2138
28						
29						
30	Unbilled Revenue by					
31	Revenue Class:					
32	Residential: \$317,912 1,475 mwh					
33	Comm. & Indust. \$108,868					
34	462 mwh					
35						
36						
37						
38						
39						
40						
41	TOTAL Billed	845,987	96,595,158	51,892	16,303	0.1142
42	Total Unbilled Rev.(See Instr. 6)	1,936	426,780	0	0	0.2204
43	TOTAL	847,923	97,021,938	51,892	16,340	0.1144

Name of Respondent Upper Peninsula Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report 2008/Q4
FOOTNOTE DATA			

**Schedule Page: 304 Line No.: 6 Column: d**

No count customer.

**Schedule Page: 304 Line No.: 7 Column: d**

No count customer.

**Schedule Page: 304 Line No.: 18 Column: c**

Interruptible demand revenue \$417,068.

**Schedule Page: 304 Line No.: 22 Column: d**

No count customer.

**Schedule Page: 304 Line No.: 23 Column: d**

No count customer.

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Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report End of 2008/Q4
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**SALES FOR RESALE (Account 447)**

- Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).
- Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.
- In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:  
 RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.  
 LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.  
 IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.  
 SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.  
 LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.  
 IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Village of Baraga	RQ	35	4.3319	4.2530	3.5767
2						
3	Village of L'Anse	RQ	38	2.7069	2.6512	2.3037
4						
5	City of Gladstone	RQ	36	5.5647	5.8190	5.2229
6						
7	City of Negaunee	RQ	56	3.5667	3.8280	3.5667
8						
9	Ontonagon REA	RQ	55	3.5644	4.5142	3.5644
10						
11	Alger Delta Electric Coop	RQ	54	3.3449	4.2606	3.3448
12						
13	Non Requirement Customers					
14						
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	<b>Total</b>			<b>0</b>	<b>0</b>	<b>0</b>

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report End of 2008/Q4
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**SALES FOR RESALE (Account 447) (Continued)**

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.

AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)

5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.

6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP)

demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.

7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.

8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.

9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.

10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total (\$ (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
23,667	210,011	1,745,202		1,955,213	1
					2
15,630	128,531	1,150,962		1,279,493	3
					4
33,811	255,084	2,491,431		2,746,515	5
					6
24,749	1,086,367	768,487	87,832	1,942,686	7
					8
25,416	1,074,162	780,554	192,414	2,047,130	9
					10
24,755	1,028,778	758,053	125,953	1,912,784	11
					12
					13
					14
148,028	3,782,933	7,694,689	406,199	11,883,821	
155,573	445,680	7,849,796	553,999	8,849,475	
303,601	4,228,613	15,544,485	960,198	20,733,296	

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report End of 2008/Q4
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**SALES FOR RESALE (Account 447)**

- Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).
- Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.
- In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:  
RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.  
LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.  
IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.  
SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.  
LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.  
IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	City of Escanaba					
2	General Purpose	OS	NA			
3	Maintenance	OS	NA			
4	Negotiated Capacity	OS	NA			
5	Ancillary Services	OS	NA			
6	Customer Charge	OS	NA			
7	Transmission	OS	NA			
8						
9	Midwest ISO					
10	General Purpose	OS	NA			
11	Ancillary Services	OS	NA			
12						
13						
14						
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	<b>Total</b>			<b>0</b>	<b>0</b>	<b>0</b>

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report End of 2008/Q4
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**SALES FOR RESALE (Account 447) (Continued)**

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.

AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)

5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.

6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP)

demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.

7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.

8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.

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10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total (\$ (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
					1
		1,648		1,648	2
		1,548		1,548	3
20,095		841,622		841,622	4
			76,477	76,477	5
			12,000	12,000	6
			49,328	49,328	7
					8
					9
129,150		6,641,934		6,641,934	10
			124,404	124,404	11
					12
					13
					14
148,028	3,782,933	7,694,689	406,199	11,883,821	
155,573	445,680	7,849,796	553,999	8,849,475	
303,601	4,228,613	15,544,485	960,198	20,733,296	



Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report End of 2008/Q4
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**SALES FOR RESALE (Account 447)**

- Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).
- Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.
- In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:  
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LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.  
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SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.  
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IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	UP Power Marketing					
2	Negotiated Capacity	OS	NA			
3	Capacity	OS	NA			
4	Ancillary Services	OS	NA			
5						
6	Wisconsin Public Service Gen. Purpose					
7	General Purpose	OS	NA			
8	Renewable Energy Credits	OS	NA			
9						
10						
11						
12						
13						
14						
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	<b>Total</b>			<b>0</b>	<b>0</b>	<b>0</b>

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report End of 2008/Q4
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**SALES FOR RESALE (Account 447) (Continued)**

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.

AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)

5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.

6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP)

demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.

7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.

8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.

9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.

10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total (\$ (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
					1
6,307		360,838		360,838	2
	445,680			445,680	3
			7,850	7,850	4
					5
					6
21		2,206		2,206	7
			283,940	283,940	8
					9
					10
					11
					12
					13
					14
148,028	3,782,933	7,694,689	406,199	11,883,821	
155,573	445,680	7,849,796	553,999	8,849,475	
303,601	4,228,613	15,544,485	960,198	20,733,296	

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report 2008/Q4
Upper Peninsula Power Company			
FOOTNOTE DATA			

**Schedule Page: 310 Line No.: 7 Column: j**

Transmission Charges	\$180,859
Customer Charge	2,400
Meter Charge	309
Pr Yr End Accrual to Actual True Up Difference	(95,736)
	\$ 87,832

**Schedule Page: 310 Line No.: 9 Column: j**

Transmission Charges	\$184,552
Customer Charge	2,400
Meter Charge	3,394
Prior Yr Accrual to Actual True Up Difference	2,068
	\$192,414

**Schedule Page: 310 Line No.: 11 Column: j**

Transmission Charges	\$166,876
Customer Charge	2,400
Meter Charge	1,543
Pr Yr End Accrual to Actual True Up Difference	(44,866)
	\$125,953

**Schedule Page: 310.1 Line No.: 5 Column: j**

Non-firm service - Ancillary Services.

**Schedule Page: 310.1 Line No.: 6 Column: j**

Non-firm service - Customer Charge.

**Schedule Page: 310.1 Line No.: 7 Column: j**

Non-firm service - Transmission.

**Schedule Page: 310.1 Line No.: 10 Column: g**

Midwest ISO Non-firm service. Includes adjustment for compliance with FERC Order 668A. The megawatt hours reported are the total megawatt hours sold to MISO. The megawatt hour sales when netted on an hourly basis with the megawatt hours purchased from MISO are 61,158.

**Schedule Page: 310.1 Line No.: 10 Column: i**

Midwest ISO Non-firm service. Includes adjustment for compliance with FERC Order 668A. The dollars reported are the total purchases from MISO. The dollars purchased, when netted on an hourly basis with the dollars sold to MISO are \$4,307,253.

Midwest ISO Non-firm service. Includes adjustment for compliance with FERC Order 668A. The dollars reported include the net revenues from contingent reserve sharing group activities in the amount of \$2,577.

Midwest ISO Contingency Reserve Sharing Group (MISO CRSG) is not a signatory to the CRSG contract.

MISO CRSG is the group administrator and serves as the clearing house for the CRSG billing. The CRSG group is comprised of the following members:

Alliant, Ameren, Ames Municipal, Basin Electric Power Cooperative, Big Rivers, City of Springfield, City of Columbia Missouri, Consumers, Dairyland Power Cooperative, DTE Energy, Duke Energy, East Kentucky Power Coop, EON-US, First Energy, GEN-SYS Energy, Great River Energy, Hastings Municipal, Heartland Consumers Power Dist, Hoosier Energy R.E.C., Hutchinson Utilities Commission, Indianapolis Power & Light Co., Lincoln Electric System, Madison Gas & Electric, Manitoba Hydro, Michigan Electric Coordinated System, MidAmerican Energy Company, Minnesota Municipal Power Agency, Minnesota Power, Inc., Minnkota Power Cooperative, Missouri River Energy Services, Montana-Dakota Utilities, Inc., Municipal Energy Agency of Nebraska, Muscatine Power and Water, Nebraska Public Power District, Northern Indiana Public Service, CoNorthwestern Energy, NSP Companies, Omaha Public Power District, Otter Tail Power Company, Rochester Public Utilities, So Minn Municipal Power Agency, Southern Illinois Power Coop., Upper Peninsula Power Co., Vectren, Western Area Power Administration, Willmar Municipal

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report 2008/Q4
Upper Peninsula Power Company			
FOOTNOTE DATA			

Utilities, Wisconsin Energy Corporation, Wisconsin Public Power, Inc., Wisconsin Public Service Corp.

**Schedule Page: 310.1 Line No.: 10 Column: k**

Includes \$2,334,681 for FERC Order 668A.

**Schedule Page: 310.1 Line No.: 11 Column: j**

Midwest ISO Ancillary Service.

**Schedule Page: 310.2 Line No.: 4 Column: j**

UP Power Marketing LLC Ancillary Services.

**Schedule Page: 310.2 Line No.: 7 Column: i**

Wisconsin Public Service General Purpose. Wisconsin Public Service Corporation and Upper Peninsula Power Company are wholly owned subsidiaries of Integrys Energy Group, Inc.

**Schedule Page: 310.2 Line No.: 8 Column: j**

Wisconsin Public Service Renewable Energy Credits. Wisconsin Public Service Corporation and Upper Peninsula Power Company are wholly owned subsidiaries of Integrys Energy Group, Inc.

Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/09	Year of Report December 31, 2008
<b>ELECTRIC OPERATION AND MAINTENANCE EXPENSES</b>				
If the amount for previous year is not deprived from previously reported figures, explain in footnotes.				
Line No.	Account (a)	Amt. For Current Year (b)	Amt. For Previous Year (c)	
1	<b>1. POWER PRODUCTION EXPENSES</b>			
2	<b>A. Steam Power Generation</b>			
3	Operation			
4	(500) Operation Supervision and Engineering	(54)	113,854	
5	(501) Fuel		2,800	
6	(502) Steam Expenses		2,949	
7	(503) Steam from Other Sources			
8	(Less) (504) Steam Transferred - CR.			
9	(505) Electric Expenses		2,947	
10	(506) Miscellaneous Steam Power Expenses	857	65,787	
11	(507) Rents			
12	Allowances			
13	TOTAL Operation (Enter Total of Lines 4 thru 12)	803	188,337	
14	Maintenance			
15	(510) Maintenance Supervision and Engineering		99	
16	(511) Maintenance of Structures	121,418	(23,024)	
17	(512) Maintenance of Boiler Plant	2	2,293	
18	(513) Maintenance of Electric Plant	3	3,351	
19	(514) Maintenance of Miscellaneous Steam Plant	2,214	13,880	
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)	123,637	(3,401)	
21	TOTAL Power Production Expenses-Steam Power (Total of lines 13 & 20)	124,440	184,936	
22	<b>B. Nuclear Power Generation</b>			
23	Operation			
24	(517) Operation Supervision and Engineering			
25	(518) Fuel			
26	(519) Coolants and Water			
27	(520) Steam Expenses			
28	(521) Steam from Other Sources			
29	(Less) (522) Steam Transferred - CR			
30	(523) Electric Expenses			
31	(524) Miscellaneous Nuclear Power Expenses			
32	(525) Rents			
33	TOTAL Operation (Enter Total of lines 24 thru 32)	0	0	
34	Maintenance			
35	(528) Maintenance Supervision and Engineering			
36	(529) Maintenance of Structures			
37	(530) Maintenance of Reactor Plant Equipment			
38	(531) Maintenance of Electric Plant			
39	(532) Maintenance of Miscellaneous Nuclear Plant			
40	TOTAL Maintenance (Enter Total of Lines 35 thru 39)	0	0	
41	TOTAL Power Production Expenses-Nuclear Power (Total of lines 33 & 40)	0	0	
42	<b>C. Hydraulic Power Generation</b>			
43	Operation			
44	(535) Operation Supervision and Engineering	730,166	609,879	
45	(536) Water for Power	20,858	25,059	
46	(537) Hydraulic Expenses	997,146	499,483	
47	(538) Electric Expenses	177,497	178,615	
48	(539) Miscellaneous Hydraulic Power Generation Expenses	511,209	504,448	
49	(540) Rents	65,529	63,191	
50	TOTAL Operation (Enter Total of Lines 44 thru 49)	2,502,405	1,880,675	

Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2009	Year of Report December 31, 2008
<b>ELECTRIC OPERATION AND MAINTENANCE EXPENSES (cont'd)</b>				
If the amount for previous year is not deprived from previously reported figures, explain in footnotes.				
Line No.	Account (a)	Amt. For Current Year (b)	Amt. For Previous Year (c)	
51	<b>C. Hydraulic Power Generation (Continued)</b>			
52	Maintenance			
53	(541) Maintenance Supervision and Engineering	114,703	66,180	
54	(542) Maintenance of Structures	9,396	8,096	
55	(543) Maintenance of Reservoirs, Dams, and Waterways	360,271	237,548	
56	(544) Maintenance of Electric Plant	1,007,031	310,309	
57	(545) Maintenance of Miscellaneous Hydraulic Plant	80,541	43,312	
58	TOTAL Maintenance (Total of Lines 53 thru 57)	1,571,942	665,445	
59	TOTAL Pwr. Production Expenses-Hydraulic Pwr. (Total of lines 50 & 58)	4,074,347	2,546,120	
60	<b>D. Other Power Generation</b>			
61	Operation			
62	(546) Operation Supervision and Engineering	125,879	52,539	
63	(547) Fuel	2,039,212	995,797	
64	(548) Generation Expenses	76,023	72,698	
65	(549) Miscellaneous Other Power Generation Expenses	18,874	27,818	
66	(550) Rents			
67	TOTAL Operation (Total of Lines 62 thru 66)	2,259,988	1,148,852	
68	Maintenance			
69	(551) Maintenance Supervision and Engineering	79,175	25,114	
70	(552) Maintenance of Structures	17,465	1,121	
71	(553) Maintenance of Generating and Electric Plant	26,504	21,728	
72	(554) Maintenance of Miscellaneous Other Power Generation Plant	4,690	3,724	
73	TOTAL Maintenance (Total of Lines 69 thru 72)	127,834	51,687	
74	TOTAL Pwr. Production Expenses-Other Power (Total of Lines 67 & 73)	2,387,822	1,200,539	
75	<b>E. Other Power Supply Expenses</b>			
76	(555) Purchased Power	61,881,060	65,208,608	
77	(556) System Control and Load Dispatching	651,013	595,054	
78	(557) Other Expenses			
79	Total Other Power Supply Expenses (Total of Lines 76 thru 78)	62,532,073	65,803,662	
80	Total Pwr. Production Expenses (Total of lines 21, 41, 59, 74 & 79)	69,118,682	69,735,257	
81	<b>2. TRANSMISSION EXPENSES</b>			
82	Operation			
83	(560) Operation Supervision and Engineering			
84	(561) Load Dispatching	121,456	187,767	
85	(562) Station Expenses			
86	(563) Overhead Lines Expenses			
87	(564) Underground Lines Expenses			
88	(565) Transmission of Electricity by Others	6,262,161	5,129,200	
89	(566) Miscellaneous Transmission Expenses			
90	(567) Rents			
91	TOTAL Operation (Total of Lines 83 thru 90)	6,383,617	5,316,967	
92	Maintenance			
93	(568) Maintenance Supervision and Engineering			
94	(569) Maintenance of Structures			
95	(570) Maintenance of Station Equipment			
96	(571) Maintenance of Overhead Lines			
97	(572) Maintenance of Underground Lines			
98	(573) Maintenance of Miscellaneous Transmission Plant			
99	(575) Regional Market Expense	115,703	198,193	
100	TOTAL Maintenance (Total of Lines 93 thru 98)	115,703	198,193	
101	TOTAL Transmission Expenses (Total of Lines 91 & 99)	6,499,320	5,515,160	
102	<b>3. DISTRIBUTION EXPENSES</b>			
103	Operation			
104	(580) Operation Supervision and Engineering	463,811	428,327	

Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2009	Year of Report December 31, 2008
<b>ELECTRIC OPERATION AND MAINTENANCE EXPENSES (cont'd)</b>				
If the amount for previous year is not deprived from previously reported figures, explain in footnotes.				
Line No.	Account (a)	Amt. For Current Year (b)	Amt. For Previous Year (c)	
105	<b>3. DISTRIBUTION EXPENSES (Continued)</b>			
106	(581) Load Dispatching	332,473	312,406	
107	(582) Station Expenses	549,902	423,599	
108	(583) Overhead Line Expenses	311,156	60,255	
109	(584) Underground Line Expenses	(51,486)	246,524	
110	(585) Street Lighting and Signal System Expenses	48,391	4,809	
111	(586) Meter Expenses	369,978	423,647	
112	(587) Customer Installations Expenses	11,097	16,000	
113	(588) Miscellaneous Expenses	2,389,045	2,426,206	
114	(589) Rents	56,068	57,790	
115	TOTAL Operation (Total of Lines 103 thru 113)	4,480,435	4,399,563	
116	Maintenance			
117	(590) Maintenance Supervision and Engineering	165,473	140,339	
118	(591) Maintenance of Structures	28,493	38,954	
119	(592) Maintenance of Station Equipment	526,068	388,238	
120	(593) Maintenance of Overhead Lines	4,524,917	5,352,868	
121	(594) Maintenance of Underground Lines	342,687	346,532	
122	(595) Maintenance of Line Transformers	55,864	41,792	
123	(596) Maintenance of Street Lighting and Signal Systems	169,035	141,620	
124	(597) Maintenance of Meters	30,038	32,462	
125	(598) Maintenance of Miscellaneous Distribution Plant	15,818	18,095	
126	TOTAL Maintenance (Total of Lines 116 thru 124)	5,858,393	6,500,900	
127	TOTAL Distribution Expenses (Total of Lines 114 & 125)	10,338,828	10,900,463	
128	<b>4. CUSTOMER ACCOUNTS EXPENSES</b>			
129	Operation			
130	(901) Supervision	35,205	31,657	
131	(902) Meter Reading Expenses	783,852	894,950	
132	(903) Customer Records and Collection Expenses	1,891,385	2,645,486	
133	(904) Uncollectible Accounts	537,515	314,127	
134	(905) Miscellaneous Customer Accounts Expenses	151,460	228,307	
135	TOTAL Customer Accounts Expenses (Total of Lines 129 thru 133)	3,399,417	4,114,527	
136	<b>5. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES</b>			
137	Operation			
138	(907) Supervision	930	0	
139	(908) Customer Assistance Expenses	362,004	388,788	
140	(909) Informational and Instructional Expenses	37,246	126,965	
141	(910) Miscellaneous Customer Service and Informational Expenses	16,457	69,391	
142	TOTAL Cust. Service and Informational Exp. (Total of Lines 137 thru 140)	416,637	585,144	
143	<b>6. SALES EXPENSE</b>			
144	Operation			
145	(911) Supervision			
146	(912) Demonstrating and Selling Expenses	13		
147	(913) Advertising Expenses			
148	(916) Miscellaneous Sales Expenses			
149	Total Sales Expenses (Total of Lines 144 thru 147)	13	0	
150	<b>7. ADMINISTRATIVE AND GENERAL EXPENSES</b>			
151	Operation			
152	(920) Administrative and General Salaries	3,460,849	1,373,257	
153	(921) Office Supplies and Expenses	1,757,638	1,907,122	
154	(Less) (922) Administrative Expenses Transferred - CR			

Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2009	Year of Report December 31, 2008
<b>ELECTRIC OPERATION AND MAINTENANCE EXPENSES (cont'd)</b>				
If the amount for previous year is not deprived from previously reported figures, explain in footnotes.				
Line No.	Account (a)	Amt. For Current Year (b)	Amt. For Previous Year (c)	
155	<b>7. ADMINISTRATIVE AND GENERAL EXPENSES (Continued)</b>			
156	(923) Outside Services Employed	591,499	105,666	
157	(924) Property Insurance	477,357	395,572	
158	(925) Injuries and Damages	143,924	560,276	
159	(926) Employee Pensions and Benefits	5,302,446	7,183,601	
160	(927) Franchise Requirements			
161	(928) Regulatory Commission Expenses	339,168	459,618	
162	(929) Duplicate Charges - CR.	(209,605)	(209,824)	
163	(930.1) General Advertising Expenses	7,521	65	
164	(930.2) Miscellaneous General Expenses	412,156	228,272	
165	(931) Rents	905,279	1,145,862	
166	TOTAL Operation (Total of Lines 151 thru 164)	13,188,232	13,149,487	
167	Maintenance			
168	(935) Maintenance of General Plant	62	1,682	
169	TOTAL Administrative and General Expenses (Total of Lines 165 & 167)	13,188,294	13,151,169	
170	TOTAL Electric Operation and Maintenance Expenses (Enter total of lines 80, 100, 126, 134, 141, 148, and 168)	102,961,191	104,001,720	

<b>NUMBER OF ELECTRIC DEPARTMENT EMPLOYEES</b>		
<p>1. The data on number of employees should be reported for the payroll period ending nearest to October 31, or any payroll period ending 60 days before or after October 31.</p> <p>2. If the respondent's payroll for the reporting period includes any special construction personnel, include such employees on line 3, and show the number of such special construction employees in a footnote.</p>		<p>3. The number of employees assignable to the electric department from joint functions of combination utilities may be determined by estimate, on the basis of employee equivalents. Show the estimated number of equivalent employees attributed to the electric department from joint functions.</p>
1. Payroll Period Ended (Date)	12/23/2008	12/22/2007
2. Total Regular Full-Time Employees	152	165
3. Total Part-Time and Temporary Employees	0	0
4. Total Employees	152	165



Name of Respondent Upper Peninsula Power Co	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/09	Year of Report December 31, 2008
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FOOTNOTE DATA

Page Number (a)	Item Number (b)	Column Number (c)	Comments (d)
321	76	(b)	Includes \$2,334,681 for FERC Order 668A.
321	76	(c)	Includes \$4,336,473 for FERC Order 668A.

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Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report End of 2008/Q4	
PURCHASED POWER (Account 555) (Including power exchanges)						
<p>1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.</p> <p>2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.</p> <p>3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:</p> <p>RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.</p> <p>LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.</p> <p>IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.</p> <p>SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.</p> <p>LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.</p> <p>IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.</p> <p>EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.</p> <p>OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.</p>						
Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	City of Escanaba	OS	29	NA	NA	NA
2	New Page	OS		NA	NA	NA
3	ATC/MISO	EX		NA	NA	NA
4	UP Power Marketing	EX		NA	NA	NA
5	White Pine Negotiated Capacity	RQ		NA	NA	NA
6	White Pine General Purpose	OS		NA	NA	NA
7	WUMS Refund					
8	Wisconsin Public Service W2 Interrupt	RQ		NA	NA	NA
9	Wisconsin Public Service RS 74 MBR	RQ		NA	NA	NA
10	Wisconsin Public Service Emergency	OS		NA	NA	NA
11						
12						
13						
14						
	Total					

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report End of 2008/Q4
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**PURCHASED POWER (Account 555), (Continued)**  
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.

5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.

6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.

7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.

8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.

9. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
5,129				1,796,564		1,796,564	1
47				6,165		6,165	2
130,151				6,887,447		6,887,447	3
114				-7,267		-7,267	4
			5,199,600			5,199,600	5
73,674				4,478,717		4,478,717	6
					-617,088	-617,088	7
325,473			6,252,488	8,623,260	-206,951	14,668,797	8
570,960			14,488,980	14,950,733	10,296	29,450,009	9
172				18,116		18,116	10
							11
							12
							13
							14
1,105,720			25,941,068	36,753,735	-813,743	61,881,060	

Name of Respondent Upper Peninsula Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report 2008/Q4
FOOTNOTE DATA			

**Schedule Page: 326 Line No.: 3 Column: g**

Includes 67,992 Mwh for FERC Order 668A.

**Schedule Page: 326 Line No.: 3 Column: k**

Includes \$2,334,681 for FERC Order 668A. The total purchases when the MISO purchases and sales are netted on an hourly basis is \$4,662,766.

**Schedule Page: 326 Line No.: 8 Column: l**

Customer Charges	\$ 12,000
Ancillary Services Credit	(218,951)
	\$(206,951)

**Schedule Page: 326 Line No.: 9 Column: l**

Customer Charges	\$10,296
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Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/09	Year of Report 12/31/08
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**SALES TO RAILROADS AND RAILWAYS AND INTERDEPARTMENTAL SALES (Accounts 446, 448)**

- |   |   |
|---|---|
| <p>1. Report particulars concerning sales included in Accounts 446 and 448.</p> <p>2. For Sales to Railroads and Railways, Account 446, give name of railroad or railway in addition to other required information. If contract covers several points of delivery and small amounts of electricity are delivered at</p> | <p>each point, such sales may be grouped.</p> <p>3. For Interdepartmental Sales, Account 448, give name of other department and basis of charge to other department in addition to other required information.</p> <p>4. Designate associated companies.</p> <p>5. Provide subheading and total for each account.</p> |
|---|---|

Line No.	Item (a)	Point of Delivery (b)	Kilowatt-hours (c)	Revenue (d)	Revenue per kwh (in cents) (e)
1	None				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					

**RENT FROM ELECTRICITY PROPERTY AND INTERDEPARTMENTAL RENTS (Accounts 454, 455)**

- |   |   |
|---|---|
| <p>1. Report particulars concerning rents received included in Accounts 454 and 455.</p> <p>2. Minor rents may be grouped by classes.</p> <p>3. If rents are included which were arrived at under an arrangement for apportioning expenses of a joint facility, whereby the amount included in this account</p> | <p>represents profit or return on property, depreciation and taxes, give particulars and the basis of apportionment of such charges to Accounts 454 and 455.</p> <p>4. Designate is lessee is an associated company.</p> <p>5. Provide a subheading and total for each account.</p> |
|---|---|

Line No.	Name of Lessee or Department (a)	Description of Property (b)	Amount of Revenue for Year (c)
16	Land Rent Pole Contact Rent Building Rent	Hydro Land Distribution System Office Building	
17			13,941
18			179,832
19			79,188
20			272,961
21			
22			
23			
24			
25			
26			
27			
28			
29			

Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr) 04/30/09	Year of Report 12/31/08
<b>SALES OF WATER AND WATER POWER (Account 453)</b>				
1. Report below the information called for concerning revenues derived during the year from sales to others of water or water power. 2. In column (c) show the name of the power			development of the respondent supplying the water or water power sold. 3. Designate associated companies.	
Line No.	Name of Purchaser (a)	Purpose for Which Water Was Used (b)	Power Plant Development Supplying Water or Water Power (c)	Amount of Revenue for Year (e)
1	None			
2				
3				
4				
5				
6				
7				
8				
9				
10	TOTAL			0

<b>MISCELLANEOUS SERVICE REVENUES AND OTHER ELECTRIC REVENUES (Accounts 451, 456)</b>		
1. Report particulars concerning miscellaneous service revenues and other electric revenues derived from electric utility operations during year. Report separately in this schedule the total revenues from operation of fish and wildlife and recreation facilities, regardless of whether such facilities are operated by		company or by contract concessionaires. Provide a subheading and total for each account. For Account 456, list first revenues realized through Research and Development ventures, see Account 456. 2. Designate associated companies. 3. Minor items may be grouped by classes.
Line No.	Name of Company and Description of Service (a)	Amount of Revenue for Year (b)
11	<u>Miscellaneous Service Revenue (451)</u> Service Charges  <u>Other Electric Revenue (456)</u> Non Service Revenue Wholesale Distribution Service Maintenance on Customer Facilities	24,119   1,017,168 779,280 211,446 2,007,894
12		
13		
14		
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29		
30	TOTAL	2,032,013

Name of Respondent Upper Peninsula Power Company			This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/17/2009		Year/Period of Report End of 2008/Q4	
TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565) (Including transactions referred to as "wheeling")								
<p>1. Report all transmission, i.e. wheeling or electricity provided by other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, and others for the quarter.</p> <p>2. In column (a) report each company or public authority that provided transmission service. Provide the full name of the company, abbreviate if necessary, but do not truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation with the transmission service provider. Use additional columns as necessary to report all companies or public authorities that provided transmission service for the quarter reported.</p> <p>3. In column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNS - Firm Network Transmission Service for Self, LFP - Long-Term Firm Point-to-Point Transmission Reservations. OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point-to-Point Transmission Reservations, NF - Non-Firm Transmission Service, and OS - Other Transmission Service. See General Instructions for definitions of statistical classifications.</p> <p>4. Report in column (c) and (d) the total megawatt hours received and delivered by the provider of the transmission service.</p> <p>5. Report in column (e), (f) and (g) expenses as shown on bills or vouchers rendered to the respondent. In column (e) report the demand charges and in column (f) energy charges related to the amount of energy transferred. On column (g) report the total of all other charges on bills or vouchers rendered to the respondent, including any out of period adjustments. Explain in a footnote all components of the amount shown in column (g). Report in column (h) the total charge shown on bills rendered to the respondent. If no monetary settlement was made, enter zero in column (h). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.</p> <p>6. Enter "TOTAL" in column (a) as the last line.</p> <p>7. Footnote entries and provide explanations following all required data.</p>								
Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	TRANSFER OF ENERGY		EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS			
			Megawatt-hours Received (c)	Megawatt-hours Delivered (d)	Demand Charges (\$) (e)	Energy Charges (\$) (f)	Other Charges (\$) (g)	Total Cost of Transmission (\$) (h)
1	Received Power from:							
2	Wheeler							
3								
4	Midwest ISO Network	FNS	536,208	536,208	578,339			578,339
5	American Transmission	OS			5,669,711			5,669,711
6	PJM	LFP					13,171	13,171
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
	TOTAL		536,208	536,208	6,248,050		13,171	6,261,221



Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report 2008/Q4
Upper Peninsula Power Company			
FOOTNOTE DATA			

**Schedule Page: 332 Line No.: 6 Column: g**

Resettlement per FERC Order EL05-63.

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Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2009	Year of Report December 31, 2008
<b>LEASE RENTALS CHARGED</b>			
<p>1. For purposes of this schedule a "lease" is defined as a contract or other agreement by which one party (lessor) conveys an intangible right or land or other tangible property and equipment to another (lessee) for a specified period of one year or more for rent.</p> <p>2. Report below, for leases with annual charges of \$25,000 or more, but less than \$250,000 the data called for in columns a, b (description only), f, g and j.</p> <p>3. For leases having annual charges of \$250,000 or more, report the data called for in all the columns below.</p> <p>4. The annual charges referred to in Instruction 2 and 3 include the basic lease payment and other payments to or on behalf of the lessor such as taxes, depreciation, assumed interest or dividends on the lessor's securities, cost of replacements** and other expenditures with respect to leased property. The expenses paid by lessee are to be itemized in column (e) below.</p> <p>5. Leases of construction equipment in connection with construction work in progress are not required to be reported herein. Continuous, master or open-end leases for EDP or office equipment, automobile fleets and other equipment that is short-lived and replace under terms of the lease or for the pole rentals shall report only the data called for in columns a, b (description only), f, g and j, unless the lessee has the option to purchase the property.</p> <p>6. In column (a) report the name of the lessor. List lessors which are associated companies* (describing association) first, followed by non-associated lessors.</p> <p>7. In column (b) for each leasing arrangement, report in order, classified by generating station, transmission line, distribution system, large substation, or other operating unit or system, followed by any other leasing arrangements not covered under the preceding classifications:</p>			
Name of Lessor  (a)	Basic Details of Lease  (b)	Terminal Dates of Lease, Primary (P) or Renewal ( R)  (c)	
Upper Peninsula Building Development Company	Rental of Corporate Office Building Located in Houghton, MI  Components of Lease: Base Rent Variable Rent Property Taxes	Effective 11/31/1991 Lease was terminated 7/16/2008	
Michigan Technological University	Rental of Corporate Office Space  Components of Lease: Base Rent	Effective 7/16/2008, expires 6/30/2009	

\*\* See Electric Plant Instruction 6 & Operating Expense Instruction 3 of the Uniform System of Accounts.

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 4/30/2009	December 31, 2008

**LEASE RENTALS CHARGED (Continued)**

Description of property, whether lease is a sale and leaseback, whether lessee has option to purchase and conditions of purchase, whether lease is cancellable by either party and the cancellation conditions, the tax treatment used the accounting treatment of the lease payments (levelized charges to expense or other treatment), the basis of any charges apportioned between the lessor and lessee, and the responsibility of the respondent for operation and maintenance expenses and replacement of property. The above information is to be reported with initiation of the lease and thereafter when changed or every five years, which ever occurs first.

8. Report in column (d), as of the date of the current lease term, the original cost of the property leased, estimated if not known, or the fair market of the property if greater than original cost and indicate as shown. If leased property is part of a large unit, such as part of a building, indicate without associating any cost or value with it.

9. Report in column (k) below the estimated remaining annual charges under the current term of the lease. Do not apply a present value to the estimate. Assume that cancellable leases will not be cancelled when estimating the remaining charges.

\* See definition on page 226 (B)

**A. LEASE RENTALS CHARGED TO ELECTRIC OPERATING EXPENSES**

Original Cost (O) or Fair Market Value (F) of Property  (d)	Expenses to be Paid by Lessee Itemize  (e)	AMOUNT OF RENT - CURRENT TERM				Account Charged  (j)	Remaining Annual Charges Under Lease Est. if Not Known (k)
		Current Year		Accumulated to Date			
		Lessor	Other	Lessor	Other		
		(f)	(g)	(h)	(i)	(j)	
6,067,639							
	Base Rent	304,137		10,076,007		931	0
	Variable Rent	209,750		6,558,854		931	0
	Property Taxes	83,533		1,806,163		931	0
	Base Rent	33,557		33,557		931	14,587

Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2009	Year of Report December 31, 2008
<b>MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)</b>				
Line No.	Description (a)	Amount (b)		
1	Industry Association Dues	52,255		
2	Nuclear Power Research Expenses	0		
3	Other Experimental and General Research Expenses			
4	Publishing and Distributing Information and Reports to Stockholders; Trustee, Registrar, and Transfer Agent Fees and Expenses, and Other Expenses of Servicing Outstanding Securities of the Respondent	56,606		
5	Other Expenses (List items of \$5,000 or more in this column showing the (1) purpose, (2) recipient and (3) amount of such items. Group amounts of less than \$5,00 by classes if the number of items so grouped is shown)			
6	Michigan Chamber	9,100		
7	Miscellaneous Items < 5000	5,679		
8	Payroll Taxes Charged to Assoc. Companies	(14,417)		
9	Integrus Business Support, LLC Charges to UPPCO			
10	Cost of Capital and Depreciation	292,823		
11	Miscellaneous General Expense	10,110		
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46	TOTAL	412,156		

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) May 21, 2009	Year of Report December 31, 2008
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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Accounts 403, 404, 405) (Except amortization of acquisition adjustments)					
<p>1. Report in section A for the year the amounts for: (a) Depreciation Expense (Account 403); (b) Amortization of Limited-Term Electric Plant (Account 404); and (c) Amortization of Other Electric Plant (Account 405).</p> <p>2. Report in section B the rates used to compute amortization charges for electric plant (Accounts 404, 405). State the basis used to compute the charges and whether any changes have been made in the basis or rates used from the preceding report year.</p> <p>3. Report all available information called for in Section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.</p> <p>Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of Section C the type of plant account included in any subaccounts used.</p>			<p>In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional classifications and showing a composite total. Indicate at the bottom of Section C the manner in which column (b) balances are obtained. If average balances, state the method of averaging used.</p> <p>For columns (c), d, and (e) report available information for each plant subaccount, account or functional classification listed in column (a). If plant mortality studies are prepared to assist in estimating average service lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant.</p> <p>If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.</p> <p>4. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of Section C the amounts and nature of the provisions and the plant items to which related.</p>		

A. SUMMARY OF DEPRECIATION AND AMORTIZATION CHARGES					
Line No.	Functional Classification	Depreciation Expense (Account 403)	Amortization of Limited-Term Electric Plant (Account 404)	Amortization of Other Electric Plant (Acct. 405)	Total
	(a)	(b)	(c)	(d)	(e)
1	Intangible Plant			193,829	193,829
2	Steam Production Plant				
3	Nuclear Prod Plant-Depreciation				
	Nuclear Prod Plant- Decommissioning				
4	Hydraulic Prod Plant-Conventional	1,022,754			1,022,754
5	Hydraulic Prod Plant-Pumped Storage				
6	Other Production Plant	105,673			105,673
7	Transmission Plant				
8	Distribution Plant	3,650,950			3,650,950
9	General Plant	557,456			
10	Common Plant-Electric				557,456
11	TOTAL	5,336,833	0	193,829	5,530,662

B. BASIS FOR AMORTIZATION CHARGES	

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2009	Year of Report December 31, 2008
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PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS		
<p>Report the information specified below, in the order given, for the respective income deduction and interest charges accounts. Provide a subheading for each account and a total for the account. Additional columns may be added if deemed appropriate with respect to any account.</p> <p>(a) <i>Miscellaneous Amortization</i> (Account 425)-Describe the nature of items included in this account, the contra account charged, the total of amortization charges for the year, and the period of amortization.</p> <p>(b) <i>Miscellaneous Income Deductions</i>-- Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic, Political and Related</p> <p>Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than 5% of each account total for the year (or \$1,000, whichever is greater) may be <u>grouped by classes within the above accounts.</u></p> <p>(c) <i>Interest on Debt to Associated Companies</i> (Account 430) -- For each associated company to which interest on debt was incurred during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.</p> <p>(d) <i>Other Interest Expense</i> (Account 431) -- Report particulars (details) including the amount and interest rate for other interest charges incurred during the year.</p>		
Line No.	Item (a)	Amount (b)
1	<b>Miscellaneous Amortization (425)</b>	<b>0</b>
2		
3	<b>Donations (426.1)</b>	
4	Blue Key National Honor Fraternity	1,250
5	Delta County Area Chamber	1,885
6	Great Lakes Center for Youth	1,250
7	Hancock Public Schools	1,500
8	Junior Achievement, Inc.	1,000
9	Lake Superior Community Partnership	1,410
10	Marquette County Conservation	15,000
11	Marquette Range Iron Mining	1,500
12	Michigan Tech Fund	1,250
13	Minnesota Public Radio	1,560
14	Omega House	1,000
15	Republic Community Services	1,170
16	Salvation Army	2,701
17	St. Vincent DePaul Society	7,573
18	United Way of Delta County	3,191
19	United Way of Marquette County	4,524
20	UP Education Legislative Summit	1,000
21	UP Labor Management Council, Inc.	1,000
22	UP Rodeo	2,000
23	Upper Peninsula State Fair	1,025
24	US National Ski Hall of Fame	1,000
25	WNMU-TV	1,683
26	YMCA of Delta County	1,220
27	Items Under \$1,000	34,166
28		<b>90,858</b>
29		
30	<b>Life Insurance (426.2)</b>	<b>0</b>
31		
32	<b>Penalties (426.3)</b>	
33	Tax Payment Penalty	1,850
34	Michigan Dept of Environmental Quality	280,000
35	Other	25
36		<b>281,875</b>
37	<b>Expenses for Certain Civil, Political and Related Activities (426.4)</b>	
38	Memberships	13,780
39	Labor Expense	19,843
40		<b>33,623</b>
41	<b>Other Deductions (426.5)</b>	
42	Pending Litigation	<b>2,583,543</b>

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2009	Year of Report December 31, 2008
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PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS		
<p>Report the information specified below, in the order given, for the respective income deduction and interest charges accounts. Provide a subheading for each account and a total for the account. Additional columns may be added if deemed appropriate with respect to any account.</p> <p>(a) <i>Miscellaneous Amortization</i> (Account 425)--Describe the nature of items included in this account, the contra account charged, the total of amortization charges for the year, and the period of amortization.</p> <p>(b) <i>Miscellaneous Income Deductions</i>-- Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic, Political and Related</p> <p>Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than 5% of each account total for the year (or \$1,000, whichever is greater) may be <u>grouped by classes within the above accounts.</u></p> <p>(c) <i>Interest on Debt to Associated Companies</i> (Account 430) -- For each associated company to which interest on debt was incurred during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.</p> <p>(d) <i>Other Interest Expense</i> (Account 431) -- Report particulars (details) including the amount and interest rate for other interest charges incurred during the year.</p>		

Line No.	Item (a)	Amount (b)
1	<b>Interest on Debt to Associated Companies (430)</b>	<b>1,853,279</b>
2		
3	<b>Other Interest Expense (431)</b>	
4	Other Interest Expense	152,321
5	Interest on Electric Refunds	131,536
6	Customer Deposits	291
7	Tax Adjustments	913
8		<b>285,061</b>
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Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 4/30/2009	December 31, 2008

**EXPENDITURES FOR CERTAIN CIVIC, POLITICAL AND RELATED ACTIVITIES**

**(Account 426.4)**

- |   |   |
|---|---|
| <p>1. Report below all expenditures incurred by the respondent during the year for the purpose of influencing public opinion with respect to the election or appointment of public officials, referenda, legislation or ordinances (either with respect to the possible adoption of new referenda, legislation or ordinances or repeal or modification of existing referenda, legislation or ordinances); approval, modification, or revocation of franchises; or for the purpose of influencing the decisions of public officials which are accounted for as Other Income Deductions, Expenditures for Certain Civic, Political and Related Activities, Account 426.4.</p> <p>2. Advertising expenditures in this Account shall be classified according to subheadings, as follows:<br/>(a) radio, television, and motion picture advertising; (b) newspaper, magazine, and pamphlet advertising; (c) letters or inserts in customer's bills; (d) inserts in</p> | <p>reports to stockholders; (e) newspaper and magazine editorial services; and (f) other advertising.</p> <p>3. Expenditures within the definition of paragraph (1), other than advertising shall be reported according to captions or descriptions clearly indicating the nature and purpose of the activity.</p> <p>4. If respondent has not incurred any expenditures contemplated by the instruction of Account 426.4, so state.</p> <p>5. Minor amount may be grouped by classes if the number of items so grouped is shown.</p> <p>NOTE: The classification of expenses as nonoperating and their inclusion in this amount is for accounting purposes. It does not preclude Commission consideration of proof to the contrary for ratemaking or other purposes.</p> |
|---|---|

Line No.	Item (a)	Amount (b)
1		\$
2	State Lobbying Activities	
3	Labor Costs	19,843
4		
5	Federal Lobby Activities	
6	Memberships	13,780
7		
8		
9		
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32		33,623

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Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report End of 2008/Q4
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**REGULATORY COMMISSION EXPENSES**

1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to format cases before a regulatory body, or cases in which such a body was a party.
2. Report in columns (b) and (c), only the current year's expenses that are not deferred and the current year's amortization of amounts deferred in previous years.

Line No.	Description (Furnish name of regulatory commission or body the docket or case number and a description of the case) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expense for Current Year (b) + (c) (d)	Deferred in Account 182.3 at Beginning of Year (e)
1	Federal Energy Regulatory Commission	39,119	168,461	207,580	
2	Michigan Public Service Commission	87,937	34,582	122,519	
3	Public Service Commission of Wisconsin		8,942	8,942	
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46	TOTAL	127,056	211,985	339,041	

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report End of 2008/Q4
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**REGULATORY COMMISSION EXPENSES (Continued)**

3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.
4. List in column (f), (g), and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.
5. Minor items (less than \$25,000) may be grouped.

EXPENSES INCURRED DURING YEAR				AMORTIZED DURING YEAR			
CURRENTLY CHARGED TO			Deferred to Account 182.3 (i)	Contra Account (j)	Amount (k)	Deferred in Account 182.3 End of Year (l)	Line No.
Department (f)	Account No. (g)	Amount (h)					
	928	168,461					1
	928	34,582					2
	928	8,942					3
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		211,985					46

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report End of 2008/Q4
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**DISTRIBUTION OF SALARIES AND WAGES**

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
1	Electric			
2	Operation			
3	Production	865,031		
4	Transmission			
5	Regional Market			
6	Distribution	2,782,138		
7	Customer Accounts	758,811		
8	Customer Service and Informational	177,111		
9	Sales			
10	Administrative and General	257,399		
11	TOTAL Operation (Enter Total of lines 3 thru 10)	4,840,490		
12	Maintenance			
13	Production	266,835		
14	Transmission			
15	Regional Market			
16	Distribution	2,175,342		
17	Administrative and General			
18	TOTAL Maintenance (Total of lines 13 thru 17)	2,442,177		
19	Total Operation and Maintenance			
20	Production (Enter Total of lines 3 and 13)	1,131,866		
21	Transmission (Enter Total of lines 4 and 14)			
22	Regional Market (Enter Total of Lines 5 and 15)			
23	Distribution (Enter Total of lines 6 and 16)	4,957,480		
24	Customer Accounts (Transcribe from line 7)	758,811		
25	Customer Service and Informational (Transcribe from line 8)	177,111		
26	Sales (Transcribe from line 9)			
27	Administrative and General (Enter Total of lines 10 and 17)	257,399		
28	TOTAL Oper. and Maint. (Total of lines 20 thru 27)	7,282,667	167,053	7,449,720
29	Gas			
30	Operation			
31	Production-Manufactured Gas			
32	Production-Nat. Gas (Including Expl. and Dev.)			
33	Other Gas Supply			
34	Storage, LNG Terminating and Processing			
35	Transmission			
36	Distribution			
37	Customer Accounts			
38	Customer Service and Informational			
39	Sales			
40	Administrative and General			
41	TOTAL Operation (Enter Total of lines 31 thru 40)			
42	Maintenance			
43	Production-Manufactured Gas			
44	Production-Natural Gas (Including Exploration and Development)			
45	Other Gas Supply			
46	Storage, LNG Terminating and Processing			
47	Transmission			

Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report End of 2008/Q4
DISTRIBUTION OF SALARIES AND WAGES (Continued)					
Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)	
48	Distribution				
49	Administrative and General				
50	TOTAL Maint. (Enter Total of lines 43 thru 49)				
51	Total Operation and Maintenance				
52	Production-Manufactured Gas (Enter Total of lines 31 and 43)				
53	Production-Natural Gas (Including Expl. and Dev.) (Total lines 32,				
54	Other Gas Supply (Enter Total of lines 33 and 45)				
55	Storage, LNG Terminating and Processing (Total of lines 31 thru				
56	Transmission (Lines 35 and 47)				
57	Distribution (Lines 36 and 48)				
58	Customer Accounts (Line 37)				
59	Customer Service and Informational (Line 38)				
60	Sales (Line 39)				
61	Administrative and General (Lines 40 and 49)				
62	TOTAL Operation and Maint. (Total of lines 52 thru 61)				
63	Other Utility Departments				
64	Operation and Maintenance				
65	TOTAL All Utility Dept. (Total of lines 28, 62, and 64)	7,282,667	167,053	7,449,720	
66	Utility Plant				
67	Construction (By Utility Departments)				
68	Electric Plant	1,333,558	56,007	1,389,565	
69	Gas Plant				
70	Other (provide details in footnote):				
71	TOTAL Construction (Total of lines 68 thru 70)	1,333,558	56,007	1,389,565	
72	Plant Removal (By Utility Departments)				
73	Electric Plant				
74	Gas Plant				
75	Other (provide details in footnote):				
76	TOTAL Plant Removal (Total of lines 73 thru 75)				
77	Other Accounts (Specify, provide details in footnote):	2,059,194	55,298	2,114,492	
78	Clearing	278,358	-278,358		
79					
80					
81					
82					
83					
84					
85					
86					
87					
88					
89					
90					
91					
92					
93					
94					
95	TOTAL Other Accounts	2,337,552	-223,060	2,114,492	
96	TOTAL SALARIES AND WAGES	10,953,777		10,953,777	

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/09	Year of Report December 31, 2008	
<b>CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES</b>				
<p>1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. (These services include rate, management, construction, engineering research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation, partnership, organization of any kind, or individual (other than for services as an employee or for payments made for medical and related services) amounting to more than \$25,000, including payments for legislative services, except those which should be reported in Account</p>		<p>426.4, Expenditures for Certain civic, Political and Related Activities.)          (a) Name and address of person or organization rendering services,          (b) description of services received during year and project or case to which services relate,          (c) basis of charges,          (d) total charges for the year, detailing utility department and account charged.</p> <p>2. For any services which are of a continuing nature, give the date and term of contract and date of Commission authorization, if contract received Commission approval.</p> <p>3. Designate with an asterisk associated companies.</p>		
Line No.	Name / Address	Service	Account #	Amount
1	Asplundh Tree Expert Co.	Line Clearing	107, 365, 593	1,679,885
2	5907 Municipal Street			
3	Schofield, WI			
4				
5	Associated Constructors LLC	Construction	107, 332, 336, 539, 543	148,173
6	US Hwy. W, P. O. Box 970			
7	Marquette, MI			
8				
9	AVD Archaeological	Consulting	107, 332	44,901
10	305 South Britton Road			
11	Union Grove, WI			
12				
13	Ayres Associates, Inc.	Consulting	107, 332, 417, 537, 543, 980	52,670
14	P. O. Box 1590			
15	Eau Claire, WI			
16				
17	Bacco Construction Co.	Construction	107, 332	4,529,338
18	N3660 North US2			
19	Iron Mountain, MI			
20				
21	Barr Engineering	Consulting	107, 332, 417	437,508
22	4770 West 77th Street			
23	Minneapolis, MN			
24				
25	Black & Veatch Corp.	Consulting	107, 362, 543	33,299
26	1500 Meadow Lake Parkway			
27	Kansas City, MO			
28				
29	Bruder Gentile & Marcoux LLP	Legal	928	116,933
30	1701 Pennsylvania Ave, NW, Ste. 900			
31	Washington, DC			
32				
33	Carey Contracting Corp.	Construction	107, 390	30,000
34	639 Industrial Park Drive			
35	Iron Mountain, MI			

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/09	Year of Report December 31, 2008	
<b>CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES</b>				
<p>1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. (These services include rate, management, construction, engineering research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation, partnership, organization of any kind, or individual (other than for services as an employee or for payments made for medical and related services) amounting to more than \$25,000, including payments for legislative services, except those which should be reported in Account</p>		<p>426.4, Expenditures for Certain civic, Political and Related Activities.)          (a) Name and address of person or organization rendering services,          (b) description of services received during year and project or case to which services relate,          (c) basis of charges,          (d) total charges for the year, detailing utility department and account charged.</p> <p>2. For any services which are of a continuing nature, give the date and term of contract and date of Commission authorization, if contract received Commission approval.</p> <p>3. Designate with an asterisk associated companies.</p>		
Line No.	Name / Address	Service	Account #	Amount
1	Collins & Baker Engineering	Consulting	107, 332, 535, 543, 546	102,421
2	1409 East Boulevard Suite 101A			
3	Charlotte, NC			
4				
5	CR Meyer & Son Co.	Construction	107, 143, 332, 417, 544, 551	296,297
6	895 West 20th Avenue			
7	Oshkosh, WI			
8				
9	Deloitte & Touche LLP	Audit	923	64,802
10	4205 Collection Center Drive			
11	Chicago, IL			
12				
13	Foley & Lardner	Legal	107, 121, 426, 539, 543, 556, 921, 923, 925, 928, 956	630,956
14	777 East Wisconsin Avenue			
15	Milwaukee, WI			
16				
17	GAB Robins North America, Inc.	Legal	925	259,580
18	P. O. Box 7247-7162			
19	Philadelphia, PA			
20				
21	Great Heights Tree Service	Line Clearing	143, 184, 417, 543, 545, 582, 591, 593	70,789
22	4770 West 77th Street			
23	Minneapolis, MN			
24				
25	Great Lakes Line Builders, Inc.	Construction	107, 184, 364, 365, 593, 670	236,640
26	W9863 State Hwy. 96			
27	Fremont, WI			
28				
29	H2O in Motion, Inc.	Consulting	143, 535, 546	45,797
30	P. O. Box 127			
31	Escanaba, MI			
32				
33	Hydro Consulting & Maintenance Serv.	Consulting, Construction	143, 544	96,251
34	235 Rotunda Boulevard			
35	Rotunda West, FL			



Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/09	Year of Report December 31, 2008	
<b>CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES</b>				
<p>1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. (These services include rate, management, construction, engineering research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation, partnership, organization of any kind, or individual (other than for services as an employee or for payments made for medical and related services) amounting to more than \$25,000, including payments for legislative services, except those which should be reported in Account</p>		<p>426.4, Expenditures for Certain civic, Political and Related Activities.)          (a) Name and address of person or organization rendering services,          (b) description of services received during year and project or case to which services relate,          (c) basis of charges,          (d) total charges for the year, detailing utility department and account charged.</p> <p>2. For any services which are of a continuing nature, give the date and term of contract and date of Commission authorization, if contract received Commission approval.</p> <p>3. Designate with an asterisk associated companies.</p>		
Line No.	Name / Address	Service	Account #	Amount
1	Industrial Maintenance Service, Inc.	Construction	143	40,412
2	P. O. Box 369			
3	Wells, MI			
4				
5	Jacobs Engineering Group, Inc.	Consulting, Engineering	107, 332, 417, 537, 543, 591	28,809
6	421 Lawrence Drive, P. O. Box 5910			
7	De Pere, WI			
8				
9	John D Construction	Construction	107, 143, 184, 362, 364, 390, 582, 588	53,621
10	22209 State Hwy. M64 West			
11	Ontonagon, MI			
12				
13	Karcz Pole Inspection	Pole Inspections	593	104,448
14	N1655 Laney Road			
15	Seymour, WI			
16				
17	King & MacGregor Environmental, Inc.	Consulting	535, 543, 546	44,715
18	106 West Upton Avenue			
19	Reed City, MI			
20				
21	L&H Utility Contractors, Inc.	Construction	107, 367, 369, 583, 584, 594	572,027
22	P. O. Box 2037			
23	Iron Mountain, MI			
24				
25	Michels Power	Construction	107, 143, 353, 362, 592	372,693
26	1775 Shady Lane			
27	Neenah, WI			
28				
29	Miller Canfield Paddock & Stone PLC	Legal	143, 923, 928	260,521
30	P. O. Drawer 640348			
31	Detroit, MI			
32				
33	MJ Electric LLC	Construction	107, 362	80,710
34	P. O. Box 686			
35	Iron Mountain, MI			

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/09	Year of Report December 31, 2008	
<b>CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES</b>				
<p>1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. (These services include rate, management, construction, engineering research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation, partnership, organization of any kind, or individual (other than for services as an employee or for payments made for medical and related services) amounting to more than \$25,000, including payments for legislative services, except those which should be reported in Account</p>		<p>426.4, Expenditures for Certain civic, Political and Related Activities.)          (a) Name and address of person or organization rendering services,          (b) description of services received during year and project or case to which services relate,          (c) basis of charges,          (d) total charges for the year, detailing utility department and account charged.</p> <p>2. For any services which are of a continuing nature, give the date and term of contract and date of Commission authorization, if contract received Commission approval.</p> <p>3. Designate with an asterisk associated companies.</p>		
Line No.	Name / Address	Service	Account #	Amount
1	North Electric, Inc.	Construction	107, 143, 364, 593, 670	189,770
2	1003 Wisconsin Avenue			
3	Gladstone, MI			
4				
5	Oberstar, Inc.	Construction	142, 232, 543	933,362
6	1900 Industrial Parkway			
7	Marquette, MI			
8				
9	Paul C. Rizzo Associates Inc.	Consulting	107, 183, 332, 543	592,435
10	Expo Mart, Suite 270E			
11	Pittsburg, PA			
12				
13	PB Americas, Inc.	Consulting	107, 184, 332, 417, 543, 591	184,090
14	75 Arlington Street, 4th Floor			
15	Boston, MA			
16				
17	Pearson Asbestos	Construction	143, 417, 539	53,021
18	2715 Danforth Road			
19	Escanaba, MI			
20				
21	Raasch Associates, Inc.	Consulting	143, 417, 541, 551	109,210
22	400 AMS Court			
23	Green Bay, WI			
24				
25	Roy Ness Contracting	Construction	107, 143, 362, 592	31,025
26	1801 North Lincoln Road			
27	Escanaba, MI			
28				
29	SM&P Utility Resources	Cable Locating	584	63,876
30	13085 Hamilton Boulevard			
31	Carmel, IN			
32				
33	STS Consultants LTD	Consulting	107, 332, 362, 417, 535, 543	625,736
34	1035 Kepler Drive			
35	Green Bay, WI			

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/09	Year of Report December 31, 2008	
<b>CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES</b>				
<p>1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. (These services include rate, management, construction, engineering research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation, partnership, organization of any kind, or individual (other than for services as an employee or for payments made for medical and related services) amounting to more than \$25,000, including payments for legislative services, except those which should be reported in Account</p>		<p>426.4, Expenditures for Certain civic, Political and Related Activities.)          (a) Name and address of person or organization rendering services,          (b) description of services received during year and project or case to which services relate,          (c) basis of charges,          (d) total charges for the year, detailing utility department and account charged.</p> <p>2. For any services which are of a continuing nature, give the date and term of contract and date of Commission authorization, if contract received Commission approval.</p> <p>3. Designate with an asterisk associated companies.</p>		
Line No.	Name / Address	Service	Account #	Amount
1	United Kiser	Construction	121, 417, 543	273,750
2	1001 Stephensen Avenue			
3	Norway, MI			
4				
5	Yalmer Mattila Contracting, Inc.	Construction	107, 143, 332, 342, 362	158,737
6	P. O. Box 456			
7	Houghton, MI			
8				
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15				
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Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/09	Year of Report December 31, 2008		
<b>SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES</b>					
1. In column (a) report the name of the associated company. 2. In column (b) describe the affiliation (percentage ownership, etc. ). 3. In column (c) describe the nature of the goods and services provided (administrative and general expenses, dividends declared, etc.). 4. In columns (d) and (e) report the amount classified to operating income and the account(s) in which reported.					
Line No.	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
1	Integrus Energy Group, Inc.	Parent Company	Invoices & Expenses	610	35,521
2			Other Direct Costs	665	2,622
3					
4	Integrus Energy Services, Inc.	Under Common Control	Invoices & Expenses	921	530
5			Other Direct Costs	920	23,052
6					
7	The Peoples Gas Light & Coke Company	Under Common Control	Invoices & Expenses	921	888
8					
9	Michigan Gas Utilities Corporation	Under Common Control	Labor & Labor Loadings	920, 930	266,412
10			Invoices & Expenses	920, 921, 928, 930,	8,694
11			Other Direct Costs	920, 930	7,548
12			Long Term & Annual Incentive	920	60,523
13			Restricted Stock	920	14,694
14			Options	920	18,746
15					
16					
17	Integrus Business Support, LLC	Under Common Control	Labor & Labor Loadings	920, 921, 926	21,291
18			Invoices & Expenses	920, 921, 926	38,244
19			Other Direct Costs	920, 921, 926	94,516
20					
21	Wisconsin Public Service Corporation	Under Common Control	Labor & Labor loadings	500, 546, 582, 588, 592, 903, 909, 920, 925	31,034
22			Invoices & Expenses	582, 583, 593, 595, 903, 908, 920, 921, 923, 925, 928, 931	56,654
23			Other Direct Costs	500, 546, 582, 588, 592, 903, 909, 920, 925	34,733
24			Material & Supplies	921, 588, 583	2,383
25					
26					
27					
28					
29					
30					
<b>TOTAL</b>					<b>718,085</b>

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original	(Mo, Da, Yr)	12/31/08
	(2) <input type="checkbox"/> A Resubmission	04/30/09	

**SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES (Continued)**

5. In columns (f) and (g) report the amount classified to non-operating income and the account(s) in which reported.
6. In columns (h) and (i) report the amount classified to the balance sheet and the account(s) in which reported.
7. In column (j) report the total.
8. In column (k) indicate the pricing method (cost, per contract terms, etc.)

Account Number (f)	Amount Classified to Non-Operating Income (g)	Account Number (h)	Amount Classified to Balance Sheet (i)	Total (j)	Pricing Method (k)	Line No.
426 426	132 6			35,521	(1)	1
				2,622	(1)	2
				<b>38,143</b>		3
				530	(1)	4
				23,052	(1)	5
				<b>23,582</b>		6
				888	(1)	7
				<b>888</b>		8
				266,544	(1)	9
				8,700	(1)	10
				7,548	(1)	11
				60,523	(4)	12
				14,694	(4)	13
				18,746	(4)	14
				<b>376,755</b>		15
						16
				21,291	(1)	17
				38,244	(1)	18
				94,516	(1)	19
				<b>154,051</b>		20
		107	20,980	62,014	(1)	21
		107	1,360	58,014	(1)	22
		107, 108	1,369	36,102	(1)	23
				2,383	(1)	24
				<b>158,513</b>	(4)	25
					(4)	26
						27
						28
						29
						30
	138		23,709	593,419		

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/09	Year of Report December 31, 2008		
<b>SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES</b>					
<p>1. In column (a) report the name of the associated company.</p> <p>2. In column (b) describe the affiliation (percentage ownership, etc.).</p> <p>3. In column (c) describe the nature of the goods and services provided (administrative and general expenses, dividends declared, etc.).</p> <p>4. In columns (d) and (e) report the amount classified to operating income and the account(s) in which reported.</p>					
Line No.	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
1	Wisconsin River Power	Under Common Control	Invoices & Expenses	Various	15,052
2					
3					
4	UP Building Development	Under Common Control	Invoices & Expenses	626	17,151
5					
6					
7	Penvest	Under Common Control	Invoices & Expenses	223	36
8					
9					
10	WPS New England Gen.	Under Common Control	Invoices & Expenses	625	83
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
<b>TOTAL</b>					<b>32,322</b>

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/09	Year of Report 12/31/08
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SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES (Continued)						
5. In columns (f) and (g) report the amount classified to non-operating income and the account(s) in which reported. 6. In columns (h) and (i) report the amount classified to the balance sheet and the account(s) in which reported. 7. In column (j) report the total. 8. In column (k) indicate the pricing method (cost, per contract terms, etc.)						
Account Number (f)	Amount Classified to Non-Operating Income (g)	Account Number (h)	Amount Classified to Balance Sheet (i)	Total (j)	Pricing Method (k)	Line No.
				15,052	(1)	1
				15,052		2
						3
				17,151	(1)	4
				17,151		5
						6
				36	(1)	7
				36		8
						9
				83	(1)	10
				83		11
						12
					13	
					14	
					15	
					16	
					17	
					18	
					19	
					20	
					21	
					22	
					23	
					24	
					25	
					26	
					27	
					28	
					29	
					30	
	0		0	32,322		



Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/09	Year of Report 12/31/08	
<b>SUMMARY OF COSTS BILLED FROM ASSOCIATED COMPANIES</b>					
1. In column (a) report the name of the associated company.			services provided (administrative and general expenses, dividends declared, etc.).		
2. In column (b) describe the affiliation (percentage ownership, etc.).			4. In columns (d) and (e) report the amount classified to operating income and the account(s) in which reported.		
3. In column (c) describe the nature of the goods and					
Line No.	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
1	Integrus Energy Group, Inc.	Parent Company	Labor & Labor Loading	920	46,884
2			Options Expense	500, 920	20,950
3			Restricted Stock	920	56,037
4			Invoices & Expenses	920	1,963,272
5			Usage Based Costs	Various	36,888
6			Interest	430	1,853,279
7			Long Term Incentive	920	18,050
8					
9	Michigan Gas Utilities Corporation	Under Common Control	Invoices & Expenses	921, 923, 925	3,870
10					
11	Minnesota Energy Resources Corporation	Under Common Control	Labor & Labor Loading	535, 920	1,398
12			Invoices & Expenses	535	292
13			Options Expense	920	38
14			Restricted Stock	920	75
15			Long Term Incentive	920	204
16					
17	The Peoples Gas Light & Coke Company	Under Common Control	Labor & Labor Loading	535	256
18			Invoices & Expenses	921	6,176
19			Other Direct Costs	921	1,523
20					
21	Wisconsin Public Service Corporation	Under Common Control	Labor & Labor Loading	Various	2,182,012
22			Invoices & Expenses	Various	2,265,382
23			Other Direct Costs	Various	2,679,934
24			Long Term & Annual Incentive	920	12,131
25			Options Expense	920	5,048
26			Restricted Stock	920	9,199
27			Materials & Supplies		
28			Purchased Power	555	44,027,312
29			Benefits	Various	4,082,219
30					
<b>TOTAL</b>					<b>59,272,429</b>

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/09	Year of Report 12/31/08
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**SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES (Continued)**

5. In columns (f) and (g) report the amount classified to non-operating income and the account(s) in which reported.  
6. In columns (h) and (i) report the amount classified to the balance sheet and the account(s) in which reported.
7. In column (j) report the total.  
8. In column (k) indicate the pricing method (cost, per contract terms, etc.)

Account Number (f)	Amount Classified to Non-Operating Income (g)	Account Number (h)	Amount Classified to Balance Sheet (i)	Total (j)	Pricing Method (k)	Line No.
				46,884	(1)	1
				20,950	(4)	2
				56,037	(2)	3
				1,963,272	(1)	4
				36,888	(1)	5
				1,853,279	(4)	6
				18,050	(4)	7
				<b>3,995,360</b>		8
		184	478	4,348	(1)	9
				<b>4,348</b>		10
				1,398	(1)	11
				292	(1)	12
				38	(4)	13
				75	(4)	14
				204	(4)	15
				<b>2,007</b>		16
				256	(1)	17
				6,176	(1)	18
				1,523	(2)	19
				<b>7,955</b>		20
		107, 121 154, 163	430,290	2,612,302	(1)	21
		107,121, 154, 163	1,180,572	3,445,954	(4)	22
		107, 121	306,069	2,986,003	(2)	23
				12,131	(4)	24
				5,048	(4)	25
				9,199	(4)	26
		154, 163	872,539	872,539	(1)	27
				44,027,312	(3)	28
				4,082,219	(1)	29
				<b>58,052,707</b>		30
	0		2,789,948	62,062,377		

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) May 21, 2009	Year of Report December 31, 2008		
<b>SUMMARY OF COSTS BILLED FROM ASSOCIATED COMPANIES</b>					
<p>1. In column (a) report the name of the associated company.</p> <p>2. In column (b) describe the affiliation (percentage ownership, etc.).</p> <p>3. In column (c) describe the nature of the goods and services provided (administrative and general expenses, dividends declared, etc.).</p> <p>4. In columns (d) and (e) report the amount classified to operating income and the account(s) in which reported.</p>					
Line No.	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
1	Integrus Business Support	Under Common Control	Payroll Reimburse	Various	13,409,053
2			Labor & Labor Loaders	Various	3,932,313
3			Invoices & Expenses	Various	3,922,823
4			Long Term & Annual Incentive	Various	21,363
5			Options Expense	Various	7,635
6			Restricted Stock	Various	14,326
7			Other Direct Costs	Various	2,774,322
8					
9					
10	Penvest	Under Common Control	Communication Cable	454	10,852
11					
12	Upper Peninsula Building Development Co.	Under Common Control	Building Rent	931	698,657
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
<b>TOTAL</b>					24,791,344

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) May 21, 2009	Year of Report December 31, 2008
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SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES (Continued)						
5. In columns (f) and (g) report the amount classified to non-operating income and the account(s) in which reported.				7. In column (j) report the total.		
6. In columns (h) and (i) report the amount classified to the balance sheet and the account(s) in which				8. In column (k) indicate the pricing method (cost, per contract terms, etc.)		
Account Number (f)	Amount Classified to Non-Operating Income (g)	Account Number (h)	Amount Classified to Balance Sheet (i)	Total (j)	Pricing Method (k)	Line No.
				13,409,053	(1)	1
				3,932,313	(1)	2
				3,922,823	(1)	3
				21,363	(4)	4
				7,635	(4)	5
				14,326	(4)	6
				2,774,322	(2)	7
				<b>24,081,835</b>		8
						9
				<b>10,852</b>	(1)	10
						11
				<b>698,657</b>	(1)	12
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	0		0	24,791,344		



Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report End of 2008/Q4
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**MONTHLY PEAKS AND OUTPUT**

- (1) Report the monthly peak load and energy output. If the respondent has two or more power which are not physically integrated, furnish the required information for each non- integrated system.
- (2) Report on line 2 by month the system's output in Megawatt hours for each month.
- (3) Report on line 3 by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales.
- (4) Report on line 4 by month the system's monthly maximum megawatt load (60 minute integration) associated with the system.
- (5) Report on lines 5 and 6 the specified information for each monthly peak load reported on line 4.

NAME OF SYSTEM: Integrated

Line No.	Month (a)	Total Monthly Energy (b)	Monthly Non-Requirements Sales for Resale & Associated Losses (c)	MONTHLY PEAK		
				Megawatts (See Instr. 4) (d)	Day of Month (e)	Hour (f)
29	January	116,182	21,493	141	30	1200
30	February	110,353	22,591	133	21	1000
31	March	108,564	18,980	130	3	1900
32	April	93,662	11,933	118	28	1000
33	May	88,560	9,232	113	21	900
34	June	89,945	13,101	118	26	1300
35	July	92,589	10,794	126	7	1300
36	August	93,499	7,973	126	5	1300
37	September	90,651	9,378	133	2	1300
38	October	94,691	9,446	120	27	1900
39	November	98,921	12,682	134	20	1800
40	December	97,544	11,076	144	15	1800
41	TOTAL	1,175,161	158,679			

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report 2008/Q4
Upper Peninsula Power Company			
FOOTNOTE DATA			

**Schedule Page: 401 Line No.: 10 Column: b**

Includes 67,992 MWH for FERC Order 668A.

**Schedule Page: 401 Line No.: 29 Column: Sys**

Total Non Coincident Peak Load at the Substation Level is 3,402,874 kwh for 12 months.

Total Non Coincident Peak Load at the Primary Feeder Level 2,783,060 kwh for 12 months.

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report End of 2008/Q4
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**STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)**

1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a therm basis report the Btu content or the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.

Line No.	Item (a)	Plant Name: Portage (b)	Plant Name: Gladstone (c)
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear)	Gas Turbine	Gas Turbine
2	Type of Constr (Conventional, Outdoor, Boiler, etc)	Conventional	Conventional
3	Year Originally Constructed	1973	1975
4	Year Last Unit was Installed	1975	1987
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)	22.60	22.60
6	Net Peak Demand on Plant - MW (60 minutes)	20	0
7	Plant Hours Connected to Load	416	0
8	Net Continuous Plant Capability (Megawatts)	0	0
9	When Not Limited by Condenser Water	0	0
10	When Limited by Condenser Water	0	0
11	Average Number of Employees	3	1
12	Net Generation, Exclusive of Plant Use - KWh	5078260	214000
13	Cost of Plant: Land and Land Rights	7353	55663
14	Structures and Improvements	92427	110212
15	Equipment Costs	3365220	2227188
16	Asset Retirement Costs	0	0
17	Total Cost	3465000	2393063
18	Cost per KW of Installed Capacity (line 17/5) Including	153.3186	105.8877
19	Production Expenses: Oper, Supv, & Engr	66034	59851
20	Fuel	1978545	60667
21	Coolants and Water (Nuclear Plants Only)	0	0
22	Steam Expenses	0	0
23	Steam From Other Sources	0	0
24	Steam Transferred (Cr)	0	0
25	Electric Expenses	0	0
26	Misc Steam (or Nuclear) Power Expenses	0	0
27	Rents	0	0
28	Allowances	0	0
29	Maintenance Supervision and Engineering	12929	66246
30	Maintenance of Structures	185	17280
31	Maintenance of Boiler (or reactor) Plant	0	0
32	Maintenance of Electric Plant	104389	21700
33	Maintenance of Misc Steam (or Nuclear) Plant	0	0
34	Total Production Expenses	2162082	225744
35	Expenses per Net KWh	0.4258	1.0549
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)	Oil	Oil
37	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)	Barrels	Barrels
38	Quantity (Units) of Fuel Burned	14455	671
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	138200	138200
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	0.000	0.000
41	Average Cost of Fuel per Unit Burned	0.000	0.000
42	Average Cost of Fuel Burned per Million BTU	0.000	0.000
43	Average Cost of Fuel Burned per KWh Net Gen	0.000	0.000
44	Average BTU per KWh Net Generation	0.000	0.000



Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report End of 2008/Q4
HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants)					
1. Large plants are hydro plants of 10,000 Kw or more of installed capacity (name plate ratings) 2. If any plant is leased, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. If licensed project, give project number. 3. If net peak demand for 60 minutes is not available, give that which is available specifying period. 4. If a group of employees attends more than one generating plant, report on line 11 the approximate average number of employees assignable to each plant.					
Line No.	Item (a)	FERC Licensed Project No. 1864 Plant Name: Victoria (b)	FERC Licensed Project No. 0 Plant Name: (c)		
1	Kind of Plant (Run-of-River or Storage)	Storage			
2	Plant Construction type (Conventional or Outdoor)	Conventional			
3	Year Originally Constructed	1930			
4	Year Last Unit was Installed	1930			
5	Total installed cap (Gen name plate Rating in MW)	12.00	0.00		
6	Net Peak Demand on Plant-Megawatts (60 minutes)	11	0		
7	Plant Hours Connect to Load	8,448	0		
8	Net Plant Capability (in megawatts)				
9	(a) Under Most Favorable Oper Conditions	13	0		
10	(b) Under the Most Adverse Oper Conditions	6	0		
11	Average Number of Employees	4	0		
12	Net Generation, Exclusive of Plant Use - Kwh	42,533,080	0		
13	Cost of Plant				
14	Land and Land Rights	464,646	0		
15	Structures and Improvements	395,438	0		
16	Reservoirs, Dams, and Waterways	17,519,912	0		
17	Equipment Costs	1,728,035	0		
18	Roads, Railroads, and Bridges	307,025	0		
19	Asset Retirement Costs	0	0		
20	TOTAL cost (Total of 14 thru 19)	20,415,056	0		
21	Cost per KW of Installed Capacity (line 20 / 5)	1,701.2547	0.0000		
22	Production Expenses				
23	Operation Supervision and Engineering	355,809	0		
24	Water for Power	0	0		
25	Hydraulic Expenses	664,471	0		
26	Electric Expenses	44,851	0		
27	Misc Hydraulic Power Generation Expenses	179,254	0		
28	Rents	0	0		
29	Maintenance Supervision and Engineering	39,321	0		
30	Maintenance of Structures	0	0		
31	Maintenance of Reservoirs, Dams, and Waterways	120,681	0		
32	Maintenance of Electric Plant	976,978	0		
33	Maintenance of Misc Hydraulic Plant	23,655	0		
34	Total Production Expenses (total 23 thru 33)	2,405,020	0		
35	Expenses per net KWh	0.0565	0.0000		

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Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report End of 2008/Q4
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**GENERATING PLANT STATISTICS (Small Plants)**

1. Small generating plants are steam plants of, less than 25,000 Kw; internal combustion and gas turbine-plants, conventional hydro plants and pumped storage plants of less than 10,000 Kw installed capacity (name plate rating). 2. Designate any plant leased from others, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, and give a concise statement of the facts in a footnote. If licensed project, give project number in footnote.

Line No.	Name of Plant (a)	Year Orig. Const. (b)	Installed Capacity Name Plate Rating (In MW) (c)	Net Peak Demand MW (60 min.) (d)	Net Generation Excluding Plant Use (e)	Cost of Plant (f)
1	HYDRO:					
2	Prickett	1931	2.20	2.2	5,505	2,463,083
3	Hoist*	1925	4.40	3.0	11,393	15,817,876
4	McClure	1919	8.00	8.6	-23	3,388,758
5	AuTrain	1910	0.90	1.0	5,080	1,653,148
6	Cataract	1929	2.00	1.3	137	380,184
7						
8						
9	* Includes Silver Lake					
10						
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Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report End of 2008/Q4
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**GENERATING PLANT STATISTICS (Small Plants) (Continued)**

3. List plants appropriately under subheadings for steam, hydro, nuclear, internal combustion and gas turbine plants. For nuclear, see instruction 11, Page 403. 4. If net peak demand for 60 minutes is not available, give the which is available, specifying period. 5. If any plant is equipped with combinations of steam, hydro internal combustion or gas turbine equipment, report each as a separate plant. However, if the exhaust heat from the gas turbine is utilized in a steam turbine regenerative feed water cycle, or for preheated combustion air in a boiler, report as one plant.

Plant Cost (Incl Asset Retire. Costs) Per MW (g)	Operation Exc'l. Fuel (h)	Production Expenses		Kind of Fuel (k)	Fuel Costs (in cents (per Million Btu) (l)	Line No.
		Fuel (i)	Maintenance (j)			
						1
200,935			53,994			2
364,733			4,339			3
257,913			159,172			4
246,805			39,103			5
128,678			35,159			6
						7
						8
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Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/30/09		Year of Report 12/31/08	
<b>HYDROELECTRIC GENERATING PLANTS</b>							
1. Report on this page Hydro plants of 10,000 Kw (name plate rating) or more of installed capacity. 2. Report the information called for concerning generating plants and equipment at year end. Show associated prime movers and generators on the same line. 3. Exclude from this schedule, plant, the book cost of which is included in Account 121, <i>Nonutility Property</i> , 4. Designate any plant or portion thereof for which				the responsibility is not the sole owner. If such property is leased from another company, give name of lessor, date and term of lease, and annual rent. For any generating plant, other than a leased plant, or portion thereof, for which the respondent is not the sole owner but which respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars			
Line No.	Name of Plant  (a)	Location  (b)	Name of Stream  (c)	Water Wheels <i>(In column (e), indicate whether horizontal or vertical. Also indicate type of runner-Francis (F), fixed propeller (FP), automatically adjustable propeller (AP), impulse (I). Designate reversible type of units by appropriate footnote)</i>			
				Attended or Unattended  (d)	Type of Unit  (e)	Year Installed  (f)	Gross Static Head with Pond Full  (g)
1	Victoria	Rockland, MI	Ontonagon	Unattended	Vertical	1930	215
2							
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Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/09	12/31/08

### HYDROELECTRIC GENERATING PLANTS (Continued)

(details) as to such matters as percent ownership by respondent, name of co-owner, basis of sharing output, expenses, or revenues, and how expenses and/or revenues are accounted for and accounts affected. Specify if lessor, co-owner, or other party is an associated company.  
5. Designate any plant or portion thereof leased to another company, and give name of lessee, date and

term of lease and annual rent, and how determined. Specify whether lessee is an associated company.

6. Designate any plant or equipment owned, not operated, and not leased to another company. If such plant or equipment was not operated within the past year, explain whether it has been retired in the books of account or what disposition of the plant or equipment and its book cost are contemplated.

Water Wheels (Continued)			Generators						Total Installed Generating Capacity	Line No.
Design Head	RPM	Maximum Hp. Capacity of Unit at Design Head	Year Installed	Voltage	Phase	Frequency or d.c.	Name Plate Rating of Unit (in MW)	No. of Units in Plant	(Name Plate Ratings in megawatts)	
(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	
210	300	9000	1930	11500	3	60	6	2	12	1
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Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/30/09		Year of Report 12/31/08	
<b>INTERNAL-COMBUSTION ENGINE AND GAS-TURBINE GENERATING PLANTS</b>							
1. Include on this page internal-combustion engine and gas-turbine plants of 10,000 kilowatts and more. 2. Report the information called for concerning plants and equipment at end of year. Show associated prime movers and generators on the same line. 3. Exclude from this page, plant, the book cost of which is included in Account 121, <i>Nonutility Property</i> .				4. Designate any plants or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and term of lease, and annual rent. For any generating plant other than a leased plant, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the			
Line No.	Name of Plant  (a)	Location of Plant  (b)	Prime Movers <i>In Column (e), indicate basic cycle for gas-turbine as open or closed; indicate basic cycle for internal-combustion as 2 or 4.</i>				
			Internal-Combustion or Gas-Turbine  (c)	Year Installed  (d)	Cycle  (e)	Belted or Direct Connected  (f)	
1	Portage Generating	South Range, MI	Gas Turbine	1973	Open	Direct	
2	Gladstone Generating	Gladstone, MI	Gas Turbine	1987	Open	Direct	
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Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/30/09		Year of Report 12/31/08		
<b>INTERNAL-COMBUSTION ENGINE AND GAS-TURBINE GENERATING PLANTS (Continued)</b>								
operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) as to such matters as percent of ownership by respondent, name of co-owner, basis of sharing output, expenses or revenues, and how expenses and/or revenues are accounted for and accounts affected. Specify if lessor, co-owner, or other party is an associated company.				term of lease and annual rent and how determined. Specify whether lessee is an associated company.				
5. Designate any plant or portion thereof leased to another company and give name of lessee, date and				6. Designate any plant or equipment owned, not operated, and not leased to another company. If such plant or equipment was not operated within the past year, explain whether it has been retired in the books of account or what disposition of the plant or equipment and its book cost are contemplated.				
Prime Movers (Continued)	Generators						Total Installed Generating Capacity	Line
Rated Hp of Unit (g)	Year Installed (h)	Voltage (i)	Phase (j)	Frequency of d.c. (k)	Name Plate Rating of Unit (In MW) (l)	No. of Units in Plant (m)	(Name Plate Ratings in Mw) (n)	No.
31900	1973	12500	3	60	22.6	1	22.6	1
31900	1987	12500	3	60	22.6	1	22.6	2
								3
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Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report End of 2008/Q4
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**SUBSTATIONS**

- Report below the information called for concerning substations of the respondent as of the end of the year.
- Substations which serve only one industrial or street railway customer should not be listed below.
- Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
- Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Freeman's Sub, Neg Twsp	Distribution	138.00	34.00	
2	Gladstone Sub, Gladstone	Distribution	12.50	69.00	
3					
4	Masonville, Mason Twsp*	Distribution	69.00	34.00	
5	McClure Plt, Ishp	Distribution	2.40	34.00	
6	Moblie Sub, Ishp	Distribution	138.00	69.00	
7	Portage Generating, Adams Twsp	Distribution	69.00	12.50	
8	Barnum Sub, Ishp	Distribution	34.00	12.50	
9	Barnum Sub. Ishp	Distribution	69.00	12.50	
10	Delta Sub, Wells Twsp	Distribution	69.00	12.50	
11	Elevation St, Hancock*	Distribution	69.00	12.50	
12	Sawyer AFB	Distribution	69.00	12.50	
13	Henry Street Sub, Hurontown*	Distribution	69.00	12.50	
14	Lake Mine, Greenland Twsp*	Distribution	69.00	7.20	
15	L'Anse Dist, L'Anse*	Distribution	69.00	12.50	
16	Lincoln Ave Sub, Iron River	Distribution	69.00	12.50	
17	M-38 Sub, Baraga Twsp*	Distribution	69.00	12.50	
18	Negaunee City, Neg *	Distribution	34.00	4.16	
19	Ontonagon Sub, Ont*	Distribution	69.00	12.50	
20					
21	Toiv Sub, Elm River Twsp*	Distribution	69.00	12.50	
22	Victoria, Rockland Twsp	Distribution	69.00	12.50	
23	Osceola Sub, Laurium *	Distribution	69.00	12.50	
24	Ishpeming Steam Plant	Distribution	4.16	33.00	
25					
26	28 Subs Under 10,000 KVA	Distribution			
27	Total		1398.06	459.36	
28					
29					
30	* Substations serving customers with				
31	energy for resale.				
32					
33					
34					
35					
36					
37					
38					
39					
40					

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2009	Year/Period of Report End of 2008/Q4
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**SUBSTATIONS (Continued)**

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
25	1					1
37	1					2
						3
15	1					4
10	2					5
		1				6
37	1					7
12	2					8
22	1	1				9
14	1					10
24	2					11
11	2					12
11	1					13
1	1					14
28	2					15
14	1					16
6	1					17
6	3	1				18
7	1					19
						20
1	1					21
12	5	2				22
45	2					23
		1				24
						25
98	33	26				26
436	65	32				27
						28
						29
						30
						31
						32
						33
						34
						35
						36
						37
						38
						39
						40

Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/09	Year of Report 12/31/08
<b>ELECTRIC DISTRIBUTION METERS AND LINE TRANSFORMERS</b>				
1. Report below the information called for concerning distribution watt-hour meters and line transformers. 2. Include watt-hour demand distribution meters, but not external demand meters. 3. Show in a footnote the number of distribution watt-hour meters or line transformers held by the respondent under lease from others, jointly owned with others, or held otherwise than by reason of sole ownership by the respondent. If 500 or more meters		or line transformers are held under a lease, give name of lessor, date and period of lease, and annual rent. If 500 or more meters or line transformers are held other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of accounting for expenses between the parties, and state amounts and accounts affected in respondent's book of account. Specify in each case whether lessor, co-owner, or other party is an associated company.		
Line No.	Item  (a)	Number of Watt-Hours Meters  (b)	LINE TRANSFORMERS	
			Number  (c)	Total Capacity (In Mva)  (d)
1	Number at Beginning of Year	66,013	23,290	656
2	Additions During Year			
3	Purchases	1,995	494	26
4	Associated with Utility Plant Acquired			
5	TOTAL Additions (Enter Total of lines 3 and 4)	1,995	494	26
6	Reduction During Year			
7	Retirements	2,505	375	13
8	Associated with Utility Plant Sold		6	5
9	TOTAL Additions (Enter Total of lines 7 and 8)	2,505	381	18
10	Number at End of Year (Lines 1+ 5 - 9)	65,503	23,403	664
11	In Stock	3,203	915	64
12	Locked Meters on Customers' Premises			
13	Inactive Transformers on System			
14	In Customers' Use	62,298	22,488	600
15	In Company's Use	2		
16	Total End of Year (Enter Total of lines 11 to 15. This line should equal line 10)	65,503	23,403	664

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