

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.

Report submitted for year ending: December 31, 2010			
Present name of respondent: Upper Peninsula Power Company			
Address of principal place of business: 500 North Washington Street, Ishpeming, MI 49849			
Utility representative to whom inquires regarding this report may be directed:			
Name:	Keith E. Moyle	Title:	Vice President & General Manager
Address:	500 North Washington Street		
City:	Ishpeming	State:	MI Zip: 49849
Telephone, Including Area Code:	906-485-2408		
If the utility name has been changed during the past year:			
Prior Name:			
Date of Change:			
Two copies of the published annual report to stockholders:			
<input type="checkbox"/>		were forwarded to the Commission	
<input checked="" type="checkbox"/>		will be forwarded to the Commission	
		on or about	
Annual reports to stockholders:			
<input type="checkbox"/>		are published	
<input checked="" type="checkbox"/>		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 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, 2010, and the related statement of income — regulatory basis, retained earnings — regulatory basis, and cash flows — regulatory basis for the year ended December 31, 2010, included on pages 110(M) through 123 of the accompanying Michigan Public Service Commission Form P-521. These regulatory-basis financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these regulatory-basis 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 A, these regulatory-basis 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, 2010 and the results of its operations and its cash flows for the year ended December 31, 2010, 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 18, 2011

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

- (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.

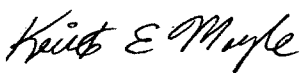
- III. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "NONE" where it truly and completely states the fact.
- IV. For any page(s) that is not applicable to respondent, either
- (a) Enter the words "NOT APPLICABLE" on the particular 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, 2010
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) 500 North Washington Street, Ishpeming, MI 49849		
05 Name of Contact Person Keith E. Moyle	06 Title of Contact Person Vice President & General Manager	
07 Address of Contact Person (Street, City, St., Zip) 500 North Washington Street, Ishpeming, MI 49849		
08 Telephone of Contact Person, Including Area Code: 906-485-2408	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 29, 2011
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 correct statement of the business and affairs of the above named respondent in respect to each and every matter set forth therein during the period from and including January 1 and including December 31 of the year of the report.		
01 Name Keith E. Moyle	03 Signature 	04 Date Signed (Mo, Da,Yr) April 29, 2011
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) 4/29/2011	Year of Report December 31, 2010
LIST OF SCHEDULES (Electric Utility)			
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;">GENERAL CORPORATE INFORMATION AND FINANCIAL STATEMENTS</p> <p>General Information 101</p> <p>Control Over Respondent & 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;">BALANCE SHEET SUPPORTING SCHEDULES (Assets and Other Debits)</p> <p>Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion 200-201 See FERC Form 1, Pages 200-201</p> <p>Nuclear Fuel Materials 202-203 None</p> <p>Electric Plant in Service M 204-211 See FERC Form 1, Pages 204-207</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;">BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Credits)</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) 4/29/2011	Year of Report December 31, 2010
LIST OF SCHEDULES (Electric Utility) (Continued)			
Title of Schedule (a)	Reference Page No. (b)	Remarks (c)	
BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Other Credits) (Continued)			
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	
INCOME ACCOUNT SUPPORTING SCHEDULES			
Electric Operating Revenues	M 300-301	See FERC Form 1, Pages 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	See FERC Form 1, Pages 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	See FERC Form 1, Page 335	
Depreciation and Amortization of Electric Plant	M 336-337	See FERC Form 1, Pages 336-337	
Particulars Concerning Certain Income Deduction and Interest Charges Accounts	340		
COMMON SECTION			
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	
ELECTRIC PLANT STATISTICAL DATA			
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	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) 4/29/2011	December 31, 2010

LIST OF SCHEDULES (Electric Utility) (Continued)

Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
ELECTRIC PLANT STATISTICAL DATA (Continued)		
Transmission Line Statistics	422-423	None
Transmission Lines Added During Year	424-425	None
Substations	426-427	See FERC Form 1, Pages 426-427
Electric Distribution Meters and Line Transformers	429	
Environmental Protection Facilities	430	None
Environmental Protection Expenses	431	None
Footnote Data	450	
Stockholders' Report	---	
MPSC SCHEDULES		
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	None
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	
Gain or Loss on Disposition of Property	280A-B	Page 280B - None
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	324N	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	None
Misc. Service Revenues & Other Electric Revenues	331B	
Lease Rentals Charged	333A-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) 4/29/2011	December 31, 2010

LIST OF SCHEDULES (Electric Utility) (Continued)

Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
MPSC SCHEDULES (Continued)		
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	
Changes Made or Scheduled to be Made in Generating Plant Capacities	412	
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	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) 4/29/2011	December 31, 2010

GENERAL INFORMATION

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.

Keith E. Moyle, 600 East Lakeshore Drive, Houghton, MI 49931

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.

Incorporated February 26, 1947, under the laws of the State of Michigan Act 327 of the Public Acts of 1931.

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.

Not Applicable

4. State the classes of utility and other services furnished by respondent during the year in each State in which respondent operated.

Respondent only operates in the State of Michigan and is engaged in the business of generating, purchasing, distributing, and selling electricity.

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?

(1) ☐ Yes...Enter date when such independent accountant was initially engaged: _____.

(2) ☒ No

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) 4/29/2011	December 31, 2010

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").

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) 12/31/2010	Year/Period of Report End of 2010/Q4
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CORPORATIONS CONTROLLED BY RESPONDENT

- 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.
- 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.
- If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

Definitions

- See the Uniform System of Accounts for a definition of control.
- Direct control is that which is exercised without interposition of an intermediary.
- Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
- 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	2.67%	
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 84%); and, another utility			
9	subsidiary, Wisconsin Public Service Corp.			
10	(approximately 13%). 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) 4/29/2011	Year of Report December 31, 2010		
OFFICERS AND EMPLOYEES					
1. Report below the name, title and salary for the five executive officers 2. Report in column (b) salaries and wages accrued during the year including deferred compensation. 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). 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. 5. Upon request, the Company will provide the Commission with supplemental information on officers and other employees and salaries.					
Line	Name and Title	Base Wages	Other Compensation	Type of Other Compensation	Total Compensation
	(a)	(b)	(c)	(d)	(e)
1	Lawrence T. Borgard Chief Executive Officer	None	None	None	None
2	Barbara A. Nick President	None	None	None	None
3	Keith E. Moyle Vice President & General Manager	\$147,335	\$79,603 \$35,343	B & D C	\$226,938
4	William C. Guc Vice President & Treasurer	None	None	None	None
5	James F. Schott Vice President External Affairs	None	None	None	None
6	Barth J. Wolf Secretary	None	None	None	None
7	Dane E. Allen Assistant Secretary	None	None	None	None
Footnote Data					
1	Lawrence T. Borgard's salary is paid by Integrys Business Support, LLC. It is not reported here.				
2	Barbara A. Nick's salary is paid by Wisconsin Public Service Corporation. It is not reported here.				
3	Salary for the year includes elective deferred compensation, FASB ASC Topic 718 Stock Compensation expense, above market earning compensation, bonuses, and company contributions under the Employee Stock Ownership and Trust. Balances reported agree with amount in the Proxy and Form 10-K, if applicable.				
4	William J. Guc's salary is paid by Integrys Business Support, LLC. It is not reported here.				
5	James F. Schott's salary is paid by Integrys Business Support, LLC. It is not reported here.				
6	Barth J. Wolf's salary is paid by Integrys Business Support, LLC. It is not reported here.				
7	Dane E. Allen's salary is paid by Integrys Business Support, LLC. It is not reported here.				
Compensation Type Codes: A = Executive Incentive Compensation B = Incentive Plan (Matching Employer Contribution) C = Stock Plans D = Other Reimbursements					

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) 4/29/2011	Year of Report December 31, 2010
DIRECTORS			
<p>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.</p> <p>2. Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.</p>			
Name and Title of Director (a)	Principal Business Address (b)	# of Directors Meetings During Yr (c) (2)	Fees During Yr (d) (3)
1 Lawrence T. Borgard, Chairman	Integrus Business Support, LLC 130 East Randolph Street Chicago, IL 60601	5	None
2 Keith E. Moyle	Upper Peninsula Power Company 500 North Washington Street Ishpeming, MI 49849	7	None
3 Barbara A. Nick	Wisconsin Public Service Corporation 700 North Adams Street Green Bay, WI 54301	6	None
4 Joseph P. O'Leary	Integrus Business Support, LLC 130 East Randolph Street Chicago, IL 60601	7	None
5 James F. Schott	Wisconsin Public Service Corporation 700 North Adams Street Green Bay, WI 54301	4	None
6 Charles A. Schrock	Integrus Business Support, LLC 130 East Randolph Street Chicago, IL 60601	7	None
<p><u>Footnote Data</u></p> <p>1</p> <p>2</p> <p>3</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) 4/29/2011	Year of Report December 31, 2010
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SECURITY HOLDERS AND VOTING POWERS
<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>Total: 1,473,736</p> <p>By Proxy: 0</p>
<p>3. Give the date and place of such meeting:</p> <p>Directors were elected May 11, 2010 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) 4/29/2011	Year of Report December 31, 2010
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SECURITY HOLDERS AND VOTING POWERS (Continued)

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	Integrus Energy Group, Inc.		1,473,736		
8	130 East Randolph Street				
9	Chicago, IL 60601				
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RESPONSE/NOTES TO INSTRUCTION

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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 12/31/2010	Year/Period of Report End of 2010/Q4
IMPORTANT CHANGES DURING THE QUARTER/YEAR			
<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> <ol style="list-style-type: none"> 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. 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. 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. 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. 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. 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. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments. State the estimated annual effect and nature of any important wage scale changes during the year. 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. 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. (Reserved.) 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. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period. 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. 			
PAGE 108 INTENTIONALLY LEFT BLANK SEE PAGE 109 FOR REQUIRED INFORMATION.			

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) 12/31/2010	Year/Period of Report 2010/Q4
Upper Peninsula Power Company			
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

1. None.
2. None.
3. None.
4. None.
5. None.
6. ST Notes Payable to Affiliates \$8,950,000 FERC 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% general wage increase effective April 19, 2010. Non-union employees received a 2% general wage increase effective February 21, 2010.
9. See Notes to Financial Statements, Pages 122-123.
10. There were no materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder 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. James F. Schott was appointed to the Board of Directors, May 11, 2010. Bradley A. Johnson was removed as Vice President and Treasurer on December, 1, 2010. William J. Guc was appointed Treasurer effective December 1, 2010.
14. We do not participate in a cash management program in which money is advanced to parent, subsidiary, or affiliated companies and our proprietary captial ratio is > 30%.

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) 4/29/2011	Year of Report December 31, 2010
COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)				
Line	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)		212,708,056	240,383,085
3	Construction Work in Progress (107)		6,398,224	2,918,784
4	TOTAL Utility Plant (Enter total of lines 2 and 3)		219,106,280	243,301,869
5	(Less) Accum.Prov for Depr.Amort.Depl (108,111,115)		90,735,581	94,181,124
6	Net Utility Plant (Enter total of line 4 less 5)		128,370,699	149,120,745
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)			
13	Net Nuclear Fuel (Enter total of line 7 less 8)		0	0
14	Net Utility Plant (Enter total of lines 6 and 13)		128,370,699	149,120,745
15	Utility Plant Adjustments (116)			
16	Gas Stored Underground-Noncurrent (117)			
17	OTHER PROPERTY AND INVESTMENTS			
18	Nonutility Property (121)		7,384,081	7,580,656
19	(Less) Accum.Prov. for Depr. and Amort. (122)		987,474	1,163,662
20	Investments in Associated Companies (123)			
21	Investments in Subsidiary Companies (123.1)		14,572,075	14,967,002
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
23	Noncurrent Portion of Allowances			
24	Other Investments (124)			152,090
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)		20,968,682	21,536,086
33	CURRENT AND ACCRUED ASSETS			
34	Cash and Working Funds (Non-Major Only) (130)			
35	Cash (131)		568,112	291,412
36	Special Deposits (132-134)		502,534	23,228
37	Working Fund (135)		2,750	
38	Temporary Cash Investments (136)			
39	Notes Receivable (141)			
40	Customer Accounts Receivable (142)		9,338,567	9,474,651
41	Other Accounts Receivable (143)		5,397,823	2,977,480
42	(Less) Accum.Prov. for Uncoll. Acct.- Credit (144)		359,140	260,000
43	Notes Receivable from Assoc. Companies (145)			
44	Accounts Receivable from Assoc. Companies (146)		34,409	12,612
45	Fuel Stock (151)		440,306	510,993
46	Fuel Stock Expenses Undistributed (152)			
47	Residuals (Elec) and Extracted Products (153)			
48	Plant Materials and Operating Supplies (154)		1,026,918	1,007,857
49	Merchandise (155)			
50	Other Materials and Supplies (156)			
51	Nuclear Materials Held for Sale (157)			
52	Allowances (158.1 and 158.2)			

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) 4/29/2011	Year of Report December 31, 2010
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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS) (Continued)

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)		89,281	114,390
55	Gas Stored Underground-Current (164.1)			
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)			
57	Prepayments (165)		5,270,644	2,457,590
58	Advances for Gas (166-167)			
59	Interest and Dividends Receivable (171)			
60	Rents Receivable (172)			
61	Accrued Utility Revenues (173)		3,983,285	4,222,587
62	Misc Current and Accrued Assets (174)		4,658,444	4,374,100
63	Derivative Instrument Assets (175)		496,878	851,857
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)		31,450,811	26,058,757
68	DEFERRED DEBITS			
69	Unamortized Debt Expenses (181)		53,121	42,328
70	Extraordinary Property Losses (182.1)			
71	Unrecovered Plant & Regulatory Study Costs (182.2)			
72	Other Regulatory Assets		55,848,961	68,889,295
73	Prelim. Survey & Invest. Charges (Elec) (183)			
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)		3,461,004	2,575,744
79	Def. Losses from Disposition of Utility Plant (187)			
80	Research, Devel. and Demonstration Expend (188)			
81	Unamortized Loss on Reacquired Debt (189)		32,097	29,385
82	Accumulated Deferred Income Taxes (190)		5,145,781	4,000,626
83	Unrecovered Purchased Gas Costs (191)			
84	TOTAL Deferred Debits (Enter total of lines 69 thru 83)		64,540,964	75,537,378
85	TOTAL Assets and Other Debits (Enter total of lines 14 thru 16, 32, 67, and 84)		245,331,156	272,252,966

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) 4/29/2011	Year of Report December 31, 2010
COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)				
Line	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)		13,263,624	13,263,624
3	Preferred Stock Issued (204)			
4	Capital Stock Subscribed (202, 205)			
5	Stock Liability for Conversion (203, 206)			
6	Premium on Capital Stock (207)		14,921,424	20,887,579
7	Other Paid-In Capital (208-211)		40,250	40,250
8	Installments Received on Capital Stock (212)			
9	(Less) Discount on Capital Stock (213)			
10	(Less) Capital Stock Expense (214)			
11	Retained Earnings (215, 215.1, 216)		46,561,524	54,083,532
12	Unappropriated Undistributed Subsidiary Earnings (216.1)		3,548,435	3,905,116
13	(Less) Reacquired Capital Stock (217)			
14	Noncorporate Proprietorship (Non-major only) (218)			
15	Accumulated Other Comprehensive Income (219)			24,778
16	TOTAL Proprietary Capital (Enter total of lines 2 thru 15)		78,335,257	92,204,879
17	LONG-TERM DEBT			
18	Bonds (221)		10,800,000	9,400,000
19	(Less) Reacquired Bonds (222)			
20	Advances from Associated Companies (223)		30,000,000	45,000,000
21	Other Long-Term Debt (224)			
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)		40,800,000	54,400,000
25	OTHER NONCURRENT LIABILITIES			
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)		48,897,241	38,646,070
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)		834,076	881,522
35	TOTAL Other Noncurrent Liabilities (Enter total of lines 26 thru 34)		49,731,317	39,527,592
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)			
38	Accounts Payable (232)		8,493,580	11,297,282
39	Notes Payable to Associated Companies (233)		10,395,000	8,950,000
40	Accounts Payable to Associated Companies (234)		8,354,190	4,795,299
41	Customer Deposits (235)		791,778	153,821
42	Taxes Accrued (236)		4,271,093	4,417,601
43	Interest Accrued (237)		167,760	146,014
44	Dividends Declared (238)			
45	Matured Long-Term Debt (239)			

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) 4/29/2011	December 31, 2010

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (Continued)

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)		136,915	160,619
48	Misc. Current and Accrued Liabilities (242)		2,376,031	2,302,578
49	Obligations Under Capital Leases -Current (243)			
49	Derivative Instrument Liabilities (244)		33,417	
50	Federal Income Taxes Accrued for Prior Years (244)			
51	Michigan Single Business Taxes Accrued for Prior Years (244.1)			
52	Fed. Inc. Taxes Accrued for Prior Years -Adj. (245)			
53	Michigan Single Business Taxes Accrued for Prior Years - Adj. (245.1)			
54	TOTAL Current and Accrued Liabilities (Enter total of lines 37 thru 53)		35,019,764	32,223,214
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		5,102,648	5,069,771
57	Accumulated Deferred Investment Tax Credits (255)		1,071,075	1,775,094
58	Deferred Gains from Disposition of Utility Plt. (256)			
59	Other Deferred Credits (253)		2,787,547	4,049,124
60	Other Regulatory Liabilities		4,769,672	4,310,344
61	Unamortized Gain on Reacquired Debt (257)			
62	Accum. Deferred Income Taxes-Accel. Amort. (281)			
63	Accum. Deferred Income Taxes-Other Property (282)		24,403,040	33,954,173
64	Accum. Deferred Income Taxes-Other (283)		3,310,836	4,738,775
65	TOTAL Deferred Credits (Enter total of lines 56 thru 64)		41,444,818	53,897,281
66	TOTAL Liabilities and Other Credits (Enter total of lines 16, 24, 35, 54 and 65)		245,331,156	272,252,966

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) 4/29/2011	December 31, 2010

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
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	UTILITY OPERATING INCOME			
2	Operating Revenues (400)	300-301	118,482,611	116,492,817
3	Operating Expenses			
4	Operation Expenses (401)	320-323	86,728,051	93,721,394
5	Maintenance Expenses (402)	320-323	7,510,506	6,942,680
6	Depreciation Expenses (403)	336-337	6,240,836	5,859,389
7	Depreciation Expenses for Asset Retirement Costs (403.1)			
8	Amortization and Depl. of Utility Plant (404-405)	336-337	150,141	186,914
9	Amortization of Utility Plant Acq. Adj (406)	336-337	106,797	141,533
10	Amort. Of Property Losses, Unrecovered Plant and Regulatory Study Costs (407)			
11	Amort. Of Conversion Expenses (407)			
12	Regulatory Debits (407.3)			
13	(Less) Regulatory Credits (407.4)			
14	Taxes Other Than Income Taxes (408.1)	262-263	5,085,429	4,818,748
15	Income Taxes-Federal (409.1)	262-263	(4,895,179)	(3,494,651)
16	-Other (409.1)	262-263	(503,358)	(80,873)
17	Provision for Deferred Income Taxes (410.1)	234,272-276	20,692,256	9,888,103
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234,272-276	12,308,266	5,583,225
19	Investment Tax Credit Adj.- Net (411.4)	266-267	693,107	
20	(Less) Gains from Disp. of Utility Plant (411.6)	270A-B		
21	Losses from Disposition of Utility Plant (411.7)	235A-B		
22	(Less) Gains from Disposition of Allowances (411.8)			
23	Losses from Disposition of Allowances (411.9)			
24	Accretion Expense (411.10)			
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		109,500,320	112,400,012
26	Net Utility Operating Income (Enter Total of line 2 less 25) (Carry forward to page 117, line 27)		8,982,291	4,092,805

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) 4/29/2011	December 31, 2010

STATEMENT OF INCOME FOR THE YEAR (Continued)

...retain such revenues or recover amounts paid with respect to power and gas purchases.

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.

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.

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 preceeding year. Also give the approximate dollar effect of such changes.

9. Explain in a footnote if the previous year's figures are different from that reported in prior years.

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.

ELECTRIC 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
118,482,611	116,492,817					2
						3
86,728,051	93,721,394					4
7,510,506	6,942,680					5
6,240,836	5,859,389					6
						7
150,141	186,914					8
106,797	141,533					9
						10
						11
						12
						13
5,085,429	4,818,748					14
(4,895,179)	(3,494,651)					15
(503,358)	(80,873)					16
20,692,256	9,888,103					17
12,308,266	5,583,225					18
693,107	390,789					19
						20
						21
						22
						23
						24
109,500,320	112,790,801	0	0	0	0	25
8,982,291	3,702,016	0	0	0	0	26

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) 4/29/2011	Year of Report December 31, 2010
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>		8,982,291	4,092,805
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	1,107,942	537,655
34	(Less) Expenses of Nonutility Operations (417.1)	282	926,784	822,499
35	Nonoperating Rental Income (418)	282	3,900	4,200
36	Equity in Earnings of Subsidiary Companies (418.1)	119,282	2,113,475	2,159,323
37	Interest and Dividend Income (419)	282	33,116	89,500
38	Allowance for Other Funds Used During Construction (419.1)	282	585,094	75,719
39	Miscellaneous Nonoperating Income (421)	282	211,866	(404,520)
40	Gain on Disposition of Property (421.1)	280	2,204	2,039,288
41	TOTAL Other Income <i>(enter Total of lines 31 thru 40)</i>		3,130,813	3,678,666
42	Other Income Deductions			
43	Loss on Disposition of Property (421.2)	280		
44	Miscellaneous Amortization (425)	340		
45	Donations (426.1)		66,132	68,260
46	Life Insurance (426.2)			
47	Penalties (426.3)		(198,075)	(32,626)
48	Exp. for Certain Civic, Political & Related Activities (426.4)		20,143	15,694
49	Other Deductions (426.5)		(1,558)	3,177,303
50	TOTAL Other Income Deductions <i>(Total of lines 43 thru 49)</i>		(113,358)	3,228,631
51	Taxes Applicable to Other Income and Deductions			
52	Taxes Other Than Income Taxes (408.2)	262-263	226,327	267,409
53	Income Taxes - Federal (409.2)	262-263	(523,257)	163,790
54	Income Taxes - Other (409.2)	262-263	(65,373)	7,255
55	Provision for Deferred Income Taxes (410.2)	234,272-276	1,621,380	2,760,002
56	(Less) Provision for Deferred Income Taxes - Cr. (411.2)	234,272-276	129,080	2,984,123
57	Investment Tax Credit Adjustment - Net (411.5)	264-265	10,911	1,987
58	(Less) Investment Tax Credits (420)	264-265		
59	TOTAL Taxes on Other Income and Deductions <i>(total of 52 thru 58)</i>		1,140,908	216,320
60	Net Other Income and Deductions <i>(total of lines 41,50 & 59)</i>		2,103,263	233,715
61	INTEREST CHARGES			
62	Interest on Long-Term Debt (427)	257	961,514	1,076,460
63	Amort. Of Debt Disc. And Expense (428)	256-257	10,793	9,290
64	Amortization 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	2,290,328	1,849,632
68	Other Interest Expense (431)	340	138,907	68,414
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		197,390	31,936
70	Net Interest Charges <i>(total of lines 62 thru 69)</i>		3,206,864	2,974,572
71	Income Before Extraordinary Items <i>(total lines 27,60,70)</i>		7,878,690	1,351,948
72	EXTRAORDINARY ITEMS			
73	Extraordinary Income (434)	342		
74	(Less) Extraordinary Deductions (435)	342		
75	Net Extraordinary Items <i>(total line 73 less line 74)</i>		0	0
76	Income Taxes-Federal and Other (409.3)	262-263		
77	Extraordinary Items After Taxes <i>(Enter Total of lines 75 less line 76)</i>		0	0
78	Net Income <i>(Enter Total of lines 71 and 77)</i>		7,878,690	1,351,948

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) 4/29/2011	Year of Report December 31, 2010
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FOOTNOTE DATE

Page Number (a)	Item Number (b)	Column Number (c)	Comments (d)
115	2 & 4	(e)	Includes \$3,098,488 for FERC Order 668-A.
115	2 & 4	(f)	Includes \$3,098,488 for FERC Order 668-A.
117	39	(d)	Gladstone property ARO adjustment and non-utility land value changes.
117	40	(d)	Hydro land sales.
117	49	(d)	Buyback of hydro lands.
117	67	(c)	Interest on Long Term Debt to Associated Companies \$2,242,397 Interest on Short Term Debt to Associated Companies <u>47,931</u> \$2,290,328
117	67	(d)	Interest on Long Term Debt to Associated Companies \$1,721,635 Interest on Short Term Debt to Associated Companies <u>127,997</u> \$1,849,632

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) 4/29/2011	December 31, 2010

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	4,188,230	
3 Account 281		
4 Account 282	7,588,130	
5 Account 283	8,915,896	
6 Account 284		
7 Reconciling Adjustments		
8 TOTAL Account 410.1 (on pages 114-115 line 17)	20,692,256	0
9 TOTAL Account 410.2 (on page 117 line 55)		
10 Credits to Account 411 from:		
11 Account 190	(3,679,625)	
12 Account 281		
13 Account 282	(1,049,851)	
14 Account 283	(7,578,790)	
15 Account 284		
16 Reconciling Adjustments		
17 TOTAL Account 411.1 (on page 114-115 line 18)	(12,308,266)	0
18 TOTAL Account 411.2 (on page 117 line 56)		
19 Net ITC Adjustment:		
20 ITC Utilized for the Year DR	752,474	
21 ITC Amortized for the Year CR	(59,367)	
22 ITC Adjustments:		
23 Adjust last year's estimate to actual per filed return		
24 Other (specify)		
25 Net Reconciling Adjustments Account 411.4*	693,107	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) 4/29/2011	December 31, 2010

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.
				1
	4,188,230	188	4,188,418	2
				3
	7,588,130	1,606,473	9,194,603	4
	8,915,896	14720	8,930,615	5
				6
				7
0	20,692,256			8
		1,621,381		9
				10
	(3,679,625)	(4,007)	(3,683,632)	11
				12
	(1,049,851)	(103,110)	(1,152,961)	13
	(7,578,790)	(21,962)	(7,600,752)	14
				15
				16
0	(12,308,266)			17
		(129,079)		18
				19
	752,474	11,162	763,637	20
	(59,367)	(251)	(59,618)	21
				22
			0	23
			0	24
0	693,107	10,911		25
				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) 4/29/2011	December 31, 2010

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		46,528,338
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: Loss on Reacquired Preferred Stock - 7.72% Series		
11	Debit:		
12	Debit:		
13	TOTAL Debits to Retained Earnings (439)		5,765,215
14	Balance Transferred from Income (Account 433 Less Account 418.1)		
15	Appropriations of Retained Earnings (Account 436)		
16	Change in Amortization Reserve-Federal in accordance with FERC Order No. 387		
17			
18			
19			
20			
21	TOTAL Appropriations of Retained Earnings (Account 436)		0
22	Dividends Declared-Preferred Stock (Account 437)		
23	5.00% Series - \$5.00 per share		
24	5.04% Series - \$5.04 per share		
25	5.08% Series - \$5.08 per share		
26	6.76% Series - \$6.76 per share		
27	6.88% Series - \$6.88 per share		
28	TOTAL Dividends Declared-Preferred Stock (Account 437)		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) 4/29/2011	Year of Report December 31, 2010
STATEMENT OF RETAINED EARNINGS FOR THE YEAR (Continued)				
Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)	
29	Dividends Declared-Common Stock (Account 438)			
30	Dividends Declared on Common Stock			
31	Dividends of Deferred Comp Fixed Stock			
32	Deferred Tax on Dividends of Deferred Comp Fixed Stock			
33				
34				
35	TOTAL Dividends Declared-Common Stock (Account 438)		0	
36	Transfers from Account 216.1 Unappropriated Undistributed Subsidiary Earnings		1,756,793	
37	Balance - End of the Year (Enter Total of lines 1 thru 36)		54,050,346	
APPROPRIATED RETAINED EARNINGS (Account 215) 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)		0	
APPROPRIATED RETAINED EARNINGS-AMORTIZATION RESERVE, FEDERAL (Account 215.1) 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)		33,186	
46	TOTAL Retained Earnings (Accounts 215, 215.1 & 216)		54,083,532	
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)				
47	Balance-Beginning of Year (Debit or Credit)		3,548,435	
48	Equity in Earnings for Year (Credit) (Account 418.1)		2,113,475	
49	(Less) Dividends Received (Debit)		1,756,794	
50	Other Changes (Explain)			
51	Balance-End of Year (Enter Total of lines 47 thru 50)		3,905,116	

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) 4/29/2011	December 31, 2010

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 78 (c) on page 117	7,878,690
3	Noncash Charges (Credits) to Income:	
4	Depreciation and Depletion	6,665,311
5	Amortization of (Specify) Nuclear Fuel	
6	Amortization of (Specify) Other	
7	Regulatory Assets	32,922
8	Deferred Income Taxes (Net)	9,892,209
9	Investment Tax Credit Adjustment (Net)	704,019
10	Net (Increase) Decrease in Receivables	1,705,091
11	Net (Increase) Decrease in Inventory	(76,735)
12	Net (Increase) Decrease in Allowances Inventory	
13	Net (Increase) Decrease in Payables and Accrued Expenses	(1,216,493)
14	Net (Increase) Decrease in Other Regulatory Assets	(2,378,406)
15	Net (Increase) Decrease in Other Regulatory Liabilities	148,637
16	(Less) Allowance for Other Funds Used During Construction	783,235
17	(Less) Undistributed Earnings from Subsidiary Companies	394,682
18	Other:	
19	Pension & Post Retirement	(15,833,261)
20	Changes to Working Capital besides cash	2,707,557
21	Other items not affecting cash flow	517,129
22	Net Cash Provided by (Used in) Operating Activities (Total of lines 2 thru 21)	9,568,753
23		
24	Cash Flows from Investment Activities:	
25	Construction and Acquisition of Plant (including land):	
26	Gross Additions to Utility Plant (less nuclear fuel)	(26,793,420)
27	Gross Additions to Nuclear Fuel	
28	Gross Additions to Common Utility Plant	
29	Gross Additions to Nonutility Plant	(250,924)
30	(Less) Allowance to Other Funds Used During Construction	
31	Other:	
32	Weston 4 Interconnection	
33		
34	Cash Outflows for Plant (Total of lines 26 thru 33)	(27,044,344)
35		
36	Acquisition of Other Noncurrent Assets (d)	
37	Proceeds from Disposal of Noncurrent Assets (d)	144,607
38	Other financing activities	(1,606,000)
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) 4/29/2011	December 31, 2010

STATEMENT OF CASH FLOWS (Continued)

4. Investing Activities		5. Codes used:
(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.		(a) Net proceeds or payments.
(b) Do 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) Bonds, debentures and other long-term debt.
		(c) Include commercial paper.
		(d) Identify separately such items as investments, fixed assets, intangibles, etc.
		6. 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)	(28,505,737)
58		
59	Cash Flows from Financing Activities:	
60	Proceeds from Issuance of:	
61	Long Term Debt (b)	15,000,000
62	Preferred Stock	
63	Common Stock	
64	Other:	
65	Equity Contribution From Parent	6,000,000
66	Net Increase in Short-Term Debt (c)	
67	Other:	
68	Changes in Loans on Executive Life Insurance	
69		
70	Cash Provided by Outside Sources (Total of lines 61 thru 69)	21,000,000
71		
72	Payments for Retirement of:	
73	Long Term Debt (b)	(1,400,000)
74	Preferred Stock	
75	Common Stock	
76	Other:	
77	Redemption of Intercompany Notes Payable	(1,445,000)
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)	18,155,000
84		
85	Net Increase (Decrease) in Cash and Cash Equivalents	
86	(Total of lines 22, 57 and 83)	(781,984)
87		
88	Cash and Cash Equivalents at Beginning of Year	1,073,396
89		
90	Cash and Cash Equivalents at End of Year	291,412

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) 4/29/2011	December 31, 2010

FOOTNOTE DATE

Page Number (a)	Item Number (b)	Column Number (c)	Comments (d)
120	19	(b)	Pension and Post Retirement Expense \$3,050,215 Pension and Post Retirement Contributions (18,855,746) Intercompany Pension and Post Retirement <u>(27,730)</u> (\$15,833,261)
120	20	(b)	Accrued Revenue (\$239,302) Current Regulatory Assets 431,344 Prepays 2,641,827 Investments & Other Assets (152,090) Other Comprehensive Income <u>24,778</u> \$2,707,557

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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, Year) 4/29/2011	Year of Report December 31, 2010
STATEMENT OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES					
<p>1. Report in columns (b), (c), (d) and (e) the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate.</p> <p>2. Report in columns (f) and (g) the amounts of other categories of other cash flow hedges</p> <p>3. For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a footnote.</p>					
Line No.	Item (a)	Unrealized Gains and Losses on Available for Sale Securities (b)	Minimum Pension Liability and adjustment (net amount) (c)	Foreign Currency Hedges (d)	Other Adjustments (e)
1	Balance of Account 219 at Beginning of Preceding Year				
2	Preceding Yr to Date Reclassifications from Acct 219 to Net Income				
3	Preceding Year to Date Changes in Fair Value				
4	Total (lines 2 and 3)				
5	Balance of Account 219 at End of Preceding Year				
6	Balance of Account 219 at Beginning of Current Year				
7	Current Year to Date Reclassifications from Acct 219 to Net Income				
8	Current Year to Date Changes in Fair Value	24,778			
9	Total (lines 7 and 8)	24,778			
10	Balance of Account 219 at End of Current Year	24,778			

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, Year) 4/29/2011	Year of Report December 31, 2010	
Line No.	Other Cash Flow Hedges Interest Rate Swaps (f)	Other Cash Flow Hedges (specify) (g)	Totals for each category of items recorded in Account 219 (h)	Net Income (carried forward from Page 117, Line 78) (i)	Total Comprehensive Income (j)
1					
2					
3					
4					
5					
6					
7					
8			24,778		
9			24,778		24,778
10			24,778		

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 12/31/2010	Year/Period of Report End of 2010/Q4
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NOTES TO FINANCIAL STATEMENTS

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.
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.
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.
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.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
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.
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.
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.
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.

PAGE 122 INTENTIONALLY LEFT BLANK
SEE PAGE 123 FOR REQUIRED INFORMATION.

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) 12/31/2010	Year/Period of Report 2010/Q4
Upper Peninsula Power Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

NOTES TO FINANCIAL STATEMENTS

NOTE A--FERC FORM 1 REPORTING COMPARED TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

The accompanying financial statements have been prepared in accordance with the accounting requirements of the Federal Energy Regulatory Commission ("FERC") as set forth in the Uniform System of Accounts and accounting releases, which differs from accounting principles generally accepted in the United State of America. The principal differences for Upper Peninsula Power Company (the "Company" or "UPPCO") are:

1. Removal costs that do not have an associated legal obligation are classified as a component of accumulated depreciation, whereas these costs are classified for GAAP as a regulatory liability.
2. UPPCO accounts for its investment in WPS Investments on the equity method rather than consolidating 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, deferred credits, and current assets and liabilities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Nature of Operations

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

The term "utility" refers to the regulated activities of UPPCO, while the term "nonutility" refers to the activities of UPPCO that are not regulated.

b. Use of Estimates

UPPCO prepares its financial statements in conformity with the accounting requirements of FERC. UPPCO makes estimates and assumptions that affect assets, liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

c. Cash and Cash Equivalents

We consider short-term investments with an original maturity of three months or less to be cash equivalents. Cash received for income taxes was \$8.8 million at December 31, 2010 and cash paid for income taxes was \$0.2 million at December 31, 2009. Cash paid for interest was \$3.2 million and \$2.8 million at December 31, 2010 and 2009, respectively.

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d. Revenues and Customer Receivables

Revenues are recognized on the accrual basis and include estimated amounts for electric power delivered to customers through the end of the period but not yet billed to customers. At December 31, 2010 and 2009, UPPCO's unbilled revenues were \$4.2 million and \$4.0 million, respectively.

Under FERC guidance, 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. The Company follows this FERC guidance. For each hour, if the company is a net seller in a market, the net amount is reported as revenues, and if the company is a net buyer in a market, the net amount is reported as operation expenses.

The Company uses automatic fuel and purchased power adjustment clauses for the Michigan Public Service Commission ("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.

The Company is required to provide service and grant credit to customers within its service territory. The Company continually reviews its 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 using a four-year average of bad debts net of recoveries as a percentage of total accounts receivable. The historical percentage is reviewed in light of the current year conditions, and an appropriate percentage is applied to the current year-end accounts receivable balance to determine the required reserve balance. Effective January 1, 2010, UPPCO was authorized to implement an Uncollectible Expense Tracking Mechanism ("UETM"), which allows for the deferral and subsequent recovery or refund of 80% of the difference between the actual write-offs (net of recoveries) and the \$0.4 million of bad debt expense included in utility rates. The Company accrued a refund of \$0.1 million in regulatory liabilities at December 31, 2010.

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

e. Inventories

Inventories consist of fossil fuels and materials and supplies. Average cost is used to value fossil fuels and materials and supplies.

f. Risk Management Activities

As part of its regular operations, UPPCO may enter into contracts, including forwards and other contractual commitments, to manage changes in commodity prices. All derivatives are recognized on the balance sheet at their fair value unless they are designated as and qualify for the normal purchases and sales exception. UPPCO continually assesses its contracts designated as normal and will discontinue the treatment of these contracts as normal if the required criteria are no longer met. All energy-related derivatives at UPPCO qualify for regulatory deferral. These derivatives are marked to fair value; the resulting risk management assets are offset with regulatory liabilities or decreases to regulatory assets, and risk management liabilities are offset with regulatory assets or decreases to regulatory liabilities. Management believes any gains or losses resulting from the eventual settlement of these derivative instruments will be collected from or refunded to customers in rates.

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For additional information on Risk Management Activities, see Note 2, *Risk Management Activities*.

g. Property, Plant, and Equipment

Utility plant is stated at original cost, including any associated allowance for funds used during construction ("AFUDC") and asset retirement costs. The costs of renewals and betterments of units of property (as distinguished from minor items of property) are capitalized as additions to the utility plant accounts. Except for land, no gain or loss is recognized in connection with ordinary retirements of utility property units. The utility charges the cost of units of property retired, sold, or otherwise disposed of to the accumulated provision for depreciation. The cost of removal associated with the retirement is also charged to the accumulated provision for depreciation. Maintenance, repair, replacement, and renewal costs associated with items not qualifying as units of property are considered operating expenses. Substantially all utility property is subject to lien and collateralized under first mortgage bonds.

The original cost of utility property is depreciated using the straight-line method over its estimated useful life, using depreciation rates approved by the MPSC. The Company's annual composite depreciation rates for 2010 and 2009 were 3.18% and 3.05%, respectively.

Nonutility property mainly consists of three Escanaba River Hydros (9 MW total) purchased from Escanaba Paper Company, a division of Mead Corporation. Under terms of the purchase agreement, Escanaba Paper will purchase all energy produced by the hydros through June 30, 2012.

h. Regulatory Assets and Liabilities

Regulatory assets represent probable future revenue associated with certain costs or liabilities that have been deferred and are expected to be recovered from customers through the ratemaking process. Regulatory liabilities represent amounts that are expected to be refunded to customers in future rates or amounts collected in rates for future costs. 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 the reduction charged to expense in the year the determination is made. See Note 4, *"Regulatory Assets and Liabilities"* for more information.

i. Retirement of Debt

Any call premiums or unamortized expenses associated with refinancing utility debt obligations are amortized consistent with regulatory treatment of those items. Any gains or losses resulting from the retirement of utility debt that is not refinanced are either amortized over the remaining life of the original debt or recorded through earnings.

j. Asset Retirement Obligations

UPPCO recognizes legal obligations at fair value associated with the retirement of tangible long-lived assets that resulted from the acquisition, construction or development, and/or normal operation of the assets. A liability is recorded for these obligations as long as the fair value can be reasonably estimated, even if the timing or method of settling the obligation is unknown. The asset retirement obligations are accreted using a credit-adjusted risk-free interest rate commensurate with the expected settlement dates of the asset retirement obligations; this rate is determined at the date the obligation is incurred. The associated retirement costs are capitalized as part of the related long-lived assets and are depreciated over the useful lives of the assets. Subsequent changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or decrease in the carrying amount of the liability and the associated retirement costs. See Note 7, *"Asset Retirement Obligations,"* for more information.

k. Income Taxes

Deferred income taxes have been recorded to recognize the expected future tax consequences of events that have been included in the financial statements by using currently enacted tax rates for the differences between the tax basis of assets and liabilities and the basis reported in the financial statements. UPPCO records valuation

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allowances for deferred tax assets when it is uncertain if the benefit will be realized in the future. The company defers certain adjustments made to income taxes that will impact future rates and records regulatory assets or liabilities related to these adjustments.

UPPCO utilizes the deferral method of accounting for investment tax credits ("ITCs"). Under this method, UPPCO defers the ITC's in the year the credit is received and reduces the provision for income taxes over the useful life of the related property.

UPPCO is included in the consolidated United States income tax return filed by Integrys Energy Group. UPPCO is party to a federal and state tax allocation arrangement with Integrys Energy Group and its subsidiaries under which each entity determines its provision for income taxes on a stand-alone basis. UPPCO settles the intercompany liabilities at the time that payments are made to the applicable taxing authority. At December 31, 2010, there were no significant intercompany payables or receivables for income taxes.

For more information regarding UPPCO's accounting for income taxes, see Note 8, "Income Taxes".

I. Employee Benefits

The costs of pension and other postretirement benefits are expensed over the periods during which employees render service. Actuarial calculations are performed (based upon specific employees and their related years of service) in order to determine the Company's benefit cost. In computing the expected rate of return on plan assets, a market-related value of plan assets is used. Changes in fair value are recognized over the subsequent five years for plans sponsored by WPS, while differences between actual investment returns and the expected return on plan assets are recognized over a five-year period for the plan sponsored by Integrys Business Support LLC ("IBS"). The transition obligation for other postretirement benefits is being recognized over a 20-year period beginning in 1993.

The Company recognizes the funded status of defined benefit postretirement plans on the balance sheets, and recognizes the changes in the plans' 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 the Regulated Operations Topic of the FASB Accounting Standards Codification ("ASC").

For additional information on the Company's employee benefits, see Note 10, "Employee Benefit Plans."

m. Fair Value

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).

Fair value accounting rules provide 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 the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are defined 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.

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Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

UPPCO determines fair value using a market based approach that incorporates observable market inputs where available, and internally developed inputs where observable market data is not readily available. For the unobservable inputs, consideration is given to the assumptions that market participants would use in valuing the asset or liability.

See Note 12, "Fair Value," for additional information.

n. Subsequent Events

Subsequent events at UPPCO were evaluated for potential recognition or disclosure through April 18, 2011, which is the date the financial statements were available to be issued.

2. RISK MANAGEMENT ACTIVITIES

UPPCO uses derivative instruments to manage electric transmission congestion costs and the costs of gasoline and diesel fuel used by utility vehicles. None of these derivatives are designated as hedges for accounting purposes.

(Thousands)	Balance Sheet Presentation	Risk Management Assets		Risk Management Liabilities	
		December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
Financial transmission					
	Current	\$828.6	\$470.9	\$ -	\$33.4
rights (FTRs)					
NYMEX options	Current	23.3	26.0	-	-

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

The table below shows the unrealized gains (losses) recorded related to derivatives.

(Thousands)	Financial Statement Presentation	2010	2009
FTRs	Balance Sheet – Regulatory assets (current)	\$44.8	\$111.6
FTRs	Balance Sheet – Regulatory liabilities (current)	31.5	125.1
NYMEX options	Operating and maintenance expense	4.0	(1.9)

UPPCO had the following notional volumes of outstanding derivative contracts:

	December 31, 2010	December 31, 2009
FTRs (Millions of kilowatt-hours)	237.1	240.6
NYMEX options (barrels of petroleum products)	2,173.0	2,245.0

3. INVESTMENT IN AFFILIATES

WPS Investments LLC, is a consolidated subsidiary of Integrys Energy Group that is jointly owned by Integrys Energy Group, Wisconsin Public Service Corp., and UPPCO. At December 31, 2010, UPPCO had an approximate 3%

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ownership interest in WPS Investments. WPS Investments LLC had an approximate 34% ownership interest in American Transmission Company LLC ("ATC") at December 31, 2010. ATC is a for-profit, transmission-only company regulated by FERC. ATC owns, maintains, monitors, and operates electric transmission assets in portions of Wisconsin, Michigan, Minnesota, and Illinois.

Investments in companies accounted for under the equity method at December 31, 2010, and 2009 were as follows:

<i>(Thousands)</i>	2010	2009
WPS Investments LLC	\$14,963.8	\$14,568.9
ATC Management Inc.	3.2	3.2
Investments in subsidiary companies	\$14,967.0	\$14,572.1

Investments in subsidiary companies accounted for under the equity method are included in other long-term assets on the Balance Sheets, and the equity income is recorded in Equity in Earnings, Subsidiary Companies on the Statements of Income.

UPPCO recorded equity in net income of ATC of \$2,113,475 and \$2,159,323 in 2010 and 2009, respectively.

UPPCO recorded dividends from ATC of \$1,718,548 and \$1,743,366 in 2010 and 2009, respectively.

4. REGULATORY ASSETS AND LIABILITIES

UPPCO expects to recover its regulatory assets and incur future costs or refund its regulatory liabilities through rates charged to customers based on specific ratemaking decisions over periods specified by the regulators or over the normal operating period of the assets and liabilities to which they relate. Based on prior and current rate treatment for such costs, UPPCO believes it is probable that it will continue to recover from customers the regulatory assets described below.

The following regulatory assets and liabilities were reflected on UPPCO's Balance Sheets as of December 31:

<i>(Thousands)</i>	2010	2009
Regulatory assets		
Unrecognized pension and other postretirement benefit costs (see Note 10)	\$59,434.8	\$53,977.1
Au Train – Loss on sale of facility ¹	3,697.9	-
Decoupling ²	2,737.5	-
Healthcare (see Note 8)	1,554.7	-
Environmental remediation costs ³	1,045.0	1,100.0
Other	419.4	771.8
Total	\$68,889.3	\$55,848.9
Regulatory liabilities		
Income tax related items (see Note 8)	3,909.4	4,548.9
Derivatives (see Note 2)	252.3	220.8
Uncollectible expense (see Note 13)	148.6	-
Total	\$4,310.3	\$4,769.7

¹ In 2010, UPPCO received authorization to recover these costs over a 5 year period, beginning January 2011.

² In 2009, UPPCO received authorization to defer and recover or refund differences between actual and authorized volume sales.

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³ In 1999, UPPCO received authorization for recovery of costs related to environmental remediation at the JH Warden Ash Site. The recovery period is 30 years.

5. SHORT-TERM DEBT AND LINES OF CREDIT

UPPCO's short-term borrowings consist of short-term notes from Integrys Energy Group and bear interest at Integrys Energy Group's weighted average borrowing rate on short-term loans. Amounts shown are as of December 31:

<i>(Thousands, except for percentages)</i>	2010	2009
Short-term notes payable to Integrys Energy Group at December 31	\$8,950.0	\$10,395.0
Average interest rate on short-term notes payable to Integrys Energy Group outstanding	0.34%	0.52%

The table below presents UPPCO's average amount of short-term borrowings outstanding based on daily outstanding balances during the years ended December 31:

<i>(Thousands)</i>	2010	2009
Average amount of short-term notes payable to Integrys Energy Group outstanding	\$6,544.5	\$6,575.0

6. LONG-TERM DEBT

Long-term debt for UPPCO consists of long-term notes to Integrys Energy Group and first mortgage bonds, which are secured by utility plant assets. A summary of long-term debt outstanding at December 31 is as follows:

<i>(Thousands)</i>	2010	2009
First Mortgage Bonds *		
9.32% Series, Due 2021	\$ 9,400.0	\$ 10,800.0
Long-term notes payable to Integrys Energy Group, \$15 million at 5.25% Due 2013, \$15 million at 6.059 % Due 2017, \$15 million at 5.041% Due 2020	45,000.0	30,000.0
Total debt	\$54,400.0	\$40,800.0
Less current portion	(900.0)	(900.0)
Total long-term debt	\$53,500.0	\$39,900.0

* Under the terms of UPPCO's First Mortgage Indenture, substantially all property owned by UPPCO is pledged as collateral for its 9.32% First Mortgage Bonds. Interest payments are due semi-annually with sinking fund payments of \$900,000 due each November 1. As a result, this payment is included in the current portion of long-term debt on UPPCO's Balance Sheet at December 31, 2010. On May 3, 2010, UPPCO repaid an additional \$500,000 of this debt. The final sinking fund payment due November 1, 2021, will completely retire the series.

An additional \$15.0 million dollars was issued on April 30, 2010 at a fixed rate of 5.041%. The maturity date is April 30, 2020.

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7. ASSET RETIREMENT OBLIGATIONS

UPPCO has asset retirement obligations primarily related to asbestos abatement at certain generation facilities, office buildings and service centers, and disposal of PCB-contaminated transformers. UPPCO establishes regulatory assets and liabilities to record the differences between ongoing expense recognition under the Asset Retirement and Environmental Obligations accounting rules, and the ratemaking practices for retirement costs authorized by applicable regulators.

Changes to Asset Retirement Obligation Liabilities

The following table describes changes to the asset retirement obligations of UPPCO through December 31, 2010.

Asset Retirement Obligations at December 31, 2007	\$746,717
Accretion	42,470
Asset Retirement Obligations at December 31, 2008	789,187
Accretion	44,889
Asset Retirement Obligations at December 31, 2009	834,076
Accretion	47,446
Asset Retirement Obligations at December 31, 2010	\$881,522

8. INCOME TAXES

Deferred Income Tax Assets and Liabilities

Certain temporary book to tax differences, for which the offsetting amount is recorded as a regulatory asset or liability, are presented in the table below, consistent with regulatory treatment. The principal components of deferred income tax assets and liabilities recognized in the Balance Sheets as of December 31 were as follows:

<i>(Thousands)</i>	2010	2009
Deferred income tax assets		
Plant-related (1)	\$ 2,999	\$ 2,600
Employee benefits (2)	(279)	2,299
Regulatory deferrals	949	-
Deferred deductions	(462)	-
Other	794	247
Total deferred income tax assets	\$ 4,001	\$ 5,146
Deferred income tax liabilities		
Plant-related (1)	\$36,046	\$27,431
Employee benefits (2)	(9)	-
Regulatory deferrals	2,190	(146)
Deferred income	(120)	-
Other	586	429
Total deferred income tax liabilities	\$38,693	\$27,714
Net deferred income tax liabilities	\$34,692	\$22,568

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- (1) For tax years beginning after December 31, 2008, UPPCO filed three separate requests with the Internal Revenue Service ("IRS") to change its tax accounting methods. All three method changes related to changing the timing of when a tax deduction is allowed for capital expenditures classified under GAAP. Two methods were filed under automatic procedures whereby IRS consent was not required to begin using the new methods, and the impact was reflected in deferred income tax balances as of December 31, 2009. One method was filed under manual procedures, and consent of the IRS Commission was not granted until the fourth quarter of 2010. The IRS could modify the methods or adjust the results in future audits beginning with 2009 federal income tax filings.

In the third quarter of 2010, federal tax law was enacted that extended the 50% bonus depreciation deduction to assets placed in service during 2010. In the fourth quarter of 2010, federal tax laws were enacted that increased the bonus depreciation deduction to 100% for assets placed in service after September 8, 2010, but before December 31, 2011, with certain limitations. The December 31, 2010 deferred income tax balances reflect the bonus depreciation deductions that UPPCO expects to claim in its 2010 federal income tax return.

- (2) In March 2010, the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 (the "2010 Act") were signed into law. Beginning in 2013, a portion of UPPCO's expenditures for retiree prescription drug coverage will not be tax deductible. On the date of enactment, a re-measurement of the deferred taxes was triggered. The income tax provision reflects deferral of the re-measurement of the deferred taxes for future benefit costs. The deferral is reflected following the principles of full normalization and average rate assumption methods that have been consistently used by the company to account for re-measurement of deferred taxes in similar cases.

Federal Income Tax Expense

The following table presents a reconciliation of federal income taxes to the provision for income taxes reported in the Income Statements for the years ended December 31:

(Thousands, except for percentages)	2010		2009	
	Rate	Amount	Rate	Amount
Statutory federal income tax	35.0%	\$4,366.0	35.0%	\$711.0
State income taxes, net	6.1	759.0	33.3	676.0
Investment tax credit - amortization	(0.3)	(41.0)	(1.8)	(37.0)
Plant-related	(2.8)	(354.0)	(7.3)	(148.0)
Benefits and compensation	(0.3)	(41.0)	(6.2)	(127.0)
Other differences, net	(0.9)	(96.0)	(1.5)	(30.0)
Effective income tax	36.8%	\$4,593.0	51.5%	\$1,045.0
Current provision				
Federal		\$(5,418)		\$(3,343)
State		(569)		(86)
Total current provision		(5,987)		(3,429)
Deferred provision		9,876		4,081
Investment tax credit, net		704		393
Total provision for income taxes		\$4,593		\$1,045

As the related temporary differences reverse, UPPCO is prospectively refunding taxes to or collecting taxes from customers for which deferred taxes were recorded in prior years at rates different than current rates. The regulatory liability for these refunds and other regulatory tax effects totaled \$3.9 million and \$4.5 million at December 31, 2010 and 2009, respectively.

UPPCO files income tax returns in the United States federal jurisdiction and in various state and local jurisdictions on

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a stand-alone basis or as part of Integrys Energy Group filings. UPPCO is no longer subject to income tax examinations by tax authorities for years prior to 2005.

UPPCO has the following open examination:

IRS – Integrys Energy Group and consolidated subsidiaries have open examinations for the 2006 through 2008 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 on-going examinations that would impact UPPCO.

9. COMMITMENTS AND CONTINGENCIES

UPPCO has commitments for the purchase of commodities, mainly capacity or energy related to purchased power, which totaled \$20 million at December 31, 2010, and extends through 2020.

For 2011, UPPCO has a Capacity Purchase Agreement with WPS that entitles UPPCO to purchase 59 MW of capacity. UPPCO also has a purchase power agreement for interruptible partial requirements service for 0 to 38 MW's that varies by month and expires on October 1, 2012. The rate is determined by a rate formula.

UPPCO has a purchase power agreement with White Pine Electric Power for 17.5 MW of capacity and 6 MW firm energy through February 28, 2011. Beginning March 1, 2011 and continuing through December 31, 2014, the capacity amount is reduced to 17.5 MW and the firm energy quantity is reduced to 0 MW. Termination of this contract may occur at any time and is subject to a termination payment.

UPPCO has a capacity purchase agreement with Wisconsin Electric Power Company for 30 MW for January 1 through April 30, 2011, 15 MW for May 1 through October 31, 2011, and 30 MW for November 1 through December 31, 2011.

UPPCO has an energy purchase agreement for 15 MW with Cargill Power Markets for all non-summer months through December 31, 2011.

UPPCO has a purchase power agreement with UP Hydro LLC for the output from the Autrain hydroelectric generating facility through June 30, 2020.

10. EMPLOYEE BENEFIT PLANS

The Company participates in the Integrys Energy Group Retirement Plan, a noncontributory, qualified retirement plan sponsored by IBS. In addition, the Company participates in other postretirement benefit plans sponsored by WPS. The Company accounts for its participation in the pension and other postretirement plans as multiple employer plans. Under affiliate agreements, 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 these plans as its own plan. The benefits for a portion of these plans are funded through irrevocable trusts, as allowed for income tax purposes.

The Company also maintains an unfunded, legacy nonqualified Supplemental Employee Retirement Plan ("SERP"). The liabilities for this plan are also recorded on the Company's balance sheets.

The Company also participates in an unfunded, nonqualified retirement plan sponsored by WPS. The Company accounts for its participation in the plan as a multiemployer plan. Accordingly, the Company does not reflect any plan assets or liabilities on its balance sheets. In addition, the Parent offers medical, dental, and life insurance benefits to the Company's active employees and their dependents. The Company expenses the allocated costs of benefits as incurred.

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Effective April 19, 2009, the defined benefit pension plans were closed to new union hires.

The following tables provide a reconciliation of the changes in the plans' benefit obligations and fair value of assets during 2010 and 2009.

(Millions)	<u>Pension Benefits</u>		<u>Other Benefits</u>	
	2010	2009	2010	2009
Reconciliation of benefit obligation				
Obligation at January 1	\$84.6	\$86.7	\$33.0	\$ -
Transfers in	-	-	-	33.8 *
Service cost	1.0	1.0	0.4	0.3
Interest cost	5.4	5.5	1.8	2.0
Actuarial loss (gain), net	9.7	(1.6)	(0.6)	(2.1)
Participant contributions	-	-	1.3	1.5
Benefit payments	(7.5)	(7.0)	(3.2)	(2.6)
Federal subsidy on benefits paid	-	-	0.1	0.1
Obligation at December 31	\$93.2	\$84.6	\$32.8	\$33.0
Reconciliation of fair value of plan assets				
Fair value of plan assets at January 1	\$50.9	\$41.7	\$17.6	\$ -
Transfers in	-	-	-	16.1 *
Actual return on plan assets	7.4	8.5	1.8	2.5
Employer contributions	16.7	7.7	2.2	0.1
Participant contributions	-	-	1.3	1.5
Benefit payments	(7.5)	(7.0)	(3.2)	(2.6)
Fair value of plan assets at December 31	\$67.5	\$50.9	\$19.7	\$17.6

* The transfer of other benefit plan obligations and assets to the Company occurred in connection with affiliate agreements whereby each participating affiliate in WPS-sponsored other postretirement plans is responsible for its share of plan obligations and is entitled to its share of plan assets. The amounts transferred in the table above relate to the participation, prior to 2009, of the Company's employees in the WPS-sponsored other postretirement plans.

Amounts recognized on the Company's balance sheets at December 31 related to the funded status of the benefit plans consisted of:

(Millions)	<u>Pension Benefits</u>		<u>Other Benefits</u>	
	2010	2009	2010	2009
Current liabilities	\$ 0.2	\$ 0.2	\$ -	\$ -
Noncurrent liabilities	25.5	33.5	13.1	15.4
Total liabilities	\$25.7	\$33.7	\$13.1	\$15.4

The accumulated benefit obligation for all defined benefit pension plans was \$90.5 million and \$78.3 million at December 31, 2010, and 2009, respectively. Information for pension plans with an accumulated benefit obligation in excess of plan assets is presented in the following table.

(Millions)	<u>December 31</u>	
	2010	2009
Projected benefit obligation	\$93.2	\$84.6
Accumulated benefit obligation	90.5	78.3
Fair value of plan assets	67.5	50.9

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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.

(Millions)	<u>Pension Benefits</u>		<u>Other Benefits</u>	
	2010	2009	2010	2009
Net regulatory assets				
Net actuarial loss	\$44.7	\$37.3	\$12.8	\$14.4
Prior service cost	0.7	1.0	0.8	0.9
Transition obligation	-	-	0.1	0.1
Total	\$45.4	\$38.3	\$13.7	\$15.4

The estimated net actuarial losses and prior service costs for defined benefit pension plans that will be amortized as a component of net periodic benefit cost during 2011 are \$1.2 million and \$0.2 million, respectively. The estimated net actuarial losses and prior service costs for other postretirement benefit plans that will be amortized as a component of net periodic benefit cost during 2011 are \$0.7 million and \$0.1 million, respectively.

The following table presents the components of the net periodic benefit costs for the plans:

(Millions)	<u>Pension Benefits</u>		<u>Other Benefits</u>	
	2010	2009	2010	2009
Net periodic benefit cost				
Service cost	\$1.0	\$1.0	\$0.4	\$0.3
Interest cost	5.4	5.5	1.8	2.0
Expected return on plan assets	(5.5)	(4.4)	(1.4)	(1.3)
Amortization of prior service cost	0.2	0.2	0.1	0.1
Amortization of net actuarial loss	0.5	0.1	0.5	0.6
Net periodic benefit cost	\$1.6	\$2.4	\$1.4	\$1.7

Assumptions – Pension and Other Postretirement Benefit Plans

The weighted-average assumptions used at December 31 to determine benefit obligations for the plans were as follows:

	<u>Pension Benefits</u>		<u>Other Benefits</u>	
	2010	2009	2010	2009
Discount rate	5.80%	6.15%	5.80%	6.05%
Rate of compensation increase	4.19%	4.19%	N/A	N/A
Assumed medical cost trend rate (under age 65)	N/A	N/A	7.5%	8.0%
Ultimate trend rate	N/A	N/A	5.0%	5.0%
Ultimate trend rate reached in	N/A	N/A	2016	2013
Assumed medical cost trend rate (over age 65)	N/A	N/A	8.0%	8.5%
Ultimate trend rate	N/A	N/A	5.5%	5.5%
Ultimate trend rate reached in	N/A	N/A	2016	2013
Assumed dental cost trend rate	N/A	N/A	5.0%	5.0%

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The weighted-average assumptions used to determine net periodic benefit cost for the plans were as follows for the years ended December 31:

	<u>Pension Benefits</u>		<u>Other Benefits</u>	
	2010	2009	2010	2009
Discount rate	6.15%	6.45%	6.05%	6.50%
Expected return on assets	8.50%	8.50%	8.50%	8.50%
Rate of compensation increase	4.19%	4.27%	N/A	N/A
Assumed medical cost trend rate (under age 65)	N/A	N/A	8.0%	9.0%
Ultimate trend rate	N/A	N/A	5.0%	5.0%
Ultimate trend rate reached in	N/A	N/A	2013	2013
Assumed medical cost trend rate (over age 65)	N/A	N/A	8.5%	9.5%
Ultimate trend rate	N/A	N/A	5.5%	5.5%
Ultimate trend rate reached in	N/A	N/A	2013	2013
Assumed dental cost trend rate	N/A	N/A	5.0%	5.0%

The expected return on asset assumption is established based on consideration of historical and projected asset class returns, as well as the target allocations of the benefit trust portfolios. Beginning in 2011, the expected return on assets assumption for the plans is 8.25%.

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. For the year ended December 31, 2010, a one-percentage-point change in assumed health care cost trend rates would have had the following effects:

	<u>One-Percentage-Point</u>	
<i>(Millions)</i>	Increase	Decrease
Effect on total of service and interest cost components of net periodic postretirement health care benefit cost	\$0.3	\$(0.3)
Effect on the health care component of the accumulated postretirement benefit obligation	4.2	(3.5)

Pension and Other Postretirement Benefit Plan Assets

Integrus Energy Group's investment policy includes various guidelines and procedures designed to ensure assets are invested in an appropriate manner to meet expected future benefits to be earned by participants. The investment guidelines consider a broad range of economic conditions. Central to the policy are target allocation ranges by major asset categories. The policy is established and administered in a manner that is compliant at all times with applicable regulations.

The objectives of the target allocations are to maintain investment portfolios that diversify risk through prudent asset allocation parameters and to achieve asset returns that meet or exceed the plans' actuarial assumptions and that are competitive with like instruments employing similar investment strategies. The portfolio diversification provides protection against significant concentrations of risk in the plan assets. The target asset allocations for pension and other postretirement benefit plans that have significant assets are: 70% equity securities and 30% fixed income securities. Equity securities primarily include investments in large-cap and small-cap companies. Fixed income securities primarily include corporate bonds of companies from diversified industries, United States government securities, and mortgage-backed securities.

The Board of Directors of Integrus Energy Group established the Employee Benefits Administrator Committee (composed of members of Integrus Energy Group and its subsidiaries' management) to manage the operations and administration of all benefit plans and trusts. The committee periodically reviews the asset allocation, and the portfolio is rebalanced when necessary.

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Pension and other postretirement benefit plan investments recorded at fair value were as follows, by asset class. See Note 1(n), "Summary of Significant Accounting Policies – Fair Value," for information on the fair value hierarchy and the inputs used to measure fair value.

December 31, 2010								
(Millions)	Pension Plan Assets				Other Benefit Plan Assets			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Asset Class								
Cash and cash equivalents	\$0.2	\$ 2.1	\$ -	\$ 2.3	\$ -	\$ 0.6	\$ -	\$ 0.6
Equity securities:								
United States equity	7.8	18.6	-	26.4	2.5	4.8	-	7.3
International equity	4.7	15.4	-	20.1	1.2	4.1	-	5.3
Fixed income securities:								
United States government	-	4.6	-	4.6	0.8	2.6	-	3.4
Foreign government	-	0.8	0.5	1.3	-	-	-	-
Corporate debt	-	8.9	0.1	9.0	-	1.5	-	1.5
Asset-backed securities	-	3.3	-	3.3	-	-	-	-
Other	-	0.3	-	0.3	0.4	-	-	0.4
Real estate securities	-	-	1.9	1.9	-	-	-	-
	12.7	54.0	2.5	69.2	4.9	13.6	-	18.5
401(h) other benefit plan assets invested as pension assets *	(0.2)	(1.0)	-	(1.2)	0.2	1.0	-	1.2
Total	\$12.5	\$53.0	\$2.5	\$68.0	\$5.1	\$14.6	\$ -	\$19.7

* Pension trust assets are used to pay other postretirement benefits as allowed under Internal Revenue Code Section 401(h).

December 31, 2009								
(Millions)	Pension Plan Assets				Other Benefit Plan Assets			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Asset Class								
Cash and cash equivalents	\$0.1	\$ 1.8	\$ -	\$ 1.9	\$ -	\$ 0.8	\$ -	\$ 0.8
Equity securities:								
United States equity	14.4	8.9	-	23.3	4.2	3.3	-	7.5
International equity	1.7	7.9	-	9.6	-	2.3	-	2.3
Fixed income securities:								
United States government	-	5.9	-	5.9	-	2.6	-	2.6
Foreign government	-	0.7	-	0.7	-	0.1	-	0.1
Corporate debt	-	6.7	0.2	6.9	-	2.6	-	2.6
Asset-backed securities	-	2.1	-	2.1	-	0.7	-	0.7
Other	-	-	-	-	-	0.4	-	0.4
Real estate securities	-	-	1.4	1.4	-	-	-	-
	16.2	34.0	1.6	51.8	4.2	12.8	-	17.0
401(h) other benefit plan assets invested as pension assets *	(0.2)	(0.4)	-	(0.6)	0.2	0.4	-	0.6
Total	\$16.0	\$33.6	\$1.6	\$51.2	\$4.4	\$13.2	\$ -	\$17.6

* Pension trust assets are used to pay other postretirement benefits as allowed under Internal Revenue Code Section 401(h).

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

<i>(Millions)</i>	Foreign Government	Corporate Debt	Real Estate Securities	Other	Total
Beginning balance at December 31, 2008	\$ -	\$0.1	\$2.0	\$0.1	\$2.2
Actual return on plan assets:					
Relating to assets still held at the reporting date	-	0.1	(0.7)	-	(0.6)
Purchases, sales, and settlements	-	-	0.1	(0.1)	-
Ending balance at December 31, 2009	-	0.2	1.4	-	1.6
Actual return on plan assets:					
Relating to assets still held at the reporting date	-	-	0.4	-	0.4
Purchases, sales, and settlements	0.5	(0.1)	0.1	-	0.5
Ending balance at December 31, 2010	\$0.5	0.1	\$1.9	\$ -	\$2.5

Cash Flows Related to Pension and Other Postretirement Benefit 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 \$2.1 million to pension plans and \$1.9 million to other postretirement plans in 2011, dependent upon various factors affecting the Company, including its liquidity position and tax law changes.

11. COMMON STOCK

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. The Common Stock balance was \$13,263.6 thousand at December 31, 2010, and 2009. All shares of the Company's common stock are owned by Integrys Energy Group.

The Company's indentures relating to first mortgage bonds contain certain limitations on the payment of cash dividends on common stock. Under the most restrictive provisions, approximately \$53.2 million of retained earnings was available at December 31, 2010, for the payment of common stock cash dividends by the Company.

12. FAIR VALUE

The following tables show UPPCO's assets and liabilities that were accounted for at fair value on a recurring basis, categorized by Level within the fair value hierarchy.

<i>December 31, 2010</i>				
<i>(Thousands)</i>	Level 1	Level 2	Level 3	Total
Risk management assets				
FTRs	\$ -	\$ -	\$828.6	\$828.6
NYMEX options	23.3	-	-	23.3
<i>December 31, 2009</i>				
<i>(Thousands)</i>	Level 1	Level 2	Level 3	Total
Risk management assets				
FTRs	\$ -	\$ -	\$470.9	\$470.9
NYMEX options	26.0	-	-	26.0
Risk management liabilities				
FTRs	-	-	33.4	33.4

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The risk management assets and liabilities listed in the tables include financial transmission rights used to manage transmission congestion costs in the MISO market and NYMEX options used to mitigate the risk associated with the market price volatility of the cost of gasoline and diesel fuel used by utility vehicles. NYMEX contracts are valued using the NYMEX end-of-day settlement price, which is a Level 1 input. The valuation for financial transmission rights is derived from historical data from the Midwest Independent Transmission System Operator, Inc., which is considered a Level 3 input.

The following table sets forth a reconciliation of changes in the fair value of financial transmission rights, which are categorized as Level 3 measurements:

(Thousands)	2010	2009
Balance at beginning of period	\$ 437.5	\$365.8
Net realized gain (loss) included in earnings	1,365.0	(385.9)
Net unrealized gain recorded as regulatory assets or liabilities	77.5	236.7
Net purchases and settlements	(1,051.4)	220.9
Balance at end of period	\$ 828.6	\$437.5

Unrealized gains and losses on financial transmission rights are deferred as regulatory assets or liabilities. 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 Condensed Statements of Income.

Fair Value of Financial Instruments

The following table shows the financial instruments included on UPPCO's Condensed Balance Sheets that are not recorded at fair value.

	December 31, 2010		December 31, 2009	
(Thousands)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt	\$54,400.0	\$60,740.2	\$40,800.0	\$45,731.3

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

Due to the short-term nature of cash and cash equivalents, accounts receivable, accounts payable, and notes payable, the carrying amount approximates fair value.

13. REGULATORY ENVIRONMENT

On March 4, 2009, UPPCO 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 standards. 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 MPSC. On December 16, 2008, UPPCO filed a letter with the MPSC notifying the MPSC of UPPCO's intention to participate in Section 91 alternative EO administrator program. The March 4, 2009 filing proposed billing surcharges to collect amounts from customers that will be forwarded to the energy optimization administrator. The March 4, 2009, filing also included UPPCO's 20 year plan to meet the renewable portfolio standard included in Act 286. The plan submitted indicates that UPPCO will be able to meet the Act 286 requirements with existing generation resources and power supply options and proposed that revenues generated from sales of excess renewable credits be returned to customers in the Power Supply Cost Recovery ("PSCR") mechanism. The MPSC approved EO and renewable portfolio standards on May 26, 2009, and billing for EO began

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in July 2009 business. The EO administrator has been selected and payments to the EO administrator have begun. On March 31, 2010, UPPCO filed its first annual reconciliation of EO payments and collections in Docket U-16318. No change in customer charges were proposed. On June 30, 2010, UPPCO filed its first renewable energy plan reconciliation in Docket U-16316 that illustrated UPPCO's plan to comply with Act 286 requirements. The MPSC approved the EO reconciliation on July 1, 2010.

On March 4, 2009, UPPCO submitted its first renewable energy plan with the Michigan Public Service Commission to comply with Michigan Act 295. The plan indicated that the Company will be able to meet the requirements with existing generation resources and power supply options and proposed that revenues generated from sales of excess renewable credits be returned to the customers in the power supply cost recovery mechanism. The MPSC approved the renewable energy plan on May 26, 2009. On June 30, 2010, the Company filed its first renewable energy plan reconciliation in Docket U-16316 that illustrated the Company's plan to comply with requirements. The MPSC approved the renewable energy plan reconciliation on December 21, 2010. The MPSC issued an order on February 22, 2011, that requires UPPCO to file an updated renewable energy plan by May 26, 2011.

On September 30, 2010, UPPCO filed a PSCR Plan for 2011, requesting a PSCR factor of negative \$4.79/mWh. UPPCO later filed to adjust the PSCR factor for lower losses and self-implemented a PSCR factor of negative \$4.78/mWh on customer bills starting January 1, 2011. On March 17, 2011, the MPSC approved a settlement agreement that lowered the PSCR factor to negative \$5.56/mWh, starting April 1, 2011. The lower PSCR factor resulted from a settlement agreement to refund a net over-recovery balance of power supply costs of \$383,000 recorded in miscellaneous current and accrued liabilities at the end of 2010.

On March 22, 2010, UPPCO filed a PSCR Reconciliation for 2009, showing that UPPCO had under-recovered 2009 PSCR costs by \$432,000, and requested to roll this under-recovery into the 2010 PSCR over/under-recovery balance. An order approving the 2009 PSCR Reconciliation as filed, was received on January 20, 2011. On March 25, 2010, UPPCO filed a PSCR Reconciliation for 2010, showing that UPPCO had over-recovered the 2010 PSCR costs by \$815,916 and requested to roll this over-recovery into the 2011 PSCR over/under-recovery balance. The net over/under recovery balances between 2009 and 2010 is recorded in miscellaneous current and accrued liabilities at December 31, 2010.

On June 30, 2010, UPPCO filed a request with the MPSC to increase its retail electric rates by \$15.4 million (16.8%), with an 11.25% return on equity, and a 54.86% common equity ratio. The reasons for the retail electric rate increase include the costs of hydroelectric facility replacements and upgrades, reduced sales, increased meter reading costs, the cost of an over-haul at Victoria Unit #2, and general inflation. On December 21, 2010, the MPSC issued a final order authorizing UPPCO to increase its retail electric rates by \$8.9 million (9.6%) with a 10.30% return on equity, and a 54.86% common equity ratio. The new rates were effective January 1, 2011. The MPSC terminated UPPCO's Uncollectible Expense Tracking Mechanism after the close of December 2010 business. UPPCO's previous retail electric rate increase was effective in January 2010.

On July 8, 2010, UPPCO sold the Au Train hydro-electric generation facility to UP Hydro. Under the terms of the agreement, UPPCO realized a net loss of approximately \$3.7 million on the sale. On July 27, 2010, the Commission authorized deferred accounting treatment of the net loss for recovery in a future general rate case proceeding. The loss is recorded as a regulatory asset. Recovery of the loss began on January 1, 2011.

On February 2, 2011, UPPCO sold the Cataract hydro-electric generation facility to UP Hydro. Under the terms of the agreement, UPPCO realized a net loss of approximately \$1.9 million on the sale. On July 27, 2010, the MPSC authorized deferred accounting treatment of the net loss for recovery in a future general rate case proceeding.

14. RELATED PARTY TRANSACTIONS

UPPCO routinely enters into transactions with related parties, including Integrys Energy Group and its subsidiaries.

UPPCO provides and receives services, property, and other items of value to and from its parent, Integrys Energy Group, and other subsidiaries of Integrys Energy Group. All such transactions are made pursuant to an Affiliated

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Interest Agreement ("Regulated Agreement") approved, or granted appropriate waivers from, the MPSC. Michigan Gas Utilities Corporation, Minnesota Energy Resources Corporation, The Peoples Gas Light and Coke Company, and North Shore Gas Company (together with UPPCO and WPS, the "regulated subsidiaries") have all been added as parties to the Regulated Agreement and, like UPPCO, can also provide and receive services, property, and other items of value to and from their parent, Integrys Energy Group, and other regulated subsidiaries of Integrys Energy Group. The Regulated Agreement requires that all services are provided at cost. Modification or amendment to these agreements requires the approval of or waivers from the MPSC.

IBS provides 15 categories of services (including financial, human resources, and administrative services) to UPPCO pursuant to a Master Regulated Affiliated Interest Agreement (IBS AIA) which has been approved by, or granted appropriate waivers from, the appropriate regulators, including the MPSC. As required by FERC regulations for centralized service companies, IBS renders services at cost. The MPSC must be notified prior to making changes to the services offered under and the allocation methods specified in the IBS AIA. Other modifications or amendments to the IBS AIA would require MPSC approval or must be covered by an appropriate waiver. Recovery of allocated costs is addressed in UPPCO's rate cases.

In 2010, a new affiliated interest agreement (Non-IBS AIA) that would govern the provision of intercompany services, other than IBS services, within Integrys Energy Group, was submitted to the appropriate regulators for approval. (A previous filing in 2008 was withdrawn.) The Non-IBS AIA was written primarily to limit the scope of services now provided by IBS that had been provided under the Regulated Agreement and the Non-Regulated Agreement. The Non-IBS AIA would replace these current agreements, except the IBS AIA, after proper approvals. The pricing methodologies from the current agreements would carry forward to the Non-IBS AIA. The Non-IBS AIA was not filed with the MPSC as it is covered by existing waivers, but it cannot take effect until it is approved in all jurisdictions.

UPPCO was billed \$29.8 million in 2010 and \$20.0 million in 2009 for services provided by IBS. At December 31, 2010, the amount owed to IBS was \$2.1 million, at December 31, 2009, the amount owed to IBS was \$2.4 million.

UPPCO provides repair and maintenance services to ATC under an Operation and Maintenance Services Agreement for Transmission Facilities approved by the MPSC. Services are billed to ATC under this agreement at UPPCO's fully allocated cost.

The table below includes information related to transactions entered into with related parties as of December 31.

(Millions)	2010	2009
Notes payable (1)		
Integrys Energy Group	\$ 54.0	\$ 40.4

The following table shows activity associated with related party transactions for the years ended December 31.

(Millions)	2010	2009
Electric transactions		
Sales to WPS	\$ -	\$0.2
Purchases from WPS	26.7	42.5
Interest expense		
Integrys Energy Group	\$2.3	\$1.8
Transactions with equity method investments		
Charges from ATC for network transmission services	6.4	6.2
Charges to ATC for services and construction	2.8	2.9
Income from WPS Investments, LLC (2)	2.1	2.2

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(1) Short Term \$9.0 million, Long Term \$45.0 million.

(2) WPS Investments, LLC is a consolidated subsidiary of Integrys Energy Group that is jointly owned by Integrys Energy Group, Wisconsin Public Service Corporation and UPPCO. At December 31, 2010, UPPCO had a 3% interest in WPS Investments accounted for under the equity method.

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SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION				
Report in Column (c) the amount for electric function, in column (d) the amount for gas function, in column (e), (f), and (g) report other (specify) and in column (h) common function.				
Line No.	Classification (a)	Total Company for the Current Year/Quarter Ended (b)	Electric (c)	
1	Utility Plant			
2	In Service			
3	Plant in Service (Classified)	195,361,904	195,361,904	
4	Property Under Capital Leases			
5	Plant Purchased or Sold			
6	Completed Construction not Classified	42,339,507	42,339,507	
7	Experimental Plant Unclassified			
8	Total (3 thru 7)	237,701,411	237,701,411	
9	Leased to Others			
10	Held for Future Use			
11	Construction Work in Progress	2,918,784	2,918,784	
12	Acquisition Adjustments	2,681,674	2,681,674	
13	Total Utility Plant (8 thru 12)	243,301,869	243,301,869	
14	Accum Prov for Depr, Amort, & Depl	94,181,124	94,181,124	
15	Net Utility Plant (13 less 14)	149,120,745	149,120,745	
16	Detail of Accum Prov for Depr, Amort & Depl			
17	In Service:			
18	Depreciation	90,393,209	90,393,209	
19	Amort & Depl of Producing Nat Gas Land/Land Right			
20	Amort of Underground Storage Land/Land Rights			
21	Amort of Other Utility Plant	1,337,634	1,337,634	
22	Total In Service (18 thru 21)	91,730,843	91,730,843	
23	Leased to Others			
24	Depreciation			
25	Amortization and Depletion			
26	Total Leased to Others (24 & 25)			
27	Held for Future Use			
28	Depreciation			
29	Amortization			
30	Total Held for Future Use (28 & 29)			
31	Abandonment of Leases (Natural Gas)			
32	Amort of Plant Acquisition Adj	2,450,281	2,450,281	
33	Total Accum Prov (equals 14) (22,26,30,31,32)	94,181,124	94,181,124	

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) 12/31/2010	Year/Period of Report End of 2010/Q4
ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106)					
<p>1. Report below the original cost of electric plant in service according to the prescribed accounts.</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. For revisions to the amount of initial asset retirement costs capitalized, included by primary plant account, increases in column (c) additions and reductions in column (e) adjustments.</p> <p>5. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.</p> <p>6. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and 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)</p>					
Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)		
1	1. INTANGIBLE PLANT				
2	(301) Organization	2,005			
3	(302) Franchises and Consents	5,959,891			
4	(303) Miscellaneous Intangible Plant				
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	5,961,896			
6	2. PRODUCTION PLANT				
7	A. Steam Production Plant				
8	(310) Land and Land Rights	143,334			
9	(311) Structures and Improvements				
10	(312) Boiler Plant Equipment				
11	(313) Engines and Engine-Driven Generators				
12	(314) Turbogenerator Units				
13	(315) Accessory Electric Equipment				
14	(316) Misc. Power Plant Equipment				
15	(317) Asset Retirement Costs for Steam Production				
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)	143,334			
17	B. Nuclear Production Plant				
18	(320) Land and Land Rights				
19	(321) Structures and Improvements				
20	(322) Reactor Plant Equipment				
21	(323) Turbogenerator Units				
22	(324) Accessory Electric Equipment				
23	(325) Misc. Power Plant Equipment				
24	(326) Asset Retirement Costs for Nuclear Production				
25	TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)				
26	C. Hydraulic Production Plant				
27	(330) Land and Land Rights	630,727			
28	(331) Structures and Improvements	1,177,751	226,955		
29	(332) Reservoirs, Dams, and Waterways	37,609,784	27,585,367		
30	(333) Water Wheels, Turbines, and Generators	626,405	710		
31	(334) Accessory Electric Equipment	2,464,363	46,694		
32	(335) Misc. Power Plant Equipment	603,574	24,182		
33	(336) Roads, Railroads, and Bridges	527,337			
34	(337) Asset Retirement Costs for Hydraulic Production				
35	TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)	43,639,941	27,883,908		
36	D. Other Production Plant				
37	(340) Land and Land Rights	63,016			
38	(341) Structures and Improvements	213,126	-9,152		
39	(342) Fuel Holders, Products, and Accessories	1,336,608	14,966		
40	(343) Prime Movers	2,489,856			
41	(344) Generators	1,056,338			
42	(345) Accessory Electric Equipment	766,117	35,258		
43	(346) Misc. Power Plant Equipment	31,502			
44	(347) Asset Retirement Costs for Other Production				
45	TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)	5,956,563	41,072		
46	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)	49,739,838	27,924,980		

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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years 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.

7. Show in column (f) reclassifications 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, 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.

8. 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 requirement of these pages.

9. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchase, 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

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				1
			2,005	2
			5,959,891	3
				4
			5,961,896	5
				6
				7
			143,334	8
				9
				10
				11
				12
				13
				14
				15
			143,334	16
				17
				18
				19
				20
				21
				22
				23
				24
				25
				26
			630,727	27
58,323			1,346,383	28
814,868			64,380,283	29
886			626,229	30
85,180			2,425,877	31
81,993			545,763	32
122,657			404,680	33
				34
1,163,907			70,359,942	35
				36
			63,016	37
61			203,913	38
			1,351,574	39
2,072			2,487,784	40
			1,056,338	41
129,447			671,928	42
3,211			28,291	43
				44
134,791			5,862,844	45
1,298,698			76,366,120	46

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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)					
Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)		
47	3. TRANSMISSION PLANT				
48	(350) Land and Land Rights				
49	(352) Structures and Improvements				
50	(353) Station Equipment				
51	(354) Towers and Fixtures				
52	(355) Poles and Fixtures				
53	(356) Overhead Conductors and Devices				
54	(357) Underground Conduit				
55	(358) Underground Conductors and Devices				
56	(359) Roads and Trails				
57	(359.1) Asset Retirement Costs for Transmission Plant				
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)				
59	4. DISTRIBUTION PLANT				
60	(360) Land and Land Rights	745,814			
61	(361) Structures and Improvements	1,234,977			
62	(362) Station Equipment	25,014,796	-393,502		
63	(363) Storage Battery Equipment				
64	(364) Poles, Towers, and Fixtures	28,807,944	601,963		
65	(365) Overhead Conductors and Devices	15,792,306	157,770		
66	(366) Underground Conduit				
67	(367) Underground Conductors and Devices	16,736,586	236,125		
68	(368) Line Transformers	22,194,618	955,337		
69	(369) Services	13,872,953	357,367		
70	(370) Meters	5,242,354	97,574		
71	(371) Installations on Customer Premises	560,845	45,909		
72	(372) Leased Property on Customer Premises				
73	(373) Street Lighting and Signal Systems	1,881,471	89,907		
74	(374) Asset Retirement Costs for Distribution Plant	142,440			
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	132,227,104	2,148,450		
76	5. REGIONAL TRANSMISSION AND MARKET OPERATION PLANT				
77	(380) Land and Land Rights				
78	(381) Structures and Improvements				
79	(382) Computer Hardware				
80	(383) Computer Software				
81	(384) Communication Equipment				
82	(385) Miscellaneous Regional Transmission and Market Operation Plant				
83	(386) Asset Retirement Costs for Regional Transmission and Market Oper				
84	TOTAL Transmission and Market Operation Plant (Total lines 77 thru 83)				
85	6. GENERAL PLANT				
86	(389) Land and Land Rights	195,531			
87	(390) Structures and Improvements	6,104,111	141,137		
88	(391) Office Furniture and Equipment	1,233,968	822		
89	(392) Transportation Equipment	7,542,135	271,884		
90	(393) Stores Equipment	104,039			
91	(394) Tools, Shop and Garage Equipment	1,635,031	20,749		
92	(395) Laboratory Equipment	1,462,181	115,100		
93	(396) Power Operated Equipment	841,301	25,776		
94	(397) Communication Equipment	2,750,319	3,346		
95	(398) Miscellaneous Equipment	34,053			
96	SUBTOTAL (Enter Total of lines 86 thru 95)	21,902,669	578,814		
97	(399) Other Tangible Property				
98	(399.1) Asset Retirement Costs for General Plant	194,875			
99	TOTAL General Plant (Enter Total of lines 96, 97 and 98)	22,097,544	578,814		
100	TOTAL (Accounts 101 and 106)	210,026,382	30,652,244		
101	(102) Electric Plant Purchased (See Instr. 8)				
102	(Less) (102) Electric Plant Sold (See Instr. 8)				
103	(103) Experimental Plant Unclassified				
104	TOTAL Electric Plant in Service (Enter Total of lines 100 thru 103)	210,026,382	30,652,244		

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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					47
					48
					49
					50
					51
					52
					53
					54
					55
					56
					57
					58
					59
			745,814		60
			1,234,977		61
31,597		3,733	24,593,430		62
					63
128,923		65,085	29,346,069		64
75,761	-231		15,874,084		65
					66
44,417	-37,129		16,891,165		67
323,508		-3,733	22,822,714		68
38,186			14,192,134		69
149,445			5,190,483		70
86,944			519,810		71
					72
63,299			1,908,079		73
			142,440		74
942,080	-37,360	65,085	133,461,199		75
					76
					77
					78
					79
					80
					81
					82
					83
					84
					85
			195,531		86
7,117			6,238,131		87
35,430			1,199,360		88
715,577		-390,881	6,707,561		89
			104,039		90
			1,655,780		91
			1,577,281		92
6,037		390,881	1,251,921		93
			2,753,665		94
			34,053		95
764,161			21,717,322		96
					97
			194,875		98
764,161			21,912,197		99
3,004,939	-37,360	65,085	237,701,412		100
					101
					102
					103
3,004,939	-37,360	65,085	237,701,412		104

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) 4/29/2011	Year of Report December 31, 2010			
PLANT ACQUISITION ADJUSTMENTS AND ACCUMULATED PROVISION FOR AMORTIZATION OF PLANT ACQUISITION ADJUSTMENTS (Accounts 114 & 115)						
<div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <p>1. Report the particulars called for concerning acquisition adjustments.</p> <p>2. Provide a subheading for each account and list thereunder the information called for, observing the instructions below.</p> <p>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.</p> <p>4. For acquisition adjustments arising during the year</p> </div> <div style="width: 48%;"> <p>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.</p> <p>5. In the blank space at the bottom of the schedule, explain the plan of disposition of any acquisition adjustments not currently being amortized.</p> <p>6. Give date Commission authorized use of Account 115.</p> </div> </div>						
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	2,681,674				2,681,674
2	Purchased Four (4) Hydro-Electric					
3	Generating Stations for Cliffs					
4	Electric Service on Feb. 17, 1998					
5						
6						
7						
8	Account 115					
9	Four (4) Hydro-Electric Generating	2,343,485		406	106,796	2,450,281
10	Stations					
11						
12						
13						
14						
15						
16						
17						
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) 4/29/2011	Year of Report December 31, 2010
CONSTRUCTION WORK IN PROGRESS AND COMPLETED CONSTRUCTION NOT CLASSIFIED - ELECTRIC (Accounts 107 and 106)				
<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	McClure Upgrade	1,194,849		55,151
2	Victoria Spillway Adequacy	387,798		2,612,202
3	Install 29500 Ft 4/0 URD PRI	332,177		46,586
4	Chassell Ckt Recond. 3.1 Mi	290,992		0
5	Prickett Spillway & Fuse Plug	257,134		1,742,866
6	Re-Conductor Circuit #2	107,955		
7	Proj. Balances Less Than \$10,000	347,879	2,809,493	
8	McClure Penstock Eval & Repl		18,895,693	
9	Silver Lake Dam Replacement		9,035,691	
10	Bond Falls - Two Gated Spillway		8,636,030	
11	Remodel New Delta SC		1,014,087	
12	Lincoln Ave - Add 2nd Xformer		726,054	
13	Munising Sub - Add Xfmr & Split Bus		426,751	
14	Prickett Drain System & Filter		269,973	
15	The Shores at Ten Mile Pt LLC		111,921	
16	2010 S&T Tools for Hough & Ish		108,120	
17	Houghton SC Roof Replacement		104,496	
18	Hoist New FERC License Replacement		100,750	
19	Reconductor Ckt #1 to 336 ACS		100,448	
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35	TOTAL	2,918,784	42,339,507	4,456,805

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) 4/29/2011	December 31, 2010

CONSTRUCTION OVERHEADS - ELECTRIC

1. List in column (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.
2. On page 218 furnish information concerning construction overheads.
3. A respondent should not report "none" to this page if no overhead apportionments are made, but rather 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.
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.

Line No.	Description of Overhead (a)	Total Amount Charged for the Year (b)
1		
2	Allowance for Funds Used During Construction	782,484
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
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25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39	TOTAL	782,484

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) 4/29/2011	Year of Report December 31, 2010
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GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE

1. 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 differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.

2. Show below the computation of allowance for funds used during construction rates, if those differ from the overall rate of return authorized by the Michigan Public Service Commission.

1. Construction Overheads: Supervision and engineering are charged to specific requisitions involved, direct from the time vouchers. Pension expense, workman's compensations 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 rates of return ordered by Case U-16166 dated December 21, 2010.

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 & Computation of Allowance Text	S 6,544,507		
2	Short Term Interest			s 0.37%
3	Long-Term Debt	D 40,800,000	34.26%	d 6.71%
4	Perferred Stock	P		p
5	Common Equity	C 78,302,070	65.74%	c 10.3%
6	Total Capitalization	119,102,070	100.00%	
7	Average Construction Work in Progress Balance	W 21,974,977		

1. Gross Rate for Borrowed Funds

$$s \left(\frac{\text{S}}{\text{W}} \right) + d \left(\frac{\text{D}}{\text{D}+\text{P}+\text{C}} \right) (1 - \frac{\text{S}}{\text{W}}) = 2.44\%$$

3. Rate for Other Funds

$$[1 - \frac{\text{S}}{\text{W}}] [p \left(\frac{\text{P}}{\text{D}+\text{P}+\text{C}} \right) + c \left(\frac{\text{C}}{\text{D}+\text{P}+\text{C}} \right)] = 6.77\%$$

4. Weighted Average Rate Actually Used for the Year

a. Rate for Borrowed Funds 1.73%

b. Rate for Other Funds 4.75%

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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	87,204,603	87,204,603		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	6,240,836	6,240,836		
4	(403.1) Depreciation Expense for Asset Retirement Costs				
5	(413) Exp. of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing				
7	Other Clearing Accounts	227,455	227,455		
8	Other Accounts (Specify, details in footnote):	22,404	22,404		
9					
10	TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)	6,490,695	6,490,695		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	3,004,940	3,004,940		
13	Cost of Removal	433,641	433,641		
14	Salvage (Credit)	154,116	154,116		
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	3,284,465	3,284,465		
16	Other Debit or Cr. Items (Describe, details in footnote):	-17,624	-17,624		
17					
18	Book Cost or Asset Retirement Costs Retired				
19	Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18)	90,393,209	90,393,209		

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

20	Steam Production				
21	Nuclear Production				
22	Hydraulic Production-Conventional	12,365,039	12,365,039		
23	Hydraulic Production-Pumped Storage				
24	Other Production	4,506,216	4,506,216		
25	Transmission				
26	Distribution	60,970,422	60,970,422		
27	Regional Transmission and Market Operation				
28	General	12,551,532	12,551,532		
29	TOTAL (Enter Total of lines 20 thru 28)	90,393,209	90,393,209		

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FOOTNOTE DATA			

Schedule Page: 219 Line No.: 8 Column: c

Account 182375 - ARC Depreciation Expense

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

ARO Reclass (Accounts 254185 to 182376)	\$ (5,621)
Reserve Adj. Related to Asset Impairment	(23,963)
Other Transfers	11,960
	\$ (17,624)

Schedule Page: 219 Line No.: 29 Column: c

FOOTNOTE:

Steam Production

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

Nuclear Production

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

Hydraulic Production - Conventional

End Balance (above)	12,365,039.08
Less: 108200 ARO	-
Depreciation (Non-Rate base)	
Add: 182376 ARO COR Depr	-
(Rate base)	
Ending Rate Base Reserve	12,365,039.08

Hydraulic Production - Pumped Storage

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

Other Production

End Balance (above)	4,506,215.85
Less: 108200 ARO	-
Depreciation (Non-Rate base)	
Add: 182376 ARO COR Depr	-
(Rate base)	
Ending Rate Base Reserve	4,506,215.85

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) 12/31/2010	Year/Period of Report 2010/Q4
Upper Peninsula Power Company			
FOOTNOTE DATA			

Transmission

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

Distribution

End Balance (above)	60,970,422.30
Less: 108200 ARO	142,439.71
Depreciation (Non-Rate base)	
Add: 182376 ARO COR Depr (Rate base)	175,548.18
Ending Rate Base Reserve	61,003,530.77

General

End Balance (above)	12,551,531.68
Less: 108200 ARO	128,272.99
Depreciation (Non-Rate base)	
Add: 182376 ARO COR Depr (Rate base)	-
Ending Rate Base Reserve	12,423,258.69

Total

End Balance (above)	90,393,208.91
Less: 108200 ARO	270,712.70
Depreciation (Non-Rate base)	
Add: 182376 ARO COR Depr (Rate base)	175,548.18
Ending Rate Base Reserve	90,298,044.39

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) 4/29/2011	December 31, 2010

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	9,949	0	9,949
3	Land in the Ontonagon River Area	1,901,633	0	1,901,633
4	Land in the City of Gladstone	321,692	0	321,692
5	Escanaba River Hydros Delta County	3,956,370	167,737	4,124,107
6	Eastern Hydro Dams	697,584	(15,195)	682,389
7	Bond Falls Ontonagon County	454,062	0	454,062
8	CWIP	42,791	44,033	86,824
9				
10				
11				
12				
13	**Leased to Wausau Paper Mills,			
14	not an associated company.			
15				
16				
17				
	TOTAL	7,384,081	196,575	7,580,656

**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	987,474
2	Accruals for Year, Charged to	
3	(417) Income from Nonutility Operations	177,192
4	(418) Nonoperating Rental Income	
5	Other Accounts (Specify):	
6		
7	TOTAL Accruals for Year (Enter Total of lines 3 thru 6)	177,192
8	Net Charges for Plant Retired:	
9	Book Cost of Plant Retired	(15,239)
10	Cost of Removal	
11	Salvage (Credit)	2,246
12	TOTAL Net Charges (Enter Total of lines 9 thru 11)	(12,993)
13	Other Debit or Credit Items (Describe):	
14	Reclass to Regulatory Asset	15,195
15	Gain Associated with Boney Falls	(2,203)
16	Other Transfer Adjustments	(1,003)
14	Total Other Debits or Credit Items	11,989
15	Balance, End of Year (Enter Total of lines 1, 7, 12, and 14)	1,163,662

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) 4/29/2011	Year of Report December 31, 2010	
INVESTMENTS (Accounts 123, 124, 136)				
<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 in Account 124, <i>Other</i></p>		<p><i>Investments</i>), state number of shares, class, and series of stock. Minor investments may be grouped by classes. Investments included in Account 136, Temporary Cash Investments, 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 listed giving date of issuance,</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	14,568,855	2,113,475
2	Date Acquired 6/29/2011			
3	2.67% Interest			
4	Paid in Capital			
5				
6				
7	ATC Management, Inc.	3,220	3,220	
8	Date Acquired 6/29/2011			
9	1.96% Voting Interest			
10	Common Equity			
11				
12				
13	5,941 Shares of Stock - Smurfitt Stone Container	0	0	111,394
14				
15				
16				
17				
18				
19				
20				
21		11,409,569	14,572,075	2,224,869
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37		0	0	0
38				
39				
40				
41				
42		11,409,569	14,572,075	2,224,869

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) 4/29/2011	Year of Report December 31, 2010
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INVESTMENTS (Accounts 123, 124, 136) (Cont'd)						
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. 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. 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. 5. Report in column (g) interest and dividend revenues from investments including such revenues from securities disposed of during the year. 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).			
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)		Revenues for Year (g)	Gain of Loss from Improvement Disposed of (h)	Line No.
		Original Cost	Book Value			
		11,406,349	14,963,782	1,718,548		1
						2
						3
						4
						5
						6
		3,220	3,220			7
						8
						9
						10
						11
						12
	5941	111,394	152,090			13
						14
						15
						16
						17
						18
						19
						20
0		11,520,963	15,119,092	1,718,548		21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
						35
						36
0		0	0	0		37
						38
						39
0	5941	11,520,963	15,119,092	1,718,548	0	40
						41
						42

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) 12/31/2010	Year/Period of Report End of 2010/Q4
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INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1)

- Report below investments in Accounts 123.1, investments in Subsidiary Companies.
- 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)
 - Investment in Securities - List and describe each security owned. For bonds give also principal amount, date of issue, maturity and interest rate.
 - 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.
- 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		14,568,855
2	2.67% Interest			
3	Paid in Capital			
4				
5				
6	ATC Management, Inc.	6/29/2001		3,220
7	1.96% Voting Interest			
8	Common Equity			
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36				
37				
38				
39				
40				
41				
42	Total Cost of Account 123.1 \$	0	TOTAL	14,572,075

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) 12/31/2010	Year/Period of Report End of 2010/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.
2,113,475	1,718,548	14,963,782		1
				2
				3
				4
				5
		3,220		6
				7
				8
				9
				10
				11
				12
				13
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				41
2,113,475	1,718,548	14,967,002		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) 12/31/2010	Year/Period of Report 2010/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. Dividend from WPS Investments \$(1,718,548).

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) 4/29/2011	Year of Report December 31, 2010
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NOTES AND ACCOUNTS RECEIVABLE SUMMARY FOR BALANCE SHEET

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)	9,338,567	9,474,651
3	Other Accounts Receivable (Account 143) * (Disclose any capital stock subscriptions received)	5,397,823	2,977,480
4	TOTAL	14,736,390	12,452,131
5	Less: Accumulated Provision for Uncollectible Accounts-Cr. (Account 144) **	359,140	260,000
6	TOTAL, Less Accumulated Provision for Uncollectible Accounts	14,377,250	12,192,131
7			
8			
9	* Accounts Receivable From Employees:		
10	** Michigan's Portion of Account 144:		
11			
12			
13			
14			

ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNT-CR. (Account 144)

- Report below the information called for concerning this accumulated provision.
- Explain any important adjustments of subaccounts.
- 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	359,140				359,140
2	Prov. for uncollectibles for current year	142,672				142,672
3	Account written off (less)	428,899				428,899
4	Coll. of accounts written off	187,087				187,087
5	Adjustments (explain): To reserve based on modified black motor formula					0
6	Balance end of year	260,000	0	0	0	260,000
7						
8						
9						
10						
11						

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) 4/29/2011	Year of Report December 31, 2010
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RECEIVABLES FROM ASSOCIATED COMPANIES (Accounts 145, 146)						
1. Report particulars of notes and accounts receivable from associated companies* at end of year. 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. 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.				4. If any note was received in satisfaction of an open account, state the period covered by such open account. 5. Include in column (f) interest recorded as income during the year including interest on accounts and notes held any time during the year. 6. Give particulars of any notes pledged or discounted, also of any collateral held as guarantee of payment of any note or account.		
* 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	Account 146:					
2	Integrus Energy Group, Inc.	0	324,095	324,095	0	
3	Wisconsin Public Service Corporation	15,443	249,283	254,016	10,710	
4	Michigan Gas Utilities Company	379	61,410	61,554	235	
5	Wisconsin River Power Company	0	21,381	20,548	833	
6	Integrus Business Support, LLC	18,587	18,073	36,660	(0)	
7	North Shore Gas Company	0	35	0	35	
8	Minnesota Energy Resources Corp.	0	3,899	3,100	799	
9						
10						
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22						
23						
24						
25						
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27						
28						
29						
30						
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34						
35						
36	TOTAL	34,409	104,798	121,862	12,612	0

NOTE: All information presented pertains to Account 146. Account 145 had no activity during 2005.

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) 12/31/2010	Year/Period of Report End of 2010/Q4
MATERIALS AND SUPPLIES					
<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)	440,306	510,993	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)	465,767	515,188	Electric	
6	Assigned to - Operations and Maintenance				
7	Production Plant (Estimated)	1,173		Electric	
8	Transmission Plant (Estimated)				
9	Distribution Plant (Estimated)	542,343	492,669	Electric	
10	Regional Transmission and Market Operation Plant (Estimated)				
11	Assigned to - Other (provide details in footnote)	17,635		Electric	
12	TOTAL Account 154 (Enter Total of lines 5 thru 11)	1,026,918	1,007,857		
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)	89,281	114,390		
17					
18					
19					
20	TOTAL Materials and Supplies (Per Balance Sheet)	1,556,505	1,633,240		

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) 4/29/2011	Year of Report December 31, 2010
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 Electric Department - Coal		
			Quantity (Tons) (c)	Cost (d)	
1	On hand beginning of year	440,306	0	0	
2	Received during year	663,614	0	0	
3	TOTAL	1,103,920	0	0	
4	Used during year (specify department)	592,927	0	0	
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15	Sold or transferred				
16	TOTAL DISPOSED OF	592,927	0	0	
17	BALANCE END OF YEAR	510,993	0	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) 04/29/11		Year of Report December 31, 2010	
PRODUCTION FUEL AND OIL STOCKS (Included in Account 151 (Continued))							
KINDS OF FUEL AND OIL (Continued)							
Electric Department - Oil		Electric Department - Propane		Electric Dept. - Alternate Fuel		Line	
Quantity (Gallons) (e)	Cost (f)	Quantity (Gallons) (g)	Cost (h)	Quantity (Tons) (i)	Cost (j)	Line No.	
207,438	440,306					1	
305,004	663,614					2	
512,442	1,103,920	0	0	0	0	3	
277,158	592,927					4	
						5	
						6	
						7	
						8	
						9	
						10	
						11	
						12	
						13	
						14	
						15	
277,158	592,927	0	0	0	0	16	
235,284	510,993	0	0	0	0	17	

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) 4/29/2011	Year of Report December 31, 2010
MISCELLANEOUS CURRENT AND ACCRUED ASSETS (Account 174)			
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	4,374,100	
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
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24			
25	TOTAL	4,374,100	

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) 12/31/2010	Year/Period of Report End of 2010/Q4
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OTHER REGULATORY ASSETS (Account 182.3)

1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.
3. 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	90,624		511	30,208	60,416
2						
3	Warden Ash Site Monitoring	1,100,000		253	55,000	1,045,000
4						
5	Minimum Pension Liability Adjustment	53,886,507	60,905,128	Various	55,417,257	59,374,378
6						
7	ARO Depr/Accr NonRate Base	527,037	57,095			584,132
8						
9	ARO COR Rate Base	(169,927)		254	5,621	-175,548
10						
11	Derivatives	55,580	256,026	244	300,835	10,771
12						
13	Decoupling		3,320,531	456	582,985	2,737,546
14						
15	Uncollectible Tracker	359,140		144/904	359,140	
16						
17	Def Tax 2010 Healthcare		1,554,684			1,554,684
18						
19	Autrain		3,697,916			3,697,916
20						
21						
22	See Footnote					
23						
24						
25						
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41						
42						
43						
44	TOTAL	55,848,961	69,791,380		56,751,046	68,889,295

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) 12/31/2010	Year/Period of Report 2010/Q4
Upper Peninsula Power Company			
FOOTNOTE DATA			

Schedule Page: 232 Line No.: 22 Column: a

Formula Rate Regulatory Assets - Allocable to Production, Average of Lines 1 and 5, Columns B and F.

Formula Rate Regulatory Assets - Direct Assigned to Production, Average Lines 3 and 19, Columns B and F.

Formula Rate Regulatory Assets - Allocable to Distribution, Average of Lines 1 and 5, Columns B and F.

Formula Rate Regulatory Assets - Direct Assigned to Distribution, None.

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) 12/31/2010	Year/Period of Report End of 2010/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 \$100,000, 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	159,416	20,693	511	40,984	139,125
2						
3	Labor Load/Transp. Capital Acc.	33,846	696,735	Various	690,108	40,473
4						
5	Work Orders	65,354	147,424	Various	138,144	74,634
6						
7	Minor Items	20,173	23			20,196
8						
9	Accruals to Subsidiaries	33,637	200,827	Various	234,464	
10						
11	Other Deferred Credits	3,148,578	2,460,132	Various	3,707,394	1,901,316
12						
13	MISO Retail		400,000			400,000
14						
15						
16						
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45						
46						
47	Misc. Work in Progress					
48	Deferred Regulatory Comm. Expenses (See pages 350 - 351)					
49	TOTAL	3,461,004				2,575,744

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) 4/29/2011	December 31, 2010

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	Plant	1,869,707	(45,936)	144,748
3	Other Than Plant	3,005,278	(4,142,294)	3,534,877
4	Plant (FAS 109)	270,100		
5	Other Than Plant (FAS 109)			
6				
7	Other			
8	TOTAL (Account 190) (Enter total of lines 2 thru 7)	5,145,085	(4,188,230)	3,679,625
9	Gas			
10	Plant			
11	Other Than Plant			
12	Plant (FAS 109)			
13	Other Than Plant (FAS 109)			
14				
15	Other			
16	TOTAL Gas (Enter total of lines 10 thru 15)			
17	Other (Specify) - Nonutility	696	(188)	4,007
18	TOTAL (Account 190) (Enter total of lines 8, 16 & 17)	5,145,781	(4,188,418)	3,683,632
19	Classification of Total:			
20	Federal Income Tax	4,337,228	(3,755,644)	3,332,535
21	State Income Tax	808,553	(432,774)	351,097
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) 4/29/2011	Year of Report December 31, 2010
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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
					0	1,968,519	2
					(622,484)	1,775,377	3
					(17,885)	252,215	4
						0	5
							6
							7
0	0		0		(640,369)	3,996,111	8
							9
							10
							11
							12
							13
							14
							15
							16
						4,514	4007
					(640,369)	4,000,626	4008
							19
					(578,577)	3,335,542	20
					(61,792)	665,084	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) 4/29/2011	December 31, 2010

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)
3				
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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) 4/29/2011	December 31, 2010

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 Recquired Debt or credited to Account 429.1, Amortization of Gain on Recquired 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
32,097		2,712	29,385	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) 12/31/2010	Year/Period of Report End of 2010/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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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) 4/29/2011	Year of Report December 31, 2010
CAPITAL STOCK SUBSCRIBED, CAPITAL STOCK LIABILITY FOR CONVERSION, PREMIUM ON CAPITAL STOCK AND INSTALLMENTS RECEIVED ON CAPITAL STOCK (Accounts 202 & 205, 203 & 206, 207, 212)			
<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	Account 207 - Premium on Capital Stock		
2			
3	Common Stock	1,090,736	14,887,579
4	Capital Provided by Parent		6,000,000
5			
6			
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40	TOTAL	1,090,736	20,887,579

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) 4/29/2011	Year of Report December 31, 2010
OTHER PAID - IN CAPITAL (Accounts 208-211, inc.)			
<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	Account 210 - Gain on Resale or Cancellation of Reacquired Capital		
2	Balance Beginning of Year	40,250	
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35	TOTAL	40,250	

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) 4/29/2011	Year of Report December 31, 2010
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 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>			
<p>Security Financing; Security fund requirements of the various series bonds were satisfied during the year.</p>			

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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) 12/31/2010	Year/Period of Report End of 2010/Q4
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LONG-TERM DEBT (Account 221, 222, 223 and 224)

1. 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.
2. In column (a), for new issues, give Commission authorization numbers and dates.
3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
4. 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.
5. For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.
6. In column (b) show the principal amount of bonds or other long-term debt originally issued.
7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.
8. 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.
9. 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	5.041% Note	15,000,000	
10			
11			
12			
13			
14			
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31			
32			
33	TOTAL	63,000,000	224,361

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) 12/31/2010	Year/Period of Report End of 2010/Q4
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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	9,400,000	961,514	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
04/30/2010	04/30/2020			15,000,000	552,271	9
						10
						11
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				54,400,000	3,233,695	33

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) 4/29/2011	Year of Report December 31, 2010	
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						
3	ST Notes Payable to Affiliates	10,395,000	103,745,000	102,300,000	8,950,000	24,201
4					0	
5					0	
6	Account 234:				0	
7	Wisconsin Public Service Corporation	5,270,567	41,610,625	38,352,080	2,012,022	
8	Integrus Business Support, LLC	2,366,126	44,991,900	44,749,660	2,123,886	
9	Minnesota Energy Resources Corporation	0	5,933	5,979	46	
10	Michigan Gas Utilities Company	977	28,850	27,873	0	
11	Integrus Energy Group, Inc.	715,452	34,609,704	34,553,095	658,843	
12	Integrus Energy Services, Inc.	0	0	9	9	
13	Peoples Energy Corporation	0	0	489	489	
14	Wisconsin River Power Company	1,041	1,041		0	
15	The Peoples Gas Light & Coke Company	9	9	0	0	
16	North Shore Gas Company	18	18	0	0	
17					0	
18					0	
19					0	
20					0	
21					0	
22					0	
23					0	
24					0	
25					0	
26					0	
27					0	
28	Total	18,749,190	224,993,080	219,989,185	13,745,295	

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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) 4/29/2011	December 31, 2010

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)	7,878,690
6	Allocation of Net income for the year	
7	Add: Federal income tax expenses	4,593,139
8		
9	Total pre-tax income	12,471,829
10		
11	Add: Taxable income not reported on books:	-
12		
13		
14		
15	Add: Deductions recorded on books not deducted from return	438,020
16		
17		
18		
19	Subtract: Income recorded on books not included in return:	(9,381,277)
20		
21		
22		
23	Subtract: Deductions on return not charged against book income:	(17,041,216)
24	Schedule M (Addition of Taxable Income)	(25,984,473)
25		
26	Federal taxable income for the year	(13,512,644)

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) 4/29/2011	Year of Report December 31, 2010
RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES (Continued)			
<p>3. Allocate taxable income between utility and other income as required to allocate tax expense between 409.1 and 409.2</p> <p>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.</p>			
Utility	Other	Line No.	
		1	
		2	
		3	
		4	
		5	
		6	
3,678,266	914,873	7	
		8	
		9	
		10	
-	-	11	
		12	
		13	
		14	
428,941	9,079	15	
		16	
		17	
		18	
(7,125,215)	(2,256,062)	19	
		20	
		21	
		22	
(16,362,342)	(678,874)	23	
		24	
		25	
		26	

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) 12/31/2010	Year/Period of Report End of 2010/Q4
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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 Current Year			-4,729,425	-4,521,000	-6,615
3	Income Prior Year		4,201,228	-689,011	-3,306,234	3,943
4	Illinois					
5	Income Prior Year		-70	235	-28,119	
6	Michigan					
7	Income Current Year			-404,985	-421,987	-1,218
8	Income Prior Year		628,141	-150,845	-470,478	597
9	Minnesota					
10	Income Current Year				27	
11	Income Prior Year		987	-136	-610	
12	Wisconsin					
13	Income Current Year			-1,095	4,713	-62
14	Income Prior Year		40,206	-11,910	-38,250	-249
15	Other Taxes					
16	Social Security	37,801		703,722	700,004	
17	FUTA			6,806	6,806	
18	SUTA MI			21,691	21,688	
19	Unauthorized Ins. Tax		6,956	10,086	11,425	-892
20	Use Tax			7,221	7,221	
21	WI Recycling Fee			247	823	-576
22	MI Property Tax	4,233,292		4,271,237	4,275,450	147,000
23	Payroll Taxes Billed			289,704	289,704	
24	Federal Excise Tax			944	447	892
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL	4,271,093	4,877,448	-675,514	-3,468,370	142,820

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) 12/31/2010	Year/Period of Report End of 2010/Q4
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

5. If any tax (exclude Federal and State income taxes)- covers more then 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 (l) 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
	215,040	-4,760,107			30,682	2
	1,580,061	-135,072			-553,939	3
						4
	-28,424	235				5
						6
	-15,785	-407,774			2,789	7
	307,899	-82,900			-67,944	8
						9
	27					10
	513	-136				11
						12
	5,870	-5,700			4,605	13
	14,127	-7,378			-4,532	14
						15
41,519		703,722				16
		6,806				17
3		21,691				18
	7,403	10,086				19
		7,221				20
		247				21
4,376,079		4,044,910			226,327	22
		289,704				23
	395	944				24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
						35
						36
						37
						38
						39
						40
4,417,601	2,087,126	-313,501			-362,012	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) 12/31/2010	Year/Period of Report 2010/Q4
FOOTNOTE DATA			

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

Stock Options \$(6,615)

Schedule Page: 262 Line No.: 3 Column: f

Fuel Tax Credit \$(353)
 Restricted Stock 3,282
 Non FIN 48 Interest Income/Expense 1,014
 \$3,943

Schedule Page: 262 Line No.: 7 Column: f

MI Stock Options \$(1,218)

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

Restricted Stock \$603
 MI Interest Income/Expense (6)
 \$597

Schedule Page: 262 Line No.: 13 Column: f

WI Stock Options \$(62)

Schedule Page: 262 Line No.: 14 Column: f

WI Recycling Fee True Up \$(576)
 Restricted Stock 28
 WI Interest Income/Expense 299
 \$(249)

Schedule Page: 262 Line No.: 23 Column: i

FICA \$263,581
 FUTA 2,548
 SUTA 23,575
 \$289,704

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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) 12/31/2010		Year/Period of Report End of 2010/Q4	
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%	72,441			411.4	4,682	
4	7%						
5	10%	568,880			411.4	36,682	
6		427,767			411.4	-734,472	
7							
8	TOTAL	1,069,088				-693,108	
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL)						
10	Electric from Above	1,069,088				-693,108	
11	Electric Subtotal	1,069,088				-693,108	
12							
13	Non-Utility	1,987			411.5	-10,911	
14							
15	Total	1,071,075				-704,019	
16							
17							
18							
19							
20							
21							
22							
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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) 12/31/2010	Year/Period of Report End of 2010/Q4
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
67,759	44.7 Years				3
					4
532,198	44.7 Years				5
1,162,239	55.6 Years				6
					7
1,762,196					8
					9
1,762,196					10
1,762,196					11
					12
12,898	39.0 Years				13
					14
1,775,094					15
					16
					17
					18
					19
					20
					21
					22
					23
					24
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					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) 4/29/2011	December 31, 2010

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	Current & Accr. Liab - 401K Serv. Acc	14,831
2	ESOP-Company Contribution	15,551
3	Incur But Not Reported - W. Comp	1,518
4	Curr & Acc Liab. - Misc Payroll	1,155
5	Health & Life Accrual	137,434
6	Current Pension Obligation	248,144
7	Current Post Retirement Obligation	17,862
8	C&A Liab. - 401K Deducts	420
9	Curr & Acc Liab Vac Pay Accrual	843,656
10	Accrued Wages Payable	210,091
11	Goal Sharing	311,022
12	MI Energy Optimization	16,175
13	Def Revenue 2010	484,719
14		
15		
16		
17		
18		
19		
20		
21		
22	TOTAL	2,302,578

CUSTOMER ADVANCES FOR CONSTRUCTION (Account 252)

Line No.	List Advances by department (a)	Balance End of Year (b)
23	Electric	5,069,771
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39	TOTAL	5,069,771

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) 12/31/2010	Year/Period of Report End of 2010/Q4
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OTHER DEFERRED CREDITS (Account 253)

- Report below the particulars (details) called for concerning other deferred credits.
- For any deferred credit being amortized, show the period of amortization.
- Minor items (5% of the Balance End of Year for Account 253 or amounts less than \$100,000, 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	LT Payable to Affiliates	225,868	182	309,595	352,654	268,927
2						
3	Bond Falls Mitigation	360,756	537 543 926	332,153	114,527	143,130
4						
5	P.I. Ash Site	424,091				424,091
6						
7	Outstanding Checks Cancelled	1,531	232	308	13	1,236
8						
9	Warden Ash Site	1,100,000	511	72,693	17,693	1,045,000
10						
11	Sick Leave Term. Pay	675,301		194,633	82,777	563,445
12						
13	LT Payable Restricted Stock				96,004	96,004
14						
15	LT Payable Perf. Shares				51,190	51,190
16						
17	Misc. Def. Credit				1,456,101	1,456,101
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
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44						
45						
46						
47	TOTAL	2,787,547		909,382	2,170,959	4,049,124

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) 12/31/2010	Year/Period of Report End of 2010/Q4
ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282)					
1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating 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	17,934,697	7,588,130	1,049,851	
3	Gas				
4	Non Utility	6,468,343			
5	TOTAL (Enter Total of lines 2 thru 4)	24,403,040	7,588,130	1,049,851	
6					
7					
8					
9	TOTAL Account 282 (Enter Total of lines 5 thru 8)	24,403,040	7,588,130	1,049,851	
10	Classification of TOTAL				
11	Federal Income Tax	23,662,474	7,195,977	887,927	
12	State Income Tax	740,566	392,153	161,924	
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) 12/31/2010	Year/Period of Report End of 2010/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
			-1,509,491			25,982,467	2
							3
1,606,473	103,110					7,971,706	4
1,606,473	103,110		-1,509,491			33,954,173	5
							6
							7
							8
1,606,473	103,110		-1,509,491			33,954,173	9
							10
1,439,983	97,724		-1,387,653			32,700,436	11
166,489	5,386		-121,839			1,253,737	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) 12/31/2010	Year/Period of Report End of 2010/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	3,392,314	8,915,896	7,578,791	
5					
6	Other than Plant FAS109				
7					
8					
9	TOTAL Electric (Total of lines 3 thru 8)	3,392,314	8,915,896	7,578,791	
10	Gas				
11					
12					
13					
14					
15					
16					
17	TOTAL Gas (Total of lines 11 thru 16)				
18	Non Utility	-81,478			
19	TOTAL (Acct 283) (Enter Total of lines 9, 17 and 18)	3,310,836	8,915,896	7,578,791	
20	Classification of TOTAL				
21	Federal Income Tax	2,945,673	8,152,480	6,986,575	
22	State Income Tax	365,163	763,416	592,215	
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) 12/31/2010	Year/Period of Report End of 2010/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
					99,625	4,829,044	4
							5
							6
							7
							8
					99,625	4,829,044	9
							10
							11
							12
							13
							14
							15
							16
							17
14,720	21,962	254 282	1,549			-90,269	18
14,720	21,962		1,549		99,625	4,738,775	19
							20
13,176	19,632		-1,387			4,106,509	21
1,543	2,330		-162		99,625	635,364	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) 12/31/2010		Year/Period of Report End of 2010/Q4	
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 \$100,000 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	220,760	175	143,752	175,300	252,308	
2							
3	Uncollectible Expense Tracker				148,637	148,637	
4							
5	Deferred Taxes	4,548,912	190,282	639,513		3,909,399	
6							
7							
8							
9	See Footnote						
10							
11							
12							
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39							
40							
41	TOTAL	4,769,672		783,265	323,937	4,310,344	

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) 12/31/2010	Year/Period of Report 2010/Q4
Upper Peninsula Power Company			
FOOTNOTE DATA			

Schedule Page: 278 Line No.: 9 Column: a

Formula Rate Regulatory Liabilities - Allocable to Production, Average of Line 5, Columns B and F.

Formula Rate Regulatory Liabilities - Direct Assigned to Production, None.

Formula Rate Regulatory Liabilities - Allocable to Distribution, Average of Line 5, Columns B and F.

Formula Rate Regulatory Liabilities - Direct Assigned to Distribution, None.

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) 4/29/2011	Year of Report December 31, 2010
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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					
3	Gain Associated with Boney Falls				
4	Line Due to Car/Pole Accident	43		2,204	
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17	Total Gain	43		2,204	

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) 4/29/2011	Year of Report December 31, 2010
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PARTICULARS CONCERNING CERTAIN OTHER INCOME ACCOUNTS		
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.	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.	
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.	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.	
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.	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.	
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 date and expiration	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.	

Line No.	Item (a)	Amount (b)
1	Revenues from Nonutility Operations	
2	Revenues from Sale of REC's	469,154
3	Revenues from Operation of Escanaba River Hydros	638,789
4	Operations Expense for Escanaba River Hydros	397,948
5	Maintenance Expense for Escanaba River Hydros	361,300
6	Depreciation of Escanaba River Hydros	167,537
7		
8	Subtotal 417	181,158
9		
10	Non-Operating Rental Income	
11	Land Lease Income	3,900
12		
13	Subtotal 418	3,900
14		
15	Equity in Earnings of Subsidiary Companies	
16	Equity in Earnings of American Transmission Company	2,113,475
17		
18	Subtotal 418.1	2,113,475
19		
20		
21	Interest and Dividend Income	
22	Interest on Miscellaneous	31,555
23	Interest on Temporary Cash Investments	64
24	Interest on Under-Recovered PSC	1,496
25	Subtotal 419	33,115
26		
27	Miscellaneous Non-Operating Income	
28	Land Costs - Non Utility	(2,391)
29	Unrealized Gain - Fuel Options	2,406
30	Misc Non Operating Income - Timber Sales	211,851
31		
32		
33	Subtotal 421	211,866
34		
35		2,543,514

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) 12/31/2010	Year/Period of Report End of 2010/Q4
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ELECTRIC OPERATING REVENUES (Account 400)

1. The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages.
2. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
3. 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.
4. If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.
5. Disclose amounts of \$250,000 or greater in a footnote for accounts 451, 456, and 457.2.

Line No.	Title of Account (a)	Operating Revenues Year to Date Quarterly/Annual (b)	Operating Revenues Previous year (no Quarterly) (c)
1	Sales of Electricity		
2	(440) Residential Sales	45,756,535	43,046,429
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)	33,480,685	32,081,032
5	Large (or Ind.) (See Instr. 4)	17,373,777	18,433,728
6	(444) Public Street and Highway Lighting	1,343,775	1,251,329
7	(445) Other Sales to Public Authorities		
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales		
10	TOTAL Sales to Ultimate Consumers	97,954,772	94,812,518
11	(447) Sales for Resale	15,908,742	20,122,838
12	TOTAL Sales of Electricity	113,863,514	114,935,356
13	(Less) (449.1) Provision for Rate Refunds	815,917	861,417
14	TOTAL Revenues Net of Prov. for Refunds	113,047,597	114,073,939
15	Other Operating Revenues		
16	(450) Forfeited Discounts	88,713	80,109
17	(451) Miscellaneous Service Revenues	48,776	42,106
18	(453) Sales of Water and Water Power		
19	(454) Rent from Electric Property	188,659	186,396
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues	5,108,866	2,110,267
22	(456.1) Revenues from Transmission of Electricity of Others		
23	(457.1) Regional Control Service Revenues		
24	(457.2) Miscellaneous Revenues		
25			
26	TOTAL Other Operating Revenues	5,435,014	2,418,878
27	TOTAL Electric Operating Revenues	118,482,611	116,492,817

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) 12/31/2010	Year/Period of Report End of 2010/Q4
ELECTRIC OPERATING REVENUES (Account 400)					
6. 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 a footnote.) 7. See pages 108-109, Important Changes During Period, for important new territory added and important rate increase or decreases. 8. For Lines 2,4,5,and 6, see Page 304 for amounts relating to unbilled revenue by accounts. 9. Include unmetered sales. Provide details of such Sales in a footnote.					
MEGAWATT HOURS SOLD				AVG.NO. CUSTOMERS PER MONTH	
Year to Date Quarterly/Annual (d)	Amount Previous year (no Quarterly) (e)	Current Year (no Quarterly) (f)	Previous Year (no Quarterly) (g)	Line No.	
				1	
267,403	271,520	46,142	46,120	2	
				3	
241,458	239,917	5,522	5,562	4	
283,730	319,061	16	18	5	
5,504	5,653	171	169	6	
				7	
				8	
				9	
798,095	836,151	51,851	51,869	10	
280,526	354,054	69	68	11	
1,078,621	1,190,205	51,920	51,937	12	
				13	
1,078,621	1,190,205	51,920	51,937	14	
Line 12, column (b) includes \$ 0 of unbilled revenues. Line 12, column (d) includes 0 MWH relating to unbilled revenues					

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) 12/31/2010	Year/Period of Report 2010/Q4
Upper Peninsula Power Company			
FOOTNOTE DATA			

Schedule Page: 300 Line No.: 11 Column: b

Includes \$3,082,706 for FERC Order 668-A.

Schedule Page: 300 Line No.: 11 Column: c

Includes \$3,098,488 for FERC Order 668-A.

Schedule Page: 300 Line No.: 11 Column: d

Includes 96,603 MWH for FERC Order 668-A.

Schedule Page: 300 Line No.: 11 Column: e

Includes 92,715 MWH for FERC Order 668-A.

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) 12/31/2010	Year/Period of Report End of 2010/Q4
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SALES OF ELECTRICITY BY RATE SCHEDULES

- 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.
- 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.
- 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.
- 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).
- For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
- 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	214,561	37,428,156	39,321	5,457	0.1744
3	A-2 Residential	17,884	2,700,927	3,251	5,501	0.1510
4	AH-1 Electric Heat	32,333	5,027,341	3,382	9,560	0.1555
5	AH-2 Electric Heat	1,832	260,353	188	9,745	0.1421
6	Z-1&3 Dusk to Dawn	712	195,568			0.2747
7	Z-2&4 Dusk to Dawn	82	17,221			0.2100
8	Total	267,404	45,629,566	46,142	5,795	0.1706
9	442 Commercial & Industrial					
10	C-1 General Commercial	53,958	9,577,163	4,333	12,453	0.1775
11	C-2 General Commercial	6,337	907,053	410	15,456	0.1431
12	H-1 Commercial Heating	8,321	1,225,767	215	38,702	0.1473
13	H-2 Commercial Heating	685	86,597	25	27,400	0.1264
14	P-1 Light & Power	82,938	11,335,416	427	194,234	0.1367
15	P-2 Light & Power	8,465	1,087,663	56	151,161	0.1285
16	WP-1 Large Light & Power	176,138	7,523,632	1	176,138,000	0.0427
17	WP-2 Large Light & Power	164	16,016			0.0977
18	Schedule A	452	72,886			0.1613
19	CP-I Commercial	7	-4,960			-0.7086
20	CP-RR Response Rewards					
21	CP-I Interruptible Rider		-427			
22	WP-3	35,448	2,641,200	1	35,448,000	0.0745
23	Z-1&3 Dusk to Dawn	628	150,133			0.2391
24	Z-2&4 Dusk to Dawn	86	17,971			0.2090
25	CPU(PRI)	11,363	1,294,063	1	11,363,000	0.1139
26	CPU(SEC)	70,145	7,875,258	48	1,461,354	0.1123
27	CPU(SECV)	70,012	6,936,696	12	5,834,333	0.0991
28	Total	525,147	50,742,127	5,529	94,980	0.0966
29	444 Public Street Hwy Light	5,504	1,343,775	171	32,187	0.2441
30	Total	5,504	1,343,775	171	32,187	0.2441
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL Billed	798,054	97,715,469	51,851	15,391	0.1224
42	Total Unbilled Rev.(See Instr. 6)	43	239,302	0	0	5.5652
43	TOTAL	798,097	97,954,771	51,851	15,392	0.1227

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) 12/31/2010	Year/Period of Report 2010/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.: 22	Column: c
Interruptible demand revenue \$551,179.		
Schedule Page: 304	Line No.: 23	Column: d
No count customer.		
Schedule Page: 304	Line No.: 24	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) 12/31/2010	Year/Period of Report End of 2010/Q4
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SALES FOR RESALE (Account 447)

1. 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).

2. 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.

3. 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	Village of Baraga	RQ	35	3.8117	3.7393	3.1769
2						
3	Village of L'Anse	RQ	38	2.7512	2.6956	2.3328
4						
5	City of Gladstone	RQ	36	5.4293	5.8433	5.0059
6						
7	City of Negaunee	RQ	56	3.6162	3.8164	3.6162
8						
9	Ontonagon REA	RQ	55			
10						
11	Alger Delta Electric Coop	RQ	54	3.2226	4.0738	3.2226
12						
13	Non Requirement Customers					
14						
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	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) 12/31/2010	Year/Period of Report End of 2010/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)		
21,428	194,852	1,472,189		1,667,041	1
					2
15,450	137,865	1,062,444		1,200,309	3
					4
33,345	262,559	2,292,831		2,555,390	5
					6
24,151	1,086,718	694,834	243,773	2,025,325	7
					8
		-29,552	26,776	-2,776	9
					10
23,691	969,888	669,909	219,318	1,859,115	11
					12
					13
					14
118,065	2,651,882	6,162,655	489,867	9,304,404	
162,461	231	5,168,228	1,435,879	6,604,338	
280,526	2,652,113	11,330,883	1,925,746	15,908,742	

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 (Mo, Da, Yr) 12/31/2010	Year/Period of Report End of 2010/Q4
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SALES FOR RESALE (Account 447)

1. 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).

2. 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.

3. 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	City of Escanaba - Negotiated Capacity	OS	59			
2						
3	Detroit Edison Energy - REC	OS				
4						
5	Midwest ISO					
6						
7	General Purpose	OS				
8	Regulation Service	OS				
9	Spinning Reserve Service	OS				
10	Supplemental Reserve Service	OS				
11	Ancillary Services - Sch. 2 Firm	OS				
12						
13	Midwest ISO Resource Adequacy Req.	OS				
14						
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	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) 12/31/2010	Year/Period of Report End of 2010/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)		
		1,374		1,374	1
					2
			1,300,847	1,300,847	3
					4
					5
					6
162,461		5,134,358		5,134,358	7
		1,475		1,475	8
		4,930		4,930	9
		26,091		26,091	10
			135,032	135,032	11
					12
	231			231	13
					14
118,065	2,651,882	6,162,655	489,867	9,304,404	
162,461	231	5,168,228	1,435,879	6,604,338	
280,526	2,652,113	11,330,883	1,925,746	15,908,742	

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 (Mo, Da, Yr) 12/31/2010	Year/Period of Report End of 2010/Q4
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SALES FOR RESALE (Account 447)

1. 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).

2. 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.

3. 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	See Footnotes	OS	NA			
2		OS	NA			
3		OS	NA			
4						
5						
6		OS	NA			
7						
8						
9						
10						
11						
12						
13						
14						
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	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) 12/31/2010	Year/Period of Report End of 2010/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
					2
					3
					4
					5
					6
					7
					8
					9
					10
					11
					12
					13
					14
118,065	2,651,882	6,162,655	489,867	9,304,404	
162,461	231	5,168,228	1,435,879	6,604,338	
280,526	2,652,113	11,330,883	1,925,746	15,908,742	

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) 12/31/2010	2010/Q4
FOOTNOTE DATA			

Schedule Page: 310 Line No.: 1 Column: i

In addition to the accrual included in these numbers, there was an additional reduction of revenue accrual in the amount of \$(9,606) made to Account 456 (Miscellaneous Electric Revenue) related to these customers. This accrual was made to the 456 account rather than the 447 accounts due to the timing of when the accrual was posted in relation to the closing process of the general ledger.

Schedule Page: 310 Line No.: 3 Column: i

In addition to the accrual included in these numbers, there was an additional reduction in revenue accrual in the amount of \$(6,901) made to Account 456 (Miscellaneous Electric Revenue) related to these customers. This accrual was made to the 456 account rather than to the 447 accounts due to the timing of when the accrual was posted in relation to the closing process of the general ledger.

Schedule Page: 310 Line No.: 5 Column: i

In addition to the accrual included in these numbers, there was an additional reduction of revenue accrual in the amount of \$(15,458) made to Account 456 (Miscellaneous Electric Revenue) related to these customers. This accrual was made to the 456 account rather than to the 447 accounts due to the timing of when the accrual was posted in relation to the closing process of the general ledger.

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

City of Negaunee:	
Transmission Charges	\$214,993
Customer Charge	2,400
Prior Year End Accrual to Actual True Up Differences	26,380
	\$243,773

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

Ontonagon REA:	
Prior Year End Accrual to Actual True-Up Difference	\$26,776

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

Alger Delta Electric Co-Op:	
Transmission Charges	\$198,683
Customer Charge	2,400
Prior Year End Accrual to Actual True-Up Difference	18,235
	\$219,318

Schedule Page: 310.1 Line No.: 3 Column: j

Renewable Energy Credits.

Schedule Page: 310.1 Line No.: 7 Column: g

Midwest ISO-Non-firm service. Includes adjustment for compliance with FERC Order 668-A. 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 65,858.

Schedule Page: 310.1 Line No.: 7 Column: i

Midwest ISO-Non-firm service. Includes adjustment for compliance with FERC Order 668-A. 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 \$2,051,652.

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

Ancillary Services - Schedule 2 Firm Sales.

Schedule Page: 310.2 Line No.: 1 Column: g

Formula Rate Attachment B Opportunity Sales MegaWatt Hours Sold, equals Page 311.1, Column G, Subtotal Non-RQ, Less Column G, Line 7, MISO General Purpose Sales MWH, Plus MISO General Purpose Sales MWH, 668-A adjusted, from Footnote Line 7, Column G.

162,461 (MWH) - 162,461 (MWH) + 65,858 (MWH) = 65,858 MWH

Schedule Page: 310.2 Line No.: 1 Column: i

Formula Rate Attachment B Opportunity Sales Revenues, Excluding Demand, equals Page 311.1, Column I, Subtotal Non-RQ, Less Column I, Line 7, MISO General Purpose Sales, Plus MISO General Purpose Sales, 668-A adjusted, from Footnote Line 7, Column I.

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) 12/31/2010	Year/Period of Report 2010/Q4
Upper Peninsula Power Company			
FOOTNOTE DATA			

$\$5,168,228 - \$5,134,358 + \$2,051,652 = \$2,085,522$

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) 12/31/2010	Year/Period of Report End of 2010/Q4
ELECTRIC OPERATION AND MAINTENANCE EXPENSES					
If the amount for previous year is not derived from previously reported figures, explain in footnote.					
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)		
1	1. POWER PRODUCTION EXPENSES				
2	A. Steam Power Generation				
3	Operation				
4	(500) Operation Supervision and Engineering				
5	(501) Fuel				
6	(502) Steam Expenses				
7	(503) Steam from Other Sources				
8	(Less) (504) Steam Transferred-Cr.				
9	(505) Electric Expenses				
10	(506) Miscellaneous Steam Power Expenses				
11	(507) Rents				
12	(509) Allowances				
13	TOTAL Operation (Enter Total of Lines 4 thru 12)				
14	Maintenance				
15	(510) Maintenance Supervision and Engineering				
16	(511) Maintenance of Structures	40,984	39,424		
17	(512) Maintenance of Boiler Plant				
18	(513) Maintenance of Electric Plant				
19	(514) Maintenance of Miscellaneous Steam Plant				
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)	40,984	39,424		
21	TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 & 20)	40,984	39,424		
22	B. Nuclear Power Generation				
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)				
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)				
41	TOTAL Power Production Expenses-Nuc. Power (Entr tot lines 33 & 40)				
42	C. Hydraulic Power Generation				
43	Operation				
44	(535) Operation Supervision and Engineering	835,338	566,357		
45	(536) Water for Power	5,339	6,368		
46	(537) Hydraulic Expenses	347,667	481,462		
47	(538) Electric Expenses	172,703	161,424		
48	(539) Miscellaneous Hydraulic Power Generation Expenses	302,232	696,090		
49	(540) Rents	70,746	65,398		
50	TOTAL Operation (Enter Total of Lines 44 thru 49)	1,734,025	1,977,099		
51	C. Hydraulic Power Generation (Continued)				
52	Maintenance				
53	(541) Maintenance Supervision and Engineering	134,999	69,259		
54	(542) Maintenance of Structures	29,211	66		
55	(543) Maintenance of Reservoirs, Dams, and Waterways	617,169	249,333		
56	(544) Maintenance of Electric Plant	59,675	251,095		
57	(545) Maintenance of Miscellaneous Hydraulic Plant	48,044	33,416		
58	TOTAL Maintenance (Enter Total of lines 53 thru 57)	889,098	603,169		
59	TOTAL Power Production Expenses-Hydraulic Power (tot of lines 50 & 58)	2,623,123	2,580,268		

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) 12/31/2010	Year/Period of Report End of 2010/Q4
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)					
If the amount for previous year is not derived from previously reported figures, explain in footnote.					
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)		
60	D. Other Power Generation				
61	Operation				
62	(546) Operation Supervision and Engineering	44,659	89,375		
63	(547) Fuel	592,927	2,416,582		
64	(548) Generation Expenses	25,295	41,300		
65	(549) Miscellaneous Other Power Generation Expenses	22,395	19,306		
66	(550) Rents				
67	TOTAL Operation (Enter Total of lines 62 thru 66)	685,276	2,566,563		
68	Maintenance				
69	(551) Maintenance Supervision and Engineering	53,414	46,531		
70	(552) Maintenance of Structures	-3,896	252		
71	(553) Maintenance of Generating and Electric Plant	155,776	32,226		
72	(554) Maintenance of Miscellaneous Other Power Generation Plant	19,935	10,992		
73	TOTAL Maintenance (Enter Total of lines 69 thru 72)	225,229	90,001		
74	TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73)	910,505	2,656,564		
75	E. Other Power Supply Expenses				
76	(555) Purchased Power	54,295,090	58,130,171		
77	(556) System Control and Load Dispatching	636,617	642,318		
78	(557) Other Expenses				
79	TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)	54,931,707	58,772,489		
80	TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79)	58,506,319	64,048,745		
81	2. TRANSMISSION EXPENSES				
82	Operation				
83	(560) Operation Supervision and Engineering				
84	(561) Load Dispatching				
85	(561.1) Load Dispatch-Reliability				
86	(561.2) Load Dispatch-Monitor and Operate Transmission System				
87	(561.3) Load Dispatch-Transmission Service and Scheduling				
88	(561.4) Scheduling, System Control and Dispatch Services	173,802	184,791		
89	(561.5) Reliability, Planning and Standards Development				
90	(561.6) Transmission Service Studies				
91	(561.7) Generation Interconnection Studies				
92	(561.8) Reliability, Planning and Standards Development Services	9,566	11,099		
93	(562) Station Expenses				
94	(563) Overhead Lines Expenses				
95	(564) Underground Lines Expenses				
96	(565) Transmission of Electricity by Others	7,327,262	6,900,527		
97	(566) Miscellaneous Transmission Expenses				
98	(567) Rents				
99	TOTAL Operation (Enter Total of lines 83 thru 98)	7,510,630	7,096,417		
100	Maintenance				
101	(568) Maintenance Supervision and Engineering				
102	(569) Maintenance of Structures				
103	(569.1) Maintenance of Computer Hardware				
104	(569.2) Maintenance of Computer Software				
105	(569.3) Maintenance of Communication Equipment				
106	(569.4) Maintenance of Miscellaneous Regional Transmission Plant				
107	(570) Maintenance of Station Equipment				
108	(571) Maintenance of Overhead Lines				
109	(572) Maintenance of Underground Lines				
110	(573) Maintenance of Miscellaneous Transmission Plant				
111	TOTAL Maintenance (Total of lines 101 thru 110)				
112	TOTAL Transmission Expenses (Total of lines 99 and 111)	7,510,630	7,096,417		

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) 12/31/2010	Year/Period of Report End of 2010/Q4
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)					
If the amount for previous year is not derived from previously reported figures, explain in footnote.					
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)		
113	3. REGIONAL MARKET EXPENSES				
114	Operation				
115	(575.1) Operation Supervision				
116	(575.2) Day-Ahead and Real-Time Market Facilitation				
117	(575.3) Transmission Rights Market Facilitation				
118	(575.4) Capacity Market Facilitation				
119	(575.5) Ancillary Services Market Facilitation				
120	(575.6) Market Monitoring and Compliance				
121	(575.7) Market Facilitation, Monitoring and Compliance Services	120,130	137,191		
122	(575.8) Rents				
123	Total Operation (Lines 115 thru 122)	120,130	137,191		
124	Maintenance				
125	(576.1) Maintenance of Structures and Improvements				
126	(576.2) Maintenance of Computer Hardware				
127	(576.3) Maintenance of Computer Software				
128	(576.4) Maintenance of Communication Equipment				
129	(576.5) Maintenance of Miscellaneous Market Operation Plant				
130	Total Maintenance (Lines 125 thru 129)				
131	TOTAL Regional Transmission and Market Op Expns (Total 123 and 130)	120,130	137,191		
132	4. DISTRIBUTION EXPENSES				
133	Operation				
134	(580) Operation Supervision and Engineering	658,188	471,123		
135	(581) Load Dispatching	577,983	447,380		
136	(582) Station Expenses	626,411	678,151		
137	(583) Overhead Line Expenses	94,486	162,831		
138	(584) Underground Line Expenses	86,700	5,046		
139	(585) Street Lighting and Signal System Expenses	50,472	80,853		
140	(586) Meter Expenses	385,951	435,294		
141	(587) Customer Installations Expenses	-243	2,990		
142	(588) Miscellaneous Expenses	2,283,608	2,416,816		
143	(589) Rents	69,715	60,090		
144	TOTAL Operation (Enter Total of lines 134 thru 143)	4,833,271	4,760,574		
145	Maintenance				
146	(590) Maintenance Supervision and Engineering	102,655	175,972		
147	(591) Maintenance of Structures	28,105	46,517		
148	(592) Maintenance of Station Equipment	572,557	558,053		
149	(593) Maintenance of Overhead Lines	5,129,099	4,865,246		
150	(594) Maintenance of Underground Lines	370,909	356,895		
151	(595) Maintenance of Line Transformers	38,839	80,172		
152	(596) Maintenance of Street Lighting and Signal Systems	89,981	97,666		
153	(597) Maintenance of Meters	13,807	20,266		
154	(598) Maintenance of Miscellaneous Distribution Plant	9,243	8,633		
155	TOTAL Maintenance (Total of lines 146 thru 154)	6,355,195	6,209,420		
156	TOTAL Distribution Expenses (Total of lines 144 and 155)	11,188,466	10,969,994		
157	5. CUSTOMER ACCOUNTS EXPENSES				
158	Operation				
159	(901) Supervision	38,414	41,790		
160	(902) Meter Reading Expenses	747,855	726,057		
161	(903) Customer Records and Collection Expenses	2,282,810	2,375,302		
162	(904) Uncollectible Accounts	508,858	667,131		
163	(905) Miscellaneous Customer Accounts Expenses	51,277	149,325		
164	TOTAL Customer Accounts Expenses (Total of lines 159 thru 163)	3,629,214	3,959,605		

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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	(Mo, Da, Yr)	December 31, 2010
	(2) <input type="checkbox"/> A Resubmission	4/29/2011	

NUMBER OF ELECTRIC DEPARTMENT EMPLOYEES

1. The data on number of employees should be reported for the payroll period ending nearest to December 31, any payroll period ending 60 days before or after December 31.
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.
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.

1. Payroll Period Ended (Date) 12/25/2010

2. Total Regular Full-Time Employees 130

3. Total Part-Time and Temporary Employees 0

4. Total Employees 130

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) 12/31/2010	Year/Period of Report 2010/Q4
Upper Peninsula Power Company			
FOOTNOTE DATA			

Schedule Page: 320 Line No.: 76 Column: b

Includes \$3,082,706 for FERC Order 668-A.

Schedule Page: 320 Line No.: 76 Column: c

Includes \$3,098,488 for FERC Order 668-A.

Schedule Page: 320 Line No.: 88 Column: c

Account 561.4 (561.BA) includes \$60,103 of expenses incurred related to Balancing Authority functions performed in connection with membership in the Midwest ISO (MISO). This amount is eligible for recovery through MISO's filing ER06-27-000, dated October 4, 2005.

Schedule Page: 320 Line No.: 121 Column: b

MISO Day 2 administrative fees (Schedules 16 & 17) of \$115,568 are included in this total.

Schedule Page: 320 Line No.: 121 Column: c

MISO Day 2 administrative fees (Schedules 16 & 17) of \$131,433 are included in this 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) 12/31/2010	Year/Period of Report End of 2010/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			
2	Cargill Power Markets LLC	SF				
3	New Page Corporation	OS				
4	MISO	OS				
5	Parallel Generation	OS				
6	UP Hydro LLC	LF				
7	White Pine Negotiated Capacity	LF				
8	White Pine General Purpose	OS				
9	Wisconsin Electric	IU				
10	WUMS Refund					
11	Wisconsin Public Service W2-A Inter.	RQ				
12	Wisconsin Public Service FERC RS74	RQ				
13	Wisconsin Public Service Deliv. Pt Adj					
14	See Footnotes					
	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) 12/31/2010	Year/Period of Report End of 2010/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)	
				-163		-163	1
291,600				11,372,400		11,372,400	2
181				4,409		4,409	3
136,449				7,972,030		7,972,030	4
4				731		731	5
3,138				194,556		194,556	6
			5,464,200			5,464,200	7
47,963				2,618,752		2,618,752	8
			18,000			18,000	9
					-99,296	-99,296	10
94,315			2,243,007	1,919,920	-187,062	3,975,865	11
473,136			13,372,292	9,366,785	10,296	22,749,373	12
				24,233		24,233	13
							14
1,046,786			21,097,499	33,473,653	-276,062	54,295,090	

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) 12/31/2010	Year/Period of Report 2010/Q4
Upper Peninsula Power Company			
FOOTNOTE DATA			

Schedule Page: 326 Line No.: 4 Column: g

MISO Purchases have been reported in accordance with FERC Order 668-A which requires transactions for real-time and day-ahead Regional Transmission Organization administered energy markets to be separately reported for each hour. The total MISO purchases when MISO purchases and sales are netted on an hourly basis are 39,846.

Schedule Page: 326 Line No.: 4 Column: k

MISO Purchases have been reported in accordance with FERC Order 668-A which requires transactions for real-time and day-ahead Regional Transmission Organization administered energy markets to be separately reported for each hour. The total MISO purchases when MISO purchases and sales are netted on an hourly basis are \$4,889,324.

Schedule Page: 326 Line No.: 11 Column: l

Customer Charges	\$ 12,000
Ancillary Services Credit	(199,062)
	\$ (187,062)

Schedule Page: 326 Line No.: 12 Column: l

Customer Charges	\$10,296
------------------	----------

Schedule Page: 326 Line No.: 14 Column: g

Formula Rate Attachment B MegaWatt Hours Purchased equals Page 327, Total Column G, Less Column G, Line 4, MISO MegaWatt Hours Purchased, Plus MISO MegaWatt Hours Purchased 668-A adjusted from Footnote Line 4, Column G.

$1,046,786(\text{MWH}) - 136,449(\text{MWH}) + 39,846(\text{MWH}) = 950,183\text{MWH}$

Schedule Page: 326 Line No.: 14 Column: k

Formula Rate Attachment B Purchased Power equals Page 327, Total Columns K & L, Less Column K, Line 4, MISO Purchased Power Energy, Plus MISO Purchased Power Energy 668-A adjusted from Footnote Line 4, Column K, Plus MISO Day 2 administrative fees, Footnote Page 323, Line 121, Column B, Account 575700.

$(\$33,473,653 + (\$276,072)) - \$7,972,030 + \$4,889,324 + \$115,568 = \$30,230,453$

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) 4/29/2011	Year of Report December 31, 2010
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SALES TO RAILROADS AND RAILWAYS AND INTERDEPARTMENTAL SALES (Accounts 446, 448)

1. Report particulars concerning sales included in Accounts 446 and 448.
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

each point, such sales may be grouped.
3. For Interdepartmental Sales, Account 448, give name of other department and basis of charge to other department in addition to other required information.
4. Designate associated companies.
5. Provide subheading and total for each account.

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)

1. Report particulars concerning rents received included in Accounts 454 and 455.
2. Minor rents may be grouped by classes.
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

represents profit or return on property, depreciation and taxes, give particulars and the basis of apportionment of such charges to Accounts 454 and 455.
4. Designate if lessee is an associated company.
5. Provide a subheading and total for each account.

Line No.	Name of Lessee or Department (a)	Description of Property (b)	Amount of Revenue for Year (c)
16	Pole Contact Rent Land Rent	Distribution System Hydro Land	175,769 12,890
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29	Total		188,659

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) 4/29/2011	Year of Report December 31, 2010
SALES OF WATER AND WATER POWER (Account 453)					
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 (d)	
1	None				
2					
3					
4					
5					
6					
7					
8					
9					
10	TOTAL			0	

MISCELLANEOUS SERVICE REVENUES AND OTHER ELECTRIC REVENUES (Accounts 451, 456)		
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	Geographic Basis	
12		
13		
14		
14	<u>Miscellaneous Service Revenues (451)</u>	
15	Service Charges	48,776
16	Total	48,776
17		
18	<u>Other Electric Revenues (456)</u>	
19	Decoupling Revenue	2,737,546
20	Wholesale Distribution Services	1,089,932
21	Non Service Revenue	1,240,983
22	Maintenance on Customer Facilities	40,405
23	Total	5,108,866
24		
25		
26		
27		
28		
29		
30	TOTAL	5,157,642

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) 12/31/2010		Year/Period of Report End of 2010/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								
3	Midwest ISO Network	FNS	1,025,268	1,025,268	879,067			879,067
4	American Transmission	OS			6,451,837			6,451,837
5	PJM	LFP					-3,642	-3,642
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
	TOTAL		1,025,268	1,025,268	7,330,904		-3,642	7,327,262

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) 12/31/2010	Year/Period of Report End of 2010/Q4
MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)					
Line No.	Description (a)	Amount (b)			
1	Industry Association Dues	54,996			
2	Nuclear Power Research Expenses				
3	Other Experimental and General Research Expenses				
4	Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities	30,993			
5	Oth Expn >=5,000 show purpose, recipient, amount. Group if < \$5,000				
6	Cost of Capital and Depreciation	1,077,890			
7	Aircraft Useage	13,932			
8	Michigan Chamber	5,381			
9	Lake Superior Community Partnership	12,368			
10	IBS allocated labor & labor loadings	177,243			
11	Miscellaneous items under \$5,000	14,297			
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
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34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46	TOTAL	1,387,100			

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) 12/31/2010	Year/Period of Report End of 2010/Q4
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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Account 403, 404, 405)
(Except amortization of acquisition adjustments)

- Report in section A for the year the amounts for : (b) Depreciation Expense (Account 403; (c) Depreciation Expense for Asset Retirement Costs (Account 403.1; (d) Amortization of Limited-Term Electric Plant (Account 404); and (e) Amortization of Other Electric Plant (Account 405).
- Report in Section 8 the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute charges and whether any changes have been made in the basis or rates used from the preceding report year.
- 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.
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 included in any sub-account used.
In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional Classifications and showing composite total. Indicate at the bottom of section C the manner in which column balances are obtained. If average balances, state the method of averaging used.
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. If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.
- 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.

A. Summary of Depreciation and Amortization Charges

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Depreciation Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization of Limited Term Electric Plant (Account 404) (d)	Amortization of Other Electric Plant (Acc 405) (e)	Total (f)
1	Intangible Plant			150,141		150,141
2	Steam Production Plant					
3	Nuclear Production Plant					
4	Hydraulic Production Plant-Conventional	1,322,141				1,322,141
5	Hydraulic Production Plant-Pumped Storage					
6	Other Production Plant	183,019				183,019
7	Transmission Plant					
8	Distribution Plant	4,186,458				4,186,458
9	Regional Transmission and Market Operation					
10	General Plant	549,218				549,218
11	Common Plant-Electric					
12	TOTAL	6,240,836		150,141		6,390,977

B. Basis for Amortization Charges

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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)							
C. Factors Used in Estimating Depreciation Charges							
Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	INTEGRATED SYSTEM						
13	Hydraulic Prod Plant						
14	330.10 Land Rights						
15	Victoria	367	110.90		0.56		34.50
16	Subtotal	367					
17	331.00 Struct & Impr						
18	Autrain		33.90	-272.70	12.72	L0	28.30
19	Bergland	38	60.50	-10.00	2.69		34.00
20	Bond Falls Recre	73	69.50	-10.00	1.01	L0	34.20
21	Cataract		41.60	-613.90	23.21	L0	28.30
22	Hoist	342	40.50	-243.00	9.70	L0	39.20
23	McClure	340	39.40	-140.40	6.62	L0	33.20
24	Prickett	102	54.70	-264.80	11.93	L0	26.30
25	Prickett Recreatn	50	33.70	-0.12	3.32		26.30
26	Victoria	345	68.90	-11.14	4.57	L0	35.70
27	Victoria Fish	57	38.20	-0.16	2.70		35.70
28	Subtotal	1,347					
29	332.00 Reser,Dams&Wt						
30	Autrain		42.60	-32.30	2.98	S3	28.50
31	Bergland	32	74.20	-0.16	1.91		34.20
32	Bond Falls	9,063	59.10	-10.00	3.15	S3	33.00
33	Bond Falls Recre	2	71.80	-10.00	1.57		34.20
34	Cataract		47.20	-160.40	6.40	S3	28.30
35	Cisco	8	71.20	-0.16	1.09		34.20
36	Hoist	6,277	40.60	-2.70	2.31	S3	33.20
37	McClure	21,521	40.30	-55.50	4.76	S3	31.90
38	Prickett	2,034	47.20	-3.75	2.36	S3	26.30
39	Silver Lake	9,163	34.10	-10.00	3.50	S3	38.20
40	Victoria	16,279	49.20	-10.00	2.49	S3	33.80
41	Victoria Fish		89.70	-0.16	0.03		34.20
42	Subtotal	64,379					
43	333.00 Wtrwhl,Turb&G						
44	Autrain		48.80	-475.70	16.81	R1.5	28.30
45	Cataract		41.20	-89.80	4.51	R1.5	28.30
46	Hoist	84	51.30	-120.30	4.35	R1.5	33.20
47	McClure	122	52.40	-55.50	2.06	R1.5	33.20
48	Prickett	102	65.80	-125.30	5.84	R1.5	26.30
49	Victoria	318	81.70	-10.00	0.88	R1.5	
50	Subtotal	626					

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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)							
C. Factors Used in Estimating Depreciation Charges							
Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	33.400 AccElecEquip						
13	Autrain		45.60	-10.00	1.80	L1	28.10
14	Cataract	7	45.00	-294.10	11.98	L1	28.30
15	Hoist	158	49.60	-68.30	3.28	L1	33.20
16	McClure	80	49.00	-79.10	3.60	L1	33.20
17	Prickett	189	46.60	-33.50	3.06	L1	26.90
18	Victoria	1,992	43.00	-17.50	2.86	L1	34.20
19	White Pine		72.70	-10.00	2.37	L1	24.20
20	Subtotal	2,426					
21	335.00 MiscPwrPltEqu						
22	Autrain		43.10	-10.00	2.52	SC	28.30
23	Bergland		60.70	-10.00	2.53		34.20
24	Bond Falls	85	41.90	-0.16	2.27	SC	34.00
25	Bond Falls Recre		69.70	-0.16	0.02		34.20
26	Cataract		43.80	-49.70	3.63	SC	28.30
27	Hoist	60	45.10	-11.30	2.17	SC	33.20
28	McClure	44	43.80	-23.80	3.24	SC	33.20
29	Prickett	108	36.40	-11.00	2.72	SC	26.30
30	Victoria	250	52.60	-8.10	2.53	SC	34.20
31	Subtotal	547					
32	356.00 Road,Rail&Bri						
33	Autrain	2	48.60	-0.13	1.26	L4	28.10
34	Bond Falls	19	89.40	-10.00	0.53	L4	34.20
35	Hoist	2	41.80	-0.15	2.23	L4	33.20
36	Lake Gogebic	5	72.70	-0.16	1.98		34.20
37	McClure	89	34.00	-0.15	3.01	L4	33.20
38	Prickett	289	37.90	-0.12	3.28	L4	26.30
39	Victoria		58.70	-0.16	1.50	L4	34.20
40	Subtotal	406					
41	TOTAL Hyd Prod Plt	70,098					
42							
43							
44							
45							
46							
47							
48							
49							
50							

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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)							
C. Factors Used in Estimating Depreciation Charges							
Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	Other Production Plant						
13	Gladstone CT						
14	341 Struct&Improv	110	42.50	-0.07	0.28	SQ	16.40
15	342 FuelHldrsProd	255	42.10	-0.07	0.29	SQ	16.40
16	343 Prime Movers	1,417	46.10	-0.07	0.02	SQ	16.40
17	344 Generators	436	46.00	-135.90	8.27	SQ	16.40
18	345 AccElecEquip	183	46.10	-57.50	3.50	SQ	23.40
19	346 MiscPwrPltEqu	1	40.50	-0.10	0.09	SQ	16.40
20	TOTAL	2,402					
21	Portage CT						
22	341 Struct&Improv	94	34.10	-0.07	4.99		16.40
23	342 FuelHldrsProd	1,097	18.10	-0.07	5.88		16.40
24	343 Prime Movers	1,071	45.20	-0.07	0.39		16.40
25	344 Generators	620	50.10	-133.60	8.13		16.40
26	345 AccElecEquip	489	33.70	-18.70	3.74		16.40
27	346 MiscPwrPltEqu	27	46.40	-28.50	1.91		16.40
28	TOTAL	3,398					
29	TOTAL Other Prod Plt						
30							
31	Distribution Plant						
32	360.20 Land Rights	386	60.00		4.72	R5	8.40
33	361 Struct & Improv	1,142	40.00	-5.00	2.80	S5	21.30
34	362 Station Equip	22,978	35.00	-5.00	3.40	S6	23.00
35	364 Poles, Towers&Fxt	26,979	50.00	-60.00	2.66	R0.5	39.30
36	365 OvrhdCond&Device	14,419	50.00	-60.00	2.27	R1	35.70
37	367 UndrgrDonc&Devic	15,167	49.00	-10.00	1.87	R1.5	39.70
38	368 Line Transformer	21,232	40.00	-20.00	3.00	R0.5	32.10
39	369.10 Ovrhd Service	3,366	48.00	-100.00	3.93	L1	35.40
40	369.20 UndrgrService	9,728	48.00	-100.00	3.80	L1	40.20
41	370 Meters	4,801	30.00		4.71	S5	14.00
42	371 InstallCustPrem	464	16.00	-60.00	11.61	R1	9.90
43	379 StrtLight&Signal	1,645	25.00	-50.00	7.62	S6	12.80
44	TOTAL Distribution PI	122,307					
45							
46							
47							
48							
49							
50							

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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)							
C. Factors Used in Estimating Depreciation Charges							
Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	General Plant						
13	389 Land Rights	1	40.00		13.86	SQ	4.50
14	390 Struct&Improvemt	5,856	40.00	-9.00	1.94	R0.5	27.60
15	391.01 OfficeFurnitr	609	20.00		5.00		
16	391.02 PC Equipment	415	5.00		20.00		
17	391.03 DataHandleEqu	20	5.00		20.00		
18	391.20 MainframeEqu	32	5.00		20.00	SQ	
19	392 Transportation	6,267	12.00	8.00	3.15	L2.5	7.10
20	393 Stores Equipment	94	20.00		5.00		
21	394 ToolsShop&Garage	1,569	20.00		5.00		
22	395 Laboratory Equip	1,559	20.00		5.00		
23	396 Pwr Oper Equip	1,215	20.00	10.00	3.55	R4	13.30
24	397 CommunicationEqu	1,896	12.00		8.33		
25	398 Misc Equipment	34	15.00		6.67		
26	TOTAL-General Plant	19,567					
27							
28							
29							
30	IRON RIVER SYSTEM						
31	Distribution Plant						
32	360.20 Land Rights		48.00			S5	11.20
33	361 Struct & Improv	93	48.00		1.85	S4	29.70
34	362 Station Equip	1,615	27.00		3.27	R5	14.00
35	364 PolesTwrs&Fxtr	2,367	40.00	-80.00	4.24	R0.5	31.60
36	365 OvrhdCond&Device	1,455	34.00	-80.00	6.21	S6	15.60
37	367 UndrgrdCond&Dev	1,724	29.00	-9.00	4.33	R3	17.90
38	368 Line Transformer	1,591	40.00	-15.00	2.77	R0.5	32.20
39	369.10 OvrhdServices	301	32.00	-150.00	10.95	S6	14.50
40	369.20 UndrgrdServ	798	32.00	-150.00	8.28	S6	22.40
41	370 Meters	390	3.00		2.18	L3	12.10
42	371 InstallCustPrem	56	22.00	-50.00	5.36	L0	17.50
43	373 StrtLight&Signal	263	27.00	-20.00	2.90	L0	20.90
44	TOTAL-Distribution Plt	10,653					
45							
46							
47							
48							
49							
50							

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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)							
C. Factors Used in Estimating Depreciation Charges							
Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	General Plant						
13	390 Struct&Improv	382	40.00	-5.00	2.35	R1.5 28	
14	391.01 OfficeFurnEqu	17	20.00		5.00		
15	391.02 PC Equipment	24	5.00		20.00		
16	391.03 DataHandleEqu	4	5.00		20.00		
17	391.20 MainframeEqu	1	5.00		20.00	SQ	
18	392 TransportationEq	441	12.00		5.11	LS	
19	393 Stores Equipment	10	20.00		5.00		
20	394 ToolsShopGarage	87	20.00		5.00		
21	395 LaboratoryEquip	18	20.00		5.00		
22	396 PwrOperEquip	37	20.00		5.00	R4	
23	397 CommunicationEqu	86	12.00		8.33		
24	397.30 CommEqu-SCADA	1	12.00		8.08	SQ	8.50
25	398 Misc Equipment		15.00		6.67		
26	TOTAL-General Plant	1,108					
27							
28							
29							
30	WISCONSIN SYSTEM						
31	391.20 Mainframe-WI	77	5.00		20.00	SQ	
32	397 CommunicationEqu	769	12.00		8.33		
33	TOTAL-General Plant	846					
34							
35							
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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) 12/31/2010	Year/Period of Report 2010/Q4
FOOTNOTE DATA			

Schedule Page: 336 Line No.: 1 Column: d

Hydro Production - Conventional	\$149,077
Distribution	1,064
	\$150,041

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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	Miscellaneous Amortization (425)	
2	Total - 425	0
3		
4	Donations (426.1)	
5	Alger Conservation District	1,000
6	Copper Country United Way	1,212
7	Delta Chamber of Commerce	1,577
8	Delta County Sheriff's Dept.	1,000
9	Gogebic Range United Way	1,274
10	Hancock Public Schools	1,500
11	Keweenaw Family Resource Center	1,000
12	Lake Superior Community Partnership	1,938
13	Loys Lawns - Arbor Day	1,860
14	Main Street Calumet	1,250
15	Michigan Technological University	1,750
16	Northern Michigan University	1,200
17	Salvation Army	1,200
18	Society of St. Vincent De Paul	3,000
19	United Way of Marquette County	3,448
20	UP Legislative Summit	1,000
21	WNMU Public TV	1,638
22	Other Donations Under \$1,000	39,285
23	Total - 426.1	66,132
24		
25	Key Executive Life Insurance (426.2)	
26	Total - 426.2	0
27		
28	Penalties (426.3)	
29	Michigan Dept. of Environmental Quality Penalty Reversal	(200,000)
30	Other	1,925
31	Total - 426.3	(198,075)
32		
33	Expenses for Certain Civil, Political, & Related Activities (426.4)	
34	Memberships	13,730
35	Labor Expenses	2,002
36	Consulting Services	4,411
37	Total - 426.4	20,143
38		
39		
40		
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) 4/29/2011	Year of Report December 31, 2010
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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	Other Deductions (426.5)	
2	Unrealized Loss on Fuel Options	(1,558)
3	Total - 426.5	(1,558)
4		
5	Interest on Debt to Associated Companies (430)	2,290,328
6	Total - 430	2,290,328
7		
8	Other Interest Expense (431)	
9	Other Interest Expense	13,383
10	Interest on Electric Refunds	101,327
11	Budget Balance Interest	2
12	Customer Deposits	24,110
13	Tax Adjustments	85
14	Total - 431	138,907
15		
16		
17		
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41	TOTAL	2,315,877

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) 4/29/2011	December 31, 2010

EXPENDITURES FOR CERTAIN CIVIC, POLITICAL AND RELATED ACTIVITIES

(Account 426.4)

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.

2. Advertising expenditures in this Account shall be classified according to subheadings, as follows:
(a) radio, television, and motion picture advertising; (b) newspaper, magazine, and pamphlet advertising; (c) letters or inserts in customer's bills; (d) inserts in

reports to stockholders; (e) newspaper and magazine editorial services; and (f) other advertising.

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.

4. If respondent has not incurred any expenditures contemplated by the instruction of Account 426.4, so state.

5. Minor amount may be grouped by classes if the number of items so grouped is shown.

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.

Line No.	Item (a)	Amount (b)
1	State Lobby Activities	
2	Memberships	1,014
3	Labor & Expenses	2,002
4		3,016
5		
6	Federal Lobby Activities	
7	Memberships	12,716
8	Professional Services	4,411
9		17,127
10		
11		
12		
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32	TOTAL	20,143

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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) 12/31/2010	Year/Period of Report End of 2010/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	92,247	77,992	170,239	
2	Michigan Public Service Commission	170,163	21,421	191,584	
3	Public Service Commission of Wisconsin		5,126	5,126	
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46	TOTAL	262,410	104,539	366,949	

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) 12/31/2010	Year/Period of Report End of 2010/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	79,190					1
							2
							3
							4
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		79,190					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) 12/31/2010	Year/Period of Report End of 2010/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	1,355,219		
4	Transmission	63,767		
5	Regional Market			
6	Distribution	3,068,952		
7	Customer Accounts	764,441		
8	Customer Service and Informational	167,899		
9	Sales			
10	Administrative and General	1,461,977		
11	TOTAL Operation (Enter Total of lines 3 thru 10)	6,882,255		
12	Maintenance			
13	Production	294,781		
14	Transmission			
15	Regional Market			
16	Distribution	2,248,686		
17	Administrative and General			
18	TOTAL Maintenance (Total of lines 13 thru 17)	2,543,467		
19	Total Operation and Maintenance			
20	Production (Enter Total of lines 3 and 13)	1,650,000		
21	Transmission (Enter Total of lines 4 and 14)	63,767		
22	Regional Market (Enter Total of Lines 5 and 15)			
23	Distribution (Enter Total of lines 6 and 16)	5,317,638		
24	Customer Accounts (Transcribe from line 7)	764,441		
25	Customer Service and Informational (Transcribe from line 8)	167,899		
26	Sales (Transcribe from line 9)			
27	Administrative and General (Enter Total of lines 10 and 17)	1,461,977		
28	TOTAL Oper. and Maint. (Total of lines 20 thru 27)	9,425,722	2,456,642	11,882,364
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			

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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 Terminaling 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)	9,425,722	2,456,642		11,882,364
66	Utility Plant				
67	Construction (By Utility Departments)				
68	Electric Plant	1,882,331	131,469		2,013,800
69	Gas Plant				
70	Other (provide details in footnote):				
71	TOTAL Construction (Total of lines 68 thru 70)	1,882,331	131,469		2,013,800
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):				
78	Billed to Subsidiaries	212,143	-983		211,160
79	Billed to Customers	2,534,512	-2,332,953		201,559
80	Labor & Transportation Accruals	-19,789	19,789		
81	Nonutility Property CWIP	45,980	3,383		49,363
82	Deferred Credits	125,743			125,743
83	Other Operating Revenues	19,542			19,542
84	Other Income & Deductions	321,759			321,759
85	Clearing	264,231	-148,014		116,217
86	Vacation taken	129,333	-129,333		
87					
88					
89					
90					
91					
92					
93					
94					
95	TOTAL Other Accounts	3,633,454	-2,588,111		1,045,343
96	TOTAL SALARIES AND WAGES	14,941,507			14,941,507

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) 4/29/2011	Year of Report December 31, 2010	
CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES				
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		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. 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. 3. Designate with an asterisk associated companies.		
Line No.	Name / Address	Service	Account #	Amount
1	Asplundh Tree Expert Co.	Line Clearing	107, 593	2,254,439
2	5907 Municipal Street			
3	Schofield, WI			
4				
5	Deloitte & Touche LLP	Audit	234, 923	61,055
6	111 South Wacker Drive			
7	Chicago, IL			
8				
9	Foley & Lardner	Legal	143, 234, 417, 426, 539, 923, 928	186,948
10	777 East Wisconsin Avenue			
11	Milwaukee, WI			
12				
13	Infrasource Underground	Construction	107	50,000
14	Construction, LLC			
15	P. O. Box 510650			
16	New Berlin, WI			
17				
18	Integrays Business Support, LLC *	Support Services	146	937,122
19	700 North Adams Street			
20	Green Bay, WI			
21				
22	L&H Utility Contractors, Inc.	Construction	107, 584, 594	592,665
23	P. O. Box 2037			
24	Kingsford, MI			
25				
26	Miller Canfield Paddock & Stone PLC	Legal	107, 146, 234, 923, 928	142,607
27	P. O. Drawer 640348			
28	Detroit, MI			
29				
30	MJ Electric, LLC	Construction	107	84,232
31	200 West Frank Pipp Drive			
32	P. O. Box 686			
33	Iron Mountain, MI			
34				
35				

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CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES				
<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. 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. 3. Designate with an asterisk associated companies.</p>		
Line No.	Name / Address	Service	Account #	Amount
1	Nixon Peabody LLP	Legal	234, 923, 928	120,686
2	401 - 9th Street, NW, Suite 900			
3	Washington, DC			
4				
5	Stafflogix	Temporary Staffing	107, 121, 234, 417, 535, 541, 545,	132,553
6	Wells Fargo Business Credit, Inc.		546, 581, 902, 923	
7	P. O. Box 60839			
8	Charlotte, NC			
9				
10	Steigerwaldt Land Services, Inc.	Consulting	417, 537, 539	107,350
11	856 North 4th Street			
12	Tomahawk, WI			
13				
14	The Outpost	Maintenance	537	81,682
15	P. O. Box 37			
16	Bruce Crossing, MI			
17				
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SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES					
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	Michigan Gas Utilities	Subsidiary of Integrys	Invoices & Expenses	921, 930, 931	3,414
2	Corporation	Energy Group, Inc.	Long Term Incentive Plan	920	19,519
3					
4					
5	The Peoples Gas Light &	Subsidiary of Integrys	Labor & Labor Loadings		
6	Coke Company	Energy Group, Inc.			
7					
8	North Shore Gas Company	Subsidiary of Integrys	Invoices & Expenses		
9		Energy Group, Inc.			
10					
11	Integrys Energy Group, Inc.	Parent	Long Term Var. Pay Plan		
12			Restricted Stock		
13					
14					
15	Integrys Business Support,	Subsidiary of Integrys	Invoices & Expenses	921	207
16	LLP	Energy Group, Inc.	Labor Correction	920	145
17			Sales Tax	921	(9)
18					
19					
20	Wisconsin Public Service	Subsidiary of Integrys	Labor & Labor Loadings	Various	28,171
21	Corporation	Energy Group, Inc.	Invoices & Expenses	Various	5,930
22			Materials & Supplies		
23			Relocation Expenses	920	39,250
24			Medicare Part D Sub Reimb		
25			LT Incentive	920	191
26			Other Direct Costs	Various	16,530
27			Purchased Power	555	70,738
28					
29					
30					
31					
32					
33					
34					

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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.
		107, 182	1,138	4,549	(4)	1
				19,519	(4)	2
			Total	24,068		3
						4
		184	110	110	(1)	5
			Total	110		6
						7
		184	35	35	(4)	8
			Total	35		9
						10
		186	63,796	63,796	(4)	11
		186	94,023	94,023	(4)	12
			Total	157,819		13
						14
				207	(1)	15
		234	3,812	3,957	(4)	16
		232	1,236	1,228	(4)	17
			Total	5,392		18
						19
		Various	29,637	57,808	(1)	20
		107, 184	1,811	4,119	(4)	21
		154	38,187	38,187	(1)	22
				39,250	(4)	23
				16,944	(1)	24
				191	(4)	25
		107, 143, 184	1,203	17,733	(2)	26
				70,738	(4)	27
			Total	244,970		28
						29
						30
						31
						32
						33
			Total	432,394		34

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) 4/29/2011	Year of Report December 31, 2010	
SUMMARY OF COSTS BILLED FROM ASSOCIATED COMPANIES					
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	Wisconsin Public Service	Subsidiary of Integrys	Labor & Labor Loading	Various	1,944,575
2	Corporation	Energy Group, Inc.	Benefits	926	31,342
3			Materials & Supplies	Various	437,184
4			Invoices and Expenses	Various	2,185,614
5			Other Direct Costs	Various	2,513,847
6			Purchased Power	555	26,749,471
7			Long-Term Incentive	923	5,023
8			Annual Incentive	920	1,781
9			Stock Options	920	1,090
10			Restricted Stock	920	35,916
11			Pension Funding Reimb.		
12					
13					
14	Integrys Business Support, LLC	Subsidiary of Integrys	Labor & Labor Loading	Various	5,816,730
15		Energy Group, Inc.	Benefits	Various	1,608,345
16			Pension Funding Reimb.		
17			Invoices and Expenses	Various	1,230,519
18			Other Direct Costs	Various	1,137,362
19			Restricted Stock	920	41,345
20			Options Expense	920	8,342
21			Incentive Plans	920	598,002
22			Materials & Supplies		
23					
24					
25	Michigan Gas Utilities	Subsidiary of Integrys	Invoices and Expenses	591, 923	11,951
26	Corporation	Energy Group, Inc.			
27					
28	Minnesota Energy Resources	Subsidiary of Integrys	Invoices and Expenses	920, 921, 923	2,081
29	Corporation	Energy Group, Inc.			
30					
31	Wisconsin River Power	Subsidiary of Integrys	Invoices and Expenses	535, 539, 546, 417	1,497
32	Company	Energy Group, Inc.			
33					
34					

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) 4/29/2011	Year of Report December 31, 2010			
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.
		Various	265,327	2,209,902	(1)	1
				31,342	(1)	2
		107, 154, 184	712,532	1,149,716	(1)	3
		Various	1,340,872	3,526,486	(4)	4
				2,513,847	(2)	5
				26,749,471	(3)	6
				5,023	(4)	7
				1,781	(4)	8
				1,090	(4)	9
				35,916	(4)	10
		228	2,127,506	2,127,506		11
			Total	38,352,080		12
						13
		Various	2,033,177	7,849,908	(1)	14
		228,242	19,263	1,627,608	(4)	15
		228.3	16,506,008	16,504,008	(4)	16
		Various	302,256	1,532,775	(4)	17
		Various	567,471	1,704,833	(4)	18
				41,345	(4)	19
				8,342	(4)	20
				598,002	(4)	21
		143, 232	(14,850)	(14,850)	(4)	22
			Total	29,851,971		23
						24
		228	(29)	11,922	(1)	25
			Total	11,922		26
						27
				2,081	(1)	28
			Total	2,081		29
						30
				1,497	(1)	31
			Total	1,497		32
						33
						34

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) 4/29/2011	Year of Report December 31, 2010		
SUMMARY OF COSTS BILLED FROM ASSOCIATED COMPANIES					
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	Interest Charges on Debt	430	2,276,681
2			Unitary Tax Allocation		0
3			Bank Fees	430, 921	15,532
4			Invoices	Various	14,800
5			Airplane Chargeback	556, 921, 930	13,830
6			Credit Line Fees	921	18,305
7			Restricted Stock	926	35,776
8			Performance Shares	926	63,797
9			Transfer of Plant Costs	921, 930	4,380
10			Incentives	Various	14,496
11					
12					
13	The Peoples Gas Light &	Subsidiary of Integrus	Labor & Labor Loadings		
14	Coke Company	Energy Group, Inc			
15					
16	Peoples Energy Corporation	Subsidiary of Integrus	Bank Fees	921	489
17		Energy Group, Inc			
18					
19					
20					
21					
22					
23					
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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) 4/29/2011	Year of Report December 31, 2010
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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.
		236	(175,032)	2,276,681	(2)	1
				(175,032)	(4)	2
				15,532	(4)	3
				14,800	(4)	4
				13,830	(4)	5
				18,305	(4)	6
				35,776	(4)	7
				63,797	(4)	8
				4,380	(1)	9
				14,496	(4)	10
			Total	2,282,565		11
						12
		184	110	110	(1)	13
			Total	110		14
						15
				489	(4)	16
			Total	489		17
						18
						19
						20
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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) 12/31/2010	Year/Period of Report End of <u>2010/Q4</u>
ELECTRIC ENERGY ACCOUNT					
Report below the information called for concerning the disposition of electric energy generated, purchased, exchanged and wheeled during the year.					
Line No.	Item (a)	MegaWatt Hours (b)	Line No.	Item (a)	MegaWatt Hours (b)
1	SOURCES OF ENERGY		21	DISPOSITION OF ENERGY	
2	Generation (Excluding Station Use):		22	Sales to Ultimate Consumers (Including Interdepartmental Sales)	798,095
3	Steam		23	Requirements Sales for Resale (See instruction 4, page 311.)	118,065
4	Nuclear		24	Non-Requirements Sales for Resale (See instruction 4, page 311.)	162,461
5	Hydro-Conventional	73,681	25	Energy Furnished Without Charge	
6	Hydro-Pumped Storage		26	Energy Used by the Company (Electric Dept Only, Excluding Station Use)	2,984
7	Other	1,404	27	Total Energy Losses	40,266
8	Less Energy for Pumping		28	TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)	1,121,871
9	Net Generation (Enter Total of lines 3 through 8)	75,085			
10	Purchases	1,046,786			
11	Power Exchanges:				
12	Received				
13	Delivered				
14	Net Exchanges (Line 12 minus line 13)				
15	Transmission For Other (Wheeling)				
16	Received				
17	Delivered				
18	Net Transmission for Other (Line 16 minus line 17)				
19	Transmission By Others Losses				
20	TOTAL (Enter Total of lines 9, 10, 14, 18 and 19)	1,121,871			

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) 12/31/2010	Year/Period of Report End of 2010/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 in column (b) by month the system's output in Megawatt hours for each month.
3. Report in column (c) by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales.
4. Report in column (d) by month the system's monthly maximum megawatt load (60 minute integration) associated with the system.
5. Report in column (e) and (f) the specified information for each monthly peak load reported in column (d).

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	96,870	8,502	126	3	18
30	February	86,659	8,032	117	1	19
31	March	95,740	16,097	113	1	15
32	April	92,843	18,530	102	8	13
33	May	92,547	18,357	117	25	14
34	June	91,022	13,728	111	30	11
35	July	90,851	10,221	121	7	13
36	August	93,441	11,300	129	30	16
37	September	88,228	12,207	105	1	13
38	October	100,463	22,431	100	28	19
39	November	96,972	16,867	113	30	18
40	December	96,235	9,454	124	13	19
41	TOTAL	1,121,871	165,726			

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) 12/31/2010	Year/Period of Report 2010/Q4
Upper Peninsula Power Company			
FOOTNOTE DATA			

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

Purchases have been reported in accordance with FERC Order 668-A which requires transactions for real-time and day-ahead Regional Transmission Organization administered energy markets to be separately reported for each hour. The total purchases when RTO purchases and sales are netted on an hourly basis are 950,183.

Schedule Page: 401 Line No.: 24 Column: b

Non-Requirement Sales for Resale have been reported in accordance with FERC Order 668-A which requires transactions for the real-time and day-ahead Regional Transmission Organization administered energy markets to be separately reported for each hour. The total sales when RTO purchases and sales are netted on an hourly basis are 65,858.

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

	12 months
	Total KW
Total monthly UPPCO customers Non Coincident Peak Load at Substation Level	3,472,021
Total monthly UPPCO customer Non Coincident Peak Load at the Primary Feeder Level	3,062,719

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) 12/31/2010		Year/Period of Report End of 2010/Q4	
STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)							
<p>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.</p>							
Line No.	Item (a)	Plant Name: <i>Portage</i> (b)		Plant Name: <i>Gladstone</i> (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)	0		0			
7	Plant Hours Connected to Load	232		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	2		1			
12	Net Generation, Exclusive of Plant Use - KWh	1460820		0			
13	Cost of Plant: Land and Land Rights	7353		55663			
14	Structures and Improvements	93702		110212			
15	Equipment Costs	3303245		2292669			
16	Asset Retirement Costs	0		0			
17	Total Cost	3404300		2458544			
18	Cost per KW of Installed Capacity (line 17/5) Including	150.6327		108.7851			
19	Production Expenses: Oper, Supv, & Engr	35902		11515			
20	Fuel	526473		66454			
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	5743		26708			
30	Maintenance of Structures	-3896		0			
31	Maintenance of Boiler (or reactor) Plant	0		0			
32	Maintenance of Electric Plant	213930		9208			
33	Maintenance of Misc Steam (or Nuclear) Plant	0		0			
34	Total Production Expenses	778152		113885			
35	Expenses per Net KWh	0.5327		0.0000			
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	5897	0	0	703	0	
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	0	0	0	0	0	
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	0.000	0.000	0.000	0.000	0.000	
41	Average Cost of Fuel per Unit Burned	0.000	0.000	0.000	0.000	0.000	
42	Average Cost of Fuel Burned per Million BTU	0.000	0.000	0.000	0.000	0.000	
43	Average Cost of Fuel Burned per KWh Net Gen	0.000	0.000	0.000	0.000	0.000	
44	Average BTU per KWh Net Generation	0.000	0.000	0.000	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) 12/31/2010	Year/Period of Report End of 2010/Q4
HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants)					
<p>1. Large plants are hydro plants of 10,000 Kw or more of installed capacity (name plate ratings)</p> <p>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.</p> <p>3. If net peak demand for 60 minutes is not available, give that which is available specifying period.</p> <p>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.</p>					
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)	0	0		
7	Plant Hours Connect to Load	8,526	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	54,190,120	0		
13	Cost of Plant				
14	Land and Land Rights	410,153	0		
15	Structures and Improvements	401,722	0		
16	Reservoirs, Dams, and Waterways	16,278,605	0		
17	Equipment Costs	2,559,401	0		
18	Roads, Railroads, and Bridges	288,922	0		
19	Asset Retirement Costs	0	0		
20	TOTAL cost (Total of 14 thru 19)	19,938,803	0		
21	Cost per KW of Installed Capacity (line 20 / 5)	1,661.5669	0.0000		
22	Production Expenses				
23	Operation Supervision and Engineering	387,741	0		
24	Water for Power	0	0		
25	Hydraulic Expenses	71,930	0		
26	Electric Expenses	48,941	0		
27	Misc Hydraulic Power Generation Expenses	149,790	0		
28	Rents	0	0		
29	Maintenance Supervision and Engineering	25,254	0		
30	Maintenance of Structures	21,496	0		
31	Maintenance of Reservoirs, Dams, and Waterways	70,114	0		
32	Maintenance of Electric Plant	31,515	0		
33	Maintenance of Misc Hydraulic Plant	14,856	0		
34	Total Production Expenses (total 23 thru 33)	821,637	0		
35	Expenses per net KWh	0.0152	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) 12/31/2010	Year/Period of Report End of 2010/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		6,751,450	2,708,527
3	Hoist*	1925	4.40		9,635,600	17,435,340
4	McClure	1919	8.00		239,954	23,541,303
5	AuTrain	1910	0.90		2,873,911	
6	Cataract	1929	2.00			7,175
7						
8						
9	* Includes Silver Lake					
10						
11						
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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) 12/31/2010	Year/Period of Report End of 2010/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
	170,946		37,273			2
	504,304		273,334			3
	170,124		322,835			4
	136,207		86,823			5
	93,676		5,961			6
						7
						8
						9
						10
						11
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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) 12/31/2010	Year/Period of Report 2010/Q4
FOOTNOTE DATA			

Schedule Page: 410 Line No.: 5 Column: a

On July 8th, 2010, the AuTrain Hydro facility was sold to UP Hydro 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) 4/29/2011		Year of Report December 31, 2010	
CHANGES MADE OR SCHEDULED TO BE MADE IN GENERATING PLANT CAPACITIES Give below the information called for concerning changes in electric generating plant capacities during the year.							
A. Generating Plants or Units Dismantled, Removed from Service, Sold, or Leased to Others During Year 1. State in column (b) whether dismantled, removed from service, sold, or leased to another. Plants removed from service include those not maintained for regular or emergency service. 2. In column (f), give date dismantled, removed from service, sold, or leased to another. Designate complete plants as such.							
Line No.	Name of Plant (a)	Disposition (b)	Installed Capacity (in megawatts)			Date (f)	If Sold or Leased, Give Name and Address of Purchaser or Lessee (g)
			Hydro (c)	Steam (d)	(Other) (e)		
1	Au-Train	Sold				7/8/2010	UP Hydro LLC 116 State Neshkoro, WI 54960 Projected to Return to Service 2013
2							
3							
4	Portage CT	Dismantled			22.6	Jun-10	
5							
6							
7							
B. Generating Units Scheduled for or Undergoing Major Modifications							
Line No.	Name of Plant (a)	Character of Modification (b)	Installed Plant Capacity After Modification (in MW) (c)	Estimated Dates of Construction			
				Start (d)	Completion (e)		
8	McClure Victoria	Penstock Rebuild Refurbishment	8.4 6	Sep-09	Dec-10		
9				Jun-11	Oct-11		
10							
11							
12							
13							
14							
C. New Generating Plants Scheduled for or Under Construction							
Line No.	Plant Name & Location (a)	TYPE (Hydro, pumped storage, steam, internal comb., gas-turbine, nuclear, etc. (b)	Installed Capacity (in megawatts)		Estimated Dates of Construction		
			Initial (c)	Ultimate (d)	Start (e)	Completion (f)	
15	None						
16							
17							
18							
19							
20							
21							
D. New Units in Existing Plants Scheduled for or Under Construction							
Line No.	Plant Name & Location (a)	TYPE (Hydro, pumped storage, steam, internal comb., gas-turbine, nuclear, etc. (b)	Unit (c)	Size of Unit (in megawatts) (d)	Estimated Dates of Construction		
					Start (e)	Completion (f)	
22	None						
23							
24							
25							
26							
27							
28							

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) 4/29/2011		Year of Report December 31, 2010	
HYDROELECTRIC GENERATING PLANTS							
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 (F)	1930	215
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
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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) 4/29/2011		Year of Report December 31, 2010			
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 (h)	RPM (i)	Maximum Hp. Capacity of Unit at Design Head (j)	Year Installed (k)	Voltage (l)	Phase (m)	Frequency or d.c. (n)	Name Plate Rating of Unit (in MW) (o)	No. of Units in Plant (p)	(Name Plate Ratings in megawatts) (q)	
210	300	9,000	1930	11,500	3	60	6	2	12	1
										2
										3
										4
										5
										6
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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) 4/29/2011		Year of Report December 31, 2010	
INTERNAL-COMBUSTION ENGINE AND GAS-TURBINE GENERATING PLANTS							
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	
3							
4							
5							
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) 4/29/2011		Year of Report December 31, 2010		
INTERNAL-COMBUSTION ENGINE AND GAS-TURBINE GENERATING PLANTS (Continued)								
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. 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.				
Prime Movers (Continued)		Generators					Total Installed Generating Capacity	Line No.
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)	
30295	1973	12,500	3	60	24.6	1	22.6	1
31900	1987	12,500	3	60	22.6	1	22.6	2
								3
								4
								5
								6
								7
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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) 12/31/2010	Year/Period of Report End of 2010/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	Munising Sub., City of Munising	Distribution	67.00	12.50	
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					
25					
26	24 Subs Under 10,000 KVA	Distribution			
27	Total		1460.90	438.86	
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) 12/31/2010	Year/Period of Report End of 2010/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				1
37	1					2
						3
15	1					4
10	2					5
		1				6
37	1					7
12	2					8
12	1					9
14	1	1				10
24	2					11
11	2					12
11	1					13
1	1					14
28	2					15
32	2					16
6	1					17
6	3	1				18
7	1					19
12	1					20
1	1					21
20	2					22
45	2					23
						24
						25
103	32	26				26
469	63	30				27
						28
						29
						30
						31
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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) 4/29/2011	December 31, 2010

ELECTRIC DISTRIBUTION METERS AND LINE TRANSFORMERS

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 books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Line No.	Item	Number of Watt-Hours Meters	LINE TRANSFORMERS	
			Number	Total Capacity (In Mva)
	(a)	(b)	(c)	(d)
1	Number at Beginning of Year	64,349	23,458	670
2	Additions During Year			
3	Purchases	1,516	344	13
4	Associated with Utility Plant Acquired			
5	TOTAL Additions (Enter Total of lines 3 and 4)	1,516	344	13
6	Reduction During Year			
7	Retirements	2,063	284	8
8	Associated with Utility Plant Sold		35	4
9	TOTAL Reductions (Enter Total of lines 7 and 8)		319	12
10	Number at End of Year (Lines 1+ 5 - 9) *	65,865	23,483	671
11	In Stock	2,362	196	29
12	Locked Meters on Customers' Premises			
13	Inactive Transformers on System			
14	In Customers' Use	61,439	23,287	642
15	In Company's Use	1	0	0
16	Total End of Year (Enter Total of lines 11 to 15. This line should equal line 10)	63,802	23,483	671

* One distribution watt-hour meter is leased and twenty-three distribution watt-hour meters are on loan.

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