

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, 2011																	
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: <table><tr><td>Name:</td><td>Keith E. Moyle</td><td>Title:</td><td>Vice President & General Mgr</td></tr><tr><td>Address:</td><td colspan="3">500 North Washington Street</td></tr><tr><td>City:</td><td>Ishpeming</td><td>State:</td><td>MI Zip: 49849</td></tr><tr><td>Telephone, Including Area Code:</td><td colspan="3">906-485-2408</td></tr></table>		Name:	Keith E. Moyle	Title:	Vice President & General Mgr	Address:	500 North Washington Street			City:	Ishpeming	State:	MI Zip: 49849	Telephone, Including Area Code:	906-485-2408		
Name:	Keith E. Moyle	Title:	Vice President & General Mgr														
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: <table><tr><td>[X]</td><td>were forwarded to the Commission</td></tr><tr><td>[]</td><td>will be forwarded to the Commission</td></tr><tr><td></td><td><u>on or about</u></td></tr></table>		[X]	were forwarded to the Commission	[]	will be forwarded to the Commission		<u>on or about</u>										
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Annual reports to stockholders: <table><tr><td>[]</td><td>are published</td></tr><tr><td>[X]</td><td>are not published</td></tr></table>		[]	are published	[X]	are not published												
[]	are published																
[X]	are not published																

FOR ASSISTANCE IN COMPLETION OF THIS FORM:

Contact the Michigan Public Service Commission (Bill Stosik) at
(517) 241-5853 or bmstosi@michigan.gov 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, 2011, and the related statements of income — regulatory basis, retained earnings — regulatory basis, and cash flows — regulatory basis for the year ended December 31, 2011, included on pages 110(M) through 123 of the accompanying Michigan Public Service Commission Form P-521. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 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, 2011, and the results of its operations and its cash flows for the year then ended, 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 23, 2012

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, 2011
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) December 31, 2011
ATTESTATION		
<p>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.</p>		
01 Name Keith E. Moyle	03 Signature 	04 Date Signed (Mo, Da, Yr) April 30, 2012
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) 04/30/12	Year of Report December 31, 2011
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) 04/30/12	Year of Report December 31, 2011
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	
ASSET 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 Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/12	Year of Report December 31, 2011
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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	Filing Not Required
Environmental Protection Expenses	431	Filing Not Required
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	None
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	None
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	Not Applicable
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 Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/12	Year of Report December 31, 2011
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	Not Applicable	
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 Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/12	Year of Report December 31, 2011
GENERAL INFORMATION			
<p>1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.</p> <p>Keith E. Moyle, 500 North Washington Street, Ishpeming, MI 49849</p>			
<p>2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and date organized.</p> <p>Incorporated February 26, 1947, under the laws of the State of Michigan Act 237 of Public Acts of 1931.</p>			
<p>3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.</p> <p>Not Applicable</p>			
<p>4. State the classes of utility and other services furnished by respondent during the year in each State in which respondent operated.</p> <p>Respondent only operates in the State of Michigan and is engaged in the business of generating, purchasing, distributing, and selling electricity.</p>			
<p>5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?</p> <p>(1) <input type="checkbox"/> Yes...Enter date when such independent accountant was initially engaged: _____.</p> <p>(2) <input checked="" type="checkbox"/> No</p>			

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/12	Year of Report December 31, 2011
CONTROL OVER RESPONDENT & OTHER ASSOCIATED COMPANIES			
<p>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.</p> <p>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.</p>			
<p>Upper Peninsula Power Company is a wholly-owned subsidiary of Integrys Energy Group, Inc. ("Holding Company").</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) 12/31/2011	Year/Period of Report End of 2011/Q4
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CORPORATIONS CONTROLLED BY RESPONDENT

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

Definitions

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

Line No.	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
1	WPS Investments LLC	Company which holds	2.61%	
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 85%); and, another utility			
9	subsidiary, Wisconsin Public Service Corp.			
10	(approximately 12%). 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) 04/30/12	Year of Report December 31, 2011		
OFFICERS AND EMPLOYEES					
<p>1. Report below the name, title and salary for the five executive officers</p> <p>2. Report in column (b) salaries and wages accrued during the year including deferred compensation.</p> <p>3. In column (c) report any other compensation provided, such as bonuses, car allowance, stock options and rights, savings contribution, etc., and explain in a footnote what the amounts represent. Provide type code for other compensation in column (d).</p> <p>4. If a change was made during the year in the incumbent of any position, show the name and total remuneration of the previous incumbent and the date the change in incumbency occurred.</p> <p>5. Upon request, the Company will provide the Commission with supplemental information on officers and other employees and salaries.</p>					
Line	Name and Title	Base Wages	Other Compensation	Type of Other Compensation	Total Compensation
	(a)	(b)	(c)	(d)	(e)
1	Lawrence T. Borgard Chief Executive Officer	None	None	None	0
2	Barbara A. Nick President	None	None	None	0
3	Keith E. Moyle Vice President and General Manager	\$154,513	\$39,223 \$34,580	B & D C	\$228,316
4	William J. Guc Vice President and Treasurer	None	None	None	0
5	James F. Scott Vice President - External Affairs	None	None	None	0
6	Barth J. Wolf Secretary	None	None	None	0
7	Dane E. Allen Assistant Secretary	None	None	None	0
1	Footnote Data				
2	Lawrence T. Borgard's salary is paid by Integrys Business Support, LLC. It is not reported here.				
3	Barbara A. Nick's salary is paid by Wisconsin Public Service Corporation. It is not reported here.				
4	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 Plan and Trust.				
5	William J. Guc's salary is paid by Integrys Business Support, LLC. It is not reported here.				
6	James F. Schott's salary is paid by Integrys Business Support, LLC. It is not reported here.				
7	Barth J. Wolf's salary is paid by Integrys Business Support, LLC. It is not reported here.				
	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) 04/30/12	Year of Report December 31, 2011
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 President and Chief Operating Officer - Utilities	Integrus Energy Group, Inc. 700 North Adams Street Green Bay, WI 54301	5	None
2 Keith E. Moyle Vice President and General Manager	Upper Peninsula Power Company 500 North Washington Street Ishpeming, MI 49849	5	None
3 Barbara A. Nick Sr. Vice President - Energy Delivery and Customer Service	Wisconsin Public Service Corporation 700 North Adams Street Green Bay, WI 54301	5	None
4 Joseph P. O'Leary Senior VP & Chief Financial Officer	Integrus Energy Group, Inc. 130 East Randolph Street Chicago, IL 60601	5	None
5 James F. Schott Vice President - External Affairs	Integrus Energy Group, Inc. 700 North Adams Street Green Bay, WI 54301	5	None
6 Charles A. Schrock Chairman, President and Chief Executive Officer	Integrus Energy Group, Inc. 130 East Randolph Street Chicago, IL 60601	5	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) 04/30/12	Year of Report December 31, 2011
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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 10, 2011 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) 04/30/12	Year of Report December 31, 2011
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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# <u>RESPONSE/NOTES TO INSTRUCTION #</u> 2 3 4					

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 12/31/2011	Year/Period of Report End of 2011/Q4
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IMPORTANT CHANGES DURING THE QUARTER/YEAR

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.

1. Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization.
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.
6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 104 or 105 of the Annual Report Form No. 1, 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. 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.
13. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
14. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

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) 12/31/2011	Year/Period of Report 2011/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 \$7,700,000 FERC authorization, Federal Power Act - Section 204, Docket ES11-24-000.
7. There were no changes in 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, 2011.
9. None.
10. There were no materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 106, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
11. Reserved.
12. None.
13. There were no changes in officers, directors, major security holders and voting powers during this reporting period.
14. We do not participate in a cash management program in which money is advanced to parent, subsidiary, or affiliated companies and our proprietary capital 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) 04/30/12	Year of Report December 31, 2011
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)	200-201	240,383,085	244,237,664
3	Construction Work in Progress (107)	200-201	2,918,784	5,463,622
4	TOTAL Utility Plant (Enter total of lines 2 and 3)		243,301,869	249,701,286
5	(Less) Accum.Prov for Depr.Amort.Depl (108,111,115)	200-201	94,181,124	97,108,024
6	Net Utility Plant (Enter total of line 4 less 5)		149,120,745	152,593,262
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab (120.1)		0	0
8	Nuclear Fuel Materials & Assemblies - Stock Account (120.2)		0	0
9	Nuclear Fuel Assemblies in Reactor (120.3)		0	0
10	Spent Nuclear Fuel (120.4)		0	0
11	Nuclear Fuel under Capital Leases (120.6)		0	0
12	Assemblies (120.5)	202-203	0	0
13	Net Nuclear Fuel (Enter total of line 7 less 8)		0	0
14	Net Utility Plant (Enter total of lines 6 and 13)		149,120,745	152,593,262
15	Utility Plant Adjustments (116)	122	0	0
16	Gas Stored Underground-Noncurrent (117)	---	0	0
17	OTHER PROPERTY AND INVESTMENTS			
18	Nonutility Property (121)	221	7,580,656	8,148,005
19	(Less) Accum.Prov. for Depr. and Amort. (122)	---	1,163,662	1,258,315
20	Investments in Associated Companies (123)	222-223	0	0
21	Investments in Subsidiary Companies (123.1)	224-225	14,967,002	15,377,661
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
23	Noncurrent Portion of Allowances	228-229	0	0
24	Other Investments (124)		152,090	0
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		0	0
29	Special Funds (Non-Major Only) (129)		0	0
30	Long-Term Portion of Derivative Assets (175)		0	0
31	Long-Term Portion of Derivative Assets - Hedges (176)		0	0
32	TOTAL Other Property and Investments (Total of lines 18 thru 21, 23 thru 31)		21,536,086	22,267,351
33	CURRENT AND ACCRUED ASSETS			
34	Cash and Working Funds (Non-Major Only) (130)		0	0
35	Cash (131)	---	291,412	688,286
36	Special Deposits (132-134)	---	23,228	241,670
37	Working Fund (135)	---	0	0
38	Temporary Cash Investments (136)	222-223	0	0
39	Notes Receivable (141)	226A	0	0
40	Customer Accounts Receivable (142)	226A	9,474,651	8,935,064
41	Other Accounts Receivable (143)	226A	2,977,480	2,632,018
42	(Less) Accum.Prov. for Uncoll. Acct.- Credit (144)	226A	260,000	260,000
43	Notes Receivable from Assoc. Companies (145)	226B	0	0
44	Accounts Receivable from Assoc. Companies (146)	226B	12,612	146,053
45	Fuel Stock (151)	227	510,993	548,606
46	Fuel Stock Expenses Undistributed (152)	227	0	0
47	Residuals (Elec) and Extracted Products (153)	227	0	0
48	Plant Materials and Operating Supplies (154)	227	1,007,857	993,183
49	Merchandise (155)	227	0	0
50	Other Materials and Supplies (156)	227	0	0
51	Nuclear Materials Held for Sale (157)	202-203, 207	0	0
52	Allowances (158.1 and 158.2)	228-229	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) 04/30/12	Year of Report December 31, 2011
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	---	0	0
54	Stores Expense Undistributed (163)	227	114,390	181,773
55	Gas Stored Underground-Current (164.1)	---	0	0
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)	---	0	0
57	Prepayments (165)	---	2,457,590	6,759,243
58	Advances for Gas (166-167)	---	0	0
59	Interest and Dividends Receivable (171)	---	0	0
60	Rents Receivable (172)	---	0	0
61	Accrued Utility Revenues (173)	---	4,222,587	4,760,204
62	Misc Current and Accrued Assets (174)		4,374,100	5,110,790
63	Derivative Instrument Assets (175)		851,857	1,007,275
64	(Less) LT Portion of Derivative Inst. Assets (175)		0	0
65	Derivative Instrument Assets - Hedges (176)		0	0
66	(Less) LT Portion of Derivative Inst. Assets - Hedges (176)		0	0
67	TOTAL Current and Accrued Assets (Enter total of lines 34 thru 66)		26,058,757	31,744,165
68	DEFERRED DEBITS			
69	Unamortized Debt Expenses (181)	---	42,328	34,489
70	Extraordinary Property Losses (182.1)	230	0	0
71	Unrecovered Plant & Regulatory Study Costs (182.2)	230	0	0
72	Other Regulatory Assets	232	68,889,295	78,459,186
73	Prelim. Survey & Invest. Charges (Elec) (183)	231	0	0
74	Prelim. Survey & Invest. Charges (Gas) (183.1)	---	0	0
75	Other Prelim. Survey & Investigation Charges (183.2)		0	0
76	Clearing Accounts (184)	---	0	0
77	Temporary Facilities (185)	---	0	0
78	Miscellaneous Deferred Debits (186)	233	2,575,744	381,342
79	Def. Losses from Disposition of Utility Plant (187)	235	0	0
80	Research, Devel. and Demonstration Expend (188)	352-353	0	0
81	Unamortized Loss on Reacquired Debt (189)	237	29,385	3,239,969
82	Accumulated Deferred Income Taxes (190)	234	4,000,626	5,818,552
83	Unrecovered Purchased Gas Costs (191)	---	0	0
84	TOTAL Deferred Debits (Enter total of lines 69 thru 83)		75,537,378	87,933,538
85	TOTAL Assets and Other Debits (Enter total of lines 14 thru 16, 32, 67, and 84)		272,252,966	294,538,316

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FOOTNOTE DATA					
Page Number (a)	Item Number (b)	Column Number (c)	Comments (d)		
111	57	(c)	Prepaid Insurance	\$	370,468
			Prepaid Federal Income Tax		1,795,101
			Prepaid State Income Tax		284,223
			Prepaid Surplus Lines Tax		7,403
			Prepaid Federal Highway Tax		395
			Total	\$	2,457,590
111	57	(c)	Prepaid Insurance	\$	377,156
			Prepaid Federal Income Tax		4,650,246
			Prepaid State Income Tax		1,720,812
			Prepaid Surplus Lines Tax		10,496
			Prepaid Federal Highway Tax		533
			Total	\$	6,759,243
111	62	(c) & (d)	Property Taxes		

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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)	250-251	13,263,624	13,263,624
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)	252	0	0
5	Stock Liability for Conversion (203, 206)	252	0	0
6	Premium on Capital Stock (207)	252	20,887,579	11,498,466
7	Other Paid-In Capital (208-211)	253	40,250	40,250
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254	0	0
11	Retained Earnings (215, 215.1, 216)	118-119	54,083,532	60,525,027
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	3,905,116	4,277,639
13	(Less) Reacquired Capital Stock (217)	250-251	0	0
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	24,778	0
16	TOTAL Proprietary Capital (Enter total of lines 2 thru 15)		92,204,879	89,605,006
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	9,400,000	0
19	(Less) Reacquired Bonds (222)	256-257	0	0
20	Advances from Associated Companies (223)	256-257	45,000,000	55,000,000
21	Other Long-Term Debt (224)	256-257	0	0
22	Unamortized Premium on Long-Term Debt (225)	---	0	0
23	(Less) Unamortized Discount on Long-Term Debt -Debit (226)	---	0	0
24	TOTAL Long-Term Debt (Enter total lines 18 thru 23)		54,400,000	55,000,000
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases-Noncurrent (227)		0	0
27	Accumulated Prov. for Property Insurance (228.1)		0	0
28	Accumulated Prov. for Injuries and Damage (228.2)		0	0
29	Accumulated Prov. for Pensions and Benefits (228.3)		38,646,070	49,844,775
30	Accumulated Misc. Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		0	0
32	Long-Term Portion of Derivative Instrument Liabilities		0	0
33	LT Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		881,522	931,672
35	TOTAL Other Noncurrent Liabilities (Enter total of lines 26 thru 34)		39,527,592	50,776,447
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		0	0
38	Accounts Payable (232)		11,297,282	8,938,238
39	Notes Payable to Associated Companies (233)		8,950,000	7,700,000
40	Accounts Payable to Associated Companies (234)		4,795,299	6,340,657
41	Customer Deposits (235)		153,821	875,204
42	Taxes Accrued (236)	262-263	4,417,601	5,145,916
43	Interest Accrued (237)		146,014	0
44	Dividends Declared (238)		0	0
45	Matured Long-Term Debt (239)		0	0

Name of Respondent	This Report Is:	Date of Report	Year of Report
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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)		0	0
47	Tax Collections Payable (241)		160,619	180,438
48	Misc. Current and Accrued Liabilities (242)		2,302,578	2,689,740
49	Obligations Under Capital Leases -Current (243)		0	0
49	Derivative Instrument Liabilities (244)		0	0
50	Federal Income Taxes Accrued for Prior Years (244)		0	0
51	Michigan Single Business Taxes Accrued for Prior Years (244.1)		0	0
52	Fed. Inc. Taxes Accrued for Prior Years -Adj. (245)		0	0
53	Michigan Single Business Taxes Accrued for Prior Years - Adj. (245.1)		0	0
54	TOTAL Current and Accrued Liabilities (Enter total of lines 37 thru 53)		32,223,214	31,870,193
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		5,069,771	4,193,459
57	Accumulated Deferred Investment Tax Credits (255)	266-267	1,775,094	2,176,160
58	Deferred Gains from Disposition of Utility Plt. (256)	270	0	0
59	Other Deferred Credits (253)	269	4,049,124	2,338,941
60	Other Regulatory Liabilities	278	4,310,344	914,511
61	Unamortized Gain on Reacquired Debt (257)	237	0	0
62	Accum. Deferred Income Taxes-Accel. Amort. (281)		0	0
63	Accum. Deferred Income Taxes-Other Property (282)		33,954,173	40,287,068
64	Accum. Deferred Income Taxes-Other (283)	272-277	4,738,775	17,376,531
65	TOTAL Deferred Credits (Enter total of lines 56 thru 64)		53,897,281	67,286,670
66	TOTAL Liabilities and Other Credits (Enter total of lines 16, 24, 35, 54 and 65)		272,252,966	294,538,316

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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	107,977,037	118,482,611
3	Operating Expenses			
4	Operation Expenses (401)	320-323	72,879,235	86,728,051
5	Maintenance Expenses (402)	320-323	9,081,782	7,510,506
6	Depreciation Expenses (403)	336-337	7,434,869	6,240,836
7	Depreciation Expenses for Asset Retirement Costs (403.1)			
8	Amortization and Depl. of Utility Plant (404-405)	336-337	150,141	150,141
9	Amortization of Utility Plant Acq. Adj (406)	336-337	106,797	106,797
10	Amort. Of Property Losses, Unrecovered Plant and Regulatory Study Costs (407)		813,210	
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	5,230,370	5,085,429
15	Income Taxes-Federal (409.1)	262-263	(9,808,118)	(4,895,179)
16	-Other (409.1)	262-263	(947,314)	(503,358)
17	Provision for Deferred Income Taxes (410.1)	234,272-276	38,840,388	20,692,256
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234,272-276	25,578,040	12,308,266
19	Investment Tax Credit Adj.- Net (411.4)	266-267	388,564	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)		98,591,884	109,500,320
26	Net Utility Operating Income (Enter Total of line 2 less 25) (Carry forward to page 117, line 27)		9,385,153	8,982,291

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/12	Year of Report December 31, 2011
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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
107,977,037	118,482,611					2
						3
72,879,235	86,728,051					4
9,081,782	7,510,506					5
7,434,869	6,240,836					6
						7
150,141	150,141					8
106,797	106,797					9
813,210						10
						11
						12
						13
5,230,370	5,085,429					14
(9,808,118)	(4,895,179)					15
(947,314)	(503,358)					16
38,840,388	20,692,256					17
25,578,040	12,308,266					18
388,564	693,107					19
						20
						21
						22
						23
						24
98,591,884	109,500,320	0	0	0	0	25
9,385,153	8,982,291	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) 04/30/12	Year of Report December 31, 2011
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 (Carried forward from page 114)		9,385,153	8,982,291
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	906,777	1,107,942
34	(Less) Expenses of Nonutility Operations (417.1)	282	875,470	926,784
35	Nonoperating Rental Income (418)	282	2,150	3,900
36	Equity in Earnings of Subsidiary Companies (418.1)	119,282	2,112,657	2,113,475
37	Interest and Dividend Income (419)	282	(8,824)	33,116
38	Allowance for Other Funds Used During Construction (419.1)	282	(2,675)	585,094
39	Miscellaneous Nonoperating Income (421)	282	371,735	211,866
40	Gain on Disposition of Property (421.1)	280	32,750	2,204
41	TOTAL Other Income (enter Total of lines 31 thru 40)		2,539,100	3,130,813
42	Other Income Deductions			
43	Loss on Disposition of Property (421.2)	280	11	
44	Miscellaneous Amortization (425)	340		
45	Donations (426.1)		71,232	66,132
46	Life Insurance (426.2)			
47	Penalties (426.3)		1,522	(198,075)
48	Exp. for Certain Civic, Political & Related Activities (426.4)		23,567	20,143
49	Other Deductions (426.5)		197,638	(1,558)
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		293,970	(113,358)
51	Taxes Applicable to Other Income and Deductions			
52	Taxes Other Than Income Taxes (408.2)	262-263	221,990	226,327
53	Income Taxes - Federal (409.2)	262-263	287,651	(523,257)
54	Income Taxes - Other (409.2)	262-263	(331)	(65,373)
55	Provision for Deferred Income Taxes (410.2)	234,272-276	1,999,214	1,621,380
56	(Less) Provision for Deferred Income Taxes - Cr. (411.2)	234,272-276	1,359,352	129,080
57	Investment Tax Credit Adjustment - Net (411.5)	264-265	12,502	10,911
58	(Less) Investment Tax Credits (420)	264-265		
59	TOTAL Taxes on Other Income and Deductions (total of 52 thru 58)		1,161,674	1,140,908
60	Net Other Income and Deductions (total of lines 41,50 & 59)		1,083,456	2,103,263
61	INTEREST CHARGES			
62	Interest on Long-Term Debt (427)	257	730,066	961,514
63	Amort. Of Debt Disc. And Expense (428)	256-257	7,838	10,793
64	Amortization of Loss on Reacquired Debt (428.1)		81,284	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	2,601,463	2,290,328
68	Other Interest Expense (431)	340	209,105	138,907
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		(902)	197,390
70	Net Interest Charges (total of lines 62 thru 69)		3,630,658	3,206,864
71	Income Before Extraordinary Items (total lines 27,60,70)		6,837,951	7,878,690
72	EXTRAORDINARY ITEMS			
73	Extraordinary Income (434)	342		
74	(Less) Extraordinary Deductions (435)	342		
75	Net Extraordinary Items (total line 73 less line 74)		0	0
76	Income Taxes-Federal and Other (409.3)	262-263		
77	Extraordinary Items After Taxes (Enter Total of lines 75 less line 76)		0	0
78	Net Income (Enter Total of lines 71 and 77)		6,837,951	7,878,690

Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/30/12	Year of Report December 31, 2011
FOOTNOTE DATA					
Page Number (a)	Item Number (b)	Column Number (c)	Comments (d)		
114	2 & 4	(c)	Includes \$436,103 for FERC Order 668-A		
114	2 & 4	(d)	Includes \$3,082,706 for FERC Order 668-A		
117	167	(c)	Interest on Long Term Debt to Associated Companies \$ 2,526,683		
			Interest on Short Term Debt to Associated Companies 74,781		
			Total \$ 2,601,464		
117	167	(d)	Interest on Long Term Debt to Associated Companies \$ 2,242,397		
			Interest on Short Term Debt to Associated Companies 47,931		
			Total \$ 2,290,328		

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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	20,576,622		
3 Account 281			
4 Account 282	2,693,522		
5 Account 283	15,570,244		
6 Account 284			
7 Reconciling Adjustments			
8 TOTAL Account 410.1 (on pages 114-115 line 17)	38,840,388	0	
9 TOTAL Account 410.2 (on page 117 line 55)			
10 Credits to Account 411 from:			
11 Account 190	(8,826,738)		
12 Account 281			
13 Account 282	(168,579)		
14 Account 283	(16,582,723)		
15 Account 284			
16 Reconciling Adjustments			
17 TOTAL Account 411.1 (on page 114-115 line 18)	(25,578,040)	0	
18 TOTAL Account 411.2 (on page 117 line 56)			
19 Net ITC Adjustment:			
20 ITC Utilized for the Year DR	468,938		
21 ITC Amortized for the Year CR	(80,374)		
22 ITC Adjustments:			
23 Adjust last year's estimate to actual per filed return			
24 Other (specify)			
25 Net Reconciling Adjustments Account 411.4*	388,564	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 Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/12	Year of Report December 31, 2011	
RECONCILIATION OF DEFERRED INCOME TAX EXPENSE				
<p>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).</p> <p>(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).</p>				
Other Utility	Total Utility	Other Income	Total Company	Line No.
	20,576,622	43,166	20,532,158	1
				2
				3
	2,693,522	1,955,963	4,649,485	4
	15,570,244	85	15,570,329	5
				6
				7
0	38,840,388			8
		1,999,214		9
	(8,826,738)	644,659	(8,182,079)	10
				11
	(168,579)	(1,998,702)	(2,167,281)	13
	(16,582,723)	(5,309)	(15,914,394)	14
				15
				16
0	(25,578,040)			17
		(1,359,352)		18
	468,938	12,899	481,837	19
	(80,374)	(397)	(80,771)	20
				21
				22
			0	23
			0	24
0	388,564	12,502		25
				26
		0		27

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/12	Year of Report December 31, 2011
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STATEMENT OF RETAINED EARNINGS FOR THE YEAR			
1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.			
2. 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).			
3. State the purpose and amount for each reservation or appropriation of retained earnings.			
4. 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.			
5. Show dividends for each class and series of capital stock.			
6. Show separately the State and Federal income tax effect of items shown in account 439 (Adjustments to Retained Earnings)			
7. 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.			
8. 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		56,163,003
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	232	
11	Debit:		
12	Debit:		
13	TOTAL Debits to Retained Earnings (439)		0
14	Balance Transferred from Income (Account 433 Less Account 418.1)		4,725,294
15	Appropriations of Retained Earnings (Account 436)		
16	Change in Amortization Reserve-Federal in accordance with FERC Order No. 387	215.1	
17			
18			
19			
20			
21	TOTAL Appropriations of Retained Earnings (Account 436)		0
22	Dividends Declared-Preferred Stock (Account 437)		
23		238	
24		238	
25		238	
26		238	
27		238	
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) 04/30/12	Year of Report December 31, 2011
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	238		
31	Dividends of Deferred Comp Fixed Stock	207 & 190	(978)	
32	Dividends Declared Restricted Stock	238	(22,956)	
33				
34				
35	TOTAL Dividends Declared-Common Stock (Account 438)		(23,934)	
36	Transfers from Account 216.1 Unappropriated Undistributed Subsidiary Earnings	216.1	(372,522)	
37	Balance - End of the Year (Enter Total of lines 1 thru 36)		60,491,841	
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)		60,525,027	
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)				
47	Balance-Beginning of Year (Debit or Credit)		3,905,116	
48	Equity in Earnings for Year (Credit) (Account 418.1)		2,112,657	
49	(Less) Dividends Received (Debit)		1,740,134	
50	Other Changes (Explain)			
51	Balance-End of Year (Enter Total of lines 47 thru 50)		4,277,639	

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STATEMENT OF CASH FLOWS		
<p>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.</p>		<p>2. Under "Other" specify significant amounts and group others.</p> <p>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.</p>
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)	6,837,951
3	Noncash Charges (Credits) to Income:	
4	Depreciation and Depletion	7,790,665
5	Amortization of Regulatory Assets and Liabilities	776,066
6	Amortization of (Specify) Other	
7	Intangible Plant	
8	Deferred Income Taxes (Net)	13,918,398
9	Investment Tax Credit Adjustment (Net)	401,066
10	Net (Increase) Decrease in Receivables	(471,411)
11	Net (Increase) Decrease in Inventory	(90,322)
12	Net (Increase) Decrease in Allowances Inventory	
13	Net (Increase) Decrease in Payables and Accrued Expenses	3,207,992
14	Net (Increase) Decrease in Other Regulatory Assets	2,737,546
15	Net (Increase) Decrease in Other Regulatory Liabilities	0
16	(Less) Allowance for Other Funds Used During Construction	(3,576)
17	(Less) Undistributed Earnings from Subsidiary Companies	410,728
18	Other:	
19	Pension and Post Retirement	(112,148)
20	Changes in Working Capital besides cash	(5,667,482)
21	Other Items not affecting cash flow	1,505,816
22	Net Cash Provided by (Used in) Operating Activities (Total of lines 2 thru 21)	30,426,985
23		
24	Cash Flows from Investment Activities:	
25	Construction and Acquisition of Plant (including land):	
26	Gross Additions to Utility Plant (less nuclear fuel)	(15,067,795)
27	Gross Additions to Nuclear Fuel	
28	Gross Additions to Common Utility Plant	
29	Gross Additions to Nonutility Plant	(578,601)
30	(Less) Allowance to Other Funds Used During Construction	
31	Other:	
32	Proceeds from the sale of property	305,492
33		
34	Cash Outflows for Plant (Total of lines 26 thru 33)	(15,340,904)
35		
36	Acquisition of Other Noncurrent Assets (d)	
37	Proceeds from Disposal of Noncurrent Assets (d)	
38	Other financing activities	(1,247,341)
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 Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/12	Year of Report December 31, 2011
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STATEMENT OF CASH FLOWS (Continued)		
4. Investing Activities (a) Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of asset acquired with liabilities assumed on pages 122-123. (b) 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.		5. Codes used: (a) Net proceeds or payments. (b) Bonds, debentures and other long-term debt. (c) Include commercial paper. (d) Identify separately such items as investments, fixed assets, intangibles, etc. 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)	(16,588,245)
58		
59	Cash Flows from Financing Activities:	
60	Proceeds from Issuance of:	
61	Long Term Debt (b)	
62	Preferred Stock	
63	Common Stock	
64	Other: Intercompany Long Term Debt	10,000,000
65	Equity Contribution From Parent	2,000,000
66	Net Increase in Short-Term Debt (c)	
67	Other:	
68		
69		
70	Cash Provided by Outside Sources (Total of lines 61 thru 69)	12,000,000
71		
72	Payments for Retirement of:	
73	Long Term Debt (b)	(9,400,000)
74	Preferred Stock	
75	Common Stock	
76	Other: Loss on Bond Redemption	(3,291,866)
77	Equity Adjustments to Parent	
78	Net Decrease in Short-Term Debt (c)	(1,250,000)
79	Return of Capital to Parent	(11,500,000)
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)	(13,441,866)
84		
85	Net Increase (Decrease) in Cash and Cash Equivalents	
86	(Total of lines 22, 57 and 83)	396,874
87		
88	Cash and Cash Equivalents at Beginning of Year	291,412
89		
90	Cash and Cash Equivalents at End of Year	688,286

Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/30/12	Year of Report December 31, 2011
FOOTNOTE DATA					
Page Number (a)	Item Number (b)	Column Number (c)	Comments (d)		
120	19	(b)	Pension and Post Retirement Expense	\$	3,540,754
			Pension and Post Retirement Contributions		(4,009,792)
			Intercompany Pension and Post Retirement		356,890
				\$	(112,148)
120	20	(b)	Collateral on Deposit	\$	(225,000)
			Accrued Revenue		(537,617)
			Prepaid Taxes		(4,294,965)
			Other Investments		111,394
			Current Regulatory Assets		(736,690)
			Prepays		(130)
			Other IBS		15,526
				\$	(5,667,482)

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 12/31/2011	Year/Period of Report End of 2011/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.

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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 (regulatory basis), which differs from United States Generally Accepted Accounting Principles ("GAAP"). As required by FERC, Upper Peninsula Power Company (the "Company" or "UPPCO") classifies certain items in its 2011 Form 1 in a manner different from GAAP, as described below. These items have no impact on the reported net income.

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. 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.
3. The FERC requires transactions for the real-time and day-ahead Regional Transmission Organization ("RTO") 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.
4. The FERC financial statement presentation reports unamortized loss on reacquired debt and energy costs receivable or refundable through rate adjustments as deferred debits and current assets and liabilities, whereas the GAAP financial statement presentation reports these balances as regulatory assets and liabilities.
5. The GAAP financial statements are reported in accordance with the Income Taxes Topic of the FASB ASC, whereas the Form 1 is reported in accordance with the FERC-issued accounting guidance. As such, in the Form 1, UPPCO recognizes deferred income taxes based on the difference between positions taken in tax returns filed and amounts reported in the financial statements and does not report interest and penalties on tax deficiencies as income tax expense.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Nature of Operations

UPPCO is a regulated electric utility company, serving customers in its franchised territory in the Upper Peninsula of Michigan. UPPCO is a wholly owned subsidiary of Integrys Energy Group, Inc. The Company is subject to the jurisdiction of, and regulation, by the Michigan Public Service Commission ("MPSC"), which has general supervisory and regulatory powers over virtually all phases of the public utility industry in Michigan. The Company is also subject to the jurisdiction of the FERC, which regulates wholesale electric rates.

As used in these notes, the term "financial statements" refers to the statement of income, balance sheet, statement of retained earnings, and statement of cash flows, unless otherwise noted.

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. Basis of Presentation

Investments in businesses not controlled by us, but over which we have significant influence regarding the operating and financial policies of the investee, are accounted for using the equity method.

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c. Use of Estimates

UPPCO prepares the regulatory basis financial statements in conformity with the rules and regulations of the FERC. UPPCO makes estimates and assumptions that affect assets, liabilities, 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.

d. Cash and Cash Equivalents

UPPCO considers short-term investments with an original maturity of three months or less to be cash equivalents. Cash received for income taxes was \$6,193.0 thousand at December 31, 2011, and \$8,781.1 thousand at December 31, 2010. Cash paid for interest was \$3,331.5 thousand and \$3,251.8 thousand at December 31, 2011, and 2010, respectively.

e. Revenues and Customer Receivables

Revenues related to the sale of energy are recognized when service is provided or energy is delivered to customers and include estimated amounts for services provided but not yet billed. At December 31, 2011, and 2010, UPPCO's unbilled revenues were \$4,760.2 thousand and \$4,222.6 thousand, respectively. The Company presents revenue net of pass-through taxes on the income statements.

UPPCO has various rate-adjustment mechanisms in place that currently provide for the recovery of prudently incurred electric fuel costs and purchased power costs, which allow subsequent adjustments to rates for changes in commodity costs. A summary of significant rate-adjustment mechanisms follows:

- UPPCO's 2011 rates include a decoupling mechanism, which allows the Company to adjust rates going forward to recover or refund all or a portion of the differences between the actual and authorized margin.
- UPPCO uses automatic fuel and purchased power adjustment clauses to recover costs from retail electric customers on a one-for-one basis. 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.

Revenues are also impacted by other accounting policies related to our participation in the Midwest Independent Transmission Operator, Inc. ("MISO") market. Under FERC guidance, energy transactions in a Regional Transmission Organization should be netted and measured on an hourly basis. FERC also states that the day-ahead and real-time markets should be considered separately for purposes of netting energy transactions. For each hour, if the Company is a net seller in a market, the net amount is reported as revenues. If the company is a net buyer in a market, the net amount is reported as operation expenses.

f. Inventories

Inventories consist of fossil fuels, including coal, and are valued at average cost.

g. Property, Plant, and Equipment

Utility plant is stated at cost, including any associated 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 gains or losses are recognized in connection with ordinary

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retirements of utility property units. The Company charges the cost of the units of property retired, sold or otherwise disposed of, less salvage value to accumulated depreciation. The cost of removal associated with the retirement is also charged to accumulated depreciation. Maintenance, repair, replacement, and renewal costs associated with items not qualifying as units of property are considered operating expenses.

The Company records straight-line depreciation expense over the estimated useful life of utility property, using depreciation rates as approved by the MPSC. The Company's annual composite depreciation rates for the years ending December 31, 2011, and 2010 were 3.33% and 3.18%, respectively.

Nonutility property mainly consists of three Escanaba River Hydros (8.94 MW total) purchased from Escanaba Paper Company. Under terms of the purchase agreement, New Page Corporation will purchase all energy produced by the hydros through April 1, 2013.

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 3, "*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

Legal obligations associated with the retirement of tangible long-lived assets that resulted from the acquisition, construction or development, and/or normal operation of the assets are recognized at fair value by UPPCO. 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 6, "*Asset Retirement Obligations*," for more information.

k. Income Taxes

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, 2011, there were no significant intercompany payables or receivables for 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 income tax basis of assets and liabilities and the basis reported in the financial statements. UPPCO records valuation 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.

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UPPCO utilizes the deferral method of accounting for investment tax credits ("ITCs"). Under this method, UPPCO records the ITC as a deferred credit and amortizes such credit as a reduction to the provision for income taxes over the useful life of the asset that generated the ITC. A valuation allowance is established unless it is more likely than not that the credits will be realized during the carryforward period.

UPPCO reports interest and penalties accrued related to income taxes as a component of provision for income taxes in the income statements, as well as regulatory assets or regulatory liabilities in the balance sheets.

For more information regarding UPPCO's accounting for income taxes, see Note 7, "*Income Taxes*".

l. Employee Benefits

The costs of pension and other postretirement benefits are expensed over the periods during which employees render service. The transition obligation related to the other postretirement benefit plans is being recognized over a 20-year period beginning in 1993. In computing the expected return on plan assets, a market-related value of plan assets is used. Changes in realized and unrealized investment gains and losses 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 Integrys Energy Group Retirement Plan, sponsored by Integrys Business Support, LLC ("IBS"). The benefit costs associated with employee benefit plans are allocated between Integrys Energy Group's subsidiaries based on employees' time reporting and actuarial calculations, as applicable. UPPCO's regulators allow recovery in rates for the net periodic benefit cost calculated under GAAP.

The Company recognizes the funded status of defined benefit postretirement plans on the balance sheet, and recognizes 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.

For more information on the Company's employee benefits, see Note 9, "*Employee Benefit Plans*."

m. Risk Management Activities

As part of its regular operations, UPPCO enters into contracts, including forwards and other contractual commitments, to manage changes in commodity prices, which are described more fully in Note 5, "*Risk Management Activities*." All derivatives are recognized on the balance sheets 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 refunded to or collected from customers in rates.

n. Fair Value

A fair value measurement is required to reflect the assumptions market participants would use in pricing an asset or liability based on the best available information. These assumptions include the risks inherent in a particular valuation technique (such as a pricing model) and the risks inherent in the inputs to the model. Transaction costs should not be considered in the determination of 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).

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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.

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 uses 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. These factors include not only the credit standing of the counterparties involved, but also the impact of UPPCO's nonperformance risk on its liabilities.

See Note 11, "Fair Value," for additional information.

o. Subsequent Events

Subsequent events were evaluated for potential recognition or disclosure through April 18, 2012, 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.

The table below shows assets and liabilities from risk management activities:

(Thousands)	Balance Sheet Presentation	Risk Management Assets		Risk Management Liabilities	
		December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Financial transmission rights (FTRs)	Current	\$999.5	\$828.6	\$ -	\$ -
Petroleum product contracts	Current	7.7	23.3	-	-

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

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

<i>(Thousands)</i>	Financial Statement Presentation	December 31, 2011	December 31, 2010
FTRs	Balance Sheet – Regulatory assets (current)	\$(241.9)	\$44.8
FTRs	Balance Sheet – Regulatory liabilities (current)	(231.2)	31.5
	Operating and maintenance expense		
Petroleum product contracts		(8.0)	4.0

UPPCO had the following notional volumes of outstanding derivative contracts:

	December 31, 2011	December 31, 2010
FTRs (millions of kilowatt-hours)	262.7	237.1
Petroleum products (barrels)	1,598.0	2,173.0

The following table shows UPPCO's cash collateral positions:

<i>(Thousands)</i>	December 31, 2011	December 31, 2010
Cash collateral provided to others	\$225.0	\$ -

3. 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. These rates are based on specific ratemaking decisions over periods determined 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>	2011	2010	See Note
Regulatory assets			
Unrecognized pension and other postretirement benefit costs	\$70,160.2	\$59,434.8	9
Loss on sale of hydro facilities (1)	4,786.0	3,697.9	12
Income tax related items	1,820.3	1,554.7	7
Decoupling	0	2,737.5	
Environmental remediation costs (2)	990.0	1,045.0	
Other	702.7	419.4	
Total	\$78,459.2	\$68,889.3	
Regulatory liabilities			
Income tax related items	\$893.4	\$3,909.4	7
Derivatives	21.1	252.3	1(l)
Uncollectible expense	-	148.6	
Total	\$914.5	\$4,310.3	

(1) In 2010, UPPCO received authorization to recover the costs related to the AuTrain hydro over a 5 year period, beginning January 2011. In 2011, UPPCO received authorization to recover the costs related to the Cataract hydro over a 5 year period, beginning January 2012.

(2) 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.

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4. SHORT-TERM DEBT AND LINES OF CREDIT

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

<i>(Thousands, except for percentages)</i>	2011	2010
Short-term notes payable outstanding to Integrys Energy Group	\$7,700	\$8,950.0
Average interest rate on short-term notes payable to Integrys Energy Group outstanding	0.33%	0.34%

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>	2011	2010
Average amount of short-term notes payable to Integrys Energy Group outstanding	\$9,079.5	\$6,544.5

5. LONG-TERM DEBT

UPPCO's long-term debt consists of long-term notes payable to Integrys Energy Group. A summary of long-term debt outstanding at December 31 is as follows:

<i>(Thousands)</i>	2011	2010
First Mortgage Bonds *		
9.32% Series, due 2021	\$ -	\$ 9,400.0
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;		
\$10 million at 3.35%, due 2018	55,000.0	45,000.0
Total debt	\$55,000.0	\$54,400.0
Less current portion		(900.0)
Total long-term debt	\$55,000.0	\$53,500.0

* In November 2011, UPPCO bought back its \$9,400.0 thousand of 9.32% First Mortgage Bonds that were due in November 2021, resulting in an unamortized loss on reacquired debt of \$3,291.9 thousand. In a related transaction, Integrys Energy Group issued UPPCO an additional \$10,000.0 thousand long-term note payable due in November 2018 at a fixed rate of 3.35% to replace the First Mortgage Bond.

6. 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 obligation accounting rules, and the ratemaking practices for retirement costs authorized by the applicable regulators.

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The following table shows changes to UPPCO's asset retirement obligations through December 31, 2011:

(Thousands)

Asset retirement obligations at December 31, 2009	\$834.1
Accretion	47.4
Asset retirement obligations at December 31, 2010	881.5
Accretion	50.2
Asset Retirement Obligations at December 31, 2011	\$931.7

There were no settlements, additions, or revisions to estimated cash flows in the years presented.

7. INCOME TAXES

The principal deferred income tax assets included in the balance sheets as of December 31, 2011, and 2010, primarily related to plant and employee benefits. The principal deferred income tax liabilities included in the balance sheets as of December 31, 2011, and 2010, primarily related to plant, employee benefits, and regulatory deferrals.

Deferred income tax liabilities increased \$18,970.7 thousand in 2011. The increase was driven by the following changes in tax accounting methods and newly enacted tax laws:

- During 2011, legislation was signed in Michigan that impacted the recognition of UPPCO's deferred income tax assets and liabilities. Michigan replaced its business tax with a state income tax, effective January 1, 2012.
- In 2011, when calculating the tax return true-up of the 2010 Federal tax return, an adjustment was made due to the re-alignment of the pension liability for UPPCO. This resulted in an increase to deferred tax liabilities.

UPPCO records certain adjustments related to deferred income taxes to regulatory assets and liabilities. 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 or upon enactment of changes in tax law. The regulatory liability for these refunds and other regulatory tax effects totaled \$893.4 thousand and \$3,909.4 thousand at December 31, 2011, and 2010, respectively.

The components of the provision for income taxes were as follows:

(Thousands)	2011	2010
Current provision		
Federal	\$ (9,494.4)	\$(5,418.4)
State	(909.4)	(568.7)
Total current provision	(10,403.8)	(5,987.2)
Deferred provision		
Federal	12,938.2	9,232.9
State	963.4	643.4
Total deferred provision	13,901.6	9,876.3
Investment tax credits, net	399.7	704.0
Total provision for income taxes	\$ 3,897.5	\$ 4,593.1

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State income taxes was the only significant reconciling item impacting the statutory federal income tax rate reconciliation to the effective income tax rate as of December 31, 2011, and 2010. The statutory federal income tax rate was 35.0% at December 31, 2011, and 2010. The effective income tax rate was 36.5% and 36.8%, respectively, for December 31, 2011, and 2010.

UPPCO files income tax returns in the United States federal jurisdiction and in the Michigan state jurisdiction on a stand-alone basis or as part of Integrys Energy Group filings. UPPCO is no longer subject to federal income tax examinations by the IRS for years prior to 2009. UPPCO is no longer subject to examination by the Michigan tax authority for years prior to 2007.

8. COMMITMENTS AND CONTINGENCIES

UPPCO had commitments for the purchase of commodities, mainly capacity or energy related to purchased power, which totaled \$19,357.2 thousand at December 31, 2011, and extend through 2022.

UPPCO has full requirements service from WPS that entitles UPPCO to purchase 57 MW of energy and capacity during the summer months and 46 MW of energy and capacity during the non-summer months. The rate is determined by rate formula and the agreement is ongoing, but may be terminated with a three-year notice.

UPPCO has a power purchase agreement with White Pine Electric Power for 17.5 MW of capacity through December 31, 2014. Termination of this contract may occur at any time and is subject to a termination payment.

UPPCO has a capacity purchase agreement with Northern States Power Company for 5-30 MW per month through December 31, 2012.

UPPCO has an energy purchase agreement with Cargill Power Markets for 25 MW on-peak only through December 31, 2012.

UPPCO has a power purchase agreement with UP Hydro LLC for the output from the Autrain and Cataract hydroelectric generating facilities through June 30, 2020, and February 1, 2022, respectively.

UPPCO also had commitments of \$14,556.3 thousand in the form of purchase orders issued to various vendors at December 31, 2011.

9. EMPLOYEE BENEFIT PLANS

The Company participates in the Integrys Energy Group Retirement Plan, a noncontributory, qualified retirement plan sponsored by IBS, as well as an unfunded, nonqualified retirement plan sponsored by Integrys Energy Group ("the Parent"). In addition, the Company participates in other postretirement benefit plans sponsored by WPS. The company also maintains an unfunded, legal nonqualified Supplemental Employee Retirement Plan ("SERP"). 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.

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 these benefits as incurred.

Effective January 1, 2008, and April 19, 2009, the defined benefit pension plans were closed to all new non-union and union hires, respectively.

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The following tables provide a reconciliation of the changes in the Company's share of the plans' benefit obligations and fair value of assets during 2011 and 2010:

(Thousands)	Pension Benefits		Other Benefits	
	2011	2010	2011	2010
Change in benefit obligation				
Obligation at January 1	\$ 93,178.6	\$84,569.5	\$32,796.2	\$33,005.6
Service cost	910.5	951.5	656.1	438.9
Interest cost	5,260.6	5,383.2	1,916.1	1,760.4
Transfers	409.2	-	-	-
Actuarial loss (gain), net	6,519.4	9,721.8	450.2	(632.6)
Participant contributions	-	-	960.8	1,296.8
Benefit payments	(6,562.7)	(7,447.4)	(2,291.6)	(3,190.2)
Federal subsidy on benefits paid	-	-	137.2	117.3
Obligation at December 31	\$ 99,715.6	\$93,178.6	\$34,625.0	\$32,796.2
Change in fair value of plan assets				
Fair value of plan assets at January 1	\$ 67,458.7	\$ 50,857.5	\$ 19,679.4	\$17,609.6
Actual return on plan assets	1,035.5	7,356.8	(75.5)	1,799.3
Transfers	13.3	-	-	-
Employer contributions	2,115.0	16,691.8	1,945.1	2,163.9
Participant contributions	-	-	960.8	1,296.8
Benefit payments	(6,562.7)	(7,447.4)	(2,291.6)	(3,190.2)
Fair value of plan assets at December 31	\$ 64,059.8	\$ 67,458.7	\$ 20,218.2	\$19,679.4
Unfunded status at December 31	\$(35,655.8)	\$(25,719.9)	\$(14,406.8)	\$(13,116.8)

The amounts recognized on the Company's balance sheets at December 31 related to the unfunded status of the benefit plans were as follows:

(Thousands)	Pension Benefits		Other Benefits	
	2011	2010	2011	2010
Current liabilities	\$ 198.6	\$ 172.8	\$ 19.2	\$ 17.8
Noncurrent liabilities	35,457.2	25,547.1	14,387.6	13,099.0
Total liabilities	\$35,655.8	\$25,719.9	\$14,406.8	\$13,116.8

The accumulated benefit obligation for all defined benefit pension plans was \$97,085.2 thousand and \$90,527.5 thousand at December 31, 2011, and 2010, respectively. Information for pension plans with an accumulated benefit obligation in excess of plan assets is presented in the following table:

(Thousands)	December 31	
	2011	2010
Projected benefit obligation	\$99,715.6	\$93,178.6
Accumulated benefit obligation	97,085.2	90,527.5
Fair value of plan assets	64,059.8	67,458.7

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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:

(Thousands)	Pension Benefits		Other Benefits	
	2011	2010	2011	2010
Net regulatory assets				
Net actuarial loss	\$54,892.2	\$44,656.3	\$14,047.3	\$12,842.3
Prior service cost	500.4	747.7	640.5	760.0
Transition obligation	-	-	49.6	99.1
Total	\$55,392.6	\$45,404.0	\$14,737.4	\$13,701.4

The following table shows the estimated amounts that will be amortized into net periodic benefit cost during 2012:

(Thousands)	Pension Benefits	Other Benefits
Net actuarial loss	\$2,067.8	\$764.4
Prior service cost	247.3	133.0
Transition obligation	-	49.6
Total 2012 – estimated amortization	\$2,315.1	\$947.0

The following table presents the components of the net periodic benefit costs (including amounts capitalized to the balance sheets) for the plans:

(Thousands)	Pension Benefits		Other Benefits	
	2011	2010	2011	2010
Net periodic benefit cost				
Service cost	\$ 910.5	\$ 951.5	\$ 656.1	\$ 438.9
Interest cost	5,260.6	5,383.2	1,916.1	1,760.4
Expected return on plan assets	(5,620.0)	(5,484.1)	(1,452.7)	(1,428.2)
Amortization of transition obligation	-	-	49.6	49.6
Amortization of prior service cost	247.5	247.3	119.5	119.5
Amortization of net actuarial loss	1,136.7	462.5	773.3	521.9
Net periodic benefit cost	\$ 1,935.3	\$1,560.4	\$2,061.9	\$1,462.1

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:

	Pension Benefits		Other Benefits	
	2011	2010	2011	2010
Discount rate	5.10%	5.80%	5.03%	5.80%
Rate of compensation increase	4.17%	4.19%	N/A	N/A
Assumed medical cost trend rate (under age 65)	N/A	N/A	7.00%	7.50%
Ultimate trend rate	N/A	N/A	5.00%	5.00%
Ultimate trend rate reached in	N/A	N/A	2016	2016
Assumed medical cost trend rate (over age 65)	N/A	N/A	7.50%	8.00%
Ultimate trend rate	N/A	N/A	5.50%	5.50%
Ultimate trend rate reached in	N/A	N/A	2016	2016
Assumed dental cost trend rate	N/A	N/A	5.00%	5.00%

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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:

	Pension Benefits		Other Benefits	
	2011	2010	2011	2010
Discount rate	5.80%	6.15%	5.80%	6.05%
Expected return on assets	8.25%	8.50%	8.25%	8.50%
Rate of compensation increase	4.17%	4.19%	N/A	N/A
Assumed medical cost trend rate (under age 65)	N/A	N/A	7.50%	8.00%
Ultimate trend rate	N/A	N/A	5.00%	5.00%
Ultimate trend rate reached in	N/A	N/A	2016	2013
Assumed medical cost trend rate (over age 65)	N/A	N/A	8.00%	8.50%
Ultimate trend rate	N/A	N/A	5.50%	5.50%
Ultimate trend rate reached in	N/A	N/A	2016	2013
Assumed dental cost trend rate	N/A	N/A	5.00%	5.00%

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.

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, 2011, a one-percentage-point change in assumed health care cost trend rates would have had the following effects:

(Thousands)	One-Percentage-Point	
	Increase	Decrease
Effect on total of service and interest cost components of net periodic postretirement health care benefit cost	\$ 423.6	\$ (335.6)
Effect on the health care component of the accumulated postretirement benefit obligation	4,576.4	(3,755.3)

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. The policy is established and administered in a manner that is compliant at all times with applicable regulations.

Central to the policy are target allocation ranges by major asset categories. 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 are recorded at fair value. Information regarding the fair value hierarchy and the classification of fair value measurements based on the types of inputs used are discussed in Note 1(m), "Summary of Significant Accounting Policies – Fair Value."

The following table provides the fair value of our investments by asset class:

(Thousands)	December 31, 2011							
	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	\$ 254.3	\$ 1,381.9	\$ -	\$ 1,636.2	\$ 0.2	\$ 341.7	\$ -	\$ 341.9
Equity securities:								
United States equity	7,394.9	18,743.4	-	26,138.3	2,161.3	5,300.7	-	7,462.0
International equity	4,027.6	14,390.0	-	18,417.6	1,127.8	4,101.2	-	5,229.0
Fixed income securities:								
United States government	-	5,428.6	-	5,428.6	5,404.0	-	-	5,404.0
Foreign government	-	999.7	331.1	1,330.8	-	-	-	-
Corporate debt	-	9,115.2	123.2	9,238.4	-	3.6	-	3.6
Asset-backed securities	-	3,211.8	-	3,211.8	-	-	-	-
Other	-	473.1	-	473.1	182.9	-	-	182.9
	11,676.8	53,743.7	454.3	65,874.8	8,876.2	9,747.2	-	18,623.4
401(h) other benefit plan assets invested as pension assets (1)	(286.8)	(1,320.2)	(11.1)	(1,618.1)	286.8	1,320.2	11.1	1,618.1
Total(2)	\$11,390.0	\$52,423.5	\$443.2	\$64,256.7	\$9,163.0	\$11,067.4	\$11.1	\$20,241.5

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

(2) Investments do not include accruals or pending transactions that are included in the table reconciling the change in fair value of plan assets.

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 \$15,606.2 thousand to pension plans and \$1,983.0 thousand to other postretirement plans in 2012, dependent upon various factors affecting the Company, including its liquidity position and tax law changes.

The following table shows the payments, reflecting expected future service, that the Company expects to make for pension and other postretirement benefits. In addition, the table shows the expected federal subsidies, provided under the Medicare Prescription Drug, Improvement and Modernization Act of 2003, that will partially offset other postretirement benefits.

(Thousands)	Pension Benefits	Other Benefits	Federal Subsidies
2012	\$ 6,023.4	\$ 1,847.2	\$ 126.0
2013	6,077.3	2,005.2	144.3
2014	6,149.1	2,052.4	161.8
2015	6,497.8	2,264.7	176.3
2016	6,632.1	2,457.0	191.8
2017-2021	35,371.1	11,755.5	1,311.6

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Defined Contribution Benefit Plans

Integrus Energy Group maintains a 401(k) Savings Plan for substantially all full-time employees. A percentage of employee contributions are matched through an ESOP or cash contribution up to certain limits. Employees who are no longer eligible to participate in the defined benefit pension plan participate in a defined contribution pension plan, in which certain amounts are contributed to an employee's account based on the employee's wages, age, and years of service. The Company's share of the total costs incurred under these plans was \$365.1 thousand and \$372.2 thousand in 2011, and 2010, respectively.

10. 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, 2011, and 2010. All shares of the Company's common stock are owned by Integrus Energy Group.

11. FAIR VALUE

The following tables show assets and liabilities that were accounted for at fair value on a recurring basis, categorized by level within the fair value hierarchy:

December 31, 2011				
(Thousands)	Level 1	Level 2	Level 3	Total
Risk management assets				
FTRs	\$ -	\$ -	\$999.5	\$999.5
Petroleum product contracts	7.7	-	-	7.7
December 31, 2010				
(Thousands)	Level 1	Level 2	Level 3	Total
Risk management assets				
FTRs	\$ -	\$ -	\$828.6	\$828.6
Petroleum product contracts	23.3	-	-	23.3

The risk management assets and liabilities listed in the tables above include FTRs 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 FTRs is derived from historical data from the Midwest Independent Transmission System Operator, Inc., which is considered a Level 3 input. For more information on our derivative instruments, see Note 2, "Risk Management Activities." There were no transfers between the levels of the fair value hierarchy during 2011.

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

<i>(Thousands)</i>	2011
Balance at beginning of period	\$ 828.6
Net realized loss included in earnings	(521.0)
Net unrealized loss recorded as regulatory assets or liabilities	(473.1)
Purchases	3,124.7
Settlements	(1,959.7)
Balance at end of period	\$ 999.5
<i>(Thousands)</i>	2010
Balance at beginning of period	\$ 437.5
Net realized gain included in earnings	1,365.0
Net unrealized gain recorded as regulatory assets or liabilities	77.5
Net purchases and settlements	(1,051.4)
Balance at end of period	\$ 828.6

Unrealized gains and losses on FTRs are deferred as regulatory assets or liabilities. Therefore, these fair value measurements have no impact on earnings. Realized gains and losses on FTRs, as well as the related transmission congestion costs, are recorded in purchased power on the statements of income.

Fair Value of Financial Instruments

The following table shows the financial instruments included on UPPCO's balance sheets that are not recorded at fair value:

<i>(Thousands)</i>	<u>December 31, 2011</u>		<u>December 31, 2010</u>	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt	\$55,000.0	\$60,546.1	\$54,400.0	\$60,740.2

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 for each such item approximates fair value.

12. REGULATORY ENVIRONMENT

On December 8, 2004, the Company submitted a request to the MPSC to approve the Company's proposed treatment of the pre-tax gains from certain sales of undeveloped and partially developed lands located in the Upper Peninsula of Michigan as appropriate for ratemaking purposes. On April 28, 2005, the MPSC issued an order authorizing the Company to retain 100% of the pre-tax gains on certain lands owned up to \$18,500 thousand, and 73% of any pre-tax gains over that amount. Under the order, the Company was not allowed to file for a retail electric service base rate increase until January 1, 2006. The Power Supply Cost Recovery Clause was not subject to the filing moratorium.

On December 16, 2008, the Company filed a letter with the MPSC notifying them of the Company's intention to participate in Section 91 of the alternative Energy Optimization ("EO") administrator program as part of its plan to meet the Michigan Public Act 295 that was effective October 6, 2008 as it relates to EO.

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On March 4, 2009, the Company filed its plan to meet the Michigan Public Acts 286 and 295 that were effective October 6, 2008 as they relate to EO. The March 4th filing proposed billing surcharges to collect from customers that will be forwarded to an EO administrator. On May 26, 2009, the MPSC issued an order authorizing customer surcharges and billing for EO began in July 2009 business. On March 31, 2010, the Company filed its first annual reconciliation of EO payments and collections in Docket U-16318, which was approved by the MPSC on July 15, 2010.

On March 31, 2011, UPPCO filed a reconciliation of the 2010 EO charges and proposed new charges, effective July 1, 2011, through June 30, 2012, in Docket U-16319. The MPSC approved the filing on June 15, 2011, with new customer surcharges effective July 1, 2011.

The MPSC issued an order on March 17, 2011, in Docket U-16675, requiring UPPCO to provide an updated EO plan for 2012 and 2013 by July 1, 2011. UPPCO filed this 2012 EO plan on July 1, 2011, which contained proposed customer surcharges to be effective on January 1, 2012. The MPSC approved the plan on September 13, 2011.

On March 4, 2009, UPPCO submitted its first renewable energy plan with the MPSC 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 customers in the Power Supply Cost Recovery ("PSCR") 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. On May 26, 2011, UPPCO filed an updated renewable energy plan in Docket U-16586, which contained no proposed changes, to comply with an MPSC order on February 22, 2011. On June 28, 2011, UPPCO filed a renewable plan reconciliation for 2010 in Docket U-16317, which the MPSC approved on November 10, 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 thousand at the end of 2010.

On March 25, 2011, UPPCO filed a PSCR Reconciliation for 2010, showing that UPPCO had over-recovered 2010 PSCR costs by \$484 thousand and requested to roll this over-recovery into the 2011 PSCR over/under-recovery balance. A settlement agreement was reached and an MPSC order was received September 13, 2011.

On September 28, 2011, UPPCO filed a PSCR Plan for 2012, requesting a PSCR factor of negative \$4.04/mWh. UPPCO self implemented the requested PSCR factor starting January 1, 2012. A decision on the 2012 PSCR Plan by the MPSC is expected by the second quarter of 2012.

On June 30, 2010, UPPCO filed a request with the MPSC to increase its retail electric rates by \$15,445.8 thousand (16.8%), with an 11.25% return on common equity, and a common equity ratio of 54.86% in its regulatory capital structure. 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 \$8,868.7 thousand (9.6%), effective January 1, 2011. The new rates reflected a 10.30% return on common equity and a common equity ratio of 54.86% in UPPCO's regulatory capital structure. The order required UPPCO to terminate its uncollectible expense tracking mechanism after the close of December 2010 business. UPPCO's previous retail electric rate increase was in January 2010.

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On July 8, 2010, UPPCO sold the Au Train hydro-electric generation facility to UP Hydro. Under the terms of the agreement, UPPCO recorded a net loss of approximately \$3,697.9 thousand 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. 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 incurred a net loss of approximately \$1,901.3 thousand 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.

On June 30, 2011, UPPCO filed a request with the MPSC to increase its retail electric rates by \$7,701.3 thousand (7.65%), with a 10.75% return on common equity, and a common equity ratio of 54.90% in its regulatory capital structure. The reasons for the retail electric rate increase include the costs of hydroelectric facility upgrades, reduced wholesale sales, employee benefit costs, and general inflation. On December 20, 2011, the MPSC issued a final order authorizing UPPCO to increase its retail electric rates by \$4,200.0 thousand (4.17%), effective January 1, 2012. The new rates reflect a 10.20% return on common equity and a common equity ratio of 54.90% in UPPCO's regulatory capital structure. The order also required UPPCO to terminate its existing decoupling mechanism, effective December 31, 2011, and replace it with a new weather-normalized decoupling mechanism, beginning January 1, 2013. As a result, UPPCO has no decoupling mechanism in place for 2012. UPPCO's previous retail electric rate increase was in January 2011.

The MPSC approved a decoupling mechanism, in Docket U-15988 on December 16, 2009 for calendar year 2010 and in Docket U-16166 on December 21, 2010 for calendar year 2011. UPPCo made filings with the MPSC to recover approximately \$1,723.3 thousand for 2010 sales and refund approximately \$200 thousand for 2011 sales, pursuant to the aforementioned decoupling mechanism. On April 10, 2012, the State of Michigan Court of Appeals, ruled that the MPSC did not have authority to authorize an electric decoupling mechanism. It is unknown at this time whether the MPSC or any other parties will appeal this ruling. As a result of this ruling, UPPCO reversed the decoupling revenue previously recorded for both 2011 and 2010, as of December 31, 2011.

On September 15, 2011, UPPCO filed a request in Docket U-16870 to extend the waivers of the monthly meter reading requirement under the MPSC billing rules. On October 20, 2011, the MPSC approved the extension of monthly meter reading requirement until November 1, 2013.

13. 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 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.

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IBS provides 15 categories of services (including financial, human resources, and administrative services) to UPPCO pursuant to an affiliated interest agreement ("IBS AIA"), which has been approved, or from which appropriate waivers have been granted, by 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 MPSC for approval. 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. 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 \$15,323 thousand in 2011 and \$29,820 thousand in 2010 for services provided by IBS. The amount owed to IBS was \$2,545 thousand and \$2,124 thousand, at December 31, 2011, and 2010, respectively.

UPPCO provides repair and maintenance services to American Transmission Company ("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.

(Thousands)	2011	2010
Notes payable (1)		
Integrys Energy Group	\$ 62,700	\$ 54,000

(1) Consists of a short-term note payable \$7,700 thousand and a long-term note payable of \$55,000 thousand.

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

(Thousands)	2011	2010
Electric transactions		
Sales to WPS	\$ -	\$ -
Purchases from WPS	22,568.2	26,749.5
Interest expense		
Integrys Energy Group	\$2,601.5	\$2,290.3
Transactions with equity method investments		
Charges from ATC for network transmission services	6,058.5	6,451.8
Charges to ATC for services and construction	2,076.5	2,075.5
Income from WPS Investments, LLC (1)	2,112.7	2,113.5

(1) WPS Investments, LLC is a consolidated subsidiary of Integrys Energy Group that is jointly owned by Integrys Energy Group, WPS, and UPPCO. At December 31, 2011, 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)	207,145,751	207,145,751		
4	Property Under Capital Leases				
5	Plant Purchased or Sold				
6	Completed Construction not Classified	34,410,239	34,410,239		
7	Experimental Plant Unclassified				
8	Total (3 thru 7)	241,555,990	241,555,990		
9	Leased to Others				
10	Held for Future Use				
11	Construction Work in Progress	5,463,622	5,463,622		
12	Acquisition Adjustments	2,681,674	2,681,674		
13	Total Utility Plant (8 thru 12)	249,701,286	249,701,286		
14	Accum Prov for Depr, Amort, & Depl	97,108,024	97,108,024		
15	Net Utility Plant (13 less 14)	152,593,262	152,593,262		
16	Detail of Accum Prov for Depr, Amort & Depl				
17	In Service:				
18	Depreciation	93,063,171	93,063,171		
19	Amort & Depl of Producing Nat Gas Land/Land Right				
20	Amort of Underground Storage Land/Land Rights				
21	Amort of Other Utility Plant	1,487,775	1,487,775		
22	Total In Service (18 thru 21)	94,550,946	94,550,946		
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	2,557,078	2,557,078		
33	Total Accum Prov (equals 14) (22,26,30,31,32)	97,108,024	97,108,024		

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) 12/31/2011	Year/Period of Report End of 2011/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	5,959,890	
4	(303) Miscellaneous Intangible Plant		
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	5,961,895	
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	1,346,383	244,029
29	(332) Reservoirs, Dams, and Waterways	64,380,283	-554,470
30	(333) Water Wheels, Turbines, and Generators	626,229	
31	(334) Accessory Electric Equipment	2,425,876	1,464,018
32	(335) Misc. Power PLant Equipment	545,763	23,291
33	(336) Roads, Railroads, and Bridges	404,680	
34	(337) Asset Retirement Costs for Hydraulic Production		
35	TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)	70,359,941	1,176,868
36	D. Other Production Plant		
37	(340) Land and Land Rights	63,016	
38	(341) Structures and Improvements	203,914	
39	(342) Fuel Holders, Products, and Accessories	1,351,574	
40	(343) Prime Movers	2,487,784	
41	(344) Generators	1,056,338	
42	(345) Accessory Electric Equipment	671,928	107
43	(346) Misc. Power Plant Equipment	28,291	
44	(347) Asset Retirement Costs for Other Production		
45	TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)	5,862,845	107
46	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)	76,366,120	1,176,975

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) 12/31/2011	Year/Period of Report End of 2011/Q4
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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
			5,959,890	3
				4
			5,961,895	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
37,462		-129,739	1,423,211	28
28,441		154,328	63,951,700	29
			626,229	30
109,044			3,780,850	31
23,101		-22,328	523,625	32
			404,680	33
				34
198,048		2,261	71,341,022	35
				36
			63,016	37
			203,914	38
			1,351,574	39
			2,487,784	40
			1,056,338	41
			672,035	42
			28,291	43
				44
			5,862,952	45
198,048		2,261	77,347,308	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) 12/31/2011	Year/Period of Report End of 2011/Q4
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	745,813			
61	(361) Structures and Improvements	1,234,978			
62	(362) Station Equipment	24,593,430	781,019		
63	(363) Storage Battery Equipment				
64	(364) Poles, Towers, and Fixtures	29,346,069	995,238		
65	(365) Overhead Conductors and Devices	15,874,084	241,726		
66	(366) Underground Conduit				
67	(367) Underground Conductors and Devices	16,891,164	623,099		
68	(368) Line Transformers	22,822,714	1,226,666		
69	(369) Services	14,192,134	230,853		
70	(370) Meters	5,190,483	161,008		
71	(371) Installations on Customer Premises	519,810	19,789		
72	(372) Leased Property on Customer Premises				
73	(373) Street Lighting and Signal Systems	1,908,079	29,780		
74	(374) Asset Retirement Costs for Distribution Plant	142,440			
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	133,461,198	4,309,178		
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	6,238,131	277,896		
88	(391) Office Furniture and Equipment	1,199,360	314,029		
89	(392) Transportation Equipment	6,707,561	384,397		
90	(393) Stores Equipment	104,040			
91	(394) Tools, Shop and Garage Equipment	1,655,780	39,127		
92	(395) Laboratory Equipment	1,577,281	121,365		
93	(396) Power Operated Equipment	1,251,921	101,127		
94	(397) Communication Equipment	2,753,665	32,931		
95	(398) Miscellaneous Equipment	34,053			
96	SUBTOTAL (Enter Total of lines 86 thru 95)	21,717,323	1,270,872		
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)	21,912,198	1,270,872		
100	TOTAL (Accounts 101 and 106)	237,701,411	6,757,025		
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)	237,701,411	6,757,025		

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) 12/31/2011	Year/Period of Report End of 2011/Q4
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
			745,813		60
37			1,234,941		61
666,508		-188,254	24,519,687		62
					63
190,165	-40	7,048	30,158,150		64
35,002	-139		16,080,669		65
					66
70,008	-711		17,443,544		67
532,668			23,516,712		68
50,621	890		14,373,256		69
150,250			5,201,241		70
68,450			471,149		71
					72
75,424			1,862,435		73
			142,440		74
1,839,133		-181,206	135,750,037		75
					76
					77
					78
					79
					80
					81
					82
					83
					84
					85
			195,531		86
31,609			6,484,418		87
100,769		-2,253	1,410,367		88
454,063			6,637,895		89
			104,040		90
			1,694,907		91
			1,698,646		92
56,031			1,297,017		93
229,841		190,507	2,747,262		94
		-2,261	31,792		95
872,313		185,993	22,301,875		96
					97
			194,875		98
872,313		185,993	22,496,750		99
2,909,494		7,048	241,555,990		100
					101
					102
					103
2,909,494		7,048	241,555,990		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) 04/30/12		Year of Report December 31, 2011	
PLANT ACQUISITION ADJUSTMENTS AND ACCUMULATED PROVISION FOR AMORTIZATION OF PLANT ACQUISITION ADJUSTMENTS (Accounts 114 & 115)							
1. Report the particulars called for concerning acquisition adjustments. 2. Provide a subheading for each account and list thereunder the information called for, observing the instructions below. 3. Explain each debit and credit during the year, give reference to any Commission orders or other authorizations concerning such amounts, and show contra account debited or credited. 4. For acquisition adjustments arising during the year				state the name of the company from which the property was acquired, date of transaction, and date journal entries clearing Account 102, Plant Purchased or Sold, were filed with the Commission. 5. In the blank space at the bottom of the schedule, explain the plan of disposition of any acquisition adjustments not currently being amortized. 6. Give date Commission authorized use of Account 115.			
Line No.	Description (a)	Balance Beginning of Year (b)	Debits (c)	CREDITS		Balance End of Year (f)	
				Contra Acct. (d)	Amount (e)		
1	Account 114	2,681,674				2,681,674	
2	Purchased Four (4) Hydro Electric						
3	Generating Stations from Cliffs						
4	Electric Service on Feb. 17, 1998						
5							
6							
7							
8							
9	Account 115	2,450,281		406	106,796	2,557,077	
10	Four (4) Hydro Electric						
11	Generating Stations						
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) 04/30/12	Year of Report December 31, 2011
CONSTRUCTION WORK IN PROGRESS AND COMPLETED CONSTRUCTION NOT CLASSIFIED - ELECTRIC (Accounts 107 and 106)				
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. 2. The information specified by this schedule for Account 106, Completed Construction		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. 3. Show items relating to "research and development" projects last under a caption Research and Development (See Account 107, Uniform System of Accounts). 4. Minor projects may be grouped.		
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	Prickett Spillway Modification	2,151,576		648,424
2	Victoria Spillway Adequacy	1,139,636		60,364
3	Reconductor and Relocate Lake Linden	369,537		0
4	Chassell Ckt Recon. 3.1 Miles	339,008		0
5	McClure Hydro-Spare GSU	206,078		33,922
6	Boney Line Pole Replacement	169,736		55,264
7	Prickett Repl. Penstock	159,745		2,140,255
8	Pur V86042 to repl V85820 Ontonagon	118,390		81,610
9	Masonville Line 987 Relocation	111,278		0
10	Projects w/Balances Less Than \$100,000	698,638	3,203,468	
11	McClure Penstock Replacement		17,915,012	
12	Bond Falls - New Two Gated Spillway		9,023,375	
13	McClure - Upgrade Protection		1,231,666	
14	Remodel New Delta SC		1,014,165	
15	Install 29500 Ft 4/0 URD Pri		335,225	
16	Freeman-Replace 34.5kv Breakers		312,511	
17	U11-McClure Replace Roof		252,159	
18	Windows 7PC/Laptop/Toughbook		228,065	
19	Victoria Hydro Unit#2 Exciter		123,963	
20	The Shores at Ten Mile Point LLC		117,446	
21	Re-Conductor Circuit #2 to 336		113,008	
22	L'Anse Purchase OCR's & Misc. Eq.		112,884	
23	Pur V62030 to Repl V63040 Ishp.		112,625	
24	UPPCO S&T Small Tools & Equipment		109,723	
25	Houghton SC Roof Replacements		104,496	
26	Reconductor Ckt #1 to 336 ACS		100,448	
27				
28				
29				
30				
31				
32				
33				
34				
35	TOTAL	5,463,622	34,410,239	3,019,839

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/12	Year of Report December 31, 2011
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	Internal Design, Engineering and Supervision	355,847	
2	External Design, Engineering and Supervision	151,463	
3	Allowance for Funds Used During Construction	(3,577)	
4			
5			
6			
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8			
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39	TOTAL	503,733	

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/12	Year of Report December 31, 2011	
GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE				
<p>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.</p> <p>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.</p>				
<p>1. Construction Overheads: Supervision and engineering are charged to specific requisitions involved, direct from the time vouchers. Pension expense, workman's compensation insurance, payroll taxes and other employee benefits including health and dental insurance, and long term disability insurance are allocated to construction based direct payroll charges.</p> <p>2. General Administration: By examination, certain administration and general salaries were transferred to construction costs based on direct payroll charges to construction projects involved.</p> <p>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-16417 dated December 20, 2011.</p>				
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 9,079,521		
2	Short Term Interest			s 0.33%
3	Long-Term Debt	D 54,400,000	37.12%	d 6.27%
4	Preferred Stock	P		
5	Common Equity	C 92,146,916	62.88%	c 10.2%
6	Total Capitalization	146,546,916	100.00%	
7	Average Construction Work in Progress Balance	W 3,178,433		
<p>1. Gross Rate for Borrowed Funds</p> $\frac{S}{W} \left(\frac{S}{W} \right) + \frac{D}{D+P+C} \left(\frac{D}{D+P+C} \right) \left(1 - \frac{S}{W} \right) = 0\%$				
<p>3. Rate for Other Funds</p> $\left[1 - \frac{S}{W} \right] \left[\frac{P}{D+P+C} \right] + \frac{C}{D+P+C} \left(\frac{C}{D+P+C} \right) = 0\%$				
<p>4. Weighed Average Rate Actually Used for the Year</p> <p>a. Rate for Borrowed Funds 6.246%</p> <p>b. Rate for Other Funds 0%</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) 12/31/2011	Year/Period of Report End of 2011/Q4
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ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)

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

Section A. Balances and Changes During Year

Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1	Balance Beginning of Year	90,393,209	90,393,209		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	7,434,869	7,434,869		
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	241,210	241,210		
8	Other Accounts (Specify, details in footnote):				
9		10,615	10,615		
10	TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)	7,686,694	7,686,694		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	2,909,492	2,909,492		
13	Cost of Removal	2,424,362	2,424,362		
14	Salvage (Credit)	319,973	319,973		
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	5,013,881	5,013,881		
16	Other Debit or Cr. Items (Describe, details in footnote):				
17		-2,851	-2,851		
18	Book Cost or Asset Retirement Costs Retired				
19	Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18)	93,063,171	93,063,171		

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

20	Steam Production				
21	Nuclear Production				
22	Hydraulic Production-Conventional	12,748,872	12,748,872		
23	Hydraulic Production-Pumped Storage				
24	Other Production	4,686,647	4,686,647		
25	Transmission				
26	Distribution	63,037,449	63,037,449		
27	Regional Transmission and Market Operation				
28	General	12,590,203	12,590,203		
29	TOTAL (Enter Total of lines 20 thru 28)	93,063,171	93,063,171		

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) 12/31/2011	2011/Q4
FOOTNOTE DATA			

Schedule Page: 219 Line No.: 9 Column: c

Account 182375 ARO Depreciation Expense

Schedule Page: 219 Line No.: 17 Column: c

ARO Reclass Acct 254185 to Acct 182376 (\$5,802)

Other Transfers \$2,951

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)	12,748,872
Less: 108200 ARO Depreciation (Non-Rate Base)	-
Add: 182376 ARO COR Depr (Rate Base)	-
Ending Rate Base Reserve	12,748,872

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)	4,686,647
Less: 108200 ARO Depreciation (Non-Rate Base)	-
Add: 182376 ARO COR Depr (Rate Base)	-
Ending Rate Base Reserve	4,686,647

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)	63,037,449
Less: 108200 ARO Depreciation (Non-Rate Base)	142,440
Add: 182376 ARO COR Depr (Rate Base)	181,350
Ending Rate Base Reserve	63,076,359

General

End Balance (above)	12,590,203
Less: 108200 ARO Depreciation (Non-Rate Base)	138,888
Add: 182376 ARO COR Depr (Rate Base)	-

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) 12/31/2011	Year/Period of Report 2011/Q4
Upper Peninsula Power Company			
FOOTNOTE DATA			

Ending Rate Base Reserve 12,451,315

Total

End Balance (above)	93,063,171
Less: 108200 ARO Depreciation (Non-Rate Base)	281,328
Add: 182376 ARO COR Depr (Rate Base)	181,350
Ending Rate Base Reserve	92,963,193

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/12	Year of Report December 31, 2011	
NONUTILITY PROPERTY (Account 121)				
1. Give a brief description and state the location of nonutility property included in Account 121. 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. 3. Furnish particulars (details) concerning sales, purchases, or transfers of Nonutility Property during the year.		4. List separately all property previously devoted to public service and give date of transfer to Account 121, Nonutility Property. 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.		
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 & Houghton County	9,949	0	9,949
3	Land in Ontonagon River Area	1,901,633	0	1,901,633
4	Land in the City of Gladstone	321,692	(150,000)	171,692
5	Escanaba River Hydros Delta County	4,124,107	361,937	4,486,044
6	Boney Falls Delta County	0	38,641	38,641
7	Bond Falls Ontonagon County	454,062	(1,011)	453,051
8	Eastern Hydro Dams	682,389	(650)	681,739
9	CWIP	86,824	318,431	405,256
10				
11				
12				
13				
14				
15				
16				
17				
TOTAL		7,580,656	567,348	8,148,005

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	1,163,662
2	Accruals for Year, Charged to	
3	(417) Income from Nonutility Operations	98,859
4	(418) Nonoperating Rental Income	
5	Other Accounts (Specify):	
6		
7	TOTAL Accruals for Year (Enter Total of lines 3 thru 6)	98,859
8	Net Charges for Plant Retired:	
9	Book Cost of Plant Retired	(2,916)
10	Cost of Removal	
11	Salvage (Credit)	34,400
12	TOTAL Net Charges (Enter Total of lines 9 thru 11)	31,484
13	Other Debit or Credit Items (Describe):	
14	Gain Associated with AuTrain Land	(32,750)
15	Loss Associated with Bond Falls Land	11
16	Other Transfers/Adjustments	(2,951)
17	Total Other Debit Credit Items - Total of lines 14 thru 16	(35,690)
18	Balance, End of Year (Enter Total of lines 1, 7, 12, and 14)	1,258,315

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/12	Year of Report December 31, 2011	
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	14,963,782	2,112,657
2	Date Acquired 6/29/2001			
3	2.61% Interest (Paid in Capital)			
4				
5	ATC Management, Inc.	3,220	3,220	
6	Date Acquired 6/29/2001			
7	1.91% Voting Interest			
8	(Common Equity)			
9				
10	5,941 Shares of Stock - Smurfit Stone Container	111,394	152,090	
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21	Subtotal - 123	11,520,963	15,119,092	2,112,657
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37	Subtotal - 124	0	0	0
38				
39				
40	Subtotal - 136			
41				
42		11,520,963	15,119,092	2,112,657

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/12	December 31, 2011

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	Principal Amount or No. of Shares at End of Year	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)		Revenues for Year	Gain or Loss from Improvement Disposed of	Line No.
		Original Cost	Book Value			
(d)	(e)	(f)	(f)	(g)	(h)	
		11,406,349	15,374,511	(1,701,928)		1
						2
						3
(70)		3,220	3,150			4
						5
						6
						7
						8
(5,941)	0	0	0		111,844	9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
						20
(6,011)		11,409,569	15,377,661	(1,701,928)		21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
						35
						36
0		0	0	0		37
						38
						39
						40
(6,011)	0	11,409,569	15,377,661	(1,701,928)	111,844	41
						42

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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) 12/31/2011	Year/Period of Report End of 2011/Q4
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INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1)

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

Line No.	Description of Investment (a)	Date Acquired (b)	Date Of Maturity (c)	Amount of Investment at Beginning of Year (d)
1	WPS Investments LLC	6/29/2001		14,963,782
2	2.61% Interest			
3	Paid in Capital			
4				
5				
6	ATC Management, Inc.	6/29/2001		3,220
7	1.91% Voting Interest			
8	Common Equity			
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42	Total Cost of Account 123.1 \$	0	TOTAL	14,967,002

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) 12/31/2011	Year/Period of Report End of 2011/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.
2,112,657	1,701,928	15,374,511		1
				2
				3
				4
				5
	-70	3,150		6
				7
				8
				9
				10
				11
				12
				13
				14
				15
				16
				17
				18
				19
				20
				21
				22
				23
				24
				25
				26
				27
				28
				29
				30
				31
				32
				33
				34
				35
				36
				37
				38
				39
				40
				41
2,112,657	1,701,858	15,377,661		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) 12/31/2011	Year/Period of Report 2011/Q4
Upper Peninsula Power Company			
FOOTNOTE DATA			

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

WPS Investments holds our investment in American Transmission Company, LLC. Dividends from WPS Investments were \$1,701,928.

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

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

Schedule Page: 224 Line No.: 6 Column: f

Included in column (f) is a transfer of shares in ATC Management between Wisconsin Public Service and Upper Peninsula Power 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) 04/30/12	Year of Report December 31, 2011
NOTES AND ACCOUNTS RECEIVABLE SUMMARY FOR BALANCE SHEET				
Show separately by footnote the total amount of notes and employees included in Notes Receivable (Account 141) and accounts receivable from directors, officers, 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)	9,474,651	8,935,064	
3	Other Accounts Receivable (Account 143) * (Disclose any capital stock subscriptions received)	2,977,480	2,632,018	
4	TOTAL	12,452,131	11,567,082	
5	Less: Accumulated Provision for Uncollectible Accounts-Cr. (Account 144) **	260,000	260,000	
6	TOTAL, Less Accumulated Provision for Uncollectible Accounts	12,192,131	11,307,082	
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)						
1. Report below the information called for concerning this accumulated provision.						
2. Explain any important adjustments of subaccounts.						
3. Entries with respect to officers and employees shall not include items for utility services.						
Line No.	Item (a)	Utility Customers (b)	Merchandise Jobbing and Contract Work (c)	Officers and Employees (d)	Other (e)	Total (f)
1	Balance beginning of year	260,000				260,000
2	Prov. for uncollectibles for current year	98,106				98,106
3	Account written off (less)	1,581,774				1,581,774
4	Coll. of accounts written off	1,483,668				1,483,668
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) 04/30/12	Year of Report December 31, 2011
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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					0	
3	Integrus Energy Group, Inc.	0	10,502	0	10,502	
4	Wisconsin Public Service Corporation	10,710	720,062	598,223	132,549	
5	Michigan Gas Utilities Corporation	235	3,046	3,039	242	
6	Wisconsin River Power Company	833	16,884	17,717	0	
7	Integrus Business Support, LLC	0	38,628	36,908	1,720	
8	North Shore Gas Company	35		35	0	
9	Minnesota Energy Resources Corporation	799	0	799	0	
10	The Peoples Gas Light and Coke Company	0	1,462	562	900	
11	Penvest, Inc.	0	140	0	140	
12					0	
13					0	
14					0	
15					0	
16					0	
17					0	
18					0	
19					0	
20					0	
21					0	
22					0	
23					0	
24					0	
25					0	
26					0	
27					0	
28					0	
29					0	
30					0	
31					0	
32					0	
33					0	
34					0	
35					0	
36	TOTAL	12,612	780,222	657,283	146,053	0

NOTE: All information presented pertains to Account 146. Account 145 had no activity during 2011.

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) 12/31/2011	Year/Period of Report End of <u>2011/Q4</u>
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)	510,993	548,606	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)	515,188	469,256	Electric	
6	Assigned to - Operations and Maintenance				
7	Production Plant (Estimated)				
8	Transmission Plant (Estimated)				
9	Distribution Plant (Estimated)	492,669	523,927	Electric	
10	Regional Transmission and Market Operation Plant (Estimated)				
11	Assigned to - Other (provide details in footnote)			Electric	
12	TOTAL Account 154 (Enter Total of lines 5 thru 11)	1,007,857	993,183		
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)	114,390	181,773		
17					
18					
19					
20	TOTAL Materials and Supplies (Per Balance Sheet)	1,633,240	1,723,562		

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/12	Year of Report December 31, 2011	
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	510,993		
2	Received during year	170,970		
3	TOTAL	681,963	0	0
4	Used during year (specify department)	156,060		
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15	Sold or transferred	(22,703)		
16	TOTAL DISPOSED OF	133,357	0	0
17	BALANCE END OF YEAR	548,606	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) 04/30/12	Year of Report December 31, 2011			
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.
235,273	510,993					1
51,264	170,970					2
286,537	681,963	0	0	0	0	3
59,646	156,060					4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
(15,422)	(22,703)					15
44,224	133,357	0	0	0	0	16
242,313	548,606	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) 04/30/12	Year of Report December 31, 2011
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	5,110,790	
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25	TOTAL	5,110,790	

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) 12/31/2011	Year/Period of Report End of 2011/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	60,416		511	30,210	30,206
2						
3	Warden Ash Site Monitoring	1,045,000		253	55,000	990,000
4						
5	Minimum Pension Liability Adjustment	59,374,378	72,556,864	various	61,801,286	70,129,956
6						
7	ARO Depr/Accr NonRate Base	584,132	47,264			631,396
8						
9	ARO COR Rate Base	(175,548)		254	5,802	-181,350
10						
11	Derivatives	10,771	755,859	244	513,945	252,685
12						
13	Autrain	3,697,916		407	813,211	2,884,705
14						
15	Cataract		1,901,316			1,901,316
16						
17	Def Tax 2010 Healthcare	1,554,684	265,588			1,820,272
18						
19	Decoupling	2,737,546		456, 904	2,737,546	
20						
21						
22	See Footnote					
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44	TOTAL	68,889,295	75,526,891		65,957,000	78,459,186

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) 12/31/2011	Year/Period of Report 2011/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 of Lines 3, 15, 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) 12/31/2011	Year/Period of Report End of 2011/Q4
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MISCELLANEOUS DEFERRED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a)
3. 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	139,125	22,879	511	33,490	128,514
2						
3	Labor Load/Transp. Capital Acc.	40,473	948,842	various	989,315	
4						
5	Work Orders	74,634	217,643	various	237,590	54,687
6						
7	Minor Items	20,196	17	925, 930	18,250	1,963
8						
9	MISO Retail	400,000		186	400,000	
10						
11	Other Deferred Credits	1,901,316	196,178	182	1,901,316	196,178
12						
13						
14						
15						
16						
17						
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45						
46						
47	Misc. Work in Progress					
48	Deferred Regulatory Comm. Expenses (See pages 350 - 351)					
49	TOTAL	2,575,744				381,342

Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/12	Year of Report December 31, 2011
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	1,968,519	(65,843)	122,110
3	Other Than Plant	1,776,228	(20,510,779)	8,704,629
4	Plant (FAS 109)	252,215		
5	Other Than Plant (FAS 109)			
6				
7	Other			
8	TOTAL (Account 190) (Enter total of lines 2 thru 7)	3,996,962	(20,576,622)	8,826,739
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)	0	0	0
17	Other (Specify) - Nonutility	3,664		
18	TOTAL (Account 190) (Enter total of lines 8, 16 & 17)	4,000,626	(20,576,622)	8,826,739
19	Classification of Total:			
20	Federal Income Tax	3,335,542	(17,724,225)	6,395,682
21	State Income Tax	665,084	(2,852,397)	2,431,057
22	Local Income Tax			
<p style="text-align: center;">NOTES</p> <p style="text-align: center;"><i>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.</i></p>				

Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/30/12		Year of Report December 31, 2011	
ACCUMULATED DEFERRED INCOME TAXES (Account 190) (Continued)							
3. If more space is needed, use separate pages as required.				and classification, significant items for which deferred taxes are being provided. Indicate insignificant amounts listed other Other.			
4. In the space provided below, identify by amount							
Changes During Year		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	DEBITS		CREDITS			
		Acct. No. (g)	Amount (h)	Acct. No. (i)	Amount (j)		
							1
						2,024,786	2
					13,583,143	3,553,221	3
					(22,813)	229,402	4
							5
							6
							7
0	0		0		13,560,330	5,807,409	8
							9
							10
							11
							12
							13
							14
							15
0	0		0		0	0	16
(43,166)	(644,659)				695,304	11,143	17
(43,166)	(644,659)		0		14,255,634	5,818,552	18
							19
(40,859)	48,020				12,225,861	4,240,021	20
(2,307)	(692,679)				2,029,773	1,578,531	21
							22
NOTES (Continued)							

Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/12	Year of Report December 31, 2011
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	Unamortized Loss on Reacquired Debt			
2	Early Retirement of First Mortgage Bonds 10.75%	8/1/1991	3,150,000	(81,375)
3	Early Retirement of First Mortgage Bonds 9.32%	11/1/2011	9,400,000	(3,252,679)
4				
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Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/12	December 31, 2011

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

4. Show loss amounts in red or by enclosure in parentheses. Amortization of Loss on Reacquired Debt or credited to Account 429.1, Amortization of Gain on Reacquired Debt-Credit.

5. Explain any debits and credits other than amortization debited to Account 428.1.

Balance Beginning of Year (e)	Debits During Year (f)	Credits During Year (g)	Balance End of Year (h)	Line No.
				1
29,385		2,906	26,479	2
0		39,189	3,213,490	3
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Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2011	Year/Period of Report End of 2011/Q4
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CAPITAL STOCKS (Account 201 and 204)

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

Line No.	Class and Series of Stock and Name of Stock Series (a)	Number of shares Authorized by Charter (b)	Par or Stated Value per share (c)	Call Price at End of Year (d)
1	Common Stock Without Par	3,000,000	9.00	
2				
3	Cumulative Preferred Stock	300,000		
4				
5	Cumulative Preference Stock	1,000,000	1.00	
6				
7	NOTE: Respondent's common stock is held			
8	entirely by its parent holding company,			
9	Integrus Energy Group, Inc.			
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Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2011	Year/Period of Report End of 2011/Q4
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CAPITAL STOCKS (Account 201 and 204) (Continued)

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

OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent)		HELD BY RESPONDENT				Line No.
		AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	
1,473,736	13,263,624					1
						2
						3
						4
						5
						6
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Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/12	Year of Report December 31, 2011
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	20,998,466
4	Capital Returned to Parent		(9,500,000)
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40	TOTAL	1,090,736	11,498,466

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/12	Year of Report December 31, 2011
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 Reacquired Capital Stock	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) 12/31/2011	Year/Period of Report End of 2011/Q4
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LONG-TERM DEBT (Account 221, 222, 223 and 224)

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

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt issued (b)	Total expense, Premium or Discount (c)
1	Bonds (Account 221)		
2			
3	9.32% Series	18,000,000	224,361
4			
5	Advances from Affiliates (Account 223)		
6			
7	5.25% Note	15,000,000	
8	6.059% Note	15,000,000	
9	5.041% Note	15,000,000	
10	3.35% Note	10,000,000	
11			
12			
13			
14			
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32			
33	TOTAL	73,000,000	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) 12/31/2011	Year/Period of Report End of 2011/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	11/01/2011		730,066	3
						4
						5
						6
08/29/2003	07/29/2013			15,000,000	776,712	7
10/01/2007	9/1/2017			15,000,000	896,400	8
04/30/2010	04/30/2020			15,000,000	745,792	9
11/01/2011	11/01/2018			10,000,000	55,068	10
						11
						12
						13
						14
						15
						16
						17
						18
						19
						20
						21
						22
						23
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						31
						32
				55,000,000	3,204,038	33

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) 12/31/2011	Year/Period of Report 2011/Q4
Upper Peninsula Power Company			
FOOTNOTE DATA			

Schedule Page: 256 Line No.: 3 Column: e

This bond was paid as of November 1, 2011.

Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/30/12		Year of Report December 31, 2011	
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	8,950,000	77,600,000	76,350,000	7,700,000	29,899	
4					0		
5	Account 234:				0		
6	Integrus Business Support, LLC	2,123,886	29,885,362	30,306,841	2,545,365		
7	Wisconsin Public Service Corporation	2,012,022	40,824,207	41,907,374	3,095,189		
8	Integrus Energy Group, Inc.	658,843	3,678,751	3,720,011	700,103		
9	Peoples Energy Corporation	489	489	0	0		
10	Minnesota Energy Resources Corporation	46	46	0	0		
11	Integrus Energy Services, Inc.	9	5,802	5,793	0		
12					0		
13					0		
14					0		
15					0		
16					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	13,745,295	151,994,657	152,290,019	14,040,657		

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/12	Year of Report December 31, 2011
RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES			
<p>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.</p> <p>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.</p>			
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)	6,837,951	
6	Allocation of Net income for the year		
7	Add: Federal income tax expenses		
8			
9	Total pre-tax income	10,735,433	
10			
11	Add: Taxable income not reported on books:		
12			
13			
14			
15	Add: Deductions recorded on books not deducted from return	3,183,936	
16			
17			
18			
19	Subtract: Income recorded on books not included in return:	(15,368,275)	
20			
21			
22			
23	Subtract: Deductions on return not charged against book income:	(3,102,195)	
24	Schedule M (Addition of Taxable Income)	(15,286,534)	
25			
26	Federal taxable income for the year	(4,551,101)	

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/12	Year of Report December 31, 2011
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	
3,019,114	878,367	7	
		8	
		9	
		10	
		11	
		12	
		13	
		14	
3,138,640	45,295	15	
		16	
		17	
		18	
(13,664,141)	(1,704,134)	19	
		20	
		21	
		22	
(2,765,391)	(336,805)	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) 12/31/2011	Year/Period of Report End of 2011/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			-1,592,885	731,000	7,657
3	Income Prior Year		1,795,101	-7,901,542	-7,437,507	56,008
4	Illinois					
5	Income Prior Year		-28,424	35	35	
6	Michigan					
7	Income Current Year			-1,145,197	1,213,034	1,938
8	Income Prior Year		292,114	268,208	-715,846	-3
9	Minnesota					
10	Income Current Year				473	
11	Income Prior Year		540	-645	-686	
12	Wisconsin					
13	Income Current Year			-39,196	42,980	-375
14	Income Prior Year		19,997	7,366	-51,723	37,330
15	Federal TOTIT					
16	Federal Excise Tax		395	443	582	
17	Federal Highway Use Tax			630	630	
18	FICA	41,519		601,937	615,203	
19	FUTA			8,992	8,992	
20	State of Michigan TOTIT					
21	Unauthorized Insurance Tax		7,403	15,085	18,178	
22	Unemployment	3		22,697	22,700	
23	Other States TOTIT					
24	Payroll Tax billed			302,132	302,132	
25	Use Tax			7,457	7,457	
26	WI Recycling Fee & Other			202	1,000	-798
27	Local MI TOTIT					
28	Real Estate & Personal Prop	4,376,079		4,492,770	4,491,435	-736,690
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL	4,417,601	2,087,126	-4,951,511	-749,931	-634,933

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) 12/31/2011	Year/Period of Report End of 2011/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 than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Report in columns (i) through (l) how the taxes were distributed. Report in column (i) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
						1
3,559	2,335,101	-1,600,157			7,272	2
	2,315,144	-8,183,837			282,295	3
						4
	-28,424				35	5
						6
	2,360,169	-1,117,659			-27,538	7
	-691,943	246,239			21,969	8
						9
	473					10
	498				-645	11
						12
	81,801	-43,085			3,888	13
	-1,762	5,385			1,981	14
						15
	534	443				16
		630				17
28,253		601,937				18
		8,992				19
						20
	10,496	15,085				21
		22,697				22
						23
		302,132				24
		7,457				25
		202				26
						27
5,114,104		4,270,780			221,990	28
						29
						30
						31
						32
						33
						34
						35
						36
						37
						38
						39
						40
5,145,916	6,382,087	-5,462,759			511,247	41

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) 12/31/2011	Year/Period of Report 2011/Q4
Upper Peninsula Power Company			
FOOTNOTE DATA			

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

Fuel Tax Credit	\$ 620
Stock Options	2,758
Performance Shares	(667)
Restricted Stock	8,506
FIN 48	(3,559)
	\$7,657

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

Non FIN 48 Interest Income/Expense.

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

Stock Options	\$ 505
Performance Shares	(122)
Restricted Stock	1,556
	\$1,938

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

Wisconsin Stock Options	\$ 25
Wisconsin Recycling Fee	(469)
Restricted Stock	76
Performance Shares	(5)
	\$375

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

Performance Shares.

Schedule Page: 262 Line No.: 24 Column: i

FICA	\$276,460
FUTA	3,457
SUTA	22,215
	\$302,132

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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) 12/31/2011	Year/Period of Report End of 2011/Q4
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ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)

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

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Deferred for Year		Allocations to Current Year's Income		Adjustments (g)
			Account No. (c)	Amount (d)	Account No. (e)	Amount (f)	
1	Electric Utility						
2	3%						
3	4%	67,759			411.4	4,683	
4	7%						
5	10%	532,198			411.4	36,681	
6		1,162,239			411.4	-429,927	
7							
8	TOTAL	1,762,196				-388,563	
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL)						
10	Electric from Above	1,762,196				-388,563	
11	Electric Sub Total	1,762,196				-388,563	
12	Non-Utility	12,898			411.5	-12,503	
13	Total	12,898				-12,503	
14							
15							
16							
17							
18							
19							
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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) 12/31/2011	Year/Period of Report End of 2011/Q4
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ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (continued)

Balance at End of Year (h)	Average Period of Allocation to Income (i)	ADJUSTMENT EXPLANATION	Line No.
			1
			2
63,076	44.7 Years		3
			4
495,517	44.7 Years		5
1,592,166	51.0 Years		6
			7
2,150,759			8
			9
2,150,759			10
2,150,759			11
25,401	39.0 Years		12
25,401			13
			14
			15
			16
			17
			18
			19
			20
			21
			22
			23
			24
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			46
			47
			48

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) 12/31/2011	Year/Period of Report 2011/Q4
Upper Peninsula Power Company			
FOOTNOTE DATA			

Schedule Page: 266	Line No.: 13	Column: b
Non utility total only.		
Schedule Page: 266	Line No.: 13	Column: f
Non-utility total only.		
Schedule Page: 266	Line No.: 13	Column: h
Non-utility total only.		

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/12	Year of Report December 31, 2011
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	Curr & Accr Liab 401K Serv Acc	26,815	
2	ESOP Company Contribution	9,897	
3	Incur but not Reported Wcomp	98	
4	Current Pension Obligation	198,569	
5	Current Sick Pay Plan Oblig	52,892	
6	Curr Post Retirement Obligation	19,201	
7	Curr & Acc Liab Vac Pay Accrual	758,515	
8	Accrued Wages Payable	179,737	
9	Health Care/Life Accrual	110,024	
10	Goal Sharing	203,779	
11	Deferred Revenue 2011	1,130,213	
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22	TOTAL	2,689,740	

CUSTOMER ADVANCES FOR CONSTRUCTION (Account 252)		
Line No.	List Advances by department (a)	Balance End of Year (b)
23	Electric	4,193,459
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39	TOTAL	4,193,459

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) 12/31/2011	Year/Period of Report End of 2011/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	268,927	182, 228, 24	577,291	308,364	
2						
3	Bond Falls Mitigation	143,130	Various	108,031	105,958	141,057
4						
5	P.I. Ash Site	424,091				424,091
6						
7	Outstanding Checks Cancelled	1,236	232	732	1,478	1,982
8						
9	Warden Ash Site	1,045,000	Various	70,065	15,065	990,000
10						
11	Sick Leave Term. Pay	563,445	Various	202,576	114,364	475,233
12						
13	LT Payable Restricted Stock	96,004	207	381,344	285,340	
14						
15	LT Payable Perf. Shares	51,190	207	51,568	378	
16						
17	Misc. Def. Credit	1,456,101	182, 186	1,456,101		
18						
19	Deferred Comp				306,578	306,578
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
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43						
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46						
47	TOTAL	4,049,124		2,847,708	1,137,525	2,338,941

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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) 12/31/2011	Year/Period of Report End of 2011/Q4
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ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes 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	25,982,467	2,693,522	168,579
3	Gas			
4	Non Utility	7,971,706		
5	TOTAL (Enter Total of lines 2 thru 4)	33,954,173	2,693,522	168,579
6				
7				
8				
9	TOTAL Account 282 (Enter Total of lines 5 thru	33,954,173	2,693,522	168,579
10	Classification of TOTAL			
11	Federal Income Tax	32,700,436	3,064,404	140,893
12	State Income Tax	1,253,737	-370,882	27,686
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) 12/31/2011	Year/Period of Report End of 2011/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)		
					3,850,691	32,358,101	1
							2
							3
1,955,963	1,998,702					7,928,967	4
1,955,963	1,998,702				3,850,691	40,287,068	5
							6
							7
							8
1,955,963	1,998,702				3,850,691	40,287,068	9
							10
1,436,924	802,864				1,821,583	38,079,590	11
519,039	1,195,838				2,029,108	2,207,478	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) 12/31/2011	Year/Period of Report End of 2011/Q4
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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	4,829,044	15,570,245	16,582,722
5				
6	Other than Plant FAS109			
7				
8				
9	TOTAL Electric (Total of lines 3 thru 8)	4,829,044	15,570,245	16,582,722
10	Gas			
11				
12				
13				
14				
15				
16				
17	TOTAL Gas (Total of lines 11 thru 16)			
18	Non Utility	-90,269		
19	TOTAL (Acct 283) (Enter Total of lines 9, 17 and 18)	4,738,775	15,570,245	16,582,722
20	Classification of TOTAL			
21	Federal Income Tax	4,103,734	13,046,694	15,015,742
22	State Income Tax	635,041	2,523,551	1,566,980
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) 12/31/2011	Year/Period of Report End of 2011/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
				254/282	13,655,457	17,472,024	4
							5
							6
							7
							8
					13,655,457	17,472,024	9
							10
							11
							12
							13
							14
							15
							16
							17
85	5,309					-95,493	18
85	5,309				13,655,457	17,376,531	19
							20
	4,725				12,309,400	14,439,361	21
85	584				1,346,057	2,937,170	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) 12/31/2011	Year/Period of Report End of 2011/Q4
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OTHER REGULATORY LIABILITIES (Account 254)

1. Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than \$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	252,308	175/182	245,183	13,979	21,104
2						
3	Uncollectible Expense Tracker	148,637	456	169,590	20,953	
4						
5	Deferred Taxes	3,909,399	190/282	3,015,992		893,407
6						
7						
8						
9	See Footnote					
10						
11						
12						
13						
14						
15						
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39						
40						
41	TOTAL	4,310,344		3,430,765	34,932	914,511

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) 12/31/2011	Year/Period of Report 2011/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) 04/30/12	Year of Report December 31, 2011	
GAIN OR LOSS ON DISPOSITION OF PROPERTY (Account 421.1 and 421. 2)					
<p>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.</p> <p>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).</p> <p>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.)</p>					
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	Gain associated with sale of AuTrain				
3	non-utility land	650		32,750	
4					
5					
6					
7					
8					
9					
10					
11					
12	Line 2 is nonutility property.				
13	Lines 3 and 4 are utility property.				
14					
15					
16					
17	Total Gain	650		32,750	

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/12	Year of Report December 31, 2011
PARTICULARS CONCERNING CERTAIN OTHER INCOME ACCOUNTS			
<p>1. Report in this schedule the information specified in the instructions below for the respective other income accounts. Provide a conspicuous subheading for each account and show a total for the account. Additional columns may be added for any account if deemed necessary.</p> <p>2. Merchandising, Jobbing and Contract Work (Accounts 415 and 416) - Describe the general nature of merchandising, jobbing and contract activities. Show revenues by class of activity, operating expenses classified as to operation, maintenance, depreciation, rents and net income before taxes. Give the bases of any allocations of expenses between utility and merchandising, jobbing and contract work activities.</p> <p>3. Nonutility Operations (Accounts 417 and 417.1) - Describe each nonutility operation and show revenues, operating expenses classified as to operation, maintenance, depreciation, rents, amortization, and net income before taxes, from the operation. Give the bases of any allocations of expenses between utility and nonutility operations. The book cost of property classified as nonutility operations should be included in Account 121.</p> <p>4. Nonoperating Rental Income (Account 418) - For each major item of miscellaneous property included in Account 121, Nonutility Property, which is not used in operations for which income is included in Account 417, but which is leased or rented to others, give name of lessee, brief description of property, effective date and expiration</p>		<p>date of lease, amount of rent revenues, operating expenses classified as to operation, maintenance, depreciation, rents, amortization, and net income, before taxes, from the rentals. If the property is leased on a basis other than that of a fixed annual rental, state the method of determining the rental. Minor items may be grouped by classes, but the number of items so grouped should be shown. Designate any lessees which are associated companies.</p> <p>5. Equity in earnings of subsidiary companies (Account 418.1) - Report the utility's equity in the earnings or losses of each subsidiary company for the year.</p> <p>6. Interest and Dividend Income (Account 419) - Report interest and dividend income, before taxes, identified as to the asset account or group of accounts in which are included the assets from which the interest or dividend income was derived. Income derived from investments, Accounts 123, 124 and 136 may be shown in total. Income from sinking and other funds should be identified with the related special funds. Show also expenses included in Account 419 as required by the Uniform System of Accounts.</p> <p>7. Miscellaneous Nonoperating Income (Account 421) - Give the nature and source of each miscellaneous nonoperating income, and expense and the amount for the year. Minor items may be grouped by classes.</p>	
Line No.	Item (a)	Amount (b)	
1	Revenues from Nonutility Operations		
2	Revenues from Sale of Renewable Energy Credits	227,785	
3	Revenues from Operation of Escanaba River Hydros	678,993	
4	Operations Expense for Escanaba River Hydros	265,230	
5	Maintenance Expense Escanaba River Hydros	485,574	
6	Depreciation of Escanaba River Hydros	98,859	
7	Other Non Utility	25,808	
8	Subtotal 417	31,307	
9			
10	Non-Operating Rental Income		
11	Land Lease Income	2,150	
12	Subtotal 418	2,150	
13			
14	Equity in Earnings of Subsidiary Companies		
15	Equity in Earnings of Subsidiary - American Transmission Company	2,112,657	
16	Subtotal 418.1	2,112,657	
17			
18	Interest and Dividend Income		
19	Interest on Miscellaneous	8,824	
20	Interest on Funds Used for Construction	2,674	
21	Subtotal 419	11,498	
22			
23	Miscellaneous Non-Operating Income		
24	Land Costs - Non Utility	23,024	
25	Gladstone Non-Utility	136	
26	Unrealized Gain - Fuel Options	4,115	
27	Gain/Loss on EFT	4,528	
28	Gains on Disposal of Property	(32,750)	
29	Misc Non-Operating Income	(403,538)	
30	Subtotal 421	(404,485)	
31			
32	TOTAL	1,753,127	

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) 12/31/2011	Year/Period of Report End of 2011/Q4
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ELECTRIC OPERATING REVENUES (Account 400)

- 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.
- Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
- 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.
- 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.
- 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	49,370,940	45,756,535
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)	34,913,909	33,480,685
5	Large (or Ind.) (See Instr. 4)	16,821,482	17,373,777
6	(444) Public Street and Highway Lighting	1,416,210	1,343,775
7	(445) Other Sales to Public Authorities		
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales		
10	TOTAL Sales to Ultimate Consumers	102,522,541	97,954,772
11	(447) Sales for Resale	5,322,420	15,908,742
12	TOTAL Sales of Electricity	107,844,961	113,863,514
13	(Less) (449.1) Provision for Rate Refunds	507,544	815,917
14	TOTAL Revenues Net of Prov. for Refunds	107,337,417	113,047,597
15	Other Operating Revenues		
16	(450) Forfeited Discounts	82,946	88,713
17	(451) Miscellaneous Service Revenues	67,236	48,776
18	(453) Sales of Water and Water Power		
19	(454) Rent from Electric Property	188,069	188,659
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues	301,369	5,108,866
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	639,620	5,435,014
27	TOTAL Electric Operating Revenues	107,977,037	118,482,611

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) 12/31/2011	Year/Period of Report End of 2011/Q4
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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		Line No.
Year to Date Quarterly/Annual (d)	Amount Previous year (no Quarterly) (e)	Current Year (no Quarterly) (f)	Previous Year (no Quarterly) (g)	
				1
269,136	267,403	46,181	46,142	2
				3
244,217	241,458	5,529	5,522	4
288,160	283,730	18	16	5
5,285	5,504	175	171	6
				7
				8
				9
806,798	798,095	51,903	51,851	10
63,980	280,526	67	69	11
870,778	1,078,621	51,970	51,920	12
				13
870,778	1,078,621	51,970	51,920	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) 12/31/2011	Year/Period of Report 2011/Q4
Upper Peninsula Power Company			
FOOTNOTE DATA			

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

Includes \$436,103 for FERC Order 668-A.

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

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

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

Includes 17,320 MW for FERC Order 668-A.

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

Includes 96,603 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) 12/31/2011	Year/Period of Report End of 2011/Q4
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SALES OF ELECTRICITY BY RATE SCHEDULES

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

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	440 Residential Sales					
2	A-1 Residential	215,463	39,953,833	39,383	5,471	0.1854
3	A-2 Residential	17,632	2,989,271	3,236	5,449	0.1695
4	AH-1 Electric Heat	32,985	5,431,998	3,370	9,788	0.1647
5	AH-2 Electric Heat	1,941	307,099	192	10,109	0.1582
6	Z-1&3 Dusk to Dawn	674	206,778			0.3068
7	Z-2&4 Dusk to Dawn	79	19,377			0.2453
8	Total	268,774	48,908,356	46,181	5,820	0.1820
9	442 Commercial & Industrial					
10	C-1 General Commercial	53,790	9,928,892	4,342	12,388	0.1846
11	C-2 General Commercial	5,946	948,218	400	14,865	0.1595
12	H-1 Commercial Heating	7,833	1,168,533	206	38,024	0.1492
13	H-2 Commercial Heating	666	93,826	21	31,714	0.1409
14	P-1 Light & Power	83,573	11,816,595	444	188,227	0.1414
15	P-2 Light & Power	8,559	1,208,690	56	152,839	0.1412
16	WP-1 Large Light & Power	182,515	7,744,559	1	182,515,000	0.0424
17	WP-2 Large Light & Power					
18	Schedule A					
19	CP-I Commercial	8	629	12	667	0.0786
20	CP-RR Response Rewards					
21	CP-I Interruptible Rider		22			
22	WP-3	36,358	2,316,991	1	36,358,000	0.0637
23	Z-1&3 Dusk to Dawn	597	157,272			0.2634
24	Z-2&4 Dusk to Dawn	89	20,262			0.2277
25	CPU(PRI)	13,567	1,638,435	6	2,261,167	0.1208
26	CPU(SEC)	73,627	8,236,648	47	1,566,532	0.1119
27	CPU(SECV)	52,732	5,201,064	10	5,273,200	0.0986
28	Total	519,860	50,480,636	5,546	93,736	0.0971
29	444 Public Street Hwy Light	5,285	1,416,210	175	30,200	0.2680
30	Total	5,285	1,416,210	175	30,200	0.2680
31	C-1 Commercial	17	2,767			0.1628
32	C-2 Commercial	17	2,402			0.1413
33	CPU (TRANV)	12,879	1,174,554	1	12,879,000	0.0912
34						
35						
36						
37						
38						
39						
40						
41	TOTAL Billed	806,832	101,984,925	51,903	15,545	0.1264
42	Total Unbilled Rev.(See Instr. 6)	-35	537,616	0	0	-15.3605
43	TOTAL	806,797	102,522,541	51,903	15,544	0.1271

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) 12/31/2011	Year/Period of Report 2011/Q4
Upper Peninsula Power Company			
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 \$886,243.		
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) 12/31/2011	Year/Period of Report End of 2011/Q4
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SALES FOR RESALE (Account 447)

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

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Village of Baraga	RQ	35			
2						
3	Village of L'Anse	RQ	38	1.9987	1.9456	1.6802
4						
5	City of Gladstone	RQ	36			
6						
7	City of Negaunee	RQ	56	1.1946	1.2816	1.1946
8						
9	Alger-Delta Coop Electric Assoc.	RQ	54	3.2204	4.0730	3.2204
10						
11						
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) 12/31/2011	Year/Period of Report End of 2011/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)		
		-9,606		-9,606	1
					2
10,945	102,172	710,939		813,111	3
					4
		-15,459		-15,459	5
					6
8,600	395,516	283,240	229,751	908,507	7
					8
24,072	1,045,844	729,362	224,309	1,999,515	9
					10
					11
					12
					13
					14
43,617	1,543,532	1,698,476	454,060	3,696,068	
20,363	28	535,276	1,091,048	1,626,352	
63,980	1,543,560	2,233,752	1,545,108	5,322,420	

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) 12/31/2011	Year/Period of Report End of 2011/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	Detroit Edison Energy - REC	OS				
2						
3	Midwest ISO					
4						
5	General Purpose	OS	1			
6	Resource Adequacy Req.	OS	1			
7	Spinning Reserve Service	OS	1			
8	Ancillary Srvc - Sch 2 Firm Sales	OS	1			
9						
10						
11						
12						
13	See Footnotes					
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) 12/31/2011	Year/Period of Report End of 2011/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)		
			952,216	952,216	1
					2
					3
					4
20,363		535,215		535,215	5
	28			28	6
		61		61	7
			138,832	138,832	8
					9
					10
					11
					12
					13
					14
43,617	1,543,532	1,698,476	454,060	3,696,068	
20,363	28	535,276	1,091,048	1,626,352	
63,980	1,543,560	2,233,752	1,545,108	5,322,420	

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) 12/31/2011	Year/Period of Report 2011/Q4
Upper Peninsula Power Company			
FOOTNOTE DATA			

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

First Revised Rate Schedule FERC No. 35.

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

First Revised Rate Schedule FERC No. 38.

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

First Revised Rate Schedule FERC No. 36.

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

Original Rate Schedule FERC No. 56.

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

Transmission Charges	\$198,386
Customer Charge	800
Prior Year-End Accrual to Actual True-Up Difference	30,565
	<u>\$229,751</u>

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

Full name is Alger-Delta Cooperative Electric Association.

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

Original Rate Schedule FERC No. 54.

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

Transmission Charges	\$196,557
Customer Charge	2,400
Prior Year-End Accrual True-Up Difference	25,352
	<u>\$224,309</u>

Schedule Page: 310.1 Line No.: 1 Column: j

Renewable Energy Credits.

Schedule Page: 310.1 Line No.: 5 Column: c

Market Based Rate Tariff, Volume No. 1.

Schedule Page: 310.1 Line No.: 5 Column: g

Midwest ISO Non-Firm Service. Includes adjustments for compliances 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 purchases from MISO are 3,043.

Schedule Page: 310.1 Line No.: 5 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 \$99,112.

Schedule Page: 310.1 Line No.: 6 Column: c

Market Based Rate Tariff, Volume No. 1.

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

Market Based Rate Tariff, Volume No. 1.

Schedule Page: 310.1 Line No.: 8 Column: c

Market Based Rate Tariff, Volume No. 1.

Schedule Page: 310.1 Line No.: 8 Column: j

Ancillary Services - Schedule 2 Firm Sales.

Schedule Page: 310.1 Line No.: 13 Column: g

Formula Rate Attachment B Opportunity Sales MegaWatt Hours sold, equals Page 311.1, Column G, Subtotal Non-RQ, Less Column G, Line 5, MISO General Purpose Sales MWH, plus MISO General Purpose Sales MWH, 668-A adjusted, from Footnote Line 5, Column G.

20,363(MWH) - 20,363 (MWH) + 3,043 (MWH) = 3,043 MWH

Schedule Page: 310.1 Line No.: 13 Column: i

Formula Rate Attachment B Opportunity Sales Revenues, excluding Demand, equals Page 311.1, Column I, Subtotal Non-RQ, Less Column I, Line 5, MISO General Purpose Sales, plus MISO General Purpose Sales, 668-A adjusted, from Footnote Line 5, Column I.

\$535,276 - \$535,215 + \$99,112 = \$99,173

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) 12/31/2011	Year/Period of Report End of 2011/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	33,490	40,984		
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)	33,490	40,984		
21	TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 & 20)	33,490	40,984		
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	768,952	835,338		
45	(536) Water for Power		5,339		
46	(537) Hydraulic Expenses	611,113	347,667		
47	(538) Electric Expenses	167,210	172,703		
48	(539) Miscellaneous Hydraulic Power Generation Expenses	51,765	302,232		
49	(540) Rents	98,829	70,746		
50	TOTAL Operation (Enter Total of Lines 44 thru 49)	1,697,869	1,734,025		
51	C. Hydraulic Power Generation (Continued)				
52	Maintenance				
53	(541) Maintenance Supervision and Engineering	146,505	134,999		
54	(542) Maintenance of Structures	43,937	29,211		
55	(543) Maintenance of Reservoirs, Dams, and Waterways	374,871	617,169		
56	(544) Maintenance of Electric Plant	1,707,642	59,675		
57	(545) Maintenance of Miscellaneous Hydraulic Plant	912	48,044		
58	TOTAL Maintenance (Enter Total of lines 53 thru 57)	2,273,867	889,098		
59	TOTAL Power Production Expenses-Hydraulic Power (tot of lines 50 & 58)	3,971,736	2,623,123		

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) 12/31/2011	Year/Period of Report End of 2011/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	54,446	44,659	
63	(547) Fuel	133,357	592,927	
64	(548) Generation Expenses	11,535	25,295	
65	(549) Miscellaneous Other Power Generation Expenses	10,184	22,395	
66	(550) Rents			
67	TOTAL Operation (Enter Total of lines 62 thru 66)	209,522	685,276	
68	Maintenance			
69	(551) Maintenance Supervision and Engineering	39,351	53,414	
70	(552) Maintenance of Structures		-3,896	
71	(553) Maintenance of Generating and Electric Plant	25,644	155,776	
72	(554) Maintenance of Miscellaneous Other Power Generation Plant	22,252	19,935	
73	TOTAL Maintenance (Enter Total of lines 69 thru 72)	87,247	225,229	
74	TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73)	296,769	910,505	
75	E. Other Power Supply Expenses			
76	(555) Purchased Power	41,600,154	54,295,090	
77	(556) System Control and Load Dispatching	738,708	636,617	
78	(557) Other Expenses			
79	TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)	42,338,862	54,931,707	
80	TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79)	46,640,857	58,506,319	
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	110,303	173,802	
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	10,180	9,566	
93	(562) Station Expenses			
94	(563) Overhead Lines Expenses			
95	(564) Underground Lines Expenses			
96	(565) Transmission of Electricity by Others	7,012,044	7,327,262	
97	(566) Miscellaneous Transmission Expenses			
98	(567) Rents			
99	TOTAL Operation (Enter Total of lines 83 thru 98)	7,132,527	7,510,630	
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)	7,132,527	7,510,630	

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) 12/31/2011	Year/Period of Report End of 2011/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	94,695	120,130		
122	(575.8) Rents				
123	Total Operation (Lines 115 thru 122)	94,695	120,130		
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)	94,695	120,130		
132	4. DISTRIBUTION EXPENSES				
133	Operation				
134	(580) Operation Supervision and Engineering	1,011,193	658,188		
135	(581) Load Dispatching	635,456	577,983		
136	(582) Station Expenses	742,339	626,411		
137	(583) Overhead Line Expenses	86,463	94,486		
138	(584) Underground Line Expenses	18,408	86,700		
139	(585) Street Lighting and Signal System Expenses	49,183	50,472		
140	(586) Meter Expenses	426,563	385,951		
141	(587) Customer Installations Expenses	1,762	-243		
142	(588) Miscellaneous Expenses	1,475,981	2,283,608		
143	(589) Rents	60,034	69,715		
144	TOTAL Operation (Enter Total of lines 134 thru 143)	4,507,382	4,833,271		
145	Maintenance				
146	(590) Maintenance Supervision and Engineering	76,238	102,655		
147	(591) Maintenance of Structures	155,173	28,105		
148	(592) Maintenance of Station Equipment	832,599	572,557		
149	(593) Maintenance of Overhead Lines	5,031,084	5,129,099		
150	(594) Maintenance of Underground Lines	442,382	370,909		
151	(595) Maintenance of Line Transformers	44,758	38,839		
152	(596) Maintenance of Street Lighting and Signal Systems	84,375	89,981		
153	(597) Maintenance of Meters	12,503	13,807		
154	(598) Maintenance of Miscellaneous Distribution Plant	8,068	9,243		
155	TOTAL Maintenance (Total of lines 146 thru 154)	6,687,180	6,355,195		
156	TOTAL Distribution Expenses (Total of lines 144 and 155)	11,194,562	11,188,466		
157	5. CUSTOMER ACCOUNTS EXPENSES				
158	Operation				
159	(901) Supervision	159,858	38,414		
160	(902) Meter Reading Expenses	762,697	747,855		
161	(903) Customer Records and Collection Expenses	1,811,424	2,282,810		
162	(904) Uncollectible Accounts	1,466,869	508,858		
163	(905) Miscellaneous Customer Accounts Expenses	51,008	51,277		
164	TOTAL Customer Accounts Expenses (Total of lines 159 thru 163)	4,251,856	3,629,214		

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) 12/31/2011	Year/Period of Report End of 2011/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)		
165	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES				
166	Operation				
167	(907) Supervision	14,406	154		
168	(908) Customer Assistance Expenses	240,244	300,002		
169	(909) Informational and Instructional Expenses	12,575	113,840		
170	(910) Miscellaneous Customer Service and Informational Expenses		25		
171	TOTAL Customer Service and Information Expenses (Total 167 thru 170)	267,225	414,021		
172	7. SALES EXPENSES				
173	Operation				
174	(911) Supervision				
175	(912) Demonstrating and Selling Expenses				
176	(913) Advertising Expenses				
177	(916) Miscellaneous Sales Expenses				
178	TOTAL Sales Expenses (Enter Total of lines 174 thru 177)				
179	8. ADMINISTRATIVE AND GENERAL EXPENSES				
180	Operation				
181	(920) Administrative and General Salaries	3,246,718	3,650,886		
182	(921) Office Supplies and Expenses	878,578	1,025,681		
183	(Less) (922) Administrative Expenses Transferred-Credit				
184	(923) Outside Services Employed	361,685	654,166		
185	(924) Property Insurance	219,053	237,967		
186	(925) Injuries and Damages	369,107	388,002		
187	(926) Employee Pensions and Benefits	5,604,270	5,202,102		
188	(927) Franchise Requirements				
189	(928) Regulatory Commission Expenses	325,547	367,003		
190	(929) (Less) Duplicate Charges-Cr.	564,976	511,539		
191	(930.1) General Advertising Expenses	6,524	7,721		
192	(930.2) Miscellaneous General Expenses	1,444,027	1,387,100		
193	(931) Rents	488,762	460,688		
194	TOTAL Operation (Enter Total of lines 181 thru 193)	12,379,295	12,869,777		
195	Maintenance				
196	(935) Maintenance of General Plant				
197	TOTAL Administrative & General Expenses (Total of lines 194 and 196)	12,379,295	12,869,777		
198	TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197)	81,961,017	94,238,557		

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2012	Year of Report December 31, 2011
NUMBER OF ELECTRIC DEPARTMENT EMPLOYEES			
<p>1. The data on number of employees should be reported for the payroll period ending nearest to October 31, or any payroll period ending 60 days before or after October 31.</p> <p>2. If the respondent's payroll for the reporting period includes any special construction personnel, include such employees on line 3, and show the number of such special construction employees in a footnote.</p>		<p>3. The number of employees assignable to the electric department from joint functions of combination utilities may be determined by estimate, on the basis of employee equivalents. Show the estimated number of equivalent employees attributed to the electric department from joint functions.</p>	
1. Payroll Period Ended (Date)		12/23/2011	
2. Total Regular Full-Time Employees		115	
3. Total Part-Time and Temporary Employees		0	
4. Total Employees		115	

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) 12/31/2011	Year/Period of Report 2011/Q4
Upper Peninsula Power Company			
FOOTNOTE DATA			

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

Includes \$436,103 for FERC Order 668-A.

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

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

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

Account 561.4 (561.BA) includes \$23,730 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 Octboer 4, 2005.

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 \$89,840 are included in this total.

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

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

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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) 12/31/2011	Year/Period of Report End of 2011/Q4
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PURCHASED POWER (Account 555)
(Including power exchanges)

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.
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.
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 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.

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.

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.

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.

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.

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.

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.

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.

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	Cargill Power Markets LLC	OS	29			
2	New Page Corporation	SF				
3	MISO	OS				
4	Parallel Generation	OS				
5	UP Hydro LLC	OS				
6	White Pine	LF				
7	Wisconsin Electric	OS				
8	Wisconsin Public Service W2-A Inter					
9	Wisconsin Public Service FERC RS74	RQ				
10	See Footnotes					
11						
12						
13						
14						
Total						

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2011	Year/Period of Report End of 2011/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)	
88,200				3,018,060		3,018,060	1
61				3,620		3,620	2
272,878				11,977,102		11,977,102	3
3				1,124		1,124	4
4,321				275,939		275,939	5
7,568			3,268,300	433,845		3,702,145	6
			54,000			54,000	7
			-22,721	3,585	-142,855	-161,991	8
452,688			11,920,572	10,798,696	10,887	22,730,155	9
							10
							11
							12
							13
							14
825,719			15,220,151	26,511,971	-131,968	41,600,154	

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) 12/31/2011	Year/Period of Report 2011/Q4
Upper Peninsula Power Company			
FOOTNOTE DATA			

Schedule Page: 326 Line No.: 3 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 255,558.

Schedule Page: 326 Line No.: 3 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 \$11,540,999.

Schedule Page: 326 Line No.: 10 Column: g

Formula Rate Attachment B Megawatt Hours Purchased equals Page 327, Total Column G, Less Column G, Line 3, MISO Megawatt Hours Purchased, Plus MISO MegaWatt Hours Purchased 668-A adjusted from footnote 3, Column G.

$825,719 \text{ (MWH)} - 272,878 \text{ (MWH)} + 255,558 \text{ (MWH)} = 88,399 \text{ MWH}$

Schedule Page: 326 Line No.: 10 Column: j

Formula Rate Attachment B Purchased Power equals Page 327, Total Columns K & L, Less Column K, Line 3, MISO Purchased Power Energy, Plus MISO Purchased Power Energy 668-A adjusted from Footnote Line 3, Column K, Plus MISO Day 2 administrative fees, Page 323, Footnote Line 121, Column B, Account 575700.

$(\$26,511,971 + (\$131,967)) - \$11,977,102 + \$11,540,999 + \$89,840 = \$26,033,741$

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/12	Year of Report December 31, 2011
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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			
17			
18	<u>Account 454:</u>		
19	Pole Contact Rental	Distribution System	179,669
20	Land Rent	Hydro Land	8,400
21			
22			
23	<u>Account 455:</u>		
24			
25			
26			
27			
28			
29	Total		188,069

Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/12	Year of Report December 31, 2011
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	Not Applicable			
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	<u>Miscellaneous Service Revenues (451)</u>		
12			
13			
14			Service Charges 65,430
15			Temporary Service 1,806
16			Total 67,236
17	<u>Other Electric Revenues (456)</u>		
18			
19			Telephone Company Poles & Related Services 35,069
20			Wholesale Distribution Services 902,277
21			Decoupling Revenue (1,723,294)
22			Miscellaneous Non Service Revenue 1,087,317
23			Total 301,369
24			
25			
26			
27			
28			
29			
30	TOTAL	368,605	

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) 12/31/2011	Year/Period of Report End of 2011/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				
			Magawatt-hours Received (c)	Magawatt-hours Delivered (d)	Demand Charges (\$) (e)	Energy Charges (\$) (f)	Other Charges (\$) (g)	Total Cost of Transmission (\$) (h)
1	Recieved Power from:							
2								
3	Midwest ISO Network	OS	898,264	898,264	953,560			953,560
4	American Transmission	FNS			6,058,484			6,058,484
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
	TOTAL		898,264	898,264	7,012,044			7,012,044

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) 12/31/2011	Year/Period of Report End of 2011/Q4
MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)					
Line No.	Description (a)	Amount (b)			
1	Industry Association Dues	94,876			
2	Nuclear Power Research Expenses				
3	Other Experimental and General Research Expenses				
4	Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities	57,451			
5	Oth Expn >=5,000 show purpose, recipient, amount. Group if < \$5,000				
6	IBS allocated labor and labor loadings	111,650			
7	Cost of Capital and Depreciation	1,113,256			
8	Keweenaw Peninsula Chamber	5,035			
9	Lake Superior Community Partnership	10,899			
10	Misc Items under \$5,000 each	50,860			
11					
12					
13					
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45					
46	TOTAL	1,444,027			

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) 12/31/2011	Year/Period of Report End of 2011/Q4			
DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Account 403, 404, 405) (Except amortization of acquisition adjustments)						
<p>1. 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).</p> <p>2. 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.</p> <p>3. Report all available information called for in Section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.</p> <p>Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of Section C the type of plant included in any sub-account used.</p> <p>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.</p> <p>For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification Listed in column (a). If plant mortality studies are prepared to assist in estimating average service Lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant. If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.</p> <p>4. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.</p>						
A. Summary of Depreciation and Amortization Charges						
Line No.	Functional Classification (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	2,424,668				2,424,668
5	Hydraulic Production Plant-Pumped Storage					
6	Other Production Plant	180,431				180,431
7	Transmission Plant					
8	Distribution Plant	4,230,041				4,230,041
9	Regional Transmission and Market Operation					
10	General Plant	599,729				599,729
11	Common Plant-Electric					
12	TOTAL	7,434,869		150,141		7,585,010
B. Basis for Amortization Charges						

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2011	Year/Period of Report End of 2011/Q4
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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							
13							
14							
15							
16							
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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) 12/31/2011	Year/Period of Report 2011/Q4
Upper Peninsula Power Company			
FOOTNOTE DATA			

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

Hydro Production - Conventional	\$149,077
Distribution	<u>1,064</u>
	\$150,141

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 4/30/2012	December 31, 2011

**PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS
AND INTEREST CHARGES ACCOUNTS**

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.

(a) *Miscellaneous Amortization* (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.

(b) *Miscellaneous Income Deductions* -- 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

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 grouped by classes within the above accounts.

(c) *Interest on Debt to Associated Companies* (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.

(d) *Other Interest Expense* (Account 431) -- Report particulars (details) including the amount and interest rate for other interest charges incurred during the year.

Line No.	Item (a)	Amount (b)
1	Miscellaneous Amortization (425)	
2	Total - 425	0
3		
4	Donations (426.1)	
5	Bell Foundation	2,500
6	Calumet Theater	2,000
7	Copper Country United Way	5,000
8	Dee Stadium Locker Room Fund	1,600
9	Main Street Calumet	1,000
10	Ontonagon Theater of Performing Arts	2,000
11	UP Blood Mobile	4,500
12	Salvation Army	2,500
13	Society of St. Vincent de Paul	6,000
14	UP Rodeo	2,000
15	Upper Peninsula State Fair	1,000
16	Other Donations Under \$1,000 Each	41,132
17	Total - 426.1	71,232
18		
19	Key Executive Life Insurance (426.2)	
20	Total - 426.2	0
21		
22	Penalties (426.3)	
23	Minor items	1,522
24	Total - 426.3	1,522
25		
26	Expenses for Certain Civil, Political, & Related Activities (426.4)	
27	Memberships	16,487
28	Consultants Contracted	6,545
29	Labor Expenses	535
30	Other	
31	Total - 426.4	23,567
32		
33	Other Deductions (426.5)	
34	Non-Utility Land Expenses	150,000
35	Escanaba/EPA Legal Fees	36,025
36	Unrealized Loss-Fuel Options	3,847
37	Non-Utility Hydro Energy Marketing Expense	7,766
38	Total - 426.5	197,638
39		
40	Interest on Debt to Associated Companies (430)	
41	Total - 430	2,601,463

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 4/30/2012	December 31, 2011

**PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS
AND INTEREST CHARGES ACCOUNTS**

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.

(a) *Miscellaneous Amortization* (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.

(b) *Miscellaneous Income Deductions*-- 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

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 grouped by classes within the above accounts.

(c) *Interest on Debt to Associated Companies* (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.

(d) *Other Interest Expense* (Account 431) -- Report particulars (details) including the amount and interest rate for other interest charges incurred during the year.

Line No.	Item (a)	Amount (b)
1	Other Interest Expense (431)	
2	Other Interest Expense	18,921
3	Interest on Electric Refunds	147,984
4	Customer Deposits	19,229
5	Deferred Comp Reserve Allow Ratemaking	9,560
6	Deferred Comp Reserve Unallow Ratemaking	13,411
7	Total - 431	209,105
8		
9		
10		
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41	Total	3,104,527

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2012	Year of Report December 31, 2011
<p align="center">EXPENDITURES FOR CERTAIN CIVIC, POLITICAL AND RELATED ACTIVITIES</p> <p align="center">(Account 426.4)</p>			
<p>1. Report below all expenditures incurred by the respondent during the year for the purpose of influencing public opinion with respect to the election or appointment of public officials, referenda, legislation or ordinances (either with respect to the possible adoption of new referenda, legislation or ordinances or repeal or modification of existing referenda, legislation or ordinances); approval, modification, or revocation of franchises; or for the purpose of influencing the decisions of public officials which are accounted for as Other Income Deductions, Expenditures for Certain Civic, Political and Related Activities, Account 426.4.</p> <p>2. Advertising expenditures in this Account shall be classified according to subheadings, as follows: (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.</p> <p>3. Expenditures within the definition of paragraph (1), other than advertising shall be reported according to captions or descriptions clearly indicating the nature and purpose of the activity.</p> <p>4. If respondent has not incurred any expenditures contemplated by the instruction of Account 426.4, so state.</p> <p>5. Minor amount may be grouped by classes if the number of items so grouped is shown.</p> <p>NOTE: The classification of expenses as nonoperating and their inclusion in this amount is for accounting purposes. It does not preclude Commission consideration of proof to the contrary for ratemaking or other purposes.</p>			
Line No.	Item (a)	Amount (b)	
1		\$	
2	Federal Lobby Activities		
3	Memberships	15,509	
4	Professional Services	1,396	
5		16,905	
6	State Lobby Activities		
7	Memberships	978	
8	Professional Services	5,150	
9	Labor & Expenses	534	
10		6,662	
11			
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32	TOTAL	23,567	

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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) 12/31/2011	Year/Period of Report End of 2011/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	66,764	74,943	141,707	
2	Michigan Public Service Commission	170,382	10,364	180,746	
3	Public Service Commission of Wisconsin		3,094	3,094	
4					
5					
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46	TOTAL	237,146	88,401	325,547	

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) 12/31/2011	Year/Period of Report End of 2011/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)					
A&G	928	74,943					1
A&G	928	10,364					2
A&G	928	3,094					3
							4
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		88,401					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) 12/31/2011	Year/Period of Report End of 2011/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	751,136		
4	Transmission			
5	Regional Market			
6	Distribution	2,558,141		
7	Customer Accounts	739,070		
8	Customer Service and Informational	129,862		
9	Sales			
10	Administrative and General	-24,663		
11	TOTAL Operation (Enter Total of lines 3 thru 10)	4,153,546		
12	Maintenance			
13	Production	280,637		
14	Transmission			
15	Regional Market			
16	Distribution	2,446,185		
17	Administrative and General			
18	TOTAL Maintenance (Total of lines 13 thru 17)	2,726,822		
19	Total Operation and Maintenance			
20	Production (Enter Total of lines 3 and 13)	1,031,773		
21	Transmission (Enter Total of lines 4 and 14)			
22	Regional Market (Enter Total of Lines 5 and 15)			
23	Distribution (Enter Total of lines 6 and 16)	5,004,326		
24	Customer Accounts (Transcribe from line 7)	739,070		
25	Customer Service and Informational (Transcribe from line 8)	129,862		
26	Sales (Transcribe from line 9)			
27	Administrative and General (Enter Total of lines 10 and 17)	-24,663		
28	TOTAL Oper. and Maint. (Total of lines 20 thru 27)	6,880,368	201,853	7,082,221
29	Gas			
30	Operation			
31	Production-Manufactured Gas			
32	Production-Nat. Gas (Including Expl. and Dev.)			
33	Other Gas Supply			
34	Storage, LNG Terminaling 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 Terminaling and Processing			
47	Transmission			

Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 12/31/2011	Year/Period of Report End of 2011/Q4
DISTRIBUTION OF SALARIES AND WAGES (Continued)					
Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)	
48	Distribution				
49	Administrative and General				
50	TOTAL Maint. (Enter Total of lines 43 thru 49)				
51	Total Operation and Maintenance				
52	Production-Manufactured Gas (Enter Total of lines 31 and 43)				
53	Production-Natural Gas (Including Expl. and Dev.) (Total lines 32,				
54	Other Gas Supply (Enter Total of lines 33 and 45)				
55	Storage, LNG 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)	6,880,368	201,853		7,082,221
66	Utility Plant				
67	Construction (By Utility Departments)				
68	Electric Plant	1,367,400	97,280		1,464,680
69	Gas Plant				
70	Other (provide details in footnote):				
71	TOTAL Construction (Total of lines 68 thru 70)	1,367,400	97,280		1,464,680
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	Non Utility CWIP	39,101	11,520		50,621
79	Billed to Customers	1,241,692	9,849		1,251,541
80	Labor & Transportation Accruals	5,140	-198		4,942
81	Proprietary Capital	1,038			1,038
82	Other Operating Revenue	21,452	5,201		26,653
83	Other Income & Deductions	275,735	3,660		279,395
84	Billed to Subsidiaries	103,152			103,152
85	Clearing	269,737	-329,165		-59,428
86	Vacation Taken or Paid	-6,423			-6,423
87					
88					
89					
90					
91					
92					
93					
94					
95	TOTAL Other Accounts	1,950,624	-299,133		1,651,491
96	TOTAL SALARIES AND WAGES	10,198,392			10,198,392

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/12	Year of Report December 31, 2011	
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 \$50,000, including payments for legislative services, except those which should be reported in Account</p>		<p>426.4, Expenditures for Certain civic, Political and Related Activities.) (a) Name and address of person or organization rendering services, (b) description of services received during year and project or case to which services relate, (c) basis of charges, (d) total charges for the year, detailing utility department and account charged.</p> <p>2. For any services which are of a continuing nature, give the date and term of contract and date of Commission authorization, if contract received Commission approval.</p> <p>3. Designate with an asterisk associated companies.</p>		
Line No.	Name / Address	Service	Account #	Amount
1	AECOM Technical Services, Inc.	Construction Services	107, 232, 417, 535, 541, 543, 592	175,604
2	1035 Kepler Drive			
3	Green Bay, WI			
4				
5	American Industrial Motor Service LLC	Construction Services	544	492,272
6	235 West Oklahoma Avenue			
7	Milwaukee, WI			
8				
9	Asplundh Tree Expert Co.	Tree Trimming Services	107, 537, 593	1,607,465
10	5907 Municipal Street			
11	Schofield, WI			
12				
13	Associated Constructors LLC	Construction Services	232, 535, 541, 542, 543	660,582
14	P. O. Box 970			
15	Marquette, MI			
16				
17	Barr Engineering Co.	Engineering Services	107, 232, 541, 592	699,535
18	4700 West 77th Street, Suite 200			
19	Minneapolis, MN			
20				
21	Basler Electric Co.	Construction Services	107	88,775
22	Route 143, Box 269			
23	Highland, IL			
24				
25	Bruder Gentile & Marcoux LLP	Legal Services	923, 928	52,349
26	1701 Pennsylvania Ave., NW, Ste. 900			
27	Washington, DC			
28				
29	Closner Construction & Sales, Inc.	Construction Services	107, 184, 232, 543	174,635
30	2050 Enterprise Street			
31	Marquette, MI			
32				
33	Collins & Baker Engineering	Engineering Services	143, 154, 535	104,732
34	1409 East Blvd., Ste. 101-A			
35	Charlotte, NC			

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/12	Year of Report December 31, 2011	
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	CR Meyer & Sons Co.	Construction Services	107, 143, 232, 543	1,618,378
2	895 West 20th Avenue			
3	P. O. Box 2157			
4	Oshkosh, WI			
5				
6	Deloitte & Touche, LLP	Accounting, Auditing, and	184, 923	66,225
7	111 South Wacker Drive, Suite 1200	Tax Services		
8	Chicago, IL			
9				
10	Doble Engineering Co.	Engineering Services	107, 143, 582, 592	109,261
11	85 Walnut Street			
12	Watertown, MA			
13				
14	Foley & Lardner	Legal Services	143, 426, 923, 928	86,999
15	Firststar Center			
16	777 East Wisconsin Avenue			
17	Milwaukee, WI			
18				
19	Fox Power, Inc.	Construction Services	107, 121, 417, 593	323,437
20	623 Rains Drive, Unit A			
21	Gladstone, MI			
22				
23	Garney Companies, Inc.	Construction Services	107, 232	1,784,867
24	1333 NW Vivion Road			
25	Kansas City, MO			
26				
27	GEI Consultants, Inc.	Consulting Services	121, 232, 543	270,126
28	400 Unicorn Park Drive, Suite 8			
29	Woburn, MA			
30				
31	Gerace Construction Company, Inc.	Construction Services	107, 232	870,156
32	4055 South Saginaw Road			
33	Midland, MI			
34				
35				

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/12	December 31, 2011

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	Great Lakes Power & Pipe, Inc.	Construction Services	593	159,506
2	8814 Swan Road			
3	Onaway, MI			
4				
5	HDR	Construction Services	107, 232	575,357
6	303 East 17th Avenue, Suite 700			
7	Denver, CO			
8				
9	Hebert Construction Co.	Construction Services	107	89,000
10	107 Fourth Avenue			
11	P. O. Box 271			
12	Iron River, MI			
13				
14	Jacobs Engineering Group, Inc.	Engineering Services	107, 143, 417, 535, 541	172,380
15	421 Lawrence Drive			
16	P. O. Box 5910			
17	De Pere, WI			
18				
19	Karcz Pole Inspection LLC	Pole Inspection Services	593	131,589
20	N1655 Laney Road			
21	Seymour, WI			
22				
23	Kleinschmidt Assoc.	Consulting Services	107, 232	100,657
24	Energy & Water Resource Consultants			
25	141 Main Street, P. O. Box 650			
26	Pittsfield, ME			
27				
28	L&H Utility Contractors, Inc.	Contracting Services	107, 451, 456, 584, 594	469,454
29	P. O. Box 2037			
30	Kingsford, MI			
31				
32	Michels Power	Construction Services	107, 121, 143, 184, 538, 541, 543,	454,448
33	1775 East Shady Lane		544, 582, 588, 592	
34	Neenah, WI			
35				

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/12	Year of Report December 31, 2011	
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	Miller Canfield Paddock & Stone PLC	Legal Services	143, 184, 923, 928	130,606
2	P. O. Drawer 640348			
3	Detroit, MI			
4				
5	Miron Construction Co., Inc.	Construction Services	107, 184, 232	220,433
6	1471 McMahon Road			
7	Neenah, WI			
8				
9	MJ Electric LLC	Construction Services	593	56,487
10	200 West Frank Pipp Drive			
11	P. O. Box 686			
12	Iron Mountain, MI			
13				
14	North Electric, Inc.	Construction Services	107, 593	65,501
15	1003 Wisconsin Avenue			
16	Gladstone, MI			
17				
18	Parsons Brinckerhoff, Inc.	Construction Services	107	373,743
19	75 Arlington Street, 4th Floor			
20	Boston, MA			
21				
22	Power Industry Consultants, Inc.	Consulting Services	143, 417	88,250
23	1165 Northchase Pkwy., SE, Ste. 400			
24	Marietta, GA			
25				
26	Regenco	Construction Services	121, 417, 544, 553	327,611
27	6609 West Washington St., #R			
28	Milwaukee, WI			
29				
30	The Boldt Co.	Construction Services	107	62,750
31	2525 North Roemer Road			
32	P. O. Box 419			
33	Appleton, WI			
34				
35				

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CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES				
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Line No.	Name / Address	Service	Account #	Amount
1	The Jamar Co.	Construction Services	107, 143, 542	391,736
2	200 East Hampton Street			
3	Marquette, MI			
4				
5	The Outpost	Maintenance Services	537	86,408
6	P. O. Box 37			
7	Bruce Crossing, MI			
8				
9	UP Engineers & Architects, Inc.	Engineering Services	107, 184, 232, 535, 921	78,302
10	100 Portage Street			
11	Houghton, MI			
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Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/12	Year of Report December 31, 2011	
SUMMARY OF COSTS BILLED TO 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 and Labor Loadings	Various	151,876
2	Corporation	Energy Group, Inc.	Invoices & Expense Accts	Various	7,340
3			Material Transfers	Various	928
4			Other Direct Costs	Various	19,950
5			Other Stock Based Comp		
6					
7					
8	Michigan Gas Utilities	Subsidiary of Integrys	Invoices & Expense Accts		
9	Corporation	Energy Group, Inc.			
10					
11	The Peoples Gas, Light &	Subsidiary of Integrys	Asset Transfer		
12	Coke Company	Energy Group, Inc.			
13					
14	Integrys Energy Group, Inc.	Parent	Invoices & Expense Accts		
15					
16					
17	Wisconsin River Power	Subsidiary of Integrys	Invoices & Expense Accts		
18	Company	Energy Group, Inc.			
19					
20	Integrys Business Support, LLC	Subsidiary of Integrys	Invoices & Expense Accts	921	1,287
21		Energy Group, Inc.	Benefits	926	37,134
22					
23					
24	Penvest, Inc.	Subsidiary of Integrys	Invoices & Expense Accts	923	140
25		Energy Group, Inc.			
26					
27					
28					
29					
30					
31					
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) 04/30/12	Year of Report December 31, 2011			
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	39,869	191,746	(1)	1
		Various	870	8,978	(4)	2
		154, 184	26,823	27,751	(1)	3
		Various	26,235	46,185	(2)	4
		207, 253	298,493	298,493	(4)	5
		Total		573,153		6
						7
		146	3,046	3,046	(4)	8
		Total		3,046		9
						10
		146	562	562	(2)	11
		Total		562		12
						13
		146	12,379	12,379	(4)	14
		Total		12,379		15
						16
		Various	12,238	12,238	(4)	17
		Total		12,238		18
						19
				1,287	(4)	20
				37,134	(2)	21
		Total		38,421		22
						23
				140	(4)	24
		Total		140		25
						26
						27
						28
						29
						30
						31
						32
						33
						34

- (1) Fully Loaded Cost
- (2) Market
- (3) Tariff
- (4) Actual Cost
- (5) Contract

Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/12	Year of Report December 31, 2011			
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 Corporation	Subsidiary of Integrys Energy Group, Inc.	Labor and Labor Loadings	Various	0		
2			Employee Benefits				
3			Materials & Supplies				
4			Invoices & Expenses				
5			Other Direct Costs				
6			Purchase Power			555	22,404,485
7			Annual Incentive Plan			920	1,583
8			Other Post Retirement				
9							
10							
11	Integrys Business Support, LLC	Subsidiary of Integrys Energy Group, Inc.	Labor and Labor Loadings	Various	7,012,828		
12			Benefits	926	1,563,222		
13			Pension Funding				
14			Invoices & Expenses	Various	1,428,819		
15			Other Direct Costs	Various	1,156,721		
16			Restricted Stock	926	33,199		
17			Options Expense	926	6,378		
18			Incentive Plans	Various	324,827		
19			Materials & Supplies	588	55		
20							
21							
22	Integrys Energy Group, Inc.	Parent	Long Term Interest	430	2,481,297		
23			Tax Related Bills	Various	3,687,326		
24			Invoices & Expenses	Various	56,179		
25			Amortization	930	46,163		
26			Benefits	926	51,640		
27			Aircraft Usage	Various	7,756		
28			Restricted Stock	926	90,201		
29			Short Term Interest	430	29,899		
30							
31							
32	Peoples Energy Corporation	Subsidiary of Integrys Energy Group, Inc.	Invoices & Expenses	921	1,863		
33							
34							

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SUMMARY OF COSTS BILLED FROM 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 reported.				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	73,342	Various	2,153,178	2,153,178	(1)	1
		Various	53,396	58,655	(1), (4)	2
		107, 121, 143, 154, 184	1,048,983	1,413,665	(1)	3
		Various	3,936,874	3,936,874	(4)	4
		Various	1,880,199	1,880,199	(2)	5
				22,404,485	(3)	6
				1,583	(4)	7
		242, 253	1,875,252	1,875,252	(4)	8
		Total		33,723,891		9
						10
		Various	859,684	7,945,854	(1)	11
		228, 242	34,872	1,598,094	(4)	12
		228.3	1,897,869	1,897,869	(4)	13
		Various	359,825	1,828,768	(4)	14
		417	512,232	1,669,813	(4)	15
				33,199	(4)	16
				6,378	(4)	17
				342,887	(4)	18
				55		19
Total		15,322,917		20		
421, 431	18,060			2,481,297	(4)	22
				3,687,326	(4)	23
				56,179	(4)	24
				46,163	(4)	25
				51,640	(4)	26
				7,756	(1)	27
				90,201	(4)	28
				29,899	(4)	29
		Total		6,450,461		30
						31
				1,863	(4)	32
		Total		1,863		33
						34

- (1) Fully Loaded Cost
(2) Market
(3) Tariff
(4) Actual Cost
(5) Contract

Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/12	Year of Report December 31, 2011	
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	Integrus Energy Services, Inc.	Subsidiary of Integrus	Asset Transfer		
2		Energy Group, Inc.			
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Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/12	Year of Report December 31, 2011
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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.
		107	8,195	8,195	(2)	1
			Total	8,195		2
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- (1) Fully Loaded Cost
- (2) Market
- (3) Tariff
- (4) Actual Cost
- (5) Contract

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) 12/31/2011	Year/Period of Report End of 2011/Q4
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)	806,798
3	Steam		23	Requirements Sales for Resale (See instruction 4, page 311.)	43,617
4	Nuclear		24	Non-Requirements Sales for Resale (See instruction 4, page 311.)	20,363
5	Hydro-Conventional	89,450	25	Energy Furnished Without Charge	
6	Hydro-Pumped Storage		26	Energy Used by the Company (Electric Dept Only, Excluding Station Use)	3,044
7	Other	415	27	Total Energy Losses	41,762
8	Less Energy for Pumping		28	TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)	915,584
9	Net Generation (Enter Total of lines 3 through 8)	89,865			
10	Purchases	825,719			
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)	915,584			

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) 12/31/2011	Year/Period of Report End of 2011/Q4	
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	83,065	748	112	6	18
30	February	73,680	408	121	18	15
31	March	79,638	786	102	3	19
32	April	79,620	3,362	94	26	12
33	May	73,878	6,701	94	13	12
34	June	70,278	1,157	118	2	11
35	July	79,526	961	116	20	15
36	August	78,057	483	104	2	11
37	September	71,942	1,000	97	2	12
38	October	75,123	2,141	96	26	11
39	November	71,982	1,909	98	27	18
40	December	78,795	1,115	102	27	18
41	TOTAL	915,584	20,771			

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) 12/31/2011	Year/Period of Report 2011/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 808,399 MWH.

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 3,043.

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

	12 Months
	Total KW
Total Monthly UPPCO Customer Non Coincident Peak Load at Substation Level	3,367,089
Total Monthly UPPCO Customer Non Coincident Peak Load at Primary Feeder Level	2,993,255

Total Monthly Non-Requirements Sales for Resale includes losses at 2.01%.

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) 12/31/2011	Year/Period of Report End of 2011/Q4
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STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)

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

Line No.	Item (a)	Plant Name: Portage (b)	Plant Name: Gladstone (c)
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear	Gas Turbine	Gas Turbine
2	Type of Constr (Conventional, Outdoor, Boiler, etc)	Conventional	Conventional
3	Year Originally Constructed	1973	1975
4	Year Last Unit was Installed	1975	1987
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)	22.60	22.60
6	Net Peak Demand on Plant - MW (60 minutes)	0	0
7	Plant Hours Connected to Load	0	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	0	415773
13	Cost of Plant: Land and Land Rights	7353	55663
14	Structures and Improvements	93702	110212
15	Equipment Costs	5305245	2292776
16	Asset Retirement Costs	0	0
17	Total Cost	5406300	2458651
18	Cost per KW of Installed Capacity (line 17/5) Including	239.2168	108.7899
19	Production Expenses: Oper, Supv, & Engr	48564	5883
20	Fuel	0	133357
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	943	20775
27	Rents	0	0
28	Allowances	0	0
29	Maintenance Supervision and Engineering	31237	8116
30	Maintenance of Structures	0	0
31	Maintenance of Boiler (or reactor) Plant	0	0
32	Maintenance of Electric Plant	8297	17345
33	Maintenance of Misc Steam (or Nuclear) Plant	104	22148
34	Total Production Expenses	89145	207624
35	Expenses per Net KWh	0.0000	0.4994
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)		
37	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)		
38	Quantity (Units) of Fuel Burned	0	0
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	0	0
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	0.000	3.335
41	Average Cost of Fuel per Unit Burned	0.000	2.820
42	Average Cost of Fuel Burned per Million BTU	0.000	0.000
43	Average Cost of Fuel Burned per KWh Net Gen	0.000	0.000
44	Average BTU per KWh Net Generation	0.000	0.000

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2011	Year/Period of Report End of 2011/Q4
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HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants)

1. Large plants are hydro plants of 10,000 Kw or more of installed capacity (name plate ratings)
2. If any plant is leased, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. If licensed project, give project number.
3. If net peak demand for 60 minutes is not available, give that which is available specifying period.
4. If a group of employees attends more than one generating plant, report on line 11 the approximate average number of employees assignable to each plant.

Line No.	Item (a)	FERC Licensed Project No. 0 Plant Name: Victoria (b)	FERC Licensed Project No. 0 Plant Name: (c)
1	Kind of Plant (Run-of-River or Storage)	storage	
2	Plant Construction type (Conventional or Outdoor)	conventional	
3	Year Originally Constructed	1930	
4	Year Last Unit was Installed	1930	
5	Total installed cap (Gen name plate Rating in MW)	12.00	0.00
6	Net Peak Demand on Plant-Megawatts (60 minutes)	11	0
7	Plant Hours Connect to Load	7,911	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	41,254,120	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	2,718,749	0
18	Roads, Railroads, and Bridges	288,922	0
19	Asset Retirement Costs	0	0
20	TOTAL cost (Total of 14 thru 19)	20,098,151	0
21	Cost per KW of Installed Capacity (line 20 / 5)	1,674.8459	0.0000
22	Production Expenses		
23	Operation Supervision and Engineering	307,995	0
24	Water for Power	0	0
25	Hydraulic Expenses	348,944	0
26	Electric Expenses	54,075	0
27	Misc Hydraulic Power Generation Expenses	28,974	0
28	Rents	90	0
29	Maintenance Supervision and Engineering	39,056	0
30	Maintenance of Structures	29,142	0
31	Maintenance of Reservoirs, Dams, and Waterways	93,458	0
32	Maintenance of Electric Plant	1,579,753	0
33	Maintenance of Misc Hydraulic Plant	435	0
34	Total Production Expenses (total 23 thru 33)	2,481,922	0
35	Expenses per net KWh	0.0602	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) 12/31/2011	Year/Period of Report End of 2011/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		4,885,793	2,719,986
3	Hoist*	1925	4.40		11,157,282	17,413,879
4	McClure	1919	8.00		32,152,443	23,990,034
5	Cataract ** Sold February 2011					
6						
7						
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9	* Includes Silver Lake					
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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) 12/31/2011	Year/Period of Report End of 2011/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
1,236,357	152,632		69,985			2
3,935,200	435,846		180,880			3
2,998,754	358,968		278,218			4
	10,345		2,940			5
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Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/30/12		Year of Report December 31, 2011	
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 2 3 4 5 6 7	Cataract	Sold	1.3			2/2/2011	North American Hydro Hydro Holdings 116 State Street Neshkoro, WI 54960
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 9 10 11 12 13 14	Victoria #2 Pricket #1 & #2 Victoria #1 & #2 Pricket #1 & #2 Portage CT	Unit Rewind Spillway Modification Spillway Modification Penstock Replacement Unit Awaiting Rotor Repair	6 2.2 12 2.2 22.6	Jun-11 Jun-11 Jan-12 Jun-12 Jul-10	Oct-11 Dec-11 Dec-12 Nov-12 Mar-13		
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 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 23 24 25 26 27 28							

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Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/30/12	Year of Report December 31, 2011		
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							
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Name of Respondent Upper Peninsula Power Company			This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/30/12		Year of Report December 31, 2011			
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 (Name Plate Ratings in megawatts) (q)	Line No.
Design Head (h)	RPM (i)	Maximum Hp. Capacity of Unit at Design Head (j)	Year Installed (k)	Voltage (l)	Phase (m)	Fre- quency or d.c. (n)	Name Plate Rating of Unit (in MW) (o)	No. of Units in Plant (p)		
210	300	9,000	1930	11,500	3	60	6	2	12	1
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Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/30/12		Year of Report December 31, 2011	
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							
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Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/12	Year of Report December 31, 2011				
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 (Name Plate Ratings in Mw) (n)	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)	
30295	1973	12,500	3	60	24.6	1	1
31900	1987	12500	3	60	22.6	1	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) 12/31/2011	Year/Period of Report End of 2011/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) 12/31/2011	Year/Period of Report End of 2011/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	27				26
469	63	31				27
						28
						29
						30
						31
						32
						33
						34
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						38
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Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/12	Year of Report December 31, 2011
ELECTRIC DISTRIBUTION METERS AND LINE TRANSFORMERS				
<p>1. Report below the information called for concerning distribution watt-hour meters and line transformers.</p> <p>2. Include watt-hour demand distribution meters, but not external demand meters.</p> <p>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.</p>				
Line No.	Item (a)	Number of Watt-Hours Meters (b)	LINE TRANSFORMERS	
			Number (c)	Total Capacity (In Mva) (d)
1	Number at Beginning of Year	63,802	23,483	671
2	Additions During Year			
3	Purchases	2,118	508	15
4	Associated with Utility Plant Acquired			
5	TOTAL Additions (Enter Total of lines 3 and 4)	2,118	508	15
6	Reduction During Year			
7	Retirements	957	448	16
8	Associated with Utility Plant Sold		13	3
9	TOTAL Reductions (Enter Total of lines 7 and 8)	957	461	19
10	Number at End of Year (Lines 1+ 5 - 9) *	64,963	23,530	667
11	In Stock	3,677	687	45
12	Locked Meters on Customers' Premises			
13	Inactive Transformers on System			
14	In Customers' Use	61,286	22,843	622
15	In Company's Use			
16	Total End of Year (Enter Total of lines 11 to 15. This line should equal line 10)	64,963	23,530	667

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