

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, 2014																	
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>DENISE LEPISTO</td><td>Title:</td><td>MANAGER OF ACCOUNTING</td></tr><tr><td colspan="4">Address: 500 NORTH WASHINGTON STREET</td></tr><tr><td>City:</td><td>ISHPEMING</td><td>State:</td><td>MI Zip: 49849</td></tr><tr><td colspan="2">Telephone, Including Area Code:</td><td colspan="2">(906) 485-4505</td></tr></table>		Name:	DENISE LEPISTO	Title:	MANAGER OF ACCOUNTING	Address: 500 NORTH WASHINGTON STREET				City:	ISHPEMING	State:	MI Zip: 49849	Telephone, Including Area Code:		(906) 485-4505	
Name:	DENISE LEPISTO	Title:	MANAGER OF ACCOUNTING														
Address: 500 NORTH WASHINGTON STREET																	
City:	ISHPEMING	State:	MI Zip: 49849														
Telephone, Including Area Code:		(906) 485-4505															
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><input type="checkbox"/></td><td></td><td>were forwarded to the Commission</td></tr><tr><td><input type="checkbox"/></td><td></td><td>will be forwarded to the Commission</td></tr><tr><td colspan="3"><u>on or about</u></td></tr></table>		<input type="checkbox"/>		were forwarded to the Commission	<input type="checkbox"/>		will be forwarded to the Commission	<u>on or about</u>									
<input type="checkbox"/>		were forwarded to the Commission															
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<u>on or about</u>																	
Annual reports to stockholders: <table><tr><td><input type="checkbox"/></td><td></td><td>are published</td></tr><tr><td><input checked="" type="checkbox"/></td><td>X</td><td>are not published</td></tr></table>		<input type="checkbox"/>		are published	<input checked="" type="checkbox"/>	X	are not published										
<input type="checkbox"/>		are published															
<input checked="" type="checkbox"/>	X	are not published															

FOR ASSISTANCE IN COMPLETION OF THIS FORM:

Contact the Michigan Public Service Commission (Heather Cantin) at
(517) 284-2866 or cantinh@michigan.gov OR forward correspondence to:

Michigan Public Service Commission
Financial Analysis & Audit Division (Heather Cantin)
7109 W. Saginaw Hwy
P.O. Box 30221
Lansing, MI 48909



Deloitte & Touche LLP
Suite 1400
555 East Wells Street
Milwaukee, WI 53202-3824
USA

Tel: +1 414 271 3000
Fax: +1 414 347 6200
www.deloitte.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Upper Peninsula Power Company:

We have audited the accompanying financial statements of Upper Peninsula Power Company (the "Company"), which comprise the balance sheet — regulatory basis as of December 31, 2014, and the related statements of income — regulatory basis, retained earnings — regulatory basis, and cash flows — regulatory basis for the year then ended, included on pages 110(M) through 123 of the accompanying Michigan Public Service Commission Form P-521, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements 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 includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the regulatory-basis financial statements referred to above present fairly, in all material respects, the assets, liabilities, and proprietary capital of Upper Peninsula Power Company as of December 31, 2014, 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.

Basis of Accounting

As discussed in Note A to the financial statements, 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 basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Restricted Use

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

May 6, 2015

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: <div style="text-align: center;">Michigan Public Service Commission (Regulated Energy Division) Financial Analysis and Customer Choice Section 6545 Mercantile Way P.O. Box 30221 Lansing, MI 48909</div>
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.	<u>Commission Authorization (Comm. Auth.)</u> - 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.	<u>Respondent</u> - 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, 2014
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 DENISE LEPISTO	06 Title of Contact Person MANAGER OF ACCOUNTING	
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) 485-4505	09 This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	10 Date of Report (Mo, Da,Yr) April 30, 2015
ATTESTATION		
The undersigned officer certifies that he/she has examined the accompanying report; that to the best of his/her knowledge, information, and belief, all statements of fact contained in the accompanying report are true and the accompanying report is a correct statement of the business and affairs of the above named respondent in respect to each and every matter set forth therein during the period from and including January 1 and including December 31 of the year of the report.		
01 Name Steve Manz	03 Signature 	04 Date Signed (Mo, Da,Yr) April 30, 2015
02 Title Chief Financial Officer		

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2015	Year of Report December 31, 2014
Upper Peninsula Power Company			
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</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</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</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</p> <p>Nuclear Fuel Materials 202-203</p> <p>Electric Plant in Service M 204-211</p> <p>Electric Plant Leased to Others 213</p> <p>Electric Plant Held for Future Use 214</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</p> <p>Nonutility Property M 221</p> <p>Investment in Subsidiary Companies 224-225</p> <p>Materials and Supply 227</p> <p>Allowances 228-229</p> <p>Extraordinary Property Losses 230B</p> <p>Unrecovered Plant and Regulatory Study Costs 230B</p> <p>Other Regulatory Assets M 232</p> <p>Miscellaneous Deferred Debits M 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</p> <p>Capital Stock Subscribed, Capital Stock Liability for Conversion Premium on Capital Stock, and Installments Received on Capital Stock 252</p>			
		<p>None</p> <p>Page 107 - None</p> <p>See FERC Form 1, Pages 108-109</p> <p>See FERC Form 1, Pages 110-113</p> <p>See FERC Form 1, Pages 114-117</p> <p>See FERC Form 1, Pages 118-119</p> <p>See FERC Form 1, Pages 120-121</p> <p>See FERC Form 1, Pages 122-123</p> <p>See FERC Form 1, Pages 200-201</p> <p>None</p> <p>See FERC Form 1, Pages 204-207</p> <p>None</p> <p>None</p> <p>See FERC Form 1, Page 219</p> <p>See FERC Form 1, Pages 224-225</p> <p>See FERC Form 1, Page 227</p> <p>None</p> <p>None</p> <p>None</p> <p>See FERC Form 1, Page 232</p> <p>See FERC Form 1, Page 233</p> <p>See FERC Form 1, Pages 250-251</p> <p>None</p>	

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2015	Year of Report December 31, 2014
Upper Peninsula Power Company			
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	See FERC Form 1, Page 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	See FERC Form 1, Page 261	
Calculation of Federal Income Tax	M 262-263	See FERC Form 1, Pages 262-263	
Taxes Accrued, Prepaid and Charged During Year	M 262-263	See FERC Form 1, Pages 262-263	
Distribution of Taxes Charged	M 266-267	See FERC Form 1, Pages 266-267	
Accumulated Deferred Investment Tax Credits	269	See FERC Form 1, Page 269	
Other Deferred Credits			
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		
Other Regulatory Liabilities	M 278	See FERC Form 278	
INCOME ACCOUNT SUPPORTING SCHEDULES			
Electric Operating Revenues	M 300-301	See FERC Form 1, Pages 300-301	
Sales of Electricity by Rate Schedules	304	See FERC Form 1, Page 304	
Sales for Resale	310-311	See FERC Form 1, Pages 310-311	
Electric Operation and Maintenance Expenses	320-323	See FERC Form 1, Pages 320-323	
Number of Electric Department Employees	323		
Purchased Power	326-327	See FERC Form 1, Pages 326-327	
Transmission of Electricity for Others	328-330	None	
Transmission of Electricity by Others	332	See FERC Form 1, Page 332	
Miscellaneous General Expenses - Electric	M 335	See FERC Form 1, Page 335	
Depreciation and Amortization of Electric Plant	M 336-337	See FERC Form 1, Pages 336-337	
Particulars Concerning Certain Income Deduction and Interest Charges Accounts	340		
COMMON SECTION			
Regulatory Commission Expenses	350-351	See FERC Form 1, Pages 350-351	
Research, Development and Demonstration Activities	352-353	None	
Distribution of Salaries and Wages	354-355	See FERC Form 1, Pages 354-355	
Common Utility Plant and Expenses	356	None	
ELECTRIC PLANT STATISTICAL DATA			
Monthly Transmission System Peak Load	M 400	None	
Electric Energy Account	401	See FERC Form 1, Page 401a	
Monthly Peaks and Output	401	See FERC Form 1, Page 401b	
Steam-Electric Generating Plant Statistics (Large Plants)	402-403	See FERC Form 1, Pages 402-403	
Hydroelectric Generating Plant Statistics (Large Plants)	406-407	See FERC Form 1, Pages 406-407	
Pumped Storage Generating Plant Statistics (Large Plants)	408-409	None	
Generating Plant Statistics (Small Plants)	410-411	See FERC Form 1, Pages 410-411	

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original	Date of Report (Mo, Da, Yr)	Year of Report
Upper Peninsula Power Company	(2) <input type="checkbox"/> A Resubmission	04/30/2015	December 31, 2014

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
Renewable Energy Resources	432	
Renewable Energy Resource Expenses	433	
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	None
Construction Work In Progress and Completed Construction Not Classified - Electric	216	
Accumulated Provision for Depreciation and Amortization of Nonutility Property	221	
Investments	222-223	See FERC Form 1, Pages 224-225
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	
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	

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Upper Peninsula Power Company			
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	None	
Steam-Electric Generating Plants	413A-B	None	
Hydroelectric Generating Plants	414-415		
Pumped Storage Generating Plants	416-418	None	
Internal Combustion Engine and Gas Turbine Generating Plants	420-421		

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2015	Year of Report December 31, 2014
Upper Peninsula Power Company			
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>Steve Manz, 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	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2015	Year of Report December 31, 2014
<p align="center">CONTROL OVER RESPONDENT & OTHER ASSOCIATED COMPANIES</p>			
<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>1. Upper Peninsula Power Company is a wholly-owned subsidiary of Upper Peninsula Power Holding Company.</p>			

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2015	Year of Report December 31, 2014		
Upper Peninsula Power Company					
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	Barbara A. Siehr Chief Executive Officer	173,488	16,902	D	190,390
2	Steve Manz Chief Financial Officer	130,115	15,794	D	145,909
3	Keith E. Moyle Vice President & General Manager	232,461	None	None	232,461
4					
5					
1	Footnote Data				
2					
3					
4					
5					
<p>Compensation Type Codes:</p> <p>A = Executive Incentive Compensation</p> <p>B = Incentive Plan (Matching Employer Contribution)</p> <p>C = Stock Plans</p> <p>D = Other Reimbursements</p>					

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2015	Year of Report December 31, 2014
Upper Peninsula Power Company			
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 Barbara A. Siehr, Chief Executive Officer	500 North Washington Ishpeming, MI 49849	2	N/A
2 Jeffrey R. Neil	One Grand Central Place 60 East 42nd Street, Suite 3020 New York, NY 10165	2	N/A
3 Robert J. Gregor	One Grand Central Place 60 East 42nd Street, Suite 3020 New York, NY 10165	2	N/A
4 Robert J. Keough	One Grand Central Place 60 East 42nd Street, Suite 3020 New York, NY 10165	2	N/A
5			
6			
<p><u>Footnote Data</u></p> <p>1</p> <p>2</p> <p>3</p>			

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2015	Year of Report December 31, 2014
Upper Peninsula Power Company			
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:</p> <p>By Proxy:</p>			
<p>3. Give the date and place of such 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 12/31/2014	Year/Period of Report End of 2014/Q4
IMPORTANT CHANGES DURING THE QUARTER/YEAR			
<p>Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none," "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.</p> <p>1. Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.</p> <p>2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.</p> <p>3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.</p> <p>4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization.</p> <p>5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.</p> <p>6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.</p> <p>7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.</p> <p>8. State the estimated annual effect and nature of any important wage scale changes during the year.</p> <p>9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.</p> <p>10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 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.</p> <p>11. (Reserved.)</p> <p>12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be included on this page.</p> <p>13. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.</p> <p>14. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.</p>			
<p>PAGE 108 INTENTIONALLY LEFT BLANK SEE PAGE 109 FOR REQUIRED INFORMATION.</p>			

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2014	Year/Period of Report 2014/Q4
Upper Peninsula Power Company			
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

1. None.
2. None.
3. None.
4. None.
5. None.
6. Short Term Notes Payable to Affiliates up to \$15,000,000 FERC authorization, Federal Power Act - Section 204 - Docket EC14-68-000.
7. There were no changes in the articles of incorporation or by-laws during this time.
8. Union employees received a 3% general wage increase effective April 13, 2014. Non-union employees received a 2.6% adjustment on February 23, 2014.
9. None.
10. There was no materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder, voting trustee, associated company or known associate had a material interest.
11. Reserved.
12. There were no important changes during the year related to the respondent company with the exception of the announced sale.
13. All prior officers appointed under Integrys Energy Group, Inc. were removed from those positions on August 28, 2014. Barbara A. Siehr was appointed Chief Executive Officer on August 28, 2014. Steve Manz was appointed Chief Financial Officer on August 28, 2014.
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) 12/31/2014	Year/Period of Report End of 2014/Q4
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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	273,973,423	269,702,164
3	Construction Work in Progress (107)	200-201	4,243,354	1,835,514
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		278,216,777	271,537,678
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	110,282,398	104,928,959
6	Net Utility Plant (Enter Total of line 4 less 5)		167,934,379	166,608,719
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202-203	0	0
8	Nuclear Fuel Materials and 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	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	0	0
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		0	0
14	Net Utility Plant (Enter Total of lines 6 and 13)		167,934,379	166,608,719
15	Utility Plant Adjustments (116)		0	0
16	Gas Stored Underground - Noncurrent (117)		0	0
17	OTHER PROPERTY AND INVESTMENTS			
18	Nonutility Property (121)		11,535,599	11,175,248
19	(Less) Accum. Prov. for Depr. and Amort. (122)		1,392,983	1,184,239
20	Investments in Associated Companies (123)		0	0
21	Investment in Subsidiary Companies (123.1)	224-225	0	16,290,882
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)		0	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	25,000
29	Special Funds (Non Major Only) (129)		1,135,712	0
30	Long-Term Portion of Derivative Assets (175)		0	278
31	Long-Term Portion of Derivative Assets - Hedges (176)		0	0
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		11,278,328	26,307,169
33	CURRENT AND ACCRUED ASSETS			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		264,989	638,667
36	Special Deposits (132-134)		1,647,677	1,335,396
37	Working Fund (135)		0	0
38	Temporary Cash Investments (136)		2,500,000	0
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		10,377,325	9,611,748
41	Other Accounts Receivable (143)		905,354	608,716
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		400,000	400,000
43	Notes Receivable from Associated Companies (145)		0	0
44	Accounts Receivable from Assoc. Companies (146)		0	80,169
45	Fuel Stock (151)	227	453,023	533,921
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	1,139,570	1,152,078
49	Merchandise (155)	227	0	0
50	Other Materials and Supplies (156)	227	0	0
51	Nuclear Materials Held for Sale (157)	202-203/227	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) 12/31/2014	Year/Period of Report End of 2014/Q4
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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)(Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
53	(Less) Noncurrent Portion of Allowances		0	0
54	Stores Expense Undistributed (163)	227	10,208	30,257
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)		707,736	3,978,463
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		0	3
60	Rents Receivable (172)		0	0
61	Accrued Utility Revenues (173)		5,591,342	5,265,928
62	Miscellaneous Current and Accrued Assets (174)		5,869,648	5,496,438
63	Derivative Instrument Assets (175)		513,559	605,217
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)		0	278
65	Derivative Instrument Assets - Hedges (176)		0	0
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)		0	0
67	Total Current and Accrued Assets (Lines 34 through 66)		29,580,431	28,936,723
68	DEFERRED DEBITS			
69	Unamortized Debt Expenses (181)		1,198,275	24,395
70	Extraordinary Property Losses (182.1)	230a	0	0
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230b	0	0
72	Other Regulatory Assets (182.3)	232	71,773,406	52,685,627
73	Prelim. Survey and Investigation Charges (Electric) (183)		0	0
74	Preliminary Natural Gas Survey and Investigation Charges 183.1)		0	0
75	Other Preliminary Survey and Investigation Charges (183.2)		0	0
76	Clearing Accounts (184)		65,425	0
77	Temporary Facilities (185)		0	0
78	Miscellaneous Deferred Debits (186)	233	259,104	215,539
79	Def. Losses from Disposition of Utility Plt. (187)		0	0
80	Research, Devel. and Demonstration Expend. (188)	352-353	0	0
81	Unamortized Loss on Reacquired Debt (189)		1,817,544	2,291,685
82	Accumulated Deferred Income Taxes (190)	234	67,090,826	7,544,579
83	Unrecovered Purchased Gas Costs (191)		0	0
84	Total Deferred Debits (lines 69 through 83)		142,204,580	62,761,825
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		350,997,718	284,614,436

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) 12/31/2014	Year/Period of Report 2014/Q4
Upper Peninsula Power Company			
FOOTNOTE DATA			

Schedule Page: 110 Line No.: 82 Column: c

Acquisition Premium Goodwill, net of amortization \$62,004,185

Name of Respondent Upper Peninsula Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (mo, da, yr) 12/31/2014	Year/Period of Report end of 2014/Q4
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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (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)		0	0
5	Stock Liability for Conversion (203, 206)		0	0
6	Premium on Capital Stock (207)		0	2,205,151
7	Other Paid-In Capital (208-211)	253	78,314,089	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)	254b	0	0
11	Retained Earnings (215, 215.1, 216)	118-119	90,988,216	80,332,623
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	0	5,114,625
13	(Less) Reaquired 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)	0	0
16	Total Proprietary Capital (lines 2 through 15)		182,565,929	100,956,273
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	0	0
19	(Less) Reaquired Bonds (222)	256-257	0	0
20	Advances from Associated Companies (223)	256-257	108,200,000	60,000,000
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 (lines 18 through 23)		108,200,000	60,000,000
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		0	0
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		0	0
29	Accumulated Provision for Pensions and Benefits (228.3)		6,130,018	10,187,459
30	Accumulated Miscellaneous 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	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		571,755	551,484
35	Total Other Noncurrent Liabilities (lines 26 through 34)		6,701,773	10,738,943
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		0	0
38	Accounts Payable (232)		10,679,616	8,837,788
39	Notes Payable to Associated Companies (233)		0	8,900,000
40	Accounts Payable to Associated Companies (234)		0	4,516,506
41	Customer Deposits (235)		127,206	103,201
42	Taxes Accrued (236)	262-263	5,869,024	5,323,976
43	Interest Accrued (237)		0	0
44	Dividends Declared (238)		0	0
45	Matured Long-Term Debt (239)		0	0

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) 12/31/2014	Year/Period of Report 2014/Q4
Upper Peninsula Power Company			
FOOTNOTE DATA			

Schedule Page: 112 Line No.: 48 Column: c

Included in this account are short-term balances of pension and post-retirement obligations of \$99,921. These items previously had been recorded as Other Deferred Credits in Account 253.

Schedule Page: 112 Line No.: 48 Column: d

Included in this account are short-term balances of pension and post-retirement obligations of \$171,092. These items previously had been recorded as Other Deferred Credits in Account 253.

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2014	Year/Period of Report End of 2014/Q4
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STATEMENT OF INCOME

Quarterly

1. Report in column (c) the current year to date balance. Column (c) equals the total of adding the data in column (g) plus the data in column (i) plus the data in column (k). Report in column (d) similar data for the previous year. This information is reported in the annual filing only.
2. Enter in column (e) the balance for the reporting quarter and in column (f) the balance for the same three month period for the prior year.
3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in column (k) the quarter to date amounts for other utility function for the current year quarter.
4. Report in column (h) the quarter to date amounts for electric utility function; in column (j) the quarter to date amounts for gas utility, and in column (l) the quarter to date amounts for other utility function for the prior year quarter.
5. If additional columns are needed, place them in a footnote.

Annual or Quarterly if applicable

5. Do not report fourth quarter data in columns (e) and (f)
6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.

Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
1	UTILITY OPERATING INCOME					
2	Operating Revenues (400)	300-301	124,077,271	114,411,590		
3	Operating Expenses					
4	Operation Expenses (401)	320-323	77,332,606	73,920,304		
5	Maintenance Expenses (402)	320-323	9,190,765	7,548,939		
6	Depreciation Expense (403)	336-337	8,304,503	7,967,316		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337				
8	Amort. & Depl. of Utility Plant (404-405)	336-337	168,174	150,141		
9	Amort. of Utility Plant Acq. Adj. (406)	336-337		17,799		
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)		1,193,473	1,193,474		
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	6,231,399	5,932,269		
15	Income Taxes - Federal (409.1)	262-263	4,701,052	-695,244		
16	- Other (409.1)	262-263	896,652	368,866		
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	12,067,006	11,011,164		
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	10,662,352	5,307,600		
19	Investment Tax Credit Adj. - Net (411.4)	266	-51,298	-75,708		
20	(Less) Gains from Disp. of Utility Plant (411.6)					
21	Losses from Disp. of Utility Plant (411.7)					
22	(Less) Gains from Disposition of Allowances (411.8)					
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)					
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		109,371,980	102,031,720		
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117, line 27		14,705,291	12,379,870		

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2014	Year/Period of Report End of 2014/Q4
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STATEMENT OF INCOME FOR THE YEAR (Continued)

9. Use page 122 for important notes regarding the statement of income for any account thereof.

10. 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 material refund to the utility with respect to power or gas purchases. State for each year effected 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 retain such revenues or recover amounts paid with respect to power or gas purchases.

11. 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.

12. If any notes appearing in the report to stockholders are applicable to the Statement of Income, such notes may be included at page 122.

13. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.

14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.

15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year to Date (in dollars) (g)	Previous Year to Date (in dollars) (h)	Current Year to Date (in dollars) (i)	Previous Year to Date (in dollars) (j)	Current Year to Date (in dollars) (k)	Previous Year to Date (in dollars) (l)	
						1
124,077,271	114,411,590					2
						3
77,332,606	73,920,304					4
9,190,765	7,548,939					5
8,304,503	7,967,316					6
						7
168,174	150,141					8
	17,799					9
1,193,473	1,193,474					10
						11
						12
						13
6,231,399	5,932,269					14
4,701,052	-695,244					15
896,652	368,866					16
12,067,006	11,011,164					17
10,662,352	5,307,600					18
-51,298	-75,708					19
						20
						21
						22
						23
						24
109,371,980	102,031,720					25
14,705,291	12,379,870					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) 12/31/2014		Year/Period of Report End of 2014/Q4	
STATEMENT OF INCOME FOR THE YEAR (continued)							
Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL		Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)	
			Current Year (c)	Previous Year (d)			
27	Net Utility Operating Income (Carried forward from page 114)		14,705,291	12,379,870			
28	Other Income and Deductions						
29	Other Income						
30	Nonutility Operating Income						
31	Revenues From Merchandising, Jobbing and Contract Work (415)						
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)						
33	Revenues From Nonutility Operations (417)		1,162,780	1,102,265			
34	(Less) Expenses of Nonutility Operations (417.1)		1,552,990	1,166,780			
35	Nonoperating Rental Income (418)		350	350			
36	Equity in Earnings of Subsidiary Companies (418.1)	119	1,447,495	2,216,768			
37	Interest and Dividend Income (419)		2,314	1,538			
38	Allowance for Other Funds Used During Construction (419.1)						
39	Miscellaneous Nonoperating Income (421)		26,430	76,229			
40	Gain on Disposition of Property (421.1)		1,094,873				
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		2,181,252	2,230,370			
42	Other Income Deductions						
43	Loss on Disposition of Property (421.2)						
44	Miscellaneous Amortization (425)						
45	Donations (426.1)		690,873	63,367			
46	Life Insurance (426.2)						
47	Penalties (426.3)		160	579			
48	Exp. for Certain Civic, Political & Related Activities (426.4)		17,102	20,140			
49	Other Deductions (426.5)		1,349,417	104,725			
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		2,057,552	188,811			
51	Taxes Applicable to Other Income and Deductions						
52	Taxes Other Than Income Taxes (408.2)	262-263	224,500	225,440			
53	Income Taxes-Federal (409.2)	262-263	-6,669	-751,334			
54	Income Taxes-Other (409.2)	262-263	-31,269	-28,772			
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	1,280,353	1,749,591			
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277	1,324,082	313,980			
57	Investment Tax Credit Adj.-Net (411.5)		-311	-467			
58	(Less) Investment Tax Credits (420)						
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		142,522	880,478			
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		-18,822	1,161,081			
61	Interest Charges						
62	Interest on Long-Term Debt (427)						
63	Amort. of Debt Disc. and Expense (428)		28,943	5,047			
64	Amortization of Loss on Reacquired Debt (428.1)		474,142	474,141			
65	(Less) Amort. of Premium on Debt-Credit (429)						
66	(Less) Amortization of Gain on Reacquired Debt-Credit (429.1)						
67	Interest on Debt to Assoc. Companies (430)		3,403,831	2,868,383			
68	Other Interest Expense (431)		59,787	15,421			
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)						
70	Net Interest Charges (Total of lines 62 thru 69)		3,966,703	3,362,992			
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		10,719,766	10,177,959			
72	Extraordinary Items						
73	Extraordinary Income (434)						
74	(Less) Extraordinary Deductions (435)						
75	Net Extraordinary Items (Total of line 73 less line 74)						
76	Income Taxes-Federal and Other (409.3)	262-263					
77	Extraordinary Items After Taxes (line 75 less line 76)						
78	Net Income (Total of line 71 and 77)		10,719,766	10,177,959			

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) 12/31/2014	Year/Period of Report 2014/Q4
Upper Peninsula Power Company			
FOOTNOTE DATA			

Schedule Page: 114 Line No.: 2 Column: g
Includes \$2,781,810 for FERC Order 668-A.

Schedule Page: 114 Line No.: 2 Column: h
Includes \$1,360,991 for FERC Order 668-A.

Schedule Page: 114 Line No.: 4 Column: g
Includes \$2,781,810 for FERC Order 668-A.

Schedule Page: 114 Line No.: 4 Column: h
Includes \$1,360,991 for FERC Order 668-A.

Schedule Page: 114 Line No.: 67 Column: c

Interest on Long Term Debt to Associated Companies	\$3,381,467
Interest on Short Term Debt to Associated Companies	22,364
	<u>\$3,403,831</u>

Schedule Page: 114 Line No.: 67 Column: d

Interest on Long Term Debt to Associated Companies	\$2,808,727
Interest on Short Term Debt to Associated Companies	59,656
	<u>\$2,868,383</u>

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2015	Year of Report December 31, 2014
Upper Peninsula Power Company			
RECONCILIATION OF DEFERRED INCOME TAX EXPENSE			
1. Report on this page the charges to accounts 410, 411 and 420 reported in the contra accounts 190, 281, 282, 283 and 284. 2. The charges to the subaccounts of 410 and 411 found on pages 114-117 should agree with the subaccount totals reported on these pages.		In the event the deferred income tax expenses reported on pages 114-117 do not directly reconcile with the amounts found on these pages, then provide the additional information requested in instruction #3, on a separate page.	
Line No.		Electric Utility	Gas Utility
1	Debits to Account 410 from:		
2	Account 190	7,455,723	
3	Account 281		
4	Account 282	1,097,062	
5	Account 283	3,514,221	
6	Account 284		
7	Reconciling Adjustments		
8	TOTAL Account 410.1 (on pages 114-115 line 17)	12,067,006	0
9	TOTAL Account 410.2 (on page 117 line 55)		
10	Credits to Account 411 from:		
11	Account 190	(8,937,432)	
12	Account 281		
13	Account 282	(71,021)	
14	Account 283	(1,653,900)	
15	Account 284		
16	Reconciling Adjustments		
17	TOTAL Account 411.1 (on page 114-115 line 18)	(10,662,353)	0
18	TOTAL Account 411.2 (on page 117 line 56)		
19	Net ITC Adjustment:		
20	ITC Utilized for the Year DR		
21	ITC Amortized for the Year CR	(51,298)	
22	ITC Adjustments:		
23	Adjust last year's estimate to actual per filed return		
24	Other (specify)		
25	Net Reconciling Adjustments Account 411.4*	(51,298)	0
26	Net Reconciling Adjustments Account 411.5**		
27	Net Reconciling Adjustments Account 420***		

* on pages 114-15 line 19

** on page 117 line 57

*** on page 117 line 58

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original	Date of Report (Mo, Da, Yr)	Year of Report
Upper Peninsula Power Company	(2) <input type="checkbox"/> A Resubmission	04/30/2015	December 31, 2014

RECONCILIATION OF DEFERRED INCOME TAX EXPENSE				
3. (a) Provide a detailed reconciliation of the applicable deferred income tax expense subaccount(s) reported on pages 114-117 with the amount reported on these pages. (b) Identify all contra accounts (other than accounts 190 and 281-284). (c) Identify the company's regulatory authority to utilize contra accounts other than accounts 190 or 281-284 for the recording of deferred income tax expense(s).				
Other Utility	Total Utility	Other Income	Total Company	Line No.
	7,455,723	918,921	8,374,644	1
				2
				3
	1,097,062	459,458	1,556,520	4
	3,514,221		3,514,221	5
				6
				7
0	12,067,006			8
		1,378,379		9
	(8,937,432)	(1,410,654)	(10,348,086)	10
				11
	(71,021)	(11,454)	(82,475)	13
	(1,653,900)		(1,653,900)	14
				15
				16
0	(10,662,353)			17
		(1,422,108)		18
			0	19
				20
	(51,298)	(311)	(51,609)	21
				22
			0	23
			0	24
0	(51,298)	(311)		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) 12/31/2014	Year/Period of Report End of 2014/Q4
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STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. 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)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. 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.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. 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.
9. 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)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance-Beginning of Period		80,299,437	70,543,505
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4				
5				
6	Equity Earnings		1,447,495	2,216,768
7				
8				
9	TOTAL Credits to Retained Earnings (Acct. 439)		1,447,495	2,216,768
10				
11				
12				
13				
14				
15	TOTAL Debits to Retained Earnings (Acct. 439)			
16	Balance Transferred from Income (Account 433 less Account 418.1)		9,272,271	7,961,191
17	Appropriations of Retained Earnings (Acct. 436)			
18	Change in amortization Reserve-Federal in accordance			
19				
20				
21				
22	TOTAL Appropriations of Retained Earnings (Acct. 436)			
23	Dividends Declared-Preferred Stock (Account 437)			
24				
25				
26				
27				
28				
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)			
30	Dividends Declared-Common Stock (Account 438)			
31				
32	Dividends of Def Comp Fixed Stock		2,052	(513)
33	Dividends of Def Comp Rest Stock		36,193	(5,180)
34				
35				
36	TOTAL Dividends Declared-Common Stock (Acct. 438)		38,245	(5,693)
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings	216.1	-102,418	(416,334)
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		90,955,030	80,299,437
	APPROPRIATED RETAINED EARNINGS (Account 215)			

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2014	Year/Period of Report End of 2014/Q4
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1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. 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)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. 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.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. 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.
9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

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) 12/31/2014	Year/Period of Report 2014/Q4
Upper Peninsula Power Company			
FOOTNOTE DATA			

Schedule Page: 118 Line No.: 52 Column: c

Reflects transfer to Integrys of undistributed earnings in ATC.

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2014	Year/Period of Report End of 2014/Q4
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STATEMENT OF CASH FLOWS

(1) Codes to be used: (a) Net Proceeds or Payments; (b) Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.

(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.

(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 in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.

(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
1	Net Cash Flow from Operating Activities:		
2	Net Income (Line 78(c) on page 117)	10,719,766	10,177,959
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	8,681,500	8,266,439
5	Amortization of		
6	Regulatory Assets & Liabilities	1,759,002	2,772,050
7			
8	Deferred Income Taxes (Net)	1,360,925	7,142,832
9	Investment Tax Credit Adjustment (Net)		-76,175
10	Net (Increase) Decrease in Receivables	-2,030,177	631,411
11	Net (Increase) Decrease in Inventory	113,455	-118,522
12	Net (Increase) Decrease in Allowances Inventory		
13	Net Increase (Decrease) in Payables and Accrued Expenses	9,272,944	291,199
14	Net (Increase) Decrease in Other Regulatory Assets		-675,570
15	Net Increase (Decrease) in Other Regulatory Liabilities		
16	(Less) Allowance for Other Funds Used During Construction		
17	(Less) Undistributed Earnings from Subsidiary Companies	127,732	429,787
18	Other (provide details in footnote):		
19	Pension & Post Retirement Liability	-27,191,900	-2,226,660
20	Other Changes in Working Capital beside Cash	-375,951	-2,424,625
21	Other Items	-1,954,699	77,948
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	227,133	23,408,499
23			
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	-10,789,215	-16,667,545
27	Gross Additions to Nuclear Fuel		
28	Gross Additions to Common Utility Plant		
29	Gross Additions to Nonutility Plant	-400,458	-2,812,339
30	(Less) Allowance for Other Funds Used During Construction		
31	Other (provide details in footnote):		
32	Proceeds from the sale of Property	146,066	216,794
33	Other Investing	1,134,900	
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-9,908,707	-19,263,090
35			
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)		
38	Other Financing		138,835
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) 12/31/2014	Year/Period of Report End of 2014/Q4
STATEMENT OF CASH FLOWS				
<p>(1) Codes to be used: (a) Net Proceeds or Payments; (b) Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.</p> <p>(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.</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 in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.</p> <p>(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.</p>				
Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)	
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 (provide details in footnote):			
54				
55				
56	Net Cash Provided by (Used in) Investing Activities			
57	Total of lines 34 thru 55)	-9,908,707	-19,124,255	
58				
59	Cash Flows from Financing Activities:			
60	Proceeds from Issuance of:			
61	Long-Term Debt (b)	108,200,000	20,000,000	
62	Preferred Stock			
63	Common Stock			
64	Other (provide details in footnote):			
65	Other - debt issue costs	-1,178,927		
66	Net Increase in Short-Term Debt (c)			
67	Other (provide details in footnote):			
68	Equity contribution received from Parent	94,386,821		
69				
70	Cash Provided by Outside Sources (Total 61 thru 69)	201,407,894	20,000,000	
71				
72	Payments for Retirement of:			
73	Long-term Debt (b)	-60,000,000	-15,000,000	
74	Preferred Stock			
75	Common Stock			
76	Other (provide details in footnote):			
77	Other Financing			
78	Net Decrease in Short-Term Debt (c)	-8,900,000	-3,025,000	
79	Return of Capital to Parent	-120,700,000	-6,500,000	
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)	11,807,894	-4,525,000	
84				
85	Net Increase (Decrease) in Cash and Cash Equivalents			
86	(Total of lines 22,57 and 83)	2,126,320	-240,756	
87				
88	Cash and Cash Equivalents at Beginning of Period	638,669	879,425	
89				
90	Cash and Cash Equivalents at End of period	2,764,989	638,669	

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 12/31/2014	Year/Period of Report End of 2014/Q4
NOTES TO FINANCIAL STATEMENTS			
<p>1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.</p> <p>2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.</p> <p>3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.</p> <p>4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.</p> <p>5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.</p> <p>6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.</p> <p>7. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.</p> <p>8. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.</p> <p>9. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.</p>			
<p>PAGE 122 INTENTIONALLY LEFT BLANK SEE PAGE 123 FOR REQUIRED INFORMATION.</p>			

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2014	Year/Period of Report 2014/Q4
Upper Peninsula Power Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

NOTES TO FINANCIAL STATEMENTS

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

The accompanying financial statements have been prepared in accordance with the accounting requirements of the Federal Energy Regulatory Commission ("FERC") as set forth in the Uniform System of Accounts and accounting releases, which differs from United States Generally Accepted Accounting Principles ("GAAP"). As required by the FERC, Upper Peninsula Power Company ("UPPCO" or the "Company") classifies certain items in its 2014 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 recognized as a component of accumulated depreciation, whereas these costs are classified as a regulatory liability for GAAP.
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 as a net purchase or net sale for each hour on the statements of income, whereas the transactions of these two markets are combined 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 Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"), whereas the Form 1 is reported in accordance with the FERC-issued accounting guidance. As such, in the Form 1, deferred income taxes are recognized 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.
6. The FERC requires that the current portion of regulatory assets and liabilities be recorded as regulatory assets within deferred debits and regulatory liabilities within deferred credits, whereas the GAAP financial statement presentation reports these as current assets and liabilities.

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 subject to the jurisdiction of, and regulation by, the Michigan Public Service Commission ("MPSC"). UPPCO 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 statements of income, balance sheets, statements of retained earnings, and statements 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 UPPCO, but over which it has significant influence regarding the operating and financial policies of the investee, are accounted for using the equity method. The purchase price from the sale of UPPCO in August 2014 as described in Note 2 has not been reflected ("pushed down") in the financial statements.

c. Use of Estimates

UPPCO prepares the 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.

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d. Cash and Cash Equivalents

Short-term investments with an original maturity of three months or less are reported as cash equivalents. Cash received for income taxes was \$4,417.6 thousand in 2014 and cash paid for income taxes was \$1,555.9 thousand during 2013. Cash paid for interest was \$3,403.8 thousand and \$2,880.4 thousand at December 31, 2014, and 2013, respectively.

e. Operating Revenues and Customer Accounts Receivable

Revenues related to the sale of energy are recognized when service is provided or energy is delivered to customers. UPPCO also accrues estimated amounts of revenues for services provided or energy delivered but not yet billed to customers. Estimated unbilled revenues are calculated using a variety of judgments and assumptions related to customer class, contracted rates, weather, and customer use. At December 31, 2014, and 2013, UPPCO's unbilled revenues were \$5,591.3 thousand and \$5,265.9 thousand, respectively. Unbilled revenues are recorded on the balance sheet in FERC Account 173.

UPPCO presents revenue net of pass-through taxes on the income statement.

Below is a summary of the significant mechanisms UPPCO had in place in 2014 that allowed the Company to recover or refund changes in prudently incurred costs from rate case-approved amounts:

- Fuel and purchased power costs were recovered from retail electric customers on a one-for-one basis.
- Billings to customers under the MPSC jurisdiction included base rate charges and a power supply cost recovery factor. UPPCO 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. UPPCO 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.
- UPPCO's current rates do not include a decoupling calculation, however the Company was recovering prior years undercollection amounts. See Note 13, "Regulatory Environment," for more information.

Revenues are also impacted by other accounting policies related to UPPCO's participation in the Midcontinent Independent System Operator, Inc. ("MISO") market. Sales of power are reported as revenue and purchases are recorded as operating expenses in the income statements. See Note A, "FERC Form 1 Compared to Generally Accepted Accounting Principles," for more information.

f. Inventories

Inventories consist of plant material and operating supplies and fossil fuels, including coal. Average cost is used to value materials and supplies and fossil fuels.

g. Utility Plant

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. Maintenance, repair, replacement, and renewal costs associated with items not qualifying as units of property are considered operating expenses. Except for land, no gains or losses are recognized in connection with ordinary retirements of utility property units. Ordinary retirements, sales, and other disposals of units of property at UPPCO are charged to accumulated depreciation at cost, less salvage value. The cost of removal associated with the retirement is also charged to accumulated depreciation.

UPPCO records straight-line depreciation expense over the estimated useful life of utility property, using depreciation rates as approved by the MPSC. UPPCO's annual utility composite depreciation rates for the years ending December 31, 2014, and 2013, were 3.26% and 3.29%, respectively.

Nonutility property mainly consists of three Escanaba River Hydros (8.94 MW total) purchased from Escanaba Paper Company. New Page Corporation will purchase all energy produced by the hydros through March 31, 2023.

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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. Recovery or refund of regulatory assets and liabilities is based on specific periods determined by the MPSC or occurs over the normal operating period of the assets and liabilities to which they relate. If at any reporting date a previously recorded regulatory asset is no longer probable of recovery, the regulatory asset is reduced to the amount considered probable of recovery with the reduction charged to expense in the year the determination is made. See Note 4, *Regulatory Assets and Liabilities*, for more information.

i. Retirement of Debt

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

j. Asset Retirement Obligations

UPPCO recognizes at fair value legal obligations associated with the retirement of tangible long-lived assets that result from the acquisition, construction or development, and/or normal operation of the assets. A liability is recorded for these obligations as long as the fair value can be reasonably estimated, even if the timing or method of settling the obligation is unknown. The asset retirement obligations are accreted using a credit-adjusted risk-free interest rate commensurate with the expected settlement dates of the asset retirement obligations. This rate is determined at the date the obligation is incurred. The associated retirement costs are capitalized as part of the related long-lived assets and are depreciated over the useful lives of the assets. Subsequent changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or decrease in the carrying amount of the liability and the associated retirement costs. See Note 6, *"Asset Retirement Obligations,"* for more information.

k. Environmental Remediation Liabilities

UPPCO is subject to federal and state environmental laws and regulations that in the future may require it to pay for environmental remediation at sites where it has been, or may be, identified as a potentially responsible party ("PRP"). Loss contingencies may exist for the remediation of hazardous substances at various potential sites.

UPPCO records environmental remediation liabilities when site assessments indicate remediation is probable and it can reasonably estimate the loss or a range of possible losses. The estimate includes both UPPCO's share of the liability and any additional amounts that will not be paid by other PRPs or the government. When possible, UPPCO estimates costs using site-specific information but also considers historical experience for costs incurred at similar sites. Remediation efforts for a particular site generally extend over a period of several years. During this period, the laws governing the remediation process may change, as well as site conditions, potentially affecting the cost of remediation.

UPPCO has received approval to defer certain environmental remediation costs, as well as estimated future costs, through a regulatory asset. The recovery of deferred costs is subject to MPSC approval.

l. Income Taxes

UPPCO was included in the consolidated United States income tax return filed by Integrys Energy Group, Inc. ("Integrys") for activity through August 27, 2014. UPPCO settled the tax liabilities due to Integrys at the time of the sale. UPPCO will file a consolidated tax return under Upper Peninsula Power Holding Company ("UPPHC") for the period August 28, 2014, through December 31, 2014. At December 31, 2014, there was no tax liability due.

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 unless it is more likely than not that the benefit will be realized in the future. UPPCO 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 uses the deferral method of accounting for investment tax credits ("ITCs"). Under this method, UPPCO records the ITCs as deferred credits and amortizes such credits as a reduction to the provision for income taxes over the life of the asset that generated the ITCs. ITCs that do not reduce income taxes payable for the current year are eligible for carryover and recognized as a deferred income tax asset.

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

m. Employee Benefits

Prior to January 31, 2014, UPPCO accounted for its participation in pension and other postretirement plans sponsored by affiliates as multiple employer plans. Under affiliate agreements, UPPCO was responsible for its share of plan costs and obligations and is entitled to its share of plan assets. Accordingly, UPPCO accounted for its pro rata share of these plans as its own plan. In anticipation of the sale of UPPCO to Balfour Beatty Infrastructure Partners L.P. ("BBIP"), as described in Note 2, Integrys, UPPCO's prior parent, transferred the defined benefit pension obligations related to current and former UPPCO employees into a separate newly created defined benefit pension plan, sponsored by UPPCO. Prior to the close of the sale to BBIP, the benefit costs associated with employee benefit plans were allocated among Integrys' subsidiaries based on current employment status and actuarial calculations, as applicable. UPPCO's regulators allow recovery in rates for the net periodic benefit cost calculated under GAAP.

The costs of pension and other postretirement benefits are expensed over the periods during which employees render service. In computing the expected return on plan assets, UPPCO uses a market-related value of plan assets. Changes in realized and unrealized investment gains and losses were recognized over the subsequent five years, while differences between actual investment returns and the expected return on plan assets were recognized over a five-year period for the Upper Peninsula Power Company Retirement Plan.

UPPCO 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. UPPCO records changes in the funded status to regulatory asset or liability accounts, pursuant to the Regulated Operations Topic of the FASB ASC.

See Note 10, *"Employee Benefit Plans,"* for more information.

n. Risk Management Activities

As part of its regular operations, UPPCO uses derivative instruments to manage commodity costs. See Note 2, *"Risk Management Activities,"* for more information.

All derivatives are recognized on the balance sheets at their fair value unless they qualify for the normal purchases and sales exception, and are so designated. 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. Because all energy-related physical and financial derivatives at UPPCO qualify for regulatory deferral, including gains or losses on these derivative instruments, 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. As such, any changes in fair value of these instruments recorded as either derivative assets or liabilities is offset with regulatory liabilities or assets, as appropriate.

UPPCO classifies derivative assets and liabilities as current or long-term on the balance sheets based upon the maturities of the underlying contracts. UPPCO records unrealized gains and losses on derivative instruments that do not qualify for regulatory deferral as a component of operating and maintenance expense.

Derivative accounting rules provide the option to present certain asset and liability derivative positions net on the balance sheets and to net the related cash collateral against these net derivative positions. UPPCO elects not to net these items. On the balance sheets, cash collateral provided to others is reflected in special deposits.

o. 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.

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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). UPPCO uses a mid-market pricing convention (the mid-point price between bid and ask prices) as a practical measure for valuing the majority of its derivative assets and liabilities.

Fair value accounting rules provide a 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.

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

UPPCO's derivative assets and liabilities include financial transmission rights ("FTRs") used to manage transmission congestion costs in the MISO market. The valuation for FTRs is derived from historical data from MISO, which is considered a Level 3 input.

Prior to January 1, 2014, UPPCO's derivative assets and liabilities also included financial contracts entered into by IBS to manage the cost of gasoline and diesel fuel used by utility vehicles. These contracts were valued using the NYMEX end of day settlement price, which is a Level 1 input.

The fair value of long-term debt is estimated based on the quoted market price for the same or similar issues, or on the current rates offered to UPPCO for debt of the same remaining maturity. The fair values of long-term debt instruments are categorized within Level 2 of the fair value hierarchy. 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.

UPPCO conducts a review of fair value hierarchy classifications on a quarterly basis.

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

2. SALE OF UPPCO

In January 2014, Integrys reached a definitive agreement to sell all of the stock of UPPCO to BBIP for approximately \$298.8 million ("the Transaction"), plus adjustments for various items, including working capital, pension contributions, and the reimbursement of any capital expenditures made by UPPCO in 2014 prior to the sale. The Transaction received its final required regulatory approval from the FERC on August 20, 2014, and was closed on August 28, 2014.

UPPCO distributed its interest in WPS Investments LLC ("WPSI") to Integrys. WPSI's primary asset is an investment in the American Transmission Company LLC ("ATC"). The carrying value of UPPCO's interest in WPSI was \$16.4M. This distribution of WPSI to Integrys resulted in a reduction to UPPCO's equity.

Integrys contributed \$94,386.8 thousand to UPPCO in 2014. UPPCO used these proceeds and cash on hand to fund its pension plan (\$27,767.6 thousand), repay debt between Integrys and UPPCO (\$60,000.0 thousand) and repay a note between Integrys and UPPCO (\$8,900.0 thousand).

UPPHC loaned UPPCO \$108.2 million. These funds of \$108,200.0 thousand were subsequently returned to UPPHC as a distribution of capital.

UPPHC made a 338(h)(10) election which stepped up the tax basis of UPPCO's assets to fair value (as defined by the tax code) as of the acquisition date. This step up in tax basis resulted in the elimination of almost all of the deferred tax assets and liabilities of UPPCO (net deferred tax liabilities of \$68.9 million) in that it eliminated substantially all temporary differences between book and tax basis in assets. Through the date of the Transaction, UPPCO had accrued \$6.4 million for taxes payable. The tax liability was assumed by Integrys and

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combined with the 338(h)(10) election resulted in a \$75.3M increase in equity.

Also a result of the 338(h)(10) election, UPPCO now has tax goodwill in excess of its book goodwill (UPPHC did not push the purchase price down to UPPCO for book reporting purposes). The result of the temporary difference between book and tax goodwill is the recording of a deferred tax asset of \$38.1 million. The establishment of this deferred tax asset resulted in an increase to equity of \$38.1 million.

Following the sale, Integrys is providing various administrative and operational services to UPPCO during a transition period of 18 to 30 months.

See Note 8, Income Taxes for a discussion of the income tax effects of the Transaction.

See Note 14, Investments in WPS Investments, LLC for a discussion regarding the WPSI transfers to Integrys.

3. RISK MANAGEMENT ACTIVITIES

UPPCO uses FTRs to manage electric transmission congestion costs. Prior to Integrys' sale of UPPCO to UPPHC, Integrys Business Support ("IBS"), a wholly owned subsidiary of Integrys entered into financial derivative contracts on behalf of UPPCO and other Integrys subsidiaries to manage the cost of gasoline and diesel fuel used by utility vehicles. Beginning January 1, 2014, UPPCO did not enter into any new derivative contracts. None of UPPCO's derivatives are designed as hedges for accounting purposes.

The tables below show assets and liabilities from risk management activities:

(Thousands)	Balance Sheet Presentation	December 31, 2014	
		Assets	Liabilities
FTRs	Current	\$ 513.6	\$ 1.2
Total		\$ 513.6	\$ 1.2

(Thousands)	Balance Sheet Presentation	December 31, 2013	
		Assets	Liabilities
FTRs	Current	\$ 603.9	\$ —
Petroleum product contracts	Current	1.0	1.2
Petroleum product contracts	Long-term	0.3	—
	Current	604.9	1.2
	Long-term	0.3	—
Total		\$ 605.2	\$ 1.2

The following tables show the potential effect on UPPCO's financial position of netting arrangements for recognized derivative assets and liabilities:

(Thousands)	December 31, 2014		
	Gross Amount	Potential Effects of Netting, Including Cash Collateral	
			Net Amount
Derivative assets subject to master netting or similar arrangements	\$ 513.6	\$ —	\$ 513.6
Derivative liabilities subject to master netting or similar arrangements	—	—	—
(Thousands)	December 31, 2013		
	Gross Amount	Potential Effects of Netting, Including Cash Collateral	
			Net Amount
Derivative assets subject to master netting or similar arrangements	\$ 605.2	\$ 1.2	\$ 604.0
Derivative liabilities subject to master netting or similar arrangements	1.2	1.2	—

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Financial collateral received or provided is restricted to the extent that it is required per the terms of the related agreements. The following table shows UPPCO's cash collateral positions:

<i>(Thousands)</i>	December 31, 2014	December 31, 2013
Cash collateral provided to others related to contracts under master netting or similar arrangements	\$ 1,325.0	\$ 1,325.0

The table below shows the unrealized gains (losses) related derivative contracts:

<i>(Thousands)</i>	Financial Statement Presentation	2014	2013
FTRs	Balance Sheet – Regulatory assets (current)	\$ (24.5)	\$ (43.6)
FTRs	Balance Sheet – Regulatory liabilities (current)	(36.3)	(92.3)
Petroleum	Income Statement — Operating and maintenance expense	0	7.4

UPPCO had the following notional volumes of outstanding derivative contracts:

	Purchases	
	December 31, 2014	December 31, 2013
FTRs (millions of kilowatts)	264.1	206.1
Petroleum products (barrels)	0	2,374.0

4. REGULATORY ASSETS AND LIABILITIES

UPPCO expects to recover its regulatory assets and incur future costs or refund its regulatory liabilities through rates charged to customers. Based on prior and current rate treatment, 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>	2014	2013	See Note
Regulatory assets			
Unrecognized pension and other postretirement benefit costs ⁽¹⁾	\$68,442.30	\$42,238.00	10
Loss on sale of hydro facilities ⁽²⁾	1,205.60	2,399.10	13
Income tax related items	0	1,892.80	8
Decoupling ⁽⁴⁾	690.8	689.9	
Environmental remediation costs (net of insurance recoveries) ⁽³⁾	825	880	
Other	609.7	585.8	
Total	\$71,773.40	\$52,685.60	
Regulatory liabilities			
Income tax related items	\$0	\$458.70	7
Derivatives	64.5	28.2	1(n)
Decoupling ⁽⁴⁾	(37.8)	218	
Total	\$26.70	\$704.90	

(1) Represents the unrecognized future pension and postretirement costs resulting from actuarial gains and losses on defined benefit and postretirement plans. UPPCO is authorized recovery of this regulatory asset over the average future remaining service life of the plans.

(2) 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.

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

(4) Decoupling appears as both a Regulatory Asset and Regulatory Liabilities due to the fact these balances reflect different revenue years.

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5. SHORT-TERM DEBT AND LINES OF CREDIT

UPPCO's short-term borrowings were as follows as of December 31, 2014, and 2013:

<i>(Thousands, except for percentages)</i>	2014	2013
Short-term notes payable outstanding to Integrys	\$ 0	\$ 8,900.0
Average interest rate on short-term notes payable to Integrys outstanding	0	0.33%

UPPCO has a revolving credit facility that was entered into on August 28, 2014 that allows for borrowings for up to a three year term for amounts up to \$15,000 thousand. Undrawn amounts are charged a commitment fee at the interest rate of 0.225%. Borrowings under the facility bear an interest rate comprised of a Base Rate (Federal Funds Rate + 0.25% or LIBOR plus 1%) plus an Applicable Margin (which ranges depending upon UPPCO's credit rating from 0.875% to 1.5% on Federal Funds based borrowings and from 0% to 0.5% for LIBOR based borrowings). UPPCO's current rate of Applicable Margin is set at 0.25% for Federal Funds borrowings and 1.25% for LIBOR borrowings. At December 31, 2014, no borrowing had occurred under the facility. The facility has been used as support for two UPPCO letters of credit since August 28, 2014 aggregating \$876 thousand, for which it is charged a letter of credit fee of 1.5%. Total unused capacity under the revolver was \$14,124 thousand at December 31, 2014.

UPPCO has a negative covenant in its loan agreements which restrict the making of distributions in the event that certain financial covenant tests are not met with respect to (a) individual or consolidated group funds from operations versus interest payments during historical periods and (b) to individual or consolidated group funds from operation less interest as a percentage of net debt.

6. LONG-TERM DEBT

Long-term debt for UPPCO consisted of long-term notes to Integrys at December 31, 2013, and to UPPHC at December 31, 2014. A summary of long-term debt outstanding at December 31, 2014, and December 31, 2013, is as follows:

<i>(Millions)</i>	2014	2013
Long-term notes payable to UPPHC		-
\$16.23 million at 3.95% due 2024	\$16,230.0	
\$27.05 million at 4.20% due 2029	27,050.0	
\$51.395 million at 4.43% due 2034	51,395.0	
\$13.525 million at 4.91% due 2044	13,525.0	
Long-term notes payable to Integrys		
\$15.0 million at 6.059% due 2017		\$15,000.0
\$10.0 million at 3.35% due 2018		10,000.0
\$15.0 million at 5.041% due 2020		15,000.0
\$20.0 million at 3.99% due 2023		20,000.0
Total long-term debt	\$108,200.0	\$60,000.0

7. ASSET RETIREMENT OBLIGATIONS

UPPCO has asset retirement obligations primarily related to asbestos abatement at certain 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 MPSC. All asset retirement obligations are recorded as other noncurrent liabilities on our balance sheet in Account 230.

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The following table shows changes to UPPCO's asset retirement obligations through December 31, 2014:

<i>(Thousands)</i>			
Asset retirement obligations at December 31, 2012	\$	534.6	
Accretion		30.7	
Additions and revisions to estimated cash flows		0	
Settlements		(13.8)	(1)
Asset retirement obligations at December 31, 2013		551.5	
Accretion		31.7	
Additions and revisions to estimated cash flows		0.0	
Settlements		(11.4)	(1)
Asset retirement obligations at December 31, 2014	\$	571.8	

(1) Settlements were for removal of PCB-contaminated transformers.

8. INCOME TAXES

The deferred income tax assets included on the balance sheets as of December 31, 2014, and 2013, primarily related to tax basis goodwill. The principal deferred income tax liabilities included on the balance sheets as of December 31, 2014, and 2013, primarily related to employee benefits. The table below details the deferred tax balances as of December 31, 2014, and 2013:

<i>(Thousands)</i>	2014	2013
Deferred Taxes Federal	\$33,553.4	(\$63,320.4)
Deferred Taxes State	3,247.4	(5,178.5)
	\$36,800.8	(\$66,485.9)

In conjunction with the Transaction, BBIP made a Sec. 338(h)(10) election. The Sec. 338(h)(10) election resulted in the Transaction being treated as an asset sale for state and federal income tax purposes. The deferred taxes at UPPCO at the time of the sale were related to the difference between book carrying values and tax carrying values. Net deferred and accrued tax liabilities were reduced by \$68.9 million as a result of the Section 338(h)(10) election. Through the date of the transaction, UPPCO had accrued \$6.4 million for taxes payable. The tax liability was assumed by Integrys and combined with the 338(h)(10) election resulted in a \$75.3 million increase in equity.

Also a result of the Sec. 338(h)(10) election, UPPCO will be entitled to future tax deductions related to amortization of tax goodwill. As a result of this treatment, UPPCO recorded a deferred tax asset that was reported as additional paid in capital in the amount of \$38,071.1 thousand. Integrys is responsible for the income tax related to 2014 activity before the sale. Certain other income tax related balances were also settled as a result of the Transaction. These include balances related to deferred investment tax credits, income tax related regulatory assets, and income tax related regulatory liabilities.

Federal and state net operating loss carry forwards available to offset future taxable income of UPPCO are \$8.9 million and \$7.0 million, which begin to expire in 2034 and 2024 respectively.

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UPPCO records certain adjustments related to deferred income taxes to regulatory assets and liabilities. As the related temporary differences reverse, UPPCO prospectively refunds taxes to or collects taxes from customers related to both deferred taxes recorded in prior years at rates potentially different than current rates and other changes in tax laws.

<i>(Thousands)</i>	2014	2013
Current provision		
Federal	\$ 4,694.4	\$ (1,412.9)
State	865.4	303.2
Total current provision	5,559.8	(1,109.7)
Deferred provision		
Federal	1,153.7	6,871.3
State	207.2	267.9
Total deferred provision	1,360.9	7,139.2
Unrecognized tax benefits	0	3.2
Investment tax credits, net	(51.6)	(76.2)
Total provision for income taxes	\$ 6,869.1	\$ 5,956.5

The effective income tax rate was 38.9% and 36.9% for the years ended 2014, and 2013, respectively. State income taxes were the only significant item impacting the reconciliation of the statutory federal income tax rate to the effective income tax rate for the years ended December 31, 2014, and 2013.

UPPCO filed income tax returns in the United States federal jurisdiction and in its major state operating jurisdiction of Michigan on a stand-alone basis or as part of Integrys filings for periods prior to 2014. For 2014, UPPCO will file tax returns under UPPHC for the period beginning August 28, 2014 through December 31, 2014. UPPCO is no longer subject to federal income tax examinations by the Internal Revenue Service ("IRS") for years prior to 2011. During 2013, the IRS completed its examination of 2009 and 2010. UPPCO is no longer subject to examination by the Michigan tax authority for years prior to 2008.

UPPCO did not have an unrecognized tax benefit liability at December 31, 2014. UPPCO had no accrued interest and no accrued penalties related to unrecognized tax benefits at December 31, 2014.

9. COMMITMENTS AND CONTINGENCIES

Unconditional Purchase Obligations and Purchase Order Commitments

UPPCO routinely enters into long-term purchase and sale commitments for various quantities and lengths of time. UPPCO has obligations to distribute and sell electricity to its customers, which extend through 2025. UPPCO expects to recover costs related to these obligations in future customer rates. The following table shows UPPCO's minimum future commitments related to these purchase obligations as of December 31, 2014:

<i>(Thousands)</i>	Total Amounts Committed	2015	2016	2017	2018	2019	Later Years
Purchased power	\$74,517.6	\$27,886.0	\$22,022.2	\$21,429.0	\$689.2	\$709.8	\$1,781.4

UPPCO also had commitments of \$7,718.2 thousand at December 31, 2014 and \$12,167.7 thousand at December 31, 2013 in the form of purchase orders issued to various vendors that relate to normal business operations.

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10. EMPLOYEE BENEFIT PLANS

Defined Benefit Plans

Prior to January 31, 2014, UPPCO participated in the Integrys Retirement Plan, a noncontributory, qualified pension plan sponsored by IBS, as well as several unfunded, nonqualified retirement plans sponsored by WPS. UPPCO also maintained an unfunded, nonqualified Supplemental Employee Retirement Plan. UPPCO was responsible for its share of the plan assets and obligations for all these plans. UPPCO's balance sheet for 2013 reflects only the liabilities associated with its past and current employees and its share of the plan assets. The defined benefit pension plans are closed to all new hires. In addition, the service accruals for the defined benefit pension plans were frozen for non-union employees as of January 1, 2013.

In anticipation of the sale of UPPCO to BBIP, Integrys transferred the defined benefit pension obligations related to current and former UPPCO employees into a separate newly created defined benefit pension plan, the Upper Peninsula Power Company Retirement Plan. Prior to the close of the sale of UPPCO stock to BBIP, UPPCO contributed \$27.8 million into the new UPPCO plan in accordance with Section 414(1) of the Internal Revenue Code and Sections 208 and 4044 of the Employee Retirement Income Security Act.

Prior to the sale of UPPCO to BBIP, Integrys also offered medical, dental, and life insurance benefits to UPPCO's active employees and their dependents. In addition, UPPCO participated in other postretirement benefit plans sponsored by WPS. Following the sale, UPPCO offered similar benefits to active employees and their dependents. UPPCO expenses the costs of these benefits as incurred.

In March 2014 obligations of certain other postretirement benefit plans were remeasured as a result of a plan design change to move participants age 65 and older to a Medicare Advantage plan starting January 1, 2015. This plan design change reduced the obligation by \$8,546.2 thousand. On August 28, 2014, at the close of the sale of UPPCO to BBIP, the obligations of UPPCO's pension plan and other postretirement benefits plans were remeasured.

The following tables provide a reconciliation of the changes in UPPCO's share of the plans' benefit obligations and fair value of assets. The table includes separate information for the period from January 1 through August 27 during which UPPCO was owned by Integrys and from August 28 through December 31 following the sale to BBIP:

Change in benefit obligation								
	2014 Total	August 28 to December 31, 2014	January 1 to August 27, 2014	2013	2014 Total	August 28 to December 31, 2014	January 1 to August 27, 2014	2013
Obligation at Start	\$101,266.4	\$118,854.5	\$101,266.4	\$110,165.3	\$30,124.0	\$31,538.3	\$30,124.0	\$33,367.0
Service Cost	741.4	308.4	433.0	852.4	686.8	233.5	453.3	837.4
Interest Cost	4,699.4	1,505.6	3,193.8	4,404.5	1,169.2	406.9	762.3	1,330.7
Plan Amendments	-	-	-	-	(8,546.2)	-	(8,546.2)	19.4
Transfer to Affiliates	-	-	-	-	9.3	-	9.3	(1.0)
Actuarial (gain) loss, net	19,869.5	745.7	19,123.7	(7,439.8)	10,643.2	806.9	9,836.3	(4,764.4)
Participant contributions	-	-	-	-	938.7	207.8	730.9	929.3
Benefit payments	(7,400.6)	(2,238.0)	(5,162.6)	(6,716.0)	(2,867.0)	(949.5)	(1,917.5)	(1,714.6)
Federal subsidy on benefits paid	-	-	-	-	85.9	-	85.9	120.2
Obligation at end	\$119,176.2	\$119,176.2	\$118,854.5	\$101,266.4	\$32,243.9	\$32,243.9	\$31,538.3	\$30,124.0
Change in fair value of plan assets								
Fair value of plan assets at start	\$94,342.8	\$122,823.4	\$94,342.8	\$83,302.7	\$26,714.5	\$27,752.4	\$26,714.5	\$24,047.0
Actual Return on plan assets	4,326.7	(1,030.3)	5,357.1	12,800.7	1,325.5	(333.8)	1,669.3	3,247.3
Employer contributions	108.9	30.9	78.0	4,955.4	88.3	74.0	14.3	206.5
Participant contributions	-	-	-	-	938.7	207.8	730.9	929.3
Benefit payments	(7,400.7)	(2,238.1)	(5,162.6)	(6,716.0)	(2,325.4)	(949.5)	(1,375.9)	(1,714.6)
Transfer to affiliates	28,208.1	-	28,208.1	-	9.3	-	9.3	(1.0)
Fair value of plan assets at end	\$119,585.9	\$119,585.9	\$122,823.4	\$94,342.8	\$26,750.9	\$26,750.9	\$27,752.4	\$26,714.5

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The amounts recognized on UPPCO's balance sheets at December 31, 2013, and December 31, 2014 related to the funded status of the benefit plans were as follows:

(Thousands)	Pension Benefits		Other Benefits	
	2014	2013	2014	2013
Noncurrent assets	1,135.7	0.0	0.0	0.0
Current liabilities	(64.8)	(120.1)	(24.1)	(25.5)
Long-term liabilities	(661.2)	(6,803.5)	(5,468.9)	(3,384.0)
Total net balance sheet asset/(liability)	409.7	(6,923.6)	(5,493.0)	(3,409.5)

As a result of contributions during 2014, UPPCO's defined benefit pension plans, in aggregate, had assets in excess of its accumulated benefit obligation as of December 31, 2014. Information for the pension plans is presented in the following table as of December 31;

	2014	2013
Projected benefit obligation	\$119,176.2	\$118,854.5
Accumulated benefit obligation	\$116,097.7	\$115,829.8
Fair value of plan assets	\$119,585.9	\$122,823.4

As a result of contributions during 2014, UPPCO's defined benefit pension plans, in aggregate, had assets in excess of its accumulated benefit obligation. Information for the pension plans is presented in the following table as of December 31:

(Thousands)	Pension Benefits			Other Benefits		
	August 28 to December 31, 2014	January 1 to August 27, 2014	2013	August 28 to December 31, 2014	January 1 to August 27, 2014	2013
Net regulatory assets						
Net actuarial loss	63,158.6	59,810.7	43,070.3	11,249.4	9,758.8	2,795.8
Prior service cost		1.9	5.8	(7,665.7)	(7,882.3)	366.1
Total	63,158.6	59,812.6	43,076.1	3,583.7	1,876.5	3,161.9

The following table shows the amounts that had not yet been recognized in UPPCO's net periodic benefit cost as of December 31, 2013, and December 31, 2014:

(Thousands)	Pension Benefits		Other Benefits	
	2014	2013	2014	2013
Net regulatory assets				
Net actuarial loss	\$ 63,158.6	\$ 43,070.3	\$ 12,949.4	\$ 2,795.8
Prior service cost	0.0	5.8	(7,665.7)	366.1
Total	\$ 63,158.6	\$ 43,076.1	\$ 5,283.7	\$ 3,161.9

The following table shows the estimated amounts that will be amortized into net periodic benefit cost during 2015:

(Thousands)	2014
Net actuarial loss	4,403.0
Prior Service Cost Credit	
Total	4,403.0

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The following table shows the components of net periodic benefit cost (including amounts capitalized to the balance sheets) for UPPCO's benefit plans. The table includes information for 2013, January 1 through August 27, 2014, and August 28 through December 31, 2014:

(Thousands)	Pension Benefits			Other Benefits		
	August 28 to December 31, 2014	January 1 to August 27, 2014	2013	August 28 to December 31, 2014	January 1 to August 27, 2014	2013
Service cost	308.4	433.1	852.4	233.5	453.4	837.4
Interest cost	1,505.6	3,193.8	4,404.5	406.9	762.3	1,330.7
Expected return on plan assets	(3,021.8)	(4,461.6)	(6,584.2)	(611.2)	(1,174.6)	(1,662.9)
Amortization of net actuarial loss (gain)	1.9	1,391.0	3,463.5	261.2	144.7	576.0
Amortization of prior service cost	1,449.9	3.8	247.3	(216.6)	(290.8)	160.8
Net periodic benefit cost (credit)	244.0	560.1	2,383.5	73.8	(105.0)	1,242.0

Assumptions – Pension and Other Postretirement Benefit Plans

The weighted-average assumptions used to determine benefit obligations for the plans were as follows for the year ended December 31, 2013, for the August 28, 2014, re-measurement and for the year ended December 31, 2014:

	Pension Benefits			Other Benefits		
	August 28 to December 31, 2014	January 1 to August 27, 2014	2013	August 28 to December 31, 2014	January 1 to August 27, 2014	2013
Discount rate	3.85%	3.90%	4.94%	3.98%	4.07%	4.96%
Rate of compensation increase	4.19%	4.19%	4.19%	N/A	N/A	N/A
Assumed medical cost trend rate	N/A	N/A	N/A	7.00%	7.00%	6.50%
Ultimate trend rate	N/A	N/A	N/A	5.00%	5.00%	5.00%
Year ultimate trend rate is reached	N/A	N/A	N/A	2023	2023	2019
Assumed dental cost trend rate	N/A	N/A	N/A	5.00%	5.00%	5.00%

The weighted-average assumptions used to determine net periodic benefit cost for the plans were as follows for the year ended December 31, 2013, for January 1 through August 27, 2014, and for August 28 through December 31, 2014:

	Pension Benefits			Other Benefits		
	August 28 to December 31, 2014	January 1 to August 27, 2014	2013	August 28 to December 31, 2014	January 1 to August 27, 2014	2013
Discount rate	3.90%	4.94%	4.08%	4.07%	4.76%	4.01%
Expected return on assets	8.00%	8.00%	8.00%	7.76%	8.00%	8.00%
Rate of compensation increase	4.19%	4.19%	4.19%	N/A	N/A	N/A
Assumed medical cost trend rate (under age 65)	N/A	N/A	N/A	7.00%	6.50%	7.00%
Ultimate trend rate	N/A	N/A	N/A	5.00%	5.00%	5.00%
Year ultimate trend rate is reached	N/A	N/A	N/A	2023	2019	2019
Assumed medical cost trend rate (over age 65)	N/A	N/A	N/A	7.00%	6.50%	7.00%
Ultimate trend rate	N/A	N/A	N/A	5.00%	5.00%	5.00%
Year ultimate trend rate is reached	N/A	N/A	N/A	2023	2019	2019
Assumed dental cost trend rate	N/A	N/A	N/A	5.00%	5.00%	5.00%

UPPCO establishes its expected return on assets assumption based on consideration of historical and projected asset class returns, as well as the target allocations of the benefit trust portfolios. For 2015, the expected return on assets assumption for the plans is 5.15%.

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Assumed health care cost trend rates have a significant effect on the amounts reported by UPPCO for the health care plans. For the year ended December 31, 2014, a one-percentage-point change in assumed health care cost trend rates would have had the following effects using the assumptions used for the August 28, 2014, re-measurement:

(Thousands)	One-Percentage-Point	
	Increase	Decrease
Effect on total of service and interest cost components of net periodic postretirement health care benefit cost	152.5	(111.9)
Effect on the health care component of the accumulated postretirement benefit obligation	(5,362.5)	4,163.5

Pension and Other Postretirement Benefit Plan Assets

UPPCO'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: 35% equity securities and 65% 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.

Pension and other postretirement benefit plan investments are recorded at fair value. See Note 1(o), "Fair Value," for more information regarding the fair value hierarchy and the classification of fair value measurements based on the types of inputs used.

The following table provides the fair values of UPPCO's investments by asset class:

December 31, 2014								
(Thousands)	Pension Plan Assets				Other Benefit Plan Assets			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Asset Class								
Cash	-	\$653.9	-	\$653.9	(\$2.1)	\$108.2	-	\$106.1
Equity securities	-	84,250.5	-	84,250.5	232.2	16,932.9	-	17,165.1
Fixed income	-	36,642.4	-	36,642.4	-	7,311.2	-	7,311.2
Total (2)		\$121,546.8		\$121,546.8	\$230.1	\$24,352.2		\$24,582.4

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(Thousands)	December 31, 2013							
	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	\$ 123.1	\$ 2,245.8	\$ —	\$ 2,368.9	\$ 0.2	\$ 272.9	\$ —	\$ 273.1
Equity securities:								
United States equity	6,152.8	27,280.4	—	33,433.2	1,511.9	7,074.6	—	8,586.5
International equity	6,993.6	26,293.4	—	33,287.0	1,776.7	6,731.0	—	8,507.7
Fixed income securities:								
United States government	—	5,735.5	—	5,735.5	6,913.8	63.2	—	6,977.0
Foreign government	—	1,034.1	147.0	1,181.1	—	—	—	—
Corporate debt	—	15,325.9	78.6	15,404.5	—	—	—	—
Asset-backed securities	—	3,787.8	—	3,787.8	—	—	—	—
Other	—	1,068.3	—	1,068.3	391.8	—	—	391.8
	13,269.5	82,771.2	225.6	96,266.3	10,594.4	14,141.7	—	24,736.1
401(h) other benefit plan assets invested as pension assets (1)	(275.2)	(1,716.9)	(4.7)	(1,996.8)	275.2	1,716.9	4.7	1,996.8
Total (2)	\$ 12,994.3	\$ 81,054.3	\$ 220.9	\$ 94,269.5	\$ 10,869.6	\$ 15,858.6	\$ 4.7	\$ 26,732.9

(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.

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

(Thousands)	Foreign Government		
	Debt	Corporate Debt	Total
Balance at beginning of 2014	147.0	78.6	225.6
Net realized and unrealized gains (losses)*	(8.6)	(3.6)	(12.2)
Purchases	0.0	0.0	0.0
Sales	(138.4)	(75.0)	(213.4)
Settlements	0.0	0.0	0.0
Transfers in of Level 3	0.0	0.0	0.0
Transfers out of Level 3	0.0	0.0	0.0
Balance at end of 2014	0.0	0.0	0.0

(Thousands)	Foreign		Asset Backed	
	Government Debt	Corporate Debt	Securities	Total
Beginning balance at January 1, 2013	\$ 250.0	\$ 58.8	\$ 4.0	\$ 312.8
Net realized and unrealized losses	(16.7)	(21.5)	0.3	(37.9)
Purchases	34.4	—	—	34.4
Sales	(120.7)	(25.1)	—	(145.8)
Settlements	—	—	(0.8)	(0.8)
Transfers into Level 3	—	84.4	—	84.4
Transfers out of Level 3	—	(18.0)	(3.5)	(21.5)
Ending balance at December 31, 2013	\$ 147.0	\$ 78.6	\$ —	\$ 225.6

Net unrealized losses related to assets still held at the end of the period	\$ (16.1)	\$ (17.0)	\$ —	\$ (33.1)
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Cash Flows Related to Pension and Other Postretirement Benefit Plans

UPPCO'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. UPPCO expects to contribute \$65.9 thousand to pension plans and \$24.5 thousand to other postretirement benefit plans in 2015, dependent on various factors affecting UPPCO, including its liquidity position and tax law changes.

The following table shows the payments, reflecting expected future service that we expect 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, which will partially offset other postretirement benefits.

(Thousands)	Pension Benefits	Other Benefits
2015	7,314.50	1,217.60
2016	7,267.50	1,255.10
2017	7,148.30	1,287.20
2018	6,947.40	1,351.60
2019	7,050.30	1,371.80
2020 through 2024	34,594.10	7,511.70

Defined Contribution Benefit Plans

Integrus maintained a 401(k) Savings Plan for substantially all of UPPCO's full-time employees until the sale of UPPCO to BBIP. Following the sale, UPPCO established a new 401(k) Savings Plan for its employees. A percentage of employee contributions were matched through an employee stock ownership plan (ESOP) contribution up to certain limits prior to the sale of UPPCO to BBIP and as a cash contribution to the 401(k) Savings Plan following the sale. Certain employees 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. UPPCO's share of the total costs incurred under all these plans was \$613.7 thousand in 2014 and \$559.9 thousand in 2013.

Integrus maintained and UPPCO continued deferred compensation plans that enable certain key employees, including some who were UPPCO's employees, to defer payment of a portion of their compensation on a pre-tax basis. Compensation is generally deferred in the form of cash and is indexed to certain investment options or Integrus common stock. The deemed dividends paid on the common stock are automatically reinvested.

Prior to the sale of UPPCO to BBIP, the portion of the deferred compensation obligation that was indexed to various investment options and allowed for distributions in cash was classified as a liability on the balance sheets. The liability is adjusted, with a charge or credit to expense, to reflect changes in the fair value of the deferred compensation obligation. Following the sale, the entire obligation is being treated in this manner. The obligation classified within other long-term liabilities was \$78.1 thousand at December 31, 2014, and \$278.1 thousand at December 31, 2013. The costs incurred under this arrangement were \$19.0 thousand in 2014 and \$36.6 thousand in 2013.

11. COMMON STOCK

UPPCO's common stock consists of common stock without par value; \$9 stated value; 3,000,000 shares authorized; 1,473,736 shares issued and outstanding. The common stock balance was \$13,263.6 thousand at December 31, 2014, and 2013. All shares of UPPCO's common stock are owned by UPPHC.

UPPHC may provide equity contributions to UPPCO or request a return of capital from UPPCO in order to maintain utility common equity levels of 55% equity and 45% debt, consistent with those allowed by the MPSC.

In conjunction with the sale of UPPCO by Integrus to UPPHC, a number of adjustments were made to UPPCO's common equity. See Note 2, Sale of UPPCO, and Note 8, Income Taxes, for a discussion of the items impacting common equity.

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12. FAIR VALUE

Fair Value Measurements

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, 2014				
(Thousands)	Level 1	Level 2	Level 3	Total
Derivative assets				
FTRs	\$ —	\$ —	\$ 513.6	\$ 513.6
Total	\$ —	\$ —	\$ 513.6	\$ 513.6

December 31, 2013				
(Thousands)	Level 1	Level 2	Level 3	Total
Derivative assets				
FTRs	\$ —	\$ —	\$ 603.9	\$ 603.9
Petroleum product contracts	1.3	—	—	1.3
Total	\$ 1.3	\$ —	\$ 603.9	\$ 605.2

The derivative assets and liabilities listed in the tables above include FTRs used to manage transmission congestion costs in the MISO market, and financial derivative contracts used to mitigate the risk associated with the market price volatility of the cost of gasoline and diesel fuel used by utility vehicles. See Note 3, "Risk Management Activities," for more information on derivative instruments. There were no transfers between the levels of the fair value hierarchy during 2014 and 2013.

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

(Thousands)	2014	2013
Balance at Beginning of Period	603.9	887.2
Net realized (losses) gains included in earnings	(460.6)	(1,030.7)
Net unrealized (losses) gains as regulatory assets or liabilities	11.8	(135.9)
Purchases	1,263.5	1,686.2
Sales	—	—
Settlements	(905.0)	(787.6)
Balance at End of Period	\$513.60	\$603.90

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.

13. REGULATORY ENVIRONMENT

On December 19, 2013, the MPSC issued a final order authorizing UPPCO to increase its retail electric rates by \$5,819.6 thousand (5.98%) effective January 1, 2014. The requested increase reflects a 10.15% return on common equity and a common equity ratio of 56.74% in UPPCO's regulatory capital structure. The reasons for the requested increase include capital investments associated with FERC mandated replacements and upgrades of hydroelectric facilities, increased uncollectibles expense, increased line clearance costs, increased system losses, and general inflation. Further, UPPCO's decoupling mechanism was terminated effective after December 31, 2013. UPPCO's previous retail electric rate increase was in January 2012. A rate realignment plan was also approved in this order authorizing UPPCO to adjust retail rates on an annual basis until a subsequent rate case was approved and in effect.

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 based on comparing actual, weather normalized margin revenue to rate case forecasted margin revenue, beginning January 1, 2013. As a result, UPPCO had no decoupling mechanism in place for 2012. UPPCO's previous retail electric rate increase was in January 2011.

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In 2012 Wisconsin Energy ("WE"), owner of the Presque Isle Power Plant in Marquette, announced its intention to close the coal-fired generation facility. Presque Isle is the biggest source of power in the Upper Peninsula. The MISO is the organization responsible for maintaining the reliability of the electric grid in the Midwest. MISO determined that Presque Isle was needed to operate the transmission system within the applicable reliability standards and designated it a System Support Resource (SSR). The owner of a SSR facility is permitted to recover the costs to remain open and operational. Those costs are paid by the customers in the SSR footprint, such as UPPCO and are charged by MISO through transmission costs and will flow through the power supply cost recovery. The SSR costs are recorded in Account 565.

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. As of December 31, 2014, UPPCO has \$445.1 thousand remaining to recover related to this deferral.

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. Recovery of the loss began on January 1, 2012. As of December 31, 2014, UPPCO has \$760.5 thousand remaining to recover related to this deferral.

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. As a result of this ruling, UPPCO reversed the decoupling revenue previously recorded for both 2011 and 2010, as of December 31, 2011. On August 14, 2012, the Commission issued an order authorizing UPPCO to recover approximately \$1,723.3 thousand for 2010 sales. The Commission stated that because UPPCO's Revenue Decoupling Mechanism ("RDM") was adopted pursuant to a settlement agreement, which is a binding contract, the UPPCO RDM must simply comport with the language of the settlement agreement. Consequently, UPPCO recovered the RDM under-collection during the period September 2012 through August 2013. One UPPCO customer who was not a party to the RDM proceedings has filed a formal complaint with the Commission regarding this issue.

On March 27, 2013, the MPSC approved a contract in Docket U-17227 for the sale of electricity generated from three hydro facilities that were once owned by Escanaba Paper Company. UPPCO purchased these hydro facilities in 1997 from Escanaba Paper Company and has been selling the power back to Escanaba Paper Company since that time. The previous contract expired for this sale. The cost, revenues and kwh of this sale are not included in UPPCO rate cases or PSCR mechanisms.

On July 8, 2014, the MPSC issued a final order approving a settlement agreement in Docket U-17555. This agreement authorized UPPCO to collect a revenue shortfall experienced in 2013 of \$619.6 thousand via the approved decoupling mechanism, and \$71.2 thousand in connection with the 2010 decoupling reconciliation. Surcharges were authorized that for the calendar year through December 31, 2015 on a service rendered basis.

Per its acquisition Settlement Agreement, UPPCO committed to providing a revenue offset of \$26 million spread over six consecutive years, to be applied to the distribution portion of each applicable tariff, effective with the date rates go into effect as approved in its next base rate case. The revenue offset is intended to hold customers harmless from factors that could impact customer rates, including the costs associated with moving UPPCO's management team and headquarters to Michigan.

14. INVESTMENT IN WPS INVESTMENTS, LLC

As of August 27, 2014, UPPCO's ownership interest in WPSI was distributed to Integrys as part of the sale agreement with BBIP. UPPCO recorded the distribution at the carrying amount of the investment. See Note 2, Sale of UPPCO.

15. RELATED PARTY TRANSACTIONS

UPPCO routinely enters into transactions with related parties, including Integrys, its subsidiaries, and other entities in which it has material interests up to the date of its sale to UPPHC on August 28, 2014, and with UPPHC thereafter.

UPPCO provided and received services, property, and other items of value to and from its previous parent, Integrys, and other subsidiaries of Integrys. All such transactions were made pursuant to an affiliated interest agreement ("Regulated Agreement") approved by the MPSC.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

Michigan Gas Utilities Corporation, Minnesota Energy Resources Corporation, The Peoples Gas Light and Coke Company, North Shore Gas Company, and Wisconsin Public Service Corporation (together with UPPCO, the "regulated subsidiaries") were all added as parties to the Regulated Agreement and, like UPPCO, could also provide and receive services, property, and other items of value to and from their parent, Integrys, and other regulated subsidiaries of Integrys. The Regulated Agreement required that all services were provided at cost.

Effective January 1, 2014, after approval by the ICC and various state commissions, a new Affiliated Interest Agreement ("Non-IBS AIA") replaced the Regulated Agreement. It governed the provision and receipt of services by Integrys subsidiaries. All services provided by any regulated subsidiary to another regulated subsidiary are priced at cost. All services provided by any regulated subsidiary to any nonregulated subsidiary are priced at the greater of cost or fair market value. All services provided by any nonregulated subsidiaries to any regulated subsidiaries are priced at the lesser of cost or fair market value. All services provided by any regulated or nonregulated subsidiary to IBS are priced at cost.

IBS provided 15 categories of services (including financial, human resources, and administrative services) to UPPCO pursuant to an affiliated interest agreement ("IBS AIA"), which had been approved, or from which UPPCO had been granted appropriate waivers, by the appropriate regulators, including the MPSC. As required by FERC regulations for centralized service companies, IBS rendered services at cost. Recovery of allocated costs is addressed in UPPCO's rate cases.

UPPCO was billed \$15,623.5 thousand in 2014 (for the period in which it was an affiliate) and \$29,897.7 thousand in 2013 for services provided by IBS. IBS was not a related party at December 31, 2014, and the amount owed to IBS at December 31, 2013 was \$1,224.6 thousand.

UPPCO provided services to American Transmission Company ("ATC"), which was an affiliate up until August 28, 2014, under an Operation and Maintenance Services Agreement for Transmission Facilities approved by the MPSC. Services were billed to ATC under this agreement at UPPCO's fully allocated cost.

After the sale of UPPCO to UPPHC on August 28, 2014, UPPHC and its parent company, BBIP AIV LP, became affiliates of UPPCO. Apart from an intercompany loan with UPPHC, there were no transactions that were directly conducted between UPPCO and its new affiliates. UPPHC and BBIP AIV LP, incurred costs on behalf of UPPCO related to its transition away from Integrys, to a refinancing of debt at UPPHC, for which UPPCO recorded its proportional share of costs in relation to the amount of its intercompany debt, and for third party banking charges. The amounts were all reimbursed at cost.

The table below includes information associated with transactions entered into with related parties as of December 31:

(Thousands)	2014	2013
Intercompany Loan Payable to UPPHC	\$108,200.0	\$0
Accounts Payable to UPPHC from UPPCO	10.1	0

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

(Thousands)	2014	2013
Electric transactions		
Purchases from WPS ⁽²⁾	\$22,964.0	\$ 22,758.59
Interest expense		
Integrys	1,846.6	2,868.4
Transactions with equity method investees		
Charges from ATC for network transmission services ⁽¹⁾	6,680.5	6,261.4
Charges to ATC for services and construction ⁽¹⁾	1,839.0	1,835.6
Income from WPS Investments, LLC ⁽¹⁾	1,447.5	2,216.8

(1) WPS Investments, LLC is a consolidated subsidiary of Integrys that was jointly owned by Integrys, WPS, and UPPCO. Up to August 28, 2014, UPPCO had a 2.42% interest in WPS Investments accounted for under the equity method. The amounts presented reflect the period from January 1, 2014 through August 27, 2014, the period during which UPPCO owned WPS Investments.

(2) Consists of purchases in accordance with UPPCO's purchase power agreement with WPS. While WPS was not an affiliate for the entire year, the 2014 number represents purchases for the full year.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

16. SUBSEQUENT EVENT

UPPCO Management has evaluated the impact of events occurring after December 31, 2014 up to April 30, 2015, the date that UPPCO's financial statements were available to be issued and has updated such evaluation for disclosure purposes through May 7, 2015. These financial statements include all necessary adjustments and disclosures resulting from these evaluations.

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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) 12/31/2014	Year/Period of Report End of 2014/Q4
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)	257,578,154	257,578,154		
4	Property Under Capital Leases				
5	Plant Purchased or Sold				
6	Completed Construction not Classified	16,395,269	16,395,269		
7	Experimental Plant Unclassified				
8	Total (3 thru 7)	273,973,423	273,973,423		
9	Leased to Others				
10	Held for Future Use				
11	Construction Work in Progress	4,243,354	4,243,354		
12	Acquisition Adjustments				
13	Total Utility Plant (8 thru 12)	278,216,777	278,216,777		
14	Accum Prov for Depr, Amort, & Depl	110,282,398	110,282,398		
15	Net Utility Plant (13 less 14)	167,934,379	167,934,379		
16	Detail of Accum Prov for Depr, Amort & Depl				
17	In Service:				
18	Depreciation	108,326,166	108,326,166		
19	Amort & Depl of Producing Nat Gas Land/Land Right				
20	Amort of Underground Storage Land/Land Rights				
21	Amort of Other Utility Plant	1,956,232	1,956,232		
22	Total In Service (18 thru 21)	110,282,398	110,282,398		
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				
33	Total Accum Prov (equals 14) (22,26,30,31,32)	110,282,398	110,282,398		

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2014	Year/Period of Report End of 2014/Q4
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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106)

1. Report below the original cost of electric plant in service according to the prescribed accounts.

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.

3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.

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.

5. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.

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)

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
1	1. INTANGIBLE PLANT		
2	(301) Organization		
3	(302) Franchises and Consents	5,959,890	
4	(303) Miscellaneous Intangible Plant		185,500
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	5,959,890	185,500
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	1,598,595	65,337
29	(332) Reservoirs, Dams, and Waterways	76,781,946	476,802
30	(333) Water Wheels, Turbines, and Generators	626,229	
31	(334) Accessory Electric Equipment	4,596,752	450,112
32	(335) Misc. Power Plant Equipment	779,942	14,214
33	(336) Roads, Railroads, and Bridges	900,562	
34	(337) Asset Retirement Costs for Hydraulic Production		
35	TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)	85,914,753	1,006,465
36	D. Other Production Plant		
37	(340) Land and Land Rights	63,016	
38	(341) Structures and Improvements	203,796	
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	672,035	17,596
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)	5,862,834	17,596
46	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)	91,920,921	1,024,061

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2014	Year/Period of Report End of 2014/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
			5,959,890	3
			185,500	4
			6,145,390	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
50,439			1,613,493	28
			77,258,748	29
			626,229	30
			5,046,864	31
1,118			793,038	32
			900,562	33
				34
51,557			86,869,661	35
				36
			63,016	37
			203,796	38
			1,351,574	39
			2,487,784	40
			1,056,338	41
61,131			628,500	42
			28,291	43
				44
61,131			5,819,299	45
112,688			92,832,294	46

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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)					
Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)		
47	3. TRANSMISSION PLANT				
48	(350) Land and Land Rights				
49	(352) Structures and Improvements				
50	(353) Station Equipment				
51	(354) Towers and Fixtures				
52	(355) Poles and Fixtures				
53	(356) Overhead Conductors and Devices				
54	(357) Underground Conduit				
55	(358) Underground Conductors and Devices				
56	(359) Roads and Trails				
57	(359.1) Asset Retirement Costs for Transmission Plant				
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)				
59	4. DISTRIBUTION PLANT				
60	(360) Land and Land Rights	745,813			
61	(361) Structures and Improvements	1,234,260			
62	(362) Station Equipment	28,808,775	242,227		
63	(363) Storage Battery Equipment				
64	(364) Poles, Towers, and Fixtures	32,836,265	1,182,695		
65	(365) Overhead Conductors and Devices	17,303,281	419,946		
66	(366) Underground Conduit				
67	(367) Underground Conductors and Devices	19,022,963	1,474,753		
68	(368) Line Transformers	24,893,146	914,578		
69	(369) Services	14,733,138	226,399		
70	(370) Meters	5,044,591	272,036		
71	(371) Installations on Customer Premises	415,865	4,349		
72	(372) Leased Property on Customer Premises				
73	(373) Street Lighting and Signal Systems	1,925,763	12,038		
74	(374) Asset Retirement Costs for Distribution Plant	-49,058			
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	146,914,802	4,749,021		
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	6,796,896	26,668		
88	(391) Office Furniture and Equipment	1,176,898	47,004		
89	(392) Transportation Equipment	7,985,446	1,045,575		
90	(393) Stores Equipment	104,040			
91	(394) Tools, Shop and Garage Equipment	1,768,392	40,512		
92	(395) Laboratory Equipment	1,878,234	80,225		
93	(396) Power Operated Equipment	1,236,315	98,245		
94	(397) Communication Equipment	3,533,924	55,113		
95	(398) Miscellaneous Equipment	36,000			
96	SUBTOTAL (Enter Total of lines 86 thru 95)	24,711,676	1,393,342		
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)	24,906,551	1,393,342		
100	TOTAL (Accounts 101 and 106)	269,702,164	7,351,924		
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)	269,702,164	7,351,924		

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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					47
					48
					49
					50
					51
					52
					53
					54
					55
					56
					57
					58
					59
			745,813		60
			1,234,260		61
192,953		-28,000	28,830,049		62
					63
225,080			33,793,880		64
82,410			17,640,817		65
					66
54,141			20,443,575		67
264,417			25,543,307		68
50,990			14,908,547		69
708,834			4,607,793		70
14,511			405,703		71
					72
27,047			1,910,754		73
			-49,058		74
1,620,383		-28,000	150,015,440		75
					76
					77
					78
					79
					80
					81
					82
					83
					84
					85
			195,531		86
74,561			6,749,003		87
29,358			1,194,544		88
293,790			8,737,231		89
			104,040		90
		-36,017	1,772,887		91
		36,017	1,994,476		92
26,178			1,308,382		93
923,707		28,000	2,693,330		94
			36,000		95
1,347,594		28,000	24,785,424		96
					97
			194,875		98
1,347,594		28,000	24,980,299		99
3,080,665			273,973,423		100
					101
					102
					103
3,080,665			273,973,423		104

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) 12/31/2014	Year/Period of Report 2014/Q4
Upper Peninsula Power Company			
FOOTNOTE DATA			

Schedule Page: 204 Line No.: 62 Column: f

Transfer between Accounts 362 and 397

Schedule Page: 204 Line No.: 91 Column: f

Transfer between Accounts 394 and 395

Schedule Page: 204 Line No.: 92 Column: f

Transfer between Accounts 394 and 395

Schedule Page: 204 Line No.: 94 Column: f

Transfer between Accounts 362 and 397

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) 04/30/2015	December 31, 2014
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	Barnum Substation - Add 138KV Transformers	1,970,424		Not Available
2	Ishpeming - Install 33KV Underground Line - Hematite Drive	940,705		Not Available
3	Enbridge Pipe Substation - Construct new 60.4KV Substation	457,289		875,359
4	Silver Lake Hydro - Seepage Remediation	211,271		788,729
5	Ishpeming Service Center - Purchase E86082 Tracked Vehicle to Replace E85780	156,981		Not Available
6	Houghton - Reconstructor Calumet/Waterworks	144,471		67,807
7	Della Service Center - Purchase T19306 4-Drum Puller	100,716		Not Available
8	Projects With Balances Less Than \$100,000	261,497	2,785,126	Not Available
9	Victoria Hydro - Spillway Adequacy		8,814,463	
10	M-26 Install 18,500 feet 4/0 3-Phase Underground		586,677	
11	Prickett Hydro - Electrical Modernization		415,959	
12	US Highway 41 - SBA Towers Inc. Revenue Extension		365,856	
13	Ishpeming - 34.5KV Mather "A" Substation to Agnoli Street		281,819	
14	Houghton - Install 25,000 Feet 4/0 Underground		268,665	
15	Houghton Service Center - Purchase V75011 to Replace V72330		238,260	
16	Ishpeming - Install 33KV Underground Across City/School		231,196	
17	Nejee Road Rebuild Mc Clure 34KV from Substation to Dam		216,153	
18	Iron River - Relocate Poles to Back Side of Right of Way		210,726	
19	Houghton - Relocate and Install 44 Poles		194,800	
20	UPPCO - PowerPlan Software Licenses		185,500	
21	Hoist Hydro - Replace Intake Gate/Stem & Monorail		165,034	
22	Ishpeming - Replace Underground Primary in Maple Hill Subdivision		159,400	
23	Munising Service Center - Purchase V95004		154,386	
24	Ishpeming Service Center - Purchase V95003 to Replace V96020		152,484	
25	Houghton Service Center - Purchase V95002 to Replace V96010		152,279	
26	M-26 Install 11,900 Feet Underground 1-Phase		128,066	
27	UPPCO - 2014 Capital Tool Project		126,831	
28	Seney Substation - Install New RTU		121,017	
29	Gwinn to Princeton Tie Project		114,043	
30	Ishpeming - Barnum Substation Ely/Westwood Exit		113,355	
31	Ishpeming Service Center - Purchase V65002 to Replace V62990		108,261	
32	Helen Lake to Casey Lake Replace Existing Overhead Primary With New Underground		104,913	
33				
34				
35	TOTAL	4,243,354	16,395,269	Not Available

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2015	Year of Report December 31, 2014
Upper Peninsula Power Company			
CONSTRUCTION OVERHEADS - ELECTRIC			
<p>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.</p> <p>2. On page 218 furnish information concerning construction overheads.</p> <p>3. A respondent should not report "none" to this page if no overhead apportionments are made, but rather</p> <p>should explain on page 218 the accounting procedures employed and the amounts of engineering, supervision and administrative costs, etc., which are directly charged to construction.</p> <p>4. Enter on this page engineering, supervision, administrative, and allowance for funds used during construction, etc., which are first assigned to a blanket work order and then prorated to construction jobs.</p>			
Line No.	Description of Overhead (a)	Total Amount Charged for the Year (b)	
1	Internal Design, Engineering and Supervision	339,809	
2	External Design, Engineering and Supervision	27,078	
3			
4			
5			
6			
7			
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39	TOTAL	366,887	

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) 04/30/2015	December 31, 2014

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>Specific overhead expenditures incurred for the benefit of particular projects are distributed directly to such individual jobs and allocated to direct construction costs monthly.</p> <p>Allowance for Funds Used During Construction ("AFUDC") is calculated on the average monthly eligible Construction Work In Progress ("CWIP") balance using the FERC methodology. AFUDC is capitalized and compounded monthly and is allocated to each jurisdiction using the current jurisdictional split similar to the basic cost record plant. Any differences between the retail methodology and FERC methodology results in a retail-only difference, which is capitalized in Account 107. These differences result due to (1) retail AFUDC being calculated on 50% of average monthly eligible CWIP (except for any directly assignable FERC CWIP) and (2) retail AFUDC using the overall cost of capital as approved in the PSCW rate case, which was at an annual rate of 2.3810% debt and 5.6990% equity.</p>

COMPUTATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION RATES																																								
<p>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.</p>																																								
<p>1. Components of Formula (Derived from actual book balances and actual cost rates):</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 8%;">Line No.</th> <th style="width: 32%;">Title (a)</th> <th style="width: 15%;">Amount (b)</th> <th style="width: 20%;">Capitalization Ratio (Percent) (c)</th> <th style="width: 25%;">Cost Rate Percentage (d)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td>Average Short-Term Debt & Computation of Allowance Text</td> <td style="text-align: center;">S</td> <td style="background-color: black;"></td> <td></td> </tr> <tr> <td style="text-align: center;">2</td> <td>Short-Term Interest</td> <td></td> <td></td> <td style="text-align: right;">s .939%</td> </tr> <tr> <td style="text-align: center;">3</td> <td>Long-Term Debt</td> <td style="text-align: center;">D</td> <td></td> <td style="text-align: right;">d 5.1605%</td> </tr> <tr> <td style="text-align: center;">4</td> <td>Preferred Stock</td> <td style="text-align: center;">P</td> <td></td> <td></td> </tr> <tr> <td style="text-align: center;">5</td> <td>Common Equity</td> <td style="text-align: center;">C</td> <td></td> <td style="text-align: right;">c 10.15%</td> </tr> <tr> <td style="text-align: center;">6</td> <td>Total Capitalization</td> <td style="text-align: right;">\$0</td> <td style="text-align: right;">100%</td> <td></td> </tr> <tr> <td style="text-align: center;">7</td> <td>Average Construction Work In Progress Balance</td> <td style="text-align: center;">W</td> <td style="background-color: black;"></td> <td></td> </tr> </tbody> </table>	Line No.	Title (a)	Amount (b)	Capitalization Ratio (Percent) (c)	Cost Rate Percentage (d)	1	Average Short-Term Debt & Computation of Allowance Text	S			2	Short-Term Interest			s .939%	3	Long-Term Debt	D		d 5.1605%	4	Preferred Stock	P			5	Common Equity	C		c 10.15%	6	Total Capitalization	\$0	100%		7	Average Construction Work In Progress Balance	W		
Line No.	Title (a)	Amount (b)	Capitalization Ratio (Percent) (c)	Cost Rate Percentage (d)																																				
1	Average Short-Term Debt & Computation of Allowance Text	S																																						
2	Short-Term Interest			s .939%																																				
3	Long-Term Debt	D		d 5.1605%																																				
4	Preferred Stock	P																																						
5	Common Equity	C		c 10.15%																																				
6	Total Capitalization	\$0	100%																																					
7	Average Construction Work In Progress Balance	W																																						
<p>2. Gross Rate for Borrowed Funds</p> $\frac{S}{W} + \frac{D}{D+P+C} (1 - \frac{S}{W})$																																								
<p>3. Rate for Other Funds</p> $[1 - \frac{S}{W}] [p \frac{P}{D+P+C} + c \frac{C}{D+P+C}]$																																								
<p>4. Weighted Average Rate Actually Used for the Year:</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) 12/31/2014	Year/Period of Report End of 2014/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	103,140,901	103,140,901		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	8,304,503	8,304,503		
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	296,210	296,210		
8	Other Accounts (Specify, details in footnote):				
9	182375 ARC Deprec. Expense	-15,206	-15,206		
10	TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)	8,585,507	8,585,507		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	3,080,665	3,080,665		
13	Cost of Removal	450,692	450,692		
14	Salvage (Credit)	136,823	136,823		
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	3,394,534	3,394,534		
16	Other Debit or Cr. Items (Describe, details in footnote):	-5,708	-5,708		
17					
18	Book Cost or Asset Retirement Costs Retired				
19	Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18)	108,326,166	108,326,166		

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

20	Steam Production				
21	Nuclear Production				
22	Hydraulic Production-Conventional	20,350,517	20,350,517		
23	Hydraulic Production-Pumped Storage				
24	Other Production	5,163,466	5,163,466		
25	Transmission				
26	Distribution	70,608,994	70,608,994		
27	Regional Transmission and Market Operation				
28	General	12,203,189	12,203,189		
29	TOTAL (Enter Total of lines 20 thru 28)	108,326,166	108,326,166		

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) 12/31/2014	Year/Period of Report 2014/Q4
Upper Peninsula Power Company			
FOOTNOTE DATA			

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

Other Debit or Credit Items:
 ARO Reclass (254 to 182.3) \$ (5,788)
 Other Transfers and Reclassifications 80
 Total Other \$ (5,708)

Schedule Page: 219 Line No.: 22 Column: c

End Balance \$20,350,517
 Less: 108 ARO Depreciation (Non-Rate Base) -
 Add: 182.3 ARO COR Depr (Rate Base) -
 Ending Rate Base Reserve \$20,350,517

Schedule Page: 219 Line No.: 24 Column: c

Other Production:
 End Balance \$5,163,466
 Less: 108 ARO Depreciation (Non-Rate Base) -
 Add: 182.3 ARO COR Depr (Rate Base) -
 Ending Rate Base Reserve \$5,163,466

Schedule Page: 219 Line No.: 26 Column: c

End Balance \$70,608,994
 Less: 108 ARO Depreciation (Non-Rate Base) (87,866)
 Add: 182.3 ARO COR Depr (Rate Base) 199,255
 Ending Rate Base Reserve \$70,720,383

Schedule Page: 219 Line No.: 28 Column: c

End Balance \$12,203,189
 Less: 108 ARO Depreciation (Non-Rate Base) (169,850)
 Add: 182.3 ARO COR Depr (Rate Base)
 Ending Rate Base Reserve \$12,033,339

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

End Balance \$108,326,166
 Less: 108 ARO Depreciation (Non-Rate Base) (257,716)
 Add: 182.3 ARO COR Depr (Rate Base) 199,255
 Ending Rate Base Reserve \$108,267,705

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) 04/30/2015	December 31, 2014

NONUTILITY PROPERTY (Account 121)				
1. Give a brief description and state the location of nonutility property included in Account 121.		4. List separately all property previously devoted to public service and give date of transfer to Account 121, Nonutility Property.		
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.		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.		
3. Furnish particulars (details) concerning sales, purchases, or transfers of Nonutility Property during the year.				

Line No.	Description and Location (a)	Balance at Beginning of Year (b)	Purchases, Sales Transfers, etc. (c)	Balance at End of Year (d)
1	Two (2) Dam Sites in Baraga &			
2	Houghton County	9,949	0	9,949
3	Land Ontonagon River Area	1,900,555	1	1,900,556
4	Land City of Gladstone	55,031	0	55,031
5	Escanaba River Hydros Delta County	2,358,189	118,656	2,476,845
6	Boney Falls Delta County	5,714,006	264,043	5,978,049
7	Boney Falls Ontonagon County	454,061	1	454,062
8	Eastern Hydro Dams	681,738	(40,027)	641,711
9	CWIP	1,719	17,677	19,396
10				
11				
12				
13				
14				
15				
16				
17				
	TOTAL	11,175,248	360,351	11,535,599

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	1,184,240
2	Accruals for Year, Charged to	
3	(417) Income from Nonutility Operations	208,823
4	(418) Nonoperating Rental Income	
5	Other Accounts (Specify):	
6		
7	TOTAL Accruals for Year (Enter Total of lines 3 thru 6)	208,823
8	Net Charges for Plant Retired:	
9	Book Cost of Plant Retired	(40,027)
10	Cost of Removal	
11	Salvage (Credit)	1,134,900
12	TOTAL Net Charges (Enter Total of lines 9 thru 11)	1,094,873
13	Other Debit or Credit Items (Describe):	
14	(Gain)/Loss Related to Land Sales	(1,094,873)
	Transfer from Utility Property	(80)
15	Balance, End of Year (Enter Total of lines 1, 7, 12, and 14)	1,393,063

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) 04/30/2015	December 31, 2014
FOOTNOTE DATE					
Page Number (a)	Line Number (b)	Column Number (c)	Comments (d)		
221	3	(c)	Rounding		
221	5	(c)	Capital Additions to Escanaba Dam #1 and #3		
221	6	(c)	Capital Additions to Boney Falls		
221	7	(c)	Rounding		
221	8	(c)	Sale of Au Train Property		
221	9	(c)	Capital Additions to Boney Falls		

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2014	Year/Period of Report End of 2014/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	12/27/2000		16,287,732
2	2.42% Interest			
3	Equity Interest in Company			
4				
5				
6	ATC Management, Inc.	01/01/2001		3,150
7	1.91% Voting Interest			
8	Common Equity			
9				
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33				
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35				
36				
37				
38				
39				
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41				
42	Total Cost of Account 123.1 \$	0	TOTAL	16,290,882

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2014	Year/Period of Report End of 2014/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.
	1,447,494			1
				2
				3
				4
				5
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				9
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				41
	1,447,494			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) 12/31/2014	Year/Period of Report 2014/Q4
Upper Peninsula Power Company			
FOOTNOTE DATA			

Schedule Page: 224 Line No.: 3 Column: g

Upper Peninsula Power Company's ownership interest in WPS Investments was transferred to Integrys Energy Group, Inc. on August 27, 2014. There was no revenue recorded in 2014 on Upper Peninsula Power Company's books.

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

Upper Peninsula Power Company's ownership interest in American Transmission Company was transferred to Integrys Energy Group, Inc., on August 27, 2014. There was no revenue recorded on Upper Peninsula Power Company's books for 2014.

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2015	Year of Report December 31, 2014
Upper Peninsula Power Company			
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) accounts receivable from directors, officers, and 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)	9,611,748	10,377,325
3	Other Accounts Receivable (Account 143) * (Disclose any capital stock subscriptions received)	608,716	905,353
4	TOTAL	10,220,464	11,282,678
5	Less: Accumulated Provision for Uncollectible Accounts-Cr. (Account 144) **	400,000	400,000
6	TOTAL, Less Accumulated Provision for Uncollectible Accounts	9,820,464	10,882,678
7			
8			
9			
10			
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	400,000				400,000
2	Prov. for uncollectibles for current year	723,143				723,143
3	Account written off (less)	839,738				839,738
4	Coll. of accounts written off	116,595				116,595
5	Adjustments (explain): To reserve based on modified black motor formula					0
6	Balance end of year	400,000	0	0	0	400,000
7						
8						
9						
10						
11						

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/2015	December 31, 2014

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.		
<p>* NOTE: "Associated companies" means companies or persons that, directly or indirectly, through one or more intermediaries, control, or are controlled by, or are under common control with, the account company. This includes related parties.</p> <p>"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.</p>						
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	<u>Upper Peninsula Power Company</u>					
2	Accounts Receivable				0	
3	Inventory Receivable				0	
4	Total	0	0	0	0	
5						
6	<u>Accounts Receivable:</u>					
7	Michigan Gas Utilities Corporation	256	8,635	8,891	0	
8	Integrus Business Support, LLC	70,240	77,209	147,449	0	
9	Wisconsin Public Service Corporation	9,673	229,223	238,896	0	
10					0	
11					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					0	
29					0	
30					0	
31					0	
32					0	
33					0	
34					0	
35					0	
36	TOTAL	80,169	315,067	395,236	0	0

NOTE: All information presented pertains to Account 146. Account 145 had no activity during 2014.

Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 12/31/2014	Year/Period of Report End of <u>2014/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)	533,921	453,023	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)	624,668	648,251	Electric	
6	Assigned to - Operations and Maintenance				
7	Production Plant (Estimated)				
8	Transmission Plant (Estimated)				
9	Distribution Plant (Estimated)	527,410	491,320	Electric	
10	Regional Transmission and Market Operation Plant (Estimated)				
11	Assigned to - Other (provide details in footnote)				
12	TOTAL Account 154 (Enter Total of lines 5 thru 11)	1,152,078	1,139,571		
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)	30,257	10,208	Electric & Gas	
17					
18					
19					
20	TOTAL Materials and Supplies (Per Balance Sheet)	1,716,256	1,602,802		

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) 04/30/2015	December 31, 2014

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	533,921		
2	Received during year			
3	TOTAL	533,921	0	0
4	Used during year (specify department)	80,898		
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15	Sold or transferred			
16	TOTAL DISPOSED OF	80,898	0	0
17	BALANCE END OF YEAR	453,023	0	0

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		04/30/2015		December 31, 2014	
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.	
226,866	533,921					1	
						2	
226,866	533,921	0	0	0	0	3	
56,472	80,898					4	
						5	
						6	
						7	
						8	
						9	
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						11	
						12	
						13	
						14	
						15	
56,472	80,898	0	0	0	0	16	
170,394	453,023	0	0	0	0	17	

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) 04/30/2015	December 31, 2014
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	Ad Valorem Property Taxes	5,657,170	
2	MI Energy Optimization	143,253	
3	AP Accrual Pending Final Distribution	69,225	
4			
5			
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25	TOTAL	5,869,648	

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2014	Year/Period of Report End of 2014/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	Warden Ash Site Monitoring	880,000			55,000	825,000
2						
3	Minimum Pension Liability Adjustment	46,237,966	201,325,042		179,120,693	68,442,315
4						
5	ARO Depr/Accr NonRate Base	678,591	749,986		744,922	683,655
6						
7	ARO COR Rate Base	(193,468)	394,259		400,046	-199,255
8						
9	Derivatives	100,784	76,513		52,036	125,261
10						
11	Autrain	1,258,287			813,210	445,077
12						
13	Cataract	1,140,790			380,263	760,527
14						
15	Deferred Tax 2010 Healthcare	1,892,800			1,892,800	
16						
17	Decoupling	689,877	72,196		71,247	690,826
18						
19						
20	See Footnote					
21						
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44	TOTAL :	52,685,627	202,617,996		183,530,217	71,773,406

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) 12/31/2014	Year/Period of Report 2014/Q4
Upper Peninsula Power Company			
FOOTNOTE DATA			

Schedule Page: 232 Line No.: 20 Column: a

Formula Rate Regulatory Assets - Allocable to Distribution, Average of Line 3, 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) 12/31/2014	Year/Period of Report End of 2014/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	137,724	29,761	511	24,240	143,245
2						
3	Work Orders	75,831	133,412		144,238	65,005
4						
5	Minor Items	1,984	9			1,993
6						
7	Insurance Recovery		48,861			48,861
8						
9						
10						
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46						
47	Misc. Work in Progress					
48	Deferred Regulatory Comm. Expenses (See pages 350 - 351)					
49	TOTAL	215,539				259,104

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) 04/30/2015	December 31, 2014

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	2,208,749		
3	Other Than Plant	5,029,590		
4	Plant (FAS 109)	191,265		
5	Other Than Plant (FAS 109)			
6				
7	Other			
8	TOTAL (Account 190) (Enter total of lines 2 thru 7)	7,429,604	0	0
9	Gas			
10	Plant			
11	Other Than Plant			
12	Plant (FAS 109)			
13	Other Than Plant (FAS 109)			
14				
15	Other			
16	TOTAL Gas (Enter total of lines 10 thru 15)			
17	Other (Specify) - Nonutility	114,975		
18	TOTAL (Account 190) (Enter total of lines 8, 16 & 17)	7,544,579	0	0
19	Classification of Total:			
20	Federal Income Tax	5,748,177		
21	State Income Tax	1,796,402		
22	Local Income Tax			

NOTES

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

Name of Respondent		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		04/30/2015		December 31, 2014	
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
							3
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0	0		0		0	0	8
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NOTES (Continued)							

Name of Respondent	This Report Is:	Date of Report	Year of Report	
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/2015	December 31, 2014	
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 Bond 10.75%	08/01/1999	3,150,000	
3	Early Retirement of First Mortgage Bond 9.32%	11/01/2011	9,400,000	
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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) 04/30/2015	December 31, 2014

UNAMORTIZED LOSS AND GAIN ON REACQUIRED DEBT (Account 189, 257) (Continued)				
4. Show loss amounts in red or by enclosure in parentheses.		Amortization of Loss on Recquired Debt or credited to Account 429.1, Amortization of Gain on Recquired Debt-Credit.		
5. Explain any debits and credits other than amortization debited to Account 428.1,				

Balance Beginning of Year (e)	Debits During Year (f)	Credits During Year (g)	Balance End of Year (h)	Line No.
				1
18,729	3,875	14,854	0	2
1,802,689	420,266	1,802,689	0	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) 12/31/2014	Year/Period of Report End of 2014/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) 12/31/2014	Year/Period of Report End of 2014/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
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Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2014	Year/Period of Report End of 2014/Q4
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OTHER PAID-IN CAPITAL (Accounts 208-211, inc.)

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.

(a) Donations Received from Stockholders (Account 208)-State amount and give brief explanation of the origin and purpose of each donation.

(b) Reduction in Par or Stated value of Capital Stock (Account 209): State amount and give brief explanation of the capital change which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.

(c) Gain on Resale or Cancellation of Reacquired Capital Stock (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.

(d) Miscellaneous Paid-in Capital (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.

Line No.	Item (a)	Amount (b)
1	Beginning Balance - January 1, 2014	2,245,401
2	Account 211 Miscellaneous Paid in Capital	
3	Contribution by UPPHC of Deferred Tax Asset	38,071,093
4	Capital Contributions from Integrys Energy	94,386,821
5	Distribution of WPSI Investment to Integrys	-11,201,569
6	Contribution of Capital from Income tax election of UPPHC	75,296,953
7	Distributions from UPPHC	-108,200,000
8	Return of Capital to Integrys Energy	-12,500,000
9	Other	215,390
10		
11		
12		
13		
14		
15		
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40	TOTAL	78,314,089

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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) 12/31/2014	Year/Period of Report End of 2014/Q4
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LONG-TERM DEBT (Account 221, 222, 223 and 224)

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

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt issued (b)	Total expense, Premium or Discount (c)
1			
2			
3			
4	Account 223		
5			
6	3.95% Issue	16,230,000	180,846
7	4.20% Issue	27,050,000	300,581
8	4.43% Issue	51,395,000	571,104
9	4.91% Issue	13,525,000	150,291
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33	TOTAL	108,200,000	1,202,822

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2014	Year/Period of Report End of 2014/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
						3
						4
						5
8/27/2014	8/27/2024			16,230,000	161,589	6
8/27/2014	8/27/2029			27,050,000	286,359	7
8/27/2014	8/27/2034			51,395,000	573,877	8
8/27/2014	8/27/2044			13,525,000	167,384	9
						10
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				108,200,000	1,189,209	33

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) 04/30/2015	December 31, 2014	
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						
2	<u>Account 233</u>					
3	Short Term Notes Payable to Affiliates	8,900,000	107,800,000	98,900,000	0	22,364
4						
5		8,900,000	107,800,000	98,900,000	0	
6						
7	<u>Account 234</u>				0	
8	Wisconsin Public Service Corporation	2,432,264	15,014,851	12,582,587	0	
9	Integrus Energy Group, Inc.	858,103	1,917,570	1,059,467	0	
10	Integrus Business Support, LLC	1,224,609	5,504,203	4,279,594	0	
11	WPS Investments, LLC	1,530	1,530		0	
12						
13		4,516,506	22,438,154	17,921,648	0	
14						
15						
16						
17						
18						
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28	Total	13,416,506	130,238,154	116,821,648	0	

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2014	Year/Period of Report End of 2014/Q4
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RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.
2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group member, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.
3. A substitute page, designed to meet a particular need of a company, may be used as long as the data is consistent and meets the requirements of the above instructions. For electronic reporting purposes complete Line 27 and provide the substitute Page in the context of a footnote.

Line No.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 117)	10,719,766
2		
3		
4	Taxable Income Not Reported on Books	
5		
6		
7		
8		
9	Deductions Recorded on Books Not Deducted for Return	
10	Federal and State Income Tax Expense	6,837,831
11		
12		
13		
14	Income Recorded on Books Not Included in Return	
15		
16		
17		
18		
19	Deductions on Return Not Charged Against Book Income	
20	Schedule M (Addition of Taxable Income)	-4,175,395
21		
22		
23		
24		
25		
26		
27	Federal Tax Net Income	13,382,201
28	Show Computation of Tax:	
29	Statutory Federal Income Tax (35%)	4,683,770
30		
31	Tax Effect of Deferred Items:	1,153,737
32		
33		
34		
35		
36		
37		
38		
39		
40	Investment Tax Credit	-27,257
41		
42	Federal Tax Per Books	5,810,250
43		
44		

Name of Respondent	This Report is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2014	Year/Period of Report 2014/Q4
Upper Peninsula Power Company			
FOOTNOTE DATA			

Schedule Page: 261 Line No.: 20 Column: b

Benefits

Benefits Accrued	(3,206,172)
Deferred Compensation	(25,665)
ESOP Dividends	(61,956)
Incentives Accrued	(26,905)
Vacation Pay Accrued	8,727

Mark-to-Market General Ledger

Price Risk Hedging (Current)	122
------------------------------	-----

Other

Net Operating Loss	8,822,978
Deferred Income and Deductions	(2,636,743)
Interest	570,319
Lobbying	13,770
Meals & Entertainment	8,638
Penalties	160
Taxes Other	(109,806)

Plant-Customer Advances

Customers Advances	(427,657)
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Plant-ATC

Intangibles (Non-Plant)	(25,313)
Partnerships & Equity Investment	(833,035)

State Tax Liability	(756,392)
---------------------	-----------

Plant Other

Depreciation	(2,905,161)
Goodwill	(3,622,594)

Regulatory Deferrals

Environmental Cleanup	56,003
Regulatory Assets (Current)	(304,749)
Regulatory Assets (Non-Current)	1,541,820
Regulatory Liabilities (Current)	(181,729)
Regulatory Liabilities (Non-current)	(74,055)

Total M-1 Adjustments	(4,175,395)
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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) 12/31/2014	Year/Period of Report End of 2014/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 Income Tax		3,052,635	4,683,770	-3,852,908	5,484,043
2	Michigan Income Tax		501,093	817,469	-457,298	773,675
3	Wisconsin Income Tax		7,439	27,291	-107,960	127,812
4	Minnesota Income Tax		1,027	-16	-692	-351
5	Illinois Income Tax		328		200	-528
6	North Carolina Income Tax		1,000		1,000	-2,000
7	District of Columbia Inc. Tax		150			-150
8	Federal Excise Tax					
9	Federal Highway Use Tax			210	210	
10	FICA	24,829		640,314	631,543	
11	FUTA	25		5,018	11,278	
12	State of Michigan TOTIT					
13	Unauthorized Insurance Tax		12,388	16,965	4,577	
14	Unemployment	159		37,836	37,995	
15	Other States TOTIT					
16	Payroll Tax Billed			217,306	217,306	
17	Use Tax			11,472	11,472	
18	WI Recycling Fee & Other					
19	Local MI TOTIT					
20	Real Estate & Personal Prop	5,298,963		5,886,872	5,344,175	
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL	5,323,976	3,576,060	12,344,507	1,840,898	6,382,501

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2014	Year/Period of Report End of 2014/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)	
		4,690,439			-6,669	1
		845,617			-28,147	2
		30,413			-3,122	3
		-16				4
						5
						6
						7
						8
		210				9
33,600		640,314				10
-6,236		5,018				11
						12
		16,965				13
		37,836				14
						15
		217,306				16
		11,472				17
						18
						19
5,841,660		5,301,932			584,940	20
						21
						22
						23
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						37
						38
						39
						40
5,869,024		11,797,506			547,002	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) 12/31/2014	Year/Period of Report 2014/Q4
Upper Peninsula Power Company			
FOOTNOTE DATA			

Schedule Page: 262 Line No.: 16 Column: i

FICA	\$194,576
FUTA	2,608
SUTA	20,122
	<u>\$217,306</u>

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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) 12/31/2014	Year/Period of Report End of 2014/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%	53,793			411.4	3,426	-50,367
4	7%						
5	10%	422,693			411.4	26,837	-395,856
6		1,403,190			411.4	21,035	-1,382,155
7							
8	TOTAL	1,879,676				51,298	-1,828,378
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL)						
10	Electric from Above	1,879,676				51,298	
11	Electric Sub Total	1,879,676				51,298	
12	Non-Utility	16,686			411.5	311	-16,375
13	Total	16,686				311	-16,375
14							
15							
16							
17							
18							
19							
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48							

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2014	Year/Period of Report End of 2014/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
			3
			4
			5
			6
			7
			8
			9
1,828,378			10
1,828,378			11
			12
			13
			14
			15
			16
			17
			18
			19
			20
			21
			22
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			48

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/2015	December 31, 2014
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	245,558	
2	ESOP -Company Contribution	5,046	
3	Curr & Accr Liab-Misc. Payroll ded.	1,251	
4	Curr & Accr Liab-Union Dues Payable	6,791	
5	Current Pension Obligations	35,956	
6	Current Sick Pay Plan Obligation	11,012	
7	Current Pension Restoration	28,842	
8	Current Post Retirement Obligation	24,111	
9	Curr & Accr Liab-401(k) deducts	1,366	
10	Curr & Accr Liability Vacation Pay Accrual	817,938	
11	Accrued Wages Payable	334,013	
12	Empl Cont-Flex Spending Plan	2,201	
13	Accrued Workers Comp Claim Liab	100,899	
14	Accrued Pay at Risk	390,627	
15	PSCR Overcollection 2014	223,268	
16			
17			
18			
19			
20			
21			
22	TOTAL	2,228,879	

CUSTOMER ADVANCES FOR CONSTRUCTION (Account 252)		
Line No.	List Advances by department (a)	Balance End of Year (b)
23	Electric	2,291,451
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39	TOTAL	2,291,451

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2014	Year/Period of Report End of 2014/Q4
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OTHER DEFERRED CREDITS (Account 253)

1. Report below the particulars (details) called for concerning other deferred credits.
2. For any deferred credit being amortized, show the period of amortization.
3. Minor items (5% of the Balance End of Year for Account 253 or amounts less than \$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	Bond Falls Mitigation	247,394		45,974	106,673	308,093
2						
3	P.I. Ash Site					
4						
5	Outstanding Checks Cancelled	1,969		1,998	1,252	1,223
6						
7	Warden Ash Site	880,000		81,635	27,460	825,825
8						
9	Sick Leave Term. Pay	324,195		181,491	32,475	175,179
10						
11	Deferred Comp	278,071		3,729,260	3,529,273	78,084
12						
13	Restricted Common Stock	9,084		19,285	10,201	
14						
15	Workers Comp Claim Reserve			30,587	276,462	245,875
16						
17	Deferred Income Plan				294,797	294,797
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
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41						
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43						
44						
45						
46						
47	TOTAL	1,740,713		4,090,230	4,278,593	1,929,076

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2014	Year/Period of Report End of 2014/Q4
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ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282)

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

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 282			
2	Electric	44,374,112	1,097,062	71,021
3	Gas			
4	Non Utility	10,032,630		
5	TOTAL (Enter Total of lines 2 thru 4)	54,406,742	1,097,062	71,021
6				
7				
8				
9	TOTAL Account 282 (Enter Total of lines 5 thru	54,406,742	1,097,062	71,021
10	Classification of TOTAL			
11	Federal Income Tax	49,709,932	982,658	66,781
12	State Income Tax	4,696,810	114,404	4,240
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) 12/31/2014	Year/Period of Report End of 2014/Q4
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ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282) (Continued)

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
		254 / 207	44,389,654			1,010,499	2
							3
459,458	11,767	254 / 211	10,420,873			59,448	4
459,458	11,767		54,810,527			1,069,947	5
							6
							7
							8
459,458	11,767		54,810,527			1,069,947	9
							10
436,710	10,257		50,022,349			1,029,913	11
22,748	1,510		4,788,178			40,034	12
							13

NOTES (Continued)

Name of Respondent		This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/2015	December 31, 2014

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 Acct. 410.1 (c)	Amounts Credited to Acct. 411.1 (d)
1	Electric			
2	Plant			
3	Other Than Plant	21,636,795	3,514,221	1,653,900
4	Other Than Plant (FAS 109)			
5				
6	Other			
7	TOTAL Electric (total of lines 2 thru 6)	21,636,795	3,514,221	1,653,900
8	Gas			
9	Plant			
10	Other Than Plant			
11	Other Than Plant (FAS 109)			
12				
13	Other			
14	TOTAL Gas (Total of lines 9 thru 13)	0	0	0
15	Other (Specify) Nonutility			
16	TOTAL (Account 283) (Enter total of lines 7, 14 and 15)	21,636,795	3,514,221	1,653,900
17	Classification of TOTAL			
18	Federal Income Tax	19,358,663	3,161,149	1,488,211
19	State Income Tax	2,278,132	353,072	165,689
20	Local Income Tax			

NOTES

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) 04/30/2015	December 31, 2014

ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Continued)

3. Provide in the space below explanations for pages 276A and 276B. Include amounts relating to insignificant items listed under Other.

4. Fill in all columns for all items as appropriate.

5. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year	Line No.
		DEBITS		CREDITS			
Amounts Debited to Acct. 410.2 (e)	Amounts Credited to Acct. 411.2 (f)	Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)	(k)	
							1
							2
				190/207	5,722,907	29,220,023	3
							4
							5
							6
0	0		0		5,722,907	29,220,023	7
							8
							9
							10
							11
							12
							13
0	0		0		0	0	14
							15
0	0		0		5,722,907	29,220,023	16
							17
					5,258,904	26,290,506	18
					464,003	2,929,517	19
							20

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) 12/31/2014	Year/Period of Report End of 2014/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	28,221		127,565	163,818	64,474
2						
3	Decoupling	217,981		255,783		-37,802
4						
5	Deferred Taxes	458,668	254 / 400	458,668		
6						
7						
8						
9	See Footnote					
10						
11						
12						
13						
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37						
38						
39						
40						
41	TOTAL	704,870		842,016	163,818	26,672

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) 12/31/2014	Year/Period of Report 2014/Q4
Upper Peninsula Power Company			
FOOTNOTE DATA			

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

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		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) 04/30/2015	December 31, 2014	
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	Sale of Au Train Non-Project Land	40,027		1,094,873	
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17	Total Gain	40,027		1,094,873	

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2015	Year of Report December 31, 2014
Upper Peninsula Power Company			
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	<u>Revenues from Nonutility Operations</u>		
2	Revenue from Renewable Energy Credit Sales	133,694	
3	Revenues from Operation of Escanaba Hydros	1,029,086	
4	Operations Expense Escanaba River Hydros	(469,675)	
5	Maintenance Expense from Escanaba River Hydros	(1,083,316)	
6	Subtotal 417	(390,211)	
7			
8	<u>Non-Operating Rental Income</u>		
9	Land Lease	350	
10	Subtotal 418	350	
11			
12	<u>Equity in Earnings of Subsidiary Companies</u>		
13	Equity Earning of Subsidiary - American Transmission	1,447,495	
14	Subtotal 418.1	1,447,495	
15			
16	<u>Interest and Dividend Income</u>		
17	Interest on Miscellaneous	2,314	
18	Subtotal 419	2,314	
19			
20	<u>Miscellaneous Non-Operating Income</u>		
21	Non-Utility Land Costs	0	
22	Unrealized Gain on Derivatives	(1,312)	
23	Miscellaneous Non Operating Income	64	
24	Gain on ETF	27,678	
25	Gains on Disp. Of Property	1,094,873	
26	Subtotal 421	1,121,303	
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37		2,181,251	

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2014	Year/Period of Report End of 2014/Q4
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ELECTRIC OPERATING REVENUES (Account 400)

1. The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages.
2. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
3. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The -average number of customers means the average of twelve figures at the close of each month.
4. If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.
5. Disclose amounts of \$250,000 or greater in a footnote for accounts 451, 456, and 457.2.

Line No.	Title of Account (a)	Operating Revenues Year to Date Quarterly/Annual (b)	Operating Revenues Previous year (no Quarterly) (c)
1	Sales of Electricity		
2	(440) Residential Sales	60,611,436	55,413,612
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)	33,044,703	33,799,110
5	Large (or Ind.) (See Instr. 4)	22,226,929	19,728,395
6	(444) Public Street and Highway Lighting	1,679,431	1,546,527
7	(445) Other Sales to Public Authorities		
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales		
10	TOTAL Sales to Ultimate Consumers	117,562,499	110,487,644
11	(447) Sales for Resale	4,124,089	2,615,617
12	TOTAL Sales of Electricity	121,686,588	113,103,261
13	(Less) (449.1) Provision for Rate Refunds	38,315	-193,655
14	TOTAL Revenues Net of Prov. for Refunds	121,648,273	113,296,916
15	Other Operating Revenues		
16	(450) Forfeited Discounts	63,562	76,682
17	(451) Miscellaneous Service Revenues	105,726	98,053
18	(453) Sales of Water and Water Power	721,484	
19	(454) Rent from Electric Property	289,969	346,496
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues	1,248,257	593,443
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	2,428,998	1,114,674
27	TOTAL Electric Operating Revenues	124,077,271	114,411,590

Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 12/31/2014	Year/Period of Report End of 2014/Q4
ELECTRIC OPERATING REVENUES (Account 400)					
<p>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.)</p> <p>7. See pages 108-109, Important Changes During Period, for important new territory added and important rate increase or decreases.</p> <p>8. For Lines 2,4,5,and 6, see Page 304 for amounts relating to unbilled revenue by accounts.</p> <p>9. Include unmetered sales. Provide details of such Sales in a footnote.</p>					
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	
269,720	270,031	46,171	46,206	2	
				3	
200,734	219,948	5,559	5,555	4	
298,189	347,389	21	10	5	
4,893	5,069	178	179	6	
				7	
				8	
				9	
773,536	842,437	51,929	51,950	10	
72,129	38,585	18	19	11	
845,665	881,022	51,947	51,969	12	
				13	
845,665	881,022	51,947	51,969	14	

Line 12, column (b) includes \$

0

of unbilled revenues.

Line 12, column (d) includes

0

MWH relating to unbilled revenues

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Upper Peninsula Power Company			
FOOTNOTE DATA			

Schedule Page: 300 Line No.: 11 Column: b
Includes \$2,781,810 for FERC Order 668-A.
Schedule Page: 300 Line No.: 11 Column: c
Includes \$1,360,991 for FERC Order 668-A.
Schedule Page: 300 Line No.: 11 Column: d
Includes 65,186 MWh for FERC Order 668-A.
Schedule Page: 300 Line No.: 11 Column: e
Includes 37,940 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) 12/31/2014	Year/Period of Report End of 2014/Q4
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SALES OF ELECTRICITY BY RATE SCHEDULES

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

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	440 Residential Sales					
2	A-1 Residential	215,039	49,216,904	39,390	5,459	0.2289
3	A-2 Residential	18,098	3,877,556	3,253	5,563	0.2143
4	AH-1 Electric Heat	35,801	6,965,856	3,529	10,145	0.1946
5	AH-2 Electric Heat	33	6,076			0.1841
6	Z-1&3 Dusk to Dawn	572	232,207			0.4060
7	Z-2&4 Dusk to Dawn	70	23,367			0.3338
8	Total	269,613	60,321,966	46,172	5,839	0.2237
9	442 Commercial & Industrial					
10	C-1 General Commercial	57,716	11,456,871	4,752	12,146	0.1985
11	C-2 General Commercial	500	96,090			0.1922
12	H-1 Commercial Heating	8,569	1,283,692	229	37,419	0.1498
13	H-2 Commercial Heating	6	1,037			0.1728
14	P-1 Light & Power	78,171	12,701,227	520	150,329	0.1625
15	RTMP	210,141	12,786,291	2	105,070,500	0.0608
16	CP-I Interruptible Rider	1,559	221,834	17	91,706	0.1423
17	WP-3		296,235	1		
18	Z-1&3 Dusk to Dawn	504	186,192			0.3694
19	Z-2&4 Dusk to Dawn	79	25,230			0.3194
20	C-1 Commercial	20	3,476			0.1738
21	C-2 Commercial-IR	3	482			0.1607
22	CPU(PRI)	6,918	941,848	6	1,153,000	0.1361
23	CPU(SEC)	51,781	6,612,192	42	1,232,881	0.1277
24	CPU(SECV)	62,382	6,607,782	10	6,238,200	0.1059
25	CPU(TRANV)	21,016	2,015,209	1	21,016,000	0.0959
26	Total	499,365	55,235,688	5,580	89,492	0.1106
27	444 Public Street Hwy Light	4,893	1,679,431	178	27,489	0.3432
28	Total	4,893	1,679,431	178	27,489	0.3432
29	Unbilled Revenue by					
30	Revenue Class:					
31	Residential	105	289,470			2.7569
32	Comm & Industrial	-400	35,944			-0.0899
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL Billed	773,871	117,237,086	51,930	14,902	0.1515
42	Total Unbilled Rev.(See Instr. 6)	-295	325,414	0	0	-1.1031
43	TOTAL	773,576	117,562,500	51,930	14,897	0.1520

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) 12/31/2014	Year/Period of Report 2014/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.: 16	Column: c
Interruptible demand revenue \$221,834		
Schedule Page: 304	Line No.: 18	Column: d
No count customer.		
Schedule Page: 304	Line No.: 19	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) 12/31/2014	Year/Period of Report End of 2014/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	OS				
2	Renewable Energy Credits	OS				
3						
4	Midcontinent ISO (MISO)					
5	General Purpose	OS	1			
6	Ancillary Services	OS	1			
7	MISO Resource Adequacy Auction	OS	1			
8						
9						
10						
11						
12						
13						
14						
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	0

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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)		
			780,688	780,688	1
					2
					3
					4
72,129		3,148,629		3,148,629	5
			142,579	142,579	6
	52,193			52,193	7
					8
					9
					10
					11
					12
					13
					14
0	0	0	0	0	
72,129	52,193	3,148,629	923,267	4,124,089	
72,129	52,193	3,148,629	923,267	4,124,089	

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FOOTNOTE DATA			

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

Renewable Energy Credits

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

Market Based Rate Tariff Vol. No. 1.

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

Midcontinent ISO ("MISO") - Non-firm service. Includes adjustment for compliance with FERC Order 668-A. The megawatt hours reported are the total megawatt hours sold to MISO. The megawatt hour sales when netted on an hourly basis with the megawatt hours purchased from MISO are 6,943.

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

Midcontinent ISO ("MISO") - Non-firm service. Includes adjustment for compliance with FERC Order 668-A. The dollars reported are the total dollars sold to MISO. The dollar sales when netted on an hourly basis with the dollars purchased from MISO are \$366,818.

Schedule Page: 310 Line No.: 6 Column: c

Market Based Rate Tariff Vol. No. 1.

Schedule Page: 310 Line No.: 6 Column: j

Ancillary Services - Schedule 2 Firm Sales.

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

Market Based Rate Tariff Vol. No. 1.

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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	24,240	-400,037	
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)	24,240	-400,037	
21	TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 & 20)	24,240	-400,037	
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	839,842	966,145	
45	(536) Water for Power			
46	(537) Hydraulic Expenses	670,316	795,666	
47	(538) Electric Expenses	95,631	108,509	
48	(539) Miscellaneous Hydraulic Power Generation Expenses	46,943	37,598	
49	(540) Rents	123,862	114,851	
50	TOTAL Operation (Enter Total of Lines 44 thru 49)	1,776,594	2,022,769	
51	C. Hydraulic Power Generation (Continued)			
52	Maintenance			
53	(541) Maintenance Supervision and Engineering	297,973	253,500	
54	(542) Maintenance of Structures	28,950	31,300	
55	(543) Maintenance of Reservoirs, Dams, and Waterways	265,654	514,728	
56	(544) Maintenance of Electric Plant	183,796	283,222	
57	(545) Maintenance of Miscellaneous Hydraulic Plant	88	315	
58	TOTAL Maintenance (Enter Total of lines 53 thru 57)	776,461	1,083,065	
59	TOTAL Power Production Expenses-Hydraulic Power (tot of lines 50 & 58)	2,553,055	3,105,834	

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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	47,899	36,617	
63	(547) Fuel	145,453	36,730	
64	(548) Generation Expenses	23,356	20,088	
65	(549) Miscellaneous Other Power Generation Expenses	25,195	21,214	
66	(550) Rents			
67	TOTAL Operation (Enter Total of lines 62 thru 66)	241,903	114,649	
68	Maintenance			
69	(551) Maintenance Supervision and Engineering	23,513	12,565	
70	(552) Maintenance of Structures	206	672	
71	(553) Maintenance of Generating and Electric Plant	30,548	9,188	
72	(554) Maintenance of Miscellaneous Other Power Generation Plant	5,607	7,305	
73	TOTAL Maintenance (Enter Total of lines 69 thru 72)	59,874	29,730	
74	TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73)	301,777	144,379	
75	E. Other Power Supply Expenses			
76	(555) Purchased Power	42,010,204	41,261,691	
77	(556) System Control and Load Dispatching	728,311	791,700	
78	(557) Other Expenses			
79	TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)	42,738,515	42,053,391	
80	TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79)	45,617,587	44,903,567	
81	2. TRANSMISSION EXPENSES			
82	Operation			
83	(560) Operation Supervision and Engineering			
84				
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	213,513	248,452	
89	(561.5) Reliability, Planning and Standards Development			
90	(561.6) Transmission Service Studies			
91	(561.7) Generation Interconnection Studies			
92	(561.8) Reliability, Planning and Standards Development Services	9,057	9,437	
93	(562) Station Expenses			
94	(563) Overhead Lines Expenses			
95	(564) Underground Lines Expenses			
96	(565) Transmission of Electricity by Others	11,365,866	7,632,946	
97	(566) Miscellaneous Transmission Expenses			
98	(567) Rents			
99	TOTAL Operation (Enter Total of lines 83 thru 98)	11,588,436	7,890,835	
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)	11,588,436	7,890,835	

Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 12/31/2014	Year/Period of Report End of 2014/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	67,689	90,008		
122	(575.8) Rents				
123	Total Operation (Lines 115 thru 122)	67,689	90,008		
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 Exps (Total 123 and 130)	67,689	90,008		
132	4. DISTRIBUTION EXPENSES				
133	Operation				
134	(580) Operation Supervision and Engineering	1,015,962	969,298		
135	(581) Load Dispatching	505,668	782,145		
136	(582) Station Expenses	749,931	634,741		
137	(583) Overhead Line Expenses	237,828	157,819		
138	(584) Underground Line Expenses	36,213	-116,535		
139	(585) Street Lighting and Signal System Expenses	37,832	69,149		
140	(586) Meter Expenses	515,159	456,975		
141	(587) Customer Installations Expenses		947		
142	(588) Miscellaneous Expenses	1,895,753	1,604,445		
143	(589) Rents	93,619	76,943		
144	TOTAL Operation (Enter Total of lines 134 thru 143)	5,087,965	4,635,927		
145	Maintenance				
146	(590) Maintenance Supervision and Engineering	140,321	122,823		
147	(591) Maintenance of Structures	297,907	288,735		
148	(592) Maintenance of Station Equipment	745,458	925,730		
149	(593) Maintenance of Overhead Lines	6,708,798	5,103,323		
150	(594) Maintenance of Underground Lines	343,140	300,680		
151	(595) Maintenance of Line Transformers	34,924	19,987		
152	(596) Maintenance of Street Lighting and Signal Systems	51,888	55,276		
153	(597) Maintenance of Meters	5,701	13,589		
154	(598) Maintenance of Miscellaneous Distribution Plant	2,053	6,038		
155	TOTAL Maintenance (Total of lines 146 thru 154)	8,330,190	6,836,181		
156	TOTAL Distribution Expenses (Total of lines 144 and 155)	13,418,155	11,472,108		
157	5. CUSTOMER ACCOUNTS EXPENSES				
158	Operation				
159	(901) Supervision	165,099	164,558		
160	(902) Meter Reading Expenses	853,558	836,190		
161	(903) Customer Records and Collection Expenses	1,622,898	1,674,695		
162	(904) Uncollectible Accounts	724,824	570,423		
163	(905) Miscellaneous Customer Accounts Expenses	55,899	37,636		
164	TOTAL Customer Accounts Expenses (Total of lines 159 thru 163)	3,422,278	3,283,502		

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2014	Year/Period of Report End of 2014/Q4
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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	12,419	15,147
168	(908) Customer Assistance Expenses	2,401,746	2,324,664
169	(909) Informational and Instructional Expenses	141,655	152,871
170	(910) Miscellaneous Customer Service and Informational Expenses		
171	TOTAL Customer Service and Information Expenses (Total 167 thru 170)	2,555,820	2,492,682
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	2,886,986	3,163,204
182	(921) Office Supplies and Expenses	1,586,256	765,605
183	(Less) (922) Administrative Expenses Transferred-Credit		
184	(923) Outside Services Employed	462,173	375,984
185	(924) Property Insurance	144,020	210,714
186	(925) Injuries and Damages	753,306	461,166
187	(926) Employee Pensions and Benefits	2,999,353	5,305,275
188	(927) Franchise Requirements		
189	(928) Regulatory Commission Expenses	328,663	303,240
190	(929) (Less) Duplicate Charges-Cr.	560,018	549,168
191	(930.1) General Advertising Expenses		62
192	(930.2) Miscellaneous General Expenses	969,555	906,905
193	(931) Rents	283,112	393,554
194	TOTAL Operation (Enter Total of lines 181 thru 193)	9,853,406	11,336,541
195	Maintenance		
196	(935) Maintenance of General Plant		
197	TOTAL Administrative & General Expenses (Total of lines 194 and 196)	9,853,406	11,336,541
198	TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197)	86,523,371	81,469,243

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) 12/31/2014	Year/Period of Report 2014/Q4
Upper Peninsula Power Company			
FOOTNOTE DATA			

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

Includes \$2,781,810 for FERC Order 668-A.

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

Includes \$1,360,991 for FERC Order 668-A.

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

Account 561.4 (561.BA) includes \$118,789 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.: 88 Column: c

Account 561.4 (561.BA) includes \$100,475 of expenses incurred related to Balancing Authority functions performed in connection with membership in the 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 \$63,369 are included in this total.

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

MISO Day 2 administrative fees (Schedules 16 & 17) of \$85,507 are included in this total.

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2015	Year of Report December 31, 2014
Upper Peninsula Power Company			
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)			12/20/2014
2. Total Regular Full-Time Employees			129
3. Total Part-Time and Temporary Employees			0
4. Total Employees			129

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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) 12/31/2014	Year/Period of Report End of 2014/Q4
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	AEP Energy Partners, Inc.	OS				
2	Cargill Power Markets LLC	OS				
3	New Page Corporation	SF				
4	MISO	OS				
5	Parallel Generation	OS				
6	Northern States Power	SF				
7	UP Hydro LLC	OS				
8	White Pine	LF				
9	Wisconsin Public Service W2-A Inter.					
10	Wisconsin Public Service FERC RS74	RQ				
11	Wisconsin Public Service Deliv.Pt Adj.	RQ				
12	PSCR Reconciliation	AD				
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) 12/31/2014	Year/Period of Report End of 2014/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)	
51,200				2,521,600		2,521,600	1
42,400				1,574,312		1,574,312	2
47				4,535		4,535	3
241,406				11,514,388		11,514,388	4
46				9,332		9,332	5
							6
6,183				431,428		431,428	7
			3,015,600			3,015,600	8
							9
417,648			10,607,613	12,335,121	21,276	22,964,010	10
							11
					-25,000	-25,000	12
							13
							14
758,930			13,623,213	28,390,716	-3,724	42,010,205	

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2015	Year of Report December 31, 2014		
SALES TO RAILROADS AND RAILWAYS AND INTERDEPARTMENTAL SALES (Accounts 446, 448) NONE					
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					
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	<u>Account 454</u>		
18			
19	Pole Contact Rental		260,430
20	Land Rent		29,539
21			
22			
23			
24			
25			
26			
27			
28			
29	Total		289,969

Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2015	Year of Report December 31, 2014
SALES OF WATER AND WATER POWER (Account 453) NOT APPLICABLE				
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	Marquette Board of Power and Light	Generation	Silver Lake	721,484
2				
3				
4				
5				
6				
7				
8				
9				
10	TOTAL			721,484

MISCELLANEOUS SERVICE REVENUES AND OTHER ELECTRIC REVENUES (Accounts 451, 456)		
1. Report particulars concerning miscellaneous service revenues and other electric revenues derived from electric utility operations during year. Report separately in this schedule the total revenues from operation of fish and wildlife and recreation facilities, regardless of whether such facilities are operated by		company or by contract concessionaires. Provide a subheading and total for each account. For Account 456, list first revenues realized through Research and Development ventures, see Account 456. 2. Designate associated companies. 3. Minor items may be grouped by classes.
Line No.	Name of Company and Description of Service (a)	Amount of Revenue for Year (b)
11	Geographic Basis	
12		
13	<u>Miscellaneous Service Revenues (451)</u>	
14	Service Charges	105,727
15		
16		105,727
17		
18	<u>Other Electric Revenues (456)</u>	
19	Decoupling Revenue	256,733
20	Wholesale Distribution Services	871,106
21	Telephone Company Poles & Related Services	8,640
22	Other Miscellaneous Items	111,778
23	Total	1,248,257
24		
25		
26		
27		
28		
29		
30	TOTAL	1,353,984

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2014	Year/Period of Report End of 2014/Q4					
TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565) (Including transactions referred to as "wheeling")								
<p>1. Report all transmission, i.e. wheeling or electricity provided by other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, and others for the quarter.</p> <p>2. In column (a) report each company or public authority that provided transmission service. Provide the full name of the company, abbreviate if necessary, but do not truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation with the transmission service provider. Use additional columns as necessary to report all companies or public authorities that provided transmission service for the quarter reported.</p> <p>3. In column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNS - Firm Network Transmission Service for Self, LFP - Long-Term Firm Point-to-Point Transmission Reservations. OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point-to-Point Transmission Reservations, NF - Non-Firm Transmission Service, and OS - Other Transmission Service. See General Instructions for definitions of statistical classifications.</p> <p>4. Report in column (c) and (d) the total megawatt hours received and delivered by the provider of the transmission service.</p> <p>5. Report in column (e), (f) and (g) expenses as shown on bills or vouchers rendered to the respondent. In column (e) report the demand charges and in column (f) energy charges related to the amount of energy transferred. On column (g) report the total of all other charges on bills or vouchers rendered to the respondent, including any out of period adjustments. Explain in a footnote all components of the amount shown in column (g). Report in column (h) the total charge shown on bills rendered to the respondent. If no monetary settlement was made, enter zero in column (h). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.</p> <p>6. Enter "TOTAL" in column (a) as the last line.</p> <p>7. Footnote entries and provide explanations following all required data.</p>								
Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	TRANSFER OF ENERGY		EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS			
			Megawatt-hours Received (c)	Megawatt-hours Delivered (d)	Demand Charges (\$) (e)	Energy Charges (\$) (f)	Other Charges (\$) (g)	Total Cost of Transmission (\$) (h)
1	Midcontinent ISO Netwrk	FNS	819,499		4,685,781			4,685,781
2	American Transmission	FNS				6,680,495		6,680,495
3	PJM Interconnection	LFP					-404	-404
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
	TOTAL		819,499		4,685,781	6,680,495	-404	11,365,872

Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2014	Year/Period of Report End of 2014/Q4
MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)				
Line No.	Description (a)	Amount (b)		
1	Industry Association Dues	62,922		
2	Nuclear Power Research Expenses			
3	Other Experimental and General Research Expenses			
4	Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities	39,553		
5	Oth Expn >=5,000 show purpose, recipient, amount. Group if < \$5,000			
6	Miss Dig System Inc	11,760		
7	Keweenaw Chamber of Commerce	8,000		
8	IBS Allocations	59,075		
9	Misc. Items under \$5,000 each	44,702		
10	IBS Billed Cost of Capital & Depreciation	743,543		
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
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41				
42				
43				
44				
45				
46	TOTAL	969,555		

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2014	Year/Period of Report End of 2014/Q4
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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Account 403, 404, 405)
(Except amortization of acquisition adjustments)

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).

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.

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.

Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of Section C the type of plant included in any sub-account used.

In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional Classifications and showing composite total. Indicate at the bottom of section C the manner in which column balances are obtained. If average balances, state the method of averaging used.

For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification Listed in column (a). If plant mortality studies are prepared to assist in estimating average service Lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant. If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.

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.

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			168,174		168,174
2	Steam Production Plant					
3	Nuclear Production Plant					
4	Hydraulic Production Plant-Conventional	2,830,218				2,830,218
5	Hydraulic Production Plant-Pumped Storage					
6	Other Production Plant	180,078				180,078
7	Transmission Plant					
8	Distribution Plant	4,621,706				4,621,706
9	Regional Transmission and Market Operation					
10	General Plant	672,501				672,501
11	Common Plant-Electric					
12	TOTAL	8,304,503		168,174		8,472,677

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) 12/31/2014		Year/Period of Report End of 2014/Q4	
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)
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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) 12/31/2014	Year/Period of Report 2014/Q4
Upper Peninsula Power Company			
FOOTNOTE DATA			

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

The functional breakdown of Amortization of Limited Term Electric Plant (Account 404) is as follows:

Hydraulic Production - Conventional	\$149,077
Distribution	1,062
General	18,035
Total Amortization	\$168,174

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) 04/30/2015	December 31, 2014

**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	Friends of Porcupine Mountains	1,000
6	Calumet Theatre	5,500
7	Michigan Works	1,000
8	Omega House	1,000
9	Cederna International	2,500
10	Delta County Economic Development Alliance	3,500
11	Economic Club of Marquette County	2,335
12	Greater Munising Bay Partnership of Commerce	1,000
13	Houghton Rotary Club	1,500
14	LSCP Foundation	2,500
15	Main Street Calumet	2,000
16	Michigan Tech Athletics	1,000
17	Michigan Tech Fund	1,000
18	UP Championship Rodeo	1,000
19	Upper Peninsula State Fair	1,500
20	Salvation Army	3,250
21	Society of St. Vincent DePaul	6,850
22	United Way of Marquette	24,605
23	Miscellaneous Donations under \$1000	18,673
27		
28	Total - 426.1	81,713
29		
30	Penalties (426.3)	
31	Tax Penalty	160
32		
33	Total - 426.3	160
34		
35	Expenses for Certain Civil, Political, & Related Activities (426.4)	
36	Labor Expenses	3,710
37	Memberships	12,974
38	Professional Services	418
39		
40	Total - 426.4	17,102
41		
42	Other Deductions (426.5)	
43	Transition Costs	1,228,934
44	Land Sales	80,771
45	Labor from IBS	40,902
46	Unrealized Loss - Derivatives	(1,191)
47	Acquisition Costs	609,160
48	Total - 426.5	1,958,576
49		
50	Other Interest Expense (431)	
51	Other Interest Expense (431)	675
52	Interest on Electric Refunds	45,168
53	Customer Deposits	9,731
54	Tax Adjustments	2,040
55	Def Comp Reserv.- Allow Ratemaking	2,174
50		
51	Total - 431	59,788
52		
53	Total	2,117,339

Name of Respondent	This Report Is:	Date of Report	Year of Report
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EXPENDITURES FOR CERTAIN CIVIC, POLITICAL AND RELATED ACTIVITIES (Account 426.4)			
<p>1. Report below all expenditures incurred by the respondent during the year for the purpose of influencing public opinion with respect to the election or appointment of public officials, referenda, legislation or ordinances (either with respect to the possible adoption of new referenda, legislation or ordinances or repeal or modification of existing referenda, legislation or ordinances); approval, modification, or revocation of franchises; or for the purpose of influencing the decisions of public officials which are accounted for as Other Income Deductions, Expenditures for Certain Civic, Political and Related Activities, Account 426.4.</p> <p>2. Advertising expenditures in this Account shall be classified according to subheadings, as follows: (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	\$11,838	
4			
5			
6	State Lobby Activities		
7	Memberships	1,136	
8	Professional Services	418	
9	Labor and Expenses	3,710	
10		\$ 5,264	
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31	TOTAL	\$ 17,102	

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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) 12/31/2014	Year/Period of Report End of 2014/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	70,137	1,050	71,187	
2	Michigan Public Service Commission	213,638	8,840	222,478	
3	North American Electric Reliability Commission	34,998		34,998	
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46	TOTAL	318,773	9,890	328,663	

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2014	Year/Period of Report End of 2014/Q4
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REGULATORY COMMISSION EXPENSES (Continued)

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

EXPENSES INCURRED DURING YEAR				AMORTIZED DURING YEAR			
CURRENTLY CHARGED TO			Deferred to Account 182.3 (i)	Contra Account (j)	Amount (k)	Deferred in Account 182.3 End of Year (l)	Line No.
Department (f)	Account No. (g)	Amount (h)					
	928	71,187					1
	928	222,478					2
	928	34,998					3
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		328,663					46

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DISTRIBUTION OF SALARIES AND WAGES

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

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
1	Electric			
2	Operation			
3	Production	1,389,601		
4	Transmission	113,440		
5	Regional Market			
6	Distribution	3,831,191		
7	Customer Accounts	744,390		
8	Customer Service and Informational	189,828		
9	Sales			
10	Administrative and General	1,403,843		
11	TOTAL Operation (Enter Total of lines 3 thru 10)	7,672,293		
12	Maintenance			
13	Production	289,824		
14	Transmission			
15	Regional Market			
16	Distribution	2,460,987		
17	Administrative and General			
18	TOTAL Maintenance (Total of lines 13 thru 17)	2,750,811		
19	Total Operation and Maintenance			
20	Production (Enter Total of lines 3 and 13)	1,679,425		
21	Transmission (Enter Total of lines 4 and 14)	113,440		
22	Regional Market (Enter Total of Lines 5 and 15)			
23	Distribution (Enter Total of lines 6 and 16)	6,292,178		
24	Customer Accounts (Transcribe from line 7)	744,390		
25	Customer Service and Informational (Transcribe from line 8)	189,828		
26	Sales (Transcribe from line 9)			
27	Administrative and General (Enter Total of lines 10 and 17)	1,403,843		
28	TOTAL Oper. and Maint. (Total of lines 20 thru 27)	10,423,104	2,817,804	13,240,908
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			

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DISTRIBUTION OF SALARIES AND WAGES (Continued)					
Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)	
48	Distribution				
49	Administrative and General				
50	TOTAL Maint. (Enter Total of lines 43 thru 49)				
51	Total Operation and Maintenance				
52	Production-Manufactured Gas (Enter Total of lines 31 and 43)				
53	Production-Natural Gas (Including Expl. and Dev.) (Total lines 32,				
54	Other Gas Supply (Enter Total of lines 33 and 45)				
55	Storage, LNG Terminating and Processing (Total of lines 31 thru				
56	Transmission (Lines 35 and 47)				
57	Distribution (Lines 36 and 48)				
58	Customer Accounts (Line 37)				
59	Customer Service and Informational (Line 38)				
60	Sales (Line 39)				
61	Administrative and General (Lines 40 and 49)				
62	TOTAL Operation and Maint. (Total of lines 52 thru 61)				
63	Other Utility Departments				
64	Operation and Maintenance				
65	TOTAL All Utility Dept. (Total of lines 28, 62, and 64)	10,423,104	2,817,804	13,240,908	
66	Utility Plant				
67	Construction (By Utility Departments)				
68	Electric Plant				
69	Gas Plant				
70	Other (provide details in footnote):				
71	TOTAL Construction (Total of lines 68 thru 70)				
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	Utility CWIP	4,454,698	173,780	4,628,478	
79	Other payroll	1,054,614	-2,991,584	-1,936,970	
80					
81					
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83					
84					
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87					
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90					
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92					
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94					
95	TOTAL Other Accounts	5,509,312	-2,817,804	2,691,508	
96	TOTAL SALARIES AND WAGES	15,932,416		15,932,416	

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2015	Year of Report December 31, 2014		
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</p>				<p>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.</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	Basis of Charges	Acct #	Amount
1	A. Lindberg & Sons, Inc.	Construction Services	Billable Hours	107, 588, 592	106,534
2	599 Washington Street				
3	Ishpeming, MI				
4					
5	AECOM Technical Services, Inc.	Construction Services	Billable Hours	107, 121, 417,	88,375
6	1035 Kepler Drive			535, 541, 543	
7	Green Bay, WI				
8					
9	Altec Industries, Inc.	Construction Services	Billable Hours	107	84,466
10	5201 West 84th Street				
11	Indianapolis, IN				
12					
13	Asplundh Tree Expert Co.	Tree Trimming Services	Billable Hours	107, 543, 593	3,368,574
14	5907 Municipal Street				
15	Schofield, WI				
16					
17	Automotive Rentals, Inc.	Rental Services	Billable Hours	107, 184	440,357
18	9000 Midlantic Drive				
19	Mt. Laurel, NJ				
20					
21	Bacco Construction Co.	Construction Services	Billable Hours	107	110,942
22	N3660 N US 2				
23	Iron Mountain, MI				
24					
25	Bell Lumber & Pole Co.	Contracted Services	Billable Hours	232	204,689
26	PO Box 120786				
27	New Brighton, MN				
28					
29	Border States Electric Supply	Contracted Services	Billable Hours	107, 232	57,536
30	201 N. Hooper Street				
31	Kingsford, MI				
32					
33	Christy Webber Landscapes	Contracted Services	Billable Hours	143, 184, 542,	158,024
34	2900 W. Ferdinand Street			582	
35	Chicago, IL				

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CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES					
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Line No.	Name/Address	Service	Basis of Charges	Acct #	Amount
1	Coleman Engineering Co.	Engineering Services	Billable Hours	107	73,172
2	635 Circle Drive				
3	Iron Mountain, MI				
4					
5	Collins & Baker Engineering	Engineering Services	Billable Hours	121, 417, 535	219,244
6	454 S. Anderson Rd., Ste. 126				
7	BTC Box 506				
8	Rock Hill, SC				
9					
10	CR Meyer & Sons Co.	Contracted Services	Billable Hours	121, 417, 543,	120,474
11	895 W 20th Avenue			592	
12	PO Box 2157				
13	Oshkosh, WI				
14					
15	Cummins NPower, LLC	Contracted Services	Billable Hours	143, 165	172,300
16	939 Lawrence Drive				
17	De Pere, WI				
18					
19	Deloitte & Touche LLP	Accounting, Auditing, and Tax Services	Billable Hours	923	104,020
20	111 S. Wacker Drive., Suite 1200				
21	Chicago, IL				
22					
23	Doble Engineering Co.	Engineering Services	Billable Hours	143, 592	55,540
24	85 Walnut Street				
25	Watertown, MA				
26					
27	Energis High Voltage Resources, Inc.	Construction Services	Billable Hours	107	199,862
28	1361 Glory Road				
29	Green Bay, WI				
30					
31	Fox Power, Inc.	Construction Services	Billable Hours	107, 588, 590,	94,194
32	PO Box 85			593	
33	Gladstone, MI				
34					
35					

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Upper Peninsula Power Company					
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 426.4, Expenditures for Certain Civic, Political and Related Activities.)</p> <p>(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	Basis of Charges	Acct #	Amount
1	Galvanizers, Inc.	Construction Services	Billable Hours	107	84,522
2	1202 - 7th Avenue NE				
3	PO Box 875				
4	West Fargo, ND				
5					
6	GEI Consultants, Inc.	Consulting Services	Billable Hours	107, 121, 417,	382,506
7	400 Unicorn Park Drive, Ste. 8			535, 541, 543	
8	Woburn, MA				
9					
10	HDR Michigan, Inc.	Construction Services	Billable Hours	107, 232	176,465
11	5405 Data Court				
12	Ann Arbor, MI				
13					
14	Howard Industries, Inc.	Construction Services	Billable Hours	232	164,215
15	Airport Industrial Place				
16	PO Box 1588				
17	Laurel, MS				
18					
19	JH Hassinger, Inc.	Construction Services	Billable Hours	107, 232	326,606
20	N60 W16289 Kohler Lane				
21	Menomonee Falls, WI				
22					
23	Julio Contracting Co.	Contracted Services	Billable Hours	107, 184, 593	92,074
24	21021 Royce Road Ripley				
25	Hancock, MI				
26					
27	Karcz Utility Services, LLC	Pole Inspections	Billable Hours	593	137,948
28	N1655 Laney Road				
29	Seymour, WI				
30					
31	L&H Utility Contractors, Inc.	Contracted Services	Billable Hours	107, 456, 584,	782,788
32	PO Box 2037			592, 594	
33	Kingsford, MI				
34					
35					

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CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES					
<p>1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. (These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation, partnership, organization of any kind, or individual (other than for services as an employee or for payments made for medical and related services) amounting to more than \$50,000, including payments for legislative services, except those which should be reported in Account 426.4, Expenditures for Certain Civic, Political and Related Activities.)</p> <p>(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	Basis of Charges	Acct #	Amount
1	L&S Electric, Inc.	Contracted Services	Billable Hours	107, 417, 541,	135,390
2	5101 Mesker Street			544, 588	
3	PO Box 740				
4	Schofield, WI				
5					
6	Mead & Hunt, Inc.	Construction Services	Billable Hours	417, 541	66,980
7	6501 Watts Road, Suite 101				
8	Madison, WI				
9					
10	Michels Power	Construction Services	Billable Hours	107, 121, 592	61,294
11	1775 East Shady Lane				
12	Neenah, WI				
13					
14	Miller Canfield Paddock & Stone PLC	Legal Services	Billable Hours	921, 923	70,412
15	PO Drawer 640348				
16	Detroit, MI				
17					
18	Miron Construction Co., Inc.	Construction Services	Billable Hours	107, 232, 417,	993,178
19	1471 McMahon Road			543	
20	Neenah, WI				
21					
22	North States Utility Contractors, Inc.	Contracted Services	Billable Hours	107, 456, 584,	321,477
23	934 Hwy. 17 S			594	
24	PO Box 1507				
25	Eagle River, WI				
26					
27	Parsons Brinckerhoff, Inc.	Construction Services	Billable Hours	417	55,920
28	75 Arlington Street, 4th Floor				
29	Boston, MA				
30					
31	Per Mar Security Services	Security Services	Billable Hours	107	65,197
32	PO Box 1101				
33	Davenport, IA				
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) 04/30/2015	December 31, 2014

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</p> <p>in Account 426.4, Expenditures for Certain Civic, Political and Related Activities.)</p> <p>(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	Basis of Charges	Acct #	Amount
1	Radian Research, Inc.	Contracted Services	Billable Hours	107	59,359
2	3852 Fortune Drive				
3	Lafayette, IN				
4					
5	The Outpost	Maintenance Services	Billable Hours	121, 417, 535,	115,116
6	PO Box 37			537	
7	Bruce Crossing, MI				
8					
9	Thomas J. Moyle Construction	Construction Services	Billable Hours	121, 232, 588	602,578
10	46702 Hwy. M-26				
11	PO Box 399				
12	Houghton, MI				
13					
14	Toshiba International Corp.	Construction Services	Billable Hours	417, 541	84,800
15	6 Dickinson Drive, Suite 301				
16	Chadds Ford, PA				
17					
18	UP Fabricating, Inc.	Constrecu	Billable Hours	121	74,763
19	3954 W. Maple Ridge Road				
20	PO Box 199				
21	Rock, MI				
22					
23	USIC Locating Services, Inc.	Utility Locating Services	Billable Hours	584	60,136
24	9045 River Road, Suite 300				
25	Indianapolis, IN				
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					

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Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2015	Year of Report December 31, 2014		
SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES					
1. In column (a) report the name of the associated company. 2. In column (b) describe the affiliation (percentage ownership, etc.). 3. In column (c) describe the nature of the goods and services provided (administrative and general expenses, dividends declared, etc.). 4. In columns (d) and (e) report the amount classified to operating income and the account(s) in which reported.					
Line No.	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
1	Wisconsin Public Service Corporation	Subsidiary of Integrys Energy Group, Inc. through 8/27/2014	Direct Labor & Loading	Various	(3,138)
2			Invoice/Expense Acct	Various	4,936
3			Material & supplies	593	80
4			Project Costs		
5			Useage Based	593	17
6					
7					
8	Michigan Gas Utilities Corporation	Subsidiary of Integrys Energy Group, Inc. through 8/27/2014	Invoice/Expense Acct	925, 930	2,247
9					
10					
11					
12					
13	Integrys Busines Support, LLC	Subsidiary of Integrys Energy Group, Inc. through 8/27/2014	Labor & Loading	Various	29,246
14			Invoice/Expense Acct	921	655
15			Transfer Def Comp		
16					
17					
18	Integrys Energy Group, Inc.	Parent through 8/27/2014	Labor & Loading	921	28,815
19			Invoice/Expense Acct	Various	1,324
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
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Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/2015	December 31, 2014

SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES (Continued)

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

Account Number (f)	Amount Classified to Non-Operating Income (g)	Account Number (h)	Amount Classified to Balance Sheet (i)	Total (j)	Pricing Method (k)	Line No.
426	487			(2,651)	(1)	1
		143,232	37,864	42,800	(4)	2
		154	80,775	80,855	(1)	3
		107,184	47,184	47,184	(4)	4
				17	(2)	5
				168,205		6
						7
				2,247	(1)	8
				2,247		9
						10
						11
						12
				29,246	(1)	13
				655	(4)	14
		Various	144,982	144,982	(4)	15
				174,883		16
						17
				28,815	(1)	18
				1,324	(4)	19
				30,139		20
						21
						22
						23
						24
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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		04/30/2015	December 31, 2014
SUMMARY OF COSTS BILLED FROM ASSOCIATED COMPANIES					
1. In column (a) report the name of the associated company. 2. In column (b) describe the affiliation (percentage ownership, etc.). 3. In column (c) describe the nature of the goods and services provided (administrative and general expenses, dividends declared, etc.). 4. In columns (d) and (e) report the amount classified to operating income and the account(s) in which reported.					
Line No.	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
1	Wisconsin Public Service	Subsidiary of Integrys	Direct Labor & Loading	Various	90,459
2	Corporation	Energy Group, Inc.	Employee Benefits (pass thru)	920, 926	19,640
3		through 8/27/2014	Invoices & Expense Acct	Various	86,966
4			Materials & Supplies	Various	444,594
5			Project costs		
6			Usage Based & other	Various	868,828
7					
8					
9					
10	Integrys Business Support,	Subsidiary of Integrys	Labor & Loading	Various	1,419,452
11	LLC	Energy Group, Inc.	Invoices & Expense Acct	Various	2,131,366
12		through 8/27/2014	Materials & Supplies		
13			Computer Systems	Various	202,735
14			Contracted labor	Various	53,096
15			Usage Based & other	Various	73,645
16			Miscellaneous	Various	222,008
17					
18					
19	Integrys Energy Group, Inc.	Parent through 8/27/2014	Invoices & Expense Acct	Various	48,606
20			Interest on Debt	430	1,868,964
21					
22					
23	Upper Peninsula Power	Parent from 8/28/2014	Interest on Debt	430	1,534,867
24	Holding Company				
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					

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) 04/30/2015	December 31, 2014

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.
417	50,301	various	198,404	1,402,443	(1)	1
		242	3,796	23,436	(1), (4)	2
417, 426	3,493	various	2,063,734	2,154,193	(4)	3
417	1,526	various	663,371	1,109,491	(1)	4
		107,184	119,901	119,901	(4)	5
417	137	various	28,509	897,474	(2)	6
				5,706,938		7
						8
						9
				1,419,452	(1)	10
				2,131,366	(4)	11
			1,109,491	1,109,491	(4)	12
				495,145	(4)	13
				53,096	(5)	14
				73,645	(4)	15
				222,008	(4)	16
				5,504,203		17
						18
				48,606	(4)	19
				1,868,964	(4)	20
				1,917,570		21
						22
				1,534,867	(4)	23
				1,534,867		24
						25
						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) 12/31/2014		Year/Period of Report End of 2014/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)	773,536		
3	Steam		23	Requirements Sales for Resale (See instruction 4, page 311.)			
4	Nuclear		24	Non-Requirements Sales for Resale (See instruction 4, page 311.)	72,129		
5	Hydro-Conventional	125,246	25	Energy Furnished Without Charge			
6	Hydro-Pumped Storage		26	Energy Used by the Company (Electric Dept Only, Excluding Station Use)	2,985		
7	Other	509	27	Total Energy Losses	36,035		
8	Less Energy for Pumping		28	TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)	884,685		
9	Net Generation (Enter Total of lines 3 through 8)	125,755					
10	Purchases	758,930					
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)	884,685					

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MONTHLY PEAKS AND OUTPUT						
1. Report the monthly peak load and energy output. If the respondent has two or more power which are not physically integrated, furnish the required information for each non- integrated system. 2. Report in column (b) by month the system's output in Megawatt hours for each month. 3. Report in column (c) by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales. 4. Report in column (d) by month the system's monthly maximum megawatt load (60 minute integration) associated with the system. 5. Report in column (e) and (f) the specified information for each monthly peak load reported in column (d).						
NAME OF SYSTEM: Integrated						
Line No.	Month (a)	Total Monthly Energy (b)	Monthly Non-Requirements Sales for Resale & Associated Losses (c)	MONTHLY PEAK		
				Megawatts (See Instr. 4) (d)	Day of Month (e)	Hour (f)
29	January	72,988	216	101	7	18
30	February	67,344	222	95	27	19
31	March	73,630	510	91	2	19
32	April	73,718	8,491	79	4	17
33	May	74,214	13,396	73	12	10
34	June	70,283	7,358	83	30	16
35	July	79,112	10,177	88	21	17
36	August	77,456	8,002	86	25	16
37	September	79,216	12,041	78	28	20
38	October	75,509	5,010	80	29	19
39	November	69,635	4,123	91	18	17
40	December	71,579	3,970	96	29	18
41	TOTAL	884,684	73,516			

Name of Respondent Upper Peninsula Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2014	Year/Period of Report 2014/Q4
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 the real-time and day-ahead RTO administered energy markets to be separately reported for each hour. The total purchases when the MISO purchases and sales are netted on an hourly basis are 65,186 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 RTO administered energy markets to be separately reported for each hour. The total sales when the MISO purchases and sales are netted on an hourly basis are 6,943 MWH.

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

	2014
	Total KW
Total Monthly Customers Non-Coincident Peak Load at Substation Level	3,522,156
Total Monthly Customers Non-Coincident Peak Load at Primary Feeder Level	3,088,720

Schedule Page: 401 Line No.: 32 Column: c

Due to Formula error, original quarterly filing was understated.

Schedule Page: 401 Line No.: 37 Column: c

Updated to include updated loss factor as of September

Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 12/31/2014		Year/Period of Report End of 2014/Q4	
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	248847		259804			
13	Cost of Plant: Land and Land Rights	7353		55663			
14	Structures and Improvements	93584		110212			
15	Equipment Costs	3303245		2249241			
16	Asset Retirement Costs	0		0			
17	Total Cost	3404182		2415116			
18	Cost per KW of Installed Capacity (line 17/5) Including	150.6275		106.8635			
19	Production Expenses: Oper, Supv, & Engr	38387		9511			
20	Fuel	56823		88630			
21	Coolants and Water (Nuclear Plants Only)	0		0			
22	Steam Expenses	23228		128			
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	15117		10078			
27	Rents	0		0			
28	Allowances	0		0			
29	Maintenance Supervision and Engineering	7663		15850			
30	Maintenance of Structures	145		62			
31	Maintenance of Boiler (or reactor) Plant	5927		24621			
32	Maintenance of Electric Plant	0		0			
33	Maintenance of Misc Steam (or Nuclear) Plant	5607		0			
34	Total Production Expenses	152897		148880			
35	Expenses per Net KWh	0.6144		0.5730			
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	0	0	0	0
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	0	0	0	0	0	0
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	0.000	0.000	0.000	0.000	0.000	0.000
41	Average Cost of Fuel per Unit Burned	0.000	0.000	0.000	0.000	0.000	0.000
42	Average Cost of Fuel Burned per Million BTU	0.000	0.000	0.000	0.000	0.000	0.000
43	Average Cost of Fuel Burned per KWh Net Gen	0.000	0.000	0.000	0.000	0.000	0.000
44	Average BTU per KWh Net Generation	0.000	0.000	0.000	0.000	0.000	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) 12/31/2014	Year/Period of Report End of 2014/Q4
HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants)					
1. Large plants are hydro plants of 10,000 Kw or more of installed capacity (name plate ratings) 2. If any plant is leased, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. If licensed project, give project number. 3. If net peak demand for 60 minutes is not available, give that which is available specifying period. 4. If a group of employees attends more than one generating plant, report on line 11 the approximate average number of employees assignable to each plant.					
Line No.	Item (a)	FERC Licensed Project No. 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)	0	0		
7	Plant Hours Connect to Load	0	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	63,253,597	0		
13	Cost of Plant				
14	Land and Land Rights	514,903	0		
15	Structures and Improvements	562,460	0		
16	Reservoirs, Dams, and Waterways	34,598,909	0		
17	Equipment Costs	3,227,851	0		
18	Roads, Railroads, and Bridges	786,844	0		
19	Asset Retirement Costs	0	0		
20	TOTAL cost (Total of 14 thru 19)	39,690,967	0		
21	Cost per KW of Installed Capacity (line 20 / 5)	3,307.5806	0.0000		
22	Production Expenses				
23	Operation Supervision and Engineering	259,009	0		
24	Water for Power	0	0		
25	Hydraulic Expenses	466,868	0		
26	Electric Expenses	30,995	0		
27	Misc Hydraulic Power Generation Expenses	25,161	0		
28	Rents	95	0		
29	Maintenance Supervision and Engineering	56,092	0		
30	Maintenance of Structures	10,350	0		
31	Maintenance of Reservoirs, Dams, and Waterways	190,399	0		
32	Maintenance of Electric Plant	28,760	0		
33	Maintenance of Misc Hydraulic Plant	66	0		
34	Total Production Expenses (total 23 thru 33)	1,067,795	0		
35	Expenses per net KWh	0.0169	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) 12/31/2014	Year/Period of Report End of 2014/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		5,415,463	7,521,761
3	Hoist*	1925	4.40		14,328,776	16,374,147
4	McClure	1919	8.00		42,248,242	23,282,787
5						
6						
7						
8						
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) 12/31/2014	Year/Period of Report End of 2014/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
3,142,950	265,483		48,127			2
3,961,382	439,487		340,378			3
3,077,247	267,910		102,290			4
						5
						6
						7
						8
						9
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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) 04/30/2015	December 31, 2014		
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	Location	Name of Stream	Water Wheels			
				Attended or Unattended	Type of Unit	Year Installed	Gross Static Head with Pond Full
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Victoria	Rockland	Ontonagon	Unattended	Verticle (F)	1930	215
2							
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Name of Respondent			This Report Is:		Date of Report		Year of Report			
Upper Peninsula Power Company			(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		04/30/2015		December 31, 2014			
HYDROELECTRIC GENERATING PLANTS (Continued)										
<p>(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.</p> <p>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.</p> <p>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.</p>										
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
										2
										3
										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		04/30/2015 (Mo, Da, Yr)		December 31, 2014	
INTERNAL-COMBUSTION ENGINE AND GAS-TURBINE GENERATING PLANTS							
1. Include on this page internal-combustion engine and gas-turbine plants of 10,000 kilowatts and more. 2. Report the information called for concerning plants and equipment at end of year. Show associated prime movers and generators on the same line. 3. Exclude from this page, plant, the book cost of which is included in Account 121, <i>Nonutility Property</i> .				4. Designate any plants or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and term of lease, and annual rent. For any generating plant other than a leased plant, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the			
Line No.	Name of Plant (a)	Location of Plant (b)	Prime Movers <i>In Column (e), indicate basic cycle for gas-turbine as open or closed; indicate basic cycle for internal-combustion as 2 or 4.</i>				
			Internal-Combustion or Gas-Turbine (c)	Year Installed (d)	Cycle (e)	Belted or Direct Connected (f)	
1	Portage Generating	South Range, MI	Gas Turbine	1973	Open	Direct	
2	Gladstone Generating	Gladstone, MI	Gas Turbine	1987	Open	Direct	
3							
4							
5							
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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) 04/30/2015	December 31, 2014				
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	12,500	3	60	24.6	1	2
							3
							4
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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) 12/31/2014	Year/Period of Report End of 2014/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	Atlantic Sub, Atlantic Mine	Distribution	69.00	12.50	
4	Masonville, Mason Twsp*	Distribution	69.00	34.00	
5	McClure Plt, Ishp	Distribution	2.40	34.00	
6	Barnum Sub, Ishp	Distribution	138.00	12.50	
7	Barnum Sub, Ishp	Distribution	69.00	12.50	
8	Barnum Sub, Ishp	Distribution	138.00	34.00	
9	Delta Sub, Wells Twsp	Distribution	69.00	12.50	
10	Elevation St, Hancock*	Distribution	69.00	12.50	
11	KI Sawyer AFB	Distribution	69.00	12.50	
12	Henry Street Sub, Hurontown*	Distribution	69.00	12.50	
13	Lake Mine, Greenland Twsp*	Distribution	69.00	7.20	
14	L'Anse Dist, L'Anse*	Distribution	69.00	12.50	
15	Lincoln Ave Sub, Iron River	Distribution	69.00	12.50	
16	M-38 Sub, Baraga Twsp*	Distribution	69.00	12.50	
17	Negaunee City, Neg *	Distribution	34.00	4.16	
18	Ontonagon Sub, Ont*	Distribution	69.00	12.50	
19	Munising Sub., City of Munising	Distribution	67.00	12.50	
20	Victoria, Rockland Twsp	Distribution	69.00	12.50	
21	Osceola Sub, Laurium *	Distribution	69.00	12.50	
22	MTU, Houghton	Distribution	69.00	12.50	
23	Winona	Distribution	69.00	12.50	
24	14 Subs Under 10,000 KVA	Distribution			
25	Total		1633.90	416.36	
26					
27					
28	* Substations serving customers with				
29	energy for resale.				
30					
31					
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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) 12/31/2014	Year/Period of Report End of 2014/Q4
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SUBSTATIONS (Continued)

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

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

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
25	1					1
37	1					2
14	2	3				3
20	2					4
10	2					5
22	1					6
12	1					7
22	1					8
14	1	1				9
28	2					10
15	2					11
14	1					12
1	1					13
35	3	1				14
32	2					15
7	1	1				16
6	3	1				17
7	1					18
41	4					19
28	4					20
45	2					21
18	2					22
4	1					23
58	17	8				24
515	58	15				25
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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) 12/31/2014	Year/Period of Report 2014/Q4
Upper Peninsula Power Company			
FOOTNOTE DATA			

Schedule Page: 426 Line No.: 24 Column: a

Excludes energy for resale.

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) 04/30/2015	December 31, 2014
ELECTRIC DISTRIBUTION METERS AND LINE TRANSFORMERS				
1. Report below the information called for concerning distribution watt-hour meters and line transformers. 2. Include watt-hour demand distribution meters, but not external demand meters. 3. Show in a footnote the number of distribution watt-hour meters or line transformers held by the respondent under lease from others, jointly owned with others, or held otherwise than by reason of sole ownership by the respondent. If 500 or more meters		or line transformers are held under a lease, give name of lessor, date and period of lease, and annual rent. If 500 or more meters or line transformers are held other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of accounting for expenses between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.		
Line No.	Item (a)	Number of Watt-Hours Meters (b)	LINE TRANSFORMERS	
			Number (c)	Total Capacity (In Mva) (d)
1	Number at Beginning of Year	65,489	23,659	663
2	Additions During Year			
3	Purchases			
4	Associated with Utility Plant Acquired			
5	TOTAL Additions (Enter Total of lines 3 and 4)	0	0	0
6	Reduction During Year			
7	Retirements			
8	Associated with Utility Plant Sold			
9	TOTAL Reductions (Enter Total of lines 7 and 8)		0	0
10	Number at End of Year (Lines 1+ 5 - 9) *	65,489	23,659	663
11	In Stock			
12	Locked Meters on Customers' Premises			
13	Inactive Transformers on System			
14	In Customers' Use			
15	In Company's Use			
16	Total End of Year (Enter Total of lines 11 to 15. This line should equal line 10)	0	0	0
* One distribution watt-hour meter is leased and twenty-three distribution watt-hour meters are on loan.				

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2015	Year of Report December 31, 2014
Upper Peninsula Power Company			

RENEWABLE ENERGY RESOURCES

1. Renewable energy means electricity generated using a renewable energy system

2. Report all costs of renewable energy resources under the major classifications provided below and include, as a minimum, the items listed hereunder:

- A. Biomass
- B. Solar
- C. Solar Thermal
- D. Wind Energy
- E. Kinetic energy of moving water including:
 - i. Waves, tides or currents
 - ii. Water released through a dam
- F. Geothermal Energy
- G. Municipal Solid Waste
- H. Landfill gas produced by municipal solid waste
- I. Other

4. In those instances when costs are composites of both actual supportable costs and estimates of costs, specify in column (f) the actual costs that are included in column (e).

5. Report construction work in progress relating to renewable energy resources at line 11.

Line No.	Classification of Cost (a)	Additions (b)	Retirements (c)	Adjustments (d)	Balance at End of Year (e)	Actual Cost (f)
1	Biomass					
2	Solar					
3	Solar Thermal					
4	Wind Energy					
5	Kinetic energy of moving water	1,389,165	91,585		98,385,864	
6	Geothermal Energy					
7	Municipal Solid Waste					
8	Landfill gas produced by municipal solid waste					
9	Other					
10	TOTAL (Total of lines 1 thru 9)					
11	Construction work in progress	201,820			232,697	

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2015	Year of Report December 31, 2014
Upper Peninsula Power Company			

RENEWABLE ENERGY RESOURCE EXPENSES

1. Show below expenses incurred in connection with the use of renewable energy resources, the cost of which are reported on page 432. Where it is necessary that allocations and/or estimates of costs be made, state the basis or method used.

2. Include below the costs incurred due to the operation of renewable energy equipment, facilities, and programs.

3. Item 6 subject to MCL460.1047(3)

4. Under item 7 include ad valorem and other taxes assessed directly on or directly relatable to environmental facilities. Also include under item 7 licensing and similar fees on such facilities.

6. In those instances where expenses are composed of both actual supportable data and estimates of costs, specify in column (c) the actual expenses that are included in column (b).

Line No.	Classification of Expenses (a)	Amount (b)	Actual Expenses (c)
1	Depreciation	3,039,041	
2	Labor, Maintenance, Materials, and Supplies Cost Related to Renewable Energy Resources	2,553,054	
3	Financing Costs		
4	Ancillary to ensure Quality/Reliability		
5	Renewable Energy Credits	(914,382)	
6	Interest on Regulatory Liability (asset)		
7	Taxes and Fees (include credits)	2,760,817	
8	Administrative and General		
9	Other (<i>Identify</i>)		
10	TOTAL	7,438,530	

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