

MICHIGAN PUBLIC SERVICE COMMISSION

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

This form is authorized by 1919 PA 419, as amended, being MCL 460.55 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 state law.

Report submitted for year ending: December 31, 2017										
Present name of respondent: Upper Michigan Energy Resources Corporation										
Address of principal place of business: 231 West Michigan Street, Milwaukee, WI 53203										
Utility representative to whom inquires regarding this report may be directed: <table><tr><td>Name: Scott J. Maas</td><td>Title: Controller - Corporate Services</td></tr><tr><td colspan="2">Address: 700 North Adams Street, P. O. Box 19001</td></tr><tr><td>City: Green Bay</td><td>State: WI</td><td>Zip: 54307-9001</td></tr><tr><td colspan="3">Telephone, Including Area Code: (920) 433-1421</td></tr></table>	Name: Scott J. Maas	Title: Controller - Corporate Services	Address: 700 North Adams Street, P. O. Box 19001		City: Green Bay	State: WI	Zip: 54307-9001	Telephone, Including Area Code: (920) 433-1421		
Name: Scott J. Maas	Title: Controller - Corporate Services									
Address: 700 North Adams Street, P. O. Box 19001										
City: Green Bay	State: WI	Zip: 54307-9001								
Telephone, Including Area Code: (920) 433-1421										
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								
<input type="checkbox"/>]	will be forwarded to the Commission								
<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>]</td><td>are not published</td></tr></table>	<input type="checkbox"/>]	are published	<input checked="" type="checkbox"/>]	are not published				
<input type="checkbox"/>]	are published								
<input checked="" type="checkbox"/>]	are not published								

FOR ASSISTANCE IN COMPLETION OF THIS FORM:

Contact the Michigan Public Service Commission (Heather Cantin) at (517) 284-8266 or cantinh@michigan.gov OR forward correspondence to:

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



Deloitte & Touche LLP
555 East Wells Street
Suite 1400
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 Michigan Energy Resources Corporation:

Milwaukee, Wisconsin

We have audited the accompanying financial statements of Upper Michigan Energy Resources Corporation (the "Company"), which comprise the balance sheet – regulatory basis as of December 31, 2017, 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 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 Michigan Energy Resources Corporation as of December 31, 2017, 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 B 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

Milwaukee, Wisconsin
April 30, 2018

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 1919 PA 419, as amended, being MCL 460.55 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 gas company, as classified by the Commission's Uniform System of Accounts must submit this form.

NOTE: Major - A gas company having annual natural gas sales over 50 million Dth in each of the 3 previous calendar years

Nonmajor - A gas company having annual natural gas sales at or below 50 million Dth in each of the 3 previous calendar years.

The class to which any utility belongs shall originally be determined by the average of its annual gas sales for the last three consecutive years. Subsequent changes in classification shall be made when the annual gas sales for each of the three years immediately preceding the years exceeds the upper limit, or is less than the lower limit of the classification previously applicable to the utility.

III. What and Where to Submit:

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

Michigan Public Service Commission (Financial Analysis & Audit Division)
Financial Analysis and Customer Choice Section
4300 W. Saginaw Hwy.
Lansing, MI 48917

Retain one copy of this report for your files. Also submit the electronic version of this record to Heather Cantin at the address below or to cantinh@michigan.gov

(b) Submit immediately upon publication, one (1) copy of the latest annual report to
Michigan Public Service Commission (Financial Analysis & Audit Division)
Financial Analysis and Customer Choice Section
4300 W. Saginaw Hwy
Lansing, MI 48917

(c) For the CPA certification, submit with the original submission of the form, a letter or

(i) Contain a paragraph attesting to the conformity, in all material aspects, of the schedules and pages listed below with the Commission's applicable Uniform Systems of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and

<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 users may obtain additional blank copies to meet their requirements for a charge from:

Michigan Public Service Commission (Financial Analysis & Audit Division)
 Financial Analysis and Customer Choice Section
 4300 W. Saginaw Hwy.
 Lansing, MI 48917

IV. When to Submit

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

GENERAL INSTRUCTIONS

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

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

- III. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "NONE" where it truly and completely states the fact.
- IV. For any page(s) that is not applicable to respondent, either
 - (a) Enter the words "NOT APPLICABLE" on the particular page(s), OR
 - (b) Omit the page(s) and enter "NA", "NONE", or "NOT APPLICABLE" in column (c) on the List of Schedules, pages 2, 3, 4 and 5.
- V. Complete this report by means which result in a permanent record. Complete the original copy in permanent black ink or typewriter print, if practical. Additional copies must be clear and readable.
- VI. Enter the month, day, and year for all dates. Use customary abbreviations. The "Date of Report" included in the header of each page is to be completed only for resubmissions (See VIII. below). The date of the resubmission must be reported in the header for all form pages, whether or not they are changed from the previous filing.
- VII. Indicate negative amounts (such as decreases) by enclosing the figures in parentheses ().
- VIII. When making revisions, resubmit only those pages that have been changed from the original submission. Submit the same number of copies as required for filing the form. Include with the resubmission the identification and Attestation page, page 1. Mail dated resubmissions to:

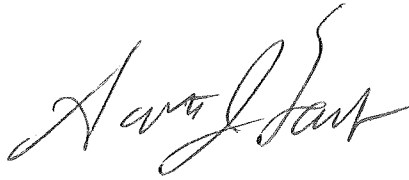
Michigan Public Service Commission (Financial Analysis & Audit Division)
Financial Analysis and Customer Choice Section
4300 W. Saginaw Hwy
Lansing, MI 48917
- IX. Provide a supplemental statement further explaining accounts or pages as necessary. Attach the supplemental statement (8 1/2 x 11 inch size) 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 preprinted schedules if they are in substantially the same format.
- XIII. A copy of the FERC Annual Report Form is acceptable to substitute for the same schedules of this report.

DEFINITIONS

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

MPSC FORM P-521

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

IDENTIFICATION		
01 Exact Legal Name of Respondent Upper Michigan Energy Resources Corporation	02 Year of Report December 31, 2017	
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) 231 West Michigan Street, Milwaukee, WI 53203		
05 Name of Contact Person Scott J. Maas	06 Title of Contact Person Controller - Corporate Services	
07 Address of Contact Person (Street, City, St., Zip) 700 North Adams Street, P.O. Box 19001, Green Bay, Wisconsin 54307-9001		
08 Telephone of Contact Person, Including Area Code: (920) 433-1421	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, 2018
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 Scott J. Lauber	03 Signature 	04 Date Signed (Mo, Da, Yr) April 30, 2018
02 Title Executive Vice President & CFO		

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2018	Year of Report December 31, 2017
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)	
GENERAL CORPORATE INFORMATION AND FINANCIAL STATEMENTS			
General Information	101		
Control Over Respondent & Other Associated Companies	M 102	None	
Corporations Controlled by Respondent	103		
Officers and Employees	M 104		
Directors	105		
Security Holders and Voting Powers	M 106-107		
Important Changes During the Year	108-109		
Comparative Balance Sheet	M 110-113		
Statement of Income for the Year	M 114-117	Page 116 - None	
Statement of Retained Earnings for the Year	M 118-119		
Statement of Cash Flows	120-121		
Notes to Financial Statements	122-123		
BALANCE SHEET SUPPORTING SCHEDULES (Assets and Other Debits)			
Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion	200-201		
Nuclear Fuel Materials	202-203	None	
Electric Plant in Service	M 204-211		
Electric Plant Leased to Others	213	None	
Electric Plant Held for Future Use	214		
Construction Work in Progress - Electric	M 216	None	
Construction Overheads - Electric	217		
General Description of Construction Overhead Procedure	M 218		
Accumulated Provision for Depreciation of Electric Utility Plant	M 219		
Nonutility Property	M 221	None	
Investment in Subsidiary Companies	224-225		
Material and Supply	227	None	
Allowances	228-229		
Extraordinary Property Losses	230B	None	
Unrecovered Plant and Regulatory Study Costs	230B		
Other Regulatory Assets	M 232		
Miscellaneous Deferred Debits	M 233		
Accumulated Deferred Income Taxes (Account 190)	234A-B		
BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Credits)			
Capital Stock	250-251	None	
Capital Stock Subscribed, Capital Stock Liability for Conversion Premium on Capital Stock, and Installments Received on Capital Stock	252		

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2018	Year of Report December 31, 2017
LIST OF SCHEDULES (Electric Utility) (Continued)			
Title of Schedule (a)	Reference Page No. (b)	Remarks (c)	
BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Other Credits) (Continued)			
Other Paid-in Capital	253		
Discount on Capital Stock	254	None	
Capital Stock Expense	254	None	
Long Term Debt	256-257		
Reconciliation of Reported Net Income with Taxable Income for Federal Income Tax	M 261A-B	Page 261B - None	
Calculation of Federal Income Tax			
Taxes Accrued, Prepaid and Charged During Year	M 262-263		
Distribution of Taxes Charged	M 262-263		
Accumulated Deferred Income Taxes - Accelerated Amortization Property	M 272-273	None	
Accumulated Deferred Income Taxes - Other Property	M 274-275		
Accumulated Deferred Income Taxes - Other	M 276A-B		
Other Regulatory Liabilities	M 278		
INCOME ACCOUNT SUPPORTING SCHEDULES			
Electric Operating Revenues	M 300-301		
Sales of Electricity by Rate Schedules	304		
Sales for Resale	310-311	None	
Electric Operation and Maintenance Expenses	320-323		
Number of Electric Department Employees	323	None	
Purchased Power	326-327		
Transmission of Electricity for Others	328-330	None	
Transmission of Electricity by Others	332		
Miscellaneous General Expenses - Electric	M 335		
Depreciation and Amortization of Electric Plant	M 336-337	Page 337 - None	
Particulars Concerning Certain Income Deduction and Interest Charges Accounts	340		
COMMON SECTION			
Regulatory Commission Expenses	350-351		
Research, Development and Demonstration Activities	352-353	Page 353 - None	
Distribution of Salaries and Wages	354-355	None	
Common Utility Plant and Expenses	356	None	
ELECTRICAL PLANT STATISTICAL DATA			
Monthly Transmission System Peak Load	M 400	Not Applicable	
Electric Energy Account	401		
Monthly Peaks and Output	401		
Steam-Electric Generating Plant Statistics (Large Plants)	402-403	None	
Hydroelectric Generating Plant Statistics (Large Plants)	406-407	None	
Pumped Storage Generating Plant Statistics (Large Plants)	408-409	None	
Generating Plant Statistics (Other Plants)	410-411	None	

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2018	Year of Report December 31, 2017
LIST OF SCHEDULES (Electric Utility) (Continued)			
Title of Schedule (a)	Reference Page No. (b)	Remarks (c)	
ELECTRIC PLANT STATISTICAL DATA (Continued)			
Transmission Lines Statistics	422-423	None	
Transmission Lines Added During Year	424-425	None	
Substations	426-427		
Electric Distribution Meters and Line Transformers	429		
Environmental Protection Facilities	430	Filing Not Required	
Environmental Protection Expenses	431	Filing Not Required	
Renewable Energy Resources	432	None	
Renewable Energy Resource Expenses	433	None	
Footnote Data	450		
Stockholders' Report	--		
MPSC SCHEDULES			
Reconciliation of Deferred Income Tax Expenses	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	None	
Investments	222-223	None	
Notes & Accounts Receivable Summary for Balance Sheet	226A		
Accumulated Provision for Uncollectible Accounts - Credit Receivables From Associated Companies	226A 226B		
Production Fuel and Oil Stocks	227A-B	None	
Miscellaneous Current and Accrued Assets	230A	None	
Preliminary Survey and Investigation Charges	231A-B		
Deferred Losses from Disposition of Utility Plant	235A-B	None	
Unamortized Loss and Gain on Reacquired Debt	237A-B	None	
Securities Issued or Assumed and Securities Refunded or Retired During the Year	255		
Notes Payable	260A	None	
Payables to Associated Companies	260B		
Investment Tax Credit Generated and Utilized	264-265	Pages Eliminated by MPSC	
Miscellaneous Current and Accrued Assets	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	None	
Income from Utility Plant Leased to Others	281	None	
Particulars Concerning Certain Other Income Accounts	282	None	
Electric Operation and Maintenance Expenses (Nonmajor)	320N-324N	Not Applicable	
Number of Electric Department Employees	324N	Not Applicable	
Sales to Railroad & Railways and Interdepartmental Sales	331A		
Rent From Electric Property & Interdepartmental Rents	331A		
Sales of Water and Water Power	331B	None	
Misc. Service Revenues & Other Electric Revenues	331B		
Lease Rentals Charged	333A-D	Page 333C-D - None	
Expenditures for Certain Civic, Political and Related Activities	341		

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2018	Year of Report December 31, 2017
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LIST OF SCHEDULES (Electric Utility) (Continued)

Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
MPSC SCHEDULES (Continued)		
Extraordinary Items	342	None
Charges for Outside Professional and Other Consultative Services	357	
Summary of Costs Billed to Associated Companies	358-359	
Summary of Costs Billed from Associated Companies	360-361	
Monthly Transmission System Peak Load	400	Not Applicable
Changes Made or Scheduled to be Made in Generating Plant Capacities	412	
Steam-Electric Generating Plants	413A-B	None
Hydroelectric Generating Plants	414-415	None
Pumped Storage Generating Plants	416-418	None
Internal Combustion Engine and Gas Turbine Generating Plants	420-421	None

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2018	Year of Report December 31, 2017
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>Scott J. Lauber Executive Vice President & CFO 231 West Michigan Street Milwaukee, WI 53203</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 the fact and give the type of organization and date organized.</p> <p>Upper Michigan Energy Resources Corporation was incorporated in Michigan on September 29, 2016.</p>			
<p>3. If at any time during the year the property of respondent was held by 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 which possession by receivership or trustee ceased.</p> <p>Not applicable.</p>			
<p>4. State the classes of utility or other services furnished by respondent during the year in each State in which the respondent operated.</p> <p>Upper Michigan Energy Resources Corporation is an electric and gas utility that supplies and distributes electric power and natural gas in its franchised service territory in the Upper Peninsula of Michigan.</p>			
<p>5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?</p> <p>1. <input type="checkbox"/> Yes..... Enter date when such independent accountant was initially engaged: _____</p> <p>2. <input checked="" type="checkbox"/> No</p>			

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) [X] An Original (2) [] A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2018	Year of Report December 31, 2017
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CONTROL OVER RESPONDENT & OTHER ASSOCIATED COMPANIES

1. If any corporation, business trust, or similar organization or combination of such organizations jointly held control over the respondent at end of year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s), name of beneficiary or beneficiaries for whom trust was maintained, and purpose of the trust.
2. List any entities which respondent did not control either directly or indirectly and which did not control respondent but which were associated companies at any time during the year.

1. Upper Michigan Energy Resources Corporation is a wholly owned subsidiary of WEC Energy Group, Inc.

2. Associated companies include:

- | | |
|--|--|
| American Transmission Company LLC | Wisconsin Electric Power Company |
| ATC Development Manager, Inc. | Wisconsin Energy Capital Corporation |
| ATC Holdco LLC | Wisconsin Energy Services, LLC |
| ATC Management Inc. | Wisconsin Gas LLC |
| BGS Kimball Gas Storage, LLC | Wisconsin Public Service Corporation |
| Bluewater Gas Storage, LLC | Wisconsin Public Service Foundation, Inc |
| Bluewater National Gas Holding, LLC | Wisconsin River Power Company |
| Bostco LLC | Wisconsin Valley Improvement Company |
| Elm Road Generating Station Supercritical, LLC | Wispark LLC |
| Elm Road Services, LLC | Wisvest LLC |
| Integrays Holding, Inc. | Witech LLC |
| Michigan Gas Utilities Corporation | WPS Community Foundation, Inc. |
| Minnesota Energy Resources Corporation | WPS Investments, LLC |
| North Shore Gas Company | WPS Power Development, LLC * |
| Penvest, Inc. | WPS Visions, Inc. |
| Peoples Energy, LLC | |
| Peoples Energy Neighborhood Development, LLC | |
| Peoples Energy Ventures, LLC | |
| Peoples Gas Neighborhood Development Corp. | |
| Peoples Technology, LLC | |
| Port Washington Generation Station, LLC | |
| SSS Holdings, LLC | |
| State Energy Services, LLC | |
| The Peoples Gas Light & Coke Company | |
| W.E. Power, LLC | |
| We Energies Foundation, Inc. | |
| WEC Business Services LLC | |
| WEC Investments, LLC | |
| WEXCO of Delaware, Inc. | |

* WPS Power Development, LLC is the parent company of our non-regulated power generation subsidiaries.

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2018	Year of Report December 31, 2017
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OFFICERS AND EMPLOYEES

1. Report below the name, title and salary for the five executive officers
2. Report in column (b) salaries and wages accrued during the year including deferred compensation.
3. In column (c) report any other compensation provided, such as bonuses, car allowance, stock options and rights, savings contribution, etc., and explain in a footnote what the amounts represent. Provide type code for other compensation in column (d).
4. If a change was made during the year in the incumbent of any position, show the name and total remuneration of the previous incumbent and the date the change in incumbency occurred.
5. Upon request, the Company will provide the Commission with supplemental information on officers and other employees and salaries.

Line	Name and Title (a)	Base Wages (b)	Other Compensation (c)	Type of Other Compensation (d)	Total Compensation (e)
1	J. Patrick Keyes President	0	0	A	0
2	Scott J. Lauber EVP and CFO	0	0	A	0
3	Susan H. Martin * EVP, General Counsel, and Corporate Secretary	0	0	A	0
4	J. Kevin Fletcher EVP - Customer Service and Operations	0	0	A	0
5	James A. Schubilske VP and Treasurer	0	0	A	0

Footnote Data

- | | |
|---|---|
| 1 | * In July 2017, WEC Energy Group announced Ms. Martin's intent to retire in early 2018. As part of that transition, Ms. Margaret C. Kelsey was appointed Executive Vice President, General Counsel, and Corporate Secretary, and Ms. Martin was appointed Executive Vice President. |
| 2 | |
| 3 | |
| 4 | |

Compensation Type Codes:

- A = Executive Incentive Compensation
- B = Incentive Plan (Matching Employer Contribution)
- C = Stock Plans
- D = Other Reimbursements

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) 4/30/2018	Year of Report December 31, 2017
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DIRECTORS

1. Report below any information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.
2. Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.

Name and Title of Director (a)	Principal Business Address (b)	# of Directors Meetings During Yr (c)	Fees During Yr (d)
1 J. Patrick Keyes President	231 West Michigan Street Milwaukee, WI 53203	7	None
2 J. Kevin Fletcher EVP - Customer Service and Operations	231 West Michigan Street Milwaukee, WI 53203	7	None
3 Scott J. Lauber EVP and CFO	231 West Michigan Street Milwaukee, WI 53203	7	None
4 Susan H. Martin EVP, General Counsel and Corporate Secretary	231 West Michigan Street Milwaukee, WI 53203	7	None
5 Allen L. Leverett	231 West Michigan Street Milwaukee, WI 53203	5	None

Footnote Data

Number of Directors meetings includes in person meetings and unanimous consent actions.

We do not have an Executive Committee.

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2018	Year of Report December 31, 2017
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SECURITY HOLDERS AND VOTING POWERS

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.

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.

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.

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.

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.

1. Give date of the latest closing of the stock book prior to end of year, and state the purpose of such closing:

Stock books are not closed prior to the end of the year.

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:

Total: 2,000

By Proxy: 0

Meeting conducted by unanimous consent of the sole shareholder on June 1, 2017.

3. Give the date and place of such meeting:

Directors were elected June 1, 2017, via unanimous consent of the sole shareholder, WEC Energy Group, Inc., in lieu of an annual meeting.

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SECURITY HOLDERS AND VOTING POWERS (Continued)

Line	Name (Title) and Address of Security Holder (a)	VOTING SECURITIES			
		Number of votes as of (date):			
		Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
4	TOTAL votes all voting securities		2,000	-	-
5	TOTAL number of security holders		1	-	-
6	TOTAL votes of security holders listed below		2,000	-	-
7	WEC Energy Group, Inc.		2,000		
8	231 West Michigan Street				
9	Milwaukee, WI 53203			-	-
10					
11					
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#	<u>RESPONSE/NOTES TO INSTRUCTION #</u>
2	Not applicable
3	Not applicable
4	Not applicable

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2018	Year of Report December 31, 2017
IMPORTANT CHANGES DURING THE 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 acceptable" 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 therefor 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 conditions. 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</p> <p>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 or assumed by respondent as guarantor for the performance by another of any agreement or obligation, including ordinary commercial paper maturing on demand or not later than one year after date of issue: State on behalf of whom the obligation was assumed and amount of the obligation. Give reference to Commission authorization if any was required.</p> <p>7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.</p> <p>8. State the estimated annual effect and nature of any important wage scale changes during the year.</p> <p>9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.</p> <p>10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on page 106, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.</p> <p>11. Estimated increase or decrease in annual revenues due to important rate changes: State effective date and approximate amount of increase or decrease of each revenue classification. State the number of customers affected.</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 attached to this page.</p>			

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2018	Year of Report December 31, 2017
IMPORTANT CHANGES DURING THE YEAR (Continued)			
<p>See listing of Acronyms Used in This Report at Page 123.1. In this report, when we refer to "us," "we," or "ours," we are referring to UMERC.</p> <p>1. On January 1, 2017, all of WE's franchises and WPS's franchises located in the upper peninsula of Michigan transferred to UMERC.</p> <p>In June 14, 2016, WE and WPS filed applications with both the MPSC and the PSCW for approval to transfer WE's Michigan electric distribution assets and WPS's Michigan electric and natural gas distribution assets to UMERC. This application fulfilled commitments made by their parent company, WEC Energy Group, in subparagraph 6.g. of an Amended and Restated Settlement Agreement approved by the MPSC in Case No. U-17682 wherein WEC Energy Group agreed to the creation of a Michigan jurisdictional utility. Approvals were received by the MPSC and the PSCW in December 2016. The transfer of the franchises resulted from the formation of UMERC</p> <p>WE and UMERC are both wholly owned subsidiaries of WEC Energy Group. WPS is an indirect wholly owned subsidiary of WEC Energy Group.</p> <p>2. None.</p> <p>3. None.</p> <p>4. None.</p> <p>5. Refer to instruction 1, above.</p> <p>6. At December 31, 2017, UMERC had \$50,000,000 of long-term notes payable to WEC Energy Group due October 1, 2027, and \$38,101,837 of short-term notes payable to WEC Energy Group.</p> <p>7. There have been no changes to the UMERC Articles of Incorporation (filed September 20, 2016) or Bylaws (adopted October 6, 2016).</p> <p>8. None.</p> <p>9. See UMERC Condensed Notes to Financial Statements, Note 7, Commitments and Contingencies.</p> <p>10. No material transactions to report.</p> <p>11. Reserved.</p> <p>12. None.</p> <p>13. There have been no changes during the reporting period.</p> <p>14. Not applicable.</p>			

Name of Respondent		This Report Is:	Date of Report	Year of Report
Upper Michigan Energy Resources Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 4/30/2018	December 31, 2017
COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)				
Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114, 118)	200-201		184,282,460
3	Construction Work in Progress (107)	200-201		53,065,625
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)			237,348,085
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 111, 115, 119)			73,859,537
6	Net Utility Plant (Enter Total of line 4 less 5)			163,488,548
7	Nuclear Fuel (120.1-120.4, 120.6)			
8	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)			
9	Net Nuclear Fuel (Enter Total of line 7 less 8)			
10	Net Utility Plant (Enter Total of lines 6 and 9)			163,488,548
11	Utility Plant Adjustments (116)	122-123		
12	Gas Stored-Base Gas (117.1)	220		
13	System Balancing Gas (117.2)	220		
14	Gas Stored in Reservoirs and Pipelines-Noncurrent (117.3)	220		
15	Gas Owed to System Gas (117.4)	220		
16	OTHER PROPERTY AND INVESTMENTS			
17	Nonutility Property (121)	221		
18	(Less) Accum. Prov. for Depr. and Amort. (122)	221		
19	Investments in Associated Companies (123)	222-223		
20	Investments in Subsidiary Companies (123.1)	224-225		
21	(For cost of Account 123.1 See Footnote Page 224, line 42)			
22	Noncurrent Portion of Allowances	---		
23	Other Investments (124)			
24	Sinking Funds (125)			
25	Depreciation Fund (126)			
26	Amortization Fund - Federal (127)			
27	Other Funds (128)			
28	LT Portion of Derivative Assets (175)			
29	LT Portion of Derivative Assets - Hedges (176)			
30	TOTAL Other Property and Investments (Total of lines 17 thru 29)			
31	CURRENT AND ACCRUED ASSETS			
32	Cash (131)	---		94,282
33	Special Deposits (132-134)	---		
34	Working Fund (135)	---		
		222-223		
35	Notes Receivable (141)	228A		
36	Customer Accounts Receivable (142)	228A		7,341,598
37	Other Accounts Receivable (143)	228A		16,827,997
38	(Less) Accum. Prov. for Uncoll. Acct.-Credit (144)	228A		434,183
39	Notes Receivable from Associated Companies (145)	228B		
40	Accounts Receivable from Associated Companies (146)	228B		9,248,400
41	Fuel Stock (151)	228C		
42	Fuel Stock Expenses Undistributed (152)	228C		
43	Residuals (Elec) and Extracted Products (Gas) (153)	228C		
44	Plant Materials and Operating Supplies (154)	228C		
45	Merchandise (155)	228C		
46	Other Materials and Supplies (156)	228C		
47	Nuclear Material Held for Sale (157)	228C		

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Month, Day, Year) 4/30/2018	Year of Report December 31, 2017
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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS) (Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
49	Allowances (158.1 and 158.2)	---		
50	(Less) Noncurrent Portion of Allowances	---		
51	Stores Expense Undistributed (163)	227C		
52	Gas Stored Underground-Current (164.1)	220		
53	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)	220		
54	Prepayments (165)	226,230		711,343
55	Advances for Gas (166-167)	229		
56	Interest and Dividends Receivable (171)	---		
57	Rents receivable (172)	---		
58	Accrued Utility Revenues (173)	---		4,005,988
59	Miscellaneous Current and Accrued Assets (174)	---		
60	Derivative Instrument Assets (175)			
61	(Less) LT Portion of Derivative Instrument Assets (175)			
62	Derivative Instrument Assets - Hedges (176)			
63	(Less) Derivative Instrument Assets - Hedges (176)			
64	TOTAL Current and Accrued Assets (Enter Total of lines 32 thru 63)			37,795,425
65	DEFERRED DEBITS			
66	Unamortized Debt Expenses (181)	---		
67	Extraordinary Property Losses (182.1)	230		
68	Unrecovered Plant & Regulatory Study Costs (182.2)	230		
69	Other Regulatory Assets (182.3)	232		8,587,666
70	Prelim. Survey & Invest. Charges (Electric) (183)	---		40,573
71	Prelim. Survey & Invest. Charges (Gas) (183.1, 183.2)	231		
72	Clearing Accounts (184)	---		
73	Temporary Facilities	---		
74	Miscellaneous Deferred Debits (186)	233		161,436
75	Def. Losses from Disposition of Utility Plant (187)	---		
76	Research, Devel. and Demonstration Expend. (188)	352-353		
77	Unamortized Loss on Reacquired Debt (189)	---		
78	Accumulated Deferred Income Taxes (190)	234-235		4,883,895
79	Unrecovered Purchased Gas Costs (191)	---		
80	TOTAL Deferred Debits (Enter Total of lines 66 thru 79)			13,673,570
81	TOTAL Assets and Other Debits (Enter Total of lines 10 - 15, 30, 64 and 80)			214,957,543

Name of Respondent		This Report Is:	Date of Report	Year of Report
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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)				
Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251		
3	Preferred Stock Issued (204)	250-251		
4	Capital Stock Subscribed (202, 205)	252		
5	Stock Liability for Conversion (203, 206)	252		
6	Premium on Capital Stock (207)	252		
7	Other Paid-In Capital (208-211)	253		42,079,165
8	Installments received on Capital Stock (212)	252		
9	(Less) Discount on Capital Stock (213)	254		
10	(Less) Capital Stock Expense (214)	254		
11	Retained Earnings (215, 215.1, 216)	118-119		7,619,595
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119		
13	(Less) Reacquired Capital Stock (217)	250-251		
14	Accumulated Other Comprehensive Income (219)	117		
15	TOTAL Proprietary Capital (Enter Total of lines 2 thru 14)			49,698,760
16	LONG-TERM DEBT			
17	Bonds (221)	256-257		
18	(Less) Reacquired Bonds (222)	256-257		
19	Advances from Associated Companies (223)	256-257		50,000,000
20	Other Long-Term Debt (224)	256-257		
21	Unamortized Premium on Long-Term Debt (225)	258-259		
22	(Less) Unamortized Discount on Long-Term Debt-Debit (226)	258-259		
23	(Less) Current Portion of Long-Term Debt			
24	TOTAL Long-Term Debt (Enter Total of lines 17 thru 23)			50,000,000
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases-Noncurrent (227)	---		
27	Accumulated Prov. for Property Insurance (228.1)	---		
28	Accumulated Prov. for Injuries and Damages (228.2)	---		
29	Accumulated Prov. for Pensions and Benefits (228.3)	---		
30	Accumulated Misc. Operating Provisions (228.4)	---		
31	Accumulated Provision for Rate Refunds (229)	---		
32	LT Portion of Derivative Instrument Liabilities			
33	LT Portion of Derivative Instrument Liabilities - Hedges			
34	Asset Retirement Obligations (230)			
35	TOTAL Other Noncurrent Liabilities			
36	CURRENT AND ACCRUED LIABILITIES			
37	Current Portion of Long-Term Debt			
38	Notes Payable (231)	260A		
39	Accounts Payable (232)	---		409,792
40	Notes Payable to Associated Companies (233)	260A		38,101,837
41	Accounts Payable to Associated Companies (234)	260A		36,181,418
42	Customer Deposits (235)	---		5,760
43	Taxes Accrued (236)	262-263		1,935,979
44	Interest Accrued (237)	---		
45	Dividends Declared (238)	---		
46	Matured Long-Term Debt (239)	---		

Name of Respondent Upper Michigan Energy Resources Corporation	This Report is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Month, Day, Year) 4/30/2018	Year of Report December 31, 2017
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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
47	Matured Interest (240)			
48	Tax Collections Payable (241)			58,535
49	Misc. Current and Accrued Liabilities (242)			836,541
50	Obligations Under Capital Leases-Current (243)			
51	Derivative Instrument Liabilities (244)			
52	(Less) LT Portion of Derivative Instrument Liabilities			
53	Derivative Instrument Liabilities - Hedges (245)			
54	(Less) LT Portion of Derivative Instrument Liabilities - Hedges			
55	Federal Income Taxes Accrued for Prior Years (246)			
56	State and Local Taxes Accrued for Prior Years (246.1)			
57	Federal Income Taxes Accrued for Prior Years - Adjustments (247)			
58	State and Local Taxes Accrued for Prior Years - Adjustments (247.1)			
59	TOTAL Current and Accrued Liabilities (Enter total of lines 37 thru 58)			77,529,862
60	DEFERRED CREDITS			
61	Customer Advances for Construction (252)			160,895
62	Accumulated Deferred Investment Tax Credits (255)			
63	Deferred Gains from Disposition of Utility Plt. (256)			
64	Other Deferred Credits (253)			
65	Other Regulatory Liabilities (254)			15,067,592
66	Unamortized Gain on Reacquired Debt (257)			
67	Accumulated Deferred Income Taxes - Accelerated Amortization (281)			
68	Accumulated Deferred Income Taxes - Other Property (282)			18,691,548
69	Accumulated Deferred Income Taxes - Other (283)			3,808,886
70	TOTAL Deferred Credits (Enter Total of lines 61 thru 69)			37,728,921
71	TOTAL Liabilities and Other Credits (Enter total of lines 15, 24, 35, 59 and 70)			214,957,543

Name of Respondent Upper Michigan Energy Resources Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Month, Day, Year) 4/30/2018	Year of Report December 31, 2017
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STATEMENT OF INCOME FOR THE YEAR

- | | |
|--|--|
| <p>1. Report amounts for accounts 412 and 413, <i>Revenue and Expenses from Utility Plant Leased to Others</i>, in another utility column (l, k, m, o) in a similar manner to a utility department. Spread the amount(s) over lines 02 thru 24 as appropriate. Include these amounts in columns (c) and (d) totals.</p> <p>2. Report amounts in account 414, <i>Other Utility Operating Income</i>, in the same manner as accounts 412 and 413 above.</p> <p>3. Report data for lines 7, 9 and 10 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1, and 407.2.</p> <p>4. Use page 122 for Important notes regarding the statement of income or any account thereof.</p> | <p>5. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in a material refund to the utility with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power and gas purchases</p> <p>6. Give concise explanations concerning significant amounts of any refunds made or received during the year</p> |
|--|--|

Line No.	Account (a)	(Ref.) Page No. (b)	TOTAL	
			Current Year (c)	Previous Year (d)
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400)	300-301	75,886,497	
3	Operating Expenses			
4	Operation Expenses (401)	320-325	56,612,349	
5	Maintenance Expenses (402)	320-325	2,836,292	
6	Depreciation Expenses (403)	336-338	4,364,200	
7	Depreciation Expense for Asset Retirement Costs (403.1)			
8	Amort. & Depl. Of Utility Plant (404-405)	336-338		
9	Amort. Of Utility Plant Acq. Adj. (406)	336-338	13,300	
10	Amort. Of Property Losses, Unrecovered Plant and		(47,128)	
11	Amort. Of Conversion Expenses (407.2)			
12	Regulatory Debits (407.3)			
13	(Less) Regulatory Credits (407.4)			
14	Taxes Other Than Income Taxes (408.1)	262-263	2,920,450	
15	Income Taxes - Federal (409.1)	262-263	2,423,313	
16	Income Taxes - Other (409.1)	262-263	420,511	
17	Provision for Deferred Income Taxes (410.1)	234,272-277	8,197,333	
18	(Less) Provision for Deferred Income Taxes Cr. (411.1)	234,272-277	7,685,877	
19	Investment Tax Credit Adj. - Net (411.4)	266		
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)		70,054,743	
26	Net Utility Operating Income (Enter Total of line 2 less 25) (Carry forward to page 117, line 27)		5,831,754	

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STATEMENT OF INCOME FOR THE YEAR (Continued)

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 expenses accounts.

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

8. 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 approximate dollar effect of such changes.

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

10. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles, lines 2 to 23, and report the information in the blank space on page 122 or in a supplemental statement.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year (e)	Previous Year (f)	Current Year (g)	Previous Year (h)	Current Year (i)	Previous Year (j)	
						1
72,000,338		3,886,159				2
						3
53,258,857		3,353,492				4
2,743,828		92,464				5
4,198,313		165,887				6
						7
						8
13,300						9
(47,128)						10
						11
						12
						13
2,912,446		8,004				14
2,336,541		86,772				15
404,686		15,825				16
8,147,322		50,011				17
7,612,398		73,479				18
						19
						20
						21
						22
						23
						24
66,355,767		3,698,976				25
5,644,571		187,183				26

Name of Respondent		This Report is:	Date of Report	Year of Report
Upper Michigan Energy Resources Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Month, Day, Year) 4/30/2018	December 31, 2017
STATEMENT OF INCOME PER THE YEAR (Continued)				
Line No.	Account (a)	(Ref.) Page No. (b)	TOTAL	
			Current Year (c)	Previous Year (d)
27	Net Utility Operating Income (Carried forward from Page 114)	-	5,831,754	
28	Other Income and Deductions			
29	Other Income			
30	Nonutility Operating Income			
31	Revenue From Merchandising, Jobbing and Contract Work (415)			
32	(Less Costs and Exp. Of Merchandising, Job & Contract Work (416)			
33	Revenue From Non Utility Operations (417)			
34	(Less) Expenses of Nonutility Operations (417.1)			
35	Nonoperating Rental Income (418)			
36	Equity in Earnings of Subsidiary Companies (418.1)	119		
37	Interest and Dividend Income (419)			
38	Allowance for Other Funds Used During Construction (419.1)		185,324	
39	Miscellaneous Nonoperating Income (421)		844,753	
40	Gain on Disposition of Property (421.1)			
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		1,030,077	
42	Other Income Deductions			
43	Loss on Disposition of Property (421.2)			
44	Miscellaneous Amortization (425)	340		
45	Donations (426.1)	340	32	
46	Life Insurance (426.2)			
47	Penalties (426.3)			
48	Expenditures for Certain Civic, Polititcal, and Related Activities (426.4)		8,059	
49	Other Deductions (426.5)		3,951	
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		12,042	
51	Taxes Applic. To Other Income and Deductions			
52	Taxes Other Than Income Taxes (408.2)	262-263	557	
53	Income Taxes -- Federal (409.2)	262-263	71,998	
54	Income Taxes -- Other (409.2)	262-263	13,130	
55	Provision for Deferred Inc. Taxes (410.2)	234,272-277	328,386	
56	(Less) Provision for Deferred Income Taxes --Cr. (411.2)	234,272-277		
57	Investment Tax Credit Adj. -- Net (411.5)			
58	(Less) Investment Tax Credits (420)			
59	TOTAL Taxes on Other Inc. and Ded. (Total of 52 thru 58)		414,071	
60	Net Other Income and Deductions (Enter Total of lines 41, 50, 59)		603,964	
61	Interest Charges			
62	Interest on Long-Term Debt (427)			
63	Amort. Of Debt Disc. And Expenses (428)	258-259		
64	Amortization of Loss on Reacquired Debt (428.1)			
65	(Less) Amort. Of Premium on Debt-Credit (429)	258-259		
66	(Less) Amortization of Gain on Reacquired Debt-Credit (429.1)			
67	Interest on Debt to Assoc. Companies (430)	340		
68	Other Interest Expenses (431)	340	419,700	
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr.(432)		79,616	
70	Net Interest Charges (Enter Total of lines 62 thru 69)		340,084	
71	Income Before Extraordinary items (Enter Total of lines 27, 60 and 70)		6,095,634	
72	Extraordinary Items			
73	Extraordinary Income (434)			
74	(Less) Extraordinary Deductions (435)			
75	Net Extraordinary Items (Enter Total of line 73 less line 74)			
76	Income Taxes--Federal and Other (409.3)	262-263		
77	Extraordinary Items After Taxes (Enter Total of line 75 less line 76)			
78	Net Income (Enter Total of Lines 71 and 77)		6,095,634	

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2018	Year of Report December 31, 2017
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	129,871	98,438
3	Account 281		
4	Account 282	4,252,667	(48,426)
5	Account 283	3,764,538	
6	Account 284		
7	Reconciling Adjustments	246	(1)
8	TOTAL Account 410.1 (on pages 114-115 line 17)	8,147,322	50,011
9	TOTAL Account 410.2 (on page 117 line 55)		
10	Credits to Account 411 from:		
11	Account 190	93,229	1,338
12	Account 281		
13	Account 282	4,127,255	72,141
14	Account 283	3,390,270	
15	Account 284		
16	Reconciling Adjustments	1,644	
17	TOTAL Account 411.1 (on page 114-115 line 18)	7,612,398	73,479
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		
22	ITC Adjustments:		
23	Adjust last year's estimate to actual per filed return		
24	Other (specify)		
25	Net Reconciling Adjustments Account 411.4*	0	0
26	Net Reconciling Adjustments Account 411.5**		
27	Net Reconciling Adjustments Account 420***		

* on pages 114-15 line 19

** on page 117 line 57

*** on page 117 line 58

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2018	Year of Report December 31, 2017
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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.
	228,309		228,309	1
	0			2
	4,204,241		4,204,241	3
	3,764,538		3,764,538	4
	0			5
	245		245	6
0	8,197,333			7
		0		8
	94,567		94,567	9
	4,199,396		4,199,396	10
	3,390,270		3,390,270	11
	1,644		1,644	12
0	7,685,877			13
		0		14
			0	15
				16
				17
0	0	0		18
				19
				20
				21
				22
				23
				24
0	0	0		25
		0		26
		0		27

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2018	Year of Report December 31, 2017
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FOOTNOTE DATE

Page Number (a)	Item Number (b)	Column Number (c)	Comments (d)					
			Account Credited	Amount	Account Debited	Amount	Net	
			FAS 109 Fed Elec	182 & 254	14,503,552	182 & 254	496,166	14,007,386
			FAS 109 State Elec	182 & 254	848,962	182 & 254	724,361	124,601
			FAS 109 Fed Gas	182 & 254	392,352	182 & 254	25,248	367,104
			FAS 109 State Gas	182 & 254	26,227	182 & 254	19,979	6,248
			Reconciling:					
117A	7 & 16		283 Fed Elec	283301	355,635	283301	441,967	(86,332)
117A	7 & 16		283 State Elec	283401	30,219	283401	56,243	(26,024)

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2018	Year of Report December 31, 2017
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STATEMENT OF RETAINED EARNINGS FOR THE YEAR

1. Report all changes in appropriate retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.

2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).

3. State the purpose and amount for each reservation or appropriation of retained earnings.

4. List first account 439, *Adjustments to Retained Earnings*, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit, items in that order.

5. Show dividends for each class and series of capital stock.

6. Show separately the state and federal income tax effect of items shown in account 439, *Adjustments to Retained Earnings*.

7. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.

8. If any notes appearing in the report to stockholders are applicable to this statement, attach them at page 122.

Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)		
1	Balance - Beginning of Year		
2	Changes (<i>Identify by prescribed retained earnings accounts</i>)		
3	Adjustments to Retained Earnings (Account 439)		
4	Credit:		
5	Credit:		
6	Credit:		
7	TOTAL Credits to Retained Earnings (Acct. 439)		
8	Transfers from WPS		1,523,961
9			
10			
11			
12			
13	TOTAL Debits to Retained Earnings (Acct. 439)		1,523,961
14	Balance Transferred from Income (Account 433 Less Account 418.1)		6,095,634
15	Appropriations of Retained Earnings (Account 436)		
16	Change in Amortization Reserve-Federal	215.1	
17			
18			
19			
20			
21	TOTAL Appropriations of Retained Earnings (Account 436)		
22	Dividends Declared - Preferred Stock (Account 437)		
23			
24			
25			
26			
27			
28	TOTAL Dividends Declared - Preferred Stock (Account 437)		

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2018	Year of Report December 31, 2017
STATEMENT OF RETAINED EARNINGS FOR THE YEAR (Continued)			
Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
29	Dividends Declared - Common Stock (Account 438)		
30	Dividends Declared on Common Stock	238	
31	Dividends of Deferred Comp Fixed Stock		
32	Dividends Tax on Dividends of Deferred Comp Fixed Stock		
33	Dividends Declared on Restricted Stock		
34	Deferred Tax on Dividends of Restricted Stock		
35	TOTAL Dividends Declared - Common Stock (Account 438)		
36	Transfers from Account 216.1, Unappropriated Undistributed Subsidiary Earnings	216.1	
37	Balance - End of Year <i>(Enter Total of lines 1 thru 36)</i>		7,619,595
APPROPRIATED RETAINED EARNINGS (Account 215)			
State balance and purpose of each appropriated earnings amount at end of year and give accounting entries for any applications of appropriated retained earnings during the year.			
38			
39			
40			
41			
42			
43	TOTAL Appropriated Retained Earnings (Account 215)		
APPROPRIATED RETAINED EARNINGS - AMORTIZATION RESERVE, FEDERAL (Account 215.1)			
State below the total amount set aside through appropriations of retained earnings, as of the end of the year, in compliance with the provisions of Federally granted hydroelectric project licenses held by the respondent. If any reductions or changes other than the normal annual credits hereto have been made during the year, explain such items in a footnote.			
44	TOTAL Appropriated Retained Earnings-Amortization Reserve, Federal (Acct. 215.1)		
45	TOTAL Appropriated Retained Earnings (Accounts 215 & 215.1)		
46	TOTAL Retained Earnings (Accounts 215, 215.1 & 216)		7,619,595
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)			
47	Balance - Beginning of Year (Debit or Credit)		
48	Equity in Earnings for Year (Credit) (Account 418.1)		
49	(Less) Dividends Received (Debit)		
50	Transfers to Account 216		
51	Balance - End of Year <i>(Enter Total of lines 47 thru 50)</i>		

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2018	Year of Report December 31, 2017
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STATEMENT OF CASH FLOWS

- | | |
|--|--|
| <p>1 If the notes to the cash flow statement in the respondents annual stockholders report are applicable to this statement, such notes should be attached to page 122. Information about noncash investing and financing activities should be provided on page 122. Provide also on page 122 a reconciliation between "Cash and Cash Equivalents at the End of Year" with related amounts on the balance sheet.</p> | <p>2. Under "Other" specify significant amounts and group others.</p> <p>3. Operating Activities--Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show on page 122 the amounts of interest paid (net of amounts capitalized) and income taxes paid.</p> |
|--|--|

Line No.	DESCRIPTION (See Instructions for Explanation of Codes) (a)	Amounts (b)
1	Net Cash Flow from Operating Activities:	
2	Net Income (Line 72(c) on page 117)	6,095,634
3	Noncash Charges (Credits) to Income:	
4	Depreciation and Depletion	4,364,200
5	Amortization of Other	
6		
7		
8	Deferred Income Taxes (Net)	1,201,858
9	Investment Tax Credit Adjustments (Net)	
10	Net (Increase) Decrease in Receivables	(24,590,391)
11	Net (Increase) Decrease in Inventory	
12	Net (Increase) Decrease in Allowances Inventory	
13	Net Increase (Decrease) in Payables and Accrued Expenses	36,649,739
14	Net (Increase) Decrease in Other Regulatory Assets	(1,022,886)
15	Net Increase (Decrease) in Other Regulatory Liabilities	634
16	(Less) Allowance for Other Funds Used During Construction	185,324
17	(Less) Undistributed Earnings from Subsidiary Companies	
18	Other: Increase in Other Current Assets	(2,444,802)
19	Other: Decrease in Other Current Liabilities	4,127,692
20	Other (provide details in footnote):	(939,496)
21	Net Cash Provided by (Used in) Operating Activities	
22	(Total of Lines 2 thru 20)	23,256,858
23		
24	Cash Flows from Investment Activities:	
25	Construction and Acquisition of Plant (including land):	
26	Gross Additions to Utility Plants (less nuclear fuel)	(64,386,522)
27	Gross Additions to Nuclear Fuel	
28	Gross Additions to Common Utility Plant	
29	Gross Additions to Nonutility Plant	
30	(Less) Allowance for Other Funds Used During Construction	(185,324)
31	Other: Allowance for Borrowed Funds Used During Construction	79,616
32		
33		
34	Cash Outflows for Plant (Total of lines 26 thru 33)	(64,121,582)
35		
36	Acquisition of Other Noncurrent Assets (d)	
37	Proceeds from Disposal of Noncurrent Assets (d)	
38		
39	Investments in and Advances to Assoc. and Subsidiary Companies	
40	Contributions and Advances from Assoc. and Subsidiary Companies	
41	Disposition of Investments in (and Advances to)	
42	Associated and Subsidiary Companies	
43		
44	Purchase of Investment Securities (a)	
45	Proceeds from Sales of Investment Securities (a)	

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2018	Year of Report December 31, 2017
STATEMENT OF CASH FLOWS (Continued)			
4. Investing Activities Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed on page 122. Do not include on this statement the dollar amount of leases capitalized per USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost on page 122.		5. Codes used: (a) Net proceeds or payments. (b) Bonds, debentures and other long-term debt. (c) Include commercial paper. (d) Identify separately such items as investments, fixed assets, intangibles, etc.	
		6. Enter on page 122 clarifications and explanations.	
Line No.	DESCRIPTION (See Instructions No. 5 for Explanation of Codes) (a)	Amounts (b)	
46	Loans Made or Purchased		
47	Collections on Loans		
48			
49	Net (Increase) Decrease in Receivables		
50	Net (Increase) Decrease in Inventory		
51	Net (Increase) Decrease in Allowances Held for Speculation		
52	Net Increase (Decrease) in Payables and Accrued Expenses		
53	Other Investing		(1,740,994)
54			
55			
56	Net Cash Provided by (Used in) Investing Activities		
57	(Total of lines 34 thru 55)		(65,862,576)
58			
59	Cash Flows from Financing Activities		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)		50,000,000
62	Preferred Stock		
63	Common Stock		
64	Other: Equity Contribution from Parent		
65			
66	Net Increase in Short-Term Debt (c)		
67	Other:		
68	Debt Issuance Costs		
69	Changes in Loan on Executive Life Insurance		
70	Cash Provided by Outside Sources (Total of lines 61 thru 69)		50,000,000
71			
72	Payments for Retirement of:		
73	Long-Term Debt (b)		
74	Preferred Stock		
75	Common Stock		
76	Other: Short-Term Notes Receivable from Parent, Net		(7,300,000)
77			
78	Net Decrease in Short-Term Debt (c)		
79			
80	Dividends on Preferred Stock		
81	Dividends on Common Stock		
82	Net Cash Provided by (Used in) Financing Activities		
83	(Total of lines 70 thru 81)		42,700,000
84			
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	(Total of lines 22, 57 and 83)		94,282
87			
88	Cash and Cash Equivalents at Beginning of Year		
89			
90	Cash and Cash Equivalents at End of Year		94,282

Name of Respondent Upper Michigan Energy Resources Corporation		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 4/30/2018	Year of Report December 31, 2017
FOOTNOTE DATE					
Page Number (a)	Item Number (b)	Column Number (c)	Comments (d)		
120	20	b	Other Operating		
			Net change in other deferred assets and liabilities	\$	(845,872)
			Other operating	\$	(93,624)
			TOTAL	\$	(939,496)
120	53	b	Other Investing		
			Cost of removal	\$	(1,928,131)
			Allowance for funds used during construction	\$	(79,616)
			Other	\$	266,753
			TOTAL	\$	(1,740,994)

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2018	Year of Report December 31, 2017
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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, <i>Utility Plant Adjustments</i>, explain the origin of such amount, debits and credits during the year,</p>	<p>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, <i>Unamortized Loss on Reacquired Debt</i>, and 257, <i>Unamortized Gain on Reacquired Debt</i>, 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 attached hereto.</p>
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Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 30, 2018	Year of Report December 31, 2017
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NOTES TO FINANCIAL STATEMENTS

GLOSSARY OF TERMS AND ABBREVIATIONS

The abbreviations and terms set forth below are used throughout this report and have the meanings assigned to them below:

Subsidiaries and Affiliates

Integrys	Integrys Holding, Inc.
WBS	WEC Business Services LLC
WE	Wisconsin Electric Power Company
WEC Energy Group	WEC Energy Group, Inc.
WPS	Wisconsin Public Service Corporation

Federal and State Regulatory Agencies

EPA	United States Environmental Protection Agency
FERC	Federal Energy Regulatory Commission
MPSC	Michigan Public Service Commission
PSCW	Public Service Commission of Wisconsin

Accounting Terms

AFUDC	Allowance for Funds Used During Construction
ASU	Accounting Standards Update
FASB	Financial Accounting Standards Board
GAAP	Generally Accepted Accounting Principles
OPEB	Other Postretirement Employee Benefits

Environmental Terms

CO ₂	Carbon Dioxide
GHG	Greenhouse Gas

Other Terms and Abbreviations

AIA	Affiliated Interest Agreement
D.C. Circuit Court of Appeals	United States Court of Appeals for the District of Columbia Circuit
Supreme Court	United States Supreme Court

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 30, 2018	Year of Report December 31, 2017
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NOTES TO FINANCIAL STATEMENTS

UPPER MICHIGAN ENERGY RESOURCES CORPORATION
2017 FINANCIAL STATEMENT NOTES, MODIFIED FOR REQUIREMENTS OF THE FERC
SUPPLEMENTAL NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A—REGULATORY REPORTING IN THIS REPORT COMPARED TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

Our accounting records are maintained as prescribed by the FERC modified for the requirements of the MPSC. The accompanying financial statements have been prepared in accordance with the accounting requirements of these regulators, which differ from GAAP. We classify certain items in our accompanying Comparative Balance Sheet (primarily the components of accumulated depreciation, regulatory assets and liabilities, accumulated deferred income taxes, income tax receivables, certain miscellaneous current and accrued liabilities, and debt issuance costs and maturities of long-term debt) in a manner different from that required by GAAP.

Regulatory Assets and Liabilities

The following table reconciles our regulatory assets and liabilities as reported for GAAP purposes to regulatory assets and liabilities reported for regulatory purposes:

<i>(in millions)</i>	Regulatory Assets (Account 182.3; Page 111; Line 72)		Regulatory Liabilities (Account 254; Page 113; Line 60)	
	2017	2016	2017	2016
GAAP (See Note 3)	\$5.6	\$-	\$30.2	\$-
Regulatory reporting adjustments:				
Recognition of equity carrying cost for FERC	3.0	-	-	-
Non-ARO cost of removal	-	-	(15.1)	-
MPSC Form P-521	\$8.6	\$-	\$15.1	\$-

The return on equity component for non-construction related expenditures allowed by a Commission is deferred as a regulatory asset in our Form P-521 whereas GAAP reporting requires recognizing the return on equity only at the time the associated revenue is collected through rates. This will result in a difference in earnings reported under GAAP and the earnings reported in regulatory filings as well as differences in deferred taxes, regulatory assets, and regulatory liabilities.

We collect future removal costs in rates for many assets that do not have an associated legal ARO. The liability for the estimated future removal costs collected in rates is recognized for regulatory accounting purposes in Account 108 as part of accumulated depreciation. This classification differs from how we report such amounts for GAAP reporting purposes. For GAAP reporting purposes, this liability was classified as a regulatory liability on our financial statements. For further information, see property and depreciation in Note 1 of the Notes to Consolidated Financial Statements that follow.

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 30, 2018	Year of Report December 31, 2017
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NOTES TO FINANCIAL STATEMENTS

Deferred Tax Assets and Liabilities and Income Tax Expense

The following table reconciles our deferred assets and liabilities as reported for GAAP purposes to deferred assets and liabilities reported for regulatory purposes:

<i>(in millions)</i>	Deferred Tax Assets (Account 190; Page 111; Line 82)	Deferred Tax Liabilities (Account 282/283; Page 113; Line 63/64)
	2017	2017
GAAP (See Note 6)	\$3.8	\$20.3
Regulatory reporting adjustments:		
Netting differences	1.1	1.1
Recognition of equity carrying cost for FERC	-	1.1
MPSC Form P-521	\$4.9	\$22.5

The following table reconciles our income tax expense as report for GAAP purposes to income tax expense reported for regulatory purposes:

<i>(in millions)</i>	Income Tax Expense *
	2017
GAAP (See Note 6)	\$3.6
Regulatory reporting adjustments:	
Recognition of equity carrying cost for FERC	0.2
MPSC Form P-521	\$3.8

* Various accounts; page 114 lines 15-19 and page 117 lines 53-58

The GAAP financial statements are reported in accordance with the Income Taxes Topic of the FASB ASC, whereas the Form P-521 is reported in accordance with the FERC-issued accounting guidance. As such, in the Form P-521, interest and penalties on tax deficiencies are not reported as income tax expense. Additionally, GAAP allows netting of deferred tax assets and liabilities whereas FERC requires a gross presentation.

See the reconciliation of regulatory assets and liabilities above for a description of the differences relating to the recognition of equity carrying cost for FERC.

NOTE B—BASIS OF PRESENTATION

The accompanying financial statements have been prepared in accordance with the accounting requirements of the FERC as set forth in the Uniform System of Accounts and accounting releases, which differ from GAAP. As required by the FERC, we reclassify certain items in our Form P-521 in a manner different than the presentation of our GAAP financial statements, as described below.

- Removal costs that do not have an associated legal obligation are recognized as a component of accumulated depreciation, whereas these costs are recognized for GAAP as a regulatory liability.
- We account for our investment in majority-owned subsidiaries on the equity method rather than consolidating the assets, liabilities, revenues, and expenses of these subsidiaries as required by GAAP.
- Current portions of long-term debt, if applicable, are reported as long-term debt, whereas GAAP reporting requires a current presentation of these liabilities.
- Debt issuance costs for executed debt offerings are reported as deferred debits, whereas GAAP reporting requires these liabilities to be netted with long-term debt.

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- The GAAP financial statements are reported in accordance with the Income Taxes Topic of the FASB ASC, whereas the Form P-521 is reported in accordance with the FERC-issued accounting guidance. As such, in the Form P-521, interest and penalties on tax deficiencies are not reported as income tax expense. Additionally, GAAP allows netting of deferred tax assets and liabilities whereas FERC requires a gross presentation.
- The return on equity component for non-construction related expenditures allowed by a Commission is capitalized as a regulatory asset whereas GAAP reporting requires recognizing the return on equity at the time revenue is collected through rates. This will result in a difference in earnings reported under GAAP and earnings reported in regulatory filings.
- The cost method of accounting is used for investments when we do not have significant influence over the operating and financial policies of the investee. Investments in businesses not controlled by us, but over which we have significant influence regarding the operating and financial policies of the investee, are accounted for using the equity method.

NOTE C—SUBSEQUENT EVENTS

Subsequent events were evaluated for potential recognition or disclosure through April 30, 2018, which is the date the financial statements were available to be issued.

Equity Contributions From Parent

In January and March 2018, we received equity contributions from our parent of \$25 million, and \$40.5 million, respectively.

The following additional Notes to Consolidated Financial Statements are applicable to our GAAP financial statements.

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NOTES TO FINANCIAL STATEMENTS

UPPER MICHIGAN ENERGY RESOURCES CORPORATION
NOTES TO REGULATORY BASIS FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Nature of Operations—As used in these notes, the term "financial statements" includes the income statement, balance sheet, statement of cash flows, and statement of retained earnings, unless otherwise noted. In this report, when we refer to "us," "we," "our," or "ours," we are referring to Upper Michigan Energy Resources Corporation.

In December 2016, both the MPSC and the PSCW approved our operation as a stand-alone utility in the Upper Peninsula of Michigan. We are a subsidiary of WEC Energy Group that became operational effective January 1, 2017, and WE and WPS transferred customers and property, plant, and equipment to us as of that date. See Note 2, Related Parties, for more information about the transfers.

We are subject to the jurisdiction of, and regulation by, the MPSC, which has general supervisory and regulatory powers over virtually all phases of the public utility industry in Michigan. We are also subject to the jurisdiction of the Federal Energy Regulatory Commission, which regulates our natural gas pipelines and wholesale electric rates.

(b) Basis of Presentation—We prepare our financial statements in conformity with GAAP. We make estimates and assumptions that affect the reported amounts of assets and 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 these estimates.

(c) Cash and Cash Equivalents—Cash and cash equivalents include marketable debt securities with an original maturity of three months or less.

(d) Revenues and Customer Receivables—We recognize revenues related to the sale of energy on the accrual basis and include estimated amounts for services provided but not yet billed to customers.

We present revenues net of pass-through taxes on the income statements.

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

- Fuel and purchased power costs were recovered from customers on a one-for-one basis by our retail electric operations.
- Our natural gas utility rates included a one-for-one recovery mechanism for natural gas commodity costs. We defer any difference between actual natural gas costs incurred and costs recovered through rates as a current asset or liability. The deferred balance is returned to or recovered from customers at intervals throughout the year.

We provide regulated electric and natural gas service to customers in the Upper Peninsula of Michigan. The geographic concentration of our customers did not contribute significantly to our overall exposure to credit risk. We periodically review customers' credit ratings, financial statements, and historical payment performance and require them to provide collateral or other security as needed.

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As a result, we did not have any significant concentrations of credit risk at December 31, 2017. In addition, there were no customers that accounted for more than 10% of our revenues for the year ended December 31, 2017.

(e) Materials, Supplies, and Inventories—We record substantially all fossil fuel, materials and supplies, and natural gas in storage inventories using the weighted-average cost method of accounting.

(f) Regulatory Assets and Liabilities—The economic effects of regulation can result in regulated companies recording costs and revenues that have been or are expected to be allowed in the rate-making process in a period different from the period in which the costs or revenues would be recognized by a nonregulated company. When this occurs, regulatory assets and regulatory liabilities are recorded on the balance sheet. Regulatory assets represent probable future revenues associated with certain costs or liabilities that have been deferred and are expected to be recovered through rates charged to customers. Regulatory liabilities represent amounts that are expected to be refunded to customers in future rates or amounts that are collected in rates for future costs.

Recovery or refund of regulatory assets and liabilities is based on specific periods determined by the regulators 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 reporting period the determination is made. See Note 3, Regulatory Assets and Liabilities, for more information.

(g) Property, Plant, and Equipment—We record property, plant, and equipment at cost. Cost includes material, labor, overhead, and both debt and equity components of AFUDC. Additions to and significant replacements of property are charged to property, plant, and equipment at cost; minor items are charged to other operation and maintenance expense. The cost of depreciable utility property less salvage value is charged to accumulated depreciation when property is retired.

We record straight-line depreciation expense over the estimated useful life of utility property using depreciation rates approved by the applicable regulators. Depreciation as a percent of average depreciable utility plant was 2.46% in 2017.

Third parties reimburse us for all or a portion of expenditures for certain capital projects. Such contributions in aid of construction costs are recorded as a reduction to property, plant, and equipment.

(h) Common Equity—We do not have any restrictions imposed on us that affect our ability to pay dividends to the sole holder of our common stock, WEC Energy Group.

(i) Income Taxes—We follow the liability method in accounting for income taxes. Accounting guidance for income taxes requires the recording of deferred assets and liabilities to recognize the expected future tax consequences of events that have been reflected in our financial statements or tax returns and the adjustment of deferred tax balances to reflect tax rate changes. We are required to assess the likelihood that our deferred tax assets would expire before being realized. If we conclude that certain deferred tax assets are likely to expire before being realized, a valuation allowance would be established against those assets. GAAP requires that, if we conclude in a future period that it is more likely than not that some or all of the deferred tax assets would be realized before expiration, we reverse the related valuation allowance in that period. Any change to the allowance, as a result of a change in judgment about the realization of deferred tax assets, is reported in income tax expense.

We are included in WEC Energy Group's consolidated Federal and state income tax returns. In accordance with our tax allocation agreement with WEC Energy Group, we are allocated income tax payments and refunds based upon our separate tax computation. See Note 6, Income Taxes, for more information.

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We recognize interest and penalties accrued related to unrecognized tax benefits in income tax expense in our income statements.

(j) Fair Value Measurements—Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price).

Fair value accounting rules provide a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are defined as follows:

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

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

Level 3 – Pricing inputs include significant inputs that are generally less observable from objective sources. These inputs may be used with internally developed methods that result in management's best estimate of fair value. Level 3 instruments include those that may be more structured or otherwise tailored to customers' needs.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. We primarily use a market approach for recurring fair value measurements and attempt to use valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

We recognize transfers between the levels of the fair value hierarchy as of the end of the reporting period.

Due to the short-term nature of cash and cash equivalents, net accounts receivable and unbilled revenues, accounts payable, and short-term borrowings, the carrying amount of each such item approximates fair value. The fair value of our long-term debt is estimated based upon the quoted market prices of United States Treasury issues having a similar term to maturity, adjusted for our parent company's bond rating and the present value of future cash flows. The fair value of long-term debt is categorized within Level 2 of the fair value hierarchy.

The following table shows the financial instruments included on our balance sheets that are not recorded at fair value at December 31:

<i>(in millions)</i>	2017	
	Carrying Amount	Fair Value
Long-term debt to parent	\$ 50.0	\$ 49.5

(k) Customer Deposits and Credit Balances—When utility customers apply for new service, they may be required to provide a deposit for the service.

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Utility customers can elect to be on a budget plan. Under this type of plan, a monthly installment amount is calculated based on estimated annual usage. During the year, the monthly installment amount is reviewed by comparing it to actual usage. If necessary, an adjustment is made to the monthly amount. Annually, the budget plan is reconciled to actual annual usage.

NOTE 2—RELATED PARTIES

We routinely enter into transactions with related parties, including WEC Energy Group and its other subsidiaries.

We receive services, property, and other items of value from our parent, WEC Energy Group, and other subsidiaries of WEC Energy Group.

Following the acquisition of Integrys by Wisconsin Energy Corporation on June 29, 2015, an AIA (Non-WBS AIA) went into effect. The Non-WBS AIA governed the provision and receipt of services by WEC Energy Group's subsidiaries, except WBS continued to provide services to Integrys and its subsidiaries only under the existing WBS AIAs. WBS provided services to WEC Energy Group and the former Wisconsin Energy Corporation subsidiaries, under interim WBS AIAs. The MPSC and all other relevant state commissions approved the Non-WBS AIA or granted appropriate waivers related to the Non-WBS AIA.

Services under the Non-WBS AIA were subject to various pricing methodologies. All services provided by any regulated subsidiary to another regulated subsidiary were priced at cost. All services provided by any regulated subsidiary to any nonregulated subsidiary were priced at the greater of cost or fair market value. All services provided by any nonregulated subsidiary to any regulated subsidiary were priced at the lesser of cost or fair market value. All services provided by any regulated or nonregulated subsidiary to WBS were priced at cost.

A new AIA took effect January 1, 2017. The new agreement replaced the previous agreements. The pricing methodology and services under this new agreement are substantially identical to those under the agreements that were replaced. We were incorporated into the AIA agreement on January 19, 2017.

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

<i>(in millions)</i>	2017
Transactions with WE	
Electric purchases from WE	30.8
Billings from WE *	125.5
Transactions with WPS	
Electric purchases from WPS	16.2
Gas purchases from WPS	2.5

* Includes amounts billed for services, pass through costs, and other items in accordance with approved AIAs.

WPS transferred approximately 9,000 retail electric customers and 5,300 natural gas customers to us, along with approximately 600 miles of electric distribution lines and approximately 100 miles of natural gas distribution mains. WPS also transferred related electric distribution substations in the Upper Peninsula of Michigan and all property rights for the distribution assets to us. The book value of the net assets (including the related deferred income tax liabilities) transferred to us from WPS as of January 1, 2017, was \$20.6 million. WE transferred approximately 27,500 retail electric customers and 50 electric distribution-only customers to us, along with approximately 2,500 miles of electric distribution lines. WE also transferred related electric distribution substations in the Upper Peninsula of Michigan and all property rights for the distribution assets to us. The book value of net assets, including the related deferred income tax liabilities, transferred to us from WE as of January 1, 2017, was \$61.1 million. These transactions were non-cash

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equity transfers recorded to additional paid in capital between entities under common control, and therefore, did not result in the recognition of a gain or loss. In addition, our parent company also transferred \$1.0 million of net deferred income tax assets to us as of January 1, 2017.

We obtain our energy through the MISO Energy and Operating Reserves Markets and meet our market obligations through power purchase agreements with WE and WPS. We will begin to generate electricity when our new generation solution in the Upper Peninsula of Michigan begins commercial operation, which is expected to occur in 2019.

See Note 1(j), Fair Value Measurements, Note 4, Short-Term Debt to Parent, and Note 5, Long-Term Debt to Parent, for more information on related party transactions.

NOTE 3—REGULATORY ASSETS AND LIABILITIES

We recorded a \$14.6 million change in our deferred taxes due to the enactment of the Tax Legislation, which resulted in an increase to the 2017 Tax Legislation impact and income tax related regulatory liabilities in the table below. The \$14.6 million change in our deferred taxes represents our estimate of the tax benefit that will be returned to ratepayers through future refunds or bill credits. See Note 6, Income Taxes, for more information on the Tax Legislation.

The following regulatory assets were reflected on our balance sheets as of December 31:

<i>(in millions)</i>	2017
Regulatory assets ^{(1) (2)}	
Termination of a tolling agreement with Fox Energy Company LLC ⁽³⁾	\$ 4.3
Production costs ⁽⁴⁾	0.6
Crane Creek production tax credits ⁽⁵⁾	0.5
Other	0.2
Total regulatory assets	\$ 5.6

⁽¹⁾ Based on prior and current rate treatment, we believe it is probable that we will continue to recover from customers the regulatory assets in the table.

⁽²⁾ As of December 31, 2017, we had \$0.5 million of regulatory assets not earning a return. The regulatory assets not earning a return relate to certain plant related costs.

⁽³⁾ Represents our portion of an early termination fee of a tolling agreement WPS had with the Fox Energy Center. Prior to the purchase of the Fox Energy Center in 2013, WPS supplied natural gas for the facility and purchased capacity and the associated energy output under the tolling agreement. The Michigan customer portion of this regulatory asset was transferred to us upon our formation as of January 1, 2017. We are authorized recovery of this asset over a nine-year period that began on January 1, 2014.

⁽⁴⁾ Represents certain WE production costs transferred as of January 1, 2017, not recoverable through the fuel and purchased power recovery mechanism. Recovery will be determined in a future rate proceeding.

⁽⁵⁾ In 2012, WPS elected to claim and subsequently received a Section 1603 Grant for the Crane Creek wind project in lieu of the production tax credit. As a result, WPS reversed previously recorded production tax credits. WPS also reduced the depreciable basis of the qualifying facility by the amount of the grant proceeds, which will result in a reduction of depreciation and amortization expense over a 12-year period. WPS recorded a regulatory asset for the deferral of previously recorded production tax credits and transferred the Michigan customer portion to us upon our formation as of January 1, 2017. We are authorized recovery of this net regulatory asset through 2039.

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The following regulatory liabilities were reflected on our balance sheets as of December 31:

<i>(in millions)</i>	2017	See Note
Regulatory liabilities		
Removal costs *	\$ 15.1	
2017 Tax Legislation impact and income tax related	14.5	6
Other	1.1	
Total regulatory liabilities	\$ 30.7	
Balance Sheet Presentation		
Other current liabilities	\$ 0.5	
Regulatory liabilities	30.2	
Total regulatory liabilities	\$ 30.7	

* Represents amounts collected from customers to cover the cost of future removal of property, plant, and equipment.

NOTE 4—SHORT-TERM DEBT TO PARENT

The following table shows our short-term borrowings and their corresponding weighted-average interest rates as of December 31:

<i>(in millions, except for percentages)</i>	2017
Short-term notes payable to parent:	
Amount outstanding at December 31	\$ 38.1
Weighted-average interest rate on amounts outstanding at December 31	1.71%

Our average amount of short-term borrowings based on daily outstanding balances during 2017, was \$27.9 million with a weighted-average interest rate during the period of 1.36%.

<i>(in millions)</i>	December 31, 2017
Revolving short-term notes payable to parent	\$ 50.0
Less:	
Short-term debt to parent outstanding	38.1
Available capacity under existing agreements	\$ 11.9

Short-term borrowings bear interest computed at the average stated interest rate payable on commercial paper issued by WEC Energy Group. Short-term debt is callable by WEC Energy Group at any time.

NOTE 5—LONG-TERM DEBT TO PARENT

Our long-term debt consists of long-term notes payable to our parent, WEC Energy Group, pursuant to a Long-Term Note Agreement entered into on September 27, 2017. Amounts shown are as of December 31:

<i>(in millions)</i>	Interest Rate	Year Due	2017
Long-term Promissory Note to Parent	3.27%	2027	\$ 50.0

Interest is paid monthly on the notes, and there are no financial covenants associated with these obligations.

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A schedule of all principal debt payment amounts related to our senior note maturities is as follows:

<i>(in millions)</i>	Payments
2018	\$ —
2019	—
2020	—
2021	—
2022	—
Later Years	50.0
Total	\$ 50.0

NOTE 6—INCOME TAXES

Income Tax Expense

The following table is a summary of income tax expense for each of the years ended December 31:

<i>(in millions)</i>	2017
Current tax expense	\$ 2.5
Deferred income taxes, net	1.1
Total income tax expense	\$ 3.6

Statutory Rate Reconciliation

The provision for income taxes for each of the years ended December 31 differs from the amount of income tax determined by applying the applicable United States statutory federal income tax rate to income before income taxes as a result of the following:

<i>(in millions)</i>	2017	
	Amount	Effective Tax Rate
Expected tax at statutory federal tax rates	\$ 3.3	35.0%
State income taxes net of federal tax benefit	0.3	3.3
Total income tax expense	\$ 3.6	38.3%

On December 22, 2017, the Tax Legislation was signed into law. For businesses, the Tax Legislation reduces the corporate federal tax rate from a maximum of 35% to a 21% rate effective January 1, 2018. We estimated a preliminary tax benefit related to the remeasurement of our deferred taxes in the amount of approximately \$14.6 million. Accordingly, this amount has been recorded as an increase to regulatory liabilities as of December 31, 2017. Our revaluation of our deferred tax assets and liabilities is subject to further clarification of the new law that cannot be estimated at this time. The impact of the Tax Legislation could materially differ from this estimate due to, among other things, changes in interpretations and assumptions we have made.

On December 22, 2017, the Securities and Exchange Commission staff issued guidance in Staff Accounting Bulletin 118 (SAB 118) Income Tax Accounting Implications of the Tax Cuts and Jobs Act, which provides for a measurement period of up to one year from the enactment date to complete accounting under GAAP for the tax effects of the legislation. Due to the complex and comprehensive nature of the enacted tax law changes, and their application under GAAP, certain amounts related to bonus depreciation and future tax benefit utilization recorded in the financial statements as a result of the Tax Legislation are to be considered provisional as discussed in SAB 118 and subject to revision. We are awaiting additional guidance from industry and income tax authorities in order to finalize its accounting.

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Deferred Income Tax Assets and Liabilities

The components of deferred income taxes as of December 31 are as follows:

<i>(in millions)</i>	2017
Deferred tax assets	
Tax gross up-regulatory items	\$ 3.7
Other	0.1
Total deferred tax assets	\$ 3.8
Deferred tax liabilities	
Property-related	18.7
Other	1.6
Total deferred tax liabilities	20.3
Deferred tax liability, net	\$ 16.5

Consistent with rate-making treatment, deferred taxes in the table above are offset for temporary differences that have related regulatory assets and liabilities.

As of December 31, 2017, we had no federal or state deferred tax assets related to tax credit carryforwards.

Unrecognized Tax Benefits

We had no unrecognized tax benefits at December 31, 2017.

We do not expect any unrecognized tax benefits to affect our effective tax rate in periods after December 31, 2017.

For the year ended December 31, 2017 we had no accrued interest or penalties related to unrecognized tax benefits in our income statement. We also had no accrued interest or penalties related to unrecognized tax benefits in our balance sheet at December 31, 2017.

We do not expect any significant increases or decreases in the total amounts of unrecognized tax benefits within the next 12 months. Our primary tax jurisdictions include federal and the state of Michigan. We are subject to examination by the United States Internal Revenue Service and the Michigan taxing authority for the 2017 tax year.

NOTE 7—COMMITMENTS AND CONTINGENCIES

We have significant commitments and contingencies arising from our operations, including those related to unconditional purchase obligations, environmental matters, and enforcement and litigation matters.

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Unconditional Purchase Obligations

We have obligations to distribute and sell electricity and natural gas to our customers and expect to recover costs related to these obligations in future customer rates. In order to meet these obligations, we routinely enter into long-term purchase and sale commitments for various quantities and lengths of time.

The following table shows our minimum future commitments related to these purchase obligations as of December 31, 2017.

<i>(in thousands)</i>	Date Contracts Extend Through	Total Amounts Committed	Payments Due By Period					Later Years
			2018	2019	2020	2021	2022	
Electric utility purchased power	2019	\$ 56.9	\$ 39.5	\$ 17.4	\$ —	\$ —	\$ —	\$ —

Environmental Matters

Consistent with other companies in the energy industry, we face significant ongoing environmental compliance and remediation obligations related to current and past operations. Specific environmental issues affecting us include, but are not limited to, current and future regulation of air emissions, such as GHG emissions.

We have continued to pursue a proactive strategy to manage our environmental compliance obligations, including:

- the development of additional sources of renewable electric energy supply;
- the protection of wetlands and waterways, threatened and endangered species, and cultural resources associated with utility construction projects; and
- the reporting of CO₂ emissions to comply with air quality standards and federal clean air rules;

Air Quality

Climate Change

In 2015, the EPA issued a final rule regulating GHG emissions from existing generating units, referred as the Clean Power Plan (CPP), a proposed federal plan and model trading rules as alternatives or guides to state compliance plans, and final performance standards for modified and reconstructed generating units and new fossil-fueled power plants. In October 2015, following publication of the CPP, numerous states (including Michigan) and other parties, filed lawsuits challenging the final rule, including a request to stay the implementation of the final rule pending the outcome of these legal challenges. The D.C. Circuit Court of Appeals denied the stay request, but in February 2016, the Supreme Court stayed the effectiveness of the CPP until disposition of the litigation in the D.C. Circuit Court of Appeals and to the extent that further appellate review is sought, at the Supreme Court. The D.C. Circuit Court of Appeals heard one case in September 2016, and the other case is still pending. In April 2017, pursuant to motions made by the EPA, the D.C. Circuit Court of Appeals ordered the cases to be held in abeyance. Supplemental briefs were provided addressing whether the cases should be remanded to the EPA rather than held in abeyance. The EPA argued that the cases should continue to be held in abeyance pending the conclusion of the EPA's review of the CPP and any resulting rulemaking.

The CPP seeks to achieve state-specific GHG emission reduction goals by 2030, and would have required states to submit plans by September 2016. The goal of the final rule is to reduce nationwide GHG emissions by 32% from 2005 levels. The rule is seeking GHG

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emission reductions in Michigan of 39% below 2012 levels by 2030. Interim goals starting in 2022 would require states to achieve about two-thirds of the 2030 required reduction.

In March 2017, President Trump issued an executive order that, among other things, specifically directs the EPA to review, and if appropriate, initiate proceedings to suspend, revise, or rescind the CPP and related GHG regulations for new, reconstructed, or modified fossil-fueled power plants. As a result of this order and related EPA review, as well as the ongoing legal proceedings, the timelines for the GHG emission reduction goals and all other aspects of the CPP are uncertain. In April 2017, the EPA withdrew the proposed rule for a federal plan and model trading rules that were published in October 2015 for use in developing state plans to implement the CPP or for use in states where a plan is not submitted or approved. In October 2017, the EPA issued a proposed rulemaking to repeal the CPP. In December 2017, the EPA issued an advanced notice of proposed rulemaking to solicit input on whether it is appropriate to replace the CPP.

Notwithstanding the uncertain future of the CPP, and given current fuel and technology markets, we continue to evaluate opportunities and actions that preserve fuel diversity, lower costs for our customers, and contribute towards long-term GHG reductions. Our plan is to work with our industry partners and environmental groups, with a goal of reducing WEC Energy Group's CO₂ emissions by approximately 40% below 2005 levels by 2030. WEC Energy Group has implemented and continues to evaluate numerous options in order to meet its CO₂ reduction goal, such as increased use of existing natural gas combined cycle units, co-firing or switching to natural gas in existing coal-fired units, reduced operation or retirement of existing coal-fired units, addition of new renewable energy resources (wind, solar), and consideration of supply and demand-side energy efficiency and distributed generation. In addition, we are evaluating our goal, and possible subsequent actions, with respect to national and international efforts to reduce future GHG emissions in order to limit future global temperature increases to less than two degrees Celsius.

We are required to report our CO₂ equivalent emissions related to the natural gas that we distribute and sell under the EPA Greenhouse Gases Reporting Program. For 2016, we reported aggregated CO₂ equivalent emissions of approximately 0.1 million metric tonnes to the EPA. Based upon our preliminary analysis of the data, we estimate that we will report CO₂ equivalent emissions of approximately 0.1 million metric tonnes to the EPA for 2017.

Renewables, Efficiency, and Conservation

Michigan Legislation

In 2008, Michigan enacted Act 295, which required 10% of the state's electric energy to come from renewables by 2015 and energy optimization (efficiency) targets up to 1% annually by 2015. In December 2016, Michigan revised this legislation with Act 342, which requires additional renewable energy requirements beyond 2015. The new legislation retains the 10% renewable energy portfolio requirement for years 2017 through 2018, increases the requirement to 12.5% for years 2019 through 2020, and increases the requirement to 15.0% for 2021. We were in compliance with these requirements as of December 31, 2017. The revised legislation continues to allow recovery of costs incurred to meet the standards and provides for ongoing review and revision to assure the measures taken are cost-effective.

Enforcement and Litigation Matters

We are involved in legal and administrative proceedings before various courts and agencies with respect to matters arising in the ordinary course of business. Although we are unable to predict the outcome of these matters, management believes that appropriate

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reserves have been established and that final settlement of these actions will not have a material effect on our financial condition or results of operations.

NOTE 8—SUPPLEMENTAL CASH FLOW INFORMATION

<i>(in millions)</i>	2017
Significant non-cash transaction:	
Net assets transferred to us from WE, WPS and our parent *	\$ 82.7

* See Note 2, Related Parties, for more information on this transaction.

NOTE 9—REGULATORY ENVIRONMENT

Tax Cuts and Jobs Act of 2017

We deferred for return to ratepayers, through future refunds, bill credits, or reductions in other regulatory assets, the estimated tax benefit of \$14.6 million related to the Tax Legislation that was signed into law in December 2017. This tax benefit resulted from the revaluation of deferred taxes related to our regulated operations. See Note 6, Income Taxes, for more information.

Formation of Upper Michigan Energy Resources Corporation

In December 2016, both the MPSC and the PSCW approved our operation as a stand-alone utility in the Upper Peninsula of Michigan, and we became operational effective January 1, 2017. We hold the electric and natural gas distribution assets, previously held by WE and WPS, located in the Upper Peninsula of Michigan.

In August 2016, WEC Energy Group entered into an agreement with Tilden under which it will purchase electric power from us for its iron ore mine for 20 years, contingent upon our construction of approximately 180 megawatt of natural gas-fired generation in the Upper Peninsula of Michigan.

In October 2017, the MPSC approved both the agreement with Tilden and our application for a certificate of necessity to begin construction of the proposed generation. The estimated cost of this project is \$266 million (\$277 million with AFUDC), 50% of which is expected to be recovered from Tilden, with the remaining 50% expected to be recovered from our other utility customers. The new units are expected to begin commercial operation in 2019. Tilden will remain a customer of WE until this new generation begins commercial operation.

2015 Rate Order

In October 2014, WPS initiated a rate proceeding with the MPSC. In April 2015, the MPSC issued a final written order for WPS, effective April 24, 2015, approving a settlement agreement. The order authorized a retail electric rate increase of \$4.0 million to be implemented over three years to recover costs for the 2013 acquisition of the Fox Energy Center as well as other capital investments associated with the Crane Creek wind farm and environmental upgrades at generation plants. The rates reflected a 10.2% return on equity and a common equity component average of 50.48%. The increase reflected the continued deferral of costs associated with the Fox Energy Center until the second anniversary of the order. The increase also reflected the deferral of Weston Unit 3 ReACT™ environmental project costs. On the second anniversary of the order, WPS discontinued the deferral of the Fox Energy Center costs and began amortizing this deferral along with the deferral associated with the termination of a tolling agreement related to the Fox

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NOTES TO FINANCIAL STATEMENTS

Energy Center. WPS also received approval from the MPSC to defer and amortize the undepreciated book value of the retired plant associated with Pulliam Units 5 and 6 and Weston Unit 1 starting with the actual retirement date, June 1, 2015, and concluding by 2023. As a result of our formation, WPS transferred the deferrals mentioned above, as well as its customers and property, plant, and equipment located in the Upper Peninsula of Michigan to us, effective January 1, 2017. Therefore, the terms and conditions of this rate order were applicable to us starting January 1, 2017.

NOTE 10—NEW ACCOUNTING PRONOUNCEMENTS

Revenue Recognition

In May 2014, the FASB and the International Accounting Standards Board issued their joint revenue recognition standard, ASU 2014-09, Revenue from Contracts with Customers. Several amendments were issued subsequent to the standard to clarify the guidance. The core principle of the guidance is to recognize revenue in an amount that an entity is entitled to receive in exchange for goods and services. The guidance also requires additional disclosures about the nature, amount, timing, and uncertainty of revenues and the related cash flows arising from contracts with customers.

We have completed the review of our contracts with customers and are finalizing the related financial disclosures to evaluate the impact of the amended guidance on our existing revenue recognition policies and procedures. We have evaluated the nature of our operating revenues and do not expect that there will be a significant shift in the timing or pattern of revenue recognition. Most of our revenues are from regulated tariff sales, which are in the scope of the new standard, excluding the revenue component related to alternative revenue programs. The revenues from these contracts are recorded at the amount of the electricity or natural gas delivered to the customer during the period.

We adopted this standard for interim and annual periods beginning January 1, 2018, and used the modified retrospective method of adoption. The most significant impact to the financial statements is expected to be in the form of additional disclosures. However, we do not expect to have a cumulative-effect adjustment to record on the balance sheet as of the beginning of 2018; and therefore, do not expect to include a reconciliation of results under the new revenue recognition guidance compared with what would have been reported in 2018 under the old revenue recognition guidance. We will include disaggregated revenue disclosures by major products (electric and natural gas) and customer class in the notes to regulatory basis financial statements, starting in 2018.

Leases

In February 2016, the FASB issued ASU 2016-02, Leases. This guidance is effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020, and will be applied using a modified retrospective approach. The main provision of this ASU is that lessees will be required to recognize lease assets and lease liabilities for most leases, including those classified as operating leases under GAAP. We are currently assessing the effects this guidance may have on our financial statements.

Financial Instruments Credit Losses

In June 2016, the FASB issued ASU 2016-13, Measurement of Credit Losses on Financial Instruments. This guidance is effective for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021. This ASU introduces a new impairment model known as the current expected credit loss model. The ASU requires a financial asset measured at amortized cost to be presented at the net amount expected to be collected. Previously, recognition of the full amount of credit

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losses was generally delayed until the loss was probable of occurring. We are currently assessing the effects this guidance may have on our financial statements.

Classification of Certain Cash Receipts and Cash Payments

In August 2016, the FASB issued ASU 2016-15, Classification of Certain Cash Receipts and Cash Payments. There are eight main provisions of this ASU for which current GAAP either is unclear or does not include specific guidance. We adopted this ASU for interim and annual periods beginning January 1, 2018 and used a retrospective transition method. We do not believe the adoption of this guidance will have a significant impact on our financial statements.

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SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION				
Line No.	Item (a)	Total (b)	Electric (c)	
1	UTILITY PLANT			
2	In Service			
3	Plant in Service (Classified)	184,282,460	176,151,080	
4	Property Under Capital Leases			
5	Plant Purchased or Sold			
6	Completed Construction not Classified			
7	Experimental Plant Unclassified			
8	TOTAL (Enter Total of lines 3 thru 7)	184,282,460	176,151,080	
9	Leased to Others			
10	Held for Future Use			
11	Construction Work in Progress	53,065,624	52,344,359	
12	Acquisition Adjustments			
13	TOTAL Utility Plant (Enter Total of lines 8 thru 12)	237,348,084	228,495,439	
14	Accum. Prov. For Depr., Amort., & Depl.	73,859,536	69,926,913	
15	Net Utility Plant (Enter Total of line 13 less 14)	163,488,548	158,568,526	
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION			
17	In Service:			
18	Depreciation	73,859,536	69,926,913	
19	Amort. and Depl. Of Producing Natural Gas Land and Land Rights			
20	Amort. of Underground Storage Land and Land Rights			
21	Amort. of Other Utility Plant			
22	TOTAL in Service (Enter Total of lines 18 thru 21)	73,859,536	69,926,913	
23	Leased to Others			
24	Depreciation			
25	Amortization and Depletion			
26	TOTAL Leased to Others (Enter Total of lines 24 and 25)			
27	Held for Future Use			
28	Depreciation			
29	Amortization			
30	TOTAL Held for Future Use (Enter Total of lines 28 and 29)			
31	Abandonment of Leases (Natural Gas)			
32	Amort. of Plant Acquisition Adj.			
33	TOTAL Accumulated Provisions (Should agree with line 14 above) (Enter Total of lines 22, 26, 30, 31 and 32)	73,859,536	69,926,913	

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SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION (Continued)					
Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
8,131,380					3
					4
					5
					6
					7
8,131,380					8
					9
					10
721,265					11
					12
8,852,645					13
3,932,623					14
4,920,022					15
					16
					17
3,932,623					18
					19
					20
					21
3,932,623					22
					23
					24
					25
					26
					27
					28
					29
					30
					31
					32
3,932,623					33

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

- | | |
|---|--|
| <p>1. Report below the original cost of plant in service in the same detail as in the current depreciation order.</p> <p>2. In addition to Account 101, Electric Plant in service (Classified), this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified - Electric.</p> <p>3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.</p> <p>4. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such amounts.</p> <p>5. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and</p> | <p>include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year of unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d), including the</p> |
|---|--|

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	1. INTANGIBLE PLANT		
2	301 Organization		
3	302 Franchises and Consents		
4	303 Miscellaneous Intangible Plant		
5	TOTAL Intangible Plant	0	0
6	2. PRODUCTION PLANT		
7	Steam Production Plant		
8	310.1 Land		
9	310.2 Land Rights		
10	311 Structures and Improvements		
11	312 Boiler Plant Equipment		
12	313 Engines and Engine-Driven Generators		
13	314 Turbogenerator Units		
14	315 Accessory Electric Equipment		
15	316 Miscellaneous Power Plant Equipment		
16	TOTAL Steam Production Plant	0	0
17	Nuclear Production Plant		
18	320.1 Land		
19	320.2 Land Rights		
20	321 Structures and Improvements		
21	322 Reactor Plant Equipment		
22	323 Turbogenerator Units		
23	324 Accessory Electric Equipment		

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

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

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

to primary account classifications.

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

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

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

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ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)				
Line No.	Account (a)	Balance at Beginning of Year (b)	Addition (c)	
24	325 Miscellaneous Power Plant Equipment			
25	TOTAL Nuclear Production Plant			
26	Hydraulic Production Plant			
27	330.1 Land			
28	330.2 Land Rights			
29	331 Structures and Improvements			
30	332 Reservoirs, Dams and Waterways			
31	333 Water Wheels, Turbines and Generators			
32	334 Accessory Electric Equipment			
33	335 Miscellaneous Power Plant Equipment			
34	336 Roads, Railroads and Bridges			
35	TOTAL Hydraulic Production Plant	0	0	
36	Other Production Plant			
37	340.1 Land			
38	340.2 Land Rights			
39	341 Structures and Improvements			
40	342 Fuel Holders, Products and Accessories			
41	343 Prime Movers			
42	344 Generators			
43	345 Accessory Electric Equipment			
44	346 Miscellaneous Power Plant Equipment			
45	TOTAL Other Production Plant	0	0	
46	TOTAL Production Plant	0	0	
47	3. TRANSMISSION PLANT			
48	350.1 Land			
49	350.2 Land Rights			
50	352 Structures and Improvements			
51	353 Station Equipment			
52	354 Towers and Fixtures			
53	355 Poles and Fixtures			
54	356 Overhead Conductors and Devices			
55	357 Underground Conduit			
56	358 Underground Conductors and Devices			

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ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
				325	24
					25
					26
				330.1	27
				330.2	28
				331	29
				332	30
				333	31
				334	32
				335	33
				336	34
0			0		35
					36
				340.1	37
				340.2	38
				341	39
				342	40
				343	41
				344	42
				345	43
				346	44
0		0	0		45
0		0	0		46
					47
				350.1	48
				350.2	49
				352	50
				353	51
				354	52
				355	53
				356	54
				357	55
				358	56

Name of Respondent Upper Michigan Energy Resources Corporation		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017
ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)				
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	
57	359 Roads and Trails			
58	TOTAL Transmission Plant			
59	4. DISTRIBUTION PLANT			
60	360.1 Land			
61	360.2 Land Rights			
62	361 Structures and Improvements		217,239	
63	362 Station Equipment		398,416	
64	363 Storage Battery Equipment			
65	364 Poles, Towers and Fixtures		2,778,708	
66	365 Overhead Conductors and Devices		1,470,391	
67	366 Underground Conduit		248,551	
68	367 Underground Conductors and Devices		4,027,480	
69	368 Line Transformers		510,056	
70	368.1 Capacitors			
71	369 Services		1,403,916	
72	370 Meters			
73	371 Installations on Customers' Premises		45,929	
74	372 Leased Property on Customers' Premises			
75	373 Street Lighting and Signal Systems		90,416	
76	TOTAL Distribution Plant	0	11,191,102	
77	5. GENERAL PLANT			
78	389.1 Land			
79	389.2 Lands Rights			
80	390 Structures and Improvements			
81	391 Office Furniture and Equipment			
82	391.1 Computers / Computer Related Equipment			
83	392 Transportation Equipment			
84	393 Stores Equipment			
85	394 Tools, Shop and Garage Equipment		10,928	
86	395 Laboratory Equipment			
87	396 Power Operated Equipment			
88	397 Communication Equipment		326,224	
89	398 Miscellaneous Equipment			
90	SUBTOTAL	0	337,152	

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ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
				359	57
					58
					59
		690,159	690,159	360.1	60
				360.2	61
29,003		879,961	1,068,197	361	62
196,535		18,281,263	18,483,144	362	63
				363	64
170,412		30,683,816	33,292,112	364	65
83,566		35,601,775	36,988,600	365	66
		175,215	423,766	366	67
103,106		39,810,224	43,734,598	367	68
165,257		20,881,245	21,226,044	368	69
				368.1	70
36,478		15,244,732	16,612,170	369	71
18,691		1,796,968	1,778,277	370	72
2,489		540,791	584,231	371	73
				372	74
2,715		742,018	829,719	373	75
808,252		165,328,167	175,711,017		76
					77
				389.1	78
				389.2	79
				390	80
				391	81
				391.1	82
				392	83
				393	84
			10,928	394	85
				395	86
				396	87
91,441		194,352	429,135	397	88
				398	89
91,441		194,352	440,063		90

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

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
91	399 Other Tangible Property		
92	TOTAL General Plant		337,152
93	TOTAL (Accounts 101 and 106)	0	11,528,254
94			
95	102 Electric Plant Purchased		
96	(Less) 102 Electric Plant Sold		
97	103 Experimental Plant Unclassified		
98	TOTAL Electric Plant in Service (Total of lines 93 thru 97)	0	11,528,254

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

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
				399	91
91,441		194,352	440,063		92
899,693		165,522,519	176,151,080		93
					94
				102	95
					96
				103	97
899,693		165,522,519	176,151,080		98

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FOOTNOTE DATE					
Page Number (a)	Item Number (b)	Column Number (c)	Comments (d)		
204	98	f	All transfers relate to account reclassifications within electric, or business segment reclassifications between electric and common or non-utility.		

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017
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**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	GP UMERC Rice Engines	33,508,048		
2	GP UMERC Rice Common	18,001,152		
3	Projects less than \$1M	835,159	468,773	
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
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30				
31				
32				
33				
34				
35	TOTAL	52,344,359	468,773	0

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017
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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	Allowance for Funds Used During Construction	265,050
2	Internal Design, Engineering and Supervision	142,845
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
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36		
37		
38		
39	TOTAL	407,895

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GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE

1. For each construction overhead explain: (a) the nature and extent of work, etc., the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.

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

Specific overhead expenditures incurred for the benefit of particular projects are distributed directly to such individual jobs and allocated to direct construction costs monthly.

1. For the WE Jurisdiction, Allowance For Funds Used During Construction is calculated using WE's adjusted weighted cost of capital of 8.45% per annum in accordance with its PSCW rate order. The cost of capital is divided into debt (2.39%) and equity (6.06%) components.

2. For the WPSC Jurisdiction, Allowance For Funds Used During Construction is calculated using WPSC's adjusted weighted cost of capital of 7.72% per annum in accordance with its PSCW rate order. The cost of capital rate is divided into debt (2.1119%) and equity (5.6081%) components.

COMPUTATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION RATES

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

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

Line No.	Title (a)	Amount (b)	Capitalization Ratio (Percent) (c)	Cost Rate Percentage (d)
1	Average Short-Term Debt & Computation of Allowance Text	S		
2	Short-Term Interest			
3	Long-Term Debt	D		
4	Preferred Stock	P		
5	Common Equity	C		
6	Total Capitalization		\$0	0%
7	Average Construction Work In Progress Balance	W		

2. Gross Rate for Borrowed Funds

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

3. Rate for Other Funds

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

4. Weighted Average Rate Actually Used for the Year:

Name of Respondent		This Report Is:		Date of Report	Year of Report
Upper Michigan Energy Resources Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		(Mo, Da, Yr) 04/30/2018	December 31, 2017
ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108 & 110)					
1. Explain in a footnote any important adjustments during year.		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 cost included in retirement work in progress at year end in the appropriate functional classifications.			
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 202-204A, column (d), excluding retirements of non-depreciable property.		4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.			
3. Accounts 108 and 110 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service.					
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				
2	Depreciation Prov. for Year, Charged to				
3	(403) Depreciation Expense	4,198,313	4,198,313		
4	(403.1) Decommissioning Expense				
5	(413) Exp. Of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing				
7	Other Clearing Accounts				
8	Other Accounts (Specify):				
9					
	TOTAL Deprec. Prov. For Year (Enter Total of Lines 3 thru 9)	4,198,313	4,198,313		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	899,693	899,693		
13	Cost of Removal	1,908,949	1,908,949		
14	Salvage (Credit)	(1,350)	(1,350)		
	TOTAL Net Chrgs. For Plant Ret. (Enter Total of lines 12 thru 14)	2,809,992	2,809,992		
16	Net Earnings of Decommissioning Funds				
17	Other Debit or Credit Items (Described)	68,538,592	68,538,592		
18					
19	Balance End of Year (Enter total of lines 1, 10, 15, 16 & 17)	69,926,913	69,926,913		
Section B. Balances at End of Year According to Functional Classifications					
20	Steam Production				
21	Nuclear Production-Depreciation				
22	Nuclear Production-Decommissioning				
23	Hydraulic Production-Conventional				
24	Hydraulic Production-Pumped Storage				
25	Other Production				
26	Transmission				
27	Distribution	69,853,597	69,853,597		
28	General	73,316	73,316		
29	TOTAL (Enter total of lines 20 thru 28)	69,926,913	69,926,913		

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017
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FOOTNOTE DATE

Page Number (a)	Item Number (b)	Column Number (c)	Comments (d)
219	8	c	ARO depreciation expense (non-rate base) - debits to Account 182.3.
219	9	c	ARO depreciation expense (rate base) - credits to Account 182.3.
219	17	c	Other debit or credit items: Transfer of asset reserve balance from MI asset purchase \$ 68,538,592 TOTAL <u>\$ 68,538,592</u>
219	27	c	Distribution End balance \$ 69,853,597 Less: 108 ARO depreciation (non-rate base) \$ - Add: 182.3 ARO COR depreciation (rate base) <u>\$ 32,211</u> Ending rate base reserve <u>\$ 69,885,808</u>
219	28	c	General End balance \$ 73,316 Less: 108 ARO depreciation (non-rate base) \$ - Add: 182.3 ARO COR depreciation (rate base) <u>\$ -</u> Ending rate base reserve <u>\$ 73,316</u>
219	29	c	Total End balance \$ 69,926,913 Less: 108 ARO depreciation (non-rate base) \$ - Add: 182.3 ARO COR depreciation (rate base) <u>\$ 32,211</u> Ending rate base reserve <u>\$ 69,959,124</u>

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Michigan Energy Resources Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/2018	December 31, 2017
NOTES AND ACCOUNTS RECEIVABLE SUMMARY FOR BALANCE SHEET			
Show separately by footnote the total amount of notes and accounts receivable from directors, officers, and			
employees included in Notes Receivable (Account 141) and Other Accounts Receivable (Account 143).			
Line No.	Accounts (a)	Balance Beginning of Year (b)	Balance End of Year (c)
1	Notes Receivable (Account 141)		
2	Customer Accounts Receivable (Account 142)		7,341,598
3	Other Accounts Receivable (Account 143) (Disclose any capital stock subscriptions received)		16,827,997
4	TOTAL	0	24,169,595
5	Less: Accumulated Provision for Uncollectible Accounts-Cr. (Account 144)		434,183
6	TOTAL, Less Accumulated Provision for Uncollectible Accounts	0	23,735,412
7			
8			
9	* Account Receivable From Employees:		
10	** Michigan's Portion of Account 144:		
11			
12			
13			
14			

ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNT-CR. (Account 144)						
1. Report below the information called for concerning this accumulated provision.						
2. Explain any important adjustments of subaccounts.						
3. Entries with respect to officers and employees shall not include items for utility services.						
Line No.	Item (a)	Utility Customers (b)	Merchandise Jobbing and Contract Work (c)	Officers and Employees (d)	Other (e)	Total (f)
1	Balance beginning of year					0
2	Provision for uncollectibles for current year	471,379				471,379
3	Less: Accounts written off	439,707				439,707
4	Collection of accounts written off	83,211				83,211
	Adjustments (explain): To reserve based on analysis of uncollectible reserve	319,300				319,300
5						
6	Balance end of year	434,183	0	0	0	434,183
7						
8						
9						
10						
11						

Name of Respondent Upper Michigan Energy Resources Corporation		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017
FOOTNOTE DATE					
Page Number (a)	Item Number (b)	Column Number (c)	Comments (d)		
226A	5	b	A transfer of \$319,300 is from WE to UMERC of the Michigan customer balance amount.		

Name of Respondent	This Report Is:	Date of Report	Year of Report			
Upper Michigan Energy Resources Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/2018	December 31, 2017			
RECEIVABLES FROM ASSOCIATED COMPANIES (Accounts 145, 146)						
<p>1. Report particulars of notes and accounts receivable from associated companies* at end of year.</p> <p>2. Provide separate headings and totals for Accounts 145, Notes Receivable from Associated Companies, and 146, Accounts Receivable from Associated Companies, in addition to a total for the combined accounts.</p> <p>3. For notes receivable, list each note separately and state purpose for which received. Show also in column (a) date of note, date of maturity and interest rate.</p>		<p>4. If any note was received in satisfaction of an open account, state the period covered by such open account.</p> <p>5. Include in column (f) interest recorded as income during the year including interest on accounts and notes held any time during the year.</p> <p>6. Give particulars of any notes pledged or discounted, also of any collateral held as guarantee of payment of any note or account.</p>				
<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>Accounts Receivable:</u>					
3	WE		109,555,016	103,523,036	6,031,980	
4	WPS		14,948,874	14,129,548	819,326	
5						
6	WEC Energy Group - Taxes		2,397,094		2,397,094	
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39	TOTAL	0	126,900,984	117,652,584	9,248,400	0

NOTE: All information presented pertains to Account 146. Account 145 had no activity during 2017.

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017
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PRELIMINARY SURVEY AND INVESTIGATION CHARGES (Account 183)

1. Report below particulars concerning the cost of plans, surveys, and investigations made for the purpose of determining the feasibility of projects under contemplation.

2. Minor items may be grouped by classes. Show the number of items in each group.

Line No.	Description and Purpose of Project (a)	Balance Beginning of Year (b)
1	Mass SS-Replace Transformer & Distribution	0
2	Other Projects	0
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TOTAL		0

Name of Respondent Upper Michigan Energy Resources Corporation		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017
PRELIMINARY SURVEY AND INVESTIGATION CHARGES (Account 183)					
Debits (c)	CREDITS		Balance End of Year (f)	Line No.	
	Account Charged (d)	Amount (e)			
35,926			35,926	1	
4,647			4,647	2	
				3	
				4	
				5	
				6	
				7	
				8	
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40,573			40,573	TOTAL	

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017
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OTHER REGULATORY ASSETS

1. Report below the particulars (details) called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts.)
2. For regulatory assets being amortized, show period of amortization in column (a).
3. Minor items (amounts less than \$50,000) may be grouped by classes.
4. Give the number and name of the account(s) where each amount is recorded.

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 Year (f)
				Account Charged (d)	Amount (e)	
1	FAS 109 Regulatory Asset - Federal		496,480	190,282	13,403,076	(12,906,596)
2	MI Energy Optimization		975,235	908	1,002,205	(26,970)
3	Asset Retirement Obligations		(32,211)	Various		(32,211)
4	Misc. Regulatory Reserve		(692,313)	Various		(692,313)
5	DePere Energy Center		285,104	407	43,452	241,652
6	MI AES Deferral		626,389			626,389
7	Crane Creek Production Tax Credit		635,932	Various	159,230	476,702
8	Fox Energy Center		7,253,159		319,644	6,933,515
9	Plant Abandonment		179,459	407	31,920	147,539
10	W3 ReAct Deferral		913,363			913,363
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44	TOTAL	-	10,640,597		14,959,527	(4,318,930)

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017
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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 items (1% of the Balance at End of Year for Account 186 or amounts less than \$50,000, whichever is less) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	Deferred Project Charges		299,124	Various	137,688	161,436
2						
3						
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38	Miscellaneous Work in Progress					
39	TOTAL		0			161,436

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017
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ACCUMULATED DEFERRED INCOME TAXES (Account 190)

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

Line No.	Account Subdivision (a)	Balance at Beginning of Year (b)	Changes During Year	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Electric			
2	Contributions in Aid of Construction		129,871	93,229
3	NOL/Credit Carryforward			
4	Deferred Compensation			
5	Post Retirement Benefits			
6	Power the Future			
7	Other			
8	TOTAL (Account 190) (Enter total of lines 2 thru 7)	0	129,871	93,229
9	Gas			
10			93,438	1,338
11				
12	Contributions in Aid of Construction			
13	Conservation & Weatherization			
14	FIFO Inventory Adjustment			
15	Other			
16	TOTAL Gas (Enter total of lines 10 thru 15)	0	93,438	1,338
17	Other (Specify)			
18	TOTAL (Account 190) (Enter total of lines 8, 16 & 17)	0	223,309	94,567
19	Classification of Total:			
20	Federal Income Tax		201,746	86,000
21	State Income Tax		26,563	8,567
22	Local Income Tax			

NOTES

Other Electric:

	Balance	Balance
	Beginning of Year	End of Year
2017 Tax Legislation Impact	0	\$ 4,746,380

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ACCUMULATED DEFERRED INCOME TAXES (Account 190) (Continued)

3. If more space is needed, use separate pages as required. and classification, significant items for which deferred taxes are being provided. Indicate insignificant amounts listed Other .

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
		190	78,056			41,414	2
							3
							4
							5
							6
		190111	4,746,380			4,746,380	7
			4,746,380			4,787,794	8
							9
			193,201			96,101	10
							11
							12
							13
							14
							15
			193,201			96,101	16
							17
			5,017,637			4,883,895	18
							19
			4,383,460			4,267,715	20
			634,177			616,180	21
							22

NOTES (Continued)

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017
OTHER PAID - IN CAPITAL (Accounts 208-211, inc.)			
<p>Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as total of all accounts for reconciliation with balance sheet, page 112. Add more columns for any account if deemed necessary. Explain changes made in any account during the year and give the accounting entries effecting such change.</p> <p>(a) <i>Donations Received from Stockholders</i> (Account 208)-State amount and give brief explanation of the origin and purpose of each donation.</p> <p>(b) <i>Reduction in Par or Stated Value of Capital Stock</i> (account 209)-State amount and give brief explanation of</p>		<p>the capital changes which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.</p> <p>(c) <i>Gain on Resale or Cancellation of Reacquired Capital Stock</i> (Account 210)-Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.</p> <p>(d) <i>Miscellaneous Paid-In Capital</i> (Account 211)- Classify amounts included in this account according to captions which, together with brief explanations, disclose the general nature of the transactions which gave rise to the reported amounts.</p>	
Line No.	Item (a)	Amount (b)	
1	Account 211 - Miscellaneous Paid-in-Captial		
2			
3	Beg of Year	Credits	Debits
4	-----	\$117,730,100	\$75,650,935
5			
6	Subtotal	42,079,165	
7			
8			
9	Credits relate to set up of company balances via transfer of balances		
10	from WE and WPS related to customer AR and property balance		
11	transfers.		
12			
13			
14			
15	Debits relate to set up of company balances via transfer of balances		
16	from WE and WPS related to the set up of notes payable to the		
17	parent company and deferred taxes.		
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35	TOTAL	42,079,165	

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017
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**SECURITIES ISSUED OR ASSUMED AND SECURITIES REFUNDED OR RETIRED
DURING THE YEAR**

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

Account 221 Long-Term Notes Payable WEC (50,000,000)

On 9/27/2017 UMERC (borrower) entered into a 3.27% fixed rate long-term loan with WEC Energy Group (lender) maturing on October 1, 2027.

There were no discounts, premiums, expenses nor any related gains or losses associated with this debt.

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017
LONG-TERM DEBT (Accounts 221, 222, 223 and 224)			
<p>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.</p> <p>2. In column (a), for new issues, give Commission authorization numbers and dates.</p> <p>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.</p> <p>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.</p> <p>5. For receivers' certificates, show in column (a) the name of the court and date of court order under which such certificates were issued.</p> <p>6. In column (b) show the principal amount of bonds or other long-term debt originally issued.</p> <p>7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.</p> <p>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.</p> <p>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.</p>			
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	WEC Energy Group	50,000,000	
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25	TOTAL	50,000,000	0

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017
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LONG-TERM DEBT (Accounts 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 amortization debited to Account 428, Amortization of Debt-Discount and Expense, or credited to Account 429, *Amortization of Premium on Debt-Credit*.
12. In a footnote, give explanatory particulars (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) principal 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)			
9/27/2017	10/1/2027			50,000,000		1
						2
						3
						4
						5
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						7
						8
						9
						10
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						20
						21
						22
						23
						24
				50,000,000	0	25

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017
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PAYABLES TO ASSOCIATED COMPANIES* (Accounts 233, 234)

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

**See definition on page 226B*

Line No.	Particulars (a)	Balance Beginning of Year (b)	Totals for Year		Balance End of Year (e)	Interest for Year (f)
			Debits (c)	Credits (d)		
1	Account 233:					
2						
3	Notes Payable to WEC Energy Group	0		38,101,837	(38,101,837)	419,700
4						
5	Total	0	0	38,101,837	(38,101,837)	419,700
6						
7	Account 234:					
8	<u>Accounts Payable:</u>					
9	WEC Business Services LLC	-	245,460	680,113	(434,653)	
10	WEC Energy Group	-		30,455	(30,455)	
11	Wisconsin Electric Power Company		1,708	33,924,724	(33,923,016)	
12	Wisconsin Public Service Corporation		1,362	1,794,656	(1,793,294)	
13	Total	0	248,530	36,429,948	(36,181,418)	0
14						
15						
16						
17						
18						
19						
20						
21						
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27						
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33						
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35						
36						
37						
38	TOTAL	0	248,530	74,531,785	(74,283,255)	419,700

Name of Respondent Upper Michigan Energy Resources Corporation		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017
RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES				
<p>1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.</p> <p>2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.</p>				
Line No.		TOTAL AMOUNT		
1	Utility net operating income (page 114 line 20)			
2	Allocations: Allowance for funds used during construction			
3	Interest expense			
4	Other (specify)			
5	Net income for the year (page 117 line 68)	5,803,004		
6	Allocation of Net income for the year			
7	Add: Federal income tax expenses			
8				
9	Total pre-tax income	5,803,004		
10				
11	Add: Taxable income not reported on books:			
12				
13				
14				
15	Add: Deductions recorded on books not deducted from return	30,862,194		
16				
17				
18				
19	Subtract: Income recorded on books not included in return:	(27,500,935)		
20				
21				
22				
23	Subtract: Deductions on return not charged against book income:	(3,804,619)		
24	Schedule M (Addition of Taxable Income)			
25				
26	Federal taxable income for the year	5,359,644		

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017
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FOOTNOTE DATE

Page Number (a)	Item Number (b)	Column Number (c)	Comments (d)
			Reconciliation of reported net income with taxable income for federal income taxes
261A	5	b	Net income for the year 5,803,004
261A	15	b	Deductions recorded on books not deducted for return:
			Provisions for deferred taxes (federal & state) 30,870,182
			Conservation and efficiency 89,642
			State franchise/income taxes accrued (483,184)
			ACT 295 MI conservation 171,652
			Amortization of intangibles 10,506
			De Pere energy regulatory asset 43,452
			W3 ReAct contra 365,171
			162(m) 26,465
			FEC MI regulatory asset 47,406
			Lobbying expense 19,800
			MI electric true up - current year 39,911
			Plant abandonment regulatory asset 31,920
			FEC MI contra regulatory asset 62,066
			Regulatory reserve adjustment - book (432,795)
			Total <u>30,862,194</u>
261A	19	b	Income recorded on books not included in return:
			Federal and state income tax (current) 27,235,995
			AFUDC - Debt 79,616
			AFUDC - Equity 185,324
			Total <u>27,500,935</u>

Name of Respondent Upper Michigan Energy Resources Corporation		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017																																													
FOOTNOTE DATE																																																	
Page Number (a)	Item Number (b)	Column Number (c)	Comments (d)																																														
261A	23	b	Deductions on return not charged against book income <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">CIAC customer advances</td> <td style="text-align: right;">42,333</td> </tr> <tr> <td>Tax depreciation in excess of book depreciation</td> <td style="text-align: right;">3,115,177</td> </tr> <tr> <td>Crane Creek depreciation deferral</td> <td style="text-align: right;">7,560</td> </tr> <tr> <td>Bad debt reserve</td> <td style="text-align: right;">(434,183)</td> </tr> <tr> <td>MI - Energy optimization</td> <td style="text-align: right;">15,558</td> </tr> <tr> <td>Prepaid insurance</td> <td style="text-align: right;">64,223</td> </tr> <tr> <td>W3 ReAct</td> <td style="text-align: right;">844,906</td> </tr> <tr> <td>Deferred revenue regulatory asset</td> <td style="text-align: right;">149,045</td> </tr> <tr> <td>Total</td> <td style="text-align: right; border-top: 1px solid black;">3,804,619</td> </tr> <tr> <td colspan="2">Federal tax net income</td> <td style="text-align: right;">5,359,644</td> </tr> <tr> <td colspan="2">Tax @ 35%</td> <td style="text-align: right;">1,875,875</td> </tr> <tr> <td colspan="2">Fuel credit</td> <td style="text-align: right; border-top: 1px solid black;">-</td> </tr> <tr> <td colspan="2">Taxes applicable to current year</td> <td style="text-align: right;">1,875,875</td> </tr> <tr> <td colspan="2">Adjustments to prior years</td> <td style="text-align: right;">-</td> </tr> <tr> <td colspan="2">Restricted stock exercised</td> <td style="text-align: right;">-</td> </tr> <tr> <td colspan="2">Stock options</td> <td style="text-align: right;">-</td> </tr> <tr> <td colspan="2">Section 311(b) adjustments</td> <td style="text-align: right;">-</td> </tr> <tr> <td colspan="2">Net tax accrual</td> <td style="text-align: right; border-top: 1px solid black;">1,875,875</td> </tr> </table> <p>UMERC is a member of a consolidated group of companies/members filing a consolidated federal income tax return for the period ended 12/31/2017 with its ultimate parent: WEC Energy Group.</p> <p>The tax liability of each company/member of the consolidated tax return is as if separate returns were filed by each of the individual companies/members.</p>		CIAC customer advances	42,333	Tax depreciation in excess of book depreciation	3,115,177	Crane Creek depreciation deferral	7,560	Bad debt reserve	(434,183)	MI - Energy optimization	15,558	Prepaid insurance	64,223	W3 ReAct	844,906	Deferred revenue regulatory asset	149,045	Total	3,804,619	Federal tax net income		5,359,644	Tax @ 35%		1,875,875	Fuel credit		-	Taxes applicable to current year		1,875,875	Adjustments to prior years		-	Restricted stock exercised		-	Stock options		-	Section 311(b) adjustments		-	Net tax accrual		1,875,875
CIAC customer advances	42,333																																																
Tax depreciation in excess of book depreciation	3,115,177																																																
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Taxes applicable to current year		1,875,875																																															
Adjustments to prior years		-																																															
Restricted stock exercised		-																																															
Stock options		-																																															
Section 311(b) adjustments		-																																															
Net tax accrual		1,875,875																																															

Name of Respondent Upper Michigan Energy Resources Corporation		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017
TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Account 236)				
<p>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 taxes 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.</p> <p>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.</p> <p>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.</p> <p>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.</p>				
Line No.	Kind of Tax Subaccount (See Instruction 5) (a)	BALANCE AT BEGINNING OF YEAR		
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Incl. In Account 165) (c)	
1	Taxes accrued - property personal utility MI	0	0	
2	Taxes accrued - other assessment MPSC	0	0	
3	Taxes accrued - income - federal	0	0	
4	Taxes accrued - income - franchise	0	0	
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
DISTRIBUTION OF TAXES CHARGED (omit cents)				
Line No.	Electric a/c 408.1, 409.1 (i)	Gas a/c 408.1, 409.1 (j)	Other Utility Departments a/c 408.1, 409.1 (k)	Other Income & Deductions a/c 408.2, 409.2 (l)
1	557			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				

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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). Itemize by subaccount.
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment. Designate debit adjustments by parentheses.
7. Do not include in this schedule 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. The accounts to which taxes charged were distributed should be shown in columns (i) to (o). Show both the utility department and number of account charged. For taxes charged to utility plant show the number of the appropriate balance sheet plant account or subaccount.
9. For any tax which it was necessary to apportion to more than one utility department or account, state in a more than one utility department or account, state in a footnote the basis of apportioning such tax.
10. Fill in all columns for all line items.

Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)	BALANCE AT END OF YEAR		Line No.
			Taxes Accrued (Account 236) (g)	Prepaid Taxes (Incl. In Account 165) (h)	
1,797,888	860,550		937,338		1
313,627	105,469		208,158		2
					3
					4
					5
					6
					7
					8
					9
					10
					11
					12
					13
					14
					15

DISTRIBUTION OF TAXES CHARGED

Extraordinary Items a/c 409.3 (m)	Other Utility Opn. Income a/c 408.1, 409.1 (n)	Adjustment to Ret. Earnings a/c 439 (o)	Other (p)	Line No.
			1,797,331	1
			313,627	2
				3
				4
				5
				6
				7
				8
				9
				10
				11
				12
				13
				14
				15

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017
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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	Refunds due customers	119,312
2	Customer accounts receivable credit balances	714,109
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21	TOTAL	833,421

CUSTOMER ADVANCES FOR CONSTRUCTION (Account 252)

Line No.	List Advances by department (a)	Balance End of Year (b)
23	Electric	160,895
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39	TOTAL	160,895

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**ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY
(Account 282)**

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

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Acct. 410.1 (c)	Amounts Credited to Acct. 411.1 (d)
1	Account 282			
2	Electric		4,252,667	4,127,255
3	Gas		(48,426)	72,141
4	Other (Define)			
5	TOTAL (Enter total of lines 2 thru 4)		4,204,241	4,199,396
6	Other (Specify)			
7				
8				
9	TOTAL Account 282 (Enter total of lines 5 thru 8)	0	4,204,241	4,199,396
10	Classification of TOTAL			
11	Federal Income Tax		3,935,628	3,993,910
12	State Income Tax		268,613	205,486
13	Local Income Tax			

NOTES

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Michigan Energy Resources Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/2018	December 31, 2017

**ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY
(Account 282) (Continued)**

3. Use footnotes as required.
4. Fill in all columns for all line items as appropriate.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year	Line No.
Amounts Debited to Acct. 410.2 (e)	Amounts Credited to Acct. 411.2 (f)	DEBITS		CREDITS			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)	(k)	
							1
		282 (301/401)	10,606,135	282 (301/401)	28,669,083	18,218,360	2
		282 (302/402)	322,478	282 (302/402)	916,233	473,188	3
							4
			10,928,613		29,615,316	18,691,548	5
							6
							7
							8
0	0		10,928,613		29,615,316	18,691,548	9
							10
			10,670,202		26,625,227	15,896,744	11
			258,411		2,990,089	2,794,804	12
							13

NOTES (Continued)

Name of Respondent		This Report Is:		Date of Report		Year of Report	
Upper Michigan Energy Resources Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		04/30/2018 (Mo, Da, Yr)		December 31, 2017	
FOOTNOTE DATE							
Page Number (a)	Item Number (b)	Column Number (c)	Comments (d)				
274	11	h	Adjustments	Acct Credited	Debits		
			FAS 109 - Federal - Electric	182, 254	\$	10,356,254	
			FAS 109 - Federal - Gas	182, 254	\$	313,948	
274	11	j	Adjustments	Acct Credited	Credits		
			FAS 109 - Federal - Electric	182, 254	\$	496,165	
			FAS 109 - Federal - Gas	182, 254	\$	25,248	
274	12	h	Adjustments	Acct Credited	Debits		
			FAS 109 - State - Electric	182, 254	\$	249,881	
			FAS 109 - State - Gas	182, 254	\$	8,530	
274	12	j	Adjustments	Acct Credited	Credits		
			FAS 109 - State - Electric	182, 254	\$	724,362	
			FAS 109 - State - Gas	182, 254	\$	19,979	

Name of Respondent Upper Michigan Energy Resources Corporation		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017
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	Account 283			
2	Electric			
3				
4	Other Than Plant		3,764,538	3,390,270
5				
6	Other			
7	TOTAL Electric <i>(total of lines 2 thru 6)</i>	0	3,764,538	3,390,270
8	Gas			
9				
10				
11				
12				
13	Other			
14	TOTAL Gas <i>(Total of lines 9 thru 13)</i>	0	0	0
15	Other: Nonutility			
16	TOTAL (Account 283) <i>(Enter total of lines 7, 14 and 15)</i>	0	3,764,538	3,390,270
17	Classification of TOTAL			
18	Federal Income Tax		3,647,834	3,258,510
19	State Income Tax		116,704	131,760
20	Local Income Tax			
NOTES				

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017
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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 (k)	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)		
							1
							2
							3
				282 (301/401)	2,091,448	2,465,716	4
							5
							6
			0		2,091,448	2,465,716	7
							8
							9
							10
							11
							12
							13
			0		0	0	14
					1,343,170	1,343,170	15
0	0		0		3,434,618	3,808,886	16
							17
					3,071,734	3,461,058	18
					362,884	347,828	19
							20

NOTES (Continued)

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017
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OTHER REGULATORY LIABILITIES

1. Reporting below the particulars (details) called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts)
2. For regulatory liabilities being amortized, show period of amortization in column (a)
3. Minor items (amounts less than \$50,000) may be grouped by classes
4. Give the number and name of the account(s) where each amount is recorded

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 Year (f)
			Account Credited (c)	Amount (d)		
1	FAS 109 regulatory liability - federal		190,282	25,248		(25,248)
2	FAS 109 regulatory liability - state		190,282	744,027	874,876	130,849
3	2017 Tax Legislation		190,282		1,493,141	1,493,141
4	Renewable dnergy program		908		132,448	132,448
5	Cost of removal ARO				3,460,040	3,460,040
6	MI MISO SSR deferral				266,052	266,052
7	Crane Creek depreciation deferral			7,560	171,313	163,753
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
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36						
37						
38						
39						
40						
41						
42						
43						
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45						
46						
47						
48						
49						
50	TOTAL	-		776,835	6,397,870	5,621,035

NOTE: All amounts are recorded in Account 254.

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017
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ELECTRIC OPERATING REVENUES (Account 400)

- Report below operating revenues for each prescribed account.
- Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The average number of customers means the average of twelve figures at the close of each month.
- If increases or decreases from pervious year (columns (c), (e), and (g)), are not derived from previously reported figures explain any inconsistencies in a footnote.

Line No.	Title of Account (a)	OPERATING REVENUES	
		Amount for Year (b)	Amount for Previous Year (c)
1	Sales of Electricity		
2	(440) Residential Sales	33,568,900	
3	(442) Commercial and Industrial Sales		
4	Small (or Commercial)	17,109,726	
5	Large (or Industrial)	17,077,057	
6	(444) Public Street and Highway Lighting	688,777	
7	(445) Other Sales to Public Authorities		
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales	5,474	
10	(449) Other Sales	(24,353)	
11			
12	TOTAL Sales to Ultimate Consumers	68,425,581	0
13			
14	(447) Sales for Resale		
15	TOTAL Sales of Electricity	68,425,581 *	0
16			
17	(Less) (449.1) Provision for Rate Refunds		
18	TOTAL Revenue Net of Provision for Refunds	68,425,581	0
19	Other Operating Revenues		
20	(450) Forfeited discounts	299,009	
21	(451) Miscellaneous Service Revenues	9,531	
22	(453) Sales of Water and Water Power		
23	(454) Rent from Electric Property	171,080	
24	(455) Interdepartmental Rents		
25	(456) Other Electric Revenues	3,095,137	
26			
27			
28			
29			
30	TOTAL Other Operating Revenues	3,574,757	0
31			
32	TOTAL Electric Operating Revenues	72,000,338	0

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017
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ELECTRIC OPERATING REVENUES (Account 400) (Continued)

4. Commercial and Industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in footnote.)

5. See Page 108, Important Changes During Year, for important new territory added and important rate increases or decreases.

6. For line 2, 4, 5, and 6, see page 304 for amounts relating to unbilled revenue by account.

7. Include unmetered sales. Provide details of such sales in a footnote.

MEGAWATT HOURS SOLD		AVERAGE NUMBER OF CUSTOMERS PER MONTH		Line No.
Amount for Year (d)	Amount for Previous Year (e)	Number for Year (f)	Number for Previous Year (g)	
226,364		32,707		1
				2
				3
122,615		3,885		4
249,606		31		5
2,968		104		6
				7
				8
				9
				10
				11
601,553 **	0	36,727	0	12
				13
				14
601,553	0	36,727	0	15
				16
				17
601,553	0	36,727	0	18

* Includes \$(54,521) unbilled revenues.
** Includes 3,173 MWH relating to unbilled revenues.

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017
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CUSTOMER CHOICE ELECTRIC OPERATING REVENUES

1. Report below operating revenues for each prescribed account.
2. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The average number of customers means the average of twelve figures at the close of each month.
3. If increases or decreases from previous year (columns (c), (e), and (g)), are not derived from previously reported figures explain any inconsistencies in a footnote.

Line No.	Title of Account (a)	OPERATING REVENUES	
		Amount for Year (b)	Amount for Previous Year (c)
1	Sales of Electricity		
2	(440) Residential Sales		
3	(442) Commercial and Industrial Sales		
4	Small (or Commercial)	1,999,801	
5	Large (or Industrial)	1,083,372	
6	(444) Public Street and Highway Lighting		
7	(445) Other Sales to Public Authorities		
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales		
10	(449) Other Sales		
11			
12	TOTAL Sales to Ultimate Consumers	3,083,173	0
13			
14	(447) Sales for Resale		
15	TOTAL Sales of Electricity	3,083,173 *	0
16			
17	(Less) (449.1) Provision for Rate Refunds		0
18	TOTAL Revenue Net of Provision for Refunds	3,083,173	0
19	Other Operating Revenues		
20	(450) Forfeited discounts		
21	(451) Miscellaneous Service Revenues		
22	(453) Sales of Water and Water Power		
23	(454) Rent from Electric Property		
24	(455) Interdepartmental Rents		
25	(456) Other Electric Revenues		
26			
27			
28			
29			
30	TOTAL Other Operating Revenues	0	0
31			
32	TOTAL Electric Operating Revenues	3,083,173	0

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017
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CUSTOMER CHOICE ELECTRIC OPERATING REVENUES (Account 400) (Continued)

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

MEGAWATT HOURS SOLD		AVERAGE NUMBER OF CUSTOMERS PER MONTH		Line No.
Amount for Year (d)	Amount for Previous Year (e)	Number for Year (f)	Number for Previous Year (g)	
				1
				2
				3
57,126		69		4
228,987		18		5
				6
				7
				8
				9
				10
				11
286,113 **	0	87	0	12
				13
				14
286,113	0	87	0	15
				16
				17
286,113	0	87	0	18

* Includes \$127,862 unbilled revenues.

** Includes 4,805 MWH relating to unbilled revenues.

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Michigan Energy Resources Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/2018	December 31, 2017

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 customers, average KWh per customer, and average revenue per KWh, excluding data 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 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)	Avg. No. of Customers (d)	KWh of Sales per Customer (e)	Revenue per KWh Sold (f)
1	Rg1 Residential - WE	152,805	24,457,282	24,195	6,316	0.1601
2	Rg1 Unbilled	1,166	(77,510)			(0.0665)
3	Rg2 - Residential Time of Use - WE	6,489	803,021	417	15,561	0.1238
4	Rg2 - Unbilled	52	(4,242)			(0.0816)
5	GI 1 - Residential Area Lighting - WE	305	87,793			0.2878
6	GI 1 - Unbilled		(355)			
7	Rg1 Residential WPS	62,975	7,947,012	7,919	7,952	0.1262
8	Rg1 Unbilled	116	49,367			0.4256
9	Rg1T-MI Residential - WPS	2,325	269,566	176	13,210	0.1159
10	Rg1T-MI Unbilled	6	1,843			0.3072
11	LS-1M1 Residential - WPS	10	2,316			0.2316
12	LS-1M1 Unbilled		(1)			
13	LS-1M3 Residential - WPS	115	31,346			0.2726
14	LS-1M3 Unbilled		83			
15	NAT-R-MI Residential - WPS		1,379			
16	NAT-R-MI Unbilled					
17	Total Residential	226,364	33,568,900	32,707	6,921	0.1483
18						
19	Commercial & Industrial - Small					
20	Cg1 - General Secondary - WE	62,918	10,046,231	2,807	22,415	0.1597
21	Cg1 - Unbilled	757	29,424			0.0389
22	Cg2 - General Secondary Total Electric - WE	2,276	325,229	38	59,895	0.1429
23	Cg2 - Unbilled	21	(775)			(0.0369)
24	Cg3 - General Secondary Large Time of Use - WE	23,225	2,519,617	35	663,571	0.1085
25	Cg3 - Unbilled	315	(2,408)			(0.0076)
26	Cg5 - General Secondary Small Time of Use - WE	6,084	778,015	102	59,647	0.1279
27	Cg5 - Unbilled	(89)	(21,344)			0.2398
28	GI 1 - General Secondary Area Lighting - WE	600	137,259			0.2288
29	GI 1 - Unbilled		(828)			
30	TssU Transmission Substation Unmetered - WE	589	53,959	16	36,813	0.0916
31	TssU Unbilled	3	(484)			(0.1613)
32	Cg1 - General Secondary - WPS	13,377	1,749,102	780	17,150	0.1308
33	Cg1 - Unbilled	45	7,640			0.1698
34	Cg1-1T-MI - WPS	837	111,562	58	14,431	0.1333
35	Cg1-1T-MI Unbilled	1	879			0.8790
36	Cg3 - General Secondary Large Time of Use - WPS	10,632	1,236,790	45	236,267	0.1163
37	Cg3 - Unbilled	2	4,671			2.3355
38	LS-1M1 Secondary - WPS	167	30,127			0.1804
39	LS-1M1 Unbilled		32			
40						
41	Total Billed	598,380	68,504,455	36,727	16,293	0.1145
42	Total Unbilled Rev. (See Instr. 6)	3,173	(54,521)	0	0	(0.0172)
43	TOTAL	601,553	68,449,934	36,727	16,379	0.1138

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) 04/30/2018	Year of Report December 31, 2017
Upper Michigan Energy Resources Corporation			

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 customers, average KWh per customer, and average revenue per KWh, excluding data 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 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)	Avg. No. of Customers (d)	KWh of Sales per Customer (e)	Revenue per KWh Sold (f)
1	LS-1M3 Secondary - WPS	198	34,031			0.1719
2	LS-1M3 Unbilled	(1)	(32)			0.0320
3	MP-1-MI - WPS	667	68,277	4	166,750	0.1024
4	MP-1-MI Unbilled	(9)	(722)			0.0802
5	NAT-F-MI - WPS		58			
6	NAT-F-MI Unbilled					
7	AES-Cg-3MI Secondary - WPS		3,445			
8	AES-Cg-3MI Unbilled		(29)			
9	Total Small Com'l & Industrial	122,615	17,109,726	3,885	31,561	0.1395
10						
11	Commercial & Industrial - Large					
12	Cp 1 - General Primary - WE	4,831	459,512	1	4,831,000	0.0951
13	Cp 1 - Unbilled	(42)	(9,102)			0.2167
14	Cp 1 - Special Contract - WE	5,594	445,053	1	5,594,000	0.0796
15	Cp 1 - Unbilled	(114)	(8,920)			0.0782
16	Cp 3 - General Primary Curtailable - WE	75,411	5,807,435	2	37,705,500	0.0770
17	Cp 3 - Unbilled	957	(18,156)			(0.0190)
18	GI 1 - General Primary Area Lighting - WE	80	18,505			0.2313
19	GI 1 - Unbilled	(1)	(284)			0.2840
20	CP-MI-TRA - WPS	290	31,931			0.1101
21	CP-MI-TRA - Unbilled	211				0.0000
22	CP-MI-TRN - WPS	147,135	8,536,720	2	73,567,500	0.0580
23	CP-MI-TRN - Unbilled	(186)				0.0000
24	CP-PRI-MI - WPS	766	84,126	1	766,000	0.1098
25	CP-PRI-MI - Unbilled	(11)	(630)			0.0573
26	CP-SEC-MI - WPS	14,646	1,373,494	24	610,250	0.0938
27	CP-SEC-MI - Unbilled	(5)	5,427			(1.0854)
28	LS-1M1 Primary - WPS	24	4,029			0.1679
29	LS-1M1 Unbilled		(2)			
30	LS-1M3 Primary - WPS	20	3,367			0.1684
31	LS-1M3 Unbilled		2			
32	AES-CP1M-S - WPS		344,550			
33	AES-CP1M-S - Unbilled					
34	Total Large Com'l & Industrial	249,606	17,077,057	31	8,051,806	0.0684
35						
36	Public Street & Highway					
37	Cg 5 - Optional Time of Use Street Lighting - WE	170	27,267	2	85,000	0.1604
38	Cg 5 - Unbilled	1	17			0.0170
39	Ms 2 - Standard Sodium and Metal Halide Lighting - WE	1,998	506,248	56	35,679	0.2534
40	Ms 2 - Unbilled	(20)	(7,446)			0.3723
41	Total Billed	598,380	68,504,455	36,727	16,293	0.1145
42	Total Unbilled Rev. (See Instr. 6)	3,173	(54,521)	0	0	(0.0172)
43	TOTAL	601,553	68,449,934	36,727	16,379	0.1138

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Michigan Energy Resources Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/2018	December 31, 2017

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 customers, average KWh per customer, and average revenue per KWh, excluding data 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 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.
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- 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)	Avg. No. of Customers (d)	KWh of Sales per Customer (e)	Revenue per KWh Sold (f)
	Ms 3 - Non-Standard Street and Area Lighting - WE	110	26,511	24	4,583	0.2410
	Ms 3 - Unbilled	(2)	(636)			0.3180
	LS-1M(COS) - WPS	570	119,152	20	28,500	0.2090
	LS-1M(COS) - Unbilled					
	LS-1M(CUS) - WPS	141	17,664	2	70,500	0.1253
	LS-1M(CUS) - Unbilled					
	Total Public Street & Highway	2,968	688,777	104	28,538	0.2321
	Interdepartmental Sales - WPS		5,474			
	Total Interdepartmental Sales		5,474			
	Unbilled Revenue (by revenue account subheading) included in totals above:					
	Residential:		(30,815)			
	Small C&I:		16,024			
	Large C&I:		(31,665)			
	Public & Hwy:		(8,065)			
	Total		(54,521)			
	Total Billed	598,380	68,504,455	36,727	16,293	0.1145
	Total Unbilled Rev. (See Instr. 6)	3,173	(54,521)	0	0	(0.0172)
	TOTAL	601,553	68,449,934	36,727	16,379	0.1138

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017
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FOOTNOTE DATE

Page Number (a)	Item Number (b)	Column Number (c)	Comments (d)															
			<p>All rate schedules in Michigan had a net fuel adjustment clause in 2017 of \$1,442,514 as a reduction to revenue.</p> <table> <tr> <td>Total Residential</td> <td>\$</td> <td>582,216</td> </tr> <tr> <td>Total Small Commercial</td> <td></td> <td>326,484</td> </tr> <tr> <td>Total Large Commercial</td> <td></td> <td>528,698</td> </tr> <tr> <td>Total Street/Hwy Lighting</td> <td></td> <td><u>5,116</u></td> </tr> <tr> <td>Total</td> <td>\$</td> <td>1,442,514</td> </tr> </table>	Total Residential	\$	582,216	Total Small Commercial		326,484	Total Large Commercial		528,698	Total Street/Hwy Lighting		<u>5,116</u>	Total	\$	1,442,514
Total Residential	\$	582,216																
Total Small Commercial		326,484																
Total Large Commercial		528,698																
Total Street/Hwy Lighting		<u>5,116</u>																
Total	\$	1,442,514																

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Michigan Energy Resources Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/2018	December 31, 2017

CUSTOMER CHOICE 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 customers, average KWh per customer, and average revenue per KWh, excluding data 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.
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- 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)	Avg. No. of Customers (d)	KWh of Sales per Customer (e)	Revenue per KWh Sold (f)
1	Commercial & Industrial - Small					
2	Cg1 - General Secondary - WE	9,489	539,713	26	364,962	0.0569
3	Cg1 - Unbilled	1,630	88,987			0.0546
4	Cg3 - General Secondary Large Time of Use - WE	44,612	1,331,110	42	1,062,190	0.0298
5	Cg3 - Unbilled	1,202	36,575			0.0304
6	AES-CG-3MI - WPS	195	3,445	1	195,000	0.0177
7	AES-CG-3MI - Unbilled	(2)	(29)			0.0145
8	Total Small Com'l & Industrial	57,126	1,999,801	69	827,913	0.0350
9						
10	Commercial & Industrial - Large					
11	Cp1 - General Primary - WE	13,388	315,995	2	6,694,000	0.0236
12	Cp1 - Unbilled	(2)	6			(0.0030)
13	Cp1 - Schedule A - WE	184,809	420,498	1	184,809,000	0.0023
14	Cp1 - Unbilled	1,977	2,323			0.0012
15	CpLC - General Primay Large Curt - WE					
16	CpLC - Unbilled					
17	AES-CP1M-S - WPS	28,815	344,550	15	1,921,000	0.0120
18	AES-CP1M-S - Unbilled					
19	Total Large Com'l & Industrial	228,987	1,083,372	18	12,721,500	0.0047
20						
21	Unbilled Revenue (by revenue account subheading,					
22	included in totals above:					
23						
24	Small C&I:		125,533			
25	Large C&I:		2,329			
26	Total		127,862			
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	Total Billed	281,308	2,955,311	87	3,233,425	0.0105
42	Total Unbilled Rev. (See Instr. 6)	4,805	127,862	0	0	0.0266
43	TOTAL	286,113	3,083,173	87	3,288,655	0.0108

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017
ELECTRIC OPERATION AND MAINTENANCE EXPENSES			
If the amount for previous year is not deprived from previously reported figures, explain in footnotes.			
Line No.	Account (a)	Amt. For Current Year (b)	Amt. For Previous Year (c)
1	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)	0	0
14	Maintenance		
15	(510) Maintenance Supervision and Engineering		
16	(511) Maintenance of Structures		
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)	0	0
21	TOTAL Power Production Expenses-Steam Power (Total of lines 13 & 20)	0	0
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-Nuclear Power (Total of lines 33 & 40)		
42	C. Hydraulic Power Generation		
43	Operation		
44	(535) Operation Supervision and Engineering		
45	(536) Water for Power		
46	(537) Hydraulic Expenses		
47	(538) Electric Expenses		
48	(539) Miscellaneous Hydraulic Power Generation Expenses		
49	(540) Rents		
50	TOTAL Operation (Enter Total of Lines 44 thru 49)	0	0

Name of Respondent Upper Michigan Energy Resources Corporation		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (cont'd)				
If the amount for previous year is not deprived from previously reported figures, explain in footnotes.				
Line No.	Account (a)	Amt. For Current Year (b)	Amt. For Previous Year (c)	
51	C. Hydraulic Power Generation (Continued)			
52	Maintenance			
53	(541) Maintenance Supervision and Engineering			
54	(542) Maintenance of Structures			
55	(543) Maintenance of Reservoirs, Dams, and Waterways			
56	(544) Maintenance of Electric Plant			
57	(545) Maintenance of Miscellaneous Hydraulic Plant			
58	TOTAL Maintenance (Total of Lines 53 thru 57)			
59	TOTAL Pwr. Production Expenses-Hydraulic Pwr.(Total of lines 50 & 58)			
60	D. Other Power Generation			
61	Operation			
62	(546) Operation Supervision and Engineering			
63	(547) Fuel			
64	(548) Generation Expenses			
65	(549) Miscellaneous Other Power Generation Expenses			
66	(550) Rents			
67	TOTAL Operation (Total of Lines 62 thru 66)		0	0
68	Maintenance			
69	(551) Maintenance Supervision and Engineering			
70	(552) Maintenance of Structures			
71	(553) Maintenance of Generating and Electric Plant			
72	(554) Maintenance of Miscellaneous Other Power Generation Plant			
73	TOTAL Maintenance (Total of Lines 69 thru 72)			
74	TOTAL Power Production Expenses-Other Power (Total of Lines 67 & 73)			
75	E. Other Power Supply Expenses			
76	(555) Purchased Power	40,395,944		
77	(556) System Control and Load Dispatching	30,647		
78	(557) Other Expenses	67,477		
79	Total Other Power Supply Expenses (Total of Lines 76 thru 78)	40,494,068		
80	Total Pwr. Production Expenses (Total of lines 21, 41, 59, 74 & 79)	40,494,068		
81	2. TRANSMISSION EXPENSES			
82	Operation			
83	(560) Operation Supervision and Engineering			
84	(561) Load Dispatching			
85	(562) Station Expenses			
86	(563) Overhead Lines Expenses			
87	(564) Underground Lines Expenses			
88	(565) Transmission of Electricity by Others	6,492,777		
89	(566) Miscellaneous Transmission Expenses			
90	(567) Rents			
91	TOTAL Operation (Total of Lines 83 thru 90)	6,492,777		0
92	Maintenance			
93	(568) Maintenance Supervision and Engineering			
94	(569) Maintenance of Structures			
95	(570) Maintenance of Station Equipment			
96	(571) Maintenance of Overhead Lines			
97	(572) Maintenance of Underground Lines			
98	(573) Maintenance of Miscellaneous Transmission Plant			
99	TOTAL Maintenance (Total of Lines 93 thru 98)	0		
100	TOTAL Transmission Expenses (Total of Lines 91 & 99)	6,492,777		
101	3. REGIONAL MARKET EXPENSES			
102	Operation			
103	(575.5) Market Facilitation, Monitoring and Compliance Services			

Name of Respondent Upper Michigan Energy Resources Corporation		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (cont'd)				
If the amount for previous year is not deprived from previously reported figures, explain in footnotes.				
Line No.	Account (a)	Amt. For Current Year (b)	Amt. For Previous Year (c)	
104	TOTAL Regional Transmission and Market Op Exps (<i>Line 103</i>)			
105	4. DISTRIBUTION EXPENSES			
106	Operation			
107	(580) Operation Supervision and Engineering	46,556		
108	(581) Load Dispatching	142,689		
109	(582) Station Expenses	61,355		
110	(583) Overhead Line Expenses	61,527		
111	(584) Underground Line Expenses	35,622		
112	(585) Street Lighting and Signal System Expenses	54,520		
113	(586) Meter Expenses	80,679		
114	(587) Customer Installations Expenses	6,585		
115	(588) Miscellaneous Expenses	1,084,028		
116	(589) Rents			
117	TOTAL Operation (<i>Total of Lines 106 thru 116</i>)	1,573,561	0	
118	Maintenance			
119	(590) Maintenance Supervision and Engineering	3,861		
120	(591) Maintenance of Structures	27,546		
121	(592) Maintenance of Station Equipment	141,542		
122	(593) Maintenance of Overhead Lines	1,668,598		
123	(594) Maintenance of Underground Lines	846,262		
124	(595) Maintenance of Line Transformers	1,911		
125	(596) Maintenance of Street Lighting and Signal Systems	52,459		
126	(597) Maintenance of Meters			
127	(598) Maintenance of Miscellaneous Distribution Plant			
128	TOTAL Maintenance (<i>Total of Lines 119 thru 127</i>)	2,742,179	0	
129	TOTAL Distribution Expenses (<i>Total of Lines 117 & 128</i>)	4,315,740	0	
130	5. CUSTOMER ACCOUNTS EXPENSES			
131	Operation			
132	(901) Supervision	16,247		
133	(902) Meter Reading Expenses	77,795		
134	(903) Customer Records and Collection Expenses	627,625		
135	(904) Uncollectible Accounts	438,924		
136	(905) Miscellaneous Customer Accounts Expenses	14,839		
137	TOTAL Customer Accounts Expenses (<i>Total of Lines 131 thru 136</i>)	1,175,430	0	
138	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES			
139	Operation			
140	(907) Supervision	4,957		
141	(908) Customer Assistance Expenses	1,789,827		
142	(909) Informational and Instructional Expenses	72,670		
143	(910) Miscellaneous Customer Service and Informational Expenses			
144	TOTAL Customer Service and Informational Exp. (<i>Total of Lines 139 thru 143</i>)	1,867,454	0	
145	7. SALES EXPENSE			
146	Operation			
147	(911) Supervision			
148	(912) Demonstrating and Selling Expenses			
149	(913) Advertising Expenses	2,441		
150	(916) Miscellaneous Sales Expenses			
151	Total Sales Expenses (<i>Total of Lines 147 thru 150</i>)	2,441	0	
152	8. ADMINISTRATIVE AND GENERAL EXPENSES			
153	Operation			
154	(920) Administrative and General Salaries	327,704		
155	(921) Office Supplies and Expenses	93,823		
156	(Less) (922) Administrative Expenses Transferred - CR			

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (cont'd)			
If the amount for previous year is not deprived from previously reported figures, explain in footnotes.			
Line No.	Account (a)	Amt. For Current Year (b)	Amt. For Previous Year (c)
157	8. ADMINISTRATIVE AND GENERAL EXPENSES (Continued)		
158	(923) Outside Services Employed	270,757	
159	(924) Property Insurance	6,704	
160	(925) Injuries and Damages	48,873	
161	(926) Employee Pensions and Benefits	658,914	
162	(927) Franchise Requirements		
163	(928) Regulatory Commission Expenses	24,385	
164	(929) Duplicate Charges - CR.		
165	(930.1) General Advertising Expenses	22,684	
166	(930.2) Miscellaneous General Expenses	135,837	
167	(931) Rents	63,445	
168	TOTAL Operation (<i>Total of Lines 154 thru 167</i>)	1,653,126	
169	Maintenance		
170	(935) Maintenance of General Plant	1,649	
171	TOTAL Administrative and General Expenses (<i>Total of Lines 168 & 170</i>)	1,654,775	
172	TOTAL Electric Operation and Maintenance Expenses (<i>Enter total of lines 80, 100, 104, 129, 137, 144, 151, and 168</i>)	56,002,685	

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)		12/22/2017
2. Total Regular Full-Time Employees		0
3. Total Part-Time and Temporary Employees		0
4. Total Employees		0

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Upper Michigan Energy Resources Corporation			

**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 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 the 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.

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.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff No. (c)	Avg. Monthly Billing Demand (d)	Actual Demand (MW)	
					Avg. Monthly NCP Demand (e)	Avg. Monthly CP Demand (f)
1	Wisconsin Electric Power Company					
2	Wisconsin Public Service					
3	Verso Paper % D Lindstrom					
4	Trudell Ruth					
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017
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PURCHASED POWER (Account 555) (Continued)
(Including power 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.

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 or 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** sales 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 non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (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 hourly (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in column (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 column (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net change.

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) includes 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 totaled 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.

Megawatthours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	Megawatthours Received	Megawatthours Delivered	Demand Charges (\$)	Energy Charges (\$)	Other Charges (\$)	Total (j + k + l) or Settlement (\$)	
	(h)	(i)	(j)	(k)	(l)	(m)	
344,220			19,343,020	7,643,649	11,529	26,998,198	1
258,868			7,135,541	6,085,237	161,770	13,382,548	2
319				13,532		13,532	3
7				1,666		1,666	4
							5
							6
							7
							8
							9
							10
							11
							12
							13
							14

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017
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FOOTNOTE DATE

Page Number (a)	Item Number (b)	Column Number (c)	Comments (d)
326	1	I	Amount represents a December accrual for unbilled revenue.
326	2	I	Amount represents December accruals for energy and capacity.

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SALES TO RAILROADS AND RAILWAYS AND INTERDEPARTMENTAL SALES (Accounts 446, 448)

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

Line No.	Item (a)	Point of Delivery (b)	Kilowatt-hours (c)	Revenue (d)	Revenue per kwh (in cents) (e)
1	Miscellaneous		51,158	5,474	10.70
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					

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

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

Line No.	Name of Lessee or Department (a)	Description of Property (b)	Amount of Revenue for Year (c)
16	Geographic Basis		
17			
18	<u>Account 454:</u>		
19	Various Telephone Companies	Pole Contacts - Michigan	49,440
20	Various Cable TV Companies	Pole Contacts - Michigan	18,063
21	Various Fiber Optic	Pole Contacts - Michigan	103,578
22			
23	<u>Account 455:</u>		
24	None		
25			
26			
27			
28			
29	Total		171,081

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SALES OF WATER AND WATER POWER (Account 453)				
1. Report below the information called for concerning revenues derived during the year from sales to others of water or water power. 2. In column (c) show the name of the power			development of the respondent supplying the water or water power sold. 3. Designate associated companies.	
Line No.	Name of Purchaser (a)	Purpose for Which Water Was Used (b)	Power Plant Development Supplying Water or Water Power (c)	Amount of Revenue for Year (d)
1	None			
2				
3				
4				
5				
6				
7				
8				
9				
10	TOTAL			0

MISCELLANEOUS SERVICE REVENUES AND OTHER ELECTRIC REVENUES (Accounts 451, 456)		
1. Report particulars concerning miscellaneous service revenues and other electric revenues derived from electric utility operations during year. Report separately in this schedule the total revenues from operation of fish and wildlife and recreation facilities, regardless of whether such facilities are operated by		company or by contract concessionaires. Provide a subheading and total for each account. For Account 456, list first revenues realized through Research and Development ventures, see Account 456. 2. Designate associated companies. 3. Minor items may be grouped by classes.
Line No.	Name of Company and Description of Service (a)	Amount of Revenue for Year (b)
11	Geographic Basis	
12		
13		
14	<u>Miscellaneous Service Revenues (451)</u>	
15	Fees & Charges for changing, connecting & disconnecting services	9,531
16	Total	9,531
17		
18	<u>Other Electric Revenues (456)</u>	
19	Michigan Retail Access	2,735,206
20	Generating Services-Miscellaneous	956,511
21	MI Act 295 Renewable Energy True-Up	(597,670)
22	Miscellaneous	1,090
23		
24	Total	3,095,137
25		
26		
27		
28		
29		
30	TOTAL	3,104,668

Name of Respondent	This Report Is:	Date of Report	Year of Report
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TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565)
(Including transactions referred to as "wheeling")

1. Report all transmission, i.e., wheeling, of electricity provided to respondent by other electric utilities, cooperatives, municipalities, or other public authorities during the year.

2. In column (a) report each company or public authority that provided transmission service. Provide the full name of the company; abbreviated if necessary, but do not truncate name or use acronyms. Explain in a footnote any ownership interest in our affiliation with the transmission service provider.

3. Provide in column (a) subheadings and classify transmission service purchased from other utilities as: "Delivered Power to Wheeler" or "Received Power from Wheeler."

4. Report in columns (b) and (c) the total megawatthours received and delivered by the provider of the transmission service.

5. In columns (d) through (g), report expenses as shown on bills or vouchers rendered to the respondent. In column (d), provide demand charges. In column (e), provide energy charges related to the amount of energy transferred. In column (f), provide the total of all other charges on bills or vouchers rendered to respondent, including any out or period adjustments. Explain in a footnote all components of the amount shown in column (f). Report in column (g) the total charge shown on bills rendered to the respondent. If no monetary settlement was made, enter zero ("0") in column (g). Provide a footnote explaining the nature of the nonmonetary settlement, including the amount and type of energy or service rendered.

6. Enter "TOTAL" in column (a) as the last line. Provide a total amount in columns (b) through (g) as the last line. Energy provided by the respondent for the wheeler's transmission losses should be reported on the Electric Energy Account, page 401. If the respondent received power from the wheeler, energy provided to account for losses should be reported on line 19, Transmission By Others Losses, on page 401. Otherwise, losses should be reported on line 27, Total Energy Losses, page 401.

7. Footnote entries and provide explanations following all required data.

Line No.	Name of Company or Public Authority [Footnote Affiliations] (a)	TRANSFER OF ENERGY		EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS			
		Megawatthours Received (b)	Megawatthours Delivered (c)	Demand Charges (\$) (d)	Energy Charges (\$) (e)	Other Charges (\$) (f)	Total Cost of Transmission (\$) (g)
1	WE					3,809,625	3,809,625
2	WPS					2,683,152	2,683,152
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16	Total	0	0	0		6,492,777	6,492,777

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FOOTNOTE DATE

Page Number (a)	Item Number (b)	Column Number (c)	Comments (d)
332	1	f	Other charges consist of transmission pass-thru charges.
332	2	f	Other charges consist of transmission pass-thru charges.

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017
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LEASE RENTALS CHARGED

1. For purposes of this schedule a "lease" is defined as a contract or other agreement by which one party (lessor) conveys an intangible right or land or other tangible property and equipment to another (lessee) for a specified period of one year or more for rent.

2. Report below, for leases with annual charges of \$25,000 or more, but less than \$250,000 the data called for in columns a, b (description only), f, g and j.

3. For leases having annual charges of \$250,000 or more, report the data called for in all the columns below.

4. The annual charges referred to in Instruction 2 and 3 include the basic lease payment and other payments to or on behalf of the lessor such as taxes, depreciation, assumed interest or dividends on the lessor's securities, cost of replacements** and other expenditures with respect to leased property. The expenses paid by lessee are to be itemized in column (e) below.

5. Leases of construction equipment in connection with construction work in progress are not required to be reported herein. Continuous, master or open-end leases for EDP or office equipment, automobile fleets and other equipment that is short-lived and replace under terms of the lease or for the pole rentals shall report only the data called for in columns a, b (description only), f, g and j, unless the lessee has the option to purchase the property.

6. In column (a) report the name of the lessor. List lessors which are associated companies* (describing association) first, followed by non-associated lessors.

7. In column (b) for each leasing arrangement, report in order, classified by generating station, transmission line, distribution system, large substation, or other operating unit or system, followed by any other leasing arrangements not covered under the preceding classifications:

A. LEASE RENTALS CHARGED TO ELECTRIC OPERATING EXPENSES

Name of Lessor (a)	Basic Details of Lease (b)	Terminal Dates of Lease, Primary (P) or Renewal (R) (c)
Rabick Cat Road Machinery & Supplies	Construction Equipment Rental Construction Equipment Rental	12/31/2017 12/31/2017

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LEASE RENTALS CHARGED (Continued)

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

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

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

* See definition on page 226 (B)

A. LEASE RENTALS CHARGED TO ELECTRIC OPERATING EXPENSES

Original Cost (O) or Fair Market Value (F) of Property (d)	Expenses to be Paid by Lessee Itemize (e)	AMOUNT OF RENT - CURRENT TERM				Account Charged (j)	Remaining Annual Charges Under Lease Est. if Not Known (k)
		Current Year		Accumulated to Date			
		Lessor (f)	Other (g)	Lessor (h)	Other (i)		
125,000		21,318		1,167,079		184	82,921
150,000		91,189		95,135		184	54,865

Name of Respondent Upper Michigan Energy Resources Corporation		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017
MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)				
Line No.	Description (a)	Amount (b)		
1	Industry Association Dues	1,463		
2	Nuclear Power Research Expenses			
3	Other Experimental and General Research Expenses	9,332		
4	Publishing and Distributing Information and Reports to Stockholders; Trustee, Registrar, and Transfer Agent Fees and Expenses, and Other Expenses of Servicing Outstanding Securities of the Respondent			
5	Other Expenses <i>(List items of \$5,000 or more in this column showing the (1) purpose, (2) recipient and (3) amount of such items. Group amounts of less than \$5,000 by classes if the number of items so grouped is shown)</i>			
6				
7	Depreciation and cost of capital charges from WBS	96,347		
8	Director fees and corporate expenses	27,315		
9	Miscellaneous	1,451		
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
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46	TOTAL	135,908		

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Michigan Energy Resources Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/2018	December 31, 2017

**DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Accounts 403, 404, 405)
(Except amortization of acquisition adjustments)**

1. Report in section A for the year the amounts for: (a) Depreciation Expense (Account 403); (b) Amortization of Limited-Term Electric Plant (Account 404); and (c) Amortization of Other Electric Plant (Account 405).
2. Report in section B the rates used to compute amortization charges for electric plant (Accounts 404, 405). State the basis used to compute the charges and whether any changes have been made in the basis or rates used from the preceding report year.
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 account included in any subaccounts used.

In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional classifications and showing a composite total. Indicate at the bottom of Section C the manner in which column (b) balances are obtained. If average balances, state the method of averaging used.
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	Depreciation Expense (Account 403)	Amortization of Limited-Term Electric Plant (Account 404)	Amortization of Other Electric Plant (Acct. 405)	Total
	(a)	(b)	(c)	(d)	(e)
1	Intangible Plant				0
2	Steam Production Plant				0
3	Nuclear Production Plant				
4	Hydraulic Production Plant-Conventional				0
5	Hydraulic Production Plant-Pumped Storage				
6	Other Production Plant				0
7	Transmission Plant				
8	Distribution Plant	4,173,587			4,173,587
9	Regional Transmission and Market Operation				
10	General Plant	24,726			24,726
11	Common Plant-Electric				0
12	TOTAL	4,198,313		0	4,198,313

B. BASIS FOR AMORTIZATION CHARGES

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Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017
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**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	North Central Minority	26
6	Chippewa County Economic	6
7	Miscellaneous Items Under 5% of Account	0
8	Total - 426.1	32
9		
10	Key Executive Life Insurance (426.2)	
11	Northwestern Mutual Life	
12	Total - 426.2	0
13		
14	Penalties (426.3)	
15	Miscellaneous	0
16	Total - 426.3	0
17		
18	Expenses for Certain Civil, Political, & Related Activities (426.4)	
19	BGR	799
20	Gard	748
21	Miscellaneous Items Under 5% of Account	6,512
22	Total - 426.4	8,059
23		
24	Other Deductions (426.5)	
25	SSS Holdings	842
26	WMC Foundation Inc	264
27	Miscellaneous Items Under 5% of Account	2,845
28	Total - 426.5	3,951
29		
30	Other Interest Expense (431)	
31		
32	Intercompany Interest	389,960
33	Revolving Credit Facility	26,011
34	Commercial Paper Fees	3,729
35	Total - 431	419,700
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Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017
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EXPENDITURES FOR CERTAIN CIVIC, POLITICAL AND RELATED ACTIVITIES

(Account 426.4)

1. Report below all expenditures incurred by the respondent during the year for the purpose of influencing public opinion with respect to the election or appointment of public officials, referenda, legislation or ordinances (either with respect to the possible adoption of new referenda, legislation or ordinances or repeal or modification of existing referenda, legislation or ordinances); approval, modification, or revocation of franchises; or for the purpose of influencing the decisions of public officials which are accounted for as Other Income Deductions, Expenditures for Certain Civic, Political and Related Activities, Account 426.4.

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

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

3. Expenditures within the definition of paragraph (1), other than advertising shall be reported according to captions or descriptions clearly indicating the nature and purpose of the activity.

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

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

NOTE: The classification of expenses as nonoperating and their inclusion in this amount is for accounting purposes. It does not preclude Commission consideration of proof to the contrary for ratemaking or other purposes.

Line No.	Item (a)	Amount (b)
1	Employee labor and expenses	\$ 5,553
2	Consulting	2,204
3	Memberships	302
4		
5		
6		
7		
8		
9		
10		
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32	TOTAL	8,059

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Michigan Energy Resources Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/2018	December 31, 2017

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 formal 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 <i>(Furnish name of regulatory commission or body, the docket or case number, and a description of the case.)</i> (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expenses for current year (b) + (c) (d)	Deferred at Beginning of Year (e)
1	Federal Energy Regulatory Commission				
2					
3	Public Service Commission of Wisconsin		2,202	2,202	
4					
5	Michigan Public Service Commission		10,122	10,122	
6					
7	North American Electric Reliability Corp.				
8					
9	Other Expenses:				
10	Other Expenses: Electric		12,061	12,061	
11	Other Expenses: Gas		2,023	2,023	
12					
13					
14					
15					
16					
17					
18					
19					
20					
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44	TOTAL	0	26,408	26,408	

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017
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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				Line No.
CHARGED CURRENTLY TO			Deferred	Contra Account	Amount	Deferred at End of Year	
Department	Account No.	Amount					
(f)	(g)	(h)	(i)	(j)	(k)	(l)	
							1
							2
							3
							4
							5
							6
							7
							8
							9
Electric	928	24,385					10
Gas	928	2,023					11
							12
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		26,408					44

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017
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RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES

1. Describe and show below costs incurred and accounts charged during the year for technological research, development, and demonstration (R, D & D) project initiated, continued, or concluded during the year. Report also support given to others during the year for jointly-sponsored projects. (Identify recipient regardless of affiliation.) For any R, D & D work carried on by the respondent in which there is a sharing of costs with others, show separately the respondent's cost for the year and cost chargeable to others. (See definition of research, development, and demonstration in Uniform System of Accounts.)

2. Indicate in column (a) the applicable classification, as shown below. Classifications:

A. Electric R, D & D Performed Internally

(1) Generation

a. Hydroelectric

i. Recreation, fish, and wildlife

ii. Other hydroelectric

b. Fossil-fuel steam

c. Internal combustion or gas turbine

d. Nuclear

e. Unconventional generation

f. Siting and heat rejection

(2) System Planning, Engineering and Operation

(3) Transmission

a. Overhead

b. Underground

(4) Distribution

(5) Environment (other than equipment)

(6) Other (*Classify and include items in excess of \$5,000.*)

(7) Total Cost Incurred

B. Electric R, D & D Performed Externally

(1) Research Support to the Electrical Research Council or Electric Power Research Institute

Line No.	Classification (a)	Description (b)
1		
2		
3		
4		
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9	Total	
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FOOTNOTE DATE

Page Number (a)	Item Number (b)	Column Number (c)	Comments (d)
352	1	a	The balance reported for research, development, and demonstration activities is the amount recorded in the general ledger for activities in 2017 that have been determined to qualify. There is an annual study performed after the FERC Form 1 filing that calculates the balance for tax credit purposes.

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017
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CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES

1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. (These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation, partnership, organization of any kind, or individual (other than for services as an employee or for payments made for medical and related services) amounting to more than \$250,000, including payments for legislative services, except those which should be reported in Account 426.4, Expenditures for Certain Civic, Political and Related Activities.)

(a) Name and address of person or organization rendering services,
(b) description of services received during year and project or case to which services relate,
(c) basis of charges,
(d) total charges for the year, detailing utility department and account charged.

2. For any services which are of a continuing nature, give the date and term of contract and date of Commission authorization, if contract received Commission approval.

3. Designate with an asterisk associated companies.

Line No.	Name/Address	Service	Basis of Charges	Acct #	Amount
1	ACCENTURE	Software Development & Maintenance	Fees	903	41,353
2	161 North Clark Street				
3	Chicago, IL 60601-3200				
4					
5	ACCENTURE LLP	Consulting	Fees & Expenses	903	27,262
6	PO Box 70629				
7	Chicago, IL 60673-0629				
8					
9	BURNS & MCDONNELL	Contracting Engineering/ Design	Fees	107	56,895
10	9400 Ward Parkway				
11	Kansas City, MO 64114-3319				
12					
13	BURNS & MCDONNELL MICHIGAN INC	Construction	Fees	107	5,978,611
14	400 Renaissance Center, Suite 2600				
15	Detroit, MI 48243				
16					
17	COLEMAN ENGINEERING CO	Engineering Consulting	Fees	107	697,249
18	635 Circle Drive				
19	Iron Mountain, MI 49801				
20					
21	HOOPER CORPORATION	Contracting IT	Fees	107	156,642
22	2030 Pennsylvania Avenue				
23	Madison, WI 53704				
24					
25	INTERCON CONSTRUCTION	Construction	Fees	107, 584, 594	1,211,992
26	5512 State Road 19 & 113				
27	Waunakee, WI 53597				
28					
29	KAPUR & ASSOCIATES INC	Engineering Consulting	Fees & Expenses	107	62,061
30	7711 North Port Washington Road				
31	Milwaukee, WI 53217				
32					
33	MERCER THOMPSON LLC	Legal	Fees & Expenses	107, 923	169,926
34	191 Peachtree Street, NE, Suite 4410				
35	Atlanta, GA 30303-1763				

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CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES

1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. (These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation, partnership, organization of any kind, or individual (other than for services as an employee or for payments made for medical and related services) amounting to more than \$250,000, including payments for legislative services, except those which should be reported

in Account 426.4, Expenditures for Certain Civic, Political and Related Activities.)

- (a) Name and address of person or organization rendering services,
- (b) description of services received during year and project or case to which services relate,
- (c) basis of charges,
- (d) total charges for the year, detailing utility department and account charged.

2. For any services which are of a continuing nature, give the date and term of contract and date of Commission authorization, if contract received Commission approval.

3. Designate with an asterisk associated companies.

Line No.	Name/Address	Service	Basis of Charges	Acct #	Amount
1	MICHELS CORP	Construction	Fees	107, 584, 584	124,568
2	817 West Main Street, PO Box 128				
3	Brownsville, WI 53006-0128				
4					
5	MILLER CANFIELD PADDOCK AND ST	Legal	Fees & Expenses	923	178,154
6	One Michigan Avenue, Suite 900				
7	Lansing, MI 48933				
8					
9	MJ ELECTRIC LLC	Engineering Consulting	Fees	107	893,190
10	PO Box 686				
11	Iron Mountain, WI 49801-0686				
12					
13	UTILITY DESIGN SERVICES	Engineering Consulting	Fees & Expenses	107	124,763
14	5861 Red Bud Lane				
15	Edwardsville, IL 62025				
16					
17	WARTSILA	Construction	Fees	107	20,604,962
18	11710 North Gessner Road, Suite A				
19	Houston, TX 77064				
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SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES

1. In column (a) report the name of the associated company.
 2. In column (b) describe the affiliation (percentage ownership, etc.).
 3. In column (c) describe the nature of the goods and services provided (administrative and general expenses, dividends declared, etc.).
 4. In columns (d) and (e) report the amount classified to operating income and the account(s) in which reported.

Line No.	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
1	WPS	Utility Affiliate	Various		
2					
3					
4					
5					
6					
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Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017
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SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES (Continued)

5. In columns (f) and (g) report the amount classified to non-operating income and the account(s) in which reported.

6. In columns (h) and (i) report the amount classified to the balance sheet and the account(s) in which reported.

7. In column (j) report the total.

8. In column (k) indicate the pricing method (cost, per contract terms, etc.)

Account Number (f)	Amount Classified to Non-Operating Income (g)	Account Number (h)	Amount Classified to Balance Sheet (i)	Total (j)	Pricing Method (k)	Line No.
				251,776		1
						2
						3
						4
						5
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- (1) Fully Loaded Cost
- (2) Market
- (3) Tariff
- (4) Actual Cost

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017
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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	WBS	Non-Utility	Various		
2					
3	WE	Utility	Various		
4					
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SUMMARY OF COSTS BILLED FROM ASSOCIATED COMPANIES (Continued)

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

Account Number (f)	Amount Classified to Non-Operating Income (g)	Account Number (h)	Amount Classified to Balance Sheet (i)	Total (j)	Pricing Method (k)	Line No.
		Various		4,128,915		1
		Various		17,979,712		2
				22,108,627		3
						4
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- (1) Fully Loaded Cost
- (2) Market
- (3) Tariff
- (4) Actual Cost
- (5) Contract

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017
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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)	MWH's (b)	Line No.	Item (a)	MWH's (b)
1	SOURCES OF ENERGY		18	Net Transmission for other (<i>line 16 minus line 17</i>)	
2	Generation (Excluding Station Use):		19	Transmission by others losses	
3	Steam		20	TOTAL (<i>Total of lines 9, 10, 14, 18 & 19</i>)	603,415
4	Nuclear		21	DISPOSITION OF ENERGY	
5	Hydro-Conventional		22	Sales to Ultimate Consumers (Including Interdepartmental Sales)	601,553
6	Hydro-Pumped Storage		23	Requirements Sales for Resale (See instruction 4, page 311.)	
7	Other		24	Non-Requirements Sales For Resale (See instruction 4, page 311.)	
8	LESS Energy for Pumping		25	Energy furnished without charge	
9	Net Generation (<i>Total of lines 3 thru 8</i>)	0	26	Energy used by the company (Electric Dept. only, excluding station use)	
10	Purchases	603,415	27	Total Energy Losses	1,862
11	Power Exchanges:		28	TOTAL (<i>Enter total of lines 22 thru 27</i>) (MUST equal line 20)	603,415
12	Received				
13	Delivered				
14	NET Exchanges (<i>line 12 minus 13</i>)				
15	Transmission for other (Wheeling)				
16	Received				
17	Delivered				

MONTHLY PEAKS AND OUTPUT

- | | |
|---|--|
| <p>1. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.</p> <p>2. Report in column (b) the system's energy output for each month such that the total on line 41 matches the total on line 20.</p> <p>3. Report in column (c) a monthly breakdown on the Non-Requirements Sales for Resale reported on line 24. Include in the monthly amounts any energy losses associated with the sales so that the total on line 41 exceeds the amount on line 24 by the amount of losses incurred (or estimated) in making the non-requirements Sales for Resale.</p> | <p>4. Report in column (d) the system's monthly maximum megawatt load (60-minute integration) associated with the net energy for the load (60-minute integration) system defined as the difference between columns (b) and (c).</p> <p>5. Report in columns (e) and (f) the specified information for each monthly peak load reported in column (d).</p> |
|---|--|

NAME of SYSTEM:

Line No.	Month (a)	Total Monthly Energy (b)	Monthly Non-Requirements Sales for Resale & Associated Losses (c)	MONTHLY PEAK		
				Megawatts (See Instruction 4) (d)	Day of Month (e)	Hour (f)
29	January	56,015		108	5	18
30	February	52,346		98	9	12
31	March	51,486		96	23	20
32	April	47,056		90	28	9
33	May	46,339		87	8	8
34	June	47,772		98	15	16
35	July	52,057		111	18	15
36	August	51,533		103	1	16
37	September	49,514		97	24	17
38	October	43,391		86	25	21
39	November	47,599		105	26	22
40	December	58,307		106	27	19
41	TOTAL	603,415	0			

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Michigan Energy Resources Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/2018	December 31, 2017

CHANGES MADE OR SCHEDULED TO BE MADE IN GENERATING PLANT CAPACITIES

Give below the information called for concerning changes in electric generating plant capacities during the year.

A. Generating Plants or Units Dismantled, Remove from Service, Sold, or Leased to Others During Year

1. State in column (b) whether dismantled, removed from service, sold, or leased to another. Plants removed from service include those not maintained for regular or emergency service. 2. In column (f), give date dismantled, removed from service, sold, or leased to another. Designate complete plants as such.

Line No.	Name of Plant (a)	Disposition (b)	Installed Capacity (in megawatts)			Date (f)	If Sold or Leased, Give Name and Address of Purchaser or Lessee (g)
			Hydro (c)	Steam (d)	(Other) (e)		
1	None						
2							
3							
4							
5							
6							
7							

B. Generating Units Scheduled for or Undergoing Major Modifications

Line No.	Name of Plant (a)	Character of Modification (b)	Installed Plant Capacity After Modification (in MW) (c)	Estimated Dates of Construction	
				Start (d)	Completion (e)
8					
9					
10					
11					
12					
13					
14					

C. New Generating Plants Scheduled for or Under Construction

Line No.	Plant Name & Location (a)	TYPE (Hydro, pumped storage, steam, internal comb., gas-turbine, nuclear, etc. (b)	Installed Capacity (in megawatts)		Estimated Dates of Construction	
			Initial (c)	Ultimate (d)	Start (e)	Completion (f)
15	F.D. Kuester Generating Station	Internal Combustion	128	128	Late 2017	Summer 2019
16	A.J. Mihm Generating Station	Internal Combustion	55	55	Late 2017	Summer 2019
17						
18						
19						
20						
21						

D. New Units in Existing Plants Scheduled for or Under Construction

Line No.	Plant Name & Location (a)	TYPE (Hydro, pumped storage, steam, internal comb., gas-turbine, nuclear, etc. (b)	Unit (c)	Size of Unit (in megawatts) (d)	Estimated Dates of Construction	
					Start (e)	Completion (f)
22	None					
23						
24						
25						
26						
27						
28						

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SUBSTATIONS

- | | |
|---|--|
| <p>1. Report below the information called for concerning substations of the respondent as of the end of the year.</p> <p>2. Substations which serve only one industrial or street railway customer should not be listed below.</p> <p>3. Substations with capacities of less than 10Mva, except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.</p> | <p>4. 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).</p> <p>5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.</p> |
|---|--|

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In Mva)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Bay DeNoc (Menominee)	Distribution U	138.00	24.90	
2	Fourth Ave (Menominee)	Distribution U	69.00	13.80	
3	Grand Rapids (Mellen)	Distribution U	24.90	2.40	
4	Ingalls (Mellen)	Distribution U	138.00	24.90	
5	Second St (Menominee)	Distribution U	69.00	24.90	
6	Thirteenth Ave (Menominee)	Distribution U	69.00	12.50	
7	Aragon, Norway, Mich	Distribution U	69.00	24.90	
8	Armory**, Kinsford, Mich.	Distribution U	69.00	13.80	
9	Bass Lake, Iron Mountain, Mich.	Distribution U	69.00	13.80	
10	Bruce Crossing**, Stannard, Mich.	Distribution U	69.00	13.80	
11	Cornell**, Cornell, Mich.	Distribution U	69.00	13.80	
12	Crystal Falls**, Crystal Falls, Mich.	Distribution U	24.90	12.47	
13	Crystal Falls**, Crystal Falls, Mich.	Distribution U	69.00	24.90	
14	Felch Mountain**, Felch, Mich.	Distribution U	69.00	24.90	
15	Greenstone, Humboldt, Mich.	Distribution U	69.00	24.90	
16	Harris, Harris, Mich.	Distribution U	69.00	24.90	
17	Land O' Lakes** Watersmeet, Mich.	Distribution U	69.00	24.90	
18	Mass**, Greenland, Mich.	Distribution U	69.00	12.47	
19	Powers**, Spalding, Mich.	Distribution U	69.00	24.90	
20	Randville**, Sagola, Mich.	Distribution U	69.00	13.80	
21	Sagola, Sagola, Mich.	Distribution U	69.00	24.90	
22	Strawberry Hill, Iron River, Mich.	Distribution U	69.00	24.90	
23	Watersmeet**, Watersmeet, Mich.	Distribution U	69.00	24.90	
24					
25					
26					
27		U=Unattended			
28	MVA Distrib (Listed-6 subs)>10 MVA subtotal		1,636.80	446.34	
29	MVA Distrib Subs (Not Listed-1 Subs)<10 MVA				
30	TOTAL MVA Distribution Substations 129 MVA		1,636.80	446.34	
31	Total # Distrib Substations: 7				
32					
33					
34					
35					
36					
37					
38					
39					
40					

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017
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SUBSTATIONS (Continued)

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)	
22	1					1
28	1					2
14	2					3
21	2					4
22	1					5
15	3					6
7	1					7
28	2					8
28	2					9
7	1					10
8	1					11
5	1					12
11	1					13
4	1					14
7	1					15
11	1					16
11	1					17
2	3					18
11	1					19
4	1					20
11	1					21
4	1					22
7	1					23
						24
						25
						26
						27
288	31					28
7						29
295	31					30
						31
						32
						33
						34
						35
						36
						37
						38
						39
						40

Name of Respondent Upper Michigan Energy Resources Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2018	Year of Report December 31, 2017
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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	476,071	191,111	6,841
2	Additions During Year			
3	Purchases	14,493	6,963	355
4	Associated with Utility Plant Acquired	0	16,827	5,448
5	TOTAL Additions (Enter Total of lines 3 and 4)	14,493	23,790	5,803
6	Reduction During Year			
7	Retirements	10,681	6,812	407
8	Associated with Utility Plant Sold	(3)	(62)	(6)
9	TOTAL Reductions (Enter Total of lines 7 and 8)	10,678	6,750	401
10	Number at End of Year (Lines 1+ 5 - 9) *	479,886	208,151	12,243
11	In Stock	18,615	7,144	512
12	Locked Meters on Customers' Premises			
13	Inactive Transformers on System		336	8
14	In Customers' Use	460,943	200,325	11,710
15	In Company's Use	328	346	13
16	Total End of Year (Enter Total of lines 11 to 15. This line should equal line 10)	479,886	208,151	12,243

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

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